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NATIONAL NEWS

RACIAL RESTRICTION REVEALED ON SECOND REHNQUIST DEED

Senate Democrats, continuing their attack on Supreme Court Justice William Rehnquist's candor and commitment to civil rights, disclosed yesterday that the deed to his former house in Phoenix included a covenant barring its sale or rental to "any person not of the white or Caucasian race."

Testifying before the Senate Judiciary Committee for a second grueling day on his nomination to be chief justice of the United States, Rehnquist said he had not been aware of the proviso until a few days ago when it was discovered by the FBI. The restriction dated to 1928 and covered the Palmcroft subdivision where Rehnquist bought a house in 1961.

(George Lardner & Al Kamen, Washington Post, A1)

Rehnquist Denies Knowledge Of Second Racist Restriction On House

Disclosure of a second restrictive covenant in property purchased by Supreme Court Justice William Rehnquist touched off sharp partisan squabbling Thursday among members of the Senate Judiciary Committee.

"This is the biggest red herring of this hearing," said Sen. Orrin Hatch. "Everyone knows [restrictive covenants] are unenforceable."

"The major issue is the nominee's sensitivity to civil rights," insisted Sen. Edward Kennedy. (Benjamin Shore, Copley News Service)

Kennedy Angers Rehnquist Backers

Sen. Edward Kennedy continued yesterday to lead the Democratic attack on the qualifications of William Rehnquist to be the chief justice of the United States, finally provoking the wrath of his Republican defenders.

"This nominee was an official of the Justice Department when he transferred a home that had such a restriction," Mr. Kennedy said. "I think that's significant."

"That's the biggest red herring in this whole hearing," Sen. Orrin Hatch said. "You know it's ridiculous. I know it's ridiculous."

(David Sellers, Washington Times, A1)

Democrats Relying On Voter Harassment Charges To Fight Rehnquist Nomination

Senate Democrats, scrambling to thwart William Rehnquist's nomination to be chief justice, are setting their hopes on witnesses ready to testify that Rehnquist harassed minority voters in Phoenix, Ariz., in the early 1960s.

Republican supporters of Rehnquist, whose confirmation hearings by the GOP-controlled Senate Judiciary Committee enter their fourth day today, received a boost Thursday from President Reagan. The President denied committee Democrats access to internal Justice Department memoranda written by Rehnquist when he was assistant attorney general from 1969 through 1971.

(Robert Andrews, AP)

Reagan Uses Executive Privilege To Keep Rehnquist Memos Secret

President Reagan invoked executive privilege last night to deny access by Senate Judiciary Committee Democrats to internal memos Chief Justice-designate William Rehnquist wrote when he was in the Nixon Administration Justice Department.

Democrats, some of whom had left, returned hurriedly upon hearing of the unusual action and reacted angrily. Sen. Edward Kennedy called it "stonewalling" and Sen. Howard Metzenbaum charged a "cover-up."

(Al Kamen & Ruth Marcus, Washington Post, A1)

Executive Privilege Invoked On Rehnquist Documents

The Reagan Administration has rejected Senate Democrats' request for documents to determine whether chief justice nominee William Rehnquist once helped develop surveillance programs against Vietnam protestors.

The Administration invoked executive privilege to withhold the papers from the Senate Judiciary Committee at hearings on Rehnquist's nomination to head the Supreme Court.

"It's a deliberate cover up," charged Democratic Senator Howard Metzenbaum.

(Robert Green, Reuter)

AIR FORCE SEEKS MORE BOOSTERS

The Air Force said yesterday it will ask Congress for \$2.6 billion to help recover from three space disasters that have left the Defense Department with no means of launching critical surveillance and weather satellites.

Air Force Secretary Edward Aldridge said yesterday that it would take at least a decade to recover from the setbacks of the explosions of the space shuttle Challenger and the unmanned Titan and Delta rockets this year. He said the Air Force has a backlog of 21 satellites awaiting the resumption of the shuttle launches, now scheduled for 1988, and expects the backlog to grow to about 30 by the time the shuttle program is fully restored in the early 1990s.

(Molly Moore, Washington Post, A1)

U.S. Officials See Unmanned Rockets, Private Launches As Shuttle Alternatives

Military satellites will be boosted into space more often on unmanned rockets, and virtually all commercial launches may be handled by private industry due to the shuttle Challenger disaster, government officials say.

Any effort to prod private industry into the launch business, in turn, could lessen the need to build a Challenger replacement, although President Reagan has made no final decision on that, the officials said.

Significant pieces of the Administration's "space recovery plan" were outlined Thursday at separate White House and Pentagon briefings.

(Norman Black, AP)

HOUSE DEMOCRATS SEEK LESS SEVERE IRA CURBS

Individual Retirement Accounts would have new restrictions for workers covered by company pension plans under a tax proposal being drafted by House Democratic negotiators, but the curbs would not be as severe as those in the Senate-passed tax bill.

"They're miles apart from where we are. I think it's questionable whether we'll have a bill," said Sen. John Danforth.

"If ever there was dead body leaving the morgue, that certainly had to be it," said Sen. Malcolm Wallop.

(Anne Swardson, Washington Post, A4)

HILL STRUGGLES OVER SPENDING

Committees in both houses of Congress fell short yesterday of meeting their first set of deficit-reduction targets aimed at avoiding across-the-board spending cuts this fall under the Gramm-Rudman-Hollings budget-balancing law.

But House Democratic leaders indicated they will come up with nearly \$2 billion in additional revenues to achieve the initial targets, tentatively agreeing to increase federal taxes on cigarettes and wine.

And Senate Budget Committee Chairman Pete Domenici said that, if both houses meet the targets, Congress will be "within striking distance" of compliance with the budget law. (Helen Dewar, Washington Post, A4)

GOP'S THIRD-TERM DREAM DISMISSED

Democratic National Chairman Paul Kirk called a Republican proposal to repeal the 22nd Amendment a "smokescreen" yesterday and said it has no chance of success.

Republican proponents of repealing the amendment, which limits a president to two terms, would like to see their proposal ratified in time for President Reagan to seek reelection.

(Susan Benesch, Washington Post, A5)

NEW STANDARDS SET FOR SUPERFUND WORK

Congressional conferees, breaking a 2½-year deadlock, agreed in principle yesterday to a \$9 billion Superfund toxic-waste cleanup program with new standards for neutralizing thousands of hazardous chemical dumps nationwide and new protections for neighboring communities and victims of industrial poisons.

The five-year program, to be financed chiefly by the petrochemical industry, represents a fivefold increase over the Superfund budget approved in 1980 and was praised by environmental groups for strengthening several cleanup regulations.

(Michael Weisskopf, Washington Post, A1)

POLITICS AFFECTED ATOM DUMP CHOICE

The Department of Energy considered the political implications of at least six courses of action before deciding to postpone selection of a high-level nuclear waste site in the East, according to department documents.

The department eventually chose an option that, according to the internal documents, "would give a great deal of political benefit to DOE" from eastern states, although it was likely to be perceived as "program mismanagement" and would result in "severe political backlash" from potential dump sites in the West. (Cass Peterson, Washington Post, A1)

ADMINISTRATION PREPARES AID PACKAGE FOR DROUGHT

The Reagan Administration will announce Friday a sweeping package of federal aid for drought-stricken Southern farms, Republican senators said Thursday night.

Sen. Agriculture Committee Chairman Jesse Helms said Agriculture Secretary Richard Lyng would announce the plan at 3 p.m. and it would parallel "almost precisely" legislation approved by the House Agriculture Committee and offered Thursday in the Senate. (Steve Gerstel, UPI)

SENATE SUBCOMMITTEE APPROVES FUNDING FOR NAVY PLAN TO DISPERSE FLEET

A key Senate subcommittee Thursday approved \$157 million in construction money for the first two new ports to be built under the Navy's controversial plan to disperse its growing fleet around the country.

The voice vote by the Appropriations Subcommittee on Military Construction approved a 1987 military spending bill that includes the construction money for new ports at Everett, Wash., and Staten Island, N.Y. (William Osborne, Copley News Service)

MONEY-LAUNDERING MEASURE ADVANCES

The Senate Judiciary Committee yesterday unanimously approved a bill to crack down on money-laundering after refusing to act on a Reagan Administration version that critics said would wipe out privacy protections for bank customers.

Committee Chairman Strom Thurmond sponsored the bill with Sen. Joseph Biden, the panel's ranking Democrat, after it became clear that the measure Thurmond had introduced at the Administration's request would not pass. (Howard Kurtz, Washington Post, A3)

REVEILLE FOR A WHISTLE-BLOWER: CLINKSCALES TO OVERSEE DRAFT

President Reagan has decided to name William Clinkscales, controversial whistle-blower who was shunted to a do-nothing federal job, to head the Selective Service System, according to congressional sources.

Clinkscales, now at the General Services Administration, is undergoing an FBI background check for the job of overseeing the nation's draft registration system, the sources said. They said that Sen. Strom Thurmond pushed the White House into finding a job for the South Carolina native.

(Howard Kurtz, Washington Post, A13)

INTERNATIONAL NEWS

U.S., JAPAN AGREE ON CHIPS PACT

The United States and Japan ended a year-long trade dispute yesterday with an agreement that Reagan Administration and industry officials said could increase U.S. semiconductor sales by \$2 billion a year and preserve America's world leadership in technology.

"This has far-reaching consequences both for U.S. jobs and U.S. technology," said Commerce Secretary Malcolm Baldrige, who announced the agreement with U.S. Trade Representative Clayton Yeutter at a White House briefing. (Stuart Auerbach, Washington Post, A1)

Japan Gives Way On Computer Chips

Japan pledged yesterday to stop undercutting U.S. sales in the multibillion-dollar semiconductor industry in a pact the Japanese hope will stifle "strong protectionist pressure" in Congress against foreign imports.

In the agreement, negotiated by U.S. Trade Representative Clayton Yeutter, Japan guaranteed that it would open up its markets to the slumping U.S. computer chip industry and stop "dumping" Japanese chips in the United States at prices far below production costs.

(Marc Adams, Washington Times, A1)

Administration Wins Computer-Chip Victory Over Japan

As much as \$2.5 billion in computer chip sales could come home to U.S. high technology companies due to a hard-won trade pact signed by the United States and Japan, say industry and Administration spokesmen.

Rep. Les AuCoin called the semiconductor agreement "a breakthrough of the first magnitude" that will give the United States a chance "to regain the competitive edge" in research and new sales. (Ira Allen, UPI)

BRITAIN, U.S. DISCUSS SANCTIONS

LONDON -- Britain and the United States have intensified efforts to coordinate their policies on South Africa in the face of what both allies now see as irresistible pressure to take new action against the pro-apartheid government in Pretoria.

Following a meeting here today between U.S. Assistant Secretary of State for African Affairs Chester Crocker, the Reagan Administration's chief trouble-shooter on southern Africa, and British Foreign Secretary Geoffrey Howe, a senior Reagan Administration official said that "harmony" of approach "is the goal, and we're going to shoot for that."

(Karen DeYoung, Washington Post, A1)

SENATE PANEL REJECTS DIVESTMENT BUT LEANS TO OTHER PRETORIA CURBS

The Senate Foreign Relations Committee today defeated a proposal to mandate the withdrawal of all American investment from South Africa. But a majority of the panel clearly favored imposing some form of severe sanctions on the Pretoria government.

By a party-line vote of 9 to 7, the panel rejected a proposal by Sen. Alan Cranston, calling for divestment as a protest against the racial policies of South Africa. A similar bill passed the House last month, but most lawmakers have assumed that such a sweeping proposal would never pass the entire Congress and become law.

(Steven Roberts, New York Times, A1)

SENATE FOREIGN RELATIONS COMMITTEE FORCED TO DELAY SANCTIONS ACTION

The congressional drive to impose new economic sanctions against South Africa stumbled yesterday over a Senate rule that cut short action by the Foreign Relations Committee on a sanctions measure.

The committee was forced to adjourn its session before approving the bill when a rule that prohibits committees to meet for more than two hours after the full Senate is in session was invoked, apparently by an opponent of sanctions legislation who was not identified.

(Edward Walsh, Washington Post, A20)

U.S. VETOES NICARAGUAN RESOLUTION ON COMPLIANCE WITH COURT DECISION

UNITED NATIONS -- The United States vetoed a Nicaraguan resolution tonight under which the Security Council would have urged "full compliance" with a World Court ruling demanding an end to U.S. support for the anti-Sandinista rebels, known as contras or counterrevolutionaries.

U.S. Ambassador Vernon Walters said his government was compelled to veto because the resolution would have been a disservice to international law, a cover for Sandinista actions violating U.N. principles and would not contribute to peace in Central America.

(Michael Berlin, Washington Post, A18)

FOREIGN AID CUT VOTED

The House Appropriations Committee yesterday approved a \$1.5 billion cut in foreign aid for fiscal 1987, setting the stage for a major confrontation between the Reagan Administration's foreign policy priorities and its commitment to the Gramm-Rudman-Hollings balanced-budget act.

On a voice vote, the committee voted \$12.98 billion for economic and military assistance to 38 nations, contributions to international banks and the Export-Import Bank. That is 10 percent below last year's level and 16 percent -- or \$2.6 billion -- below the Administration's \$15.4 billion request. But it is within limits set up by the House Budget Committee to meet Gramm-Rudman-Hollings targets.

(Joanne Omang, Washington Post, A2)

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U.S. CHARGES LIBYA WITH LATIN TERROR

The United States suspects Libya is using its Islamic religious centers in Latin America and the Caribbean as covers for "intelligence links" to terrorist groups, according to a new State Department report.

The report identified 32 countries in Central and South America and the Caribbean where Libya has armed and trained guerrilla groups or exerted some degree of influence with leftists and terrorists through its embassies, called people's bureaus, or its Islamic centers.

(James Morrison, Washington Times, A1)

REAGAN CAUTIONS CUTS HARMFUL TO ARMS TALKS

President Reagan yesterday warned a group of House Republicans and Democrats that proposed cuts in the 1987 defense budget threaten to undermine arms control talks with the Soviet Union.

"Reductions in SDI funding, restrictions on our strategic modernization program and limits on our strategic forces are all actions that run the risk of reducing prospects for securing an arms control agreement," Mr. Reagan said. (Jeremiah O'Leary, Washington Times, A1)

TEST BAN NEGOTIATORS TAKE RECESS

GENEVA -- U.S. and Soviet experts yesterday ended the first superpower talks on monitoring nuclear tests since President Reagan took office, and issued a joint statement saying the conversations would resume in early September.

In Washington, Reagan Administration sources said they were pleased with the initial discussions and particularly with apparent Soviet interest in U.S. proposals for on-site monitoring of nuclear tests, Washington Post staff writer Walter Pincus reported.

(Robert McCartney, Washington Post, A17)

SOVIET MILITARY OPERATIONS SEEN INCREASING IN THE PACIFIC

HONOLULU -- A huge naval and air base on Vietnam's coast that for many years was the key supply hub to the U.S. war effort in that country has gradually been transformed into what the U.S. Pacific Command now calls "the largest Soviet naval base" for forward deployment of Russian warships outside the Soviet Union.

Adm. Ronald Hays, commander in chief of the U.S. Pacific Command, says the Soviet buildup at Cam Ranh Bay is "the most significant development in this theater [of operations] in recent years."

(William Branigin, Washington Post, A17)

REAGAN UNCOMMITTED ON GRAIN SALE SUBSIDIES

President Reagan met yesterday with one of the Republican senators pushing for subsidized grain sales to the Soviet Union but withheld any decision on the controversial policy change.

As a top-level delegation representing all the political parties in Australia arrived to lobby against the subsidized sales, Reagan gave Sen. James Abdnor five minutes during an Oval Office picture-taking session to plead his case. Abdnor's news secretary, Mike Freeman, said the senator found Reagan "very flexible" and "left feeling fairly optimistic."

(David Broder, Washington Post, A24)

BUSH GIVES HUSSEIN \$4.5 MILLION 'PLUM'

AMMAN, Jordan -- Vice President George Bush, trying to convince a reluctant King Hussein to resume his key role in the Middle East peace efforts, has come up with \$4.5 million worth of reasons to support his case.

A senior Administration official disclosed Thursday that \$4.5 million in unspent foreign aid funds will be redirected through Jordan to economic development projects in the occupied lands.

U.S. officials said the decision to assist the Jordanian effort underscored a desire to avoid seeing the 1.3 million Palestinians in the West Bank and Gaza "held hostage to political decisions" on their future status.

(Norman Sandler, UPI)

Bush Seeking Formula For Jordan-Israeli Talks

AMMAN, Jordan -- Vice President George Bush met Jordan's prime minister yesterday, seeking a formula to bring King Hussein to the conference table with Israel.

"We were struck by the strength of the prime minister's feeling of the need for Jordan to demonstrate its support for the Palestinians of the West Bank and Gaza," a U.S. official said of the meeting with Prime Minister Zaid Rifai.

(Washington Times, A6)

EDITOR'S NOTE: "U.S. Chip Makers Eye Trade Deal With Caution," by Michael Schrage, appears in The Washington Post, A12.

NETWORK NEWS SUMMARY

(Thursday Evening, July 31, 1986)

REHNQUIST HEARINGS

CBS's Dan Rather: New charges traded today at Senate confirmation hearings for William Rehnquist, nominated to be the next Chief Justice of the United States. The issue again: what some view as Rehnquist's radical ideology and lack of sensitivity to the constitutional rights of minorities in his own private life.

CBS's Fred Graham: Rehnquist's attitudes towards minorities were called into question as it was revealed that deeds on two of his homes have contained restrictions forbidding non-whites or Jews from purchasing them.

(Sen. Kennedy: "I think the point that has to be made is the real question of the sensitivity of this nominee. The issue of civil rights.")

One home was Rehnquist's former residence in Phoenix which was deeded to him containing the restriction that it could not be rented or resold to "any person not of the white or Caucasian race."

(Kennedy: "Were you familiar with that particular provision?")

Rehnquist: "I certainly don't recall it no. It's 1961 -- I simply can't answer that Senator. It was a title company transaction, I think, and one relies on the title company for the sufficiency of the deed. I simply can't answer whether I read through the deed or not.")

In Phoenix, a realtor said such covenants are quite common.

(Skip Rimsza, Realtor: "The process to remove them, because it's already without effect, the process to remove them would be so cumbersome that there's just no reason to bother, more than anything else.")

Rehnquist said he also didn't know until this week that his vacation home in Vermont had a deed forbidding resale to a person of the Hebrew race.

(Sen. Hatch: "I think it's ridiculous to make a big brouhaha about something this ridiculous. These type of covenants -- they're vestiges of a very bad past -- everybody knows they're illegal.")

As Rehnquist's interrogation inched toward its completion this evening most observers feel that no fatal damage has been done and that he will be confirmed. His critics are scheduled to testify late into the night when almost nobody will be listening. (CBS-Lead)

ABC's Peter Jennings: In Washington today the Democrats are turning up the heat on President Reagan's nominee to be Chief Justice. Today the second disclosure in two days of restrictive covenants or agreements on property owned by Justice William Rehnquist. The covenants are not at all uncommon as we shall explain, but first the confirmation hearings itself. The politics are very partisan but there is a question: should certain public figures be held to a higher standard?

ABC's Brit Hume: In its background investigation of Rehnquist the FBI found that the deed to his Vermont summer home came with a provision, legally unenforceable, prohibiting the property's sale or lease to Jews.

Hume continues: No feet of the herein conveyed property, it reads, shall be leased or sold to any member of the Hebrew race. And it was disclosed that this house in the Palmcroft subdivision of Phoenix where Rehnquist lived in the 1960s had a similar deed restriction -- also unenforceable, but apparently standard with Phoenix houses at the time. No lot or any part thereof on the plat of Palmcroft, it said, shall ever be sold or leased to or be inhabited by any person not of the white or Caucasian race. Rehnquist said yesterday that he had been unaware until recent days of the Vermont deed restriction and would seek to have it removed. Today the questions were about the one in Phoenix.

(Sen. Kennedy: "Were you familiar with that particular provision?"

Rehnquist: "I certainly don't recall it, no."

Kennedy: "Well would you have read through the various, the warranty deed when you bought the land? Do you have any recollection? It's a long time ago, but..."

Rehnquist: "It's 1961. I simply can't answer that Senator. It was a title company transaction, I think, and one relies on the title company for the sufficiency of the deed. I simply can't answer whether I read through the deed or not.")

He was asked if he would check the deed of any property he bought in the future.

(Rehnquist: "In terms of -- yes, I think I would."

Kennedy: "Well when did you -- you didn't before evidently. You didn't in 1961."

Rehnquist: "It simply hadn't occurred to me."

Kennedy: "When did it start occurring to you?"

Rehnquist: "Well the discussion today or last evening has certainly brought it out.")

And there were questions today about a memo Rehnquist wrote in 1952 while a Supreme law clerk to Justice Robert Jackson. The memo said the Supreme Court's original decision allowing segregated schools was, "right and should be reaffirmed." Rehnquist has long maintained that the memo contained not his views but those of Justice Jackson.

(Sen. Metzenbaum: "The memo, by it's language, by everything in it including its title, would indicate it was yours."

Rehnquist: "The memo was prepared by me, typed by me. The question I understood you to be asking is whose views does the body of the memo contain? And there I have answered you. I think it is entirely Justice Jackson's.")

Rehnquist's opponents know they can't stop him because of his conservative philosophy but if they can portray him as insensitive to racial justice and perhaps dishonest about it, that's different. And that's why they're delving into matters that go back as far as 34 years.

Jennings: As we said at the beginning of the broadcast the particular covenants which Justice Rehnquist is being challenged on are not uncommon. They're not legal, but changing the language involves time and money and they do remain widespread.

ABC's John McKenzie: ...While many of these covenants are still on paper today they mean nothing in court. The Supreme Court in 1948 ruled them unenforceable, and Congress in 1968 passed the Fair Housing Act which made them illegal.

McKenzie continues: Today homeowners cannot get covenants written into deeds and many owners might not even know their old deeds include them.

(Lisa Grenadier: "It certainly is possible that they would be unaware. The buyer does not sign the deed; only the seller signs it.")

(ABC-Lead)

NBC's Tom Brokaw: For the second day in a row William Rehnquist was forced to answer questions about restrictive conditions on the sale of property he owned. Democratic senators on the Judiciary Committee went after the man that President Reagan wants to be Chief Justice of the United States and a Republican Senator responded in anger. Rehnquist is expected to get the job but his hearings have not been a breeze.

NBC's John Dancy: Some Democrats continued to hammer away at Justice Rehnquist trying to portray him as insensitive on questions of discrimination. They revealed last evening that the deed to the Vermont vacation home Rehnquist bought twelve years ago contained a restrictive covenant preventing its sale or lease to Jews. Rehnquist said he didn't know that. And today a new revelation: that a Phoenix home Rehnquist owned in the '60s had a clause preventing its sale to blacks. Rehnquist was asked if he knew about it.

(Rehnquist: "Senator. It was a title company transaction, I think, and one relies on the title company for the sufficiency of the deed. I simply can't answer whether I read through the deed or not.")

But Kennedy of Massachusetts pressed him. Would he buy a house today without examining the deed?

(Kennedy: "Well, would you check and see if there were any restrictions in terms of the purchase of property?"

Rehnquist: "Yes, I think I would."

Kennedy: "You didn't before evidently. You didn't in 1961."

Rehnquist: "It simply hadn't occurred to me."

Kennedy: "When did it start occurring to you?"

Rehnquist: "Well, the discussion today or last evening has certainly brought it out."

Kennedy: "Well you don't think that you should have before any time?"

Rehnquist: "I certainly not only thought but knew that this sort of a covenant is totally unenforceable and had been for years since a Supreme Court decision a long time ago. So while very offensive, it has no legal effect.")

But Hatch of Utah said Kennedy's charges were ridiculous.

(Sen. Hatch: "This is the biggest red herring I've seen in the whole hearing, and there are a number of them, is this business of these titles.")

Kennedy: "I think the point that has to be made is the real question of the sensitivity of this nominee. The issue of civil rights."

Hatch: "Oh come on."

Kennedy: "That is a major issue and question.")

But for most of the day Rehnquist was questioned on constitutional issues. He came off true to his reputation as a conservative. Liberals on the committee may not like that but it's not grounds to disqualify him, and his confirmation still seems certain. (NBC-Lead)

U.S.-JAPAN/TRADE

Rather: Japanese business and government long have worked closely to protect their own markets at home while dumping products on the American market to drive out competitors. President Reagan, under pressure from Congress, finally has convinced the Japanese to ease up.

CBS's Lesley Stahl: The United States and Japan reached what Administration officials called a landmark agreement that would allow American manufacturers to sell more computer chips in Japan. In fact, sales could increase more than 300%.

(Ambassador Yeutter: "This is one of the most important bilateral agreements that has ever been negotiated by the United States of America.")

The Japanese also agreed to stop dumping their semiconductors, underselling the market at bargain basement prices in the U.S. and other countries. Although the transistor was invented and developed in the U.S., Japan has taken a lead in the world market because of its lower prices.

(Secretary Baldrige: "We were getting our lunch eaten here by dumping and losing jobs and so forth. That part is as well buttoned up as it can be."

Kathleen Maloney, Trade Expert: "It is good news for those firms again who are still in the business and those firms who might have been on the verge of going out of business.")

The announcement was made as President Reagan faces a growing bipartisan opposition in Congress on two fronts. One, a move to block cheap textile imports from Asia by overriding his veto. And two, a plan to help farmers by subsidizing grain sales to the Soviet Union which the President has opposed.

(Rep. Kaptur: "More American workers lose their jobs and more American farmers go under. The Administration's response up to now has been to do nothing."

Rep. Weber: "The White House should know that we cannot accept the status quo in farm country. With the textile bill facing a veto override vote soon, the problems of trade are foremost in our minds.")

With the number two Republican in the House leading the fight against the President on textiles the White House is worried. It hopes to diffuse the issue by announcing new textile agreements with Korea and Japan in the next few weeks. (CBS-4)

Jennings: An agreement today between the United States and Japan on the subject of computer chips.... The Japanese today agreed they will stop selling them in the United States at prices below what they cost to make -- often so low that American manufacturers can't compete. American industry sources tell us the agreement could stem the loss of jobs in the computer chip industry here and it could also make it somewhat easier for American producers to compete in the Japanese market. (ABC-4)

Brokaw: There is a major new Japanese-American trade agreement tonight on microchips.... Even though the Reagan Administration says this will help American industry, congressional critics say this deal is not enough alone.

NBC's Chris Wallace: Administration officials are calling it one of the most important trade agreements ever. Japan will stop dumping computer chips in the U.S. at below market prices, and will open up its own market to American chips. Estimates are the new agreement will mean more than \$2 billion in added U.S. sales. Today Administration officials showed how well they are handling the trade issue.

(Ambassador Yeutter: "We will not stand idly by as American workers are threatened by unfair trading practices. We have and we will take the tough actions that are necessary to insure that all nations play by the same rules.")

The problem is the soaring trade deficit. Last year a record 148 billion, so far this year a pace of 170 billion. The result: a big drive in Congress for new U.S. trade barriers. Next week the House will try to pass a bill over the President's veto cutting textile and shoe imports. And backers of the measure were not impressed by the President's agreement with Japan.

(Rep. Jenkins: "Unfortunately he has waited until we have been swamped with imports and then he attempts to fix it at the last hour which is too late.")

Trade has become such a hot issue this election year that Republicans from areas hurt by imports are breaking with Mr. Reagan.

(Sen. Broyhill: "The President's trade policy is losing jobs for United States workers.")

But Administration officials warn if Congress erects trade barriers to protect textile jobs, foreign countries will erect their own barriers against American farm products.

(Ambassador Yeutter: "Certainly we would hope that those Republicans will think very carefully about what they're doing because there's no free lunch in this area.")

Rep. Gephardt: "There's always this boogey-man out there that countries are going to retaliate against the United States. It's the last thing they're going to do.")

All signs are that the House vote next week will be very close as the President worries about an international trade war, and congressmen worry about unemployed voters in their districts. (NBC-3)

SHUTTLE PROGRAM

Rather: Word today of a major shift and diminished role for the whole U.S. space shuttle program.

CBS's David Martin: The once grand design of the shuttle as America's sole means of space transportation came closer to its final unraveling today, announced ironically by a man who was to have flown on a shuttle mission this month but now probably never will.

(Edward Aldridge: "To rely on the shuttle as the only launcher, the only booster for the entire U.S. access to space, that was a mistake.")

President Reagan is now expected to now take away one of the shuttle's prime missions: launching private communication satellites for commercial uses. Industry will now have to build and launch its own rockets or find another country like France or China who will.

(John Logsdan, Space Policy Expert: "A logical and recognition of a mistake in national policy that says we should not have thought that the shuttle was cost effective and routine.")

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Martin continues: Building a fourth orbiter to replace the fallen Challenger had once been considered a sure thing, but today Larry Speakes acknowledged that a ban on commercial launches decreases the need for a new orbiter. With only three orbiters in the shuttle fleet the Air Force announced today it will have to close down, until 1992 at the earliest, its \$3 billion shuttle launch complex in California. The Air Force also said it will have to spend an additional \$2.6 billion on buying and launching unmanned rockets to carry military satellites once ticketed for the shuttle. The Air Force has even been talking to the French about launching some navigation satellites atop the Arienne rocket. The Pentagon will still have to rely heavily on the shuttle to carry its intelligence and communications satellites into orbit. When the shuttle starts flying again in 1988 there will be a backlog of 21 military payloads waiting to be launched.
(CBS-2)

Jennings: Within the confines of NASA the space shuttle is more formally known as the space transportation system. The original idea, as the title suggests was to transport all sorts of commercial, scientific, and military payloads. In the future the shuttle may well become almost exclusively military.

ABC's Steve Shepard: If key Presidential advisors have their way the space shuttle will no longer be used to launch commercial satellites. Larry Speakes confirmed today that senior Administration officials want NASA to get out of the commercial space business so it can concentrate on launching scientific and military payloads. That concerns many in Congress.

(Sen. Garn: "I think it would be a mistake. I think it is important that the orbiter carry mixed cargoes, both military as well as civilian-commercial. That is a position I've long held.")

If the recommendation is accepted commercial satellite builders will have to rely on foreign rockets like the French Arienne, or private U.S. launching companies to get their payloads into orbit.... The problem is, although they have launched rockets, up to now no private U.S. company has ever successfully orbited a satellite. The idea of restricting NASA to military and scientific payloads is partially the result of the Challenger disaster. With the shuttle fleet grounded the backlog of critical military payloads waiting for launch is growing rapidly.

(Edward Aldridge: "When the shuttle starts flying in February of 1988, which is the day that they hope to get it off the ground, DOD will have 21 payloads sitting on the ground waiting to fly.")

Those spy satellites and other payloads will have priority over commercial cargo. And that will amount to a militarization of NASA.

(Rep. Brooks: "It was set up as a civilian agency for the sole purpose of getting efficiency and removing it from under the umbrella of the military whom they thought and felt certain would botch it up.")

Ironically, for the next six years those military shuttle flights will take off from the civilian Kennedy Space Center. The Air Force said today that to save money the military shuttle complex at Vandenburg Air Force Base in California will not be made operational until 1992. But whatever the launch site, in the years ahead NASA may look less like some independent civilian agency and more like a branch of the Defense Department.
(ABC-2)

Brokaw: What does not seem so certain tonight is the place of private business on future shuttle flights. When NASA was originally promoting the shuttle it claimed that private business would pay much of the freight through fees for launching satellites and on-board manufacturing. But the explosion changed the shuttle's future, and the military wants to reserve the future flights for itself.

NBC's Robert Hager reports that now with the shuttle grounded at least until 1988 key Reagan Administration officials have decided that when the shuttle flies again, military missions will have to take first priority and then scientific ones. Commercial and foreign satellites will be barred from the shuttle except for a few previously committed missions.

(Edward Aldridge, Air Force Secretary: "By forcing commercial satellites and NASA to say, 'You cannot fly commercial satellites on the shuttle,' they have to go somewhere else to fly.")

...To create a U.S. industry which would launch payloads on unmanned rockets would take three years or more. So U.S. satellite companies are disappointed.

(William Pritchard, Satellite Company Advisor: "That's a terribly depressing and unfortunate move, at least insofar as I can say now.")

NASA Administrator James Fletcher wasn't commenting today but Congressman Jack Brooks called it a takeover by Defense Secretary Weinberger.

(Rep. Brooks: "We thought Fletcher was our trouble maker and it turns out he's gonna be a hero before it's all over with. It's gonna be Caspar Weinberger trying to abolish the civilian space agency as they take over what's left.")

Brokaw: Congressional investigators said today that the Morton Thiokol Corporation skipped three of seven mandatory inspections of the rocket whose explosion destroyed the Challenger. They said these missed inspections were among more than 2,000 possible quality control problems in the manufacture of the booster rocket. (NBC-2)

ARMS CONTROL

Jennings: The United States and Soviet Union wound up their talks on nuclear testing in Geneva today. ABC's Rick Inderfurth says American officials tell him the meetings were positive and forward. But the United States still refused to join the Soviets in their 11-month old moratorium on testing. The two sides will meet again in September. Those American officials say the latest rounds of talks on limiting strategic weapons which ended yesterday were acrimonious with the American side insisting the President's position not to abide by SALT II was final. The Soviets warn that scrapping the accord could lead to extremely dangerous consequences. (ABC-9)

SOUTH AFRICA

Rather: Will Britain approve some kind of economic sanctions against South Africa? On the one hand the British Cabinet today unanimously backed Prime Minister Thatcher's firm stand against sanctions.

Rather continues: But British Foreign Secretary Howe also met with top U.S. State Department official Chester Crocker, and that has led to a spate of leaked stories purposely fueling speculation that Howe will seek backing from the U.S. and Japan for limited sanctions.

Rather: In the complexity of South Africa's military enforced segregated society moral choices and questions such as economic sanctions can be complicated.

CBS's Allen Pizzey: These pots are all that stand between hundreds of women and children and starvation -- even death. Part of a private charity known as Operation Hunger, this feeding center is in the impoverished black homeland.... It is these people the South African government claims would be the first victims of sanctions. Operation Hunger officials agree, but say the root cause of the problem is South Africa's socio-economic system and sanctions aren't going to change that.... Total American sanctions would cost at least 120,000 black jobs according to a business survey. Operation Hunger says with an estimated nine people dependent on each black worker, a million people would be affected.... South Africa has one of the three worst infant mortality rates in the world among countries with the same size economy. Between 35 and 50,000 black children under the age of 10 die of hunger related problems here every year. Sanctions would probably double that according to Operation Hunger. The only way to counter the disaster would be with massive international food aid, in effect, convoys to relieve apartheid's victims. (CBS-3)

Jennings: As pressure continues to increase in this country for some kind of economic sanctions against South Africa, the British continue to debate whether or not to bring such sanctions on the South African government. Prime Minister Margaret Thatcher got new support today for her strong anti-sanction position.

ABC's Barrie Dunsmore: The British Cabinet met today and decided once again to support Prime Minister Thatcher's continued opposition to economic sanctions against South Africa....

(Malcolm Fraser: "A continuation of past policies is guaranteed, in my view, to hand the southern part of Africa over to Mr. Gorbachev. And I'm sure that's not what Mrs. Thatcher wants to do.")

There were rumors today that Foreign Secretary Howe was threatening to quit because of a dispute with Mrs. Thatcher over sanctions. This was denied and later he was toeing the Thatcher line.

(Secretary Howe: "Further measures are under consideration. Nobody, I think, any longer has any illusions that we're going to solve this problem of South Africa by comprehensive, mandatory economic sanctions.")

Meanwhile U.S. Assistant Secretary of State Chester Crocker went to the foreign office to be briefed by Howe on his recent South Africa visit. Clearly the U.S. and Britain are under great pressure to do something about sanctions, but each, it would now seem, would like the other to go first. With the mandate of her Cabinet Mrs. Thatcher can now say no to the Commonwealth this weekend when it calls for drastic sanctions. If and when she bows to limited sanctions she would prefer to do it in concert with her European friends and Ronald Reagan.

Jennings: On Capitol Hill today the Republican controlled Senate Foreign Relations Committee is beginning its effort to force the President's hand on the issue of sanctions. One sanctions proposal which gained some strength today calls for a ban on landing rights for the South African government airline, and a ban on all goods made by companies owned by the South African government. (ABC-8)

Brokaw: An official South African economic report today disclosed that the government there has been stockpiling oil and other strategic minerals in anticipation of Western sanctions. At the same time the British government still refuses to budge on sanctions, the cabinet in London today endorsing Prime Minister Thatcher's no-sanctions stand. But the BBC reported that this could change in September if the United States and Japan also impose economic sanctions against South Africa. (NBC-7)

U.N./NICARAGUA

Jennings: At the United Nations this afternoon, as expected, the United States has vetoed a resolution calling on the United States to stop its support for the Contras trying to overthrow the government in Nicaragua. Nicaraguan President Daniel Ortega was in town this week to argue his case before the Security Council and since then he's made a number of appearances in this country including a brief one on this broadcast. It is a familiar pattern for many controversial politicians who come to America. If you cannot get directly to the men who run the country, do your best to get at the rest of us who vote.

ABC's Jeff Greenfield: It isn't the political campaign season yet so why is this man smiling, waving, admiring children? Because...Daniel Ortega is, in fact, in the midst of a campaign swing -- appealing not for votes but for public sympathy -- and using all the techniques of modern public relations. Officially Ortega was here to speak to the United Nations Tuesday. But he spent most of his time trying to convince the American people that peace and democracy will come to Nicaragua if only the U.S. will stop funding the anti-Sandinista guerrillas: the Contras.

(Ortega: "Military action against Nicaragua would mean getting U.S. troops bugged down in Nicaragua.")

His dress was conservative: coats and ties, following advice to abandon the fatigues. He traveled with his common-law wife to project, in the words of a Sandinista memo, "human warmth" to the United States audiences. And as with any author, movie star, or politician, he subjected himself to the relentless media machine....

(Dorothy Rabinowitz: "You have a full-fledged media hype going on with the most extraordinary and justified confidence that they are going to get audiences.")

To help win American hearts and minds, Nicaragua hired the PR firm Agendas International, paying them some \$25,000 a month. The firm set up Ortega's meetings with American newspapers and TV networks. Agendas International declined to talk with ABC News but Frank Mankiewicz, whose Gray and Company represents many foreign clients, explains that a country like Nicaragua may have good reason for seeking PR help.

Greenfield continues:

(Mr. Mankiewicz: "Regimes, countries that are in disfavor can't do it on their own. They've gotta have somebody who really knows the American media, knows the right buttons to push to get ink and to get on TV.")

Ortega also used his time to rally the faithful. At Riverside church his host was one-time anti-war activist William Sloan Coffin. His audience included lawyer William Kuntzler, a senior citizen of the American left. And at a party hosted by folk singer Mary Travers of Peter, Paul & Mary fame, guests dined on salmon and pasta salad and heard Ortega answer questions.

(Mary Travers: "One of the assistants of Ortega called and said that they're coming and could we get together. Clearly he has to talk to America. He has to say, 'Listen, stop funding the Contras.'")

The Media battle is fought on both sides of the Nicaraguan campaign. Last spring Washington public relations firms organized gala benefits to aid the anti-Sandinista Contras and also organized visits to Capitol Hill for them. And sometimes media hype can backfire. Last fall Ortega got a PR black eye by spending some \$3,500 on designer eyeglasses at a trendy New York store. There were no public shopping sprees this time. At times this whole effort can approach farce. At Mary Travers' party Daniel Ortega was loudly complaining about being forced to wear a coat and tie, to smile and wave like an American politician. But it is worth remembering that beneath the facade lies some very serious questions about liberty and tyranny, about war and peace, about life and death. (ABC-10)

Brokaw: In the United Nations Security Council tonight the United States vetoed a resolution calling on it to comply with a World Court order to stop its aid to Nicaraguan rebels. Great Britain, France, and Thailand abstained. Eleven nations, however, including Australia, Denmark, and Venezuela voted in favor of the resolution. (NBC-11)

JENCO

Rather: The last time they saw each other they were hostages in Lebanon. Today in London the Reverend Jenco and Presbyterian leader Benjamin Weir had a surprise reunion. They prayed together as free men. Father Jenco was there to hand a message from his Shiite Muslim captors to the Protestant Archbishop of Canterbury.... Father Jenco is to meet with President Reagan tomorrow.

(ABC-7, CBS-12, NBC-8)

AQUINO MURDER

Rather: There may be a new trial in the 1983 murder of Philippine's opposition leader Benigno Aquino. A Philippines Supreme Court commission said today that former President Marcos did manipulate judges and lawyers in last year's trial. Marcos's armed forces chief and 25 others were cleared at that time in the Aquino assassination. Philippines President Corazon Aquino has publicly blamed Marcos for her husband's murder. (CBS-11)

COLUMBIAN DRUG WAR

Rather: Columbia's drug wars today claimed more lives. A Colombian Supreme Court Justice and two other people were killed when his car was sprayed with machinegun fire. The Justice sat on a special panel that recently ordered a dozen Columbians extradited to the U.S. to face drug charges. (CBS-10, NBC-9)

COMMENTARY/BOLIVIAN DRUG OPERATION

NBC's John Chancellor: The campaign against cocaine factories in Bolivia is now about two weeks old and here's the latest from the front. About a dozen sorties by U.S. Army helicopters and crews carrying Bolivian police. Two cocaine labs discovered -- both empty. One seventeen year old boy arrested -- no drugs found.... Here's the Alice in Wonderland side of all this. The American raids have done one thing successfully: they have interrupted the cocaine supply line, at least temporarily. That means a drop in cocaine exports. Exporting cocaine is illegal in Bolivia but it's still the country's largest source of income.... Without drug money the Bolivian economy goes down the tube. So Bolivia is asking for an immediate loan of \$100 million from the United States and its President says if Bolivia's drug trade is to be done away with it will need \$100 million a year in loans for the next few years. There's a kind of weird logic here. American drug addicts keep the Bolivian economy alive. The American government wants Bolivia to get out of the drug business and Bolivia say, "O.K., send us your taxpayers' money instead of your drug addicts money and we'll try to do what you want." It sounds crazy but that's the crazy world of international narcotics. (NBC-10)

AIDS

Rather: Another potentially promising development in the long search for an effective treatment against AIDS. National Cancer Institute researchers caution that any benefit to AIDS patients might still be years away. But they report in the new "Science" magazine that they have succeeded in altering the AIDS virus in the laboratory changing it in an important way. They have produced a version of the AIDS virus that isn't a killer.... This raises the possibility, for now just a hope, that they will eventually be able produce a safe vaccine against the killing kind of AIDS. (CBS-8)

STEEL STRIKE

Rather: In the financially troubled steel industry a strike is set for midnight by the United Steel Workers against USX corporation.... Main issue: the company's demand for cutbacks in wages and benefits. (CBS-5, NBC-4)

AIRLINES

Rather: President Reagan had the U.S. Transportation Department today clear the runway for Northwest Airlines to take over Republic Airlines. Record price: \$884 million. It had been opposed by the Justice Department on grounds that it will reduce competition. (ABC-6, CBS-6)

EDITORIALS/COLUMNISTS

REHNQUIST

Here We Go Again: Rehnquist A Target -- "By any objective standard, the quality of Reagan's judicial appointees compares favorably with that of previous administrations. No Reagan appointee has ever been rated 'Not Qualified' by the American Bar Association.... President Reagan won 49 states in 1984 and has the right to his own chief justice."

(Boston Herald, 7/30)

The Rehnquist Balance -- "There are few grounds on which a presidential appointment can or should be challenged. One is the relative emphasis a nominee places on political thought and the commonweal. Rehnquist might not fail the test, as Meese certainly does, but he should be subjected to it in the strongest possible way. It will do no one any good to have a chief justice whose ideology tarnishes the court as well as the doctrine he articulates. In this case, many senators want to know about how Rehnquist balances ideology against judicial awareness. That's a fair question, one that deserves hot pursuit in the hearings...."

(Cleveland Plain Dealer, 7/29)

22nd AMENDMENT

Two Term Tradition Has Served USA Well -- "The writers of the Constitution were wise to subject presidents to the judgment of the voters every four years. Two terms were enough for George Washington and Thomas Jefferson. They should be enough for modern-day presidents. There is no reason to repeal the two-term limit. And there are no better alternatives. Leave it alone."

(USA Today, 7/31)

Eight Years Are Enough -- "On a campaign swing through the South last week, President Reagan again voiced his support for a harmful idea -- repeal of the 22nd Amendment.... Mr. Reagan's argument that a president's power is drained in a second, lame-duck term doesn't hold water -- principally because of his example. He is exercising great power and influence in his second, and lame-duck, term.... As a campaign fund-raising gimmick, the movement to repeal the 22nd Amendment is deceptive; as a constitutional change that could greatly increase the dimensions of presidential power and influence, it is seriously flawed."

(Hartford Courant, 7/30)

DRUGS

Drugs: America Can't Afford To See The Bolivian Attack A Failure -- "The investment of U.S. military forces in a raid on cocaine-producing installations in Bolivia is the most significant single blow the United States has yet undertaken in the crucial war on illicit drugs.... It was a military operation in every sense of the term. That's the way it should be carried out -- without advance publicity, without fanfare, without an opportunity for escape. The United States cannot afford to lose major battles if it expects to win the war."

(Cincinnati Enquirer, 7/25)

EDITORIALS/COLUMNISTS (continued)

JENCO/TERRORISM

Hanging Tough Against Terror -- "The Reagan Administration has been pursuing the correct policy. They have retaliated against terrorism when practical, as in the Libya raid, and have refused to engage in public breast beating or loud lamentations over those held in Lebanon. While appearing cold to many, this strategy deprives the terrorists of the publicity they seek, and it appears to be working.... It's time that we in the U.S. woke up to the fact that we are at war. The enemy is fanatical and determined. But this enemy is hardly unbeatable, if we recognize what we are up against."
(Boston Herald, 7/29)

Jenco's Freedom Helped By Firm U.S. Policy -- "We must not offer concessions to the Syrians any more than we would to the terrorists themselves. But we could make it clear to Syrian President Hafez Assad that freedom for the Americans would set the right tone for future Middle East peace negotiations. Syria should also be told the United States will hold it responsible if those held captive are killed.... By working behind the scenes and refusing to negotiate, the Reagan Administration -- as demonstrated by Father Jenco's release -- has proved that governments that don't bend can sometimes put terrorists in a bind."

(New York City Tribune, 7/30)

Free At Last -- "Father Jenco's release and the free world's long, trying experience with extremism prove that the only way to deal with the ordeal of terrorism is not to deal with the terrorists."

(Newark Star Ledger, 7/30)

SOUTH AFRICA

Botha Says No -- "By rejecting policy changes as tantamount to 'national suicide,' Mr. Botha gave the European Community, which is considering sanctions, and the Commonwealth of Nations to which South Africa once belonged, and the Senate Foreign Relations Committee, no way out.... President Reagan's rhetorical effort to ward off sanctions is a show that is over. His executive order with token sanctions is likely to be renewed. Something on the order of the Lugar sanctions will be adopted in the Senate, to be compromised with the stronger measure passed by the House. Only Mr. Botha could have prevented this. But delivering what was needed was a game he decided not to play -- at least, not yet."

(Baltimore Sun, 7/31)

Soft Words To Pretoria -- "One wonders why President Reagan bothered to give his speech about South Africa at all. After the anticipation and build-up about an important statement on this critical situation, all we got was warmed-over 'constructive engagement' talk. No wonder many congressional leaders, and they included numerous moderate Republicans, reacted with dismay and disappointment.... The President's words, and their lack of new direction, may have an effect he did not foresee. They have fired congressional anger. This could mean the kind of unequivocal sanctions against South Africa he wants to avoid."

(San Francisco Chronicle, 7/24)

FOREIGN MEDIA REACTION

U.S. - SOVIET RELATIONS

"Reagan's attitude is encouraging. In putting SDI on the negotiating table for the first time, Reagan likely opened the way to a new summit."
(Quotidien, France)

"The substance of the speech in Vladivostok, the opening toward Asian nations and the Soviet Union position in the Far East and the Pacific seem to have been totally ignored in Washington. This -- perhaps temporary -- blindness is characteristic of the narrowness with which President Reagan and his Administration view international affairs. Since coming to office, foreign policy has been concentrated on Moscow-Washington relations."
(Le Matin, France)

"In his remarks to a group of student-interns, the President provided an optimistic analysis of the prospects.... It marked the resumption of the march towards rapprochement between the superpowers."
(La Stampa, Italy)

"If Gorbachev genuinely wants to prove that he means business he might start by letting Soviet journalists and TV crews cover what is really happening in Afghanistan. That way his own people could see for themselves who is actually interfering."
(B.T., Denmark)

"Despite the reservations, Gorbachev's announcement is again a new indication of the Soviet leadership's alertness. The Kremlin is looking at events more realistically and openly than before.... The Gorbachev era has been a hard challenge for Washington. The Reagan Administration is facing an opponent who understands what initiative in international politics means."
(Helsingin Sanomat, Finland)

"As in a curiosity shop, Gorbachev had a deal for one and all in his Vladivostok speech.... He thinks that as relations with China improve, he will obtain advantages in the dialogue with the United States, that a possible strengthening of economic bonds with Japan will ease rapprochement to Beijing... and the idea of a denuclearized Pacific will force Washington to, at least, acknowledge the Soviets a role in the more Western areas of this ocean. Asia thus seems to be the USSR's bull's-eye in foreign policy."
(El Pais, Spain)

"Speaking on Tuesday to Republican party students, U.S. President Reagan confirmed again the Administration's intention to speed up the Star Wars program."
(TASS, Soviet Union)

"In brief, the Soviet aim is to change Asian opinion so that it is favorable to the USSR. The Gorbachev speech was nothing but a diplomatic smile offensive reflecting the Kremlin's eagerness to find a way out of its deadlocked diplomacy."
(Sankei, Japan)

"The Soviet Union tripped up in a Pacific propaganda effort yesterday. It urged all nuclear powers to support the South Pacific nuclear-free zone proposal, but then admitted it had not finally decided to sign the protocols itself."
(The Dominion, New Zealand)

-end of C section-