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News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, JULY 6, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Might Reconsider Stance In Gulf After Ceasefire -- The U.S. might withdraw its warships from the Persian Gulf if there was a ceasefire in the Iran-Iraq war and the Soviets did the same, White House Chief of Staff Howard Baker said. (Washington Post, AP, Reuter)

NATIONAL NEWS

'Pyrotechnics' Begin Over Bork -- Heavy hitters in the pro-civil rights community weighed in Sunday for the fight against federal appellate Judge Robert Bork's nomination to the Supreme Court. (USA Today, Wall Street Journal, Washington Post, Washington Times, UPI)

IRAN-NICARAGUA

North Testifies Tomorrow, But Credibility Is Thin -- Oliver North ends seven months of public silence about the Iran-contra affair on Capitol Hill tomorrow and doubts about his credibility as a witness. (Wall Street Journal, Washington Times, AP, Reuter)

NETWORK NEWS (Sunday Evening)

IRAN-CONTRA -- There were new allegations about the power Oliver North had in the White House and his relationship with the President.

PERSIAN GULF -- Chief of Staff Baker expressed interest in a new Soviet proposal that all foreign warships leave the Persian Gulf.

ARMS CONTROL -- A meeting between Secretary Shultz and Soviet Foreign Minister Shevardnadze may not be held until August.

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INTERNATIONAL NEWS

'FRESH LOOK' POSSIBLE IF SOVIETS LEAVE GULF

White House Chief of Staff Howard Baker said that the U.S. might reconsider its plan to escort Kuwaiti oil tankers in the Persian Gulf if the Soviet Union leaves the region.

"If the Soviets will remove theirs, perhaps we'll take a fresh look," Baker said. "But we're certainly not going to cede control of that region to the Soviet Union."

"My guess is that if we took out historic naval presences out of the Persian Gulf that the Russians would soon be in with their own. After all, they're much closer than we are," Baker said.

(AP story, Washington Post, A4)

U.S. Might Reconsider Stance In Gulf After Ceasefire

The U.S. might withdraw its warships from the Persian Gulf if there was a ceasefire in the Iran-Iraq war and the Soviets did the same, White House Chief of Staff Howard Baker said.

It was Washington's first reaction to the Soviet Union's call last Friday for foreign warships to leave the gulf and prevent a possible escalation of hostilities.

Baker said the best hope for a solution was the effort by the U.N. Security Council to approve a ceasefire resolution and win agreement from Iran and Iraq.

Baker said the U.N. effort, which President Reagan initiated, would "give us all the opportunity to get away from a difficult situation."

(Reuter)

U.S. Would Reconsider Gulf Presence If Soviets Get Out, Baker Says

White House Chief of Staff Howard Baker said the U.S. would reconsider its plan to escort Kuwaiti oil tankers in the Persian Gulf if the Soviet Union also gets out of the region.

Baker maintained that the U.S. also has a legitimate reason for a gulf presence.

"It is an unbroken commitment of the United States for many years, for decades, to see that the Persian Gulf does not become a Russian lake and that we do not let anyone interfere with our right of international transit through the Strait of Hormuz and in that region," Baker said.

(Donna Cassata, AP)

DEMOCRATS: STILL TIME TO BLOCK REAGAN'S PERSIAN GULF PLAN

As Navy warships prepare to carry out President Reagan's policy of protecting Kuwaiti oil tankers in the Persian Gulf, congressional Democrats are trying to muster a consensus on how to block or delay the plan.

"I really don't think it's too late yet, but we don't have a lot of time," said Rep. Mike Lowry as he tried to round up votes for his measure calling for a delay in the plan to protect the 11 Kuwaiti tankers.

Lowry's proposal is scheduled for a vote Wednesday as the House considers a bill authorizing the Coast Guard budget. Meanwhile, the Senate is set to consider a resolution Tuesday asking Reagan to put his plan "in abeyance" for an indefinite period.

(Tim Ahern, AP)

PRIME MINISTER LAUDS SOVIET PLAN, DENOUNCES U.S.

NICOSIA, Cyprus -- Iran's prime minister on Sunday described as "constructive" a Soviet proposal that all foreign warships withdraw from the Persian Gulf and he denounced the U.S.

Tehran radio reported Hussein Musavi accused the U.S. of being aligned with Iran's foe, Iraq, and of "adventurism" in the oil-rich gulf.

Tehran radio quoted Musavi as telling East Germany's visiting Chemical Industry Minister, Gunther Wyschofsky, that a Soviet proposal "for the evacuation of foreign warships from the region and a halt on attacks on commercial ships is a constructive proposal."

(Ed Blanche, AP)

U.S. CONGRESSMEN DISCUSS GULF WAR WITH IRAQI LEADERS

BAGHDAD, Iraq -- A delegation of 12 U.S. congressmen met with Iraqi Foreign Minister Tariq Aziz on Sunday to discuss the Iran-Iraq war and U.S. operations in the Persian Gulf, a U.S. Embassy official said.

The delegation, led by Rep. Les Aspin, chairman of the House Armed Services Committee, flew into Baghdad on Sunday after talks with officials in Kuwait and an earlier stop in Bahrain.

(Salah Nasrawi, AP)

FRANCE SAYS NORMALIZATION EFFORTS WITH IRAN SUSPENDED

PARIS -- France, embroiled in a dispute with Iran over an Iranian Embassy employee sought by French police, said that efforts to normalize relations with the Islamic republic had been suspended.

Foreign Minister Jean-Bernard Raimond, in an interview with French television from Amman, Jordan, said France wanted to improve relations with Iran but "not at any price."

"It is clear for the moment that as far as conversations between states are concerned, the normalization process is suspended," Raimond said at the start of a two-day visit to Jordan.

(Reuter)

HUSSEIN SAYS HE WON'T SEEK ARMS FROM WASHINGTON AGAIN

VIENNA -- King Hussein of Jordan was quoted as saying he was disappointed by the Reagan Administration's decision to halt arms sales to Amman and would never again seek weapons from the U.S.

The king, in an interview with the Austrian news weekly Profil, also called on Washington and Moscow to help solve the Palestinian issue, which he called a threat to world peace.

Asked about his reaction to the U.S. arms decision, Hussein said: "Of course I am disappointed.... I hope that the U.S. will find a way to play a role which is worthy of a superpower."

Washington had cut arms supplies even though it had been Jordan's traditional supplier. "We have decided never again to seek weapons from the U.S.," King Hussein said.

(Reuter)

FREER FARM TRADE BY THE END OF '88 SET AS REAGAN AIM

The Administration will announce on Monday that it intends to seek agreements by the end of President Reagan's term to phase out farm export subsidies and trade barriers to the agricultural products of the U.S. and other nations, officials said.

But they noted that some other countries, whose cooperation was essential, appeared reluctant to move as quickly.

This program would mean wide changes in domestic farm policies but, as currently envisioned, it would not mean reductions in farmers' incomes for 10 years or more, according to the officials.

"We're looking at removal of subsidies, removal of trade barriers and such things as normalization of sanitary health standards," Secretary Lyng said. "We're hoping the negotiations can be done in a year and a half -- by the end of '88. That's our target for obvious reasons."

(Peter Kilborn, New York Times, A1)

BONN EYES IMPROVED SOVIET TIES

BONN -- West German President Richard von Weizsaecker flies to the Soviet Union Monday for an official state visit viewed here as confirmation that relations between Bonn and Moscow finally are poised for a sustained improvement.

The chief of state's trip could mark the breakthrough in Soviet-West German ties that Chancellor Helmut Kohl's center-right government long has desired but been unable to attain, according to West German officials and Western diplomats.

(Robert McCartney, Washington Post, A13)

Soviets Seek Arms-Control Progress During Weizsaecker Visit

MOSCOW -- Moscow is hoping today's visit by West German Richard von Weizsaecker will promote better understanding on arms control and improve bilateral relations, Soviets officials said.

Foreign Ministry officials said last week that, for Moscow, an important item on the agenda would be West Germany's Pershing 1-A missiles, which the Kremlin says are hampering a superpower accord to remove medium- and shorter-range missiles from Europe.

(Helen Womack, Reuter)

AFGHAN REBELS SAID TO HIT FOE HARD U.S.-Soviet Political Maneuvers Back Up Intensified Fighting

U.S.-backed Afghan insurgents have inflicted the highest casualties ever on elite Soviet troops trying to cut off guerrilla supply routes along the Pakistani border during the past six weeks, according to a senior Administration official.

The latest fighting comes against the backdrop of apparent determination by both the U.S. and the Soviet Union to intensify the military confrontation even as long-term maneuvering has begun for a possible political settlement to the war.

(Richard Weintraub & David Ottaway, Washington Post, A1)

SPECIAL ENVOY ARRIVES HERE FROM PANAMA Ex-Foreign Minister Aims To Ease Tensions

Panama has sent former Foreign Minister Aquilino Boyd to Washington as a special ambassador in an attempt to ease the tensions that have brought the Reagan Administration close to confrontation with Gen. Manuel Antonio Noriega, Panama's military strongman.

Boyd's arrival over the weekend came as a surprise to State Department officials, who said they did not know he was here. However, Adolfo Arrocha, acting head of the Panamanian Embassy, said Boyd -- also a former ambassador to the U.S. and the U.N. -- would begin today to contact U.S. officials in an effort to explain the government's position in the pro- and anti-Noriega demonstrations that have wracked Panama since June 9. (John Goshko & Dennis McAuliffe, Washington Post, A1)

President Promises Investigation Of Opposition Charges

PANAMA CITY, Panama -- President Eric Delvalle said he had ordered an investigation of allegations of corruption, election fraud and conspiracy to murder against Panama's top military officer.

In a nationally broadcast speech aimed at defusing a month-old political crisis, Delvalle said the accusations against Gen. Manuel Antonio Noriega, commander of the defense force, "demand a prompt and effective investigation."

Delvalle also called for talks with opposition leaders "to reach a solemn commitment for a national conciliation, based on the justice, democracy and liberty that we all anxiously desire." (Reid Miller, AP)

GOVERNMENT FREES POLITICAL PRISONERS

SEOUL -- The government on Monday released 177 people it had arrested for anti-government activity before nearly three weeks of huge protests prompted it to agree to sweeping democratic reforms.

In another development, a student hit by a police tear gas canister died Sunday, and students trampled flowers sent by the governing party and marched in protest. Police replied with tear gas for the first time since President Chun Doo Hwan promised the reforms last week.

The main opposition Reunification Democratic Party is demanding that the government allow a public funeral for Lee Han Yul, 21, who died after 27 days in a coma. (David Thurber, AP)

Korea Frees Some Political Prisoners

SEOUL -- President Chun Doo Hwan's government began freeing political prisoners under a proposed reform package, but tensions persisted as protests erupted after the death of a student wounded last month by an exploding tear-gas grenade fired by police.

A total of 177 people arrested in recent anti-government protests were set free, including a leading opposition politician and 11 other people who organized massive protests on June 10. During the week, about 310 more will be released, authorities said. (James Kim, UPI)

NATIONAL NEWS

REAGAN'S MOOD IS UNCOMPROMISING Efforts On Bork, Economic Agenda Reflect A Rightward Turn

In the final stages of his presidency, Ronald Reagan is turning to the right and hanging tough.

White House aides said Reagan's choice of Robert Bork to fill an unexpected Supreme Court vacancy and the resurrection of his old-time conservative economic agenda in a speech at the Jefferson Memorial on Friday both were parts of an effort to prevent his presidency from fading into the past tense under pressure from a restive Democratic Congress and the Iran-contra scandal.

Some Republicans say that Reagan's renewed enthusiasm over his conservative agenda gives him a chance to regain the political initiative he lost late last year, when Democrats won control of the Senate and the Iran-contra scandal broke.

But other Republicans are worried that Reagan's turn to confrontation may have doomed the prospects of a genuine budget compromise with the Democrats despite Chief of Staff Howard Baker's determination to attain one. According to a senior Administration official, Baker was headed toward a negotiated compromise with Democratic congressional leaders when he was personally deterred by Reagan, who made it clear he would not agree to revenue increases of any sort.

(Lou Cannon & David Hoffman, Washington Post, A1)

Reagan Keeps Focuses Away From Hearings

Avoiding the heightened Iran-contra drama on Capitol Hill, President Reagan will be out selling his economic rhetoric to the public this week in his push for an active final 18 months in office.

Speaking today to members of Kiwanis International and traveling Wednesday to new Britain, Conn., Reagan is promoting his economic principles as attention focuses on an important new phase of the investigation into his worst crisis.

(Norman Sandler, UPI)

DEMOCRATS PLAN NEW TACTICS ON FISCAL FRONT Gamesmanship Between Hill And President May Have Major Implications For 1988

After adopting a budget whose deficit reduction goal relies to a great extent on a \$19.3 billion tax increase that President Reagan has promised to veto, Democrats are moving on two fronts in preparation for the next stage of their fiscal battle with the Administration.

For the short term, congressional leaders are searching for a way to package the tax increase that exerts the maximum pressure on Reagan to sign it. But anticipating that Reagan will not buckle, some Democrats are already discussing how to turn the expected veto to their political advantage by sending him a tax proposal that targets the wealthy.

Put simply, Democrats who fear that Reagan still commands the high ground on the tax issue are looking for cover. Both politically and fiscally, the stakes in the evolving gamesmanship are high.

(Tom Kenworthy, Washington Post, A6)

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BORK AND THE TRUE BELIEVERS

True believers on both sides share an enviably clear view of the shape that the Supreme Court will take if U.S. Appeals Court Judge Robert Bork survives the Senate confirmation process.

As expressed by Daniel Popeo, founder of the conservative Washington Legal Foundation, "We have the opportunity now to roll back 30 years of social and political activism by the Supreme Court." Making the same point from a different perspective, Ralph Neas, executive director of the Leadership Conference on Civil Rights, said Bork's confirmation would "jeopardize the civil rights achievements of the past 30 years."

But history suggests that picking Supreme Court justices is less than an exact science. Times change and justices change. Many disappoint those who appointed them.

Whether Bork will be confirmed by the Senate is not clear. What is even less clear is whether the Court would be transformed by his presence. Perhaps the true believers will once again be disappointed.

(Column, Lou Cannon, Washington Post, A2)

Bork Nomination Roils Democratic Liberals, GOP Conservatives

President Reagan's nomination of conservative appeals court Judge Robert Bork has energized the liberal wing of the Democratic Party, but it has also animated Republican conservatives, according to observers on both sides.

Arthur Kropp, executive director of People for the American Way, a liberal lobby, vowed his group would "spend every dime we can raise" to defeat the nomination. "This is our most important project this year," he said in a recent interview.

But White House Chief of Staff Howard Baker predicted the 60-year-old Bork would win confirmation after a tumultuous and pyrotechnic debate in the Senate.

Baker, appearing on ABC's "This Week," called the Bork nomination "very Ronald Reagan-like."

The President "not only states his beliefs but he acts on them and I think the Bork nomination is a good example of that."

(Ralph Hallow & Jeremiah O'Leary, Washington Times, A2)

'Pyrotechnics' Begin Over Bork

Heavy hitters in the pro-civil rights community weighed in Sunday for the fight against federal appellate Judge Robert Bork's nomination to the Supreme Court.

"Judge Bork is a compulsory pregnancy man...too conservative on race, women's rights and reproductive freedom," teacher Jane Stern...told the 8,000 National Education Association delegates in Los Angeles. They then voted overwhelmingly to oppose him.

Bork supporters, led by the Washington-based American Conservative Union, swear they'll fight fire with fire.

"It's going to be a controversial, tumultuous, even a pyrotechnic debate," White House Chief of Staff Howard Baker acknowledged....

But, he said, President Reagan was ready to fight. "This man is not going to become a lame duck president for a long, long time."

(Jessica Lee, USA Today, A1)

Bork's Abortion Views Looming Larger As Problem In High Court Confirmation

Opposition grew to the nomination of Judge Robert Bork to the Supreme Court, with the judge's views on abortion looming larger as a confirmation problem.

While resistance to the 60-year-old conservative is likely to be strongest among liberal Democrats, unexpected concern was voiced Friday by Sen. Robert Packwood, a moderate Republican from Oregon. Packwood, a longtime defender of the Supreme Court's 1973 decision establishing the constitutional right to abortion, said he would filibuster the nomination if Bork doesn't agree to abide by the 14-year-old ruling.

Even with Packwood's statement, confirmation fo Bork remains likely.... (Stephen Wermiel, Wall Street Journal, A2)

NAACP Plans 'All-Out' Fight Against Bork

NEW YORK -- NAACP Executive Director Benjamin Hooks, opening the organization's 78th annual conference, vowed that his group will stop the nomination of Judge Robert Bork to the Supreme Court.

Hooks charged that elevation of the conservative U.S. appeals court judge to the high court, which requires Senate confirmation, would result in a "rollback" on court decisions guaranteeing civil rights.

"We will go all out in seeing that Bork in not appointed to the Supreme Court," Hooks said, outlining conference goals at a news conference. (UPI)

HILL POLITICS BLAMED FOR SLOW ACTION ON JUDGES

With more than half of President Reagan's judicial nominations this year still unconfirmed by the Senate Judiciary Committee, Administration officials are accusing Senate Democrats of a politically inspired effort to stall federal court appointments.

"There is a concerted effort, a calculated game plan that the Democrats are playing now, which is designed to slow down in every way that they can so as to prevent the President from having his full opportunity to have the nominees he has selected be put on the courts," Assistant Attorney General William Bradford Reynolds said in an interview. (Geroge Archibald, Washington Times, A1)

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IRAN — NICARAGUA

REAGAN AWAITS NORTH TESTIMONY AMID FRESH REPORTS OF INTRIGUE

President Reagan is eager to hear testimony this week from Iran-contra figure Oliver North, who fresh reports have portrayed as a key member of a shadow U.S. government.

...White House Chief of Staff Howard Baker said the President looked forward to hearing North's testimony.

"There has been so much speculation and so many articles published about what he will say that getting it on record publicly is the only way to put that to bed," Baker said on ABC's "This Week with David Brinkley."

The Miami Herald reported North had a plan to suspend the Constitution and invoke military law in case of nuclear attack or a U.S. invasion abroad sparked domestic turmoil.

It also said North was part of a secret government operating outside the control of legitimate federal agencies. The Herald said its report was based on interviews with government officials and congressional investigators and a secret memorandum written by the chief counsel for the Senate committee probing the Iran-contra scandal.

(Kenneth Barry, Reuter)

North Testifies Tomorrow, But Credibility Is Thin

Oliver North ends seven months of public silence about the Iran-contra affair on Capitol Hill tomorrow and doubts about his credibility as a witness.

White House Chief of Staff Howard Baker disputed renewed reports that North had frequent personal access to President Reagan, as the former National Security Council aide has claimed.

Baker said both he and [the President] found "astonishing" a Washingtonian magazine report that North slipped in and out of the Oval Office through a side door for frequent, undocumented visits with the President.

"Oliver North was a second- or third-level staff person," Baker said on ABC's "This Week." "He did not have access to the President."

(Mary Belcher, Washington Times, A1)

Long Lines For Scarce Seats For North's Appearance

Oliver North's appearance before the congressional Iran-contra investigating committees will play to a packed hearing room and a curious White House.

"I don't know what he's going to say," White House Chief of Staff Howard Baker said. "But I can tell you this: I look forward to his testimony on Tuesday, and I know the President does as well."

The public, however, apparently sees things differently. U.S. News & World Report, reporting on a Roper Organization poll taken June 29-30, says 59 percent of the respondents believe North will not tell the truth.

Fifty-seven percent of those polled also said they believed President Reagan was lying when he denied knowing that money from the Iranian arms sales was going to help the Nicaraguan rebels.

(Phyllis Messinger, AP)

Iran-Contra Panel To Begin Questioning North, Focusing On White House Attempts To Mislead

When the first hints of the Iran-contra scandal surfaced last November, Attorney General Meese tried to help President Reagan by launching a top priority fact-finding effort.

Tomorrow, congressional hearings into the scandal will begin focusing more closely on that inquiry, with Oliver North as the first witness. Investigators will concentrate especially on six crucial days when false chronologies were assembled and classified documents were altered, shredded or smuggled off the White House grounds.

(Andy Pasztor & Edward Pound, Wall Street Journal, A26)

North To Tell Story In Long-Awaited Appearance

Oliver North will step forward this week, take an oath to tell the truth and reveal to the nation for the first time his version of the Iran-contra scheme he masterminded and then allegedly tried to cover up.

In what is likely to be the most riveting testimony to date in the congressional investigative hearings, North will be asked what President Reagan and the late CIA Director William Casey knew about the Iran-contra venture.

Equally fascinating as North takes the stand Tuesday will undoubtedly be revelations about the philosophy that drove the 43-year-old Marine who has been described alternatively as charismatic, patriotic, conniving, zealous and deceitful.

(Rita Beamish, AP)

NORTH URGED LENIENCY FOR HONDURAN GUILTY IN COUP PLOT

Current and former Administration officials have told Iran-contra investigators Oliver North improperly sought leniency for a Honduran general convicted of plotting to kill his nation's elected leader.

North...repeatedly urged officials at the NSC, State Department and Justice Department in September to ask U.S. judicial authorities to parole or reduce the sentence of Gen. Jose Bueso Rosa, the officials testified last month, according to congressional sources.

Bueso, once his country's No. 2 military commander, was sentenced to five years in prison after pleading guilty in U.S. District Court in Miami last summer to two counts of traveling in 1984 to conspire to kill Roberto Suazo Cordova, who was then president of Honduras.

The congressional Iran-contra committees...have been examining the propriety and authorization of [North's] unusual attempt to intervene in the judicial process, a source said....

(Neil Roland, UPI)

BETSY NORTH TALKS ABOUT OLLIE VERSUS THE 'BIG GUNS'

NEW YORK -- Oliver North's wife Betsy said her husband's upcoming testimony in the Iran arms case will finally give him a chance to answer what she sees as untrue charges.

"Sometimes I feel like 'they're' up there, they've got all the guns -- and then there's 'us,'" Mrs. North said in an interview published in Life magazine.

"So much has been said -- a lot of which is untrue," she added. "Finally being able to talk probably will be a great relief for him."

(Reuter)

NETWORK NEWS SUMMARY

(Sunday Evening, July 5, 1987)

IRAN-CONTRA HEARINGS/NORTH TESTIMONY

NBC's Garrick Utey: There was the political heat for those involved in the Iran-contra affair -- new allegations about the power Lt. Col. Oliver North had in the White House and his relationship with the President. There were denials too and it all comes less than 48 hours before North begins telling his story publicly.

NBC's Robin Lloyd: The President wasn't answering questions about a report that he held secret meetings with Oliver North.

(TV coverage: The President and First lady arriving on the South Lawn of the White House.)

An article in the monthly Washingtonian magazine claims that North entered the Oval office through a side door, allowing him to see the President without anyone else knowing. On ABC's "This Week" White House Chief of Staff Howard Baker called this report astonishing.

(Sen. Baker: "And I do not believe Oliver North ever saw the President by himself, one-on-one, ever.")

With just two days to go before North begins to testify, another report, this one in the Miami Herald, claims that North played a central role in a secret group within the government and that his influence was so great that he was able to change the orbit of surveillance satellites and ordered the launching of high-flying spy aircraft. Former National Security Advisor Robert McFarlane has told NBC News that this is "a completely fictitious yarn." White House officials have denied that any of the President's aides had operated secretly. Top officials say they will be carefully watching North's testimony.

(Sen. Baker: "I look forward to his testimony on Tuesday and I know the President does as well. Because there's been so much speculation about it and so many articles about what he will say or will not say that I think getting him on the record publicly is the only way to put that to bed.")

White House officials say at this time there are no plans for the President to rebut North's testimony.

NBC's Bob Kur: Lt. Col. North put together and ran what's now known as "the enterprise" -- a network of dummy corporations and secret bank accounts. It was a private, foreign policy network that shipped arms to Iran and diverted the profits to Nicaragua's contra rebels -- certainly a violation of U.S. policy, possibly a violation of the law. Who, if anyone, ordered the operations and to what extent was the enterprise set up to make participants rich -- key questions for North when he testifies here this week. The highly decorated Viet Nam veteran -- he helped plan the 1983 Grenada invasion, supervised the forced landing of the plane carrying the man responsible for the Achille Lauro hijacking and he helped plan the U.S. bombing of Libya.

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Kur continues: Early in the hearings, one Congressman called Ollie North the kind of guy the country needs to do dirty jobs requiring brains and bravery. President Reagan called North a national hero the day he was fired. Secretary of State Shultz did not press North and told an assistant to watch him.... North, under pressure from a criminal investigation too, chose not to testify in Congress without limited immunity and other conditions that frustrated committee members.... Other testimony damaged North's credibility, even among supporters -- testimony about an account set up to provide financial security for North and his family; and the White House meeting at which North led a coverup effort; the contra aid travelers check he appears to have cashed for his personal use; the home security system North accepted, financed from arms sales profits... The committee expects to question North publicly for four days this week.

Utley: And will the questions put to North be the right ones -- questions which will nail down the missing facts? Here are two key ones -- what did the President know about what North was doing? And second, what happened at the White House when some Administration officials developed a cover story to hid what they had been doing? One of the principle questioners will be Senator Paul Trible. I asked him what he will be looking for.

(Sen. Trible: "Who is this fellow Oliver North? What makes him tick? We know he's driven by ideology about the country. But what about the big profits, false statements, coverup? That's an area that has to be pursued if we're going to put these events in context and understand what went on.")

We've heard about the documents but there are also Col. North's personal notebooks. How important are these notebooks and what would they tell you?

(Trible: "North is a note-taker. He's a man that reduces his experiences to writing. In fact, that was his primary purpose at most of the meetings he attending at the White House. He wasn't a policy maker. He was a note-taker. But through his notes we can learn a lot about his activities and the activities of the White House in general. It's a record kept at the time the policy was discussed, the decisions made and implemented. So it helps us reconstruct, faithfully, truthfully, what happened.")

Is the financial aspect a central issue in this investigation or is it a side show?

(Trible: "Money trails lead to truth and they tell us a lot about people and events. That's very important here. The evidence about profits, about merging public and private interest. It says a lot about North. Oliver North is a key player. He's the man who made things happen. Without hearing from Oliver North, we'll never be able to put the pieces of this puzzle together. Hearing from North this week, I believe, we'll be able to answer the essential questions -- how did this happen, how do we avoid these problems in the future?")

(NBC-Lead)

ABC's Brit Hume: Whether President Reagan knew of the contra connection, these hearings have made clear the people involved in it certainly thought he did and there have been repeated suggestions he personally authorized Olive North's actions....

Hume: The suggestion of Presidential approval was strengthened by former NSC advisor McFarlane's testimony about a conversation with North after the Iran arms sales broke.... But neither Col. Dutton nor Gen. Secord turned out to have any first-hand knowledge of whether the President had approved or even knew of what they were doing.... And North's secretary Fawn Hall said she knew of no phone conversations between North and the President....

(Sen. Baker: "We've combed those records, and I do not believe Oliver North ever saw the President by himself, one-on-one.")

But if not from the President, then where did North get his authority? There have been hints that some on the committee feel may point to the answer.... The view [that CIA Director Casey knew everything North has doing] is shared by some on the committee who think North's answers about Casey may be more revealing than what he says about the President.

ABC's Sam Donaldson: White House Chief of Staff Baker, in saying today he doesn't believe Col. North ever had a one-on-one meeting with President Reagan, was responding to a published report in the Washingtonian magazine that said Mr. Reagan and Col. North saw each other regularly, in unlogged meetings. Baker said he and the President find that suggestion wrong and astonishing. Baker said he has no reason to believe Col. North will not tell the truth when he testifies this week. There have been some suggestions that North won't. But Sen. Daniel Moynihan had the last word today on that. Asked whether he expects North to lie under oath, the New York Democrat replied, "He better not, or we'll put him in jail."

(ABC-3)

CBS's Phil Jones: Lt. Col. Oliver North -- known by his cooperators by such names as "blood and guts, steelhammer, and Mr. Good." ...It will be North who can answer the key question, "Was he operating under orders? If so, whose orders? Or was he a cowboy, who is ready to be the fall guy?" ...Did North talk with the President about the diversion? Previous testimony has quoted North as absolving the President.... North also had a special relationship with the late CIA Director William Casey during both the Iranian and contra operations. North appears to be the only one who can explain just how deeply Casey and the CIA were involved. But as a result of all the earlier testimony, North will have more personal questions to answer -- questions that committee members say they don't know how he will ever be able to answer away. There is the \$16,000 gate and security system that he apparently never paid for -- a violation of the law prohibiting gratuities to federal officials. Investigators will want to know if North knew about Albert Hakim's attempts to set up an insurance policy for North and other financial benefits for North's wife and children. There are the hundreds of dollars in travelers checks from a foreign banks cashed by North at local area stores.... And perhaps the most damaging problem -- testimony that he organized a shredding party to get rid of documents once the scandal broke.... But the big question the committees have is, can North be believed even with the protection of Congressional immunity? One witness says no.... According to sources, North's lawyers did not want him to testify before Congress, but North insisted. This could turn out to be the toughest hill "blood and guts" has ever tried to take.

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CBS's Jacqueline Adams: President Reagan wasn't talking today, but his chief of staff says the White House is eager to hear Col. North's testimony.

(TV coverage: The President and Mrs. Reagan arriving on the South Lawn.)

(Sen. Baker: "There's been so much speculation about it and so many articles about what he will say or will not say, that I think getting him on the record publicly is the only way to put that to bed.")

No matter what North says though, the Iran-contra scandal has become a political liability that observers say may dog the rest of Ronald Reagan's presidency. Critics say the scandal influenced the President's decision to protect Kuwaiti oil tankers in the Persian Gulf to satisfy moderate Arab states upset about his arms sales to Iran. Likewise, they say, Mr. Reagan's weakened political state has encouraged Congressional Democrats to hold out for their own budget proposals, and now the scandal has been injected into the debate over the President's nomination of conservative judge Robert Bork to the Supreme Court.... White House officials are determined to push ahead, hoping that winning the fight over Bork, together with a possible arms control treaty with the Soviets, will revive Mr. Reagan's presidency. (CBS-Lead)

PERSIAN GULF POLICY

Donaldson: White House Chief of Staff Howard Baker today

expressed interest in a new Soviet proposal that all foreign warships get out of the Persian Gulf and in so doing, appeared once again to go beyond Administration policy at a crucial moment in the Congressional debate over the U.S. role in the Gulf. Last month Baker said it was not necessarily a bad thing for the Soviets to be escorting Kuwaiti tankers. That turned out to be at odds with official policy. Baker's interest in the new Soviet policy may also.

ABC's Kenneth Walker: In response to the Soviet proposal that all foreign ships be withdrawn from the Persian Gulf, on "This Week With David Brinkley" White House Chief of Staff Howard Baker seemed to suggest there might be room for discussion.

(Sen. Baker: "If the Soviets will remove theirs, perhaps we'll take a fresh look. But we certainly are not going to see control of that region go to the Soviet Union.")

But Baker suggested any reduction in the U.S. Navy's historic presence in the Gulf would depend on a virtual ending of the war between Iran or Iraq.

(Sen. Baker: "If the two belligerent nations, Iraq and Iran, will agree to that ceasefire, and a return to traditional boundaries, and the release of prisoners, and the cessation of hostilities, then there would be every reason to expect that everyone could breathe easier and that you could reduce the naval presence there.")

Right now, the U.S. is increasing its naval presence in the Gulf to begin escorting Kuwaiti oil tankers, reflagged as American, probably within two weeks.

(Sen. Baker: "There is a determination that we have the naval resources in the region before we go forward with the deployment of these new American ships.")

-more-

Walker continues: Democratic Senator Moynihan criticized the policy and blamed the Administration for failing to consult bi-partisan leadership in Congress.

(Sen. Moynihan: "Flagging -- reflagging is a Kuwaiti policy. It is not an American policy. We want an American policy. We want to stay in the Gulf. We want to back a position every President since Harry Truman -- we've been on station there since 1949 -- but did they talk to us about reflagging? No.")

Nevertheless, the Administration is determined to proceed with its program notwithstanding the highly qualified review Senator Baker suggested might be possible. But to proceed in the face of misgivings, even by many members of the President's only own party, means that Mr. Reagan will get just about all the credit as well as the blame for whatever happens after the escorts begin this month.

(ABC-Lead)

CBS's Forrest Sawyer: A House delegation arrived in Saudi Arabia tonight on a Persian Gulf fact-finding tour. The delegation leader is Les Aspin, chairman of the Armed Services Committee. The entire Gulf region is jittery over what Iran's navy might be planning next.

CBS's Alan Pizzey: Lined up against the West and the Gulf Arabs, the Iranian navy should be the neighborhood weakling. But Iran's willingness to take on all comers have made it the local bully -- the threat to the social and economic stability of a region founded on sea trade.... The problems have helped make Bahrain one of the most vocal advocates of American involvement.... U.S. Navy shore presence here is limited to a clinic, some storage for supplies and recreational facilities for sailors. Neither the Bahrain people nor the Americans will allow that to be photographed. What they will allow are pictures of Bahrain's successful diversifications away from oil.... The link to the Arabian mainland has made Bahrain virtually part of Saudi Arabia which the American Ambassador here sees as crucial to regional security. In the meantime, the first line of defense is the American fleet. For the moment, all is peaceful here. The battle over the fleet's presence is being waged in Congress.

Sawyer: President Reagan's Chief of Staff Howard Baker said today the U.S. might reconsider plans to start escorting Kuwaiti tankers this month -- but only if the Soviet Union withdraws its warships from the Gulf.

(CBS-5)

ARMS CONTROL

Donaldson: There may be a delay in the timetable for a new arms control deal with the Soviets. The meeting between Secretary of State Shultz and Soviet Foreign Minister Shevardnadze widely expected to be held this month to set the deal on intermediate-range missiles, will now probably not occur until August according to Administration sources. These sources emphasize that the deal is still on track. They say the delay is due to unrelated and unspecified internal Soviet matters.

(ABC-2)

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panel: George Will, Sam Donaldson.

Guests: Sen. Daniel Moynihan, chief of Staff Howard Baker.

Brinkley: How about Bork...what's going to happen in the Senate? Will he be approved?

Moynihan: We're going to have hearings. We really want to listen to him. And I think you're going to find that the Senate is properly going to make the decision that the President put before us....

Will: Maybe we should elect Supreme Court justices if we're to give them a political test?

Moynihan: We don't give them a political test. We give them a test of judicial appropriateness, judicial competence at some level, surely....

Donaldson: You say you are going to hold hearings and make a judgment. Some Democrat have already made a judgment. Within a couple hours of the nomination Senator Kennedy took to the floor and denounced Bork in very strong terms. Does this help opponents of Bork to have that kind of opposition announced before you even hear what the man has to say?

Moynihan: Well, it won't hurt....

Donaldson: Should Democrats be prejudging this case?

Moynihan: No.

Donaldson: Let's go to another hearing. Oliver North is coming Tuesday. Do you expect him to lie?

Moynihan: He better not or we will put him in jail.

Donaldson: He's already testified to the staff on the narrow question of whether or not the President knew anything about the diversion of money to the contras. What did he tell them?

Moynihan: I don't know, nor should I. I'm not on that committee.

Will: The President this week proposed an economic bill of right. One of the things he proposed was that in order to raise taxes, the Congress should have a special majority.... What's the matter with that?

Moynihan: What's the matter with that is what's the matter with the whole idea of an economic bill of rights. That's something the Soviet Union is always proclaiming.... I don't think we're ready for a constitutional convention. We can amend the constitution and we have done so.

THIS WEEK WITH DAVID BRINKLEY (continued)

Will: What do you say to those who make the following argument -- the Democrats, instead of arguing for a \$290 billion defense budget, should have a \$29 billion defense budget, because their opposition to reflagging indicates that they won't even use the Navy to protect merchant shipping, which is what the Navy's for, in a region that is vital.

Moynihan: The American Navy is not for rent. The American flag is not for sale. Those Kuwaitis...when they found we were shipping to Iran, did something absolutely treacherous. They went to Moscow and said, Moscow, you come to the Gulf. And then we'll get the Americans to follow them. And this flagging is Kuwaiti policy. It is not an American policy. We want an American policy.

Donaldson: We have no choice, do we, but to stay there?

Moynihan: We have a choice other than putting our flags on their ships.... We have asked that there be a conference of exporters and importers of oil from the Gulf and that they ask what can be done about the Iran-Iraq War. And we ask ourselves, what do our allies in Europe and friends in Asia -- and see if we can't get a collective position in favor of our staying in there and the Russians staying out. The Russians have already, thanks to the Kuwaitis, gotten what is to them essential -- which is the opportunity to say, you can't make any decisions in this place without us being involved. They called on Friday for us -- all warships to leave the Gulf.

Donaldson: Should we?

Moynihan: We should not. We are there and we must stay there. And if the President would give us a chance, and give us a policy, we'd be behind it.

Guest: Howard Baker.

Brinkley: The President has enough problems already. Couldn't he have avoided another one by nominating someone slightly less controversy than Judge Bork for the Supreme Court?

Baker: He probably could, but you know that's very Ronald Reagan-like. He not only states his beliefs, but he acts on them and I think the Bork nomination is a good example of that.... This man is not going to become a lame duck President for a long, long time and he is acting very Presidential. He's acting on long-held beliefs and I think it's going to be an interesting time.

Will: What have the Senators said to you regarding this nomination?

Baker: ...Their general view was that it would be a controversial nomination, but the President has the right to make his choice and that the Senate would address the issue. I got no indication from Senator Byrd, for instance, that there would be a delay for the sake of delay on the nomination.

THIS WEEK WITH DAVID BRINKLEY (continued)

Baker continues: I have some view that some people would like to tie it to other matters. But I think the leadership of the Senate is going to go forward with it.... We're at a crossroads for the philosophical direction for the country and we have been since Ronald Reagan's first election in 1980. So this a continuation of it.... I expect Judge Bork is going to be confirmed but not until there's been a searching evaluation of him and a very heated debate.

Will: You just heard Sen. Moynihan's criticisms of the Administration's reflagging policy. What's your response to that?

Baker: I think it's consistent policy and it goes back beyond this Administration. For many, many years the proposition that the Persian Gulf must remain open and [there must be] excess for the free world to the oil of that region.... I think that the reflagging is an aspect of it most recently developed and I think the U.S. has acted appropriately under the circumstances.

Donaldson: We have a timetable of a week to ten days before the escorting begins. Is that timetable correct and on target?

Baker: I think so....

Donaldson: Yesterday the Soviets suggested that all vessels that are foreign to the Gulf be removed. Will we look favorably on that idea?

Baker: If the Soviets will remove theirs, perhaps we will take a fresh look. My guess is if we took our historic naval presence out of the Persian Gulf, that the Russians would soon be in with their own.... My hope is that the U.N. Security Council can indeed enforce a ceasefire and give us all an opportunity to get away from a very, very difficult situation....

Will: ...How often did North see Ronald Reagan? Washingtonian Magazine reports that he had constant, ready unlogged access. Can you tell us from what you know about how the White House was run before your regime, is that possible?

Baker: I really do not believe that is possible.... I can tell you the President has read that piece and I find it astonishing and I will report that I believe the President finds the allegations astonishing as well. That article describes a situation that I'm confident did not occur and based on my knowledge of how the Oval Office operates, and how access to the President is controlled, could not have happened. I would urge you to consider that Oliver North was a second or third level staff person. He did not have access to the President. We have searched the record. We have combed those records...and I do not believe Oliver North ever saw the President by himself on a one-on-one basis....

Donaldson: Do you expect North to tell the truth?

THIS WEEK WITH DAVID BRINKLEY (continued)

Baker: I don't have any reason to think Col. North will not tell the truth. I have not talked to Col. North. I don't know what he's going to say but I can tell you this -- I look forward to his testimony on Tuesday and I know the President does as well because there's been so much speculation about it and so many articles about what he will say or will not say that I think getting him on the record publicly is the only way to put that to bed.

Will: If, as the President says, there is no give in his opposition to any form of tax increases -- does that not mean that the President is saying that low taxes are more important than his defense budget?

Baker: A budget is clearly a statement of priorities.... The President's budget is a good budget. It's the only budget that's in play right now that is prepared by the agency of government that has the responsibility for administering that budget.... The important point is we've got to have a budget. The Congress and the President must govern and in order to govern there must be appropriations and those appropriations must be administered. So, at some point, we have to either sit down and work out a compromise or there has to be a budget submitted to the President that he can approve....

Donaldson: At some point Ronald Reagan is going to have sit down with the Democrats. When is Mr. Reagan going to sit down and enter into the negotiations?

Baker: Why do you think he needs to do that? I'm confident that the President of the U.S. is willing to negotiate in person if that's necessary. But right now we are not close enough on budget reform, on a enforceable and dependable mechanism for carrying out any agreement we make for me to go to the President of the U.S. and say, "You should sit down personally and do this." When we have a handful of issues that have to be resolved -- that is presidential. When we're talking about the rules of the game and the rules by which we will play -- that's my job.

Will: Are you still bullish on the prospect of a summit and particularly, can you see one happening before Christmas?

Baker: I'm still optimistic. I'm no less optimistic than I was before.... The President is anxious to have an arms control agreement on INF systems with the Soviet Union.... But the point I make is this -- this President is equally able to walk away from a bad agreement as he is to celebrate a good agreement. And the Soviets know that -- he's a tough bargainer and he's no patsy in the final 18 months of his term. If he can get a good agreement, there will be a summit and great celebration. If he can't, he'll walk away from it.

Will: The Democrats had a debate. Did you watch it and what did you think?

Baker: I watched part of it, but I have to confess, I did not watch all of it. It was well done. I thought Brinkley and Strauss were the best and I thought that the potential nominees were not terribly at ease, but you can expect that.... I must confess in all candor and absolutely honesty, I was not terribly impressed.

THIS WEEK WITH DAVID BRINKLEY (continued)

Donaldson: There are persistent reports that hostages have been moved from Lebanon to Iran. There's a report this morning that Terry Waite is dead. Do we have any information to substantiate any of those reports?

Baker: I do not believe we have any information. I'm not in Washington and don't have today's President's intelligence briefing but I have no reason to think that there are American hostages moved from Beirut into Iran. I do not believe that is the case. On the Terry Waite matter -- that is so uniquely and specially a British matter that -- I don't have any information -- but I think in any event, we refer to the British to make any remarks they care to. They are handling those negotiations and those efforts to obtain his release.

FREE-FOR-ALL DISCUSSION (Hodding Carter joins panel.)

Brinkley: The President said he is so opposed to tax increases that the Constitution should be amended to require a super majority in Congress to raise taxes. Is that likely to happen and is it a good idea?

Will: It's not likely to happen. I'm not sure it's a good idea.... Our problem is that we'd really rather not live within our means.

Donaldson: It's a bad idea and why not have any other law required to be passed by two-thirds majority of three fourths majority? If we had a super majority necessary to raise taxes and he combines that with any new spending...we won't have Star Wars. We wouldn't have the MX. We wouldn't have a lot of the military spending that he himself pushes....

Carter: It helps to take the focus off the reality that he has raised taxes himself, several times. And, he has yet to offer a balanced budget in any of the years he's had the opportunity to do it....

Will: The question is -- can you maintain, as conservatives want to do, rightly in my judgment, a strong defense establishment -- you cannot if you force the legislature to choose constantly between wheelchairs and missiles. We know what's going to win and that's how the issue will be put. So what the President may have done by taking a large bite with the 1981 tax cuts out of the revenue base of the federal government is get five years of defense buildup, but put in place 20 years of pressure against the defense establishment.

Carter: That's not a bad thing anymore than it's a bad thing that, in fact, he's done something which no liberal likes to admit -- which is to force choices or more choices than you've ever had before on the domestic side....

Brinkley: Mr. Reagan has created another problem by nominating to the Supreme Court Robert Bork.... This is one fight he could have avoided, but chose not to.... Why did he do it?

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THIS WEEK WITH DAVID BRINKLEY (continued)

Carter: Because it's a great fight for him.... It's a good fight. It's a particularly good fight because it forces liberals to confront the reality we don't want to confront which is that we are depending, in large part, on the least Democratic institution of government to defend what it is we are no longer winning out there in the electoral process.... It's a fight the Democrats are going to lose. When it's over, he will have been reincarnated--

Donaldson: I'm not sure the Democrats are going to lose it....

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Moderator: Lesley Stahl.

Guests: John Thompson, Head Basketball Coach of Georgetown University; George Steinbrenner, Principle Owner of the New York Yankees; Frank Robinson, Baltimore Orioles Coach; Harry Edwards, University of California Sports Sociologist.

Editor's Note: This week's edition of "Face the Nation" focused on the question, "How pervasive is racism in sports?"

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Editor's Note: "Meet The Press" was pre-empted by the Wimbledon tennis match.

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THE McLAUGHLIN GROUP

Moderator: John McLaughlin. Panel: Fred Barnes, Eleanor Clift, Carl Leubsdorf, David Gergen.

ON ROBERT BORK'S NOMINATION

McLaughlin: Is Judge Bork professionally and personally qualified to serve on the high court?

Barnes: Of course he is -- everyone knows that, which is why he was the only person that Ronald Reagan and his Administration seriously looked at...and it's also why the Democrats and the liberals who oppose him have had to go to a purely ideological argument for stopping Bork.

Clift: I think he is qualified although people like me...wish he were not qualified. I think the Democrats are going to strive to find something in his record -- to find some skeleton -- but unless they do they are not going to be able to block him on ideological grounds.

Leubsdorf: I think the White House has played into the hands of the Democrats on this one -- that if they nominated a sitting, southern judge of impeccable qualifications, except very conservative, it would have been a much harder target than Bork. To the liberals, Bork represents all that's wrong with Nixon and Reagan and I think he's a wonderful political target for them.

Gergen: The Senate has already said that Bob Bork is qualified to be a leading jurist when it confirmed him to the Court of Appeals.... The issue is whether the Senate is going to block someone with whom it disagrees ideologically. I don't think they will -- I think he's going to go through.

McLaughlin: Will Judge Bork be confirmed to serve as an Associate Justice on the U.S. Supreme Court?

Barnes: Yes. Clift: Yes. Leubsdorf: Yes, but it'll be close.

Gergen: I think he'll be confirmed by a large margin.

McLaughlin: Large margin.

ON SOUTH KOREA

McLaughlin: ...How did this astonishing turn toward democracy happen?

Barnes: ...The Reagan Administration deserves some credit here. All these liberals keep saying that when some nation, during the Reagan Administration, goes from an authoritarian regime to a democracy that it's just luck. It's not just luck. It wasn't luck in the Philippines. It certainly wasn't luck in Grenada and it wasn't luck in South Korea. The Reagan Administration prodded them in the right direction.

MCLAUGHLIN GROUP (continued)

Clift: Let's give the President credit for the obvious. He was on the side of democracy, but where else could he have been and I think without the Olympics, Reagan's prodding wouldn't have done anything.

McLaughlin: Have you heard the report that President Reagan sent a letter to Chun that was extraordinarily harsh, insisting that he take some action? So, we must give Ronald Reagan his due on this.

Gergen: The President's policy in the part of the world has been remarkably successful....

ON GLASNOST

McLaughlin: ...Is it in our interest to help the Soviet Union reform?

Gergen: It is not in our interest to help the Soviet Union become a technological giant. It is in our interest to see it become a more democratic society. But I think, most importantly, it is in our interest to be very tough and very firm on the foreign policy questions and to not sell them high-tech equipment.

ON DEMOCRATIC CANDIDATES' CRITICISM OF THE PRESIDENT

McLaughlin: The candidates generally avoided attacking one another, instead they mercilessly criticized Ronald Reagan.... Is Reagan-bashing going to be the only engine of the Democrats campaign?

Leubsdorf: It isn't the only engine, but if you're playing to a Democrat audience, it's not a bad thing to do. The bloom is off the Reagan rose....

McLaughlin: I saw a poll that said Ronald Reagan's approval rating has up-ticked 6 points since it was down in March.

Leubsdorf: It's not relevant. People still like this President personally, but they don't think he can handle the major questions facing the country....

Barnes: What the rhetoric in that debate really showed was that the Democrats once again are being pulled too far to the left and that they can still lose in 1988....

PREDICTIONS

Barnes: The big winner in next week's Iran-contra hearings is going to be Ollie North. He goes in with a terrible reputation but will be contrite and will defend some of the things he's done very adequately and will come out with a much enhanced reputation.

Gergen: Congress and the White House for a long time have tried to figure out a how to handle intelligence oversight -- they will strike an agreement within the next three weeks.

McLaughlin: The latest move of Mikhail Gorbachev's to command the world stage will be to serve as mediator in the Iran-Iraq war.

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AGRONSKY & COMPANY

Moderator: Martin Agronsky. Panel: James Kilpatrick, Carl Rowan, Elizabeth Drew, Hugh Sidey.

ON ROBERT BORK'S NOMINATION

Agronsky: Will Judge Bork be confirmed and should he be?

Kilpatrick: Of course he should be confirmed. He will be confirmed I think by a vote of about 60-40 towards the end of the year.

Rowan: I have a lot of fear that he will be, but I hope to heaven he will not be.

Drew: He could be blocked.... I think it's a real open question as to whether he will be confirmed.

Sidey: I think he will be confirmed. I think he should be. The quality of the criticism is very disturbing....

Rowan: If they vote for Bork they are almost certainly going to wipe out 50 years of social progress in this country.

Drew: The key issue is that this person is the swing vote. The stakes are high. I think everybody's behaving quite predictable....

Sidey: There is a point that these branches of government have to accept what the other suggests. We need a debate on his qualifications, on his ideology -- all of that. But if this proves reasonable and within the normal realm, it seems to me that the Congress is obligated, if this system is going to work--

Rowan: There are a lot of people who say the President, a conservative, won by a landslide and he has the right to pick his man on the Supreme Court and Hugh's suggestion is that a nice, sweet Senate ought to just say he's entitled to this. But we must also remember that even after the President's election, the American people gave control of the Senate to the Democrats. They have a constitutional right to advise and consent or not consent.... A lot of these people are looking and seeing that for 6 and a half years, this President could not get his social agenda past the Congress, past the court; and I think the Senate has the right to say, do we want to let him do what he has been unable to do in turning all these clocks back?

Drew: I think the White House actually welcomes this fight because it gets Reagan's juices going -- gives him a real fight to make. But at the end, I do not see how the Senate can prevent Reagan from filling that seat before the next President comes into office.

Agronsky: This turns attention to a controversy that Mr. Reagan would like us to focus on rather than a controversy and a concern that is building up in the Iran-contra hearings.

AGRONSKY & COMPANY (continued)

ON IRAN-CONTRA HEARINGS

Agronsky: Do you think that Col. North will reach out toward a greater involvement of the White House than now exists?

Rowan: I'm not sure whether he can believe him no matter what he says. But I don't think all of it rests on North's testimony. I think Poindexter is going to have some interesting things to say and I look forward to the questioning of Ed Meese....

Drew: There are many people who feel that Poindexter is the more important witness, because he spend much more time with the President. There is also the problem of North's believability.... The key question is what was the President's role in this overall constitutional break down and ...that he may have participated in an illegality in 1985 in the arms sales.

Sidey: I don't think this next session with Mr. North will be quiet as one-sided as it has been up to now.

ON SOUTH KOREA

Agronsky: Did we really have a role?

Drew: I think the Administration did have a role but I think in the end we have to say that the Koreans did this themselves....

-End of News Summary-



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, JULY 6, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Might Reconsider Stance In Gulf After Ceasefire -- The U.S. might withdraw its warships from the Persian Gulf if there was a ceasefire in the Iran-Iraq war and the Soviets did the same, White House Chief of Staff Howard Baker said. (Washington Post, AP, Reuter)

NATIONAL NEWS

'Pyrotechnics' Begin Over Bork -- Heavy hitters in the pro-civil rights community weighed in Sunday for the fight against federal appellate Judge Robert Bork's nomination to the Supreme Court. (USA Today, Wall Street Journal, Washington Post, Washington Times, UPI)

IRAN-NICARAGUA

North Testifies Tomorrow, But Credibility Is Thin -- Oliver North ends seven months of public silence about the Iran-contra affair on Capitol Hill tomorrow and doubts about his credibility as a witness. (Wall Street Journal, Washington Times, AP, Reuter)

NETWORK NEWS (Sunday Evening)

IRAN-CONTRA -- There were new allegations about the power Oliver North had in the White House and his relationship with the President.

PERSIAN GULF -- Chief of Staff Baker expressed interest in a new Soviet proposal that all foreign warships leave the Persian Gulf.

ARMS CONTROL -- A meeting between Secretary Shultz and Soviet Foreign Minister Shevardnadze may not be held until August.

INTERNATIONAL NEWS...A-2

NATIONAL NEWS.....A-6

IRAN-NICARAGUA.....A-9

NETWORK NEWS.....B-1

TALK SHOWS.....C-1

INTERNATIONAL NEWS

'FRESH LOOK' POSSIBLE IF SOVIETS LEAVE GULF

White House Chief of Staff Howard Baker said that the U.S. might reconsider its plan to escort Kuwaiti oil tankers in the Persian Gulf if the Soviet Union leaves the region.

"If the Soviets will remove theirs, perhaps we'll take a fresh look," Baker said. "But we're certainly not going to cede control of that region to the Soviet Union."

"My guess is that if we took out historic naval presences out of the Persian Gulf that the Russians would soon be in with their own. After all, they're much closer than we are," Baker said.

(AP story, Washington Post, A4)

U.S. Might Reconsider Stance In Gulf After Ceasefire

The U.S. might withdraw its warships from the Persian Gulf if there was a ceasefire in the Iran-Iraq war and the Soviets did the same, White House Chief of Staff Howard Baker said.

It was Washington's first reaction to the Soviet Union's call last Friday for foreign warships to leave the gulf and prevent a possible escalation of hostilities.

Baker said the best hope for a solution was the effort by the U.N. Security Council to approve a ceasefire resolution and win agreement from Iran and Iraq.

Baker said the U.N. effort, which President Reagan initiated, would "give us all the opportunity to get away from a difficult situation."

(Reuter)

U.S. Would Reconsider Gulf Presence If Soviets Get Out, Baker Says

White House Chief of Staff Howard Baker said the U.S. would reconsider its plan to escort Kuwaiti oil tankers in the Persian Gulf if the Soviet Union also gets out of the region.

Baker maintained that the U.S. also has a legitimate reason for a gulf presence.

"It is an unbroken commitment of the United States for many years, for decades, to see that the Persian Gulf does not become a Russian lake and that we do not let anyone interfere with our right of international transit through the Strait of Hormuz and in that region," Baker said.

(Donna Cassata, AP)

DEMOCRATS: STILL TIME TO BLOCK REAGAN'S PERSIAN GULF PLAN

As Navy warships prepare to carry out President Reagan's policy of protecting Kuwaiti oil tankers in the Persian Gulf, congressional Democrats are trying to muster a consensus on how to block or delay the plan.

"I really don't think it's too late yet, but we don't have a lot of time," said Rep. Mike Lowry as he tried to round up votes for his measure calling for a delay in the plan to protect the 11 Kuwaiti tankers.

Lowry's proposal is scheduled for a vote Wednesday as the House considers a bill authorizing the Coast Guard budget. Meanwhile, the Senate is set to consider a resolution Tuesday asking Reagan to put his plan "in abeyance" for an indefinite period.

(Tim Ahern, AP)

PRIME MINISTER LAUDS SOVIET PLAN, DENOUNCES U.S.

NICOSIA, Cyprus -- Iran's prime minister on Sunday described as "constructive" a Soviet proposal that all foreign warships withdraw from the Persian Gulf and he denounced the U.S.

Tehran radio reported Hussein Musavi accused the U.S. of being aligned with Iran's foe, Iraq, and of "adventurism" in the oil-rich gulf.

Tehran radio quoted Musavi as telling East Germany's visiting Chemical Industry Minister, Gunther Wyschofsky, that a Soviet proposal "for the evacuation of foreign warships from the region and a halt on attacks on commercial ships is a constructive proposal."

(Ed Blanche, AP)

U.S. CONGRESSMEN DISCUSS GULF WAR WITH IRAQI LEADERS

BAGHDAD, Iraq -- A delegation of 12 U.S. congressmen met with Iraqi Foreign Minister Tariq Aziz on Sunday to discuss the Iran-Iraq war and U.S. operations in the Persian Gulf, a U.S. Embassy official said.

The delegation, led by Rep. Les Aspin, chairman of the House Armed Services Committee, flew into Baghdad on Sunday after talks with officials in Kuwait and an earlier stop in Bahrain.

(Salah Nasrawi, AP)

FRANCE SAYS NORMALIZATION EFFORTS WITH IRAN SUSPENDED

PARIS -- France, embroiled in a dispute with Iran over an Iranian Embassy employee sought by French police, said that efforts to normalize relations with the Islamic republic had been suspended.

Foreign Minister Jean-Bernard Raimond, in an interview with French television from Amman, Jordan, said France wanted to improve relations with Iran but "not at any price."

"It is clear for the moment that as far as conversations between states are concerned, the normalization process is suspended," Raimond said at the start of a two-day visit to Jordan.

(Reuter)

HUSSEIN SAYS HE WON'T SEEK ARMS FROM WASHINGTON AGAIN

VIENNA -- King Hussein of Jordan was quoted as saying he was disappointed by the Reagan Administration's decision to halt arms sales to Amman and would never again seek weapons from the U.S.

The king, in an interview with the Austrian news weekly Profil, also called on Washington and Moscow to help solve the Palestinian issue, which he called a threat to world peace.

Asked about his reaction to the U.S. arms decision, Hussein said: "Of course I am disappointed.... I hope that the U.S. will find a way to play a role which is worthy of a superpower."

Washington had cut arms supplies even though it had been Jordan's traditional supplier. "We have decided never again to seek weapons from the U.S.," King Hussein said.

(Reuter)

FREER FARM TRADE BY THE END OF '88 SET AS REAGAN AIM

The Administration will announce on Monday that it intends to seek agreements by the end of President Reagan's term to phase out farm export subsidies and trade barriers to the agricultural products of the U.S. and other nations, officials said.

But they noted that some other countries, whose cooperation was essential, appeared reluctant to move as quickly.

This program would mean wide changes in domestic farm policies but, as currently envisioned, it would not mean reductions in farmers' incomes for 10 years or more, according to the officials.

"We're looking at removal of subsidies, removal of trade barriers and such things as normalization of sanitary health standards," Secretary Lyng said. "We're hoping the negotiations can be done in a year and a half -- by the end of '88. That's our target for obvious reasons."

(Peter Kilborn, New York Times, A1)

BONN EYES IMPROVED SOVIET TIES

BONN -- West German President Richard von Weizsaecker flies to the Soviet Union Monday for an official state visit viewed here as confirmation that relations between Bonn and Moscow finally are poised for a sustained improvement.

The chief of state's trip could mark the breakthrough in Soviet-West German ties that Chancellor Helmut Kohl's center-right government long has desired but been unable to attain, according to West German officials and Western diplomats.

(Robert McCartney, Washington Post, A13)

Soviets Seek Arms-Control Progress During Weizsaecker Visit

MOSCOW -- Moscow is hoping today's visit by West German Richard von Weizsaecker will promote better understanding on arms control and improve bilateral relations, Soviets officials said.

Foreign Ministry officials said last week that, for Moscow, an important item on the agenda would be West Germany's Pershing 1-A missiles, which the Kremlin says are hampering a superpower accord to remove medium- and shorter-range missiles from Europe.

(Helen Womack, Reuter)

AFGHAN REBELS SAID TO HIT FOE HARD U.S.-Soviet Political Maneuvers Back Up Intensified Fighting

U.S.-backed Afghan insurgents have inflicted the highest casualties ever on elite Soviet troops trying to cut off guerrilla supply routes along the Pakistani border during the past six weeks, according to a senior Administration official.

The latest fighting comes against the backdrop of apparent determination by both the U.S. and the Soviet Union to intensify the military confrontation even as long-term maneuvering has begun for a possible political settlement to the war.

(Richard Weintraub & David Ottaway, Washington Post, A1)

SPECIAL ENVOY ARRIVES HERE FROM PANAMA Ex-Foreign Minister Aims To Ease Tensions

Panama has sent former Foreign Minister Aquilino Boyd to Washington as a special ambassador in an attempt to ease the tensions that have brought the Reagan Administration close to confrontation with Gen. Manuel Antonio Noriega, Panama's military strongman.

Boyd's arrival over the weekend came as a surprise to State Department officials, who said they did not know he was here. However, Adolfo Arrocha, acting head of the Panamanian Embassy, said Boyd -- also a former ambassador to the U.S. and the U.N. -- would begin today to contact U.S. officials in an effort to explain the government's position in the pro- and anti-Noriega demonstrations that have wracked Panama since June 9. (John Goshko & Dennis McAuliffe, Washington Post, A1)

President Promises Investigation Of Opposition Charges

PANAMA CITY, Panama -- President Eric Delvalle said he had ordered an investigation of allegations of corruption, election fraud and conspiracy to murder against Panama's top military officer.

In a nationally broadcast speech aimed at defusing a month-old political crisis, Delvalle said the accusations against Gen. Manuel Antonio Noriega, commander of the defense force, "demand a prompt and effective investigation."

Delvalle also called for talks with opposition leaders "to reach a solemn commitment for a national conciliation, based on the justice, democracy and liberty that we all anxiously desire." (Reid Miller, AP)

GOVERNMENT FREES POLITICAL PRISONERS

SEOUL -- The government on Monday released 177 people it had arrested for anti-government activity before nearly three weeks of huge protests prompted it to agree to sweeping democratic reforms.

In another development, a student hit by a police tear gas canister died Sunday, and students trampled flowers sent by the governing party and marched in protest. Police replied with tear gas for the first time since President Chun Doo Hwan promised the reforms last week.

The main opposition Reunification Democratic Party is demanding that the government allow a public funeral for Lee Han Yul, 21, who died after 27 days in a coma. (David Thurber, AP)

Korea Frees Some Political Prisoners

SEOUL -- President Chun Doo Hwan's government began freeing political prisoners under a proposed reform package, but tensions persisted as protests erupted after the death of a student wounded last month by an exploding tear-gas grenade fired by police.

A total of 177 people arrested in recent anti-government protests were set free, including a leading opposition politician and 11 other people who organized massive protests on June 10. During the week, about 310 more will be released, authorities said. (James Kim, UPI)

NATIONAL NEWS

REAGAN'S MOOD IS UNCOMPROMISING Efforts On Bork, Economic Agenda Reflect A Rightward Turn

In the final stages of his presidency, Ronald Reagan is turning to the right and hanging tough.

White House aides said Reagan's choice of Robert Bork to fill an unexpected Supreme Court vacancy and the resurrection of his old-time conservative economic agenda in a speech at the Jefferson Memorial on Friday both were parts of an effort to prevent his presidency from fading into the past tense under pressure from a restive Democratic Congress and the Iran-contra scandal.

Some Republicans say that Reagan's renewed enthusiasm over his conservative agenda gives him a chance to regain the political initiative he lost late last year, when Democrats won control of the Senate and the Iran-contra scandal broke.

But other Republicans are worried that Reagan's turn to confrontation may have doomed the prospects of a genuine budget compromise with the Democrats despite Chief of Staff Howard Baker's determination to attain one. According to a senior Administration official, Baker was headed toward a negotiated compromise with Democratic congressional leaders when he was personally deterred by Reagan, who made it clear he would not agree to revenue increases of any sort.

(Lou Cannon & David Hoffman, Washington Post, A1)

Reagan Keeps Focuses Away From Hearings

Avoiding the heightened Iran-contra drama on Capitol Hill, President Reagan will be out selling his economic rhetoric to the public this week in his push for an active final 18 months in office.

Speaking today to members of Kiwanis International and traveling Wednesday to new Britain, Conn., Reagan is promoting his economic principles as attention focuses on an important new phase of the investigation into his worst crisis.

(Norman Sandler, UPI)

DEMOCRATS PLAN NEW TACTICS ON FISCAL FRONT Gamesmanship Between Hill And President May Have Major Implications For 1988

After adopting a budget whose deficit reduction goal relies to a great extent on a \$19.3 billion tax increase that President Reagan has promised to veto, Democrats are moving on two fronts in preparation for the next stage of their fiscal battle with the Administration.

For the short term, congressional leaders are searching for a way to package the tax increase that exerts the maximum pressure on Reagan to sign it. But anticipating that Reagan will not buckle, some Democrats are already discussing how to turn the expected veto to their political advantage by sending him a tax proposal that targets the wealthy.

Put simply, Democrats who fear that Reagan still commands the high ground on the tax issue are looking for cover. Both politically and fiscally, the stakes in the evolving gamesmanship are high.

(Tom Kenworthy, Washington Post, A6)

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BORK AND THE TRUE BELIEVERS

True believers on both sides share an enviably clear view of the shape that the Supreme Court will take if U.S. Appeals Court Judge Robert Bork survives the Senate confirmation process.

As expressed by Daniel Popeo, founder of the conservative Washington Legal Foundation, "We have the opportunity now to roll back 30 years of social and political activism by the Supreme Court." Making the same point from a different perspective, Ralph Neas, executive director of the Leadership Conference on Civil Rights, said Bork's confirmation would "jeopardize the civil rights achievements of the past 30 years."

But history suggests that picking Supreme Court justices is less than an exact science. Times change and justices change. Many disappoint those who appointed them.

Whether Bork will be confirmed by the Senate is not clear. What is even less clear is whether the Court would be transformed by his presence. Perhaps the true believers will once again be disappointed.

(Column, Lou Cannon, Washington Post, A2)

Bork Nomination Roils Democratic Liberals, GOP Conservatives

President Reagan's nomination of conservative appeals court Judge Robert Bork has energized the liberal wing of the Democratic Party, but it has also animated Republican conservatives, according to observers on both sides.

Arthur Kropp, executive director of People for the American Way, a liberal lobby, vowed his group would "spend every dime we can raise" to defeat the nomination. "This is our most important project this year," he said in a recent interview.

But White House Chief of Staff Howard Baker predicted the 60-year-old Bork would win confirmation after a tumultuous and pyrotechnic debate in the Senate.

Baker, appearing on ABC's "This Week," called the Bork nomination "very Ronald Reagan-like."

The President "not only states his beliefs but he acts on them and I think the Bork nomination is a good example of that."

(Ralph Hallow & Jeremiah O'Leary, Washington Times, A2)

'Pyrotechnics' Begin Over Bork

Heavy hitters in the pro-civil rights community weighed in Sunday for the fight against federal appellate Judge Robert Bork's nomination to the Supreme Court.

"Judge Bork is a compulsory pregnancy man...too conservative on race, women's rights and reproductive freedom," teacher Jane Stern...told the 8,000 National Education Association delegates in Los Angeles. They then voted overwhelmingly to oppose him.

Bork supporters, led by the Washington-based American Conservative Union, swear they'll fight fire with fire.

"It's going to be a controversial, tumultuous, even a pyrotechnic debate," White House Chief of Staff Howard Baker acknowledged....

But, he said, President Reagan was ready to fight. "This man is not going to become a lame duck president for a long, long time."

(Jessica Lee, USA Today, A1)

Bork's Abortion Views Looming Larger As Problem In High Court Confirmation

Opposition grew to the nomination of Judge Robert Bork to the Supreme Court, with the judge's views on abortion looming larger as a confirmation problem.

While resistance to the 60-year-old conservative is likely to be strongest among liberal Democrats, unexpected concern was voiced Friday by Sen. Robert Packwood, a moderate Republican from Oregon. Packwood, a longtime defender of the Supreme Court's 1973 decision establishing the constitutional right to abortion, said he would filibuster the nomination if Bork doesn't agree to abide by the 14-year-old ruling.

Even with Packwood's statement, confirmation fo Bork remains likely.... (Stephen Wermiel, Wall Street Journal, A2)

NAACP Plans 'All-Out' Fight Against Bork

NEW YORK -- NAACP Executive Director Benjamin Hooks, opening the organization's 78th annual conference, vowed that his group will stop the nomination of Judge Robert Bork to the Supreme Court.

Hooks charged that elevation of the conservative U.S. appeals court judge to the high court, which requires Senate confirmation, would result in a "rollback" on court decisions guaranteeing civil rights.

"We will go all out in seeing that Bork in not appointed to the Supreme Court," Hooks said, outlining conference goals at a news conference. (UPI)

HILL POLITICS BLAMED FOR SLOW ACTION ON JUDGES

With more than half of President Reagan's judicial nominations this year still unconfirmed by the Senate Judiciary Committee, Administration officials are accusing Senate Democrats of a politically inspired effort to stall federal court appointments.

"There is a concerted effort, a calculated game plan that the Democrats are playing now, which is designed to slow down in every way that they can so as to prevent the President from having his full opportunity to have the nominees he has selected be put on the courts," Assistant Attorney General William Bradford Reynolds said in an interview.

(Geroge Archibald, Washington Times, A1)

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IRAN — NICARAGUA

REAGAN AWAITS NORTH TESTIMONY AMID FRESH REPORTS OF INTRIGUE

President Reagan is eager to hear testimony this week from Iran-contra figure Oliver North, who fresh reports have portrayed as a key member of a shadow U.S. government.

...White House Chief of Staff Howard Baker said the President looked forward to hearing North's testimony.

"There has been so much speculation and so many articles published about what he will say that getting it on record publicly is the only way to put that to bed," Baker said on ABC's "This Week with David Brinkley."

The Miami Herald reported North had a plan to suspend the Constitution and invoke military law in case of nuclear attack or a U.S. invasion abroad sparked domestic turmoil.

It also said North was part of a secret government operating outside the control of legitimate federal agencies. The Herald said its report was based on interviews with government officials and congressional investigators and a secret memorandum written by the chief counsel for the Senate committee probing the Iran-contra scandal.

(Kenneth Barry, Reuter)

North Testifies Tomorrow, But Credibility Is Thin

Oliver North ends seven months of public silence about the Iran-contra affair on Capitol Hill tomorrow and doubts about his credibility as a witness.

White House Chief of Staff Howard Baker disputed renewed reports that North had frequent personal access to President Reagan, as the former National Security Council aide has claimed.

Baker said both he and [the President] found "astonishing" a Washingtonian magazine report that North slipped in and out of the Oval Office through a side door for frequent, undocumented visits with the President.

"Oliver North was a second- or third-level staff person," Baker said on ABC's "This Week." "He did not have access to the President."

(Mary Belcher, Washington Times, A1)

Long Lines For Scarce Seats For North's Appearance

Oliver North's appearance before the congressional Iran-contra investigating committees will play to a packed hearing room and a curious White House.

"I don't know what he's going to say," White House Chief of Staff Howard Baker said. "But I can tell you this: I look forward to his testimony on Tuesday, and I know the President does as well."

The public, however, apparently sees things differently. U.S. News & World Report, reporting on a Roper Organization poll taken June 29-30, says 59 percent of the respondents believe North will not tell the truth.

Fifty-seven percent of those polled also said they believed President Reagan was lying when he denied knowing that money from the Iranian arms sales was going to help the Nicaraguan rebels.

(Phyllis Messinger, AP)

Iran-Contra Panel To Begin Questioning North, Focusing On White House Attempts To Mislead

When the first hints of the Iran-contra scandal surfaced last November, Attorney General Meese tried to help President Reagan by launching a top priority fact-finding effort.

Tomorrow, congressional hearings into the scandal will begin focusing more closely on that inquiry, with Oliver North as the first witness. Investigators will concentrate especially on six crucial days when false chronologies were assembled and classified documents were altered, shredded or smuggled off the White House grounds.

(Andy Pasztor & Edward Pound, Wall Street Journal, A26)

North To Tell Story In Long-Awaited Appearance

Oliver North will step forward this week, take an oath to tell the truth and reveal to the nation for the first time his version of the Iran-contra scheme he masterminded and then allegedly tried to cover up.

In what is likely to be the most riveting testimony to date in the congressional investigative hearings, North will be asked what President Reagan and the late CIA Director William Casey knew about the Iran-contra venture.

Equally fascinating as North takes the stand Tuesday will undoubtedly be revelations about the philosophy that drove the 43-year-old Marine who has been described alternatively as charismatic, patriotic, conniving, zealous and deceitful.

(Rita Beamish, AP)

NORTH URGED LENIENCY FOR HONDURAN GUILTY IN COUP PLOT

Current and former Administration officials have told Iran-contra investigators Oliver North improperly sought leniency for a Honduran general convicted of plotting to kill his nation's elected leader.

North...repeatedly urged officials at the NSC, State Department and Justice Department in September to ask U.S. judicial authorities to parole or reduce the sentence of Gen. Jose Bueso Rosa, the officials testified last month, according to congressional sources.

Bueso, once his country's No. 2 military commander, was sentenced to five years in prison after pleading guilty in U.S. District Court in Miami last summer to two counts of traveling in 1984 to conspire to kill Roberto Suazo Cordova, who was then president of Honduras.

The congressional Iran-contra committees...have been examining the propriety and authorization of [North's] unusual attempt to intervene in the judicial process, a source said....

(Neil Roland, UPI)

BETSY NORTH TALKS ABOUT OLLIE VERSUS THE 'BIG GUNS'

NEW YORK -- Oliver North's wife Betsy said her husband's upcoming testimony in the Iran arms case will finally give him a chance to answer what she sees as untrue charges.

"Sometimes I feel like 'they're' up there, they've got all the guns -- and then there's 'us,'" Mrs. North said in an interview published in Life magazine.

"So much has been said -- a lot of which is untrue," she added. "Finally being able to talk probably will be a great relief for him."

(Reuter)

NETWORK NEWS SUMMARY

(Sunday Evening, July 5, 1987)

IRAN-CONTRA HEARINGS/NORTH TESTIMONY

NBC's Garrick Utley: There was the political heat for those involved in the Iran-contra affair -- new allegations about the power Lt. Col. Oliver North had in the White House and his relationship with the President. There were denials too and it all comes less than 48 hours before North begins telling his story publicly.

NBC's Robin Lloyd: The President wasn't answering questions about a report that he held secret meetings with Oliver North.

(TV coverage: The President and First lady arriving on the South Lawn of the White House.)

An article in the monthly Washingtonian magazine claims that North entered the Oval office through a side door, allowing him to see the President without anyone else knowing. On ABC's "This Week" White House Chief of Staff Howard Baker called this report astonishing.

(Sen. Baker: "And I do not believe Oliver North ever saw the President by himself, one-on-one, ever.")

With just two days to go before North begins to testify, another report, this one in the Miami Herald, claims that North played a central role in a secret group within the government and that his influence was so great that he was able to change the orbit of surveillance satellites and ordered the launching of high-flying spy aircraft. Former National Security Advisor Robert McFarlane has told NBC News that this is "a completely fictitious yarn." White House officials have denied that any of the President's aides had operated secretly. Top officials say they will be carefully watching North's testimony.

(Sen. Baker: "I look forward to his testimony on Tuesday and I know the President does as well. Because there's been so much speculation about it and so many articles about what he will say or will not say that I think getting him on the record publicly is the only way to put that to bed.")

White House officials say at this time there are no plans for the President to rebut North's testimony.

NBC's Bob Kur: Lt. Col. North put together and ran what's now known as "the enterprise" -- a network of dummy corporations and secret bank accounts. It was a private, foreign policy network that shipped arms to Iran and diverted the profits to Nicaragua's contra rebels -- certainly a violation of U.S. policy, possibly a violation of the law. Who, if anyone, ordered the operations and to what extent was the enterprise set up to make participants rich -- key questions for North when he testifies here this week. The highly decorated Viet Nam veteran -- he helped plan the 1983 Grenada invasion, supervised the forced landing of the plane carrying the man responsible for the Achille Lauro hijacking and he helped plan the U.S. bombing of Libya.

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Kur continues: Early in the hearings, one Congressman called Ollie North the kind of guy the country needs to do dirty jobs requiring brains and bravery. President Reagan called North a national hero the day he was fired. Secretary of State Shultz did not press North and told an assistant to watch him.... North, under pressure from a criminal investigation too, chose not to testify in Congress without limited immunity and other conditions that frustrated committee members.... Other testimony damaged North's credibility, even among supporters -- testimony about an account set up to provide financial security for North and his family; and the White House meeting at which North led a coverup effort; the contra aid travelers check he appears to have cashed for his personal use; the home security system North accepted, financed from arms sales profits... The committee expects to question North publicly for four days this week.

Utley: And will the questions put to North be the right ones -- questions which will nail down the missing facts? Here are two key ones -- what did the President know about what North was doing? And second, what happened at the White House when some Administration officials developed a cover story to hid what they had been doing? One of the principle questioners will be Senator Paul Trible. I asked him what he will be looking for.

(Sen. Trible: "Who is this fellow Oliver North? What makes him tick? We know he's driven by ideology about the country. But what about the big profits, false statements, coverup? That's an area that has to be pursued if we're going to put these events in context and understand what went on.")

We've heard about the documents but there are also Col. North's personal notebooks. How important are these notebooks and what would they tell you?

(Trible: "North is a note-taker. He's a man that reduces his experiences to writing. In fact, that was his primary purpose at most of the meetings he attending at the White House. He wasn't a policy maker. He was a note-taker. But through his notes we can learn a lot about his activities and the activities of the White House in general. It's a record kept at the time the policy was discussed, the decisions made and implemented. So it helps us reconstruct, faithfully, truthfully, what happened.")

Is the financial aspect a central issue in this investigation or is it a side show?

(Trible: "Money trails lead to truth and they tell us a lot about people and events. That's very important here. The evidence about profits, about merging public and private interest. It says a lot about North. Oliver North is a key player. He's the man who made things happen. Without hearing from Oliver North, we'll never be able to put the pieces of this puzzle together. Hearing from North this week, I believe, we'll be able to answer the essential questions -- how did this happen, how do we avoid these problems in the future?")

(NBC-Lead)

ABC's Brit Hume: Whether President Reagan knew of the contra connection, these hearings have made clear the people involved in it certainly thought he did and there have been repeated suggestions he personally authorized Olive North's actions....

Hume: The suggestion of Presidential approval was strengthened by former NSC advisor McFarlane's testimony about a conversation with North after the Iran arms sales broke.... But neither Col. Dutton nor Gen. Secord turned out to have any first-hand knowledge of whether the President had approved or even knew of what they were doing.... And North's secretary Fawn Hall said she knew of no phone conversations between North and the President....

(Sen. Baker: "We've combed those records, and I do not believe Oliver North ever saw the President by himself, one-on-one.")

But if not from the President, then where did North get his authority? There have been hints that some on the committee feel may point to the answer.... The view [that CIA Director Casey knew everything North has doing] is shared by some on the committee who think North's answers about Casey may be more revealing than what he says about the President.

ABC's Sam Donaldson: White House Chief of Staff Baker, in saying today he doesn't believe Col. North ever had a one-on-one meeting with President Reagan, was responding to a published report in the Washingtonian magazine that said Mr. Reagan and Col. North saw each other regularly, in unlogged meetings. Baker said he and the President find that suggestion wrong and astonishing. Baker said he has no reason to believe Col. North will not tell the truth when he testifies this week. There have been some suggestions that North won't. But Sen. Daniel Moynihan had the last word today on that. Asked whether he expects North to lie under oath, the New York Democrat replied, "He better not, or we'll put him in jail."

(ABC-3)

CBS's Phil Jones: Lt. Col. Oliver North -- known by his cooperators by such names as "blood and guts, steelhammer, and Mr. Good." ...It will be North who can answer the key question, "Was he operating under orders? If so, whose orders? Or was he a cowboy, who is ready to be the fall guy?" ...Did North talk with the President about the diversion? Previous testimony has quoted North as absolving the President.... North also had a special relationship with the late CIA Director William Casey during both the Iranian and contra operations. North appears to be the only one who can explain just how deeply Casey and the CIA were involved. But as a result of all the earlier testimony, North will have more personal questions to answer -- questions that committee members say they don't know how he will ever be able to answer away. There is the \$16,000 gate and security system that he apparently never paid for -- a violation of the law prohibiting gratuities to federal officials. Investigators will want to know if North knew about Albert Hakim's attempts to set up an insurance policy for North and other financial benefits for North's wife and children. There are the hundreds of dollars in travelers checks from a foreign banks cashed by North at local area stores.... And perhaps the most damaging problem -- testimony that he organized a shredding party to get rid of documents once the scandal broke.... But the big question the committees have is, can North be believed even with the protection of Congressional immunity? One witness says no.... According to sources, North's lawyers did not want him to testify before Congress, but North insisted. This could turn out to be the toughest hill "blood and guts" has ever tried to take.

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CBS's Jacqueline Adams: President Reagan wasn't talking today, but his chief of staff says the White House is eager to hear Col. North's testimony.

(TV coverage: The President and Mrs. Reagan arriving on the South Lawn.)

(Sen. Baker: "There's been so much speculation about it and so many articles about what he will say or will not say, that I think getting him on the record publicly is the only way to put that to bed.")

No matter what North says though, the Iran-contra scandal has become a political liability that observers say may dog the rest of Ronald Reagan's presidency. Critics say the scandal influenced the President's decision to protect Kuwaiti oil tankers in the Persian Gulf to satisfy moderate Arab states upset about his arms sales to Iran. Likewise, they say, Mr. Reagan's weakened political state has encouraged Congressional Democrats to hold out for their own budget proposals, and now the scandal has been injected into the debate over the President's nomination of conservative judge Robert Bork to the Supreme Court.... White House officials are determined to push ahead, hoping that winning the fight over Bork, together with a possible arms control treaty with the Soviets, will revive Mr. Reagan's presidency. (CBS-Lead)

PERSIAN GULF POLICY

Donaldson: White House Chief of Staff Howard Baker today expressed interest in a new Soviet proposal that all foreign warships get out of the Persian Gulf and in so doing, appeared once again to go beyond Administration policy at a crucial moment in the Congressional debate over the U.S. role in the Gulf. Last month Baker said it was not necessarily a bad thing for the Soviets to be escorting Kuwaiti tankers. That turned out to be at odds with official policy. Baker's interest in the new Soviet policy may also.

ABC's Kenneth Walker: In response to the Soviet proposal that all foreign ships be withdrawn from the Persian Gulf, on "This Week With David Brinkley" White House Chief of Staff Howard Baker seemed to suggest there might be room for discussion.

(Sen. Baker: "If the Soviets will remove theirs, perhaps we'll take a fresh look. But we certainly are not going to see control of that region go to the Soviet Union.")

But Baker suggested any reduction in the U.S. Navy's historic presence in the Gulf would depend on a virtual ending of the war between Iran or Iraq.

(Sen. Baker: "If the two belligerent nations, Iraq and Iran, will agree to that ceasefire, and a return to traditional boundaries, and the release of prisoners, and the cessation of hostilities, then there would be every reason to expect that everyone could breathe easier and that you could reduce the naval presence there.")

Right now, the U.S. is increasing its naval presence in the Gulf to begin escorting Kuwaiti oil tankers, reflagged as American, probably within two weeks.

(Sen. Baker: "There is a determination that we have the naval resources in the region before we go forward with the deployment of these new American ships.")

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Walker continues: Democratic Senator Moynihan criticized the policy and blamed the Administration for failing to consult bi-partisan leadership in Congress.

(Sen. Moynihan: "Flagging -- reflagging is a Kuwaiti policy. It is not an American policy. We want an American policy. We want to stay in the Gulf. We want to back a position every President since Harry Truman -- we've been on station there since 1949 -- but did they talk to us about reflagging? No.")

Nevertheless, the Administration is determined to proceed with its program notwithstanding the highly qualified review Senator Baker suggested might be possible. But to proceed in the face of misgivings, even by many members of the President's only own party, means that Mr. Reagan will get just about all the credit as well as the blame for whatever happens after the escorts begin this month.

(ABC-Lead)

CBS's Forrest Sawyer: A House delegation arrived in Saudi Arabia tonight on a Persian Gulf fact-finding tour. The delegation leader is Les Aspin, chairman of the Armed Services Committee. The entire Gulf region is jittery over what Iran's navy might be planning next.

CBS's Alan Pizzey: Lined up against the West and the Gulf Arabs, the Iranian navy should be the neighborhood weakling. But Iran's willingness to take on all comers have made it the local bully -- the threat to the social and economic stability of a region founded on sea trade.... The problems have helped make Bahrain one of the most vocal advocates of American involvement.... U.S. Navy shore presence here is limited to a clinic, some storage for supplies and recreational facilities for sailors. Neither the Bahrain people nor the Americans will allow that to be photographed. What they will allow are pictures of Bahrain's successful diversifications away from oil.... The link to the Arabian mainland has made Bahrain virtually part of Saudi Arabia which the American Ambassador here sees as crucial to regional security. In the meantime, the first line of defense is the American fleet. For the moment, all is peaceful here. The battle over the fleet's presence is being waged in Congress.

Sawyer: President Reagan's Chief of Staff Howard Baker said today the U.S. might reconsider plans to start escorting Kuwaiti tankers this month -- but only if the Soviet Union withdraws its warships from the Gulf.

(CBS-5)

ARMS CONTROL

Donaldson: There may be a delay in the timetable for a new arms control deal with the Soviets. The meeting between Secretary of State Shultz and Soviet Foreign Minister Shevardnadze widely expected to be held this month to set the deal on intermediate-range missiles, will now probably not occur until August according to Administration sources. These sources emphasize that the deal is still on track. They say the delay is due to unrelated and unspecified internal Soviet matters.

(ABC-2)

-End of B-Section-

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panel: George Will, Sam Donaldson.

Guests: Sen. Daniel Moynihan, chief of Staff Howard Baker.

Brinkley: How about Bork...what's going to happen in the Senate? Will he be approved?

Moynihan: We're going to have hearings. We really want to listen to him. And I think you're going to find that the Senate is properly going to make the decision that the President put before us....

Will: Maybe we should elect Supreme Court justices if we're to give them a political test?

Moynihan: We don't give them a political test. We give them a test of judicial appropriateness, judicial competence at some level, surely....

Donaldson: You say you are going to hold hearings and make a judgment. Some Democrat have already made a judgment. Within a couple hours of the nomination Senator Kennedy took to the floor and denounced Bork in very strong terms. Does this help opponents of Bork to have that kind of opposition announced before you even hear what the man has to say?

Moynihan: Well, it won't hurt....

Donaldson: Should Democrats be prejudging this case?

Moynihan: No.

Donaldson: Let's go to another hearing. Oliver North is coming Tuesday. Do you expect him to lie?

Moynihan: He better not or we will put him in jail.

Donaldson: He's already testified to the staff on the narrow question of whether or not the President knew anything about the diversion of money to the contras. What did he tell them?

Moynihan: I don't know, nor should I. I'm not on that committee.

Will: The President this week proposed an economic bill of right. One of the things he proposed was that in order to raise taxes, the Congress should have a special majority.... What's the matter with that?

Moynihan: What's the matter with that is what's the matter with the whole idea of an economic bill of rights. That's something the Soviet Union is always proclaiming.... I don't think we're ready for a constitutional convention. We can amend the constitution and we have done so.

THIS WEEK WITH DAVID BRINKLEY (continued)

Will: What do you say to those who make the following argument -- the Democrats, instead of arguing for a \$290 billion defense budget, should have a \$29 billion defense budget, because their opposition to reflagging indicates that they won't even use the Navy to protect merchant shipping, which is what the Navy's for, in a region that is vital.

Moynihan: The American Navy is not for rent. The American flag is not for sale. Those Kuwaitis...when they found we were shipping to Iran, did something absolutely treacherous. They went to Moscow and said, Moscow, you come to the Gulf. And then we'll get the Americans to follow them. And this flagging is Kuwaiti policy. It is not an American policy. We want an American policy.

Donaldson: We have no choice, do we, but to stay there?

Moynihan: We have a choice other than putting our flags on their ships.... We have asked that there be a conference of exporters and importers of oil from the Gulf and that they ask what can be done about the Iran-Iraq War. And we ask ourselves, what do our allies in Europe and friends in Asia -- and see if we can't get a collective position in favor of our staying in there and the Russians staying out. The Russians have already, thanks to the Kuwaitis, gotten what is to them essential -- which is the opportunity to say, you can't make any decisions in this place without us being involved. They called on Friday for us -- all warships to leave the Gulf.

Donaldson: Should we?

Moynihan: We should not. We are there and we must stay there. And if the President would give us a chance, and give us a policy, we'd be behind it.

Guest: Howard Baker.

Brinkley: The President has enough problems already. Couldn't he have avoided another one by nominating someone slightly less controversy than Judge Bork for the Supreme Court?

Baker: He probably could, but you know that's very Ronald Reagan-like. He not only states his beliefs, but he acts on them and I think the Bork nomination is a good example of that.... This man is not going to become a lame duck President for a long, long time and he is acting very Presidential. He's acting on long-held beliefs and I think it's going to be an interesting time.

Will: What have the Senators said to you regarding this nomination?

Baker: ...Their general view was that it would be a controversial nomination, but the President has the right to make his choice and that the Senate would address the issue. I got no indication from Senator Byrd, for instance, that there would be a delay for the sake of delay on the nomination.

THIS WEEK WITH DAVID BRINKLEY (continued)

Baker continues: I have some view that some people would like to tie it to other matters. But I think the leadership of the Senate is going to go forward with it.... We're at a crossroads for the philosophical direction for the country and we have been since Ronald Reagan's first election in 1980. So this a continuation of it.... I expect Judge Bork is going to be confirmed but not until there's been a searching evaluation of him and a very heated debate.

Will: You just heard Sen. Moynihan's criticisms of the Administration's reflagging policy. What's your response to that?

Baker: I think it's consistent policy and it goes back beyond this Administration. For many, many years the proposition that the Persian Gulf must remain open and [there must be] excess for the free world to the oil of that region.... I think that the reflagging is an aspect of it most recently developed and I think the U.S. has acted appropriately under the circumstances.

Donaldson: We have a timetable of a week to ten days before the escorting begins. Is that timetable correct and on target?

Baker: I think so....

Donaldson: Yesterday the Soviets suggested that all vessels that are foreign to the Gulf be removed. Will we look favorably on that idea?

Baker: If the Soviets will remove theirs, perhaps we will take a fresh look. My guess is if we took our historic naval presence out of the Persian Gulf, that the Russians would soon be in with their own.... My hope is that the U.N. Security Council can indeed enforce a ceasefire and give us all an opportunity to get away from a very, very difficult situation....

Will: ...How often did North see Ronald Reagan? Washingtonian Magazine reports that he had constant, ready unlogged access. Can you tell us from what you know about how the White House was run before your regime, is that possible?

Baker: I really do not believe that is possible.... I can tell you the President has read that piece and I find it astonishing and I will report that I believe the President finds the allegations astonishing as well. That article describes a situation that I'm confident did not occur and based on my knowledge of how the Oval Office operates, and how access to the President is controlled, could not have happened. I would urge you to consider that Oliver North was a second or third level staff person. He did not have access to the President. We have searched the record. We have combed those records...and I do not believe Oliver North ever saw the President by himself on a one-on-one basis....

Donaldson: Do you expect North to tell the truth?

THIS WEEK WITH DAVID BRINKLEY (continued)

Baker: I don't have any reason to think Col. North will not tell the truth. I have not talked to Col. North. I don't know what he's going to say but I can tell you this -- I look forward to his testimony on Tuesday and I know the President does as well because there's been so much speculation about it and so many articles about what he will say or will not say that I think getting him on the record publicly is the only way to put that to bed.

Will: If, as the President says, there is no give in his opposition to any form of tax increases -- does that not mean that the President is saying that low taxes are more important than his defense budget?

Baker: A budget is clearly a statement of priorities.... The President's budget is a good budget. It's the only budget that's in play right now that is prepared by the agency of government that has the responsibility for administering that budget.... The important point is we've got to have a budget. The Congress and the President must govern and in order to govern there must be appropriations and those appropriations must be administered. So, at some point, we have to either sit down and work out a compromise or there has to be a budget submitted to the President that he can approve....

Donaldson: At some point Ronald Reagan is going to have sit down with the Democrats. When is Mr. Reagan going to sit down and enter into the negotiations?

Baker: Why do you think he needs to do that? I'm confident that the President of the U.S. is willing to negotiate in person if that's necessary. But right now we are not close enough on budget reform, on a enforceable and dependable mechanism for carrying out any agreement we make for me to go to the President of the U.S. and say, "You should sit down personally and do this." When we have a handful of issues that have to be resolved -- that is presidential. When we're talking about the rules of the game and the rules by which we will play -- that's my job.

Will: Are you still bullish on the prospect of a summit and particularly, can you see one happening before Christmas?

Baker: I'm still optimistic. I'm no less optimistic than I was before.... The President is anxious to have an arms control agreement on INF systems with the Soviet Union.... But the point I make is this -- this President is equally able to walk away from a bad agreement as he is to celebrate a good agreement. And the Soviets know that -- he's a tough bargainer and he's no patsy in the final 18 months of his term. If he can get a good agreement, there will be a summit and great celebration. If he can't, he'll walk away from it.

Will: The Democrats had a debate. Did you watch it and what did you think?

Baker: I watched part of it, but I have to confess, I did not watch all of it. It was well done. I thought Brinkley and Strauss were the best and I thought that the potential nominees were not terribly at ease, but you can expect that.... I must confess in all candor and absolutely honesty, I was not terribly impressed.

THIS WEEK WITH DAVID BRINKLEY (continued)

Donaldson: There are persistent reports that hostages have been moved from Lebanon to Iran. There's a report this morning that Terry Waite is dead. Do we have any information to substantiate any of those reports?

Baker: I do not believe we have any information. I'm not in Washington and don't have today's President's intelligence briefing but I have no reason to think that there are American hostages moved from Beirut into Iran. I do not believe that is the case. On the Terry Waite matter -- that is so uniquely and specially a British matter that -- I don't have any information -- but I think in any event, we refer to the British to make any remarks they care to. They are handling those negotiations and those efforts to obtain his release.

FREE-FOR-ALL DISCUSSION (Hodding Carter joins panel.)

Brinkley: The President said he is so opposed to tax increases that the Constitution should be amended to require a super majority in Congress to raise taxes. Is that likely to happen and is it a good idea?

Will: It's not likely to happen. I'm not sure it's a good idea.... Our problem is that we'd really rather not live within our means.

Donaldson: It's a bad idea and why not have any other law required to be passed by two-thirds majority of three fourths majority? If we had a super majority necessary to raise taxes and he combines that with any new spending...we won't have Star Wars. We wouldn't have the MX. We wouldn't have a lot of the military spending that he himself pushes....

Carter: It helps to take the focus off the reality that he has raised taxes himself, several times. And, he has yet to offer a balanced budget in any of the years he's had the opportunity to do it....

Will: The question is -- can you maintain, as conservatives want to do, rightly in my judgment, a strong defense establishment -- you cannot if you force the legislature to choose constantly between wheelchairs and missiles. We know what's going to win and that's how the issue will be put. So what the President may have done by taking a large bite with the 1981 tax cuts out of the revenue base of the federal government is get five years of defense buildup, but put in place 20 years of pressure against the defense establishment.

Carter: That's not a bad thing anymore than it's a bad thing that, in fact, he's done something which no liberal likes to admit -- which is to force choices or more choices than you've ever had before on the domestic side....

Brinkley: Mr. Reagan has created another problem by nominating to the Supreme Court Robert Bork.... This is one fight he could have avoided, but chose not to.... Why did he do it?

-more-

THIS WEEK WITH DAVID BRINKLEY (continued)

Carter: Because it's a great fight for him.... It's a good fight. It's a particularly good fight because it forces liberals to confront the reality we don't want to confront which is that we are depending, in large part, on the least Democratic institution of government to defend what it is we are no longer winning out there in the electoral process.... It's a fight the Democrats are going to lose. When it's over, he will have been reincarnated--

Donaldson: I'm not sure the Democrats are going to lose it....

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Moderator: Lesley Stahl.

Guests: John Thompson, Head Basketball Coach of Georgetown University; George Steinbrenner, Principle Owner of the New York Yankees; Frank Robinson, Baltimore Orioles Coach; Harry Edwards, University of California Sports Sociologist.

Editor's Note: This week's edition of "Face the Nation" focused on the question, "How pervasive is racism in sports?"

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Editor's Note: "Meet The Press" was pre-empted by the Wimbledon tennis match.

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THE McLAUGHLIN GROUP

Moderator: John McLaughlin. Panel: Fred Barnes, Eleanor Clift, Carl Leubsdorf, David Gergen.

ON ROBERT BORK'S NOMINATION

McLaughlin: Is Judge Bork professionally and personally qualified to serve on the high court?

Barnes: Of course he is -- everyone knows that, which is why he was the only person that Ronald Reagan and his Administration seriously looked at...and it's also why the Democrats and the liberals who oppose him have had to go to a purely ideological argument for stopping Bork.

Clift: I think he is qualified although people like me...wish he were not qualified. I think the Democrats are going to strive to find something in his record -- to find some skeleton -- but unless they do they are not going to be able to block him on ideological grounds.

Leubsdorf: I think the White House has played into the hands of the Democrats on this one -- that if they nominated a sitting, southern judge of impeccable qualifications, except very conservative, it would have been a much harder target than Bork. To the liberals, Bork represents all that's wrong with Nixon and Reagan and I think he's a wonderful political target for them.

Gergen: The Senate has already said that Bob Bork is qualified to be a leading jurist when it confirmed him to the Court of Appeals.... The issue is whether the Senate is going to block someone with whom it disagrees ideologically. I don't think they will -- I think he's going to go through.

McLaughlin: Will Judge Bork be confirmed to serve as an Associate Justice on the U.S. Supreme Court?

Barnes: Yes. Clift: Yes. Leubsdorf: Yes, but it'll be close.

Gergen: I think he'll be confirmed by a large margin.

McLaughlin: Large margin.

ON SOUTH KOREA

McLaughlin: ...How did this astonishing turn toward democracy happen?

Barnes: ...The Reagan Administration deserves some credit here. All these liberals keep saying that when some nation, during the Reagan Administration, goes from an authoritarian regime to a democracy that it's just luck. It's not just luck. It wasn't luck in the Philippines. It certainly wasn't luck in Grenada and it wasn't luck in South Korea. The Reagan Administration prodded them in the right direction.

MCLAUGHLIN GROUP (continued)

Clift: Let's give the President credit for the obvious. He was on the side of democracy, but where else could he have been and I think without the Olympics, Reagan's prodding wouldn't have done anything.

McLaughlin: Have you heard the report that President Reagan sent a letter to Chun that was extraordinarily harsh, insisting that he take some action? So, we must give Ronald Reagan his due on this.

Gergen: The President's policy in the part of the world has been remarkably successful....

ON GLASNOST

McLaughlin: ...Is it in our interest to help the Soviet Union reform?

Gergen: It is not in our interest to help the Soviet Union become an technological giant. It is in our interest to see it become a more democratic society. But I think, most importantly, it is in our interest to be very tough and very firm on the foreign policy questions and to not sell them high-tech equipment.

ON DEMOCRATIC CANDIDATES' CRITICISM OF THE PRESIDENT

McLaughlin: The candidates generally avoided attacking one another, instead they mercilessly criticized Ronald Reagan.... Is Reagan-bashing going to be the only engine of the Democrats campaign?

Leubsdorf: It isn't the only engine, but if you're playing to a Democrat audience, it's not a bad thing to do. The bloom is off the Reagan rose....

McLaughlin: I saw a poll that said Ronald Reagan's approval rating has up-ticked 6 points since it was down in March.

Leubsdorf: It's not relevant. People still like this President personally, but they don't think he can handle the major questions facing the country....

Barnes: What the rhetoric in that debate really showed was that the Democrats once again are being pulled too far to the left and that they can still lose in 1988....

PREDICTIONS

Barnes: The big winner in next week's Iran-contra hearings is going to be Ollie North. He goes in with a terrible reputation but will be contrite and will defend some of the things he's done very adequately and will come out with a much enhanced reputation.

Gergen: Congress and the White House for a long time have tried to figure out a how to handle intelligence oversight -- they will strike an agreement within the next three weeks.

McLaughlin: The latest move of Mikhail Gorbachev's to command the world stage will be to serve as mediator in the Iran-Iraq war.

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AGRONSKY & COMPANY

Moderator: Martin Agronsky. Panel: James Kilpatrick, Carl Rowan, Elizabeth Drew, Hugh Sidey.

ON ROBERT BORK'S NOMINATION

Agronsky: Will Judge Bork be confirmed and should he be?

Kilpatrick: Of course he should be confirmed. He will be confirmed I think by a vote of about 60-40 towards the end of the year.

Rowan: I have a lot of fear that he will be, but I hope to heaven he will not be.

Drew: He could be blocked.... I think it's a real open question as to whether he will be confirmed.

Sidey: I think he will be confirmed. I think he should be. The quality of the criticism is very disturbing....

Rowan: If they vote for Bork they are almost certainly going to wipe out 50 years of social progress in this country.

Drew: The key issue is that this person is the swing vote. The stakes are high. I think everybody's behaving quite predictable....

Sidey: There is a point that these branches of government have to accept what the other suggests. We need a debate on his qualifications, on his ideology -- all of that. But if this proves reasonable and within the normal realm, it seems to me that the Congress is obligated, if this system is going to work--

Rowan: There are a lot of people who say the President, a conservative, won by a landslide and he has the right to pick his man on the Supreme Court and Hugh's suggestion is that a nice, sweet Senate ought to just say he's entitled to this. But we must also remember that even after the President's election, the American people gave control of the Senate to the Democrats. They have a constitutional right to advise and consent or not consent.... A lot of these people are looking and seeing that for 6 and a half years, this President could not get his social agenda past the Congress, past the court; and I think the Senate has the right to say, do we want to let him do what he has been unable to do in turning all these clocks back?

Drew: I think the White House actually welcomes this fight because it gets Reagan's juices going -- gives him a real fight to make. But at the end, I do not see how the Senate can prevent Reagan from filling that seat before the next President comes into office.

Agronsky: This turns attention to a controversy that Mr. Reagan would like us to focus on rather than a controversy and a concern that is building up in the Iran-contra hearings.

AGRONSKY & COMPANY (continued)

ON IRAN-CONTRA HEARINGS

Agronsky: Do you think that Col. North will reach out toward a greater involvement of the White House than now exists?

Rowan: I'm not sure whether he can believe him no matter what he says. But I don't think all of it rests on North's testimony. I think Poindexter is going to have some interesting things to say and I look forward to the questioning of Ed Meese....

Drew: There are many people who feel that Poindexter is the more important witness, because he spend much more time with the President. There is also the problem of North's believability.... The key question is what was the President's role in this overall constitutional break down and ...that he may have participated in an illegality in 1985 in the arms sales.

Sidey: I don't think this next session with Mr. North will be quiet as one-sided as it has been up to now.

ON SOUTH KOREA

Agronsky: Did we really have a role?

Drew: I think the Administration did have a role but I think in the end we have to say that the Koreans did this themselves....

-End of News Summary-