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News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, SEPTEMBER 8, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

IMPACT OF CASE CALLED SERIOUS BY WHITE HOUSE -- The Reagan Administration, stepping up its warnings to the Soviet Union, said today that the filing of espionage charges against an American reporter in Moscow was "a matter of utmost seriousness" for the United States.

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

U.S. SENT A TEAM TO HELP PAKISTAN TO END HIJACKING -- A United States Army counterterrorism team was sent to the scene of the hijacking in Pakistan on Friday, but it failed to get there before the incident ended in bloodshed, Administration officials said today.

(New York Times)

NATIONAL NEWS

REAGAN: NOV. 4 A 'MAKE OR BREAK ELECTION' -- President Reagan is putting his personal prestige on the line in what he calls his last campaign, an effort to keep Republican control of the Senate in a "make or break" midterm election that could determine his political legacy.

(AP, UPI)

NETWORK NEWS (Sunday Evening)

DANILOFF -- The Soviets formally charged Nicholas Daniloff with spying and said he will have to stand trial in Moscow on espionage charges.

PAKISTAN HIJACKING -- In Karachi, authorities continued their effort to piece together an accurate story of what happened.

ISTANBUL MASSACRE -- Prime Minister Shimon Peres vowed to retaliate for the massacre.

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INTERNATIONAL NEWS

DANILOFF IS INDICTED AS SPY BY SOVIETS
U.S. Reporter Faces Military Tribunal

MOSCOW -- American journalist Nicholas Daniloff was indicted today on charges of espionage against the Soviet Union, in a move that both U.S. and Soviet officials said could pose a serious new obstacle to efforts to improve relations between the two superpowers.

There was no indication when Daniloff would be put on trial, and he told a colleague by telephone today that he understood the investigation could last six months or more. Without elaborating, however, he also said, "I received oblique hints that it will end before being brought to court."

(Gary Lee, Washington Post, A1)

Reagan Effort Fails; Daniloff Is Charged

The Soviet government yesterday charged U.S. reporter Nicholas Daniloff with spying despite President Reagan's personal assurance that the reporter is innocent.

White House officials in Los Angeles seemed suprised and angered by the filing of the charges so soon after Mr. Reagan's personal letter to Soviet leader Mikhail Gorbachev.

(Ed Rogers & Jeremiah O'Leary, Washington Times, A1)

Impact Of Case Called Serious By White House
Reagan Is Described As Concerned On Daniloff

LOS ANGELES -- The Reagan Administration, stepping up its warnings to the Soviet Union, said today that the filing of espionage charges against an American reporter in Moscow was "a matter of utmost seriousness" for the United States.

Larry Speakes said Mr. Reagan was "concerned" about the case and asserted that the continuing detention of Mr. Daniloff could have "serious implications" for United States-Soviet relations.

(Bernard Weinraub, New York Times, A1)

U.S. Warns Moscow Of Effect On Ties

LOS ANGELES -- The United States warned the Soviet Union today that continued detention of American journalist Nicholas Daniloff could hold "serious implications" for U.S.-Soviet relations.

Larry Speakes said the United States has received no official notification of the charge, but reiterated that the journalist is "innocent" and said "there will be no trade" of Daniloff for a Soviet U.N. official, Gennadi Zakharov, being held in New York on espionage charges.

(David Hoffman, Washington Post, A1)

Reagan Considering New Steps For Journalist's Release From Soviets

LOS ANGELES -- President Reagan, escalating a test of wills with the Soviet Union, is reviewing steps to impress the Kremlin with the seriousness of U.S. demands for the release of American journalist Nicholas Daniloff, who is facing trial on espionage charges.

"I think the President is determined to see a successful resolution of the matter," Larry Speakes said Sunday.

"He is determined to impress upon the Soviet Union that he is personally involved in the matter and that he regards it as serious," Speakes said. "He is concerned." (Terence Hunt, AP)

Officials: Daniloff Case Should Not Impede Summit Plans

The case of an American reporter formally charged with espionage by the Soviet Union should not impede plans for a summit or hinder efforts for his release, top U.S. officials say.

Michael Armacost, undersecretary of state for political affairs, said that sending Daniloff to trial would "complicate" the "resolution of this case."

When asked Sunday on NBC's "Meet the Press" if a trial would rule out a superpower summit now in the planning stages, Armacost replied, "We haven't said that." (Sean McCormally, UPI)

SOVIETS SAY U.S. MADE SECRET NUCLEAR TEST

MOSCOW -- The Soviet Union said today that the United States conducted a secret nuclear test in the Nevada desert last week, the fourth such explosion Moscow has accused the United States of carrying out since the Kremlin imposed a unilateral moratorium on testing 13 months ago.

The official Soviet news agency Tass said the test, part of a secret project code-named "Gravestone," was conducted Thursday and created a tremor measuring 3.5 on the Richter scale.

Tass said the test proves Washington is not sincere about seeking a nuclear arms control agreement. The Communist Party newspaper Pravda said that by learning of the blast, the Soviets proved a test ban agreement was verifiable. (UPI story, Washington Post, A16)

U.S. SENT A TEAM TO HELP PAKISTAN TO END HIJACKING Officials Say Zia Government Agreed To The Dispatch Of Army Anti-Terror Unit

A United States Army counterterrorism team was sent to the scene of the hijacking in Pakistan on Friday, but it failed to get there before the incident ended in bloodshed, Administration officials said today.

The officials said the Pakistani government had given permission for the team to land at Karachi International Airport. They said the role, if any, of the American force had not been determined in advance.

(Stephen Engelberg, New York Times, A1)

U.S. MIDEAST ENVOY MURPHY MEETS WITH SYRIA'S ASSAD

DAMASCUS -- U.S. Assistant Secretary of State Richard Murphy discussed the Middle East peace process with Syrian President Hafez Assad today, official sources said.

The official Syrian news agency SANA reported that Murphy, who arrived here last night, had similar talks earlier with Minister of State for Foreign Affairs Issam Naeb. (Reuter story, Washington Post, A16)

JAPAN DECIDES TO JOIN SDI CONDITIONALLY

TOKYO -- Japan has decided in principle to join the United States' Strategic Defense Initiative research program and will probably move on Tuesday to open formal negotiations with Washington for participation, according to a Japanese government source.

The government will stop short of declaring Japan unequivocally in the program. It will say that entry will depend on resolution of a variety of points with the United States, including the extent to which Japanese companies would be allowed to use for commercial purposes the technology they help develop. (John Burgess, Washington Post, A24)

ILLEGAL IMMIGRANTS TEST U.S. TOLERANCE

From Texas to California, the 2,000-mile U.S. southern border has become a combat zone.

And from the Mexican barrios of Los Angeles and Chicago to Washington's burgeoning Salvadoran community, major U.S. cities are now safe havens for illegal immigrants.

"The simple truth is, we've lost control of our own borders," a frustrated President Reagan said recently.

(J. H. Doyle, Washington Times, A1)

NATIONAL NEWS

REAGAN ASKS VOTERS TO GIVE HIM
GOP SENATE FOR HIS LAST TWO YEARS

LOS ANGELES -- President Reagan, trying to spoil Democrats' dreams of gaining control of the Senate, is seeking a Republican victory by asking voters not to make him a caretaker president his final two years in the White House.

"Control of the Senate will mean two more years of moving forward or two years of stalemate and retrogression," Reagan said Sunday night at a \$1.5 million political fund-raiser.

"I did not come to Washington to be a six-year president," Reagan added. "I did not seek re-election just to protect the gains of our first term."
(Terence Hunt, AP)

Reagan: Nov. 4 A 'Make Or Break Election'

LOS ANGELES -- President Reagan is putting his personal prestige on the line in what he calls his last campaign, an effort to keep Republican control of the Senate in a "make or break" midterm election that could determine his political legacy.

With 22 of the 34 Senate seats at stake held by Republicans, Reagan urged Californians Sunday night to oust three-term Democratic Sen. Alan Cranston, "one of America's most strident liberal leftists" in favor of underdog GOP candidate, Rep. Ed Zschau.
(Ira Allen, UPI)

ON HILL AGENDA, CHANCES FOR TRIUMPH OR DEADLOCK

The 99th Congress returns today from recess to grapple with an extraordinarily heavy and difficult load, haunted at every step by close contests in the November elections for control of the Senate.

Starting this week with Senate debate on Supreme Court nominations and House consideration of drug-control legislation, both parties will use the legislative calendar to boost their own candidates -- and embarrass the opposition -- as a backdrop for full-scale campaigning in October.

But the calendar is so clogged with serious issues and booby-trapped with sticky political problems that incumbents of both parties could suffer from a contentious deadlock.
(Helen Dewar, Washington Post, A1)

Congress Returns To Mountain of Unfinished Work

Congress today begins a four-week sprint toward adjournment, but lawmakers have left themselves a pile of unfinished legislation that may be impossible to complete.

"Although we accomplished a lot prior to the recess, there is still a mountain of legislation looming on the horizon," Sen. Robert Dole said over the weekend.
(Steven Komarow, AP)

Congress Has A Heavy Workload

Congress returns from its three-week vacation Tuesday facing a lengthy list of business could mean late nights and long sessions, with tax reform, the budget, defense priorities, South African sanctions and contra aid all commanding attention.

An aide to Sen. Bob Dole predicted that the heavy workload will mean "another No-Doz session" in which lawmakers probably will be working late in hopes of adjourning the 99th Congress on schedule Oct. 3 so members can go home and campaign.
(Bud Newman, UPI)

PAC SPENDING REACHES \$71 MILLION Total Gifts For House And Senate Races Reach Record Level

Campaign spending by special interest political action committees for November's House and Senate elections has reached \$71 million so far, the Federal Election Commission has reported.

Total PAC contributions to federal candidates for the 18-month period ending June 30 were \$78 million, including money given to those not up for election this year. That compares to \$57 million given by PACs in the comparable 1983-84 cycle and \$38 million in 1981-82.

(AP story, Washington Post, A4)

GAO FINDS SECURITY, DEFENSE GAPS CAUSING U.S. TO LOSE WAR ON DRUGS

Drug lords are beating the United States in the war to stop narcotics trafficking because of lax security in federal agencies and gaps in the line of defense, according to a General Accounting Office report obtained by The Washington Times.

"The amounts of drugs seized are relatively small compared to the amounts successfully smuggled into the United States," says the draft GAO report, scheduled to be delivered to Congress tomorrow. "Consequently, smuggled drugs remain widely available within the United States."

(Michael Hedges, Washington Times, A1)

NETWORK NEWS SUMMARY

(Sunday Evening, September 7, 1986)

(Note: CBS and NBC did not air a broadcast)

DANILOFF

ABC's Sam Donaldson: The face-off between the United States and the Soviet Union over American reporter Nicholas Daniloff took an ominous turn today. The Soviets formally charged Daniloff with spying and said he will have to stand trial in Moscow on espionage charges. The White House immediately warned that such a move could have serious implications for U.S.-Soviet relations.

ABC's DEAN REYNOLDS: Soviet television, ending a day of blistering personal attacks on Daniloff in the state-run news media, made the announcement tonight.

(SOVIET TELEVISION REPORTER: "I'd like to inform you, as a matter of fact, that today, the seventh of September, Nicholas Daniloff was officially charged with committing a crime.")

Only a few minutes earlier, Daniloff himself had called his "U.S. News & World Report" office with the same news: that he has been formally charged with espionage. An associate who took the call, Jeff Trimble, was later interviewed by telephone.

(JEFF TRIMBLE: "He said to me, 'My case is moving into a more serious stage. The charge of espionage puts it on par with another case we know about.'")

That reference was to Soviet spy suspect Zakharov who was arrested in New York last month. Diplomatic sources believe the Soviets are holding Daniloff as a means to win Zakharov freedom. Daniloff told his colleague a formal investigation will now be launched. One that could last six to nine months.

(JEFF TRIMBLE: "He said that he would like the case to end with all charges against him being dropped, if nothing else to clear his name here after five and a half years of honest and hard work.")

...Daniloff says he was framed. The Soviets say he was caught red-handed.

(GENNADI GERASIMOV: "It was his decision to go. It was his decision to accept the envelope. So if you have two decisions how can you say that it was a set-up or he was framed?")

Ignoring the fact that there has yet to be a trial...Pravda today flatly accused Daniloff of being a CIA agent while TASS called him a run-of-the-mill spy. Meanwhile...Daniloff spent his eighth full day behind bars. In his telephone call he had one personal request: for a sweater. "The nights," he said, "are cold here."

ABC's STEVE SHEPARD: President Reagan, winding up his west coast vacation in Los Angeles today, had no public comment on the latest developments in the Daniloff case.

(TV COVERAGE: The President and First Lady leaving Marine One.)

But in a statement released by White House spokesman Larry Speakes, the Administration says it has received no official notification that Daniloff will, in fact, be charged and tried for espionage. The statement warned that trying Daniloff could seriously affect U.S.-Soviet relations, a reference to efforts to arrange a U.S.-Soviet summit later this fall.

-more-

SHEPARD continues: Other Administration spokesmen reaffirmed yet again that Danilooff was innocent of espionage charges.

(MICHAEL ARMACOST, Under Secretary of State: "We share the view that these charges against Danilooff were trumped up.")

Armacost also said that by charging Danilooff the Soviets will make the whole affair much more difficult to resolve.

(UNDER SECRETARY ARMACOST: "We have, for the past week, been trying to communicate very forcefully to the Soviet Union the importance of releasing Nick Danilooff without proffering charges. The case becomes much more complicated if they go through with the trial.")

Danilooff's employer, "U.S. News & World Report" Chairman, Mortimer Zuckerman, said in Washington that the entire case was a typically heavy-handed and bungled KGB set-up. In Zuckerman's view, Danilooff's arrest was at least partially arranged as a warning to other western journalists who report in-depth on Soviet affairs.

(MORTIMER ZUCKERMAN: "I think it's because he is completely fluent in Russian and really understands Russian history and Russian literature, and Russian culture. It's the very fact that he's an excellent journalist that has made it difficult for him with the KGB.")

By publicly charging Danilooff, the Soviets have made it difficult to arrange an end to this latest superpower squabble. And that could effect the entire spectrum of already shaky Soviet-American relations.

DONALDSON: Today's action in Moscow comes just three days after President Reagan sent a personal message to Soviet leader Mikhail Gorbachev urging Gorbachev to release Danilooff -- strong evidence that the Danilooff case has been orchestrated all along at the highest Kremlin levels. It was not just a KGB move as some had theorized. Incidentally, Danilooff's wife Ruth was asked today if she fears for herself from the KGB. "Not in the morning when I'm not tired," she said. "But in the evening when it's dark, I get a little bit paranoid." (ABC-Lead)

PAKISTANI HIJACKING

DONALDSON: Passengers who lived through the terror of the Pan Am hijacking in Pakistan have flown to West Germany -- the healthy ones on their way back to New York which was their original destination, some of the wounded to a U.S. Air Force hospital near Frankfurt. In Karachi, authorities continued their effort to piece together an accurate story of what happened.

ABC's HILLARY BOWKER: ...Many are trying to put the pain of Karachi behind them, but the emotions they felt are hard to forget.... Authorities here did everything possible to make the returning hostages comfortable.... There were 11 victims of the Karachi hijacking on board, all seriously injured. Six were American.... The Americans were reported in stable condition.

(COL. ROBERT GILMORE: "They have suffered a combination of missile injuries from bullets and shrapnel as well as injuries incurred while rapidly exiting the aircraft.")

...A special stress-management team is on hand to counsel those victims who want it....

ABC's HAL WALKER: ...In Karachi, authorities now say they are questioning three of the captured hijackers at military intelligence headquarters, and a fourth is said to be critically injured, although earlier he was reported dead. There were other conflicts. Some blame Pakistani commandos for reportedly waiting 15 minutes before responding to the hijackers' gunfire. Others say security officials were sloppy despite warnings of an impending attack. At least five airport guards have been suspended since the incident. But Pakistan's President Zia, returning today from Africa, defended his officers' actions. President Zia has tried to put to rest the number of questions that still remain in the minds of many, but for now, he has expressed total confidence in his security forces and total confidence in his ability to protect his country and its airports. (ABC-2)

ISTANBUL SYNAGOGUE BOMBING

DONALDSON: Survivors of yesterday's synagogue massacre in Istanbul in which 22 worshipers were killed are disputing the Turkish authorities' report that there were only two terrorists involved and that they died at the scene. Eyewitnesses say there were four terrorists who took part in the attack, and that two of them escaped. In Israel, Prime Minister Shimon Peres vowed today to retaliate for the massacre saying Israel will strike the murderer's hand reaching it everywhere and every time. Then Peres suspended Cabinet meetings indefinitely in an angry dispute with Trade Minister Ariel Sharon. Hardliner Sharon had said publicly that the massacre was the Palestinian response to Israeli concessions to the Arabs. Peres said today there will be no more government meetings until Sharon publicly apologizes. (ABC-3)

ARCHBISHOP TUTU

DONALDSON: Desmond Tutu was enthroned today as the Archbishop of Capetown, becoming the leader of Anglicans in South Africa and four other countries in southern Africa....

ABC's JIM HICKEY: ...He is now the first black archbishop of southern Africa's three million member Anglican church.... Included on the racially mixed guest list were some well-known Americans like Coretta Scott King. No South African government officials were invited, but there were plenty of anti-apartheid activists such as Winnie Mandela.... Today Tutu said no one really wants sanctions, but there is no other peaceful way to reform. The Archbishop's politics have angered many white South Africans, even members of his own church. Outside the Cathedral pushing and shouting matches developed between a handful of Tutu protesters and his supporters.

...Though he is now head of a diversified church, he most likely will ignore suggestions he tone down his politics. His call for sanctions, Tutu says, is his own not the churches.

DONALDSON: After Bishop Tutu's enthronement, anti-apartheid leaders Winnie Mandela and the Reverend Alan Boesak said they would not meet with Coretta Scott King if she meets with South Africa's President P.W. Botha as planned. Boesak says President Botha's hands are dripping with the blood of black children and that King cannot meet with him as though nothing had happened. King is on a goodwill mission in southern Africa. (ABC-4)

THIS WEEK WITH DAVID BRINKLEY

MODERATOR: David Brinkley.

GUESTS: Marva Collins, Director, West Side Preparatory School; Sidney Sheldon, National Spokesman, Coalition for Literacy; Harold McGraw, Jr., President of Business Council for Effective Literacy; David Harman, Professor of Education at Columbia University.

PANEL: Sam Donaldson, George Will.

GUEST: Professor Harman.

BRINKLEY: Education is your profession, and I would assume that when we discuss illiteracy the first temptation is to blame it on the schools. Is that fair?

HARMAN: No, I wouldn't say it is fair.... I would argue that it is the schools' fault only to a very limited extent. Schools can not perform better than their environments allow them to perform.

GUEST: Marva Collins.

BRINKLEY: You seem to have found the answer to teaching children who come from difficult home situations. What is it? What is the answer?

COLLINS: I really personally believe that answer is the fact that I do not believe that home background has really very much to do with how much a child learns, because I often think of the first immigrants that came to this country. They certainly depended on a good school system.

GUESTS: Mr. Sheldon, Mr. McGraw.

WILL: The standard reply, at least that we hear in Washington whenever one of these problems comes up, is that someone in Washington should spend more money somehow to reach these people.... How do you reach these people?

SHELDON: There are specific ways that these people can be helped. There are three that I can think of offhand...

DONALDSON: ...Companies are not going to hire illiterates, so the remedial programs within a company are not going to deal with people who couldn't be hired in the first place.... I have yet to hear about specific programs funded by specific individuals or the federal government to attack this problem. Give us some specifics.

SHELDON: First of all, the National Library, the Coalition for Literacy, has a program and the people who need help can call any library in the country.... You can also call your local schools and ask what programs they might have.

DONALDSON: Where do the libraries get the money if people respond?

SHELDON: They have the money. We have private fund-raising for one thing, and the government contributes, certainly not enough, but they're contributing something toward this.

THIS WEEK (continued)

DONALDSON: Does the government contribute enough, or should we have a war against illiteracy as we have a war against drugs?

MCGRAW: We...need more funding from government. But we are getting more funding from business and industry than we have.... In the last two or three years there is some tremendous growth in business' general awareness of the magnitude of this problem...and they are, indeed, coming forward in a tremendous way with funding.

FREE-FOR-ALL DISCUSSION (Hodding Carter joins panel.)

ON DANILOFF:

BRINKLEY: Have you ever seen a more obvious frame-up?

WILL: No. This is a hostage-taking. The President campaigned in 1980 saying, "No Americans would be taken hostage when I'm President, by cracky." Well one has been taken President. And the Administration has behaved disgracefully. First it rushed to say, "Well this won't interfere with arms control," and the other superstitions by which we all live. Now they're saying, "Well we certainly rule out a swap."... Nothing more amazes me than the way the Reagan Administration, particularly the President, is exempt from the rules he applies to others.

DONALDSON: Is the interest of the United States in the long run though, to cut off all contacts? To say this man is a hostage and extend the Reagan doctrine? After all, he has said that when hostages are taken we'll use armed force to free them. Or is the interest of the United States to see if something can be worked out preserving our right to try Zakharov as a spy and get the release of Danilooff unconditionally without destroying what we hope is movement toward arms control and another summit.

CARTER: The first responsibility of the United States government is to its citizens.... And that means, first and foremost, we have to say, "This guy has got to be released." And there are a lot of ways to do it.... Reciprocity is the first order of business, not tit for tat, but to get Nick out of that jail.

WILL: The first obligation of the government is to the long term national interest of the United States. And I do not see how it is in the long term interest of improved U.S.-Soviet relations for us to telegraph to them the fact that we are so eager for agreements...that they can commit any outrage -- steal an American citizen and sell him back to us...

CARTER: Whatever the President campaigned as being willing to do, when it comes to hostages he's proved over and over again he's not. It hardly matters where the hostages are, whether they are held in Lebanon or whether they are held anywhere else.

DONALDSON: If it is their intention to hold Danilooff forever and try him as a spy, then of course you're right. We cannot go to a summit with Gorbachev.... To immediately take these actions before we see whether Gorbachev will, in fact, back off and free Danilooff is silly.

THIS WEEK (continued)

WILL: A year ago when...an American Major was shot in East Germany...the first reaction from President Reagan was to say, "This kind of incident certainly makes me eager to have a summit." Now, you communicate that kind of lust for summitry, that kind of fetish for agreements, and you are guaranteed to get weak agreements.

DONALDSON: He did not say that the shooting of that Major made him eager to have a summit. What he said was just the opposite in the sense that he said it was an outrage, it was conduct that could not be condoned, but we had to proceed with the total relationship of trying to grope toward a more peaceful world with the Soviet Union.... I think the record will show that Reagan never advocated a summit as the reaction to the killing of that Major.

ON PAKISTAN PLANE HIJACKING

BRINKLEY: There is talk of retaliation but we don't know who did it, and I don't know how we can retaliate without knowing whom to retaliate against. What should Mr. Reagan do about that?

CARTER: He had Ambassador Walters going around Europe saying, "Something is coming." It turns out they knew something was coming....

DONALDSON: I'm not sure the Administration really wants to find out in this case. The Reagan Doctrine in this matter, as promulgated against Libya, was to strike state-sponsored terrorism at its source. That's fine against Libya, but what if it turns out it's Syria who somehow if not ordered, at least aided and abetted these people. We're not going to strike Damascus.... I think the problem with the Reagan Doctrine is it's fun to beat up on Gadhafi, but we aren't ready to apply it across the board.

CARTER: In several reports we have White House officials saying on the background, "We're not going to do all that silly shooting ourselves in the foot that Carter did."...

WILL: The Reagan Administration has lots of leverage around and will use none of it. They are weaker in confronting crises such as this than the Carter administration.

DONALDSON: We did have one salutary benefit of our bombing of Tripoli: Col. Gadhafi is no longer praising these acts as he did the airport massacres in Rome and Vienna. Libya immediately denounced this hijacking and the death in the Pan American case.

ON THE CONGRESS:

BRINKLEY: The Congress comes back tomorrow.... There is so much left.... What's going to happen?

DONALDSON: I think it will get out in roughly a month because the imperative here is to get re-elected. And when the national interest in passing legislation bumps up against that imperative you know what's going to win. The question is can they do all of this...and I think they cannot.

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MEET THE PRESS

MODERATOR: Marvin Kalb

GUESTS: Michael Armacost, Under Secretary of State; Ruth Daniloff; Professor Seweryn Bialer, Expert on U.S.-Soviet Relations at Columbia University; Senator David Durenberger.

PANEL: Strobe Talbott, Garrick Utley.

KALB: Within a half hour the chief spokesman for the Soviet Foreign Ministry has said Nicholas Daniloff will be tried. What is your response to that?

ARMACOST: I regret hearing that message.... The case becomes much more complicated if they go through with the trial.

KALB: What does it mean in terms of your ability to pursue summitry?

UTLEY: Do you think the decision to go ahead with the trial on Daniloff might be a way to sabotage the summit?

ARMACOST: ...In the private communications we've had, they have been quite consistent in expressing the hope that this will not have a disruptive effect on the wider relationship, and that presumably means movement toward a summit.

TALBOTT: So far this Administration is trying to insulate arms control from this incident and unlink them. Is that fair?

ARMACOST: I think it's unusual for Paul Nitze, who's handling various arms control matters for us, to raise an issue of this kind with his counterpart. But in the meetings of the last two days he raised precisely this question with Mr. Karpov. And the incident will intrude itself into all of our discussions with the Soviet Union if it's not promptly resolved.

KALB: Do you feel that the Russians are getting any of the messages that you've been sending this past week?

ARMACOST: For the Soviet Union to bring charges against a journalist should not be entirely surprising because what we consider the normal modus operandi for an enterprising journalist, they tend to regard as subversive.

UTLEY: Can we turn to terrorism?... What do we know about what happened in Karachi in terms of who these terrorists were?

ARMACOST: We are quite unsure about the nature of the organization which these individuals served. We expect to hear the results of the Pakistani interrogation.

TALBOTT: Is there any reason at all to suspect a Libyan connection?

ARMACOST: I wouldn't prejudge that. We haven't enough information as yet to make that determination.

GUEST: Ruth Daniloff, Professor Bialer

MEET THE PRESS (continued)

KALB: Mr. Gerasimov of the Soviet Foreign Ministry has said that your husband will be put on trial. I'd like to have your response to that.

DANILOFF: It's a very distressing thing to hear. However, I'm taking heart from the fact that it was my understanding that President Reagan wrote a personal letter to Mr. Gorbachev in which he said my husband was no spy, asked for his release, and also said that he hoped that this would not jeopardize Soviet-American relations. And for my husband to be put on trial after that kind of appeal I would say might be a direct affront to the President of the United States.

KALB: You have heard Mr. Armacost talk about...whether U.S. officials ought to participate in upcoming bilateral meetings...next weekend. What is your own view...?

DANILOFF: I think it is very inappropriate at a time when there is an innocent American in a KGB jail to have these prominent Americans come here.

KALB: Professor Bialer...in your recent book, you...indicate that the Soviet leadership...is now interested in a deal with the West because they are so beset with problems. Why, in that case, would they arrest an American journalist, and why do you think they would put him on trial?

BIALER: ...I think that first of all, it shows that they have a very bad public relation management.... They did not expect, in my opinion, that the repercussions of arresting Mr. Daniloëff would be what they are.... In my opinion, President Reagan, with the offer of taking the Soviet spy and giving him under the custody of the Soviet Ambassador in exchange for the expulsion of Daniloëff, was a fair one and a face-saving device.

GUEST: Senator Durenberger.

KALB: What do you think the solution should be on the part of Congress?

DURENBERGER: The best solution is not to have strong opinions; to leave this to the President of the United States.

UTLEY: Turning to terrorism, a week or two ago the Administration put out some stories or information that a new wave of terrorist attacks was expected.... Did we really know something was coming, and the fact that it happened a few thousand miles away shows that we still don't know very much about the specifics of what is happening in the terrorist world?

DURENBERGER: I don't think we knew precisely about either the Karachi or the Istanbul situation.

UTLEY: Do we expect more of these incidents, attacks, in the foreseeable future?

DURENBERGER: Oh, yes.

FACE THE NATION

MODERATOR: Lesley Stahl.

GUESTS: Ruth Daniloff; Mortimer Zuckerman, U.S. News & World Report; Gennadi Gerasimov, Soviet Foreign Ministry Spokesman.

STAHL: President Reagan has sent a personal note to Mr. Gorbachev telling him flat out that Nicholas Daniloff is not a spy. Do you think that the Reagan Administration is doing enough?

DANILOFF: I'm extremely gratified by that letter, and I only wish that I had known about it yesterday and could have told my husband. I think the Reagan Administration is certainly taking it very seriously and doing everything they can.

GUEST: MR. GERASIMOV.

STAHL: You are telling us that there will be a trial -- that he will be accused tomorrow, and he will be brought to trial?

GERASIMOV: Pretty soon.

STAHL: I want to ask you one more time if you understand completely the depth of feeling about this in the U.S., and the pressure on President Reagan to take some kind of retaliatory measure....

GERASIMOV: This can be very unfortunate if they talk about these retaliations, because one retaliatory measure brings another retaliatory measure from the other side, and this vicious circle -- it's very unfortunate if we are going to move in this direction.

STAHL: The U.S.-Soviet officials met yesterday in preparation for a possible summit. Was there any progress?

GERASIMOV: ...My impression is we are not moving anywhere, not much actually, not much -- unfortunately.

STAHL: Do you see give on the side of the Reagan Administration, are you seeing compromises from this side as well?

GERASIMOV: I don't see anything, for instance, on this testing question -- I don't see anything because you have your time table, you have your schedule of testing -- and no matter what, let the world perish, we must have these tests.

GUEST: Mr. Zuckerman.

STAHL: You just heard the spokesman from the Soviet Foreign Ministry say that your reporter, Nicholas Daniloff, will go on trial. What now?

ZUCKERMAN: I think in the context of a letter from President Reagan certifying that in fact Nick Daniloff is not a spy...I think it's an outrage that is going to have a substantial reaction in this country, and I suspect and believe there should be retaliatory measures if in fact he is placed on trial.

FACE THE NATION (continued)

STAHL: Is there any way, in your view, that the American government can go for a swap and not put their man on trial?

ZUCKERMAN: ...I don't think a direct swap is appropriate. I think our government has ruled it out. But I think there are various face-saving ways of dealing with it.

STAHL: There are a lot of reporters -- and I understand Nick himself -- who have come out publicly against the idea of a swap, because once we trade here then no journalist will ever feel he can really work in the Soviet Union not that they are that free to work anyway.

ZUCKERMAN: ...I would do whatever I could to get him out of that jail. So I can't really be objective.... I personally am against such a swap, because a hostage is not the same thing as a spy.

STAHL: Do think that in arresting Zakharov...at this point in the U.S.-Soviet relationship, that in some way the Administration really blundered into this and triggered this themselves? Is there a mistake on our part here that we in some way are trying to make amends for?

ZUCKERMAN: I think the fact is that the Soviets are constantly involved in espionage, and if they get themselves into a situation where a Soviet government employee...is directly involved in espionage, and they do that frequently enough, somebody is going to get tripped up by this. It did happen at an extraordinarily unfortunate time, and the general experience is that once we grab one of their guys, they try and set up one of our people.

MCLAUGHLIN GROUP

MODERATOR: John McLaughlin. PANEL: David Gergen, Robert Novak, Jack Germond, Morton Kondracke.

ON PAKISTAN PLANE HIJACKING:

MCLAUGHLIN: What is the significance of this latest act of terrorism?

GERGEN: This may well be the beginning of a new spiral of terrorism. It's going to put pressure on the United States diplomacy in the Middle East.

NOVAK: What it really tells is that these people should not be allowed to live. And until we have the death penalty for terrorism there's not going to be a sufficient deterrent.

KONDRACKE: Clearly the Libyan air strike was a good thing to do. We've had almost a year, certainly six months, where Gadhafi has been off communing with himself in the desert, he's lost political power.... We do not have yet the kind of international cooperation that we said we were going to have after Achille Lauro and TWA hijacking.

MCLAUGHLIN: The Islamic extremists are using these young Palestinian terrorist to meet their own needs. And the problem will not be solved until the Palestinian problem is solved.

ON DANILOFF:

MCLAUGHLIN: Is Danilooff being used as a pawn? What's behind the Soviet arrest?

GERGEN: He's not only a pawn, he's a hostage today, and it's very clear this is linked, in the Soviet mind, to trying to get their KGB agent out of New York.... There is also a possibility that within the Kremlin hierarchy there are those who are seeking a provocation to wreck U.S. Soviet relations and I think they might seize upon the Danilooff case as a way to get it.

KONDRACKE: If there are people in the Soviet Union who are doing this, they have to include Mr. Gorbachev himself, because this is the kind of thing that could not have been done without his knowing about it.

NOVAK: What they [the Soviets] are counting on is the absolutely outrageous behavior by the White House in this instance. There were two crimes committed -- both by the Soviets -- one in New York and one in Moscow. And we're acting as if they are equal. We're talking about a delayed swap.... If we go along with this there will be no stopping them. The only reason we'll go along with it is the absolutely frantic desire of people in the White House not to have anything interfere with the summit.

MCLAUGHLIN: Is Reagan so enamored of a summit that he is inhibited from taking the kind of action that this act...deserves?

GERMOND: That seems to be the case.

MCLAUGHLIN GROUP (continued)

KONDRACK: Let me just say something about the Reagan Administration's handling of this. The first thing out of their mouths was, "This will not affect the summit."

GERGEN: That is not true.

NOVAK: They [the Soviets] know the frantic quality of the media and the Congress. They watch these people who say, "The one thing we can't do is we cannot jeopardize the summit."

GERMOND: I don't think we can make a final judgement of the way the Administration's handling this until we see how they handle it in the long run and what they do after Nick Daniloff is out.

GERGEN: ...This is not one Administration, but several administrations are trying to deal with this. Some of the folks of the NSC and the State Department would like to retaliate. You've got a situation at the Justice Department where the Justice Department is not acting in concert with the State Department on this.... In general I will tell you that the Administration has been very cooperative with us, and we think they are moving now on a path of responses which are going to escalate -- I think are going to get tougher -- if we don't get Daniloff out of there.

PREDICTIONS:

GERGEN: We're looking for a shake-up at the top of U.S. intelligence agencies -- not the CIA -- that may ultimately be called the shuffle of the three stars.

NOVAK: The choice of the State Department to be the new Ambassador to South Africa, Ed Perkins, is not yet set. There is terrific conservative opposition to him, and as recently as last week there are new blacks being interviewed by the Administration for this job.

GERMOND: On the New York primary: I have now got a sneaking suspicion that Mark Green is going to upset John Dyson and give Mario Cuomo a black eye.

KONDRACK: The Reagan Doctrine is going to suffer a severe blow next week when the House votes that the President cannot covertly aid Jonas Savimbi in Angola.

MCLAUGHLIN: Richard Lugar will call in all of his chits in trying to persuade House members to avoid a conference and go with his version of the sanctions bill against South Africa. No matter what happens, however, Congress will vote a sanctions bill, Reagan will veto it, and Congress will override it.

(NOTE: Agronsky & Co. was preempted.)



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, SEPTEMBER 8, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

IMPACT OF CASE CALLED SERIOUS BY WHITE HOUSE -- The Reagan Administration, stepping up its warnings to the Soviet Union, said today that the filing of espionage charges against an American reporter in Moscow was "a matter of utmost seriousness" for the United States.

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

U.S. SENT A TEAM TO HELP PAKISTAN TO END HIJACKING -- A United States Army counterterrorism team was sent to the scene of the hijacking in Pakistan on Friday, but it failed to get there before the incident ended in bloodshed, Administration officials said today.

(New York Times)

NATIONAL NEWS

REAGAN: NOV. 4 A 'MAKE OR BREAK ELECTION' -- President Reagan is putting his personal prestige on the line in what he calls his last campaign, an effort to keep Republican control of the Senate in a "make or break" midterm election that could determine his political legacy.

(AP, UPI)

NETWORK NEWS (Sunday Evening)

DANILOFF -- The Soviets formally charged Nicholas Daniloff with spying and said he will have to stand trial in Moscow on espionage charges.

PAKISTAN HIJACKING -- In Karachi, authorities continued their effort to piece together an accurate story of what happened.

ISTANBUL MASSACRE -- Prime Minister Shimon Peres vowed to retaliate for the massacre.

INTERNATIONAL NEWS...A-2

NATIONAL NEWS.....A-5

NETWORK NEWS.....B-1

NETWORK TALK SHOWS...C-1

INTERNATIONAL NEWS

DANILOFF IS INDICTED AS SPY BY SOVIETS
U.S. Reporter Faces Military Tribunal

MOSCOW -- American journalist Nicholas Daniloff was indicted today on charges of espionage against the Soviet Union, in a move that both U.S. and Soviet officials said could pose a serious new obstacle to efforts to improve relations between the two superpowers.

There was no indication when Daniloff would be put on trial, and he told a colleague by telephone today that he understood the investigation could last six months or more. Without elaborating, however, he also said, "I received oblique hints that it will end before being brought to court."
(Gary Lee, Washington Post, A1)

Reagan Effort Fails; Daniloff Is Charged

The Soviet government yesterday charged U.S. reporter Nicholas Daniloff with spying despite President Reagan's personal assurance that the reporter is innocent.

White House officials in Los Angeles seemed suprised and angered by the filing of the charges so soon after Mr. Reagan's personal letter to Soviet leader Mikhail Gorbachev.

(Ed Rogers & Jeremiah O'Leary, Washington Times, A1)

Impact Of Case Called Serious By White House
Reagan Is Described As Concerned On Daniloff

LOS ANGELES -- The Reagan Administration, stepping up its warnings to the Soviet Union, said today that the filing of espionage charges against an American reporter in Moscow was "a matter of utmost seriousness" for the United States.

Larry Speakes said Mr. Reagan was "concerned" about the case and asserted that the continuing detention of Mr. Daniloff could have "serious implications" for United States-Soviet relations.

(Bernard Weinraub, New York Times, A1)

U.S. Warns Moscow Of Effect On Ties

LOS ANGELES -- The United States warned the Soviet Union today that continued detention of American journalist Nicholas Daniloff could hold "serious implications" for U.S.-Soviet relations.

Larry Speakes said the United States has received no official notification of the charge, but reiterated that the journalist is "innocent" and said "there will be no trade" of Daniloff for a Soviet U.N. official, Gennadi Zakharov, being held in New York on espionage charges.

(David Hoffman, Washington Post, A1)

Reagan Considering New Steps For Journalist's Release From Soviets

LOS ANGELES -- President Reagan, escalating a test of wills with the Soviet Union, is reviewing steps to impress the Kremlin with the seriousness of U.S. demands for the release of American journalist Nicholas Daniloff, who is facing trial on espionage charges.

"I think the President is determined to see a successful resolution of the matter," Larry Speakes said Sunday.

"He is determined to impress upon the Soviet Union that he is personally involved in the matter and that he regards it as serious," Speakes said. "He is concerned." (Terence Hunt, AP)

Officials: Daniloff Case Should Not Impede Summit Plans

The case of an American reporter formally charged with espionage by the Soviet Union should not impede plans for a summit or hinder efforts for his release, top U.S. officials say.

Michael Armacost, undersecretary of state for political affairs, said that sending Daniloff to trial would "complicate" the "resolution of this case."

When asked Sunday on NBC's "Meet the Press" if a trial would rule out a superpower summit now in the planning stages, Armacost replied, "We haven't said that." (Sean McCormally, UPI)

SOVIETS SAY U.S. MADE SECRET NUCLEAR TEST

MOSCOW -- The Soviet Union said today that the United States conducted a secret nuclear test in the Nevada desert last week, the fourth such explosion Moscow has accused the United States of carrying out since the Kremlin imposed a unilateral moratorium on testing 13 months ago.

The official Soviet news agency Tass said the test, part of a secret project code-named "Gravestone," was conducted Thursday and created a tremor measuring 3.5 on the Richter scale.

Tass said the test proves Washington is not sincere about seeking a nuclear arms control agreement. The Communist Party newspaper Pravda said that by learning of the blast, the Soviets proved a test ban agreement was verifiable. (UPI story, Washington Post, A16)

U.S. SENT A TEAM TO HELP PAKISTAN TO END HIJACKING Officials Say Zia Government Agreed To The Dispatch Of Army Anti-Terror Unit

A United States Army counterterrorism team was sent to the scene of the hijacking in Pakistan on Friday, but it failed to get there before the incident ended in bloodshed, Administration officials said today.

The officials said the Pakistani government had given permission for the team to land at Karachi International Airport. They said the role, if any, of the American force had not been determined in advance.

(Stephen Engelberg, New York Times, A1)

U.S. MIDEAST ENVOY MURPHY MEETS WITH SYRIA'S ASSAD

DAMASCUS -- U.S. Assistant Secretary of State Richard Murphy discussed the Middle East peace process with Syrian President Hafez Assad today, official sources said.

The official Syrian news agency SANA reported that Murphy, who arrived here last night, had similar talks earlier with Minister of State for Foreign Affairs Issam Naeb. (Reuter story, Washington Post, A16)

JAPAN DECIDES TO JOIN SDI CONDITIONALLY

TOKYO -- Japan has decided in principle to join the United States' Strategic Defense Initiative research program and will probably move on Tuesday to open formal negotiations with Washington for participation, according to a Japanese government source.

The government will stop short of declaring Japan unequivocally in the program. It will say that entry will depend on resolution of a variety of points with the United States, including the extent to which Japanese companies would be allowed to use for commercial purposes the technology they help develop. (John Burgess, Washington Post, A24)

ILLEGAL IMMIGRANTS TEST U.S. TOLERANCE

From Texas to California, the 2,000-mile U.S. southern border has become a combat zone.

And from the Mexican barrios of Los Angeles and Chicago to Washington's burgeoning Salvadoran community, major U.S. cities are now safe havens for illegal immigrants.

"The simple truth is, we've lost control of our own borders," a frustrated President Reagan said recently.

(J. H. Doyle, Washington Times, A1)

NATIONAL NEWS

REAGAN ASKS VOTERS TO GIVE HIM
GOP SENATE FOR HIS LAST TWO YEARS

LOS ANGELES -- President Reagan, trying to spoil Democrats' dreams of gaining control of the Senate, is seeking a Republican victory by asking voters not to make him a caretaker president his final two years in the White House.

"Control of the Senate will mean two more years of moving forward or two years of stalemate and retrogression," Reagan said Sunday night at a \$1.5 million political fund-raiser.

"I did not come to Washington to be a six-year president," Reagan added. "I did not seek re-election just to protect the gains of our first term."
(Terence Hunt, AP)

Reagan: Nov. 4 A 'Make Or Break Election'

LOS ANGELES -- President Reagan is putting his personal prestige on the line in what he calls his last campaign, an effort to keep Republican control of the Senate in a "make or break" midterm election that could determine his political legacy.

With 22 of the 34 Senate seats at stake held by Republicans, Reagan urged Californians Sunday night to oust three-term Democratic Sen. Alan Cranston, "one of America's most strident liberal leftists" in favor of underdog GOP candidate, Rep. Ed Zschau.
(Ira Allen, UPI)

ON HILL AGENDA, CHANCES FOR TRIUMPH OR DEADLOCK

The 99th Congress returns today from recess to grapple with an extraordinarily heavy and difficult load, haunted at every step by close contests in the November elections for control of the Senate.

Starting this week with Senate debate on Supreme Court nominations and House consideration of drug-control legislation, both parties will use the legislative calendar to boost their own candidates -- and embarrass the opposition -- as a backdrop for full-scale campaigning in October.

But the calendar is so clogged with serious issues and booby-trapped with sticky political problems that incumbents of both parties could suffer from a contentious deadlock.
(Helen Dewar, Washington Post, A1)

Congress Returns To Mountain of Unfinished Work

Congress today begins a four-week sprint toward adjournment, but lawmakers have left themselves a pile of unfinished legislation that may be impossible to complete.

"Although we accomplished a lot prior to the recess, there is still a mountain of legislation looming on the horizon," Sen. Robert Dole said over the weekend.
(Steven Komarow, AP)

Congress Has A Heavy Workload

Congress returns from its three-week vacation Tuesday facing a lengthy list of business could mean late nights and long sessions, with tax reform, the budget, defense priorities, South African sanctions and contra aid all commanding attention.

An aide to Sen. Bob Dole predicted that the heavy workload will mean "another No-Doz session" in which lawmakers probably will be working late in hopes of adjourning the 99th Congress on schedule Oct. 3 so members can go home and campaign.
(Bud Newman, UPI)

PAC SPENDING REACHES \$71 MILLION

Total Gifts For House And Senate Races Reach Record Level

Campaign spending by special interest political action committees for November's House and Senate elections has reached \$71 million so far, the Federal Election Commission has reported.

Total PAC contributions to federal candidates for the 18-month period ending June 30 were \$78 million, including money given to those not up for election this year. That compares to \$57 million given by PACs in the comparable 1983-84 cycle and \$38 million in 1981-82.

(AP story, Washington Post, A4)

GAO FINDS SECURITY, DEFENSE GAPS

CAUSING U.S. TO LOSE WAR ON DRUGS

Drug lords are beating the United States in the war to stop narcotics trafficking because of lax security in federal agencies and gaps in the line of defense, according to a General Accounting Office report obtained by The Washington Times.

"The amounts of drugs seized are relatively small compared to the amounts successfully smuggled into the United States," says the draft GAO report, scheduled to be delivered to Congress tomorrow. "Consequently, smuggled drugs remain widely available within the United States."

(Michael Hedges, Washington Times, A1)

NETWORK NEWS SUMMARY

(Sunday Evening, September 7, 1986)

(Note: CBS and NBC did not air a broadcast)

DANILOFF

ABC's Sam Donaldson: The face-off between the United States and the Soviet Union over American reporter Nicholas Daniloff took an ominous turn today. The Soviets formally charged Daniloff with spying and said he will have to stand trial in Moscow on espionage charges. The White House immediately warned that such a move could have serious implications for U.S.-Soviet relations.

ABC's DEAN REYNOLDS: Soviet television, ending a day of blistering personal attacks on Daniloff in the state-run news media, made the announcement tonight.

(SOVIET TELEVISION REPORTER: "I'd like to inform you, as a matter of fact, that today, the seventh of September, Nicholas Daniloff was officially charged with committing a crime.")

Only a few minutes earlier, Daniloff himself had called his "U.S. News & World Report" office with the same news: that he has been formally charged with espionage. An associate who took the call, Jeff Trimble, was later interviewed by telephone.

(JEFF TRIMBLE: "He said to me, 'My case is moving into a more serious stage. The charge of espionage puts it on par with another case we know about.'")

That reference was to Soviet spy suspect Zakharov who was arrested in New York last month. Diplomatic sources believe the Soviets are holding Daniloff as a means to win Zakharov freedom. Daniloff told his colleague a formal investigation will now be launched. One that could last six to nine months.

(JEFF TRIMBLE: "He said that he would like the case to end with all charges against him being dropped, if nothing else to clear his name here after five and a half years of honest and hard work.")

...Daniloff says he was framed. The Soviets say he was caught red-handed.

(GENNADI GERASIMOV: "It was his decision to go. It was his decision to accept the envelope. So if you have two decisions how can you say that it was a set-up or he was framed?")

Ignoring the fact that there has yet to be a trial...Pravda today flatly accused Daniloff of being a CIA agent while TASS called him a run-of-the-mill spy. Meanwhile...Daniloff spent his eighth full day behind bars. In his telephone call he had one personal request: for a sweater. "The nights," he said, "are cold here."

ABC's STEVE SHEPARD: President Reagan, winding up his west coast vacation in Los Angeles today, had no public comment on the latest developments in the Daniloff case.

(TV COVERAGE: The President and First Lady leaving Marine One.)

But in a statement released by White House spokesman Larry Speakes, the Administration says it has received no official notification that Daniloff will, in fact, be charged and tried for espionage. The statement warned that trying Daniloff could seriously affect U.S.-Soviet relations, a reference to efforts to arrange a U.S.-Soviet summit later this fall.

-more-

SHEPARD continues: Other Administration spokesmen reaffirmed yet again that Danilooff was innocent of espionage charges.

(MICHAEL ARMACOST, Under Secretary of State: "We share the view that these charges against Danilooff were trumped up.")

Armacost also said that by charging Danilooff the Soviets will make the whole affair much more difficult to resolve.

(UNDER SECRETARY ARMACOST: "We have, for the past week, been trying to communicate very forcefully to the Soviet Union the importance of releasing Nick Danilooff without proffering charges. The case becomes much more complicated if they go through with the trial.")

Danilooff's employer, "U.S. News & World Report" Chairman, Mortimer Zuckerman, said in Washington that the entire case was a typically heavy-handed and bungled KGB set-up. In Zuckerman's view, Danilooff's arrest was at least partially arranged as a warning to other western journalists who report in-depth on Soviet affairs.

(MORTIMER ZUCKERMAN: "I think it's because he is completely fluent in Russian and really understands Russian history and Russian literature, and Russian culture. It's the very fact that he's an excellent journalist that has made it difficult for him with the KGB.")

By publicly charging Danilooff, the Soviets have made it difficult to arrange an end to this latest superpower squabble. And that could effect the entire spectrum of already shaky Soviet-American relations.

DONALDSON: Today's action in Moscow comes just three days after President Reagan sent a personal message to Soviet leader Mikhail Gorbachev urging Gorbachev to release Danilooff -- strong evidence that the Danilooff case has been orchestrated all along at the highest Kremlin levels. It was not just a KGB move as some had theorized. Incidentally, Danilooff's wife Ruth was asked today if she fears for herself from the KGB. "Not in the morning when I'm not tired," she said. "But in the evening when it's dark, I get a little bit paranoid." (ABC-Lead)

PAKISTANI HIJACKING

DONALDSON: Passengers who lived through the terror of the Pan Am hijacking in Pakistan have flown to West Germany -- the healthy ones on their way back to New York which was their original destination, some of the wounded to a U.S. Air Force hospital near Frankfurt. In Karachi, authorities continued their effort to piece together an accurate story of what happened.

ABC's HILLARY BOWKER: ...Many are trying to put the pain of Karachi behind them, but the emotions they felt are hard to forget.... Authorities here did everything possible to make the returning hostages comfortable.... There were 11 victims of the Karachi hijacking on board, all seriously injured. Six were American.... The Americans were reported in stable condition.

(COL. ROBERT GILMORE: "They have suffered a combination of missile injuries from bullets and shrapnel as well as injuries incurred while rapidly exiting the aircraft.")

...A special stress-management team is on hand to counsel those victims who want it....

ABC's HAL WALKER: ...In Karachi, authorities now say they are questioning three of the captured hijackers at military intelligence headquarters, and a fourth is said to be critically injured, although earlier he was reported dead. There were other conflicts. Some blame Pakistani commandos for reportedly waiting 15 minutes before responding to the hijackers' gunfire. Others say security officials were sloppy despite warnings of an impending attack. At least five airport guards have been suspended since the incident. But Pakistan's President Zia, returning today from Africa, defended his officers' actions. President Zia has tried to put to rest the number of questions that still remain in the minds of many, but for now, he has expressed total confidence in his security forces and total confidence in his ability to protect his country and its airports. (ABC-2)

ISTANBUL SYNAGOGUE BOMBING

DONALDSON: Survivors of yesterday's synagogue massacre in Istanbul in which 22 worshipers were killed are disputing the Turkish authorities' report that there were only two terrorists involved and that they died at the scene. Eyewitnesses say there were four terrorists who took part in the attack, and that two of them escaped. In Israel, Prime Minister Shimon Peres vowed today to retaliate for the massacre saying Israel will strike the murderer's hand reaching it everywhere and every time. Then Peres suspended Cabinet meetings indefinitely in an angry dispute with Trade Minister Ariel Sharon. Hardliner Sharon had said publicly that the massacre was the Palestinian response to Israeli concessions to the Arabs. Peres said today there will be no more government meetings until Sharon publicly apologizes. (ABC-3)

ARCHBISHOP TUTU

DONALDSON: Desmond Tutu was enthroned today as the Archbishop of Capetown, becoming the leader of Anglicans in South Africa and four other countries in southern Africa....

ABC's JIM HICKEY: ...He is now the first black archbishop of southern Africa's three million member Anglican church.... Included on the racially mixed guest list were some well-known Americans like Coretta Scott King. No South African government officials were invited, but there were plenty of anti-apartheid activists such as Winnie Mandela.... Today Tutu said no one really wants sanctions, but there is no other peaceful way to reform. The Archbishop's politics have angered many white South Africans, even members of his own church. Outside the Cathedral pushing and shouting matches developed between a handful of Tutu protesters and his supporters.

...Though he is now head of a diversified church, he most likely will ignore suggestions he tone down his politics. His call for sanctions, Tutu says, is his own not the churches.

DONALDSON: After Bishop Tutu's enthronement, anti-apartheid leaders Winnie Mandela and the Reverend Alan Boesak said they would not meet with Coretta Scott King if she meets with South Africa's President P.W. Botha as planned. Boesak says President Botha's hands are dripping with the blood of black children and that King cannot meet with him as though nothing had happened. King is on a goodwill mission in southern Africa.

(ABC-4)

THIS WEEK WITH DAVID BRINKLEY

MODERATOR: David Brinkley.

GUESTS: Marva Collins, Director, West Side Preparatory School; Sidney Sheldon, National Spokesman, Coalition for Literacy; Harold McGraw, Jr., President of Business Council for Effective Literacy; David Harman, Professor of Education at Columbia University.

PANEL: Sam Donaldson, George Will.

GUEST: Professor Harman.

BRINKLEY: Education is your profession, and I would assume that when we discuss illiteracy the first temptation is to blame it on the schools. Is that fair?

HARMAN: No, I wouldn't say it is fair.... I would argue that it is the schools' fault only to a very limited extent. Schools can not perform better than their environments allow them to perform.

GUEST: Marva Collins.

BRINKLEY: You seem to have found the answer to teaching children who come from difficult home situations. What is it? What is the answer?

COLLINS: I really personally believe that answer is the fact that I do not believe that home background has really very much to do with how much a child learns, because I often think of the first immigrants that came to this country. They certainly depended on a good school system.

GUESTS: Mr. Sheldon, Mr. McGraw.

WILL: The standard reply, at least that we hear in Washington whenever one of these problems comes up, is that someone in Washington should spend more money somehow to reach these people.... How do you reach these people?

SHELDON: There are specific ways that these people can be helped. There are three that I can think of offhand...

DONALDSON: ...Companies are not going to hire illiterates, so the remedial programs within a company are not going to deal with people who couldn't be hired in the first place.... I have yet to hear about specific programs funded by specific individuals or the federal government to attack this problem. Give us some specifics.

SHELDON: First of all, the National Library, the Coalition for Literacy, has a program and the people who need help can call any library in the country.... You can also call your local schools and ask what programs they might have.

DONALDSON: Where do the libraries get the money if people respond?

SHELDON: They have the money. We have private fund-raising for one thing, and the government contributes, certainly not enough, but they're contributing something toward this.

THIS WEEK (continued)

DONALDSON: Does the government contribute enough, or should we have a war against illiteracy as we have a war against drugs?

MCGRAW: We...need more funding from government. But we are getting more funding from business and industry than we have.... In the last two or three years there is some tremendous growth in business' general awareness of the magnitude of this problem...and they are, indeed, coming forward in a tremendous way with funding.

FREE-FOR-ALL DISCUSSION (Hodding Carter joins panel.)

ON DANILOFF:

BRINKLEY: Have you ever seen a more obvious frame-up?

WILL: No. This is a hostage-taking. The President campaigned in 1980 saying, "No Americans would be taken hostage when I'm President, by cracky." Well one has been taken President. And the Administration has behaved disgracefully. First it rushed to say, "Well this won't interfere with arms control," and the other superstitions by which we all live. Now they're saying, "Well we certainly rule out a swap."... Nothing more amazes me than the way the Reagan Administration, particularly the President, is exempt from the rules he applies to others.

DONALDSON: Is the interest of the United States in the long run though, to cut off all contacts? To say this man is a hostage and extend the Reagan doctrine? After all, he has said that when hostages are taken we'll use armed force to free them. Or is the interest of the United States to see if something can be worked out preserving our right to try Zakharov as a spy and get the release of Danilooff unconditionally without destroying what we hope is movement toward arms control and another summit.

CARTER: The first responsibility of the United States government is to its citizens.... And that means, first and foremost, we have to say, "This guy has got to be released." And there are a lot of ways to do it.... Reciprocity is the first order of business, not tit for tat, but to get Nick out of that jail.

WILL: The first obligation of the government is to the long term national interest of the United States. And I do not see how it is in the long term interest of improved U.S.-Soviet relations for us to telegraph to them the fact that we are so eager for agreements...that they can commit any outrage -- steal an American citizen and sell him back to us...

CARTER: Whatever the President campaigned as being willing to do, when it comes to hostages he's proved over and over again he's not. It hardly matters where the hostages are, whether they are held in Lebanon or whether they are held anywhere else.

DONALDSON: If it is their intention to hold Danilooff forever and try him as a spy, then of course you're right. We cannot go to a summit with Gorbachev.... To immediately take these actions before we see whether Gorbachev will, in fact, back off and free Danilooff is silly.

THIS WEEK (continued)

WILL: A year ago when...an American Major was shot in East Germany...the first reaction from President Reagan was to say, "This kind of incident certainly makes me eager to have a summit." Now, you communicate that kind of lust for summitry, that kind of fetish for agreements, and you are guaranteed to get weak agreements.

DONALDSON: He did not say that the shooting of that Major made him eager to have a summit. What he said was just the opposite in the sense that he said it was an outrage, it was conduct that could not be condoned, but we had to proceed with the total relationship of trying to grope toward a more peaceful world with the Soviet Union.... I think the record will show that Reagan never advocated a summit as the reaction to the killing of that Major.

ON PAKISTAN PLANE HIJACKING

BRINKLEY: There is talk of retaliation but we don't know who did it, and I don't know how we can retaliate without knowing whom to retaliate against. What should Mr. Reagan do about that?

CARTER: He had Ambassador Walters going around Europe saying, "Something is coming." It turns out they knew something was coming....

DONALDSON: I'm not sure the Administration really wants to find out in this case. The Reagan Doctrine in this matter, as promulgated against Libya, was to strike state-sponsored terrorism at its source. That's fine against Libya, but what if it turns out it's Syria who somehow if not ordered, at least aided and abetted these people. We're not going to strike Damascus.... I think the problem with the Reagan Doctrine is it's fun to beat up on Gadhafi, but we aren't ready to apply it across the board.

CARTER: In several reports we have White House officials saying on the background, "We're not going to do all that silly shooting ourselves in the foot that Carter did."...

WILL: The Reagan Administration has lots of leverage around and will use none of it. They are weaker in confronting crises such as this than the Carter administration.

DONALDSON: We did have one salutary benefit of our bombing of Tripoli: Col. Gadhafi is no longer praising these acts as he did the airport massacres in Rome and Vienna. Libya immediately denounced this hijacking and the death in the Pan American case.

ON THE CONGRESS:

BRINKLEY: The Congress comes back tomorrow.... There is so much left.... What's going to happen?

DONALDSON: I think it will get out in roughly a month because the imperative here is to get re-elected. And when the national interest in passing legislation bumps up against that imperative you know what's going to win. The question is can they do all of this...and I think they cannot.

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MEET THE PRESS

MODERATOR: Marvin Kalb

GUESTS: Michael Armacost, Under Secretary of State; Ruth Daniloff; Professor Seweryn Bialer, Expert on U.S.-Soviet Relations at Columbia University; Senator David Durenberger.

PANEL: Strobe Talbott, Garrick Utley.

KALB: Within a half hour the chief spokesman for the Soviet Foreign Ministry has said Nicholas Daniloff will be tried. What is your response to that?

ARMACOST: I regret hearing that message.... The case becomes much more complicated if they go through with the trial.

KALB: What does it mean in terms of your ability to pursue summitry?

UTLEY: Do you think the decision to go ahead with the trial on Daniloff might be a way to sabotage the summit?

ARMACOST: ...In the private communications we've had, they have been quite consistent in expressing the hope that this will not have a disruptive effect on the wider relationship, and that presumably means movement toward a summit.

TALBOTT: So far this Administration is trying to insulate arms control from this incident and unlink them. Is that fair?

ARMACOST: I think it's unusual for Paul Nitze, who's handling various arms control matters for us, to raise an issue of this kind with his counterpart. But in the meetings of the last two days he raised precisely this question with Mr. Karpov. And the incident will intrude itself into all of our discussions with the Soviet Union if it's not promptly resolved.

KALB: Do you feel that the Russians are getting any of the messages that you've been sending this past week?

ARMACOST: For the Soviet Union to bring charges against a journalist should not be entirely surprising because what we consider the normal modus operandi for an enterprising journalist, they tend to regard as subversive.

UTLEY: Can we turn to terrorism?... What do we know about what happened in Karachi in terms of who these terrorists were?

ARMACOST: We are quite unsure about the nature of the organization which these individuals served. We expect to hear the results of the Pakistani interrogation.

TALBOTT: Is there any reason at all to suspect a Libyan connection?

ARMACOST: I wouldn't prejudge that. We haven't enough information as yet to make that determination.

GUEST: Ruth Daniloff, Professor Bialer

MEET THE PRESS (continued)

KALB: Mr. Gerasimov of the Soviet Foreign Ministry has said that your husband will be put on trial. I'd like to have your response to that.

DANILOFF: It's a very distressing thing to hear. However, I'm taking heart from the fact that it was my understanding that President Reagan wrote a personal letter to Mr. Gorbachev in which he said my husband was no spy, asked for his release, and also said that he hoped that this would not jeopardize Soviet-American relations. And for my husband to be put on trial after that kind of appeal I would say might be a direct affront to the President of the United States.

KALB: You have heard Mr. Armacost talk about...whether U.S. officials ought to participate in upcoming bilateral meetings...next weekend. What is your own view...?

DANILOFF: I think it is very inappropriate at a time when there is an innocent American in a KGB jail to have these prominent Americans come here.

KALB: Professor Bialer...in your recent book, you...indicate that the Soviet leadership...is now interested in a deal with the West because they are so beset with problems. Why, in that case, would they arrest an American journalist, and why do you think they would put him on trial?

BIALER: ...I think that first of all, it shows that they have a very bad public relation management.... They did not expect, in my opinion, that the repercussions of arresting Mr. Danilooff would be what they are.... In my opinion, President Reagan, with the offer of taking the Soviet spy and giving him under the custody of the Soviet Ambassador in exchange for the expulsion of Danilooff, was a fair one and a face-saving device.

GUEST: Senator Durenberger.

KALB: What do you think the solution should be on the part of Congress?

DURENBERGER: The best solution is not to have strong opinions; to leave this to the President of the United States.

UTLEY: Turning to terrorism, a week or two ago the Administration put out some stories or information that a new wave of terrorist attacks was expected.... Did we really know something was coming, and the fact that it happened a few thousand miles away shows that we still don't know very much about the specifics of what is happening in the terrorist world?

DURENBERGER: I don't think we knew precisely about either the Karachi or the Istanbul situation.

UTLEY: Do we expect more of these incidents, attacks, in the foreseeable future?

DURENBERGER: Oh, yes.

FACE THE NATION

MODERATOR: Lesley Stahl.

GUESTS: Ruth Daniloff; Mortimer Zuckerman, U.S. News & World Report; Gennadi Gerasimov, Soviet Foreign Ministry Spokesman.

STAHL: President Reagan has sent a personal note to Mr. Gorbachev telling him flat out that Nicholas Daniloff is not a spy. Do you think that the Reagan Administration is doing enough?

DANILOFF: I'm extremely gratified by that letter, and I only wish that I had known about it yesterday and could have told my husband. I think the Reagan Administration is certainly taking it very seriously and doing everything they can.

GUEST: MR. GERASIMOV.

STAHL: You are telling us that there will be a trial -- that he will be accused tomorrow, and he will be brought to trial?

GERASIMOV: Pretty soon.

STAHL: I want to ask you one more time if you understand completely the depth of feeling about this in the U.S., and the pressure on President Reagan to take some kind of retaliatory measure....

GERASIMOV: This can be very unfortunate if they talk about these retaliations, because one retaliatory measure brings another retaliatory measure from the other side, and this vicious circle -- it's very unfortunate if we are going to move in this direction.

STAHL: The U.S.-Soviet officials met yesterday in preparation for a possible summit. Was there any progress?

GERASIMOV: ...My impression is we are not moving anywhere, not much actually, not much -- unfortunately.

STAHL: Do you see give on the side of the Reagan Administration, are you seeing compromises from this side as well?

GERASIMOV: I don't see anything, for instance, on this testing question -- I don't see anything because you have your time table, you have your schedule of testing -- and no matter what, let the world perish, we must have these tests.

GUEST: Mr. Zuckerman.

STAHL: You just heard the spokesman from the Soviet Foreign Ministry say that your reporter, Nicholas Daniloff, will go on trial. What now?

ZUCKERMAN: I think in the context of a letter from President Reagan certifying that in fact Nick Daniloff is not a spy...I think it's an outrage that is going to have a substantial reaction in this country, and I suspect and believe there should be retaliatory measures if in fact he is placed on trial.

FACE THE NATION (continued)

STAHL: Is there any way, in your view, that the American government can go for a swap and not put their man on trial?

ZUCKERMAN: ...I don't think a direct swap is appropriate. I think our government has ruled it out. But I think there are various face-saving ways of dealing with it.

STAHL: There are a lot of reporters -- and I understand Nick himself -- who have come out publicly against the idea of a swap, because once we trade here then no journalist will ever feel he can really work in the Soviet Union not that they are that free to work anyway.

ZUCKERMAN: ...I would do whatever I could to get him out of that jail. So I can't really be objective.... I personally am against such a swap, because a hostage is not the same thing as a spy.

STAHL: Do think that in arresting Zakharov...at this point in the U.S.-Soviet relationship, that in some way the Administration really blundered into this and triggered this themselves? Is there a mistake on our part here that we in some way are trying to make amends for?

ZUCKERMAN: I think the fact is that the Soviets are constantly involved in espionage, and if they get themselves into a situation where a Soviet government employee...is directly involved in espionage, and they do that frequently enough, somebody is going to get tripped up by this. It did happen at an extraordinarily unfortunate time, and the general experience is that once we grab one of their guys, they try and set up one of our people.

MCLAUGHLIN GROUP

MODERATOR: John McLaughlin. PANEL: David Gergen, Robert Novak, Jack Germond, Morton Kondracke.

ON PAKISTAN PLANE HIJACKING:

MCLAUGHLIN: What is the significance of this latest act of terrorism?

GERGEN: This may well be the beginning of a new spiral of terrorism. It's going to put pressure on the United States diplomacy in the Middle East.

NOVAK: What it really tells is that these people should not be allowed to live. And until we have the death penalty for terrorism there's not going to be a sufficient deterrent.

KONDRACKE: Clearly the Libyan air strike was a good thing to do. We've had almost a year, certainly six months, where Gadhafi has been off communing with himself in the desert, he's lost political power.... We do not have yet the kind of international cooperation that we said we were going to have after Achille Lauro and TWA hijacking.

MCLAUGHLIN: The Islamic extremists are using these young Palestinian terrorist to meet their own needs. And the problem will not be solved until the Palestinian problem is solved.

ON DANILOFF:

MCLAUGHLIN: Is Danilooff being used as a pawn? What's behind the Soviet arrest?

GERGEN: He's not only a pawn, he's a hostage today, and it's very clear this is linked, in the Soviet mind, to trying to get their KGB agent out of New York.... There is also a possibility that within the Kremlin hierarchy there are those who are seeking a provocation to wreck U.S. Soviet relations and I think they might seize upon the Danilooff case as a way to get it.

KONDRACKE: If there are people in the Soviet Union who are doing this, they have to include Mr. Gorbachev himself, because this is the kind of thing that could not have been done without his knowing about it.

NOVAK: What they [the Soviets] are counting on is the absolutely outrageous behavior by the White House in this instance. There were two crimes committed -- both by the Soviets -- one in New York and one in Moscow. And we're acting as if they are equal. We're talking about a delayed swap.... If we go along with this there will be no stopping them. The only reason we'll go along with it is the absolutely frantic desire of people in the White House not to have anything interfere with the summit.

MCLAUGHLIN: Is Reagan so enamored of a summit that he is inhibited from taking the kind of action that this act...deserves?

GERMOND: That seems to be the case.

MCLAUGHLIN GROUP (continued)

KONDRACK: Let me just say something about the Reagan Administration's handling of this. The first thing out of their mouths was, "This will not affect the summit."

GERGEN: That is not true.

NOVAK: They [the Soviets] know the frantic quality of the media and the Congress. They watch these people who say, "The one thing we can't do is we cannot jeopardize the summit."

GERMOND: I don't think we can make a final judgement of the way the Administration's handling this until we see how they handle it in the long run and what they do after Nick Daniloff is out.

GERGEN: ...This is not one Administration, but several administrations are trying to deal with this. Some of the folks of the NSC and the State Department would like to retaliate. You've got a situation at the Justice Department where the Justice Department is not acting in concert with the State Department on this.... In general I will tell you that the Administration has been very cooperative with us, and we think they are moving now on a path of responses which are going to escalate -- I think are going to get tougher -- if we don't get Daniloff out of there.

PREDICTIONS:

GERGEN: We're looking for a shake-up at the top of U.S. intelligence agencies -- not the CIA -- that may ultimately be called the shuffle of the three stars.

NOVAK: The choice of the State Department to be the new Ambassador to South Africa, Ed Perkins, is not yet set. There is terrific conservative opposition to him, and as recently as last week there are new blacks being interviewed by the Administration for this job.

GERMOND: On the New York primary: I have now got a sneaking suspicion that Mark Green is going to upset John Dyson and give Mario Cuomo a black eye.

KONDRACK: The Reagan Doctrine is going to suffer a severe blow next week when the House votes that the President cannot covertly aid Jonas Savimbi in Angola.

MCLAUGHLIN: Richard Lugar will call in all of his chits in trying to persuade House members to avoid a conference and go with his version of the sanctions bill against South Africa. No matter what happens, however, Congress will vote a sanctions bill, Reagan will veto it, and Congress will override it.

(NOTE: Agronsky & Co. was preempted.)



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, SEPTEMBER 8, 1986 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

IMPACT OF CASE CALLED SERIOUS BY WHITE HOUSE -- The Reagan Administration, stepping up its warnings to the Soviet Union, said today that the filing of espionage charges against an American reporter in Moscow was "a matter of utmost seriousness" for the United States.

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

U.S. SENT A TEAM TO HELP PAKISTAN TO END HIJACKING -- A United States Army counterterrorism team was sent to the scene of the hijacking in Pakistan on Friday, but it failed to get there before the incident ended in bloodshed, Administration officials said today.

(New York Times)

NATIONAL NEWS

REAGAN: NOV. 4 A 'MAKE OR BREAK ELECTION' -- President Reagan is putting his personal prestige on the line in what he calls his last campaign, an effort to keep Republican control of the Senate in a "make or break" midterm election that could determine his political legacy.

(AP, UPI)

NETWORK NEWS (Sunday Evening)

DANILOFF -- The Soviets formally charged Nicholas Daniloff with spying and said he will have to stand trial in Moscow on espionage charges.

PAKISTAN HIJACKING -- In Karachi, authorities continued their effort to piece together an accurate story of what happened.

ISTANBUL MASSACRE -- Prime Minister Shimon Peres vowed to retaliate for the massacre.

INTERNATIONAL NEWS...A-2

NATIONAL NEWS.....A-5

NETWORK NEWS.....B-1

NETWORK TALK SHOWS...C-1

INTERNATIONAL NEWS

DANILOFF IS INDICTED AS SPY BY SOVIETS
U.S. Reporter Faces Military Tribunal

MOSCOW -- American journalist Nicholas Daniloff was indicted today on charges of espionage against the Soviet Union, in a move that both U.S. and Soviet officials said could pose a serious new obstacle to efforts to improve relations between the two superpowers.

There was no indication when Daniloff would be put on trial, and he told a colleague by telephone today that he understood the investigation could last six months or more. Without elaborating, however, he also said, "I received oblique hints that it will end before being brought to court."
(Gary Lee, Washington Post, A1)

Reagan Effort Fails; Daniloff Is Charged

The Soviet government yesterday charged U.S. reporter Nicholas Daniloff with spying despite President Reagan's personal assurance that the reporter is innocent.

White House officials in Los Angeles seemed suprised and angered by the filing of the charges so soon after Mr. Reagan's personal letter to Soviet leader Mikhail Gorbachev.

(Ed Rogers & Jeremiah O'Leary, Washington Times, A1)

Impact Of Case Called Serious By White House
Reagan Is Described As Concerned On Daniloff

LOS ANGELES -- The Reagan Administration, stepping up its warnings to the Soviet Union, said today that the filing of espionage charges against an American reporter in Moscow was "a matter of utmost seriousness" for the United States.

Larry Speakes said Mr. Reagan was "concerned" about the case and asserted that the continuing detention of Mr. Daniloff could have "serious implications" for United States-Soviet relations.

(Bernard Weinraub, New York Times, A1)

U.S. Warns Moscow Of Effect On Ties

LOS ANGELES -- The United States warned the Soviet Union today that continued detention of American journalist Nicholas Daniloff could hold "serious implications" for U.S.-Soviet relations.

Larry Speakes said the United States has received no official notification of the charge, but reiterated that the journalist is "innocent" and said "there will be no trade" of Daniloff for a Soviet U.N. official, Gennadi Zakharov, being held in New York on espionage charges.

(David Hoffman, Washington Post, A1)

Reagan Considering New Steps For Journalist's Release From Soviets

LOS ANGELES -- President Reagan, escalating a test of wills with the Soviet Union, is reviewing steps to impress the Kremlin with the seriousness of U.S. demands for the release of American journalist Nicholas Daniloff, who is facing trial on espionage charges.

"I think the President is determined to see a successful resolution of the matter," Larry Speakes said Sunday.

"He is determined to impress upon the Soviet Union that he is personally involved in the matter and that he regards it as serious," Speakes said. "He is concerned." (Terence Hunt, AP)

Officials: Daniloff Case Should Not Impede Summit Plans

The case of an American reporter formally charged with espionage by the Soviet Union should not impede plans for a summit or hinder efforts for his release, top U.S. officials say.

Michael Armacost, undersecretary of state for political affairs, said that sending Daniloff to trial would "complicate" the "resolution of this case."

When asked Sunday on NBC's "Meet the Press" if a trial would rule out a superpower summit now in the planning stages, Armacost replied, "We haven't said that." (Sean McCormally, UPI)

SOVIETS SAY U.S. MADE SECRET NUCLEAR TEST

MOSCOW -- The Soviet Union said today that the United States conducted a secret nuclear test in the Nevada desert last week, the fourth such explosion Moscow has accused the United States of carrying out since the Kremlin imposed a unilateral moratorium on testing 13 months ago.

The official Soviet news agency Tass said the test, part of a secret project code-named "Gravestone," was conducted Thursday and created a tremor measuring 3.5 on the Richter scale.

Tass said the test proves Washington is not sincere about seeking a nuclear arms control agreement. The Communist Party newspaper Pravda said that by learning of the blast, the Soviets proved a test ban agreement was verifiable. (UPI story, Washington Post, A16)

U.S. SENT A TEAM TO HELP PAKISTAN TO END HIJACKING Officials Say Zia Government Agreed To The Dispatch Of Army Anti-Terror Unit

A United States Army counterterrorism team was sent to the scene of the hijacking in Pakistan on Friday, but it failed to get there before the incident ended in bloodshed, Administration officials said today.

The officials said the Pakistani government had given permission for the team to land at Karachi International Airport. They said the role, if any, of the American force had not been determined in advance.

(Stephen Engelberg, New York Times, A1)

U.S. MIDEAST ENVOY MURPHY MEETS WITH SYRIA'S ASSAD

DAMASCUS -- U.S. Assistant Secretary of State Richard Murphy discussed the Middle East peace process with Syrian President Hafez Assad today, official sources said.

The official Syrian news agency SANA reported that Murphy, who arrived here last night, had similar talks earlier with Minister of State for Foreign Affairs Issam Naeb. (Reuter story, Washington Post, A16)

JAPAN DECIDES TO JOIN SDI CONDITIONALLY

TOKYO -- Japan has decided in principle to join the United States' Strategic Defense Initiative research program and will probably move on Tuesday to open formal negotiations with Washington for participation, according to a Japanese government source.

The government will stop short of declaring Japan unequivocally in the program. It will say that entry will depend on resolution of a variety of points with the United States, including the extent to which Japanese companies would be allowed to use for commercial purposes the technology they help develop. (John Burgess, Washington Post, A24)

ILLEGAL IMMIGRANTS TEST U.S. TOLERANCE

From Texas to California, the 2,000-mile U.S. southern border has become a combat zone.

And from the Mexican barrios of Los Angeles and Chicago to Washington's burgeoning Salvadoran community, major U.S. cities are now safe havens for illegal immigrants.

"The simple truth is, we've lost control of our own borders," a frustrated President Reagan said recently.

(J. H. Doyle, Washington Times, A1)

NATIONAL NEWS

REAGAN ASKS VOTERS TO GIVE HIM
GOP SENATE FOR HIS LAST TWO YEARS

LOS ANGELES -- President Reagan, trying to spoil Democrats' dreams of gaining control of the Senate, is seeking a Republican victory by asking voters not to make him a caretaker president his final two years in the White House.

"Control of the Senate will mean two more years of moving forward or two years of stalemate and retrogression," Reagan said Sunday night at a \$1.5 million political fund-raiser.

"I did not come to Washington to be a six-year president," Reagan added. "I did not seek re-election just to protect the gains of our first term."
(Terence Hunt, AP)

Reagan: Nov. 4 A 'Make Or Break Election'

LOS ANGELES -- President Reagan is putting his personal prestige on the line in what he calls his last campaign, an effort to keep Republican control of the Senate in a "make or break" midterm election that could determine his political legacy.

With 22 of the 34 Senate seats at stake held by Republicans, Reagan urged Californians Sunday night to oust three-term Democratic Sen. Alan Cranston, "one of America's most strident liberal leftists" in favor of underdog GOP candidate, Rep. Ed Zschau.
(Ira Allen, UPI)

ON HILL AGENDA, CHANCES FOR TRIUMPH OR DEADLOCK

The 99th Congress returns today from recess to grapple with an extraordinarily heavy and difficult load, haunted at every step by close contests in the November elections for control of the Senate.

Starting this week with Senate debate on Supreme Court nominations and House consideration of drug-control legislation, both parties will use the legislative calendar to boost their own candidates -- and embarrass the opposition -- as a backdrop for full-scale campaigning in October.

But the calendar is so clogged with serious issues and booby-trapped with sticky political problems that incumbents of both parties could suffer from a contentious deadlock.
(Helen Dewar, Washington Post, A1)

Congress Returns To Mountain of Unfinished Work

Congress today begins a four-week sprint toward adjournment, but lawmakers have left themselves a pile of unfinished legislation that may be impossible to complete.

"Although we accomplished a lot prior to the recess, there is still a mountain of legislation looming on the horizon," Sen. Robert Dole said over the weekend.
(Steven Komarow, AP)

Congress Has A Heavy Workload

Congress returns from its three-week vacation Tuesday facing a lengthy list of business could mean late nights and long sessions, with tax reform, the budget, defense priorities, South African sanctions and contra aid all commanding attention.

An aide to Sen. Bob Dole predicted that the heavy workload will mean "another No-Doz session" in which lawmakers probably will be working late in hopes of adjourning the 99th Congress on schedule Oct. 3 so members can go home and campaign.
(Bud Newman, UPI)

PAC SPENDING REACHES \$71 MILLION

Total Gifts For House And Senate Races Reach Record Level

Campaign spending by special interest political action committees for November's House and Senate elections has reached \$71 million so far, the Federal Election Commission has reported.

Total PAC contributions to federal candidates for the 18-month period ending June 30 were \$78 million, including money given to those not up for election this year. That compares to \$57 million given by PACs in the comparable 1983-84 cycle and \$38 million in 1981-82.

(AP story, Washington Post, A4)

GAO FINDS SECURITY, DEFENSE GAPS CAUSING U.S. TO LOSE WAR ON DRUGS

Drug lords are beating the United States in the war to stop narcotics trafficking because of lax security in federal agencies and gaps in the line of defense, according to a General Accounting Office report obtained by The Washington Times.

"The amounts of drugs seized are relatively small compared to the amounts successfully smuggled into the United States," says the draft GAO report, scheduled to be delivered to Congress tomorrow. "Consequently, smuggled drugs remain widely available within the United States."

(Michael Hedges, Washington Times, A1)

NETWORK NEWS SUMMARY

(Sunday Evening, September 7, 1986)

(Note: CBS and NBC did not air a broadcast)

DANILOFF

ABC's Sam Donaldson: The face-off between the United States and the Soviet Union over American reporter Nicholas Daniloff took an ominous turn today. The Soviets formally charged Daniloff with spying and said he will have to stand trial in Moscow on espionage charges. The White House immediately warned that such a move could have serious implications for U.S.-Soviet relations.

ABC's DEAN REYNOLDS: Soviet television, ending a day of blistering personal attacks on Daniloff in the state-run news media, made the announcement tonight.

(SOVIET TELEVISION REPORTER: "I'd like to inform you, as a matter of fact, that today, the seventh of September, Nicholas Daniloff was officially charged with committing a crime.")

Only a few minutes earlier, Daniloff himself had called his "U.S. News & World Report" office with the same news: that he has been formally charged with espionage. An associate who took the call, Jeff Trimble, was later interviewed by telephone.

(JEFF TRIMBLE: "He said to me, 'My case is moving into a more serious stage. The charge of espionage puts it on par with another case we know about.'")

That reference was to Soviet spy suspect Zakharov who was arrested in New York last month. Diplomatic sources believe the Soviets are holding Daniloff as a means to win Zakharov freedom. Daniloff told his colleague a formal investigation will now be launched. One that could last six to nine months.

(JEFF TRIMBLE: "He said that he would like the case to end with all charges against him being dropped, if nothing else to clear his name here after five and a half years of honest and hard work.")

...Daniloff says he was framed. The Soviets say he was caught red-handed.

(GENNADI GERASIMOV: "It was his decision to go. It was his decision to accept the envelope. So if you have two decisions how can you say that it was a set-up or he was framed?")

Ignoring the fact that there has yet to be a trial...Pravda today flatly accused Daniloff of being a CIA agent while TASS called him a run-of-the-mill spy. Meanwhile...Daniloff spent his eighth full day behind bars. In his telephone call he had one personal request: for a sweater. "The nights," he said, "are cold here."

ABC's STEVE SHEPARD: President Reagan, winding up his west coast vacation in Los Angeles today, had no public comment on the latest developments in the Daniloff case.

(TV COVERAGE: The President and First Lady leaving Marine One.)

But in a statement released by White House spokesman Larry Speakes, the Administration says it has received no official notification that Daniloff will, in fact, be charged and tried for espionage. The statement warned that trying Daniloff could seriously affect U.S.-Soviet relations, a reference to efforts to arrange a U.S.-Soviet summit later this fall.

-more-

SHEPARD continues: Other Administration spokesmen reaffirmed yet again that Danilooff was innocent of espionage charges.

(MICHAEL ARMACOST, Under Secretary of State: "We share the view that these charges against Danilooff were trumped up.")

Armacost also said that by charging Danilooff the Soviets will make the whole affair much more difficult to resolve.

(UNDER SECRETARY ARMACOST: "We have, for the past week, been trying to communicate very forcefully to the Soviet Union the importance of releasing Nick Danilooff without proffering charges. The case becomes much more complicated if they go through with the trial.")

Danilooff's employer, "U.S. News & World Report" Chairman, Mortimer Zuckerman, said in Washington that the entire case was a typically heavy-handed and bungled KGB set-up. In Zuckerman's view, Danilooff's arrest was at least partially arranged as a warning to other western journalists who report in-depth on Soviet affairs.

(MORTIMER ZUCKERMAN: "I think it's because he is completely fluent in Russian and really understands Russian history and Russian literature, and Russian culture. It's the very fact that he's an excellent journalist that has made it difficult for him with the KGB.")

By publicly charging Danilooff, the Soviets have made it difficult to arrange an end to this latest superpower squabble. And that could effect the entire spectrum of already shaky Soviet-American relations.

DONALDSON: Today's action in Moscow comes just three days after President Reagan sent a personal message to Soviet leader Mikhail Gorbachev urging Gorbachev to release Danilooff -- strong evidence that the Danilooff case has been orchestrated all along at the highest Kremlin levels. It was not just a KGB move as some had theorized. Incidentally, Danilooff's wife Ruth was asked today if she fears for herself from the KGB. "Not in the morning when I'm not tired," she said. "But in the evening when it's dark, I get a little bit paranoid." (ABC-Lead)

PAKISTANI HIJACKING

DONALDSON: Passengers who lived through the terror of the Pan Am hijacking in Pakistan have flown to West Germany -- the healthy ones on their way back to New York which was their original destination, some of the wounded to a U.S. Air Force hospital near Frankfurt. In Karachi, authorities continued their effort to piece together an accurate story of what happened.

ABC's HILLARY BOWKER: ...Many are trying to put the pain of Karachi behind them, but the emotions they felt are hard to forget.... Authorities here did everything possible to make the returning hostages comfortable.... There were 11 victims of the Karachi hijacking on board, all seriously injured. Six were American.... The Americans were reported in stable condition.

(COL. ROBERT GILMORE: "They have suffered a combination of missile injuries from bullets and shrapnel as well as injuries incurred while rapidly exiting the aircraft.")

...A special stress-management team is on hand to counsel those victims who want it....

ABC's HAL WALKER: ...In Karachi, authorities now say they are questioning three of the captured hijackers at military intelligence headquarters, and a fourth is said to be critically injured, although earlier he was reported dead. There were other conflicts. Some blame Pakistani commandos for reportedly waiting 15 minutes before responding to the hijackers' gunfire. Others say security officials were sloppy despite warnings of an impending attack. At least five airport guards have been suspended since the incident. But Pakistan's President Zia, returning today from Africa, defended his officers' actions. President Zia has tried to put to rest the number of questions that still remain in the minds of many, but for now, he has expressed total confidence in his security forces and total confidence in his ability to protect his country and its airports. (ABC-2)

ISTANBUL SYNAGOGUE BOMBING

DONALDSON: Survivors of yesterday's synagogue massacre in Istanbul in which 22 worshipers were killed are disputing the Turkish authorities' report that there were only two terrorists involved and that they died at the scene. Eyewitnesses say there were four terrorists who took part in the attack, and that two of them escaped. In Israel, Prime Minister Shimon Peres vowed today to retaliate for the massacre saying Israel will strike the murderer's hand reaching it everywhere and every time. Then Peres suspended Cabinet meetings indefinitely in an angry dispute with Trade Minister Ariel Sharon. Hardliner Sharon had said publicly that the massacre was the Palestinian response to Israeli concessions to the Arabs. Peres said today there will be no more government meetings until Sharon publicly apologizes. (ABC-3)

ARCHBISHOP TUTU

DONALDSON: Desmond Tutu was enthroned today as the Archbishop of Capetown, becoming the leader of Anglicans in South Africa and four other countries in southern Africa....

ABC's JIM HICKEY: ...He is now the first black archbishop of southern Africa's three million member Anglican church.... Included on the racially mixed guest list were some well-known Americans like Coretta Scott King. No South African government officials were invited, but there were plenty of anti-apartheid activists such as Winnie Mandela.... Today Tutu said no one really wants sanctions, but there is no other peaceful way to reform. The Archbishop's politics have angered many white South Africans, even members of his own church. Outside the Cathedral pushing and shouting matches developed between a handful of Tutu protesters and his supporters.

...Though he is now head of a diversified church, he most likely will ignore suggestions he tone down his politics. His call for sanctions, Tutu says, is his own not the churches.

DONALDSON: After Bishop Tutu's enthronement, anti-apartheid leaders Winnie Mandela and the Reverend Alan Boesak said they would not meet with Coretta Scott King if she meets with South Africa's President P.W. Botha as planned. Boesak says President Botha's hands are dripping with the blood of black children and that King cannot meet with him as though nothing had happened. King is on a goodwill mission in southern Africa.

(ABC-4)

THIS WEEK WITH DAVID BRINKLEY

MODERATOR: David Brinkley.

GUESTS: Marva Collins, Director, West Side Preparatory School; Sidney Sheldon, National Spokesman, Coalition for Literacy; Harold McGraw, Jr., President of Business Council for Effective Literacy; David Harman, Professor of Education at Columbia University.

PANEL: Sam Donaldson, George Will.

GUEST: Professor Harman.

BRINKLEY: Education is your profession, and I would assume that when we discuss illiteracy the first temptation is to blame it on the schools. Is that fair?

HARMAN: No, I wouldn't say it is fair.... I would argue that it is the schools' fault only to a very limited extent. Schools can not perform better than their environments allow them to perform.

GUEST: Marva Collins.

BRINKLEY: You seem to have found the answer to teaching children who come from difficult home situations. What is it? What is the answer?

COLLINS: I really personally believe that answer is the fact that I do not believe that home background has really very much to do with how much a child learns, because I often think of the first immigrants that came to this country. They certainly depended on a good school system.

GUESTS: Mr. Sheldon, Mr. McGraw.

WILL: The standard reply, at least that we hear in Washington whenever one of these problems comes up, is that someone in Washington should spend more money somehow to reach these people.... How do you reach these people?

SHELDON: There are specific ways that these people can be helped. There are three that I can think of offhand...

DONALDSON: ...Companies are not going to hire illiterates, so the remedial programs within a company are not going to deal with people who couldn't be hired in the first place.... I have yet to hear about specific programs funded by specific individuals or the federal government to attack this problem. Give us some specifics.

SHELDON: First of all, the National Library, the Coalition for Literacy, has a program and the people who need help can call any library in the country.... You can also call your local schools and ask what programs they might have.

DONALDSON: Where do the libraries get the money if people respond?

SHELDON: They have the money. We have private fund-raising for one thing, and the government contributes, certainly not enough, but they're contributing something toward this.

THIS WEEK (continued)

DONALDSON: Does the government contribute enough, or should we have a war against illiteracy as we have a war against drugs?

MCGRAW: We...need more funding from government. But we are getting more funding from business and industry than we have.... In the last two or three years there is some tremendous growth in business' general awareness of the magnitude of this problem...and they are, indeed, coming forward in a tremendous way with funding.

FREE-FOR-ALL DISCUSSION (Hodding Carter joins panel.)

ON DANILOFF:

BRINKLEY: Have you ever seen a more obvious frame-up?

WILL: No. This is a hostage-taking. The President campaigned in 1980 saying, "No Americans would be taken hostage when I'm President, by cracky." Well one has been taken President. And the Administration has behaved disgracefully. First it rushed to say, "Well this won't interfere with arms control," and the other superstitions by which we all live. Now they're saying, "Well we certainly rule out a swap."... Nothing more amazes me than the way the Reagan Administration, particularly the President, is exempt from the rules he applies to others.

DONALDSON: Is the interest of the United States in the long run though, to cut off all contacts? To say this man is a hostage and extend the Reagan doctrine? After all, he has said that when hostages are taken we'll use armed force to free them. Or is the interest of the United States to see if something can be worked out preserving our right to try Zakharov as a spy and get the release of Danilooff unconditionally without destroying what we hope is movement toward arms control and another summit.

CARTER: The first responsibility of the United States government is to its citizens.... And that means, first and foremost, we have to say, "This guy has got to be released." And there are a lot of ways to do it.... Reciprocity is the first order of business, not tit for tat, but to get Nick out of that jail.

WILL: The first obligation of the government is to the long term national interest of the United States. And I do not see how it is in the long term interest of improved U.S.-Soviet relations for us to telegraph to them the fact that we are so eager for agreements...that they can commit any outrage -- steal an American citizen and sell him back to us...

CARTER: Whatever the President campaigned as being willing to do, when it comes to hostages he's proved over and over again he's not. It hardly matters where the hostages are, whether they are held in Lebanon or whether they are held anywhere else.

DONALDSON: If it is their intention to hold Danilooff forever and try him as a spy, then of course you're right. We cannot go to a summit with Gorbachev.... To immediately take these actions before we see whether Gorbachev will, in fact, back off and free Danilooff is silly.

THIS WEEK (continued)

WILL: A year ago when...an American Major was shot in East Germany...the first reaction from President Reagan was to say, "This kind of incident certainly makes me eager to have a summit." Now, you communicate that kind of lust for summitry, that kind of fetish for agreements, and you are guaranteed to get weak agreements.

DONALDSON: He did not say that the shooting of that Major made him eager to have a summit. What he said was just the opposite in the sense that he said it was an outrage, it was conduct that could not be condoned, but we had to proceed with the total relationship of trying to grope toward a more peaceful world with the Soviet Union.... I think the record will show that Reagan never advocated a summit as the reaction to the killing of that Major.

ON PAKISTAN PLANE HIJACKING

BRINKLEY: There is talk of retaliation but we don't know who did it, and I don't know how we can retaliate without knowing whom to retaliate against. What should Mr. Reagan do about that?

CARTER: He had Ambassador Walters going around Europe saying, "Something is coming." It turns out they knew something was coming....

DONALDSON: I'm not sure the Administration really wants to find out in this case. The Reagan Doctrine in this matter, as promulgated against Libya, was to strike state-sponsored terrorism at its source. That's fine against Libya, but what if it turns out it's Syria who somehow if not ordered, at least aided and abetted these people. We're not going to strike Damascus.... I think the problem with the Reagan Doctrine is it's fun to beat up on Gadhafi, but we aren't ready to apply it across the board.

CARTER: In several reports we have White House officials saying on the background, "We're not going to do all that silly shooting ourselves in the foot that Carter did."...

WILL: The Reagan Administration has lots of leverage around and will use none of it. They are weaker in confronting crises such as this than the Carter administration.

DONALDSON: We did have one salutary benefit of our bombing of Tripoli: Col. Gadhafi is no longer praising these acts as he did the airport massacres in Rome and Vienna. Libya immediately denounced this hijacking and the death in the Pan American case.

ON THE CONGRESS:

BRINKLEY: The Congress comes back tomorrow.... There is so much left.... What's going to happen?

DONALDSON: I think it will get out in roughly a month because the imperative here is to get re-elected. And when the national interest in passing legislation bumps up against that imperative you know what's going to win. The question is can they do all of this...and I think they cannot.

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MEET THE PRESS

MODERATOR: Marvin Kalb

GUESTS: Michael Armacost, Under Secretary of State; Ruth Daniloff; Professor Seweryn Bialer, Expert on U.S.-Soviet Relations at Columbia University; Senator David Durenberger.

PANEL: Strobe Talbott, Garrick Utley.

KALB: Within a half hour the chief spokesman for the Soviet Foreign Ministry has said Nicholas Daniloff will be tried. What is your response to that?

ARMACOST: I regret hearing that message.... The case becomes much more complicated if they go through with the trial.

KALB: What does it mean in terms of your ability to pursue summitry?

UTLEY: Do you think the decision to go ahead with the trial on Daniloff might be a way to sabotage the summit?

ARMACOST: ...In the private communications we've had, they have been quite consistent in expressing the hope that this will not have a disruptive effect on the wider relationship, and that presumably means movement toward a summit.

TALBOTT: So far this Administration is trying to insulate arms control from this incident and unlink them. Is that fair?

ARMACOST: I think it's unusual for Paul Nitze, who's handling various arms control matters for us, to raise an issue of this kind with his counterpart. But in the meetings of the last two days he raised precisely this question with Mr. Karpov. And the incident will intrude itself into all of our discussions with the Soviet Union if it's not promptly resolved.

KALB: Do you feel that the Russians are getting any of the messages that you've been sending this past week?

ARMACOST: For the Soviet Union to bring charges against a journalist should not be entirely surprising because what we consider the normal modus operandi for an enterprising journalist, they tend to regard as subversive.

UTLEY: Can we turn to terrorism?... What do we know about what happened in Karachi in terms of who these terrorists were?

ARMACOST: We are quite unsure about the nature of the organization which these individuals served. We expect to hear the results of the Pakistani interrogation.

TALBOTT: Is there any reason at all to suspect a Libyan connection?

ARMACOST: I wouldn't prejudge that. We haven't enough information as yet to make that determination.

GUEST: Ruth Daniloff, Professor Bialer

MEET THE PRESS (continued)

KALB: Mr. Gerasimov of the Soviet Foreign Ministry has said that your husband will be put on trial. I'd like to have your response to that.

DANILOFF: It's a very distressing thing to hear. However, I'm taking heart from the fact that it was my understanding that President Reagan wrote a personal letter to Mr. Gorbachev in which he said my husband was no spy, asked for his release, and also said that he hoped that this would not jeopardize Soviet-American relations. And for my husband to be put on trial after that kind of appeal I would say might be a direct affront to the President of the United States.

KALB: You have heard Mr. Armacost talk about...whether U.S. officials ought to participate in upcoming bilateral meetings...next weekend. What is your own view...?

DANILOFF: I think it is very inappropriate at a time when there is an innocent American in a KGB jail to have these prominent Americans come here.

KALB: Professor Bialer...in your recent book, you...indicate that the Soviet leadership...is now interested in a deal with the West because they are so beset with problems. Why, in that case, would they arrest an American journalist, and why do you think they would put him on trial?

BIALER: ...I think that first of all, it shows that they have a very bad public relation management.... They did not expect, in my opinion, that the repercussions of arresting Mr. Danilooff would be what they are.... In my opinion, President Reagan, with the offer of taking the Soviet spy and giving him under the custody of the Soviet Ambassador in exchange for the expulsion of Danilooff, was a fair one and a face-saving device.

GUEST: Senator Durenberger.

KALB: What do you think the solution should be on the part of Congress?

DURENBERGER: The best solution is not to have strong opinions; to leave this to the President of the United States.

UTLEY: Turning to terrorism, a week or two ago the Administration put out some stories or information that a new wave of terrorist attacks was expected.... Did we really know something was coming, and the fact that it happened a few thousand miles away shows that we still don't know very much about the specifics of what is happening in the terrorist world?

DURENBERGER: I don't think we knew precisely about either the Karachi or the Istanbul situation.

UTLEY: Do we expect more of these incidents, attacks, in the foreseeable future?

DURENBERGER: Oh, yes.

FACE THE NATION

MODERATOR: Lesley Stahl.

GUESTS: Ruth Daniloff; Mortimer Zuckerman, U.S. News & World Report; Gennadi Gerasimov, Soviet Foreign Ministry Spokesman.

STAHL: President Reagan has sent a personal note to Mr. Gorbachev telling him flat out that Nicholas Daniloff is not a spy. Do you think that the Reagan Administration is doing enough?

DANILOFF: I'm extremely gratified by that letter, and I only wish that I had known about it yesterday and could have told my husband. I think the Reagan Administration is certainly taking it very seriously and doing everything they can.

GUEST: MR. GERASIMOV.

STAHL: You are telling us that there will be a trial -- that he will be accused tomorrow, and he will be brought to trial?

GERASIMOV: Pretty soon.

STAHL: I want to ask you one more time if you understand completely the depth of feeling about this in the U.S., and the pressure on President Reagan to take some kind of retaliatory measure....

GERASIMOV: This can be very unfortunate if they talk about these retaliations, because one retaliatory measure brings another retaliatory measure from the other side, and this vicious circle -- it's very unfortunate if we are going to move in this direction.

STAHL: The U.S.-Soviet officials met yesterday in preparation for a possible summit. Was there any progress?

GERASIMOV: ...My impression is we are not moving anywhere, not much actually, not much -- unfortunately.

STAHL: Do you see give on the side of the Reagan Administration, are you seeing compromises from this side as well?

GERASIMOV: I don't see anything, for instance, on this testing question -- I don't see anything because you have your time table, you have your schedule of testing -- and no matter what, let the world perish, we must have these tests.

GUEST: Mr. Zuckerman.

STAHL: You just heard the spokesman from the Soviet Foreign Ministry say that your reporter, Nicholas Daniloff, will go on trial. What now?

ZUCKERMAN: I think in the context of a letter from President Reagan certifying that in fact Nick Daniloff is not a spy...I think it's an outrage that is going to have a substantial reaction in this country, and I suspect and believe there should be retaliatory measures if in fact he is placed on trial.

FACE THE NATION (continued)

STAHL: Is there any way, in your view, that the American government can go for a swap and not put their man on trial?

ZUCKERMAN: ...I don't think a direct swap is appropriate. I think our government has ruled it out. But I think there are various face-saving ways of dealing with it.

STAHL: There are a lot of reporters -- and I understand Nick himself -- who have come out publicly against the idea of a swap, because once we trade here then no journalist will ever feel he can really work in the Soviet Union not that they are that free to work anyway.

ZUCKERMAN: ...I would do whatever I could to get him out of that jail. So I can't really be objective.... I personally am against such a swap, because a hostage is not the same thing as a spy.

STAHL: Do think that in arresting Zakharov...at this point in the U.S.-Soviet relationship, that in some way the Administration really blundered into this and triggered this themselves? Is there a mistake on our part here that we in some way are trying to make amends for?

ZUCKERMAN: I think the fact is that the Soviets are constantly involved in espionage, and if they get themselves into a situation where a Soviet government employee...is directly involved in espionage, and they do that frequently enough, somebody is going to get tripped up by this. It did happen at an extraordinarily unfortunate time, and the general experience is that once we grab one of their guys, they try and set up one of our people.

MCLAUGHLIN GROUP

MODERATOR: John McLaughlin. PANEL: David Gergen, Robert Novak, Jack Germond, Morton Kondracke.

ON PAKISTAN PLANE HIJACKING:

MCLAUGHLIN: What is the significance of this latest act of terrorism?

GERGEN: This may well be the beginning of a new spiral of terrorism. It's going to put pressure on the United States diplomacy in the Middle East.

NOVAK: What it really tells is that these people should not be allowed to live. And until we have the death penalty for terrorism there's not going to be a sufficient deterrent.

KONDRACKE: Clearly the Libyan air strike was a good thing to do. We've had almost a year, certainly six months, where Gadhafi has been off communing with himself in the desert, he's lost political power.... We do not have yet the kind of international cooperation that we said we were going to have after Achille Lauro and TWA hijacking.

MCLAUGHLIN: The Islamic extremists are using these young Palestinian terrorist to meet their own needs. And the problem will not be solved until the Palestinian problem is solved.

ON DANILOFF:

MCLAUGHLIN: Is Danilooff being used as a pawn? What's behind the Soviet arrest?

GERGEN: He's not only a pawn, he's a hostage today, and it's very clear this is linked, in the Soviet mind, to trying to get their KGB agent out of New York.... There is also a possibility that within the Kremlin hierarchy there are those who are seeking a provocation to wreck U.S. Soviet relations and I think they might seize upon the Danilooff case as a way to get it.

KONDRACKE: If there are people in the Soviet Union who are doing this, they have to include Mr. Gorbachev himself, because this is the kind of thing that could not have been done without his knowing about it.

NOVAK: What they [the Soviets] are counting on is the absolutely outrageous behavior by the White House in this instance. There were two crimes committed -- both by the Soviets -- one in New York and one in Moscow. And we're acting as if they are equal. We're talking about a delayed swap.... If we go along with this there will be no stopping them. The only reason we'll go along with it is the absolutely frantic desire of people in the White House not to have anything interfere with the summit.

MCLAUGHLIN: Is Reagan so enamored of a summit that he is inhibited from taking the kind of action that this act...deserves?

GERMOND: That seems to be the case.

MCLAUGHLIN GROUP (continued)

KONDRACK: Let me just say something about the Reagan Administration's handling of this. The first thing out of their mouths was, "This will not affect the summit."

GERGEN: That is not true.

NOVAK: They [the Soviets] know the frantic quality of the media and the Congress. They watch these people who say, "The one thing we can't do is we cannot jeopardize the summit."

GERMOND: I don't think we can make a final judgement of the way the Administration's handling this until we see how they handle it in the long run and what they do after Nick Daniloff is out.

GERGEN: ...This is not one Administration, but several administrations are trying to deal with this. Some of the folks of the NSC and the State Department would like to retaliate. You've got a situation at the Justice Department where the Justice Department is not acting in concert with the State Department on this.... In general I will tell you that the Administration has been very cooperative with us, and we think they are moving now on a path of responses which are going to escalate -- I think are going to get tougher -- if we don't get Daniloff out of there.

PREDICTIONS:

GERGEN: We're looking for a shake-up at the top of U.S. intelligence agencies -- not the CIA -- that may ultimately be called the shuffle of the three stars.

NOVAK: The choice of the State Department to be the new Ambassador to South Africa, Ed Perkins, is not yet set. There is terrific conservative opposition to him, and as recently as last week there are new blacks being interviewed by the Administration for this job.

GERMOND: On the New York primary: I have now got a sneaking suspicion that Mark Green is going to upset John Dyson and give Mario Cuomo a black eye.

KONDRACK: The Reagan Doctrine is going to suffer a severe blow next week when the House votes that the President cannot covertly aid Jonas Savimbi in Angola.

MCLAUGHLIN: Richard Lugar will call in all of his chits in trying to persuade House members to avoid a conference and go with his version of the sanctions bill against South Africa. No matter what happens, however, Congress will vote a sanctions bill, Reagan will veto it, and Congress will override it.

(NOTE: Agronsky & Co. was preempted.)