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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JULY 9, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

Reagan Touts Budget Amendment -- President Reagan said the states that want his coveted balanced-budget amendment do not have to wait for Congress to amend the Constitution and vowed to take his fight to those states if necessary.

(Hartford Courant, Los Angeles Times, New Britain Herald, New York Times, Washington Post, Washington Times, UPI)

IRAN-NICARAGUA

Casey Is Called Driving Force In Iran Network -- Oliver North testified that former CIA Director William Casey was a driving force behind the Iran-contra operation, and was fully informed of the diversion of arms-sales profits to aid Nicaraguan insurgents.

(Los Angeles Times, New York Times, USA Today, Wall Street Journal, Washington Post, Washington Times, AP, Newhouse, Reuter)

NATIONAL NEWS

Bork's Hearing To Start September 15 -- Hearings on Robert Bork's nomination to the Supreme Court will no start until September 15, Senate Judiciary Committee Chairman Joseph Biden said.

(Los Angeles Times, New York Times, Washington Post, Washington Times, Reuter, UPI)

NETWORK NEWS (Wednesday Evening)

IRAN-CONTRA -- Oliver North described how he repeatedly lied to Congress and others to cover up his role in the Iran-contra affair.

MEESE/SHULTZ/NORTH'S TESTIMONY -- Attorney General Meese was one of several officials denying North's version of events.

TRIP -- President Reagan was on the road to show he is still in command of his job and the national agenda.

'Ben, We're Going To Delete This Section On Balanced Budgets — It's Absurd To Believe Government Would Ever Borrow Money From Foreigners To Fund Its Deficit While It Is Giving Away Foreign Aid!'



TRIP NEWS

35,000 GREET REAGAN IN NEW BRITAIN

NEW BRITAIN, Conn. -- Stepping out in front of a flag-waving jam-packed roaring downtown crowd of 35,000, President Reagan declared "New Britain is the place to be."

Reagan said "you can't be in any better place in America than right here in new Britain" to find "hard work...a spirit of enterprise... patriotism and love of freedom...strength that comes from faith and family."

"For the last seven years New Britain's story has been America's story," said Reagan. "You remember seven years ago. Inflation was sprinting so fast that just about every time you shopped for groceries or stopped for gas, prices had jumped up.... Jobs were becoming more and more scarce."

"Well, we, the American people, made a choice in 1980. We decided not the continue the policies of government growing bigger and bigger without end," said Reagan. (The Herald (New Britain), A1)

Red-Letter Day For A Blue Collar City; Reagan Crusades in New Britain

NEW BRITAIN, Conn. -- President Reagan brought his crusade for fiscal reform to this working-class bastion, praising the city for its economic turnaround and saying congressional leaders could "learn a thing or two."

In turn, a crowd estimated at 35,000 or more gave Reagan a lusty, flag-waving welcome.

(Michelle Jacklin & Charles Morse, Hartford Courant, A1)

Protesters Draws Ire Of Supporters

NEW BRITAIN, Conn. -- A small group of protesters made its presence felt at President Reagan's speech, often chanting so loudly that it drowned out the speech for many of the onlookers.

The approximately 75 protesters shouted "No more lies" and "What about the homeless" during Reagan's speech, often prompting angry shouts of "Shut up" from the flag-waving crowd on Main Street.

(Jesse Levinworth & Surya Shah, Hartford Courant, A2)

Reagan Touts Budget Amendment

NEW BRITAIN, Conn. -- President Reagan said the states that want his coveted balanced-budget amendment do not have to wait for Congress to amend the Constitution and vowed to take his fight to those states if necessary.

During several appearances in the Constitution State on behalf of his "Economic Bill of Rights" proposal, he voiced determination that the balanced-budget amendment would become a reality even though some in Washington predict the chances of enacting it are zero.

"This is not a distant or abstract matter. Your right to these freedoms is at the heart of the battles over taxes and government's spending that are going on right now in Washington. The field of battle is the federal deficit," [the President] said.

(Jeremiah O'Leary, Washington Times, A3)

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Lame-Duck Tag Is 'For The Birds,' President Says

NEW BRITAIN, Conn. -- President Reagan, continuing to ignore the testimony of Oliver North before the congressional Iran-contra committees, told an outdoor rally that talk of a "lame duck" presidency "is for the birds."

He used the visit to hark back to a favorite and well-used theme -- the inflation that prevailed at the end of the 1970s -- and warned that "the big spenders think they're in the driver's seat again in Washington."

(James Gerstenzang, Los Angeles Times, A24)

Reagan In Denial On Hearing 'Ploy'

NEW BRITAIN, Conn. -- President Reagan, responding indirectly to the congressional hearings on the Iran-contra affair, said that he was not seeking to divert attention from the inquiry by focusing on other issues.

"Now, you've heard a lot about this from our critics," he said as he spoke to business and community leaders. "On one hand, they say it's a ploy [the President's 'Economic Bill of Rights' campaign] -- something I've cooked up to distract attention from whatever."

"On the other hand, they say little that's new here, which I guess means it's made up of things I believed in and fought to achieve for years, now I'm working to make certain that American doesn't lose all that we've done."

He went on, "Well, it can be one or the other -- not both -- and I'll plead guilty to the second charge." (Gerald Boyd, New York Times, A22)

Reagan: Push On Economics Is Not A 'Ploy'

NEW BRITAIN, Conn. -- President Reagan pressed his conservative economic message at a campaign-style rally, and he denied that it was a "ploy...cooked up to distract attention" from the Iran-contra hearings.

Reagan's comment, made to community leaders before his speech, was virtually his only reference to the hearings during a day otherwise devoted to economic themes. But more than 100 hecklers on the fringe of a friendly crowd of several thousand caught the President's attention by chanting, "No more lies."

The President acknowledged the presence of the hecklers during his speech by saying "I thought I heard an echo" during one of their chants. When he had finished, he said, "Well, thank you all and God bless you," then added, as he turned away from the microphone, "Well, almost all."

(Washington Post, A29)

Reagan Denies Trying To Divert Attention From Scandal

NEW BRITAIN, Conn. -- President Reagan, saying he will have no comment on the congressional Iran-contra hearings until they end, denies his new economic push is merely a ploy to divert attention from damaging revelations.

Reagan ignored testimony from his fired National Security Council aide, Oliver North, for the second straight day as he stumped for his "Economic Bill of Rights" in New Britain, Conn.

Reagan's appearance in the industrial center of Connecticut was part of a series of summer trips to stir support for economic reform that he hopes "will be among the most important legacies of my presidency."

(Ira Allen, UPI)

IRAN — NICARAGUA

NORTH SAYS HE AND HIS SUPERIORS LIED ABOUT CONTRA AID Marine's Testimony Implicates Shultz, Casey, Abrams

Oliver North drew several high-ranking Reagan Administration officials deeper into the Iran-contra affair while admitting without regret that he and his White House superiors lied to Congress about covert assistance to the Nicaraguan rebels.

In a second day of riveting testimony, [North] told the Iran-contra panels that Secretary Shultz had put his arm around his shoulder at a social event last September and "told me what a remarkable job I had done keeping the Nicaraguan resistance alive."

With that, Shultz joined a growing list of top officials cited by North as knowing more than previously disclosed about his secret support from the White House for the contras while U.S. military aid was prohibited by law. Two others named as being aware of details of his military-support activities were the late CIA Director William Casey and Assistant Secretary of State Elliott Abrams. (Walter Pincus, Washington Post, A1)

North: I Lied, I'm Not Sorry

Oliver North made an emotional appeal to the public, freely admitting he lied -- but for the good of his country.

North said he previously lied to Congress "face to face" to bar leaks about his covert activities -- but has no regrets.

"I want you to know lying does not come easy to me...we all had to weigh in the balance the difference between lives and lies."

(Leslie Phillips, USA Today, A1)

North Fingers Abrams On Contra Resupply, Hints Shultz Knew

Oliver North told Congress State Department official Elliott Abrams was fully aware of his efforts to keep arms flowing to Nicaragua's contra rebels and hinted Secretary Shultz may have known.

But the State Department immediately issued a statement, denying Shultz knew of the possibly illegal operation.

"The secretary was not indicating either his knowledge or approval of the activities to which North recently testified," it said. "The secretary's remarks concerned only North's efforts to keep up the morale of resistance leaders." (Sue Baker, Reuter)

North Says Numerous Top Officials Knew What He Was Doing For Contras

Oliver North is casting a broad net over the Reagan Administration, asserting that there was a widespread knowledge of his activities in support of Nicaraguan rebels at the highest levels of government.

"He's given a number of people reason for some sleepless nights," said Sen. Warren Rudman at the close of North's second day of testimony....

"I honestly believe that there were many, many people within the executive branch who had a grasp, if not in specific detail...in sufficient detail that they knew who to turn to when they wanted something done," North testified. (David Espo, AP)

North's Testimony

With the approval of his superiors and the knowledge of high Reagan Administration officials, Oliver North ran a "full service covert operation" out of the White House that supplied arms to the Nicaraguan contras despite a congressional ban on military aid.

North told the House-Senate Iran-contra committees that to conceal the contra supply effort he lied to Congress, shredded papers, altered documents, misled Justice Department investigators and communicated in secret codes.

Some of his actions were "erroneous, evasive, misleading and wrong," [North] testified. But he said he considered all his activities were legal.

"I sought approval for everything that I did," he testified. "I want you to know lying doesn't come easy to me (but) we have to weigh in the balance the difference between lies and lives."

(Robert Gettlin & Robert Lewis, Newhouse)

Casey Is Called Driving Force In Iran Network

Oliver North testified that former CIA Director William Casey was a driving force behind the Iran-contra operation, and was fully informed of the diversion of arms-sales profits to aid Nicaraguan insurgents.

North said Casey embraced the diversion plan when it was first proposed in January 1986, and saw it as part of a "full-service" covert operation that he hoped to expand beyond Central America.

North's account contradicts repeated statements by Casey that he only learned of the diversion last fall....

(David Rogers & John Walcott, Wall Street Journal, A2)

North Says Casey Aided Him On Secret Contra Program; Challenges Key Officials

Oliver North testified that William Casey, as director of Central Intelligence, helped him run the secret program to aid the Nicaraguan rebels and that many other senior members of the government had been fully aware of what he was doing, "although they may deny it."

...North indicated he had a special relationship with Casey, who he said had instructed him on opening secret bank accounts and destroying crucial financial records on the contra supply operations. He said Casey even advised him to take a poison pill with him on a trip to Iran, in case he got into trouble.

(Fox Butterfield, New York Times, A1)

North Claims Strong Backing From Casey

CIA Director William Casey enthusiastically approved of the diversion of Iranian arms sales proceeds to the Nicaraguan resistance as the "ultimate covert operation," Oliver North told Congress.

The idea for the Iran-contra diversion was proposed to him at a January 1986 meeting by Manucher Ghorbanifar, the Iranian middleman for U.S. weapons sales to Iran, as an "incentive" to keep the Iran initiative alive when Administration officials were growing skeptical about the arms-for-hostages plan.

"I saw the idea of using the Ayatollah Khomeini's money to support the Nicaraguan freedom fighters as a good one," North said. "I still do. I don't think it was wrong. I think it was a neat idea."

(Mary Belcher, Washington Times, A1)

North Depicts Casey As Guide; Diversion 'Ultimate Covert Operation'

The guiding hand behind secret Iran-contra operations, Oliver North testified, belonged to the late CIA Director William Casey. By North's account, Casey was effectively his personal case officer from 1984, when the secret contra supply operation was "almost drawn up" by Casey, until early last November, when Casey suggested that it was time to "get rid of things...clean things up."

North said Casey was fully informed about, supported and was "effusive" in praising the plan to divert funds from the Iran arms sales to the Nicaraguan rebels. Casey called the diversion scheme "the ultimate irony, the ultimate covert operation," North said, because it diverted money from Ayatollah Ruhollah Khomeini to the benefit of the contras. North said he informed Casey of the diversion in February 1986 before the first of three diversion of profits from arms sales to Iran.

(Bob Woodward, Washington Post, A1)

North Says Casey Agreed To Contra Diversion; Israeli Idea

Oliver North firmly pinned late CIA chief William Casey to the "deepest, darkest secret" of the Iran-contra affair -- the diversion of Iran arms sales profits to the Nicaraguan rebels.

"I was not the only one who was enthusiastic about this idea. Director Casey used several words...all of which were effusive...."

North said his former boss, John Poindexter, also approved the plan to use profits from the Iran arms sales, made in hopes of freeing American hostages in Lebanon, to the contras.

But North said he did not know whether Casey, a World War II secret agent, told President Reagan, an old friend, about the diversion.

(Sue Baker, Reuter)

North Says Presumed Israeli Agent Proposed Contra Diversion

Oliver North says the late CIA Director William Casey endorsed diverting Iran arms profits to Nicaraguan rebels, after an Iranian weapons dealer came up with the plan.

North...said Iranian arms dealer Manucher Ghorbanifar, a presumed Israeli agent, brought the idea to him in a men's room in January 1986.

Pressing his denial that he was a "loose cannon" acting on his own, North said John Poindexter and Casey later gave the go-ahead for the diversion.

(Anthony Goodman, Reuter)

North Concedes 'Misjudgement' But Denies Personal Profit

Oliver North said his attempt to conceal that someone else paid for a security system at his Great Falls, Va., home was the "grossest misjudgement" of his life, but swore that he "never took a penny that didn't belong to me" from the Iran-contra funds.

North admitted he had cashed \$2,440 in traveler's checks from a secret fund he maintained for the contras and other activities, but said the checks -- used to buy groceries, snow tires and leotards at a women's hosiery store -- represented reimbursements for "my own...paycheck money" that he used for expenses related to his work at the NSC.

(Washington Post, A1)

Beleagured Witness Goes On Offensive

After seven months in a foxhole and eight hours under withering congressional fire, Oliver North attempted his equivalent of a combat landing, going on the offensive just when it appeared he was hopelessly exposed.

With a mammoth display ofchutzpah, the star witness...quickly seized the initiative after confessing to accepting an expensive home security system paid for from the proceeds of arms sales to Iran.

The brigade of congressional investigators sat in stony silence as North launched into a passionate discourse in which he defended both his personal honesty and his marital fidelity and recounted how he had been threatened with death by the notorious Palestinian terrorist Abu Nidal.

It may have been one of the turning points in North's exhaustive interrogation, for it was the first time the committee had touched upon integrity issues that had tarnished the hero's mantle he had taken in early days of the saga. (Rudy Abramson, Los Angeles Times, A1)

REAGAN'S OWN WORDS ON IRAN-CONTRA SCANDAL YIELD NO CLEAR PICTURE OF WHAT HE REALLY KNEW

President Reagan's own chief of staff, ...Howard Baker, set the standard for investigating White House scandals when he asked during the Watergate hearings: "What did the president know and when did he know it?"

Congress now is boring in on that same basic question during hearings on the Iran-contra affair. Eventually, investigators may get a clear picture of President Reagan's role and knowledge -- but they won't find it in the President's own words so far.

A look back on Reagan's own public statements since the affair became public last fall indicates that many of the President's comments have been uncertain, misleading or false. He has revised or contradicted most of his early comments, and sometimes his version of events has shifted within the course of a single day.

(Gerald Seib, Wall Street Journal, A56)

NORTH CONTACT LOSES DUTIES Israelis Hesitant To Remove Adviser

JERUSALEM -- Amiram Nir, a key Israeli figure in the Iran arms deal, has been stripped of authority in his post as terrorism adviser to Prime Minister Yitzhak Shamir because he allegedly lied to Shamir about a secret meeting that he held earlier this year with Manucher Ghobanifar..., according to informed Israeli sources.

Shamir has not fired Nir because such an action might be publicly interpreted as an admission that Israel erred in its involvement in the arms affair, which officials here have steadfastly denied. But the sources said Shamir no longer has confidence in Nir's credibility and fears that he may have lied about other matters in the Iran-contra affair as well.

(Glenn Frankel, Washington Post, A1)

NATIONAL NEWS

BIDEN PLANS TO OPPOSE BORK: HEARINGS SET FOR SEPTEMBER

Sen. Joseph Biden, chairman of the Senate Judiciary Committee, announced that he is almost certain to oppose the nomination of U.S. Appeals Court Judge Robert Bork to the Supreme Court and said hearings on the nomination will not begin until Sept. 15.

Biden, in saying there is "an overwhelming prospect" that he will vote against Bork, also signaled a likely liberal Democratic theme on the issue, portraying the jurist as an ideological tool of President Reagan and Attorney General Meese and other Administration conservatives.

"Quite frankly, it goes well beyond Judge Bork," Biden said. "It's a question of whether the Reagan-Meese agenda is going to be accomplished through the court and whether Judge Bork has been picked to be the vehicle to accomplish that." (Washington Post, A1)

Biden Vows To Lead Forces Against Bork Confirmation

Sen. Joseph Biden, Chairman of the Judiciary Committee and a Democratic presidential contender, assured opponents of the nomination of Judge Robert Bork that he would lead the fight against his confirmation to the U.S. Supreme Court.

The remarks were made at a private meeting this morning called by Biden to convey his position to leaders of civil rights groups, who are marshaling for an all-out battle to defeat the nomination.

Pete Smith, a spokesman for the Judiciary Committee, confirmed that Biden "intends to oppose the nomination and to lead the effort against it in the Senate." But the spokesman said [Biden] "does not plan to formally announce his opposition until he has a chance to spell out his reasons in detail in a series of speeches, which he plans to begin next week."

(Kenneth Noble, New York Times, A1)

Panel Won't Consider Bork Until Sept. 15

Confirmation hearings for Judge Robert Bork's nomination to the Supreme Court will not begin until Sept. 15, Senate Judiciary Committee Chairman Joseph Biden said.

In announcing the tentative confirmation hearing schedule, Biden also said he would significantly curtail his presidential campaign activities.

"My first job is to get this nomination up before the committee and voted on," said Biden, whose standing in the campaign polls has recently improved after months of poor showings.

"Everything else is secondary now," Biden said. "This is probably the most significant Supreme Court nomination in the last several decades and arguably in this century."

(Michael Fumento & Christopher Simpson, Washington Times, A2)

Bork's Hearing To Start September 15

Hearings on Robert Bork's nomination to the Supreme Court will not start until September 15, Senate Judiciary Committee Chairman Joseph Biden said.

Biden...said the hearings might last as long as two weeks. He said the committee would act expeditiously on the nomination to send it to the full Senate.

Senate Republican leader Robert Dole said he would ask Democratic leader Robert Byrd and Biden if the hearings could be started sooner. He said Republicans on the Judiciary Committee were willing to meet during the one month congressional recess which begins August 8.

"There is absolutely no substantive reason why we have to wait more than two months to begin the nomination hearings," Dole said after Biden's announcement. (Reuter)

Republicans Say Democrats Stalling On Bork Nomination

Republicans say Democratic stalling on Senate consideration of President Reagan's nomination of Robert Bork to the Supreme Court will hamper the court's work.

But Judiciary Committee Chairman Joseph Biden said the nomination is too important to rush the review process.

[Sen. Robert Dole said], "We need to get the process moving so that the Supreme Court will be at full strength for its fall session. The American people know that it's critical to fill the seat on the Supreme Court. And the Senate should do everything it can to fulfill its duty as quickly as possible." (James Rubin, AP)

Bork Hearings Set For September; High Court May Open One Short

Senate Judiciary Committee Chairman Joseph Biden, saying that "the overwhelming prospect is I will be voting against Just (Robert) Bork," announced that hearings on President Reagan's Supreme Court nomination will not begin until Sept. 15, making it almost certain that the court will be short one justice when it begins its new term in October.

Democrats, who are not eager to let Bork take a seat on the court quickly, played down the potential problems -- including 4-4 stalemates -- that an eight-person court might confront. "I don't think the country will fall because of that," said Sen. Patrick Leahy. "Justice won't be delayed or denied."

When the Judiciary Committee meets today to discuss future plans, Republicans will demand a commitment for a vote on Bork by early October, said an aide to Sen. Strom Thurmond, the committee's senior Republican. "Mid-to-late October would be unreasonable," spokesman Mark Goodin said.

Biden, however, said before a caucus of the committee's Democratic members that the Democrats, who control the panel 8 to 6, have "no inclination to set an end point" for the hearings.

(David Lauter, Los Angeles Times, A27)

**MEESE, S. CAROLINA JUDGE MEET ON FBI JOB
Ex-Aide To Sen. Thurmond Has Been Criticized
For Management Style On Sentencing Panel**

Attorney General Meese, still searching for a candidate to head the FBI, discussed the job with William Wilkins, a federal appeals court judge from South Carolina, according to knowledgeable sources.

Wilkins, 45, who is being heavily promoted for the post by Sen. Strom Thurmond, also serves as chairman of the U.S. Sentencing Commission, where his management style has come under strong criticism that would likely be aired if he were nominated as FBI director.

A senior White House official played down suggestion that Wilkins was the leading contender, saying that "we are considering a number of able candidates." He also expressed the White House's continuing irritation with Meese for allowing the FBI search to drag on for more than four months.

(Washington Post, A3)

MEESE SIGNS ORDER GIVING NICARAGUANS HAVEN IN U.S.

Attorney General Meese said that as many as 200,000 illegal aliens from Nicaragua, now inside the U.S., will be allowed to remain under a liberalized immigration policy.

Meese signed a controversial order, after consultation with the White House, ensuring that no Nicaraguan "with a well-founded fear of persecution" from the leftist Sandinista government will be deported unless he has "engaged in serious criminal activity or poses a danger to national security."

The move came under immediate attack by members of Congress who have been pushing for the Administration to create an exception for Salvadorans, as well as for Nicaraguans, because refugees from both countries face similar conditions if they return. (Washington Post, A1)

WEDTECH CLAIMS FRAUD BY MEESE'S EX-PARTNER

The new management of the Wedtech, Corp. accused W. Franklyn Chinn, former investment partner of Attorney General Meese, and one of Chinn's associates of defrauding the company of a \$150,000 consulting fee and secretly splitting it with others who rendered no service to the company.

Chinn...and a frequent business associate, R. Kent London, were also accused of cheating Wedtech of at least \$165,000 by submitting fraudulent expense accounts during the past two years for trips to Australia, Switzerland and points in between. (Washington Post, A3)

DOLE SCOLDED ON AIR SAFETY AND DELAYS

Sen. Frank Lautenberg told Transportation Secretary Dole to stop using "doubletalk and petty technicalities" and take serious steps to improve air safety and reduce airline delays.

Dole, testifying before the Senate Appropriations Committee's transportation subcommittee, said her agency has been straightforward about its safety program and has adjusted wisely during a period of rapid air traffic growth. (AP story, Washington Post, A19)

INTERNATIONAL NEWS

HOUSE VOTES TO DELAY KUWAITI SHIP ESCORTS Measure Seen As Symbolic Disapproval Of Administration's Policy

The House, voicing strong misgivings about...President Reagan's Persian Gulf policy, called for a 90-day delay of the Administration's plan to give U.S. protection to Kuwaiti oil tankers in the gulf.

The 222 to 184 vote in favor of a delay was seen as a largely symbolic effort to distance Congress from the Administration's plan to escort 11 Kuwaiti tankers that will fly the U.S. flag -- in light of assertions by House and Senate leaders that Congress lacks both the votes and the time to block the operation, which is scheduled to start in about a week.

Meanwhile, State Department spokesman Charles Redman denied there was any misunderstanding between the U.S. and Kuwait over the details of the plan for U.S. warships to escort the 11 reflagged tankers through the gulf.

He said the department had been in contact with the U.S. Embassy in Kuwait to check whether any misunderstanding existed over the escort plan, as alleged by Rep. Les Aspin, who has just returned from a visit to Kuwait.

The embassy confirmed "everything is on track," Redman said.

(Washington Post, A6) e

House Approves Bid To Delay Reflagging By 90 Days

The House voted for a 90-day delay of President Reagan's plan to protect Kuwaiti ships in the Persian Gulf, but supporters of the measure conceded it would not affect the operation and was merely symbolic.

Members voted 222 to 184 for an amendment to the 1988 Coast Guard authorization bill for the three-month delay of the operation, which U.S. officials said would begin as scheduled in mid-July. The House earlier defeated a bid to bar the ship protection plan outright.

(Valerie Strauss, Reuter)

House Asks For Gulf Reflagging Delay

The House has lodged a largely symbolic protest with the Administration over its Persian Gulf policy, voting for a 90-day delay in "re-flagging" Kuwaiti tankers, but the vote is unlikely to delay the plan.

Senate leaders hoped to win a vote allowing them to bring up a non-binding resolution to the trade bill urging the Administration to stall the re-flagging plan for a while while exploring other options.

[House] Republican leader Robert Michel said the issue had degenerated into a partisan fight and despite the scattered Republican endorsement of the delay amendment called it "a product of the Democratic Caucus, pure and simple."

It amounted to "the functional equivalent of a slap in the face of the President," and was a "CYA amendment -- cover your you-know-what," Michel said.

(Eliot Brenner, UPI)

Democrats See Too Few Votes To Stop Reagan's Persian Gulf Plans

Senate Democrats opposed to President Reagan's plan to protect Kuwaiti oil tankers in the war-torn Persian Gulf admit they can't break a Republican filibuster aimed at maintaining that policy.

The Democrats planned a vote today on whether to invoke cloture.... At issue is a resolution aimed at holding in abeyance U.S. protection of 11 Kuwaiti oil tankers set to begin as early as next week.

"I think at this juncture, it's very doubtful that we've got the votes to end the filibuster," Sen. James Sasser, one of the resolution's 11 Democratic sponsors, said. (Tim Ahern, AP)

W. GERMANS' CAPTORS PRAISE MOVE BY BONN

BEIRUT -- The captors of two West Germans kidnapped in January praised the Bonn government for not extraditing accused hijacker Mohammed Ali Hamadei to the U.S. They said they would match further favorable steps by Bonn and offered to exchange videotapes of the German hostages for one of Hamadei, provided that in it he "explains how he is living, and addresses his people, parents and fellow strugglers against Israel and imperialists."

The statement accompanied by a photocopy of [one of the hostage's] passport, was the first communication from a previously unknown group called the Strugglers for Freedom, who said they are holding [the two West Germans]. (Nora Boustany, Washington Post, A34)

ADMINISTRATION STARTS CONTRA AID PUSH IN CONGRESS

The Reagan Administration has begun an intensive campaign to persuade Congress to renew aid to the Nicaraguan rebels this fall, even though officials concede that the contras still suffer from serious organizational problems, uncertain discipline and isolation in Nicaragua's sparsely populated north and east.

As part of its strategy, President Reagan announced this week that he was appointing Tom Loeffler, a former Republican congressman from Texas, to coordinate the lobbying efforts on Central American policy.

The new White House job was created in part to avoid head-on confrontations between Elliott Abrams...and Congress in the wake of the Iran-contra affair. (Elain Sciolino, New York Times, A9)

SENATE PASSES MEASURE ON PLANT-CLOSING NOTICE Labor-Backed Provision Still Faces Key Vote

The Senate approved a controversial labor-supported provision in the trade bill that would force business to give notice of plans to close factories. But the measure, opposed by business and the Reagan Administration, faces a critical vote this morning that could kill it.

The Senate action came after Republicans, led by Sen. Dan Quayle stalled to prevent a vote yesterday. Quayle was concerned that he would not get a clear shot to keep the plant-closing provision out of the trade bill. (Washington Post, E1)

TAPES REVEAL MARCOS PLOT TO DEPOSE, CAPTURE AQUINO

Deposed Philippine President Ferdinand Marcos plotted a military operation starting Friday to overthrow the government of Corazon Aquino and take her hostage, prompting the Administration to place severe restriction on Marcos' movements, Administration and congressional sources said.

According to tape recordings of Marcos talking to a man posing as an arms dealer, Marcos said, "I am going to land there (in the Philippines), I don't care who opposes me...and if they oppose the landing, that is when we start the battle."

Administration officials said the recordings were an important part of the reason President Reagan sent a letter to Marcos, and senior officials of the State and Justice departments visited him Monday and Tuesday to inform him he is restricted to the Hawaiian island of Oahu -- where he has lived in exile since leaving the Philippines in February 1986 -- unless he obtains special permission.

(Washington Post, A1)

Aquino Welcomes U.S. Action Against Marcos

MANILA -- Philippine President Corazon Aquino said she is very pleased at a U.S. decision to bar ousted leader Ferdinand Marcos from leaving his Hawaiian exile.

Aquino said the U.S. action came "at a time when again rumors are circulating that Mr. Marcos (and) or Mrs. Marcos are planning to return home." She added that Washington's action should put the coup rumors to rest.

(Phillip Melchior, Reuter)

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NETWORK NEWS SUMMARY

(Wednesday Evening, July 8, 1987)

IRAN-CONTRA HEARINGS/NORTH'S TESTIMONY

NBC's Tom Brokaw: Lt. Col. Oliver North today described in dramatic detail how he repeatedly lied to Congress and others to cover up his role in supplying arms and money to the contras at a time when the Boland Amendment was in effect. That Congressional amendment barred the U.S. government from assisting the contras. But, according to North, the late CIA Director Casey and others in the intelligence agency were fully aware, almost from the beginning, of his activities. And North said that he believed that Secretary of State Shultz and other State Department officials had a general grasp of his operation.

(North: "I will tell you right now...that I misled the Congress -- at the meeting -- face-to face.")

Nields: "You made false statements to them about your activities in support of the contras?"

North: "I did.")

And North strongly suggested that other members of the Administration also knew what he was up to with the Congress.

(North: "I honestly believe that there were many, many people within the executive branch who had a grasp, if not in specific detail, but in sufficient detail, that they knew who to turn to when they wanted something done.")

North said that he was willing to be the scapegoat if it all went wrong, but he didn't expect criminal prosecution.

(North: "I was that link and I was suppose to be dropped like a hot rock when it all came down and I was willing to serve in that capacity. I was not willing to become the victim of a criminal prosecution.")

This morning's session was equally dramatic when North gave an emotional defense to charges that he had personally profitted from the Iran arms sales.

NBC's John Dancy: North confronted one of the most damning pieces of evidence against him -- admitted that he had tried to cover up the gift of a home security system. North said he ordered the security system when the government refused to provide protection following threats on his life by the Middle Eastern terrorist Abu Nidal.

(North: "I'll be glad to meet Abu Nidal on equal terms anywhere in the world. Okay. There's an even deal for him. But I am not willing to have my wife and my four children meet Abu Nidal or his organization on his terms.")

So North ordered a security gate and an alarm system from former CIA man Glenn Robinette. It was paid for by Richard Secord from proceeds of the Iran arms sales. North was never billed, but later phoneied up documents to make it appeared he planned to pay.

(North: "This is the truth. I did probably the grossest misjudgment that I've made in my life. I then tried to paper over that whole thing.... It was not an exercise in good judgment. I also suggest to you that if it was Gen. Secord, first of all -- thank you Gen. Secord. And second of all -- you guys ought to write him a check because the government should have done it to begin with.")

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Dancy continues: North angrily denied that he had ever used any contra funds in the form of travelers checks for his own benefit. He said he often used his own paycheck for contra expenses then reimbursed himself from contra funds....

(North: "Every single penny on the checks that you saw that came to me was used to pay any operational expenses on the scene or to reimburse myself. I never took a penny that didn't belong to me.")

A number of the checks were cashed at Washington area stores.... North said he had had as much as \$150,000-\$175,000 in cash and travelers checks which he used for the contras. He said he had kept a ledger but shredded it at the suggestion of CIA Director Casey that the operation began to leak out.

(North: "He told me specifically -- get rid of things -- get rid of that book because that book has in it the names of everybody, the addresses of everybody -- just get rid of it and clean things up. And I did so.")

North's relationship with Casey was close and personal. Casey worried before North went off to Tehran on a mission to negotiate for hostage release -- worried that North would be kidnapped and tortured.

(North: "And Director Casey told me that he would not incur in my going on the advance trip unless I took with me the means by which I could take my own life....")

Sen. Rudman...summed up the first two days of North's testimony this way -- he said for months the White House has been trying to depict Col. North as a loose cannon, one who is operating a rogue operation in the NSC. In fact, he said, what we have seen from these first two days of testimony is that North got authority for everything he did -- he was operating with the full knowledge and consent of his bosses at the White House.

Brokaw: Sen. Cohen is standing by now. What about that -- the strong suggestion today from Col. Oliver North that Secretary of State Shultz and other high ranking officials did, in fact, know what was going on. Do you believe him?

(Cohen: "I do believe him. I think that the evidence is rather clear from the notes that were going through for Admiral Poindexter and the meetings that were taking place with Bill Casey and others. Generally speaking, the higher levels of the Administration, they knew what Col. North's duties were and the fact that he was carrying out -- helping to carry out the sale of weapons to Iran and the funding of the contras. I think that generally speaking, most officials knew what Col. North was up to.")

If the Director of the CIA knew what was going on, if top ranking State Department officials knew what was going on, if the National Security Advisor knew what was going on, how could the President not know what was going on?

(Cohen: "I think the President did know what was going on in a general sense at least. He certainly signed the finding which authorized the sale of weapons to the Iranians. He certainly made no bones about the fact that he was a strong supporter of the contras. I think he endorsed the two twin pillars of his policy. And Col. North was the one who was delegated the responsibility of carrying out the details of getting the job done. If it was one thing that we've seen about Oliver North -- he gets the job done.

Cohen continues: That's why he was hired and I think that everybody in the Administration knew that." (NBC-Lead)

ABC's Peter Jennings: Day two of Col. Oliver North's testimony before Congress -- a day in which he both told the Iran-contra committees that he made the grossest misjudgment of his life by altering documents having to do with the security system at his home, and yet freely admitted that on more than one occasion, he deliberately misled the Congress to keep Congress in the dark about assisting the Nicaraguan contras.

ABC's Brit Hume: Committee Counsel John Nields finally got an answer today to the question of where the idea of using Iran arms money to support the contras came from -- Oliver North said the idea originated with Iranian arms merchant Manucher Ghorbanifar who gave him the idea in a conversation in a bathroom.

(North: "I saw that idea of using that money to support the Nicaraguan freedom fighters as a good one. I still do. I don't think it was wrong. I think it was a neat idea. And I came back and I advocated that. And we did it.")

Nields tried to establish that the money from the the arms sales really belongs to the U.S. government.

(Nields: "If those higher ups in the U.S. government from whom you sought approval decided that the \$10 million should not, any part of it, be sent to the contras, but should all come back to the U.S. Treasury -- that's what would happened, isn't it?"

North: "Yes."

Nields: "So it was our money that was going to the contras, wasn't it?"

North: "I disagree with your conclusion.")

The point is critical because if the surplus funds for the arms sales can be shown to be U.S. government funds, the use of it for the contras could be a crime. Nields turned to the \$200,000 which arms dealer Albert Hakim has testified he set aside from the arms sale profits for North's family.... North said he never thought the collapse of these covert operation would end in a criminal investigation.

(North: "I never in my wildest dreams, or nightmares, envisioned that we would end up with criminal charges. I didn't seek the credit and I didn't want to take the blame. I was simply willing to take the fall if somebody needed a political scapegoat.")

North named some of the others in government who he said knew what he was up to. Secretary of State Shultz, he said, had put his arm around him at a party and told him we was doing a good job. The State Department said today that Shultz was just talking about keeping up the contras' morale. And he said Assistant Secretary of State Elliott Abrams, who has denied knowing what North was really up to, did. But perhaps the person who knew best was the late CIA Director.

(North: "Director Casey had specific and detailed knowledge because I briefed him frequently in detail. ")

The question became tougher late in the day on North's efforts to mislead Congress, which he insisted repeatedly was to protect the covert operation and to give senior officials deniability.... Those acknowledgments brought a stiff response from Chairman Inouye.

Hume continues:

(Inouye: "I've sat here very patiently listening to statements suggesting that members of Congress cannot be trusted with the secrets of this land.")

Inouye said in his two years as chairman of the Senate Intelligence Committee--

(Inouye: "During that period, according to the FBI, the CIA and the NSC, there wasn't a single leak from that Senate Select Committee on Intelligence. I'm certain you are well aware that most of the leaks in this city come from the other side of Pennsylvania.")

He meant Pennsylvania Ave., of course, and he was taking about the White House. In fact, few things make members of Congress more furious than the idea that they can be lied to and then told afterwards that they can't be trusted with the truth. And that idea is likely to be the subject of some very tough questions for Col. North. in the next few days.

Jennings: To the wider audience watching on television, Col. North seems to be doing very well. We conducted a poll last night and a majority of those people we talked to believe he is telling the truth, that he is defending himself well and that he shouldn't be prosecuted.

% believes North is tell in the truth:	58%
% believes North is defending himself well:	70%
% believes North shouldn't be prosecuted:	61%

Just a short while ago I spoke to Sen. Rudman. Senator, 58 percent of the people we asked believe that Col. North is telling the truth. Do you believe he is?

(Rudman: "I have believed a large part of his testimony. I frankly think some of it's been a little a fudged. But I understand that. The major points of his testimony as to the fact that he was not working alone, that he was acting under direction -- not only do I believe it, but the documents support it. I have said that myself for the last three months. I think accusations that this man somehow did this by himself have been unfair to him and frankly exaggerated. So, no, I don't have a problem with that testimony at all.")

Based on what you hear today -- is this a Marine who is breaking the law?

(Rudman: "I think the policies must be examined. If Mr. Walsh finds he has a criminal prosecution -- that's his choice. I'm much more interested in finding out the facts and I think we're doing that.")

Based on that statement, how do you like being told today, repeatedly by Col. North, that he believes Congress should be kept in the dark?

(Rudman: "Well, of course, obviously, that I totally disagree with. There is as much bravery and heroism and outstanding service in this country in the military service on our side of the hearing table as on that side. There are many people on that panel who have served the country and have served it well. Chairman Inouye is a very good example. I think that statement is one that North may believe, maybe some in Congress have abused their discretion, but generally we are a system of laws. The Congress represents the people of the U.S. and that kind of an attitude cannot prevail.")

(ABC-Lead)

CBS's Dan Rather from Washington: From North himself, an admission that he deliberately misled Congress -- he says he lied. But no apologies were made for diverting money from arms sales to Iran to Nicaraguan rebels.... North says one higher-up who approved it from the start was the late CIA Director William Casey. Another higher-up, U.S. Attorney General Edwin Meese denies involvement in any coverup. North admits he wrote phoney letters to hide where the money came from for his elaborate home security system, but denied profiting from the arms deal....

CBS's Phil Jones: Lt. Col. Oliver North, once described by President Reagan as a "national hero," spent much of today implicating others and confessing to his own wrongdoings.... The Marine, who had once indicated he was ready to be the scapegoat, today pointed out others high in the Administration whom he thinks belong aside him. North indicated that former CIA Director Casey knew everything and others -- Secretary of State Shultz, Assistant Secretary of State Elliott Abrams, Attorney General Edwin Meese and former NSC Director Robert McFarlane, were aware of more than some of what they have admitted. North's testimony about Meese, who he had already implicated yesterday, provoked a quick and unusual statement from the Justice Department with Meese's spokesman rejecting any suggestion that he was involved in a coverup of the Administration's action on the arms sales. Startling new facts included North's dramatic disclosure on how he tried to help save McFarlane's reputation by revising documents once the scandal broke....

(North: "I had created them and I was now changing them [to be consistent] with what I believed he wanted on the documents to begin with. The documents, after all, demonstrated his knowledge over what I was doing. And he didn't want that. He was cleaning up the historical record. He was trying to preserve the President from political damage. I don't blame him for that.")

North was clearly armed and ready for the one major question -- did he benefit personally from the Iranian arms profits? ...By the end of the second day of heavy questioning, both North and the committee members were obviously exasperated with each other.... Because of North's admitted lies and exaggerations, committee members are not sure whether they should believe North. But as one ranking Republican said today, "It's clear North was not the lone ranger and his testimony has given many people reason for sleepless nights."

Rather: Senators Cohen and Mitchell join us. The most surprising thing to you today?

(Mitchell: "The effectiveness, the dramatic presentation by Col. North is his own defense. I thought he did himself very well in the morning.")

Is it over?

(Cohen: "I don't think it's over. I think we still have to pursue the policy implications of what does it mean to have a covert action carried out without any notification and then to have a notion that somehow, because the covert is secret, it's a lie by definition, and therefore, it's alright to lie about another lie and to shred and to alter documents. I think that we really haven't explored that in enough detail and will tomorrow.")

Some big names were mentioned today -- Edwin Meese -- in your judgment is he in increasing trouble?

Rather continues:

(Mitchell: "Certainly Col. North's statements haven't helped the Attorney General and they deeply implicate him in an adverse manner. But just as Col. North asked that no final judgment should be made until he testified, I think we have to withhold judgment. The Meese statements are very damaging, very troubling. The Attorney General's going to have a chance to response. The Secretary of State the same thing.")

How about Vice President Bush?

(Cohen: "There was no real specific reference to his activity in this. But frankly I think what Oliver North did today was to point out the fact that virtually everyone within the higher echelon of the Administration knew what he has doing, what his missions were, if not the day-to-day details, they knew that he was the action-oriented man and he was the guy to get things done.")

And President Reagan -- when this started it was what did the President know, when did he know it, when should he have known it? He says he's been exonerated. I ask you again today -- he's out of it now isn't he -- in the clear and stands a good chance of running a strong presidency the rest of the way?

(Mitchell: "No, not at all. Certainly he was helped by that portion of Col. North's testimony which said he didn't tell the President, but he was seriously damaged by other testimony and we still have yet to hear from Admiral Poindexter and others. So this thing is a long way from over and judgments have to await the completion of the hearings.")

(Cohen: "I don't think [the President] will be serious damaged. The question really...will be what are the policy implications we've allowing if he didn't know? What are the policy implication that allow Poindexter of the National Security Advisor to make a decision of that magnitude without informing the President of the U.S.? That has serious implications itself.").... (CBS-Lead)

MEESE REACTS TO NORTH'S TESTIMONY

Brokaw: Attorney General Edwin Meese was one of several officials today denying North's version of events. A Justice Department spokesman said that Meese was unaware of what was going on while he was in a room where testimony for the late CIA Director William Casey was being reorganized to fit the White House version. (NBC-2, ABC-4)

SHULTZ REACTS TO NORTH'S TESTIMONY

Brokaw: A spokesman for Secretary of State Shultz said late today that when the Secretary commended North for his work with the contras, he was referring to keeping up their morale. He did not know of, or approval of, North's supply operation according to the State Department's spokesman. And Assistant Secretary of State Elliott Abrams denied North's suggestion that he knew what was going on. Abrams said he stands by his testimony to the committee about what he knew and did not know. (NBC-3)

SECORD

Rather: CBS News has been told that President Reagan has been complaining privately about Oliver North operative Richard Secord. The President's complaint is said to be that he was never told that Secord could be seen as a U.S. government operative and therefore Secord's dispensing of money to Nicaraguan rebels and others might be viewed as lawbreaking. (CBS-2)

TV RATINGS OF IRAN-CONTRA HEARINGS

Brokaw: The most popular soap opera on television this week is the Iran-contra inquiry -- starring Lt. Col. Oliver North. According to the rating services, 10 percent more Americans watched the hearings on Tuesday than normally tune in to daytime network programs. And hundreds of people phoned the three networks to express support for North or to complain about unfair coverage. The Colonel expressed his own appreciation.

(North: "The tens of thousands of American people who have communicated their support -- it is overwhelming. The messages of support have been pouring in. I am truly grateful. I appreciate your letters and telegrams and your prayers. Please don't stop.") Other supporters of Col. North say that donations to his legal defense fund have doubled in the last two days to more than \$200,000. (NBC-5)

CBS's Bob Schieffer reports on the "Oliver North craze" in Washington, complete with t-shirts and souvenirs. (CBS-10)

COMMENTARY ON NORTH'S TESTIMONY

NBC's John Chancellor: There is, in fact, a colossal arrogance at the heart of the Iran contra operation as described by Oliver North. It's an arrogance that regards the government of the U.S. as untrustworthy -- not just the Congress -- North admits lying to the Congress -- but he also doesn't trust the executive branch. When the Attorney General was about to look through North's files, he shredded all the important papers.... All this, he said, to protect the identities of the people who might be harmed if their names became known. Fair enough. But who frightened him? U.S. government officials -- North believes you can't trust them.... In Col. North's world, you don't trust people like that. Instead you trust Middle East arms merchants, contras and even Iranians. It's weird. North was working for the American government, but when he got in trouble, his first priority was to keep his files from the American government. It wasn't trustworthy. That's the greatest arrogance of all. (NBC-11)

WALSH

Brokaw: Special Prosecutor Lawrence Walsh, who is conducting a separate criminal investigation of North is deliberately not watching these congressional hearings. Since North has limited immunity, Walsh cannot use material from these hearings against him. He must develop his own evidence against the Colonel. (NBC-12)

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LIMAN

Brokaw: When North resumes testimony, he'll face the man who is expected to be his toughest interrogator -- Arthur Liman.... Other lawyers say it is highly unlikely that Liman will permit North to give lengthy responses to questions, that he'll keep directly on the issues with a withering, rapid-fire style. So it should be a heavy weight legal matchup tomorrow. (NBC-13)

CASEY

CBS's Lesley Stahl reports on accusations made that former CIA Director Casey was closely involved in the Iran-contra affair. (CBS-4)

PRESIDENT'S TRIP

Brokaw: President Reagan was on the road again today determined to show that he still is in command of his job and the national agenda despite the Iran-contra hearings.

NBC's Chris Wallace: The President left Oliver North behind flying to Connecticut to continue hitting Congress on taxes and spending. White House officials said they knew they could not divert attention from North but that it was important for Mr. Reagan to continue doing his job. The President tried to show it's business-as-usual in various ways. Meeting with local leaders, he joked about why he's talking so much about the budget.

(The President: "You've heard a lot about this from our critics. On one hand, they say it's a ploy -- something I've cooked up to distract attention from whatever, I don't know." Laughter.)

Later at a City Hall rally Mr. Reagan was defiant about claims the Iran-contra scandal was destroyed his Presidency.

(The President: "You may have heard of some people, maybe even some that are present, talk about a certain lame duck and the end of an era. Well, all that lame duck talk is for the birds.") But there was no getting away from the hearings. Several protestors shouted, "No more lies. No more shredding." The President fired back.

(The President: "Thank you all and God bless you all -- well almost all.")

Despite the heckling, the President's men are pleased with Oliver North's testimony saying he has failed to link Mr. Reagan to any illegal action. But they acknowledge North or his former boss John Poindexter could still hurt the President and say they don't want to let their guard down. One side of that -- Mr. Reagan refused to answer any questions. He said, as he returned to the White House, he won't for some time. While the White House is cautiously optimistic, a top Democrat doubts North's testimony so far has been all that helpful.

(Robert Strauss: "I think any time he continues to insist that he assumed the President knew, many people carry that to the next stage -- the President did know.")

Still officials here had braced themselves for much worst. Their bottom line is that Oliver North spent most of the second day defending himself or implicating other officials. The President's name, they know here, was barely mentioned. (NBC-4)

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Jennings: While Col. North was testifying on Capitol Hill today, President Reagan flew away from Washington to continue the White House effort to show, perhaps, the President is not interested in watching the hearings.

ABC's Sam Donaldson: The American flags, passed out by the rally's organizers to the crowd of carefully selected ticket holders were waving in the air as President Reagan came to Connecticut to talk about economics. It was an effort to divert some attention away from the Iran-contra hearings. An effort, that before a luncheon audience at the Elks Lodge, he even kidded about.

(The President: "You've heard a lot about this from our critics. On the one hand they say it's a ploy -- something I've cooked up to distract attention from whatever, I don't know." Laughter.) But even the President couldn't completely escape that "whatever" today. Just outside the ropes a band of demonstrators waved anti-Reagan signs and chanted, "No more lies. No more shredding." The President heard them as he made plain when he ended his speech. First came his regular sign-off--

(The President: "Thank you all and God bless you all.") But then, glancing toward the demonstrators, he took some of it back.

(The President: "Well, almost all.")

Another thing Mr. Reagan made plain today is that he does not intend to answer any questions about the hearings now.

(The President: "When the hearings are all over.")

But the Vice President, campaigning in Ohio, did comment.

(Vice President Bush: "I happen to believe North is going to come out far better than some of his severest critics.")

Officials here at the White House won't comment on the record about how North is doing because, they say privately, he seems to be doing so well. Besides they make plain that how North fares personally is not their primary concern. What's a stake here, said one, is the presidency -- that's what's important. And we won't know about that until the hearings are over. (ABC-3)

Rather: In public President Reagan's strategy for dealing with North's testimony today was distance -- get out of town, ignore the hearings, and try to change the subject. Mr Reagan went to what he considers friendly turf in New Britain, Connecticut. Some hecklers turned out as he tried to talk about his economic agenda and deny he's lost any clout.

(The President: "You may have heard of some people, maybe even some that are present, talk about a certain lame duck and the end of an era. Well, all that lame duck talk is for the birds." Laughter.)

The President's only official reaction to the hearings today -- he won't have any reaction until the hearings are over. (CBS-3)

PERSIAN GULF POLICY

Jennings: Today the House has been debating two non-binding resolutions. One, which would have stopped the reflagging all together, was voted down this afternoon. The second would delay the effort for 90 days.

ABC's John McWethy: It may be too late for Congress to stop the President, but they debated the measure anyway.... Much of the debate today centered in allegations that the American Navy may end up providing protecting for more Kuwaiti tanker runs through the Persian Gulf than the U.S. had at first bargained for. The State Department denied it.

(Charles Redman: "We've been in touch with Kuwait as recently as today and there's no change.")

Not at the moment, but government sources say the agreement with Kuwait is flexible and could be expanded.... One irony from all of this -- while the U.S. has been debating the dangers of escorting ship in the Persian Gulf, the very tankers that next week will be flying new American flags have been coming and going from the Gulf without escort and without incident. (ABC-5)

BORK

Jennings: The Supreme Court will probably start its new term with only 8 members. The Senate Judiciary Committee today said it will not start confirmation hearings on the nomination of Robert Bork until Sept. 15th. The court's new term starts October 5th. The chairman of the Judiciary, Sen. Biden, said it is highly unlikely that he will vote to confirm Judge Bork. (ABC-8, CBS-5)

SANDINISTAS

Jennings: The Justice Department announced today that all Nicaraguan refugees who come to the U.S. because they fear persecution, will be permitted to stay here indefinitely. That means an estimated 200,000 Nicaraguans already in the U.S. will not be deported. (ABC-CBS-7)

MARCOS

Jennings: The Reagan Administration was become convinced that the former Philippine President Marcos, who is now living in Hawaii, has been plotting a return to power in the Philippines. As a result, the Administration has imposed new restrictions on Mr. Marcos.

ABC's John Martin reports on Marco's situation. (ABC-9, CBS-6)

-End of News Summary-

EDITORIALS/COLUMNISTS

NORTH'S TESTIMONY

Oliver North's Question -- "Oliver North framed the critical issue of the Iran-contra hearings by stressing his concern with the 'democratic outcome (in Nicaragua) before and after the Boland Amendment.' ...Thus did Oliver North turn the tables on his accusers, and state the nagging, painful question that these hearings rightfully should raise: Whether America's foreign policy should be to make Congress feel important, or to defend democracy." (Washington Times, 7/8)

North's Brazen Lies: One Early Lesson -- "People who believe more than 10 consecutive words of what Lt. Col. Oliver North swore to yesterday have a treat in store: Any morning now, they will see the Tooth Fairy leading the Easter Bunny down a garden path, gently, lest they disturb the grazing unicorns.... Unless all those unicorns are blocking your view, it's just plain obvious how deeply, broadly, casually North was lying under oath. If there was a surprise, it was the casualness and banality with which North continues to insist on viewing the use of brazen lies as a tool.... The hearings will go on. It is to be hoped that more, and more complex, lessons will emerge. But if the new evidence is no more convincing than North's, the whole circus might much better have been left to the prosecutor." (New York Daily News, 7/8)

Col. North Testifies -- "Already it is evident that the world of Oliver North is very different from the world in which so many other Americans reside. The world of Oliver North is one in which official missions take precedence, secrecy is the normal mode, shredders are a routine office machine and there is no room for doubts or constitutional scruples of any observable sort. It is a world in which the line between official and personal purposes was so blurred that Oliver North could refer to 'my private U.S. operation.' ...Now he is being called to account in a demanding public forum which is strange to him and whose inquiries he resists. The first day of his testimony was revealing."

(Washington Post, 7/8)

Ollie North Faces The Enemy -- "Here was a lieutenant colonel in full regalia, cornflake-smile firmly in place, proud of his record of informing superiors, and obsessive record-keeper, distressed only at the inadequacy of his shredding.... He was, he assumed, working for the President. Precisely how directly, of course, he has trouble remembering. And as congressional investigators trace the illegal diversion of arms profits to Nicaragua, they are likely to hear again -- as a stand-up Col. North quipped yesterday -- 'my memory has been shredded.'"

(Philadelphia Inquirer, 7/8)

ECONOMIC BILL OF RIGHTS

Chuckling In The Graveyard -- "In the past the country could indulge Reagan for his anti-government rhetoric, because in the end he was usually willing to strike a compromise. Today, however, the President is unbending in his hostility toward government as he opposes any tax increase.... In doing so he stubbornly clings to a policy that threatens the economic freedoms of future generations by saddling them with the monstrous debt of the 1980s."

(Los Angeles Herald Examiner, 7/8)

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ECONOMIC BILL OF RIGHTS (continued)

A Hyperbole Bill Of Rights -- "President Reagan warrants credit for reminding Americans...about the need for everyone to share more fully in the general prosperity. Unfortunately, there are doubts about whether Mr. Reagan's specific agenda, which he dubs an 'economic bill of rights,' would benefit most citizens.... Washington should adopt another 'bill of rights' -- a 'hyperbole bill of rights' -- meaning that Americans could not be subjected to economic platitudes until the nation's political leaders first dealt squarely with the issues at hand -- like getting a compromise budget enacted."
(Christian Science Monitor, 7/7)

Reagan's Bill Of Wrongs -- "President Reagan's new 'Bill of Rights' is an old list of economic wrongs. His stale plea for a balanced budget amendment to the Constitution is so discredited that few members of his own party seriously support it. His opposition to tax hikes is increasingly unrealistic: They are an inescapable part of the future that his own spending and economic policies have ordained. His quest for a line-item veto is another discredited diversion. And his proposal that new spending programs be accompanied by offsetting budget cuts or tax hikes is an idea that not even Reagan can support, inasmuch as it would surely doom some of his cherished projects."
(Cleveland Plain Dealer, 7/7)

Reading Reagan's Rights -- "The basis of Reagan's Economic Bill of Rights is his long-term crusade to free the people of the federal yoke so that they can go off on their own pursuit of happiness and money. This would be the ultimate extension of modern supply-side economics and economic Darwinism.... The only problem with that thesis is that it is wrong.... The goal of the Constitution was not to set free the moneyed interests, or any other faction, to work their individuals wills, but to restrain them for the common good and protection of private rights.... The Reagan Administration has tried to portray economic regulation by government as something un-American and alien to the interests of rich and poor alike. But the necessity of governmental regulation of the economy was not an accident of later history or the invention of Franklin D. Roosevelt. It was the bedrock of the Constitution... That task remains as necessary and as vital today as it was in 1787."
(Los Angeles Times, 7/3)

Why Mr. Reagan Can't Sell His Economic Bill Of Rights -- "President Reagan seems determined to go out with his six guns blazing, outgunned but unafraid, fighting for the values that have been so central to his political success. Last week he outlined his promised economic bill of rights. It was unadulterated Reaganism -- an effort to rally public support for constitutional amendments that would shackle big government once and for all. Rather than adjust his approach to the reality of his declining political power, Mr. Reagan is pursuing an agenda that he could not carry off even at the height of his power.... The main cost of Mr. Reagan's last-ditch fight for his most cherished principles is that it ensures a continuing stalemate on the central issue of how to finance the government while reducing the deficit. That, more than an economic bill of rights, should be at the top of the President's domestic agenda."
(Philadelphia Inquirer, 7/8)

FOREIGN MEDIA REACTION

NORTH'S TESTIMONY

"Colonel North's account was yet another remarkable insight into the running of the Reagan White House which will not be without political cost to the Administration -- despite yesterday's claims that it will help the beleaguered Presidency in its last 18 months.... The picture that Colonel North painted yesterday was utterly dismaying for the Administration. It was a picture of a world where anything went, where the chiefs of security and intelligence felt quite free to commit crimes, shred papers or orchestrate the most grandiose of lies in the President's name without a second thought.... If that is the way the rest of the hearings pan out, it will merely confirm present reality -- the reality of a President suddenly aged, stripped of meaningful power and peripheral to the policies that unfold about him.... This wasn't a way to run democracy in the world -- with lessons attached for that democracy itself." (Guardian, Britain)

"The parallel government which North and his pals were running in the basement of the White House also gives us an assessment of Reagan. North can try to clear him before Congress but Reagan's innocence nevertheless accuses him of at least possible complicity. Because...it shows more the incompetence of the U.S. President than his possible immorality.... In any event, we know that he cannot run the country now. His squadron of loyal supporters can no longer hide that he is now struck with deep senility." (Liberation, France)

"North's statements must have been registered with relief in the White House -- they confirm the repeated public assurances by President Reagan. Furthermore, they made clear that Admiral Poindexter's upcoming testimony will hardly produce any more incriminating surprises for the White House." (Die Welt, West Germany)

"So far, Reagan remains innocent until proven guilty of having known about the diversion of millions of dollars from the Tehran arms deal to the contras in Nicaragua. The reason for the critics' being doubtful on this issue may lie in the fact that...all lines of responsibility end in Reagan's immediate proximity." (Volksblatt, West Germany)

"For the moment, Reagan is safe: North exonerated the President from all charges.... But (his line of defense) could save only the President: it put in serious difficulty both Meese and Poindexter who will be called to testify in one or two weeks." (La Repubblica, Italy)

"Before knowing what North is going to say, one knows already that Irangate has dealt a fatal blow to Reagan. Whatever happens, his Presidency is fading away and everybody is already thinking of the November 1988 elections." (La Derniere Heure, Belgium)

"North did his best to defend President Reagan when answering the key question of whether the President knew about the deals with Iran and the transfer of money to Nicaragua's rebels." (Yediot Aharonot, Israel)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, JULY 9, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

TRIP NEWS

Reagan Touts Budget Amendment -- President Reagan said the states that want his coveted balanced-budget amendment do not have to wait for Congress to amend the Constitution and vowed to take his fight to those states if necessary.

(Hartford Courant, Los Angeles Times, New Britain Herald, New York Times, Washington Post, Washington Times, UPI)

IRAN-NICARAGUA

Casey Is Called Driving Force In Iran Network -- Oliver North testified that former CIA Director William Casey was a driving force behind the Iran-contra operation, and was fully informed of the diversion of arms-sales profits to aid Nicaraguan insurgents.

(Los Angeles Times, New York Times, USA Today, Wall Street Journal, Washington Post, Washington Times, AP, Newhouse, Reuter)

NATIONAL NEWS

Bork's Hearing To Start September 15 -- Hearings on Robert Bork's nomination to the Supreme Court will not start until September 15, Senate Judiciary Committee Chairman Joseph Biden said.

(Los Angeles Times, New York Times, Washington Post, Washington Times, Reuter, UPI)

NETWORK NEWS (Wednesday Evening)

IRAN-CONTRA -- Oliver North described how he repeatedly lied to Congress and others to cover up his role in the Iran-contra affair.

MEESE/SHULTZ/NORTH'S TESTIMONY -- Attorney General Meese was one of several officials denying North's version of events.

TRIP -- President Reagan was on the road to show he is still in command of his job and the national agenda.

'Ben, We're Going To Delete This Section On Balanced Budgets — It's Absurd To Believe Government Would Ever Borrow Money From Foreigners To Fund Its Deficit While It Is Giving Away Foreign Aid!'



TRIP NEWS

35,000 GREET REAGAN IN NEW BRITAIN

NEW BRITAIN, Conn. -- Stepping out in front of a flag-waving jam-packed roaring downtown crowd of 35,000, President Reagan declared "New Britain is the place to be."

Reagan said "you can't be in any better place in America than right here in new Britain" to find "hard work...a spirit of enterprise... patriotism and love of freedom...strength that comes from faith and family."

"For the last seven years New Britain's story has been America's story," said Reagan. "You remember seven years ago. Inflation was sprinting so fast that just about every time you shopped for groceries or stopped for gas, prices had jumped up.... Jobs were becoming more and more scarce."

"Well, we, the American people, made a choice in 1980. We decided not the continue the policies of government growing bigger and bigger without end," said Reagan. (The Herald (New Britain), A1)

Red-Letter Day For A Blue Collar City; Reagan Crusades in New Britain

NEW BRITAIN, Conn. -- President Reagan brought his crusade for fiscal reform to this working-class bastion, praising the city for its economic turnaround and saying congressional leaders could "learn a thing or two."

In turn, a crowd estimated at 35,000 or more gave Reagan a lusty, flag-waving welcome.

(Michelle Jacklin & Charles Morse, Hartford Courant, A1)

Protesters Draws Ire Of Supporters

NEW BRITAIN, Conn. -- A small group of protesters made its presence felt at President Reagan's speech, often chanting so loudly that it drowned out the speech for many of the onlookers.

The approximately 75 protesters shouted "No more lies" and "What about the homeless" during Reagan's speech, often prompting angry shouts of "Shut up" from the flag-waving crowd on Main Street.

(Jesse Levinworth & Surya Shah, Hartford Courant, A2)

Reagan Touts Budget Amendment

NEW BRITAIN, Conn. -- President Reagan said the states that want his coveted balanced-budget amendment do not have to wait for Congress to amend the Constitution and vowed to take his fight to those states if necessary.

During several appearances in the Constitution State on behalf of his "Economic Bill of Rights" proposal, he voiced determination that the balanced-budget amendment would become a reality even though some in Washington predict the chances of enacting it are zero.

"This is not a distant or abstract matter. Your right to these freedoms is at the heart of the battles over taxes and government's spending that are going on right now in Washington. The field of battle is the federal deficit," [the President] said.

(Jeremiah O'Leary, Washington Times, A3)

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Lame-Duck Tag Is 'For The Birds,' President Says

NEW BRITAIN, Conn. -- President Reagan, continuing to ignore the testimony of Oliver North before the congressional Iran-contra committees, told an outdoor rally that talk of a "lame duck" presidency "is for the birds."

He used the visit to hark back to a favorite and well-used theme -- the inflation that prevailed at the end of the 1970s -- and warned that "the big spenders think they're in the driver's seat again in Washington."

(James Gerstenzang, Los Angeles Times, A24)

Reagan In Denial On Hearing 'Ploy'

NEW BRITAIN, Conn. -- President Reagan, responding indirectly to the congressional hearings on the Iran-contra affair, said that he was not seeking to divert attention from the inquiry by focusing on other issues.

"Now, you've heard a lot about this from our critics," he said as he spoke to business and community leaders. "On one hand, they say it's a ploy [the President's 'Economic Bill of Rights' campaign] -- something I've cooked up to distract attention from whatever."

"On the other hand, they say little that's new here, which I guess means it's made up of things I believed in and fought to achieve for years, now I'm working to make certain that American doesn't lose all that we've done."

He went on, "Well, it can be one or the other -- not both -- and I'll plead guilty to the second charge." (Gerald Boyd, New York Times, A22)

Reagan: Push On Economics Is Not A 'Ploy'

NEW BRITAIN, Conn. -- President Reagan pressed his conservative economic message at a campaign-style rally, and he denied that it was a "ploy...cooked up to distract attention" from the Iran-contra hearings.

Reagan's comment, made to community leaders before his speech, was virtually his only reference to the hearings during a day otherwise devoted to economic themes. But more than 100 hecklers on the fringe of a friendly crowd of several thousand caught the President's attention by chanting, "No more lies."

The President acknowledged the presence of the hecklers during his speech by saying "I thought I heard an echo" during one of their chants. When he had finished, he said, "Well, thank you all and God bless you," then added, as he turned away from the microphone, "Well, almost all."

(Washington Post, A29)

Reagan Denies Trying To Divert Attention From Scandal

NEW BRITAIN, Conn. -- President Reagan, saying he will have no comment on the congressional Iran-contra hearings until they end, denies his new economic push is merely a ploy to divert attention from damaging revelations.

Reagan ignored testimony from his fired National Security Council aide, Oliver North, for the second straight day as he stumped for his "Economic Bill of Rights" in New Britain, Conn.

Reagan's appearance in the industrial center of Connecticut was part of a series of summer trips to stir support for economic reform that he hopes "will be among the most important legacies of my presidency."

(Ira Allen, UPI)

IRAN — NICARAGUA

NORTH SAYS HE AND HIS SUPERIORS LIED ABOUT CONTRA AID Marine's Testimony Implicates Shultz, Casey, Abrams

Oliver North drew several high-ranking Reagan Administration officials deeper into the Iran-contra affair while admitting without regret that he and his White House superiors lied to Congress about covert assistance to the Nicaraguan rebels.

In a second day of riveting testimony, [North] told the Iran-contra panels that Secretary Shultz had put his arm around his shoulder at a social event last September and "told me what a remarkable job I had done keeping the Nicaraguan resistance alive."

With that, Shultz joined a growing list of top officials cited by North as knowing more than previously disclosed about his secret support from the White House for the contras while U.S. military aid was prohibited by law. Two others named as being aware of details of his military-support activities were the late CIA Director William Casey and Assistant Secretary of State Elliott Abrams. (Walter Pincus, Washington Post, A1)

North: I Lied, I'm Not Sorry

Oliver North made an emotional appeal to the public, freely admitting he lied -- but for the good of his country.

North said he previously lied to Congress "face to face" to bar leaks about his covert activities -- but has no regrets.

"I want you to know lying does not come easy to me...we all had to weigh in the balance the difference between lives and lies."

(Leslie Phillips, USA Today, A1)

North Fingers Abrams On Contra Resupply, Hints Shultz Knew

Oliver North told Congress State Department official Elliott Abrams was fully aware of his efforts to keep arms flowing to Nicaragua's contra rebels and hinted Secretary Shultz may have known.

But the State Department immediately issued a statement, denying Shultz knew of the possibly illegal operation.

"The secretary was not indicating either his knowledge or approval of the activities to which North recently testified," it said. "The secretary's remarks concerned only North's efforts to keep up the morale of resistance leaders." (Sue Baker, Reuter)

North Says Numerous Top Officials Knew What He Was Doing For Contras

Oliver North is casting a broad net over the Reagan Administration, asserting that there was a widespread knowledge of his activities in support of Nicaraguan rebels at the highest levels of government.

"He's given a number of people reason for some sleepless nights," said Sen. Warren Rudman at the close of North's second day of testimony....

"I honestly believe that there were many, many people within the executive branch who had a grasp, if not in specific detail...in sufficient detail that they knew who to turn to when they wanted something done," North testified. (David Espo, AP)

North's Testimony

With the approval of his superiors and the knowledge of high Reagan Administration officials, Oliver North ran a "full service covert operation" out of the White House that supplied arms to the Nicaraguan contras despite a congressional ban on military aid.

North told the House-Senate Iran-contra committees that to conceal the contra supply effort he lied to Congress, shredded papers, altered documents, misled Justice Department investigators and communicated in secret codes.

Some of his actions were "erroneous, evasive, misleading and wrong," [North] testified. But he said he considered all his activities were legal.

"I sought approval for everything that I did," he testified. "I want you to know lying doesn't come easy to me (but) we have to weigh in the balance the difference between lies and lives."

(Robert Gettlin & Robert Lewis, Newhouse)

Casey Is Called Driving Force In Iran Network

Oliver North testified that former CIA Director William Casey was a driving force behind the Iran-contra operation, and was fully informed of the diversion of arms-sales profits to aid Nicaraguan insurgents.

North said Casey embraced the diversion plan when it was first proposed in January 1986, and saw it as part of a "full-service" covert operation that he hoped to expand beyond Central America.

North's account contradicts repeated statements by Casey that he only learned of the diversion last fall....

(David Rogers & John Walcott, Wall Street Journal, A2)

North Says Casey Aided Him On Secret Contra Program; Challenges Key Officials

Oliver North testified that William Casey, as director of Central Intelligence, helped him run the secret program to aid the Nicaraguan rebels and that many other senior members of the government had been fully aware of what he was doing, "although they may deny it."

...North indicated he had a special relationship with Casey, who he said had instructed him on opening secret bank accounts and destroying crucial financial records on the contra supply operations. He said Casey even advised him to take a poison pill with him on a trip to Iran, in case he got into trouble.

(Fox Butterfield, New York Times, A1)

North Claims Strong Backing From Casey

CIA Director William Casey enthusiastically approved of the diversion of Iranian arms sales proceeds to the Nicaraguan resistance as the "ultimate covert operation," Oliver North told Congress.

The idea for the Iran-contra diversion was proposed to him at a January 1986 meeting by Manucher Ghorbanifar, the Iranian middleman for U.S. weapons sales to Iran, as an "incentive" to keep the Iran initiative alive when Administration officials were growing skeptical about the arms-for-hostages plan.

"I saw the idea of using the Ayatollah Khomeini's money to support the Nicaraguan freedom fighters as a good one," North said. "I still do. I don't think it was wrong. I think it was a neat idea."

(Mary Belcher, Washington Times, A1)

North Depicts Casey As Guide; Diversion 'Ultimate Covert Operation'

The guiding hand behind secret Iran-contra operations, Oliver North testified, belonged to the late CIA Director William Casey. By North's account, Casey was effectively his personal case officer from 1984, when the secret contra supply operation was "almost drawn up" by Casey, until early last November, when Casey suggested that it was time to "get rid of things...clean things up."

North said Casey was fully informed about, supported and was "effusive" in praising the plan to divert funds from the Iran arms sales to the Nicaraguan rebels. Casey called the diversion scheme "the ultimate irony, the ultimate covert operation," North said, because it diverted money from Ayatollah Ruhollah Khomeini to the benefit of the contras. North said he informed Casey of the diversion in February 1986 before the first of three diversion of profits from arms sales to Iran.

(Bob Woodward, Washington Post, A1)

North Says Casey Agreed To Contra Diversion; Israeli Idea

Oliver North firmly pinned late CIA chief William Casey to the "deepest, darkest secret" of the Iran-contra affair -- the diversion of Iran arms sales profits to the Nicaraguan rebels.

"I was not the only one who was enthusiastic about this idea. Director Casey used several words...all of which were effusive...."

North said his former boss, John Poindexter, also approved the plan to use profits from the Iran arms sales, made in hopes of freeing American hostages in Lebanon, to the contras.

But North said he did not know whether Casey, a World War II secret agent, told President Reagan, an old friend, about the diversion.

(Sue Baker, Reuter)

North Says Presumed Israeli Agent Proposed Contra Diversion

Oliver North says the late CIA Director William Casey endorsed diverting Iran arms profits to Nicaraguan rebels, after an Iranian weapons dealer came up with the plan.

North...said Iranian arms dealer Manucher Ghorbanifar, a presumed Israeli agent, brought the idea to him in a men's room in January 1986.

Pressing his denial that he was a "loose cannon" acting on his own, North said John Poindexter and Casey later gave the go-ahead for the diversion.

(Anthony Goodman, Reuter)

North Concedes 'Misjudgement' But Denies Personal Profit

Oliver North said his attempt to conceal that someone else paid for a security system at his Great Falls, Va., home was the "grossest misjudgement" of his life, but swore that he "never took a penny that didn't belong to me" from the Iran-contra funds.

North admitted he had cashed \$2,440 in traveler's checks from a secret fund he maintained for the contras and other activities, but said the checks -- used to buy groceries, snow tires and leotards at a women's hosiery store -- represented reimbursements for "my own...paycheck money" that he used for expenses related to his work at the NSC.

(Washington Post, A1)

Beleagured Witness Goes On Offensive

After seven months in a foxhole and eight hours under withering congressional fire, Oliver North attempted his equivalent of a combat landing, going on the offensive just when it appeared he was hopelessly exposed.

With a mammoth display ofchutzpah, the star witness...quickly seized the initiative after confessing to accepting an expensive home security system paid for from the proceeds of arms sales to Iran.

The brigade of congressional investigators sat in stony silence as North launched into a passionate discourse in which he defended both his personal honesty and his marital fidelity and recounted how he had been threatened with death by the notorious Palestinian terrorist Abu Nidal.

It may have been one of the turning points in North's exhaustive interrogation, for it was the first time the committee had touched upon integrity issues that had tarnished the hero's mantle he had taken in early days of the saga. (Rudy Abramson, Los Angeles Times, A1)

REAGAN'S OWN WORDS ON IRAN-CONTRA SCANDAL YIELD NO CLEAR PICTURE OF WHAT HE REALLY KNEW

President Reagan's own chief of staff, ...Howard Baker, set the standard for investigating White House scandals when he asked during the Watergate hearings: "What did the president know and when did he know it?"

Congress now is boring in on that same basic question during hearings on the Iran-contra affair. Eventually, investigators may get a clear picture of President Reagan's role and knowledge -- but they won't find it in the President's own words so far.

A look back on Reagan's own public statements since the affair became public last fall indicates that many of the President's comments have been uncertain, misleading or false. He has revised or contradicted most of his early comments, and sometimes his version of events has shifted within the course of a single day.

(Gerald Seib, Wall Street Journal, A56)

NORTH CONTACT LOSES DUTIES Israelis Hesitant To Remove Adviser

JERUSALEM -- Amiram Nir, a key Israeli figure in the Iran arms deal, has been stripped of authority in his post as terrorism adviser to Prime Minister Yitzhak Shamir because he allegedly lied to Shamir about a secret meeting that he held earlier this year with Manucher Ghobanifar..., according to informed Israeli sources.

Shamir has not fired Nir because such an action might be publicly interpreted as an admission that Israel erred in its involvement in the arms affair, which officials here have steadfastly denied. But the sources said Shamir no longer has confidence in Nir's credibility and fears that he may have lied about other matters in the Iran-contra affair as well.

(Glenn Frankel, Washington Post, A1)

NATIONAL NEWS

BIDEN PLANS TO OPPOSE BORK: HEARINGS SET FOR SEPTEMBER

Sen. Joseph Biden, chairman of the Senate Judiciary Committee, announced that he is almost certain to oppose the nomination of U.S. Appeals Court Judge Robert Bork to the Supreme Court and said hearings on the nomination will not begin until Sept. 15.

Biden, in saying there is "an overwhelming prospect" that he will vote against Bork, also signaled a likely liberal Democratic theme on the issue, portraying the jurist as an ideological tool of President Reagan and Attorney General Meese and other Administration conservatives.

"Quite frankly, it goes well beyond Judge Bork," Biden said. "It's a question of whether the Reagan-Meese agenda is going to be accomplished through the court and whether Judge Bork has been picked to be the vehicle to accomplish that." (Washington Post, A1)

Biden Vows To Lead Forces Against Bork Confirmation

Sen. Joseph Biden, Chairman of the Judiciary Committee and a Democratic presidential contender, assured opponents of the nomination of Judge Robert Bork that he would lead the fight against his confirmation to the U.S. Supreme Court.

The remarks were made at a private meeting this morning called by Biden to convey his position to leaders of civil rights groups, who are marshaling for an all-out battle to defeat the nomination.

Pete Smith, a spokesman for the Judiciary Committee, confirmed that Biden "intends to oppose the nomination and to lead the effort against it in the Senate." But the spokesman said [Biden] "does not plan to formally announce his opposition until he has a chance to spell out his reasons in detail in a series of speeches, which he plans to begin next week."

(Kenneth Noble, New York Times, A1)

Panel Won't Consider Bork Until Sept. 15

Confirmation hearings for Judge Robert Bork's nomination to the Supreme Court will not begin until Sept. 15, Senate Judiciary Committee Chairman Joseph Biden said.

In announcing the tentative confirmation hearing schedule, Biden also said he would significantly curtail his presidential campaign activities.

"My first job is to get this nomination up before the committee and voted on," said Biden, whose standing in the campaign polls has recently improved after months of poor showings.

"Everything else is secondary now," Biden said. "This is probably the most significant Supreme Court nomination in the last several decades and arguably in this century."

(Michael Fumento & Christopher Simpson, Washington Times, A2)

Bork's Hearing To Start September 15

Hearings on Robert Bork's nomination to the Supreme Court will not start until September 15, Senate Judiciary Committee Chairman Joseph Biden said.

Biden...said the hearings might last as long as two weeks. He said the committee would act expeditiously on the nomination to send it to the full Senate.

Senate Republican leader Robert Dole said he would ask Democratic leader Robert Byrd and Biden if the hearings could be started sooner. He said Republicans on the Judiciary Committee were willing to meet during the one month congressional recess which begins August 8.

"There is absolutely no substantive reason why we have to wait more than two months to begin the nomination hearings," Dole said after Biden's announcement. (Reuter)

Republicans Say Democrats Stalling On Bork Nomination

Republicans say Democratic stalling on Senate consideration of President Reagan's nomination of Robert Bork to the Supreme Court will hamper the court's work.

But Judiciary Committee Chairman Joseph Biden said the nomination is too important to rush the review process.

[Sen. Robert Dole said], "We need to get the process moving so that the Supreme Court will be at full strength for its fall session. The American people know that it's critical to fill the seat on the Supreme Court. And the Senate should do everything it can to fulfill its duty as quickly as possible." (James Rubin, AP)

Bork Hearings Set For September; High Court May Open One Short

Senate Judiciary Committee Chairman Joseph Biden, saying that "the overwhelming prospect is I will be voting against Just (Robert) Bork," announced that hearings on President Reagan's Supreme Court nomination will not begin until Sept. 15, making it almost certain that the court will be short one justice when it begins its new term in October.

Democrats, who are not eager to let Bork take a seat on the court quickly, played down the potential problems -- including 4-4 stalemates -- that an eight-person court might confront. "I don't think the country will fall because of that," said Sen. Patrick Leahy. "Justice won't be delayed or denied."

When the Judiciary Committee meets today to discuss future plans, Republicans will demand a commitment for a vote on Bork by early October, said an aide to Sen. Strom Thurmond, the committee's senior Republican. "Mid-to-late October would be unreasonable," spokesman Mark Goodin said.

Biden, however, said before a caucus of the committee's Democratic members that the Democrats, who control the panel 8 to 6, have "no inclination to set an end point" for the hearings.

(David Lauter, Los Angeles Times, A27)

MEESE, S. CAROLINA JUDGE MEET ON FBI JOB
Ex-Aide To Sen. Thurmond Has Been Criticized
For Management Style On Sentencing Panel

Attorney General Meese, still searching for a candidate to head the FBI, discussed the job with William Wilkins, a federal appeals court judge from South Carolina, according to knowledgeable sources.

Wilkins, 45, who is being heavily promoted for the post by Sen. Strom Thurmond, also serves as chairman of the U.S. Sentencing Commission, where his management style has come under strong criticism that would likely be aired if he were nominated as FBI director.

A senior White House official played down suggestion that Wilkins was the leading contender, saying that "we are considering a number of able candidates." He also expressed the White House's continuing irritation with Meese for allowing the FBI search to drag on for more than four months.

(Washington Post, A3)

MEESE SIGNS ORDER GIVING NICARAGUANS HAVEN IN U.S.

Attorney General Meese said that as many as 200,000 illegal aliens from Nicaragua, now inside the U.S., will be allowed to remain under a liberalized immigration policy.

Meese signed a controversial order, after consultation with the White House, ensuring that no Nicaraguan "with a well-founded fear of persecution" from the leftist Sandinista government will be deported unless he has "engaged in serious criminal activity or poses a danger to national security."

The move came under immediate attack by members of Congress who have been pushing for the Administration to create an exception for Salvadorans, as well as for Nicaraguans, because refugees from both countries face similar conditions if they return. (Washington Post, A1)

WEDTECH CLAIMS FRAUD BY MEESE'S EX-PARTNER

The new management of the Wedtech, Corp. accused W. Franklyn Chinn, former investment partner of Attorney General Meese, and one of Chinn's associates of defrauding the company of a \$150,000 consulting fee and secretly splitting it with others who rendered no service to the company.

Chinn...and a frequent business associate, R. Kent London, were also accused of cheating Wedtech of at least \$165,000 by submitting fraudulent expense accounts during the past two years for trips to Australia, Switzerland and points in between. (Washington Post, A3)

DOLE SCOLDED ON AIR SAFETY AND DELAYS

Sen. Frank Lautenberg told Transportation Secretary Dole to stop using "doubletalk and petty technicalities" and take serious steps to improve air safety and reduce airline delays.

Dole, testifying before the Senate Appropriations Committee's transportation subcommittee, said her agency has been straightforward about its safety program and has adjusted wisely during a period of rapid air traffic growth. (AP story, Washington Post, A19)

INTERNATIONAL NEWS

HOUSE VOTES TO DELAY KUWAITI SHIP ESCORTS Measure Seen As Symbolic Disapproval Of Administration's Policy

The House, voicing strong misgivings about...President Reagan's Persian Gulf policy, called for a 90-day delay of the Administration's plan to give U.S. protection to Kuwaiti oil tankers in the gulf.

The 222 to 184 vote in favor of a delay was seen as a largely symbolic effort to distance Congress from the Administration's plan to escort 11 Kuwaiti tankers that will fly the U.S. flag -- in light of assertions by House and Senate leaders that Congress lacks both the votes and the time to block the operation, which is scheduled to start in about a week.

Meanwhile, State Department spokesman Charles Redman denied there was any misunderstanding between the U.S. and Kuwait over the details of the plan for U.S. warships to escort the 11 reflagged tankers through the gulf.

He said the department had been in contact with the U.S. Embassy in Kuwait to check whether any misunderstanding existed over the escort plan, as alleged by Rep. Les Aspin, who has just returned from a visit to Kuwait.

The embassy confirmed "everything is on track," Redman said.

(Washington Post, A6) e

House Approves Bid To Delay Reflagging By 90 Days

The House voted for a 90-day delay of President Reagan's plan to protect Kuwaiti ships in the Persian Gulf, but supporters of the measure conceded it would not affect the operation and was merely symbolic.

Members voted 222 to 184 for an amendment to the 1988 Coast Guard authorization bill for the three-month delay of the operation, which U.S. officials said would begin as scheduled in mid-July. The House earlier defeated a bid to bar the ship protection plan outright.

(Valerie Strauss, Reuter)

House Asks For Gulf Reflagging Delay

The House has lodged a largely symbolic protest with the Administration over its Persian Gulf policy, voting for a 90-day delay in "re-flagging" Kuwaiti tankers, but the vote is unlikely to delay the plan.

Senate leaders hoped to win a vote allowing them to bring up a non-binding resolution to the trade bill urging the Administration to stall the re-flagging plan for a while while exploring other options.

[House] Republican leader Robert Michel said the issue had degenerated into a partisan fight and despite the scattered Republican endorsement of the delay amendment called it "a product of the Democratic Caucus, pure and simple."

It amounted to "the functional equivalent of a slap in the face of the President," and was a "CYA amendment -- cover your you-know-what," Michel said.

(Eliot Brenner, UPI)

Democrats See Too Few Votes To Stop Reagan's Persian Gulf Plans

Senate Democrats opposed to President Reagan's plan to protect Kuwaiti oil tankers in the war-torn Persian Gulf admit they can't break a Republican filibuster aimed at maintaining that policy.

The Democrats planned a vote today on whether to invoke cloture.... At issue is a resolution aimed at holding in abeyance U.S. protection of 11 Kuwaiti oil tankers set to begin as early as next week.

"I think at this juncture, it's very doubtful that we've got the votes to end the filibuster," Sen. James Sasser, one of the resolution's 11 Democratic sponsors, said. (Tim Ahern, AP)

W. GERMANS' CAPTORS PRAISE MOVE BY BONN

BEIRUT -- The captors of two West Germans kidnapped in January praised the Bonn government for not extraditing accused hijacker Mohammed Ali Hamadei to the U.S. They said they would match further favorable steps by Bonn and offered to exchange videotapes of the German hostages for one of Hamadei, provided that in it he "explains how he is living, and addresses his people, parents and fellow strugglers against Israel and imperialists."

The statement accompanied by a photocopy of [one of the hostage's] passport, was the first communication from a previously unknown group called the Strugglers for Freedom, who said they are holding [the two West Germans]. (Nora Boustany, Washington Post, A34)

ADMINISTRATION STARTS CONTRA AID PUSH IN CONGRESS

The Reagan Administration has begun an intensive campaign to persuade Congress to renew aid to the Nicaraguan rebels this fall, even though officials concede that the contras still suffer from serious organizational problems, uncertain discipline and isolation in Nicaragua's sparsely populated north and east.

As part of its strategy, President Reagan announced this week that he was appointing Tom Loeffler, a former Republican congressman from Texas, to coordinate the lobbying efforts on Central American policy.

The new White House job was created in part to avoid head-on confrontations between Elliott Abrams...and Congress in the wake of the Iran-contra affair. (Elain Sciolino, New York Times, A9)

SENATE PASSES MEASURE ON PLANT-CLOSING NOTICE Labor-Backed Provision Still Faces Key Vote

The Senate approved a controversial labor-supported provision in the trade bill that would force business to give notice of plans to close factories. But the measure, opposed by business and the Reagan Administration, faces a critical vote this morning that could kill it.

The Senate action came after Republicans, led by Sen. Dan Quayle stalled to prevent a vote yesterday. Quayle was concerned that he would not get a clear shot to keep the plant-closing provision out of the trade bill. (Washington Post, E1)

TAPES REVEAL MARCOS PLOT TO DEPOSE, CAPTURE AQUINO

Deposed Philippine President Ferdinand Marcos plotted a military operation starting Friday to overthrow the government of Corazon Aquino and take her hostage, prompting the Administration to place severe restriction on Marcos' movements, Administration and congressional sources said.

According to tape recordings of Marcos talking to a man posing as an arms dealer, Marcos said, "I am going to land there (in the Philippines), I don't care who opposes me...and if they oppose the landing, that is when we start the battle."

Administration officials said the recordings were an important part of the reason President Reagan sent a letter to Marcos, and senior officials of the State and Justice departments visited him Monday and Tuesday to inform him he is restricted to the Hawaiian island of Oahu -- where he has lived in exile since leaving the Philippines in February 1986 -- unless he obtains special permission.

(Washington Post, A1)

Aquino Welcomes U.S. Action Against Marcos

MANILA -- Philippine President Corazon Aquino said she is very pleased at a U.S. decision to bar ousted leader Ferdinand Marcos from leaving his Hawaiian exile.

Aquino said the U.S. action came "at a time when again rumors are circulating that Mr. Marcos (and) or Mrs. Marcos are planning to return home." She added that Washington's action should put the coup rumors to rest.

(Phillip Melchior, Reuter)

-End of A-Section-

NETWORK NEWS SUMMARY

(Wednesday Evening, July 8, 1987)

IRAN-CONTRA HEARINGS/NORTH'S TESTIMONY

NBC's Tom Brokaw: Lt. Col. Oliver North today described in dramatic detail how he repeatedly lied to Congress and others to cover up his role in supplying arms and money to the contras at a time when the Boland Amendment was in effect. That Congressional amendment barred the U.S. government from assisting the contras. But, according to North, the late CIA Director Casey and others in the intelligence agency were fully aware, almost from the beginning, of his activities. And North said that he believed that Secretary of State Shultz and other State Department officials had a general grasp of his operation.

(North: "I will tell you right now...that I misled the Congress -- at the meeting -- face-to face.")

Nields: "You made false statements to them about your activities in support of the contras?"

North: "I did.")

And North strongly suggested that other members of the Administration also knew what he was up to with the Congress.

(North: "I honestly believe that there were many, many people within the executive branch who had a grasp, if not in specific detail, but in sufficient detail, that they knew who to turn to when they wanted something done.")

North said that he was willing to be the scapegoat if it all went wrong, but he didn't expect criminal prosecution.

(North: "I was that link and I was suppose to be dropped like a hot rock when it all came down and I was willing to serve in that capacity. I was not willing to become the victim of a criminal prosecution.")

This morning's session was equally dramatic when North gave an emotional defense to charges that he had personally profitted from the Iran arms sales.

NBC's John Dancy: North confronted one of the most damning pieces of evidence against him -- admitted that he had tried to cover up the gift of a home security system. North said he ordered the security system when the government refused to provide protection following threats on his life by the Middle Eastern terrorist Abu Nidal.

(North: "I'll be glad to meet Abu Nidal on equal terms anywhere in the world. Okay. There's an even deal for him. But I am not willing to have my wife and my four children meet Abu Nidal or his organization on his terms.")

So North ordered a security gate and an alarm system from former CIA man Glenn Robinette. It was paid for by Richard Secord from proceeds of the Iran arms sales. North was never billed, but later phoned up documents to make it appeared he planned to pay.

(North: "This is the truth. I did probably the grossest misjudgment that I've made in my life. I then tried to paper over that whole thing.... It was not an exercise in good judgment. I also suggest to you that if it was Gen. Secord, first of all -- thank you Gen. Secord. And second of all -- you guys ought to write him a check because the government should have done it to begin with.")

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Dancy continues: North angrily denied that he had ever used any contra funds in the form of travelers checks for his own benefit. He said he often used his own paycheck for contra expenses then reimbursed himself from contra funds....

(North: "Every single penny on the checks that you saw that came to me was used to pay any operational expenses on the scene or to reimburse myself. I never took a penny that didn't belong to me.")

A number of the checks were cashed at Washington area stores.... North said he had had as much as \$150,000-\$175,000 in cash and travelers checks which he used for the contras. He said he had kept a ledger but shredded it at the suggestion of CIA Director Casey that the operation began to leak out.

(North: "He told me specifically -- get rid of things -- get rid of that book because that book has in it the names of everybody, the addresses of everybody -- just get rid of it and clean things up. And I did so.")

North's relationship with Casey was close and personal. Casey worried before North went off to Tehran on a mission to negotiate for hostage release -- worried that North would be kidnapped and tortured.

(North: "And Director Casey told me that he would not incur in my going on the advance trip unless I took with me the means by which I could take my own life....")

Sen. Rudman...summed up the first two days of North's testimony this way -- he said for months the White House has been trying to depict Col. North as a loose cannon, one who is operating a rogue operation in the NSC. In fact, he said, what we have seen from these first two days of testimony is that North got authority for everything he did -- he was operating with the full knowledge and consent of his bosses at the White House.

Brokaw: Sen. Cohen is standing by now. What about that -- the strong suggestion today from Col. Oliver North that Secretary of State Shultz and other high ranking officials did, in fact, know what was going on. Do you believe him?

(Cohen: "I do believe him. I think that the evidence is rather clear from the notes that were going through for Admiral Poindexter and the meetings that were taking place with Bill Casey and others. Generally speaking, the higher levels of the Administration, they knew what Col. North's duties were and the fact that he was carrying out -- helping to carry out the sale of weapons to Iran and the funding of the contras. I think that generally speaking, most officials knew what Col. North was up to.")

If the Director of the CIA knew what was going on, if top ranking State Department officials knew what was going on, if the National Security Advisor knew what was going on, how could the President not know what was going on?

(Cohen: "I think the President did know what was going on in a general sense at least. He certainly signed the finding which authorized the sale of weapons to the Iranians. He certainly made no bones about the fact that he was a strong supporter of the contras. I think he endorsed the two twin pillars of his policy. And Col. North was the one who was delegated the responsibility of carrying out the details of getting the job done. If it was one thing that we've seen about Oliver North -- he gets the job done.

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Cohen continues: That's why he was hired and I think that everybody in the Administration knew that." (NBC-Lead)

ABC's Peter Jennings: Day two of Col. Oliver North's testimony before Congress -- a day in which he both told the Iran-contra committees that he made the grossest misjudgment of his life by altering documents having to do with the security system at his home, and yet freely admitted that on more than one occasion, he deliberately misled the Congress to keep Congress in the dark about assisting the Nicaraguan contras.

ABC's Brit Hume: Committee Counsel John Nields finally got an answer today to the question of where the idea of using Iran arms money to support the contras came from -- Oliver North said the idea originated with Iranian arms merchant Manucher Ghorbanifar who gave him the idea in a conversation in a bathroom.

(North: "I saw that idea of using that money to support the Nicaraguan freedom fighters as a good one. I still do. I don't think it was wrong. I think it was a neat idea. And I came back and I advocated that. And we did it.")

Nields tried to establish that the money from the the arms sales really belongs to the U.S. government.

(Nields: "If those higher ups in the U.S. government from whom you sought approval decided that the \$10 million should not, any part of it, be sent to the contras, but should all come back to the U.S. Treasury -- that's what would happened, isn't it?"

North: "Yes."

Nields: "So it was our money that was going to the contras, wasn't it?"

North: "I disagree with your conclusion.")

The point is critical because if the surplus funds for the arms sales can be shown to be U.S. government funds, the use of it for the contras could be a crime. Nields turned to the \$200,000 which arms dealer Albert Hakim has testified he set aside from the arms sale profits for North's family.... North said he never thought the collapse of these covert operation would end in a criminal investigation.

(North: "I never in my wildest dreams, or nightmares, envisioned that we would end up with criminal charges. I didn't seek the credit and I didn't want to take the blame. I was simply willing to take the fall if somebody needed a political scapegoat.")

North named some of the others in government who he said knew what he was up to. Secretary of State Shultz, he said, had put his arm around him at a party and told him we was doing a good job. The State Department said today that Shultz was just talking about keeping up the contras' morale. And he said Assistant Secretary of State Elliott Abrams, who has denied knowing what North was really up to, did. But perhaps the person who knew best was the late CIA Director.

(North: "Director Casey had specific and detailed knowledge because I briefed him frequently in detail. ")

The question became tougher late in the day on North's efforts to mislead Congress, which he insisted repeatedly was to protect the covert operation and to give senior officials deniability.... Those acknowledgments brought a stiff response from Chairman Inouye.

Hume continues:

(Inouye: "I've sat here very patiently listening to statements suggesting that members of Congress cannot be trusted with the secrets of this land.")

Inouye said in his two years as chairman of the Senate Intelligence Committee--

(Inouye: "During that period, according to the FBI, the CIA and the NSC, there wasn't a single leak from that Senate Select Committee on Intelligence. I'm certain you are well aware that most of the leaks in this city come from the other side of Pennsylvania.")

He meant Pennsylvania Ave., of course, and he was taking about the White House. In fact, few things make members of Congress more furious than the idea that they can be lied to and then told afterwards that they can't be trusted with the truth. And that idea is likely to be the subject of some very tough questions for Col. North. in the next few days.

Jennings: To the wider audience watching on television, Col. North seems to be doing very well. We conducted a poll last night and a majority of those people we talked to believe he is telling the truth, that he is defending himself well and that he shouldn't be prosecuted.

% believes North is tell in the truth:	58%
% believes North is defending himself well:	70%
% believes North shouldn't be prosecuted:	61%

Just a short while ago I spoke to Sen. Rudman. Senator, 58 percent of the people we asked believe that Col. North is telling the truth. Do you believe he is?

(Rudman: "I have believed a large part of his testimony. I frankly think some of it's been a little a fudged. But I understand that. The major points of his testimony as to the fact that he was not working alone, that he was acting under direction -- not only do I believe it, but the documents support it. I have said that myself for the last three months. I think accusations that this man somehow did this by himself have been unfair to him and frankly exaggerated. So, no, I don't have a problem with that testimony at all.")

Based on what you hear today -- is this a Marine who is breaking the law?

(Rudman: "I think the policies must be examined. If Mr. Walsh finds he has a criminal prosecution -- that's his choice. I'm much more interested in finding out the facts and I think we're doing that.")

Based on that statement, how do you like being told today, repeatedly by Col. North, that he believes Congress should be kept in the dark?

(Rudman: "Well, of course, obviously, that I totally disagree with. There is as much bravery and heroism and outstanding service in this country in the military service on our side of the hearing table as on that side. There are many people on that panel who have served the country and have served it well. Chairman Inouye is a very good example. I think that statement is one that North may believe, maybe some in Congress have abused their discretion, but generally we are a system of laws. The Congress represents the people of the U.S. and that kind of an attitude cannot prevail.")

(ABC-Lead)

CBS's Dan Rather from Washington: From North himself, an admission that he deliberately misled Congress -- he says he lied. But no apologies were made for diverting money from arms sales to Iran to Nicaraguan rebels.... North says one higher-up who approved it from the start was the late CIA Director William Casey. Another higher-up, U.S. Attorney General Edwin Meese denies involvement in any coverup. North admits he wrote phoney letters to hide where the money came from for his elaborate home security system, but denied profiting from the arms deal....

CBS's Phil Jones: Lt. Col. Oliver North, once described by President Reagan as a "national hero," spent much of today implicating others and confessing to his own wrongdoings.... The Marine, who had once indicated he was ready to be the scapegoat, today pointed out others high in the Administration whom he thinks belong aside him. North indicated that former CIA Director Casey knew everything and others -- Secretary of State Shultz, Assistant Secretary of State Elliott Abrams, Attorney General Edwin Meese and former NSC Director Robert McFarlane, were aware of more than some of what they have admitted. North's testimony about Meese, who he had already implicated yesterday, provoked a quick and unusual statement from the Justice Department with Meese's spokesman rejecting any suggestion that he was involved in a coverup of the Administration's action on the arms sales. Startling new facts included North's dramatic disclosure on how he tried to help save McFarlane's reputation by revising documents once the scandal broke....

(North: "I had created them and I was now changing them [to be consistent] with what I believed he wanted on the documents to begin with. The documents, after all, demonstrated his knowledge over what I was doing. And he didn't want that. He was cleaning up the historical record. He was trying to preserve the President from political damage. I don't blame him for that.")

North was clearly armed and ready for the one major question -- did he benefit personally from the Iranian arms profits? ...By the end of the second day of heavy questioning, both North and the committee members were obviously exasperated with each other.... Because of North's admitted lies and exaggerations, committee members are not sure whether they should believe North. But as one ranking Republican said today, "It's clear North was not the lone ranger and his testimony has given many people reason for sleepless nights."

Rather: Senators Cohen and Mitchell join us. The most surprising thing to you today?

(Mitchell: "The effectiveness, the dramatic presentation by Col. North is his own defense. I thought he did himself very well in the morning.")

Is it over?

(Cohen: "I don't think it's over. I think we still have to pursue the policy implications of what does it mean to have a covert action carried out without any notification and then to have a notion that somehow, because the covert is secret, it's a lie by definition, and therefore, it's alright to lie about another lie and to shred and to alter documents. I think that we really haven't explored that in enough detail and will tomorrow.")

Some big names were mentioned today -- Edwin Meese -- in your judgment is he in increasing trouble?

Rather continues:

(Mitchell: "Certainly Col. North's statements haven't helped the Attorney General and they deeply implicate him in an adverse manner. But just as Col. North asked that no final judgment should be made until he testified, I think we have to withhold judgment. The Meese statements are very damaging, very troubling. The Attorney General's going to have a chance to response. The Secretary of State the same thing.")

How about Vice President Bush?

(Cohen: "There was no real specific reference to his activity in this. But frankly I think what Oliver North did today was to point out the fact that virtually everyone within the higher echelon of the Administration knew what he has doing, what his missions were, if not the day-to-day details, they knew that he was the action-oriented man and he was the guy to get things done.")

And President Reagan -- when this started it was what did the President know, when did he know it, when should he have known it? He says he's been exonerated. I ask you again today -- he's out of it now isn't he -- in the clear and stands a good chance of running a strong presidency the rest of the way?

(Mitchell: "No, not at all. Certainly he was helped by that portion of Col. North's testimony which said he didn't tell the President, but he was seriously damaged by other testimony and we still have yet to hear from Admiral Poindexter and others. So this thing is a long way from over and judgments have to await the completion of the hearings.")

(Cohen: "I don't think [the President] will be serious damaged. The question really...will be what are the policy implications we've allowing if he didn't know? What are the policy implication that allow Poindexter of the National Security Advisor to make a decision of that magnitude without informing the President of the U.S.? That has serious implications itself.").... (CBS-Lead)

MEESE REACTS TO NORTH'S TESTIMONY

Brokaw: Attorney General Edwin Meese was one of several officials today denying North's version of events. A Justice Department spokesman said that Meese was unaware of what was going on while he was in a room where testimony for the late CIA Director William Casey was being reorganized to fit the White House version. (NBC-2, ABC-4)

SHULTZ REACTS TO NORTH'S TESTIMONY

Brokaw: A spokesman for Secretary of State Shultz said late today that when the Secretary commended North for his work with the contras, he was referring to keeping up their morale. He did not know of, or approval of, North's supply operation according to the State Department's spokesman. And Assistant Secretary of State Elliott Abrams denied North's suggestion that he knew what was going on. Abrams said he stands by his testimony to the committee about what he knew and did not know. (NBC-3)

SECOND

Rather: CBS News has been told that President Reagan has been complaining privately about Oliver North operative Richard Secord. The President's complaint is said to be that he was never told that Secord could be seen as a U.S. government operative and therefore Secord's dispensing of money to Nicaraguan rebels and others might be viewed as lawbreaking. (CBS-2)

TV RATINGS OF IRAN-CONTRA HEARINGS

Brokaw: The most popular soap opera on television this week is the Iran-contra inquiry -- starring Lt. Col. Oliver North. According to the rating services, 10 percent more Americans watched the hearings on Tuesday than normally tune in to daytime network programs. And hundreds of people phoned the three networks to express support for North or to complain about unfair coverage. The Colonel expressed his own appreciation.

(North: "The tens of thousands of American people who have communicated their support -- it is overwhelming. The messages of support have been pouring in. I am truly grateful. I appreciate your letters and telegrams and your prayers. Please don't stop.") Other supporters of Col. North say that donations to his legal defense fund have doubled in the last two days to more than \$200,000. (NBC-5)

CBS's Bob Schieffer reports on the "Oliver North craze" in Washington, complete with t-shirts and souvenirs. (CBS-10)

COMMENTARY ON NORTH'S TESTIMONY

NBC's John Chancellor: There is, in fact, a colossal arrogance at the heart of the Iran contra operation as described by Oliver North. It's an arrogance that regards the government of the U.S. as untrustworthy -- not just the Congress -- North admits lying to the Congress -- but he also doesn't trust the executive branch. When the Attorney General was about to look through North's files, he shredded all the important papers.... All this, he said, to protect the identities of the people who might be harmed if their names became known. Fair enough. But who frightened him? U.S. government officials -- North believes you can't trust them.... In Col. North's world, you don't trust people like that. Instead you trust Middle East arms merchants, contras and even Iranians. It's weird. North was working for the American government, but when he got in trouble, his first priority was to keep his files from the American government. It wasn't trustworthy. That's the greatest arrogance of all. (NBC-11)

WALSH

Brokaw: Special Prosecutor Lawrence Walsh, who is conducting a separate criminal investigation of North is deliberately not watching these congressional hearings. Since North has limited immunity, Walsh cannot use material from these hearings against him. He must develop his own evidence against the Colonel. (NBC-12)

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LIMAN

Brokaw: When North resumes testimony, he'll face the man who is expected to be his toughest interrogator -- Arthur Liman.... Other lawyers say it is highly unlikely that Liman will permit North to give lengthy responses to questions, that he'll keep directly on the issues with a withering, rapid-fire style. So it should be a heavy weight legal matchup tomorrow. (NBC-13)

CASEY

CBS's Lesley Stahl reports on accusations made that former CIA Director Casey was closely involved in the Iran-contra affair. (CBS-4)

PRESIDENT'S TRIP

Brokaw: President Reagan was on the road again today determined to show that he still is in command of his job and the national agenda despite the Iran-contra hearings.

NBC's Chris Wallace: The President left Oliver North behind flying to Connecticut to continue hitting Congress on taxes and spending. White House officials said they knew they could not divert attention from North but that it was important for Mr. Reagan to continue doing his job. The President tried to show it's business-as-usual in various ways. Meeting with local leaders, he joked about why he's talking so much about the budget.

(The President: "You've heard a lot about this from our critics. On one hand, they say it's a ploy -- something I've cooked up to distract attention from whatever, I don't know." Laughter.)

Later at a City Hall rally Mr. Reagan was defiant about claims the Iran-contra scandal was destroyed his Presidency.

(The President: "You may have heard of some people, maybe even some that are present, talk about a certain lame duck and the end of an era. Well, all that lame duck talk is for the birds.")

But there was no getting away from the hearings. Several protestors shouted, "No more lies. No more shredding." The President fired back.

(The President: "Thank you all and God bless you all -- well almost all.")

Despite the heckling, the President's men are pleased with Oliver North's testimony saying he has failed to link Mr. Reagan to any illegal action. But they acknowledge North or his former boss John Poindexter could still hurt the President and say they don't want to let their guard down. One side of that -- Mr. Reagan refused to answer any questions. He said, as he returned to the White House, he won't for some time. While the White House is cautiously optimistic, a top Democrat doubts North's testimony so far has been all that helpful.

(Robert Strauss: "I think any time he continues to insist that he assumed the President knew, many people carry that to the next stage -- the President did know.")

Still officials here had braced themselves for much worst. Their bottom line is that Oliver North spent most of the second day defending himself or implicating other officials. The President's name, they know here, was barely mentioned. (NBC-4)

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Jennings: While Col. North was testifying on Capitol Hill today, President Reagan flew away from Washington to continue the White House effort to show, perhaps, the President is not interested in watching the hearings.

ABC's Sam Donaldson: The American flags, passed out by the rally's organizers to the crowd of carefully selected ticket holders were waving in the air as President Reagan came to Connecticut to talk about economics. It was an effort to divert some attention away from the Iran-contra hearings. An effort, that before a luncheon audience at the Elks Lodge, he even kidded about.

(The President: "You've heard a lot about this from our critics. On the one hand they say it's a ploy -- something I've cooked up to distract attention from whatever, I don't know." Laughter.) But even the President couldn't completely escape that "whatever" today. Just outside the ropes a band of demonstrators waved anti-Reagan signs and chanted, "No more lies. No more shredding." The President heard them as he made plain when he ended his speech. First came his regular sign-off--

(The President: "Thank you all and God bless you all.") But then, glancing toward the demonstrators, he took some of it back.

(The President: "Well, almost all.") Another thing Mr. Reagan made plain today is that he does not intend to answer any questions about the hearings now.

(The President: "When the hearings are all over.")

But the Vice President, campaigning in Ohio, did comment.

(Vice President Bush: "I happen to believe North is going to come out far better than some of his severest critics.")

Officials here at the White House won't comment on the record about how North is doing because, they say privately, he seems to be doing so well. Besides they make plain that how North fares personally is not their primary concern. What's a stake here, said one, is the presidency -- that's what's important. And we won't know about that until the hearings are over. (ABC-3)

Rather: In public President Reagan's strategy for dealing with North's testimony today was distance -- get out of town, ignore the hearings, and try to change the subject. Mr Reagan went to what he considers friendly turf in New Britain, Connecticut. Some hecklers turned out as he tried to talk about his economic agenda and deny he's lost any clout.

(The President: "You may have heard of some people, maybe even some that are present, talk about a certain lame duck and the end of an era. Well, all that lame duck talk is for the birds." Laughter.)

The President's only official reaction to the hearings today -- he won't have any reaction until the hearings are over. (CBS-3)

PERSIAN GULF POLICY

Jennings: Today the House has been debating two non-binding resolutions. One, which would have stopped the reflagging all together, was voted down this afternoon. The second would delay the effort for 90 days.

ABC's John McWethy: It may be too late for Congress to stop the President, but they debated the measure anyway.... Much of the debate today centered in allegations that the American Navy may end up providing protecting for more Kuwaiti tanker runs through the Persian Gulf than the U.S. had at first bargained for. The State Department denied it.

(Charles Redman: "We've been in touch with Kuwait as recently as today and there's no change.")

Not at the moment, but government sources say the agreement with Kuwait is flexible and could be expanded.... One irony from all of this -- while the U.S. has been debating the dangers of escorting ship in the Persian Gulf, the very tankers that next week will be flying new American flags have been coming and going from the Gulf without escort and without incident. (ABC-5)

BORK

Jennings: The Supreme Court will probably start its new term with only 8 members. The Senate Judiciary Committee today said it will not start confirmation hearings on the nomination of Robert Bork until Sept. 15th. The court's new term starts October 5th. The chairman of the Judiciary, Sen. Biden, said it is highly unlikely that he will vote to confirm Judge Bork. (ABC-8, CBS-5)

SANDINISTAS

Jennings: The Justice Department announced today that all Nicaraguan refugees who come to the U.S. because they fear persecution, will be permitted to stay here indefinitely. That means an estimated 200,000 Nicaraguans already in the U.S. will not be deported. (ABC-CBS-7)

MARCOS

Jennings: The Reagan Administration was become convinced that the former Philippine President Marcos, who is now living in Hawaii, has been plotting a return to power in the Philippines. As a result, the Administration has imposed new restrictions on Mr. Marcos.

ABC's John Martin reports on Marco's situation. (ABC-9, CBS-6)

-End of News Summary-

EDITORIALS/COLUMNISTS

NORTH'S TESTIMONY

Oliver North's Question -- "Oliver North framed the critical issue of the Iran-contra hearings by stressing his concern with the 'democratic outcome (in Nicaragua) before and after the Boland Amendment.' ...Thus did Oliver North turn the tables on his accusers, and state the nagging, painful question that these hearings rightfully should raise: Whether America's foreign policy should be to make Congress feel important, or to defend democracy." (Washington Times, 7/8)

North's Brazen Lies: One Early Lesson -- "People who believe more than 10 consecutive words of what Lt. Col. Oliver North swore to yesterday have a treat in store: Any morning now, they will see the Tooth Fairy leading the Easter Bunny down a garden path, gently, lest they disturb the grazing unicorns.... Unless all those unicorns are blocking your view, it's just plain obvious how deeply, broadly, casually North was lying under oath. If there was a surprise, it was the casualness and banality with which North continues to insist on viewing the use of brazen lies as a tool.... The hearings will go on. It is to be hoped that more, and more complex, lessons will emerge. But if the new evidence is no more convincing than North's, the whole circus might much better have been left to the prosecutor." (New York Daily News, 7/8)

Col. North Testifies -- "Already it is evident that the world of Oliver North is very different from the world in which so many other Americans reside. The world of Oliver North is one in which official missions take precedence, secrecy is the normal mode, shredders are a routine office machine and there is no room for doubts or constitutional scruples of any observable sort. It is a world in which the line between official and personal purposes was so blurred that Oliver North could refer to 'my private U.S. operation.' ...Now he is being called to account in a demanding public forum which is strange to him and whose inquiries he resists. The first day of his testimony was revealing." (Washington Post, 7/8)

Ollie North Faces The Enemy -- "Here was a lieutenant colonel in full regalia, cornflake-smile firmly in place, proud of his record of informing superiors, and obsessive record-keeper, distressed only at the inadequacy of his shredding.... He was, he assumed, working for the President. Precisely how directly, of course, he has trouble remembering. And as congressional investigators trace the illegal diversion of arms profits to Nicaragua, they are likely to hear again -- as a stand-up Col. North quipped yesterday -- 'my memory has been shredded.'" (Philadelphia Inquirer, 7/8)

ECONOMIC BILL OF RIGHTS

Chuckling In The Graveyard -- "In the past the country could indulge Reagan for his anti-government rhetoric, because in the end he was usually willing to strike a compromise. Today, however, the President is unbending in his hostility toward government as he opposes any tax increase.... In doing so he stubbornly clings to a policy that threatens the economic freedoms of future generations by saddling them with the monstrous debt of the 1980s." (Los Angeles Herald Examiner, 7/8)

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ECONOMIC BILL OF RIGHTS (continued)

A Hyperbole Bill Of Rights -- "President Reagan warrants credit for reminding Americans...about the need for everyone to share more fully in the general prosperity. Unfortunately, there are doubts about whether Mr. Reagan's specific agenda, which he dubs an 'economic bill of rights,' would benefit most citizens.... Washington should adopt another 'bill of rights' -- a 'hyperbole bill of rights' -- meaning that Americans could not be subjected to economic platitudes until the nation's political leaders first dealt squarely with the issues at hand -- like getting a compromise budget enacted."
(Christian Science Monitor, 7/7)

Reagan's Bill Of Wrongs -- "President Reagan's new 'Bill of Rights' is an old list of economic wrongs. His stale plea for a balanced budget amendment to the Constitution is so discredited that few members of his own party seriously support it. His opposition to tax hikes is increasingly unrealistic: They are an inescapable part of the future that his own spending and economic policies have ordained. His quest for a line-item veto is another discredited diversion. And his proposal that new spending programs be accompanied by offsetting budget cuts or tax hikes is an idea that not even Reagan can support, inasmuch as it would surely doom some of his cherished projects."
(Cleveland Plain Dealer, 7/7)

Reading Reagan's Rights -- "The basis of Reagan's Economic Bill of Rights is his long-term crusade to free the people of the federal yoke so that they can go off on their own pursuit of happiness and money. This would be the ultimate extension of modern supply-side economics and economic Darwinism.... The only problem with that thesis is that it is wrong.... The goal of the Constitution was not to set free the moneyed interests, or any other faction, to work their individuals wills, but to restrain them for the common good and protection of private rights.... The Reagan Administration has tried to portray economic regulation by government as something un-American and alien to the interests of rich and poor alike. But the necessity of governmental regulation of the economy was not an accident of later history or the invention of Franklin D. Roosevelt. It was the bedrock of the Constitution... That task remains as necessary and as vital today as it was in 1787."
(Los Angeles Times, 7/3)

Why Mr. Reagan Can't Sell His Economic Bill Of Rights -- "President Reagan seems determined to go out with his six guns blazing, outgunned but unafraid, fighting for the values that have been so central to his political success. Last week he outlined his promised economic bill of rights. It was unadulterated Reaganism -- an effort to rally public support for constitutional amendments that would shackle big government once and for all. Rather than adjust his approach to the reality of his declining political power, Mr. Reagan is pursuing an agenda that he could not carry off even at the height of his power.... The main cost of Mr. Reagan's last-ditch fight for his most cherished principles is that it ensures a continuing stalemate on the central issue of how to finance the government while reducing the deficit. That, more than an economic bill of rights, should be at the top of the President's domestic agenda."
(Philadelphia Inquirer, 7/8)

FOREIGN MEDIA REACTION

NORTH'S TESTIMONY

"Colonel North's account was yet another remarkable insight into the running of the Reagan White House which will not be without political cost to the Administration -- despite yesterday's claims that it will help the beleaguered Presidency in its last 18 months.... The picture that Colonel North painted yesterday was utterly dismaying for the Administration. It was a picture of a world where anything went, where the chiefs of security and intelligence felt quite free to commit crimes, shred papers or orchestrate the most grandiose of lies in the President's name without a second thought.... If that is the way the rest of the hearings pan out, it will merely confirm present reality -- the reality of a President suddenly aged, stripped of meaningful power and peripheral to the policies that unfold about him.... This wasn't a way to run democracy in the world -- with lessons attached for that democracy itself." (Guardian, Britain)

"The parallel government which North and his pals were running in the basement of the White House also gives us an assessment of Reagan. North can try to clear him before Congress but Reagan's innocence nevertheless accuses him of at least possible complicity. Because...it shows more the incompetence of the U.S. President than his possible immorality.... In any event, we know that he cannot run the country now. His squadron of loyal supporters can no longer hide that he is now struck with deep senility." (Liberation, France)

"North's statements must have been registered with relief in the White House -- they confirm the repeated public assurances by President Reagan. Furthermore, they made clear that Admiral Poindexter's upcoming testimony will hardly produce any more incriminating surprises for the White House." (Die Welt, West Germany)

"So far, Reagan remains innocent until proven guilty of having known about the diversion of millions of dollars from the Tehran arms deal to the contras in Nicaragua. The reason for the critics' being doubtful on this issue may lie in the fact that...all lines of responsibility end in Reagan's immediate proximity." (Volksblatt, West Germany)

"For the moment, Reagan is safe: North exonerated the President from all charges.... But (his line of defense) could save only the President: it put in serious difficulty both Meese and Poindexter who will be called to testify in one or two weeks." (La Repubblica, Italy)

"Before knowing what North is going to say, one knows already that Irangate has dealt a fatal blow to Reagan. Whatever happens, his Presidency is fading away and everybody is already thinking of the November 1988 elections." (La Derniere Heure, Belgium)

"North did his best to defend President Reagan when answering the key question of whether the President knew about the deals with Iran and the transfer of money to Nicaragua's rebels." (Yediot Aharonot, Israel)