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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JUNE 16, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

OVAL OFFICE ADDRESS

Reagan: If U.S. Won't Guard Gulf, Soviets Will -- President Reagan warned Monday night that if the U.S. did not take an active military role to protect shipping in the Persian Gulf the Soviet Union would step into the vacuum. (Baltimore Sun, Boston Globe, Chicago Tribune, Daily Oklahoman, Des Moines Register, Miami Herald, Omaha World Herald, USA Today, Washington Post, Washington Times, AP, Copley, Newhouse, Reuter)

INTERNATIONAL NEWS

Carlucci Defends Plan To Reflag Kuwaiti Ships -- National Security Adviser Carlucci said that the U.S. cannot afford to back down on its offer to provide military protection in the Persian Gulf to threatened Kuwaiti oil tankers. (Washington Post)

NATIONAL NEWS

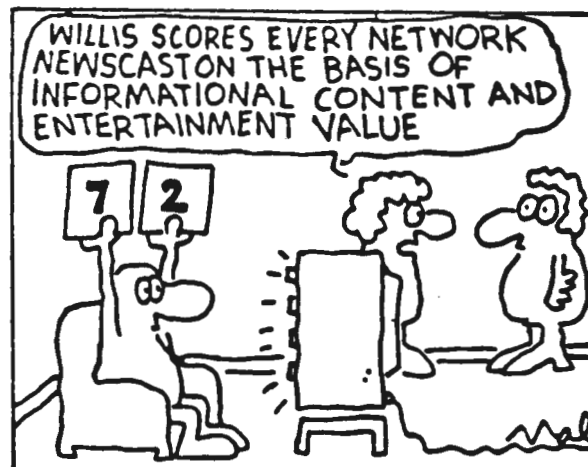
Bowen Warns Against Addition To Health Legislation -- Health Secretary Otis Bowen, who has kept a low profile in debates over catastrophic-illness insurance, has emerged with his toughest talk yet to Congress, saying a proposal on prescription drugs is likely to prompt a veto of health legislation. (UPI)

NETWORK NEWS (Monday Evening)

ADDRESS -- President Reagan addresses the nation to talk up the results of the Venice summit.

PERSIAN GULF -- The Navy report of the USS Stark will be forwarded to Secretary Weinberger.

NORTH -- A federal judge ordered Oliver North to testify before the Iran-contra committees with protection of limited immunity.



OVAL OFFICE ADDRESS

PROTECTING TANKERS VITAL, REAGAN WARNS 'If We Don't Do The Job, The Soviets Will'

President Reagan, facing growing criticism of his decision to expand the U.S. naval presence in the Persian Gulf, said last night that failure to protect shipping would allow the Soviets to move into the region, and he declared, "In a word, if we don't do the job, the Soviets will."

Reagan said failure to protect the Kuwaiti ships would "abdicate our role as a naval power" and "we would open opportunities for the Soviets to move into this chokepoint of the free world's oil flow." Failure to protect the ships would "jeopardize our own national security as well as our allies," he said.

Reagan disputed reports of setbacks for the U.S. and criticism from allied leaders in Venice, saying he came home "with everything we had hoped to accomplish." The President acknowledged, however, that the persistently high U.S. budget deficits had been a "disturbing topic" in the discussions and blamed the congressional budget process, saying "we have now reached breakpoint." (David Hoffman, Washington Post, A1)

Reagan Defends Summit And Allies On Persian Gulf

President Reagan reported to the nation on the achievements of the just-completed Venice economic summit, announcing that he has agreed to accept a Soviet proposal for the elimination of shorter-range nuclear weapons in Europe and thanking the allies for their support in the Persian Gulf.

Calling the American role in the gulf "vital," the President said failure to escort oil tankers there would "jeopardize our own national security as well as our allies."

The President also implored Americans to support him in a national campaign to reform the congressional budget process and impose greater restraints on federal spending, saying that "nothing less than our economic future is at stake."

On arms control, the President said the U.S. and its allies now have a united position following the Venice meeting of leaders and a subsequent meeting of NATO foreign ministers in Reykjavik, Iceland.

(George Condon, Copley)

Reagan: If U.S. Won't Guard Gulf, Soviets Will

President Reagan warned Monday night that if the U.S. did not take an active military role to protect shipping in the Persian Gulf the Soviet Union would step into the vacuum.

In a nationally broadcast address, the President gave his bluntest defense to date of a Persian Gulf policy that has drawn strong criticism from Congress and only lukewarm support from foreign allies.

"In a word, if we don't do the job the Soviets will, and that will jeopardize our own national security and that of our allies."

Reagan also announced that he has accepted a Soviet proposal for reducing nuclear missiles in Europe, a decision that gives the superpowers a "historic opportunity" to conclude the first treaty in the nuclear age that eliminates existing weapons.

(wire services story, Des Moines Register, A1)

President Urges Ship Protection

President Reagan, trying to persuade a wary Congress that American warships must protect oil tankers in the Persian Gulf, warned that "if we don't do the job the Soviets will."

"Our role in the Gulf is vital. It is to protect our interests and to help our friends in the region protect theirs," Reagan said in a nationally broadcast address from the Oval Office. "Our immediate task in the Gulf is clear -- and should not be exaggerated."

Sen. Paul Simon said after the speech the plan was "an unfocused and dangerous step away from neutrality."

Sen. Richard Lugar, a member of the Foreign Relations Committee, said that the U.S., the British, Dutch and French were all providing naval protection for ships flying their flags in the gulf.

"In short, each country is protecting its flag, and the President indicated tonight, as he defined our policy, we will do the same," Lugar said.

(AP story, Daily Oklahoman, A1)

Reagan Says Navy Must Expand Presence in Gulf Or Abdicate To Soviets

President Reagan said Monday night that the U.S. Navy must expand its presence in the Persian Gulf and escort Kuwaiti oil tankers through the waterways because "if we don't do the job, the Soviets will."

(George Delama, Chicago Tribune, A1)

Reagan Seeks To Capitalize On NATO Consensus Over Arms Deal

President Reagan today moved quickly to capitalize on a hard-won NATO consensus that has cleared the way for an historic nuclear weapons-slashing treaty and a third summit with Soviet leader Gorbachev.

As expected, Reagan announced in a nationally televised speech that he would order U.S. negotiators on Geneva to conclude with their Soviet counterparts an accord eliminating shorter-range as well as medium-range nuclear missiles.

Reagan, his presidency sagging with less than two years before retirement, also tried to seize credit for the impetus on arms control.

"At that time (in 1981) many labeled it (the zero option) ridiculous and suggested the Soviets would never accept it. Well, we remained determined and this year the Soviets adopted a similar position," Reagan said.

The new element of Reagan's speech was his formal acceptance of Gorbachev's offer to also scrap shorter-range INF missiles with a range of 300 to 600 miles.

(Carol Giacomo, Reuter)

Reagan Proposes Global Elimination of Short-Range Missiles

President Reagan said last night that he would propose a global elimination of all U.S. and Soviet short-range land-based missiles, a step he hopes will lead to an historic arms control agreement between the two superpowers.

(Stephen Kurkjin and Peter Gosselin, Boston Globe, A1)

Reagan Seeks To Ban Short-Range Missiles

President Reagan pushed the country closer to an arms control agreement with the Soviet Union, saying his Administration will propose the worldwide elimination of shorter-range nuclear missiles.

Although the U.S. move was expected in the wake of just-concluded negotiations with the Western allies, it marked a sharp departure from the formal position taken by the Administration in earlier negotiating rounds and smoothed out one of the major bumps in the road to agreement with the Soviets. (Gene Grabowski & Warren Strobel, Washington Times, A1)

Will Reduce Missiles, Reagan Says

President Reagan announced Monday night that he has accepted a Soviet proposal for reducing nuclear missiles in Europe, a decision that gives the superpowers "an historic opportunity" to conclude the first nuclear-age treaty that eliminates existing weapons.

(Owen Ullmann, Miami Herald, A1)

Reagan: Summit in Venice Stirred "Sense of Unity"

President Reagan, reporting on the seven-nation summit in Venice said that America's allies expressed "a sense of unity and support" for the U.S. in its dealings with the Soviet Union.

In a speech prepared for broadcast from the Oval Office, Reagan also complained that the Congressional budget process "isn't working" and said "We've reached breakpoint, decision-time."

(AP story, Omaha World Herald, A1)

Reagan Upbeat On Summit Results, Hits Congress On Budget Deficit

President Reagan, denying that he came home empty-handed from the Venice summit, says a congressional "lapse of faith" is threatening progress that he and other world leaders made toward economic health.

"The truth is we came home from this summit with everything we had hoped to accomplish," the President said in an 18-minute nationally broadcast speech.

"I was particularly gratified, for example, for the support our allies gave to our Persian Gulf policy; it was extended without hesitation," the President said, although the support was limited to diplomatic rather than military backing.

The President recalled the passage two years ago of the Gramm-Rudman deficit reduction legislation which he supported, but added, "And what's happened to that restraint on wasteful domestic spending solemnly promised under Gramm-Rudman-Hollings? It vanished. And to pay for this lapse of faith you, the taxpayers, are going to be saddled with an approximately \$100 billion bill over the next four years."

He renewed his plea for a constitutional amendment requiring a balanced federal budget and for congressional action to permit him to veto specific items in appropriation bills. He said he would spell out other budget reforms, which he called "an economic Bill of Rights."

(Dale Nelson, AP)

Reagan Draws Battle Lines With Congress On Gulf, Budget

President Reagan's protracted power struggle with an opposition Congress over control of urgent foreign policy issues and bread and butter budget priorities is heating up and seems certain to dominate American politics until the election of his successor next year.

The embattled President drew battle lines clearly in his televised address to the nation.

Reagan defended his plan to protect oil tankers in the Persian Gulf with U.S. warships, warning, "if we don't do the job, the Soviets will."

He appealed for public support for his stands against increased taxes and in favor of greater defense spending, insisting that the federal deficit be reduced by deeper cuts in domestic programs which he did not identify.

It is doubtful, however, that Reagan, whose popularity and prestige have been badly damaged by the still-smouldering Iran-contra scandal, retains the level of public support required to control an unruly Congress, dominated by Democrats and Republicans maneuvering with an eye on the 1988 presidential elections.

But Reagan hinted he has plans to recapture the political initiative, mentioning an "economic Bill of Rights" that he promised to outline in detail "in the next few weeks."

(Miles Benson, Newhouse)

President Cautions 'Breakpoint' Reached On Domestic Spending

President Reagan warned that a "breakpoint" had been reached between Congress, which wants to expand domestic spending and increase taxes, and the Administration, which wants to restrain "wasteful" spending and hold the line on new taxes.

Addressing the nation on the results of the seven-nation economic summit, the President said that unless the trend to expanded domestic spending and higher taxes is curbed "we stand to lose all the progress on the economic front we have made."

"If our budget reduction efforts are not consistent and credible, we will be sending signals all over the world that the American economy is in trouble again," Reagan said.

(Steven Nordlinger, Baltimore Sun, A1)

Reagan Plea: 'I Need Your Help'

President Reagan, facing a spending deadlock with Congress, took his case for budget reform to the U.S. Monday evening, saying, "I need your help."

"I'm going to take my case to you," Reagan said in an Oval Office speech. "If Congress won't see the light, I know you can make them feel the heat."

Reagan repeated his threat to veto budget-busters in a confrontational speech showing no sign of compromise. The President wants no new taxes and increases in defense spending; Congress wants to preserve social programs.

(Johanna Neuman, USA Today, A1)

Reagan's Budget Attack Draws Fire Of Congressional Democrats

President Reagan's attack on a "spend and tax" Congress was criticized by congressional Democratic leaders as misleading and full of contradictions.

"The budget picture the President painted tonight was like his early explanations of the Iran-contra misadventure -- long on rhetoric, short on facts that left a misleading impression," Senate Majority Leader Robert Byrd said.

Chairman William Gray of the House Budget Committee said that in the speech, billed as a report to the American people on the industrialized nations' summit in Venice, "The President seemed to be suffering from economic jet lag."

Senate Budget Committee Chairman Lawton Chiles told Reuter there was a contradiction in Reagan's arguments for domestic cuts, but higher defense spending and no taxes.

"It seems to me that the President does not believe his spending is spending, (that) my spending is all right -- your spending is wrong."

(Michael Posner, Reuter)

Reagan Sees World Implications In U.S. Debt, Democrats Score His Approach

President Reagan is warning that America must solve its debt problems to preserve Western strength, but Democrats say his solutions are unworkable and his refusal to negotiate with Congress has worsened the current budget stalemate.

"At a time when we desperately need strong leadership to deal with the deficit he has failed to provide it. All we've gotten is a rehash of ideas that haven't worked for six years and won't work now," said Rep. William Gray, chairman of the House Budget Committee.

"I asked the President this morning for his help when he spoke to the nation tonight," complained Senate Majority Leader Robert Byrd. "It is clear from his speech that he does not want to cooperate and we are not going to get his help in solving the nation's economic problems."

Senate Republican leader Robert Dole said he thought the President's message was "right on target."

"We need all the tools the President talked about -- a constitutional amendment to balance the budget, the line-item veto and budget process reform -- but we've also got to make tough choices. We've got to cut spending."

(Steve Komarow, AP)

EDITOR'S NOTES: "Text Of President Reagan's Speech," appears in The Washington Post, A6.

"Reagan Rescripts View Of Budget System; Analysts See Politics, Not Process, As Primary Cause Of Current Impasse With Hill," by David Hoffman & Tom Kenworthy, appears in The Washington Post, A7.

INTERNATIONAL NEWS

CARLUCCI DEFENDS PLAN TO REFLAG KUWAITI SHIPS Security Adviser Warns Of 'Hostile Powers'

National Security Adviser Carlucci said that the U.S. cannot afford to back down on its offer to provide military protection in the Persian Gulf to threatened Kuwaiti oil tankers.

"We cannot afford to let hostile powers -- either the Soviets or the ayatollah -- to gain a chokehold on so central a region," he said in a speech to the National Association of Arab Americans. "The President understands that's at stake, and like seven presidents before him, is determined to prevent it." (David Ottaway, Washington Post, A8)

WHILE SOVIETS WOO IRAN, BAHRAIN BARS U.S. BASE

TEHRAN -- The Soviet Union appeared to be making progress in its wooing of Iran, while a leading gulf state refused to grant the U.S. a military base there.

Soviet Deputy foreign Minister Yuri Vorontsov declared before he left Iran, after four days of talks on the situation in the Persian Gulf, that U.S. warships have no business in the strategic waterway, Tehran radio reported.

But while Soviet diplomacy chalked up new gains, the U.S. received a significant setback when Bahrain's information minister said neither Washington nor Moscow would be granted military bases in the region. (Washington Times, A6)

IRANIAN MINELAYING IN GULF WORRIES SEAFARERS

MANAMA, Bahrain -- As the U.S. Navy prepares to escort Kuwaiti tankers in the Persian Gulf, Iran is mining the narrow approaches to Kuwait's Al-Ahmadi oil terminal, gulf-based maritime salvage executives said.

The mines, being planted by Iranian Revolutionary Guards and explosives experts, can be detonated by remote control or automatically tripped by ships passing over them, the executives said. Some of the mines are being buried in the seabed, where they will be difficult to detect with minesweepers.

Arab and Western diplomatic sources confirmed the mining is taking place. (Aly Mohmoud, AP)

SHEVARDNADZE TELLS NATO TO PROVE RESOLVE ON NUCLEAR CURBS

SOFIA, Bulgaria -- Soviet Foreign Minister Eduard Shevardnadze called on NATO to clarify its stand on disarmament and prove its resolve to scrap nuclear weapons, the official Bulgarian news agency BTA said.

Speaking on the first day of a visit to Bulgaria, Shevardnadze said a NATO agreement to give Washington the go-ahead to negotiate a deal with Moscow on slashing nuclear weapons in Europe did not live up to expectations. (Reuter)

EMBASSY SPY DAMAGE PROOF SEEMS ELUSIVE

For weeks little doubt has been expressed by Secretary Weinberger or other top Administration officials about the damage that Marine guards caused at the U.S. Embassy in Moscow.

Last Friday, after the Marine Corps dropped the most serious charges against the second embassy guard implicated in the case, it was clear that the government would have difficulty proving the case that Weinberger and other Administration officials were making a few weeks earlier.

(Bill McAllister & Molly Moore, Washington Post, A3)

U.S. WILL NOT PRESS KOREAN INITIATIVE

As violent demonstrations in South Korea continued, senior Reagan Administration officials said that the U.S. had no plan for a major diplomatic initiative that would press South Korea to move toward democracy.

In contrast to the Philippines, where the Administration eventually forged a strategy that helped insure the ouster of President Marcos last year, it has yet to identify how much leverage it has with South Korean authorities and how to use that leverage, interviews with key Administration officials and independent political analysts indicate.

(Elaine Sciolino, New York Times, A1)

ITALIAN ELECTION DEALS A SETBACK TO COMMUNISTS

ROME -- The Italian Communist Party suffered a clear defeat in parliamentary elections that crushed the party's hopes of forming a leftist coalition.

The biggest gains in the two days of voting...appeared to have been made by the Socialist Party. But political leaders said that the situation remained confused because the Socialists' major rivals, the Christian Democrats, also gained ground.

The politicians felt that the only government likely to emerge would be based on the same five-party coalition that has governed the country for all but eight months since 1981. (Roberto Suro, New York Times, A1)

CONTRAS' KILLING OF AMERICAN: DOUBT CAST ON REBEL ACCOUNT

MANAGUA -- Nicaraguan rebels who killed an armed American in Nicaragua six weeks ago say they selected their victim because they thought he was a Cuban adviser to the Nicaraguan government.

The rebels assert that the American, Benjamin Linder, died immediately in an ambush on April 28 in a war zone in northern Nicaragua near the village of San Jose de Bocay.

But interviews with both Sandinista and rebel witnesses to the ambush disclosed several inconsistencies in the guerrillas' account that raise strong doubts about its accuracy.

(James LeMoyne, New York Times, A1)

NATIONAL NEWS

BROCK LAMBASTS MANAGERS OF SOME FIRMS AS 'TURKEYS'

Labor Secretary Brock, calling some corporate managers incompetent "turkeys," said he is reluctant to see government regulate hostile takeover attempts.

"...I really think that some of those turkeys ought to be gone. And I don't want to do anything that limits our ability to get rid of them because I don't believe they're serving their employees or their stockholders or any of us very well," Brock said.

While supporting retraining for displaced workers, Brock said he is very reluctant to see the federal government interfere with the free market by restricting takeover attempts even when they result in lost jobs.
(Bud Newman, Washington Post, C2)

BOWEN WARNS AGAINST ADDITION TO HEALTH LEGISLATION

Health Secretary Otis Bowen, who has kept a low profile in debates over catastrophic-illness insurance, has emerged with his toughest talk yet to Congress, saying a proposal on prescription drugs is likely to prompt a veto of health legislation.

Bowen's warning was delivered ahead of tense debate expected in two House committees over the proposal by Rep. Henry Waxman to make Medicare pay for outpatient prescription drugs for the elderly and disabled.

In a letter to the head of one of those committees, Ways and Means Chairman Dan Rostenkowski, Bowen raised the stakes by predicting a veto from President Reagan if the Waxman proposal is added to health legislation.
(Tamara Henry, UPI)

DEAVER MOTION TO DISMISS PERJURY CHARGES FAILS

A federal appellate court ruled that lobbyist Michael Deaver must stand trial on perjury charges, refusing to accept his appeal of a pretrial ruling in the case.

Lawyers for Deaver...said before yesterday's decision that they would take any adverse ruling to Chief Justice William Rehnquist. Consideration of such appeal by Rehnquist could further delay the start of a trial.

(AP story, Washington Post, A4)

IRAN — NICARAGUA

JUDGE ORDERS NORTH TO TESTIFY ON HILL WITH LIMITED IMMUNITY

A federal judge ordered Oliver North to testify, under a limited grant of immunity from prosecution, before the congressional committees investigating the Iran-contra affair.

U.S. District Court Judge Louis Oberdorfer, the court's acting chief judge, signed the order granting North limited or "use" immunity from prosecution. (AP story, Washington Post, A8)

TESTIMONY BY NORTH'S EX-COLLEAGUE STIRS NEW QUESTIONS ON MEESE'S IRAN INQUIRY

Testimony by a former White House colleague of Oliver North raises new questions about Attorney General Meese's preliminary investigation into the Iran-contra affair.

Lt. Col. Robert Earl has told congressional investigators that Col. North claimed to learn of the inquiry from Meese within hours after the decision was made to proceed with the investigation last Nov. 21. Col. Earl...was assigned with Col. North to the National Security Council.

Without more corroborating evidence or an opportunity to question the participants, investigators are wary of making any judgement. Meese's office hadn't any comment when questioned yesterday, and North has declined to comment since the controversy began. Still, the testimony is regarded as significant to understanding how the Administration dealt with the brewing scandal last fall. (David Rogers, Wall Street Journal, A66)

SEN. DODD REJECTS ABRAMS AS WITNESS

Assistant Secretary of State Elliott Abrams is no longer acceptable as an Administration witness on Capitol Hill because of previous testimony misleading Congress, a Senate subcommittee chairman told the State Department.

A spokesman for Sen. Christopher Dodd, chairman of the Senate Foreign Relations subcommittee on Western Hemisphere affairs, said the action was taken after Dodd was notified by State that Abrams would brief his subcommittee on developments in Panama. Dodd had asked for a briefing after rioting broke out there last week.

"As far as Congress is concerned, Elliott is a man without a mission. His time is up. There is a price to pay for misleading Congress," Dodd said in a statement. (Don Oberdorfer, Washington Post, A5)

NETWORK NEWS SUMMARY

(Monday Evening, June 15, 1987)

PRESIDENTIAL SPEECH

NBC's Garrick Utley: President Reagan will speak tonight to the nation -- speak about arms negotiations with the Russians, about the Persian Gulf and how he thinks tax dollars should be spent.

NBC's Chris Wallace: The President briefed Congressional leaders today on his speech -- a speech designed to show that despite political problems, Mr. Reagan still has an active agenda. On arms control the President will say that with NATO now backing him, he's instructing his negotiators to make a deal with the Soviets to eliminate hundreds of missiles from Europe -- raising hopes for a Reagan-Gorbachev summit this year. The President will also focus on the budget, noting that at the Venice Economic Summit the other allies complained that the big U.S. deficit is hurting the world economy. Mr. Reagan will urge the Democratic controlled Congress to reform the budget process and cut government spending, saying, "The choice is now upon each of us. As I've said we've reached break-point -- decision time."

(TV coverage: The President meeting with Congressional leaders in the Oval Office; then file footage of the President on t.v.; meeting with Mikhail Gorbachev; with the other Economic Summit leaders in Venice; a still photo in the upper left corner of the screen.)

Democratic leaders came out of the White House saying the President shouldn't play politics with the budget.

(Sen. Robert Byrd: "I hope he won't be combative. We don't need confrontation. And as I said to the President, 'You're in this with us -- we need your help.'")

But Republicans were eager to point out that with Democrats controlling both Houses, they must come up with their own budgets.

(Rep. Robert Michel: "They've spent time kicking around not only the President's budget that they did earlier, but then whatever we'd propose. Now they got to come to grips with their own differences and, frankly, they are significant.")

Aides say tonight's speech is just a start of a summer-long campaign. The President will travel the country trying to get the budget he wants or paint Democrats as spenders for the '88 election. Even more important, advisers want to dispel the image of Mr. Reagan that came out of Venice as an aging lame duck overwhelmed by the Iran-contra scandal.

(TV coverage: The President speaking at a podium, taking off his jacket. Then file footage of the President at the Venice Summit with Secretary of State Shultz.)

Mr. Reagan will try to make his budget push as dramatic as possible, calling for an economic Bill of Rights. But even some of the President's own men say that Oval Office speeches are becoming a little tired and that it's hard to get people excited about reforming the budget process.

(NBC-3)

-more-

ABC's Sheilah Kast: As he conferred with Congressional leaders about the Venice Summit, President Reagan brushed off reporters' questions.

(The President: "I'm not going to take any questions here. I'll be talking enough, I think, at 8 o'clock tonight.")

In his speech tonight Mr. Reagan will talk about an historic arms reduction treaty he wants to conclude with the Soviets this year. He will announce he's giving his arms control negotiators instructions to pursue with the Soviets worldwide elimination of intermediate nuclear missiles with a range of 300-600 miles. At the Venice Summit the allies resisted boosting their military resources in the Persian Gulf. They would not even agree to increased coordination with the U.S. Navy. But Mr. Reagan will argue that the increased diplomatic support they offered is exactly what he wanted. He'll focus much of his speech on the issue his allies chided him about in Venice -- big U.S. budget deficits. Mr. Reagan will declare tonight that the Congressional budget process isn't working. He told Congressional leaders that before he'll negotiate the specifics of next year's budget, he wants changes that would give him more control -- such as the power to veto individual line-items of spending.

(TV coverage: The President with Congressional leaders; then various file footage from Venice, including a shot with the other summit leaders, and a still photo of the President.)

(Sen. Byrd: "I hope he won't be combative. We don't need confrontation and as I said to the President, 'You're in this with us -- we need your help. And I hope we'll get that help.'")

But stretching out a hand of cooperation to Congress is not the President's goal in this speech. He wants to make the case that he is not a lame duck, that he still has clout with U.S. allies, and especially, that he can still rally the support of U.S. voters. He's determined to make reforming the federal budget process that rallying cry. (ABC-2)

CBS's Dan Rather: President Reagan addresses the nation tonight to talk up results of the Venice Summit with U.S. allies and to minimize talk that he is losing clout at home and abroad.

CBS's Bill Plante: President Reagan, in the wake of a lackluster Economic Summit which did little for his tarnished image, gave congressional leaders a preview of the speech he'll make to the nation in an attempt to refurbish his leadership.

(TV Coverage: The President with Congressional leaders in the Oval Office.)

(Sen. Robert Byrd: "I hope he won't be combative. We don't need confrontation and I have said to the President, 'You're in this with us, we need your help.'")

On arms control, White House sources say Mr. Reagan will announce tonight that he is giving U.S. negotiators a green light to wrap up the treaty with the Soviets, to remove many short-range and all medium-range nuclear weapons from Europe. In the Persian Gulf, the President will report general backing for U.S. policy from its allies, but no specific offers of help. On last week's Economic Summit, Mr. Reagan will also report how allies complained about the U.S. budget deficit, which will lead him to his call for budget reform -- the issue which will dominate the speech. White House staff members and outside observers agree that there is a lot at stake tonight for the President.

Plante continues:

(David Gergen: "People are not going to buy off on rhetoric at this point. What they really want to see is action. They want to see concrete results. He still has 18 months to do that.")

Others don't believe that anything is likely to rejuvenate a Reagan Presidency suffering from more than just the President's lame duck status.

(Sen. George Mitchell: "This Administration has run out of steam. It's lost the initiative. It will be largely, in my judgment, a passive, defensive Administration for the remainder of the President's term.")

Ronald Reagan's answer to that harsh judgment is to take his case to the people. It's worked just about every time he's tried it in his career. But the question this time is whether, saddled with the failure of his Iran-contra policy, Mr. Reagan will find the public and Congress still listening. (CBS-Lead)

PERSIAN GULF

ABC's Peter Jennings in the Persian Gulf reports on the condition of the USS Stark.

ABC's Bob Zelnick: The Navy report on the Stark investigation is now on the desk of Marine Corps General George Crist, head of the Central Command responsible for the Persian Gulf. Following review, it will be forwarded to Secretary Weinberger. Sources familiar with the Navy investigation share a House Armed Services Committee conclusion that more could have been done aboard ship to avert the tragedy.

(Rep. Les Aspin: "The ship itself should have taken some action that it didn't. One, it should have notified the Iraqi plane much sooner than it did, that it was a warship...")

Pentagon sources confirm that by the time the warnings were issued, at least one Exocet missile had been fired.... In a secret report to the Congress late today the Pentagon describes how it intends to minimize dangers while escorting Kuwaiti oil tankers in the Persian Gulf. Sources here say additional AWACs planes will be assigned to monitor the area. The U.S. Naval presence will be upgraded to at least 10 ships and naval captains will be instructed to infer hostile intent on the part of approaching Iranian and Iraqi aircraft. The secret report predicts that Iran will be cautious about attacking American flag vessels and their escorts. But in the view of many on Capitol Hill, Administration optimism is no substitute for a careful assessment for policy goals and risks.

Jennings: As the debate continues at home about what the Reagan Administration should do next in the Persian Gulf, the governments in the region wait anxiously for what they hope will be a constructive outcome. Here in Bahrain, for example, where the United States is able to service its ships, the political leadership is looking for a consistent American policy in which it can trust. The Bahraini foreign minister, Mohammad bin-Mubarak al Halifa, believes that having committed to protecting the Kuwaiti tankers, the commitment should be kept....

Jennings continues:

(Mubarak al Halifa: "A commitment must be respected. So, really we are in this part of the world, we would like to have -- when we agree on something -- we would like to see that it's happening. So that the reflagging is an offer by the United States and a way of doing things to keep oil flowing through this region.")...

(ABC-Lead)

1985 TWA HIJACKING

Utley: It may seem like yesterday -- the hijacking of a TWA flight and the drama at the Beirut airport. Today new details were made public about what happened during that long ordeal.

NBC's Robert Hager reports on the details in an internal TWA report of what happened during the hijacking incident. (NBC-Lead)

HAMADIE

Utley: The man suspected of being one of the TWA hijackers, Mohammad Hamadie was apparently flown from a jail in Frankfurt, West Germany, today to Wiesbaden. People who were on board the TWA flight were in Wiesbaden to attempt to identify Hamadei. So far the West German government has refused to extradite him to the U.S. and is expected to announce on Wednesday whether he will go on trial in West Germany. (NBC-2, ABC-4)

NORTH/IMMUNITY

Utley: A federal judge in Washington today ordered Lt. Col. Oliver North to testify before the Iran-contra committees. The judge signed an order granting North limited immunity under an agreement worked out by the committees and the independent prosecutor investigating the Iran affair. North is expected to begin talking privately to the committees on Thursday. (NBC-4, ABC-7, CBS-10)

DEAVER

Utley: A federal appeals court today ordered former White House aide Micheal Deaver to stand trial on charges of lying about his activities as a lobbyist. Deaver now is expected to ask the Supreme Court to block his trial. He is challenging the constitutionality of the independent counsel law. (NBC-5, ABC-8, CBS-11)

SUPREME COURT DECISIONS

Utey: The Supreme Court handed a setback today to the cause of victims' rights. First, in a five-to-four decision, the justices ruled that the impact of a murder on the victim's family may not be considered by the jury deciding whether the killer should get the death penalty. They called such evidence "inflammatory." In other cases, the Court ruled that cities may not enforce laws that make it a crime for a person to verbally oppose or interrupt police officers doing their duty. They said that restricts free speech. And it let stand a ruling that police may require suspected drunk drivers to take breath tests even before they are allowed to consult a lawyer.

(NBC-9, ABC-6)

ABUSES OF AMERICAN NATIONALS BY THE SAUDIS

ABC's Ted Koppel: On Capitol Hill today a House subcommittee met to hear charges that Americans living and working in Saudi Arabia have been abused, sometimes tortured by Saudi police.

ABC's Ann Compton: Their stories are Arabian nightmares. American mothers who say their Saudi husbands have kidnapped their small children and keep them beyond the reach of American law.... American businessmen told of beatings and filthy Saudi jails although charges were rarely filed. Oil worker Henry Ramsey was accused of drug trafficking. During interrogation his hands and feet were shackled, a pole strapped behind his knees.

(Ramsey: "The two guards grabbed me and forced me to bend at the knees and do deep knee bends. Be aware again that I had shackles on my hands and feet. I could hear the cracking noise of my knees as the joints started to separate.")

Two months later Ramsey was abruptly released without ever having been charged. Today State Department officials admitted the human rights abuses are real. But angry Congressmen demanded diplomatic reprisals.

(Rep. Tom Lantos: "And I do not think at this time that cutting off visas to all Saudis coming to the United States is the way to try and deal with this problem.")

Tonight a Saudi spokesman called the Saudi actions unwarranted. But the members of the committee said the U.S. has leverage with the Saudis and ought to use it.

(ABC-3)

-End of B-Section-

EDITORIALS/COLUMNISTS

PRESIDENT'S SPEECH AT THE BERLIN WALL

A Talk About Freedom At The Wall -- "President Reagan's trip to Venice and to Berlin took him from what he does badly to what he does better than anybody. His speech at the Berlin Wall was a kind of international pep rally -- a rousing reminder of why the West is different from the East and why the western allies must keep it that way.... Mr. Reagan spoke of the sharp contrasts symbolized by the Berlin Wall behind him -- the repression, fear and economic sluggishness on one side of it, the prosperity and freedom (sometimes deafening) on the other.... The protesters, who evidently sympathize with the Soviet cause and regard the U.S. as the greater threat to peace, were free to gather and demonstrate only because they were on Mr. Reagan's side of the wall. Unwittingly, they showed the world why Mr. Gorbachev will not dream of tearing it down; indeed, they could hardly have given him a better reason for keeping it there."
(Chicago Tribune, 6/15)

Reagan At The Berlin Wall: Why It Isn't Tumbling Down -- "President Reagan went to Berlin and challenged his Soviet counterpart...to tear down the wall. The Berliners massed before the towering Brandenburg Gate and cheered, but no one expects Mr. Gorbachev to comply. The wall continues to stand -- because it is necessary to the survival of the East German state. The Soviets would have to overthrow the rigid East German regime -- perhaps even abolish communist rule in East Germany -- before they could tear down the wall. And that is the problem with Mr. Reagan's speech.... It did not present any kind of coherent Western strategy to hasten the day when the wall might indeed come down, nor did it help ease tensions between the two Germanies.... Broad affirmations of solidarity, like the one Mr. Reagan delivered, may have some use, but what the Germans really crave these days is a little room to maneuver on their own."
(Philadelphia Inquirer, 6/14)

'Tear Down The Wall' -- "Was President Reagan making just an idle taunt when he stood before the Brandenburg Gate yesterday and challenged Mikhail Gorbachev to tear down the Berlin Wall? Or was such a dramatic move remotely conceivable today as it certainly was not before Mr. Gorbachev came to power? The short-term answer has to be no, the long-term maybe. Mr. Gorbachev is a hostage to circumstances he inherited.... The hope of tearing down the Wall may be a distant one, alas, but a hope that free people everywhere must never abandon."
(Baltimore Sun, 6/13)

VENICE SUMMIT

Venice: Sleepy Summit May Be The Best Kind -- "The fact is, none of the seven economies represented in Venice is doing too badly, thank you. Indeed, the last several economic summits have been criticized for their inconsequence. By contrast, recall the early summits of this decade. They were as tumultuous as these affairs get. Most of the leaders were struggling to lift their economies out of recession. Blame was the coin of debate. That currency was happily devalued at this year's summit in Venice."
(Providence Journal, 6/11)

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VENICE SUMMIT (continued)

A Success In Venice -- "The Venice Economic Summit may well turn out to be a historic milestone in the management of the world economy. Hidden behind the official language of the final communique is a commitment of far-reaching significance. The agreement by the seven biggest Western powers to adopt a surveillance system to monitor economic performance is a long-overdue recognition of just how interdependent the world's major trading nations are.... It will probably be several years before a clear assessment of the Venice summit is possible, but the commitments by the participants may turn out to be a major turning point in economic cooperation and the pursuit of common goals."

(Journal of Commerce, 6/12)

An Economic Lesson In Venice -- "Part of the problem in Venice...was a leadership vacuum. In recent economic summits, President Reagan has been able to control the agenda, but this year our own economic problems are so obvious that his clout was considerably diminished.... The message from Venice, to ourselves at least, is that we will not put matters right in the world until we begin to put matters right at home.... Taking the lead does not mean further dollar depreciation; it does not mean protectionism. It means, for the President, a serious look at tax increases. For Congress, it means responsible cuts in federal spending."

(San Diego Tribune, 6/11)

A Futile Show At The Venice Summit -- "Given the magnitude of the difficulties facing the allies, the triviality of what they accomplished in Venice was a disgrace.... Some in the Reagan White House had tried to reduce expectations of what would be achieved in Venice, but even by their diminished standards, President Reagan appears to have fallen short. When Treasury Secretary James Baker rated the outcome of the talks an '8 to 9' on a scale of 10, he had all the credibility of a Soviet Olympic judge.... While it is important for world leaders to sit together occasionally and share ideas, it may be wrong to tie such meetings to formal, prescheduled annual events. Summits should occur when there is a workable agenda and a critical mass of leadership capable of making a deal and delivering it. They should be something more than forced, pompous photo opportunities for heads of state who are hobbled by political difficulties at home."

(Chicago Tribune, 6/12)

Venice: A So-So Summit -- "The Venice economic summit this week showed once again how difficult it is to get away from the political realities at home. For the Reagan Administration the limiting factors were partly under the President's control, partly not. Mr. Reagan cannot pour more sand into his Administration's hourglass; time is running out and, with time, influence.... He was captive of his own Administration's scandal, the Iran-contra affair.... Yet Reagan could have gone to the summit with a grand compromise on the U.S. budget deficit, which would have made him look more like an economic policy activist.... NATO unity on East-West arms negotiations was, for the moment at least, maintained, preserving Reagan's best shot at a major White House achievement in his second term. Major issues like forestalling recession and anticipating greater competition in services were consciously avoided. The low expectations for Venice were met."

(Christian Science Monitor, 6/12)

OVAl OFFICE ADDRESS

NETWORK COMMENTARY FOLLOWING THE PRESIDENT'S ADDRESS

CBS's Dan Rather: The President accentuated what he sees as the positive results of the Venice Economic Summit. The heart of this address to the nation also included his hopes, his belief as he put it, that there will be some kind of new limited agreement on nuclear missiles with the Soviet Union, and a new plea for support of his policy of putting Kuwaiti ships under American flags.... Bill Plante is standing by at the White House. We know what the President said. What are those who are opposed to his policies likely to say he didn't say that's important?

CBS's Bill Plante: What's going on here between the lines is the question of presidential leadership. And those who are opposed to his policies are going to say that he offered no new alternatives, that the American people have rejected his pleas for the budget already.... The people who are on his staff here at the White House can't quite believe that his leadership effectiveness is diminished. They've always warned us not to count him out. That's worked in the past, we don't know this time whether it will still work now that he's burdened with the Iran-contra affair, and the fact that he has very little political clout.

Rather: Phil Jones...what's the reaction likely to be in Congress and most specifically, how about Sam Nunn and the others who are adamantly opposed to what the President wants to do in the Persian Gulf?

CBS's Phil Jones: I don't think there was too much in this speech tonight that is going to calm the uneasiness from Nunn and the others -- many Republicans too -- who feel that the Reagan Administration moved too quickly in committing unilateral protection. There's nothing in this speech tonight to really give evidence to prove that he has pressured our allies to get them involved in this also. On the budget matter, I think that what you see here is the President calling again for a balanced budget amendment. What you didn't hear him saying tonight was that he has been here now for some six years and ever since he came to town he has never presented a balanced budget amendment. Clearly, though, the Democrats have left themselves wide open for tonight's criticism. They are deadlocked on the whole budget matter, they are in power in both the Senate and the House, and the Senate Democrats and...the House Democrats...are fighting over how much to spend for defense.

Rather: Many Republicans in Congress have been opposed to the President's proposals about what to do in the Persian Gulf. Is this likely to instill some discipline in them or will they remain opposed?

Jones: I think they're probably going to remain uneasy.... I think there is a general feeling up here...that the President and the Administration did not work harder to get the allies to participate, and that he moved far too quickly on unilateral participation. There is great, great uneasiness on the Reagan Administration Persian Gulf policy.

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Rather: President Reagan spoke on a variety of subjects, but he himself hinted right at the start at one big reason for his address this evening, and that was to deny reports that nothing really was accomplished at the Economic Summit and that he came home empty-handed.

NBC's Garrick Utley: The major story of the speech seems to be his statement to give formal authorization to negotiators in Geneva to strike a deal with the Soviet Union -- a go-ahead for an agreement to eliminate short-range and middle-range nuclear missiles in Europe. He also tackled the rather tricky issue of the Persian Gulf -- what the U.S. can or should be doing there. He said the American fleet has a national interest there -- has a right and duty to be there. The main question, of course, is whether he can settle or solve questions, concerns about whether American ships in the Persian Gulf will get involved in the war in that part of the world. Chris, why this speech? Why now?

NBC's Chris Wallace: I think a lot of the top officials at the White House are asking themselves that same question. In fact, there was some disagreement here about whether or not the President should give the speech. And I think the answer is that the White House and the President were trying to dispel some of the bad stories that came out of the Economic Summit in Venice -- trying to dispel those stories that the President was unable to control the agenda; that he was showing his age; that he has been overwhelmed by the Iran-contra scandal; trying to show that in fact he does have an active agenda for the future. You know, to some degree what you saw here was what Don Regan used to call "the shuffle brigade" -- taking a trip that was not a big success for the President -- the Economic Summit -- and calling it a triumph.

Utley: John Dancy, a lot has changed since Ronald Reagan entered the White House. The Democrats control both Houses.... What kind of a reception will he get there?

NBC's John Dancy: What the President mentioned tonight were basically the two mainstays of his economic policy that he's been espousing for all the time that he's been in office -- that is a balanced budget amendment and an opportunity to have a line-item veto. They haven't gone down in the past. They're not likely to go down now. Congress is bound up over the budget right now and as you mentioned the Democrats control both Houses. It is the Democrats who are tied up in knots over the question of defense spending. Republicans have been actually standing back from this and it's the Democrats who are going to have to work themselves out of this. Until they do that, the Republicans and President Reagan are going to make political hay out of this.

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ABC's Ted Koppel: Three key items on the President's agenda this evening, as he reported to the nation in the wake of the Economic Summit in Venice. A nuclear arms agreement with the Soviets, very much on the front-burner. President Reagan now has the support of our NATO allies to negotiate for a shorter-range and intermediate range missile agreement. He didn't say it tonight, but there is some expectation that such an agreement might be hammered out before the end of this year. On the Persian Gulf and policing Kuwaiti tankers under the protection of the U.S. flag, the President's rationale: simple, if we don't do it, the Soviets will. And finally, the U.S. economy. President Reagan pushing as he has always done, for a constitutional amendment that would require a balanced budget. And equally familiar themes from this President: continued strong spending for defense but no new taxes. As the President put it, if Congress won't see the light, I know you will make them feel the heat.

-End of News Summary-



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JUNE 16, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

OVAL OFFICE ADDRESS

Reagan: If U.S. Won't Guard Gulf, Soviets Will -- President Reagan warned Monday night that if the U.S. did not take an active military role to protect shipping in the Persian Gulf the Soviet Union would step into the vacuum. (Baltimore Sun, Boston Globe, Chicago Tribune, Daily Oklahoman, Des Moines Register, Miami Herald, Omaha World Herald, USA Today, Washington Post, Washington Times, AP, Copley, Newhouse, Reuter)

INTERNATIONAL NEWS

Carlucci Defends Plan To Reflag Kuwaiti Ships -- National Security Adviser Carlucci said that the U.S. cannot afford to back down on its offer to provide military protection in the Persian Gulf to threatened Kuwaiti oil tankers. (Washington Post)

NATIONAL NEWS

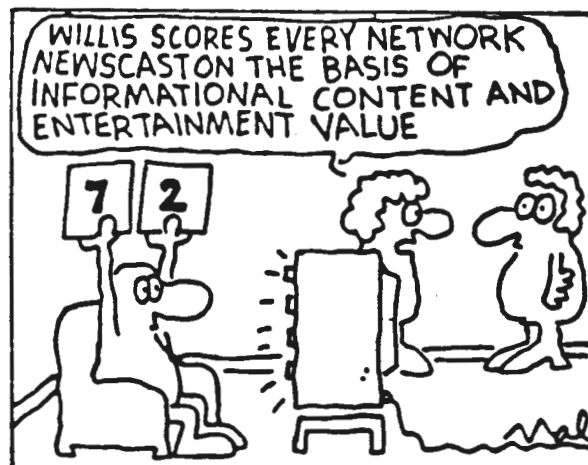
Bowen Warns Against Addition To Health Legislation -- Health Secretary Otis Bowen, who has kept a low profile in debates over catastrophic-illness insurance, has emerged with his toughest talk yet to Congress, saying a proposal on prescription drugs is likely to prompt a veto of health legislation. (UPI)

NETWORK NEWS (Monday Evening)

ADDRESS -- President Reagan addresses the nation to talk up the results of the Venice summit.

PERSIAN GULF -- The Navy report of the USS Stark will be forwarded to Secretary Weinberger.

NORTH -- A federal judge ordered Oliver North to testify before the Iran-contra committees with protection of limited immunity.



OVAL OFFICE ADDRESS

PROTECTING TANKERS VITAL, REAGAN WARNS 'If We Don't Do The Job, The Soviets Will'

President Reagan, facing growing criticism of his decision to expand the U.S. naval presence in the Persian Gulf, said last night that failure to protect shipping would allow the Soviets to move into the region, and he declared, "In a word, if we don't do the job, the Soviets will."

Reagan said failure to protect the Kuwaiti ships would "abdicate our role as a naval power" and "we would open opportunities for the Soviets to move into this chokepoint of the free world's oil flow." Failure to protect the ships would "jeopardize our own national security as well as our allies," he said.

Reagan disputed reports of setbacks for the U.S. and criticism from allied leaders in Venice, saying he came home "with everything we had hoped to accomplish." The President acknowledged, however, that the persistently high U.S. budget deficits had been a "disturbing topic" in the discussions and blamed the congressional budget process, saying "we have now reached breakpoint." (David Hoffman, Washington Post, A1)

Reagan Defends Summit And Allies On Persian Gulf

President Reagan reported to the nation on the achievements of the just-completed Venice economic summit, announcing that he has agreed to accept a Soviet proposal for the elimination of shorter-range nuclear weapons in Europe and thanking the allies for their support in the Persian Gulf.

Calling the American role in the gulf "vital," the President said failure to escort oil tankers there would "jeopardize our own national security as well as our allies."

The President also implored Americans to support him in a national campaign to reform the congressional budget process and impose greater restraints on federal spending, saying that "nothing less than our economic future is at stake."

On arms control, the President said the U.S. and its allies now have a united position following the Venice meeting of leaders and a subsequent meeting of NATO foreign ministers in Reykjavik, Iceland.

(George Condon, Copley)

Reagan: If U.S. Won't Guard Gulf, Soviets Will

President Reagan warned Monday night that if the U.S. did not take an active military role to protect shipping in the Persian Gulf the Soviet Union would step into the vacuum.

In a nationally broadcast address, the President gave his bluntest defense to date of a Persian Gulf policy that has drawn strong criticism from Congress and only lukewarm support from foreign allies.

"In a word, if we don't do the job the Soviets will, and that will jeopardize our own national security and that of our allies."

Reagan also announced that he has accepted a Soviet proposal for reducing nuclear missiles in Europe, a decision that gives the superpowers a "historic opportunity" to conclude the first treaty in the nuclear age that eliminates existing weapons.

(wire services story, Des Moines Register, A1)

President Urges Ship Protection

President Reagan, trying to persuade a wary Congress that American warships must protect oil tankers in the Persian Gulf, warned that "if we don't do the job the Soviets will."

"Our role in the Gulf is vital. It is to protect our interests and to help our friends in the region protect theirs," Reagan said in a nationally broadcast address from the Oval Office. "Our immediate task in the Gulf is clear -- and should not be exaggerated."

Sen. Paul Simon said after the speech the plan was "an unfocused and dangerous step away from neutrality."

Sen. Richard Lugar, a member of the Foreign Relations Committee, said that the U.S., the British, Dutch and French were all providing naval protection for ships flying their flags in the gulf.

"In short, each country is protecting its flag, and the President indicated tonight, as he defined our policy, we will do the same," Lugar said. (AP story, Daily Oklahoman, A1)

Reagan Says Navy Must Expand Presence in Gulf Or Abdicate To Soviets

President Reagan said Monday night that the U.S. Navy must expand its presence in the Persian Gulf and escort Kuwaiti oil tankers through the waterways because "if we don't do the job, the Soviets will."

(George Delama, Chicago Tribune, A1)

Reagan Seeks To Capitalize On NATO Consensus Over Arms Deal

President Reagan today moved quickly to capitalize on a hard-won NATO consensus that has cleared the way for an historic nuclear weapons-slashing treaty and a third summit with Soviet leader Gorbachev.

As expected, Reagan announced in a nationally televised speech that he would order U.S. negotiators on Geneva to conclude with their Soviet counterparts an accord eliminating shorter-range as well as medium-range nuclear missiles.

Reagan, his presidency sagging with less than two years before retirement, also tried to seize credit for the impetus on arms control.

"At that time (in 1981) many labeled it (the zero option) ridiculous and suggested the Soviets would never accept it. Well, we remained determined and this year the Soviets adopted a similar position," Reagan said.

The new element of Reagan's speech was his formal acceptance of Gorbachev's offer to also scrap shorter-range INF missiles with a range of 300 to 600 miles. (Carol Giacomo, Reuter)

Reagan Proposes Global Elimination of Short-Range Missiles

President Reagan said last night that he would propose a global elimination of all U.S. and Soviet short-range land-based missiles, a step he hopes will lead to an historic arms control agreement between the two superpowers. (Stephen Kurkjin and Peter Gosselin, Boston Globe, A1)

Reagan Seeks To Ban Short-Range Missiles

President Reagan pushed the country closer to an arms control agreement with the Soviet Union, saying his Administration will propose the worldwide elimination of shorter-range nuclear missiles.

Although the U.S. move was expected in the wake of just-concluded negotiations with the Western allies, it marked a sharp departure from the formal position taken by the Administration in earlier negotiating rounds and smoothed out one of the major bumps in the road to agreement with the Soviets. (Gene Grabowski & Warren Strobel, Washington Times, A1)

Will Reduce Missiles, Reagan Says

President Reagan announced Monday night that he has accepted a Soviet proposal for reducing nuclear missiles in Europe, a decision that gives the superpowers "an historic opportunity" to conclude the first nuclear-age treaty that eliminates existing weapons.

(Owen Ullmann, Miami Herald, A1)

Reagan: Summit in Venice Stirred "Sense of Unity"

President Reagan, reporting on the seven-nation summit in Venice said that America's allies expressed "a sense of unity and support" for the U.S. in its dealings with the Soviet Union.

In a speech prepared for broadcast from the Oval Office, Reagan also complained that the Congressional budget process "isn't working" and said "We've reached breakpoint, decision-time."

(AP story, Omaha World Herald, A1)

Reagan Upbeat On Summit Results, Hits Congress On Budget Deficit

President Reagan, denying that he came home empty-handed from the Venice summit, says a congressional "lapse of faith" is threatening progress that he and other world leaders made toward economic health.

"The truth is we came home from this summit with everything we had hoped to accomplish," the President said in an 18-minute nationally broadcast speech.

"I was particularly gratified, for example, for the support our allies gave to our Persian Gulf policy; it was extended without hesitation," the President said, although the support was limited to diplomatic rather than military backing.

The President recalled the passage two years ago of the Gramm-Rudman deficit reduction legislation which he supported, but added, "And what's happened to that restraint on wasteful domestic spending solemnly promised under Gramm-Rudman-Hollings? It vanished. And to pay for this lapse of faith you, the taxpayers, are going to be saddled with an approximately \$100 billion bill over the next four years."

He renewed his plea for a constitutional amendment requiring a balanced federal budget and for congressional action to permit him to veto specific items in appropriation bills. He said he would spell out other budget reforms, which he called "an economic Bill of Rights."

(Dale Nelson, AP)

Reagan Draws Battle Lines With Congress On Gulf, Budget

President Reagan's protracted power struggle with an opposition Congress over control of urgent foreign policy issues and bread and butter budget priorities is heating up and seems certain to dominate American politics until the election of his successor next year.

The embattled President drew battle lines clearly in his televised address to the nation.

Reagan defended his plan to protect oil tankers in the Persian Gulf with U.S. warships, warning, "if we don't do the job, the Soviets will."

He appealed for public support for his stands against increased taxes and in favor of greater defense spending, insisting that the federal deficit be reduced by deeper cuts in domestic programs which he did not identify.

It is doubtful, however, that Reagan, whose popularity and prestige have been badly damaged by the still-smouldering Iran-contra scandal, retains the level of public support required to control an unruly Congress, dominated by Democrats and Republicans maneuvering with an eye on the 1988 presidential elections.

But Reagan hinted he has plans to recapture the political initiative, mentioning an "economic Bill of Rights" that he promised to outline in detail "in the next few weeks."

(Miles Benson, Newhouse)

President Cautions 'Breakpoint' Reached On Domestic Spending

President Reagan warned that a "breakpoint" had been reached between Congress, which wants to expand domestic spending and increase taxes, and the Administration, which wants to restrain "wasteful" spending and hold the line on new taxes.

Addressing the nation on the results of the seven-nation economic summit, the President said that unless the trend to expanded domestic spending and higher taxes is curbed "we stand to lose all the progress on the economic front we have made."

"If our budget reduction efforts are not consistent and credible, we will be sending signals all over the world that the American economy is in trouble again," Reagan said.

(Steven Nordlinger, Baltimore Sun, A1)

Reagan Plea: 'I Need Your Help'

President Reagan, facing a spending deadlock with Congress, took his case for budget reform to the U.S. Monday evening, saying, "I need your help."

"I'm going to take my case to you," Reagan said in an Oval Office speech. "If Congress won't see the light, I know you can make them feel the heat."

Reagan repeated his threat to veto budget-busters in a confrontational speech showing no sign of compromise. The President wants no new taxes and increases in defense spending; Congress wants to preserve social programs.

(Johanna Neuman, USA Today, A1)

Reagan's Budget Attack Draws Fire Of Congressional Democrats

President Reagan's attack on a "spend and tax" Congress was criticized by congressional Democratic leaders as misleading and full of contradictions.

"The budget picture the President painted tonight was like his early explanations of the Iran-contra misadventure -- long on rhetoric, short on facts that left a misleading impression," Senate Majority Leader Robert Byrd said.

Chairman William Gray of the House Budget Committee said that in the speech, billed as a report to the American people on the industrialized nations' summit in Venice, "The President seemed to be suffering from economic jet lag."

Senate Budget Committee Chairman Lawton Chiles told Reuter there was a contradiction in Reagan's arguments for domestic cuts, but higher defense spending and no taxes.

"It seems to me that the President does not believe his spending is spending, (that) my spending is all right -- your spending is wrong."

(Michael Posner, Reuter)

Reagan Sees World Implications In U.S. Debt, Democrats Score His Approach

President Reagan is warning that America must solve its debt problems to preserve Western strength, but Democrats say his solutions are unworkable and his refusal to negotiate with Congress has worsened the current budget stalemate.

"At a time when we desperately need strong leadership to deal with the deficit he has failed to provide it. All we've gotten is a rehash of ideas that haven't worked for six years and won't work now," said Rep. William Gray, chairman of the House Budget Committee.

"I asked the President this morning for his help when he spoke to the nation tonight," complained Senate Majority Leader Robert Byrd. "It is clear from his speech that he does not want to cooperate and we are not going to get his help in solving the nation's economic problems."

Senate Republican leader Robert Dole said he thought the President's message was "right on target."

"We need all the tools the President talked about -- a constitutional amendment to balance the budget, the line-item veto and budget process reform -- but we've also got to make tough choices. We've got to cut spending."

(Steve Komarow, AP)

EDITOR'S NOTES: "Text Of President Reagan's Speech," appears in The Washington Post, A6.

"Reagan Rescripts View Of Budget System; Analysts See Politics, Not Process, As Primary Cause Of Current Impasse With Hill," by David Hoffman & Tom Kenworthy, appears in The Washington Post, A7.

INTERNATIONAL NEWS

CARLUCCI DEFENDS PLAN TO REFLAG KUWAITI SHIPS

Security Adviser Warns Of 'Hostile Powers'

National Security Adviser Carlucci said that the U.S. cannot afford to back down on its offer to provide military protection in the Persian Gulf to threatened Kuwaiti oil tankers.

"We cannot afford to let hostile powers -- either the Soviets or the ayatollah -- to gain a chokehold on so central a region," he said in a speech to the National Association of Arab Americans. "The President understands that's at stake, and like seven presidents before him, is determined to prevent it."

(David Ottaway, Washington Post, A8)

WHILE SOVIETS WOO IRAN, BAHRAIN BARS U.S. BASE

TEHRAN -- The Soviet Union appeared to be making progress in its wooing of Iran, while a leading gulf state refused to grant the U.S. a military base there.

Soviet Deputy foreign Minister Yuri Vorontsov declared before he left Iran, after four days of talks on the situation in the Persian Gulf, that U.S. warships have no business in the strategic waterway, Tehran radio reported.

But while Soviet diplomacy chalked up new gains, the U.S. received a significant setback when Bahrain's information minister said neither Washington nor Moscow would be granted military bases in the region.

(Washington Times, A6)

IRANIAN MINELAYING IN GULF WORRIES SEAFARERS

MANAMA, Bahrain -- As the U.S. Navy prepares to escort Kuwaiti tankers in the Persian Gulf, Iran is mining the narrow approaches to Kuwait's Al-Ahmadi oil terminal, gulf-based maritime salvage executives said.

The mines, being planted by Iranian Revolutionary Guards and explosives experts, can be detonated by remote control or automatically tripped by ships passing over them, the executives said. Some of the mines are being buried in the seabed, where they will be difficult to detect with minesweepers.

Arab and Western diplomatic sources confirmed the mining is taking place.

(Aly Mohmoud, AP)

SHEVARDNADZE TELLS NATO TO PROVE RESOLVE ON NUCLEAR CURBS

SOFIA, Bulgaria -- Soviet Foreign Minister Eduard Shevardnadze called on NATO to clarify its stand on disarmament and prove its resolve to scrap nuclear weapons, the official Bulgarian news agency BTA said.

Speaking on the first day of a visit to Bulgaria, Shevardnadze said a NATO agreement to give Washington the go-ahead to negotiate a deal with Moscow on slashing nuclear weapons in Europe did not live up to expectations.

(Reuters)

EMBASSY SPY DAMAGE PROOF SEEMS ELUSIVE

For weeks little doubt has been expressed by Secretary Weinberger or other top Administration officials about the damage that Marine guards caused at the U.S. Embassy in Moscow.

Last Friday, after the Marine Corps dropped the most serious charges against the second embassy guard implicated in the case, it was clear that the government would have difficulty proving the case that Weinberger and other Administration officials were making a few weeks earlier.

(Bill McAllister & Molly Moore, Washington Post, A3)

U.S. WILL NOT PRESS KOREAN INITIATIVE

As violent demonstrations in South Korea continued, senior Reagan Administration officials said that the U.S. had no plan for a major diplomatic initiative that would press South Korea to move toward democracy.

In contrast to the Philippines, where the Administration eventually forged a strategy that helped insure the ouster of President Marcos last year, it has yet to identify how much leverage it has with South Korean authorities and how to use that leverage, interviews with key Administration officials and independent political analysts indicate.

(Elaine Sciolino, New York Times, A1)

ITALIAN ELECTION DEALS A SETBACK TO COMMUNISTS

ROME -- The Italian Communist Party suffered a clear defeat in parliamentary elections that crushed the party's hopes of forming a leftist coalition.

The biggest gains in the two days of voting...appeared to have been made by the Socialist Party. But political leaders said that the situation remained confused because the Socialists' major rivals, the Christian Democrats, also gained ground.

The politicians felt that the only government likely to emerge would be based on the same five-party coalition that has governed the country for all but eight months since 1981. (Roberto Suro, New York Times, A1)

CONTRAS' KILLING OF AMERICAN: DOUBT CAST ON REBEL ACCOUNT

MANAGUA -- Nicaraguan rebels who killed an armed American in Nicaragua six weeks ago say they selected their victim because they thought he was a Cuban adviser to the Nicaraguan government.

The rebels assert that the American, Benjamin Linder, died immediately in an ambush on April 28 in a war zone in northern Nicaragua near the village of San Jose de Bocay.

But interviews with both Sandinista and rebel witnesses to the ambush disclosed several inconsistencies in the guerrillas' account that raise strong doubts about its accuracy.

(James LeMoyne, New York Times, A1)

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NATIONAL NEWS

BROCK LAMBASTS MANAGERS OF SOME FIRMS AS 'TURKEYS'

Labor Secretary Brock, calling some corporate managers incompetent "turkeys," said he is reluctant to see government regulate hostile takeover attempts.

"...I really think that some of those turkeys ought to be gone. And I don't want to do anything that limits our ability to get rid of them because I don't believe they're serving their employees or their stockholders or any of us very well," Brock said.

While supporting retraining for displaced workers, Brock said he is very reluctant to see the federal government interfere with the free market by restricting takeover attempts even when they result in lost jobs.

(Bud Newman, Washington Post, C2)

BOWEN WARNS AGAINST ADDITION TO HEALTH LEGISLATION

Health Secretary Otis Bowen, who has kept a low profile in debates over catastrophic-illness insurance, has emerged with his toughest talk yet to Congress, saying a proposal on prescription drugs is likely to prompt a veto of health legislation.

Bowen's warning was delivered ahead of tense debate expected in two House committees over the proposal by Rep. Henry Waxman to make Medicare pay for outpatient prescription drugs for the elderly and disabled.

In a letter to the head of one of those committees, Ways and Means Chairman Dan Rostenkowski, Bowen raised the stakes by predicting a veto from President Reagan if the Waxman proposal is added to health legislation.

(Tamara Henry, UPI)

DEAVER MOTION TO DISMISS PERJURY CHARGES FAILS

A federal appellate court ruled that lobbyist Michael Deaver must stand trial on perjury charges, refusing to accept his appeal of a pretrial ruling in the case.

Lawyers for Deaver...said before yesterday's decision that they would take any adverse ruling to Chief Justice William Rehnquist. Consideration of such appeal by Rehnquist could further delay the start of a trial.

(AP story, Washington Post, A4)

IRAN — NICARAGUA

JUDGE ORDERS NORTH TO TESTIFY ON HILL WITH LIMITED IMMUNITY

A federal judge ordered Oliver North to testify, under a limited grant of immunity from prosecution, before the congressional committees investigating the Iran-contra affair.

U.S. District Court Judge Louis Oberdorfer, the court's acting chief judge, signed the order granting North limited or "use" immunity from prosecution. (AP story, Washington Post, A8)

TESTIMONY BY NORTH'S EX-COLLEAGUE STIRS NEW QUESTIONS ON MEESE'S IRAN INQUIRY

Testimony by a former White House colleague of Oliver North raises new questions about Attorney General Meese's preliminary investigation into the Iran-contra affair.

Lt. Col. Robert Earl has told congressional investigators that Col. North claimed to learn of the inquiry from Meese within hours after the decision was made to proceed with the investigation last Nov. 21. Col. Earl...was assigned with Col. North to the National Security Council.

Without more corroborating evidence or an opportunity to question the participants, investigators are wary of making any judgement. Meese's office hadn't any comment when questioned yesterday, and North has declined to comment since the controversy began. Still, the testimony is regarded as significant to understanding how the Administration dealt with the brewing scandal last fall. (David Rogers, Wall Street Journal, A66)

SEN. DODD REJECTS ABRAMS AS WITNESS

Assistant Secretary of State Elliott Abrams is no longer acceptable as an Administration witness on Capitol Hill because of previous testimony misleading Congress, a Senate subcommittee chairman told the State Department.

A spokesman for Sen. Christopher Dodd, chairman of the Senate Foreign Relations subcommittee on Western Hemisphere affairs, said the action was taken after Dodd was notified by State that Abrams would brief his subcommittee on developments in Panama. Dodd had asked for a briefing after rioting broke out there last week.

"As far as Congress is concerned, Elliott is a man without a mission. His time is up. There is a price to pay for misleading Congress," Dodd said in a statement. (Don Oberdorfer, Washington Post, A5)

NETWORK NEWS SUMMARY

(Monday Evening, June 15, 1987)

PRESIDENTIAL SPEECH

NBC's Garrick Utley: President Reagan will speak tonight to the nation -- speak about arms negotiations with the Russians, about the Persian Gulf and how he thinks tax dollars should be spent.

NBC's Chris Wallace: The President briefed Congressional leaders today on his speech -- a speech designed to show that despite political problems, Mr. Reagan still has an active agenda. On arms control the President will say that with NATO now backing him, he's instructing his negotiators to make a deal with the Soviets to eliminate hundreds of missiles from Europe -- raising hopes for a Reagan-Gorbachev summit this year. The President will also focus on the budget, noting that at the Venice Economic Summit the other allies complained that the big U.S. deficit is hurting the world economy. Mr. Reagan will urge the Democratic controlled Congress to reform the budget process and cut government spending, saying, "The choice is now upon each of us. As I've said we've reached break-point -- decision time."

(TV coverage: The President meeting with Congressional leaders in the Oval Office; then file footage of the President on t.v.; meeting with Mikhail Gorbachev; with the other Economic Summit leaders in Venice; a still photo in the upper left corner of the screen.)

Democratic leaders came out of the White House saying the President shouldn't play politics with the budget.

(Sen. Robert Byrd: "I hope he won't be combative. We don't need confrontation. And as I said to the President, 'You're in this with us -- we need your help.'")

But Republicans were eager to point out that with Democrats controlling both Houses, they must come up with their own budgets.

(Rep. Robert Michel: "They've spent time kicking around not only the President's budget that they did earlier, but then whatever we'd propose. Now they got to come to grips with their own differences and, frankly, they are significant.")

Aides say tonight's speech is just a start of a summer-long campaign. The President will travel the country trying to get the budget he wants or paint Democrats as spenders for the '88 election. Even more important, advisers want to dispel the image of Mr. Reagan that came out of Venice as an aging lame duck overwhelmed by the Iran-contra scandal.

(TV coverage: The President speaking at a podium, taking off his jacket. Then file footage of the President at the Venice Summit with Secretary of State Shultz.)

Mr. Reagan will try to make his budget push as dramatic as possible, calling for an economic Bill of Rights. But even some of the President's own men say that Oval Office speeches are becoming a little tired and that it's hard to get people excited about reforming the budget process.

(NBC-3)

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ABC's Sheilah Kast: As he conferred with Congressional leaders about the Venice Summit, President Reagan brushed off reporters' questions.

(The President: "I'm not going to take any questions here. I'll be talking enough, I think, at 8 o'clock tonight.")

In his speech tonight Mr. Reagan will talk about an historic arms reduction treaty he wants to conclude with the Soviets this year. He will announce he's giving his arms control negotiators instructions to pursue with the Soviets worldwide elimination of intermediate nuclear missiles with a range of 300-600 miles. At the Venice Summit the allies resisted boosting their military resources in the Persian Gulf. They would not even agree to increased coordination with the U.S. Navy. But Mr. Reagan will argue that the increased diplomatic support they offered is exactly what he wanted. He'll focus much of his speech on the issue his allies chided him about in Venice -- big U.S. budget deficits. Mr. Reagan will declare tonight that the Congressional budget process isn't working. He told Congressional leaders that before he'll negotiate the specifics of next year's budget, he wants changes that would give him more control -- such as the power to veto individual line-items of spending.

(TV coverage: The President with Congressional leaders; then various file footage from Venice, including a shot with the other summit leaders, and a still photo of the President.)

(Sen. Byrd: "I hope he won't be combative. We don't need confrontation and as I said to the President, 'You're in this with us -- we need your help. And I hope we'll get that help.'")

But stretching out a hand of cooperation to Congress is not the President's goal in this speech. He wants to make the case that he is not a lame duck, that he still has clout with U.S. allies, and especially, that he can still rally the support of U.S. voters. He's determined to make reforming the federal budget process that rallying cry.

(ABC-2)

CBS's Dan Rather: President Reagan addresses the nation tonight to talk up results of the Venice Summit with U.S. allies and to minimize talk that he is losing clout at home and abroad.

CBS's Bill Plante: President Reagan, in the wake of a lackluster Economic Summit which did little for his tarnished image, gave congressional leaders a preview of the speech he'll make to the nation in an attempt to refurbish his leadership.

(TV Coverage: The President with Congressional leaders in the Oval Office.)

(Sen. Robert Byrd: "I hope he won't be combative. We don't need confrontation and I have said to the President, 'You're in this with us, we need your help.'")

On arms control, White House sources say Mr. Reagan will announce tonight that he is giving U.S. negotiators a green light to wrap up the treaty with the Soviets, to remove many short-range and all medium-range nuclear weapons from Europe. In the Persian Gulf, the President will report general backing for U.S. policy from its allies, but no specific offers of help. On last week's Economic Summit, Mr. Reagan will also report how allies complained about the U.S. budget deficit, which will lead him to his call for budget reform -- the issue which will dominate the speech. White House staff members and outside observers agree that there is a lot at stake tonight for the President.

Plante continues:

(David Gergen: "People are not going to buy off on rhetoric at this point. What they really want to see is action. They want to see concrete results. He still has 18 months to do that.")

Others don't believe that anything is likely to rejuvenate a Reagan Presidency suffering from more than just the President's lame duck status.

(Sen. George Mitchell: "This Administration has run out of steam. It's lost the initiative. It will be largely, in my judgment, a passive, defensive Administration for the remainder of the President's term.") Ronald Reagan's answer to that harsh judgment is to take his case to the people. It's worked just about every time he's tried it in his career. But the question this time is whether, saddled with the failure of his Iran-contra policy, Mr. Reagan will find the public and Congress still listening. (CBS-Lead)

PERSIAN GULF

ABC's Peter Jennings in the Persian Gulf reports on the condition of the USS Stark.

ABC's Bob Zelnick: The Navy report on the Stark investigation is now on the desk of Marine Corps General George Crist, head of the Central Command responsible for the Persian Gulf. Following review, it will be forwarded to Secretary Weinberger. Sources familiar with the Navy investigation share a House Armed Services Committee conclusion that more could have been done aboard ship to avert the tragedy.

(Rep. Les Aspin: "The ship itself should have taken some action that it didn't. One, it should have notified the Iraqi plane much sooner than it did, that it was a warship...")

Pentagon sources confirm that by the time the warnings were issued, at least one Exocet missile had been fired.... In a secret report to the Congress late today the Pentagon describes how it intends to minimize dangers while escorting Kuwaiti oil tankers in the Persian Gulf. Sources here say additional AWACs planes will be assigned to monitor the area. The U.S. Naval presence will be upgraded to at least 10 ships and naval captains will be instructed to infer hostile intent on the part of approaching Iranian and Iraqi aircraft. The secret report predicts that Iran will be cautious about attacking American flag vessels and their escorts. But in the view of many on Capitol Hill, Administration optimism is no substitute for a careful assessment for policy goals and risks.

Jennings: As the debate continues at home about what the Reagan Administration should do next in the Persian Gulf, the governments in the region wait anxiously for what they hope will be a constructive outcome. Here in Bahrain, for example, where the United States is able to service its ships, the political leadership is looking for a consistent American policy in which it can trust. The Bahraini foreign minister, Mohammad bin-Mubarak al Halifa, believes that having committed to protecting the Kuwaiti tankers, the commitment should be kept....

Jennings continues:

(Mubarak al Halifa: "A commitment must be respected. So, really we are in this part of the world, we would like to have -- when we agree on something -- we would like to see that it's happening. So that the reflagging is an offer by the United States and a way of doing things to keep oil flowing through this region.")...

(ABC-Lead)

1985 TWA HIJACKING

Utley: It may seem like yesterday -- the hijacking of a TWA flight and the drama at the Beirut airport. Today new details were made public about what happened during that long ordeal.

NBC's Robert Hager reports on the details in an internal TWA report of what happened during the hijacking incident. (NBC-Lead)

HAMADIE

Utley: The man suspected of being one of the TWA hijackers, Mohammad Hamadie was apparently flown from a jail in Frankfurt, West Germany, today to Wiesbaden. People who were on board the TWA flight were in Wiesbaden to attempt to identify Hamadei. So far the West German government has refused to extradite him to the U.S. and is expected to announce on Wednesday whether he will go on trial in West Germany. (NBC-2, ABC-4)

NORTH/IMMUNITY

Utley: A federal judge in Washington today ordered Lt. Col. Oliver North to testify before the Iran-contra committees. The judge signed an order granting North limited immunity under an agreement worked out by the committees and the independent prosecutor investigating the Iran affair. North is expected to begin talking privately to the committees on Thursday. (NBC-4, ABC-7, CBS-10)

DEAVER

Utley: A federal appeals court today ordered former White House aide Micheal Deaver to stand trial on charges of lying about his activities as a lobbyist. Deaver now is expected to ask the Supreme Court to block his trial. He is challenging the constitutionality of the independent counsel law. (NBC-5, ABC-8, CBS-11)

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SUPREME COURT DECISIONS

Utley: The Supreme Court handed a setback today to the cause of victims' rights. First, in a five-to-four decision, the justices ruled that the impact of a murder on the victim's family may not be considered by the jury deciding whether the killer should get the death penalty. They called such evidence "inflammatory." In other cases, the Court ruled that cities may not enforce laws that make it a crime for a person to verbally oppose or interrupt police officers doing their duty. They said that restricts free speech. And it let stand a ruling that police may require suspected drunk drivers to take breath tests even before they are allowed to consult a lawyer.
(NBC-9, ABC-6)

ABUSES OF AMERICAN NATIONALS BY THE SAUDIS

ABC's Ted Koppel: On Capitol Hill today a House subcommittee met to hear charges that Americans living and working in Saudi Arabia have been abused, sometimes tortured by Saudi police.

ABC's Ann Compton: Their stories are Arabian nightmares. American mothers who say their Saudi husbands have kidnapped their small children and keep them beyond the reach of American law.... American businessmen told of beatings and filthy Saudi jails although charges were rarely filed. Oil worker Henry Ramsey was accused of drug trafficking. During interrogation his hands and feet were shackled, a pole strapped behind his knees.

(Ramsey: "The two guards grabbed me and forced me to bend at the knees and do deep knee bends. Be aware again that I had shackles on my hands and feet. I could hear the cracking noise of my knees as the joints started to separate.")

Two months later Ramsey was abruptly released without ever having been charged. Today State Department officials admitted the human rights abuses are real. But angry Congressmen demanded diplomatic reprisals.

(Rep. Tom Lantos: "And I do not think at this time that cutting off visas to all Saudis coming to the United States is the way to try and deal with this problem.")

Tonight a Saudi spokesman called the Saudi actions unwarranted. But the members of the committee said the U.S. has leverage with the Saudis and ought to use it.
(ABC-3)

-End of B-Section-

EDITORIALS/COLUMNISTS

PRESIDENT'S SPEECH AT THE BERLIN WALL

A Talk About Freedom At The Wall -- "President Reagan's trip to Venice and to Berlin took him from what he does badly to what he does better than anybody. His speech at the Berlin Wall was a kind of international pep rally -- a rousing reminder of why the West is different from the East and why the western allies must keep it that way.... Mr. Reagan spoke of the sharp contrasts symbolized by the Berlin Wall behind him -- the repression, fear and economic sluggishness on one side of it, the prosperity and freedom (sometimes deafening) on the other.... The protesters, who evidently sympathize with the Soviet cause and regard the U.S. as the greater threat to peace, were free to gather and demonstrate only because they were on Mr. Reagan's side of the wall. Unwittingly, they showed the world why Mr. Gorbachev will not dream of tearing it down; indeed, they could hardly have given him a better reason for keeping it there."
(Chicago Tribune, 6/15)

Reagan At The Berlin Wall: Why It Isn't Tumbling Down -- "President Reagan went to Berlin and challenged his Soviet counterpart...to tear down the wall. The Berliners massed before the towering Brandenburg Gate and cheered, but no one expects Mr. Gorbachev to comply. The wall continues to stand -- because it is necessary to the survival of the East German state. The Soviets would have to overthrow the rigid East German regime -- perhaps even abolish communist rule in East Germany -- before they could tear down the wall. And that is the problem with Mr. Reagan's speech... It did not present any kind of coherent Western strategy to hasten the day when the wall might indeed come down, nor did it help ease tensions between the two Germanies.... Broad affirmations of solidarity, like the one Mr. Reagan delivered, may have some use, but what the Germans really crave these days is a little room to maneuver on their own."
(Philadelphia Inquirer, 6/14)

'Tear Down The Wall' -- "Was President Reagan making just an idle taunt when he stood before the Brandenburg Gate yesterday and challenged Mikhail Gorbachev to tear down the Berlin Wall? Or was such a dramatic move remotely conceivable today as it certainly was not before Mr. Gorbachev came to power? The short-term answer has to be no, the long-term maybe. Mr. Gorbachev is a hostage to circumstances he inherited.... The hope of tearing down the Wall may be a distant one, alas, but a hope that free people everywhere must never abandon."
(Baltimore Sun, 6/13)

VENICE SUMMIT

Venice: Sleepy Summit May Be The Best Kind -- "The fact is, none of the seven economies represented in Venice is doing too badly, thank you. Indeed, the last several economic summits have been criticized for their inconsequence. By contrast, recall the early summits of this decade. They were as tumultuous as these affairs get. Most of the leaders were struggling to lift their economies out of recession. Blame was the coin of debate. That currency was happily devalued at this year's summit in Venice."
(Providence Journal, 6/11)

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VENICE SUMMIT (continued)

A Success In Venice -- "The Venice Economic Summit may well turn out to be a historic milestone in the management of the world economy. Hidden behind the official language of the final communique is a commitment of far-reaching significance. The agreement by the seven biggest Western powers to adopt a surveillance system to monitor economic performance is a long-overdue recognition of just how interdependent the world's major trading nations are.... It will probably be several years before a clear assessment of the Venice summit is possible, but the commitments by the participants may turn out to be a major turning point in economic cooperation and the pursuit of common goals."

(Journal of Commerce, 6/12)

An Economic Lesson In Venice -- "Part of the problem in Venice...was a leadership vacuum. In recent economic summits, President Reagan has been able to control the agenda, but this year our own economic problems are so obvious that his clout was considerably diminished.... The message from Venice, to ourselves at least, is that we will not put matters right in the world until we begin to put matters right at home.... Taking the lead does not mean further dollar depreciation; it does not mean protectionism. It means, for the President, a serious look at tax increases. For Congress, it means responsible cuts in federal spending."

(San Diego Tribune, 6/11)

A Futile Show At The Venice Summit -- "Given the magnitude of the difficulties facing the allies, the triviality of what they accomplished in Venice was a disgrace.... Some in the Reagan White House had tried to reduce expectations of what would be achieved in Venice, but even by their diminished standards, President Reagan appears to have fallen short. When Treasury Secretary James Baker rated the outcome of the talks an '8 to 9' on a scale of 10, he had all the credibility of a Soviet Olympic judge.... While it is important for world leaders to sit together occasionally and share ideas, it may be wrong to tie such meetings to formal, prescheduled annual events. Summits should occur when there is a workable agenda and a critical mass of leadership capable of making a deal and delivering it. They should be something more than forced, pompous photo opportunities for heads of state who are hobbled by political difficulties at home."

(Chicago Tribune, 6/12)

Venice: A So-So Summit -- "The Venice economic summit this week showed once again how difficult it is to get away from the political realities at home. For the Reagan Administration the limiting factors were partly under the President's control, partly not. Mr. Reagan cannot pour more sand into his Administration's hourglass; time is running out and, with time, influence.... He was captive of his own Administration's scandal, the Iran-contra affair.... Yet Reagan could have gone to the summit with a grand compromise on the U.S. budget deficit, which would have made him look more like an economic policy activist.... NATO unity on East-West arms negotiations was, for the moment at least, maintained, preserving Reagan's best shot at a major White House achievement in his second term. Major issues like forestalling recession and anticipating greater competition in services were consciously avoided. The low expectations for Venice were met."

(Christian Science Monitor, 6/12)

OVAL OFFICE ADDRESS

NETWORK COMMENTARY FOLLOWING THE PRESIDENT'S ADDRESS

CBS's Dan Rather: The President accentuated what he sees as the positive results of the Venice Economic Summit. The heart of this address to the nation also included his hopes, his belief as he put it, that there will be some kind of new limited agreement on nuclear missiles with the Soviet Union, and a new plea for support of his policy of putting Kuwaiti ships under American flags.... Bill Plante is standing by at the White House. We know what the President said. What are those who are opposed to his policies likely to say he didn't say that's important?

CBS's Bill Plante: What's going on here between the lines is the question of presidential leadership. And those who are opposed to his policies are going to say that he offered no new alternatives, that the American people have rejected his pleas for the budget already.... The people who are on his staff here at the White House can't quite believe that his leadership effectiveness is diminished. They've always warned us not to count him out. That's worked in the past, we don't know this time whether it will still work now that he's burdened with the Iran-contra affair, and the fact that he has very little political clout.

Rather: Phil Jones...what's the reaction likely to be in Congress and most specifically, how about Sam Nunn and the others who are adamantly opposed to what the President wants to do in the Persian Gulf?

CBS's Phil Jones: I don't think there was too much in this speech tonight that is going to calm the uneasiness from Nunn and the others -- many Republicans too -- who feel that the Reagan Administration moved too quickly in committing unilateral protection. There's nothing in this speech tonight to really give evidence to prove that he has pressured our allies to get them involved in this also. On the budget matter, I think that what you see here is the President calling again for a balanced budget amendment. What you didn't hear him saying tonight was that he has been here now for some six years and ever since he came to town he has never presented a balanced budget amendment. Clearly, though, the Democrats have left themselves wide open for tonight's criticism. They are deadlocked on the whole budget matter, they are in power in both the Senate and the House, and the Senate Democrats and...the House Democrats...are fighting over how much to spend for defense.

Rather: Many Republicans in Congress have been opposed to the President's proposals about what to do in the Persian Gulf. Is this likely to instill some discipline in them or will they remain opposed?

Jones: I think they're probably going to remain uneasy.... I think there is a general feeling up here...that the President and the Administration did not work harder to get the allies to participate, and that he moved far too quickly on unilateral participation. There is great, great uneasiness on the Reagan Administration Persian Gulf policy.

Rather: President Reagan spoke on a variety of subjects, but he himself hinted right at the start at one big reason for his address this evening, and that was to deny reports that nothing really was accomplished at the Economic Summit and that he came home empty-handed.

NBC's Garrick Utley: The major story of the speech seems to be his statement to give formal authorization to negotiators in Geneva to strike a deal with the Soviet Union -- a go-ahead for an agreement to eliminate short-range and middle-range nuclear missiles in Europe. He also tackled the rather tricky issue of the Persian Gulf -- what the U.S. can or should be doing there. He said the American fleet has a national interest there -- has a right and duty to be there. The main question, of course, is whether he can settle or solve questions, concerns about whether American ships in the Persian Gulf will get involved in the war in that part of the world. Chris, why this speech? Why now?

NBC's Chris Wallace: I think a lot of the top officials at the White House are asking themselves that same question. In fact, there was some disagreement here about whether or not the President should give the speech. And I think the answer is that the White House and the President were trying to dispel some of the bad stories that came out of the Economic Summit in Venice -- trying to dispel those stories that the President was unable to control the agenda; that he was showing his age; that he has been overwhelmed by the Iran-contra scandal; trying to show that in fact he does have an active agenda for the future. You know, to some degree what you saw here was what Don Regan used to call "the shuffle brigade" -- taking a trip that was not a big success for the President -- the Economic Summit -- and calling it a triumph.

Utley: John Dancy, a lot has changed since Ronald Reagan entered the White House. The Democrats control both Houses.... What kind of a reception will he get there?

NBC's John Dancy: What the President mentioned tonight were basically the two mainstays of his economic policy that he's been espousing for all the time that he's been in office -- that is a balanced budget amendment and an opportunity to have a line-item veto. They haven't gone down in the past. They're not likely to go down now. Congress is bound up over the budget right now and as you mentioned the Democrats control both Houses. It is the Democrats who are tied up in knots over the question of defense spending. Republicans have been actually standing back from this and it's the Democrats who are going to have to work themselves out of this. Until they do that, the Republicans and President Reagan are going to make political hay out of this.

ABC's Ted Koppel: Three key items on the President's agenda this evening, as he reported to the nation in the wake of the Economic Summit in Venice. A nuclear arms agreement with the Soviets, very much on the front-burner. President Reagan now has the support of our NATO allies to negotiate for a shorter-range and intermediate range missile agreement. He didn't say it tonight, but there is some expectation that such an agreement might be hammered out before the end of this year. On the Persian Gulf and policing Kuwaiti tankers under the protection of the U.S. flag, the President's rationale: simple, if we don't do it, the Soviets will. And finally, the U.S. economy. President Reagan pushing as he has always done, for a constitutional amendment that would require a balanced budget. And equally familiar themes from this President: continued strong spending for defense but no new taxes. As the President put it, if Congress won't see the light, I know you will make them feel the heat.

-End of News Summary-



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JUNE 16, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

OVAL OFFICE ADDRESS

Reagan: If U.S. Won't Guard Gulf, Soviets Will -- President Reagan warned Monday night that if the U.S. did not take an active military role to protect shipping in the Persian Gulf the Soviet Union would step into the vacuum. (Baltimore Sun, Boston Globe, Chicago Tribune, Daily Oklahoman, Des Moines Register, Miami Herald, Omaha World Herald, USA Today, Washington Post, Washington Times, AP, Copley, Newhouse, Reuter)

INTERNATIONAL NEWS

Carlucci Defends Plan To Reflag Kuwaiti Ships -- National Security Adviser Carlucci said that the U.S. cannot afford to back down on its offer to provide military protection in the Persian Gulf to threatened Kuwaiti oil tankers. (Washington Post)

NATIONAL NEWS

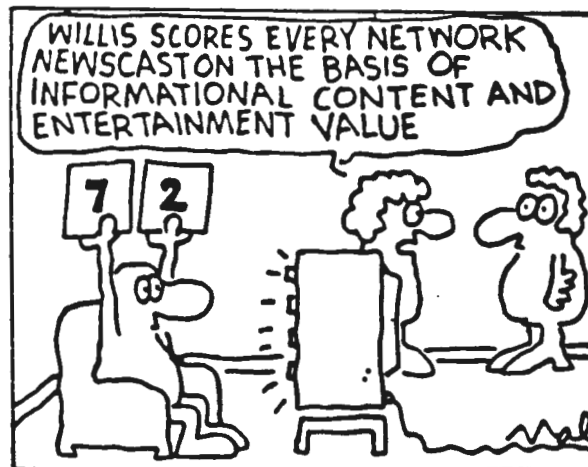
Bowen Warns Against Addition To Health Legislation -- Health Secretary Otis Bowen, who has kept a low profile in debates over catastrophic-illness insurance, has emerged with his toughest talk yet to Congress, saying a proposal on prescription drugs is likely to prompt a veto of health legislation. (UPI)

NETWORK NEWS (Monday Evening)

ADDRESS -- President Reagan addresses the nation to talk up the results of the Venice summit.

PERSIAN GULF -- The Navy report of the USS Stark will be forwarded to Secretary Weinberger.

NORTH -- A federal judge ordered Oliver North to testify before the Iran-contra committees with protection of limited immunity.



OVAL OFFICE ADDRESS

PROTECTING TANKERS VITAL, REAGAN WARNS 'If We Don't Do The Job, The Soviets Will'

President Reagan, facing growing criticism of his decision to expand the U.S. naval presence in the Persian Gulf, said last night that failure to protect shipping would allow the Soviets to move into the region, and he declared, "In a word, if we don't do the job, the Soviets will."

Reagan said failure to protect the Kuwaiti ships would "abdicate our role as a naval power" and "we would open opportunities for the Soviets to move into this chokepoint of the free world's oil flow." Failure to protect the ships would "jeopardize our own national security as well as our allies," he said.

Reagan disputed reports of setbacks for the U.S. and criticism from allied leaders in Venice, saying he came home "with everything we had hoped to accomplish." The President acknowledged, however, that the persistently high U.S. budget deficits had been a "disturbing topic" in the discussions and blamed the congressional budget process, saying "we have now reached breakpoint." (David Hoffman, Washington Post, A1)

Reagan Defends Summit And Allies On Persian Gulf

President Reagan reported to the nation on the achievements of the just-completed Venice economic summit, announcing that he has agreed to accept a Soviet proposal for the elimination of shorter-range nuclear weapons in Europe and thanking the allies for their support in the Persian Gulf.

Calling the American role in the gulf "vital," the President said failure to escort oil tankers there would "jeopardize our own national security as well as our allies."

The President also implored Americans to support him in a national campaign to reform the congressional budget process and impose greater restraints on federal spending, saying that "nothing less than our economic future is at stake."

On arms control, the President said the U.S. and its allies now have a united position following the Venice meeting of leaders and a subsequent meeting of NATO foreign ministers in Reykjavik, Iceland.

(George Condon, Copley)

Reagan: If U.S. Won't Guard Gulf, Soviets Will

President Reagan warned Monday night that if the U.S. did not take an active military role to protect shipping in the Persian Gulf the Soviet Union would step into the vacuum.

In a nationally broadcast address, the President gave his bluntest defense to date of a Persian Gulf policy that has drawn strong criticism from Congress and only lukewarm support from foreign allies.

"In a word, if we don't do the job the Soviets will, and that will jeopardize our own national security and that of our allies."

Reagan also announced that he has accepted a Soviet proposal for reducing nuclear missiles in Europe, a decision that gives the superpowers a "historic opportunity" to conclude the first treaty in the nuclear age that eliminates existing weapons.

(wire services story, Des Moines Register, A1)

President Urges Ship Protection

President Reagan, trying to persuade a wary Congress that American warships must protect oil tankers in the Persian Gulf, warned that "if we don't do the job the Soviets will."

"Our role in the Gulf is vital. It is to protect our interests and to help our friends in the region protect theirs," Reagan said in a nationally broadcast address from the Oval Office. "Our immediate task in the Gulf is clear -- and should not be exaggerated."

Sen. Paul Simon said after the speech the plan was "an unfocused and dangerous step away from neutrality."

Sen. Richard Lugar, a member of the Foreign Relations Committee, said that the U.S., the British, Dutch and French were all providing naval protection for ships flying their flags in the gulf.

"In short, each country is protecting its flag, and the President indicated tonight, as he defined our policy, we will do the same," Lugar said.

(AP story, Daily Oklahoman, A1)

Reagan Says Navy Must Expand Presence in Gulf Or Abdicate To Soviets

President Reagan said Monday night that the U.S. Navy must expand its presence in the Persian Gulf and escort Kuwaiti oil tankers through the waterways because "if we don't do the job, the Soviets will."

(George Delama, Chicago Tribune, A1)

Reagan Seeks To Capitalize On NATO Consensus Over Arms Deal

President Reagan today moved quickly to capitalize on a hard-won NATO consensus that has cleared the way for an historic nuclear weapons-slashing treaty and a third summit with Soviet leader Gorbachev.

As expected, Reagan announced in a nationally televised speech that he would order U.S. negotiators on Geneva to conclude with their Soviet counterparts an accord eliminating shorter-range as well as medium-range nuclear missiles.

Reagan, his presidency sagging with less than two years before retirement, also tried to seize credit for the impetus on arms control.

"At that time (in 1981) many labeled it (the zero option) ridiculous and suggested the Soviets would never accept it. Well, we remained determined and this year the Soviets adopted a similar position," Reagan said.

The new element of Reagan's speech was his formal acceptance of Gorbachev's offer to also scrap shorter-range INF missiles with a range of 300 to 600 miles.

(Carol Giacomo, Reuter)

Reagan Proposes Global Elimination of Short-Range Missiles

President Reagan said last night that he would propose a global elimination of all U.S. and Soviet short-range land-based missiles, a step he hopes will lead to an historic arms control agreement between the two superpowers.

(Stephen Kurkin and Peter Gosselin, Boston Globe, A1)

Reagan Seeks To Ban Short-Range Missiles

President Reagan pushed the country closer to an arms control agreement with the Soviet Union, saying his Administration will propose the worldwide elimination of shorter-range nuclear missiles.

Although the U.S. move was expected in the wake of just-concluded negotiations with the Western allies, it marked a sharp departure from the formal position taken by the Administration in earlier negotiating rounds and smoothed out one of the major bumps in the road to agreement with the Soviets. (Gene Grabowski & Warren Strobel, Washington Times, A1)

Will Reduce Missiles, Reagan Says

President Reagan announced Monday night that he has accepted a Soviet proposal for reducing nuclear missiles in Europe, a decision that gives the superpowers "an historic opportunity" to conclude the first nuclear-age treaty that eliminates existing weapons.

(Owen Ullmann, Miami Herald, A1)

Reagan: Summit in Venice Stirred "Sense of Unity"

President Reagan, reporting on the seven-nation summit in Venice said that America's allies expressed "a sense of unity and support" for the U.S. in its dealings with the Soviet Union.

In a speech prepared for broadcast from the Oval Office, Reagan also complained that the Congressional budget process "isn't working" and said "We've reached breakpoint, decision-time."

(AP story, Omaha World Herald, A1)

Reagan Upbeat On Summit Results, Hits Congress On Budget Deficit

President Reagan, denying that he came home empty-handed from the Venice summit, says a congressional "lapse of faith" is threatening progress that he and other world leaders made toward economic health.

"The truth is we came home from this summit with everything we had hoped to accomplish," the President said in an 18-minute nationally broadcast speech.

"I was particularly gratified, for example, for the support our allies gave to our Persian Gulf policy; it was extended without hesitation," the President said, although the support was limited to diplomatic rather than military backing.

The President recalled the passage two years ago of the Gramm-Rudman deficit reduction legislation which he supported, but added, "And what's happened to that restraint on wasteful domestic spending solemnly promised under Gramm-Rudman-Hollings? It vanished. And to pay for this lapse of faith you, the taxpayers, are going to be saddled with an approximately \$100 billion bill over the next four years."

He renewed his plea for a constitutional amendment requiring a balanced federal budget and for congressional action to permit him to veto specific items in appropriation bills. He said he would spell out other budget reforms, which he called "an economic Bill of Rights."

(Dale Nelson, AP)

Reagan Draws Battle Lines With Congress On Gulf, Budget

President Reagan's protracted power struggle with an opposition Congress over control of urgent foreign policy issues and bread and butter budget priorities is heating up and seems certain to dominate American politics until the election of his successor next year.

The embattled President drew battle lines clearly in his televised address to the nation.

Reagan defended his plan to protect oil tankers in the Persian Gulf with U.S. warships, warning, "if we don't do the job, the Soviets will."

He appealed for public support for his stands against increased taxes and in favor of greater defense spending, insisting that the federal deficit be reduced by deeper cuts in domestic programs which he did not identify.

It is doubtful, however, that Reagan, whose popularity and prestige have been badly damaged by the still-smouldering Iran-contra scandal, retains the level of public support required to control an unruly Congress, dominated by Democrats and Republicans maneuvering with an eye on the 1988 presidential elections.

But Reagan hinted he has plans to recapture the political initiative, mentioning an "economic Bill of Rights" that he promised to outline in detail "in the next few weeks."

(Miles Benson, Newhouse)

President Cautions 'Breakpoint' Reached On Domestic Spending

President Reagan warned that a "breakpoint" had been reached between Congress, which wants to expand domestic spending and increase taxes, and the Administration, which wants to restrain "wasteful" spending and hold the line on new taxes.

Addressing the nation on the results of the seven-nation economic summit, the President said that unless the trend to expanded domestic spending and higher taxes is curbed "we stand to lose all the progress on the economic front we have made."

"If our budget reduction efforts are not consistent and credible, we will be sending signals all over the world that the American economy is in trouble again," Reagan said.

(Steven Nordlinger, Baltimore Sun, A1)

Reagan Plea: 'I Need Your Help'

President Reagan, facing a spending deadlock with Congress, took his case for budget reform to the U.S. Monday evening, saying, "I need your help."

"I'm going to take my case to you," Reagan said in an Oval Office speech. "If Congress won't see the light, I know you can make them feel the heat."

Reagan repeated his threat to veto budget-busters in a confrontational speech showing no sign of compromise. The President wants no new taxes and increases in defense spending; Congress wants to preserve social programs.

(Johanna Neuman, USA Today, A1)

Reagan's Budget Attack Draws Fire Of Congressional Democrats

President Reagan's attack on a "spend and tax" Congress was criticized by congressional Democratic leaders as misleading and full of contradictions.

"The budget picture the President painted tonight was like his early explanations of the Iran-contra misadventure -- long on rhetoric, short on facts that left a misleading impression," Senate Majority Leader Robert Byrd said.

Chairman William Gray of the House Budget Committee said that in the speech, billed as a report to the American people on the industrialized nations' summit in Venice, "The President seemed to be suffering from economic jet lag."

Senate Budget Committee Chairman Lawton Chiles told Reuter there was a contradiction in Reagan's arguments for domestic cuts, but higher defense spending and no taxes.

"It seems to me that the President does not believe his spending is spending, (that) my spending is all right -- your spending is wrong."

(Michael Posner, Reuter)

Reagan Sees World Implications In U.S. Debt, Democrats Score His Approach

President Reagan is warning that America must solve its debt problems to preserve Western strength, but Democrats say his solutions are unworkable and his refusal to negotiate with Congress has worsened the current budget stalemate.

"At a time when we desperately need strong leadership to deal with the deficit he has failed to provide it. All we've gotten is a rehash of ideas that haven't worked for six years and won't work now," said Rep. William Gray, chairman of the House Budget Committee.

"I asked the President this morning for his help when he spoke to the nation tonight," complained Senate Majority Leader Robert Byrd. "It is clear from his speech that he does not want to cooperate and we are not going to get his help in solving the nation's economic problems."

Senate Republican leader Robert Dole said he thought the President's message was "right on target."

"We need all the tools the President talked about -- a constitutional amendment to balance the budget, the line-item veto and budget process reform -- but we've also got to make tough choices. We've got to cut spending."

(Steve Komarow, AP)

EDITOR'S NOTES: "Text Of President Reagan's Speech," appears in The Washington Post, A6.

"Reagan Rescripts View Of Budget System; Analysts See Politics, Not Process, As Primary Cause Of Current Impasse With Hill," by David Hoffman & Tom Kenworthy, appears in The Washington Post, A7.

INTERNATIONAL NEWS

CARLUCCI DEFENDS PLAN TO REFLAG KUWAITI SHIPS Security Adviser Warns Of 'Hostile Powers'

National Security Adviser Carlucci said that the U.S. cannot afford to back down on its offer to provide military protection in the Persian Gulf to threatened Kuwaiti oil tankers.

"We cannot afford to let hostile powers -- either the Soviets or the ayatollah -- to gain a chokehold on so central a region," he said in a speech to the National Association of Arab Americans. "The President understands that's at stake, and like seven presidents before him, is determined to prevent it."

(David Ottaway, Washington Post, A8)

WHILE SOVIETS WOO IRAN, BAHRAIN BARS U.S. BASE

TEHRAN -- The Soviet Union appeared to be making progress in its wooing of Iran, while a leading gulf state refused to grant the U.S. a military base there.

Soviet Deputy foreign Minister Yuri Vorontsov declared before he left Iran, after four days of talks on the situation in the Persian Gulf, that U.S. warships have no business in the strategic waterway, Tehran radio reported.

But while Soviet diplomacy chalked up new gains, the U.S. received a significant setback when Bahrain's information minister said neither Washington nor Moscow would be granted military bases in the region.

(Washington Times, A6)

IRANIAN MINELAYING IN GULF WORRIES SEAFARERS

MANAMA, Bahrain -- As the U.S. Navy prepares to escort Kuwaiti tankers in the Persian Gulf, Iran is mining the narrow approaches to Kuwait's Al-Ahmadi oil terminal, gulf-based maritime salvage executives said.

The mines, being planted by Iranian Revolutionary Guards and explosives experts, can be detonated by remote control or automatically tripped by ships passing over them, the executives said. Some of the mines are being buried in the seabed, where they will be difficult to detect with minesweepers.

Arab and Western diplomatic sources confirmed the mining is taking place.

(Aly Mohmoud, AP)

SHEVARDNADZE TELLS NATO TO PROVE RESOLVE ON NUCLEAR CURBS

SOFIA, Bulgaria -- Soviet Foreign Minister Eduard Shevardnadze called on NATO to clarify its stand on disarmament and prove its resolve to scrap nuclear weapons, the official Bulgarian news agency BTA said.

Speaking on the first day of a visit to Bulgaria, Shevardnadze said a NATO agreement to give Washington the go-ahead to negotiate a deal with Moscow on slashing nuclear weapons in Europe did not live up to expectations.

(Reuter)

EMBASSY SPY DAMAGE PROOF SEEMS ELUSIVE

For weeks little doubt has been expressed by Secretary Weinberger or other top Administration officials about the damage that Marine guards caused at the U.S. Embassy in Moscow.

Last Friday, after the Marine Corps dropped the most serious charges against the second embassy guard implicated in the case, it was clear that the government would have difficulty proving the case that Weinberger and other Administration officials were making a few weeks earlier.

(Bill McAllister & Molly Moore, Washington Post, A3)

U.S. WILL NOT PRESS KOREAN INITIATIVE

As violent demonstrations in South Korea continued, senior Reagan Administration officials said that the U.S. had no plan for a major diplomatic initiative that would press South Korea to move toward democracy.

In contrast to the Philippines, where the Administration eventually forged a strategy that helped insure the ouster of President Marcos last year, it has yet to identify how much leverage it has with South Korean authorities and how to use that leverage, interviews with key Administration officials and independent political analysts indicate.

(Elaine Sciolino, New York Times, A1)

ITALIAN ELECTION DEALS A SETBACK TO COMMUNISTS

ROME -- The Italian Communist Party suffered a clear defeat in parliamentary elections that crushed the party's hopes of forming a leftist coalition.

The biggest gains in the two days of voting...appeared to have been made by the Socialist Party. But political leaders said that the situation remained confused because the Socialists' major rivals, the Christian Democrats, also gained ground.

The politicians felt that the only government likely to emerge would be based on the same five-party coalition that has governed the country for all but eight months since 1981. (Roberto Suro, New York Times, A1)

CONTRAS' KILLING OF AMERICAN: DOUBT CAST ON REBEL ACCOUNT

MANAGUA -- Nicaraguan rebels who killed an armed American in Nicaragua six weeks ago say they selected their victim because they thought he was a Cuban adviser to the Nicaraguan government.

The rebels assert that the American, Benjamin Linder, died immediately in an ambush on April 28 in a war zone in northern Nicaragua near the village of San Jose de Bocay.

But interviews with both Sandinista and rebel witnesses to the ambush disclosed several inconsistencies in the guerrillas' account that raise strong doubts about its accuracy.

(James LeMoyne, New York Times, A1)

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NATIONAL NEWS

BROCK LAMBASTS MANAGERS OF SOME FIRMS AS 'TURKEYS'

Labor Secretary Brock, calling some corporate managers incompetent "turkeys," said he is reluctant to see government regulate hostile takeover attempts.

"...I really think that some of those turkeys ought to be gone. And I don't want to do anything that limits our ability to get rid of them because I don't believe they're serving their employees or their stockholders or any of us very well," Brock said.

While supporting retraining for displaced workers, Brock said he is very reluctant to see the federal government interfere with the free market by restricting takeover attempts even when they result in lost jobs.

(Bud Newman, Washington Post, C2)

BOWEN WARNS AGAINST ADDITION TO HEALTH LEGISLATION

Health Secretary Otis Bowen, who has kept a low profile in debates over catastrophic-illness insurance, has emerged with his toughest talk yet to Congress, saying a proposal on prescription drugs is likely to prompt a veto of health legislation.

Bowen's warning was delivered ahead of tense debate expected in two House committees over the proposal by Rep. Henry Waxman to make Medicare pay for outpatient prescription drugs for the elderly and disabled.

In a letter to the head of one of those committees, Ways and Means Chairman Dan Rostenkowski, Bowen raised the stakes by predicting a veto from President Reagan if the Waxman proposal is added to health legislation.

(Tamara Henry, UPI)

DEAVER MOTION TO DISMISS PERJURY CHARGES FAILS

A federal appellate court ruled that lobbyist Michael Deaver must stand trial on perjury charges, refusing to accept his appeal of a pretrial ruling in the case.

Lawyers for Deaver...said before yesterday's decision that they would take any adverse ruling to Chief Justice William Rehnquist. Consideration of such appeal by Rehnquist could further delay the start of a trial.

(AP story, Washington Post, A4)

IRAN — NICARAGUA

JUDGE ORDERS NORTH TO TESTIFY ON HILL WITH LIMITED IMMUNITY

A federal judge ordered Oliver North to testify, under a limited grant of immunity from prosecution, before the congressional committees investigating the Iran-contra affair.

U.S. District Court Judge Louis Oberdorfer, the court's acting chief judge, signed the order granting North limited or "use" immunity from prosecution. (AP story, Washington Post, A8)

TESTIMONY BY NORTH'S EX-COLLEAGUE STIRS NEW QUESTIONS ON MEESE'S IRAN INQUIRY

Testimony by a former White House colleague of Oliver North raises new questions about Attorney General Meese's preliminary investigation into the Iran-contra affair.

Lt. Col. Robert Earl has told congressional investigators that Col. North claimed to learn of the inquiry from Meese within hours after the decision was made to proceed with the investigation last Nov. 21. Col. Earl...was assigned with Col. North to the National Security Council.

Without more corroborating evidence or an opportunity to question the participants, investigators are wary of making any judgement. Meese's office hadn't any comment when questioned yesterday, and North has declined to comment since the controversy began. Still, the testimony is regarded as significant to understanding how the Administration dealt with the brewing scandal last fall. (David Rogers, Wall Street Journal, A66)

SEN. DODD REJECTS ABRAMS AS WITNESS

Assistant Secretary of State Elliott Abrams is no longer acceptable as an Administration witness on Capitol Hill because of previous testimony misleading Congress, a Senate subcommittee chairman told the State Department.

A spokesman for Sen. Christopher Dodd, chairman of the Senate Foreign Relations subcommittee on Western Hemisphere affairs, said the action was taken after Dodd was notified by State that Abrams would brief his subcommittee on developments in Panama. Dodd had asked for a briefing after rioting broke out there last week.

"As far as Congress is concerned, Elliott is a man without a mission. His time is up. There is a price to pay for misleading Congress," Dodd said in a statement. (Don Oberdorfer, Washington Post, A5)

NETWORK NEWS SUMMARY

(Monday Evening, June 15, 1987)

PRESIDENTIAL SPEECH

NBC's Garrick Utley: President Reagan will speak tonight to the nation -- speak about arms negotiations with the Russians, about the Persian Gulf and how he thinks tax dollars should be spent.

NBC's Chris Wallace: The President briefed Congressional leaders today on his speech -- a speech designed to show that despite political problems, Mr. Reagan still has an active agenda. On arms control the President will say that with NATO now backing him, he's instructing his negotiators to make a deal with the Soviets to eliminate hundreds of missiles from Europe -- raising hopes for a Reagan-Gorbachev summit this year. The President will also focus on the budget, noting that at the Venice Economic Summit the other allies complained that the big U.S. deficit is hurting the world economy. Mr. Reagan will urge the Democratic controlled Congress to reform the budget process and cut government spending, saying, "The choice is now upon each of us. As I've said we've reached break-point -- decision time."

(TV coverage: The President meeting with Congressional leaders in the Oval Office; then file footage of the President on t.v.; meeting with Mikhail Gorbachev; with the other Economic Summit leaders in Venice; a still photo in the upper left corner of the screen.)

Democratic leaders came out of the White House saying the President shouldn't play politics with the budget.

(Sen. Robert Byrd: "I hope he won't be combative. We don't need confrontation. And as I said to the President, 'You're in this with us -- we need your help.'")

But Republicans were eager to point out that with Democrats controlling both Houses, they must come up with their own budgets.

(Rep. Robert Michel: "They've spent time kicking around not only the President's budget that they did earlier, but then whatever we'd propose. Now they got to come to grips with their own differences and, frankly, they are significant.")

Aides say tonight's speech is just a start of a summer-long campaign. The President will travel the country trying to get the budget he wants or paint Democrats as spenders for the '88 election. Even more important, advisers want to dispel the image of Mr. Reagan that came out of Venice as an aging lame duck overwhelmed by the Iran-contra scandal.

(TV coverage: The President speaking at a podium, taking off his jacket. Then file footage of the President at the Venice Summit with Secretary of State Shultz.)

Mr. Reagan will try to make his budget push as dramatic as possible, calling for an economic Bill of Rights. But even some of the President's own men say that Oval Office speeches are becoming a little tired and that it's hard to get people excited about reforming the budget process.

(NBC-3)

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ABC's Sheilah Kast: As he conferred with Congressional leaders about the Venice Summit, President Reagan brushed off reporters' questions.

(The President: "I'm not going to take any questions here. I'll be talking enough, I think, at 8 o'clock tonight.")

In his speech tonight Mr. Reagan will talk about an historic arms reduction treaty he wants to conclude with the Soviets this year. He will announce he's giving his arms control negotiators instructions to pursue with the Soviets worldwide elimination of intermediate nuclear missiles with a range of 300-600 miles. At the Venice Summit the allies resisted boosting their military resources in the Persian Gulf. They would not even agree to increased coordination with the U.S. Navy. But Mr. Reagan will argue that the increased diplomatic support they offered is exactly what he wanted. He'll focus much of his speech on the issue his allies chided him about in Venice -- big U.S. budget deficits. Mr. Reagan will declare tonight that the Congressional budget process isn't working. He told Congressional leaders that before he'll negotiate the specifics of next year's budget, he wants changes that would give him more control -- such as the power to veto individual line-items of spending.

(TV coverage: The President with Congressional leaders; then various file footage from Venice, including a shot with the other summit leaders, and a still photo of the President.)

(Sen. Byrd: "I hope he won't be combative. We don't need confrontation and as I said to the President, 'You're in this with us -- we need your help. And I hope we'll get that help.'")

But stretching out a hand of cooperation to Congress is not the President's goal in this speech. He wants to make the case that he is not a lame duck, that he still has clout with U.S. allies, and especially, that he can still rally the support of U.S. voters. He's determined to make reforming the federal budget process that rallying cry.

(ABC-2)

CBS's Dan Rather: President Reagan addresses the nation tonight to talk up results of the Venice Summit with U.S. allies and to minimize talk that he is losing clout at home and abroad.

CBS's Bill Plante: President Reagan, in the wake of a lackluster Economic Summit which did little for his tarnished image, gave congressional leaders a preview of the speech he'll make to the nation in an attempt to refurbish his leadership.

(TV Coverage: The President with Congressional leaders in the Oval Office.)

(Sen. Robert Byrd: "I hope he won't be combative. We don't need confrontation and I have said to the President, 'You're in this with us, we need your help.'")

On arms control, White House sources say Mr. Reagan will announce tonight that he is giving U.S. negotiators a green light to wrap up the treaty with the Soviets, to remove many short-range and all medium-range nuclear weapons from Europe. In the Persian Gulf, the President will report general backing for U.S. policy from its allies, but no specific offers of help. On last week's Economic Summit, Mr. Reagan will also report how allies complained about the U.S. budget deficit, which will lead him to his call for budget reform -- the issue which will dominate the speech. White House staff members and outside observers agree that there is a lot at stake tonight for the President.

Plante continues:

(David Gergen: "People are not going to buy off on rhetoric at this point. What they really want to see is action. They want to see concrete results. He still has 18 months to do that.")

Others don't believe that anything is likely to rejuvenate a Reagan Presidency suffering from more than just the President's lame duck status.

(Sen. George Mitchell: "This Administration has run out of steam. It's lost the initiative. It will be largely, in my judgment, a passive, defensive Administration for the remainder of the President's term.")

Ronald Reagan's answer to that harsh judgment is to take his case to the people. It's worked just about every time he's tried it in his career. But the question this time is whether, saddled with the failure of his Iran-contra policy, Mr. Reagan will find the public and Congress still listening. (CBS-Lead)

PERSIAN GULF

ABC's Peter Jennings in the Persian Gulf reports on the condition of the USS Stark.

ABC's Bob Zelnick: The Navy report on the Stark investigation is now on the desk of Marine Corps General George Crist, head of the Central Command responsible for the Persian Gulf. Following review, it will be forwarded to Secretary Weinberger. Sources familiar with the Navy investigation share a House Armed Services Committee conclusion that more could have been done aboard ship to avert the tragedy.

(Rep. Les Aspin: "The ship itself should have taken some action that it didn't. One, it should have notified the Iraqi plane much sooner than it did, that it was a warship...")

Pentagon sources confirm that by the time the warnings were issued, at least one Exocet missile had been fired.... In a secret report to the Congress late today the Pentagon describes how it intends to minimize dangers while escorting Kuwaiti oil tankers in the Persian Gulf. Sources here say additional AWACs planes will be assigned to monitor the area. The U.S. Naval presence will be upgraded to at least 10 ships and naval captains will be instructed to infer hostile intent on the part of approaching Iranian and Iraqi aircraft. The secret report predicts that Iran will be cautious about attacking American flag vessels and their escorts. But in the view of many on Capitol Hill, Administration optimism is no substitute for a careful assessment for policy goals and risks.

Jennings: As the debate continues at home about what the Reagan Administration should do next in the Persian Gulf, the governments in the region wait anxiously for what they hope will be a constructive outcome. Here in Bahrain, for example, where the United States is able to service its ships, the political leadership is looking for a consistent American policy in which it can trust. The Bahraini foreign minister, Mohammad bin-Mubarak al Halifa, believes that having committed to protecting the Kuwaiti tankers, the commitment should be kept....

Jennings continues:

(Mubarak al Halifa: "A commitment must be respected. So, really we are in this part of the world, we would like to have -- when we agree on something -- we would like to see that it's happening. So that the reflagging is an offer by the United States and a way of doing things to keep oil flowing through this region.")...

(ABC-Lead)

1985 TWA HIJACKING

Utley: It may seem like yesterday -- the hijacking of a TWA flight and the drama at the Beirut airport. Today new details were made public about what happened during that long ordeal.

NBC's Robert Hager reports on the details in an internal TWA report of what happened during the hijacking incident. (NBC-Lead)

HAMADIE

Utley: The man suspected of being one of the TWA hijackers, Mohammad Hamadie was apparently flown from a jail in Frankfurt, West Germany, today to Wiesbaden. People who were on board the TWA flight were in Wiesbaden to attempt to identify Hamadei. So far the West German government has refused to extradite him to the U.S. and is expected to announce on Wednesday whether he will go on trial in West Germany. (NBC-2, ABC-4)

NORTH/IMMUNITY

Utley: A federal judge in Washington today ordered Lt. Col. Oliver North to testify before the Iran-contra committees. The judge signed an order granting North limited immunity under an agreement worked out by the committees and the independent prosecutor investigating the Iran affair. North is expected to begin talking privately to the committees on Thursday. (NBC-4, ABC-7, CBS-10)

DEAVER

Utley: A federal appeals court today ordered former White House aide Micheal Deaver to stand trial on charges of lying about his activities as a lobbyist. Deaver now is expected to ask the Supreme Court to block his trial. He is challenging the constitutionality of the independent counsel law. (NBC-5, ABC-8, CBS-11)

SUPREME COURT DECISIONS

Utley: The Supreme Court handed a setback today to the cause of victims' rights. First, in a five-to-four decision, the justices ruled that the impact of a murder on the victim's family may not be considered by the jury deciding whether the killer should get the death penalty. They called such evidence "inflammatory." In other cases, the Court ruled that cities may not enforce laws that make it a crime for a person to verbally oppose or interrupt police officers doing their duty. They said that restricts free speech. And it let stand a ruling that police may require suspected drunk drivers to take breath tests even before they are allowed to consult a lawyer.

(NBC-9, ABC-6)

ABUSES OF AMERICAN NATIONALS BY THE SAUDIS

ABC's Ted Koppel: On Capitol Hill today a House subcommittee met to hear charges that Americans living and working in Saudi Arabia have been abused, sometimes tortured by Saudi police.

ABC's Ann Compton: Their stories are Arabian nightmares. American mothers who say their Saudi husbands have kidnapped their small children and keep them beyond the reach of American law.... American businessmen told of beatings and filthy Saudi jails although charges were rarely filed. Oil worker Henry Ramsey was accused of drug trafficking. During interrogation his hands and feet were shackled, a pole strapped behind his knees.

(Ramsey: "The two guards grabbed me and forced me to bend at the knees and do deep knee bends. Be aware again that I had shackles on my hands and feet. I could hear the cracking noise of my knees as the joints started to separate.")

Two months later Ramsey was abruptly released without ever having been charged. Today State Department officials admitted the human rights abuses are real. But angry Congressmen demanded diplomatic reprisals.

(Rep. Tom Lantos: "And I do not think at this time that cutting off visas to all Saudis coming to the United States is the way to try and deal with this problem.")

Tonight a Saudi spokesman called the Saudi actions unwarranted. But the members of the committee said the U.S. has leverage with the Saudis and ought to use it.

(ABC-3)

-End of B-Section-

EDITORIALS/COLUMNISTS

PRESIDENT'S SPEECH AT THE BERLIN WALL

A Talk About Freedom At The Wall -- "President Reagan's trip to Venice and to Berlin took him from what he does badly to what he does better than anybody. His speech at the Berlin Wall was a kind of international pep rally -- a rousing reminder of why the West is different from the East and why the western allies must keep it that way.... Mr. Reagan spoke of the sharp contrasts symbolized by the Berlin Wall behind him -- the repression, fear and economic sluggishness on one side of it, the prosperity and freedom (sometimes deafening) on the other.... The protesters, who evidently sympathize with the Soviet cause and regard the U.S. as the greater threat to peace, were free to gather and demonstrate only because they were on Mr. Reagan's side of the wall. Unwittingly, they showed the world why Mr. Gorbachev will not dream of tearing it down; indeed, they could hardly have given him a better reason for keeping it there."
(Chicago Tribune, 6/15)

Reagan At The Berlin Wall: Why It Isn't Tumbling Down -- "President Reagan went to Berlin and challenged his Soviet counterpart...to tear down the wall. The Berliners massed before the towering Brandenburg Gate and cheered, but no one expects Mr. Gorbachev to comply. The wall continues to stand -- because it is necessary to the survival of the East German state. The Soviets would have to overthrow the rigid East German regime -- perhaps even abolish communist rule in East Germany -- before they could tear down the wall. And that is the problem with Mr. Reagan's speech... It did not present any kind of coherent Western strategy to hasten the day when the wall might indeed come down, nor did it help ease tensions between the two Germanies.... Broad affirmations of solidarity, like the one Mr. Reagan delivered, may have some use, but what the Germans really crave these days is a little room to maneuver on their own."
(Philadelphia Inquirer, 6/14)

'Tear Down The Wall' -- "Was President Reagan making just an idle taunt when he stood before the Brandenburg Gate yesterday and challenged Mikhail Gorbachev to tear down the Berlin Wall? Or was such a dramatic move remotely conceivable today as it certainly was not before Mr. Gorbachev came to power? The short-term answer has to be no, the long-term maybe. Mr. Gorbachev is a hostage to circumstances he inherited.... The hope of tearing down the Wall may be a distant one, alas, but a hope that free people everywhere must never abandon."
(Baltimore Sun, 6/13)

VENICE SUMMIT

Venice: Sleepy Summit May Be The Best Kind -- "The fact is, none of the seven economies represented in Venice is doing too badly, thank you. Indeed, the last several economic summits have been criticized for their inconsequence. By contrast, recall the early summits of this decade. They were as tumultuous as these affairs get. Most of the leaders were struggling to lift their economies out of recession. Blame was the coin of debate. That currency was happily devalued at this year's summit in Venice."
(Providence Journal, 6/11)

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VENICE SUMMIT (continued)

A Success In Venice -- "The Venice Economic Summit may well turn out to be a historic milestone in the management of the world economy. Hidden behind the official language of the final communique is a commitment of far-reaching significance. The agreement by the seven biggest Western powers to adopt a surveillance system to monitor economic performance is a long-overdue recognition of just how interdependent the world's major trading nations are.... It will probably be several years before a clear assessment of the Venice summit is possible, but the commitments by the participants may turn out to be a major turning point in economic cooperation and the pursuit of common goals."

(Journal of Commerce, 6/12)

An Economic Lesson In Venice -- "Part of the problem in Venice...was a leadership vacuum. In recent economic summits, President Reagan has been able to control the agenda, but this year our own economic problems are so obvious that his clout was considerably diminished.... The message from Venice, to ourselves at least, is that we will not put matters right in the world until we begin to put matters right at home.... Taking the lead does not mean further dollar depreciation; it does not mean protectionism. It means, for the President, a serious look at tax increases. For Congress, it means responsible cuts in federal spending."

(San Diego Tribune, 6/11)

A Futile Show At The Venice Summit -- "Given the magnitude of the difficulties facing the allies, the triviality of what they accomplished in Venice was a disgrace.... Some in the Reagan White House had tried to reduce expectations of what would be achieved in Venice, but even by their diminished standards, President Reagan appears to have fallen short. When Treasury Secretary James Baker rated the outcome of the talks an '8 to 9' on a scale of 10, he had all the credibility of a Soviet Olympic judge.... While it is important for world leaders to sit together occasionally and share ideas, it may be wrong to tie such meetings to formal, prescheduled annual events. Summits should occur when there is a workable agenda and a critical mass of leadership capable of making a deal and delivering it. They should be something more than forced, pompous photo opportunities for heads of state who are hobbled by political difficulties at home."

(Chicago Tribune, 6/12)

Venice: A So-So Summit -- "The Venice economic summit this week showed once again how difficult it is to get away from the political realities at home. For the Reagan Administration the limiting factors were partly under the President's control, partly not. Mr. Reagan cannot pour more sand into his Administration's hourglass; time is running out and, with time, influence.... He was captive of his own Administration's scandal, the Iran-contra affair.... Yet Reagan could have gone to the summit with a grand compromise on the U.S. budget deficit, which would have made him look more like an economic policy activist.... NATO unity on East-West arms negotiations was, for the moment at least, maintained, preserving Reagan's best shot at a major White House achievement in his second term. Major issues like forestalling recession and anticipating greater competition in services were consciously avoided. The low expectations for Venice were met."

(Christian Science Monitor, 6/12)

OVAl OFFICE ADDRESS

NETWORK COMMENTARY FOLLOWING THE PRESIDENT'S ADDRESS

CBS's Dan Rather: The President accentuated what he sees as the positive results of the Venice Economic Summit. The heart of this address to the nation also included his hopes, his belief as he put it, that there will be some kind of new limited agreement on nuclear missiles with the Soviet Union, and a new plea for support of his policy of putting Kuwaiti ships under American flags.... Bill Plante is standing by at the White House. We know what the President said. What are those who are opposed to his policies likely to say he didn't say that's important?

CBS's Bill Plante: What's going on here between the lines is the question of presidential leadership. And those who are opposed to his policies are going to say that he offered no new alternatives, that the American people have rejected his pleas for the budget already.... The people who are on his staff here at the White House can't quite believe that his leadership effectiveness is diminished. They've always warned us not to count him out. That's worked in the past, we don't know this time whether it will still work now that he's burdened with the Iran-contra affair, and the fact that he has very little political clout.

Rather: Phil Jones...what's the reaction likely to be in Congress and most specifically, how about Sam Nunn and the others who are adamantly opposed to what the President wants to do in the Persian Gulf?

CBS's Phil Jones: I don't think there was too much in this speech tonight that is going to calm the uneasiness from Nunn and the others -- many Republicans too -- who feel that the Reagan Administration moved too quickly in committing unilateral protection. There's nothing in this speech tonight to really give evidence to prove that he has pressured our allies to get them involved in this also. On the budget matter, I think that what you see here is the President calling again for a balanced budget amendment. What you didn't hear him saying tonight was that he has been here now for some six years and ever since he came to town he has never presented a balanced budget amendment. Clearly, though, the Democrats have left themselves wide open for tonight's criticism. They are deadlocked on the whole budget matter, they are in power in both the Senate and the House, and the Senate Democrats and...the House Democrats...are fighting over how much to spend for defense.

Rather: Many Republicans in Congress have been opposed to the President's proposals about what to do in the Persian Gulf. Is this likely to instill some discipline in them or will they remain opposed?

Jones: I think they're probably going to remain uneasy.... I think there is a general feeling up here...that the President and the Administration did not work harder to get the allies to participate, and that he moved far too quickly on unilateral participation. There is great, great uneasiness on the Reagan Administration Persian Gulf policy.

Rather: President Reagan spoke on a variety of subjects, but he himself hinted right at the start at one big reason for his address this evening, and that was to deny reports that nothing really was accomplished at the Economic Summit and that he came home empty-handed.

NBC's Garrick Utley: The major story of the speech seems to be his statement to give formal authorization to negotiators in Geneva to strike a deal with the Soviet Union -- a go-ahead for an agreement to eliminate short-range and middle-range nuclear missiles in Europe. He also tackled the rather tricky issue of the Persian Gulf -- what the U.S. can or should be doing there. He said the American fleet has a national interest there -- has a right and duty to be there. The main question, of course, is whether he can settle or solve questions, concerns about whether American ships in the Persian Gulf will get involved in the war in that part of the world. Chris, why this speech? Why now?

NBC's Chris Wallace: I think a lot of the top officials at the White House are asking themselves that same question. In fact, there was some disagreement here about whether or not the President should give the speech. And I think the answer is that the White House and the President were trying to dispel some of the bad stories that came out of the Economic Summit in Venice -- trying to dispel those stories that the President was unable to control the agenda; that he was showing his age; that he has been overwhelmed by the Iran-contra scandal; trying to show that in fact he does have an active agenda for the future. You know, to some degree what you saw here was what Don Regan used to call "the shuffle brigade" -- taking a trip that was not a big success for the President -- the Economic Summit -- and calling it a triumph.

Utley: John Dancy, a lot has changed since Ronald Reagan entered the White House. The Democrats control both Houses.... What kind of a reception will he get there?

NBC's John Dancy: What the President mentioned tonight were basically the two mainstays of his economic policy that he's been espousing for all the time that he's been in office -- that is a balanced budget amendment and an opportunity to have a line-item veto. They haven't gone down in the past. They're not likely to go down now. Congress is bound up over the budget right now and as you mentioned the Democrats control both Houses. It is the Democrats who are tied up in knots over the question of defense spending. Republicans have been actually standing back from this and it's the Democrats who are going to have to work themselves out of this. Until they do that, the Republicans and President Reagan are going to make political hay out of this.

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ABC's Ted Koppel: Three key items on the President's agenda this evening, as he reported to the nation in the wake of the Economic Summit in Venice. A nuclear arms agreement with the Soviets, very much on the front-burner. President Reagan now has the support of our NATO allies to negotiate for a shorter-range and intermediate range missile agreement. He didn't say it tonight, but there is some expectation that such an agreement might be hammered out before the end of this year. On the Persian Gulf and policing Kuwaiti tankers under the protection of the U.S. flag, the President's rationale: simple, if we don't do it, the Soviets will. And finally, the U.S. economy. President Reagan pushing as he has always done, for a constitutional amendment that would require a balanced budget. And equally familiar themes from this President: continued strong spending for defense but no new taxes. As the President put it, if Congress won't see the light, I know you will make them feel the heat.

-End of News Summary-