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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 11, 1987 -- VENICE AFTERNOON EDITION
6:00 A.M. EDT, NOON ITALY

TODAY'S HEADLINES

ECONOMIC SUMMIT

BIG 7 PLEDGE UNITED STAND ON ECONOMY, AIDS BATTLE -- Leaders of seven industrial democracies ended their three-day summit with a pledge to battle AIDS and an obligatory promise to pursue coordinated economic policies.

(Los Angeles Times, Washington Post, Washington Times, AP, UPI)

INTERNATIONAL NEWS

NATO SEEN 'WITHIN REACH' OF ACCORD ON EUROMISSILES -- Foreign ministers of the Atlantic Alliance are "within reach" of an agreement on a strategy for removing medium- and short-range nuclear missiles from Europe, NATO Secretary General Lord Carrington said.

(Los Angeles Times, AP)

NATIONAL NEWS

SENATE NEGOTIATORS REJECT HOUSE DEFENSE BUDGET PLAN -- Senate budget negotiators summarily rejected a House proposal designed to break a month-long deadlock over the \$1 trillion fiscal 1988 budget.

(Washington Post, UPI)

NETWORK NEWS (Wednesday Evening)

VENICE SUMMIT -- The summit leaders pledged full support for fighting the AIDS epidemic.

PERSIAN GULF/SAUDIS -- The Saudis are considering a U.S. request to let AWACS planes extend their coverage in the Persian Gulf.

HAMAEI -- The West Germans have assured the U.S. that Mohammed Ali Hamadei will be tried on murder charges.

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ECONOMIC SUMMIT

SUMMIT FALLS SHORT OF ACCORD

Leaders Postpone Action On Bolstering World Economic Growth

VENICE -- The leaders of the seven major Western industrial countries concluded their summit here admitting that, despite slipping global economic growth rates and serious trade and economic problems, they were unable to agree that growth-oriented policies should be pursued now.

Instead, in a long communique ending the 13th annual summit, the leaders postponed any stimulative actions unless "world economic growth is insufficient."

The summit participants, in a political statement issued by host country Italy, also urged an end to the Soviet "military occupation" of Afghanistan and the withdrawal of foreign troops from Cambodia, an allusion to Vietnamese troops in that country. They also called for the dismantlement of the apartheid regime in South Africa and its replacement "by a new form of democratic, nonracial government."

The communique on economic issues was couched in general terms that indicated the inability of the leaders to reach substantive agreement on some key topics and policies.

Nonetheless, Treasury Secretary Baker insisted that "clear progress has been made on a number of fronts" and that, on a success scale of 1 to 10, the summit rated "an 8 or 9." (Hobart Rowen, Washington Post, A1)

BIG 7 PLEDGE UNITED STAND ON ECONOMY, AIDS BATTLE

VENICE -- Leaders of seven industrial democracies ended their three-day summit with a pledge to battle AIDS and an obligatory promise to pursue coordinated economic policies.

The meetings produced no blockbuster initiatives. But at the same time, there were few, if any uneasy moments for President Reagan and leaders of Britain, Canada, France, Italy, Japan and West Germany.

"Just because we did not have any major contretemps here...I don't think that should be viewed as detrimental," said Treasury Secretary Baker. (Patricia Wilson & Jeremiah O'Leary, Washington Times, A1)

SUMMIT CALLS FOR GREATER AIDS EFFORTS

But Says Measures Should Not Infringe On Human Rights

VENICE -- The seven leaders meeting here called for greater national and international efforts to prevent the spread of the deadly AIDS virus but cautioned that all measures taken should be "in accordance with the principles of human rights."

The heads of the economic summit nations, winding up their annual three-day session, urged that priority be given to existing organizations involved in the battle against AIDS by providing them with necessary financial, personnel and administrative resources and the World Health Organization is the best forum for coordinating a worldwide effort.

(Jack Nelson & James Gerstenzang, Los Angeles Times, A1)

SUMMIT BACKS COORDINATED AIDS RESEARCH

VENICE -- The leaders of the seven industrial democracies endorsed coordinated research by their countries to find a cure for AIDS.

"The heads of state or government welcome and support joint action by researchers in the seven countries," the leaders said in a summit-ending statement read by the host of the meeting, Italian caretaker Prime Minister Amintore Fanfani.

(Reuter story, Washington Post, A34)

LITTLE ACTION AT VENICE SUMMIT

VENICE -- For a multimillion-dollar extravaganza, the 13th economic summit of the seven allied major industrialized nations produced fine words but little action.

French President Mitterand even complained that the annual summits have become costly "spectaculars" and should be replaced by ad hoc meetings, when needed, in more informal surroundings.

"It sure seems to have got out of hand," said one Canadian official about an event that cost at least \$2 million a day. "It's a lot of trouble and pomp for a group photograph and a pretty innocuous statement."

(News Analysis, John Callcott, UPI)

FEW CLEAR WINNERS OR LOSERS SEEN AMONG SUMMIT'S TROUBLED PLAYERS

Public Relations Event Still Useful As 'Group Therapy,'

VENICE -- Britain's urbane foreign secretary, Geoffrey Howe, paused as the end came for the seven-nation economic summit and reflected on whether these gatherings have become a wasting asset.

A useful exercise in "international group therapy" was Howe's considered judgement. The leaders of North America, Western Europe and Japan profit from giving each other "solemn assurances around the table that they will try to do better" on economic policy in the coming year, he said.

The Venice summit, the 13th of the series, provided fewer clear winners and losers than previous gatherings. Because of the accumulation of political and economic burdens carried by these leaders this year, it resembled a reunion of the walking wounded.

(News Analysis, Jim Hoagland, Washington Post, A34)

REAGAN'S ROLE REDUCED, SUMMIT DIPLOMATS REPORT

Allies Note Decline Since '86 Tokyo Talks

VENICE -- President Reagan's performance at the 13th economic summit left the other leaders of major industrial democracies convinced he has rather suddenly begun to show his age and lame duck status and wondering whether he possesses the energy and initiative to provide active leadership for the alliance, according to European diplomats.

Publicly, he was sanguine and upbeat, declaring today, "It's been a fine summit." But in private sessions, he was sharply challenged by the leaders of France, West Germany and Japan who criticized the enormous budget deficits of the Reagan years, despite Reagan's claim that he has made progress in reducing them.

(David Hoffman, Washington Post, A1)

SUMMIT CONFERENCE DRAWS MIXED REVIEWS FROM FINANCIAL MARKETS

The financial markets have given mixed reviews to the outcome of the economic summit in Venice while many U.S. economists are concluding the annual conference would do little to change the world economy.

However, leaders did pledge to keep a closer watch on each other's economies and seek long-term reductions in government farm subsidies.

(AP)

ADMINISTRATION FOCUSES ON TELEVISION COVERAGE AT SUMMIT

The White House, skilled in such matters, turned the seven-power summit in Venice into a vast stage for beaming its message back to America.

Beginning last Sunday, the Administration lined up White House Chief of Staff Baker, National Security Adviser Carlucci, Secretary of State Shultz, Treasury Secretary Baker for an unprecedented number of television interviews to sell the Administration's views.

To the dismay of print and radio reporters, television correspondents were given multiple opportunities every day to question senior officials, while other members of the press were shut out. (Terence Hunt, AP)

KOHL REJECTS REQUEST BY REAGAN

West German Leader Declines To Extradite Hijacking Suspect

VENICE -- West German Chancellor Kohl has rejected a personal appeal from President Reagan to extradite an accused Lebanese hijacker to face murder charges in the U.S., White House spokesman Marlin Fitzwater said.

The White House spokesman said Kohl had agreed with Reagan that Mohammed Ali Hamadei should be tried for murder but turned down the extradition request. The West German leader left "the clear impression" that Hamadei would be tried on murder charges in West Germany, Fitzwater said.

(Lou Cannon, Washington Post, A1)

WHITE HOUSE PERSUASION WON HIGH PROFILE SPEECH IN BERLIN

WEST BERLIN -- White House advance men, seeking to make the biggest possible splash for President Reagan's speech at the Berlin Wall Friday, persuaded skeptical West Berlin officials to invite a larger crowd than the Germans wanted and to stage the event opposite the visually impressive but politically sensitive Brandenburg Gate, U.S. and West Berlin officials said.

Some West Berlin authorities were concerned that the East Germans and Soviets would consider it unduly "provocative" for Reagan to speak with the gate, a classical-style gate in East Berlin, directly behind him, city officials said. The 196-year-old gate, in the center of Berlin, stands only yards beyond the wall dividing the city. As the best known site along the wall, it is a particularly emotional symbol of the city's division.

(Robert McCartney, Washington Post, A1)

INTERNATIONAL NEWS

SHULTZ EXPECTS NATO MINISTERS TO ENDORSE U.S.-SOVIET DEAL

REYKJAVIK, Iceland -- Secretary Shultz said he expects NATO foreign ministers to endorse a Soviet-American deal to dismantle hundreds of nuclear missiles, and join in planning the next stage of arms control negotiations.

Shultz...said talks aimed at curbing U.S. and Soviet tactical nuclear weapons might have to be postponed in favor of efforts first to reduce the Warsaw Pact's current edge in conventional forces.

Shultz said strategic weapons, including bombers, submarines and intercontinental ballistic missiles, are the key to arms control talks with the Soviets, "and we have made a lot of progress on that."

In Europe, Shultz said, "we need to address the conventional imbalance" and pursue a proposed ban on chemical weapons. He said shorter range nuclear weapons can be negotiated "in good time."

Shultz's position seems to signal disagreement at the North Atlantic Council meeting. But he expressed confidence that NATO allies will approve the pending accord with the Soviets on medium-range missiles.

(Barry Schweid, AP)

NATO SEEN 'WITHIN REACH' OF ACCORD ON EUROMISSILES

REYKJAVIK -- Foreign ministers of the Atlantic Alliance are "within reach" of an agreement on a strategy for removing medium- and short-range nuclear missiles from Europe, NATO Secretary General Lord Carrington said.

Speaking at a press conference on the eve of the annual spring meeting of NATO foreign ministers, Carrington warned, however, that the deep cuts in nuclear forces that are now considered almost certain will magnify the alliance's failure, so far, to deal with the Soviet Union's overwhelming advantage in chemical and conventional weapons.

(Norman Kempster, Los Angeles Times, A1)

BONN IS ASSURED IT CAN KEEP MISSILES

Pershing 1As Won't Be Included In A-Arms Pact, U.S. Tells W. Germans

VENICE -- The U.S. gave public assurances to West Germany that Bonn's short-range Pershing 1A ballistic missiles will not be included in any agreement with the Soviet Union on withdrawing nuclear weapons from Europe.

The American position, which is expected to be endorsed at a meeting of NATO foreign ministers in Reykjavik, Iceland, was spelled out at a news conference by National Security Adviser Frank Carlucci.

(Don Cook, Los Angeles Times, A22)

U.S. FIGHTER PLANES ON OIL TANKERS CONSIDERED

The U.S. may put Harrier fighter planes on Kuwaiti tankers in the Persian Gulf in an effort to protect them from possible Iranian missile attack, senior Pentagon officials said.

"This is a possibility, a very definite possibility," Adm. William Crowe, the chairman of the Joint Chiefs of Staff, told the House Foreign Affairs Committee.

(James Dorsey, Washington Times, A1)

CHINA STRONGLY DENIES SELLING ARMS TO IRAN
Spokeswoman Accuses U.S. Newspapers Of
'Ulterior Motives' In Publishing Reports

BEIJING -- A Foreign Ministry spokeswoman strongly denied that China was selling arms to Iran and in an apparent reference to the U.S., expressed "surprise" that unnamed "senior officials of a big power" had made such allegations.

"It is quite obvious that certain U.S. newspapers have kept on fabricating and spreading such irresponsible reports with ulterior motives," Li Jinhua said, referring to recent accounts in some U.S. newspapers regarding an alleged \$550 million arms-for-oil deal concluded last month between China and Iran. (Lena Sun, Washington Post, A29)

BRITAIN ORDERS IRANIANS TO CUT EMBASSY STAFF BY 2

LONDON -- Britain ordered Iran to reduce its diplomatic presence here by two in the latest of a series of tit-for-tat expulsion between the two countries.

A statement issued by the Foreign Office said a new "ceiling" of 16 had been placed on the Iranian Embassy in London. The embassy normally has a complement of 19 accredited diplomats, but one position is vacant.

(Washington Post, A28)

SAUDI ARMS SALE CRITICS CLAIM VICTORY

Senate opponents of the Administration's proposal to sell 1,600 Maverick antitank missiles to Saudi Arabia announced that they have gained enough votes to block the sale and called on the Administration to abandon it.

Sen. Bob Packwood said he now has 67 supporters for a resolution of disapproval of the sale, the two-thirds of the Senate necessary to override a potential presidential veto of a disapproval resolution.

"It's time for the Administration to withdraw the proposal and to encourage the Saudis to work towards peace in the Middle East rather than destruction," Packwood said.

Saudi behavior during the Stark attack as well as the kingdom's reported hesitance to provide further military assistance to the U.S. in the Persian Gulf have become stumbling blocks to congressional approval of the \$360 million Maverick arms sale. (David Ottaway, Washington Post, A30)

BACKERS TRY TO AVERT BAN ON MISSILE SALE TO SAUDIS

Administration officials said legislation aimed at blocking a White House plan to sell 1,600 Maverick anti-tank missiles to Saudi Arabia is a "slap across the face" to the Persian Gulf ally.

Assistant Secretary of State Richard Murphy and Lt. Gen. Philip Gast, Defense Security Assistance Agency director, testified against the bill and for the \$360 million sale before the Senate Foreign Relations Committee.

The Administration spokesmen argued that Saudi Arabia is a reliable ally in the Gulf whose pilots acted properly, if methodically, in their response to the Iraqi jet attack (against the USS Stark).

(Gene Grabowski, Washington Times, A4)

SAUDI ARMS SALE/PACKWOOD

Sen. Bob Packwood, the Senate's main opponent of an Administration plan to sell 1,600 sophisticated air-to-ground missiles to Saudi Arabia, said he had gathered the support of enough senators to kill the sale.

Critics in Congress argue that the missiles are more weaponry than the Saudis need and could threaten Israel.

In addition, some lawmakers have complained the Saudi have consistently rejected peace initiatives from Israel, have done little to help the U.S. and have continued to support Syria and the P.L.O., which, in turn, has provided help for the Sandinista government in Nicaragua.

(Joseph Mianowany, UPI)

KING FAHD PROVIDES MILLIONS FOR REBELS AT REAGAN BEHEST

King Fahd of Saudi Arabia has pumped tens of millions of dollars into anti-communist projects around the world and confided he did so at the direction of the Reagan Administration, says a naturalized American businessman who claims extensive dealings with the Saudi royal family.

Included in the contributions, according to Sam Bamieh of San Mateo, Calif., is more than \$50 million given by Fahd in 1983 to rebels in Angola.

Bamieh charged in a recent interview with UPI that Fahd became a secret instrument of President Reagan's policy, in effect, as part of an understanding reached in 1981 with the sale of sophisticated U.S. AWACS radar planes to the Saudis.

(Gregory Gordon, UPI)

TIGHTENING COVERT ACTION REPORTS DRAWS YELP FROM ADMINISTRATION

The Reagan Administration denounced a House plan to tighten up reporting guidelines on covert action as an encroachment on the President's constitutional authority.

Michael Armacost, undersecretary of state for political affairs, said pending legislation on covert action reporting is an attempt by Congress to "fix a system that is not broken."

"In the Administration's view (the two bills) unconstitutionally intrude into the President's authority to conduct the nation's foreign relations," Armacost said in testimony before the House Intelligence subcommittee on legislation.

(Bill Gertz, Washington Times, A2)

IRAN-NICARAGUA

IRAN-CONTRA PANELS PLAN CLOSED-DOOR TESTIMONY FROM CIA, NORTH, POINDEXTER

Congressional Iran-contra committees, on a 12-day break in public testimony, are planning closed-door sessions with high-ranking CIA officers and the affair's two mystery men, John Poindexter and Oliver North.

Poindexter...is expected to be questioned in a second secret sworn deposition next week, committee sources said. His fired aide, North, may be deposed in secret by staff investigators for the first time as early as next week too, they said. (William Welch, AP)

SECORD FUND PAID NORTH SECURITY BILL Home-Protection System Said Financed With Swiss Account

Money from a Swiss bank account controlled by retired Air Force major general Richard Secord paid for a sophisticated electronic security system installed last June at the home of then-White House aide Oliver North, congressional sources said.

Congressional investigators have determined that a May 2, 1986, transfer of \$15,000 from Switzerland to an account of Secord's company, Stanford Technology Trading Group International, provided the funds that paid for the security devices, sources said. Money in the Swiss accounts included profits made by selling arms to the Nicaraguan contras and Iran, although it is unclear whether the \$15,000 is from those funds.

(Walter Pincus, Washington Post, A1)

WRIGHT LASHES ADMINISTRATION

House Speaker Jim Wright blasted the Administration, saying the Iran-contra hearings have revealed "arrogance, lawlessness, greed" and deliberate attempts to deceive the public and Congress.

Wright said the worst scandal of the Reagan presidency would not have occurred if the Administration had "shown any regard for the President's constitutional obligation that the laws be faithfully executed."

(UPI story, Washington Post, A20)

NATIONAL NEWS

SENATE NEGOTIATORS REJECT HOUSE DEFENSE BUDGET PLAN

Senate budget negotiators summarily rejected a House proposal designed to break a month-long deadlock over the \$1 trillion fiscal 1988 budget.

The two chambers are divided over the level of defense spending. Senate Budget Committee Chairman Lawton Chiles called the House proposal to split the \$13 billion difference between the House and Senate budget plans "a widening of the differences, not a narrowing."

Chiles, after meeting with several senators on the conference committee, called the House offer a "nonstarter; it's not anything that any of our people would look at or consider." (Tom Kenworthy, Washington Post, A5)

HOUSE DEMOCRATS OFFER SENATE BUDGET COMPROMISE

House Democrats seeking compromise on the \$1 trillion budget proposal offered Senate counterparts a revised plan, calling for \$19.5 billion in new taxes and a smaller increase in military spending than the Senate wants.

Earlier Wednesday, Senate Democratic leader Robert Byrd said he had told House Speaker Jim Wright that Senate Democrats would go along with a plan to drop defense spending to \$289 billion, and that level "is the bottom line."

House Budget Committee Chairman William Gray said, "We're at a point where I think both bodies have got to be very realistic about what's achievable," theorizing that the new proposal could win a majority of votes in both the House and Senate. (Linda Werfelman, UPI)

HOUSING BILL HEADED FOR FULL HOUSE VOTE

A \$15.9 billion omnibus housing bill headed for House approval with strong backing from Democratic leaders who say it will end the decline in government housing programs under the Reagan Administration.

Just before the House began debate on the bill, Speaker Jim Wright attacked the "shortsighted policies of the Reagan Administration, which has continually tried to slash funding for housing and community development, to shut down the Federal Housing Administration and to saddle young home buyers with excessive costs masquerading as user fees," Wright said.

Republicans responded that the new housing authorization bill would add \$5.2 billion to the deficit next year and reverse housing reforms enacted in recent years. (Robert Shepard, UPI)

HOUSE PANEL PASSES WELFARE BILL STRESSING JOBS

The House Ways and Means Committee approved the most sweeping overhaul in a generation of the nation's welfare program for low-income parents with dependent children.

Although President Reagan put welfare changes on the national agenda with a dramatic statement in his 1985 State of the Union message, the committee's 13 Republicans opposed it. All 23 Democrats voted in favor.

While many Republican members said they like the thrust but not the details of the bill's education, training and work provisions, they and the Reagan Administration strongly oppose its benefit increases.

This opposition, shared by many Senate conservatives, portends difficulty on the House and Senate floors and a possible veto.

(Spencer Rich, Washington Post, A24)

MIKULSKI, HOYER RETHINK DRUG-TESTING

Unusual Summit Held With 6 Top Administration Aides

A mass showing of top Administration officials on Capitol Hill last night wrung slight concessions from two Maryland Democratic critics of President Reagan's drug-testing plan, but key disputes remained to be ironed out in another meeting today.

Sen. Mikulski said that she and Rep. Steny Hoyer were "rethinking" whether to require the Administration to reissue its guidelines (for conducting urinalyses of federal workers in sensitive positions) "in light of the comments" made at last night's meeting.

(Judith Havemann, Washington Post, A11)

AIDS POLICY: A QUESTION OF BEHAVIOR MODIFICATION

Debate Swirls Around Tests' Effectiveness

The debate over the Reagan Administration's controversial plan to expand testing for the AIDS virus revolves around one important question: what makes people change their behavior?

Many public health experts who oppose mandatory testing of prisoners, immigrants and others say that education programs coupled with voluntary testing and counseling are the way to influence behavior that is deeply ingrained as is sexual practice.

On the other side of the debate are Education Secretary Bennett and his former deputy, White House domestic policy adviser Gary Bauer. At a series of White House meetings in which the testing policy was hammered out, they argued that the AIDS epidemic demands more aggressive public health measures that will produce behavioral change.

"If you have a test and discover you're carrying the (AIDS) virus, then I believe that most of my fellow citizens will change their behavior," said Bauer.

(Sandra Boodman, Washington Post, A15)

NETWORK NEWS SUMMARY FOR WEDNESDAY, JUNE 10, 1987

VENICE SUMMIT

NBC's CHRIS WALLACE: The economic summit finally dealt with economics. And once again, President Reagan didn't get much. He wanted the Germans to stimulate their economy; they refused. He called for early action to get governments out of subsidizing agriculture; Japan and Europe turned that down. And when the leaders agreed to a U.S. plan to coordinate their economies; they removed ways to enforce it. One of the few things they did agree on was how bad the U.S. budget deficit is.

(ITALIAN PRIME MINISTER FANFANI: "Among the summit countries, budgetary discipline remains an important medium-term objective.")

Whether it was the bad news or a big lunch, the President seemed to struggle to stay awake. The statement was read for more than 40 minutes. Secretary of State Shultz seemed to struggle to keep Mr. Reagan awake.

(TV COVERAGE: The President at the final meeting; then the President and Secretary Shultz talking at the meeting.)

U.S. officials maintained the summit went according to plan.

(SECRETARY JAMES BAKER: "I can't really think of anything major that we came here seeking that we didn't get.")

But financial analysts were less impressed.

(MICHAEL EVANS, analyst: "Every summit has gotten a little bit worse so now we're down to the point where about the only thing they accomplish at the summit is having lunch together.")

In fact, lunch was one of the few clear successes here.

The President and other leaders spent less time eating than looking up at magnificent paintings of naval battles. But that may just have reminded Mr. Reagan of the lack of support he got here in the Persian Gulf.

(TV COVERAGE: The President at the closing luncheon.)

Secretary Shultz said yesterday that all the allies back a possible U.N. arms embargo against Iran. But today other delegations said that wasn't true. And back home there was dismay that the allies refused to help the U.S. escort Kuwaiti tankers in the Gulf.

(SEN. ROBERT DOLE: "The allies in Venice issued a fine sounding statement calling for freedom on navigation in the Persian Gulf. It is good rhetoric, but rhetoric is easy and action is a lot tougher.")

Despite setbacks on both economic and political issues, the President seemed unphased.

(THE PRESIDENT: "A most fruitful summit.")

Mr. Reagan will try to change the subject. The White House announced he will address the nation Monday night. And while he'll talk about Venice, the focus will be on NATO's likely endorsement of the U.S. arms control position later this week.

NBC's TOM BROKAW: Does that mean that the way now has been cleared for the President to press ahead for a summit meeting with the Soviet Union on this matter of the shorter-range nuclear missiles?

WALLACE: This Reykjavik meeting of NATO foreign ministers begins tomorrow and there are still some misgivings among the NATO ministers. But the U.S. is very confident that they will come out of that with a unified Western position which I'm sure the President will announce next week. They expect exactly the same process in Geneva -- that there will be some pulling and tugging between the U.S. and Soviets -- but you can see that eventually there will be a U.S.-Soviet arms deal.

BROKAW: Even though the allies refuse to support President Reagan on his Persian Gulf policy, his National Security Advisor Frank Carlucci indicated today that there were no hard feelings. Carlucci said the U.S. Navy ships will occasionally escort vessels of other nations through the Gulf and they will not seek compensation for this. In Washington, Defense Secretary Weinberger tried to call on congressional concerns over U.S. military moves in the Persian Gulf, telling the House Foreign Affairs Committee why he thinks an American presence in that region is necessary.

(WEINBERGER: "If we don't do it, the Kuwaitis will go to the Soviets for full protection of their whole fleet. And it will be quite apparent to all the people whom we need to be able to call on and with whom we have good relations, that we lack the resolution and the will to do what we are required to do to maintain our presence there. And we will have demonstrated that we are more worried about what Iran might do to us than whether or not we have the ability to keep the oil going.")

Weinberger also said that in spite of what he called Iran's violent rhetoric, he does not expect Iran to attack American ships in the Persian Gulf.
(NBC-Lead)

BROKAW: Assurances by U.S. officials notwithstanding, President Reagan did not get allied agreement on most of his economic goals at this Venice summit and for a simple reason -- these countries are doing quite well now, thank you very much. And they do not want to interrupt their economic prosperity just to please the U.S.

NBC's JIM BITTERMAN reports on how well European economies are doing.
(NBC-9)

BROKAW: There was one subject at this summit on which there was complete agreement -- the AIDS epidemic. The summit leaders today called it one of the biggest potential health problems in the world and pledged full cooperation to provide political and financial support for combating this disease.
(NBC-10)

ABC's SAM DONALDSON: The 13th economic summit held its final meeting today with most assessments of its accomplishments falling within the embarrassing range of slim to none. Even President Reagan, with his legendary ability to find good news in almost anything, delivered a faint benediction.

(THE PRESIDENT: "I think it's been a fine, fine meeting.")

(TV COVERAGE: The President speaking to reporters.)

When the leaders gathered to hear their final economic communique, it was learned they had reaffirmed agreements to work harder to stabilize currencies and coordinate economic policies; and renewed promises to adjust national spending as indicated; and had endorsed such important but otherwise vague propositions as making the world drug-free and conquering the AIDS disease. It was easy for listeners to go to sleep and several of the top listeners did -- including President Reagan, whose aides kept punching him awake in the name of image control.

(TV COVERAGE: The President talking to Secretary Shultz.)

The fact is -- the President did not seem to provide the spirited leadership here as he has in the past according to several key participants. And he certainly didn't get several key things he once talked of wanting from this summit.

DONALDSON continues: Often Treasury Secretary Baker confirmed, because, as in his desire to end world agriculture subsidies by the year 2000, he didn't even ask.

(BAKER: "You asked me if the issue was raised. It was not raised in the plenary meetings, perhaps because there was not sufficient additional support for putting a fixed date on there.")

U.S. officials have been busily trying to make up for this lack of support with a hurricane of talk. Since Sunday they have given 27 exclusive interviews to the U.S. television networks. Tomorrow the President will hold a news conference on the grounds of the Cipriani Hotel.

(TV COVERAGE: The President and Mrs. Reagan embracing outside the Cipriani Hotel; then waving.)

And Monday night he will address the nation from the Oval Office on the bright prospects for arms control and the success of this summit. Trying to talk this summit into a success will be a difficult job indeed. But U.S. officials believe they have found a formula -- of nothing chanced, nothing lost. But that is hardly a definition of leadership.

ABC's PIERRE SALINGER reports on the accomplishments of the summit.... These summits no longer provide any possibility for anybody to win everything. But they do provide an opportunity for everyone to win something....

ABC's PETER JENNINGS: Leaders also came here believing they were going to get some pressure from the U.S. on the Persian Gulf. There's been a lot of "toing and froing" at this summit on the subject of the Gulf and still many questions about whether the U.S. and Iran will find themselves in a confrontation.

ABC's MIKE LEE reports from the Persian Gulf on the current U.S. military presence in the Gulf region.

JENNINGS: President Reagan hasn't done much talking about the Gulf while he's been here. He's left that to his aides. And there has been quite an argument about what the U.S. was trying to get the allies to do and what it eventually came away with. This afternoon we talked with the President's Chief of Staff. You said before you came here there were going to be important developments. What's the most important thing?

(BAKER: "I think the most important thing is that there were probably no surprises. There's remarkable unity of view and purpose by the seven participants. And that was not assured by any means when they got here.") You didn't really get very much on the Persian Gulf. You didn't get as much as you had predicted. In terms of material help from the allies, what happened?

(BAKER: "I don't think we frankly expected more. I don't recall that the President predicted that he'd get more. He did get a general statement, and a very important one, committing these seven participants to freedom of transit in the Persian Gulf and access to Middle East oil. That's a lot.")

(ABC-Lead)

JENNINGS: Some final notes from here in Venice.... It is still the fortress Administration -- a giant American delegation that moves within such security that no ordinary citizen ever sets eyes on President Reagan....

JENNINGS continues: There are those even on the White House staff who believe that the security apparatus has gone overboard. That even though the President's safety is of enormous concern, America is symbolically advertising itself as having been intimidated.... (ABC-10)

CBS's BILL PLANTE: Allied leaders wrapped up the economic summit with broad stroke policy declarations, but as predicted, few new ideas on how to deal with world economic problems. Still, President Reagan declared the meeting a success.

(THE PRESIDENT: "A most fruitful summit.")

(TV COVERAGE: The President and allied leaders; then with Chief of Staff Baker.)

Today's final agreement by the seven economic summit partners endorsed policies to encourage world economic growth, stabilize exchange rates, correct trade imbalances, and eventually cut back farm subsidies. They also pledged to fight the problems of AIDS and drug abuse. But they make no promises, set no dates, and included no sanctions if action is not taken. The expectations were low from the outset. Most of the leaders are facing political problems at home. A big problem here for Mr. Reagan is continuing complaints from the others about the U.S. budget deficit.

(ROBERT HORMATS, former assistant secretary of state: "It's hard for the President to lecture others on economics when we can't get our budget under control.")

So the Administration didn't ask for much and now it insists it accomplished what it set out to do.

(SECRETARY JAMES BAKER: "I can't think, as a matter of fact, of anything that we wanted that we haven't gotten on the economic side. It's been a very successful summit. I think you think it's dull because there haven't been any real controversy here.")

But many diplomats and journalists interpreting for their nations what happened here, see a U.S. president on the defensive, unable to dominate this meeting as he has others in the past.

(JAPANESE TV REPORTER: "This summit strikes me as one in which the President of the U.S. has shown pretty much reduced leadership.")

But this isn't over yet. Still to come in Europe -- a news conference and a visit to the Berlin Wall. Then, most important to White House image makers, a nationally televised Oval Office speech next Monday night in which, if all goes well, the President will announce that he is accepting Moscow's offer to negotiate a treaty on nuclear weapons in Europe.

(CBS-3)

PERSIAN GULF/SAUDI ARABIA

CBS's DAVID MARTIN: In what would be a major policy shift, Saudi Arabia is considering a U.S. request to let AWACS radar planes extend their coverage of the Persian Gulf down to the Strait of Hormuz, where Iran is preparing to deploy Silkworm anti-ship missiles.... Pentagon officials say the Saudis are reluctant to get involved in the shooting war in the Gulf. That has Democrats in Congress ready to cutoff further arms sales to the Saudis.

(REP. PETER KASTMEYER: "In addition, when it comes to the Gulf and efforts to keep shipping lanes open, they cannot be counted on.")

MARTIN continues: Defense Secretary Weinberger is having an increasingly tough time explaining the new Persian Gulf policy.... Weinberger's assessment of the Iranian threat left the committee bewildered.... Congressional skepticism about escorting Kuwaiti oil tankers did not surface until after the attack on the Stark.... (CBS-2)

HAMEDI

BROKAW: NBC News has learned that from all indications, the West Germans now are determined not to extradite Mohammed Ali Hamed i to the U.S. to stand trial for the hijacking of TWA flight 847 and the murder of American sailor Robert Stethem in the summer of 1985. However, the West Germans have assured the U.S. that Hamed i will be tried on murder charges and not on the lesser charges of possession of explosives. Those charges were fired when he was arrested while trying to enter West Germany.

(NBC-2, ABC-2)

JUSTICE DEPARTMENT/TEAMSTERS

BROKAW: U.S. Justice Department officials said today that they are preparing a major new effort to rid the Teamsters Union of mafia control. The civil lawsuit is being drafted to get the current Teamsters leaders thrown out of office under a current racketeering law mainly used to end mob control of businesses. The plan is to put the union under court appointed trustees until it is cleaned up.

NBC's BRIAN ROSS: The proposed attempt to put the Teamsters under federal control comes after years of violence, corruption and mafia rule of the country's largest union.... This long record of corruption and violence now has led the Justice Department to propose a lawsuit that, if successful, would force out the current Teamster bosses and put the union under the control of trustees appointed by a federal court.... Senator Sam Nunn has been a long-time critic of the Teamsters.

(NUNN: "The government has to take over a major union -- that's not desirable. But the signals being sent now of corruption that is not being cured over a 20-30 year period is even worse news.")

...The Justice Department has already moved against one powerful teamster local in New Jersey -- local 560.... For the almost 2 million truck drivers and other Teamsters workers, the proposed Justice Department lawsuit could be the most important move ever against mob control of their union.

(NBC-6, ABC-3)

CBS's RITA BRAVER: If Justice Department lawyers have their way, the Teamsters president and the other 20 members of the union's governing board will be ousted and replaced by government approved trustees.... The government would not comment on specifics of the case first reported by the LOS ANGELES TIMES.

(SECRETARY BROCK: "We have a responsibility to explore any possible criminal corruption of organized labor.")

...Justice Department sources said the suit is unlikely to be filed before the fall. Attorney General Edwin Meese has taken himself out of the case because of his cordial relationship with Jackie Presser who twice threw union support behind President Reagan in elections. (CBS-Lead)

FOREIGN MEDIA REACTION

VENICE SUMMIT

"The dinner the first evening was marked by Reagan's statement on security in the Gulf..... On disarmament, Reagan reassured the Europeans: 'Europe remains America's front line defense.'On the Gulf, Reagan's diplomatic offensive failed, likely because of lack of support from Congress and French and British resistance."

(QUOTIDIEN, France)

"Three texts were adopted yesterday. On the Gulf, U.S. diplomacy did not get much and the text on disarmament was very cautious. On terrorism, the seven did not say anything really new.... Are these summits really necessary? One would be tempted to answer in the negative if another summit among presidents, ministers and experts were not taking place behind the curtains and away from the mikes. But we will have to wait for the publication of the memoirs of the participants to really gauge the bearing of these summits."

(LE MATIN, France)

"There should not be any more 'world economic summits.' ...Economic policy does not benefit from the event. The only thing that the chiefs could possibly foster with their words is free trade. But, instead, protectionism is blossoming everywhere.... One should stop expecting the summit to do anything for economic policy and give the annual spectacle a different name."

(FRANKFURTER ALLGEMEINE, West Germany)

"As an 'economic summit' the talks among the Big Seven have a good chance of going down in history as the summit of noncommitment and self-content."

(WESTFAELISCHE RUNDSCHAU, West Germany)

"The weak dollar and the strong German mark are costing jobs and reducing the profit companies could otherwise use for investments. This is why the German economy has not reached the growth rate it was suppose to achieve. It is odd that Ronald Reagan has accused the Germans of not doing enough for supporting the world economy. The question remains whether the U.S. is able to fulfill its promise to reduce its budget deficit and whether the U.S. economy exploits the chances for increased exports because of the weak dollar."

(TV-TWO, West Germany)

"To President Reagan it is particularly important that the seven nations be able to unite on a joint proposal for a treaty with the Soviets on removal of the nuclear missiles in Europe. Such a treaty -- and a summit between him and Gorbachev in the U.S. later this year -- are Reagan's most vital political goals. The San Giorgio summit provides an excellent opportunity for the American President to obtain European backing for such a disarmament agreement."

(KRISTELIGT GAGBLAD, Denmark)

VENICE SUMMIT (continued)

"Reagan and his staff had to face realistically the reluctance of some of their partners to embark on an adventure whose outcome is unknown, and in any case risky, in the Gulf." (LA STAMPA, Italy)

"Nancy Reagan is the visitor who shall prove that peace definitely prevails between Stockholm and Washington." (HUFVUDSTADSBLADET, Finland)

"The declaration's main objective is to strengthen President Reagan's position in the upcoming summit meeting with Gorbachev next autumn." (HELSINGIN SANOMAT, Finland)

"Although the summit leaders took a basic posture accepting the Gorbachev 'double-zero formula,' they reconfirmed the importance of nuclear deterrence. The declaration expresses hope for progress in U.S.-Soviet dialogue, but warns against the talks proceeding at a pace set by the Soviet side." (ASAHI, Japan)

"President Reagan can save the Venice summit by making a firm commitment to a meaningful cut in his country's budget deficit and to reduce the rising gap between U.S. domestic savings and investment." (INDIAN POST, India)

"President Reagan yesterday scored an impressive success. The seven have finally resolved their disagreements and Reagan received the go ahead from his allies, particularly on the issue of 'a firm policy in the Persian Gulf.' Furthermore, they also endorsed his policy on the principles of the struggle against international terrorism and East-West arms reduction. It was also reported that significant progress has been made on a number of important, but controversial, economic issues." (YEDIOT AHARONOT, Israel)

"The most outstanding achievement is the blessing given by the West to President Reagan's plans to meet with Russia's Gorbachev. Surprisingly, the economic issue, the formal raison d'etre of the summit, has been pushed to the sidelines." (DAVAR, Israel)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 11, 1987 -- VENICE AFTERNOON EDITION
6:00 A.M. EDT, NOON ITALY

TODAY'S HEADLINES

ECONOMIC SUMMIT

BIG 7 PLEDGE UNITED STAND ON ECONOMY, AIDS BATTLE -- Leaders of seven industrial democracies ended their three-day summit with a pledge to battle AIDS and an obligatory promise to pursue coordinated economic policies.
(Los Angeles Times, Washington Post, Washington Times, AP, UPI)

INTERNATIONAL NEWS

NATO SEEN 'WITHIN REACH' OF ACCORD ON EUROMISSILES -- Foreign ministers of the Atlantic Alliance are "within reach" of an agreement on a strategy for removing medium- and short-range nuclear missiles from Europe, NATO Secretary General Lord Carrington said.
(Los Angeles Times, AP)

NATIONAL NEWS

SENATE NEGOTIATORS REJECT HOUSE DEFENSE BUDGET PLAN -- Senate budget negotiators summarily rejected a House proposal designed to break a month-long deadlock over the \$1 trillion fiscal 1988 budget.
(Washington Post, UPI)

NETWORK NEWS (Wednesday Evening)

VENICE SUMMIT -- The summit leaders pledged full support for fighting the AIDS epidemic.

PERSIAN GULF/SAUDIS -- The Saudis are considering a U.S. request to let AWACS planes extend their coverage in the Persian Gulf.

HAMAEI -- The West Germans have assured the U.S. that Mohammed Ali Hamadei will be tried on murder charges.

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ECONOMIC SUMMIT

SUMMIT FALLS SHORT OF ACCORD

Leaders Postpone Action On Bolstering World Economic Growth

VENICE -- The leaders of the seven major Western industrial countries concluded their summit here admitting that, despite slipping global economic growth rates and serious trade and economic problems, they were unable to agree that growth-oriented policies should be pursued now.

Instead, in a long communique ending the 13th annual summit, the leaders postponed any stimulative actions unless "world economic growth is insufficient."

The summit participants, in a political statement issued by host country Italy, also urged an end to the Soviet "military occupation" of Afghanistan and the withdrawal of foreign troops from Cambodia, an allusion to Vietnamese troops in that country. They also called for the dismantlement of the apartheid regime in South Africa and its replacement "by a new form of democratic, nonracial government."

The communique on economic issues was couched in general terms that indicated the inability of the leaders to reach substantive agreement on some key topics and policies.

Nonetheless, Treasury Secretary Baker insisted that "clear progress has been made on a number of fronts" and that, on a success scale of 1 to 10, the summit rated "an 8 or 9." (Hobart Rowen, Washington Post, A1)

BIG 7 PLEDGE UNITED STAND ON ECONOMY, AIDS BATTLE

VENICE -- Leaders of seven industrial democracies ended their three-day summit with a pledge to battle AIDS and an obligatory promise to pursue coordinated economic policies.

The meetings produced no blockbuster initiatives. But at the same time, there were few, if any uneasy moments for President Reagan and leaders of Britain, Canada, France, Italy, Japan and West Germany.

"Just because we did not have any major contretemps here...I don't think that should be viewed as detrimental," said Treasury Secretary Baker.

(Patricia Wilson & Jeremiah O'Leary, Washington Times, A1)

SUMMIT CALLS FOR GREATER AIDS EFFORTS

But Says Measures Should Not Infringe On Human Rights

VENICE -- The seven leaders meeting here called for greater national and international efforts to prevent the spread of the deadly AIDS virus but cautioned that all measures taken should be "in accordance with the principles of human rights."

The heads of the economic summit nations, winding up their annual three-day session, urged that priority be given to existing organizations involved in the battle against AIDS by providing them with necessary financial, personnel and administrative resources and the World Health Organization is the best forum for coordinating a worldwide effort.

(Jack Nelson & James Gerstenzang, Los Angeles Times, A1)

SUMMIT BACKS COORDINATED AIDS RESEARCH

VENICE -- The leaders of the seven industrial democracies endorsed coordinated research by their countries to find a cure for AIDS.

"The heads of state or government welcome and support joint action by researchers in the seven countries," the leaders said in a summit-ending statement read by the host of the meeting, Italian caretaker Prime Minister Amintore Fanfani.
(Reuter story, Washington Post, A34)

LITTLE ACTION AT VENICE SUMMIT

VENICE -- For a multimillion-dollar extravaganza, the 13th economic summit of the seven allied major industrialized nations produced fine words but little action.

French President Mitterand even complained that the annual summits have become costly "spectaculars" and should be replaced by ad hoc meetings, when needed, in more informal surroundings.

"It sure seems to have got out of hand," said one Canadian official about an event that cost at least \$2 million a day. "It's a lot of trouble and pomp for a group photograph and a pretty innocuous statement."

(News Analysis, John Callcott, UPI)

FEW CLEAR WINNERS OR LOSERS SEEN AMONG SUMMIT'S TROUBLED PLAYERS Public Relations Event Still Useful As 'Group Therapy,'

VENICE -- Britain's urbane foreign secretary, Geoffrey Howe, paused as the end came for the seven-nation economic summit and reflected on whether these gatherings have become a wasting asset.

A useful exercise in "international group therapy" was Howe's considered judgement. The leaders of North America, Western Europe and Japan profit from giving each other "solemn assurances around the table that they will try to do better" on economic policy in the coming year, he said.

The Venice summit, the 13th of the series, provided fewer clear winners and losers than previous gatherings. Because of the accumulation of political and economic burdens carried by these leaders this year, it resembled a reunion of the walking wounded.

(News Analysis, Jim Hoagland, Washington Post, A34)

REAGAN'S ROLE REDUCED, SUMMIT DIPLOMATS REPORT Allies Note Decline Since '86 Tokyo Talks

VENICE -- President Reagan's performance at the 13th economic summit left the other leaders of major industrial democracies convinced he has rather suddenly begun to show his age and lame duck status and wondering whether he possesses the energy and initiative to provide active leadership for the alliance, according to European diplomats.

Publicly, he was sanguine and upbeat, declaring today, "It's been a fine summit." But in private sessions, he was sharply challenged by the leaders of France, West Germany and Japan who criticized the enormous budget deficits of the Reagan years, despite Reagan's claim that he has made progress in reducing them.
(David Hoffman, Washington Post, A1)

SUMMIT CONFERENCE DRAWS MIXED REVIEWS FROM FINANCIAL MARKETS

The financial markets have given mixed reviews to the outcome of the economic summit in Venice while many U.S. economists are concluding the annual conference would do little to change the world economy.

However, leaders did pledge to keep a closer watch on each other's economies and seek long-term reductions in government farm subsidies.

(AP)

ADMINISTRATION FOCUSES ON TELEVISION COVERAGE AT SUMMIT

The White House, skilled in such matters, turned the seven-power summit in Venice into a vast stage for beaming its message back to America.

Beginning last Sunday, the Administration lined up White House Chief of Staff Baker, National Security Adviser Carlucci, Secretary of State Shultz, Treasury Secretary Baker for an unprecedented number of television interviews to sell the Administration's views.

To the dismay of print and radio reporters, television correspondents were given multiple opportunities every day to question senior officials, while other members of the press were shut out. (Terence Hunt, AP)

KOHL REJECTS REQUEST BY REAGAN

West German Leader Declines To Extradite Hijacking Suspect

VENICE -- West German Chancellor Kohl has rejected a personal appeal from President Reagan to extradite an accused Lebanese hijacker to face murder charges in the U.S., White House spokesman Marlin Fitzwater said.

The White House spokesman said Kohl had agreed with Reagan that Mohammed Ali Hamadei should be tried for murder but turned down the extradition request. The West German leader left "the clear impression" that Hamadei would be tried on murder charges in West Germany, Fitzwater said.

(Lou Cannon, Washington Post, A1)

WHITE HOUSE PERSUASION WON HIGH PROFILE SPEECH IN BERLIN

WEST BERLIN -- White House advance men, seeking to make the biggest possible splash for President Reagan's speech at the Berlin Wall Friday, persuaded skeptical West Berlin officials to invite a larger crowd than the Germans wanted and to stage the event opposite the visually impressive but politically sensitive Brandenburg Gate, U.S. and West Berlin officials said.

Some West Berlin authorities were concerned that the East Germans and Soviets would consider it unduly "provocative" for Reagan to speak with the gate, a classical-style gate in East Berlin, directly behind him, city officials said. The 196-year-old gate, in the center of Berlin, stands only yards beyond the wall dividing the city. As the best known site along the wall, it is a particularly emotional symbol of the city's division.

(Robert McCartney, Washington Post, A1)

INTERNATIONAL NEWS

SHULTZ EXPECTS NATO MINISTERS TO ENDORSE U.S-SOVIET DEAL

REYKJAVIK, Iceland -- Secretary Shultz said he expects NATO foreign ministers to endorse a Soviet-American deal to dismantle hundreds of nuclear missiles, and join in planning the next stage of arms control negotiations.

Shultz...said talks aimed at curbing U.S. and Soviet tactical nuclear weapons might have to be postponed in favor of efforts first to reduce the Warsaw Pact's current edge in conventional forces.

Shultz said strategic weapons, including bombers, submarines and intercontinental ballistic missiles, are the key to arms control talks with the Soviets, "and we have made a lot of progress on that."

In Europe, Shultz said, "we need to address the conventional imbalance" and pursue a proposed ban on chemical weapons. He said shorter range nuclear weapons can be negotiated "in good time."

Shultz's position seems to signal disagreement at the North Atlantic Council meeting. But he expressed confidence that NATO allies will approve the pending accord with the Soviets on medium-range missiles.

(Barry Schweid, AP)

NATO SEEN 'WITHIN REACH' OF ACCORD ON EUROMISSILES

REYKJAVIK -- Foreign ministers of the Atlantic Alliance are "within reach" of an agreement on a strategy for removing medium- and short-range nuclear missiles from Europe, NATO Secretary General Lord Carrington said.

Speaking at a press conference on the eve of the annual spring meeting of NATO foreign ministers, Carrington warned, however, that the deep cuts in nuclear forces that are now considered almost certain will magnify the alliance's failure, so far, to deal with the Soviet Union's overwhelming advantage in chemical and conventional weapons.

(Norman Kempster, Los Angeles Times, A1)

BONN IS ASSURED IT CAN KEEP MISSILES

Pershing 1As Won't Be Included In A-Arms Pact, U.S. Tells W. Germans

VENICE -- The U.S. gave public assurances to West Germany that Bonn's short-range Pershing 1A ballistic missiles will not be included in any agreement with the Soviet Union on withdrawing nuclear weapons from Europe.

The American position, which is expected to be endorsed at a meeting of NATO foreign ministers in Reykjavik, Iceland, was spelled out at a news conference by National Security Adviser Frank Carlucci.

(Don Cook, Los Angeles Times, A22)

U.S. FIGHTER PLANES ON OIL TANKERS CONSIDERED

The U.S. may put Harrier fighter planes on Kuwaiti tankers in the Persian Gulf in an effort to protect them from possible Iranian missile attack, senior Pentagon officials said.

"This is a possibility, a very definite possibility," Adm. William Crowe, the chairman of the Joint Chiefs of Staff, told the House Foreign Affairs Committee.

(James Dorsey, Washington Times, A1)

CHINA STRONGLY DENIES SELLING ARMS TO IRAN
Spokeswoman Accuses U.S. Newspapers Of
'Ulterior Motives' In Publishing Reports

BEIJING -- A Foreign Ministry spokeswoman strongly denied that China was selling arms to Iran and in an apparent reference to the U.S., expressed "surprise" that unnamed "senior officials of a big power" had made such allegations.

"It is quite obvious that certain U.S. newspapers have kept on fabricating and spreading such irresponsible reports with ulterior motives," Li Jinhua said, referring to recent accounts in some U.S. newspapers regarding an alleged \$550 million arms-for-oil deal concluded last month between China and Iran. (Lena Sun, Washington Post, A29)

BRITAIN ORDERS IRANIANS TO CUT EMBASSY STAFF BY 2

LONDON -- Britain ordered Iran to reduce its diplomatic presence here by two in the latest of a series of tit-for-tat expulsion between the two countries.

A statement issued by the Foreign Office said a new "ceiling" of 16 had been placed on the Iranian Embassy in London. The embassy normally has a complement of 19 accredited diplomats, but one position is vacant.

(Washington Post, A28)

SAUDI ARMS SALE CRITICS CLAIM VICTORY

Senate opponents of the Administration's proposal to sell 1,600 Maverick antitank missiles to Saudi Arabia announced that they have gained enough votes to block the sale and called on the Administration to abandon it.

Sen. Bob Packwood said he now has 67 supporters for a resolution of disapproval of the sale, the two-thirds of the Senate necessary to override a potential presidential veto of a disapproval resolution.

"It's time for the Administration to withdraw the proposal and to encourage the Saudis to work towards peace in the Middle East rather than destruction," Packwood said.

Saudi behavior during the Stark attack as well as the kingdom's reported hesitance to provide further military assistance to the U.S. in the Persian Gulf have become stumbling blocks to congressional approval of the \$360 million Maverick arms sale. (David Ottaway, Washington Post, A30)

BACKERS TRY TO AVERT BAN ON MISSILE SALE TO SAUDIS

Administration officials said legislation aimed at blocking a White House plan to sell 1,600 Maverick anti-tank missiles to Saudi Arabia is a "slap across the face" to the Persian Gulf ally.

Assistant Secretary of State Richard Murphy and Lt. Gen. Philip Gast, Defense Security Assistance Agency director, testified against the bill and for the \$360 million sale before the Senate Foreign Relations Committee.

The Administration spokesmen argued that Saudi Arabia is a reliable ally in the Gulf whose pilots acted properly, if methodically, in their response to the Iraqi jet attack (against the USS Stark).

(Gene Grabowski, Washington Times, A4)

SAUDI ARMS SALE/PACKWOOD

Sen. Bob Packwood, the Senate's main opponent of an Administration plan to sell 1,600 sophisticated air-to-ground missiles to Saudi Arabia, said he had gathered the support of enough senators to kill the sale.

Critics in Congress argue that the missiles are more weaponry than the Saudis need and could threaten Israel.

In addition, some lawmakers have complained the Saudi have consistently rejected peace initiatives from Israel, have done little to help the U.S. and have continued to support Syria and the P.L.O., which, in turn, has provided help for the Sandinista government in Nicaragua.

(Joseph Mianowany, UPI)

KING FAHD PROVIDES MILLIONS FOR REBELS AT REAGAN BEHEST

King Fahd of Saudi Arabia has pumped tens of millions of dollars into anti-communist projects around the world and confided he did so at the direction of the Reagan Administration, says a naturalized American businessman who claims extensive dealings with the Saudi royal family.

Included in the contributions, according to Sam Bamieh of San Mateo, Calif., is more than \$50 million given by Fahd in 1983 to rebels in Angola.

Bamieh charged in a recent interview with UPI that Fahd became a secret instrument of President Reagan's policy, in effect, as part of an understanding reached in 1981 with the sale of sophisticated U.S. AWACS radar planes to the Saudis.

(Gregory Gordon, UPI)

TIGHTENING COVERT ACTION REPORTS DRAWS YELP FROM ADMINISTRATION

The Reagan Administration denounced a House plan to tighten up reporting guidelines on covert action as an encroachment on the President's constitutional authority.

Michael Armacost, undersecretary of state for political affairs, said pending legislation on covert action reporting is an attempt by Congress to "fix a system that is not broken."

"In the Administration's view (the two bills) unconstitutionally intrude into the President's authority to conduct the nation's foreign relations," Armacost said in testimony before the House Intelligence subcommittee on legislation.

(Bill Gertz, Washington Times, A2)

IRAN-NICARAGUA

IRAN-CONTRA PANELS PLAN CLOSED-DOOR
TESTIMONY FROM CIA, NORTH, POINDEXTER

Congressional Iran-contra committees, on a 12-day break in public testimony, are planning closed-door sessions with high-ranking CIA officers and the affair's two mystery men, John Poindexter and Oliver North.

Poindexter...is expected to be questioned in a second secret sworn deposition next week, committee sources said. His fired aide, North, may be deposed in secret by staff investigators for the first time as early as next week too, they said. (William Welch, AP)

SECORD FUND PAID NORTH SECURITY BILL
Home-Protection System Said Financed With Swiss Account

Money from a Swiss bank account controlled by retired Air Force major general Richard Secord paid for a sophisticated electronic security system installed last June at the home of then-White House aide Oliver North, congressional sources said.

Congressional investigators have determined that a May 2, 1986, transfer of \$15,000 from Switzerland to an account of Secord's company, Stanford Technology Trading Group International, provided the funds that paid for the security devices, sources said. Money in the Swiss accounts included profits made by selling arms to the Nicaraguan contras and Iran, although it is unclear whether the \$15,000 is from those funds.

(Walter Pincus, Washington Post, A1)

WRIGHT LASHES ADMINISTRATION

House Speaker Jim Wright blasted the Administration, saying the Iran-contra hearings have revealed "arrogance, lawlessness, greed" and deliberate attempts to deceive the public and Congress.

Wright said the worst scandal of the Reagan presidency would not have occurred if the Administration had "shown any regard for the President's constitutional obligation that the laws be faithfully executed."

(UPI story, Washington Post, A20)

NATIONAL NEWS

SENATE NEGOTIATORS REJECT HOUSE DEFENSE BUDGET PLAN

Senate budget negotiators summarily rejected a House proposal designed to break a month-long deadlock over the \$1 trillion fiscal 1988 budget.

The two chambers are divided over the level of defense spending. Senate Budget Committee Chairman Lawton Chiles called the House proposal to split the \$13 billion difference between the House and Senate budget plans "a widening of the differences, not a narrowing."

Chiles, after meeting with several senators on the conference committee, called the House offer a "nonstarter; it's not anything that any of our people would look at or consider." (Tom Kenworthy, Washington Post, A5)

HOUSE DEMOCRATS OFFER SENATE BUDGET COMPROMISE

House Democrats seeking compromise on the \$1 trillion budget proposal offered Senate counterparts a revised plan, calling for \$19.5 billion in new taxes and a smaller increase in military spending than the Senate wants.

Earlier Wednesday, Senate Democratic leader Robert Byrd said he had told House Speaker Jim Wright that Senate Democrats would go along with a plan to drop defense spending to \$289 billion, and that level "is the bottom line."

House Budget Committee Chairman William Gray said, "We're at a point where I think both bodies have got to be very realistic about what's achievable," theorizing that the new proposal could win a majority of votes in both the House and Senate. (Linda Werfelman, UPI)

HOUSING BILL HEADED FOR FULL HOUSE VOTE

A \$15.9 billion omnibus housing bill headed for House approval with strong backing from Democratic leaders who say it will end the decline in government housing programs under the Reagan Administration.

Just before the House began debate on the bill, Speaker Jim Wright attacked the "shortsighted policies of the Reagan Administration, which has continually tried to slash funding for housing and community development, to shut down the Federal Housing Administration and to saddle young home buyers with excessive costs masquerading as user fees," Wright said.

Republicans responded that the new housing authorization bill would add \$5.2 billion to the deficit next year and reverse housing reforms enacted in recent years. (Robert Shepard, UPI)

HOUSE PANEL PASSES WELFARE BILL STRESSING JOBS

The House Ways and Means Committee approved the most sweeping overhaul in a generation of the nation's welfare program for low-income parents with dependent children.

Although President Reagan put welfare changes on the national agenda with a dramatic statement in his 1985 State of the Union message, the committee's 13 Republicans opposed it. All 23 Democrats voted in favor.

While many Republican members said they like the thrust but not the details of the bill's education, training and work provisions, they and the Reagan Administration strongly oppose its benefit increases.

This opposition, shared by many Senate conservatives, portends difficulty on the House and Senate floors and a possible veto.

(Spencer Rich, Washington Post, A24)

MIKULSKI, HOYER RETHINK DRUG-TESTING

Unusual Summit Held With 6 Top Administration Aides

A mass showing of top Administration officials on Capitol Hill last night wrung slight concessions from two Maryland Democratic critics of President Reagan's drug-testing plan, but key disputes remained to be ironed out in another meeting today.

Sen. Mikulski said that she and Rep. Steny Hoyer were "rethinking" whether to require the Administration to reissue its guidelines (for conducting urinalyses of federal workers in sensitive positions) "in light of the comments" made at last night's meeting.

(Judith Havemann, Washington Post, A11)

AIDS POLICY: A QUESTION OF BEHAVIOR MODIFICATION

Debate Swirls Around Tests' Effectiveness

The debate over the Reagan Administration's controversial plan to expand testing for the AIDS virus revolves around one important question: what makes people change their behavior?

Many public health experts who oppose mandatory testing of prisoners, immigrants and others say that education programs coupled with voluntary testing and counseling are the way to influence behavior that is deeply ingrained as is sexual practice.

On the other side of the debate are Education Secretary Bennett and his former deputy, White House domestic policy adviser Gary Bauer. At a series of White House meetings in which the testing policy was hammered out, they argued that the AIDS epidemic demands more aggressive public health measures that will produce behavioral change.

"If you have a test and discover you're carrying the (AIDS) virus, then I believe that most of my fellow citizens will change their behavior," said Bauer.

(Sandra Boodman, Washington Post, A15)

NETWORK NEWS SUMMARY FOR WEDNESDAY, JUNE 10, 1987

VENICE SUMMIT

NBC's CHRIS WALLACE: The economic summit finally dealt with economics. And once again, President Reagan didn't get much. He wanted the Germans to stimulate their economy; they refused. He called for early action to get governments out of subsidizing agriculture; Japan and Europe turned that down. And when the leaders agreed to a U.S. plan to coordinate their economies; they removed ways to enforce it. One of the few things they did agree on was how bad the U.S. budget deficit is.

(ITALIAN PRIME MINISTER FANFANI: "Among the summit countries, budgetary discipline remains an important medium-term objective.")

Whether it was the bad news or a big lunch, the President seemed to struggle to stay awake. The statement was read for more than 40 minutes. Secretary of State Shultz seemed to struggle to keep Mr. Reagan awake.

(TV COVERAGE: The President at the final meeting; then the President and Secretary Shultz talking at the meeting.)

U.S. officials maintained the summit went according to plan.

(SECRETARY JAMES BAKER: "I can't really think of anything major that we came here seeking that we didn't get.")

But financial analysts were less impressed.

(MICHAEL EVANS, analyst: "Every summit has gotten a little bit worse so now we're down to the point where about the only thing they accomplish at the summit is having lunch together.")

In fact, lunch was one of the few clear successes here.

The President and other leaders spent less time eating than looking up at magnificent paintings of naval battles. But that may just have reminded Mr. Reagan of the lack of support he got here in the Persian Gulf.

(TV COVERAGE: The President at the closing luncheon.)

Secretary Shultz said yesterday that all the allies back a possible U.N. arms embargo against Iran. But today other delegations said that wasn't true. And back home there was dismay that the allies refused to help the U.S. escort Kuwaiti tankers in the Gulf.

(SEN. ROBERT DOLE: "The allies in Venice issued a fine sounding statement calling for freedom on navigation in the Persian Gulf. It is good rhetoric, but rhetoric is easy and action is a lot tougher.")

Despite setbacks on both economic and political issues, the President seemed unphased.

(THE PRESIDENT: "A most fruitful summit.")

Mr. Reagan will try to change the subject. The White House announced he will address the nation Monday night. And while he'll talk about Venice, the focus will be on NATO's likely endorsement of the U.S. arms control position later this week.

NBC's TOM BROKAW: Does that mean that the way now has been cleared for the President to press ahead for a summit meeting with the Soviet Union on this matter of the shorter-range nuclear missiles?

WALLACE: This Reykjavik meeting of NATO foreign ministers begins tomorrow and there are still some misgivings among the NATO ministers. But the U.S. is very confident that they will come out of that with a unified Western position which I'm sure the President will announce next week. They expect exactly the same process in Geneva -- that there will be some pulling and tugging between the U.S. and Soviets -- but you can see that eventually there will be a U.S.-Soviet arms deal.

BROKAW: Even though the allies refuse to support President Reagan on his Persian Gulf policy, his National Security Advisor Frank Carlucci indicated today that there were no hard feelings. Carlucci said the U.S. Navy ships will occasionally escort vessels of other nations through the Gulf and they will not seek compensation for this. In Washington, Defense Secretary Weinberger tried to call on congressional concerns over U.S. military moves in the Persian Gulf, telling the House Foreign Affairs Committee why he thinks an American presence in that region is necessary. (WEINBERGER: "If we don't do it, the Kuwaitis will go to the Soviets for full protection of their whole fleet. And it will be quite apparent to all the people whom we need to be able to call on and with whom we have good relations, that we lack the resolution and the will to do what we are required to do to maintain our presence there. And we will have demonstrated that we are more worried about what Iran might do to us than whether or not we have the ability to keep the oil going.") Weinberger also said that in spite of what he called Iran's violent rhetoric, he does not expect Iran to attack American ships in the Persian Gulf. (NBC-Lead)

BROKAW: Assurances by U.S. officials notwithstanding, President Reagan did not get allied agreement on most of his economic goals at this Venice summit and for a simple reason -- these countries are doing quite well now, thank you very much. And they do not want to interrupt their economic prosperity just to please the U.S.

NBC's JIM BITTERMAN reports on how well European economies are doing. (NBC-9)

BROKAW: There was one subject at this summit on which there was complete agreement -- the AIDS epidemic. The summit leaders today called it one of the biggest potential health problems in the world and pledged full cooperation to provide political and financial support for combating this disease. (NBC-10)

ABC's SAM DONALDSON: The 13th economic summit held its final meeting today with most assessments of its accomplishments falling within the embarrassing range of slim to none. Even President Reagan, with his legendary ability to find good news in almost anything, delivered a faint benediction.

(THE PRESIDENT: "I think it's been a fine, fine meeting.")

(TV COVERAGE: The President speaking to reporters.)

When the leaders gathered to hear their final economic communique, it was learned they had reaffirmed agreements to work harder to stabilize currencies and coordinate economic policies; and renewed promises to adjust national spending as indicated; and had endorsed such important but otherwise vague propositions as making the world drug-free and conquering the AIDS disease. It was easy for listeners to go to sleep and several of the top listeners did -- including President Reagan, whose aides kept punching him awake in the name of image control.

(TV COVERAGE: The President talking to Secretary Shultz.)

The fact is -- the President did not seem to provide the spirited leadership here as he has in the past according to several key participants. And he certainly didn't get several key things he once talked of wanting from this summit.

DONALDSON continues: Often Treasury Secretary Baker confirmed, because, as in his desire to end world agriculture subsidies by the year 2000, he didn't even ask.

(BAKER: "You asked me if the issue was raised. It was not raised in the plenary meetings, perhaps because there was not sufficient additional support for putting a fixed date on there.")

U.S. officials have been busily trying to make up for this lack of support with a hurricane of talk. Since Sunday they have given 27 exclusive interviews to the U.S. television networks. Tomorrow the President will hold a news conference on the grounds of the Cipriani Hotel.

(TV COVERAGE: The President and Mrs. Reagan embracing outside the Cipriani Hotel; then waving.)

And Monday night he will address the nation from the Oval Office on the bright prospects for arms control and the success of this summit. Trying to talk this summit into a success will be a difficult job indeed. But U.S. officials believe they have found a formula -- of nothing chanced, nothing lost. But that is hardly a definition of leadership.

ABC's PIERRE SALINGER reports on the accomplishments of the summit.... These summits no longer provide any possibility for anybody to win everything. But they do provide an opportunity for everyone to win something....

ABC's PETER JENNINGS: Leaders also came here believing they were going to get some pressure from the U.S. on the Persian Gulf. There's been a lot of "toing and froing" at this summit on the subject of the Gulf and still many questions about whether the U.S. and Iran will find themselves in a confrontation.

ABC's MIKE LEE reports from the Persian Gulf on the current U.S. military presence in the Gulf region.

JENNINGS: President Reagan hasn't done much talking about the Gulf while he's been here. He's left that to his aides. And there has been quite an argument about what the U.S. was trying to get the allies to do and what it eventually came away with. This afternoon we talked with the President's Chief of Staff. You said before you came here there were going to be important developments. What's the most important thing?

(BAKER: "I think the most important thing is that there were probably no surprises. There's remarkable unity of view and purpose by the seven participants. And that was not assured by any means when they got here.") You didn't really get very much on the Persian Gulf. You didn't get as much as you had predicted. In terms of material help from the allies, what happened?

(BAKER: "I don't think we frankly expected more. I don't recall that the President predicted that he'd get more. He did get a general statement, and a very important one, committing these seven participants to freedom of transit in the Persian Gulf and access to Middle East oil. That's a lot.")

(ABC-Lead)

JENNINGS: Some final notes from here in Venice.... It is still the fortress Administration -- a giant American delegation that moves within such security that no ordinary citizen ever sets eyes on President Reagan....

JENNINGS continues: There are those even on the White House staff who believe that the security apparatus has gone overboard. That even though the President's safety is of enormous concern, America is symbolically advertising itself as having been intimidated.... (ABC-10)

CBS's BILL PLANTE: Allied leaders wrapped up the economic summit with broad stroke policy declarations, but as predicted, few new ideas on how to deal with world economic problems. Still, President Reagan declared the meeting a success.

(THE PRESIDENT: "A most fruitful summit.")

(TV COVERAGE: The President and allied leaders; then with Chief of Staff Baker.)

Today's final agreement by the seven economic summit partners endorsed policies to encourage world economic growth, stabilize exchange rates, correct trade imbalances, and eventually cut back farm subsidies. They also pledged to fight the problems of AIDS and drug abuse. But they make no promises, set no dates, and included no sanctions if action is not taken. The expectations were low from the outset. Most of the leaders are facing political problems at home. A big problem here for Mr. Reagan is continuing complaints from the others about the U.S. budget deficit.

(ROBERT HORMATS, former assistant secretary of state: "It's hard for the President to lecture others on economics when we can't get our budget under control.")

So the Administration didn't ask for much and now it insists it accomplished what it set out to do.

(SECRETARY JAMES BAKER: "I can't think, as a matter of fact, of anything that we wanted that we haven't gotten on the economic side. It's been a very successful summit. I think you think it's dull because there haven't been any real controversy here.")

But many diplomats and journalists interpreting for their nations what happened here, see a U.S. president on the defensive, unable to dominate this meeting as he has others in the past.

(JAPANESE TV REPORTER: "This summit strikes me as one in which the President of the U.S. has shown pretty much reduced leadership.")

But this isn't over yet. Still to come in Europe -- a news conference and a visit to the Berlin Wall. Then, most important to White House image makers, a nationally televised Oval Office speech next Monday night in which, if all goes well, the President will announce that he is accepting Moscow's offer to negotiate a treaty on nuclear weapons in Europe.

(CBS-3)

PERSIAN GULF/SAUDI ARABIA

CBS's DAVID MARTIN: In what would be a major policy shift, Saudi Arabia is considering a U.S. request to let AWACS radar planes extend their coverage of the Persian Gulf down to the Strait of Hormuz, where Iran is preparing to deploy Silkworm anti-ship missiles.... Pentagon officials say the Saudis are reluctant to get involved in the shooting war in the Gulf. That has Democrats in Congress ready to cutoff further arms sales to the Saudis.

(REP. PETER KASTMEYER: "In addition, when it comes to the Gulf and efforts to keep shipping lanes open, they cannot be counted on.")

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MARTIN continues: Defense Secretary Weinberger is having an increasingly tough time explaining the new Persian Gulf policy.... Weinberger's assessment of the Iranian threat left the committee bewildered.... Congressional skepticism about escorting Kuwaiti oil tankers did not surface until after the attack on the Stark.... (CBS-2)

HAMEDI

BROKAW: NBC News has learned that from all indications, the West Germans now are determined not to extradite Mohammed Ali Hamedì to the U.S. to stand trial for the hijacking of TWA flight 847 and the murder of American sailor Robert Stethem in the summer of 1985. However, the West Germans have assured the U.S. that Hamedì will be tried on murder charges and not on the lesser charges of possession of explosives. Those charges were fired when he was arrested while trying to enter West Germany.

(NBC-2, ABC-2)

JUSTICE DEPARTMENT/TEAMSTERS

BROKAW: U.S. Justice Department officials said today that they are preparing a major new effort to rid the Teamsters Union of mafia control. The civil lawsuit is being drafted to get the current Teamsters leaders thrown out of office under a current racketeering law mainly used to end mob control of businesses. The plan is to put the union under court appointed trustees until it is cleaned up.

NBC's BRIAN ROSS: The proposed attempt to put the Teamsters under federal control comes after years of violence, corruption and mafia rule of the country's largest union.... This long record of corruption and violence now has led the Justice Department to propose a lawsuit that, if successful, would force out the current Teamster bosses and put the union under the control of trustees appointed by a federal court.... Senator Sam Nunn has been a long-time critic of the Teamsters.

(NUNN: "The government has to take over a major union -- that's not desirable. But the signals being sent now of corruption that is not being cured over a 20-30 year period is even worse news.")

...The Justice Department has already moved against one powerful teamster local in New Jersey -- local 560.... For the almost 2 million truck drivers and other Teamsters workers, the proposed Justice Department lawsuit could be the most important move ever against mob control of their union.

(NBC-6, ABC-3)

CBS's RITA BRAVER: If Justice Department lawyers have their way, the Teamsters president and the other 20 members of the union's governing board will be ousted and replaced by government approved trustees.... The government would not comment on specifics of the case first reported by the LOS ANGELES TIMES.

(SECRETARY BROCK: "We have a responsibility to explore any possible criminal corruption of organized labor.")

...Justice Department sources said the suit is unlikely to be filed before the fall. Attorney General Edwin Meese has taken himself out of the case because of his cordial relationship with Jackie Presser who twice threw union support behind President Reagan in elections. (CBS-Lead)

FOREIGN MEDIA REACTION

VENICE SUMMIT

"The dinner the first evening was marked by Reagan's statement on security in the Gulf..... On disarmament, Reagan reassured the Europeans: 'Europe remains America's front line defense.'On the Gulf, Reagan's diplomatic offensive failed, likely because of lack of support from Congress and French and British resistance."

(QUOTIDIEN, France)

"Three texts were adopted yesterday. On the Gulf, U.S. diplomacy did not get much and the text on disarmament was very cautious. On terrorism, the seven did not say anything really new.... Are these summits really necessary? One would be tempted to answer in the negative if another summit among presidents, ministers and experts were not taking place behind the curtains and away from the mikes. But we will have to wait for the publication of the memoirs of the participants to really gauge the bearing of these summits."

(LE MATIN, France)

"There should not be any more 'world economic summits.' ...Economic policy does not benefit from the event. The only thing that the chiefs could possibly foster with their words is free trade. But, instead, protectionism is blossoming everywhere.... One should stop expecting the summit to do anything for economic policy and give the annual spectacle a different name."

(FRANKFURTER ALLGEMEINE, West Germany)

"As an 'economic summit' the talks among the Big Seven have a good chance of going down in history as the summit of noncommitment and self-content."

(WESTFAELISCHE RUNDSCHAU, West Germany)

"The weak dollar and the strong German mark are costing jobs and reducing the profit companies could otherwise use for investments. This is why the German economy has not reached the growth rate it was suppose to achieve. It is odd that Ronald Reagan has accused the Germans of not doing enough for supporting the world economy. The question remains whether the U.S. is able to fulfill its promise to reduce its budget deficit and whether the U.S. economy exploits the chances for increased exports because of the weak dollar."

(TV-TWO, West Germany)

"To President Reagan it is particularly important that the seven nations be able to unite on a joint proposal for a treaty with the Soviets on removal of the nuclear missiles in Europe. Such a treaty -- and a summit between him and Gorbachev in the U.S. later this year -- are Reagan's most vital political goals. The San Giorgio summit provides an excellent opportunity for the American President to obtain European backing for such a disarmament agreement."

(KRISTELIGT GAGBLAD, Denmark)

VENICE SUMMIT (continued)

"Reagan and his staff had to face realistically the reluctance of some of their partners to embark on an adventure whose outcome is unknown, and in any case risky, in the Gulf." (LA STAMPA, Italy)

"Nancy Reagan is the visitor who shall prove that peace definitely prevails between Stockholm and Washington." (HUFVUDSTADSBLADET, Finland)

"The declaration's main objective is to strengthen President Reagan's position in the upcoming summit meeting with Gorbachev next autumn." (HELSINGIN SANOMAT, Finland)

"Although the summit leaders took a basic posture accepting the Gorbachev 'double-zero formula,' they reconfirmed the importance of nuclear deterrence. The declaration expresses hope for progress in U.S.-Soviet dialogue, but warns against the talks proceeding at a pace set by the Soviet side." (ASAHI, Japan)

"President Reagan can save the Venice summit by making a firm commitment to a meaningful cut in his country's budget deficit and to reduce the rising gap between U.S. domestic savings and investment." (INDIAN POST, India)

"President Reagan yesterday scored an impressive success. The seven have finally resolved their disagreements and Reagan received the go ahead from his allies, particularly on the issue of 'a firm policy in the Persian Gulf.' Furthermore, they also endorsed his policy on the principles of the struggle against international terrorism and East-West arms reduction. It was also reported that significant progress has been made on a number of important, but controversial, economic issues." (YEDIOT AHARONOT, Israel)

"The most outstanding achievement is the blessing given by the West to President Reagan's plans to meet with Russia's Gorbachev. Surprisingly, the economic issue, the formal raison d'etre of the summit, has been pushed to the sidelines." (DAVAR, Israel)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JUNE 11, 1987 -- VENICE AFTERNOON EDITION
6:00 A.M. EDT, NOON ITALY

TODAY'S HEADLINES

ECONOMIC SUMMIT

BIG 7 PLEDGE UNITED STAND ON ECONOMY, AIDS BATTLE -- Leaders of seven industrial democracies ended their three-day summit with a pledge to battle AIDS and an obligatory promise to pursue coordinated economic policies.

(Los Angeles Times, Washington Post, Washington Times, AP, UPI)

INTERNATIONAL NEWS

NATO SEEN 'WITHIN REACH' OF ACCORD ON EUROMISSILES -- Foreign ministers of the Atlantic Alliance are "within reach" of an agreement on a strategy for removing medium- and short-range nuclear missiles from Europe, NATO Secretary General Lord Carrington said.

(Los Angeles Times, AP)

NATIONAL NEWS

SENATE NEGOTIATORS REJECT HOUSE DEFENSE BUDGET PLAN -- Senate budget negotiators summarily rejected a House proposal designed to break a month-long deadlock over the \$1 trillion fiscal 1988 budget.

(Washington Post, UPI)

NETWORK NEWS (Wednesday Evening)

VENICE SUMMIT -- The summit leaders pledged full support for fighting the AIDS epidemic.

PERSIAN GULF/SAUDIS -- The Saudis are considering a U.S. request to let AWACS planes extend their coverage in the Persian Gulf.

HAMAEI -- The West Germans have assured the U.S. that Mohammed Ali Hamadei will be tried on murder charges.

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NATIONAL.....A-9

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ECONOMIC SUMMIT

SUMMIT FALLS SHORT OF ACCORD

Leaders Postpone Action On Bolstering World Economic Growth

VENICE -- The leaders of the seven major Western industrial countries concluded their summit here admitting that, despite slipping global economic growth rates and serious trade and economic problems, they were unable to agree that growth-oriented policies should be pursued now.

Instead, in a long communique ending the 13th annual summit, the leaders postponed any stimulative actions unless "world economic growth is insufficient."

The summit participants, in a political statement issued by host country Italy, also urged an end to the Soviet "military occupation" of Afghanistan and the withdrawal of foreign troops from Cambodia, an allusion to Vietnamese troops in that country. They also called for the dismantlement of the apartheid regime in South Africa and its replacement "by a new form of democratic, nonracial government."

The communique on economic issues was couched in general terms that indicated the inability of the leaders to reach substantive agreement on some key topics and policies.

Nonetheless, Treasury Secretary Baker insisted that "clear progress has been made on a number of fronts" and that, on a success scale of 1 to 10, the summit rated "an 8 or 9." (Hobart Rowen, Washington Post, A1)

BIG 7 PLEDGE UNITED STAND ON ECONOMY, AIDS BATTLE

VENICE -- Leaders of seven industrial democracies ended their three-day summit with a pledge to battle AIDS and an obligatory promise to pursue coordinated economic policies.

The meetings produced no blockbuster initiatives. But at the same time, there were few, if any uneasy moments for President Reagan and leaders of Britain, Canada, France, Italy, Japan and West Germany.

"Just because we did not have any major contretemps here...I don't think that should be viewed as detrimental," said Treasury Secretary Baker. (Patricia Wilson & Jeremiah O'Leary, Washington Times, A1)

SUMMIT CALLS FOR GREATER AIDS EFFORTS

But Says Measures Should Not Infringe On Human Rights

VENICE -- The seven leaders meeting here called for greater national and international efforts to prevent the spread of the deadly AIDS virus but cautioned that all measures taken should be "in accordance with the principles of human rights."

The heads of the economic summit nations, winding up their annual three-day session, urged that priority be given to existing organizations involved in the battle against AIDS by providing them with necessary financial, personnel and administrative resources and the World Health Organization is the best forum for coordinating a worldwide effort.

(Jack Nelson & James Gerstenzang, Los Angeles Times, A1)

SUMMIT BACKS COORDINATED AIDS RESEARCH

VENICE -- The leaders of the seven industrial democracies endorsed coordinated research by their countries to find a cure for AIDS.

"The heads of state or government welcome and support joint action by researchers in the seven countries," the leaders said in a summit-ending statement read by the host of the meeting, Italian caretaker Prime Minister Amintore Fanfani.
(Reuter story, Washington Post, A34)

LITTLE ACTION AT VENICE SUMMIT

VENICE -- For a multimillion-dollar extravaganza, the 13th economic summit of the seven allied major industrialized nations produced fine words but little action.

French President Mitterand even complained that the annual summits have become costly "spectaculars" and should be replaced by ad hoc meetings, when needed, in more informal surroundings.

"It sure seems to have got out of hand," said one Canadian official about an event that cost at least \$2 million a day. "It's a lot of trouble and pomp for a group photograph and a pretty innocuous statement."

(News Analysis, John Callcott, UPI)

FEW CLEAR WINNERS OR LOSERS SEEN AMONG SUMMIT'S TROUBLED PLAYERS Public Relations Event Still Useful As 'Group Therapy,'

VENICE -- Britain's urbane foreign secretary, Geoffrey Howe, paused as the end came for the seven-nation economic summit and reflected on whether these gatherings have become a wasting asset.

A useful exercise in "international group therapy" was Howe's considered judgement. The leaders of North America, Western Europe and Japan profit from giving each other "solemn assurances around the table that they will try to do better" on economic policy in the coming year, he said.

The Venice summit, the 13th of the series, provided fewer clear winners and losers than previous gatherings. Because of the accumulation of political and economic burdens carried by these leaders this year, it resembled a reunion of the walking wounded.

(News Analysis, Jim Hoagland, Washington Post, A34)

REAGAN'S ROLE REDUCED, SUMMIT DIPLOMATS REPORT Allies Note Decline Since '86 Tokyo Talks

VENICE -- President Reagan's performance at the 13th economic summit left the other leaders of major industrial democracies convinced he has rather suddenly begun to show his age and lame duck status and wondering whether he possesses the energy and initiative to provide active leadership for the alliance, according to European diplomats.

Publicly, he was sanguine and upbeat, declaring today, "It's been a fine summit." But in private sessions, he was sharply challenged by the leaders of France, West Germany and Japan who criticized the enormous budget deficits of the Reagan years, despite Reagan's claim that he has made progress in reducing them.
(David Hoffman, Washington Post, A1)

SUMMIT CONFERENCE DRAWS MIXED REVIEWS FROM FINANCIAL MARKETS

The financial markets have given mixed reviews to the outcome of the economic summit in Venice while many U.S. economists are concluding the annual conference would do little to change the world economy.

However, leaders did pledge to keep a closer watch on each other's economies and seek long-term reductions in government farm subsidies.

(AP)

ADMINISTRATION FOCUSES ON TELEVISION COVERAGE AT SUMMIT

The White House, skilled in such matters, turned the seven-power summit in Venice into a vast stage for beaming its message back to America.

Beginning last Sunday, the Administration lined up White House Chief of Staff Baker, National Security Adviser Carlucci, Secretary of State Shultz, Treasury Secretary Baker for an unprecedented number of television interviews to sell the Administration's views.

To the dismay of print and radio reporters, television correspondents were given multiple opportunities every day to question senior officials, while other members of the press were shut out. (Terence Hunt, AP)

KOHL REJECTS REQUEST BY REAGAN

West German Leader Declines To Extradite Hijacking Suspect

VENICE -- West German Chancellor Kohl has rejected a personal appeal from President Reagan to extradite an accused Lebanese hijacker to face murder charges in the U.S., White House spokesman Marlin Fitzwater said.

The White House spokesman said Kohl had agreed with Reagan that Mohammed Ali Hamadei should be tried for murder but turned down the extradition request. The West German leader left "the clear impression" that Hamadei would be tried on murder charges in West Germany, Fitzwater said.

(Lou Cannon, Washington Post, A1)

WHITE HOUSE PERSUASION WON HIGH PROFILE SPEECH IN BERLIN

WEST BERLIN -- White House advance men, seeking to make the biggest possible splash for President Reagan's speech at the Berlin Wall Friday, persuaded skeptical West Berlin officials to invite a larger crowd than the Germans wanted and to stage the event opposite the visually impressive but politically sensitive Brandenburg Gate, U.S. and West Berlin officials said.

Some West Berlin authorities were concerned that the East Germans and Soviets would consider it unduly "provocative" for Reagan to speak with the gate, a classical-style gate in East Berlin, directly behind him, city officials said. The 196-year-old gate, in the center of Berlin, stands only yards beyond the wall dividing the city. As the best known site along the wall, it is a particularly emotional symbol of the city's division.

(Robert McCartney, Washington Post, A1)

INTERNATIONAL NEWS

SHULTZ EXPECTS NATO MINISTERS TO ENDORSE U.S.-SOVIET DEAL

REYKJAVIK, Iceland -- Secretary Shultz said he expects NATO foreign ministers to endorse a Soviet-American deal to dismantle hundreds of nuclear missiles, and join in planning the next stage of arms control negotiations.

Shultz...said talks aimed at curbing U.S. and Soviet tactical nuclear weapons might have to be postponed in favor of efforts first to reduce the Warsaw Pact's current edge in conventional forces.

Shultz said strategic weapons, including bombers, submarines and intercontinental ballistic missiles, are the key to arms control talks with the Soviets, "and we have made a lot of progress on that."

In Europe, Shultz said, "we need to address the conventional imbalance" and pursue a proposed ban on chemical weapons. He said shorter range nuclear weapons can be negotiated "in good time."

Shultz's position seems to signal disagreement at the North Atlantic Council meeting. But he expressed confidence that NATO allies will approve the pending accord with the Soviets on medium-range missiles.

(Barry Schweid, AP)

NATO SEEN 'WITHIN REACH' OF ACCORD ON EUROMISSILES

REYKJAVIK -- Foreign ministers of the Atlantic Alliance are "within reach" of an agreement on a strategy for removing medium- and short-range nuclear missiles from Europe, NATO Secretary General Lord Carrington said.

Speaking at a press conference on the eve of the annual spring meeting of NATO foreign ministers, Carrington warned, however, that the deep cuts in nuclear forces that are now considered almost certain will magnify the alliance's failure, so far, to deal with the Soviet Union's overwhelming advantage in chemical and conventional weapons.

(Norman Kempster, Los Angeles Times, A1)

BONN IS ASSURED IT CAN KEEP MISSILES

Pershing 1As Won't Be Included In A-Arms Pact, U.S. Tells W. Germans

VENICE -- The U.S. gave public assurances to West Germany that Bonn's short-range Pershing 1A ballistic missiles will not be included in any agreement with the Soviet Union on withdrawing nuclear weapons from Europe.

The American position, which is expected to be endorsed at a meeting of NATO foreign ministers in Reykjavik, Iceland, was spelled out at a news conference by National Security Adviser Frank Carlucci.

(Don Cook, Los Angeles Times, A22)

U.S. FIGHTER PLANES ON OIL TANKERS CONSIDERED

The U.S. may put Harrier fighter planes on Kuwaiti tankers in the Persian Gulf in an effort to protect them from possible Iranian missile attack, senior Pentagon officials said.

"This is a possibility, a very definite possibility," Adm. William Crowe, the chairman of the Joint Chiefs of Staff, told the House Foreign Affairs Committee.

(James Dorsey, Washington Times, A1)

CHINA STRONGLY DENIES SELLING ARMS TO IRAN
Spokeswoman Accuses U.S. Newspapers Of
'Ulterior Motives' In Publishing Reports

BEIJING -- A Foreign Ministry spokeswoman strongly denied that China was selling arms to Iran and in an apparent reference to the U.S., expressed "surprise" that unnamed "senior officials of a big power" had made such allegations.

"It is quite obvious that certain U.S. newspapers have kept on fabricating and spreading such irresponsible reports with ulterior motives," Li Jinhua said, referring to recent accounts in some U.S. newspapers regarding an alleged \$550 million arms-for-oil deal concluded last month between China and Iran. (Lena Sun, Washington Post, A29)

BRITAIN ORDERS IRANIANS TO CUT EMBASSY STAFF BY 2

LONDON -- Britain ordered Iran to reduce its diplomatic presence here by two in the latest of a series of tit-for-tat expulsion between the two countries.

A statement issued by the Foreign Office said a new "ceiling" of 16 had been placed on the Iranian Embassy in London. The embassy normally has a complement of 19 accredited diplomats, but one position is vacant.

(Washington Post, A28)

SAUDI ARMS SALE CRITICS CLAIM VICTORY

Senate opponents of the Administration's proposal to sell 1,600 Maverick antitank missiles to Saudi Arabia announced that they have gained enough votes to block the sale and called on the Administration to abandon it.

Sen. Bob Packwood said he now has 67 supporters for a resolution of disapproval of the sale, the two-thirds of the Senate necessary to override a potential presidential veto of a disapproval resolution.

"It's time for the Administration to withdraw the proposal and to encourage the Saudis to work towards peace in the Middle East rather than destruction," Packwood said.

Saudi behavior during the Stark attack as well as the kingdom's reported hesitance to provide further military assistance to the U.S. in the Persian Gulf have become stumbling blocks to congressional approval of the \$360 million Maverick arms sale. (David Ottaway, Washington Post, A30)

BACKERS TRY TO AVERT BAN ON MISSILE SALE TO SAUDIS

Administration officials said legislation aimed at blocking a White House plan to sell 1,600 Maverick anti-tank missiles to Saudi Arabia is a "slap across the face" to the Persian Gulf ally.

Assistant Secretary of State Richard Murphy and Lt. Gen. Philip Gast, Defense Security Assistance Agency director, testified against the bill and for the \$360 million sale before the Senate Foreign Relations Committee.

The Administration spokesmen argued that Saudi Arabia is a reliable ally in the Gulf whose pilots acted properly, if methodically, in their response to the Iraqi jet attack (against the USS Stark).

(Gene Grabowski, Washington Times, A4)

SAUDI ARMS SALE/PACKWOOD

Sen. Bob Packwood, the Senate's main opponent of an Administration plan to sell 1,600 sophisticated air-to-ground missiles to Saudi Arabia, said he had gathered the support of enough senators to kill the sale.

Critics in Congress argue that the missiles are more weaponry than the Saudis need and could threaten Israel.

In addition, some lawmakers have complained the Saudi have consistently rejected peace initiatives from Israel, have done little to help the U.S. and have continued to support Syria and the P.L.O., which, in turn, has provided help for the Sandinista government in Nicaragua.

(Joseph Mianowany, UPI)

KING FAHD PROVIDES MILLIONS FOR REBELS AT REAGAN BEHEST

King Fahd of Saudi Arabia has pumped tens of millions of dollars into anti-communist projects around the world and confided he did so at the direction of the Reagan Administration, says a naturalized American businessman who claims extensive dealings with the Saudi royal family.

Included in the contributions, according to Sam Bamieh of San Mateo, Calif., is more than \$50 million given by Fahd in 1983 to rebels in Angola.

Bamieh charged in a recent interview with UPI that Fahd became a secret instrument of President Reagan's policy, in effect, as part of an understanding reached in 1981 with the sale of sophisticated U.S. AWACS radar planes to the Saudis.

(Gregory Gordon, UPI)

TIGHTENING COVERT ACTION REPORTS DRAWS YELP FROM ADMINISTRATION

The Reagan Administration denounced a House plan to tighten up reporting guidelines on covert action as an encroachment on the President's constitutional authority.

Michael Armacost, undersecretary of state for political affairs, said pending legislation on covert action reporting is an attempt by Congress to "fix a system that is not broken."

"In the Administration's view (the two bills) unconstitutionally intrude into the President's authority to conduct the nation's foreign relations," Armacost said in testimony before the House Intelligence subcommittee on legislation.

(Bill Gertz, Washington Times, A2)

IRAN-NICARAGUA

IRAN-CONTRA PANELS PLAN CLOSED-DOOR
TESTIMONY FROM CIA, NORTH, POINDEXTER

Congressional Iran-contra committees, on a 12-day break in public testimony, are planning closed-door sessions with high-ranking CIA officers and the affair's two mystery men, John Poindexter and Oliver North.

Poindexter...is expected to be questioned in a second secret sworn deposition next week, committee sources said. His fired aide, North, may be deposed in secret by staff investigators for the first time as early as next week too, they said. (William Welch, AP)

SECORD FUND PAID NORTH SECURITY BILL
Home-Protection System Said Financed With Swiss Account

Money from a Swiss bank account controlled by retired Air Force major general Richard Secord paid for a sophisticated electronic security system installed last June at the home of then-White House aide Oliver North, congressional sources said.

Congressional investigators have determined that a May 2, 1986, transfer of \$15,000 from Switzerland to an account of Secord's company, Stanford Technology Trading Group International, provided the funds that paid for the security devices, sources said. Money in the Swiss accounts included profits made by selling arms to the Nicaraguan contras and Iran, although it is unclear whether the \$15,000 is from those funds.

(Walter Pincus, Washington Post, A1)

WRIGHT LASHES ADMINISTRATION

House Speaker Jim Wright blasted the Administration, saying the Iran-contra hearings have revealed "arrogance, lawlessness, greed" and deliberate attempts to deceive the public and Congress.

Wright said the worst scandal of the Reagan presidency would not have occurred if the Administration had "shown any regard for the President's constitutional obligation that the laws be faithfully executed."

(UPI story, Washington Post, A20)

NATIONAL NEWS

SENATE NEGOTIATORS REJECT HOUSE DEFENSE BUDGET PLAN

Senate budget negotiators summarily rejected a House proposal designed to break a month-long deadlock over the \$1 trillion fiscal 1988 budget.

The two chambers are divided over the level of defense spending. Senate Budget Committee Chairman Lawton Chiles called the House proposal to split the \$13 billion difference between the House and Senate budget plans "a widening of the differences, not a narrowing."

Chiles, after meeting with several senators on the conference committee, called the House offer a "nonstarter; it's not anything that any of our people would look at or consider." (Tom Kenworthy, Washington Post, A5)

HOUSE DEMOCRATS OFFER SENATE BUDGET COMPROMISE

House Democrats seeking compromise on the \$1 trillion budget proposal offered Senate counterparts a revised plan, calling for \$19.5 billion in new taxes and a smaller increase in military spending than the Senate wants.

Earlier Wednesday, Senate Democratic leader Robert Byrd said he had told House Speaker Jim Wright that Senate Democrats would go along with a plan to drop defense spending to \$289 billion, and that level "is the bottom line."

House Budget Committee Chairman William Gray said, "We're at a point where I think both bodies have got to be very realistic about what's achievable," theorizing that the new proposal could win a majority of votes in both the House and Senate. (Linda Werfelman, UPI)

HOUSING BILL HEADED FOR FULL HOUSE VOTE

A \$15.9 billion omnibus housing bill headed for House approval with strong backing from Democratic leaders who say it will end the decline in government housing programs under the Reagan Administration.

Just before the House began debate on the bill, Speaker Jim Wright attacked the "shortsighted policies of the Reagan Administration, which has continually tried to slash funding for housing and community development, to shut down the Federal Housing Administration and to saddle young home buyers with excessive costs masquerading as user fees," Wright said.

Republicans responded that the new housing authorization bill would add \$5.2 billion to the deficit next year and reverse housing reforms enacted in recent years. (Robert Shepard, UPI)

HOUSE PANEL PASSES WELFARE BILL STRESSING JOBS

The House Ways and Means Committee approved the most sweeping overhaul in a generation of the nation's welfare program for low-income parents with dependent children.

Although President Reagan put welfare changes on the national agenda with a dramatic statement in his 1985 State of the Union message, the committee's 13 Republicans opposed it. All 23 Democrats voted in favor.

While many Republican members said they like the thrust but not the details of the bill's education, training and work provisions, they and the Reagan Administration strongly oppose its benefit increases.

This opposition, shared by many Senate conservatives, portends difficulty on the House and Senate floors and a possible veto.

(Spencer Rich, Washington Post, A24)

MIKULSKI, HOYER RETHINK DRUG-TESTING

Unusual Summit Held With 6 Top Administration Aides

A mass showing of top Administration officials on Capitol Hill last night wrung slight concessions from two Maryland Democratic critics of President Reagan's drug-testing plan, but key disputes remained to be ironed out in another meeting today.

Sen. Mikulski said that she and Rep. Steny Hoyer were "rethinking" whether to require the Administration to reissue its guidelines (for conducting urinalyses of federal workers in sensitive positions) "in light of the comments" made at last night's meeting.

(Judith Havemann, Washington Post, A11)

AIDS POLICY: A QUESTION OF BEHAVIOR MODIFICATION

Debate Swirls Around Tests' Effectiveness

The debate over the Reagan Administration's controversial plan to expand testing for the AIDS virus revolves around one important question: what makes people change their behavior?

Many public health experts who oppose mandatory testing of prisoners, immigrants and others say that education programs coupled with voluntary testing and counseling are the way to influence behavior that is deeply ingrained as is sexual practice.

On the other side of the debate are Education Secretary Bennett and his former deputy, White House domestic policy adviser Gary Bauer. At a series of White House meetings in which the testing policy was hammered out, they argued that the AIDS epidemic demands more aggressive public health measures that will produce behavioral change.

"If you have a test and discover you're carrying the (AIDS) virus, then I believe that most of my fellow citizens will change their behavior," said Bauer.

(Sandra Boodman, Washington Post, A15)

NETWORK NEWS SUMMARY FOR WEDNESDAY, JUNE 10, 1987

VENICE SUMMIT

NBC's CHRIS WALLACE: The economic summit finally dealt with economics. And once again, President Reagan didn't get much. He wanted the Germans to stimulate their economy; they refused. He called for early action to get governments out of subsidizing agriculture; Japan and Europe turned that down. And when the leaders agreed to a U.S. plan to coordinate their economies; they removed ways to enforce it. One of the few things they did agree on was how bad the U.S. budget deficit is.

(ITALIAN PRIME MINISTER FANFANI: "Among the summit countries, budgetary discipline remains an important medium-term objective.")

Whether it was the bad news or a big lunch, the President seemed to struggle to stay awake. The statement was read for more than 40 minutes. Secretary of State Shultz seemed to struggle to keep Mr. Reagan awake.

(TV COVERAGE: The President at the final meeting; then the President and Secretary Shultz talking at the meeting.)

U.S. officials maintained the summit went according to plan.

(SECRETARY JAMES BAKER: "I can't really think of anything major that we came here seeking that we didn't get.")

But financial analysts were less impressed.

(MICHAEL EVANS, analyst: "Every summit has gotten a little bit worse so now we're down to the point where about the only thing they accomplish at the summit is having lunch together.")

In fact, lunch was one of the few clear successes here.

The President and other leaders spent less time eating than looking up at magnificent paintings of naval battles. But that may just have reminded Mr. Reagan of the lack of support he got here in the Persian Gulf.

(TV COVERAGE: The President at the closing luncheon.)

Secretary Shultz said yesterday that all the allies back a possible U.N. arms embargo against Iran. But today other delegations said that wasn't true. And back home there was dismay that the allies refused to help the U.S. escort Kuwaiti tankers in the Gulf.

(SEN. ROBERT DOLE: "The allies in Venice issued a fine sounding statement calling for freedom on navigation in the Persian Gulf. It is good rhetoric, but rhetoric is easy and action is a lot tougher.")

Despite setbacks on both economic and political issues, the President seemed unphased.

(THE PRESIDENT: "A most fruitful summit.")

Mr. Reagan will try to change the subject. The White House announced he will address the nation Monday night. And while he'll talk about Venice, the focus will be on NATO's likely endorsement of the U.S. arms control position later this week.

NBC's TOM BROKAW: Does that mean that the way now has been cleared for the President to press ahead for a summit meeting with the Soviet Union on this matter of the shorter-range nuclear missiles?

WALLACE: This Reykjavik meeting of NATO foreign ministers begins tomorrow and there are still some misgivings among the NATO ministers. But the U.S. is very confident that they will come out of that with a unified Western position which I'm sure the President will announce next week. They expect exactly the same process in Geneva -- that there will be some pulling and tugging between the U.S. and Soviets -- but you can see that eventually there will be a U.S.-Soviet arms deal.

BROKAW: Even though the allies refuse to support President Reagan on his Persian Gulf policy, his National Security Advisor Frank Carlucci indicated today that there were no hard feelings. Carlucci said the U.S. Navy ships will occasionally escort vessels of other nations through the Gulf and they will not seek compensation for this. In Washington, Defense Secretary Weinberger tried to call on congressional concerns over U.S. military moves in the Persian Gulf, telling the House Foreign Affairs Committee why he thinks an American presence in that region is necessary.

(WEINBERGER: "If we don't do it, the Kuwaitis will go to the Soviets for full protection of their whole fleet. And it will be quite apparent to all the people whom we need to be able to call on and with whom we have good relations, that we lack the resolution and the will to do what we are required to do to maintain our presence there. And we will have demonstrated that we are more worried about what Iran might do to us than whether or not we have the ability to keep the oil going.")

Weinberger also said that in spite of what he called Iran's violent rhetoric, he does not expect Iran to attack American ships in the Persian Gulf. (NBC-Lead)

BROKAW: Assurances by U.S. officials notwithstanding, President Reagan did not get allied agreement on most of his economic goals at this Venice summit and for a simple reason -- these countries are doing quite well now, thank you very much. And they do not want to interrupt their economic prosperity just to please the U.S.

NBC's JIM BITTERMAN reports on how well European economies are doing. (NBC-9)

BROKAW: There was one subject at this summit on which there was complete agreement -- the AIDS epidemic. The summit leaders today called it one of the biggest potential health problems in the world and pledged full cooperation to provide political and financial support for combating this disease. (NBC-10)

ABC's SAM DONALDSON: The 13th economic summit held its final meeting today with most assessments of its accomplishments falling within the embarrassing range of slim to none. Even President Reagan, with his legendary ability to find good news in almost anything, delivered a faint benediction.

(THE PRESIDENT: "I think it's been a fine, fine meeting.")

(TV COVERAGE: The President speaking to reporters.)

When the leaders gathered to hear their final economic communique, it was learned they had reaffirmed agreements to work harder to stabilize currencies and coordinate economic policies; and renewed promises to adjust national spending as indicated; and had endorsed such important but otherwise vague propositions as making the world drug-free and conquering the AIDS disease. It was easy for listeners to go to sleep and several of the top listeners did -- including President Reagan, whose aides kept punching him awake in the name of image control.

(TV COVERAGE: The President talking to Secretary Shultz.)

The fact is -- the President did not seem to provide the spirited leadership here as he has in the past according to several key participants. And he certainly didn't get several key things he once talked of wanting from this summit.

DONALDSON continues: Often Treasury Secretary Baker confirmed, because, as in his desire to end world agriculture subsidies by the year 2000, he didn't even ask.

(BAKER: "You asked me if the issue was raised. It was not raised in the plenary meetings, perhaps because there was not sufficient additional support for putting a fixed date on there.")

U.S. officials have been busily trying to make up for this lack of support with a hurricane of talk. Since Sunday they have given 27 exclusive interviews to the U.S. television networks. Tomorrow the President will hold a news conference on the grounds of the Cipriani Hotel.

(TV COVERAGE: The President and Mrs. Reagan embracing outside the Cipriani Hotel; then waving.)

And Monday night he will address the nation from the Oval Office on the bright prospects for arms control and the success of this summit. Trying to talk this summit into a success will be a difficult job indeed. But U.S. officials believe they have found a formula -- of nothing chanced, nothing lost. But that is hardly a definition of leadership.

ABC's PIERRE SALINGER reports on the accomplishments of the summit.... These summits no longer provide any possibility for anybody to win everything. But they do provide an opportunity for everyone to win something....

ABC's PETER JENNINGS: Leaders also came here believing they were going to get some pressure from the U.S. on the Persian Gulf. There's been a lot of "toing and froing" at this summit on the subject of the Gulf and still many questions about whether the U.S. and Iran will find themselves in a confrontation.

ABC's MIKE LEE reports from the Persian Gulf on the current U.S. military presence in the Gulf region.

JENNINGS: President Reagan hasn't done much talking about the Gulf while he's been here. He's left that to his aides. And there has been quite an argument about what the U.S. was trying to get the allies to do and what it eventually came away with. This afternoon we talked with the President's Chief of Staff. You said before you came here there were going to be important developments. What's the most important thing?

(BAKER: "I think the most important thing is that there were probably no surprises. There's remarkable unity of view and purpose by the seven participants. And that was not assured by any means when they got here.") You didn't really get very much on the Persian Gulf. You didn't get as much as you had predicted. In terms of material help from the allies, what happened?

(BAKER: "I don't think we frankly expected more. I don't recall that the President predicted that he'd get more. He did get a general statement, and a very important one, committing these seven participants to freedom of transit in the Persian Gulf and access to Middle East oil. That's a lot.")

(ABC-Lead)

JENNINGS: Some final notes from here in Venice.... It is still the fortress Administration -- a giant American delegation that moves within such security that no ordinary citizen ever sets eyes on President Reagan....

JENNINGS continues: There are those even on the White House staff who believe that the security apparatus has gone overboard. That even though the President's safety is of enormous concern, America is symbolically advertising itself as having been intimidated.... (ABC-10)

CBS's BILL PLANTE: Allied leaders wrapped up the economic summit with broad stroke policy declarations, but as predicted, few new ideas on how to deal with world economic problems. Still, President Reagan declared the meeting a success.

(THE PRESIDENT: "A most fruitful summit.")

(TV COVERAGE: The President and allied leaders; then with Chief of Staff Baker.)

Today's final agreement by the seven economic summit partners endorsed policies to encourage world economic growth, stabilize exchange rates, correct trade imbalances, and eventually cut back farm subsidies. They also pledged to fight the problems of AIDS and drug abuse. But they make no promises, set no dates, and included no sanctions if action is not taken. The expectations were low from the outset. Most of the leaders are facing political problems at home. A big problem here for Mr. Reagan is continuing complaints from the others about the U.S. budget deficit.

(ROBERT HORMATS, former assistant secretary of state: "It's hard for the President to lecture others on economics when we can't get our budget under control.")

So the Administration didn't ask for much and now it insists it accomplished what it set out to do.

(SECRETARY JAMES BAKER: "I can't think, as a matter of fact, of anything that we wanted that we haven't gotten on the economic side. It's been a very successful summit. I think you think it's dull because there haven't been any real controversy here.")

But many diplomats and journalists interpreting for their nations what happened here, see a U.S. president on the defensive, unable to dominate this meeting as he has others in the past.

(JAPANESE TV REPORTER: "This summit strikes me as one in which the President of the U.S. has shown pretty much reduced leadership.")

But this isn't over yet. Still to come in Europe -- a news conference and a visit to the Berlin Wall. Then, most important to White House image makers, a nationally televised Oval Office speech next Monday night in which, if all goes well, the President will announce that he is accepting Moscow's offer to negotiate a treaty on nuclear weapons in Europe.

(CBS-3)

PERSIAN GULF/SAUDI ARABIA

CBS's DAVID MARTIN: In what would be a major policy shift, Saudi Arabia is considering a U.S. request to let AWACS radar planes extend their coverage of the Persian Gulf down to the Strait of Hormuz, where Iran is preparing to deploy Silkworm anti-ship missiles.... Pentagon officials say the Saudis are reluctant to get involved in the shooting war in the Gulf. That has Democrats in Congress ready to cutoff further arms sales to the Saudis.

(REP. PETER KASTMEYER: "In addition, when it comes to the Gulf and efforts to keep shipping lanes open, they cannot be counted on.")

White House News Summary -- Thursday, June 11, 1987 -- B-5

MARTIN continues: Defense Secretary Weinberger is having an increasingly tough time explaining the new Persian Gulf policy.... Weinberger's assessment of the Iranian threat left the committee bewildered.... Congressional skepticism about escorting Kuwaiti oil tankers did not surface until after the attack on the Stark.... (CBS-2)

HAMEDI

BROKAW: NBC News has learned that from all indications, the West Germans now are determined not to extradite Mohammed Ali Hamedí to the U.S. to stand trial for the hijacking of TWA flight 847 and the murder of American sailor Robert Stethem in the summer of 1985. However, the West Germans have assured the U.S. that Hamedí will be tried on murder charges and not on the lesser charges of possession of explosives. Those charges were fired when he was arrested while trying to enter West Germany.

(NBC-2, ABC-2)

JUSTICE DEPARTMENT/TEAMSTERS

BROKAW: U.S. Justice Department officials said today that they are preparing a major new effort to rid the Teamsters Union of mafia control. The civil lawsuit is being drafted to get the current Teamsters leaders thrown out of office under a current racketeering law mainly used to end mob control of businesses. The plan is to put the union under court appointed trustees until it is cleaned up.

NBC's BRIAN ROSS: The proposed attempt to put the Teamsters under federal control comes after years of violence, corruption and mafia rule of the country's largest union.... This long record of corruption and violence now has led the Justice Department to propose a lawsuit that, if successful, would force out the current Teamster bosses and put the union under the control of trustees appointed by a federal court.... Senator Sam Nunn has been a long-time critic of the Teamsters.

(NUNN: "The government has to take over a major union -- that's not desirable. But the signals being sent now of corruption that is not being cured over a 20-30 year period is even worse news.")

...The Justice Department has already moved against one powerful teamster local in New Jersey -- local 560.... For the almost 2 million truck drivers and other Teamsters workers, the proposed Justice Department lawsuit could be the most important move ever against mob control of their union.

(NBC-6, ABC-3)

CBS's RITA BRAVER: If Justice Department lawyers have their way, the Teamsters president and the other 20 members of the union's governing board will be ousted and replaced by government approved trustees.... The government would not comment on specifics of the case first reported by the LOS ANGELES TIMES.

(SECRETARY BROCK: "We have a responsibility to explore any possible criminal corruption of organized labor.")

...Justice Department sources said the suit is unlikely to be filed before the fall. Attorney General Edwin Meese has taken himself out of the case because of his cordial relationship with Jackie Presser who twice threw union support behind President Reagan in elections. (CBS-Lead)

FOREIGN MEDIA REACTION

VENICE SUMMIT

"The dinner the first evening was marked by Reagan's statement on security in the Gulf..... On disarmament, Reagan reassured the Europeans: 'Europe remains America's front line defense.'On the Gulf, Reagan's diplomatic offensive failed, likely because of lack of support from Congress and French and British resistance."

(QUOTIDIEN, France)

"Three texts were adopted yesterday. On the Gulf, U.S. diplomacy did not get much and the text on disarmament was very cautious. On terrorism, the seven did not say anything really new.... Are these summits really necessary? One would be tempted to answer in the negative if another summit among presidents, ministers and experts were not taking place behind the curtains and away from the mikes. But we will have to wait for the publication of the memoirs of the participants to really gauge the bearing of these summits."

(LE MATIN, France)

"There should not be any more 'world economic summits.' ...Economic policy does not benefit from the event. The only thing that the chiefs could possibly foster with their words is free trade. But, instead, protectionism is blossoming everywhere.... One should stop expecting the summit to do anything for economic policy and give the annual spectacle a different name."

(FRANKFURTER ALLGEMEINE, West Germany)

"As an 'economic summit' the talks among the Big Seven have a good chance of going down in history as the summit of noncommitment and self-content."

(WESTFAELISCHE RUNDSCHAU, West Germany)

"The weak dollar and the strong German mark are costing jobs and reducing the profit companies could otherwise use for investments. This is why the German economy has not reached the growth rate it was suppose to achieve. It is odd that Ronald Reagan has accused the Germans of not doing enough for supporting the world economy. The question remains whether the U.S. is able to fulfill its promise to reduce its budget deficit and whether the U.S. economy exploits the chances for increased exports because of the weak dollar."

(TV-TWO, West Germany)

"To President Reagan it is particularly important that the seven nations be able to unite on a joint proposal for a treaty with the Soviets on removal of the nuclear missiles in Europe. Such a treaty -- and a summit between him and Gorbachev in the U.S. later this year -- are Reagan's most vital political goals. The San Giorgio summit provides an excellent opportunity for the American President to obtain European backing for such a disarmament agreement."

(KRISTELIGT GAGBLAD, Denmark)

VENICE SUMMIT (continued)

"Reagan and his staff had to face realistically the reluctance of some of their partners to embark on an adventure whose outcome is unknown, and in any case risky, in the Gulf." (LA STAMPA, Italy)

"Nancy Reagan is the visitor who shall prove that peace definitely prevails between Stockholm and Washington." (HUFVUDSTADSBLADET, Finland)

"The declaration's main objective is to strengthen President Reagan's position in the upcoming summit meeting with Gorbachev next autumn." (HELSINGIN SANOMAT, Finland)

"Although the summit leaders took a basic posture accepting the Gorbachev 'double-zero formula,' they reconfirmed the importance of nuclear deterrence. The declaration expresses hope for progress in U.S.-Soviet dialogue, but warns against the talks proceeding at a pace set by the Soviet side." (ASAHI, Japan)

"President Reagan can save the Venice summit by making a firm commitment to a meaningful cut in his country's budget deficit and to reduce the rising gap between U.S. domestic savings and investment." (INDIAN POST, India)

"President Reagan yesterday scored an impressive success. The seven have finally resolved their disagreements and Reagan received the go ahead from his allies, particularly on the issue of 'a firm policy in the Persian Gulf.' Furthermore, they also endorsed his policy on the principles of the struggle against international terrorism and East-West arms reduction. It was also reported that significant progress has been made on a number of important, but controversial, economic issues." (YEDIOT AHARONOT, Israel)

"The most outstanding achievement is the blessing given by the West to President Reagan's plans to meet with Russia's Gorbachev. Surprisingly, the economic issue, the formal raison d'etre of the summit, has been pushed to the sidelines." (DAVAR, Israel)