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News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, FEBRUARY 23, 1987 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

IRAN-NICARAGUA

Congressional Investigators Aim Sites At North's Secretary --
Congressional investigators looking into a possible White House cover-up of the Iran-contra affair plan to question Lt. Col. Oliver North's former secretary, who reportedly helped destroy documents about the secret scheme.
(Los Angeles Times, AP)

INTERNATIONAL NEWS

U.S. Joins Economic Allies In Seeking End To Dollar's Drop -- The U.S. agreed to work with its main trading partners to end a dramatic two-year slide in the dollar's value by reducing the U.S. budget deficit in return for Japanese and West German pledges to buy more American products.
(Washington Post, AP, UPI, Reuter)

NATIONAL NEWS

Governors Want Reagan OK For \$1 Billion Welfare Reform Program -- The nation's governors, often at odds with President Reagan over budget priorities, are seeking his endorsement of a \$1 billion, work-oriented welfare reform plan.
(Washington Post, AP)

NETWORK NEWS (Sunday Evening)

DONALD REGAN -- There is more speculation about the Chief of Staff's possible departure.

NORTH'S SECRETARY -- Oliver North's secretary has been given immunity by the independent counsel and she's told investigators she helped North destroy key evidence.

ABM TREATY -- President Reagan has ordered U.S. arms negotiators in Geneva to suspend any negotiation with the Soviets that does not conform to the broad interpretation.

THE BEST GAME PLAN IN TOWN

THE PRESIDENT: (The pundits are) trying to bring the curtain down before the show is over. Well, I learned a lesson in my former profession. So let me give you a tip: We're saving the best stuff for the last act.

THE AUDIENCE: Four more years, four more years, four more years!

(President Reagan, at the Conservative Political Action Committee luncheon, 2/20)

IRAN — NICARAGUA

EVIDENCE IMPLIES REAGAN CLEARED OTHER SHIPMENTS Planned Arms Transfers Preceded 'Finding'

Behind conflicting testimony over whether President Reagan gave advance approval for a shipment of U.S. arms by Israel to Iran in September 1985 is evidence suggesting that Reagan agreed in advance to two subsequent planned shipments in late 1985, long before he signed a presidential authorization required by law, according to congressional investigators and former Administration officials.

Reagan appears to have given tacit approval for an additional planned Israeli shipment of U.S. arms to Iran later in 1985, although he did not sign the legally required secret intelligence "finding" until Jan. 6, 1986. The finding, which was modified into final form on Jan. 17, 1986, allowed Israel to ship U.S. arms to Iran with a guarantee that Washington would replace them -- the same system that had been in operation since the first shipment the previous September.

(Walter Pincus, News Analysis, Washington Post, A1)

IRAN COVER-UP HINTED; REGAN LIKELY TO GO

President Reagan gets a Tower Commission report on Iran this week that could document a White House cover-up and may topple Donald Regan.

Panel spokesman Herb Hetu predicted the report will be the most comprehensive play-by-play of the scandal to date.

The report is said to focus on a White House chronology used to coach Reagan before a Nov. 19 press conference.

(Johanna Neuman & Sam Meddis, USA Today, A1)

NORTH'S EX-SECRETARY TELLS OF DESTROYING DATA Granted Immunity, She Admits Helping Him Alter Or Shred Many Documents, Sources Say

Lt. Col. Oliver North's former secretary has admitted to federal investigators that she helped him alter, destroy and remove large numbers of White House documents dealing with the Iran-contra scandal, knowledgeable sources said Sunday.

Fawn Hall, North's secretary while he was on the staff of the White House NSC, said she altered about four memos taken at North's direction from NSC documents files by using a word processor on her desk, sources familiar with her statement said.

About a week later, they quoted her as saying, she and North used an NSC shredder or other paper destruction device to destroy an unknown number of documents, believed to include printouts of computer messages he had sent to other NSC officials.

(Ronald Ostrow & Michael Wines, Los Angeles Times, A1)

Congressional Investigators Aim Sites At North's Secretary

Congressional investigators looking into a possible White House cover-up of the Iran-contra affair plan to question Lt. Col. Oliver North's former secretary, who reportedly helped destroy documents about the secret scheme.

North's aide at the NSC, Fawn Hall, has been granted immunity from prosecution by independent counsel Lawrence Walsh, Ms. Hall's attorney, Plato Cacheris, said Sunday.

Cacheris said the grant of immunity from prosecution was made "in return for her talking" to Walsh. He said Ms. Hall was not finished with the independent prosecutor. (Susanne Schafer, AP)

NORTH URGES OTHERS TO 'TELL THE TRUTH'

Lt. Col. Oliver North said yesterday he has told "anybody that I ever worked with" that they should not "lie to protect anybody" in the Iran-contra scandal.

North made his comments to ABC News in response to an article yesterday in The Washington Post. The Washington Post reported that Fawn Hall, North's personal secretary at the NSC, told investigators that she helped North destroy NSC documents and internal messages last November hours before Justice Department investigators were to review NSC files.

"The Post said that? Good for them," North said. "I have told, consistently, anybody that I ever worked with that they need to do nothing to lie to protect anybody in this," North added. "Everybody ought to tell the truth. And when my counsel advises me that the time and place are appropriate, I am going to do the same thing."

(Washington Post, A14)

PAUL TSONGAS, SPEAKING OUT

As for the Iran-contra controversy, former senator Paul Tsongas said, "I'm not going to talk to you about Reagan and try to do it with a straight face. Either he knew what was going on or he didn't. The question is, which one is worse?" He told the students at Williston Northampton School that if Treasury Secretary Baker were still chief of staff at the White House, there would not be an Irangate, and he added that the best advice he would give the President is "listen to your wife."

(Chuck Conconi, Washington Post, D3)

INTERNATIONAL NEWS

FINANCE HEADS AGREE TO STOP DOLLAR'S FALL Leading Industrial Nations Vow Cooperation

PARIS -- The U.S. today called off its effort to drive down the value of the dollar against other currencies in return for an agreement by Japan and West Germany to stimulate their economies to help relieve the huge U.S. trade deficit.

The finance ministers of the three nations, along with those from France, Britain and Canada, said after meeting here that the dollar had declined enough, and pledged "to cooperate closely to foster stability of exchange rates around current levels."

Although Treasury Secretary Baker and other officials refused to say whether governments would intervene to keep exchange rates steady, the pledge to "cooperate closely" is likely to be seen by financial markets as an ever-present threat of that possibility.

(Hobart Rowen, Washington Post, A1)

U.S. Joins Economic Allies In Seeking End To Dollar's Drop

PARIS -- The U.S. agreed to work with its main trading partners to end a dramatic two-year slide in the dollar's value by reducing the U.S. budget deficit in return for Japanese and West German pledges to buy more American products.

The spirit of goodwill was dimmed, however, by a diplomatic flap that prompted Italy to boycott Sunday's talks and threaten to cancel a June summit in Venice of the seven largest industrialized nations.

(Robert Burns, AP)

Ministers Agree To Defend Dollar At Current Levels

PARIS -- The agreement by the finance ministers and central bankers of six leading industrialized nations to defend the dollar at its current levels ended weeks of speculation that saw the dollar on the verge of a free-fall.

Treasury Secretary Baker, at a briefing following formal presentations by all the participants, said the dollar accord was not an agreement on "target zones" that countries would defend with intervention.

"We don't comment on intervention. We agreed we ought to foster stability around current levels," Baker said. "There are no reference zones."

(Mary Tobin, UPI)

Markets To Test Paris Accord On Stabler Currencies

PARIS -- The U.S. and five other major industrial nations pledged cooperation to prop up the sliding dollar but the currency markets were out to test their resolve today.

Some currency dealers said these were all specific pledges that should be taken seriously. Those who voiced skepticism said that whatever was agreed was vague and also that economic "fundamentals" such as a sluggish U.S. economy and huge trade deficit continued to dictate that the dollar should fall.

(Anthony Williams, Reuter)

GENEVA SDI TALKS ON HOLD
U.S. Apparently Near Decision On Tests

President Reagan, apparently edging toward a decision to approve new tests of SDI technology, has directed U.S. negotiators temporarily to defer talks with the Soviet Union on space-based defenses, an Administration official said yesterday.

A presidential order signed last week puts part of the negotiations in Geneva on "a temporary hold" until the Administration consults with foreign governments and Congress, the official said.

(AP story, Washington Post, A4)

SOVIET KEEPS TEST HALT AS OPTION

The Soviet Union, on the verge of resuming its testing of nuclear weapons, would reimpose its moratorium if the U.S. stops exploding such devices, a Soviet spokesman said yesterday.

"I want to stress...we're going to stop our tests immediately after you stop them, even in the middle of our series of tests," said Foreign Ministry spokesman Gennady Gerasimov. (AP story, Washington Post, A4)

U.S.-SOVIET UNION GRAIN TALKS SPARK SALES EXPECTATIONS

The U.S. and the Soviet Union are set open trade talks today amid market expectations that Moscow will resume buying U.S. wheat and corn.

Officials from both sides sought to downplay the importance of the bilateral meetings, the first in almost a year.

"You should not attach undue significance (to the meeting)," Tom Kay, administrator of the Agriculture Department's Foreign Agriculture Service, told Reuters. (Nelson Graves, Reuter)

ROBELO-CRUZ FACTION GAINS POWER
WITH HELP FROM STATE

SAN JOSE, Costa Rica -- Supporters of Nicaraguan rebel leaders Alfonso Robelo and Arturo Cruz, backed by the U.S. State Department, forced the main rebel organization to amend its constitution and give the two more power yesterday.

Although the followers of Cruz and Robelo control less than a third of the seats in the constituent assembly of UNO, they demanded that the assembly throw out the results of its last election of officers. They also insisted that in the next election, they be guaranteed three of the seven officers' posts and that the terms of office be extended from three months to six months.

The rest of the assembly gave in to their demands after the U.S. State Department threatened to cut off American aid to the assembly.

(Glenn Garvin, Washington Times, A1)

WHITE HOUSE DENIES REPORT IT ATTEMPTED TO KILL QADDAFI

U.S. bombing raids on Libya last year were not planned to assassinate Muammar Qaddafi, a White House spokesman said yesterday, but "if he had been killed, there probably wouldn't have been a damp eve in the place."

The White House, responding to a report in The New York Times Sunday magazine that the raids were intended to kill the Libyan leader and his family, said "there was no plan to kill Qaddafi per se."

"What we said at the time of the bombing was and is correct -- the bombs that fell on Qaddafi's compound were targeted on a military barracks 200 meters away," said spokesman Dan Howard. (Washington Times, A12)

GAO QUESTIONS COST OF ISRAELI FIGHTER

Lavi May Siphon Off U.S. Military Assistance, Analysis Indicates

The projected cost of the Lavi fighter-bomber in the 1990s raises questions about whether Israel should go ahead with the project, said a congressional study released yesterday.

Rep. Lee Hamilton released the GAO study that said production costs will exceed \$1 billion a year by 1990 and \$1.4 billion by the year 2000.

(Eliot Brenner, Washington Post, A5)

SYRIAN TROOPS, TANKS MOVE INTO WEST BEIRUT

BEIRUT -- Syrian troops advanced behind tanks into Moslem west Beirut yesterday, and a top officer warned they would show no mercy in ending street fighting that killed more than 300 people and wounded 1,300 in one week.

Police said the 4,000-man Syrian force went unchallenged in the capital. But scattered gunfire and at least three grenade blasts were heard last night, and it was not immediately known if Syrian forces were involved in the exchanges.

(AP story, Washington Times, A1)

NATIONAL NEWS

MYTH OF THE DECISIVE PRESIDENT

The unfortunate ordeal of Robert McFarlane has opened a dark window into the White House that exposes the myth of President Reagan's claim to decisive leadership.

Seen in isolation, McFarlane's apparent suicide attempt is a personal tragedy. Viewed in the context of the Reagan presidency, McFarlane's difficulties provide sad commentary about Reagan's inability to control the White House or deal with complex foreign policy problems.

"The President looks terrific, too terrific," a former NSC official told me last week. He looks so well because he has been spared by ignorance and subordinates from facing conflicts that have no easy answers. The principal fault is Reagan's. His national security advisers have struggled in a vacuum created by a president who shrinks from the hard choices that he was elected to make. (Lou Cannon, Washington Post, A2)

MANTLE OF REAGAN ERA HAS YET TO DESCEND

Republican presidential hopefuls, parading their ideological wares before conservatives here, found more doubters than supporters.

The largest vote-getter in a Feb. 13-18 survey released at the 14th annual Conservative Political Action Conference was "undecided," the choice of 27.7 percent of 401 conservative activists polled from around the country.

The hearts of many of them still belong to Ronald Reagan. The Finkelstein & Associates survey released by the conference Saturday, for example, showed that in spite of the Iran-contra affair, 74.6 percent of conservative activists still hold a "very favorable" opinion of Reagan, exactly the same percentage as a similar poll of conservatives made 13 months ago. (Ralph Hallow, Washington Times, A4)

BASIC EDUCATION, JOB TRAINING URGED

Governors' Panel Backs \$1 Billion Program To Aid Welfare Recipients

The executive committee of the National Governors' Association overwhelmingly endorsed a proposal yesterday to pump \$1 billion a year in federal and state funds into basic education, job training and placement programs to move welfare recipients into private-sector jobs.

While the White House strongly favors work-oriented programs for welfare clients, it has given no indication that it is willing to support anything in the neighborhood of \$850 million a year for them.

Mitchell Daniels, the President's domestic policy adviser, told reporters, "We agree on the goals, we agree on the means. We're in search of agreement on the means of paying for it."

(Spencer Rich, Washington Post, A3)

Governors Want Reagan OK For \$1 Billion Welfare Reform Program

The nation's governors, often at odds with President Reagan over budget priorities, are seeking his endorsement of a \$1 billion, work-oriented welfare reform plan.

The emphasis on putting welfare recipients to work was certain to get a sympathetic hearing from Reagan when he meets with the governors today. (Donald Rothberg, AP)

REGAN ON THE WAY OUT AS REAGAN'S CHIEF OF STAFF, SOURCES SAY

Amid the turmoil of the Iran-contra arms affair, reports are swirling around President Reagan's White House of paralysis and high-level infighting that many observers believe will force Donald Regan out of his job soon.

"I'm not going to answer any questions until the Tower Commission report," Regan said Sunday night when asked about Regan's status. The President was entertaining the nation's governors at a formal White House dinner.

Presidential spokesman Dan Howard said Sunday that he knows of no plans for Regan to leave, and Regan's executive assistant, Thomas Dawson, dismissed reports of his expected exit as "a wonderful example of the Washington rumor mill going into hyperstate. I have no reason to believe anything is going to happen." (Terence Hunt, AP)

Regan Finished, Insiders Contend

Donald Regan, the embattled White House chief of staff, is expected to leave the White House soon amid a storm of criticism over his advice to the President on the Iran arms affair and quarrels with the First Lady and Reagan's daughter, Maureen.

"It's a done deal," said one person close to the Reagans.

Another longtime Reagan supporter said the chief of staff's departure was "imminent."

Regan, who has survived several concentrated efforts to oust him since the Iran-contra arms episode became public in November, could be gone in the next day or two, the source said.

(Jeremiah O'Leary, Washington Times, A1)

Reagan Will Show Regan The Door, Sources Say

Pressured by his wife and associates, President Reagan is reluctantly ready to push Donald Regan out the door, sources say, and former aides are being sounded out as replacements.

"Reagan is ready now," one source told UPI. "He wasn't going to force someone out to save his own skin," but it has "happened in the last three or four weeks. It's in his head that Regan must go."

In Richmond, Va., Larry Speakes agreed Regan may be pressured to resign in the next few days.

"Don Regan has been the victim of a vicious campaign by the media to get him out of office," Speakes asserted. "I'm sure he's said, 'Why the heck should I put up with this mess?'" (Helen Thomas, UPI)

Tower Panel Report May Prove Final Straw For Chief Of Staff

Donald Regan is close to being forced out of office and the Tower Commission report on the Iran-contra scandal may be the final blow, political sources said.

Until now Regan has rejected suggestions that he resign but the political sources said yesterday that low marks in the Tower report, due out Thursday, may force him to step down.

One Republican source predicted Regan would be gone within two weeks to be replaced by Reagan confidant Paul Laxalt. (Reuter)

EDITOR'S NOTE: "The Subject Was Regan -- Jokes Abound At Party For Spencer," by Jacqueline Trescott, appears in The Washington Post, D12.

NETWORK NEWS SUMMARY

(Sunday Evening, February 22, 1987)

(CBS Evening News was pre-empted by golf.)

THE WHITE HOUSE/DONALD REGAN

NBC's Chris Wallace: Donald Regan's long, grim battle to hang on as White House chief of staff appears to be nearing its end. A member of the Reagan cabinet tells NBC News the President has finally decided Regan must step down. The cabinet member said he would be, "very surprised if Regan lasts another week." But tonight a source familiar with Regan's thinking told NBC News Regan still does not intend to leave.

NBC's Jamie Gangel: When the President was asked about the future of his chief of staff there was no ringing endorsement.

(The President: "I'm waiting for the Tower report.")

But privately White House aides say Regan has got to go, and that the resignation may come even before the Tower report. Said one aide, "We are getting hammered on this. When the Tower report hits the streets Regan has got to be gone." And a senior Administration official added that Regan's recent behavior, such as hanging up on the First Lady, indicates that he is "out of control and acting irrationally." All that's missing is Regan's replacement, but aides say there is a list of contenders. At the top are former transportation secretary Drew Lewis and energy secretary John Herrington. And the list also includes the President's long-time friend Paul Laxalt and former legislative affairs assistant Kenneth Duberstein. What we're looking for, said one presidential aide, is someone with impeccable credentials and no controversy.

(TV coverage: The First Lady walking Rex.)

Aides say the President's change of heart became apparent earlier this week when the President was asked about Regan's future.

(The President sitting in the Oval Office with Shamir: "Well this is up to him. I have always said that when the people that I've asked to come into government feel that they have to return to private life that's their business and I will never try to talk them out of it.")

That traditionally has been the President's way of suggesting an official should resign, but this latest push to oust the chief of staff also comes at the same time as another embarrassing revelation.

(TV coverage: The President and Mr. Regan walking out of the O.E.O.B.)

This time suggesting that Donald Regan ordered a cover-up. The chief of staff is reported to have been deeply involved in an attempt to protect the President from the fallout of the Iran arms scandal.... There seems to be no written proof that Regan gave the order for a cover-up and Regan's aides denounce the whole idea as, "a damn lie." But this latest revelation is seen here as the end for Donald Regan.

(NBC-Lead)

ABC's Sam Donaldson: Washington is almost frantic tonight with speculation over the fate of White House Chief of Staff Donald Regan, a man whose imminent departure from his job is being widely predicted. Sources close to First Lady Nancy Reagan, who's been campaigning for Regan's ouster, say the deed will be done soon. First Lady confidant and columnist George Will predicts Regan will be gone by next Sunday. But so far Regan isn't cooperating in his demise. Sources familiar with his thinking say he's dug in and has no intention of resigning unless the President asks him to. They say Regan has heard that the First Lady is looking for an emissary to carry the word to him that he must go, but the only one Regan would listen to on that score is the President himself. Incidentally, Regan flatly denies to friends that he's ever hung up the phone on Mrs. Reagan as reports emanating from her office have it. Furthermore, these sources say, the President has been very supportive of Regan when the two of them are together. A week ago the President gave his chief of staff a Marine Corps T-shirt that bears the inscription "hang in there."

ABC's Sheilah Kast: Returning from Camp David, President Reagan was peppered with questions about his chief of staff's tenure and about growing evidence of a cover-up. He deflected them with the answer he's used for weeks.

(The President: "I'm waiting for the Tower report.")

The Tower Board is scheduled to give him its report on the Iran-contra affair on Thursday. Meanwhile, the independent counsel investigating the Iran affair has granted immunity from prosecution to this woman: Fawn Hall, former secretary to fired national security aide Oliver North. Hall reportedly told criminal investigators that on the evening of last November 21st she helped North destroy computer messages and key memos. That was just hours after Attorney General Meese had told the President a fuller investigation was needed and just hours before Justice Department investigators started reviewing National Security Council files.... Today North expressed no concern that Hall is cooperating with investigators.... No evidence has surfaced linking this incident with Chief of Staff Regan, but the Tower Board is looking at Regan's role in doctoring a chronology of the affair. And the questions on many minds are how widespread were cover-ups at the White House and who took part.

Donaldson: The White House will try to put all this aside tonight at a black tie dinner for the nation's governors who are in Washington for their winter meeting. Attending will be the President and Mrs. Reagan, the governors, and high Administration officials including Chief of Staff Regan. (ABC-Lead)

NORTH'S SECRETARY

Wallace: There are also damaging new allegations against former NSC official Oliver North. North's personal secretary has been given immunity by the independent counsel and she's told investigators she helped North destroy key evidence.

(NBC's Jim Miklaszewski: ...His (North's) former White House secretary has told investigators she helped North destroy a mammoth stack of key NSC documents apparently related to the Iran arms deal. North did not confirm or deny the allegations.

(Oliver North: "I've told consistently, anybody that I ever worked with that they need to do nothing to lie to protect anybody in this -- that everybody ought to tell the truth.")

North's former secretary, Fawn Hall, has been granted immunity from prosecution and she's told investigators that on the night of Friday, November 1st, she and North spent one hour in the White House basement shredding documents. Hall's attorney called the shredding routine.

(Plato Cacheris: "They periodically shredded documents there."

Reporter: "So this was not something that Col. North ordered."

Cacheris: "No, not to my knowledge.")

...All this combined with reports that chief of staff Donald Regan ordered the NSC to protect the President in the Iran probe, has led to speculation the White House may have been involved in obstruction of justice.

(TV coverage: The President and Mr. Regan walking into the White House.)

(James Schlesinger: "It looks as if a number of members of the White House staff will be convicted and some of them will go to the penitentiary.")

Former Watergate prosecutor George Frampton says it's given him a sense of deja vu.

(Frampton: "These are things that appear to be going on now in Irangate and they are very similar to the steps that led President Nixon and his highest aides into a cover-up in Watergate.")

Meanwhile, one government source says if Oliver North did attempt to cover-up, it wasn't a very good one. Said the official, "All North managed to do was shoot himself in the foot, not save his neck."

(NBC-2)

U.S.-SOVIETS/ABM TREATY

Donaldson: President Reagan has ordered U.S. arms negotiators in Geneva to suspend any negotiation with the Soviets involving the Anti-Ballistic Missile Treaty that does not conform to the President's broad interpretation of the treaty -- an interpretation necessary to conduct star wars missile defense shield tests in space. This according to the New York Times. If the U.S. insists on the broad interpretation, a spokesman for the Soviet foreign ministry said today, arms control efforts are dead.

(Gennadi Gerasimov: "Actually this broad interpretation kills the treaty.")

Donaldson: "What would the effect of that be?"

Gerasimov: "Another round of nuclear arms race and everyone will be unhappy with this." (ABC-5)

ECONOMIC MEETING

Wallace: Finance ministers from six industrial nations reached agreement today to halt the slide of the dollar and on other steps that Treasury Secretary Baker hopes will reduce America's enormous trade deficit.

NBC's Paul Miller: The finance ministers delayed making any formal announcement until they were sure they had an agreement to stabilize the dollar against the German mark and Japanese yen.... The Reagan Administration allowed the dollar to free-fall to cut America's trade deficit by making foreign imports more expensive and American exports cheaper.... The ministers meeting in Paris this weekend were ready to give to American demands in order to stabilize the dollar.

(Secretary Baker: "Germany and Japan have agreed to take some significant policy actions to help us resolve the imbalances between us. That is the big trade deficit in the United States and the big surpluses in those countries.")

...The Italians, apparently upset over being excluded from earlier sessions, pulled out of today's meeting. While the ministers say they've reached a substantive agreement, many experts will be waiting for the verdict tomorrow from the financial markets. That could have a lot more to do with whether the dollar goes up or down than anything that was agreed to here. (NBC-5)

Donaldson: The United States and five of its principal trading partners have reached an agreement that seems to represent a victory for the international monetary tactics of Treasury Secretary James Baker: halting the slide of the dollar abroad in return for higher growth rates in key allied countries.

ABC's Don Kladstrup: After two days of intense talks, finance leaders from the six major industrial nations announced the agreement they've been hoping for: a plan aimed at restoring order to currency exchange markets and putting brakes on the declining dollar.... The U.S., said Treasury Secretary James Baker, pledged to reduce its budget deficit, and:

(Secretary Baker: "In addition, we will continue to oppose protectionist pressures which exist today in the United States.")

...Everyone today seemed pleased that some stability may have been restored...except Italy.... This afternoon as finance leaders were congratulating themselves for what one termed a crowning success, Italy warned that today's developments could force cancellation of the economic summit scheduled for Venice next June.... (ABC-3)

BEIRUT/SYRIA

Wallace: Syrian troops rolled into Beirut today. Their mission: end the anarchy caused by battling militia factions.... The Syrians are warning everyone to lay down their weapons.

(NBC's Jim Bittermann: ...Jumblatt says it's time all the militias of West Beirut to unite against their real enemies: Israel, America, and the Christian forces.... There are others who fear these Syrian soldiers. Palestinians predict they will try to invade their camps and disarm PLO fighters.... (ABC-2, NBC-3)

-End of B-Section-

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panel: George Will and Sam Donaldson.
Guests: Gennadi Gerasimov, Soviet Foreign Ministry; Jeane Kirkpatrick;
James Schlesinger; William Hyland, Editor, Foreign Affairs.

Donaldson: Mr. Gerasimov...there's a report today that President Reagan has ordered that the U.S. negotiators in Geneva...not to negotiate anything that would impede on the so-called broad interpretation of the ABM Treaty.... If that report is correct, what does it have to do with the outcome of the Geneva negotiation?

Gerasimov: If it's so, it's very bad news indeed. Because this broad interpretation is no interpretation at all.... Actually, this broad interpretation kills the treaty.

Donaldson: What would the effect of that (killing the ABM Treaty) be?

Gerasimov: Another round of the nuclear arms race.

Brinkley: Mr. Hyland, in your judgment can Gorbachev do all theses things he is discussing and survive?

Hyland: The odds are about 50-50, maybe slightly more, in Gorbachev's favor.

Will: Is there any good news in all this glasnost for Eastern Europe?

Hyland: They cannot really afford the kind of glasnost that Gorbachev is talking about. In fact there are rumors that the reports of Gorbachev's speech are being suppressed in Eastern Europe.

Donaldson: Is it in U.S. interests to help Gorbachev succeed in these reforms?

Hyland: It's in our interest that he succeed. But I don't think we should make our foreign policy dependent upon that.... If we were to try and influence it, I think we'd make our policies the prisoners of quixotic events over which we have no control.

Brinkley: If all these reforms were to take place, would it affect in any serious way the Soviet Union's relations with us and the rest of the world?

Hyland: It could. Mr. Sakharov...suggested that the only way Soviet foreign policy could become more conciliatory was through the success of an internal liberalization.... I'm rather skeptical. I think the Soviet state will pursue its own interests, whether it's a liberal or a more conservative regime.

THIS WEEK (continued)

Guests: Jeane Kirkpatrick and James Schlesinger.

Brinkley: You heard Mr. Gerasimov a few minutes ago. What do you think of what he said to us?

Kirkpatrick: I would say that he's purveying very skillfully the positions that were laid out by General Secretary Gorbachev in his speech to the plenum....

Brinkley: He said...emigration from the Soviet Union is now easier.

Kirkpatrick: That is not true at all....

Schlesinger: I think it is going to be difficult for Gorbachev to achieve his objectives of greater efficiency within the system because he does not want to change the system very much.

Donaldson: Is it your view that Gorbachev is just doing these things that look like reforms in order to make the system a little more efficient so it can then proceed with a plan for world domination, or might he be trying to change the Soviet system to some extent?

Schlesinger: I think he wants to make it considerably more efficient and he will succeed in making it somewhat more efficient. He is far beyond the hopes of world domination but he would like to compete better with the United States than the Soviet Union has in recent years.

Donaldson: A lot of people see...that Gorbachev is skillfully setting some sort of propaganda trap to lull the West into a kind of complacency which will allow the Soviets to achieve what they fear that were trying to achieve. Is that your view?

Kirkpatrick: No. My view is that what Gorbachev is saying is basically for internal consumption. I think he does want change and he wants significant change. The nature of the change is less clear and what it means for our foreign policy.... He wants Brezhnev's team out and his team in at all levels of the society.

Donaldson: Should we get on the Gorbachev bandwagon?

Kirkpatrick: No, we're Americans actually and we should attend mainly to our politics and get on bandwagons of our own candidates.... I think we should watch with great interest and even a degree of hope.... But I don't think we ought to try to structure our policies in the hope that we're going to affect internal developments in the Soviet Union.

Will: Give me three or four criteria by which we could judge real change.

Schlesinger: I don't think you are going to see fundamental change in the Soviet Union.... What is unprecedented is the admission that the Soviet system has been ineffective in competing with the capitalist world. That is an abandonment of the time-honored notion that Marxism will inevitably win.

THIS WEEK (continued)

Kirkpatrick: ...I think one way we know if there was significant change would be a real significant reduction of censorship inside the Soviet Union....

Donaldson: Well if we continue nuclear testing and the President stands very firm on his SDI program with a broad interpretation of the ABM Treaty, does that not mean that arms control, at least for this Administration, is dead?

Schlesinger: Not necessarily dead, but you are not going to have a fundamental arms control agreement. You are not going to have a major exchange on the strategic level....

Kirkpatrick: We have to define what is major. I think a significant arms control agreement is entirely possible, that might provide for real verifiable, even deep reductions in nuclear weapons....

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

Brinkley: Donald Regan seems to be in real trouble and may soon be leaving. What is your judgment about this?

Donaldson: I don't think Regan can stay. Mrs. Reagan has now gone public, throwing down the gauntlet to her husband, the President. She has planted the stories that she no longer talks to Donald Regan and that in fact he has hung up on her on the telephone. And she is saying, in effect, to her husband the President, "You have to choose, him or me." I don't think there's any real choice, and Ronald Reagan has to make it. Mrs. Reagan, in doing this publicly to her husband, I think has helped weaken him because he now is held up to the spectacle of someone who must get rid of Regan...because his wife is demanding it.... I think that kind of impression for the President of the United States is very, very bad.

Will: I think Donald Regan will be gone when we gather here next week....

Carter: The Regan thing actually goes beyond Regan.... What interests me, not only about Don Regan, about this whole Administration is that no one apparently has had the honor or the guts or the decency to go either on principle, or because they're a drag on the President or anything else....

Donaldson: ...Let me just say a word on his (Mr. Regan's) behalf. He came in as chief of staff saying he was gonna let Reagan be Reagan. That's what all the conservatives wanted. They were so suspicious of Jim Baker.... If there's one sin that Donald Regan should be charged with it is, in my view, letting Reagan be Reagan in many instances. Why blame Regan for what's happened to Reagan?...

CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Rudolph Giuliani, U.S. Attorney in New York; Rep. John Dingell; Robert Shapiro, Wertheim, Schroder and Co.; Robert Lamb, New York University.

Stahl: What took you and the government so long to put your minds to this (insider trading) and begin enforcing a law that's been there?

Giuliani: I don't know that the government understood the extensiveness of this problem until we began uncovering it a couple of years ago.... Now they know about it and now is the time to really put the resources into it and to look at the legislation that's needed and the numbers of people and other things that the SEC and the U.S. Attorneys' offices will need to turn this thing around....

Guest: Robert Lamb.

Stahl: Government deregulation, is that a major part of it (the increase in insider trading)?

Lamb: No, I don't think that deregulation is a large part of this. I think that the laxness in the enforcement of the insider trading laws has been part of this.

Stahl: And is this since President Reagan has come in, or was it before that too?

Lamb: I think a lot of people have felt during the Reagan Administration that they are playing with the net down, that the rules, while still on the books and the laws are still on the books, are not really being fully enforced....

Guests: Rep. Dingell and Professor Lamb.

Stahl: Is there something very new and immoral going on on Wall Street, or is it just that the government hasn't been enforcing the law and insider trader problems have been going on for a long time?

Dingell: First, the government hasn't been enforcing the law as it should; second of all, it hasn't been putting the resources into enforcement; third, there is a new attitude that appears to be going on up in the Street.

Stahl: Do we need new laws, or do we just need to enforce the ones that are already there?

Dingell: Obviously we need to enforce with great vigor the ones that are there. SEC has had far too little in resources; they have deliberately resisted additional monies and additional staff up until this year.

Stahl: The market has not really been affected by this scandal yet. Do you think it's going to go on like that?

Shapiro: I do think that as this grinds on that there is no question... that the market could find that this also becomes very debilitating.

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NBC -- MEET THE PRESS

Moderator: Marvin Kalb. Panel: Robert Novak and Ken Bode.

Guest: Representative Richard Gephardt.

Kalb: Do you feel on the basis of the deficits that exist now in this country, on the budget, on trade, that the United States will simply have to raise taxes?

Gephardt: In addition to cutting spending, yes. The answer is we've got to balance the budget in the next three or four years.... In 1981 Ronald Reagan said we could cut taxes, raise defense, the difference would be made up through economic growth. The supply side experiment has not worked, and therefore we have to address that problem, deal with the deficit, but to do it you need to tell people why you want to do that, and why it's important.

Kalb: If the Soviet Union, using its conventional strength, should attack Europe, would you, as president, have it within you to push the button and use nuclear weapons against the Soviet Union to stop that attack?

Gephardt: Yes, but I would also hope that we could change that conventional balance so that my presidency or any presidency wouldn't be confronted with that choice....

Novak: How in the world can you talk about a conventional deterrence, sir, when you want to cut defense spending below the present budget levels?

Gephardt: The conventional deterrence in Europe is not just dependent on what we spend; it's also dependent upon what the Europeans spend, and how well NATO is organized.

Kalb: Let's assume for a moment that President Reagan is right about Central America, and that if funds for the contras were cut off, the Sandinista regime might be able to spread its influence throughout the region. Would you be prepared to send American forces to Central America to stop them?

Gephardt: I would.... I think we've had a failed policy for seven years, and the main reason is I don't know what the goal of our policy is. Is it to get rid of the Sandinistas, or is it to satisfy legitimate American interests in the region, stopping foreign military bases, stopping them from interfering in the affairs of their neighbors. The goal has never been clearly stated, and then we've never had, to my way of thinking, the right way of getting to the goal.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin. Panel: Wolf Blitzer, Jerusalem Post; Robert Novak; Jack Germond; Morton Kondracke.

ON U.S./ISRAEL:

McLaughlin: How strained is the U.S.-Israeli relationship?

Blitzer: The relationship is not as good as it was six months ago. It's not as good as it's going to be six months from now.

Novak: I think it's just as good as it ever was. What this shows is that there is no indignity that Israel will impose on the United States government that this Administration will not turn the other cheek to.... Shamir was assured in advance that neither the Iran arms scandal nor the Pollard spy case would be mentioned more than in passing in the conversation with President Reagan.

Germond: We can not have a good relationship with Israel or...with Egypt or anyone else as long as it becomes so apparent that nobody understands who is running the foreign policy of this country -- who speaks for the country.

McLaughlin: On the issue of the international peace conference. Shamir came over here and said he was against it.... Shultz was for it. Then Shamir backed away from his hardline position. He took the position it's okay if we exclude the Russians, we exclude the PLO and have only Arab Palestinians.

Blitzer: That's what Reagan said. "We're not going to get the Soviets or the PLO into the peace process. Don't worry."

McLaughlin: Has the teflon of the Israeli-U.S. relationship been scratched or pierced or nothing happened to it?

Blitzer, Kondracke: Very minor. Novak: Zero. Germond: Very little. McLaughlin: I think scratched, because as the Iran thing grows, that's going to also have a negative effect on the relationship.

ON GATES HEARINGS:

McLaughlin: Assuming that Gates is confirmed, what will happen to the CIA under his leadership?

Kondracke: He's going to be very careful.... He's not going to be like Casey was.

Novak: They couldn't get a star so they ended up with a bureaucrat. It really shows that the Reagan Administration is out of gas.

Germond: ...Let's wait and see what we find out from the Tower commission...before we're sure he's gonna be confirmed.

Blitzer: I think it's a mistake.... I don't think he's the best person for that job.

-more-

MCLAUGHLIN GROUP (continued)

ON CONTRA AID

McLaughlin: ...Is it not safe to say that Ronald Reagan's aid for his beloved contras, at least beyond the \$40 million is definitely doomed?

Novak: It's not doomed, it's in very serious trouble. This is a lesson to anti-communist fighters who want to put their faith in the United States...

Kondracke: The Democrats want to cut the contras off without any requirement that the Sandinistas agree to democratic reforms.... It's a disgrace.

McLaughlin: Do you have the funny feeling that the contra movement is destined now for extinction?

Blitzer, McLaughlin: Yes. Novak, Germond: No.

Kondracke: If you leave it up to the Democrats they will be.

ON THE PRESIDENT AND DONALD REGAN

McLaughlin: What do you conclude from these various remarks about Don Regan's job security?

Germond: I conclude that he's on a very slick piece of ground -- on the skids -- he is on the way out. When the President starts talking like that, he's trying to send a signal....

PREDICTIONS:

Blitzer: The National Unity government in Israel...will fall in 1987. Instead of waiting instead for the next scheduled elections in 1988.

Novak: If and when...Don Regan falls, there will be a major push by the right wing to put Secretary of Education William Bennett in the job and they'll have a fighting chance to get him in there.

Germond: The vacuum on the left in the Democratic contest now with Cuomo out is enough to tip the balance and that Bumpers will run.

Kondracke: The Ayatollah has two kinds of cancer.... He won't live out the year.

McLaughlin: The next president of the United States will serve only one term because by mid-year 1989 he will have to raise taxes about \$150 billion and not for corporations this time but the individual taxpayer and that ain't gonna go down well with the electorate.

AGRONSKY & COMPANY

Moderator: Martin Agronsky.
Rowan, Elizabeth Drew, Hugh Sidey.

Panel: James J. Kilpatrick, Carl

ON DRUG TESTING:

Agronsky: This whole drug testing procedure has been described by some people as a gross invasion of privacy. That doesn't concern you?

Kilpatrick: I don't think it's a gross invasion of privacy any more than an airport security check is a gross invasion of privacy.

ON DONALD REGAN AND IRAN

Agronsky: Robert McFarlane...said that he had participated with other members of the National Security Council in an effort to get the President off the hook on this one.

Kilpatrick: This is a "beltway" story -- these little contradictions... -- and all you guys just go pick, pick, pick. You remind me of a bunch of vultures out on a country road going after something.

Drew: ...There's something really quite seriously wrong here when the President changes his story within two weeks. There's no good answer to why that happened.... We've had our leaders lying to each other -- they sort of hate each other now. The government's virtually nonfunctional because of that.... Almost everything that the President said in those early days at his press conference and his speech, are now being shown to be untrue.

Sidey: The government is functioning. The presidency isn't very healthy at this moment but there are some times when we don't really need it that much.... All of this is hearsay so far.... Contradictions in a story this complicated, I don't care what it is, are inevitable. And the fact that the President changed his story may or may not mean a lot.... You go out in the country...and they're interested, yes. But it's not the number one issue.

Agronsky: What really matters is Mr. McFarlane actually testified that they came together, conspired or were in collusion...to take the President of the United States off the hook on this one; to represent him as not being responsible for what he was responsible for.

Drew: I suggested a couple of weeks ago when the Senate Intelligence Committee report came out that it does suggest that there might have been a cover-up.... You have high officials, under oath, contradicting each other on all kinds of facts. Either people have no idea what Reagan means when he has a meeting, or they can't interpret his decisions, or there's a lot of lying going on.

AGRONSKY & CO. (continued)

ON GATES HEARING

Drew: I refer you to the report of the Senate Intelligence Committee. It raises very serious doubts about Mr. Gates. And...I put him in the NGE quality: Not Good Enough....

ON SENATE VOTE ON CONTRA AID

Agronsky: How do you see the future of contra aid.

Sidey: Certainly the sentiment has turned markedly against the whole contra program but I think it's the saddest thing in the world.

Drew: ...Once again we were treated to the sort of Marx Brothers-like quarrels among the so-called leadership of the contra group. They aren't leaders.... Our government picked these people. They have no indigenous following....

-End of News Summary-