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# News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JULY 7, 1987 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

U.S. Proposes Nations Cease Farm Subsidies -- The Reagan Administration formally proposed that all nations drop all forms of government farm subsidies by the year 2000. (New York Times, USA Today, Wall Street Journal, Washington Post, AP, Reuter, UPI)

### NATIONAL NEWS

Reagan Accuses Hill Of Clinging To Spendthrift Ways -- President Reagan accused Congress of disrupting the system of checks and balances in the Constitution because lawmakers are unwilling to give up their spendthrift ways. (Washington Post, Washington Times)

### IRAN-NICARAGUA

Fired White House Aide North To Begin Testimony To Congress -- Oliver North goes before Congress and the nation to answer key questions in the Iran-contra affair, including what President Reagan knew of the covert diversion of aid to Nicaraguan rebels. (Washington Post, AP, Reuter, Scripps Howard, UPI)

### NETWORK NEWS (Monday Evening)

**IRAN-CONTRA** -- Oliver North will testify in public for the first time today.

**PERSIAN GULF** -- The Persian Gulf reportedly was a primary topic for a secret meeting between U.S. and Soviet negotiators in Geneva.

**WALTERS/SYRIA** -- Vernon Walters is in Syria for meetings with President Hafez al-Assad.



This Summary is prepared Monday through Friday by the White House News Summary Staff.  
For complete stories or information, please call 456-2950.

## **INTERNATIONAL NEWS**

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### **U.S. SEEKS TO REVAMP FARM TRADE Far-Reaching Plan Would Phase Out Global Subsidies**

The U.S. urged its trading partners to join in a revolutionary restructuring of global farm policies that would phase out subsidies within 10 years and allow free trade in agriculture.

The revisions, if carried out, could eliminate virtually the entire \$30 billion-a-year in U.S. farm support programs that affect world trade, including irrigation and water resource policies, agricultural extension programs and price supports.

President Reagan called the program, put on the table in global talks in Geneva and simultaneously unveiled at the White House, "the most ambitious proposal for world agricultural trade ever offered." Prospects in Geneva for the far-reaching proposal are uncertain, however, since other major producers reacted coolly. (Stuart Auerbach, Washington Post, A1)

### **U.S. Proposes Nations Cease Farm Subsidies**

The Reagan Administration formally proposed that all nations drop all forms of government farm subsidies by the year 2000.

U.S. officials said they hope an agreement phasing out subsidies over 10 years can be negotiated by the end of 1988, when the Reagan presidency winds up. But the idea faces strong opposition from other governments and from Congress, making it unlikely ever to be adopted in full, or in any form anytime soon.

...Nico Wegter, a spokesman for the European Community Commission, said, "We think this is not a realistic proposal.... In principle, we are in favor of negotiation to diminish farm subsidies. But Reagan's proposal goes beyond the scope" of previous accords.

But in Ottawa, Canadian Prime Minister Mulroney welcomed the U.S. plan as "a bold move" that "challenges all countries interested in trade liberalization to move towards a world where production and trade decisions will not be distorted by government intervention."

(Walter Mossberg & Ellen Hume, Wall Street Journal, A2)

### **Japan And Europeans Cautious On U.S. Plan**

GENEVA -- Japan and the European Community reacted cautiously to the Reagan Administration's call for eliminating price subsidies and import barriers in agricultural trade, but Australia and several other key food-exporting nations welcomed the proposal.

The European Community said it would officially respond to President Reagan's plan on Tuesday, but in the meantime community diplomats privately expressed differing levels of concern. One official said the plan would be "intensely studied" by his government, but another flatly rejected the proposal as "totally unrealistic" and impossible to achieve in the tight schedule outlined by the White House.

Meanwhile, a group of 13 countries that favor change, including Australia, Argentina, Brazil, Canada and Thailand, gave a strong vote of confidence to the Reagan proposal. Peter Fields, the Australian Deputy Trade Secretary, described it as "ambitious, far-reaching and innovative."

(New York Times, D7)

### U.S. Seeks To Dismantle Farm Subsidies

The Reagan Administration is seeking to convince reluctant trading partners and U.S. farmers to dismantle politically popular and costly farm subsidy programs.

"Today, I renew my commitment, as I did along with all our trading partners in Venice to achieve the goal of free agriculture markets around the world by the year 2000," said President Reagan in a statement announcing a sweeping U.S. plan to dismantle farm subsidies.

[For the proposal to be successful] the Administration must present a united domestic front -- support from key members of Congress and American farm groups -- to convince reluctant trading partners to go along, farm analysts said.

While domestic reaction was generally supportive of the Administration's goal, few members of Congress or farm groups were willing to wholly endorse the plan. (Gene McCune, Reuter)

### U.S. Wants End To Agricultural Subsidies

The U.S. government wants its trading partners to negotiate a simultaneous and coordinated 10-year phase-out of agricultural subsidies and policies that distort trade.

Trade Representative Yeutter and Agriculture Secretary Lyng, in news briefings, said they believe they can overcome political resistance within the U.S. and gain bipartisan support in Congress as long as the nations agree to reduce subsidies in unison. Chairman Patrick Leahy of the Senate Agriculture Committee, said he supports the general goal of moving toward lower subsidies and freer trade.

But he [Leahy] said, "We will not unilaterally toss our farmers into stormy seas to be drowned by unfair foreign trade practices without any sort of domestic life raft." (Sonja Hillgren, UPI)

### Farmers On Subsidy-Cut Plan; Spirit Willing, Finances Weak

Most U.S. farmers agree with the spirit of President Reagan's plan to rid the world of agriculture subsidies by the year 2000.

But while their spirits are willing, farmers say they're unable to sustain such a cut -- unless all other countries also stop import restrictions and subsidies.

"And I just don't see that happening," Jim Barr of the National Milk Producers Federation said. (Jessica Lee, USA Today, A4)

### U.S. Initiative Gets Mixed Reviews

A Reagan Administration proposal to end the world's agricultural subsidies and trade barriers in 10 years is getting mixed reviews from U.S. farm groups.

"If the President were successful, it would basically put American agriculture probably back in the same condition we were prior to the Great Depression, in which we had the constant boom and bust -- more years of bust -- in agriculture," said Bob Denman, a National Farmers Union spokesman.

Dean Kleckner, president of the American Farm Bureau Federation, called the U.S. plan "a bold proposal" for the world's farm community and said it could have a far-reaching impact. (Don Kendall, AP)

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## NAVY PLANES' LAUNCH IN GULF PLAYED DOWN Link To Iran Missile Activity Denied

Administration officials played down the launch of U.S. Navy planes from an aircraft carrier near the Persian Gulf last weekend at a time when the U.S. is closely monitoring activity at Iranian Silkworm antiship missile sites.

Pentagon officials said the airplanes were launched as a drill in preparation for U.S. military escort of Kuwaiti tankers flying the U.S. flag in the gulf. White House officials said the jets were sent aloft in connection with the USS Stark's departure from Bahrain en route to its home port in Florida.

Other Pentagon officials told The Washington Post Sunday that the launching of the planes, including bombers, was triggered by suspicious activity at a Silkworm base late last week. One official said that some Pentagon officials believe Adm. William Crowe, chairman of the Joint Chiefs of Staff, may have overreacted to fragmentary intelligence information when he ordered the planes launched. The official said the launching was a precautionary measure and did not represent a decision to take out the Silkworm missiles in a preemptive strike.

(Molly Moore, Washington Post, A12)

### U.S. Warplanes To Escort Persian Gulf Ships Periodically

U.S. warplanes have begun periodic flights in the Persian Gulf to demonstrate their ability to protect ships and to keep watch on Iran, according to Pentagon officials.

They told Reuter Navy F-14 jet fighter planes roared over the gulf Saturday to escort the missile-hit frigate Stark and two other U.S. ships out of the narrow Strait of Hormuz, the entrance at the bottom of the gulf.

"It was intended to demonstrate our ability to cover the strait with both fighter and surveillance aircraft," a defense official said.

(Jim Adams, Reuter)

### Navy Planes Were Prepared To Attack Iranian Missiles

U.S. officials say Navy jets flew within striking distance of the Persian Gulf only as a warm-up exercise for escorting Kuwaiti tankers but could have attacked Iranian Silkworm missiles if necessary.

A day before the dramatic weekend rehearsal, Iran put one of the Chinese-made missiles into one of its truck-mounted launchers for a possible test-firing, the Administration officials said. It was dismantled within 24 hours, they said, but the launcher was situated just where the U.S. does not want the missiles -- along the Iranian coast of the Strait of Hormuz.

"They showed themselves and us that they could deploy the Silkworms," said one of the sources who spoke on the condition of anonymity.

Whether the U.S. would attack the missiles preemptively has not been declared, and one official said the Navy exercise Saturday "wasn't designed as an anti-Silkworm exercise." Nonetheless, the official said, the planes "were prepared to deal with them."

(Richard Gross, UPI)

### U.S. Military Gears Up To Escort Tankers Through Persian Gulf

U.S. military forces geared up to escort oil tankers in the Persian Gulf with warplanes flying a practice mission south of Iran and warships patrolling a dangerous zone in the north, said sources in Washington and the Middle East.

Indications mounted that Iran may be renewing attacks on gulf shipping, as a mobile antiship missile launcher was spotted on the Iranian shore and five Iranian rubber boats reportedly attacked a Spanish supertanker last week.

Navy A-6 warplanes from the carrier Constellation flew what Administration officials described as a practice mission in the Arabian Sea, but they stayed well south of Iranian antimissile launch sites on the Strait of Hormuz at the mouth of the Persian Gulf. (Brian Brumley, AP)

### U.S. Warships Prowl Tense Gulf

The drama heightened in the Persian Gulf Monday amid reports of U.S. warships roaming inside the declared exclusion zone.

"They're everywhere," a shipping official told AP, including Iraq's off-limits zone 70 miles around Iran's Kharg Island. Navy spokesman Lt. Cmdr. Stephen Honda only said the ships were "in international waters."

Also, U.S. warplanes from the the aircraft carrier Constellation reportedly began rehearsing escorting tankers over the weekend and were ready to attack Iranian Silkworm missiles if they were fired.

(Bob Minzesheimer, USA Today, A1)

### U.S. ASSERTS BAKER MISSPOKE ON GULF

#### Sunday Remark Corrected -- No Link To Soviet Pullout

The White House and the State Department moved to dispel the impression created over the weekend by White House Chief of Staff Howard Baker that U.S. warships could be withdrawn from the Persian Gulf in response to a Soviet pullout.

There would be no complete withdrawal, spokesmen said, and a reduction in the number of ships would take place only if tensions between Iran and Iraq diminished and the gulf became safe for commercial shipping -- a possibility now seen by experts as unlikely in the near term.

(David Shipler, New York Times, A1)

### BILLS TO BLOCK RE-FLAGGING OF TANKERS TOP AGENDAS FOR RETURNING LAWMAKERS

Legislation calling for delay in the re-flagging of Kuwaiti oil tankers in the Persian Gulf will be the first order of business in both houses of Congress, which returns after a Fourth of July recess.

The measures are both primarily symbolic position statements, since lawmakers agree there is little chance Congress could actually reverse President Reagan's plans to re-flag 11 Kuwaiti oil tankers later this month.

(Jennifer Spevacek & James Dorsey, Washington Times, A4)

## CHINA FOILS GORBACHEV'S MASTER PLAN FOR THE GULF

Soviet leader Gorbachev has a diplomatic master plan for the Middle East but China is standing in the way, according to Israeli Defense Minister Yitzhak Rabin.

Rabin...said Gorbachev's main goals are to end the gulf war, to bring Syria and Iraq together, to rebuild the PLO and to reconcile the PLO and Syria.

This would create a powerful Iraq-Syria-PLO "Eastern Front" against Israel, manipulated by Moscow, and establish the Soviet Union as the dominant superpower in the gulf.

However, Rabin added that China was supplying Iran with heavy and sophisticated armaments in order to allow it to continue to wage war against Soviet-supported Iraq.

"I believe that China realized there could be a Soviet victory in the region," Rabin said. "I believe they will strengthen Iran more to continue the war to prevent this."

(News Analysis, Martin Sieff, Washington Times, A1)

## U.S. MEETS WITH SOVIETS, SYRIANS ON GULF WAR, MIDDLE EAST PARLEY

GENEVA -- U.S. diplomats are meeting Soviet and Syrian officials in Geneva and Damascus seeking their cooperation to help end the gulf war and set up an international Middle East peace conference.

U.S. Assistant Secretary of State Richard Murphy met at the Soviet Embassy with Vladimir Polyakov, a senior Soviet Foreign Ministry official. Their talks will continue today at the U.S. Embassy.

U.S. diplomats here said that Murphy planned to tell Polyakov that the U.S. Administration is determined to support its "Arab friends" in the Persian Gulf in the face of Iran's "policy of intimidation."

While Murphy sounded out the Soviets in Geneva, U.S. special envoy Vernon Walters arrived in Damascus to revive relations, almost suspended since last October over Syria's involvement with terrorists.

(Washington Times, A8)

### U.S. Envoy, Assad Confer On Mideast Issues

Ambassador Vernon Walters, acting as President Reagan's special envoy, met in Damascus with Syrian President Hafez al-Assad to discuss the Syrian attitude toward terrorism and explore an improvement in U.S.-Syrian relations.

Walters...spoke to reporters in Damascus shortly after State Department spokesman Charles Redman confirmed Syrian reports of the discussions. Walters said he and Assad had two meetings covering Mideast issues and bilateral questions. (Don Oberdorfer, Washington Post, A10)

### Top U.S. Envoy Meets With Assad

DAMASCUS -- U.S. envoy Vernon Walters slipped into Syria secretly for talks with President Hafez al-Assad about the plight of nine kidnapped Americans missing in Lebanon.

Diplomatic sources said Walters...arrived in Damascus secretly Sunday. His presence in the Syrian capital was revealed Monday by a spokesman for Assad, but Washington remained tight-lipped about his mission. (Samia Nakhoul, UPI)

### Syria Learns Kidnappers' Names, Hideouts

The Syrian government has learned the identities of kidnappers of the 27 foreigners missing in Lebanon from a Lebanese Druze Moslem they are holding, CNN reported.

CNN quoted an unnamed senior Syrian military official as saying that the man, identified as Damal Karrar, revealed the names of most of the kidnappers involved in the abduction of the foreigners and that Damascus had given the names to Iran with a warning to arrange the captives' release. (Washington Times, A6)

### AFGHAN REBELS MAKING GAINS

A U.S. official says there is still no prospect of a military victory by either side in the Afghanistan war but that the tide of the battle is shifting toward the resistance forces.

A senior State Department official, briefing reporters on the basis of no further attribution, said the Afghan resistance forces, which appear to be operating cooperatively for the first time, "have demonstrated their ability to fight the Soviets to a standstill in pitched battles."

(Jim Anderson, UPI)

### Afghan Rebels Repulse 5,500 Soviet Soldiers

Afghan Moslem rebels have turned back a column of 5,500 Soviet troops after fierce hand-to-hand fighting with Soviet Spetsnaz elite special forces troops in the largest engagement of the war, a U.S. official said.

A senior Administration officials said that the pitched battle on the guerrilla supply route near the Pakistan border and another successful large-scale operation in the south near Kandahar has sent morale soaring among the Mujahideen.

The rebels' two major successes over the past few weeks in Kandahar and in the Paktia province are being attributed in Washington to much better coordination between rival Mujahideen groups, and to the diminishing effectiveness of Soviet air power related to the growing supplies to the rebels of U.S. Stinger missiles and British Blowpipes.

(Richard Beeston, Washington Times, A1)

### U.S. BLOCKS SOVIET SPACE-LAUNCH OFFER State Dept. Notes Law Prohibits Transfers Of Technology

A Soviet offer to provide launching capabilities for American commercial satellites has been blocked by the U.S., the State Department said.

Soviet officials who discussed the initiative with U.S. officials "have been clearly informed of the long-standing prohibitions on the transfer of U.S. space technology to the Soviet Union," the department said in a written statement. (Reuter story, Washington Post, A7)

BONN CHIEF CHALLENGES EAST-WEST SPLIT  
Weizsaecker, Visiting Moscow, Calls For Greater Cooperation

MOSCOW -- West German President Richard von Weizsaecker used a Kremlin speech to challenge the division of East and West Germany, saying that citizens of both states still "feel that they belong to one nation."

At a Kremlin dinner, von Weizsaecker called for greater economic and political interdependence between West Germany and the Soviet Union. "We should cease to think as blocs and in terms of bloc boundaries," he said, according to a text released by the West German Embassy.

Amid difference between Moscow and Bonn over negotiations for a U.S.-Soviet agreement to reduce medium- and short-range missiles, Soviet President Andrei Gromyko called on Bonn to "contribute not just in words, but in deeds to the success of these talks."

(Gary Lee, Washington Post, A11)

PANAMA ENVOY MEETS WITH ABRAMS  
Damage To Embassy Regretted; U.S. Stresses Free Elections

Panama's special envoy, Aquilino Boyd, met with the State Department's top Latin American official in an effort to ease tensions between the two countries, but U.S. officials said later they had emphasized the need "for free elections leading to a full, functioning democracy."

A spokesman for Boyd described the talks with Elliott Abrams...as "cordial" and acknowledged that Boyd had expressed regret for damage done to the U.S. Embassy in Panama City last week during anti-American demonstrations by supporters of Gen. Manuel Noriega.

Several hours later, the department issued a statement that, while not referring to Noriega by name, made clear that Boyd had not changed the U.S. position. It said Abrams had reiterated to Boyd that the foundation of our policy is a series of steps in a process that results in free elections leading to a full, functioning democracy."

(John Goshko, Washington Post, A11)

12 KOREAN DISSIDENTS FREED FROM PRISON  
Seoul Rioting Continues As Demonstrators  
Gather To Honor Memory Of Dead Student

SEOUL -- Twelve leading South Korean dissidents, arrested for organizing a major opposition rally June 10, were freed from prison today, beneficiaries of the unexpected success of the movement they helped create.

The government also freed 165 students and demonstrators who had been detained since the June 10 rally. Officials said that hundreds more will be released later this week.

Meanwhile, clashes between demonstrators and police continued for the second day at Seoul's Yonsei University, where about 7,000 students attempted unsuccessfully to march off campus. Riot police turned them back with tear gas, while students hurled rocks and flailed at police with sticks.

(Fred Hiatt, Washington Post, A10)

## **NATIONAL NEWS**

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### **REAGAN ACCUSES HILL OF CLINGING TO SPENDTHRIFT WAYS**

President Reagan accused Congress of disrupting the system of checks and balances in the Constitution because lawmakers are unwilling to give up their spendthrift ways.

"The momentum of big government, which we've managed to hold back for these last few years, has only been gathering steam, getting ready to burst through all the restraints we've imposed on it," Reagan said.

Even if the next president is determined to hold the line against tax hikes and big spending, the fact is the presidential veto power has been seriously weakened in the last 15 years, Reagan said.

"It seems like everybody is getting a piece of the action," Reagan said. "That's why when the House-Senate Conference Committee agreed on a budget recently, it included \$41 billion in increased domestic spending with essential defense programs held captive to a \$64 billion tax hike. It's always the American people who are expected to foot the bill."

(Jeremiah O'Leary, Washington Times, A4)

### **Pushing Agenda, Reagan Dusts Off '64 Theme**

Quoting from a speech he gave for Republican presidential nominee Barry Goldwater in 1964, President Reagan continued his effort to build public support for conservative economic and welfare programs that have been stymied in Congress.

Addressing the Kiwanis International Convention, Reagan appealed for the "Economic Bill of Rights" he said is the wave of the future. Reagan said the choice facing Americans is "between freedom and increasing state control," the same phrase he used recurrently during the Goldwater campaign.

When Reagan stumped for Goldwater, his complaint was that Democrats had allowed the government to grow excessively and had strayed from the intentions of the constitutional framers.

But Reagan's words yesterday had a different purpose. Instead of calling for return to old verities, the President appealed for enactment of a constitutional amendment requiring a balanced budget and a "super majority" vote for any tax increases.

(Lou Cannon, Washington Post, A3)

### **WHITE HOUSE MAY DROP EFFORT TO ALTER BUDGET PROCESS BY AMENDING DEBT BILL**

The Reagan Administration is considering dropping its efforts to have Congress enact changes in the federal budget process as part of debt-ceiling increase, according to congressional and Administration sources.

Congressional officials said the White House has signaled that it may prefer a "clean" bill -- one with no amendments -- to raise the nation's debt ceiling when the current ceiling expires later this month. That would be a setback for the President, who has been pushing for changes in the budget process in his recent public speeches. And it would be a retreat from last May, when the Administration agreed to negotiate changes in the budget process with Congress and attack them to the debt-ceiling measure.

(Alan Murray & Jeffrey Birnbaum, Wall Street Journal, A5)

**MEESE DISCLOSES 2-YEAR PROFIT  
OF \$35,000 ON INVESTMENTS  
Ethics Office Blamed For Statement's Delay**

Attorney General Meese disclosed that he and his wife made more than \$35,000 in profits from sales of stock over the past two years on an investment of \$60,000 but strenuously defended his failure to disclose the details of the investments until now.

Last week the Office of Government Ethics (OGE) said Meese had failed to comply with federal ethics rules in 1985 when he set up "a limited blind partnership," but Meese said that he had "complied fully with the Ethics in Government Act" when he entered the partnership that handled the investments. Instead, speaking through his lawyers, he accused the OGE of having "violated federal law" in failing to warn him of the insufficiency of his disclosures.

"Mr. Meese, in short, has done what a government official is supposed to do," Meese's attorneys, Nathan Lewis and James Rocap, said in a memorandum accompanying most of the details. "Indeed he has done more than is required to ensure against conflicts of interest."

(George Lardner & Mary Thornton, Washington Post, A1)

**Meese Financial Report Shows No Investment In Scandal-Plagued Firm**

Attorney General Meese revealed that none of the money he put into a financial management firm was invested in the scandal-plagued Wedtech Corp., and his lawyer blamed the government ethics office for negligence in handling Meese's annual financial disclosure reports.

Lawyers for Meese, making public his required annual report for 1986, released a detailed and spirited defense of the attorney general's efforts to avoid a conflict of interest since taking over the Justice Department in early 1985.

"This should lay to rest any concerns that anyone might have," said Justice Department spokesman Terry Eastland. (Benjamin Shore, Copley)

**Meese Earns \$11,000 Profit From Trust, None From Wedtech**

Attorney General Meese disclosed that he made a healthy \$10,973 profit with highly speculative trading in his controversial blind trust last year but none was invested in the scandal-plagued Wedtech Corp.

Releasing his 1986 financial disclosure forms, Meese also turned the table on the government ethics office, charging that it, instead of him, broke the law by not alerting him to possible improprieties involved with the trust.

The extensive documentation from Meese accompanying his 1986 form showed that none of the assets included in his "limited blind partnership" with W. Franklyn Chinn, a consultant closely tied to Wedtech, were ever invested in the company or any company related to it.

Sen. Carl Levin, who plans to hold a hearing on the issue later this week, said, "This response is better late than never. But it raises as many questions as it provides answers." (Lori Santos, UPI)

## LOBBY GROUPS RALLY FORCES ON BORK ISSUE Grass-Roots Pressure On Senators Sought

Conservative and liberal groups are preparing for a multi-million-dollar lobbying battle over the Supreme Court nomination of U.S. Appeals Court Judge Robert Bork, with efforts already under way by both sides to organize grass-roots support in key senators' states.

Almost as soon as Bork's nomination was announced last week, both sides started to write and telephone their members, recruit other groups, bombard editorial writers with information about the Senate's role in the confirmation process and design advertising campaigns and legislative strategies to prevent or assure Bork's elevation to the high court.

(Ruth Marcus & Gwen Ifill, Washington Post, A1)

### 4 Senate Panel Members Hold Key To Bork's Future

Four members of the Senate Judiciary Committee have not yet committed themselves publicly on Judge Robert Bork's nomination to the Supreme Court, and their votes hold the key to Bork's future.

The key senators are three Democrats, Sens. Howell Heflin, Dennis DeConcini and Patrick Leahy, and one Republican, Arlen Specter.

Of this group, both Heflin and DeConcini said they are predisposed to accept the President's nomination. Leahy has questioned the impact Bork's appointment might have on the Roe vs. Wade abortion ruling, but he has not ruled out voting for confirmation.

One high-ranking Administration official who declined to be identified speculated hopefully, "There's at least a chance at Heflin and DeConcini, maybe even Byrd (might vote for Bork)."

"Leahy tends to be a little more principled on conference matters than some of the others," the official said. "And I'd like to think that Joseph Biden might, depending on his political calculus (support the Bork nomination)."

The spokesman also said he was not "especially worried" about Specter switching ranks. (Michael Fumento, Washington Times, A1)

### Bork Debate Likely To Define Senate Role In Judge Selection

President Reagan's nomination of Robert Bork to the Supreme Court, whether confirmed or rejected, likely will help the Senate better define its won role in choosing federal judges.

In recent years, senators have been skittish about opposing judicial nominations based on the "naked politics" of ideology. Some apparently would consider it bad form for a senator to say about Bork: "He's a good man, a competent judge but just too conservative for my taste. I'm voting against him."

Some liberal Democrats will try to persuade their colleagues that approach is appropriate. (News Analysis, Richard Carelli, AP)

## **IRAN — NICARAGUA**

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### **LACKING OLD LUSTER, NORTH RETURNS TO TESTIFY**

[The last time he appeared before Congress] North seemed to embody the all-American patriot even as he told the House Foreign Affairs Committee last Dec. 9 that, on the advice of his attorney, he had decided to remain silent. Biting his lip and speaking in a quavering voice, North said: "I don't think there's another person in America that wants to tell this story as much as I do, sir."

In the past seven months, assorted disclosures in the press, the Tower Review Board and many weeks of congressional testimony this summer revealed a guileful, conniving side to North that contrasts with the straight-arrow image of his last appearance. What has emerged is a portrait of a North who is more complex and elusive than was evident last winter.

For congressional investigators, who have billed North as one of the two or three most crucial witnesses to solving the scandal's remaining mysteries, this dark side has created a perplexing problem: Can North be believed?  
(Joe Pichirallo, Washington Post, A1)

### **North Faces Key Questions By Iran-Contra Panel**

Oliver North, in his appearance before the congressional Iran-contra hearing, faces such questions as: What did President Reagan know? Which documents did you shred? Why did you buy snow tires with contra money?

Because North turned [his] papers over to the panels only last week, John Niels, chief counsel for the House committee, said he may need more than one day of questioning to lay out the laborious facts of North's involvement in the complicated Iran-contra arms deals.

The real fireworks aren't expected until Wednesday, when Arthur Liman, counsel for the Senate panel, cross-examines North in an effort to shake his testimony. (Lance Gay & Walter Friedenberg, Scripps Howard)

### **Fired White House Aide North To Begin Testimony To Congress**

Oliver North goes before Congress and the nation to answer key questions in the Iran-contra affair, including what President Reagan knew of the covert diversion of aid to Nicaraguan rebels.

"I think we have a lot to learn about this man. What drives him?" said Sen. Paul Trible, one of the 25 lawmakers who will press for answers after North is placed under oath at 9 a.m.  
(Jim Wolf, Reuter)

### **North's Testimony**

Oliver North, a name unknown to the public until last November, breaks his public silence to describe what he knows about President Reagan's role in the Iran-contra scandal.

Sen. George Mitchell, another lawmaker designated to question North, said, "Ultimately, I think, the President is responsible. I don't think there's any doubt about that. Whether he knew all the details or not, I think is not the central question, although it's become that in some respects."  
(Judi Hasson & Dana Walker, UPI)

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### Testimony Expected To Clarify Roles Of President, Cabinet

For months, the public and much of the news media have come to expect that Oliver North's testimony to the congressional investigating committees would provide a climactic moment in the Iran-contra affair. But senior members of the committees and their staff have different expectations.

North, say committee sources, is not being called just to tell what he knows about some "secret government," or to provide explanations for his free security fence, or even just to answer whether the President knew of a diversion of funds to the contras. Of greater importance to the committees is the help North can provide in establishing the roles of those ultimately responsible for his questionable activities: the President and his senior Cabinet members.

(News Analysis, Walter Pincus & Dan Morgan, Washington Post, A6).

### Reagan Convinced North, Poindexter Will Not Implicate Him

President Reagan believes the next two weeks will be crucial in the Iran-contra scandal but is convinced the two former White House aides central to his worst crisis will not implicate him, assistants say.

According to the President's men, Reagan was confident heading into today's scheduled testimony from Oliver North that both North and John Poindexter would support his repeated denials of any prior knowledge about the possibly criminal diversion of money to the contras from secret U.S. arms sales to Iran.

However, said one of the aides who spoke on condition of anonymity, "I don't think he feels he has Iran behind him at all."

(Helen Thomas, UPI)

### White House: Appearance Of Business As Usual As North Testifies

The White House put on a determined look of business as usual as Oliver North faced questioning about what President Reagan knew about secret arms sales to Iran and money diverted to Nicaraguan rebels.

Officials said Reagan probably would not take out time to watch the congressional hearings as the Marine lieutenant colonel ended months of silence to testify under a grant of limited immunity from prosecution.

Throughout the congressional hearings, White House officials have said the President has not watched much of the testimony but has been provided with a daily, written summary of developments.

(Terence Hunt, AP)

EDITOR'S NOTES: "North's Defender; The Fighting Instincts of Brendan Sullivan," by Sidney Blumenthal, appears in The Washington Post, D1.

"Contragate Crucible; The Senate Committee Counsel, Reveling In 'The Best Job' In America," By Mary Battiat, appears in The Washington Post, D1.

## **NETWORK NEWS SUMMARY**

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(Monday Evening, July 6, 1987)

### **IRAN-CONTRA HEARINGS/NORTH'S TESTIMONY**

NBC's Tom Brokaw: Tomorrow morning the Iran-contra hearings move into their most dramatic stage. Lt. Col. Oliver North -- the young Marine officer who played so many key parts in the tangle of deals and transactions will testify in public for the first time. Other witnesses have described North's role in a variety of questionable, even illegal, activities. And, of course, there is the matter of his relationship with President Reagan.

NBC's John Dancy: Oliver North will at long last sit here, looking slightly upward at the 26 members of the committee. When he stands to take the oath, 29 remote controlled still cameras will record the scene, as will every television network in America. North's four days of testimony should be a climactic moment -- when the committee begins getting answers to some of the key questions: did President Reagan order the diversion of profits from the Iran arms sale to the contras? If not, who did? Or was North operating alone? Even now, more than 7 months after the story broke, Oliver North is still something of a mystery to the committees. His only testimony under oath was a 25-minute session that was carefully limited to what he may or may not have told the President. The picture so far has been painted by others.... All of this has tarnished North's image among even the most ardent supporters of the Reagan Administration and its contra policy....

(Rep. Dewine: "I think Oliver North is a very complex individual. I think it's very clear that he is an extremely patriotic individual and it is also very clear that he made mistakes.")

(Rep. McCollum: "I think we also think of heroes as being there on the stand and staying there forever. And if you're going to be a true hero in history, you have an unblemished record.")

(Sen. Hatch: "I think phoney letters are improper. I think phoney invoices are improper. I think participating in something like that is improper. Whether it's illegal or not remains to be seen.")

Meanwhile North's wife, Betsy, has told Life magazine her husband is not bitter, "He's hopeful he can get the real story across. His motives are pure." But the problem North will face tomorrow is this -- these hearings are not about his motives, they are about his actions and who ordered them.

Brokaw: Specifically -- did President Reagan order North to do what he did? How much did the President know of what North was doing? President Reagan will be at the White House tomorrow, but his unseen presence will be large in the hearing room.... The political stakes for the President are enormous.

(TV coverage: Still photographs of the President over Brokaw's left shoulder.)

NBC's Chris Wallace: White House officials put out word today they expect Oliver North to be a good witness for the President. They expressed confidence North will testify that Mr. Reagan was not involved in any illegal actions, saying that they've been advised that North did not implicate the President in his private testimony before the Iran-contra committees last week.

(Frank Farrenkoff, Republican National Chairman: "From everything that I know at this point in time, I'm not sure that there's anything that Ollie North could say that would sink this President.")

But the White House is taking no chances. In case North claims he had a discussion with the President, officials have combed White House logs. They say North met with Mr. Reagan 19 times in 1985 and 1986, never alone. And when a magazine reported recently that North held unlogged meetings, entering the Oval Office through a side door, officials questioned every secret service agent they could find and got denials.

(Sen. Howard Baker: "Oliver North was a second of third level staff person. He did not have access to the President.")

In fact, the White House's opinion of North has changed dramatically. He was involved in top secret missions at the White House such as the invasion of Grenada and the capture of the Achille Lauro hijackers. The President called North the day he was fired to say he was a national hero. But after he became a potential threat to Mr. Reagan, officials tried to discredit North as a self-promoter who lied about having close ties to the President. And Mr. Reagan himself backed away.

(The President: "His military record was one of numerous rewards for his courage.")

But political scientist Norman Orenstein says White House efforts to discredit North do not help Mr. Reagan now.

(Orenstein: "And if he says flatly the President just wasn't involved in this, I did it on my own or I did it on someone else's orders, people aren't going to believe him. If, on the other hand, he says the President ordered everything, people will believe him.")

With all the contradictions about Oliver North, the White House has two different plans to handle this week. Official say they don't intend to comment on North's testimony, treating him like every other witness. But they add that if North tried to implicate the President, then they will land on him everything they've got. (NBC-Lead)

ABC's Peter Jennings: It isn't going to be just another week in the Iran-contra hearings. This is the week Col. Oliver North is going to finally answer questions. It has been almost 7 months since he first stood up and took the fifth amendment and does the Col. have a lot to answer for. And now this, ABC's Karen Burnes has learned that U.S. officials, including Col. North, were trying to trade arms for hostages a full year sooner than the White House has admitted.

ABC's Karen Burnes: Sources tell ABC News that in 1984 National Security Council and Pentagon officials offered to provide Iran with F-14 parts, helicopters, missiles and other weaponry in exchange for American hostages. Lt. Col. North, then at the NSC, also agreed to provide the Iranians with British, American and South African technicians to service the equipment and to train the Iranians.... The deal was tied to the release of this man -- hostage William Buckley.

Burnes continues: As the CIA station chief in Beirut and counterterrorism expert, Buckley had detailed knowledge of how and when U.S. covert operation forces are trained and deployed. CIA Director William Casey and White House officials feared that the Soviet Union would buy Buckley from his pro-Iranian captors and they became obsessed with obtaining his release. William Buckley was killed in 1985, ending that particular deal. But before his death, the U.S. has already sent weapons and mercenaries to Iran. How long they stayed is not known. And they had embarked on another series of actions designed to gain Buckley's release and that of the other American hostages being held in Lebanon.

(North on file footage: "I believe that we need to stop talking tough and start acting quietly. Effective actions speak far louder than words.")

The actions were spearheaded again by Lt. Col. North and his NSC supervisor, the late Donald Fortier. One attempt involved the Saudis. Saudis who have helped finance U.S. covert operations for a number of years could do things the Administration could not. They could ransom hostages. Sam Bamieh was an advisor to the Saudi king.

(Bamieh: "So, if he paid the ransom, it won't be a political risk to the President.")

The ransom failed and by 1985 Oliver North had another plan. The plan was to infiltrate Beirut.... Their mission was to rescue our hostages or to kidnap Shiite Moslems and hold them as ransom. Although naval vessels were mobilized for the operation sources tell ABC News that it fell through because of inadequate intelligence. These new revelations of an earlier arms deal raise old questions -- just who initiated and approved this contact with Iran? Was it legal? And did Oliver North and his colleagues, in frustration, act in isolation?

Jennings: When he does appear tomorrow morning at the Capitol, Col. North will be the 24th witness to testify. And nearly everyone before him has something to say about their relationship with Col. North. They were merely pieces of the puzzle. North is the one who can put it all together if he chooses.

ABC's Brit Hume: Almost from the opening gavel, these hearings have counted home one point -- in the Iran arms sales and the efforts to aid the contras, all roads lead to and from Oliver North.... The committees will want to know about North's dealing with fundraiser Spitz Channel.... And North, it seems, also provided the contras with U.S. intelligence and even instructions.... To his partners in all this, and to others too, North was a "an American hero." ...But the committees have turned up evidence North spent some of the contra money on himself.... And when the Iran arms sales broke, North ordered some of the documents altered and others destroyed.... Still North, who has said little about this publicly, has said he is eager to testify.... He gets his chance starting tomorrow. The committees, above all, want to know if President Reagan authorized or even knew of the diversion of arms funds to the contras. But they will also explore whether, as some evidence indicates, the late CIA Director Casey was behind North's actions. (ABC-Lead)

Tuesday, July 7, 1987 -- B-4

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ABC's Besty Arron reports on the public reaction to Col. North from North's hometown. (ABC-2)

CBS's Dan Rather: Was President Reagan involved in law breaking? What did he know and when and why has the President not commanded Oliver North to tell him all he knows? Oliver North, after months of delaying and stonewalling, finally goes before Congress tomorrow to face at least some of those questions in public and under oath.

CBS's Phil Jones: Not in the history of Congress have so many lawmakers been so interested in what a Lt. Col. in the Marine Corps has to say. But without Lt. Col. North, Congressional investigators would be left without the story from the one man intimately involved in every facet of the Iran-contra operation. North will have to answer questions about his own involvement as well as the President of the U.S. North appeared briefly last week to answer in private session the key question -- did the President know about the diversion of Iranian arms profits to the contras?

(Reporter: "You have seen or heard no evidence that the President knew of the diversion?"

Rep. Cheney: "That's correct -- I've seen no such evidence.")

North is the key to answering questions about the late CIA Director William Casey's involvement.

(Sen. Mitchell: "There has been a growing tendency by some to lay this all at Mr. Casey's doorstep. I'm hesitant to that. For one thing, there's something inherently unfair about dumping a whole load on a person who is dead and can't defend himself.")

The most difficult questions for North will be about his personal conduct.

(Rep. Stokes: "If he comes before us and he denied that he shredded documents; and if he denies that he spent \$2400 on personal items out of contra money; and if he denies he manufactured testimony coming to the Congress; if he denies that he sent the letters that went to Mr. Robinette regarding security for his home, then he will, of course, be an outright liar.")

North will appear in uniform tomorrow, and even though he appears to be hounded, no one is counting this Marine dead.... North's mission tomorrow will be to go beyond these committees to start doing for his public opinion [what's necessary] to fight his expected criminal indictment by the independent counsel....

Rather: What kind of reception is Col North likely to get from the committee as a whole?

Jones: I think it's going to be cool. It's going to be skeptical. Even some of the biggest defenders of the Iran-contra operation in the last few weeks have indicated that they feel that Col. North let the President and the Administration down.

CBS's Eric Engberg reports on the North's personality and the public reaction to his testimony. (CBS-Lead)

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## THE PERSIAN GULF

Brokaw: The Persian Gulf reportedly was a primary topic for a secret meeting of U.S. and Soviet negotiators in Geneva today. This session occurred while the U.S. is pressing for a U.N.-sponsored ceasefire between Iran and Iraq. The Soviets have already called for a withdraw of all foreign ships from the Gulf. And in the Persian Gulf American fighter planes were in the air over the weekend. Defense Department officials said that the training flights were not related to the sighting of a Chinese silkworm missile on the Iranian coast. The flights were described as rehearsals for escorting Kuwaiti tankers. Nonetheless, the next day that missile was gone.

(NBC-4, ABC-4, CBS-5)

## BUDGET

Rather: Congress has been pointing out that the national deficit has zoomed skyward during the Reagan Presidency and that Mr. Reagan has yet to submit a balanced budget. For their part, President Reagan and his writers keep taking shots at Congress. Today, they took another one. It was at the Kiwanis International Convention. The line invoked the name of a highly publicized game show hostess. (The President: "I promise this -- from now until the day I leave office, I won't hesitate for one moment to use my veto power. And if a tax hike makes it to my desk, I'll veto it in less time than it takes Vanna White to turn the letters V-E-T-O.")

(TV coverage: The President speaking at the podium at the Kiwanis' meeting.)

Some of the heaviest politicking at the Kiwanis convention Mr. Reagan attended today is about the group's own men only membership policy....

(CBS-3)

## WALTERS/SYRIA

Brokaw: The U.S. Ambassador to the U.N., Vernon Walters, is in Syria tonight and there may be something going on the a Middle East peace conference. Walters, who has in Moscow last week, is the first high-ranking America to see the Syrian President in more than a year. It would be difficult to achieve a realistic Middle East peace without Syria's participation.

(NBC-3, ABC-3)

## PANAMA

Rather: The U.S. warned Panama today that an investigation into that country's military strongmen must be fair enough to win popular support....

(CBS-7)

MEESE

Brokaw: Attorney General Edwin Meese released documents tonight aimed at answering complaints from the office of government ethics that a blind partnership with an investment counselor did not meet federal requirements. Meese said there were no improprieties. The investment manager was a consultant in the scandal-plagued Wedtech corporation. The documents released tonight showed none of the Meese money was invested in Wedtech however. (NBC-2)

ABC's Dennis Troute: The Attorney General's financial disclosure report was a full month overdue. The principle surprise in it -- Meese made roughly \$35,000 in 2 dozen one-day stock trades over the past two year -- adventurous, but certainly not illegal. He invested through a middleman in banks and a sports shoe company, among other stocks. (Terry Eastland: "We have, today, made available to the world all of the information and this should lay to rest any concerns anyone might ever have.")

This form has been awaited anxiously because of concerns that it might show Meese to have a conflict of interest. Meese had invested his \$50,000 through a director of Wedtech, a company which he helped get access to big defense contracts. The question is -- was Meese's money invested, possibly at a discount rate, in Wedtech stock? The answer today -- no. None of the money was invested in Wedtech. But a related question lingers. David Martin, the director of the office of government ethics, said that Meese technically violated the law when he failed to put his investments in the kind of controlled blind trust required by government rules. Today Martin said he's studying Meese's new disclosures and supporting documents. Taking the offensive, the Attorney General now complains that the ethics office violated the law by telling Congress what it knew about Meese's finances. As for Meese's investment profits, he's saying nothing about what he's planning to do with them. (ABC-8, CBS-2)

-End of B-Section-

## **EDITORIALS/COLUMNISTS**

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### **ON NOMINATION OF ROBERT BORK**

Reagan Keeps The Faith With Nomination Of Bork -- "The U.S. Senate has both a right and an obligation to consider [Robert Bork's] nomination carefully, but it should do so expeditiously. It would be outrageous, and we think the public would perceive it to be an outrage, for the Senate to obstruct for the sake of obstruction.... At this point the only issue is simply that some liberals think Bork is too conservative. But they have no right to depict him as 'ultraconservative' simply because he is not 'ultraliberal.' Bork is not and never has been an extremist. And President Reagan certainly has the right to nominate well-qualified judicial conservatives."  
(Atlanta Constitution, 7/5)

The Bork Nomination -- "Let us be clear on the nature of the debate. One set of issues in the confirmation process will be whether Judge Bork is personally and professionally qualified to serve on the court.... But the real issue in the debate is unlikely to be this. It will be the judge's philosophical leanings, the positions he has taken over the years, his likely effect on the court.... The nature of the confirmation process is as much at issue this time around as the quality of the nominee."  
(Washington Post, 7/2)

Judge Bork, The Senate and Politics -- "There's no getting politics out of a nomination to the Supreme Court. Political justice and a politicized judiciary are to be avoided, but picking a justice is a political act. That's why President Reagan's nomination of Judge Robert Bork will test the Senate. It has not only a right but a duty to scrutinize Judge Bork's philosophy every bit as carefully as his credentials."  
(New York Times, 7/2)

A Balancing Act Is Not In Bork's Repertoire -- "Robert Bork is a Supreme Court nominee whose time has passed. What the court needs now is not another doctrinaire judicial conservative but a flexible centrist who can assume the balancing role filled by Justice Lewis Powell until he retired last week."  
(Newsday, 7/2)

The Bork Nomination -- "It has been said that a judge untethered by the legal text is a dangerous man. President Reagan took a step toward reducing that danger -- and thus strengthening the nation's democratic institutions -- with his nomination of Judge Robert Bork to the U.S. Supreme Court."  
(Detroit News, 7/2)

Right And Wrong Ways To Combat The Reagan Court -- "Bork is a legal thinker of intellectual distinction and scholarly renown. The disadvantage of being selected for a position equal to his talents is having to be judged by people who are not.... By all established criteria, Bork ought to be approved. If Democrats don't like the court's makeup, they should work to change it just as Reagan changed it. The right tool for that job is not the confirmation power but the ballot box."

(Stephen Chapman, Chicago Tribune, 7/5)

ROBERT BORK'S NOMINATION (continued)

What Would Justice Bork Mean To America's Future? -- "Before accepting the attacks of Mr. Bork's critics, the Senate must make them prove their case. It is equally obliged to give Judge Bork every opportunity to explain himself. In the end, however, if Senators are convinced that Robert Bork's ascension to the Supreme Court would harm the nation, then -- but only then -- they are duty-bound to reject the nomination."

(Philadelphia Inquirer, 7/3)

Don't Say You Weren't Warned -- "Robert Bork was chosen by President Reagan to sit on the Supreme Court because of his political beliefs, which are conservative. Liberals profess horror that the President has chosen such a prominent conservative for the Court. Yet liberals warned the American public in two presidential campaigns that if Reagan were elected, he would nominate conservatives, specifically Bork, to the Supreme Court. Reagan won both elections."

(Lars-Erik Nelson, New York Daily News, 7/3)

A Solid Choice For High Court -- "Judge Bork deserves the respect due a man of his achievements. We certainly hope Sen. Edward Kennedy will not engage in the character assassination he tried on Chief Justice William Rehnquist. The hearings ought to be over in time for him to take his seat on the first Monday in October."

(Boston Herald, 7/2)

Judge Bork, The Right Man -- "The Supreme Court should be an impartial referee bound by the honest limitations of the Constitution and the law. Judge Bork has the qualifications, record and philosophy that indicate he would be an ideal justice on the Supreme Court of the United States."

(Chattanooga News-Free Press, 7/2)

Bork/Powell -- "A Supreme Court justice is the most independent of all government creatures. Those who have attempted to predict how a specific justice would perform have been wrong as often as right. The prudent course is allowing qualifications to count. Judge Bork has them in abundance."

(Cincinnati Enquirer, 7/2)

Ideology Should Not Replace Quality -- "The battle lines now are drawn for a partisan and ideological donnybrook over Ronald Reagan's nomination of Robert Bork to the Supreme Court.... Given the ideological chasm separating Reagan from the Democratic Senate, the process is likely to be as grueling as it will be political. That would be a tragedy. Bork's understanding of the Constitution cannot be as ideologically rigid and damagingly demagogic as the Democrats who seek to usurp the President's designated authority and politicize the Supreme Court."

(New York Tribune, 7/3)

A Close Look At Bork -- "The nomination of Robert Bork as a Supreme Court justice ought to be given a long, hard look by the U.S. Senate. And it will be. Mr. Bork should not be dismissed out of hand for his conservative views on sensitive matters...nor should his nomination be rushed through because he reports intellectual prowess and his legal experience.... The Senate must be consistent. If it wants a justice who will take a fresh look at evidence at hand, at established precedent and the Constitution, it should show the same open-mindedness in its review of Bork."

(Christian Science Monitor, 7/3)

-End of News Summary-



# News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JULY 7, 1987 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

U.S. Proposes Nations Cease Farm Subsidies -- The Reagan Administration formally proposed that all nations drop all forms of government farm subsidies by the year 2000. (New York Times, USA Today, Wall Street Journal, Washington Post, AP, Reuter, UPI)

### NATIONAL NEWS

Reagan Accuses Hill Of Clinging To Spendthrift Ways -- President Reagan accused Congress of disrupting the system of checks and balances in the Constitution because lawmakers are unwilling to give up their spendthrift ways. (Washington Post, Washington Times)

### IRAN-NICARAGUA

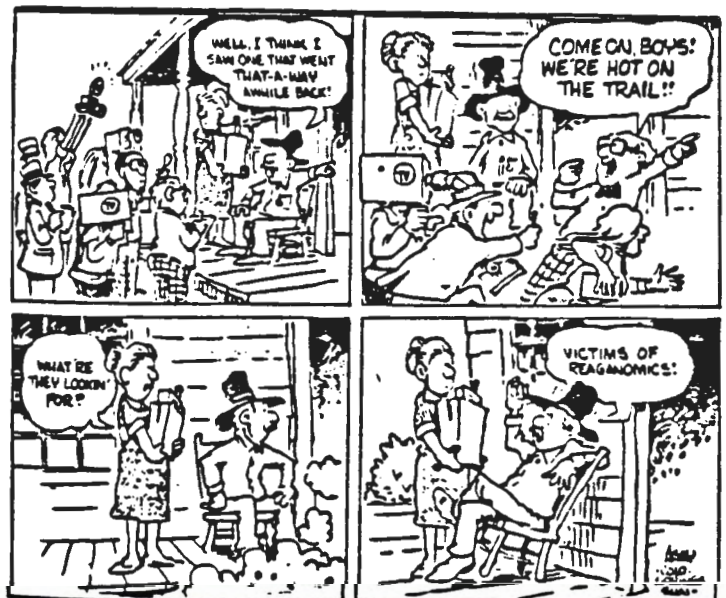
Fired White House Aide North To Begin Testimony To Congress -- Oliver North goes before Congress and the nation to answer key questions in the Iran-contra affair, including what President Reagan knew of the covert diversion of aid to Nicaraguan rebels. (Washington Post, AP, Reuter, Scripps Howard, UPI)

### NETWORK NEWS (Monday Evening)

**IRAN-CONTRA** -- Oliver North will testify in public for the first time today.

**PERSIAN GULF** -- The Persian Gulf reportedly was a primary topic for a secret meeting between U.S. and Soviet negotiators in Geneva.

**WALTERS/SYRIA** -- Vernon Walters is in Syria for meetings with President Hafez al-Assad.



This Summary is prepared Monday through Friday by the White House News Summary Staff.  
For complete stories or information, please call 456-2950.

## **INTERNATIONAL NEWS**

### **U.S. SEEKS TO REVAMP FARM TRADE Far-Reaching Plan Would Phase Out Global Subsidies**

The U.S. urged its trading partners to join in a revolutionary restructuring of global farm policies that would phase out subsidies within 10 years and allow free trade in agriculture.

The revisions, if carried out, could eliminate virtually the entire \$30 billion-a-year in U.S. farm support programs that affect world trade, including irrigation and water resource policies, agricultural extension programs and price supports.

President Reagan called the program, put on the table in global talks in Geneva and simultaneously unveiled at the White House, "the most ambitious proposal for world agricultural trade ever offered." Prospects in Geneva for the far-reaching proposal are uncertain, however, since other major producers reacted coolly. (Stuart Auerbach, Washington Post, A1)

### **U.S. Proposes Nations Cease Farm Subsidies**

The Reagan Administration formally proposed that all nations drop all forms of government farm subsidies by the year 2000.

U.S. officials said they hope an agreement phasing out subsidies over 10 years can be negotiated by the end of 1988, when the Reagan presidency winds up. But the idea faces strong opposition from other governments and from Congress, making it unlikely ever to be adopted in full, or in any form anytime soon.

...Nico Wegter, a spokesman for the European Community Commission, said, "We think this is not a realistic proposal.... In principle, we are in favor of negotiation to diminish farm subsidies. But Reagan's proposal goes beyond the scope" of previous accords.

But in Ottawa, Canadian Prime Minister Mulroney welcomed the U.S. plan as "a bold move" that "challenges all countries interested in trade liberalization to move towards a world where production and trade decisions will not be distorted by government intervention."

(Walter Mossberg & Ellen Hume, Wall Street Journal, A2)

### **Japan And Europeans Cautious On U.S. Plan**

GENEVA -- Japan and the European Community reacted cautiously to the Reagan Administration's call for eliminating price subsidies and import barriers in agricultural trade, but Australia and several other key food-exporting nations welcomed the proposal.

The European Community said it would officially respond to President Reagan's plan on Tuesday, but in the meantime community diplomats privately expressed differing levels of concern. One official said the plan would be "intensely studied" by his government, but another flatly rejected the proposal as "totally unrealistic" and impossible to achieve in the tight schedule outlined by the White House.

Meanwhile, a group of 13 countries that favor change, including Australia, Argentina, Brazil, Canada and Thailand, gave a strong vote of confidence to the Reagan proposal. Peter Fields, the Australian Deputy Trade Secretary, described it as "ambitious, far-reaching and innovative."

(New York Times, D7)

### U.S. Seeks To Dismantle Farm Subsidies

The Reagan Administration is seeking to convince reluctant trading partners and U.S. farmers to dismantle politically popular and costly farm subsidy programs.

"Today, I renew my commitment, as I did along with all our trading partners in Venice to achieve the goal of free agriculture markets around the world by the year 2000," said President Reagan in a statement announcing a sweeping U.S. plan to dismantle farm subsidies.

[For the proposal to be successful] the Administration must present a united domestic front -- support from key members of Congress and American farm groups -- to convince reluctant trading partners to go along, farm analysts said.

While domestic reaction was generally supportive of the Administration's goal, few members of Congress or farm groups were willing to wholly endorse the plan. (Gene McCune, Reuter)

### U.S. Wants End To Agricultural Subsidies

The U.S. government wants its trading partners to negotiate a simultaneous and coordinated 10-year phase-out of agricultural subsidies and policies that distort trade.

Trade Representative Yeutter and Agriculture Secretary Lyng, in news briefings, said they believe they can overcome political resistance within the U.S. and gain bipartisan support in Congress as long as the nations agree to reduce subsidies in unison. Chairman Patrick Leahy of the Senate Agriculture Committee, said he supports the general goal of moving toward lower subsidies and freer trade.

But he [Leahy] said, "We will not unilaterally toss our farmers into stormy seas to be drowned by unfair foreign trade practices without any sort of domestic life raft." (Sonja Hillgren, UPI)

### Farmers On Subsidy-Cut Plan; Spirit Willing, Finances Weak

Most U.S. farmers agree with the spirit of President Reagan's plan to rid the world of agriculture subsidies by the year 2000.

But while their spirits are willing, farmers say they're unable to sustain such a cut -- unless all other countries also stop import restrictions and subsidies.

"And I just don't see that happening," Jim Barr of the National Milk Producers Federation said. (Jessica Lee, USA Today, A4)

### U.S. Initiative Gets Mixed Reviews

A Reagan Administration proposal to end the world's agricultural subsidies and trade barriers in 10 years is getting mixed reviews from U.S. farm groups.

"If the President were successful, it would basically put American agriculture probably back in the same condition we were prior to the Great Depression, in which we had the constant boom and bust -- more years of bust -- in agriculture," said Bob Denman, a National Farmers Union spokesman.

Dean Kleckner, president of the American Farm Bureau Federation, called the U.S. plan "a bold proposal" for the world's farm community and said it could have a far-reaching impact. (Don Kendall, AP)

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## NAVY PLANES' LAUNCH IN GULF PLAYED DOWN Link To Iran Missile Activity Denied

Administration officials played down the launch of U.S. Navy planes from an aircraft carrier near the Persian Gulf last weekend at a time when the U.S. is closely monitoring activity at Iranian Silkworm antiship missile sites.

Pentagon officials said the airplanes were launched as a drill in preparation for U.S. military escort of Kuwaiti tankers flying the U.S. flag in the gulf. White House officials said the jets were sent aloft in connection with the USS Stark's departure from Bahrain en route to its home port in Florida.

Other Pentagon officials told The Washington Post Sunday that the launching of the planes, including bombers, was triggered by suspicious activity at a Silkworm base late last week. One official said that some Pentagon officials believe Adm. William Crowe, chairman of the Joint Chiefs of Staff, may have overreacted to fragmentary intelligence information when he ordered the planes launched. The official said the launching was a precautionary measure and did not represent a decision to take out the Silkworm missiles in a preemptive strike.

(Molly Moore, Washington Post, A12)

### U.S. Warplanes To Escort Persian Gulf Ships Periodically

U.S. warplanes have begun periodic flights in the Persian Gulf to demonstrate their ability to protect ships and to keep watch on Iran, according to Pentagon officials.

They told Reuter Navy F-14 jet fighter planes roared over the gulf Saturday to escort the missile-hit frigate Stark and two other U.S. ships out of the narrow Strait of Hormuz, the entrance at the bottom of the gulf.

"It was intended to demonstrate our ability to cover the strait with both fighter and surveillance aircraft," a defense official said.

(Jim Adams, Reuter)

### Navy Planes Were Prepared To Attack Iranian Missiles

U.S. officials say Navy jets flew within striking distance of the Persian Gulf only as a warm-up exercise for escorting Kuwaiti tankers but could have attacked Iranian Silkworm missiles if necessary.

A day before the dramatic weekend rehearsal, Iran put one of the Chinese-made missiles into one of its truck-mounted launchers for a possible test-firing, the Administration officials said. It was dismantled within 24 hours, they said, but the launcher was situated just where the U.S. does not want the missiles -- along the Iranian coast of the Strait of Hormuz.

"They showed themselves and us that they could deploy the Silkworms," said one of the sources who spoke on the condition of anonymity.

Whether the U.S. would attack the missiles preemptively has not been declared, and one official said the Navy exercise Saturday "wasn't designed as an anti-Silkworm exercise." Nonetheless, the official said, the planes "were prepared to deal with them."

(Richard Gross, UPI)

### U.S. Military Gears Up To Escort Tankers Through Persian Gulf

U.S. military forces geared up to escort oil tankers in the Persian Gulf with warplanes flying a practice mission south of Iran and warships patrolling a dangerous zone in the north, said sources in Washington and the Middle East.

Indications mounted that Iran may be renewing attacks on gulf shipping, as a mobile antiship missile launcher was spotted on the Iranian shore and five Iranian rubber boats reportedly attacked a Spanish supertanker last week.

Navy A-6 warplanes from the carrier Constellation flew what Administration officials described as a practice mission in the Arabian Sea, but they stayed well south of Iranian antimissile launch sites on the Strait of Hormuz at the mouth of the Persian Gulf. (Brian Brumley, AP)

### U.S. Warships Prowl Tense Gulf

The drama heightened in the Persian Gulf Monday amid reports of U.S. warships roaming inside the declared exclusion zone.

"They're everywhere," a shipping official told AP, including Iraq's off-limits zone 70 miles around Iran's Kharg Island. Navy spokesman Lt. Cmdr. Stephen Honda only said the ships were "in international waters."

Also, U.S. warplanes from the the aircraft carrier Constellation reportedly began rehearsing escorting tankers over the weekend and were ready to attack Iranian Silkworm missiles if they were fired.

(Bob Minzesheimer, USA Today, A1)

### U.S. ASSERTS BAKER MISSPOKE ON GULF Sunday Remark Corrected -- No Link To Soviet Pullout

The White House and the State Department moved to dispel the impression created over the weekend by White House Chief of Staff Howard Baker that U.S. warships could be withdrawn from the Persian Gulf in response to a Soviet pullout.

There would be no complete withdrawal, spokesmen said, and a reduction in the number of ships would take place only if tensions between Iran and Iraq diminished and the gulf became safe for commercial shipping -- a possibility now seen by experts as unlikely in the near term.

(David Shipler, New York Times, A1)

### BILLS TO BLOCK RE-FLAGGING OF TANKERS TOP AGENDAS FOR RETURNING LAWMAKERS

Legislation calling for delay in the re-flagging of Kuwaiti oil tankers in the Persian Gulf will be the first order of business in both houses of Congress, which returns after a Fourth of July recess.

The measures are both primarily symbolic position statements, since lawmakers agree there is little chance Congress could actually reverse President Reagan's plans to re-flag 11 Kuwaiti oil tankers later this month.

(Jennifer Spevacek & James Dorsey, Washington Times, A4)

## CHINA FOILS GORBACHEV'S MASTER PLAN FOR THE GULF

Soviet leader Gorbachev has a diplomatic master plan for the Middle East but China is standing in the way, according to Israeli Defense Minister Yitzhak Rabin.

Rabin...said Gorbachev's main goals are to end the gulf war, to bring Syria and Iraq together, to rebuild the PLO and to reconcile the PLO and Syria.

This would create a powerful Iraq-Syria-PLO "Eastern Front" against Israel, manipulated by Moscow, and establish the Soviet Union as the dominant superpower in the gulf.

However, Rabin added that China was supplying Iran with heavy and sophisticated armaments in order to allow it to continue to wage war against Soviet-supported Iraq.

"I believe that China realized there could be a Soviet victory in the region," Rabin said. "I believe they will strengthen Iran more to continue the war to prevent this."

(News Analysis, Martin Sieff, Washington Times, A1)

## U.S. MEETS WITH SOVIETS, SYRIANS ON GULF WAR, MIDDLE EAST PARLEY

GENEVA -- U.S. diplomats are meeting Soviet and Syrian officials in Geneva and Damascus seeking their cooperation to help end the gulf war and set up an international Middle East peace conference.

U.S. Assistant Secretary of State Richard Murphy met at the Soviet Embassy with Vladimir Polyakov, a senior Soviet Foreign Ministry official. Their talks will continue today at the U.S. Embassy.

U.S. diplomats here said that Murphy planned to tell Polyakov that the U.S. Administration is determined to support its "Arab friends" in the Persian Gulf in the face of Iran's "policy of intimidation."

While Murphy sounded out the Soviets in Geneva, U.S. special envoy Vernon Walters arrived in Damascus to revive relations, almost suspended since last October over Syria's involvement with terrorists.

(Washington Times, A8)

### U.S. Envoy, Assad Confer On Mideast Issues

Ambassador Vernon Walters, acting as President Reagan's special envoy, met in Damascus with Syrian President Hafez al-Assad to discuss the Syrian attitude toward terrorism and explore an improvement in U.S.-Syrian relations.

Walters...spoke to reporters in Damascus shortly after State Department spokesman Charles Redman confirmed Syrian reports of the discussions. Walters said he and Assad had two meetings covering Mideast issues and bilateral questions. (Don Oberdorfer, Washington Post, A10)

### Top U.S. Envoy Meets With Assad

DAMASCUS -- U.S. envoy Vernon Walters slipped into Syria secretly for talks with President Hafez al-Assad about the plight of nine kidnapped Americans missing in Lebanon.

Diplomatic sources said Walters...arrived in Damascus secretly Sunday. His presence in the Syrian capital was revealed Monday by a spokesman for Assad, but Washington remained tight-lipped about his mission. (Samia Nakhoul, UPI)

### Syria Learns Kidnappers' Names, Hideouts

The Syrian government has learned the identities of kidnappers of the 27 foreigners missing in Lebanon from a Lebanese Druze Moslem they are holding, CNN reported.

CNN quoted an unnamed senior Syrian military official as saying that the man, identified as Damal Karrar, revealed the names of most of the kidnappers involved in the abduction of the foreigners and that Damascus had given the names to Iran with a warning to arrange the captives' release.  
(Washington Times, A6)

### AFGHAN REBELS MAKING GAINS

A U.S. official says there is still no prospect of a military victory by either side in the Afghanistan war but that the tide of the battle is shifting toward the resistance forces.

A senior State Department official, briefing reporters on the basis of no further attribution, said the Afghan resistance forces, which appear to be operating cooperatively for the first time, "have demonstrated their ability to fight the Soviets to a standstill in pitched battles."

(Jim Anderson, UPI)

### Afghan Rebels Repulse 5,500 Soviet Soldiers

Afghan Moslem rebels have turned back a column of 5,500 Soviet troops after fierce hand-to-hand fighting with Soviet Spetsnaz elite special forces troops in the largest engagement of the war, a U.S. official said.

A senior Administration officials said that the pitched battle on the guerrilla supply route near the Pakistan border and another successful large-scale operation in the south near Kandahar has sent morale soaring among the Mujahideen.

The rebels' two major successes over the past few weeks in Kandahar and in the Paktia province are being attributed in Washington to much better coordination between rival Mujahideen groups, and to the diminishing effectiveness of Soviet air power related to the growing supplies to the rebels of U.S. Stinger missiles and British Blowpipes.

(Richard Beeston, Washington Times, A1)

### U.S. BLOCKS SOVIET SPACE-LAUNCH OFFER State Dept. Notes Law Prohibits Transfers Of Technology

A Soviet offer to provide launching capabilities for American commercial satellites has been blocked by the U.S., the State Department said.

Soviet officials who discussed the initiative with U.S. officials "have been clearly informed of the long-standing prohibitions on the transfer of U.S. space technology to the Soviet Union," the department said in a written statement.  
(Reuter story, Washington Post, A7)

BONN CHIEF CHALLENGES EAST-WEST SPLIT  
Weizsaecker, Visiting Moscow, Calls For Greater Cooperation

MOSCOW -- West German President Richard von Weizsaecker used a Kremlin speech to challenge the division of East and West Germany, saying that citizens of both states still "feel that they belong to one nation."

At a Kremlin dinner, von Weizsaecker called for greater economic and political interdependence between West Germany and the Soviet Union. "We should cease to think as blocs and in terms of bloc boundaries," he said, according to a text released by the West German Embassy.

Amid difference between Moscow and Bonn over negotiations for a U.S.-Soviet agreement to reduce medium- and short-range missiles, Soviet President Andrei Gromyko called on Bonn to "contribute not just in words, but in deeds to the success of these talks."

(Gary Lee, Washington Post, A11)

PANAMA ENVOY MEETS WITH ABRAMS  
Damage To Embassy Regretted; U.S. Stresses Free Elections

Panama's special envoy, Aquilino Boyd, met with the State Department's top Latin American official in an effort to ease tensions between the two countries, but U.S. officials said later they had emphasized the need "for free elections leading to a full, functioning democracy."

A spokesman for Boyd described the talks with Elliott Abrams...as "cordial" and acknowledged that Boyd had expressed regret for damage done to the U.S. Embassy in Panama City last week during anti-American demonstrations by supporters of Gen. Manuel Noriega.

Several hours later, the department issued a statement that, while not referring to Noriega by name, made clear that Boyd had not changed the U.S. position. It said Abrams had reiterated to Boyd that the foundation of our policy is a series of steps in a process that results in free elections leading to a full, functioning democracy."

(John Goshko, Washington Post, A11)

12 KOREAN DISSIDENTS FREED FROM PRISON  
Seoul Rioting Continues As Demonstrators  
Gather To Honor Memory Of Dead Student

SEOUL -- Twelve leading South Korean dissidents, arrested for organizing a major opposition rally June 10, were freed from prison today, beneficiaries of the unexpected success of the movement they helped create.

The government also freed 165 students and demonstrators who had been detained since the June 10 rally. Officials said that hundreds more will be released later this week.

Meanwhile, clashes between demonstrators and police continued for the second day at Seoul's Yonsei University, where about 7,000 students attempted unsuccessfully to march off campus. Riot police turned them back with tear gas, while students hurled rocks and flailed at police with sticks.

(Fred Hiatt, Washington Post, A10)

## **NATIONAL NEWS**

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### **REAGAN ACCUSES HILL OF CLINGING TO SPENDTHRIFT WAYS**

President Reagan accused Congress of disrupting the system of checks and balances in the Constitution because lawmakers are unwilling to give up their spendthrift ways.

"The momentum of big government, which we've managed to hold back for these last few years, has only been gathering steam, getting ready to burst through all the restraints we've imposed on it," Reagan said.

Even if the next president is determined to hold the line against tax hikes and big spending, the fact is the presidential veto power has been seriously weakened in the last 15 years, Reagan said.

"It seems like everybody is getting a piece of the action," Reagan said. "That's why when the House-Senate Conference Committee agreed on a budget recently, it included \$41 billion in increased domestic spending with essential defense programs held captive to a \$64 billion tax hike. It's always the American people who are expected to foot the bill."

(Jeremiah O'Leary, Washington Times, A4)

### **Pushing Agenda, Reagan Dusts Off '64 Theme**

Quoting from a speech he gave for Republican presidential nominee Barry Goldwater in 1964, President Reagan continued his effort to build public support for conservative economic and welfare programs that have been stymied in Congress.

Addressing the Kiwanis International Convention, Reagan appealed for the "Economic Bill of Rights" he said is the wave of the future. Reagan said the choice facing Americans is "between freedom and increasing state control," the same phrase he used recurrently during the Goldwater campaign.

When Reagan stumped for Goldwater, his complaint was that Democrats had allowed the government to grow excessively and had strayed from the intentions of the constitutional framers.

But Reagan's words yesterday had a different purpose. Instead of calling for return to old verities, the President appealed for enactment of a constitutional amendment requiring a balanced budget and a "super majority" vote for any tax increases.

(Lou Cannon, Washington Post, A3)

### **WHITE HOUSE MAY DROP EFFORT TO ALTER BUDGET PROCESS BY AMENDING DEBT BILL**

The Reagan Administration is considering dropping its efforts to have Congress enact changes in the federal budget process as part of debt-ceiling increase, according to congressional and Administration sources.

Congressional officials said the White House has signaled that it may prefer a "clean" bill -- one with no amendments -- to raise the nation's debt ceiling when the current ceiling expires later this month. That would be a setback for the President, who has been pushing for changes in the budget process in his recent public speeches. And it would be a retreat from last May, when the Administration agreed to negotiate changes in the budget process with Congress and attack them to the debt-ceiling measure.

(Alan Murray & Jeffrey Birnbaum, Wall Street Journal, A5)

**MEESE DISCLOSES 2-YEAR PROFIT  
OF \$35,000 ON INVESTMENTS  
Ethics Office Blamed For Statement's Delay**

Attorney General Meese disclosed that he and his wife made more than \$35,000 in profits from sales of stock over the past two years on an investment of \$60,000 but strenuously defended his failure to disclose the details of the investments until now.

Last week the Office of Government Ethics (OGE) said Meese had failed to comply with federal ethics rules in 1985 when he set up "a limited blind partnership," but Meese said that he had "complied fully with the Ethics in Government Act" when he entered the partnership that handled the investments. Instead, speaking through his lawyers, he accused the OGE of having "violated federal law" in failing to warn him of the unsufficiency of his disclosures.

"Mr. Meese, in short, has done what a government official is supposed to do," Meese's attorneys, Nathan Lewis and James Rocap, said in a memorandum accompanying most of the details. "Indeed he has done more than is required to ensure against conflicts of interest."

(George Lardner & Mary Thornton, Washington Post, A1)

**Meese Financial Report Shows No Investment In Scandal-Plagued Firm**

Attorney General Meese revealed that none of the money he put into a financial management firm was invested in the scandal-plagued Wedtech Corp., and his lawyer blamed the government ethics office for negligence in handling Meese's annual financial disclosure reports.

Lawyers for Meese, making public his required annual report for 1986, released a detailed and spirited defense of the attorney general's efforts to avoid a conflict of interest since taking over the Justice Department in early 1985.

"This should lay to rest any concerns that anyone might have," said Justice Department spokesman Terry Eastland. (Benjamin Shore, Copley)

**Meese Earns \$11,000 Profit From Trust, None From Wedtech**

Attorney General Meese disclosed that he made a healthy \$10,973 profit with highly speculative trading in his controversial blind trust last year but none was invested in the scandal-plagued Wedtech Corp.

Releasing his 1986 financial disclosure forms, Meese also turned the table on the government ethics office, charging that it, instead of him, broke the law by not alerting him to possible improprieties involved with the trust.

The extensive documentation from Meese accompanying his 1986 form showed that none of the assets included in his "limited blind partnership" with W. Franklyn Chinn, a consultant closely tied to Wedtech, were ever invested in the company or any company related to it.

Sen. Carl Levin, who plans to hold a hearing on the issue later this week, said, "This response is better late than never. But it raises as many questions as it provides answers." (Lori Santos, UPI)

## LOBBY GROUPS RALLY FORCES ON BORK ISSUE Grass-Roots Pressure On Senators Sought

Conservative and liberal groups are preparing for a multi-million-dollar lobbying battle over the Supreme Court nomination of U.S. Appeals Court Judge Robert Bork, with efforts already under way by both sides to organize grass-roots support in key senators' states.

Almost as soon as Bork's nomination was announced last week, both sides started to write and telephone their members, recruit other groups, bombard editorial writers with information about the Senate's role in the confirmation process and design advertising campaigns and legislative strategies to prevent or assure Bork's elevation to the high court.

(Ruth Marcus & Gwen Ifill, Washington Post, A1)

### 4 Senate Panel Members Hold Key To Bork's Future

Four members of the Senate Judiciary Committee have not yet committed themselves publicly on Judge Robert Bork's nomination to the Supreme Court, and their votes hold the key to Bork's future.

The key senators are three Democrats, Sens. Howell Heflin, Dennis DeConcini and Patrick Leahy, and one Republican, Arlen Specter.

Of this group, both Heflin and DeConcini said they are predisposed to accept the President's nomination. Leahy has questioned the impact Bork's appointment might have on the Roe vs. Wade abortion ruling, but he has not ruled out voting for confirmation.

One high-ranking Administration official who declined to be identified speculated hopefully, "There's at least a chance at Heflin and DeConcini, maybe even Byrd (might vote for Bork)."

"Leahy tends to be a little more principled on conference matters than some of the others," the official said. "And I'd like to think that Joseph Biden might, depending on his political calculus (support the Bork nomination)."

The spokesman also said he was not "especially worried" about Specter switching ranks. (Michael Fumento, Washington Times, A1)

### Bork Debate Likely To Define Senate Role In Judge Selection

President Reagan's nomination of Robert Bork to the Supreme Court, whether confirmed or rejected, likely will help the Senate better define its won role in choosing federal judges.

In recent years, senators have been skittish about opposing judicial nominations based on the "naked politics" of ideology. Some apparently would consider it bad form for a senator to say about Bork: "He's a good man, a competent judge but just too conservative for my taste. I'm voting against him."

Some liberal Democrats will try to persuade their colleagues that approach is appropriate. (News Analysis, Richard Carelli, AP)

## **IRAN — NICARAGUA**

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### **LACKING OLD LUSTER, NORTH RETURNS TO TESTIFY**

[The last time he appeared before Congress] North seemed to embody the all-American patriot even as he told the House Foreign Affairs Committee last Dec. 9 that, on the advice of his attorney, he had decided to remain silent. Biting his lip and speaking in a quavering voice, North said: "I don't think there's another person in America that wants to tell this story as much as I do, sir."

In the past seven months, assorted disclosures in the press, the Tower Review Board and many weeks of congressional testimony this summer revealed a guileful, conniving side to North that contrasts with the straight-arrow image of his last appearance. What has emerged is a portrait of a North who is more complex and elusive than was evident last winter.

For congressional investigators, who have billed North as one of the two or three most crucial witnesses to solving the scandal's remaining mysteries, this dark side has created a perplexing problem: Can North be believed?  
(Joe Pichirallo, Washington Post, A1)

### **North Faces Key Questions By Iran-Contra Panel**

Oliver North, in his appearance before the congressional Iran-contra hearing, faces such questions as: What did President Reagan know? Which documents did you shred? Why did you buy snow tires with contra money?

Because North turned [his] papers over to the panels only last week, John Nields, chief counsel for the House committee, said he may need more than one day of questioning to lay out the laborious facts of North's involvement in the complicated Iran-contra arms deals.

The real fireworks aren't expected until Wednesday, when Arthur Liman, counsel for the Senate panel, cross-examines North in an effort to shake his testimony. (Lance Gay & Walter Friedenbergh, Scripps Howard)

### **Fired White House Aide North To Begin Testimony To Congress**

Oliver North goes before Congress and the nation to answer key questions in the Iran-contra affair, including what President Reagan knew of the covert diversion of aid to Nicaraguan rebels.

"I think we have a lot to learn about this man. What drives him?" said Sen. Paul Trible, one of the 25 lawmakers who will press for answers after North is placed under oath at 9 a.m.  
(Jim Wolf, Reuter)

### **North's Testimony**

Oliver North, a name unknown to the public until last November, breaks his public silence to describe what he knows about President Reagan's role in the Iran-contra scandal.

Sen. George Mitchell, another lawmaker designated to question North, said, "Ultimately, I think, the President is responsible. I don't think there's any doubt about that. Whether he knew all the details or not, I think is not the central question, although it's become that in some respects."  
(Judi Hasson & Dana Walker, UPI)

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### Testimony Expected To Clarify Roles Of President, Cabinet

For months, the public and much of the news media have come to expect that Oliver North's testimony to the congressional investigating committees would provide a climactic moment in the Iran-contra affair. But senior members of the committees and their staff have different expectations.

North, say committee sources, is no being called just to tell what he knows about some "secret government," or to provide explanations for his free security fence, or even just to answer whether the President knew of a diversion of funds to the contras. Of greater importance to the committees is the help North can provide in establishing the roles of those ultimately responsible for his questionable activities: the President and his senior Cabinet members.

(News Analysis, Walter Pincus & Dan Morgan, Washington Post, A6).

### Reagan Convinced North, Poindexter Will Not Implicate Him

President Reagan believes the next two weeks will be crucial in the Iran-contra scandal but is convinced the two former White House aides central to his worst crisis will not implicate him, assistants say.

According to the President's men, Reagan was confident heading into today's scheduled testimony from Oliver North that both North and John Poindexter would support his repeated denials of any prior knowledge about the possibly criminal diversion of money to the contras from secret U.S. arms sales to Iran.

However, said one of the aides who spoke on condition of anonymity, "I don't think he feels he has Iran behind him at all."

(Helen Thomas, UPI)

### White House: Appearance Of Business As Usual As North Testifies

The White House put on a determined look of business as usual as Oliver North faced questioning about what President Reagan knew about secret arms sales to Iran and money diverted to Nicaraguan rebels.

Officials said Reagan probably would not take out time to watch the congressional hearings as the Marine lieutenant colonel ended months of silence to testify under a grant of limited immunity from prosecution.

Throughout the congressional hearings, White House officials have said the President has not watched much of the testimony but has been provided with a daily, written summary of developments.

(Terence Hunt, AP)

EDITOR'S NOTES: "North's Defender; The Fighting Instincts of Brendan Sullivan," by Sidney Blumenthal, appears in The Washington Post, D1.

"Contragate Crucible; The Senate Committee Counsel, Reveling In 'The Best Job' In America," By Mary Battiata, appears in The Washington Post, D1.

## **NETWORK NEWS SUMMARY**

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(Monday Evening, July 6, 1987)

### **IRAN-CONTRA HEARINGS/NORTH'S TESTIMONY**

NBC's Tom Brokaw: Tomorrow morning the Iran-contra hearings move into their most dramatic stage. Lt. Col. Oliver North -- the young Marine officer who played so many key parts in the tangle of deals and transactions will testify in public for the first time. Other witnesses have described North's role in a variety of questionable, even illegal, activities. And, of course, there is the matter of his relationship with President Reagan.

NBC's John Dancy: Oliver North will at long last sit here, looking slightly upward at the 26 members of the committee. When he stands to take the oath, 29 remote controlled still cameras will record the scene, as will every television network in America. North's four days of testimony should be a climactic moment -- when the committee begins getting answers to some of the key questions: did President Reagan order the diversion of profits from the Iran arms sale to the contras? If not, who did? Or was North operating alone? Even now, more than 7 months after the story broke, Oliver North is still something of a mystery to the committees. His only testimony under oath was a 25-minute session that was carefully limited to what he may or may not have told the President. The picture so far has been painted by others.... All of this has tarnished North's image among even the most ardent supporters of the Reagan Administration and its contra policy....

(Rep. Dewine: "I think Oliver North is a very complex individual. I think it's very clear that he is an extremely patriotic individual and it is also very clear that he made mistakes.")

(Rep. McCollum: "I think we also think of heroes as being there on the stand and staying there forever. And if you're going to be a true hero in history, you have an unblemished record.")

(Sen. Hatch: "I think phoney letters are improper. I think phoney invoices are improper. I think participating in something like that is improper. Whether it's illegal or not remains to be seen.")

Meanwhile North's wife, Betsy, has told Life magazine her husband is not bitter, "He's hopeful he can get the real story across. His motives are pure." But the problem North will face tomorrow is this -- these hearings are not about his motives, they are about his actions and who ordered them.

Brokaw: Specifically -- did President Reagan order North to do what he did? How much did the President know of what North was doing? President Reagan will be at the White House tomorrow, but his unseen presence will be large in the hearing room.... The political stakes for the President are enormous.

(TV coverage: Still photographs of the President over Brokaw's left shoulder.)

NBC's Chris Wallace: White House officials put out word today they expect Oliver North to be a good witness for the President. They expressed confidence North will testify that Mr. Reagan was not involved in any illegal actions, saying that they've been advised that North did not implicate the President in his private testimony before the Iran-contra committees last week.

(Frank Farrenkoff, Republican National Chairman: "From everything that I know at this point in time, I'm not sure that there's anything that Ollie North could say that would sink this President.")

But the White House is taking no chances. In case North claims he had a discussion with the President, officials have combed White House logs. They say North met with Mr. Reagan 19 times in 1985 and 1986, never alone. And when a magazine reported recently that North held unlogged meetings, entering the Oval Office through a side door, officials questioned every secret service agent they could find and got denials.

(Sen. Howard Baker: "Oliver North was a second of third level staff person. He did not have access to the President.")

In fact, the White House's opinion of North has changed dramatically. He was involved in top secret missions at the White House such as the invasion of Grenada and the capture of the Achille Lauro hijackers. The President called North the day he was fired to say he was a national hero. But after he became a potential threat to Mr. Reagan, officials tried to discredit North as a self-promoter who lied about having close ties to the President. And Mr. Reagan himself backed away.

(The President: "His military record was one of numerous rewards for his courage.")

But political scientist Norman Orenstein says White House efforts to discredit North do not help Mr. Reagan now.

(Orenstein: "And if he says flatly the President just wasn't involved in this, I did it on my own or I did it on someone else's orders, people aren't going to believe him. If, on the other hand, he says the President ordered everything, people will believe him.")

With all the contradictions about Oliver North, the White House has two different plans to handle this week. Official say they don't intend to comment on North's testimony, treating him like every other witness. But they add that if North tried to implicate the President, then they will land on him everything they've got. (NBC-Lead)

ABC's Peter Jennings: It isn't going to be just another week in the Iran-contra hearings. This is the week Col. Oliver North is going to finally answer questions. It has been almost 7 months since he first stood up and took the fifth amendment and does the Col. have a lot to answer for. And now this, ABC's Karen Burnes has learned that U.S. officials, including Col. North, were trying to trade arms for hostages a full year sooner than the White House has admitted.

ABC's Karen Burnes: Sources tell ABC News that in 1984 National Security Council and Pentagon officials offered to provide Iran with F-14 parts, helicopters, missiles and other weaponry in exchange for American hostages. Lt. Col. North, then at the NSC, also agreed to provide the Iranians with British, American and South African technicians to service the equipment and to train the Iranians.... The deal was tied to the release of this man -- hostage William Buckley.

Burnes continues: As the CIA station chief in Beirut and counterterrorism expert, Buckley had detailed knowledge of how and when U.S. covert operation forces are trained and deployed. CIA Director William Casey and White House officials feared that the Soviet Union would buy Buckley from his pro-Iranian captors and they became obsessed with obtaining his release. William Buckley was killed in 1985, ending that particular deal. But before his death, the U.S. has already sent weapons and mercenaries to Iran. How long they stayed is not known. And they had embarked on another series of actions designed to gain Buckley's release and that of the other American hostages being held in Lebanon.

(North on file footage: "I believe that we need to stop talking tough and start acting quietly. Effective actions speak far louder than words.")

The actions were spearheaded again by Lt. Col. North and his NSC supervisor, the late Donald Fortier. One attempt involved the Saudis. Saudis who have helped finance U.S. covert operations for a number of years could do things the Administration could not. They could ransom hostages. Sam Bamieh was an advisor to the Saudi king.

(Bamieh: "So, if he paid the ransom, it won't be a political risk to the President.")

The ransom failed and by 1985 Oliver North had another plan. The plan was to infiltrate Beirut.... Their mission was to rescue our hostages or to kidnap Shiite Moslems and hold them as ransom. Although naval vessels were mobilized for the operation sources tell ABC News that it fell through because of inadequate intelligence. These new revelations of an earlier arms deal raise old questions -- just who initiated and approved this contact with Iran? Was it legal? And did Oliver North and his colleagues, in frustration, act in isolation?

Jennings: When he does appear tomorrow morning at the Capitol, Col. North will be the 24th witness to testify. And nearly everyone before him has something to say about their relationship with Col. North. They were merely pieces of the puzzle. North is the one who can put it all together if he chooses.

ABC's Brit Hume: Almost from the opening gavel, these hearings have counted home one point -- in the Iran arms sales and the efforts to aid the contras, all roads lead to and from Oliver North.... The committees will want to know about North's dealing with fundraiser Spitz Channel.... And North, it seems, also provided the contras with U.S. intelligence and even instructions.... To his partners in all this, and to others too, North was a "an American hero." ...But the committees have turned up evidence North spent some of the contra money on himself.... And when the Iran arms sales broke, North ordered some of the documents altered and others destroyed.... Still North, who has said little about this publicly, has said he is eager to testify.... He gets his chance starting tomorrow. The committees, above all, want to know if President Reagan authorized or even knew of the diversion of arms funds to the contras. But they will also explore whether, as some evidence indicates, the late CIA Director Casey was behind North's actions. (ABC-Lead)

Tuesday, July 7, 1987 -- B-4

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ABC's Besty Arron reports on the public reaction to Col. North from North's hometown. (ABC-2)

CBS's Dan Rather: Was President Reagan involved in law breaking? What did he know and when and why has the President not commanded Oliver North to tell him all he knows? Oliver North, after months of delaying and stonewalling, finally goes before Congress tomorrow to face at least some of those questions in public and under oath.

CBS's Phil Jones: Not in the history of Congress have so many lawmakers been so interested in what a Lt. Col. in the Marine Corps has to say. But without Lt. Col. North, Congressional investigators would be left without the story from the one man intimately involved in every facet of the Iran-contra operation. North will have to answer questions about his own involvement as well as the President of the U.S. North appeared briefly last week to answer in private session the key question -- did the President know about the diversion of Iranian arms profits to the contras?

(Reporter: "You have seen or heard no evidence that the President knew of the diversion?"

Rep. Cheney: "That's correct -- I've seen no such evidence.")

North is the key to answering questions about the late CIA Director William Casey's involvement.

(Sen. Mitchell: "There has been a growing tendency by some to lay this all at Mr. Casey's doorstep. I'm hesitant to that. For one thing, there's something inherently unfair about dumping a whole load on a person who is dead and can't defend himself.")

The most difficult questions for North will be about his personal conduct.

(Rep. Stokes: "If he comes before us and he denied that he shredded documents; and if he denies that he spent \$2400 on personal items out of contra money; and if he denies he manufactured testimony coming to the Congress; if he denies that he sent the letters that went to Mr. Robinette regarding security for his home, then he will, of course, be an outright liar.")

North will appear in uniform tomorrow, and even though he appears to be hounded, no one is counting this Marine dead.... North's mission tomorrow will be to go beyond these committees to start doing for his public opinion [what's necessary] to fight his expected criminal indictment by the independent counsel....

Rather: What kind of reception is Col North likely to get from the committee as a whole?

Jones: I think it's going to be cool. It's going to be skeptical. Even some of the biggest defenders of the Iran-contra operation in the last few weeks have indicated that they feel that Col. North let the President and the Administration down.

CBS's Eric Engberg reports on the North's personality and the public reaction to his testimony. (CBS-Lead)

## THE PERSIAN GULF

Brokaw: The Persian Gulf reportedly was a primary topic for a secret meeting of U.S. and Soviet negotiators in Geneva today. This session occurred while the U.S. is pressing for a U.N.-sponsored ceasefire between Iran and Iraq. The Soviets have already called for a withdraw of all foreign ships from the Gulf. And in the Persian Gulf American fighter planes were in the air over the weekend. Defense Department officials said that the training flights were not related to the sighting of a Chinese silkworm missile on the Iranian coast. The flights were described as rehearsals for escorting Kuwaiti tankers. Nonetheless, the next day that missile was gone.

(NBC-4, ABC-4, CBS-5)

## BUDGET

Rather: Congress has been pointing out that the national deficit has zoomed skyward during the Reagan Presidency and that Mr. Reagan has yet to submit a balanced budget. For their part, President Reagan and his writers keep taking shots at Congress. Today, they took another one. It was at the Kiwanis International Convention. The line invoked the name of a highly publicized game show hostess. (The President: "I promise this -- from now until the day I leave office, I won't hesitate for one moment to use my veto power. And if a tax hike makes it to my desk, I'll veto it in less time than it takes Vanna White to turn the letters V-E-T-O.")

(TV coverage: The President speaking at the podium at the Kiwanis' meeting.)

Some of the heaviest politicking at the Kiwanis convention Mr. Reagan attended today is about the group's own men only membership policy....

(CBS-3)

## WALTERS/SYRIA

Brokaw: The U.S. Ambassador to the U.N., Vernon Walters, is in Syria tonight and there may be something going on the a Middle East peace conference. Walters, who has in Moscow last week, is the first high-ranking America to see the Syrian President in more than a year. It would be difficult to achieve a realistic Middle East peace without Syria's participation.

(NBC-3, ABC-3)

## PANAMA

Rather: The U.S. warned Panama today that an investigation into that country's military strongmen must be fair enough to win popular support....

(CBS-7)

MEESE

Brokaw: Attorney General Edwin Meese released documents tonight aimed at answering complaints from the office of government ethics that a blind partnership with an investment counselor did not meet federal requirements. Meese said there were no improprieties. The investment manager was a consultant in the scandal-plagued Wedtech corporation. The documents released tonight showed none of the Meese money was invested in Wedtech however. (NBC-2)

ABC's Dennis Troute: The Attorney General's financial disclosure report was a full month overdue. The principle surprise in it -- Meese made roughly \$35,000 in 2 dozen one-day stock trades over the past two year -- adventurous, but certainly not illegal. He invested through a middleman in banks and a sports shoe company, among other stocks. (Terry Eastland: "We have, today, made available to the world all of the information and this should lay to rest any concerns anyone might ever have.")

This form has been awaited anxiously because of concerns that it might show Meese to have a conflict of interest. Meese had invested his \$50,000 through a director of Wedtech, a company which he helped get access to big defense contracts. The question is -- was Meese's money invested, possibly at a discount rate, in Wedtech stock? The answer today -- no. None of the money was invested in Wedtech. But a related question lingers. David Martin, the director of the office of government ethics, said that Meese technically violated the law when he failed to put his investments in the kind of controlled blind trust required by government rules. Today Martin said he's studying Meese's new disclosures and supporting documents. Taking the offensive, the Attorney General now complains that the ethics office violated the law by telling Congress what it knew about Meese's finances. As for Meese's investment profits, he's saying nothing about what he's planning to do with them. (ABC-8,CBS-2)

-End of B-Section-

## EDITORIALS/COLUMNISTS

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### ON NOMINATION OF ROBERT BORK

Reagan Keeps The Faith With Nomination Of Bork -- "The U.S. Senate has both a right and an obligation to consider [Robert Bork's] nomination carefully, but it should do so expeditiously. It would be outrageous, and we think the public would perceive it to be an outrage, for the Senate to obstruct for the sake of obstruction.... At this point the only issue is simply that some liberals think Bork is too conservative. But they have no right to depict him as 'ultraconservative' simply because he is not 'ultraliberal.' Bork is not and never has been an extremist. And President Reagan certainly has the right to nominate well-qualified judicial conservatives."  
(Atlanta Constitution, 7/5)

The Bork Nomination -- "Let us be clear on the nature of the debate. One set of issues in the confirmation process will be whether Judge Bork is personally and professionally qualified to serve on the court.... But the real issue in the debate is unlikely to be this. It will be the judge's philosophical leanings, the positions he has taken over the years, his likely effect on the court.... The nature of the confirmation process is as much at issue this time around as the quality of the nominee."  
(Washington Post, 7/2)

Judge Bork, The Senate and Politics -- "There's no getting politics out of a nomination to the Supreme Court. Political justice and a politicized judiciary are to be avoided, but picking a justice is a political act. That's why President Reagan's nomination of Judge Robert Bork will test the Senate. It has not only a right but a duty to scrutinize Judge Bork's philosophy every bit as carefully as his credentials."  
(New York Times, 7/2)

A Balancing Act Is Not In Bork's Repertoire -- "Robert Bork is a Supreme Court nominee whose time has passed. What the court needs now is not another doctrinaire judicial conservative but a flexible centrist who can assume the balancing role filled by Justice Lewis Powell until he retired last week."  
(Newsday, 7/2)

The Bork Nomination -- "It has been said that a judge untethered by the legal text is a dangerous man. President Reagan took a step toward reducing that danger -- and thus strengthening the nation's democratic institutions -- with his nomination of Judge Robert Bork to the U.S. Supreme Court."  
(Detroit News, 7/2)

Right And Wrong Ways To Combat The Reagan Court -- "Bork is a legal thinker of intellectual distinction and scholarly renown. The disadvantage of being selected for a position equal to his talents is having to be judged by people who are not.... By all established criteria, Bork ought to be approved. If Democrats don't like the court's makeup, they should work to change it just as Reagan changed it. The right tool for that job is not the confirmation power but the ballot box."  
(Stephen Chapman, Chicago Tribune, 7/5)

ROBERT BORK'S NOMINATION (continued)

What Would Justice Bork Mean To America's Future? -- "Before accepting the attacks of Mr. Bork's critics, the Senate must make them prove their case. It is equally obliged to give Judge Bork every opportunity to explain himself. In the end, however, if Senators are convinced that Robert Bork's ascension to the Supreme Court would harm the nation, then -- but only then -- they are duty-bound to reject the nomination."

(Philadelphia Inquirer, 7/3)

Don't Say You Weren't Warned -- "Robert Bork was chosen by President Reagan to sit on the Supreme Court because of his political beliefs, which are conservative. Liberals profess horror that the President has chosen such a prominent conservative for the Court. Yet liberals warned the American public in two presidential campaigns that if Reagan were elected, he would nominate conservatives, specifically Bork, to the Supreme Court. Reagan won both elections."

(Lars-Erik Nelson, New York Daily News, 7/3)

A Solid Choice For High Court -- "Judge Bork deserves the respect due a man of his achievements. We certainly hope Sen. Edward Kennedy will not engage in the character assassination he tried on Chief Justice William Rehnquist. The hearings ought to be over in time for him to take his seat on the first Monday in October."

(Boston Herald, 7/2)

Judge Bork, The Right Man -- "The Supreme Court should be an impartial referee bound by the honest limitations of the Constitution and the law. Judge Bork has the qualifications, record and philosophy that indicate he would be an ideal justice on the Supreme Court of the United States."

(Chattanooga News-Free Press, 7/2)

Bork/Powell -- "A Supreme Court justice is the most independent of all government creatures. Those who have attempted to predict how a specific justice would perform have been wrong as often as right. The prudent course is allowing qualifications to count. Judge Bork has them in abundance."

(Cincinnati Enquirer, 7/2)

Ideology Should Not Replace Quality -- "The battle lines now are drawn for a partisan and ideological donnybrook over Ronald Reagan's nomination of Robert Bork to the Supreme Court.... Given the ideological chasm separating Reagan from the Democratic Senate, the process is likely to be as grueling as it will be political. That would be a tragedy. Bork's understanding of the Constitution cannot be as ideologically rigid and damagingly demagogic as the Democrats who seek to usurp the President's designated authority and politicize the Supreme Court."

(New York Tribune, 7/3)

A Close Look At Bork -- "The nomination of Robert Bork as a Supreme Court justice ought to be given a long, hard look by the U.S. Senate. And it will be. Mr. Bork should not be dismissed out of hand for his conservative views on sensitive matters...nor should his nomination be rushed through because he reports intellectual prowess and his legal experience.... The Senate must be consistent. If it wants a justice who will take a fresh look at evidence at hand, at established precedent and the Constitution, it should show the same open-mindedness in its review of Bork."

(Christian Science Monitor, 7/3)

-End of News Summary-