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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, APRIL 2, 1987 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

TRIP NEWS

Reagan Calls AIDS 'Public Enemy No. 1,' Urges Abstinence -- President Reagan yesterday declared AIDS "public health enemy No. 1" and urged educators to stress "abstinence" to halt the spread of the deadly disease.

(Philadelphia Inquirer, USA Today, Washington Post, Washington Times, Copley, UPI)

NATIONAL NEWS

Senate Replays Cliffhanger Today -- Top party leaders are scrambling today to hold or switch the votes needed for Showdown II on the override of President Reagan's veto of an \$87 billion highway bill.

(USA Today, Washington Post, Washington Times, AP, Newhouse, Reuter, Scripps Howard, UPI)

INTERNATIONAL NEWS

U.S. Fears Soviet May Spy On Shultz On Embassy Visit -- Administration officials said today that security in the U.S. Embassy in Moscow might have been so compromised that Secretary Shultz might not be able to hold conversations safe from eavesdropping inside the building when he visits the Soviet Union on April 13.

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

NETWORK NEWS (Wednesday Evening)

PRESIDENT REAGAN/AIDS -- President Reagan called AIDS "public health enemy number one."

HIGHWAY BILL -- The Senate was engaged in a battle over whether to sustain President Reagan's highway bill veto.

MARINE GUARDS -- The Marine Corps said that more guards may be implicated in the sex-for-secrets espionage case.

IN THE GAZOO...

"It's an old tradition of the press and comes as no surprise; if you stick enough gazoos, then you'll receive a Pulitzer Prize. That's the freedom of the press all wrapped up as news. It's what we reap as long as we keep electing the gazoos."

(Mark Russell,
Seattle Post-Intelligencer, 3/22)

TRIP NEWS

REAGAN: 'AIDS IS ENEMY'

President Reagan, during his whirlwind trip to Philadelphia yesterday, delivered his first formal speech on the AIDS crisis calling the disease "public health enemy No. 1" and prescribing sexual abstinence for young people.

Reagan told an luncheon audience of about 1500 at the Wyndham Franklin Plaza Hotel that local schools and parents must decide how to educate children about the spread of AIDS. But he cautioned against the purely clinical approach to such teaching.

"I think that abstinence has been lacking in much of the education," he said. At another point he was asked whether the best preventive measure for AIDS was to just say no. Reagan responded, "That's a pretty good answer. Yes."

(Beth Gillin, Dick Pothier & Edward Colimore, Philadelphia Inquirer, A1)

AIDS Plan Criticized As Too Little Too Late

Activists involved in fighting AIDS said yesterday that President Reagan proposals fall far short of what needs to be done to stop the AIDS epidemic.

They said Reagan had helped their cause by focusing national attention on the spread of AIDS in his remarks in Philadelphia yesterday. Beyond that, they said, Reagan's proposed spending is not enough. His proposed solutions will not work and the message Reagan wants send about abstaining from sex will be ignored or never even heard.

(Mark Wagenveld & Susan Fitzgerald, Philadelphia Inquirer, A18)

Reagan: Say 'No' To AIDS

PHILADELPHIA -- President Reagan Wednesday declared AIDS "public enemy No. 1," saying prevention is better than cure."

In his long-awaited speech on AIDS to the College of Physicians, Reagan didn't mention sex, abstinence, condoms or monogamy, saying only AIDS education "cannot be what some call 'value neutral.'"

(Johanna Neuman, USA Today, A1)

The President/AIDS

PHILADELPHIA -- President Reagan, prescribing sexual abstinence for young people, called Wednesday for AIDS education with a strong dose of moral instruction so sex is "not simply taught as a physical, mechanical process."

In an upbeat appraisal of the "unprecedented progress" (in AIDS research) to date, Reagan punctuated his first major statement on AIDS with a call for schools to discourage sexual freedom -- blamed by many for the spread of the disease.

The moral tone aligned Reagan with conservative activists, including Education Secretary William Bennett, against a campaign by Surgeon General Everett Koop to promote the use of condoms and other "safe sex" techniques where calls for abstinence fail.

(Norman Sandler, UPI)

After 14-Month Delay, Reagan Talks About AIDS

PHILADELPHIA -- President Reagan broke his 14-month silence on AIDS Wednesday, declaring the deadly virus "public enemy number one" and defending his Administration's efforts to find a cure.

The President touched only briefly on the debate over the best way to educate Americans on how to avoid AIDS. That issue has divided many of his advisers, and the President came down on the side of those arguing for a moralistic tone to education.

"The federal role must be to give educators accurate information about the disease," Reagan said. "How that information is used must be up to schools and parents, not government." (George Condon, Copley)

Reagan: AIDS Is 'Health Enemy No. 1'

PHILADELPHIA -- President Reagan today pronounced AIDS "public health enemy No. 1" and said that sex education in schools about the disease should include instruction in moral values and the difference between "right and wrong."

The President, as he had two years ago, pledged an all-out war on AIDS and said the federal government would spend \$766 million to fight it this fiscal year and \$1 billion next year.

Reagan praised research work, but said that "all the vaccines and medications in the world won't change one basic truth -- that prevention is better than cure, and that's particularly true of AIDS."

(James Dickenson, Washington Post, A4)

Reagan Calls AIDS 'Public Enemy No. 1,' Urges Abstinence

PHILADELPHIA -- President Reagan yesterday declared AIDS "public health enemy No. 1" and urged educators to stress "abstinence" to halt the spread of the deadly disease.

Reagan's remarks were welcomed by some Republican House members and leaders of some educational and family advocacy organizations.

But others, including homosexual activists and some Democratic congressmen, who have called for increased funding for AIDS education and research, said the President's speech was only a small first step that would be meaningless without continued action.

(Willis Witter & Joyce Price, Washington Times, A2)

Reagan Vows U.S. Will Find AIDS Cure

PHILADELPHIA -- President Reagan, with the government predicting a nine-fold increase in AIDS cases in the next four years, vows to "find a way or make one" to cure the epidemic.

"We've declared AIDS public health enemy No. 1," Reagan told the Philadelphia College of Physicians, boasting of a 28 percent increase in the current \$766 million federal program to \$1 billion in fiscal 1988.

"The limit on AIDS research today is not money or will," Reagan said, "but the physical limits of research facilities and the number of people trained in the necessary techniques." (Ira Allen, UPI)

REAGAN: MEDICAL PROFESSION HEALTHY WITHOUT GOVERNMENT

PHILADELPHIA -- President Reagan, speaking before a receptive audience of doctors Wednesday, bashed lawyers, Soviet physicians and socialized medicine.

The byword throughout the speech was less, not more, federal involvement.

"American medicine is the world's best because it is private," said Reagan, "and it must stay that way." (Johanna Neuman, USA Today, A4)

REAGAN GIVES BICENTENNIAL PEP TALK AT CONGRESS HALL

PHILADELPHIA -- President Reagan paid a visit to historic Congress Hall Wednesday and gave a homespun pep talk supporting Philadelphia's financially ailing program to celebrate the 200th birthday of the U.S. Constitution.

Local officials said Reagan's speech before about 150 volunteers, workers and potential "heavy hitter" donors provided a much-needed boost to efforts to attract major corporate donors and close a nearly \$10 million budget gap for the celebration. (Josh Meyer, UPI)

NATIONAL NEWS

SENATE VOTES TO SUSTAIN VETO Democrats May Reverse Outcome, Enact Highway Bill Today

The Senate voted narrowly yesterday to sustain President Reagan's veto of a \$87.5 billion highway and mass transit bill, but the final outcome remained in doubt last night as Democrats appeared on the verge of reversing the vote and the White House scrambled to preserve its victory.

After an extraordinary day of cliff-hanging roll calls, vote switches and arm-twisting on both sides of the aisle, the President's battle for a comeback in Congress hinged on picking up just one Republican vote to offset the change of heart of Sen. Terry Sanford, the President's only Democratic supporter on the original vote.

When the Senate quit for the evening, Minority Leader Robert Dole said the quest for the elusive vote had been inconclusive thus far but would continue until the Senate resumes consideration of the issue today. As matters stood last night, he said, the Democrats appeared to have enough votes to override the veto. (Helen Dewar, Washington Post, A1)

Vote Switch Threatens To Undo Veto 'Victory'

The Democratic-controlled Senate yesterday handed President Reagan what could be a short-lived victory when it failed to override his veto of an \$88 billion highway bill.

But Senate Majority Leader Robert Byrd today will move to void the 65-35 vote, which fell two votes short of the 67 needed for an override.

"I was slightly confused," Sen. Terry Sanford said, unable to explain why he voted "present" instead of "no" the first time his name was called.

(Mary Belcher, Washington Times, A1)

Senate Replays Cliffhanger Today

Top party leaders are scrambling today to hold or switch the votes needed for Showdown II on the override of President Reagan's veto of an \$87 billion highway bill.

The Senate initially sustained the veto Wednesday with a single Democrat defector. Fancy parliamentary maneuvering and a switch by the defector back to party ranks set up the vote today.

(Fred Anklam & Bob Minzesheimer, USA Today, A1)

Senate Democrats Try Again To Overturn Reagan's Veto Of Highway Bill

Senate Democrats are taking a second crack at overturning President Reagan's veto of an \$88 billion highway bill, saying they will prevail in a political confrontation they lost narrowly the first time.

"Every Democrat is holding firm and 13 Republicans have withstood tremendous pressure from the White House," Sen. Alan Cranston said Wednesday night after a tense day of maneuvering on and off the Senate floor. (David Espo, AP)

Highway Bill Veto Vote

The Senate refused Wednesday to override President Reagan's veto of a \$88 billion highway bill but a wavering freshman senator gave Democrats a new chance to make the popular measure law in a high-stakes confrontation with the White House.

During the morning's debate, Sen. Robert Dole painted the vote as historic beyond the specific legislation, saying, "This may determine the strength of this presidency for the next 21 months."

Sen. Robert Byrd complained the veto was sustained "because of politics...because the White House has put it on that basis.... There are no Republican highways in this country," he said. "There are no Democratic highways in this country. Potholes know no party."

(Bud Newman, UPI)

President Could Lose Veto Battle On Highway Bill Thursday

President Reagan, after apparently winning his battle to veto the \$88 billion highway bill, could lose the war Thursday.

"I expect the vote to be 67-33 and the veto to be overridden," Senate Republican Leader Robert Dole predicted.

(Don Kirkman & Mary Deibel, Scripps Howard)

Senate Votes On Reagan's Veto Remains In Doubt

President Reagan was lobbying up to the final minutes in a bid to uphold his veto of a popular highway bill in a vote widely seen as a test of his strength for the remaining 21 months of his presidency.

Asked about the Senate vote as he left the White House for a trip to Philadelphia yesterday, Reagan said, "I was very pleased, but it still isn't final."

"When Ronald Reagan stands up for what's right for America, I'm going to be standing up with him," Sen. Phil Gramm said.

(Robert Green, Reuter)

Highway Bill Veto Vote/Analysis

Turning a vote on a costly highway bill into a test of the President's personal prestige may have cost Ronald Reagan considerable goodwill on Capitol Hill and impaired his ability to win future legislative victories.

Whether to uphold Reagan's veto of the bill became a raw test of power that threatens to sour congressional relations for the White House on other important votes. Hill leaders of both parties, and some inside the White House, had warned the President against putting his prestige on the line for this particular vote.

But Reagan disregarded the advice, believing he should not retreat at a time when he is trying to prove he is back in command following his setbacks as a result of the Iran arms scandal. His lieutenants at the White House and on Capitol Hill spread the word that the very credibility of his presidency was on the line.

(Paula Schwed, Newhouse)

PANEL URGES \$18 BILLION TAX INCREASE

Party-Line Vote Sends \$1 Trillion Budget Measure To House Floor

Amid intense bickering, the House Budget Committee yesterday adopted a fiscal 1988 budget resolution that provides for an \$18 billion tax increase and sets the stage for a confrontation with the Reagan Administration and the House's Republican minority.

On a 21-to-14 party-line vote, the committee sent to the floor a \$1 trillion budget calling for \$38 billion in deficit reductions, including spending cuts for defense and domestic programs of about \$9 billion each as well as \$2 billion in technical changes.

Republican are expected to contest the budget resolution's call for increased taxes and a \$23 billion cut in the Administration's defense spending authority -- which is both the amount of money the Pentagon can spend next fiscal year as well as the amount it can commit itself to spend in the future.

(Tom Kenworthy, Washington Post, A4)

WELFARE SHOWDOWN ON CAPITOL HILL

White House Budget Director James Miller and members of a House Ways and Means subcommittee staged a showdown Wednesday over the panel's welfare reform proposal.

Miller...touched off the heated exchange by calling the subcommittee plan a "socially and fiscally unsound" program that "would do more to increase welfare dependency."

Chairman Harold Ford, the principal author of the subcommittee plan, challenged Miller's assessment that a Reagan Administration welfare reform proposal would not cost the government more money.

(Tamara Henry, UPI)

FARM PAYMENT ABUSES MAY EXCEED \$2 BILLION

Unless legal loopholes are closed and Agriculture Department oversight improved, farmers and investors could collect more than \$2 billion in possibly unjustified federal farm program subsidies by 1989, the General Accounting Office told Congress yesterday.

GAO investigators reported to a House Agriculture subcommittee that a rash of farm reorganizations, many intended to circumvent a subsidy limit of \$50,000 a person, has added \$328 million to farm program costs since 1984.

(Ward Sinclair, Washington Post, A3)

INTERNATIONAL NEWS

TROUBLES BESET U.S. EMBASSY Marine Scandal Latest Blow To Moscow Staff

MOSCOW -- The revelation of security breaches by U.S. Marine guards is the latest blow to hit the embattled U.S. Embassy here, which in the last 19 months has weathered storms over "spy dust," defecting spies, bugged typewriters and the abrupt withdrawal last October of almost 200 Soviet cleaners, drivers, repairmen and maids.

The new U.S. ambassador, Jack Matlock, arrives in Moscow Thursday at the height of current anxieties to take the place of Arthur Hartman, who left in February after five years in the post.

(Celestine Bohlen, Washington Post, A1)

U.S. Fears Soviet May Spy On Shultz On Embassy Visit

Administration officials said today that security in the U.S. Embassy in Moscow might have been so compromised that Secretary Shultz might not be able to hold conversations safe from eavesdropping inside the building when he visits the Soviet Union on April 13.

The possibility that advanced listening devices may have been placed throughout the embassy, including the most sensitive communications and meeting rooms, has been raised by the revelation that at least two marines assigned to the embassy's security detail allowed Soviet agents into the building. The marines have admitted to unauthorized socializing with Soviet women.

(Stephen Engelberg, New York Times, A1)

Pentagon Probes Whether More Marines Spied In Moscow

The Defense Department is investigating whether a major espionage scandal at the U.S. Embassy in Moscow involved more Marines than the two who have been accused of spying for the Soviet Union.

"An investigative process is ongoing," marine Col. Carmine Del Grosso, chief of the 1,500-man Marine force that guards 126 embassies worldwide, told reporters at a briefing at the Quantico Marine base near Washington.

(Christopher Hanson, Reuter)

Soviets Had Access To 'Sensitive' Chancery Facilities

The State Department's top official in charge of embassy security said yesterday that two Marine guards accused of espionage in Moscow allowed Soviet agents access to "very sensitive facilities" within the U.S. Embassy chancery, but he denied reports that U.S. communications codes were compromised.

Assistant Secretary of State Robert Lamb said in television interview that the U.S. suffered "a serious loss of classified information" as a result of the chancery access given the Soviets by Sgt. Clayton Lonetree and Cpl. Arnold Bracy.

(David Ottaway & Bill McAllister, Washington Post, A33)

Former Moscow Ambassador Says Marines Too Immature For Security

Arthur Hartman, who was U.S. ambassador to Moscow when female Soviet spies allegedly seduced American Marines there, says the incident shows the Marine guards are too immature to be entrusted with security at the mission.

"I've been driven to the conclusion that they are too young and lack a certain maturity," said Hartman, 61, who retired from the State Department last month after serving as ambassador to Moscow for five years. (Bryan Brumley, AP)

PROBERS BELIEVE 3RD AMERICAN INVOLVED IN POLLARD SPY CASE

U.S. investigators say they believe another American was involved in the Jonathan Pollard spy case, but the Israeli government has refused to allow him to leave Israel for questioning on his role in channeling Israeli payments to Pollard, according to knowledgeable sources.

Despite Israel's pledge that it would cooperate with the U.S. investigation "no matter where the trail may lead," the Israeli Defense Ministry has issued an order that bars Harold Katz, an attorney, from leaving the country, the sources said.

Justice Department investigators believe that Katz holds the key to a host of unanswered question about the extent to which Pollard's spying may have been sanctioned at senior levels of the Israeli government. Katz also may know whether top Israeli officials approved the payment of about \$50,000 to Pollard, according to the sources.

(Howard Kurtz, Washington Post, A1)

CHIRAC WARNS OF EXPULSIONS TO TWART SPIES

French Premier Chirac warned the Soviet Union yesterday that France would expel its diplomats from Paris if the government finds clear evidence of links to six spies arrested two weeks ago for stealing secrets of the Ariane rocket.

French counterespionage services have linked Valery Konorev, an assistant military attache at the Soviet Embassy in Paris, to a spy ring involving the French-made engines of the European space rocket, Ariane. Four Frenchmen and the Soviet-born and Romanian-born wives of two of them have been arrested. (Washington Times, A1)

CHIRAC ENDS U.S. VISIT, DENIES ARMS SALES TO SOUTH AFRICA

French Prime Minister Chirac ended his official U.S. visit in just about the same way he began it -- with agreement on major defense concerns but dispute on international trade and finance matters.

Chirac was asked at a news conference about Capitol Hill leaks of a State Department report that identified France as one of several nations selling arms to South Africa in violation of sanctions imposed by the U.N.

"May I tell you France stopped the sale of arms to South Africa 10 years ago," Chirac said. "After that it didn't sell anything more. I don't know where the reports come from." (Jim Anderson, UPI)

U.S. CHARGES ALLIES VIOLATE ARMS EMBARGO

The Reagan Administration is expected to send to Congress a report today that accuses U.S. allies in Europe and the Middle East of violating an international embargo against selling military technology to South Africa, Administration sources said.

The report, prepared by the State Department, was mandated by the new South African sanctions law that Congress enacted last year over President Reagan's veto. (Rita McWilliams, Washington Times, A1)

NITZE TAKES BROAD VIEW OF ABM PACT

Arms Adviser Says Effort To Ban 'Futuristic' Systems Failed

Arms adviser Paul Nitze, conceding that he previously held a different view, defended yesterday the controversial "broad interpretation" of the 1972 ABM Treaty he helped negotiate.

In a speech to the Johns Hopkins School of Advanced International Studies, Nitze declared that he and other U.S. negotiators had tried to persuade their Soviet counterparts to accept a ban on development and testing of "futuristic" space-based ABM systems like those under study in President Reagan's Strategic Defense Initiative.

But "we failed to do so with the degree of certainty that is necessary for important international agreements," Nitze said.

(Don Oberdorfer & Jeffrey Smith, Washington Post, A11)

TIGHTENING INTELLIGENCE SCRUTINY

Proposal For Change Sparks Sharp Debate At House Hearing

The House Permanent Select Committee on Intelligence began hearings yesterday on a bill that would require the President even in extraordinary circumstances to notify Congress within 48 hours of any "significant" covert activity and to provide in advance to the Senate and House intelligence committees a copy of each directive authorizing any operation.

The committee debate yesterday appeared to mark the start of an agonizing reappraisal of whether congressional oversight of White House-initiated covert activities has broken down and of what changes, if any, should be made. (David Ottaway, Washington Post, A23)

BAKER DENIES TRADE WAR

Treasury Secretary James Baker said Wednesday U.S. trade sanctions imposed against Japan last week were not the start of a trade war and warned Congress cannot end America's trade woes with protectionism.

Baker, in a second day of testimony before the House Appropriations Committee, said the \$300 million in penalty duties on Japanese imports was a narrow reaction to Japan's alleged dumping of computer chips in violation of a bilateral trade agreement.

He cautioned that Congress should resist trade protectionism because it cannot "legislate this (trade) deficit away," adding that there would be "adverse consequences worldwide" if Congress moves too far in protecting U.S. markets. (David Vesey, UPI)

TOKYO TRADE TEAM TO U.S. AMID WARNINGS OF ANTI-AMERICANISM

TOKYO -- Japan is sending a three-man team to Washington today to head off threatened trade sanctions that officials warn could spark a wave of anti-American sentiment here.

The team will lay the groundwork for high-level emergency talks next week aimed at defusing an increasingly bitter dispute over trade in computer microchips, officials said. (Rich Miller, Reuter)

EDITOR'S NOTE: "Is BAMBI Homing In On 'Star Wars' Testing? Similarity To 1960s Plan Poses Problem," by Jeffrey Smith, appears on The Federal Page in The Washington Post, A23.

"Meese Again Urged To Bar Waldheim," by John Goshko, appears on The Federal Page in The Washington Post, A23.

IRAN — NICARAGUA

ROLE OF FBI DIRECTOR IN IRAN AFFAIR PROBED Hearing For CIA Post May Become 'Grilling'

Members of the Senate's Select Committee on Intelligence prepared for hearings next week on the nomination of FBI Director William Webster to become head of the CIA are conducting a detailed investigation of Webster's role in the Iran-contra affair and of his dealings with Attorney General Edwin Meese on the matter, according to knowledgeable sources.

Committee investigators are reviewing FBI files and one source said that Webster, who has maintained excellent relations on Capitol Hill, can expect to undergo a "grilling." Several members of the panel said the Webster confirmation hearings will be a preview of the difficulties the Administration will face again later this year when the House and Senate select committees on the Iran-contra affair begin their televised hearings.

(Bob Woodward & Walter Pincus, Washington Post, A1)

IRAN-CONTRA/WALSH

Independent counsel Lawrence Walsh said that his criminal investigation of the Iran-contra arms affair has been partly hampered by the separate inquiries by House and Senate committees, but so far he has been able to work out most of his differences with congressional investigators.

In an interview Wednesday, Walsh also said that when Congress begins public hearings on the affair next month, it will create new difficulties for his investigation.

Even so, he said, Congress has a responsibility to conduct its own investigation "for an exposure of the facts" as quickly as possible. And he said that the public shouldn't have to wait for those facts until an independent counsel finishes his probe, which could lead to criminal indictments.

(Robert Gettlin, Newhouse)

NETWORK NEWS SUMMARY

(Wednesday Evening, April 1, 1987)

PRESIDENT REAGAN/AIDS

NBC's Tom Brokaw: In his first major public speech on AIDS President Reagan today called the deadly disease "public health enemy number one." And he said he is determined a cure will be found. The President made his remarks before a Philadelphia doctors organization. He's coming to this issue late and his critics say that his commitment is incomplete.

NBC's Andrea Mitchell: White House officials felt that the President had to speak out because the disease has become the nation's overwhelming health concern.

(TV coverage: The President at the podium at his speech in Philadelphia.)

Even his own doctor, John Hutton, urged Mr. Reagan to pay more attention to the problem.

(The President: "Our battle against AIDS has been like an emergency room operation. We've thrown everything we have into it. We've declared AIDS public health enemy number one.")

Mr. Reagan said prevention is better than a cure. He sided with his Education Secretary, William Bennett, and other conservatives who say that the government should not provide sex education to children.

(The President: "The federal role must be to give educators accurate information about the disease. Now how that information is used must be up to schools and parents not government.")

The Surgeon General disagrees strongly, believing that children should be taught about condoms and given explicit sex education.

(C. Everett Koop: "We can no longer afford to side-step frank, open discussions about sexual practices, heterosexual and homosexual.")

(The President: "I don't quarrel with that, but I think that abstinence has been lacking in much of the education.")

That angers some critics.

(Dr. Neil Schram: "Until the Reagan Administration realizes that the government's responsibility is saving lives and not saving souls we will continue to see the virus spread through our society.")

White House officials confirm that the President has never talked with his Surgeon General about AIDS or read the report Dr. Koop sent him last October.

(Jeffrey Levi, Gay Organization: "The fact that it has taken the President five years to begin to even address this problem publicly demonstrates that this Administration hasn't given it the level of commitment that it deserves.")

Although the President has not satisfied his critics, White House officials say he is educating the public about the danger of AIDS simply by talking about the disease. (NBC-Lead)

ABC's Peter Jennings: Mr. Reagan was in Philadelphia today to make his first major speech about AIDS.

ABC's Sheilah Kast: President Reagan came to Philadelphia planning to address the AIDS epidemic. He was still at the airport when he was asked what school children should be taught about AIDS.

(The President: "I think that abstinence has been lacking in much of the education. One of the things that's been wrong with too much of our education is that no kind of values of right and wrong are being taught.")

He said what's taught in the schools is up to parents and local officials, not the federal government. Addressing the Philadelphia College of Physicians he said American medicine with federal help has made faster progress against AIDS than it did against polio or hepatitis.

(The President: "Our battle against AIDS has been like an emergency room operation. We've thrown everything we have into it. We've declared AIDS public health enemy number one. I'm determined that we'll find a cure for AIDS.")

He pointed with pride to federal spending on AIDS research and education, up from \$8 million in 1981 to \$416 million this year. But he had requested only \$213 million. Congress added the rest.

(Rep. Waxman: "The Administration has not put its money behind its rhetoric in fighting this AIDS epidemic. Even as of last year, with 30,000 AIDS cases, the Administration was asking the Congress to cut back on the funding for research to deal with AIDS.")

(Richard Dunn, Gay Men's Crisis Group: "We'll have to watch over the next year to see whether their real money is put into education and whether the emphasis is on prevention of illness or whether it's on their view of morality.")

His critics may see more to complain about. Although the President spoke out publicly on AIDS today his advisers do not expect him to do it often and he has not weighed in on the controversial questions of AIDS testing and the use of condoms. (ABC-3)

CBS's Dan Rather: President Reagan today for the first time fully pledged to back efforts to find a cure for the killer and rapidly spreading disease AIDS.

CBS's Bill Plante: President Reagan, speaking out about the devastating problem of AIDS for the first time, told an audience of doctors in Philadelphia that his Administration has declared AIDS public health enemy number one.

(The President: "When the Carthaginian General Hannibal was preparing to cross the Alps and was told there was no way across, he said we'll find a way or make one. Well that's the kind of determination we all have about curing AIDS. We'll find a way or make one.")

But with no cure in sight there is disagreement inside the Administration over just how far to go in dealing with this fearsome disease. How much sex education and how early? Whether to provide condoms, as the Surgeon General suggests.

(The President: "I don't quarrel with that but I think that abstinence has been lacking in much of the education.")

And that education, says the President, should come from home and school not government.

Plante continues:

(The President: "AIDS information cannot be what some call value neutral. Afterall, when it comes to preventing AIDS don't medicine and morality teach the same lessons.")

Mr. Reagan pledged to spend a billion dollars battling AIDS next year but critics note that for the last five years it has been Congress, not the Administration, which has pushed for increased research funding. (Rep. Waxman: "I think when people look back at the record of this Administration over the six years when the AIDS epidemic took off, that they're going to condemn this Administration for its failure to lead and to react.")

The President's staff felt he couldn't any longer put off addressing the growing problem of the AIDS epidemic. But when it comes to an official policy and AIDS prevention, Mr. Reagan remains caught between medical experts who want condoms made available with education and conservatives who counsel morality and sexual abstinence. (CBS-2)

HIGHWAY BILL

Brokaw: While the President was in Philadelphia, the Senate in Washington was entangled in a complicated battle over his veto of the \$88 billion highway bill. The President's partisans are determined to have this veto upheld as a symbol of the President's continuing political strength. And in the first round today they prevailed. The Senate voted to uphold the veto by one vote. But the Democrats have not surrendered.

NBC's John Dancy: To many Senators the veto fight was a way to rescue the Reagan presidency from the Iran arms scandal -- to show the President was back in charge.

(Sen. Dole: "This may determine the strength of this presidency for the next 21 months.")

Lobbying has been intense. Former Majority Leader Howard Baker, now Mr. Reagan's Chief of Staff, made a personal appeal to his colleagues. "It's not just the President's hide the Democrats are trying to nail to the wall," he said, "it's mine too."

(Sen. Byrd: "So we're talking about Howard Baker's hide now. Not just the President's hide, but Howard Baker's hide.")

Democrats argued that supporting the President would cost 800,000 construction jobs in all states because the highway bill would be dead.

(Sen. Mitchell: "The question then really is, should senators support their constituents or their President?")

(Sen. Boren: "We are not engaged in a childish game of King on the Mountain on some playground. We are dealing with serious matters.")

Lobbying went on even as the votes were being counted. It all came down to freshman North Carolina Democrat Terry Sanford. Under pressure from his party's leaders he tried to sit out the vote.... Then, under pressure from Republicans he sided with the President.... Majority Leader Byrd used a parliamentary maneuver to keep the vote from becoming final giving one last chance to persuade the wavering North Carolina senator.... The pressure worked and Sanford took the floor of the Senate to publicly change his mind again.

Dancy continues:

(Sen. Sanford: "And accordingly I hope my colleagues will understand that I am doing my duty as I see it when I now announce that I will vote to reconsider.")

When President Reagan landed back in Washington from a trip to Philadelphia he stayed aboard Air Force One for 15 minutes calling Senators trying to round up votes. Tonight it's the Republicans who are stalling a final decision as they try to line up the votes to avoid a defeat for the President. (NBC-2)

Jennings: ...There was no question whatsoever the vote in the Senate on whether to override the President's veto of the \$88 billion highway bill was all about the President's prestige. Republican senators found themselves having to choose between their leader and the folks at home who wanted the highway bill passed.... It's not over yet.

ABC's Brit Hume: Nobody was sure how this vote would come out but Senate Republican leader Dole continued to raise the stakes today by stressing its importance to the President.

(Sen. Dole: "But if he loses he's going to be perceived as weak and ineffective and just sort of a caretaker for the next 21 months.")

On the Senate floor Majority Leader Byrd said if the veto stood another bill would take months during which 800,000 construction jobs could be lost.

(Sen. Byrd: "Now I say to my good friends, the job you lose may be your own.")

...The final vote was postponed and Republican leaders worked feverishly with the President's help to try to win one of their own and pull this one out for the Gipper.

ABC's Kenneth Walker: After landing at Andrews Air Force Base following a speech in Philadelphia, the President stayed on the plane an extra 15 minutes to try and win at least the one vote lost when North Carolina Senator Sanford switched to the opposition.

(TV coverage: The President deplaning Air Force One at Andrews AFB.)

Even after the calls, the President left Air Force One still unsure whether this first test of strength in Congress in the wake of the Iran-contra scandal had ended in victory or defeat. Not much had changed when the President entered the White House.

(The President: "I haven't got any answers now.")

The President lost his last veto fight, the Clean Water Bill two months ago, but Mr. Reagan didn't join the battle on that bill recovering as he was from surgery and trying to recover from the Iran-contra scandal. The highway bill marks the first time since last summer, during the losing fight to block sanctions against South Africa, that the President has used the full weight of his office to try and win a fight with Congress. (ABC-Lead)

Rather: A seesaw show-down in the Senate tonight. Do senators override President Reagan's veto of the new highway bill, or not? This afternoon a close vote....

CBS's Phil Jones: The President appeared to get a much-needed political boost today while a freshman senator got a political squeeze that he won't forget.

(TV coverage: The President boarding Marine One.)

...It was a vote that had been put in raw political terms. For Republican leaders it was a vote for the President.

(Sen. Dole: "This may be an historic vote. This may determine the strength of this presidency for the next 21 months.")

From Democrats, warnings to Republicans they might lose their jobs.

(Sen. Byrd: "You can do a favor for a dozen voters out there and they all may go fishing on election day. But you take one man's job, he'll remember it.")

...After phone calls and meetings Sanford caved in to the Democratic Party.

(Sen. Sanford: "The President needed to make a point. The White House thought they needed to make a point that he is still effective. And he has indeed now made that point. I hope my colleagues will understand that I am doing my duty as I see it when I now announce that I will vote to reconsider.")

Now Republicans will have to pick up one vote to compensate for the loss of Sanford. GOP leaders stalled all afternoon until President Reagan could get back in town to put the heavy hand on enough Republicans to win. It remains whisker close tonight as the drama heightens for a second vote.

Rather: The political aspects of this fight between President Reagan and Congress over the new highway bill isn't what concerns many Americans. The return to the 65 m.p.h. is. It's especially interesting to those in the west. Correspondent Bob McNamara has been watching the vote from our Denver bureau.... (CBS-Lead)

MARINE GUARDS

Jennings: The State Department said today that several other Marine guards at the U.S. Embassy in Moscow have reported sexual overtures from Soviet women.... Because two Marines allegedly succumbed to such overtures, the Soviets may have benefitted from valuable information before last year's summit meeting in Iceland.

ABC's John McWethy: Before President Reagan met with Soviet leader Gorbachev in Iceland last fall the Soviet Union may have been able to read secret communications between Washington and the U.S. Embassy in Moscow to help prepare.

(TV coverage: The President and Mr. Gorbachev leaving Hofdi House.)

(Phyllis Oakley: "We are assuming that some communications in Moscow may have been compromised as a result of presumed Soviet access to our chancery.")...

The concern now is that all the coding machines at the Moscow embassy have been compromised; that the rooms, walls, and furniture are now all bugged as well.... Even the Marine Corps acknowledges still others may be named.... Not just the Marines are being investigated. One diplomat...apparently provided his apartment as a place for a Marine to go with his Russian girlfriend. Not espionage, said one official, but not smart either.

(ABC-4)

Rather: The Moscow spy disgrace continues to grow. Now there's talk of cover-up. The Marine Corps said today that more security guards at the U.S. Embassy in Moscow may be implicated in this sex-for-secrets espionage case.

CBS's David Martin: CBS News has been told Defense Department investigators believe the Marine spy scandal at the U.S. Embassy in Moscow began much earlier than has yet been admitted, and that the loss of secrets is even more damaging than the State Department has so far acknowledged.... The American Ambassador at the time seems to blame the Marines.

(Arthur Hartman: "I feel we need more mature people there to do that kind of duty.")

But U.S. intelligence officials say Hartman has consistently underestimated the Soviet espionage threat even after he found his secretary's typewriter had been bugged.... U.S. intelligence officials say State Department complacency and a lack of discipline among the Marines combined to produce an intelligence disaster. Sooner or later investigators will have to determine where else that same combination existed. (CBS-4)

THE BUDGET

Jennings: The Budget Committee in the House of Representatives today approved a budget plan that would raise \$22 billion through new taxes and fees, but increase Defense spending by less than the rate of inflation. President Reagan doesn't like either idea. (ABC-2)

EL SALVADOR

Brokaw: El Salvador's leftist rebels warned today that the two Americans killed there in the last week won't be the last.... The guerrillas are stepping up their campaign against the Salvadoran government.

NBC's Jim Kaizerski reports the increased rebel activity comes at a bad time for El Salvador's American-backed President Duarte. (CBS-7, NBC-4)

THATCHER/SOVIETS

Jennings: British Prime Minister Margaret Thatcher has ended her five-day state visit to the Soviet Union. Before leaving Moscow Mrs. Thatcher met with the Jewish activist Josef Begun who was freed in February after four years in prison. Mrs. Thatcher told him she is hopeful that more Soviet Jews will be allowed to emigrate. (ABC-6)

ISRAEL/SOVIETS

Brokaw: In Israel today the government said it is making new contacts with the Soviet Union -- contacts that could lead to a resumption of diplomatic relations between the two countries. A spokesman said an official Soviet delegation would go to Israel soon to survey Soviet property in that country. And that will be followed by an exploratory visit to Moscow by Israeli diplomats.... (NBC-6)

SOVIETS/JEWS/IMMIGRATION

Rather: CBS News correspondent Bob Simon reports from Tel Aviv tonight that Israeli and Romanian officials will meet within the next 48 hours to discuss logistics for moving as many as 12,000 Jews from the Soviet Union to Israel through Romania. (CBS-8)

INTEREST RATES

Rather: The nearly three-year decline in interest rates has ended. Several banks today joined Citibank...in raising the prime lending rate from $7\frac{1}{2}$ to 7 and $3\frac{3}{4}$ percent. The economic repercussions can be felt in many ways.

CBS's Jerry Bowen: The surprise move by the big New York banks to hike the prime rate for the first time in nearly three years is being followed quickly by institutions across the country. An overdue adjustment according to bankers who say their cost of business has been creeping up. But it's not necessarily grim news for consumers.... Still, from Los Angeles to Atlanta some lenders have begun their adjusted quoted mortgage rates -- up $\frac{3}{8}$ of a percent overnight.... Some analysts contend...that in the short term the sense of urgency may be nonsense.... The debate on Wall Street is whether this signals a return to high inflation. Economic forecasters say that concern is valid.... In Los Angeles today the Chairman of the President's Council of Economic Advisers said the Administration is forecasting only a temporary increase in the inflation rate to four percent.

(Beryl Sprinkel: "It's our expectation that after this temporary bulge in the inflation rate this year that it will move downward and not upward. And if we can keep inflation down this will keep interest rates down.")

...What does seem certain is that consumer interest rates have finally bottomed out. (ABC-9, CBS-10, NBC-11)

LINNAS

Brokaw: A federal appeals court today cleared the way for the deportation of Carl Linnas, an accused Nazi war criminal who has been sentenced to death by the Soviet Union. He could be sent there in the next few days.... Tomorrow his lawyers may appeal once more for a stay from the U.S. Supreme Court. (NBC-5)

EDITORIALS/COLUMNISTS

HIGHWAY BILL

Pass A Highway Bill, But Skip The 'Pork' -- "As important in this instance is the political issue the highway bill has become. Rather than kicking President Reagan as he climbs out of the Iran affair, Congress should sustain his veto and pass the bill submitted in its place by DOT Secretary Dole. That bill would delete the pork but retain most of the beef. If Congress disagrees, let it quickly work up an acceptable substitute. Funds designed for state projects should be released, not held hostage to power politics."
(Providence Journal, 3/29)

Veto The Pork -- "The highway bill is overdue. It should have been passed last year -- but in reasonable size, funding only reasonable programs. It should not call for so much spending for localized programs of low priority when viewed in the light of need and available funds. Congress likes to tell us what it is doing 'for' us, dodging what it is doing 'to' us. It may be able to override Mr. Reagan's veto. But remember who overspends and who is trying to save."
(Chattanooga News-Free Press, 3/23)

Veto This Highway Hog Trough -- "In particular, every Western legislator should uphold the President's veto -- or explain why he or she treated the inerests of the nation as a whole and the West in particular with such contempt. After such a veto is upheld, a more affordable bill can be passed to release the highway funds -- and raise the speed limit."
(Denver Post, 3/25)

Road To Recession -- "The House voted to override the veto, as expected. The President hopes Senate Republicans will save him. They may, not because they support the veto, but because they support him. It's a heck of a way to run a railroad. Just as bad, some Democratic leaders on Capitol Hill are so stubbornly opposed to even preparing a Plan B for quick compromise if the veto is upheld, that it creates the suspicion they would rather blame the President and his party for economic bad news than try to avoid that bad news."
(Baltimore Sun, 4/1)

Federal Highway Bill -- "The flaws in the highway bill are flaws in the system -- even mass transit funding is a price for highway funding -- as is the delay already experienced. A presidential veto won't correct those flaws, but it would mean further delay and damage to needed highway programs."
(Fort Worth Star-Telegram, 3/26)

Regional Roads And Economics -- "Highway departments in other states are flagging their senators and representatives on similar projects. In most cases the projects are ready to go now, with construction scheduled to begin this spring and summer. With a presidential veto, the projects -- and construction jobs -- will go back into the filing cabinet for another year at least."
(Boston Globe, 3/31)

EDITORIALS & COLUMNISTS (continued)

A Veto To Support -- "'Demonstration' is a 1980s word for pork barrel. Reagan is fully justified in vetoing the bill.... But the basic \$87.9 billion transporation bill deserves to be approved quickly. The nation already is behind in its highway construction projects, to the great detriment of the traveling public and the work-starved construction industry. Congress should shed the controversial items from the bill and rush the basic package for approval as quickly as possible."

(Gainesville Sun, Fla., 3/26)

U.S.-JAPAN/TRADE

Getting Japan To Play Fair -- "What the world doesn't need is a trade war. It doesn't need protectionism, trade barriers and all the other devices that countries use to keep out foreign products and protect their domestic industries. But having said that, we reluctantly agree with the Reagan administration's contention that this country is being forced to impose trade sanctions on Japan. We hope U.S. pressure convinces Japan that voluntary restraint is better than a destructive trade war."

(San Diego Tribune, 3/28)

Send A Message To Japan -- "The Reagan Administration is justified, therefore, in firing a warning shot across Japan's bow.... Congress should remember that the White House must have the latitude to punish and persuade trading partners as their conduct and self-interests dictate. President Reagan's success in bringing the Japanese around, for example, will depend in large measure upon the number of retaliatory options available to him."

(San Diego Union, 3/26)

Congress: Approve Trade Bill -- "The core of the President's argument -- that blantly protectionist legislation would hurt American businesses and do little to relieve the trade deficit -- is still valid.... President Reagan was right to penalize the Japanese for persisting in 'dumping' semiconductors in the United States and elsewhere at prices up to 80 percent below cost, and for refusing to allow an expansion of American computer sales in Japanese markets."

(Dallas Times Herald, 3/28)

The Protectionist Brush Fire -- "The Administration's damage control effort created more problems than it solved.... Rather than trying to appease protectionists -- an impossible task -- the Administration again should shape its trade initiatives around the issue of economic growth.... If we want to avoid making the same protectionist mistakes that caused the Great Depression, we should encourage growth, not guerilla warfare, in the world economy."

(Detroit News, 4/1)

Tremor On U.S.-Japan Fault Line -- "What the experience of the last couple of days should tell the Administration is that it is playing a dangerous game with Japan even if our case against alleged semiconductor chicanery is rock-solid.... As unnerving as the shock was, it will have served a useful purpose if it promotes the cause of temperance."

(Atlanta Constitution, 4/1)

FOREIGN MEDIA REACTION

U.S.-JAPAN/TRADE

"The U.S. government moved yesterday to ease fears of a large-scale trade war between the United States and Japan. Mr. James Baker, in comments which seemed designed to calm the currency markets, said the United States did not see further big shifts in exchange rates."

(Financial Times, Britain)

"It is ironic that the flashpoint for the threatened trade war between Washington and Tokyo turns out to be over one of the least dramatic issues: an alleged Japanese infringement of a U.S.-Japanese cartel agreement to sustain the price of semiconductors at an artificially high level."

(London Daily News, Britain)

"Cynically and openly, the Reagan government has been conducting a policy for the past two years of 'competitive devaluation of the dollar' aimed at discouraging imports and stimulating exports through a huge depreciation of the U.S. currency. It has reached the point today of threatening to start a trade war with Japan. This is an admission of failure that could have high costs not only for the nations directly involved but for the entire international community."

(Le Monde, France)

"The earthquake caused by U.S. moves toward trade retaliation against Japan has certainly changed the scenario and has revealed the precariousness of the agreement on exchange rates which U.S. Treasury Secretary Baker defended before Congress last week."

(La Repubblica, Italy)

"There are signs of a truce in the U.S.-Japan trade war. As stocks recover on Wall Street, the dollar continues its drop against the yen in Tokyo and New York, but without dramatic collapses."

(Il Messaggero, Italy)

"In order to keep the conflict from escalating, the Japanese will not be able to avoid making concessions. They will have to further restrict their deliveries to the United States and in turn open up their own markets. The times when Japan was able to flood the world market with its goods without making concessions to its trading partners are definitely coming to an end."

(Sueddeutsche Zeitung, West Germany)

"Japanese reporters working as correspondents for Japan-based foreign news media have charged that the U.S. actions are unfair since they stem from the U.S. illusion that the United States is still the number one nation in the world."

(Hankook Ilbo, South Korea)

"With the United States close to declaring a trade war on Japan, the possibility of an already shaky world trading system being thrown into disarray now seems more real than ever. There is a need to find a way out of the impasse if only because the potentially ruinous trade war which the impending U.S. tariff action can spark off will hit many innocent bystanders."

(Straits Times, Singapore)