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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MAY 14, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

IRAN-NICARAGUA

McFarlane/North's Actions -- In his most explicit and emotional testimony on the Iran-contra affair, Robert McFarlane said that he believed Lt. Col. Oliver North's efforts to raise private funds for the Nicaraguan contras were illegal.
(Wall Street Journal, Washington Post, AP, Newhouse, Reuter, UPI)

INTERNATIONAL NEWS

Reagan Tells Congress ABM Treaty Allows SDI Testing -- President Reagan informed Congress that an Administration legal study has concluded the 1972 ABM Treaty does not ban testing of sophisticated components of the SDI anti-missile system.
(Washington Post, Washington Times, AP, Reuter, UPI)

Guatemalan Leader Meets With Reagan, Wins More Aid -- Guatemalan President Vinicio Cerezo Arevalo, lauded by President Reagan as a symbol of a democratic tide in Central America, has won a pledge of more U.S. military aid to bolster his 16-month-old government.

(Washington Post, UPI)

NETWORK NEWS (Wednesday Evening)

IRAN-CONTRA -- Robert McFarlane testified that he kept the President informed of White House efforts to support the contras.

HONDURAS EXERCISE -- 4,000 American troops staged a mock invasion of Honduras.

SDI -- President Reagan told Congress that the 1972 ABM Treaty permits wider testing of SDI.



'Makeup... lights... reporters... suspense; we're ready to shoot. Hold it! Somebody wake up the public'

IRAN — NICARAGUA

MCFARLANE SAYS CASEY OFTEN INSTRUCTED NORTH Some See Dead CIA Chief As Mastermind

Former National Security Adviser Robert McFarlane said that Lt. Col. Oliver North, his White House aide who was most deeply involved in the secret Iran-contra operations, regularly received instructions from the late William Casey, then CIA director.

For the second day, members of the Senate and House committees investigating the Iran-contra scandal dwelt on the role of Casey, who died last week. Some investigators believe that Casey, a Cabinet member and close friend of President Reagan, was the mastermind of both the sale of U.S. arms to Iran and the clandestine Administration support for the contras fighting the government of Nicaragua.

(Walter Pincus & Dan Morgan, Washington Post, A1)

North Was Taking Orders From Casey, McFarlane Says

Oliver North was taking orders from CIA Director William Casey when he engineered the deals that sent weapons to Iran and aid to Nicaragua's contra rebels, North's former White House boss says.

Robert McFarlane...said he believed North was taking instructions from Casey and kept the deals alive despite misgivings by others in the Administration.

"It is rather clear that Oliver North was acting under the aegis of Director Casey at this time?" asked Sen. William Cohen.

"Yes, sir," McFarlane responded. (Jim Drinkard, AP)

Iran-Contra Panel To Question McFarlane On Casey's Involvement

A testy, flustered Robert McFarlane returns for a fourth day of questioning before the Iran-contra committees after admitting the late CIA Director William Casey played a greater role in the scandal than previously disclosed.

The former national security adviser...says he now realizes from evidence gathered by the House and Senate committees probing the scandal that Casey was controlling the Iran-contra activities of his then-National Security Council aide, Lt. Col. Oliver North.

Sen. William Cohen said the panel now will seek to get more information from McFarlane on Casey's involvement. He noted that lawmakers have had to prod McFarlane for any details fleshing out his bland answers. (Lance Gay & Walter Friedenberg, Scripps Howard)

President Briefed Regularly On Contras, Had 'Liberal' View Of Ban, Ex-Aide Says

Robert McFarlane said President Reagan was briefed regularly on contra activities and adhered to a "far more liberal interpretation" than McFarlane of what was allowed under a law restricting U.S. aid to the Nicaraguan insurgents.

McFarlane testified that he "frequently" discussed the guerrillas' situation with Reagan after Congress voted to cut off U.S. military assistance in 1984. While insiting the President never asked him to do anything illegal, McFarlane said he subscribed to a stricter view of the law than Reagan regarding what the Administration could do to assist the contras. (David Rogers & John Walcott, Wall Street Journal, A4)

McFarlane/North's Actions

In his most explicit and emotional testimony on the Iran-contra affair, Robert McFarlane said that he believed Lt. Col. Oliver North's efforts to raise private funds for the Nicaraguan contras were illegal.

But McFarlane said...that he never pressed his concerns with President Reagan because the President "had a far more liberal interpretation" of what constituted legal activities.

McFarlane has testified that he interpreted the (Boland) amendment as forbidding the National Security Council from actively aiding the contras. The White House, however, took the opposite view, saying that the amendment did not apply to the security council.

Sen. Warren Rudman asked McFarlane if he told the President "that people who worked for (the President) might be doing things that were proscribed by the Congress."

McFarlane replied: "The President, in fact, would often provide his own views on that subject, generically. And there's no doubt in my mind that he had a far more liberal interpretation of that than I did."

(Robert Gettlin & Robert Lewis, Newhouse)

McFarlane Faces Fourth and Final Day Of Iran-Contra Grilling

Robert McFarlane, facing a fourth and final day of grilling on his role in the Iran-contra scandal, has testified he kept the President fully informed of efforts to aid Nicaragua's rebels.

Reagan, moreover, reversed previous denials and admitted Saudi Arabia's King Fahd had told him in a private meeting in 1985 of an increase in the kingdom's contra aid from \$1 million a month to \$2 million.

Under cross-examination by Rep. Edward Boland, a Massachusetts Democrat who authored the law barring U.S. aid to the contras, McFarlane admitted that efforts by the White House National Security Council were against the law. (Sue Baker, Reuter)

McFarlane Said To Solicit Contra Aid From Saudis

Robert McFarlane twice secretly solicited Saudi officials to contribute million of dollars to help the Nicaraguan rebels, the second time after Congress had terminated military aid to them, a diplomatic source familiar with the Saudi version of events claimed.

Although the account provided by the diplomatic source close to the Saudis flatly contradicts McFarlane's testimony and past Reagan Administration statements, that conflict may never be pursued before the Iran-contra committees in Congress or in U.S. courts. Administration officials said that Saudi Ambassador Bandar bin Sultan has written a letter dated May 1 to Secretary Shultz declining to answer any written questions on the issue from independent counsel Lawrence Walsh or the congressional panels.

(David Hoffman & Bob Woodward, Washington Post, A1)

McFarlane Discussed With White House Reagan's Diary Entry on Saudi Visit

Robert McFarlane says he discussed President Reagan's diaries with someone in the White House, but he didn't say who.

Testifying to the joint congressional Iran-contra committee, McFarlane said only that he talked to someone on the National Security Council staff.

The conversation took place several weeks ago, he said, well before the beginning of the Iran-contra hearings. McFarlane said it focused on what had transpired during Reagan's February 1985 meeting with Saudi King Fahd.

(Merrill Hartson, AP)

Reagan Says He Did Talk With Saudi King About Helping Contras

President Reagan said his personal diary confirms he talked with Saudi Arabia's King Fahd about Saudi help for the Nicaraguan contras at a time when Congress had banned U.S. military aid to the rebels.

However, Reagan said he did not solicit the Saudi's secret contributions.

"My diary shows that I never brought it up. It shows that the king, before he left, told me that he was doing that and that he was going to increase the aid," Reagan told reporters during a White House picture-taking session with President Vinicio Cerezo of Guatemala.

(Cliff Haas, AP)

The President/Allegations Of Soliciting Aid From Saudi Arabia

President Reagan admitted that King Fahd of Saudi Arabia told him in early 1985 of plans to double secret Saudi aid to the contras and said he "expressed pleasure" at the decision but never asked for the help.

Drawn deeper into the tangled contra aid matter by testimony on Capitol Hill, Reagan cited his won private diary jottings to bolster his denial of any actual involvement in raising money for the rebels while U.S. aid was prohibited.

(Norman Sandler, UPI)

McFarlane Snaps Back At Iran-Contra Panel; Lawmakers Startled

Robert McFarlane, after two days of wooden testimony, angrily denounced what he called America's inability to deal with terrorism.

Citing Israel as a model, McFarlane said acidly:

"It is more than a passing strange to me that we cannot aspire to a policy which is more effective to deal with terrorism.... Terrorists know that whenever they commit terrorism against Israel, something, somehow, somewhere is going to happen."

He said, "Our government must have the gumption" to fight some terrorists with violence, others with non-violent means.

(Lance Gay & Walter Friedenberg, Scripps Howard)

An Angry, Dramatic Shift Of Tone

For nearly 14 hours, during three wearying days on the Iran-contra witness stand, Robert McFarlane had been a tightly controlled, impassive, almost somnambulant witness. He was fulfilling perfectly the advice of his counsel to be "supplicatory" when appearing before congressional investigators.

When his emotional break cam, at 2:50 p.m., it was as unexpected as it was explosive. What had been a passive House hearing room became charged with tension and emotion.

(Haynes Johnson, Washington Post, A16)

EDITOR'S NOTES: "Excerpts From Robert McFarlane's Testimony," appears in The Washington Post, A16.

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INTERNATIONAL NEWS

TWO NEW STUDIES BACK PERMISSIVE ABM VIEW Sofaer Briefs Nunn, A Leading Critic

President Reagan, amid a pitched battle on the subject on Capitol Hill sent Congress two new legal studies that back up a permissive interpretation of the 1972 ABM Treaty.

The two studies were made public by their principal author, State Department legal adviser Abraham Sofaer, at a news conference several hours after he briefed the leading congressional skeptic, Senate Armed Services Committee Chairman Sam Nunn.

Nunn said he was pleased that some previously secret parts of the record of U.S.-Soviet negotiations leading to the ABM Treaty had been declassified in the newly released reports, but he continued to attack revision of the original U.S. interpretation of the treaty in the strongest terms.
(Don Oberdorfer, Washington Post, A28)

Administration Presses Ahead With Broad Reading Of ABM Treaty

The Administration has decided it can legally move ahead with advanced testing of "Star Wars" technologies, but promised to consult with Congress and allied nations before beginning testing.

State Department legal adviser Abraham Sofaer and senior arms control adviser Paul Nitze told a State Department news conference that the Soviets, despite steady urging from U.S. negotiators, had refused to include specific prohibitions against the testing and deployment of devices that might be invented in the future.

Nitze, one of the negotiators of the 1972 treaty, said the State Department's so-called broad interpretation is correct. Other members of the 1972 team, now out of government, have said the more restrictive interpretation is correct.
(Jim Anderson, UPI)

Reagan Tells Congress ABM Treaty Allows SDI Testing

President Reagan informed Congress that an Administration legal study has concluded the 1972 ABM Treaty does not ban testing of sophisticated components of the SDI anti-missile system.

Reagan's message opened the way for space testing of SDI, which is bitterly opposed by Moscow, but officials said no decision would be taken on testing before consulting Congress and America's allies.

(Richard Beeston, Washington Times, A1)

ABM Treaty Dispute Puts Reagan, Congress On Collision Course

President Reagan has reasserted his right to pursue sophisticated testing of the "Star Wars" defense system, increasing chances of confrontation with Congress and reinforcing a key obstacle in U.S.-Soviet arms control talks.

In a new study released by the White House yesterday, State Department legal adviser Abraham Sofaer reaffirmed the Administration's position that the so-called broad interpretation of the 1972 ABM Treaty is the correct one.

In two parts of the study made public "demonstrate that the broad interpretation of the treaty is fully justified by the treaty text and its negotiating history," Sofaer said. (Carol Giacomo, Reuter)

Administration Takes Big Step Toward 'Star Wars' Testing

President Reagan is putting the U.S. on a "slippery slope" by notifying Congress he has the legal right to order new tests of "Star Wars" weapons in space despite Soviet objections, a leading Democrat says.

"As the record shows," Abraham Sofaer said, "the Soviets adamantly opposed the regulation of unknown devices based on future technologies and ultimately agreed only to limit their deployment."

Sen. Sam Nunn, chairman of the Senate Armed Services Committee, said that although he had not seen Sofaer's latest opinion, "It would be absolutely unprecedented for the Congress to permit the President to unilaterally undertake a major restructuring of defense policy.... What we have here is a president asking for a blank check."

(Barry Schweid, AP)

GORBACHEV ASSAILS SDI, DEFENDS REFORM POLICIES

Leader Calls For End To 'Inferiority Complex'

MOSCOW -- Kremlin leader Gorbachev used a speech to senior Soviet military and defense officials to attack President Reagan's plans to build a space-based missile defense and call for an end to the Soviet Union's "inferiority complex" in technological research.

Calling the cost of Reagan's Strategic Defense Initiative a "plundering (of) taxpayers" and a "senseless idea from the viewpoint of defense," he said it is Moscow's duty to expose the "serious danger" of such a system. He indicated that the Warsaw Pact leaders will raise the issue at consultations to be held in East Berlin later this month, the official news agency Tass reported.

(Gary Lee, Washington Post, A27)

ANALYSTS SPLIT OVER MEANING OF ATTACKS ON GORBACHEV

MOSCOW -- Sharp ideological attacks against Mikhail Gorbachev have appeared in two Soviet publications, leaving analysts divided over whether the Kremlin leader is in political trouble or merely trying to mobilize public support for a crucial showdown with his opponents.

Meanwhile, it was disclosed that about 400 extremist Russophiles were permitted to demonstrate here a week ago against what they said was a conspiracy by Zionists and Masons to aggravate socioeconomic problems and destroy Russia's culture.

(Antero Pietila, Baltimore Sun, A1)

SDI PARLIAMENTARY SHOVING MATCH GOP 'Dilatory Tactics' Pitted Against Democratic 'Dictatorship'

The Senate forgot its normally courtly manners and staged a spectacular parliamentary brawl as Democrats unsuccessfully attempted to short-circuit a Republican filibuster aimed at blocking proposed restrictions on testing of SDI.

Tempers flared in the two-hour parliamentary tug-of-war as Majority Leader Robert Byrd accused the Republicans of "dilatory tactics" and Minority Leader Robert Dole accused the Democrats of "flouting the rules." At a particularly tense moment, as the Democrats pushed for a vote over strong objections from Dole, Sen. Gordon Humphrey shouted "Dictatorship!"

When the dust settled, the Democrats were back where they started, facing a GOP filibuster to block even the first step toward consideration of a \$303.3 billion defense authorization bill for next year. The Republicans oppose a provision requiring both houses of Congress to approve any accelerated timetable for SDI development.

(Helen Dewar, Washington Post, A10)

NATO MINISTERS FACE INTENSE DEBATE ON SOVIET MISSILE OFFER

STAVANGER, Norway -- NATO defense ministers begin a closed-door meeting faced with a divisive debate over Soviet offers to slash nuclear missile arsenals in Europe.

The ministers from 14 NATO states, meeting in this Norwegian coastal city under heavy guard, will discuss the impact on nuclear strategy of Soviet terms for a superpower treaty to scrap medium-range missiles in Europe.

(Nicholas Doughty, Reuter)

SOVIETS HARASS U.S. WORKERS, REPORT SAYS

The Soviet Union is harassing employees of the U.S. Embassy in Moscow to hurt morale and impede work there, according to a congressional report issued yesterday.

Tactics include building a fence between the employees' apartments and their offices so that they have to walk on a muddy street every day and allowing contaminated drinking water to be piped into the embassy, according to the report by Reps. Daniel Mica and Olympia Snowe.

(Knight-Ridder story, Washington Post, A4)

HOUSE DEFENSE AUTHORIZATION/MX MISSILE

The Pentagon's newest plan for deploying more MX missiles survived its first test on Capitol Hill with the House's refusal to kill plans to put the MX on railcars to be rolled out in a crisis.

The House voted 239-184 against a proposal to drop \$250 million in the \$289 billion 1988 defense authorization bill earmarked for work on the newest scheme.

(Eliot Brenner, UPI)

GUATEMALAN ASSURED OF U.S. FLEXIBILITY IN NICARAGUA

Reagan Expresses Readiness To Support
'Any Process' Toward Democratization

President Reagan assured Guatemalan President Vinicio Cerezo that the U.S. is ready to cooperate with the countries of Central America "in any process that brings democracy to Nicaragua."

Following a White House meeting, Reagan used the farewell ceremony for Cerezo to reiterate the position taken by his Administration in recent weeks that the U.S. is not wedded to military solutions for Central American problems and is flexible about the best way to bring pluralistic democracy to Nicaragua.

(John Goshko, Washington Post, A37)

Guatemalan Leader Meets With Reagan, Wins More Aid

Guatemalan President Vinicio Cerezo Arevalo, lauded by President Reagan as a symbol of a democratic tide in Central America, has won a pledge of more U.S. military aid to bolster his 16-month-old government.

Cerezo and Reagan covered issues ranging from Central American peace efforts to Guatemalan complaints about U.S. immigration law, sugar quotas and textile imports.

(Norman Sandler, UPI)

CONNECTICUT DEMOCRATS WANT JET SALES BLOCKED

A pair of Connecticut Democrats, Sen. Christopher Dodd and Rep. Sam Gejdenson, are moving to block the Reagan Administration's proposed sale of a dozen used Air Force F-5 jet fighters to Honduras.

The lawmakers introduced resolutions in the House and Senate to stop the sale, which the Administration formally told Congress about on Tuesday.

Dodd, chairman of the Foreign Relations subcommittee on Western Hemisphere Affairs, called the proposed \$75 million sale "an arrogant and ill-advised move to escalate the arms race in Central America."

(UPI)

HILL REPUBLICANS ADMONISH LINDERS

The parents of Benjamin Linder, the first American killed by the Nicaraguan resistance, are allowing their son's death to be used as a political tool to stop U.S. aid to the anti-Marxist rebels, House Republicans charged.

"I just cannot understand how you could allow the grief you must feel to politicize this," said Rep. Connie Mack. "I don't want to be tough on you but I feel you have asked for it."

"He chose to carry a gun," Mack said. "His death lay at his own hands."

(Rita McWilliams, Washington Times, A1)

GERMANY AGREES TO EXPAND ECONOMY IF NECESSARY
Government To Act If Growth Falls Below 2% Rate

PARIS -- The West German government agreed here that if its economy continues to slump it will take new steps by the end of June to stimulate growth.

(The commitment) was immediately hailed by Treasury Secretary James Baker. "The German government for the first time has made a public commitment to adjust its policies" if necessary to accelerate growth, Baker said. He also praised the Germans for moving to cut a key interest rate from 3.8 percent to 3.5 percent. (Hobart Rowen, Washington Post, E1)

JAPANESE TRADE SURPLUS WITH U.S.
GREW TO A RECORD \$5.15 BILLION IN APRIL

TOKYO -- Japan's trade surplus with the U.S. widened to a record in April, the Finance Ministry said, adding to concern here that protectionist pressure will build in Washington.

The surplus on trade with the U.S. expanded to \$5.15 billion in the month, up from \$4.74 billion a year earlier and the previous record of \$4.98 billion, which was set last October. "This isn't the kind of thing we want to advertise a great deal," a ministry official said of the new record. (Wall Street Journal, A24)

SUPERPOWERS' NEW ROLE SHIFTS
OUTLOOK FOR PERSIAN GULF WAR

TEHRAN -- The increasing Soviet and U.S. involvement in the protection of Persian Gulf shipping has begun to alter the nature of the nearly seven-year-old war between Iran and Iraq, according to Middle Eastern and Western analysts here.

Senior Iranian government and religious leaders repeatedly have denounced both the Soviet Union and the U.S. for raising their profile in the Gulf. The shrill denunciations confirm how worried Tehran has become over the developments that may well doom the hopes of Iran's mullahs of eventually inflicting a decisive military defeat on Iraq.

(Loren Jenkins, Washington Post, A27)

U.S., OTHER POWERS HOLD GULF WAR TALKS
5 Security Council Members Seek Troop Withdrawal, Cease-Fire

UNITED NATIONS -- The U.S., the Soviet Union, China, Britain and France have held a series of unannounced meetings over the last three months seeking to draft a joint peace proposal to end the Iran-Iraq war.

All five agree that Iran and Iraq should observe a cease-fire and withdraw to their borders, according to diplomats who have participated in the talks, being held in New York.

But the diplomats caution that agreement on a workable peace plan remains a distant prospect because significant differences have surfaced on how the five should respond if either side in the 6½-year-old Persian Gulf war rejects their proposal. (Michael Berlin, Washington Post, A33)

ISRAELI CABINET REFUSES TO BACK PEACE TALKS
Likud's Victory Leaves Coalition, Conference Plans Immobilized

JERUSALEM -- Israel's policy-making inner cabinet refused to endorse a proposal to convene an international conference on Middle East peace, a move that dealt the plan a serious setback and plunged this coalition government into a new crisis.

Foreign Minister Shimon Peres' Labor Alignment announced that it would remain in the government until it comes up with enough votes to bring down the coalition, a task Peres said might take a month or more. Until then, the government stands immobilized, with Peres and his more dovish Labor Alignment insisting it should dissolve and submit the international conference proposal to parliamentary elections, while Prime Minister Yitzhak Shamir and his rightist Likud bloc contend that the plan has been rejected and should be abandoned.

(Glenn Frankel, Washington Post, A1)

Israeli Leader Rejects Resignation Call As Foreign Minister Pushes Peace Plan

Israeli Foreign Minister Shimon Peres called for Prime Minister Yitzhak Shamir's resignation and a new national election. Shamir angrily rejected both demands.

Immediately after a 3½-hour cabinet meeting, Peres openly defied Shamir by announcing he would proceed with a visit to the U.S. to seek further support for his peace initiative from Secretary Shultz and congressional leaders.

(Yoram Kessel, Wall Street Journal, A25)

BLACK REAGAN AIDE ASSAILS BACKERS OF
SANCTIONS AGAINST SOUTH AFRICA

The top black official in the State Department lashed out at backers of sanctions against South Africa, saying the measures have led to job losses for blacks and white backlash and have made the U.S. irrelevant in the debate over South Africa's future.

Alan Keyes, assistant secretary of state for international organization affairs, said that the sanctions constitute "self-righteous folly" and that the U.S. is "well down the road to irrelevance" in South Africa.

(Jerelyn Eddings, Baltimore Sun, A2)

U.S. NOT EXPECTED TO LEASE RADAR AIRCRAFT TO PAKISTAN

The Reagan Administration is expected to reject Pakistan's request to lease radar aircraft to defend itself against cross-border raids from Afghanistan, officials said.

They said this would be conveyed to a senior Pakistani official during a Washington visit scheduled for next week.

(James Dorsey, Washington Times, A4)

CANADA PLANS BIG MILITARY BUILDUP IN ARCTIC
Perceiving Threat From U.S. To Its Sovereignty,
Ottawa May Buy Nuclear Submarines

TORONTO -- The Canadian government, seeking to assert its sovereignty over the vast Arctic archipelago, is embarking on an ambitious military buildup that is driven more by a dispute with its best friend, the U.S., than by any perceived threat from the Soviet Union.

The dispute involved Washington's assertion that the Northwest Passage, an arctic waterway through which American military vessels occasionally pass, is an international waterway and not part of Canada's internal waters.
(Herbert Denton, Washington Post, A35)

METZENBAUM AIDE IS PROBED ON REPORT
OF PAYMENTS FOR AIDING IMMIGRANTS

The Justice Department is investigating allegations that a longtime senior aide to Sen. Howard Metzenbaum may have received payments in exchange for helping Polish immigrants seek legal status in the U.S., Metzenbaum's administrative assistant said.

Metzenbaum requested the investigation by the Department's Public Integrity Section last November immediately after learning of the allegations, Peter Harris said.

The investigation centers on Ladd Anthony, 46, a special assistant in Metzenbaum's Cleveland office who has worked for the senator since 1974. The \$48,000-a-year aide is a native of Poland and serves as Metzenbaum's liaison with the Polish and Eastern European community in Cleveland, as well as handling immigration and other matters, Harris said.

(Howard Kurtz, Washington Post, A4)

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NATIONAL NEWS

WHITE HOUSE SAYS BUDGET GAP EXCEEDS TARGET

President Reagan's budget for fiscal 1988 won't satisfy the requirements of the Gramm-Rudman law, according to an internal analysis prepared by the White House budget office.

The analysts say that the projected federal deficit for fiscal 1988 has expanded in recent months by about \$27 billion because of changes in economic outlays. That means Reagan's proposed budget for the fiscal year starting Oct. 1 would produce a \$135 billion deficit instead of the \$108 billion deficit target set by Gramm-Rudman.

The analysis means that the White House may have to propose budget savings that go beyond the domestic spending cuts and revenue-raising measures it submitted to Congress in January.

(Paul Blustein, Wall Street Journal, A4)

HOUSE VOTES TEMPORARY DEBT-LIMIT EXTENSION

The House easily approved a temporary \$20 billion extension of the national debt limit that will allow the federal government to meet financial obligations through July 17. The measure faces a more serious hurdle in the Senate, where it is likely to become embroiled in a fight over budget reform.

By a vote of 296 to 124, the House agreed to raise temporarily the debt ceiling to \$2.32 trillion, an action that would avert a government financial crisis that Treasury officials said could lead to a U.S. default by May 28. The approval came after the House defeated, 259 to 162, a Reagan Administration request to raise the ceiling to almost \$2.6 trillion, a level that would have covered future borrowing costs until Sept. 30, 1988.

Despite efforts of Democratic and Republican leaders in the Senate to guarantee that the debt limit is passed unencumbered by amendments, the legislation is expected to be used for a renewed attempt to tighten the 1985 law mandating deficit reductions.

(Tom Kenworthy, Washington Post, A11)

ROSTENKOWSKI SCORES SENATE LINK OF DEFENSE BUDGET TO TAX INCREASE

The Senate's budget proposal to link an increase in 1988 defense spending to a \$18.5 billion tax increase "is unworkable and probably unconstitutional," House Ways and Means Committee Chairman Dan Rostenkowski says.

In a private letter to House Budget Chairman William Gray, the Illinois Democrat also wrote the Senate's recommendation of \$120 billion in tax increases through 1991 "may be impossible to achieve."

(Gene Grabowski, Washington Times, A3)

NETWORK NEWS SUMMARY

(Wednesday Evening, May 13, 1987)

IRAN-CONTRA HEARINGS

NBC's Tom Brokaw -- There were two new significant developments today in the Iran-contra affair and both involve President Reagan. One concerns the President's meeting with Saudi King Fahd. It turns out they did discuss Saudi contributions to the contras at a time when Congress prohibited American government assistance to that rebel army. And the other development came during testimony today from former National Security Advisor Robert McFarlane who said he kept the President informed of White House efforts to support the contras.

NBC's Chris Wallace: The President flatly denied yesterday that he ever asked Saudi Arabia or any other country to fund the contras. But today after disclosures in the Congressional hearings and the media, Mr. Reagan acknowledged he and King Fahd discussed Saudi contributions to the rebels.

(TV coverage: File footage of the President -- yesterday in the Cabinet Room; meeting with King Fahd last last.)

(The President: "My diary shows that I never brought it up and shows that the King, before he left, told me that he was doing that and that he was going to increase the aid.")

(TV coverage: The President sitting in a white chair by the fireplace in the Oval Office.)

With Congress having cut off all U.S. aid, the White House was delighted to see the Saudi funding increase from \$1 million-a-month to 2. But the President maintained the King did it on his own.

(The President: "No solicitation that I know of or anything of the kind.")

This is the latest in a series of disclosures that have tied the President to the secret financing of the contras. And the White House also had to deal with another embarrassment -- Robert McFarlane's testimony that a White House official told him last January what the President's diary said about the Fahd meeting.

(McFarlane: "I didn't know whether there might have been something else in his diary and I was informed that there was by a senior White House official.")

Today officials admitted this violated White House policy against sharing information with witnesses, but denied any effort to manipulate the hearings. The President's men believe the stream of allegations is hurting Mr. Reagan, but they are divided about how to respond. Some want the President to hold a news conference to show he has nothing to hide. But others worry he'll make a mistake.

(TV coverage: The President and Chief of Staff Baker walking from the White House living quarters to the West Wing; then still photos of the President.)

White House lawyers say the Boland amendment cutting off U.S. aid did not bar the President from soliciting other countries. But others say it's too late to make that argument now. The President was asked whether he thinks the hearings are hurting him.

Wallace continues:

(The President: "I think they're doing fine.")

(TV coverage: The President standing next to Secretary Shultz outside the West Wing.)

But behind the President's smile there is deep and growing concern here that Mr. Reagan is losing the battle for public opinion -- a feeling that while there is still no smoking gun, the President is being bloodied by evidence that he was more deeply involved than he's admitted.

NBC's John Dancy: McFarlane testified today that he had kept President Reagan closely informed about what was happening to the contras.

(Rep. Boland: "Did you ever give the President reports on what you and your staff were doing to carry out his wishes?"

McFarlane: "Frequently, yes."

Boland: "On how many occasions?"

McFarlane: "Dozens."

The former National Security Advisor also said the Boland amendment was a constant concern of his and he kept the President informed.

(McFarlane: "And I believe the President was conscious of everything that I did that was close to the line.")

McFarlane has already testified he misled Congress on vital points of the Iran investigation. Today he said he knew of Oliver North's plan to shred documents concerning the affair and did not try to stop it.

(Sen. Mitchell: "What do you feel the obligation of an America citizen is when he learns that a crime may be about to occur?"

McFarlane: "[He] should seek to prevent it."

Mitchell: "Did you do that in this case?"

McFarlane: "Not well enough.")

Pressed on that point later, McFarlane replied sarcastically --

(McFarlane: "I deserve responsibility and I ought to be prosecuted to the full extent of the law and sent away.")

McFarlane talked about a plan to bribe the kidnappers of two American hostages.

(Sen. Rudman: "To your knowledge was a finding ever signed for this activity?"

McFarlane: "No, sir.")

McFarlane showed a rare glimpse of anger as Senate Vice Chairman Warren Rudman questioned him about the plan to pay bribes.

(Sen. Rudman: "Tell me why."

McFarlane: "I will!")

McFarlane said that U.S. hostage policy was not nearly as effective as Israel's.

(McFarlane: "Now it may not always be arms, it may not be preemptive attack, it may be negotiation -- it may be bribing. But you can be God damn sure if any Israel is caught, he's going to have his government going after the people who did it.")

Like today, a whole new element was introduced. McFarlane has always said he thought Oliver North was operating on order from above. This afternoon, he said he thought those orders were coming from former CIA director William Casey who died last week.

(NBC-Lead)

ABC's Peter Jennings: For the third full day the President's former National Security Advisor Robert McFarlane has been defending his involvement in the Iran-contra affair during televised hearings on Capitol Hill -- that is a lot of pressure and while Mr. McFarlane usually has been very deliberate, some would even say tedious -- there were moments today when he and committee members were very sharp with each other.

NBC's Brit Hume: After two and half days in the chair, this most somber of witnesses exploded in the most emotional outburst of the hearings to date. He was pressed about the secret use of U.S. drug agents to ransom hostages.

(Rudman: "Where Congressional committees -- House or Senate Intelligence Committees ever notified of this activity?"

McFarlane: "No sir."

Rudman: "Should they have been?"

McFarlane: "No sir!"

Rudman: "Tell me why."

McFarlane: "I will. It is more than passingly strange to me that we cannot aspire to a policy which is more effective to deal with terrorism. Now it is undeniable that some countries are good at it. They are good because terrorists know that whenever they commit terrorism against Israeli -- something, somehow, somewhere is going to happen. Now it may not always be arms, it may not be preemptive attack, it be negotiation, it may be bribing. But you can be God damn sure if any Israeli is caught, he's going to have his government going after the people who did it.")

McFarlane went on to say the law did not require Congress be notified of the operation using the drug agents. But there was more...

(Sen., Mitchell: "Did you know last November when these events occurred what obstruction of justice is?"

McFarlane: "Yes sir."

Sen. Mitchell: "What do you feel the obligation of an American citizen is when he learns that a crime may be about to occur?"

McFarlane: "He should seek to prevent it."

Mitchell: "Did you do that in this case?"

McFarlane: "Not well enough.")

Mitchell pressed McFarlane on information he gave Congress last year on the actions of White House aides.

Mitchell: "Isn't it true that you deliberately misled the Congress regarding the nature and extent of the activity by members of your staff?"

McFarlane: "I just don't see it in exactly the same terms as you do, Senator Mitchell.")

Mitchell bored-in on the misleading Administration chronology

McFarlane had a role in preparing.

(McFarlane: "I'll be glad to answer questions all day -- but is it not so that there was been until this moment the impression in this committee that I was involved importantly, continuously for sustained periods, in the preparation of the chronology. When in fact, it's a matter of perhaps minutes, of hours at most."

Mitchell: "The evidence is clear and convincing, indeed it is overwhelming, that you did in fact deliberately participate in the falsification in a portion of chronology--")

-more-

Hume continues:

Later McFarlane apologized, sort of.

(McFarlane: "I am sorry for my outburst here early today but I got to tell you -- you run a real risk in that kind of thing. You know, people don't volunteer to come in and work for the government for these wonderful wages and occasionally get shot at and spend 30 years doing that so that they can be ridiculed by someone who hasn't got the patience to study the facts.")

Later, still, there was more about that shredding party and another angry response.

(Rep. Rodino: "You did not, as I recall, in any way advise Col. North that that was not the proper thing to do -- that that was illegal -- is that right?")

(McFarlane: "That's right and I deserve responsibility and I ought to be prosecuted to the full extent to the law and sent away.")

McFarlane also said there were indications that Oliver North, a key figure in this whole case may have been getting his orders from CIA Director Casey. McFarlane will get more questions on that tomorrow.

Jennings: Once again today Mr. McFarlane told Congressional investigator that he regularly informed the President about support for the Nicaraguan contras. Once again, the White House felt obliged to say that the President did nothing illegal.

(TV coverage: Still photo of the President over Jennings' left shoulder.)

ABC's Sam Donaldson: Shortly after President Reagan and Saudi Arabian King Fahd met at the White House in early 1985, Fahd doubled his aid to the contras from one to two million dollars a month.

(TV coverage: Film footage of the President from yesterday and with King Fahd.)

Was it at the President's request? Yesterday Mr. Reagan told reporters that he has never personally asked another country to give money to the contras. But after yesterday's testimony from Robert McFarlane that he had been told by a senior White House official that the President's diary reflects that he and Fahd discussed the subject, Mr. Reagan today acknowledged that was true.

(The President: "My diary shows that I never brought it up and shows that the King, before he left, told me that he was doing that and that he was going to increase the aid.... There was no solicitation that I know of of any kind.")

The President said no one solicited money from Fahd. But why then would he give it? White House officials insist the sale of Stinger missiles or other U.S. help to Saudi Arabia was in no way connected with Fahd's giving aid to the contras. But the idea that King Fahd might help the contras without suggestion or inducement is more than one Republican member of the Senate investigating committee thinks anyone will buy.

(Sen. Cohen: "Frankly we ought to admit exactly what it was. I think everyone understands that if you put two leaders together, they have discussions which lead almost immediately to contributions to the contras, that that constitutes a solicitation.")

White House officials argue that there was nothing illegal, nothing wrong in soliciting outside money for the contras.

Donaldson continues:

Although no one here will acknowledge that President was doing it. But no matter how it came about, there is no doubt that he liked it. Asked how he replied to King Fahd on receiving the good news, the President said, "I think I expressed pleasure that he was doing that."

Jennings: Well, it was clear long before these hearings that Congressional support was thin. Today in Miami various contra factions made an attempt to show that they were working for unity. Fifty-four Nicaraguan exiles from three different funds voted and approved a plan to work under one military umbrella. They will call themselves the Nicaraguan resistance army. (ABC-Lead)

CBS's Dan Rather: President Reagan admitted today he once talked with the King of Saudi Arabia about secret Saudi millions for the contras. President Reagan denies asking the King for money. He says he thanks the King for...it. On Capitol Hill Robert McFarlane's testimony today took an angry turn.

CBS's Phil Jones: Former National Security Advisor Robert McFarlane today gave testimony appearing to link the late CIA Director William Casey to Lt. Col. Oliver North's covert activities in the Iran-contra affair.

Sen. Cohen: "Did you come to believe that perhaps Mr. Casey was giving him instructions in how to conduct this particular operation in respect to either Nicaragua or Iran?"

McFarlane: "Senator Cohen, I -- I think so."

Sen. Cohen: "It's rather clear that Oliver North was acting the... of Director Casey during this time?"

McFarlane: "Yes, sir.")

This was clearly the toughest day McFarlane had faced and sometimes he was unable to control his frustration with the questioning. McFarlane exploded during intense questioning over the secret activities of drug enforcement agents in 1985 to help free the American hostages --activities that CBS News has learned are now being investigated by the independent counsel.

Sen. Rudman: "To your knowledge was a finding ever signed for this activity?"

McFarlane: "No sir."

Sen. Rudman: "Should they have been?"

McFarlane: "No sir!"

Sen. Rudman: "Tell me why."

McFarlane: "I will.")

Waving his fist at the committee member, McFarlane went on to compare U.S. terrorism policy to that of Israeli.

(McFarlane: "It may be negotiation, it may be bribing -- but you can be God damn sure that if any Israeli is caught, he's going to have his government going after the people who did it. But I believe that our government must have the gumption enough to be able to differentiate between those terrorist events which are susceptible to violence and those which are not.")

McFarlane was also asked what Lt. Col. Oliver North had meant when he talks about a shredding party.

Jones continues:

(McFarlane: "Well, I think the obvious point -- that there was going to be the destruction of some documents.")

Sen. Mitchell: "And you didn't try to persuade Col. North not to have a shredding party?"

McFarlane: "The response that I gave Col. North was simply, 'Ollie, look, you have acted under instruction at all times and I am confident that you have nothing to worry about -- let it all happen and I'll back you up.'"

Sen. Mitchell: "But you didn't try to persuade him not to destroy documents, did you?"

McFarlane: "No, sir, I didn't.")

But the questioning didn't end there and McFarlane became even more exasperated.

(McFarlane: "That's right and I deserve responsibility and I ought to be prosecuted to the full extent of the law and sent away.")

McFarlane also appeared today to confirm reports that he had been prepared to kill himself if he were taken hostage during his trip to Tehran in 1986 to negotiate with the Iranians.

(McFarlane: "Well, that is a little bit of a false [interpretation], I think. I am confident that I had the means at hand to foreclose my being exploited for intelligence.")

McFarlane clearly showed the strains from three days of hard questioning. Recesses were taken in the hearing at McFarlane's request. Yesterday the committee staff indicated these breaks were so that McFarlane could take medication. Today the committee, under heavy pressure from McFarlane's lawyer, issued a clarification denying that McFarlane was taking medication during the recesses.

CBS's Bill Plante: For two days the White House has denied that President Reagan was involved in soliciting money for the contras. But today Mr. Reagan conceded notes he made in his diary after a 1985 meeting with King Fahd of Saudi Arabia show that they did discuss contra aid.

(TV coverage: File footage of the President with King Fahd and in the White House.)

(The President: "My diary shows that I never brought it up and shows that the King, before he left, told me that he was doing that and that he was going to increase the aid.")

(TV coverage: The President sitting in the white chair by the fireplace in the Oval Office.)

The President still insists that he didn't ask for the money which Fahd increased to \$2 million-a-month. But he admits that he welcomed the King's news.

(The President: "I expressed pleasure that he was doing that.")

White House lawyers believe that even if the U.S. did seek money for other countries for arms, that wouldn't violate congressional restrictions. And to some, the question of whether Mr. Reagan actually asked for the money or not, is a distinction without a difference.

(Sen. Cohen: "Frankly we ought to admit exactly what it was. I think everyone understands that if you put two leaders together, they have discussions which lead almost immediately to contributions to the contras -- that constitutes solicitation.")

Plante continues:

Never mind say White House officials. The real problem is with public opinion. They and other conservatives worry that the President's credibility is taking a beating.

(Kevin Phillips, political analyst: "I think his problem is that he's confirming doubts that people have and this will slowly but surely push more people into disapproving...")

What's more it's still early in the hearings and the big fear here is that the key players -- North and Poindexter -- could make the President's credibility problem even worse. But they won't testify for weeks and one official described the wait as "Chinese water torture."
(CBS-Lead)

MOCK INVASION OF HONDURAS

Jennings: In what was described as the biggest show of U.S. military ever seen in Central America, about 4,000 American troops have staged a mock invasion on the northern coast of Honduras. They came by sea and by air -- 50,000 American troops involved with the Honduran military. The whole exercise is seen by many as political a message to Nicaragua.
(ABC-2, CBS-2)

HEARING ON BENJAMIN LINDER'S DEATH

Brokaw: There was other more dramatic testimony involving the contras today on Capitol Hill -- it came from the parents of Benjamin Linder, a young American working for the Sandinistas. He was killed last month in a contra attack. Linder's father, a doctor, charged that his son was executed by the contra.

(David Linder, Benjamin's father: "[He] was killed by a gunshot wound to his head fired a point blank after he was immobilized. They blew his brains out.")

Then Rep. Connie Mack had this exchange with Linder's mother --

(Rep. Mack: "I don't want to be tough on you, but I really feel that you've asked for it. And to come here and--

Mrs. Linder: "That was about the most cruel thing you could have said.")

Assistant Secretary of State Elliott Abrams told the hearing that there was no American investigation of Linder's death because the area was considered too dangerous for U.S. officials to go into.

(NBC-2, CBS-3)

STAR WARS

Rather: President Reagan today began another round of arm wrestling over arms control policy. He again told U.S. Congress that stepped up testing of his Star Wars missile defense technology would not violate terms of the 1972 ABM treaty with the Soviet Union. The Soviets say that treaty does impose sharp limits on Star Wars' testing and so do members of the U.S. Congress.
(CBS-5)

SECURITY CLEARANCES

Rather: The Defense Department has set a new bunch of rules covering millions of employees with security clearances. These are rules about their sexual conduct.

CBS's David Martin reports on the Pentagon's new security regulations which gay activists claim are an attempt to blacklist homosexual. (CBS-6, ABC-9)

DRUG SWEEP

Jennings: The Attorney General Edwin Meese said that more than 200 alleged drug traffickers have been arrested in a nationwide sweep. Among those brought in were five people who have been at large for more than a decade. The Attorney General said the sweep lasted for nine months. (ABC-7, CBS-7)

SOVIET SUBMARINES

Jennings: The Secretary of Defense Weinberger is in the middle of a very unsettling matter involving two of this country's normally strong allies -- Norway and Japan. The trouble is that manufacturers in each of those countries have been of considerable military help to the Soviet Union.

ABC's Bob Zelnick: ...Secretary Weinberger tried to determine what to do about the Kongsberg Company, one of Norway's largest defense contractors and the Toshiba Company of Japanese. Four years ago they arranged for the illegal transfer to the Soviet Union of high tech machine tools used to make submarines propellers work more quietly, thus avoiding detection....

(Secretary Weinberger: This is a severe loss that requires (remedial) immediate action and without that...action would give the Soviet an advantage that they could otherwise never obtain for themselves.") To penalize the two companies the Pentagon first threatened to block their exports to the U.S.... (ABC-12)

JAPANESE TRADE

Jennings: The evidence that the Japanese trade surplus with the U.S. has not been effected by any sanction. Last month the difference between what the U.S. sells to Japan and what they sent here was \$5.1 billion -- and that's a record. (ABC-13)

AIR SAFETY

Brokaw: Federal Air Safety officials warn that American skies are so dangerously crowded that something must be done at once. They propose putting a cap on the number of airplanes allowed in the air. NBC's Robert Hager reports tonight that what concerns them is the risk of a catastrophic midair crash.... (NBC-4, CBS-8)

ISRAELI PEACE CONFERENCE

Brokaw: In the middle east Israeli Foreign Minister Shimon Peres appeared today to have lost his bid to win his government's support for a U.S.-backed peace conference on the Middle East. As NBC's Martin Fletcher reports tonight, Peres' initiative was a mixture of Israeli politics, Middle East diplomacy and a strong desire for peace among the Israeli people.... (NBC-6, ABC-3, CBS-12)

-End of B-Section-

EDITORIALS/COLUMNISTS

IRAN-CONTRA

Secord As Patriot And Privateer -- "What emerges from Secord's testimony is a portrait of a man who knows the special operations ropes but who wears mental (moral?) blinders whenever money is involved; a patriot and a privateer."
(Marilyn M. Larew, Baltimore Evening Sun, 5/12)

McFarlane Sheds Some Light -- "One of the costs of a secret policy, McFarlane noted, is that it cannot be honestly explained to Congress and the public, and so there is no way to rally support. He seemed blind to another point. Secrecy, carried to the point of passing notes to the President so that even high officials would not know of the Saudi role, meant that there was no possibility of the checks and balances of open debate, even within the Administration. That degree of secrecy eliminated any chance to rethink or reassess the assumptions that drove the policy disastrously awry."
(Boston Globe, 5/12)

Character, Scandal On Display -- "As they [the Congressional hearings] proceed day by day, week by week into the summer, it's difficult to predict results. If the Watergate hearings are a precedent, reputations will be made; certain individuals will become household words. The legacy of the Reagan Administration may be set. And the American people, preparing to elect a new Administration, will ponder just what it is they expect from those they choose to govern."
(San Diego Tribune, 5/11)

Search For Hard Truths By A Worthy Forum -- "What to do? Get at the truth -- and that, presumably, is what these hearings purport to do. The committee, however, suffers certain political handicaps. The first is that the Reagan Administration has been cooperative rather than adversarial.... These hearings combine education, curiosity, entertainment and politics. The foreign policy apparatus of the Reagan Administration will be thoroughly examined and questioned by Congress. But the American people will have a rare and revealing glimpse of a legislative inquiry in action. No wonder Senator Inouye looks so serious."
(Providence Journal, 5/8)

Lamentable Misconduct -- "Regardless of whether the President knew about the tangled schemes to subvert the law, Mr. Secord and other participants firmly believed they had his enthusiastic, albeit tacit, backing. Why did Mr. Reagan never attempt to underscore from the top that upholding the Boland amendment was the Administration's duty in a nation of laws? It is far too early to predict where the congressional probe will lead. All that is certain is that, as the television trial proceeds, Americans will witness a replay of the most lamentable aspects of Mr. Reagan's tenure in the White House."
(San Diego Union, 5/9)

Press vs. Reagan -- "The public sense no Wastergate, although the media have endlessly repeated words like Irangate and Contragate. Maybe, ultimately, something will develop that will show Ronald Reagan lied about something, or he tried to mislead the nation.... Until the evidence is forthcoming, however, the press continues to plod along an extremely tortuous path.... In brief, if everyone is fair game for the press, then perhaps the American people need to know more about the hunters."
(York, PA., Dispatch, 5/9)

ARMS CONTROL

Chemical Arms Control -- "Superpower diplomacy has become unpredictable.... A verifiable agreement not only would carry significant moral weight, but also would make it harder for developing countries to obtain the rockets and artillery systems that add to chemical weapons' deadliness." (Los Angeles Herald, 5/4)

Of Euromissiles and Eurojitters -- "European complaining...is about whether the U.S. is turning inward, toward a new isolationism. It is about whether U.S. leaders, including the President, have a basic grasp of U.S. strategic issues and interests. It is about whether the Administration is prepared to deal seriously with the overarching U.S.-Soviet strategic relationship -- waking up from its SDI pipe dream -- rather than looking for a dubious trick over Euromissiles. These concerns are not trivial, but go to the heart of the matter. Until the U.S. government is prepared to face up to them, sneering at West European faintheartedness is, in Napoleon's words, 'worse than wrong, it is stupid.'" (Robert E. Hunter, Christian Science Monitor, 5/13)

The Consequences Of Missile Cuts In Europe -- "One consequence of nuclear reductions in Europe would be the higher cost of greater reliance on conventional defenses. But that would be a price worth paying.... Removing hundreds of land-based missiles would remove the possibility of their being used by accident or design. That, too, would be a welcome consequence." (Minneapolis Star and Tribune, 5/4)

Saving On Defense -- "Wouldn't it be better to have a defensive shield that could discourage the Soviets from shooting nuclear missiles at us than for us to spend \$350 billion to \$700 billion for offensive missiles to keep them from shooting? SDI may be the key to both a safer America and a more economical American defense. What a blessing that would be." (Chattanooga News-Free Press, 5/9)

ATTORNEY GENERAL MEESE

Investigating The Attorney General -- "There is every reason to assume that Mr. McKay's inquiry will be thorough and vigorous. Until he makes a determination whether Mr. Meese violated any criminal law, Mr. Meese deserves the benefit of the presumption of innocence, a presumption that in public statements he sometimes has been unwilling to accord to others in similar situations." (Chicago Tribune, 5/13)

Wedtech Is 1987's Teapot Dome -- "'People like John Mariotta,' declared Ronald Reagan in his 1984 campaign, pointing to Wedtech, 'are heroes for the 80s.' Some hero. Favoritism tends to corrupt; racial favoritism in procurement corrupts both government and corporation." (William Safire, Gainesville Sun, 5/4)

Merge The Probes Of Meese and Wedtech -- "When the highest law enforcement official in the land is in such a situation, it should be resolved as soon as possible. The right way in this case is to assign the task to the special prosecutor rather than have the Justice Department go on trying to investigate its own chief." (Newsday, 5/8)

FOREIGN MEDIA REACTION

IRAN-CONTRA

"The present hearings remind us that Americans have a different and more democratic tradition. They face a genuine and intractable dilemma between the Constitution's insistence that control of foreign policy must be shared between the President and the Congress, and the urgent exigencies of power.... The revelations which will emerge from the Irangate hearings will certainly suggest how badly out of control the Reagan White House had become." (Independent, Britain)

"The first three days of the hearings failed to provide and answer to the main question: was Reagan informed and if he was, when was he informed? ...It is now clear that if the Iran-Nicaragua network was possible, it's because the White House leader was encouraging his advisers to help the contras. Did he directly order them to violate the law? He says he didn't." (Bertrand Vannier, France-Inter Radio, France)

"From McFarlane's testimony, one had the feeling that the U.S. President was well aware of what his advisers were doing, that he was anxious to see them act in favor of the Nicaraguan rebels and that he even sometimes took things in hand personally." (Le Monde, France)

"McFarlane made it clear that his superior, President Reagan, often gave the orders to both parts of the Iran-contra affair or at least knew about them most of the time." (Stuttgarter Zeitung, West Germany)

"The Congressional hearings will go on for months and the President and his staff members are now in the position of the patient in the dentist's chair. Somebody is constantly poking on the sensitive nerve.... The men in the White House now have to pay for having deceived Congress. The final phase of Reagan's Presidency is overshadowed even if he is trying his best to leave the scandal behind by demonstrating remarkable energy when it comes to looking for a success in other areas." (Koelner Stadt-Anzeiger, West Germany)

"McFarlane's testimony yesterday made less and less credible the official version of a Reagan who was unaware of everything until the last minute, but who later decided to call for an inquiry at the first sign of irregularities.... Secret diplomacy turned into absurd theater when it was revealed...that Colonel North, last September, went as far as organizing a 'guide tour' of the White House for three of Khomeini's envoys." (Corriere della Sera, Italy)

"The most charitable interpretation to emerge from the evidence (in the hearings) thus far is that Reagan simply did not know, and did not bother to find out, what was happening in his Administration. A much less charitable interpretation is that Reagan was involved in the details, but has attempted to conceal that involvement from the public." (Courier-Mail, Australia)

"(It is) amazing to think that President Reagan could have been so heavily involved in such activity. Yet involved he was -- and evidence cited as the hearings now contradict most of his earlier statements to the Tower Commission." (Gulf Daily News, Bahrain)

-End of News Summary-



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MAY 14, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

IRAN-NICARAGUA

McFarlane/North's Actions -- In his most explicit and emotional testimony on the Iran-contra affair, Robert McFarlane said that he believed Lt. Col. Oliver North's efforts to raise private funds for the Nicaraguan contras were illegal.
(Wall Street Journal, Washington Post, AP, Newhouse, Reuter, UPI)

INTERNATIONAL NEWS

Reagan Tells Congress ABM Treaty Allows SDI Testing -- President Reagan informed Congress that an Administration legal study has concluded the 1972 ABM Treaty does not ban testing of sophisticated components of the SDI anti-missile system.
(Washington Post, Washington Times, AP, Reuter, UPI)

Guatemalan Leader Meets With Reagan, Wins More Aid -- Guatemalan President Vinicio Cerezo Arevalo, lauded by President Reagan as a symbol of a democratic tide in Central America, has won a pledge of more U.S. military aid to bolster his 16-month-old government.

(Washington Post, UPI)

NETWORK NEWS (Wednesday Evening)

IRAN-CONTRA -- Robert McFarlane testified that he kept the President informed of White House efforts to support the contras.

HONDURAS EXERCISE -- 4,000 American troops staged a mock invasion of Honduras.

SDI -- President Reagan told Congress that the 1972 ABM Treaty permits wider testing of SDI.



'Makeup... lights... reporters... suspense; we're ready to shoot. Hold it! Somebody wake up the public'

IRAN — NICARAGUA

McFARLANE SAYS CASEY OFTEN INSTRUCTED NORTH Some See Dead CIA Chief As Mastermind

Former National Security Adviser Robert McFarlane said that Lt. Col. Oliver North, his White House aide who was most deeply involved in the secret Iran-contra operations, regularly received instructions from the late William Casey, then CIA director.

For the second day, members of the Senate and House committees investigating the Iran-contra scandal dwelt on the role of Casey, who died last week. Some investigators believe that Casey, a Cabinet member and close friend of President Reagan, was the mastermind of both the sale of U.S. arms to Iran and the clandestine Administration support for the contras fighting the government of Nicaragua.

(Walter Pincus & Dan Morgan, Washington Post, A1)

North Was Taking Orders From Casey, McFarlane Says

Oliver North was taking orders from CIA Director William Casey when he engineered the deals that sent weapons to Iran and aid to Nicaragua's contra rebels, North's former White House boss says.

Robert McFarlane...said he believed North was taking instructions from Casey and kept the deals alive despite misgivings by others in the Administration.

"It is rather clear that Oliver North was acting under the aegis of Director Casey at this time?" asked Sen. William Cohen.

"Yes, sir," McFarlane responded. (Jim Drinkard, AP)

Iran-Contra Panel To Question McFarlane On Casey's Involvement

A testy, flustered Robert McFarlane returns for a fourth day of questioning before the Iran-contra committees after admitting the late CIA Director William Casey played a greater role in the scandal than previously disclosed.

The former national security adviser...says he now realizes from evidence gathered by the House and Senate committees probing the scandal that Casey was controlling the Iran-contra activities of his then-National Security Council aide, Lt. Col. Oliver North.

Sen. William Cohen said the panel now will seek to get more information from McFarlane on Casey's involvement. He noted that lawmakers have had to prod McFarlane for any details fleshing out his bland answers. (Lance Gay & Walter Friedenbergh, Scripps Howard)

President Briefed Regularly On Contras, Had 'Liberal' View Of Ban, Ex-Aide Says

Robert McFarlane said President Reagan was briefed regularly on contra activities and adhered to a "far more liberal interpretation" than McFarlane of what was allowed under a law restricting U.S. aid to the Nicaraguan insurgents.

McFarlane testified that he "frequently" discussed the guerrillas' situation with Reagan after Congress voted to cut off U.S. military assistance in 1984. While insiting the President never asked him to do anything illegal, McFarlane said he subscribed to a stricter view of the law than Reagan regarding what the Administration could do to assist the contras. (David Rogers & John Walcott, Wall Street Journal, A4)

McFarlane/North's Actions

In his most explicit and emotional testimony on the Iran-contra affair, Robert McFarlane said that he believed Lt. Col. Oliver North's efforts to raise private funds for the Nicaraguan contras were illegal.

But McFarlane said...that he never pressed his concerns with President Reagan because the President "had a far more liberal interpretation" of what constituted legal activities.

McFarlane has testified that he interpreted the (Boland) amendment as forbidding the National Security Council from actively aiding the contras. The White House, however, took the opposite view, saying that the amendment did not apply to the security council.

Sen. Warren Rudman asked McFarlane if he told the President "that people who worked for (the President) might be doing things that were proscribed by the Congress."

McFarlane replied: "The President, in fact, would often provide his own views on that subject, generically. And there's no doubt in my mind that he had a far more liberal interpretation of that than I did."

(Robert Gettlin & Robert Lewis, Newhouse)

McFarlane Faces Fourth and Final Day Of Iran-Contra Grilling

Robert McFarlane, facing a fourth and final day of grilling on his role in the Iran-contra scandal, has testified he kept the President fully informed of efforts to aid Nicaragua's rebels.

Reagan, moreover, reversed previous denials and admitted Saudi Arabia's King Fahd had told him in a private meeting in 1985 of an increase in the kingdom's contra aid from \$1 million a month to \$2 million.

Under cross-examination by Rep. Edward Boland, a Massachusetts Democrat who authored the law barring U.S. aid to the contras, McFarlane admitted that efforts by the White House National Security Council were against the law. (Sue Baker, Reuter)

McFarlane Said To Solicit Contra Aid From Saudis

Robert McFarlane twice secretly solicited Saudi officials to contribute million of dollars to help the Nicaraguan rebels, the second time after Congress had terminated military aid to them, a diplomatic source familiar with the Saudi version of events claimed.

Although the account provided by the diplomatic source close to the Saudis flatly contradicts McFarlane's testimony and past Reagan Administration statements, that conflict may never be pursued before the Iran-contra committees in Congress or in U.S. courts. Administration officials said that Saudi Ambassador Bandar bin Sultan has written a letter dated May 1 to Secretary Shultz declining to answer any written questions on the issue from independent counsel Lawrence Walsh or the congressional panels.

(David Hoffman & Bob Woodward, Washington Post, A1)

McFarlane Discussed With White House Reagan's Diary Entry on Saudi Visit

Robert McFarlane says he discussed President Reagan's diaries with someone in the White House, but he didn't say who.

Testifying to the joint congressional Iran-contra committee, McFarlane said only that he talked to someone on the National Security Council staff.

The conversation took place several weeks ago, he said, well before the beginning of the Iran-contra hearings. McFarlane said it focused on what had transpired during Reagan's February 1985 meeting with Saudi King Fahd.

(Merrill Hartson, AP)

Reagan Says He Did Talk With Saudi King About Helping Contras

President Reagan said his personal diary confirms he talked with Saudi Arabia's King Fahd about Saudi help for the Nicaraguan contras at a time when Congress had banned U.S. military aid to the rebels.

However, Reagan said he did not solicit the Saudi's secret contributions.

"My diary shows that I never brought it up. It shows that the king, before he left, told me that he was doing that and that he was going to increase the aid," Reagan told reporters during a White House picture-taking session with President Vinicio Cerezo of Guatemala.

(Cliff Haas, AP)

The President/Allegations Of Soliciting Aid From Saudi Arabia

President Reagan admitted that King Fahd of Saudi Arabia told him in early 1985 of plans to double secret Saudi aid to the contras and said he "expressed pleasure" at the decision but never asked for the help.

Drawn deeper into the tangled contra aid matter by testimony on Capitol Hill, Reagan cited his won private diary jottings to bolster his denial of any actual involvement in raising money for the rebels while U.S. aid was prohibited.

(Norman Sandler, UPI)

McFarlane Snaps Back At Iran-Contra Panel; Lawmakers Startled

Robert McFarlane, after two days of wooden testimony, angrily denounced what he called America's inability to deal with terrorism.

Citing Israel as a model, McFarlane said acidly:

"It is more than a passing strange to me that we cannot aspire to a policy which is more effective to deal with terrorism.... Terrorists know that whenever they commit terrorism against Israel, something, somehow, somewhere is going to happen."

He said, "Our government must have the gumption" to fight some terrorists with violence, others with non-violent means.

(Lance Gay & Walter Friedenber, Scripps Howard)

An Angry, Dramatic Shift Of Tone

For nearly 14 hours, during three wearying days on the Iran-contra witness stand, Robert McFarlane had been a tightly controlled, impassive, almost somnambulant witness. He was fulfilling perfectly the advice of his counsel to be "supplicatory" when appearing before congressional investigators.

When his emotional break cam, at 2:50 p.m., it was as unexpected as it was explosive. What had been a passive House hearing room became charged with tension and emotion.

(Haynes Johnson, Washington Post, A16)

EDITOR'S NOTES: "Excerpts From Robert McFarlane's Testimony," appears in The Washington Post, A16.

INTERNATIONAL NEWS

TWO NEW STUDIES BACK PERMISSIVE ABM VIEW Sofaer Briefs Nunn, A Leading Critic

President Reagan, amid a pitched battle on the subject on Capitol Hill sent Congress two new legal studies that back up a permissive interpretation of the 1972 ABM Treaty.

The two studies were made public by their principal author, State Department legal adviser Abraham Sofaer, at a news conference several hours after he briefed the leading congressional skeptic, Senate Armed Services Committee Chairman Sam Nunn.

Nunn said he was pleased that some previously secret parts of the record of U.S.-Soviet negotiations leading to the ABM Treaty had been declassified in the newly released reports, but he continued to attack revision of the original U.S. interpretation of the treaty in the strongest terms.
(Don Oberdorfer, Washington Post, A28)

Administration Presses Ahead With Broad Reading Of ABM Treaty

The Administration has decided it can legally move ahead with advanced testing of "Star Wars" technologies, but promised to consult with Congress and allied nations before beginning testing.

State Department legal adviser Abraham Sofaer and senior arms control adviser Paul Nitze told a State Department news conference that the Soviets, despite steady urging from U.S. negotiators, had refused to include specific prohibitions against the testing and deployment of devices that might be invented in the future.

Nitze, one of the negotiators of the 1972 treaty, said the State Department's so-called broad interpretation is correct. Other members of the 1972 team, now out of government, have said the more restrictive interpretation is correct.
(Jim Anderson, UPI)

Reagan Tells Congress ABM Treaty Allows SDI Testing

President Reagan informed Congress that an Administration legal study has concluded the 1972 ABM Treaty does not ban testing of sophisticated components of the SDI anti-missile system.

Reagan's message opened the way for space testing of SDI, which is bitterly opposed by Moscow, but officials said no decision would be taken on testing before consulting Congress and America's allies.

(Richard Beeston, Washington Times, A1)

ABM Treaty Dispute Puts Reagan, Congress On Collision Course

President Reagan has reasserted his right to pursue sophisticated testing of the "Star Wars" defense system, increasing chances of confrontation with Congress and reinforcing a key obstacle in U.S.-Soviet arms control talks.

In a new study released by the White House yesterday, State Department legal adviser Abraham Sofaer reaffirmed the Administration's position that the so-called broad interpretation of the 1972 ABM Treaty is the correct one.

In two parts of the study made public "demonstrate that the broad interpretation of the treaty is fully justified by the treaty text and its negotiating history," Sofaer said. (Carol Giacomo, Reuter)

Administration Takes Big Step Toward 'Star Wars' Testing

President Reagan is putting the U.S. on a "slippery slope" by notifying Congress he has the legal right to order new tests of "Star Wars" weapons in space despite Soviet objections, a leading Democrat says.

"As the record shows," Abraham Sofaer said, "the Soviets adamantly opposed the regulation of unknown devices based on future technologies and ultimately agreed only to limit their deployment."

Sen. Sam Nunn, chairman of the Senate Armed Services Committee, said that although he had not seen Sofaer's latest opinion, "It would be absolutely unprecedented for the Congress to permit the President to unilaterally undertake a major restructuring of defense policy.... What we have here is a president asking for a blank check."

(Barry Schweid, AP)

GORBACHEV ASSAILS SDI, DEFENDS REFORM POLICIES Leader Calls For End To 'Inferiority Complex'

MOSCOW -- Kremlin leader Gorbachev used a speech to senior Soviet military and defense officials to attack President Reagan's plans to build a space-based missile defense and call for an end to the Soviet Union's "inferiority complex" in technological research.

Calling the cost of Reagan's Strategic Defense Initiative a "plundering (of) taxpayers" and a "senseless idea from the viewpoint of defense," he said it is Moscow's duty to expose the "serious danger" of such a system. He indicated that the Warsaw Pact leaders will raise the issue at consultations to be held in East Berlin later this month, the official news agency Tass reported.

(Gary Lee, Washington Post, A27)

ANALYSTS SPLIT OVER MEANING OF ATTACKS ON GORBACHEV

MOSCOW -- Sharp ideological attacks against Mikhail Gorbachev have appeared in two Soviet publications, leaving analysts divided over whether the Kremlin leader is in political trouble or merely trying to mobilize public support for a crucial showdown with his opponents.

Meanwhile, it was disclosed that about 400 extremist Russophiles were permitted to demonstrate here a week ago against what they said was a conspiracy by Zionists and Masons to aggravate socioeconomic problems and destroy Russia's culture.

(Antero Pietila, Baltimore Sun, A1)

SDI PARLIAMENTARY SHOVING MATCH GOP 'Dilatory Tactics' Pitted Against Democratic 'Dictatorship'

The Senate forgot its normally courtly manners and staged a spectacular parliamentary brawl as Democrats unsuccessfully attempted to short-circuit a Republican filibuster aimed at blocking proposed restrictions on testing of SDI.

Tempers flared in the two-hour parliamentary tug-of-war as Majority Leader Robert Byrd accused the Republicans of "dilatory tactics" and Minority Leader Robert Dole accused the Democrats of "flouting the rules." At a particularly tense moment, as the Democrats pushed for a vote over strong objections from Dole, Sen. Gordon Humphrey shouted "Dictatorship!"

When the dust settled, the Democrats were back where they started, facing a GOP filibuster to block even the first step toward consideration of a \$303.3 billion defense authorization bill for next year. The Republicans oppose a provision requiring both houses of Congress to approve any accelerated timetable for SDI development.

(Helen Dewar, Washington Post, A10)

NATO MINISTERS FACE INTENSE DEBATE ON SOVIET MISSILE OFFER

STAVANGER, Norway -- NATO defense ministers begin a closed-door meeting faced with a divisive debate over Soviet offers to slash nuclear missile arsenals in Europe.

The ministers from 14 NATO states, meeting in this Norwegian coastal city under heavy guard, will discuss the impact on nuclear strategy of Soviet terms for a superpower treaty to scrap medium-range missiles in Europe.

(Nicholas Doughty, Reuter)

SOVIETS HARASS U.S. WORKERS, REPORT SAYS

The Soviet Union is harassing employees of the U.S. Embassy in Moscow to hurt morale and impede work there, according to a congressional report issued yesterday.

Tactics include building a fence between the employees' apartments and their offices so that they have to walk on a muddy street every day and allowing contaminated drinking water to be piped into the embassy, according to the report by Reps. Daniel Mica and Olympia Snowe.

(Knight-Ridder story, Washington Post, A4)

HOUSE DEFENSE AUTHORIZATION/MX MISSILE

The Pentagon's newest plan for deploying more MX missiles survived its first test on Capitol Hill with the House's refusal to kill plans to put the MX on railcars to be rolled out in a crisis.

The House voted 239-184 against a proposal to drop \$250 million in the \$289 billion 1988 defense authorization bill earmarked for work on the newest scheme.

(Eliot Brenner, UPI)

GUATEMALAN ASSURED OF U.S. FLEXIBILITY IN NICARAGUA
Reagan Expresses Readiness To Support
'Any Process' Toward Democratization

President Reagan assured Guatemalan President Vinicio Cerezo that the U.S. is ready to cooperate with the countries of Central America "in any process that brings democracy to Nicaragua."

Following a White House meeting, Reagan used the farewell ceremony for Cerezo to reiterate the position taken by his Administration in recent weeks that the U.S. is not wedded to military solutions for Central American problems and is flexible about the best way to bring pluralistic democracy to Nicaragua. (John Goshko, Washington Post, A37)

Guatemalan Leader Meets With Reagan, Wins More Aid

Guatemalan President Vinicio Cerezo Arevalo, lauded by President Reagan as a symbol of a democratic tide in Central America, has won a pledge of more U.S. military aid to bolster his 16-month-old government.

Cerezo and Reagan covered issues ranging from Central American peace efforts to Guatemalan complaints about U.S. immigration law, sugar quotas and textile imports. (Norman Sandler, UPI)

CONNECTICUT DEMOCRATS WANT JET SALES BLOCKED

A pair of Connecticut Democrats, Sen. Christopher Dodd and Rep. Sam Gejdenson, are moving to block the Reagan Administration's proposed sale of a dozen used Air Force F-5 jet fighters to Honduras.

The lawmakers introduced resolutions in the House and Senate to stop the sale, which the Administration formally told Congress about on Tuesday.

Dodd, chairman of the Foreign Relations subcommittee on Western Hemisphere Affairs, called the proposed \$75 million sale "an arrogant and ill-advised move to escalate the arms race in Central America." (UPI)

HILL REPUBLICANS ADMONISH LINDERS

The parents of Benjamin Linder, the first American killed by the Nicaraguan resistance, are allowing their son's death to be used as a political tool to stop U.S. aid to the anti-Marxist rebels, House Republicans charged.

"I just cannot understand how you could allow the grief you must feel to politicize this," said Rep. Connie Mack. "I don't want to be tough on you but I feel you have asked for it."

"He chose to carry a gun," Mack said. "His death lay at his own hands." (Rita McWilliams, Washington Times, A1)

GERMANY AGREES TO EXPAND ECONOMY IF NECESSARY
Government To Act If Growth Falls Below 2% Rate

PARIS -- The West German government agreed here that if its economy continues to slump it will take new steps by the end of June to stimulate growth.

(The commitment) was immediately hailed by Treasury Secretary James Baker. "The German government for the first time has made a public commitment to adjust its policies" if necessary to accelerate growth, Baker said. He also praised the Germans for moving to cut a key interest rate from 3.8 percent to 3.5 percent. (Hobart Rowen, Washington Post, E1)

JAPANESE TRADE SURPLUS WITH U.S.
GREW TO A RECORD \$5.15 BILLION IN APRIL

TOKYO -- Japan's trade surplus with the U.S. widened to a record in April, the Finance Ministry said, adding to concern here that protectionist pressure will build in Washington.

The surplus on trade with the U.S. expanded to \$5.15 billion in the month, up from \$4.74 billion a year earlier and the previous record of \$4.98 billion, which was set last October. "This isn't the kind of thing we want to advertise a great deal," a ministry official said of the new record. (Wall Street Journal, A24)

SUPERPOWERS' NEW ROLE SHIFTS
OUTLOOK FOR PERSIAN GULF WAR

TEHRAN -- The increasing Soviet and U.S. involvement in the protection of Persian Gulf shipping has begun to alter the nature of the nearly seven-year-old war between Iran and Iraq, according to Middle Eastern and Western analysts here.

Senior Iranian government and religious leaders repeatedly have denounced both the Soviet Union and the U.S. for raising their profile in the Gulf. The shrill denunciations confirm how worried Tehran has become over the developments that may well doom the hopes of Iran's mullahs of eventually inflicting a decisive military defeat on Iraq.

(Loren Jenkins, Washington Post, A27)

U.S., OTHER POWERS HOLD GULF WAR TALKS
5 Security Council Members Seek Troop Withdrawal, Cease-Fire

UNITED NATIONS -- The U.S., the Soviet Union, China, Britain and France have held a series of unannounced meetings over the last three months seeking to draft a joint peace proposal to end the Iran-Iraq war.

All five agree that Iran and Iraq should observe a cease-fire and withdraw to their borders, according to diplomats who have participated in the talks, being held in New York.

But the diplomats caution that agreement on a workable peace plan remains a distant prospect because significant differences have surfaced on how the five should respond if either side in the 6½-year-old Persian Gulf war rejects their proposal. (Michael Berlin, Washington Post, A33)

ISRAELI CABINET REFUSES TO BACK PEACE TALKS
Likud's Victory Leaves Coalition, Conference Plans Immobilized

JERUSALEM -- Israel's policy-making inner cabinet refused to endorse a proposal to convene an international conference on Middle East peace, a move that dealt the plan a serious setback and plunged this coalition government into a new crisis.

Foreign Minister Shimon Peres' Labor Alignment announced that it would remain in the government until it comes up with enough votes to bring down the coalition, a task Peres said might take a month or more. Until then, the government stands immobilized, with Peres and his more dovish Labor Alignment insisting it should dissolve and submit the international conference proposal to parliamentary elections, while Prime Minister Yitzhak Shamir and his rightist Likud bloc contend that the plan has been rejected and should be abandoned.

(Glenn Frankel, Washington Post, A1)

Israeli Leader Rejects Resignation Call As Foreign Minister Pushes Peace Plan

Israeli Foreign Minister Shimon Peres called for Prime Minister Yitzhak Shamir's resignation and a new national election. Shamir angrily rejected both demands.

Immediately after a 3½-hour cabinet meeting, Peres openly defied Shamir by announcing he would proceed with a visit to the U.S. to seek further support for his peace initiative from Secretary Shultz and congressional leaders.

(Yoram Kessel, Wall Street Journal, A25)

BLACK REAGAN AIDE ASSAILS BACKERS OF
SANCTIONS AGAINST SOUTH AFRICA

The top black official in the State Department lashed out at backers of sanctions against South Africa, saying the measures have led to job losses for blacks and white backlash and have made the U.S. irrelevant in the debate over South Africa's future.

Alan Keyes, assistant secretary of state for international organization affairs, said that the sanctions constitute "self-righteous folly" and that the U.S. is "well down the road to irrelevance" in South Africa.

(Jerelyn Eddings, Baltimore Sun, A2)

U.S. NOT EXPECTED TO LEASE RADAR AIRCRAFT TO PAKISTAN

The Reagan Administration is expected to reject Pakistan's request to lease radar aircraft to defend itself against cross-border raids from Afghanistan, officials said.

They said this would be conveyed to a senior Pakistani official during a Washington visit scheduled for next week.

(James Dorsey, Washington Times, A4)

CANADA PLANS BIG MILITARY BUILDUP IN ARCTIC
Perceiving Threat From U.S. To Its Sovereignty,
Ottawa May Buy Nuclear Submarines

TORONTO -- The Canadian government, seeking to assert its sovereignty over the vast Arctic archipelago, is embarking on an ambitious military buildup that is driven more by a dispute with its best friend, the U.S., than by any perceived threat from the Soviet Union.

The dispute involved Washington's assertion that the Northwest Passage, an arctic waterway through which American military vessels occasionally pass, is an international waterway and not part of Canada's internal waters.
(Herbert Denton, Washington Post, A35)

METZENBAUM AIDE IS PROBED ON REPORT
OF PAYMENTS FOR AIDING IMMIGRANTS

The Justice Department is investigating allegations that a longtime senior aide to Sen. Howard Metzenbaum may have received payments in exchange for helping Polish immigrants seek legal status in the U.S., Metzenbaum's administrative assistant said.

Metzenbaum requested the investigation by the Department's Public Integrity Section last November immediately after learning of the allegations, Peter Harris said.

The investigation centers on Ladd Anthony, 46, a special assistant in Metzenbaum's Cleveland office who has worked for the senator since 1974. The \$48,000-a-year aide is a native of Poland and serves as Metzenbaum's liaison with the Polish and Eastern European community in Cleveland, as well as handling immigration and other matters, Harris said.

(Howard Kurtz, Washington Post, A4)

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NATIONAL NEWS

WHITE HOUSE SAYS BUDGET GAP EXCEEDS TARGET

President Reagan's budget for fiscal 1988 won't satisfy the requirements of the Gramm-Rudman law, according to an internal analysis prepared by the White House budget office.

The analysts say that the projected federal deficit for fiscal 1988 has expanded in recent months by about \$27 billion because of changes in economic outlays. That means Reagan's proposed budget for the fiscal year starting Oct. 1 would produce a \$135 billion deficit instead of the \$108 billion deficit target set by Gramm-Rudman.

The analysis means that the White House may have to propose budget savings that go beyond the domestic spending cuts and revenue-raising measures it submitted to Congress in January.

(Paul Blustein, Wall Street Journal, A4)

HOUSE VOTES TEMPORARY DEBT-LIMIT EXTENSION

The House easily approved a temporary \$20 billion extension of the national debt limit that will allow the federal government to meet financial obligations through July 17. The measure faces a more serious hurdle in the Senate, where it is likely to become embroiled in a fight over budget reform.

By a vote of 296 to 124, the House agreed to raise temporarily the debt ceiling to \$2.32 trillion, an action that would avert a government financial crisis that Treasury officials said could lead to a U.S. default by May 28. The approval came after the House defeated, 259 to 162, a Reagan Administration request to raise the ceiling to almost \$2.6 trillion, a level that would have covered future borrowing costs until Sept. 30, 1988.

Despite efforts of Democratic and Republican leaders in the Senate to guarantee that the debt limit is passed unencumbered by amendments, the legislation is expected to be used for a renewed attempt to tighten the 1985 law mandating deficit reductions.

(Tom Kenworthy, Washington Post, A11)

ROSTENKOWSKI SCORES SENATE LINK OF DEFENSE BUDGET TO TAX INCREASE

The Senate's budget proposal to link an increase in 1988 defense spending to a \$18.5 billion tax increase "is unworkable and probably unconstitutional," House Ways and Means Committee Chairman Dan Rostenkowski says.

In a private letter to House Budget Chairman William Gray, the Illinois Democrat also wrote the Senate's recommendation of \$120 billion in tax increases through 1991 "may be impossible to achieve."

(Gene Grabowski, Washington Times, A3)

NETWORK NEWS SUMMARY

(Wednesday Evening, May 13, 1987)

IRAN-CONTRA HEARINGS

NBC's Tom Brokaw -- There were two new significant developments today in the Iran-contra affair and both involve President Reagan. One concerns the President's meeting with Saudi King Fahd. It turns out they did discuss Saudi contributions to the contras at a time when Congress prohibited American government assistance to that rebel army. And the other development came during testimony today from former National Security Advisor Robert McFarlane who said he kept the President informed of White House efforts to support the contras.

NBC's Chris Wallace: The President flatly denied yesterday that he ever asked Saudi Arabia or any other country to fund the contras. But today after disclosures in the Congressional hearings and the media, Mr. Reagan acknowledged he and King Fahd discussed Saudi contributions to the rebels.

(TV coverage: File footage of the President -- yesterday in the Cabinet Room; meeting with King Fahd last last.)

(The President: "My diary shows that I never brought it up and shows that the King, before he left, told me that he was doing that and that he was going to increase the aid.")

(TV coverage: The President sitting in a white chair by the fireplace in the Oval Office.)

With Congress having cut off all U.S. aid, the White House was delighted to see the Saudi funding increase from \$1 million-a-month to 2. But the President maintained the King did it on his own.

(The President: "No solicitation that I know of or anything of the kind.")

This is the latest in a series of disclosures that have tied the President to the secret financing of the contras. And the White House also had to deal with another embarrassment -- Robert McFarlane's testimony that a White House official told him last January what the President's diary said about the Fahd meeting.

(McFarlane: "I didn't know whether there might have been something else in his diary and I was informed that there was by a senior White House official.")

Today officials admitted this violated White House policy against sharing information with witnesses, but denied any effort to manipulate the hearings. The President's men believe the stream of allegations is hurting Mr. Reagan, but they are divided about how to respond. Some want the President to hold a news conference to show he has nothing to hide. But others worry he'll make a mistake.

(TV coverage: The President and Chief of Staff Baker walking from the White House living quarters to the West Wing; then still photos of the President.)

White House lawyers say the Boland amendment cutting off U.S. aid did not bar the President from soliciting other countries. But others say it's too late to make that argument now. The President was asked whether he thinks the hearings are hurting him.

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Wallace continues:

(The President: "I think they're doing fine.")

(TV coverage: The President standing next to Secretary Shultz outside the West Wing.)

But behind the President's smile there is deep and growing concern here that Mr. Reagan is losing the battle for public opinion -- a feeling that while there is still no smoking gun, the President is being bloodied by evidence that he was more deeply involved than he's admitted.

NBC's John Dancy: McFarlane testified today that he had kept President Reagan closely informed about what was happening to the contras.

(Rep. Boland: "Did you ever give the President reports on what you and your staff were doing to carry out his wishes?"

McFarlane: "Frequently, yes."

Boland: "On how many occasions?"

McFarlane: "Dozens."

The former National Security Advisor also said the Boland amendment was a constant concern of his and he kept the President informed.

(McFarlane: "And I believe the President was conscious of everything that I did that was close to the line.")

McFarlane has already testified he misled Congress on vital points of the Iran investigation. Today he said he knew of Oliver North's plan to shred documents concerning the affair and did not try to stop it.

(Sen. Mitchell: "What do you feel the obligation of an America citizen is when he learns that a crime may be about to occur?"

McFarlane: "[He] should seek to prevent it."

Mitchell: "Did you do that in this case?"

McFarlane: "Not well enough.")

Pressed on that point later, McFarlane replied sarcastically --

(McFarlane: "I deserve responsibility and I ought to be prosecuted to the full extent of the law and sent away.")

McFarlane talked about a plan to bribe the kidnappers of two American hostages.

(Sen. Rudman: "To your knowledge was a finding ever signed for this activity?"

McFarlane: "No, sir.")

McFarlane showed a rare glimpse of anger as Senate Vice Chairman Warren Rudman questioned him about the plan to pay bribes.

(Sen. Rudman: "Tell me why."

McFarlane: "I will!")

McFarlane said that U.S. hostage policy was not nearly as effective as Israel's.

(McFarlane: "Now it may not always be arms, it may not be preemptive attack, it may be negotiation -- it may be bribing. But you can be God damn sure if any Israel is caught, he's going to have his government going after the people who did it.")

Like today, a whole new element was introduced. McFarlane has always said he thought Oliver North was operating on order from above. This afternoon, he said he thought those orders were coming from former CIA director William Casey who died last week.

(NBC-Lead)

ABC's Peter Jennings: For the third full day the President's former National Security Advisor Robert McFarlane has been defending his involvement in the Iran-contra affair during televised hearings on Capitol Hill -- that is a lot of pressure and while Mr. McFarlane usually has been very deliberate, some would even say tedious -- there were moments today when he and committee members were very sharp with each other.

NBC's Brit Hume: After two and half days in the chair, this most somber of witnesses exploded in the most emotional outburst of the hearings to date. He was pressed about the secret use of U.S. drug agents to ransom hostages.

(Rudman: "Where Congressional committees -- House or Senate Intelligence Committees ever notified of this activity?"

McFarlane: "No sir."

Rudman: "Should they have been?"

McFarlane: "No sir!"

Rudman: "Tell me why."

McFarlane: "I will. It is more than passingly strange to me that we cannot aspire to a policy which is more effective to deal with terrorism. Now it is undeniable that some countries are good at it. They are good because terrorists know that whenever they commit terrorism against Israeli -- something, somehow, somewhere is going to happen. Now it may not always be arms, it may not be preemptive attack, it be negotiation, it may be bribing. But you can be God damn sure if any Israeli is caught, he's going to have his government going after the people who did it.")

McFarlane went on to say the law did not require Congress be notified of the operation using the drug agents. But there was more...

(Sen., Mitchell: "Did you know last November when these events occurred what obstruction of justice is?"

McFarlane: "Yes sir."

Sen. Mitchell: "What do you feel the obligation of an American citizen is when he learns that a crime may be about to occur?"

McFarlane: "He should seek to prevent it."

Mitchell: "Did you do that in this case?"

McFarlane: "Not well enough.")

Mitchell pressed McFarlane on information he gave Congress last year on the actions of White House aides.

Mitchell: "Isn't it true that you deliberately misled the Congress regarding the nature and extent of the activity by members of your staff?"

McFarlane: "I just don't see it in exactly the same terms as you do, Senator Mitchell.")

Mitchell bored-in on the misleading Administration chronology McFarlane had a role in preparing.

(McFarlane: "I'll be glad to answer questions all day -- but is it not so that there was been until this moment the impression in this committee that I was involved importantly, continuously for sustained periods, in the preparation of the chronology. When in fact, it's a matter of perhaps minutes, of hours at most."

Mitchell: "The evidence is clear and convincing, indeed it is overwhelming, that you did in fact deliberately participate in the falsification in a portion of chronology--")

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Hume continues:

Later McFarlane apologized, sort of.

(McFarlane: "I am sorry for my outburst here early today but I got to tell you -- you run a real risk in that kind of thing. You know, people don't volunteer to come in and work for the government for these wonderful wages and occasionally get shot at and spend 30 years doing that so that they can be ridiculed by someone who hasn't got the patience to study the facts.")

Later, still, there was more about that shredding party and another angry response.

(Rep. Rodino: "You did not, as I recall, in any way advise Col. North that that was not the proper thing to do -- that that was illegal -- is that right?")

(McFarlane: "That's right and I deserve responsibility and I ought to be prosecuted to the full extend to the law and sent away.")

McFarlane also said there were indications that Oliver North, a key figure in this whole case may have ben getting his orders from CIA Director Casey. McFarlane will get more questions on that tomorrow.

Jennings: Once again today Mr. McFarlane told Congressional investigator that he regularly informed the President about support for the Nicaraguan contras. Once again, the White House felt obliged to say that the President did nothing illegal.

(TV coverage: Still photo of the President over Jenning's left shoulder.)

ABC's Sam Donaldson: Shortly after President Reagan and Saudi Arabian King Fahd met at the White House in early 1985, Fahd doubled his aid to the contras from one to two million dollars a month.

(TV coverage: File footage of the President from yesterday and with King Fahd.)

Was it at the President's request? Yesterday Mr. Reagan told reporters that he has never personally asked another country to give money to the contras. But after yesterday's testimony from Robert McFarlane that he had been told by a senior White House official that the President's diary reflects that he and Fahd discussed the subject, Mr. Reagan today acknowledged that was true.

(The President: "My diary shows that I never brought it up and shows that the King, before he left, told me that he was doing that and that he was going to increase the aid.... There was no solicitation that I know of of any kind.")

The President said no one solicited money from Fahd. But why then would he give it? White House officials insist the sale of Stinger missiles or other U.S. help to Saudi Arabia was in no way connected with Fahd's giving aid to the contras. But the idea that King Fahd might help the contras without suggestion or inducement is more than one Republican member of the Senate investigating committee thinks anyone will buy.

(Sen. Cohen: "Frankly we ought to admit exactly what it was. I think everyone understands that if you put two leaders together, they have discussions which lead almost immediately to contributions to the contras, that that constitutes a solicitation.")

White House officials argue that there was nothing illegal, nothing wrong in soliciting outside money for the contras.

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Donaldson continues:

Although no one here will acknowledge that President was doing it. But no matter how it came about, there is no doubt that he liked it. Asked how he replied to King Fahd on receiving the good news, the President said, "I think I expressed pleasure that he was doing that."

Jennings: Well, it was clear long before these hearings that Congressional support was thin. Today in Miami various contra factions made an attempt to show that they were working for unity. Fifty-four Nicaraguan exiles from three different funds voted and approved a plan to work under one military umbrella. They will call themselves the Nicaraguan resistance army. (ABC-Lead)

CBS's Dan Rather: President Reagan admitted today he once talked with the King of Saudi Arabia about secret Saudi millions for the contras. President Reagan denies asking the King for money. He says he thanks the King for...it. On Capitol Hill Robert McFarlane's testimony today took an angry turn.

CBS's Phil Jones: Former National Security Advisor Robert McFarlane today gave testimony appearing to link the late CIA Director William Casey to Lt. Col. Oliver North's covert activities in the Iran-contra affair.

Sen. Cohen: "Did you come to believe that perhaps Mr. Casey was giving him instructions in how to conduct this particular operation in respect to either Nicaragua or Iran?"

McFarlane: "Senator Cohen, I -- I think so."

Sen. Cohen: "It's rather clear that Oliver North was acting the... of Director Casey during this time?"

McFarlane: "Yes, sir.")

This was clearly the toughest day McFarlane had faced and sometimes he was unable to control his frustration with the questioning. McFarlane exploded during intense questioning over the secret activities of drug enforcement agents in 1985 to help free the American hostages --activities that CBS News has learned are now being investigated by the independent counsel.

Sen. Rudman: "To your knowledge was a finding ever signed for this activity?"

McFarlane: "No sir."

Sen. Rudman: "Should they have been?"

McFarlane: "No sir!"

Sen. Rudman: "Tell me why."

McFarlane: "I will.")

Waving his fist at the committee member, McFarlane went on to compare U.S. terrorism policy to that of Israeli.

(McFarlane: "It may be negotiation, it may be bribing -- but you can be God damn sure that if any Israeli is caught, he's going to have his government going after the people who did it. But I believe that our government must have the gumption enough to be able to differentiate between those terrorist events which are susceptible to violence and those which are not.")

McFarlane was also asked what Lt. Col. Oliver North had meant when he talks about a shredding party.

Jones continues:

(McFarlane: "Well, I think the obvious point -- that there was going to be the destruction of some documents.")

Sen. Mitchell: "And you didn't try to persuade Col. North not to have a shredding party?"

McFarlane: "The response that I gave Col. North was simply, 'Ollie, look, you have acted under instruction at all times and I am confident that you have nothing to worry about -- let it all happen and I'll back you up.'"

Sen. Mitchell: "But you didn't try to persuade him not to destroy documents, did you?"

McFarlane: "No, sir, I didn't.")

But the questioning didn't end there and McFarlane became even more exasperated.

(McFarlane: "That's right and I deserve responsibility and I ought to be prosecuted to the full extent of the law and sent away.")

McFarlane also appeared today to confirm reports that he had been prepared to kill himself if he were taken hostage during his trip to Tehran in 1986 to negotiate with the Iranians.

(McFarlane: "Well, that is a little bit of a false [interpretation], I think. I am confident that I had the means at hand to foreclose my being exploited for intelligence.")

McFarlane clearly showed the strains from three days of hard questioning. Recesses were taken in the hearing at McFarlane's request. Yesterday the committee staff indicated these breaks were so that McFarlane could take medication. Today the committee, under heavy pressure from McFarlane's lawyer, issued a clarification denying that McFarlane was taking medication during the recesses.

CBS's Bill Plante: For two days the White House has denied that President Reagan was involved in soliciting money for the contras. But today Mr. Reagan conceded notes he made in his diary after a 1985 meeting with King Fahd of Saudi Arabia show that they did discuss contra aid.

(TV coverage: File footage of the President with King Fahd and in the White House.)

(The President: "My diary shows that I never brought it up and shows that the King, before he left, told me that he was doing that and that he was going to increase the aid.")

(TV coverage: The President sitting in the white chair by the fireplace in the Oval Office.)

The President still insists that he didn't ask for the money which Fahd increased to \$2 million-a-month. But he admits that he welcomed the King's news.

(The President: "I expressed pleasure that he was doing that.")

White House lawyers believe that even if the U.S. did seek money for other countries for arms, that wouldn't violate congressional restrictions. And to some, the question of whether Mr. Reagan actually asked for the money or not, is a distinction without a difference.

(Sen. Cohen: "Frankly we ought to admit exactly what it was. I think everyone understands that if you put two leaders together, they have discussions which lead almost immediately to contributions to the contras -- that constitutes solicitation.")

Plante continues:

Never mind say White House officials. The real problem is with public opinion. They and other conservatives worry that the President's credibility is taking a beating.

(Kevin Phillips, political analyst: "I think his problem is that he's confirming doubts that people have and this will slowly but surely push more people into disapproving...")

What's more it's still early in the hearings and the big fear here is that the key players -- North and Poindexter -- could make the President's credibility problem even worse. But they won't testify for weeks and one official described the wait as "Chinese water torture."
(CBS-Lead)

MOCK INVASION OF HONDURAS

Jennings: In what was described as the biggest show of U.S. military ever seen in Central America, about 4,000 American troops have staged a mock invasion on the northern coast of Honduras. They came by sea and by air -- 50,000 American troops involved with the Honduran military. The whole exercise is seen by many as political a message to Nicaragua.
(ABC-2, CBS-2)

HEARING ON BENJAMIN LINDER'S DEATH

Brokaw: There was other more dramatic testimony involving the contras today on Capitol Hill -- it came from the parents of Benjamin Linder, a young American working for the Sandinistas. He was killed last month in a contra attack. Linder's father, a doctor, charged that his son was executed by the contra.

(David Linder, Benjamin's father: "[He] was killed by a gunshot wound to his head fired a point blank after he was immobilized. They blew his brains out.")

Then Rep. Connie Mack had this exchange with Linder's mother --

(Rep. Mack: "I don't want to be tough on you, but I really feel that you've asked for it. And to come here and--

Mrs. Linder: "That was about the most cruel thing you could have said.")

Assistant Secretary of State Elliott Abrams told the hearing that there was no American investigation of Linder's death because the area was considered too dangerous for U.S. officials to go into.

(NBC-2, CBS-3)

STAR WARS

Rather: President Reagan today began another round of arm wrestling over arms control policy. He again told U.S. Congress that stepped up testing of his Star Wars missile defense technology would not violate terms of the 1972 ABM treaty with the Soviet Union. The Soviets say that treaty does impose sharp limits on Star Wars' testing and so do members of the U.S. Congress.
(CBS-5)

SECURITY CLEARANCES

Rather: The Defense Department has set a new bunch of rules covering millions of employees with security clearances. These are rules about their sexual conduct.

CBS's David Martin reports on the Pentagon's new security regulations which gay activists claim are an attempt to blacklist homosexual. (CBS-6, ABC-9)

DRUG SWEEP

Jennings: The Attorney General Edwin Meese said that more than 200 alleged drug traffickers have been arrested in a nationwide sweep. Among those brought in were five people who have been at large for more than a decade. The Attorney General said the sweep lasted for nine months. (ABC-7, CBS-7)

SOVIET SUBMARINES

Jennings: The Secretary of Defense Weinberger is in the middle of a very unsettling matter involving two of this country's normally strong allies -- Norway and Japan. The trouble is that manufacturers in each of those countries have been of considerable military help to the Soviet Union.

ABC's Bob Zelnick: ...Secretary Weinberger tried to determine what to do about the Kongsberg Company, one of Norway's largest defense contractors and the Toshiba Company of Japanese. Four years ago they arranged for the illegal transfer to the Soviet Union of high tech machine tools used to make submarines propellers work more quietly, thus avoiding detection....

(Secretary Weinberger: This is a severe loss that requires (remedial) immediate action and without that...action would give the Soviet an advantage that they could otherwise never obtain for themselves.") To penalize the two companies the Pentagon first threatened to block their exports to the U.S.... (ABC-12)

JAPANESE TRADE

Jennings: The evidence that the Japanese trade surplus with the U.S. has not been effected by any sanction. Last month the difference between what the U.S. sells to Japan and what they sent here was \$5.1 billion -- and that's a record. (ABC-13)

AIR SAFETY

Brokaw: Federal Air Safety officials warn that American skies are so dangerously crowded that something must be done at once. They propose putting a cap on the number of airplanes allowed in the air. NBC's Robert Hager reports tonight that what concerns them is the risk of a catastrophic midair crash.... (NBC-4, CBS-8)

ISRAELI PEACE CONFERENCE

Brokaw: In the middle east Israeli Foreign Minister Shimon Peres appeared today to have lost his bid to win his government's support for a U.S.-backed peace conference on the Middle East. As NBC's Martin Fletcher reports tonight, Peres' initiative was a mixture of Israeli politics, Middle East diplomacy and a strong desire for peace among the Israeli people.... (NBC-6, ABC-3, CBS-12)

-End of B-Section-

EDITORIALS/COLUMNISTS

IRAN-CONTRA

Secord As Patriot And Privateer -- "What emerges from Secord's testimony is a portrait of a man who knows the special operations ropes but who wears mental (moral?) blinders whenever money is involved; a patriot and a privateer."
(Marilyn M. Larew, Baltimore Evening Sun, 5/12)

McFarlane Sheds Some Light -- "One of the costs of a secret policy, McFarlane noted, is that it cannot be honestly explained to Congress and the public, and so there is no way to rally support. He seemed blind to another point. Secrecy, carried to the point of passing notes to the President so that even high officials would not know of the Saudi role, meant that there was no possibility of the checks and balances of open debate, even within the Administration. That degree of secrecy eliminated any chance to rethink or reassess the assumptions that drove the policy disastrously awry."
(Boston Globe, 5/12)

Character, Scandal On Display -- "As they [the Congressional hearings] proceed day by day, week by week into the summer, it's difficult to predict results. If the Watergate hearings are a precedent, reputations will be made; certain individuals will become household words. The legacy of the Reagan Administration may be set. And the American people, preparing to elect a new Administration, will ponder just what it is they expect from those they choose to govern."
(San Diego Tribune, 5/11)

Search For Hard Truths By A Worthy Forum -- "What to do? Get at the truth -- and that, presumably, is what these hearings purport to do. The committee, however, suffers certain political handicaps. The first is that the Reagan Administration has been cooperative rather than adversarial.... These hearings combine education, curiosity, entertainment and politics. The foreign policy apparatus of the Reagan Administration will be thoroughly examined and questioned by Congress. But the American people will have a rare and revealing glimpse of a legislative inquiry in action. No wonder Senator Inouye looks so serious."
(Providence Journal, 5/8)

Lamentable Misconduct -- "Regardless of whether the President knew about the tangled schemes to subvert the law, Mr. Secord and other participants firmly believed they had his enthusiastic, albeit tacit, backing. Why did Mr. Reagan never attempt to underscore from the top that upholding the Boland amendment was the Administration's duty in a nation of laws? It is far too early to predict where the congressional probe will lead. All that is certain is that, as the television trial proceeds, Americans will witness a replay of the most lamentable aspects of Mr. Reagan's tenure in the White House."
(San Diego Union, 5/9)

Press vs. Reagan -- "The public sense no Wastergate, although the media have endlessly repeated words like Irangate and Contragate. Maybe, ultimately, something will develop that will show Ronald Reagan lied about something, or he tried to mislead the nation.... Until the evidence is forthcoming, however, the press continues to plod along an extremely tortuous path.... In brief, if everyone is fair game for the press, then perhaps the American people need to know more about the hunters."
(York, PA., Dispatch, 5/9)

ARMS CONTROL

Chemical Arms Control -- "Superpower diplomacy has become unpredictable.... A verifiable agreement not only would carry significant moral weight, but also would make it harder for developing countries to obtain the rockets and artillery systems that add to chemical weapons' deadliness." (Los Angeles Herald, 5/4)

Of Euromissiles and Eurojitters -- "European complaining...is about whether the U.S. is turning inward, toward a new isolationism. It is about whether U.S. leaders, including the President, have a basic grasp of U.S. strategic issues and interests. It is about whether the Administration is prepared to deal seriously with the overarching U.S.-Soviet strategic relationship -- waking up from its SDI pipe dream -- rather than looking for a dubious trick over Euromissiles. These concerns are not trivial, but go to the heart of the matter. Until the U.S. government is prepared to face up to them, sneering at West European faintheartedness is, in Napoleon's words, 'worse than wrong, it is stupid.'" (Robert E. Hunter, Christian Science Monitor, 5/13)

The Consequences Of Missile Cuts In Europe -- "One consequence of nuclear reductions in Europe would be the higher cost of greater reliance on conventional defenses. But that would be a price worth paying.... Removing hundreds of land-based missiles would remove the possibility of their being used by accident or design. That, too, would be a welcome consequence." (Minneapolis Star and Tribune, 5/4)

Saving On Defense -- "Wouldn't it be better to have a defensive shield that could discourage the Soviets from shooting nuclear missiles at us than for us to spend \$350 billion to \$700 billion for offensive missiles to keep them from shooting? SDI may be the key to both a safer America and a more economical American defense. What a blessing that would be." (Chattanooga News-Free Press, 5/9)

ATTORNEY GENERAL MEESE

Investigating The Attorney General -- "There is every reason to assume that Mr. McKay's inquiry will be thorough and vigorous. Until he makes a determination whether Mr. Meese violated any criminal law, Mr. Meese deserves the benefit of the presumption of innocence, a presumption that in public statements he sometimes has been unwilling to accord to others in similar situations." (Chicago Tribune, 5/13)

Wedtech Is 1987's Teapot Dome -- "'People like John Mariotta,' declared Ronald Reagan in his 1984 campaign, pointing to Wedtech, 'are heroes for the 80s.' Some hero. Favoritism tends to corrupt; racial favoritism in procurement corrupts both government and corporation." (William Safire, Gainesville Sun, 5/4)

Merge The Probes Of Meese and Wedtech -- "When the highest law enforcement official in the land is in such a situation, it should be resolved as soon as possible. The right way in this case is to assign the task to the special prosecutor rather than have the Justice Department go on trying to investigate its own chief." (Newsday, 5/8)

FOREIGN MEDIA REACTION

IRAN-CONTRA

"The present hearings remind us that Americans have a different and more democratic tradition. They face a genuine and intractable dilemma between the Constitution's insistence that control of foreign policy must be shared between the President and the Congress, and the urgent exigencies of power.... The revelations which will emerge from the Irangate hearings will certainly suggest how badly out of control the Reagan White House had become." (Independent, Britain)

"The first three days of the hearings failed to provide an answer to the main question: was Reagan informed and if he was, when was he informed? ...It is now clear that if the Iran-Nicaragua network was possible, it's because the White House leader was encouraging his advisers to help the contras. Did he directly order them to violate the law? He says he didn't." (Bertrand Vannier, France-Inter Radio, France)

"From McFarlane's testimony, one had the feeling that the U.S. President was well aware of what his advisers were doing, that he was anxious to see them act in favor of the Nicaraguan rebels and that he even sometimes took things in hand personally." (Le Monde, France)

"McFarlane made it clear that his superior, President Reagan, often gave the orders to both parts of the Iran-contra affair or at least knew about them most of the time." (Stuttgarter Zeitung, West Germany)

"The Congressional hearings will go on for months and the President and his staff members are now in the position of the patient in the dentist's chair. Somebody is constantly poking on the sensitive nerve.... The men in the White House now have to pay for having deceived Congress. The final phase of Reagan's Presidency is overshadowed even if he is trying his best to leave the scandal behind by demonstrating remarkable energy when it comes to looking for a success in other areas." (Koelner Stadt-Anzeiger, West Germany)

"McFarlane's testimony yesterday made less and less credible the official version of a Reagan who was unaware of everything until the last minute, but who later decided to call for an inquiry at the first sign of irregularities.... Secret diplomacy turned into absurd theater when it was revealed...that Colonel North, last September, went as far as organizing a 'guide tour' of the White House for three of Khomeini's envoys." (Corriere della Sera, Italy)

"The most charitable interpretation to emerge from the evidence (in the hearings) thus far is that Reagan simply did not know, and did not bother to find out, what was happening in his Administration. A much less charitable interpretation is that Reagan was involved in the details, but has attempted to conceal that involvement from the public." (Courier-Mail, Australia)

"(It is) amazing to think that President Reagan could have been so heavily involved in such activity. Yet involved he was -- and evidence cited as the hearings now contradict most of his earlier statements to the Tower Commission." (Gulf Daily News, Bahrain)

-End of News Summary-