

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: 04/22/1987

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

WEDNESDAY, APRIL 22, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Legislators Say Details Still To Be Settled Before Arms Pact -- Legislators are expressing "cautious optimism" about the prospects for a U.S.-Soviet nuclear arms agreement, but they say numerous details must be settled first. (Washington Post, Washington Times, AP, Scripps Howard, UPI)

IRAN-NICARAGUA

Senate Probers Vote Immunity, Will Force Poindexter To Testify -- The Senate panel investigating the Iran-contra scandal voted to force testimony of former National Security Adviser John Poindexter, who is in a position to reveal what, if anything, President Reagan knew of the affair that hasn't already been made public. (Washington Times, UPI)

Pentagon Linking Secret Army Unit To Contra Money -- The Pentagon said that it recently discovered that a secret Army unit disbanded in 1983 had set up a Swiss bank account that may later have been used illegally to finance arms for the Nicaraguan rebels.

(New York Times, Washington Post, UPI)

NETWORK NEWS (Tuesday Evening)

TRADE -- A Japanese trade envoy asked President Reagan to repeal trade sanctions imposed last week.

POINDEXTER -- Senate investigators voted to grant limited immunity to Adm. John Poindexter.

ARMS CONTROL -- Soviet officials said that when arms control talks resume in Geneva, they will offer a draft of a treaty to eliminate medium-range missiles from Europe.



"... And, comrade, what if this new openness turns us all into YUPPIES?"

INTERNATIONAL NEWS

REAGAN, CONGRESSIONAL LEADERS DISCUSS ARMS ISSUES

President Reagan, "optimistic but realistic" the U.S. may reach a new arms agreement with the Soviets this year, arranged to brief bipartisan congressional leaders on progress in the Geneva talks.

It was the second day in a row for Republican leaders to make the trek to the White House; GOP leaders were summoned for a briefing Tuesday by Secretary Shultz, who discussed his journey to Moscow last week to speed deliberations on an intermediate-range missile accord.

But Reagan also wanted to touch base with Senate Democratic leader Robert Byrd and his colleagues to win bipartisan support on the issue. Byrd expressed deep reservations about the Soviet offer to rid Europe of most nuclear missiles, saying it could limit NATO's defense capabilities and divide allies.

Senate Republican leader Robert Dole also voiced reservations about the proposal and urged colleagues to be cautious and patient as talks in Geneva progress on the offer unveiled by Soviet leader Gorbachev.

(Helen Thomas, UPI)

Byrd Warns Against 'Racing' Into Cosmetic Agreement

Senate Majority Leader Robert Byrd warned that the U.S. should not "rush into an (arms) agreement" that could undermine allied unity, as President Reagan told Republican congressional leaders that he was "optimistic but realistic" about the prospects of obtaining an agreement with the Soviets that would eliminate medium-range nuclear missiles in Europe.

Byrd's warning was made as the Republican leaders cautiously backed Reagan's efforts to obtain an agreement, and House Democrats prepared to approve two arms control amendments that the Reagan Administration contends would damage U.S.-Soviet negotiations.

White House deputy spokesman Dan Howard said the amendments, which House Democrats want to attach to a spending bill that may be voted on later this week, would be "extremely unhelpful" to the negotiations. Another senior official said the Administration would welcome any Democratic attempt to compromise on the amendments.

Senior White House officials said that Reagan will veto the measure if it reaches his desk with the amendments attached. Rep. Dick Cheney, a member of the Republican leadership, predicted that Congress would sustain a veto.

(Lou Cannon, Washington Post, A9)

Byrd, Dole Urge Caution on Arms Talks

Senate Democratic leader Robert Byrd expressed deep reservations about the Soviet proposal to rid Europe of most nuclear missiles, saying it could limit NATO's defence capabilities and divide the alliance.

Senator Republican leader Robert Dole also voiced reservations about the proposal and urged colleagues to be cautious and patient as the negotiations progress on the offer.

In sharp contrast with the initial optimism that Secretary Shultz and President Reagan offered just after the secretary of state returned last week, Byrd and Dole warned that hammering out a final agreement could take some time.

"Let's keep our feet on the ground and not put pressure on the President to make a deal," Dole said in a Senate speech.

(Steve Gerstel, UPI)

'Don't Count Chickens Yet' In Arms Talks, Dole Cautions

President Reagan and congressional leaders dampened hopes of reaching an arms pact with the Soviet Union soon, emphasizing that "fine print" and other obstacles remain unresolved in the superpower talks.

"I've learned one thing watching the Soviets: Let's not count our chickens before they're hatched," Senate Minority Leader Robert Dole said. "And even then, let's make sure we look those little birds over very carefully to see if they're the kind we really want to put on the dining room table."

The mood President Reagan and other leaders conveyed was in marked contrast to the enthusiasm exuded by House Speaker Jim Wright on his return from a 10-day trip to Europe and the Soviet Union.

(Willis Witter, Washington Times, A1)

Legislators Say Details Still To Be Settled Before Arms Pact

Legislators are expressing "cautious optimism" about the prospects for a U.S.-Soviet nuclear arms agreement, but they say numerous details must be settled first.

The House, meanwhile, is likely Thursday to begin considering an appropriations bill containing a pair of arms control provisions strongly opposed by President Reagan.

House Speaker Jim Wright said the chamber probably will pass the proposals because the Administration "had not kept its part of the bargain" made last year.

In that bargain, House Democrats dropped two similar provisions from another bill, and in return they believed Reagan would continue to adhere to the SALT II treaty, Wright said. The U.S. breached that unratified 1979 pact in November.

(Tim Ahern, AP)

House Will Vote To Force Reagan To Abide By SALT II

The House is gearing up for an arms control showdown with President Reagan this week despite apparent progress on a weapons pact during Secretary Shultz's recent trip to Moscow.

"I think this is the will of the overwhelming majority of the House," said Speaker Jim Wright, who just returned from leading his own 20-member House delegation to the Soviet Union.

The White House, however, strongly opposes both provisions, which also face serious problems in the Senate.

"They will provoke a battle royal," warned Sen. Ted Stevens, a key member of the military spending panel. "It's sheer folly to tie the hands of our negotiating team at this time."

Senate Democratic Leader Robert Byrd is (also) sponsoring legislation to make the Administration abide by the SALT II terms.

(Mary Deibel, Scripps Howard)

GORBACHEV OFFERS TO BROADEN MISSILE TALKS

MOSCOW -- The Soviet Union is willing to discuss the elimination of its shorter-range nuclear missiles stationed in the eastern half of the country, not just those deployed in Europe, Soviet leader Gorbachev said in a speech reported by the Tass news agency.

Gorbachev's statement moved the Soviet position on shorter-range weapons closer to U.S. aims spelled out here last week during a visit by Secretary Shultz.

(Celestine Bohlen, Washington Post, A9)

Gorbachev Offers To Broaden Superpower Missile Talks

MOSCOW -- Soviet leader Gorbachev offered to negotiate the removal of short-range missiles in Asia as well as from Europe, a move that could bolster superpower arms control talks by moving them closer to the global approach demanded by the West.

Gorbachev noted with "gratitude" a generally positive reaction to the Soviet offer, made during the Shultz visit, to remove Soviet and U.S. shorter-range missiles while eliminating medium-range missiles in Europe.

(Anna Christensen, UPI)

WRIGHT, COELHO SAY SOVIET LEADERS NEED FAR-REACHING ARMS CONTROL TO DEVOTE MORE RESOURCES TO DOMESTIC NEEDS

When House Speaker Jim Wright and Democratic Whip Tony Coelho compared notes several days ago with Soviet leader Gorbachev and his top deputies, the two American politicians were surprised to learn how much they had in common.

Coelho said he was stunned by the candor of Gorbachev and others in acknowledging that they confront an intractable problem involving the need for massive military expenditures that drain resources from other pressing problems.

Wright and Coelho stressed in a joint interview that it soon became apparent to them as members of a bipartisan congressional delegation that urgent domestic needs are pushing the Kremlin toward a willingness to negotiate arms control agreements that could include significant cuts in the Soviet Union's arsenal of conventional weapons.

(Finlay Lewis, Copley)

SOVIETS HINT RETURNED LINNAS WON'T ESCAPE EXECUTION

MOSCOW -- Convicted Nazi war criminal Karl Linnas was returned from the U.S. to his native Estonia and the Soviet news agency Tass indicated he was unlikely to be reprieved from a death sentence.

The Foreign Ministry said Linnas could appeal for mercy to the Estonian Supreme Court, which sentenced him 25 years ago. But Tass made it clear clemency was unlikely, saying no statute of limitations applied to his category of criminals.

(Reuter story, Washington Post, A4)

Meese Says U.S. Fulfilled Legal Obligations To Linnas

NEW ORLEANS -- Attorney General Meese said that the U.S. fulfilled its legal obligations to Karl Linnas, who was deported to the Soviet Union, where he faces a death sentence for alleged Nazi war crimes.

Meese said Linnas was given the opportunity to appeal to the U.S. Supreme Court and added that Linnas' family and lawyers were given a chance to find another country that would accept him.

(AP story, Washington Post, A4)

SECURITY FLAW IN EMBASSY WORK CITED Most Engineering Firms Had No Security Clearances

Ten of 16 engineering firms under U.S. government contract to design or build American diplomatic missions abroad last year did not have security clearances and there is no telling whether the blueprints fell into hostile hands, according to a report.

The designs included projects in such high-risk areas as Moscow and seven Middle Eastern cities, including Beirut, said the report by the General Accounting Office, an investigative arm of Congress.

(AP story, Washington Post, A9)

Contractors Without Security Clearances Got U.S. Mission Blueprints

Blueprints for U.S. diplomatic missions were given to foreign contractors without security clearances in Moscow and the Middle East, raising chances that the plans fell into the hands of terrorists or hostile intelligence agents, a General Accounting Office study says.

Blueprints for sensitive buildings in Washington, such as the White House, Pentagon, State Department and CIA, were classified to keep them out of the hands of terrorists or hostile intelligence agents, the report said.

But the State Department "did not know how many copies of blueprints were in existence for any of its overseas projects since the prime contractors are not required to provide this information and blueprints can readily be reproduced or photocopied."

(Brian Brumley, AP)

LAWYER: SEX-SPY CASE FALLING APART AMID 'COERCION' AND 'SCAPEGOATING'

The government's espionage case against Marine Sgt. Clayton Lonetree is built on "coerced" confessions and State Department "scapegoat" tactics, according to Lonetree's lawyer.

"And as it (the case) starts falling apart, people ought to start asking: How did this occur?" Michael Stuhff, Lonetree's lawyer, said.

Stuhff has a quick answer: fearful State Department officials in the alleged sex-for-secrets scandal involving U.S. Marines at the Moscow and Vienna embassies.
(John Bennett, Scripps Howard)

JAPANESE ENVOY ASKS REAGAN TO LIFT SANCTIONS

Former Japanese Foreign Minister Shintaro Abe, carrying "basically the same message for everybody," is taking his campaign against U.S. trade sanctions to Congress where sentiment is strong for protectionist legislation.

"He has basically the same message for everyone," said a senior Administration official, who spoke on condition he not be identified. "He says the sanctions should be lifted for a number of reasons: first, because they didn't deserve them in the first place; second, they are opening new markets for U.S. exports."

Abe said he brought up the tariffs during his 20-minute meeting with Reagan and "emphasized that this measure should be lifted as quickly as possible."

Senate Minority Leader Bob Dole, commenting after a meeting of Republican leaders with the President, said he doubted the sanctions against Japan would stop the momentum in Congress for tough trade legislation.
(Dale Nelson, AP)

Japan Plea On Sanctions Is Rebuffed

President Reagan rejected Japan's request to lift new U.S. sanctions against electrical products from Japan.

Reagan's action came a day after Japan flatly rebuffed a U.S. proposal to ease Japanese restrictions against U.S. agricultural goods.

Stung by Japan's rejecting a proposal to ease Japanese limits on U.S. fruits and citrus, rice and beef products, U.S. negotiators scheduled a news conference in Tokyo today.
(Jessica Lee, USA Today, A4)

U.S. ASSAILS ALGERIA FOR HOSTING ABBAS

The State Department condemned Algeria for allowing Abul Abbas, the accused mastermind of the Achille Lauro cruise ship hijacking, to attend a Palestine national Council session in Algiers.

A spokesman, Charles Redman, said it was for Algeria to decide whether to host the meeting. But, he said, "we have made the Algerian government well aware of our position regarding Abul Abbas."

(AP story, Baltimore Sun, A2)

U.S. MEETING WITH IRANIAN OPPOSITION

The State Department has been meeting with representatives of an Iranian opposition group the department twice has warned Congress about, saying the group has a terrorist history and is strongly anti-American and Marxist.

Assistant Secretary of State Richard Murphy told the House Foreign Affairs Middle East subcommittee that "we meet, we have met" with the Mujaheddin-e-Khalq or People's Mujaheddin Organization "here in Washington," and described the group as "a player" in Iran today.

"We're not boycotting them," Murphy told Rep. Dan Burton who had asked the State Department's top Middle East expert whether it is wise to ignore the Mujaheddin given its opposition to the present Iranian government.
(David Ottaway, Washington Post, A13)

AFGHANISTAN CHARGES PAKISTAN, U.S. PLOTTED TO KILL NAJIB

NEW DELHI -- Afghanistan accused Pakistan and the U.S. of organizing a "heinous and terroristic" plot to assassinate Afghan leader Najib and make it appear the work of communist party rivals.

"There is not truth to that kind of thing at all," said a State Department official, who requested anonymity. "It's ridiculous. There's no such thing. It's a figment of somebody's imagination."

The alleged conspiracy was reported by the state-run Bakhtar news agency in a dispatch read on the regular evening Pushtu-language broadcast of official Kabul radio.
(Jonathan Landay, UPI)

BOMB KILLS 150 IN SRI LANKAN CAPITAL Government Blames Tamil Rebels For Series Of Violent Acts

NEW DELHI -- A powerful bomb exploded at rush hour at the central bus terminal in Colombo, Sri Lanka, killing as many as 150 persons and injuring at least 200, many of them seriously.

Officials immediately blamed Tamil militants for the bloody explosion and the government declared a curfew until Thursday morning in an effort to prevent a backlash by the majority Sinhalese community against the Tamil minority.
(Richard Weintraub, Washington Post, A1)

ARGENTINA/ATTEMPTED COUP

BUENOS AIRES -- The government of President Raul Alfonsin sacked half the nation's generals but eased up on controversial human rights trials that had created widespread discontent in middle ranks of the armed services.

Two isolated army detachments in northwest Argentina reported to have rebelled were brought under control by loyalist commanders.

Federal appeals courts in Buenos Aires and in Cordoba, without an official explanation, suspended human rights trials against military officers accused of crimes during Argentina's "dirty war" against dissent in the 1970s.
(Daniel Drosdoff, UPI)

NATIONAL NEWS

BUDGET CUTS 'STRANGLING' SDI, DIRECTOR CHARGES Cost And Effectiveness Remain Unclear

The Pentagon's SDI director charged that congressional budget cuts are "strangling major chunks of the program" and said parts of the project have fallen two years behind schedule.

Air Force Lt. Gen. James Abrahamson said this year's proposed budget reductions would be "devastating" to the controversial program popularly known as "Star Wars."

He said, however, that it is too early to predict either the total cost of the program or whether it will meet President Reagan's goal of "close-to-perfect" protection from nuclear attack if fully deployed.

(Molly Moore, Washington Post, A3)

SDI'S 'NUCLEAR SHOTGUN' ON PENTAGON'S FAST TRACK

The Pentagon has accelerated a secret project to develop a "nuclear shotgun" that would pinpoint real warheads during a missile attack, The Washington Times has learned.

The weapon, which would involve an atomic explosion in space, might be ready for deployment in the initial phases of the Strategic Defense Initiative.

The space-based nuclear explosion would accelerate liquid or solid pellets to tremendous speeds, stripping away the decoy warheads that both the U.S. and the Soviet Union deploy on their nuclear missiles to confuse defenses. The true warheads then could be attacked by other means.

While some physical principles of the concept remain unclear, SDI officials believe it has more promise for this task of "interactive discrimination" than the neutral particle beam, the most frequently cited candidate for the job to date. (Warren Strobel, Washington Times, A1)

NASA DELAYS SHUTTLE LAUNCH

The National Aeronautics and Space Administration said it cannot meet the Feb. 18, 1988, date it had set for the first post-Challenger launch of a space shuttle. No new date was set.

Richard Truly, who heads the shuttle program, said it had been decided to conduct two major tests before the first launch and they "will result in a new target launch date." (AP story, Washington Post, A3)

SENATE BACKS RETENTION OF 'FAIRNESS DOCTRINE' FCC Move To Scrap Broadcasting Rule Hit

The Senate approved legislation aimed at barring the Federal Communications Commission from scrapping the longstanding "Fairness Doctrine" that requires radio and television broadcasters to present conflicting viewpoints on major public issues.

Over objections from the Reagan Administration, the Senate voted 59 to 31 to write the doctrine, as it developed over the past three decades as a regulation of the FCC into a permanent law. Similar legislation is pending in the House.

The Senate's action, supported by most Democrats and opposed by a majority of Republicans, comes as the Democratic-controlled 100th Congress moves gingerly on a variety of fronts to rein in the deregulation drive of the Reagan Administration over the past six years.

(Helen Dewar, Washington Post, A6)

Senate Votes To Write Fairness Doctrine Into Law

The Fairness Doctrine, requiring broadcasters to cover issues of public importance in a balanced way, is a big step closer to being written into law despite warnings it is a "terrible power" to give government.

The Senate voted 59-31 for legislation to codify the doctrine and sent the measure to the House.

Sen. Bob Packwood said, "Under this doctrine, the federal government is saying...we have the right, the power, the wisdom to tell radio, television and other broadcasters what it is they should do."

(Steve Gerstel, UPI)

SEN. GLENN URGES NRC COMMISSIONER TO RESIGN FOR DESTROYING EVIDENCE

Sen. John Glenn called for the resignation of Nuclear Regulatory Commission member Thomas Roberts, who told a Senate committee two weeks ago that he had destroyed evidence of a leak of sensitive NRC documents to the owner of a nuclear plant in Louisiana.

Glenn also said he asked the Justice Department to review the matter, which occurred in 1985 as Roberts was facing Senate confirmation to a second term on the NRC.

In a statement released by the NRC press office, Roberts said he was "truly shocked" at Glenn's request. "I have done no wrong, and I have no intention of resigning," he said. "I welcome a review of these matters by the Justice Department."

(Cass Peterson, Washington Post, A5)

SENATORS VIEWED EUROPE'S NUCLEAR DISPOSAL

The U.S. has "jumped the gun" in planning for storage of high-level nuclear waste and should let it cool for 50 years before burying it, Sen. Chic Hecht said.

Hecht and other Energy Committee members toured nuclear facilities in France and Sweden over the Easter congressional holiday last week to see how those two countries dispose of high-level nuclear waste.

He returned convinced "we have also jumped the gun in moving toward deep geological storage. It may not be necessary," Hecht said.

(Chris Chrystal, UPI)

HOUSE VOTES TO CLOSE LOOPHOLE ON STRIP MINE RECLAMATION

Strip miners who have used a reclamation law loophole to avoid making repairs to the landscape will lose that option under a measure approved by the House.

By voice vote, the House sent the Senate a bill to repeal the section of the 1977 Surface Mining Control and Reclamation Act that exempts mines of two acres or less from permit, reclamation and environmental requirements.

Legislation advocates -- including the National Coal Association, environmental groups and the Reagan Administration -- say that some commercial miners, especially in Appalachia, have used a variety of scams to take advantage of the so-called pick-and-shovel exemption, which was intended for small mom-and-pop operations.

(David Goeller, AP)

DOW SOARS 66.47 POINTS, TO 2,337.07

With Wall Street traders suddenly soothed after a bad case of nerves about interest rates and inflation, stock prices rallied so powerfully that the Dow Jones industrial average nearly equaled its best point gain ever.

The stunning performance had its genesis in the firming bond market and in computerized program trading, analysts and traders said. But other factors, such as a firmer dollar and reports of higher corporate earnings, were gladly seized on and helped the rally snowball.

(Lawrence De Maria, New York Times, D1)

DONOVAN RESTS CASE, CONFIDENT OF ACQUITTAL Defense Lawyers Call No Witnesses

NEW YORK -- Former Labor Secretary Raymond Donovan and his codefendants rested their case without calling a witness.

They said they were confident that chief Bronx prosecutor Stephen Bookin had failed to prove the fraud and grand larceny charges against them in a presentation that began last Oct. 1. Jury selection began in early September.

The prosecutors seemed undaunted, asserting in a summary that Donovan and the other defendants had stolen \$7.4 million from the New York City Transit Authority by pretending the money had been paid to a minority business that Donovan's company had hired on a Manhattan subway project.

(George Lardner, Washington Post, A7)

###

IRAN — NICARAGUA

POINDEXTER/IMMUNITY

The Senate committee probing the Iran-contra scandal voted to grant immunity to former national security adviser John Poindexter, a move that would compel him to testify about what he told President Reagan about the affair.

The Senate committee took its unanimous action by polling its members without a formal meeting. The House panel investigating the scandal planned to take a similar vote Wednesday.

Sen. Howell Heflin, a member of the panel, said Poindexter's testimony is important because of his role at the National Security Council. Asked what he would ask Poindexter, Heflin replied, "what did the President know about this? What conversations did you have with him?"

Sen. Orrin Hatch, also a member of the panel, said it was important to get Poindexter's testimony as well as North's.

"I think the hearings will produce some startling revelations," Hatch said. "I think one of the revelations that everyone is looking for is...everybody knows that Poindexter and North are just the chain of command and they are going to have to say where they got the authorization to do whatever was done." (Judy Hasson, UPI)

Senate Probers Vote Immunity, Will Force Poindexter To Testify

The Senate panel investigating the Iran-contra scandal voted to force testimony of former National Security Adviser John Poindexter, who is in a position to reveal what, if anything, President Reagan knew of the affair that hasn't already been made public.

Adm. Poindexter had frequent briefings with President Reagan between Dec. 5, 1985, when he took over the adviser's job from Robert McFarlane, until November 1986, when he resigned after the scandal was publicly disclosed.

Sources on the committees said Adm. Poindexter is believed to have kept meticulous notes of important National Security Council meetings on Iran arms sales, during which fund diversions to contra groups may have been discussed. (Michael Hedges, Washington Times, A3)

CONGRESS WANTS TO VERIFY CASEY'S MEDICAL CONDITION

The congressional committees probing the Iran-contra scandal want to verify that former CIA Director William Casey is too sick to talk to investigators, leaders of the Senate panel said.

The committees are working on the assumption Casey will not be able to testify when hearings into the scandal start on May 5, and have no indication that his medical condition is anything by grave, sources said.

Sen. Warren Rudman, vice chairman of the select committee, said it important to verify his condition since many people believe he could provide important testimony on the sale of U.S. arms to Iran and efforts to aid the Nicaraguan contra rebels. (Robert Doherty, UPI)

Casey May Be Examined By Doctors For Senate Committee

The Senate committee investigating the Iran-contra affair may have its own doctors examine ailing former CIA Director William Casey to determine his ability to answer questions, a panel member says.

Sen. Howell Heflin said the purpose of the independent examination would be to determine whether Casey is "mentally or physically competent" to answer questions following his surgery last December for removal of a cancerous brain tumor.

"The general talk among the counsel (and) staff is we'll never be able to get anything out of Casey," Heflin said of the former CIA director, who reportedly has made a slow recovery since his operation.

(David Espo, AP)

SECRET ARMY ACCOUNT LINKED TO CONTRA AID
North, Secord Possibly Involved, Official Says

A Swiss bank account set up in 1983 by a secret Army intelligence unit called "Yellow Fruit" may have been used later by Lt. Col. Oliver North and retired major general Richard Secord to finance arms shipments to the Nicaraguan rebels, a Pentagon official said.

The official, who called the account at Credit Suisse Bank "highly unusual" and "unauthorized," was unable to say whether any Defense Department money was channeled through the account during the October 1984-October 1986 period when most direct U.S. military aid to the contras was prohibited.

(Dan Morgan, Washington Post, A1)

Pentagon Linking Secret Army Unit To Contra Money

The Pentagon said that it recently discovered that a secret Army unit disbanded in 1983 had set up a Swiss bank account that may later have been used illegally to finance arms for the Nicaraguan rebels.

A senior Pentagon official said an internal investigation had produced information suggesting that Lt. Col. Oliver North and retired Maj. Gen. Richard Secord were among those who had access to the unauthorized Army account.

The Pentagon official said the evidence suggested that Col. North and Gen. Secord may have somehow persuaded some members of the Army unit to let them use the account for covert aid purposes after the unit had disbanded. He did not say who those people might be.

(Jeff Gerth, New York Times, A1)

Walsh To Probe Whether Army Unit's Swiss Account Used By North

The Pentagon wants the independent prosecutor in the Iran-contra scandal to investigate a Swiss bank account opened by a secret Army unit that Lt. Col. Oliver North may have used to aid Nicaraguan rebels.

A Pentagon official said the Defense Department has asked Lawrence Walsh to include in his criminal probe any connections between North and the account set up by a unit code-named Yellow Fruit.

(Walter Andrews, UPI)

NETWORK NEWS SUMMARY

(Tuesday Evening, April 21, 1987)

TRADE

NBC's Tom Brokaw: President Reagan considers Japanese Prime Minister Nakasone a good friend as well as a strong ally. But the trade dispute between these two countries has gone well beyond personal friendship. In Washington today Shintaro Abe, a personal representative of the Prime Minister's delivered a letter to President Reagan. Abe said that Nakasone's letter assured the President that Japan is opening its markets to foreign products and working to close the trade gap between the two countries. Nonetheless, the President's spokesman said later it is unlikely President Reagan will rescind his \$300 million worth of tariffs on Japanese products before these two leaders meet at the end of the month. Meanwhile, Senate Republican leader Robert Dole said today he does not believe that the Japanese action will have much of an effect on Congress. Dole said the Japanese action comes too late to stop the momentum building in Congress for even tougher trade sanctions. So, what is now a trade dispute could turn into a trade war and that message is not lost on the Japanese.

(TV coverage: President Reagan and Abe in still photograph.)

NBC's Steve Mallory: ...Most (Japanese) companies affected by the 100 percent tariffs on televisions, small computers and power tools are sharply curtailing their production for the U.S. market while they hope for the penalties to be lifted. That may not be soon. The U.S. Trade Ambassador Clayton Yeutter today rejected a request by Japan's trade minister that the sanctions be lifted soon. Yeutter said that will happen when the U.S. is satisfied Japan is not selling semiconductors below cost -- a charge the Japanese deny. U.S. Agriculture Secretary Richard Lyng issued his toughest statement yet on the trade conflict, saying Congress is serious about protecting U.S. markets. He warned that the Japanese shouldn't underestimate the mood in the United States.

(Secretary Lyng: "The purpose of this trip is to emphasize the fact that patience is beginning to be very much frayed in Washington.") Prime Minister Nakasone would like to resolve some of the trade disputes between the two countries before he meets with President Reagan in Washington at the end of the month. There are strong indications that the U.S.' hard line on the huge trade imbalance is finally having some effect here. The Japanese government announced today that it will buy American made super computers, which until now, have been almost frozen out of the market. Trade officials also said that more foreign contractors will get a piece of the \$8.5 million Osaka airport project, which has been virtually closed to outsiders. The sale of American made auto parts in Japan should now increase, according to trade officials here, who have listened to repeated complaints from the U.S. American businesses here want greater access to Japan's markets and many welcome this new pressure from Washington, believing that it's the only way to get quick results.

Brokaw: At the same time the government of South Korea today, under pressure from Washington, agreed to buy more electronics and raw material from the United States. This agreement followed two days of talks between Commerce Secretary Malcolm Baldrige and Korean officials. (NBC-Lead)

ABC's Peter Jennings: A Japanese trade envoy went to the White House today and asked President Reagan to repeal those trade sanctions that the President imposed last week. The political tide, however, is apparently running the other way -- Congress wants even tougher sanctions than the President's.

ABC's Shielah Kast: Meeting with Congressional Republicans, President Reagan answered with a broad smile and a shake of the head when asked whether his decision to impose trade sanctions on Japan makes him a protectionist. In spite of the cheerful atmosphere, the GOP leaders made it clear later that Congress is likely to pass more restrictive trade legislation than the President wants and the high tariffs he imposed last week did nothing to change that.

(TV coverage: Close up of President smiling and shaking his head, then footage of the President and Congressional leaders.)

(Senator Dole: "It's been brewing for two or three years and I think coming now, when we are on the eve of passing legislation in the House and maybe in a couple, three months in the Senate, it comes a bit late.")

Former Japanese Foreign Minister Abe carried a personal letter from Prime Minister Nakasone but he did not bring any new proposals for settling the trade spat. As he left, he repeated promises Japan has made before to expand the market for American products there.... The President opposes the requirement (for trade retaliation), arguing he needs the flexibility of trade disputes, but the House is sure to pass it, probably the same day Prime Minister Nakasone comes to visit next week.

(TV coverage: Still photograph of the President and Abe.)

Jennings: The Reagan Administration is also putting new pressure on the South Korean to open their markets wider to American products. The Koreans not only export a huge amount to the United States, but they are so aggressive in their export policies, they are sometimes called the "new Japanese."

ABC's Mark Litke: On the battlefield, it would be hard to find two nations with better cooperation than the United States and South Korea, but on the economic front, there is confrontation. South Korea's economy is now one of the hottest in the world, some say at America's expense.... Nearly half of their exports end up in the United States, creating an current trade surplus of \$7.3 billion and a lot of American frustration. Because substantial trade barriers are still keeping American products out of South Korea.... Under persistent pressure, the Koreans have come up with a new package of market-opening measures -- just in time for the visit of the U.S. Commerce Secretary....

(Secretary Baldrige: "The whole question is of speed.")

Litke continues: With protectionist sentiment in the U.S. growing fast, Korea is under the gun to open up its markets and soon. But American companies have heard the promises before and they are still waiting to see the results. (ABC-8)

CBS's Dan Rather: A personal representative from Japan's prime minister called on President Reagan today.... Abe promised Japan would open its markets to more U.S. exports. He asked for an end to the new tariff the U.S. imposed last week. However, a spokesman to President Reagan said it is unlikely the tariffs could be lifted before Prime Minister Nakasone comes to Washington next week. And Senate Republican leader Bob Dole said today it's too late to stop the momentum in Congress for even tougher trade sanctions against the Japanese.

(TV coverage: Still photograph of the President and Abe.)

U.S. relations also are worsening with another key Asian ally -- South Korea. Washington is demanding the Koreans do something to cut down their big trade surplus and Washington is also upset over the latest crack-down on political dissent in South Korea.

CBS's Richard Wagner reports from South Korea on current public protests and trading status. (CBS-4)

POINDEXTER

Rather: Congress moved today to try to get testimony out of a key witness in the weapons for Iran deal. A witness who has so far taken the Fifth and stonewalled. Senate investigators voted to grant limited immunity from criminal prosecution to President Reagan's former National Security Advisor Adm. John Poindexter.

CBS's Phil Jones: Rear Adm. John Poindexter, who is considered the most crucial witness in the Iran-contra investigation, will be compelled to testify on Capitol Hill. In return for his testimony, the Senate select committee voted today to give Poindexter immunity so his testimony cannot be used against him. The House select committee will do the same tomorrow. To avoid jeopardizing any possible criminal prosecution of Poindexter by the independent council, the Congressional committees have agreed to withhold his public testimony until the middle of June. Poindexter has refused to testify in all previous appearances about the arms sale and diversion of profits to the contra.

(Rear Adm. Poindexter: "I must decline to answer that question at this time because of my constitutional rights under the Fifth Amendment.")

Investigating Senators consider Poindexter key to resolving questions on what others in the White House knew.

(Senator Howell Heflin: "Well, I think I'd like to ask him the question of what did the President know about this? What conversations did you have with him?")

It was also disclosed today that the Senate committee wants to send its own doctor to verify whether former CIA Director William Casey is in fact too sick to testify since his brain surgery. Casey has been identified in press stories as the mastermind in the diversion of Iran arms profits to the Nicaraguan contras.

Jones continues:

Senator Orrin Hatch: "I think the doctors have an ethical obligation to state whether Mr. Casey is or is not capable of testifying before the committee or anywhere else for that matter.")

Investigators also report significant progress in tracking the diversion of funds to the contras.

Rather: A Pentagon official today confirmed what CBS News reported here last night -- United States Army did open a secret Swiss bank account -- an account that may have been used later to illegally funnel weapons into Central America. Whether Oliver North was involved is being investigated. The Pentagon official said today the secret bank account was opened by a secret Army unit calling itself "yellow fruit." He said the unit was disbanded in 1983 and three officers were courtmartialed. Special Prosecutor Lawrence Walsh now is looking into the mysterious and possibly criminal "yellow fruit" army outfit.
(CBS-Lead, NBC-5, ABC-3)

ARMS CONTROL

Brokaw: Soviet officials said today that when the arms control talks resume in Geneva this Thursday, they will offer a draft of a treaty to eliminate the medium-range missiles from Europe. And President Reagan said the Soviets seem to want to move ahead on such an agreement. These proposals for eliminating the missiles have come under some sharp criticism from America's allies in Europe.

NBC's Chancellor: Oscar Wilde said, "In this world there are only two tragedies -- one is not getting what one wants, and the other is getting it. Well, that's a fair description of what some governments in Western Europe are feeling this week because of the latest Soviet proposals on nuclear weapons. Officials, who have been arguing for nuclear disarmament, suddenly find themselves frightened by it. The Western allies are alarmed by the thought that all medium-range, short-range and maybe even battlefield nuclear weapons might be removed from both sides of the iron curtain. NATO's conventional forces would then face the conventional forces of the Warsaw Pact and in that department, the East is three times as strong as the West. For Americans, this is really frustrating. For 35 years the United States has been asking its NATO allies to spend more on conventional defense, to field enough tanks, troops and planes to match the strength of the Warsaw Pact. The United States did its part -- there are 325,000 American troops in Europe, but the West Europeans never paid their full share of the NATO bill -- they took the cheap way out and relied on nuclear weapons, which costs less than conventional arms. The dirty little secret in NATO is that its policy saves money while risking global thermonuclear war. There is a staggering immorality in that scheme. Now, the new Soviet offer is forcing them to take their dirty little secret out of the closet. NATO is going to have to think again about its basic doctrine of defense -- doing it on the cheap may not work. No wonder the West European governments are upset."
(NBC-14)

POLITICAL VIOLENCE IN SRI LANKA & SOUTH AFRICA

Jennings: In two different parts of the world tonight, there has been the kind of political violence which is so foreign to Americans. We are accustomed to reporting on violence in South Africa and though the spreading of blood in the name of a cause is not unusual in Sri Lanka, for the third time in less than a week, there has been a full-scale massacre there.

ABC's Barrie's Dunsmore reports on the violence and the effect of that violence in Sri Lanka.

ABC's Jim Hickey reports on attack of police in South Africa.
(ABC-Lead, NBC-3, CBS-2)

NUCLEAR FALL OUT

Jennings: There has been a reversal of a major ruling in a Denver court. In 1984 a court had ruled that the government is responsible for the death and injury caused by radiation during nuclear tests in Nevada in the 1950s. The federal appeals court has now said the government is not responsible.
(ABC-5, CBS-7)

LINNAS

Brokaw: Convicted Nazi war criminal Karl Linnas, deported from the United States yesterday, was returned today to the Soviet Union where he is under a death sentence. He was flown to where he was accused of running a Nazi death camp. Soviet officials say he can appeal for mercy, but they also say that it is unlikely that his plea will be granted.
(NBC-12, ABC-7, CBS-6)

WALL STREET

Brokaw: It was a wild rally late today at the Dow Jones Industrial average bounced to post its second biggest one-day gain in history.
(NBC-6, ABC-9, CBS-11)

EDITORIALS/COLUMNISTS

ARMS CONTROL

Is Gorbachev Good For America? -- "It's hard not to admire Gorbachev's push to revitalize the Soviet Union. But we shouldn't overlook a crass little question: what's in it for us? Will we be safer and more secure in the new world of Soviet-American relations? Is a confident and assertive Gorbachev good for America? ...Gorbachev is behaving far more cleverly and assertively than did his hidebound predecessors in the Kremlin.... The days of Soviet immobilism have passed, and it's just possible that we may someday look back on them -- the bad old days before the arrival of Gorbachev -- as a golden age." (David Ignatius, Washington Post, 4/19)

Hooked On Nuclear Arms -- "A word of caution: 'Progress' and 'imminent agreement' are seductive terms. They raise false expectations.... If the hardliners prevail, as they seem to have so far, a nuclear arms agreement will be unlikely during the remaining 1½ years of the Reagan Administration. Instead, the nuclear powers will continue to rely on the policy of mutual and assured destruction, the so-called MAD theory that Mr. Reagan pledged to replace with the reduction and elimination of nuclear arms." (Hartford Courant, 4/19)

A Time For Answers -- "It is up to the Europeans to decide what they will do in their own defense if the United States is to leave. Unlike Hungary of Czechoslovakia, they know they will not be invaded by the U.S. if their decision causes displeasure in Washington." (Kansas City Times, 4/17)

It's Time To Say 'Yes' -- "A good salesperson knows when to close a deal, and now is the time for President Reagan to whip out a contract on nuclear arms in Europe.... Meanwhile, the Soviet offer on Euromissiles is on the table and it looks identical to what President Reagan once said he wanted. Assuming both sides can agree on satisfactory means of verifying compliance with an agreement, Mr. Reagan shouldn't hesitate to sign." (Louisville Courier Journal, 4/16)

The Shultz Round-Trip -- "If we see him [Gorbachev] over here, then, may we take it that he will be more interested in safeguarding the planet than going to Disneyland? More concerned with human rights and progress than getting a panoramic view of Roswell Garst's wheat field in Iowa? Or, for that matter, pounding his shoes on a desk at the United Nations?" (Sarasota Herald Tribune, 4/16)

Defending Europe Is Our Best Defense -- "The Soviets must know we will retain our nuclear deterrent until they end the imbalance in conventional forces. Again, that's a good deal. And it's the only way to make Europe not just nuclear-free but war-free. Let's seal the deal." (USA Today, 4/21)

Responding To Moscow -- "Is the current Soviet quest for arms control or opinion control?... The Soviet proposals require careful, thorough consideration followed by specific counter-proposals. They must be bold in both substance and style, and crafted at best to build on Moscow's seriousness, at worst to reveal its hollow gimmickry." (Richmond Times-Dispatch, 4/19)

-more-

EMBASSY SPYING

The Year Of Spying -- Again -- "A headline in The Post heralds, 'THE YEAR OF SPYING.' The year was 1985. So, what else is new? Not much, alas.... The relentlessly inventive practice of espionage and counterespionage is business as usual: usual between us and the Soviets."

(Philip Geyelin, Washington Post, 4/19)

Heads Must Roll -- "Various State Department functionaries from Secretary George Shultz on down have been squealing like pigs in a slaughterhouse over the Moscow embassy sexpionage case.... It's time to call a halt. The security officer in Moscow should be relieved of all security duties. Assistant Secretary of State for Diplomatic Security Robert Lamb should be packing his bags. And the cost of demolishing the bugged embassy in Moscow and building a new one (around \$300 million) should come out of the current State Department budget."

(Boston Herald, 4/19)

Re-examine Our Sieve In Moscow -- "Many an American visitor to a foreign capital has found pride and reassurance at the sight of a Marine guard standing tall at the U.S. Embassy gate. But when the guards start letting in the people they are supposed to keep out, it's time to think about entrusting U.S. secrets to someone with the maturity and training to do the job right."

(Minneapolis Star and Tribune editorial in Fargo Forum, 4/11)

Our Views On: Reagan's Rhetoric -- "The failure of President Reagan and his Administration to respond to specific warnings on the Moscow embassy situation raised the question: Does he really believe his anti-Soviet rhetoric, or was it merely lip service to establish his credentials with voters of the anti-communist right who apply no other litmus test to politicians?"

(Waynesboro (Pa) Record Herald, 4/17)

Who's Not Teaching Values? -- "President Reagan has a story for every occasion and an excuse for every disaster. Now he blames the educators for the latest security outrage at the embassy in Moscow.... The President is quite right in suggesting that the society itself is also to blame for the derelictions of duty we have seen recently in Moscow, and in the basement of the White House, but the state of mind of the people is often reflection of the quality of their responsible leaders. For if you teach the people that they don't have to pay for what they want, that they can spend and borrow, that success is for those who equivocate and evade, that private wants are the things that matter, you shouldn't be surprised if Marines chase girls and neglect their duties."

(James Reston, Cincinnati Enquirer, 4/15)

Reagan Can't Be Blamed For Scandals -- "The only thing that deserves to be laid truly at the feet of Reagan and Reaganism is the Iran scandal. Beyond that, don't believe what you read. The rest is coincidence. Clustering. Ask yourself: If Mondale had won, would Dennis Levine have said no to Ivan Boesky? Bakker to Hahn? Would the Moscow Marine have turned down his KGB honey?"

(Charles Krauthammer, Dayton Daily News, 4/16)

FOREIGN MEDIA REACTION

U.S.-JAPAN TRADE

"The trade war against Japan, like Vietnam, may prove to be an Asian campaign the United States cannot win. It has already created a dangerous antagonism between American and Japanese public opinion...."
(Independent, Britain)

"Observers believe the punishment [new tariffs] is mainly 'symbolic.' Nevertheless, it shows that the White House can decide on quick protectionist measures against the people considered as poor players in world trade affairs."
(Les Echos, France)

"President Reagan's decision to block Japanese computer imports is a grave attack against free world trade.... It is hoped that the imposition of retaliatory tariffs only represents warning calls and that President Reagan will remember the advantage of free world trade during his meeting with Japanese Prime Minister Nakasone next week. The Tokyo government seems to think similarly. That is the only way to understand the extremely reserved reaction to Mr. Reagan's blow."
(Westfaelische Rundschau, West Germany)

"One cannot neglect the symbolic meaning of the tensions in the U.S.-Japan trade relationship. Japan should never forget that its economic growth is due mainly to the U.S. adherence to free trade. The United States should also realize that the major reason for its weakness in competitiveness lie within the United States."
(Seoul Shinmun, South Korea)

"We are sure that the U.S. side highly values South Korea's efforts in strengthening U.S.-South Korea trade cooperation because South Korea is mobilizing all possible means to realize a balance in the bilateral trade relationship."
(Joongang Ilbo, South Korea)

"Last Friday, President Reagan announced a 100 percent tariff on Japanese electronic imports.... The initial reaction of the Japanese government was quite moderate. Japan does not intend to retaliate in turn for the U.S. economic sanctions.... Japan has said it wants to solve this trade dispute with the United States."
(Ming Pao Daily News, South Korea)

"The fact that neither America nor Japan wants a trade war is no guarantee that it will not happen. After all, the world has been repeatedly and solemnly assured...that neither America nor Japan wants protectionism either -- and that's precisely what has happened."
(Sunday Times, Singapore)

"Six months ago it was pure brinkmanship. Now, with a weakened Presidency and a more protectionist Congress, the spat between the United States and Japan over trade is starting to be dangerous.... As U.S. interest rates rise and Congress debates protectionist legislation, the danger is increasing that the United States will...nudge the rest of the world into recession."
(Sydney Morning Herald, Australia)