

Ronald Reagan Presidential Library

Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: News Summary Office, White House:
News Summaries, 1981-1989

Series: II: WHITE HOUSE NEWS SUMMARY FINALS,
1981-1989

Folder Title: 04/10/1987

Box: 395

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library Inventories, visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, APRIL 10, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

High-Tech Speech Gets High Marks -- President Ronald Reagan brought a high-tech speech to Purdue University Thursday, telling thousands of students packed in Mackey Arena that their only limits will be those of their imagination.
(Lafayette Courier & Journal)

INTERNATIONAL NEWS

Reagan Rejects Soviet Proposal To Curb A-Tests -- The U.S. has rejected the latest Soviet compromise offer on limiting nuclear testing, Administration officials said today.
(New York Times, USA Today, Washington Post, Washington Times, AP)

NATIONAL NEWS

House Budget Calls For Big Tax Boost -- The Democratic-controlled House set a collision course with President Reagan over the federal budget, dumping his 1988 spending plan and approving a \$1 trillion package that calls for \$18 billion in new taxes.
(Washington Post, Washington Times, Reuter)

NETWORK NEWS (Thursday Evening)

ESPIONAGE/SHULTZ -- The Senate voted a resolution urging Secretary Shultz to not go to Moscow until security improves.

THE PRESIDENT'S TRIP -- The President gave a speech at Purdue University.

FEDERAL BUDGET -- The House overwhelmingly rejected the President's budget.

TRIP NEWS..... A-2

INTERNATIONAL NEWS....A-4

NATIONAL NEWS.....A-10

IRAN-NICARAGUA.....A-12

REAGAN, PURDUE DAZZLE

The moments of glory belong to everyone -- Ronald Reagan, Purdue University and the 19,000 Tippecanoe and surrounding counties who spent hours in line Thursday for a chance to see the President's arrival at Purdue Airport.

The silver wings of Air Force One brought history -- for the President and the people. Presidential visits to universities are rare. According to Secret Service agents, crowds allowed at the airport are even rarer. Until Thursday, both were unheard of at Purdue.

The arrival was perfectly timed on a perfectly bright, cloudless day. The estimated 19,225 people shoe-horned into bleachers in a semi-circle in front of the presidential podium, waved flags, hoisted posters, and strained vocal chords. (Emily Smith, Lafayette Journal & Courier, A1)

HIGH-TECH SPEECH GETS HIGH MARKS

President Ronald Reagan brought a high-tech speech to Purdue University Thursday, telling thousands of students packed in Mackey Arena that their only limits will be those of their imagination.

In a 28-minute talk interrupted 28 times by applause -- some of it deafening in the domed basketball arena -- Reagan said America needs to prepare for the challenges of the 21st century.

The biggest applause followed traditional Reagan themes on the strength and potential and positive spirit of the country.

(John Norberg, Lafayette Journal & Courier, A1)

TKE FRATERNITY MEN GIVE BROTHERLY HELLO

The men from Tau Kappa Epsilon were almost as ubiquitous as the men from the Secret Service.

The brotherly ties brought nearly two dozen TKEs the thrill of a lifetime -- they got to shake hands with the President. Not just any handshake, but a TKE handshake.

John Trott, a freshman, said, "I just said 'Hi,' and welcomed him to Purdue. He was giving the fraternity handshake. Nearly everyone there got one. It was a thrill."

(Ken Rains & Emily Smith, Lafayette Journal & Courier, A1)

PRESIDENT: A NEW ACCESSIBILITY
Baker Pushes High-Profile, Open Image

LOS ANGELES -- President Reagan retreats to his Santa Barbara ranch this weekend after a two-week experiment in public visibility.

After months of seeming to closet himself in the White House, Reagan has, in recent days, opened himself to public and media questions.

The new visibility is the brainchild of Chief of Staff Howard Baker, who reviewed media relations after last month's news conference found reporters "charging the President of the United States like a treed animal."

After consulting with former Carter press secretary Jody Powell and other media experts, Baker switched gears.

The new order: Turn off the noisy helicopter blades, leave time for impromptu media sessions, talk to the public.

The strategy: More access to the media means less hostility; more exchanges with the public build confidence in Reagan's leadership.

(Johanna Neuman, USA Today, A4)

REAGAN ADDRESSES FOREIGN POLICY COUNCIL

LOS ANGELES -- The President, on his first of 11 days on California, was addressing the Los Angeles World Affairs Council today in what aides said would be a "broad-issue foreign policy address" expected to set up next week's highly charged talks between Secretary Shultz and Soviet Foreign Minister Eduard Shevardnadze.

Calling it an "overview on East-West relations," particularly arms control, Chief of Staff Howard Baker said the speech also would have a generous portion of remarks on foreign policy elsewhere. Baker said the speech would be a "curtain-raiser or preamble" to Shultz's trip, which is clouded by a deepening crisis between the superpowers over charges of mutual bugging of each other's embassies and the growing sex-for-secrets scandal involving Marine guards and Soviet women.

A senior official said today's speech would refer to Reagan's longstanding invitation to Soviet leader Gorbachev for a summit this year in the U.S.

(Ira Allen, UPI)

Reagan Talk To Preview Hopes For INF Treaty

LOS ANGELES -- President Reagan will give a preview of the kind of treaty the U.S. seeks on the deployment of Intermediate Nuclear Forces, in a major policy speech to the Los Angeles Council on Foreign Affairs.

The President also will draw "a kind of big picture" of U.S.-Soviet relations and emphasize Washington's desire to move ahead on negotiating reductions in strategic weapons, according to a senior Administration official.

Officials said Reagan's speech would outline the nature of a draft INF treaty Secretary Shultz is taking with him (to Moscow for talks with Soviet leaders).

(Jeremiah O'Leary, Washington Times, A4)

INTERNATIONAL NEWS

PRESIDENT SHIFTS ON SDI LIMITS

Shultz Is Instructed To Offer Soviets Briefer Constraints

President Reagan, in a major shift, has decided to retreat further from major arms control proposals he made at the Reykjavik summit last fall, reducing from 10 years to five the period for which he is willing to accept treaty-imposed limits on SDI, senior Administration officials said yesterday.

Reagan, in a defeat for the State Department and a victory for the Defense Department, instructed Secretary Shultz to tell Soviet Foreign Minister Eduard Shevardnadze in Moscow next week that the U.S. is willing to abide by the ABM Treaty constraints on SDI for five years from the point that a new arms-reduction treaty takes effect, the officials said. At the Reykjavik summit in October, the Administration said it would abide by the treaty constraints until at least 1996.

Reagan also authorized Shultz to tell the Soviets that a so-called 50 percent reduction in strategic arms cannot be completed by the end of 1991, as he had proposed at Reykjavik, but must take place over seven years from the point that a new treaty takes effect, the officials said.

(Jeffrey Smith, Washington Post, A1)

The President/Secretary Shultz/Arms Control

President Reagan has ordered Secretary Shultz to spurn a Soviet offer to consider new limits on underground nuclear tests and to stretch out a proposed 50 percent reduction in long-range weapons, a U.S. official said.

The official, who demanded anonymity, said the President's decision represented a triumph for the hard-line position of Secretary Weinberger and a defeat for Shultz.

He said Weinberger had the solid support of the Joint Chiefs of Staff, while Shultz was unable to enlist aid from Frank Carlucci, the President's national security adviser, and Howard Baker, the White House chief of staff.

(Barry Schweid, AP)

Reagan Rejects Soviet Proposal To Curb A-Tests

The U.S. has rejected the latest Soviet compromise offer on limiting nuclear testing, Administration officials said today.

The State Department was interested in having Secretary Shultz explore the offer in Moscow next week, but President Reagan decided that there should be no further talks on testing until the Russians agreed to new monitoring measures for two existing but unratified treaties limiting nuclear explosions.

(Michael Gordon, New York Times, A1)

Shultz Will Push Soviets For Long-Range Nukes Deal

Secretary Shultz will press Moscow toward an agreement on strategic nuclear weapons during his trip to the Soviet Union next week, Administration officials said yesterday.

Shultz will also propose that the superpowers exchange information about their missile defense programs.

In Strategic Arms Reductions Talks (START), both nations have agreed in principle to cutting long-range nuclear weaponry in half by 1991. Deep differences remain, however, over caps on particular classes of weapons and other issues.

"Our big emphasis is going to be, alas and alack, on START, on the strategic realm," Kenneth Adelman, director of the U.S. Arms Control and Disarmament Agency, said in a breakfast meeting with reporters.

(Warren Strobel & James Dorsey, Washington Times, A1)

Arms, Spying, Summit On Shultz Agenda

Secretary Shultz leaves for the Soviet Union Saturday to resume high-level superpower nuclear arms talks and lay groundwork for a third summit between President Reagan and Soviet leader Gorbachev.

But Shultz is going to Moscow under the cloud of the embassy spying issue -- now also a key item on the agenda.

Despite the embassy scandal, Shultz goes to Moscow at a time when the U.S. and Soviet Union are edging slowly toward an agreement of mid-range Euromissiles.

(Juan Walte, USA Today, A4)

REAGAN: SOVIET SPYING 'OUTRAGEOUS'

But Controversy Over Embassy Not Expected To Hurt Shultz Visit

WEST LAFAYETTE, Indiana -- President Reagan today issued a fresh denunciation of Soviet espionage attempts against the U.S. Embassy in Moscow, but said he did not expect the recent spying disclosures to hurt next week's mission to Moscow by Secretary Shultz.

Speaking to reporters as he prepared to leave after a speech at Purdue University here, Reagan said, "What the Soviets did to our embassy in Moscow is outrageous, and we have protested strongly and we'll conduct whatever corrective action is necessary." Embassies, he added, "can and must be secured from Soviet spying."

White House Chief of Staff Howard Baker said, "I do not think this jeopardizes chances for progress on East-West relations and I don't think that it's likely to detract from the value of Secretary Shultz's visit.

(David Hoffman, Washington Post, A18)

SENATE URGES SHULTZ TO CANCEL MOSCOW TRIP OVER SPY SCANDAL

The Senate, in an expression of outrage over the spy-sex scandal, has urged Secretary Shultz to cancel next week's trip to Moscow unless facilities there are shown to be free of Soviet listening devices.

In a non-binding resolution approved by a 70-30 vote, the Democratic-controlled Senate urged Shultz to abort the trip unless the meeting facilities he is to use in Moscow are inspected and found to be secure.

Although the resolution lacks force of law, it was the most dramatic expression of anger yet from U.S. legislators over charges that the Soviets planted listening devices in an American Embassy building under construction in Moscow and that U.S. Marine guards at the present embassy were lured into spying after becoming sexually involved with Soviet women.

(Reuter)

SHULTZ TRYING TO WORK AROUND SPY PROBLEM

Secretary Shultz is going to Moscow next week, despite a furor over Soviet infiltration and eavesdropping at the U.S. Embassy and a lopsided Senate resolution urging him to reconsider. While the talks will be held under what he calls a "heavy shadow," the agenda will not be shortened by the spying affair.

Arms control will be the main topic, but Shultz is ready to talk with General Secretary Gorbachev and Foreign Minister Eduard Shevardnadze about the war in Afghanistan, human rights and other issues.

There are those, Shultz said Wednesday, who hold the view "that if anything goes wrong, just junk the whole thing." But the distinction President Reagan and Shultz made this time, he said, is that "if one way or another we can pursue something that is constructive and that is in our interest, we will do so."

(Barry Schweid, AP)

SOVIETS DISPLAY DEVICES OF ALLEGED 'SPY MANIA'

MOSCOW -- The Soviet Union accused Washington of wide-scale espionage against the U.S.S.R. and displayed wiretaps and other spying devices it said were taken from five Soviet facilities in the United States.

Foreign Ministry spokesman Boris Pyadyshev told a news conference that the charts, photographs and equipment shown journalists here represented only a sampling of the "huge proportions" of eavesdropping equipment periodically uncovered in Soviet buildings in the U.S.

In the harshest attack against the U.S. by Soviet officials in weeks, Pyadyshev charged the U.S. with "revoting" tactics, "unseemly actions" and "low moral standards."

(Gary Lee, Washington Post, A19)

AGENTS' DEATHS TIED TO KGB'S EMBASSY SPYING

Soviet authorities have uncovered and killed a number of Russians working for U.S. intelligence in the Soviet Union as a result of the KGB's eavesdropping on the U.S. Embassy in Moscow, according to Administration officials.

"Sources of ours have been killed during the past year," one said.

Soviet penetration of the embassy's security may also have compromised the U.S. arms control negotiating strategy, U.S. intelligence sources of the Soviet Union and American techniques for monitoring Soviet compliance with existing arms control agreements, the officials said.

(James Dorsey, Washington Times, A1)

GORBACHEV STRESSES UNITY AS PRAGUE VISIT OPENS

PRAGUE -- After a three-day delay for what was officially described as a "slight cold," Soviet leader Gorbachev arrived here today for a visit that was preceded by hints of difficulties in Moscow's relationship with one of Eastern Europe's most conservative communist parties.

Showing no sign of the cold, Gorbachev appeared before thousands of spectators at Prague's Hradcany Castle after arriving this morning and later met with Czechoslovak President Gustav Husak. This evening, he walked down Prague's main shopping thoroughfare before attending a banquet in his honor.

(Jackson Diehl, Washington Post, A19)

Gorbachev/Czechoslovakia Visit

Soviet leader Gorbachev, whose reform policies have been resisted by the Prague leadership, arrived for his first official visit to Czechoslovakia and said the two countries should "move forward together."

The Soviet leader is scheduled to give a major speech Friday in which he may announce the withdrawal of one or two divisions of Soviet troops stationed in Czechoslovakia since the Soviet-led Warsaw Pact invasion in 1968.

(Patricia Koza, UPI)

PENTAGON: WARNING SHOT ON SPACE BASE Weinberger Weighs Military Use, Is Wary Of International Cooperation

Secretary Weinberger has written a letter saying that possible military uses of NASA's planned space station are under study and warned against paying "too high a price" for international cooperation.

In a letter to Secretary Shultz, Weinberger said the civilian space station being developed and financed by NASA "must be available for any national security purpose consistent with our international obligations."

(UPI Story, Washington Post, A25)

BAKER CALLS FOR NEW INITIATIVES ON 3RD WORLD DEBT

Treasury Secretary James Baker said the U.S. plan for solving the Third World debt problem needs substantial revision.

In a speech to world financial leaders gathered at the International Monetary Fund, Baker said that the amount of new bank lending last year was "clearly disappointing," and that new and creative ways are now needed to keep a flow of commercial money moving to the Third World.

He proposed that the banks themselves develop "a menu of alternative new money options," different from straightaway additional loans to debtors, so as to avoid "periodic financial crises."

Baker's statement modifying what has come to be known as the Baker Plan, was the first step away from the current U.S. position and is sure to be welcomed in the Third World as a major transition to a greater accommodation of the demands of poor nations.

(Hobart Rowen, Washington Post, A1)

MONETARY LEADERS FAIL TO CALM NERVOUS FINANCIAL MARKETS

Despite their new policy accord, monetary leaders have given world financial markets a bout of nerves and left them wondering if interest rates and the dollar will rise or fall.

U.S. Treasury Secretary Baker told a meeting of the International Monetary Fund that the dollar's decline had been "orderly."

That comment was interpreted as a signal the U.S. was not yet ready to call a halt to the dollar's two-year slide, and traders sold the currency down to a new post-war low against the yen.

(Donald Nordberg, Reuter)

Dollar Plummets A Day After Allies Set Stability Goal

The dollar plunged to new lows against the Japanese yen yesterday, just one day after the U.S. and its economic allies had pledged to stabilize currency rates.

Also, officials of the seven industrial countries that joined in the agreement suggested in interviews yesterday that they had changed the secret exchange rate range for the yen and the dollar that they settled upon at their Feb. 22 meeting in Paris.

(Kenneth Gilpin, New York Times, A1)

U.S., JAPAN TRY ANEW TO SETTLE SEMICONDUCTOR DISPUTE

No specific progress has been reported in talks to avoid the imposition of tariffs by the U.S. against Japanese imports, though Japan's delegation seems more optimistic than U.S. officials.

The chief Japanese negotiator, Makoto Kuroda, said midway through yesterday's talks, "It's going very well," but a U.S. trade official said the talks were inconclusive and the U.S. side issued no statement.

(Robert Trautman, Reuter)

ITALIAN PRIME MINISTER SUBMITS RESIGNATION

ROME -- Prime Minister Bettino Craxi submitted his resignation to Italian President Francesco Cossiga for the second time in the country's latest political crisis.

Craxi's action was the most recent blow to the five-party coalition he has led for almost five years.

If Cossiga accepts the resignation this time, the president is one step nearer to deciding whether to appoint a premier designate to try to form a government or dissolving the parliament and calling early national elections.
(Washington Post, A20)

U.S. AIDE SAYS LIBYA MAY BE PLANNING NEW TERRORISM

One year after the U.S. bombing of Libya caused Moammar Gadhafi to sharply curtail his country's terrorist activities, the U.S. has seen signs that Libyan agents might be preparing new acts of international terrorism, a senior State Department official said yesterday.

The official, speaking on the condition that he not be identified, was discussing the North Africa situation on the advent of the first anniversary of air strikes ordered by President Reagan last April 15 to deter what the U.S. charged was a surge of Libyan-supported terrorism.

"Libya has been very circumspect in the past year, but we don't believe Gadhafi has abandoned terrorism as an instrument of state policy," he said. "Right now, we see evidence of increased activity by Libyan agents that may be related to terrorist acts."
(John Goshko, Washington Post, A28)

MUBARAK'S RULING PARTY MAINTAINS DOMINANCE IN NEW PARLIAMENT

CAIRO -- Final election returns showed President Hosni Mubarak's ruling party maintaining its dominant majority in the new parliament, paving the way for his nomination to a second six-year term in the fall.

Mubarak's centrist national Democratic Party, however, will face stronger opposition in parliament from the fundamental Moslem Brotherhood in alliance with the left-of-center socialist Labor Party and the Liberal Party and the right-of-center Wafd Party.
(Dalia Baligh, AP)

NATIONAL NEWS

HOUSE VOTES A REVISED '88 BUDGET

Democratic Proposal Requires Tax Increase; Reagan Plan Shunned

The House approved a \$1 trillion budget for fiscal 1988 that calls for an \$18 billion tax increase, would pare Pentagon spending authority and repudiates many of the cutbacks in domestic spending sought by President Reagan.

Approved on a 230-to-192 vote that fell largely along party lines, the House budget calls for a \$38.2 billion reduction in the federal deficit. It would leave a deficit of \$132.5 billion, \$24.5 billion higher than the goal set for the year by the 1985 balanced budget act.

No House Republican supported the Democratic plan, which was also opposed by 19 Democrats. President Reagan, in Indiana for a speech, denounced the action as Democratic "business as usual, cuts in defense that potentially threaten our national security and passing the buck to the American taxpayer to pay for their excesses."

(Tom Kenworthy, Washington Post, A1)

Democrat-Backed Budget Expected To Provoke Fight With Reagan

The Democratic-controlled House has passed a trillion-dollar 1988 U.S. budget calling for new taxes and domestic and defense cuts certain to touch off policy fights with President Reagan.

After scuttling Reagan's budget on a 394 to 27 vote, the House passed a Democrat-written plan calling for spending cuts and new taxes to lower the deficit.

The budget was sent on a 230 to 192 vote to the Senate which will consider its won separate but similar plan.

Both proposals are controversial, calling for at least \$18 billion in new taxes despite Reagan's vow to veto any tax bill Congress sends him.

"I call on the Congress to recognize their process for what it is -- out of control and ready to be fixed," Reagan said during a stopover in West Lafayette, Ind. on his way to California. (Michael Posner, Reuter)

House Budget Calls For Big Tax Boost

The Democratic-controlled House set a collision course with President Reagan over the federal budget, dumping his 1988 spending plan and approving a \$1 trillion package that calls for \$18 billion in new taxes.

On a partisan 230-193 vote, the House passed a Democratic budget that includes a major cut in Reagan's defense request and protects domestic programs from deeper reductions the President sought.

"If we have to do it alone, we will," said House Majority Leader Thomas Foley. (Gene Grabowski, Washington Times, A1)

'CATASTROPHIC' CARE APPROVED BY HOUSE PANEL

The House Ways and Means subcommittee on Medicare voted 9 to 2 yesterday to approve legislation to protect the nation's 32 million elderly and disabled Medicare beneficiaries against "catastrophic" doctor and hospital bills.

The measure, sponsored by Chairman Fortney Stark and Rep. Willis Gradison, was based on proposals first made by Secretary of Health and Human Services Otis Bowen and later endorsed by President Reagan, but would provide a richer package of benefits and would cost more.

The full Ways and Means Committee is expected to take up the bill after the Easter recess.
(Spencer Rich, Washington Post, A1)

DRAMATIC WELFARE OVERHAUL INITIATED

House Subcommittee's Benefits Face Republican Opposition

A House Ways and Means subcommittee approved a dramatic overhaul of the nation's welfare system emphasizing large-scale mandatory work and training programs.

"There's no need to have an underclass in this country," said Public Assistance subcommittee chairman Harold Ford after the measure passed by voice vote. Only the two Republicans present, Reps. Hank Brown and Rod Chandler were opposed.

Subcommittee Republicans said they oppose the bill's increased welfare benefits and will fight them in the full committee and on the floor.

The Reagan Administration also opposes these benefit increases.

(Spencer Rich, Washington Post, A11)

PAY RAISE FOE GIVES IN; HOMELESS BILL OK'D

The Senate approved a \$423 million aid bill for the homeless after killing an amendment that would have canceled this year's congressional pay raise.

The anti-pay raise amendment by Sen. Gordon Humphrey fell under a parliamentary maneuver that passed 68-29. Sixty votes were needed for the maneuver.

(Bob Minzesheimer, USA Today, A4)

BOREN, COHEN BACK WEBSTER FOR CIA

Nominee Pledges Cooperation With Senate Committee

The chairman and vice chairman of the Senate Select Committee on Intelligence warmly endorsed FBI Director William Webster to become the new director of the CIA after Webster pledged to be neither "devious" nor "cute" in his dealings with the panel.

Chairman David Boren, noting Webster's reputation for honesty and credibility, said at the end of two days of hearings that he thinks Webster is "confirmable" but intends to wait the required 14 days after hearings end before bringing his nomination to a vote.

Vice Chairman William Cohen concurred, saying he thinks Webster has done an "outstanding job" as FBI director for nine years and would do the same as CIA director.

(David Ottaway & Walter Pincus, Washington Post, A12)

CIA Chief Designate Clears Second Day Of Senate Grilling

William Webster appears to have survived two days of grilling by senators considering his nomination to head the CIA despite some tough questions about his role in the Iran arms scandal.

Webster, who has headed the FBI for the past nine years, won top marks from members of the Senate Intelligence Committee for his solemn pledges to notify them -- either before or shortly after -- of all covert CIA actions.

"My pledge is to notify you in the timeliest way possible," Webster, 63, told the committee. (Sue Baker, Reuter)

LEHMAN LEAVES NAVY'S HELM WITH A BANG AND A BROADSIDE Secretary Plans Book On Controversial Tenure

John Lehman is slated to end his six-year tour as the 65th secretary of the Navy today with a bang -- a 19-gun salute on the Pentagon parade ground -- then make new waves by writing a tell-all book about his time at the helm while awaiting job offers in industry.

Lehman, 44, denies that he will write a "kiss-and-tell" account of the Defense Department under Secretary Weinberger. But an outline sent to prospective publishers promises revelations about:

- How Rear Adm. John Poindexter, whom Lehman helped gain the job of national security adviser, inspired an admiral's revolt against Lehman.
- A tantrum by the late Adm. Hyman Rickover in the White House about being fired.
- The folly of using all of the armed services to invade Grenada.
- The "horrific" mess in which the Defense Department finds itself when trying to accomplish something.

(George Wilson, Washington Post, A1)

ATOM SMASHER ALSO SPLITTING STATES Millions Spent In Competition To Host Federal 'Super Collider' Project

In the Pacific Northwest, the federal government's planned \$4.4 billion Superconducting Super Collider is known as "the next Grand Coulee Dam," the Depression-era project that showered electricity and jobs on a hard-pressed region. In Midland, Tex., it is the "next Spraberry Oil Field," the pool of black gold whose discovery made Midland an oil mecca.

Dozens of states are spending tens of millions of dollars on scientific research and lobbyists, lusting after one of the grandest federal installations in American history -- more expensive and possibly more prestigious than the Johnson Space Flight Center, the Tennessee Valley Authority or the Grand Coulee Dam.

President Reagan has said the Super Collider -- an atom smasher 52 miles in circumference, capable of producing forces equivalent to those in the first millionth of a second of the "Big Bang" that created the universe -- is too important to science to be neglected, even in the face of 12-digit budget deficits. (Dale Russakoff, Washington Post, A1)

IRAN-NICARAGUA

DOE FAILS TO MAKE SECURITY CHECKS, GAO SAYS
Allegations Against Employees, Including Reports Of Felonies,
Are Not Quickly Probed

The Department of Energy consistently fails to conduct required security investigations for thousands of its employees, many of whom have access to highly sensitive nuclear weapons materials, General Accounting Office auditors said.

In testimony to Congress and in a report, GAO officials pointed out dozens of instances where DOE officials have received serious allegations about employee actions, but made no immediate attempts to investigate them.
(Michael Specter, Washington Post, A3)

INDEPENDENT COUNSELS WIN
Conflict Rules Won't Be Retroactive

The Justice Department, responding to an outcry from the six independent counsels investigating Reagan Administration figures, said that it will not apply strict conflict-of-interest rules to actions already taken by the prosecutors.

But Assistant Attorney General John Bolton told a House Judiciary subcommittee he still believes that the prosecutors are legally barred from defending private clients who are subjects of department probes and that the department will investigate such relationships in the future.

(Howard Kurtz, Washington Post, A12)

NETWORK NEWS SUMMARY

(Thursday Evening, April 9, 1987)

ESPIONAGE/SHULTZ

NBC's GARRICK UTLEY: The U.S. Senate this afternoon voted a resolution urging Secretary Shultz not to go to Moscow next week unless security for his secret conversations with his staff can be guaranteed. The resolution is non-binding, but it passed 70-30, showing strong concern over Soviet spying against the U.S. Embassy. Today in Moscow, the Soviets staged their counter-attack against the American denunciation yesterday of the Soviet spying.

NBC's SANDY GILMOUR: ...This is just on of the listening devices Soviet foreign ministry's security agents claim were planted at Soviet diplomatic missions in the United States. In a presentation designed to counter U.S charges of Soviet spying, the Soviets displayed...evidence they said were violations of their sovereign territory -- bugs taken out of their new embassy in Washington...

(BORIS PYADYSHEV, Soviet Foreign Ministry Spokesman: "The Soviet people are angered and indignant.... Such methods of getting-to-know you run counter the norms of diplomatic immunity.... These, of course, are not average consumer goods."...)

(THE PRESIDENT: "And will not comment on United States intelligence activities. Nonetheless, I can say that what the Soviets did to our embassy in Moscow is outrageous and we have protested strongly. And we're conducting a full investigation and we'll take whatever corrective action is necessary, because our diplomatic establishments can and must be secure from Soviet spying.")

(TV COVERAGE: The President outside Purdue University speaking to reporters.)

UTLEY: The Reagan Administration is trying to make a distinction between traditional electronic eavesdropping and the use of sex against American citizens, the Marines. But the Soviet view is that all is fair in the listening war and the most importance weapons are technology and ingenuity.

NBC'S ANNE GARRELS reports on various types of intelligence gathering technology and how the U.S. and Soviet Union use such equipment.

(NBC-Lead)

ABC's PETER JENNINGS: The Secretary of State is going to go to Moscow on Monday to see the Soviet Foreign Minister but the Senate doesn't want him to go. In a sense of the Senate resolution late today, which is not binding, the Senate said that Secretary of State George Shultz should not go to Moscow until there is a secure facility for him to work in.... It was only a matter of time. The Soviets have now said the United States has been bugging them. And the Soviets do have a story to tell.

ABC's JOHN MCWETHY: The Soviets today unveiled a collection of bugging devices they claim American agents planted in Russian diplomatic missions here in the U.S. One, they said, was pulled from their new embassy in Washington.

-more-

MCWETHY continues:

(BORIS PYADYSHEV: "You can see electronic information pick-up radio systems designed to eavesdrop on some of the premises of that building.")

Another device, they claim, was found in a cement footing of their mission in San Francisco. President Reagan responded to the charges while visiting Purdue University today.

(THE PRESIDENT: "Do you want to believe them, go ahead. I am never to discuss anything having to do with espionage or counter-espionage.")

He later did discuss it one more time.

(THE PRESIDENT: "What the Soviets did to our embassy in Moscow is outrageous and we have protested strongly.")

Sources in the U.S. intelligence community say that of course the U.S. spies on the Soviets and spends billions of dollars a year to do it. Experts outside the government agree.... U.S. officials argue that there is a difference between American and Soviet spying -- that when the KGB entered the American embassy in Moscow, that was stepping over the line. Some in the intelligence community argue, however, that there is no line in espionage. You simply take what you can get.

ABC's BOB ZELNICK reports on the history of sex in espionage.

(ABC-Lead)

CBS's DAN RATHER: The Soviet Union fired back today at angry and embarrassed Reagan Administration officials, the ones who have been complaining that the Russians played dirty by using beautiful women to seduce young Marines and bug the U.S. Embassy in Moscow. The Soviets' answer was a version of that old refrain, "So's your old man."

CBS's WYATT ANDREWS reports on the Soviets' James Bond show-and-tell presentation on how Americans are said to spy on Russian diplomats based in the U.S. A narrow, gray tube is alleged to be a high-tech listening device American agents disguised as insulation and then built into the windows of the new Soviet Embassy in Washington. These hollow bricks were said to house a system which transmitted bugged Russian conversations along beams of infrared light. The Soviets spiced the press conference with bits of righteous indignation, calling American spying a violation of international morality and human rights. At the same time, they never flatly denied American charges of Soviet spying against the U.S. The message was clear: As long as President Reagan is going public with espionage, the Soviets were saying, we can go one better. The calculated bursts of outrage from the Soviets are intended to influence Secretary Shultz's visit to Moscow. The Soviets would like today's show-and-tell to cool any American outcry over spying so that arms control will dominate the agenda by the time Shultz arrives. (CBS-Lead)

RATHER: Around Congress, some members jokingly have been calling Secretary Shultz "Winnebago George." That's because Shultz has insisted on going ahead with his planned meetings in Moscow next week even though he might have to operate out of a mobile home because there is no security at the U.S. Embassy. But the jokes stopped late today. In a non-binding resolution this afternoon, the Senate urged Secretary Shultz to postpone his Moscow meetings until some kind of proper security can be assured.

(CBS-2)

SHULTZ TO MOSCOW

UTLEY: As Shultz' trip to Moscow approaches, Arms Control Director Kenneth Adelman said today the U.S. will offer the Soviets a timetable on star wars experiments in exchange for information on Soviet anti-missile research. Adelman said Shultz will also focus on cutting long-range nuclear missions in next week's talks. (NBC-11)

THE PRESIDENT'S TRIP

JENNINGS: The President was in Indiana today at Purdue University. He toured a high-tech computer lab and saw a demonstration of robotics while telling students they must keep America competitive in the world of electronics.

(TV COVERAGE: The President in the computer lab.)

The President believes that America is on the verge of losing its high-tech advantage to foreign competitors, especially to the Japanese. But in Japan, weakness in the American marketplace is already causing some financial difficulties.

ABC's JIM LAURIE reports on Japanese unemployment and financial problems. (ABC-6)

COMMENTARY/U.S.-SOVIET RELATIONS

NBC's JOHN CHANCELLOR: Even before the Senate said today that Secretary of State Shultz should cancel his trip, other people were saying that because of the security problem, Shultz should not go to Moscow. One suggestion was that he meet the Soviet Foreign Minister in Finland... But the Finland plan would not have worked and here's why. The United States says its Moscow Embassy has been infested with bugs put there by Russians. The Russians, who play the game the traditional way, say there is no problem. They have denied everything, which means if they did agree to meet somewhere else, they'd be admitting guilt.... They're not about to do that. So this left the United States with only two options -- keep Mr. Shultz at home or let him go to Moscow. He'll go, despite the embarrassment and it is embarrassing. After all, he was running the State Department while the KGB ransacked the embassy. But a long way we have come from the old, evil empire and toughness of the Reagan Administration. The decision to send the Secretary says a lot about the Administration's thinking these days with the President in trouble because of the Iran-contra scandals. An arms agreement with the Russians would be popular with the American people and politically usefully. A summit conference in Washington wouldn't hurt. But, the clock is ticking because of the elections coming in this country next year. It might be hard to get a treaty ratified by the Senate during the Presidential campaign. The Administration doesn't have much time. So, George Shultz' mission is urgent and the Russians, who aren't fools, know that as well as we do. It will be an important trip and I'm going along. (NBC-10)

FEDERAL BUDGET

RATHER: President Reagan left Washington today and headed west, mostly for a vacation. He left behind a Congress still determined not to accept what many in Congress consider to be a completely unrealistic Reagan Administration budget. President Reagan has another real fight on his hands about this.

CBS's DEBORAH POTTER: President Reagan's political problems intensified today when the House overwhelmingly rejected his budget, prompting him to search for a solution while on the road in Indiana.

(TV COVERAGE: President inspecting high-tech hardware, looks at robot. PRESIDENT: "I was wondering if it could replace Congress.")

Only a handful of Republicans stood with the President today, while accusing the Democrats of playing politics.

(REP. ROBERT WALKER, R-Pa.: " -- everybody comes out opposed to the budget but we raise it just with hopes of kicking the President around a little bit out on the House floor today.")

(REP. JAMES TRAFICANT, D-Oh.: "A President that would cut child nutrition, throw out completely vocational education, in a country who's talking about competitiveness. I say the President's budget is un-American.")

The Democrats then passed their trillion-dollar budget, cutting defense by \$9 billion and trimming domestic spending by another \$9 billion. But some popular programs, including health care and education, would get more money. So the Democrats would raise \$18 billion in new taxes.

(REP. HAROLD ROGERS, R-Ky.: "If you vote for this proposal, you're voting for more taxes. Take that home and tell that to your home folks.")

(PRESIDENT in West Lafayette: "And I call on the Congress to recognize their process for what it is: out of control and ready to be fixed.")

The President said he's willing to discuss the budget with the Democrats. But clearly relishing their new political clout, they say they'll set the priorities.

(CBS-10)

GORBACHEV/CZECHOSLOVAKIA

CBS's TOM FENTON reports on Soviet leader Gorbachev's trip to Czechoslovakia. Gorbachev's problem is how to push his reform program without destabilizing a government that has blocked all reforms for years. Tomorrow, he's expected to make a major foreign policy statement. There is speculation he will announce the withdrawal of some of the 80,000 Soviet troops that have been here since 1968.

(CBS-3)

UTLEY: Gorbachev left the listening war behind today and traveled to Czechoslovakia.... It was another public relations triumph for Gorbachev who was the first Soviet leader to Czechoslovakia since it was invaded by the Soviet army in 1968.

(ABC-2, NBC-2)

NUCLEAR/PLO

RATHER reports there was startling and worrisome information that a U.S. Government employee at a top secret nuclear facility was accused of selling documents and uranium to the PLO. The person had a top security clearance and he was accused of a number of crimes.

-more-

CBS's DAVID MARTIN reports on the laboratory technician, who worked in a nuclear weapons plant run by the Department of Energy. The name was not revealed. This case is the most alarming of many lapses found in security at nuclear weapons plants. Like security at the U.S. Embassy in Moscow, critics say security at this country's nuclear weapons plants is an accident waiting to happen. (CBS-3)

JAPANESE AUTO TRADE

UTLEY reports that one reason for this country's big trade deficit has been the popularity of Japanese cars. But now, there is a glut of them. One reason -- the yen is up; the dollar is down and so sticker prices are higher. (NBC-6)

INSIDER TRADING

UTLEY: Three of Wall Street's top executives were formally indicted today on charges dealing with insider trading.... All three are accused of securities fraud. (NBC-7)

FAA/NEAR COLLISIONS

UTLEY: There was new alarm today about the growing number of near collisions in the air and on the runway. It came from federal officials.

NBC's ROBERT HAGER: The Federal Aviation Administration acknowledges reports of near collisions are increasing....

(DONALD ENGEN, FAA Administrator: "We're dealing with, in my view, increasing incidents. Now, why is that occurring? It's probably partly because of increased amount of traffic.... It's probably because pilots aren't looking out as much as they should.")

Others charge it's mostly because there aren't enough air traffic controllers.... The FAA says it has enough controllers, but admits not enough are fully qualified yet to handle the busiest traffic.

(NBC-4, ABC-3)

RATHER reports a House subcommittee heard that air traffic control mistakes are up 18% in the first quarter of this year.

CBS's PETER VAN SANT reports that the FAA had to admit to a feisty and at times frustrated investigating committee that despite its assurances of safe skies, near-misses are at record levels and air traffic controller errors are dramatically on the rise. Experts say the best way to improve air safety would be for the FAA to hire back hundreds of controllers fired in 1981 during the PATCO strike. But that would take legislation and sources say it would be vetoed by the man who fired those controllers, President Reagan. (CBS-5)

DELTA/EASTERN

JENNINGS: The Department of Transportation has accused Delta and Eastern Airlines of unfair and deceptive scheduling at Atlanta's airport. The Secretary of Transportation, Elizabeth Dole, says the result has been frequent flight delays and she wants to know why the airlines shouldn't be fined a thousand dollars for every day there is a violation.

(ABC-4, NBC-5)

POPE/ARGENTINA

JENNINGS: In Argentina today Pope John Paul has celebrated another mass for another enormous throng of people.... His last stop was in Chile and while he was there you may recall there were serious demonstrations, often violent, against the Chilean strongman Augusto Pinochet....

ABC's JIM WOOTEN reports on changes in Chile since the Pope's visit. Even as cautious a fellow as the United States Ambassador is slightly encouraged.

(AMBASSADOR HARRY BARNES: "Both people in the government and people in the opposition recognize that there are changes coming. Change is inevitable.")

The question remains, "What sort of change?" Peaceful as the Pope suggests, or as violent as the riots that marred his mass...last week.

(ABC-10)



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, APRIL 10, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

High-Tech Speech Gets High Marks -- President Ronald Reagan brought a high-tech speech to Purdue University Thursday, telling thousands of students packed in Mackey Arena that their only limits will be those of their imagination. (Lafayette Courier & Journal)

INTERNATIONAL NEWS

Reagan Rejects Soviet Proposal To Curb A-Tests -- The U.S. has rejected the latest Soviet compromise offer on limiting nuclear testing, Administration officials said today. (New York Times, USA Today, Washington Post, Washington Times, AP)

NATIONAL NEWS

House Budget Calls For Big Tax Boost -- The Democratic-controlled House set a collision course with President Reagan over the federal budget, dumping his 1988 spending plan and approving a \$1 trillion package that calls for \$18 billion in new taxes. (Washington Post, Washington Times, Reuter)

NETWORK NEWS (Thursday Evening)

ESPIONAGE/SHULTZ -- The Senate voted a resolution urging Secretary Shultz to not go to Moscow until security improves.

THE PRESIDENT'S TRIP -- The President gave a speech at Purdue University.

FEDERAL BUDGET -- The House overwhelmingly rejected the President's budget.

TRIP NEWS..... A-2
INTERNATIONAL NEWS....A-4
NATIONAL NEWS.....A-10
IRAN-NICARAGUA.....A-12

REAGAN, PURDUE DAZZLE

The moments of glory belong to everyone -- Ronald Reagan, Purdue University and the 19,000 Tippecanoe and surrounding counties who spent hours in line Thursday for a chance to see the President's arrival at Purdue Airport.

The silver wings of Air Force One brought history -- for the President and the people. Presidential visits to universities are rare. According to Secret Service agents, crowds allowed at the airport are even rarer. Until Thursday, both were unheard of at Purdue.

The arrival was perfectly timed on a perfectly bright, cloudless day. The estimated 19,225 people shoe-horned into bleachers in a semi-circle in front of the presidential podium, waved flags, hoisted posters, and strained vocal chords. (Emily Smith, Lafayette Journal & Courier, A1)

HIGH-TECH SPEECH GETS HIGH MARKS

President Ronald Reagan brought a high-tech speech to Purdue University Thursday, telling thousands of students packed in Mackey Arena that their only limits will be those of their imagination.

In a 28-minute talk interrupted 28 times by applause -- some of it deafening in the domed basketball arena -- Reagan said America needs to prepare for the challenges of the 21st century.

The biggest applause followed traditional Reagan themes on the strength and potential and positive spirit of the country.

(John Norberg, Lafayette Journal & Courier, A1)

TKE FRATERNITY MEN GIVE BROTHERLY HELLO

The men from Tau Kappa Epsilon were almost as ubiquitous as the men from the Secret Service.

The brotherly ties brought nearly two dozen TKEs the thrill of a lifetime -- they got to shake hands with the President. Not just any handshake, but a TKE handshake.

John Trott, a freshman, said, "I just said 'Hi,' and welcomed him to Purdue. He was giving the fraternity handshake. Nearly everyone there got one. It was a thrill."

(Ken Rains & Emily Smith, Lafayette Journal & Courier, A1)

PRESIDENT: A NEW ACCESSIBILITY
Baker Pushes High-Profile, Open Image

LOS ANGELES -- President Reagan retreats to his Santa Barbara ranch this weekend after a two-week experiment in public visibility.

After months of seeming to closet himself in the White House, Reagan has, in recent days, opened himself to public and media questions.

The new visibility is the brainchild of Chief of Staff Howard Baker, who reviewed media relations after last month's news conference found reporters "charging the President of the United States like a treed animal."

After consulting with former Carter press secretary Jody Powell and other media experts, Baker switched gears.

The new order: Turn off the noisy helicopter blades, leave time for impromptu media sessions, talk to the public.

The strategy: More access to the media means less hostility; more exchanges with the public build confidence in Reagan's leadership.

(Johanna Neuman, USA Today, A4)

REAGAN ADDRESSES FOREIGN POLICY COUNCIL

LOS ANGELES -- The President, on his first of 11 days on California, was addressing the Los Angeles World Affairs Council today in what aides said would be a "broad-issue foreign policy address" expected to set up next week's highly charged talks between Secretary Shultz and Soviet Foreign Minister Eduard Shevardnadze.

Calling it an "overview on East-West relations," particularly arms control, Chief of Staff Howard Baker said the speech also would have a generous portion of remarks on foreign policy elsewhere. Baker said the speech would be a "curtain-raiser or preamble" to Shultz's trip, which is clouded by a deepening crisis between the superpowers over charges of mutual bugging of each other's embassies and the growing sex-for-secrets scandal involving Marine guards and Soviet women.

A senior official said today's speech would refer to Reagan's longstanding invitation to Soviet leader Gorbachev for a summit this year in the U.S.

(Ira Allen, UPI)

Reagan Talk To Preview Hopes For INF Treaty

LOS ANGELES -- President Reagan will give a preview of the kind of treaty the U.S. seeks on the deployment of Intermediate Nuclear Forces, in a major policy speech to the Los Angeles Council on Foreign Affairs.

The President also will draw "a kind of big picture" of U.S.-Soviet relations and emphasize Washington's desire to move ahead on negotiating reductions in strategic weapons, according to a senior Administration official.

Officials said Reagan's speech would outline the nature of a draft INF treaty Secretary Shultz is taking with him (to Moscow for talks with Soviet leaders).

(Jeremiah O'Leary, Washington Times, A4)

INTERNATIONAL NEWS

PRESIDENT SHIFTS ON SDI LIMITS

Shultz Is Instructed To Offer Soviets Briefer Constraints

President Reagan, in a major shift, has decided to retreat further from major arms control proposals he made at the Reykjavik summit last fall, reducing from 10 years to five the period for which he is willing to accept treaty-imposed limits on SDI, senior Administration officials said yesterday.

Reagan, in a defeat for the State Department and a victory for the Defense Department, instructed Secretary Shultz to tell Soviet Foreign Minister Eduard Shevardnadze in Moscow next week that the U.S. is willing to abide by the ABM Treaty constraints on SDI for five years from the point that a new arms-reduction treaty takes effect, the officials said. At the Reykjavik summit in October, the Administration said it would abide by the treaty constraints until at least 1996.

Reagan also authorized Shultz to tell the Soviets that a so-called 50 percent reduction in strategic arms cannot be completed by the end of 1991, as he had proposed at Reykjavik, but must take place over seven years from the point that a new treaty takes effect, the officials said.

(Jeffrey Smith, Washington Post, A1)

The President/Secretary Shultz/Arms Control

President Reagan has ordered Secretary Shultz to spurn a Soviet offer to consider new limits on underground nuclear tests and to stretch out a proposed 50 percent reduction in long-range weapons, a U.S. official said.

The official, who demanded anonymity, said the President's decision represented a triumph for the hard-line position of Secretary Weinberger and a defeat for Shultz.

He said Weinberger had the solid support of the Joint Chiefs of Staff, while Shultz was unable to enlist aid from Frank Carlucci, the President's national security adviser, and Howard Baker, the White House chief of staff.

(Barry Schweid, AP)

Reagan Rejects Soviet Proposal To Curb A-Tests

The U.S. has rejected the latest Soviet compromise offer on limiting nuclear testing, Administration officials said today.

The State Department was interested in having Secretary Shultz explore the offer in Moscow next week, but President Reagan decided that there should be no further talks on testing until the Russians agreed to new monitoring measures for two existing but unratified treaties limiting nuclear explosions.

(Michael Gordon, New York Times, A1)

Shultz Will Push Soviets For Long-Range Nukes Deal

Secretary Shultz will press Moscow toward an agreement on strategic nuclear weapons during his trip to the Soviet Union next week, Administration officials said yesterday.

Shultz will also propose that the superpowers exchange information about their missile defense programs.

In Strategic Arms Reductions Talks (START), both nations have agreed in principle to cutting long-range nuclear weaponry in half by 1991. Deep differences remain, however, over caps on particular classes of weapons and other issues.

"Our big emphasis is going to be, alas and alack, on START, on the strategic realm," Kenneth Adelman, director of the U.S. Arms Control and Disarmament Agency, said in a breakfast meeting with reporters.

(Warren Strobel & James Dorsey, Washington Times, A1)

Arms, Spying, Summit On Shultz Agenda

Secretary Shultz leaves for the Soviet Union Saturday to resume high-level superpower nuclear arms talks and lay groundwork for a third summit between President Reagan and Soviet leader Gorbachev.

But Shultz is going to Moscow under the cloud of the embassy spying issue -- now also a key item on the agenda.

Despite the embassy scandal, Shultz goes to Moscow at a time when the U.S. and Soviet Union are edging slowly toward an agreement of mid-range Euromissiles.

(Juan Walte, USA Today, A4)

REAGAN: SOVIET SPYING 'OUTRAGEOUS'

But Controversy Over Embassy Not Expected To Hurt Shultz Visit

WEST LAFAYETTE, Indiana -- President Reagan today issued a fresh denunciation of Soviet espionage attempts against the U.S. Embassy in Moscow, but said he did not expect the recent spying disclosures to hurt next week's mission to Moscow by Secretary Shultz.

Speaking to reporters as he prepared to leave after a speech at Purdue University here, Reagan said, "What the Soviets did to our embassy in Moscow is outrageous, and we have protested strongly and we'll conduct whatever corrective action is necessary." Embassies, he added, "can and must be secured from Soviet spying."

White House Chief of Staff Howard Baker said, "I do not think this jeopardizes chances for progress on East-West relations and I don't think that it's likely to detract from the value of Secretary Shultz's visit.

(David Hoffman, Washington Post, A18)

SENATE URGES SHULTZ TO CANCEL MOSCOW TRIP OVER SPY SCANDAL

The Senate, in an expression of outrage over the spy-sex scandal, has urged Secretary Shultz to cancel next week's trip to Moscow unless facilities there are shown to be free of Soviet listening devices.

In a non-binding resolution approved by a 70-30 vote, the Democratic-controlled Senate urged Shultz to abort the trip unless the meeting facilities he is to use in Moscow are inspected and found to be secure.

Although the resolution lacks force of law, it was the most dramatic expression of anger yet from U.S. legislators over charges that the Soviets planted listening devices in an American Embassy building under construction in Moscow and that U.S. Marine guards at the present embassy were lured into spying after becoming sexually involved with Soviet women.

(Reuter)

SHULTZ TRYING TO WORK AROUND SPY PROBLEM

Secretary Shultz is going to Moscow next week, despite a furor over Soviet infiltration and eavesdropping at the U.S. Embassy and a lopsided Senate resolution urging him to reconsider. While the talks will be held under what he calls a "heavy shadow," the agenda will not be shortened by the spying affair.

Arms control will be the main topic, but Shultz is ready to talk with General Secretary Gorbachev and Foreign Minister Eduard Shevardnadze about the war in Afghanistan, human rights and other issues.

There are those, Shultz said Wednesday, who hold the view "that if anything goes wrong, just junk the whole thing." But the distinction President Reagan and Shultz made this time, he said, is that "if one way or another we can pursue something that is constructive and that is in our interest, we will do so."

(Barry Schweid, AP)

SOVIETS DISPLAY DEVICES OF ALLEGED 'SPY MANIA'

MOSCOW -- The Soviet Union accused Washington of wide-scale espionage against the U.S.S.R. and displayed wiretaps and other spying devices it said were taken from five Soviet facilities in the United States.

Foreign Ministry spokesman Boris Pyadyshev told a news conference that the charts, photographs and equipment shown journalists here represented only a sampling of the "huge proportions" of eavesdropping equipment periodically uncovered in Soviet buildings in the U.S.

In the harshest attack against the U.S. by Soviet officials in weeks, Pyadyshev charged the U.S. with "revoting" tactics, "unseemly actions" and "low moral standards."

(Gary Lee, Washington Post, A19)

AGENTS' DEATHS TIED TO KGB'S EMBASSY SPYING

Soviet authorities have uncovered and killed a number of Russians working for U.S. intelligence in the Soviet Union as a result of the KGB's eavesdropping on the U.S. Embassy in Moscow, according to Administration officials.

"Sources of ours have been killed during the past year," one said.

Soviet penetration of the embassy's security may also have compromised the U.S. arms control negotiating strategy, U.S. intelligence sources of the Soviet Union and American techniques for monitoring Soviet compliance with existing arms control agreements, the officials said.

(James Dorsey, Washington Times, A1)

GORBACHEV STRESSES UNITY AS PRAGUE VISIT OPENS

PRAGUE -- After a three-day delay for what was officially described as a "slight cold," Soviet leader Gorbachev arrived here today for a visit that was preceded by hints of difficulties in Moscow's relationship with one of Eastern Europe's most conservative communist parties.

Showing no sign of the cold, Gorbachev appeared before thousands of spectators at Prague's Hradcany Castle after arriving this morning and later met with Czechoslovak President Gustav Husak. This evening, he walked down Prague's main shopping thoroughfare before attending a banquet in his honor.

(Jackson Diehl, Washington Post, A19)

Gorbachev/Czechoslovakia Visit

Soviet leader Gorbachev, whose reform policies have been resisted by the Prague leadership, arrived for his first official visit to Czechoslovakia and said the two countries should "move forward together."

The Soviet leader is scheduled to give a major speech Friday in which he may announce the withdrawal of one or two divisions of Soviet troops stationed in Czechoslovakia since the Soviet-led Warsaw Pact invasion in 1968.

(Patricia Koza, UPI)

PENTAGON: WARNING SHOT ON SPACE BASE Weinberger Weighs Military Use, Is Wary Of International Cooperation

Secretary Weinberger has written a letter saying that possible military uses of NASA's planned space station are under study and warned against paying "too high a price" for international cooperation.

In a letter to Secretary Shultz, Weinberger said the civilian space station being developed and financed by NASA "must be available for any national security purpose consistent with our international obligations."

(UPI Story, Washington Post, A25)

BAKER CALLS FOR NEW INITIATIVES ON 3RD WORLD DEBT

Treasury Secretary James Baker said the U.S. plan for solving the Third World debt problem needs substantial revision.

In a speech to world financial leaders gathered at the International Monetary Fund, Baker said that the amount of new bank lending last year was "clearly disappointing," and that new and creative ways are now needed to keep a flow of commercial money moving to the Third World.

He proposed that the banks themselves develop "a menu of alternative new money options," different from straightaway additional loans to debtors, so as to avoid "periodic financial crises."

Baker's statement modifying what has come to be known as the Baker Plan, was the first step away from the current U.S. position and is sure to be welcomed in the Third World as a major transition to a greater accommodation of the demands of poor nations.

(Hobart Rowen, Washington Post, A1)

MONETARY LEADERS FAIL TO CALM NERVOUS FINANCIAL MARKETS

Despite their new policy accord, monetary leaders have given world financial markets a bout of nerves and left them wondering if interest rates and the dollar will rise or fall.

U.S. Treasury Secretary Baker told a meeting of the International Monetary Fund that the dollar's decline had been "orderly."

That comment was interpreted as a signal the U.S. was not yet ready to call a halt to the dollar's two-year slide, and traders sold the currency down to a new post-war low against the yen.

(Donald Nordberg, Reuter)

Dollar Plummets A Day After Allies Set Stability Goal

The dollar plunged to new lows against the Japanese yen yesterday, just one day after the U.S. and its economic allies had pledged to stabilize currency rates.

Also, officials of the seven industrial countries that joined in the agreement suggested in interviews yesterday that they had changed the secret exchange rate range for the yen and the dollar that they settled upon at their Feb. 22 meeting in Paris.

(Kenneth Gilpin, New York Times, A1)

U.S., JAPAN TRY ANEW TO SETTLE SEMICONDUCTOR DISPUTE

No specific progress has been reported in talks to avoid the imposition of tariffs by the U.S. against Japanese imports, though Japan's delegation seems more optimistic than U.S. officials.

The chief Japanese negotiator, Makoto Kuroda, said midway through yesterday's talks, "It's going very well," but a U.S. trade official said the talks were inconclusive and the U.S. side issued no statement.

(Robert Trautman, Reuter)

ITALIAN PRIME MINISTER SUBMITS RESIGNATION

ROME -- Prime Minister Bettino Craxi submitted his resignation to Italian President Francesco Cossiga for the second time in the country's latest political crisis.

Craxi's action was the most recent blow to the five-party coalition he has led for almost five years.

If Cossiga accepts the resignation this time, the president is one step nearer to deciding whether to appoint a premier designate to try to form a government or dissolving the parliament and calling early national elections.
(Washington Post, A20)

U.S. AIDE SAYS LIBYA MAY BE PLANNING NEW TERRORISM

One year after the U.S. bombing of Libya caused Moammar Gadhafi to sharply curtail his country's terrorist activities, the U.S. has seen signs that Libyan agents might be preparing new acts of international terrorism, a senior State Department official said yesterday.

The official, speaking on the condition that he not be identified, was discussing the North Africa situation on the advent of the first anniversary of air strikes ordered by President Reagan last April 15 to deter what the U.S. charged was a surge of Libyan-supported terrorism.

"Libya has been very circumspect in the past year, but we don't believe Gadhafi has abandoned terrorism as an instrument of state policy," he said. "Right now, we see evidence of increased activity by Libyan agents that may be related to terrorist acts."
(John Goshko, Washington Post, A28)

MUBARAK'S RULING PARTY MAINTAINS DOMINANCE IN NEW PARLIAMENT

CAIRO -- Final election returns showed President Hosni Mubarak's ruling party maintaining its dominant majority in the new parliament, paving the way for his nomination to a second six-year term in the fall.

Mubarak's centrist national Democratic Party, however, will face stronger opposition in parliament from the fundamental Moslem Brotherhood in alliance with the left-of-center socialist Labor Party and the Liberal Party and the right-of-center Wafd Party.
(Dalia Baligh, AP)

NATIONAL NEWS

HOUSE VOTES A REVISED '88 BUDGET

Democratic Proposal Requires Tax Increase; Reagan Plan Shunned

The House approved a \$1 trillion budget for fiscal 1988 that calls for an \$18 billion tax increase, would pare Pentagon spending authority and repudiates many of the cutbacks in domestic spending sought by President Reagan.

Approved on a 230-to-192 vote that fell largely along party lines, the House budget calls for a \$38.2 billion reduction in the federal deficit. It would leave a deficit of \$132.5 billion, \$24.5 billion higher than the goal set for the year by the 1985 balanced budget act.

No House Republican supported the Democratic plan, which was also opposed by 19 Democrats. President Reagan, in Indiana for a speech, denounced the action as Democratic "business as usual, cuts in defense that potentially threaten our national security and passing the buck to the American taxpayer to pay for their excesses."

(Tom Kenworthy, Washington Post, A1)

Democrat-Backed Budget Expected To Provoke Fight With Reagan

The Democratic-controlled House has passed a trillion-dollar 1988 U.S. budget calling for new taxes and domestic and defense cuts certain to touch off policy fights with President Reagan.

After scuttling Reagan's budget on a 394 to 27 vote, the House passed a Democrat-written plan calling for spending cuts and new taxes to lower the deficit.

The budget was sent on a 230 to 192 vote to the Senate which will consider its won separate but similar plan.

Both proposals are controversial, calling for at least \$18 billion in new taxes despite Reagan's vow to veto any tax bill Congress sends him.

"I call on the Congress to recognize their process for what it is -- out of control and ready to be fixed," Reagan said during a stopover in West Lafayette, Ind. on his way to California. (Michael Posner, Reuter)

House Budget Calls For Big Tax Boost

The Democratic-controlled House set a collision course with President Reagan over the federal budget, dumping his 1988 spending plan and approving a \$1 trillion package that calls for \$18 billion in new taxes.

On a partisan 230-193 vote, the House passed a Democratic budget that includes a major cut in Reagan's defense request and protects domestic programs from deeper reductions the President sought.

"If we have to do it alone, we will," said House Majority Leader Thomas Foley. (Gene Grabowski, Washington Times, A1)

'CATASTROPHIC' CARE APPROVED BY HOUSE PANEL

The House Ways and Means subcommittee on Medicare voted 9 to 2 yesterday to approve legislation to protect the nation's 32 million elderly and disabled Medicare beneficiaries against "catastrophic" doctor and hospital bills.

The measure, sponsored by Chairman Fortney Stark and Rep. Willis Gradison, was based on proposals first made by Secretary of Health and Human Services Otis Bowen and later endorsed by President Reagan, but would provide a richer package of benefits and would cost more.

The full Ways and Means Committee is expected to take up the bill after the Easter recess. (Spencer Rich, Washington Post, A1)

DRAMATIC WELFARE OVERHAUL INITIATED
House Subcommittee's Benefits Face Republican Opposition

A House Ways and Means subcommittee approved a dramatic overhaul of the nation's welfare system emphasizing large-scale mandatory work and training programs.

"There's no need to have an underclass in this country," said Public Assistance subcommittee chairman Harold Ford after the measure passed by voice vote. Only the two Republicans present, Reps. Hank Brown and Rod Chandler were opposed.

Subcommittee Republicans said they oppose the bill's increased welfare benefits and will fight them in the full committee and on the floor.

The Reagan Administration also opposes these benefit increases.

(Spencer Rich, Washington Post, A11)

PAY RAISE FOE GIVES IN; HOMELESS BILL OK'D

The Senate approved a \$423 million aid bill for the homeless after killing an amendment that would have canceled this year's congressional pay raise.

The anti-pay raise amendment by Sen. Gordon Humphrey fell under a parliamentary maneuver that passed 68-29. Sixty votes were needed for the maneuver. (Bob Minzesheimer, USA Today, A4)

BOREN, COHEN BACK WEBSTER FOR CIA
Nominee Pledges Cooperation With Senate Committee

The chairman and vice chairman of the Senate Select Committee on Intelligence warmly endorsed FBI Director William Webster to become the new director of the CIA after Webster pledged to be neither "devious" nor "cute" in his dealings with the panel.

Chairman David Boren, noting Webster's reputation for honesty and credibility, said at the end of two days of hearings that he thinks Webster is "confirmable" but intends to wait the required 14 days after hearings end before bringing his nomination to a vote.

Vice Chairman William Cohen concurred, saying he thinks Webster has done an "outstanding job" as FBI director for nine years and would do the same as CIA director.

(David Ottaway & Walter Pincus, Washington Post, A12)

CIA Chief Designate Clears Second Day Of Senate Grilling

William Webster appears to have survived two days of grilling by senators considering his nomination to head the CIA despite some tough questions about his role in the Iran arms scandal.

Webster, who has headed the FBI for the past nine years, won top marks from members of the Senate Intelligence Committee for his solemn pledges to notify them -- either before or shortly after -- of all covert CIA actions.

"My pledge is to notify you in the timeliest way possible," Webster, 63, told the committee. (Sue Baker, Reuter)

LEHMAN LEAVES NAVY'S HELM WITH A BANG AND A BROADSIDE Secretary Plans Book On Controversial Tenure

John Lehman is slated to end his six-year tour as the 65th secretary of the Navy today with a bang -- a 19-gun salute on the Pentagon parade ground -- then make new waves by writing a tell-all book about his time at the helm while awaiting job offers in industry.

Lehman, 44, denies that he will write a "kiss-and-tell" account of the Defense Department under Secretary Weinberger. But an outline sent to prospective publishers promises revelations about:

- How Rear Adm. John Poindexter, whom Lehman helped gain the job of national security adviser, inspired an admiral's revolt against Lehman.
- A tantrum by the late Adm. Hyman Rickover in the White House about being fired.
- The folly of using all of the armed services to invade Grenada.
- The "horrific" mess in which the Defense Department finds itself when trying to accomplish something.

(George Wilson, Washington Post, A1)

ATOM SMASHER ALSO SPLITTING STATES Millions Spent In Competition To Host Federal 'Super Collider' Project

In the Pacific Northwest, the federal government's planned \$4.4 billion Superconducting Super Collider is known as "the next Grand Coulee Dam," the Depression-era project that showered electricity and jobs on a hard-pressed region. In Midland, Tex., it is the "next Spraberry Oil Field," the pool of black gold whose discovery made Midland an oil mecca.

Dozens of states are spending tens of millions of dollars on scientific research and lobbyists, lusting after one of the grandest federal installations in American history -- more expensive and possibly more prestigious than the Johnson Space Flight Center, the Tennessee Valley Authority or the Grand Coulee Dam.

President Reagan has said the Super Collider -- an atom smasher 52 miles in circumference, capable of producing forces equivalent to those in the first millionth of a second of the "Big Bang" that created the universe -- is too important to science to be neglected, even in the face of 12-digit budget deficits. (Dale Russakoff, Washington Post, A1)

IRAN-NICARAGUA

DOE FAILS TO MAKE SECURITY CHECKS, GAO SAYS
Allegations Against Employees, Including Reports Of Felonies,
Are Not Quickly Probed

The Department of Energy consistently fails to conduct required security investigations for thousands of its employees, many of whom have access to highly sensitive nuclear weapons materials, General Accounting Office auditors said.

In testimony to Congress and in a report, GAO officials pointed out dozens of instances where DOE officials have received serious allegations about employee actions, but made no immediate attempts to investigate them.
(Michael Specter, Washington Post, A3)

INDEPENDENT COUNSELS WIN
Conflict Rules Won't Be Retroactive

The Justice Department, responding to an outcry from the six independent counsels investigating Reagan Administration figures, said that it will not apply strict conflict-of-interest rules to actions already taken by the prosecutors.

But Assistant Attorney General John Bolton told a House Judiciary subcommittee he still believes that the prosecutors are legally barred from defending private clients who are subjects of department probes and that the department will investigate such relationships in the future.

(Howard Kurtz, Washington Post, A12)

NETWORK NEWS SUMMARY

(Thursday Evening, April 9, 1987)

ESPIONAGE/SHULTZ

NBC's GARRICK UTLEY: The U.S. Senate this afternoon voted a resolution urging Secretary Shultz not to go to Moscow next week unless security for his secret conversations with his staff can be guaranteed. The resolution is non-binding, but it passed 70-30, showing strong concern over Soviet spying against the U.S. Embassy. Today in Moscow, the Soviets staged their counter-attack against the American denunciation yesterday of the Soviet spying.

NBC's SANDY GILMOUR: ...This is just on of the listening devices Soviet foreign ministry's security agents claim were planted at Soviet diplomatic missions in the United States. In a presentation designed to counter U.S charges of Soviet spying, the Soviets displayed...evidence they said were violations of their sovereign territory -- bugs taken out of their new embassy in Washington...

(BORIS PYADYSHEV, Soviet Foreign Ministry Spokesman: "The Soviet people are angered and indignant.... Such methods of getting-to-know you run counter the norms of diplomatic immunity.... These, of course, are not average consumer goods."...)

(THE PRESIDENT: "And will not comment on United States intelligence activities. Nonetheless, I can say that what the Soviets did to our embassy in Moscow is outrageous and we have protested strongly. And we're conducting a full investigation and we'll take whatever corrective action is necessary, because our diplomatic establishments can and must be secure from Soviet spying.")

(TV COVERAGE: The President outside Purdue University speaking to reporters.)

UTLEY: The Reagan Administration is trying to make a distinction between traditional electronic eavesdropping and the use of sex against American citizens, the Marines. But the Soviet view is that all is fair in the listening war and the most importance weapons are technology and ingenuity.

NBC'S ANNE GARRELS reports on various types of intelligence gathering technology and how the U.S. and Soviet Union use such equipment.

(NBC-Lead)

ABC's PETER JENNINGS: The Secretary of State is going to go to Moscow on Monday to see the Soviet Foreign Minister but the Senate doesn't want him to go. In a sense of the Senate resolution late today, which is not binding, the Senate said that Secretary of State George Shultz should not go to Moscow until there is a secure facility for him to work in.... It was only a matter of time. The Soviets have now said the United States has been bugging them. And the Soviets do have a story to tell.

ABC's JOHN MCWETHY: The Soviets today unveiled a collection of bugging devices they claim American agents planted in Russian diplomatic missions here in the U.S. One, they said, was pulled from their new embassy in Washington.

-more-

MCWETHY continues:

(BORIS PYADYSHEV: "You can see electronic information pick-up radio systems designed to eavesdrop on some of the premises of that building.")

Another device, they claim, was found in a cement footing of their mission in San Francisco. President Reagan responded to the charges while visiting Purdue University today.

(THE PRESIDENT: "Do you want to believe them, go ahead. I am never to discuss anything having to do with espionage or counter-espionage.")

He later did discuss it one more time.

(THE PRESIDENT: "What the Soviets did to our embassy in Moscow is outrageous and we have protested strongly.")

Sources in the U.S. intelligence community say that of course the U.S. spies on the Soviets and spends billions of dollars a year to do it. Experts outside the government agree.... U.S. officials argue that there is a difference between American and Soviet spying -- that when the KGB entered the American embassy in Moscow, that was stepping over the line. Some in the intelligence community argue, however, that there is no line in espionage. You simply take what you can get.

ABC's BOB ZELNICK reports on the history of sex in espionage.

(ABC-Lead)

CBS's DAN RATHER: The Soviet Union fired back today at angry and embarrassed Reagan Administration officials, the ones who have been complaining that the Russians played dirty by using beautiful women to seduce young Marines and bug the U.S. Embassy in Moscow. The Soviets' answer was a version of that old refrain, "So's your old man."

CBS's WYATT ANDREWS reports on the Soviets' James Bond show-and-tell presentation on how Americans are said to spy on Russian diplomats based in the U.S. A narrow, gray tube is alleged to be a high-tech listening device American agents disguised as insulation and then built into the windows of the new Soviet Embassy in Washington. These hollow bricks were said to house a system which transmitted bugged Russian conversations along beams of infrared light. The Soviets spiced the press conference with bits of righteous indignation, calling American spying a violation of international morality and human rights. At the same time, they never flatly denied American charges of Soviet spying against the U.S. The message was clear: As long as President Reagan is going public with espionage, the Soviets were saying, we can go one better. The calculated bursts of outrage from the Soviets are intended to influence Secretary Shultz's visit to Moscow. The Soviets would like today's show-and-tell to cool any American outcry over spying so that arms control will dominate the agenda by the time Shultz arrives. (CBS-Lead)

RATHER: Around Congress, some members jokingly have been calling Secretary Shultz "Winnebago George." That's because Shultz has insisted on going ahead with his planned meetings in Moscow next week even though he might have to operate out of a mobile home because there is no security at the U.S. Embassy. But the jokes stopped late today. In a non-binding resolution this afternoon, the Senate urged Secretary Shultz to postpone his Moscow meetings until some kind of proper security can be assured.

(CBS-2)

SHULTZ TO MOSCOW

UTLEY: As Shultz' trip to Moscow approaches, Arms Control Director Kenneth Adelman said today the U.S. will offer the Soviets a timetable on star wars experiments in exchange for information on Soviet anti-missile research. Adelman said Shultz will also focus on cutting long-range nuclear missions in next week's talks. (NBC-11)

THE PRESIDENT'S TRIP

JENNINGS: The President was in Indiana today at Purdue University. He toured a high-tech computer lab and saw a demonstration of robotics while telling students they must keep America competitive in the world of electronics.

(TV COVERAGE: The President in the computer lab.)

The President believes that America is on the verge of losing its high-tech advantage to foreign competitors, especially to the Japanese. But in Japan, weakness in the American marketplace is already causing some financial difficulties.

ABC's JIM LAURIE reports on Japanese unemployment and financial problems. (ABC-6)

COMMENTARY/U.S.-SOVIET RELATIONS

NBC's JOHN CHANCELLOR: Even before the Senate said today that Secretary of State Shultz should cancel his trip, other people were saying that because of the security problem, Shultz should not go to Moscow. One suggestion was that he meet the Soviet Foreign Minister in Finland... But the Finland plan would not have worked and here's why. The United States says its Moscow Embassy has been infested with bugs put there by Russians. The Russians, who play the game the traditional way, say there is no problem. They have denied everything, which means if they did agree to meet somewhere else, they'd be admitting guilt.... They're not about to do that. So this left the United States with only two options -- keep Mr. Shultz at home or let him go to Moscow. He'll go, despite the embarrassment and it is embarrassing. After all, he was running the State Department while the KGB ransacked the embassy. But a long way we have come from the old, evil empire and toughness of the Reagan Administration. The decision to send the Secretary says a lot about the Administration's thinking these days with the President in trouble because of the Iran-contra scandals. An arms agreement with the Russians would be popular with the American people and politically usefully. A summit conference in Washington wouldn't hurt. But, the clock is ticking because of the elections coming in this country next year. It might be hard to get a treaty ratified by the Senate during the Presidential campaign. The Administration doesn't have much time. So, George Shultz' mission is urgent and the Russians, who aren't fools, know that as well as we do. It will be an important trip and I'm going along. (NBC-10)

FEDERAL BUDGET

RATHER: President Reagan left Washington today and headed west, mostly for a vacation. He left behind a Congress still determined not to accept what many in Congress consider to be a completely unrealistic Reagan Administration budget. President Reagan has another real fight on his hands about this.

CBS's DEBORAH POTTER: President Reagan's political problems intensified today when the House overwhelmingly rejected his budget, prompting him to search for a solution while on the road in Indiana.

(TV COVERAGE: President inspecting high-tech hardware, looks at robot. PRESIDENT: "I was wondering if it could replace Congress.")

Only a handful of Republicans stood with the President today, while accusing the Democrats of playing politics.

(REP. ROBERT WALKER, R-Pa.: " -- everybody comes out opposed to the budget but we raise it just with hopes of kicking the President around a little bit out on the House floor today.")

(REP. JAMES TRAFICANT, D-Oh.: "A President that would cut child nutrition, throw out completely vocational education, in a country who's talking about competitiveness. I say the President's budget is un-American.")

The Democrats then passed their trillion-dollar budget, cutting defense by \$9 billion and trimming domestic spending by another \$9 billion. But some popular programs, including health care and education, would get more money. So the Democrats would raise \$18 billion in new taxes.

(REP. HAROLD ROGERS, R-Ky.: "If you vote for this proposal, you're voting for more taxes. Take that home and tell that to your home folks.")

(PRESIDENT in West Lafayette: "And I call on the Congress to recognize their process for what it is: out of control and ready to be fixed.")

The President said he's willing to discuss the budget with the Democrats. But clearly relishing their new political clout, they say they'll set the priorities.

(CBS-10)

GORBACHEV/CZECHOSLOVAKIA

CBS's TOM FENTON reports on Soviet leader Gorbachev's trip to Czechoslovakia. Gorbachev's problem is how to push his reform program without destabilizing a government that has blocked all reforms for years. Tomorrow, he's expected to make a major foreign policy statement. There is speculation he will announce the withdrawal of some of the 80,000 Soviet troops that have been here since 1968.

(CBS-3)

UTLEY: Gorbachev left the listening war behind today and traveled to Czechoslovakia.... It was another public relations triumph for Gorbachev who was the first Soviet leader to Czechoslovakia since it was invaded by the Soviet army in 1968.

(ABC-2, NBC-2)

NUCLEAR/PLO

RATHER reports there was startling and worrisome information that a U.S. Government employee at a top secret nuclear facility was accused of selling documents and uranium to the PLO. The person had a top security clearance and he was accused of a number of crimes.

-more-

CBS's DAVID MARTIN reports on the laboratory technician, who worked in a nuclear weapons plant run by the Department of Energy. The name was not revealed. This case is the most alarming of many lapses found in security at nuclear weapons plants. Like security at the U.S. Embassy in Moscow, critics say security at this country's nuclear weapons plants is an accident waiting to happen. (CBS-3)

JAPANESE AUTO TRADE

UTLEY reports that one reason for this country's big trade deficit has been the popularity of Japanese cars. But now, there is a glut of them. One reason -- the yen is up; the dollar is down and so sticker prices are higher. (NBC-6)

INSIDER TRADING

UTLEY: Three of Wall Street's top executives were formally indicted today on charges dealing with insider trading.... All three are accused of securities fraud. (NBC-7)

FAA/NEAR COLLISIONS

UTLEY: There was new alarm today about the growing number of near collisions in the air and on the runway. It came from federal officials.

NBC's ROBERT HAGER: The Federal Aviation Administration acknowledges reports of near collisions are increasing....

(DONALD ENGEN, FAA Administrator: "We're dealing with, in my view, increasing incidents. Now, why is that occurring? It's probably partly because of increased amount of traffic.... It's probably because pilots aren't looking out as much as they should.")

Others charge it's mostly because there aren't enough air traffic controllers.... The FAA says it has enough controllers, but admits not enough are fully qualified yet to handle the busiest traffic.

(NBC-4, ABC-3)

RATHER reports a House subcommittee heard that air traffic control mistakes are up 18% in the first quarter of this year.

CBS's PETER VAN SANT reports that the FAA had to admit to a feisty and at times frustrated investigating committee that despite its assurances of safe skies, near-misses are at record levels and air traffic controller errors are dramatically on the rise. Experts say the best way to improve air safety would be for the FAA to hire back hundreds of controllers fired in 1981 during the PATCO strike. But that would take legislation and sources say it would be vetoed by the man who fired those controllers, President Reagan. (CBS-5)

DELTA/EASTERN

JENNINGS: The Department of Transportation has accused Delta and Eastern Airlines of unfair and deceptive scheduling at Atlanta's airport. The Secretary of Transportation, Elizabeth Dole, says the result has been frequent flight delays and she wants to know why the airlines shouldn't be fined a thousand dollars for every day there is a violation.

(ABC-4, NBC-5)

POPE/ARGENTINA

JENNINGS: In Argentina today Pope John Paul has celebrated another mass for another enormous throng of people.... His last stop was in Chile and while he was there you may recall there were serious demonstrations, often violent, against the Chilean strongman Augusto Pinochet....

ABC's JIM WOOTEN reports on changes in Chile since the Pope's visit. Even as cautious a fellow as the United States Ambassador is slightly encouraged.

(AMBASSADOR HARRY BARNES: "Both people in the government and people in the opposition recognize that there are changes coming. Change is inevitable.")

The question remains, "What sort of change?" Peaceful as the Pope suggests, or as violent as the riots that marred his mass...last week.

(ABC-10)



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, APRIL 10, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

High-Tech Speech Gets High Marks -- President Ronald Reagan brought a high-tech speech to Purdue University Thursday, telling thousands of students packed in Mackey Arena that their only limits will be those of their imagination.
(Lafayette Courier & Journal)

INTERNATIONAL NEWS

Reagan Rejects Soviet Proposal To Curb A-Tests -- The U.S. has rejected the latest Soviet compromise offer on limiting nuclear testing, Administration officials said today.
(New York Times, USA Today, Washington Post, Washington Times, AP)

NATIONAL NEWS

House Budget Calls For Big Tax Boost -- The Democratic-controlled House set a collision course with President Reagan over the federal budget, dumping his 1988 spending plan and approving a \$1 trillion package that calls for \$18 billion in new taxes.
(Washington Post, Washington Times, Reuter)

NETWORK NEWS (Thursday Evening)

ESPIONAGE/SHULTZ -- The Senate voted a resolution urging Secretary Shultz to not go to Moscow until security improves.

THE PRESIDENT'S TRIP -- The President gave a speech at Purdue University.

FEDERAL BUDGET -- The House overwhelmingly rejected the President's budget.

TRIP NEWS..... A-2

INTERNATIONAL NEWS....A-4

NATIONAL NEWS.....A-10

IRAN-NICARAGUA.....A-12

REAGAN, PURDUE DAZZLE

The moments of glory belong to everyone -- Ronald Reagan, Purdue University and the 19,000 Tippecanoe and surrounding counties who spent hours in line Thursday for a chance to see the President's arrival at Purdue Airport.

The silver wings of Air Force One brought history -- for the President and the people. Presidential visits to universities are rare. According to Secret Service agents, crowds allowed at the airport are even rarer. Until Thursday, both were unheard of at Purdue.

The arrival was perfectly timed on a perfectly bright, cloudless day. The estimated 19,225 people shoe-horned into bleachers in a semi-circle in front of the presidential podium, waved flags, hoisted posters, and strained vocal chords. (Emily Smith, Lafayette Journal & Courier, A1)

HIGH-TECH SPEECH GETS HIGH MARKS

President Ronald Reagan brought a high-tech speech to Purdue University Thursday, telling thousands of students packed in Mackey Arena that their only limits will be those of their imagination.

In a 28-minute talk interrupted 28 times by applause -- some of it deafening in the domed basketball arena -- Reagan said America needs to prepare for the challenges of the 21st century.

The biggest applause followed traditional Reagan themes on the strength and potential and positive spirit of the country.

(John Norberg, Lafayette Journal & Courier, A1)

TKE FRATERNITY MEN GIVE BROTHERLY HELLO

The men from Tau Kappa Epsilon were almost as ubiquitous as the men from the Secret Service.

The brotherly ties brought nearly two dozen TKEs the thrill of a lifetime -- they got to shake hands with the President. Not just any handshake, but a TKE handshake.

John Trott, a freshman, said, "I just said 'Hi,' and welcomed him to Purdue. He was giving the fraternity handshake. Nearly everyone there got one. It was a thrill."

(Ken Rains & Emily Smith, Lafayette Journal & Courier, A1)

PRESIDENT: A NEW ACCESSIBILITY
Baker Pushes High-Profile, Open Image

LOS ANGELES -- President Reagan retreats to his Santa Barbara ranch this weekend after a two-week experiment in public visibility.

After months of seeming to closet himself in the White House, Reagan has, in recent days, opened himself to public and media questions.

The new visibility is the brainchild of Chief of Staff Howard Baker, who reviewed media relations after last month's news conference found reporters "charging the President of the United States like a treed animal."

After consulting with former Carter press secretary Jody Powell and other media experts, Baker switched gears.

The new order: Turn off the noisy helicopter blades, leave time for impromptu media sessions, talk to the public.

The strategy: More access to the media means less hostility; more exchanges with the public build confidence in Reagan's leadership.

(Johanna Neuman, USA Today, A4)

REAGAN ADDRESSES FOREIGN POLICY COUNCIL

LOS ANGELES -- The President, on his first of 11 days on California, was addressing the Los Angeles World Affairs Council today in what aides said would be a "broad-issue foreign policy address" expected to set up next week's highly charged talks between Secretary Shultz and Soviet Foreign Minister Eduard Shevardnadze.

Calling it an "overview on East-West relations," particularly arms control, Chief of Staff Howard Baker said the speech also would have a generous portion of remarks on foreign policy elsewhere. Baker said the speech would be a "curtain-raiser or preamble" to Shultz's trip, which is clouded by a deepening crisis between the superpowers over charges of mutual bugging of each other's embassies and the growing sex-for-secrets scandal involving Marine guards and Soviet women.

A senior official said today's speech would refer to Reagan's longstanding invitation to Soviet leader Gorbachev for a summit this year in the U.S.

(Ira Allen, UPI)

Reagan Talk To Preview Hopes For INF Treaty

LOS ANGELES -- President Reagan will give a preview of the kind of treaty the U.S. seeks on the deployment of Intermediate Nuclear Forces, in a major policy speech to the Los Angeles Council on Foreign Affairs.

The President also will draw "a kind of big picture" of U.S.-Soviet relations and emphasize Washington's desire to move ahead on negotiating reductions in strategic weapons, according to a senior Administration official.

Officials said Reagan's speech would outline the nature of a draft INF treaty Secretary Shultz is taking with him (to Moscow for talks with Soviet leaders).

(Jeremiah O'Leary, Washington Times, A4)

INTERNATIONAL NEWS

PRESIDENT SHIFTS ON SDI LIMITS

Shultz Is Instructed To Offer Soviets Briefer Constraints

President Reagan, in a major shift, has decided to retreat further from major arms control proposals he made at the Reykjavik summit last fall, reducing from 10 years to five the period for which he is willing to accept treaty-imposed limits on SDI, senior Administration officials said yesterday.

Reagan, in a defeat for the State Department and a victory for the Defense Department, instructed Secretary Shultz to tell Soviet Foreign Minister Eduard Shevardnadze in Moscow next week that the U.S. is willing to abide by the ABM Treaty constraints on SDI for five years from the point that a new arms-reduction treaty takes effect, the officials said. At the Reykjavik summit in October, the Administration said it would abide by the treaty constraints until at least 1996.

Reagan also authorized Shultz to tell the Soviets that a so-called 50 percent reduction in strategic arms cannot be completed by the end of 1991, as he had proposed at Reykjavik, but must take place over seven years from the point that a new treaty takes effect, the officials said.

(Jeffrey Smith, Washington Post, A1)

The President/Secretary Shultz/Arms Control

President Reagan has ordered Secretary Shultz to spurn a Soviet offer to consider new limits on underground nuclear tests and to stretch out a proposed 50 percent reduction in long-range weapons, a U.S. official said.

The official, who demanded anonymity, said the President's decision represented a triumph for the hard-line position of Secretary Weinberger and a defeat for Shultz.

He said Weinberger had the solid support of the Joint Chiefs of Staff, while Shultz was unable to enlist aid from Frank Carlucci, the President's national security adviser, and Howard Baker, the White House chief of staff.

(Barry Schweid, AP)

Reagan Rejects Soviet Proposal To Curb A-Tests

The U.S. has rejected the latest Soviet compromise offer on limiting nuclear testing, Administration officials said today.

The State Department was interested in having Secretary Shultz explore the offer in Moscow next week, but President Reagan decided that there should be no further talks on testing until the Russians agreed to new monitoring measures for two existing but unratified treaties limiting nuclear explosions.

(Michael Gordon, New York Times, A1)

Shultz Will Push Soviets For Long-Range Nukes Deal

Secretary Shultz will press Moscow toward an agreement on strategic nuclear weapons during his trip to the Soviet Union next week, Administration officials said yesterday.

Shultz will also propose that the superpowers exchange information about their missile defense programs.

In Strategic Arms Reductions Talks (START), both nations have agreed in principle to cutting long-range nuclear weaponry in half by 1991. Deep differences remain, however, over caps on particular classes of weapons and other issues.

"Our big emphasis is going to be, alas and alack, on START, on the strategic realm," Kenneth Adelman, director of the U.S. Arms Control and Disarmament Agency, said in a breakfast meeting with reporters.

(Warren Strobel & James Dorsey, Washington Times, A1)

Arms, Spying, Summit On Shultz Agenda

Secretary Shultz leaves for the Soviet Union Saturday to resume high-level superpower nuclear arms talks and lay groundwork for a third summit between President Reagan and Soviet leader Gorbachev.

But Shultz is going to Moscow under the cloud of the embassy spying issue -- now also a key item on the agenda.

Despite the embassy scandal, Shultz goes to Moscow at a time when the U.S. and Soviet Union are edging slowly toward an agreement of mid-range Euromissiles.

(Juan Walte, USA Today, A4)

REAGAN: SOVIET SPYING 'OUTRAGEOUS'

But Controversy Over Embassy Not Expected To Hurt Shultz Visit

WEST LAFAYETTE, Indiana -- President Reagan today issued a fresh denunciation of Soviet espionage attempts against the U.S. Embassy in Moscow, but said he did not expect the recent spying disclosures to hurt next week's mission to Moscow by Secretary Shultz.

Speaking to reporters as he prepared to leave after a speech at Purdue University here, Reagan said, "What the Soviets did to our embassy in Moscow is outrageous, and we have protested strongly and we'll conduct whatever corrective action is necessary." Embassies, he added, "can and must be secured from Soviet spying."

White House Chief of Staff Howard Baker said, "I do not think this jeopardizes chances for progress on East-West relations and I don't think that it's likely to detract from the value of Secretary Shultz's visit.

(David Hoffman, Washington Post, A18)

SENATE URGES SHULTZ TO CANCEL MOSCOW TRIP OVER SPY SCANDAL

The Senate, in an expression of outrage over the spy-sex scandal, has urged Secretary Shultz to cancel next week's trip to Moscow unless facilities there are shown to be free of Soviet listening devices.

In a non-binding resolution approved by a 70-30 vote, the Democratic-controlled Senate urged Shultz to abort the trip unless the meeting facilities he is to use in Moscow are inspected and found to be secure.

Although the resolution lacks force of law, it was the most dramatic expression of anger yet from U.S. legislators over charges that the Soviets planted listening devices in an American Embassy building under construction in Moscow and that U.S. Marine guards at the present embassy were lured into spying after becoming sexually involved with Soviet women.

(Reuter)

SHULTZ TRYING TO WORK AROUND SPY PROBLEM

Secretary Shultz is going to Moscow next week, despite a furor over Soviet infiltration and eavesdropping at the U.S. Embassy and a lopsided Senate resolution urging him to reconsider. While the talks will be held under what he calls a "heavy shadow," the agenda will not be shortened by the spying affair.

Arms control will be the main topic, but Shultz is ready to talk with General Secretary Gorbachev and Foreign Minister Eduard Shevardnadze about the war in Afghanistan, human rights and other issues.

There are those, Shultz said Wednesday, who hold the view "that if anything goes wrong, just junk the whole thing." But the distinction President Reagan and Shultz made this time, he said, is that "if one way or another we can pursue something that is constructive and that is in our interest, we will do so."

(Barry Schweid, AP)

SOVIETS DISPLAY DEVICES OF ALLEGED 'SPY MANIA'

MOSCOW -- The Soviet Union accused Washington of wide-scale espionage against the U.S.S.R. and displayed wiretaps and other spying devices it said were taken from five Soviet facilities in the United States.

Foreign Ministry spokesman Boris Pyadyshev told a news conference that the charts, photographs and equipment shown journalists here represented only a sampling of the "huge proportions" of eavesdropping equipment periodically uncovered in Soviet buildings in the U.S.

In the harshest attack against the U.S. by Soviet officials in weeks, Pyadyshev charged the U.S. with "revoting" tactics, "unseemly actions" and "low moral standards."

(Gary Lee, Washington Post, A19)

AGENTS' DEATHS TIED TO KGB'S EMBASSY SPYING

Soviet authorities have uncovered and killed a number of Russians working for U.S. intelligence in the Soviet Union as a result of the KGB's eavesdropping on the U.S. Embassy in Moscow, according to Administration officials.

"Sources of ours have been killed during the past year," one said.

Soviet penetration of the embassy's security may also have compromised the U.S. arms control negotiating strategy, U.S. intelligence sources of the Soviet Union and American techniques for monitoring Soviet compliance with existing arms control agreements, the officials said.

(James Dorsey, Washington Times, A1)

GORBACHEV STRESSES UNITY AS PRAGUE VISIT OPENS

PRAGUE -- After a three-day delay for what was officially described as a "slight cold," Soviet leader Gorbachev arrived here today for a visit that was preceded by hints of difficulties in Moscow's relationship with one of Eastern Europe's most conservative communist parties.

Showing no sign of the cold, Gorbachev appeared before thousands of spectators at Prague's Hradcany Castle after arriving this morning and later met with Czechoslovak President Gustav Husak. This evening, he walked down Prague's main shopping thoroughfare before attending a banquet in his honor.

(Jackson Diehl, Washington Post, A19)

Gorbachev/Czechoslovakia Visit

Soviet leader Gorbachev, whose reform policies have been resisted by the Prague leadership, arrived for his first official visit to Czechoslovakia and said the two countries should "move forward together."

The Soviet leader is scheduled to give a major speech Friday in which he may announce the withdrawal of one or two divisions of Soviet troops stationed in Czechoslovakia since the Soviet-led Warsaw Pact invasion in 1968.

(Patricia Koza, UPI)

PENTAGON: WARNING SHOT ON SPACE BASE Weinberger Weighs Military Use, Is Wary Of International Cooperation

Secretary Weinberger has written a letter saying that possible military uses of NASA's planned space station are under study and warned against paying "too high a price" for international cooperation.

In a letter to Secretary Shultz, Weinberger said the civilian space station being developed and financed by NASA "must be available for any national security purpose consistent with our international obligations."

(UPI Story, Washington Post, A25)

BAKER CALLS FOR NEW INITIATIVES ON 3RD WORLD DEBT

Treasury Secretary James Baker said the U.S. plan for solving the Third World debt problem needs substantial revision.

In a speech to world financial leaders gathered at the International Monetary Fund, Baker said that the amount of new bank lending last year was "clearly disappointing," and that new and creative ways are now needed to keep a flow of commercial money moving to the Third World.

He proposed that the banks themselves develop "a menu of alternative new money options," different from straightaway additional loans to debtors, so as to avoid "periodic financial crises."

Baker's statement modifying what has come to be known as the Baker Plan, was the first step away from the current U.S. position and is sure to be welcomed in the Third World as a major transition to a greater accommodation of the demands of poor nations.

(Hobart Rowen, Washington Post, A1)

MONETARY LEADERS FAIL TO CALM NERVOUS FINANCIAL MARKETS

Despite their new policy accord, monetary leaders have given world financial markets a bout of nerves and left them wondering if interest rates and the dollar will rise or fall.

U.S. Treasury Secretary Baker told a meeting of the International Monetary Fund that the dollar's decline had been "orderly."

That comment was interpreted as a signal the U.S. was not yet ready to call a halt to the dollar's two-year slide, and traders sold the currency down to a new post-war low against the yen.

(Donald Nordberg, Reuter)

Dollar Plummets A Day After Allies Set Stability Goal

The dollar plunged to new lows against the Japanese yen yesterday, just one day after the U.S. and its economic allies had pledged to stabilize currency rates.

Also, officials of the seven industrial countries that joined in the agreement suggested in interviews yesterday that they had changed the secret exchange rate range for the yen and the dollar that they settled upon at their Feb. 22 meeting in Paris.

(Kenneth Gilpin, New York Times, A1)

U.S., JAPAN TRY ANEW TO SETTLE SEMICONDUCTOR DISPUTE

No specific progress has been reported in talks to avoid the imposition of tariffs by the U.S. against Japanese imports, though Japan's delegation seems more optimistic than U.S. officials.

The chief Japanese negotiator, Makoto Kuroda, said midway through yesterday's talks, "It's going very well," but a U.S. trade official said the talks were inconclusive and the U.S. side issued no statement.

(Robert Trautman, Reuter)

ITALIAN PRIME MINISTER SUBMITS RESIGNATION

ROME -- Prime Minister Bettino Craxi submitted his resignation to Italian President Francesco Cossiga for the second time in the country's latest political crisis.

Craxi's action was the most recent blow to the five-party coalition he has led for almost five years.

If Cossiga accepts the resignation this time, the president is one step nearer to deciding whether to appoint a premier designate to try to form a government or dissolving the parliament and calling early national elections.
(Washington Post, A20)

U.S. AIDE SAYS LIBYA MAY BE PLANNING NEW TERRORISM

One year after the U.S. bombing of Libya caused Moammar Gadhafi to sharply curtail his country's terrorist activities, the U.S. has seen signs that Libyan agents might be preparing new acts of international terrorism, a senior State Department official said yesterday.

The official, speaking on the condition that he not be identified, was discussing the North Africa situation on the advent of the first anniversary of air strikes ordered by President Reagan last April 15 to deter what the U.S. charged was a surge of Libyan-supported terrorism.

"Libya has been very circumspect in the past year, but we don't believe Gadhafi has abandoned terrorism as an instrument of state policy," he said. "Right now, we see evidence of increased activity by Libyan agents that may be related to terrorist acts."
(John Goshko, Washington Post, A28)

MUBARAK'S RULING PARTY MAINTAINS DOMINANCE IN NEW PARLIAMENT

CAIRO -- Final election returns showed President Hosni Mubarak's ruling party maintaining its dominant majority in the new parliament, paving the way for his nomination to a second six-year term in the fall.

Mubarak's centrist national Democratic Party, however, will face stronger opposition in parliament from the fundamental Moslem Brotherhood in alliance with the left-of-center socialist Labor Party and the Liberal Party and the right-of-center Wafd Party.
(Dalia Baligh, AP)

NATIONAL NEWS

HOUSE VOTES A REVISED '88 BUDGET

Democratic Proposal Requires Tax Increase; Reagan Plan Shunned

The House approved a \$1 trillion budget for fiscal 1988 that calls for an \$18 billion tax increase, would pare Pentagon spending authority and repudiates many of the cutbacks in domestic spending sought by President Reagan.

Approved on a 230-to-192 vote that fell largely along party lines, the House budget calls for a \$38.2 billion reduction in the federal deficit. It would leave a deficit of \$132.5 billion, \$24.5 billion higher than the goal set for the year by the 1985 balanced budget act.

No House Republican supported the Democratic plan, which was also opposed by 19 Democrats. President Reagan, in Indiana for a speech, denounced the action as Democratic "business as usual, cuts in defense that potentially threaten our national security and passing the buck to the American taxpayer to pay for their excesses."

(Tom Kenworthy, Washington Post, A1)

Democrat-Backed Budget Expected To Provoke Fight With Reagan

The Democratic-controlled House has passed a trillion-dollar 1988 U.S. budget calling for new taxes and domestic and defense cuts certain to touch off policy fights with President Reagan.

After scuttling Reagan's budget on a 394 to 27 vote, the House passed a Democrat-written plan calling for spending cuts and new taxes to lower the deficit.

The budget was sent on a 230 to 192 vote to the Senate which will consider its won separate but similar plan.

Both proposals are controversial, calling for at least \$18 billion in new taxes despite Reagan's vow to veto any tax bill Congress sends him.

"I call on the Congress to recognize their process for what it is -- out of control and ready to be fixed," Reagan said during a stopover in West Lafayette, Ind. on his way to California. (Michael Posner, Reuter)

House Budget Calls For Big Tax Boost

The Democratic-controlled House set a collision course with President Reagan over the federal budget, dumping his 1988 spending plan and approving a \$1 trillion package that calls for \$18 billion in new taxes.

On a partisan 230-193 vote, the House passed a Democratic budget that includes a major cut in Reagan's defense request and protects domestic programs from deeper reductions the President sought.

"If we have to do it alone, we will," said House Majority Leader Thomas Foley. (Gene Grabowski, Washington Times, A1)

'CATASTROPHIC' CARE APPROVED BY HOUSE PANEL

The House Ways and Means subcommittee on Medicare voted 9 to 2 yesterday to approve legislation to protect the nation's 32 million elderly and disabled Medicare beneficiaries against "catastrophic" doctor and hospital bills.

The measure, sponsored by Chairman Fortney Stark and Rep. Willis Gradison, was based on proposals first made by Secretary of Health and Human Services Otis Bowen and later endorsed by President Reagan, but would provide a richer package of benefits and would cost more.

The full Ways and Means Committee is expected to take up the bill after the Easter recess.
(Spencer Rich, Washington Post, A1)

DRAMATIC WELFARE OVERHAUL INITIATED
House Subcommittee's Benefits Face Republican Opposition

A House Ways and Means subcommittee approved a dramatic overhaul of the nation's welfare system emphasizing large-scale mandatory work and training programs.

"There's no need to have an underclass in this country," said Public Assistance subcommittee chairman Harold Ford after the measure passed by voice vote. Only the two Republicans present, Reps. Hank Brown and Rod Chandler were opposed.

Subcommittee Republicans said they oppose the bill's increased welfare benefits and will fight them in the full committee and on the floor.

The Reagan Administration also opposes these benefit increases.

(Spencer Rich, Washington Post, A1)

PAY RAISE FOE GIVES IN; HOMELESS BILL OK'D

The Senate approved a \$423 million aid bill for the homeless after killing an amendment that would have canceled this year's congressional pay raise.

The anti-pay raise amendment by Sen. Gordon Humphrey fell under a parliamentary maneuver that passed 68-29. Sixty votes were needed for the maneuver.
(Bob Minzesheimer, USA Today, A4)

BOREN, COHEN BACK WEBSTER FOR CIA
Nominee Pledges Cooperation With Senate Committee

The chairman and vice chairman of the Senate Select Committee on Intelligence warmly endorsed FBI Director William Webster to become the new director of the CIA after Webster pledged to be neither "devious" nor "cute" in his dealings with the panel.

Chairman David Boren, noting Webster's reputation for honesty and credibility, said at the end of two days of hearings that he thinks Webster is "confirmable" but intends to wait the required 14 days after hearings end before bringing his nomination to a vote.

Vice Chairman William Cohen concurred, saying he thinks Webster has done an "outstanding job" as FBI director for nine years and would do the same as CIA director.

(David Ottaway & Walter Pincus, Washington Post, A12)

CIA Chief Designate Clears Second Day Of Senate Grilling

William Webster appears to have survived two days of grilling by senators considering his nomination to head the CIA despite some tough questions about his role in the Iran arms scandal.

Webster, who has headed the FBI for the past nine years, won top marks from members of the Senate Intelligence Committee for his solemn pledges to notify them -- either before or shortly after -- of all covert CIA actions.

"My pledge is to notify you in the timeliest way possible," Webster, 63, told the committee. (Sue Baker, Reuter)

LEHMAN LEAVES NAVY'S HELM WITH A BANG AND A BROADSIDE Secretary Plans Book On Controversial Tenure

John Lehman is slated to end his six-year tour as the 65th secretary of the Navy today with a bang -- a 19-gun salute on the Pentagon parade ground -- then make new waves by writing a tell-all book about his time at the helm while awaiting job offers in industry.

Lehman, 44, denies that he will write a "kiss-and-tell" account of the Defense Department under Secretary Weinberger. But an outline sent to prospective publishers promises revelations about:

- How Rear Adm. John Poindexter, whom Lehman helped gain the job of national security adviser, inspired an admiral's revolt against Lehman.
- A tantrum by the late Adm. Hyman Rickover in the White House about being fired.
- The folly of using all of the armed services to invade Grenada.
- The "horrific" mess in which the Defense Department finds itself when trying to accomplish something.

(George Wilson, Washington Post, A1)

ATOM SMASHER ALSO SPLITTING STATES Millions Spent In Competition To Host Federal 'Super Collider' Project

In the Pacific Northwest, the federal government's planned \$4.4 billion Superconducting Super Collider is known as "the next Grand Coulee Dam," the Depression-era project that showered electricity and jobs on a hard-pressed region. In Midland, Tex., it is the "next Spraberry Oil Field," the pool of black gold whose discovery made Midland an oil mecca.

Dozens of states are spending tens of millions of dollars on scientific research and lobbyists, lusting after one of the grandest federal installations in American history -- more expensive and possibly more prestigious than the Johnson Space Flight Center, the Tennessee Valley Authority or the Grand Coulee Dam.

President Reagan has said the Super Collider -- an atom smasher 52 miles in circumference, capable of producing forces equivalent to those in the first millionth of a second of the "Big Bang" that created the universe -- is too important to science to be neglected, even in the face of 12-digit budget deficits. (Dale Russakoff, Washington Post, A1)

IRAN-NICARAGUA

DOE FAILS TO MAKE SECURITY CHECKS, GAO SAYS
Allegations Against Employees, Including Reports Of Felonies,
Are Not Quickly Probed

The Department of Energy consistently fails to conduct required security investigations for thousands of its employees, many of whom have access to highly sensitive nuclear weapons materials, General Accounting Office auditors said.

In testimony to Congress and in a report, GAO officials pointed out dozens of instances where DOE officials have received serious allegations about employee actions, but made no immediate attempts to investigate them.
(Michael Specter, Washington Post, A3)

INDEPENDENT COUNSELS WIN
Conflict Rules Won't Be Retroactive

The Justice Department, responding to an outcry from the six independent counsels investigating Reagan Administration figures, said that it will not apply strict conflict-of-interest rules to actions already taken by the prosecutors.

But Assistant Attorney General John Bolton told a House Judiciary subcommittee he still believes that the prosecutors are legally barred from defending private clients who are subjects of department probes and that the department will investigate such relationships in the future.

(Howard Kurtz, Washington Post, A12)

NETWORK NEWS SUMMARY

(Thursday Evening, April 9, 1987)

ESPIONAGE/SHULTZ

NBC's GARRICK UTLEY: The U.S. Senate this afternoon voted a resolution urging Secretary Shultz not to go to Moscow next week unless security for his secret conversations with his staff can be guaranteed. The resolution is non-binding, but it passed 70-30, showing strong concern over Soviet spying against the U.S. Embassy. Today in Moscow, the Soviets staged their counter-attack against the American denunciation yesterday of the Soviet spying.

NBC's SANDY GILMOUR: ...This is just one of the listening devices Soviet foreign ministry's security agents claim were planted at Soviet diplomatic missions in the United States. In a presentation designed to counter U.S. charges of Soviet spying, the Soviets displayed...evidence they said were violations of their sovereign territory -- bugs taken out of their new embassy in Washington...

(BORIS PYADYSHEV, Soviet Foreign Ministry Spokesman: "The Soviet people are angered and indignant.... Such methods of getting-to-know you run counter the norms of diplomatic immunity.... These, of course, are not average consumer goods."...)

(THE PRESIDENT: "And will not comment on United States intelligence activities. Nonetheless, I can say that what the Soviets did to our embassy in Moscow is outrageous and we have protested strongly. And we're conducting a full investigation and we'll take whatever corrective action is necessary, because our diplomatic establishments can and must be secure from Soviet spying.")

(TV COVERAGE: The President outside Purdue University speaking to reporters.)

UTLEY: The Reagan Administration is trying to make a distinction between traditional electronic eavesdropping and the use of sex against American citizens, the Marines. But the Soviet view is that all is fair in the listening war and the most important weapons are technology and ingenuity.

NBC'S ANNE GARRELS reports on various types of intelligence gathering technology and how the U.S. and Soviet Union use such equipment.

(NBC-Lead)

ABC's PETER JENNINGS: The Secretary of State is going to go to Moscow on Monday to see the Soviet Foreign Minister but the Senate doesn't want him to go. In a sense of the Senate resolution late today, which is not binding, the Senate said that Secretary of State George Shultz should not go to Moscow until there is a secure facility for him to work in.... It was only a matter of time. The Soviets have now said the United States has been bugging them. And the Soviets do have a story to tell.

ABC's JOHN MCWETHY: The Soviets today unveiled a collection of bugging devices they claim American agents planted in Russian diplomatic missions here in the U.S. One, they said, was pulled from their new embassy in Washington.

-more-

MCWETHY continues:

(BORIS PYADYSHEV: "You can see electronic information pick-up radio systems designed to eavesdrop on some of the premises of that building.")

Another device, they claim, was found in a cement footing of their mission in San Francisco. President Reagan responded to the charges while visiting Purdue University today.

(THE PRESIDENT: "Do you want to believe them, go ahead. I am never to discuss anything having to do with espionage or counter-espionage.")

He later did discuss it one more time.

(THE PRESIDENT: "What the Soviets did to our embassy in Moscow is outrageous and we have protested strongly.")

Sources in the U.S. intelligence community say that of course the U.S. spies on the Soviets and spends billions of dollars a year to do it. Experts outside the government agree.... U.S. officials argue that there is a difference between American and Soviet spying -- that when the KGB entered the American embassy in Moscow, that was stepping over the line. Some in the intelligence community argue, however, that there is no line in espionage. You simply take what you can get.

ABC's BOB ZELNICK reports on the history of sex in espionage.

(ABC-Lead)

CBS's DAN RATHER: The Soviet Union fired back today at angry and embarrassed Reagan Administration officials, the ones who have been complaining that the Russians played dirty by using beautiful women to seduce young Marines and bug the U.S. Embassy in Moscow. The Soviets' answer was a version of that old refrain, "So's your old man."

CBS's WYATT ANDREWS reports on the Soviets' James Bond show-and-tell presentation on how Americans are said to spy on Russian diplomats based in the U.S. A narrow, gray tube is alleged to be a high-tech listening device American agents disguised as insulation and then built into the windows of the new Soviet Embassy in Washington. These hollow bricks were said to house a system which transmitted bugged Russian conversations along beams of infrared light. The Soviets spiced the press conference with bits of righteous indignation, calling American spying a violation of international morality and human rights. At the same time, they never flatly denied American charges of Soviet spying against the U.S. The message was clear: As long as President Reagan is going public with espionage, the Soviets were saying, we can go one better. The calculated bursts of outrage from the Soviets are intended to influence Secretary Shultz's visit to Moscow. The Soviets would like today's show-and-tell to cool any American outcry over spying so that arms control will dominate the agenda by the time Shultz arrives. (CBS-Lead)

RATHER: Around Congress, some members jokingly have been calling Secretary Shultz "Winnebago George." That's because Shultz has insisted on going ahead with his planned meetings in Moscow next week even though he might have to operate out of a mobile home because there is no security at the U.S. Embassy. But the jokes stopped late today. In a non-binding resolution this afternoon, the Senate urged Secretary Shultz to postpone his Moscow meetings until some kind of proper security can be assured.

(CBS-2)

SHULTZ TO MOSCOW

UTLEY: As Shultz' trip to Moscow approaches, Arms Control Director Kenneth Adelman said today the U.S. will offer the Soviets a timetable on star wars experiments in exchange for information on Soviet anti-missile research. Adelman said Shultz will also focus on cutting long-range nuclear missions in next week's talks. (NBC-11)

THE PRESIDENT'S TRIP

JENNINGS: The President was in Indiana today at Purdue University. He toured a high-tech computer lab and saw a demonstration of robotics while telling students they must keep America competitive in the world of electronics.

(TV COVERAGE: The President in the computer lab.)

The President believes that America is on the verge of losing its high-tech advantage to foreign competitors, especially to the Japanese. But in Japan, weakness in the American marketplace is already causing some financial difficulties.

ABC's JIM LAURIE reports on Japanese unemployment and financial problems. (ABC-6)

COMMENTARY/U.S.-SOVIET RELATIONS

NBC's JOHN CHANCELLOR: Even before the Senate said today that Secretary of State Shultz should cancel his trip, other people were saying that because of the security problem, Shultz should not go to Moscow. One suggestion was that he meet the Soviet Foreign Minister in Finland... But the Finland plan would not have worked and here's why. The United States says its Moscow Embassy has been infested with bugs put there by Russians. The Russians, who play the game the traditional way, say there is no problem. They have denied everything, which means if they did agree to meet somewhere else, they'd be admitting guilt.... They're not about to do that. So this left the United States with only two options -- keep Mr. Shultz at home or let him go to Moscow. He'll go, despite the embarrassment and it is embarrassing. After all, he was running the State Department while the KGB ransacked the embassy. But a long way we have come from the old, evil empire and toughness of the Reagan Administration. The decision to send the Secretary says a lot about the Administration's thinking these days with the President in trouble because of the Iran-contra scandals. An arms agreement with the Russians would be popular with the American people and politically usefully. A summit conference in Washington wouldn't hurt. But, the clock is ticking because of the elections coming in this country next year. It might be hard to get a treaty ratified by the Senate during the Presidential campaign. The Administration doesn't have much time. So, George Shultz' mission is urgent and the Russians, who aren't fools, know that as well as we do. It will be an important trip and I'm going along. (NBC-10)

FEDERAL BUDGET

RATHER: President Reagan left Washington today and headed west, mostly for a vacation. He left behind a Congress still determined not to accept what many in Congress consider to be a completely unrealistic Reagan Administration budget. President Reagan has another real fight on his hands about this.

CBS's DEBORAH POTTER: President Reagan's political problems intensified today when the House overwhelmingly rejected his budget, prompting him to search for a solution while on the road in Indiana.

(TV COVERAGE: President inspecting high-tech hardware, looks at robot. PRESIDENT: "I was wondering if it could replace Congress.")

Only a handful of Republicans stood with the President today, while accusing the Democrats of playing politics.

(REP. ROBERT WALKER, R-Pa.: " -- everybody comes out opposed to the budget but we raise it just with hopes of kicking the President around a little bit out on the House floor today.")

(REP. JAMES TRAFICANT, D-Oh.: "A President that would cut child nutrition, throw out completely vocational education, in a country who's talking about competitiveness. I say the President's budget is un-American.")

The Democrats then passed their trillion-dollar budget, cutting defense by \$9 billion and trimming domestic spending by another \$9 billion. But some popular programs, including health care and education, would get more money. So the Democrats would raise \$18 billion in new taxes.

(REP. HAROLD ROGERS, R-Ky.: "If you vote for this proposal, you're voting for more taxes. Take that home and tell that to your home folks.")

(PRESIDENT in West Lafayette: "And I call on the Congress to recognize their process for what it is: out of control and ready to be fixed.")

The President said he's willing to discuss the budget with the Democrats. But clearly relishing their new political clout, they say they'll set the priorities.

(CBS-10)

GORBACHEV/CZECHOSLOVAKIA

CBS's TOM FENTON reports on Soviet leader Gorbachev's trip to Czechoslovakia. Gorbachev's problem is how to push his reform program without destabilizing a government that has blocked all reforms for years. Tomorrow, he's expected to make a major foreign policy statement. There is speculation he will announce the withdrawal of some of the 80,000 Soviet troops that have been here since 1968.

(CBS-3)

UTLEY: Gorbachev left the listening war behind today and traveled to Czechoslovakia.... It was another public relations triumph for Gorbachev who was the first Soviet leader to Czechoslovakia since it was invaded by the Soviet army in 1968.

(ABC-2, NBC-2)

NUCLEAR/PLO

RATHER reports there was startling and worrisome information that a U.S. Government employee at a top secret nuclear facility was accused of selling documents and uranium to the PLO. The person had a top security clearance and he was accused of a number of crimes.

-more-

CBS's DAVID MARTIN reports on the laboratory technician, who worked in a nuclear weapons plant run by the Department of Energy. The name was not revealed. This case is the most alarming of many lapses found in security at nuclear weapons plants. Like security at the U.S. Embassy in Moscow, critics say security at this country's nuclear weapons plants is an accident waiting to happen. (CBS-3)

JAPANESE AUTO TRADE

UTLEY reports that one reason for this country's big trade deficit has been the popularity of Japanese cars. But now, there is a glut of them. One reason -- the yen is up; the dollar is down and so sticker prices are higher. (NBC-6)

INSIDER TRADING

UTLEY: Three of Wall Street's top executives were formally indicted today on charges dealing with insider trading.... All three are accused of securities fraud. (NBC-7)

FAA/NEAR COLLISIONS

UTLEY: There was new alarm today about the growing number of near collisions in the air and on the runway. It came from federal officials.

NBC's ROBERT HAGER: The Federal Aviation Administration acknowledges reports of near collisions are increasing....

(DONALD ENGEN, FAA Administrator: "We're dealing with, in my view, increasing incidents. Now, why is that occurring? It's probably partly because of increased amount of traffic.... It's probably because pilots aren't looking out as much as they should.")

Others charge it's mostly because there aren't enough air traffic controllers.... The FAA says it has enough controllers, but admits not enough are fully qualified yet to handle the busiest traffic.

(NBC-4, ABC-3)

RATHER reports a House subcommittee heard that air traffic control mistakes are up 18% in the first quarter of this year.

CBS's PETER VAN SANT reports that the FAA had to admit to a feisty and at times frustrated investigating committee that despite its assurances of safe skies, near-misses are at record levels and air traffic controller errors are dramatically on the rise. Experts say the best way to improve air safety would be for the FAA to hire back hundreds of controllers fired in 1981 during the PATCO strike. But that would take legislation and sources say it would be vetoed by the man who fired those controllers, President Reagan. (CBS-5)

DELTA/EASTERN

JENNINGS: The Department of Transportation has accused Delta and Eastern Airlines of unfair and deceptive scheduling at Atlanta's airport. The Secretary of Transportation, Elizabeth Dole, says the result has been frequent flight delays and she wants to know why the airlines shouldn't be fined a thousand dollars for every day there is a violation.

(ABC-4, NBC-5)

POPE/ARGENTINA

JENNINGS: In Argentina today Pope John Paul has celebrated another mass for another enormous throng of people.... His last stop was in Chile and while he was there you may recall there were serious demonstrations, often violent, against the Chilean strongman Augusto Pinochet....

ABC's JIM WOOTEN reports on changes in Chile since the Pope's visit. Even as cautious a fellow as the United States Ambassador is slightly encouraged.

(AMBASSADOR HARRY BARNES: "Both people in the government and people in the opposition recognize that there are changes coming. Change is inevitable.")

The question remains, "What sort of change?" Peaceful as the Pope suggests, or as violent as the riots that marred his mass...last week.

(ABC-10)