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News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, JULY 17, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

IRAN-NICARAGUA

Admiral Recalls No Pointed Query When He Resigned -- John Poindexter testified that when he resigned last November, neither Attorney General Meese nor Chief of Staff Regan asked him who had approved the diversion of Iran arms profits to the Nicaraguan rebels. (Los Angeles Times, New York Times, Washington Post, Washington Times, Copley, Newhouse, Reuter, UPI)

INTERNATIONAL NEWS

Thatcher Visit Aimed At Bolstering Reagan -- Prime Minister Thatcher left for Washington for a whirlwind visit that British commentators said was aimed at bolstering her old friend, President Reagan, in a time of need. (Washington Times, AP, Reuter, UPI)

NATIONAL NEWS

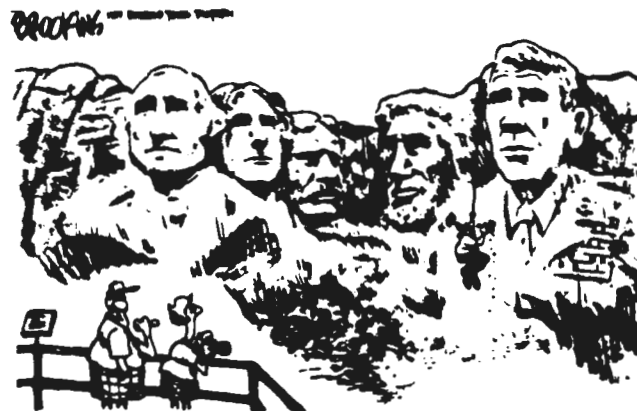
Baker Sees \$20 Billion Improvement In Deficit Picture -- Increased revenues and other developments have improved the prospects for deficit reduction in the current fiscal year by about \$20 billion, the Reagan Administration said. (AP, UPI)

NETWORK NEWS (Thursday Evening)

IRAN-CONTRA -- Investigators challenged John Poindexter on his inability to recall crucial events of the Iran-contra affair.

CONTRA VICTORY -- The Administration reported the contras have overrun a Nicaraguan brigade headquarters deep inside the country.

NOFZIGER -- A grand jury will indict Lyn Nofziger on charges of illegal lobbying activities.



IRAN — NICARAGUA

POINDEXTER: NOT ASKED ABOUT FUND DIVERSION

Former National Security Adviser John Poindexter testified that in his final conversation with the President, attorney general and White House chief of staff last November, none of them asked what he knew about the diversion of U.S.-Iran arms sales proceeds to the Nicaraguan rebels.

Poindexter testified further that he offered no explanation to them why he decided the previous February to approve the diversion plan without telling the President or other senior officials what he had done.

That testimony, along with other new assertions, was elicited by Iran-contra probers whose questions challenged Poindexter's credibility and the plausibility of his dramatic assertion Wednesday that he never told President Reagan of the diversion because he wanted to protect him from political damage if it ever became public.

...A skeptical Arthur Liman, chief counsel of the Senate Iran-contra panel, asked Poindexter why it had taken him eight months to reveal a piece of information that would have helped exonerate a President Poindexter said he wanted to protect....

(Dan Morgan & Walter Pincus, Washington Post, A1)

Admiral Recalls No Pointed Query When He Resigned

John Poindexter testified that when he resigned last November, neither Attorney General Meese nor Chief of Staff Regan asked him who had approved the diversion of Iran arms profits to the Nicaraguan rebels.

Poindexter also described what he said was his only conversation with the President that touched on the diversion -- in the Oval Office the morning he resigned. And by his account the question of who approved the diversion never came up there either.

Poindexter's account raised further questions about whether the President and his top advisers had been genuinely concerned with getting to the bottom of the affair, as they said at the time....

(Fox Butterfield, New York Times, A1)

Poindexter Told Reagan He 'Generally' Knew Of Plan

John Poindexter testified that he told President Reagan when the Iran-contra fund diversion was exposed that he had only general knowledge of the affair.

Poindexter -- who revealed two days ago that he had approved the diversion plan -- said he remained silent during the ensuing political firestorm on the advice of his attorney.

"My best recollection of the conversation was that I said, 'Mr. President, I assume that you are aware of the paper that (Attorney General) Ed Meese has found that reveals a plan to transfer funds to the contras,'" Poindexter said....

"I was generally aware of that plan, and I would like to submit my resignation," Poindexter said he told the President.

"The President responded and said that he had great regret and that this was in the tradition of a naval officer accepting responsibility."

"That was the last time I saw the President," Poindexter said.

(Mary Belcher, Washington Times, A1)

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Poindexter Says Reagan Designated NSC to Support Contras

John Poindexter said President Reagan in effect designated his National Security Council staff to help Nicaraguan rebels when Congress had banned official aid.

...Poindexter also said he withheld all information on NSC aid to the contra rebels from Congress even though he believed it was legal.

"The President in effect wanted the National Security Council staff to make sure the contras remained alive until we could turn the vote around in the Congress," he said.

Asked by Senate chief counsel Arthur Liman if the President had designated the NSC staff to carry out activities in support of the contras, [Poindexter] replied, "In effect, he did." (Sue Baker, Reuter)

Poindexter's Testimony/Role Of NSC

John Poindexter, in a direct contradiction of President Reagan, testified that the President directed his National Security Council staff to aid the Nicaraguan contras and was aware that Oliver North "was the chief action officer" supporting the contras.

[Poindexter] said that after Congress halted U.S. military aid to the rebels in 1984 under the Boland amendment, the President ordered his staff to find ways to keep the contra fighting force alive.

Poindexter's testimony was significant because the President has repeatedly maintained he had no idea the National Security Council was aiding the contras and that he had only very general knowledge that his Administration was assisting the contras during the two-year period prohibition ordered by the Boland amendment.

(Robert Gettlin & Robert Lewis, Newhouse)

Poindexter Testifies About A Campaign Of Deception

John Poindexter testified about a systematic campaign that included destroying documents and withholding information from Congress as part of an effort to shield information about the Iran-contra affair.

[Poindexter] admitted he purposely neglected to tell Attorney General Meese key details about the scheme to divert Iranian arms sales profits to the contras even though Meese was conducting a preliminary investigation into the arms sales and had already discovered evidence about the diversion.

Poindexter, who stressed during his two days of testimony that leaks to the press were a constant concern during his White House tour, testified, "We were trying to protect the contra support activity that the NSC staff was involved with. We didn't want that public."

(Finlay Lewis, Copley)

Some Questioning Poindexter Story About Diversion

As John Poindexter completed a second day of testimony, some members of the congressional Iran-contra committees questioned the credibility of his story that he never told President Reagan about the diversion of profits from the Iran arms sales to the Nicaraguan rebels.

Most of Poindexter's congressional critics cited specific aspects of his testimony that seemed implausible to them. But Rep. Louis Stokes, who also chairs the House Intelligence Committee, was much broader in criticism, saying the overall account "does not square with me."

Stokes explained that he could not accept the assertion that Poindexter, a Navy rear admiral who was well-known for operating by the book, would make such an important decision without at least consulting someone else in the White House.

Sen. George Mitchell added that he could not understand why Poindexter had kept his story secret for so long.

(Sara Fritz & Karen Tumulty, Los Angeles Times, A1)

Lawmakers Criticize Poindexter's Actions

John Poindexter denied important information to President Reagan in the Iran-contra scandal and took too much responsibility for policy himself, congressional investigators say.

"An honorable and upright officer feels that he was entitled to take the responsibility for the destruction of presidential documents. Where does this leave us in the sense of how national security policy is made?" asked Rep. Thomas Foley, after Poindexter's second dramatic round of testimony....

"I think the disturbing part of the testimony if taken at face value is that the President was both denied of information and not encouraged to inquire about some key aspects of this," Foley said at the end of Thursday's hearing. "Even men of good will and honor don't know what the President will approve."
(Dana Walker, UPI)

How 'Plausible' Has The Witness Made Reagan's Position?

After two days of testimony, John Poindexter has left the Iran-contra congressional committees and the American people grappling with a central question: How plausible is the "plausible deniability" he says he wanted to give President Reagan?

Far from resolving the issue, Poindexter's testimony yesterday raised new questions about it.

He's asking the committees to believe not only his word but the credibility of his actions....

(News Analysis, Haynes Johnson, Washington Post, A14)

Majority Says Poindexter Is Hiding Facts

A substantial majority of Americans believes that John Poindexter is withholding important information in his testimony on the Iran-contra affair and is covering up for President Reagan, while many continue to believe that the President has not told the full truth about his role in the affair, according to a Washington Post-ABC News survey taken after Poindexter's first day of testimony.

But the poll also found what may be a surge in public support for U.S. aid to the Nicaraguan rebels after the testimony of Poindexter and Oliver North. And while those questioned had doubts about Poindexter's testimony, they expressed strong support for North and said they felt he was telling the truth. (David Hoffman, Washington Post, A1)

Poindexter Says CIA Taped November Conversation With Casey

A CIA taping system for overseas communications recorded several conversations that are "pertinent" to the Iran-contra affair, including one between then-CIA Director William Casey and then-National Security Adviser John Poindexter after the Iran arms sales became public last November, according to information released at the Iran-contra hearings.

The Iran-contra congressional committees have received a transcript of that call. Members said it would be released when it is declassified. The CIA is reviewing all other tapes involving Casey, a senior Administration official said, and any additional "relevant" transcripts have been, or soon will be, turned over the congressional committees and independent counsel Lawrence Walsh.

(Bob Woodward, Washington Post, A15)

Poindexter's Lawyer Pokes Panel's Link To Prosecutor

John Poindexter's attorney repeatedly accused chief Senate Iran-contra committee counsel Arthur Liman of asking misleading questions of the former national security adviser, a top target of a criminal probe.

Richard Beckler frequently interrupted questioning during Poindexter's second day of testimony before the House and Senate Iran-contra panels to accuse the committee counsels of belaboring points and prejudging his client's answers.

Beckler also claimed the committee is working hand-in-hand with special prosecutor Lawrence Walsh, who is conducting a criminal investigation of the scandal, and said his client is a primary target of Walsh's probe. (Dana Walker, UPI)

Poindexter's Acts Raise Legal Questions

John Poindexter's testimony, including his admission that he destroyed a signed presidential "finding" authorizing an arms-for-hostages deal, raises questions about whether he obstructed justice or participated in a criminal conspiracy, legal experts said. But they said the crucial question is whether, at the time Poindexter destroyed the document, he knew there was a criminal investigation under way and acted with intent to impede it.

They also said Poindexter's destruction of the finding appears to violate a 1978 records preservation law that carries no criminal penalties but that could be used in building a case that Poindexter conspired to defraud the U.S. (Ruth Marcus, Washington Post, A6)

WHITE HOUSE TRIES TO MEND FENCES WITH CONGRESS OVER COVERT OPERATIONS

The White House, signaling it wants to mend fences with Capitol Hill, said it has stopped all covert operations Congress might not have known about or which didn't meet new criteria.

At the same time, the White House will not abandon its contention that some members of Congress leak classified information to suit their own purposes.

Secret operations must now be legal, disclosed to Congress, supportive of U.S. policy and acceptable to the American people if they become public knowledge, according to policies drawn up by National Security Adviser Carlucci and the National Security Council staff.

Carlucci...has made many changes in the way the NSC operates, and the White House has been careful to disclose them as "reforms."

(Ann McFeatters, Scripps Howard)

White House Says It Would Discuss Covert Operations

The White House, seeking to patch up its relations with Congress in an effort to limit the political damage of the Iran-contra hearings, is willing to discuss with the House and Senate the sensitive issue of consultations about covert operations, presidential spokesman Marlin Fitzwater said.

President Reagan's aides also are considering opportunities for Reagan to comment on the findings of the congressional Iran-contra investigating committees when the hearings draw to a close next month. Chief of Staff Baker has ordered preparatory work for a possible presidential speech on the subject.

(James Gerstenzang, Los Angeles Times, A1)

Reagan Plans Speech, Not News Conference, When Hearings End

President Reagan, resisting pressure to respond now to revelations at the Iran-contra hearings, is likely to arrange a speech and not a news conference to address the nation when the hearings end, aides say.

"I'm to be making a statement when all this hearing is over," Reagan told journalists. "Then I'll be ready to talk."

A senior Administration official explained later that Reagan intends to make a speech after the hearings end, supposedly in the first week of August, "to say what he wants to say and how he wants to say it."

Speaking on the condition of anonymity, the official said the President would talk "not just to the media but to the American people." He thus indicated Reagan does not intend to be interrogated by reporters at a news conference.

Reagan also is considering a public statement of some kind in response to suggestions from Congress about how to improve communication between the White House and Capitol Hill regarding sensitive intelligence, aides say.

(Helen Thomas, UPI)

Officials Express Disappointment, Disagreement With Poindexter

President Reagan's spokesman disagrees with some statements made by John Poindexter on the Iran-contra affair, and another top Administration official says he is disappointed, but neither are directly criticizing the former national security adviser.

When asked after a Cabinet meeting for his reaction to Poindexter's revelations before the Iran-contra committees, Treasury Secretary Baker said, "Disappointment at some of them." He did not elaborate.

(Dale Nelson, AP)

Reagan Won't Comment On Admiral

President Reagan refused to comment on whether he had been deceived by John Poindexter.

But White House officials adopted a strategy of not criticizing the former national security adviser directly while at the same time sharply criticizing what he had done.

The approach came as the White House also indicated that Reagan planned a series of moves to repair any damage to his credibility caused by Poindexter's testimony.... (Gerald Boyd, New York Times, A7)

CONTRAS CASH IN ON NORTH'S NEW ACCLAIM

Oliver North's boffo performance at the Iran-contra hearings is paying big dividends -- for the contras.

Donations are pouring in, fund-raisers say. Opponents argue North's impact will pass.

"Our phones have been ringing off the wall," said Judith Rodriguez of the Nicaraguan Resistance, the main anti-Sandinista group backed by the Reagan Administration.

The White House hopes to exploit the surge in the polls with a presidential speech in August....

(Juan Walte & Tracy Walmer, USA Today, A1)

NORTH'S WEAPONS SUPPLIER TIED TO TERRORIST ABU NIDAL

Oliver North's secret arms network supplied Nicaraguan rebels with \$1.5 million in weapons bought in 1985 and 1986 from a Syrian smuggler tied to notorious terrorist Abu Nidal, according to records released by the congressional Iran-contra panels.

The weapons, apparently of Polish origin, were purchased from Manzer Kassar, a Damascus drug smuggler and arms merchant. The 42-year-old Kassar and his three brothers have built a multimillion-dollar empire on military deals in Eastern and Western Europe.

Administration officials, speaking on condition that they not be named, said Kassar has "clearly established" business links to the Abu Nidal terrorist ring, responsible for a November, 1985, Egyptair hijacking in which 57 people died and for December 1985, massacres in Rome and Vienna airports.

(Michael Wines, Los Angeles Times, A1)

EDITOR'S NOTE: "Results Of The Washington Post-ABC News Poll," appears in The Washington Post, A14.

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INTERNATIONAL NEWS

REAGAN SAID TO SEEK THATCHER THINKING ON ARMS CONTROL

President Reagan is expected to probe British Prime Minister Thatcher's thinking on why the Soviet Union is stalling on arms control progress when the two leaders meet today, a senior U.S. official said.

The senior official, who briefed reporters on background, said some U.S. officials believe that what they see as Soviet delaying tactics at the Geneva talks will continue all summer.

The one-day visit, in which Thatcher will meet with key aides as well as Reagan, is also expected to touch on the Persian Gulf war, the Middle East peace process, and Reagan's recent initiative to improve relations with Syria, the official said.

Other topics include congressional moves toward protectionism and the U.S. budget deficit. (Carol Giacomo, Reuter)

Thatcher To See Reagan On Key Topics

Neither President Reagan nor British Prime Minister Thatcher will wish to get side-tracked into the "never-never land of the Iran-contra affair" when they meet at the White House this morning, a senior Administration official says.

Thatcher's one-day visit to Washington for talks with Reagan and other U.S. officials, comes as a welcome change for the White House after the focus of the past week on the congressional hearings.

"We are very pleased she is coming here first after her stupendous election victory last month," said the official.

(Richard Beeston, Washington Times, A8)

Thatcher Urging Reagan Not To Abandon World Stage As Presidency Winds Down

British Prime Minister Thatcher, visiting President Reagan to discuss relations with the Soviets and the crisis in the Persian Gulf, says the world needs strong American leadership.

Thatcher, in her first visit to Washington since she won a third consecutive term as prime minister in June, brought a simple message: that in its remaining 18 months in office the Reagan Administration must not let politics and the Iran-contra affair distract it from leading the Western world.

In an interview with American journalists earlier this month, the British leader rejected the notion that the Iran-contra affair had reduced the Administration's ability to get things done on the world stage, notably to seize opportunities for an arms agreement. (Henry Gottlieb, AP)

Thatcher Visit Aimed At Bolstering Reagan

Prime Minister Thatcher left for Washington for a whirlwind visit that British commentators said was aimed at bolstering her old friend, President Reagan, in a time of need.

Government spokesmen said the Middle East, arms control and international trade would be the main topics of her talks with American officials.

But unofficial commentators unanimously decided her purpose was, as Philip Webster, the chief political correspondent of the London Times, put it, "to bolster Reagan's standing as the leader of the Western alliance despite his domestic difficulties over the Iran-contra affair."

The London Evening Standard newspaper said her aim is "to succor a President of the United States...to fortify Mr. Reagan's standing as leader of the Western alliance by giving him her unqualified support."

The Daily Express newspaper said she hoped "to put Reagan back on top" in the wake of his problems over the Iran-contra affair. (UPI)

U.S. FEARS SOVIET IMPERILS A SUMMIT BY STAND ON ARMS

Administration officials, frustrated and disappointed by recent Soviet attitudes toward arms control talks, say prospects for a fall meeting between President Reagan and Mikhail Gorbachev are fading.

The Administration had been hoping that Washington and Moscow could conclude an agreement banning short and medium-range missiles from Europe in time for the two leaders to sign a pact later this year.

But the atmosphere at arms talks in Geneva turned sour about two and a half weeks ago, officials say, and shows little sign of improving.

"Without some change in Soviet attitudes, the prospects for a summit are clouded," an official said. (Steven Roberts, New York Times, A1)

U.N. EXPECTED TO ACT ON GULF CEASE-FIRE BID NEXT WEEK

UNITED NATIONS -- The Security Council is expected to meet early next week to approve an order that Iran and Iraq halt their seven-year war, diplomatic sources said.

They said that the five permanent members of the council "took into account" some changes proposed by the nonaligned states, apparently clearing the way for what may be an historic, unanimous decision.

The proposed resolution threatens "further steps," meaning sanctions, to ensure compliance with the order for an immediate cease-fire.

(Reuter)

COAST GUARD CLEARS TWO KUWAITI TANKERS TO FLY U.S. FLAGS

The U.S. Coast Guard cleared the first two Kuwaiti oil tankers to fly U.S. flags and be protected by American naval forces in the Persian Gulf.

The White House said all that remained was for President Reagan to approve a date for beginning convoy operations in the strategic waterway where the Administration has vowed to protect 11 Kuwaiti tankers from attack by Iranian forces.

(Charles Aldinger, Reuter)

TECHNICAL ERROR ABOARD JET BLAMED FOR ATTACK ON STARK

The Iraqi pilot who fired on the USS Stark did so because a single switch on his sophisticated radar system was in the wrong position, a simple technical error that erroneously led him to believe the American warship had entered the Persian Gulf war zone.

Details of the mistake that led the pilot to fire two missiles at the ship, resulting in the death of 37 U.S. sailors, were revealed in recent interviews with Iraqi and U.S. officials by Insight [Washington Times] magazine. (Richard Mackenzie, Washington Times, A1)

IRAN THREATENS TO CUT TIES WITH PARIS

PARIS -- Iran threatened to break diplomatic relations with France unless armed police ringing the Iranian Embassy in Paris are removed within three days.

The French government, reacting to the ultimatum, reiterated that the police will remain on station to prevent escape by an elusive Iranian official wanted for questioning on suspected links to terrorist bombings last fall in Paris.

The two countries thus appeared headed for a formal break as a result of an increasingly bitter two-week standoff that has tattered Prime Minister Jacques Chirac's policy of seeking normalization with Iran.

(Edward Cody, Washington Post, A27)

Relations With Paris Imperiled, Iran Says

TEHRAN -- Iran said it was cutting its embassy staff in Paris and threatened to break diplomatic relations with France within 72 hours if a police siege of the embassy compound was not lifted.

"The embassy staff will be reduced to a minimum" before the deadline set for the lift of the siege, the official Islamic Republic News Agency said.

In Paris, the government of Premier Jacques Chirac refused immediate comment on the threat and police remained in place around the Iranian Embassy.

"The question of the removal (of police) is not being asked," said a spokesman for the French Interior Ministry, which is in charge of police. He refused to comment directly on the Iranian threat.

(Washington Times, A9)

U.N. ENVOY EXPRESSES NEW OPTIMISM ABOUT FREEING HOSTAGES

Gen. Vernon Walters, the U.S. envoy to the U.N., said Syria was working to free foreign hostages in Lebanon and that it should be clear in "a couple of weeks" if its efforts would be successful.

Walters, who held discussions with Syrian President Hafez al-Assad in Damascus on July 5, gave the timetable when asked if Assad had the power to resolve the hostage situation.

"In a couple of weeks I'll try to tell you," the veteran U.S. diplomatic troubleshooter told reporters at a White House news briefing.

Asked what he meant, Walters replied: "It's a question if he can locate them through intelligence and do something about it." (Reuter)

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Walters Hopes Syrian Trip Will Speed Hostages' Release

Vernon Walters, U.S. ambassador to the U.N., expressed hope that his recent meeting with Syrian President Hafez al-Assad will help obtain the release of hostages in the Middle East.

"I asked him (Assad) to do everything he could to bring about the release of these hostages and said it would have a positive effect in the rest of the world if he could find his way to do so," Walters said.

"He said he would try and see what he could do," Walters said, recounting discussions during his July 5-6 visit to Damascus. "I think it's a matter of honor for him to try and show what he can do. We'll know in a couple of weeks."

A "couple of weeks" could mean two weeks or eight weeks, Walters said. (Jeremiah O'Leary, Washington Times, A9)

'SATISFACTORY' LETTER SOLVES U.S. DISPUTE WITH GREECE

ATHENS -- A dispute between U.S. and Greek authorities over charges that Greek officials had contacts with an Arab terrorist organization was settled today, a government spokesman said.

Sotiris Kostopoulos said the U.S. had sent a written note on the matter that Athens regarded as "satisfactory."

The dispute erupted last month when U.S. Ambassador Robert Keeley presented a document to Foreign Minister Karolos Papoulias alleging Greek contacts with the group of Palestinian guerrilla leader Abu Nidal.

(Reuter)

PAKISTAN DENIES ORDERING MATERIAL FOR NUCLEAR WEAPONS FROM U.S. COMPANY

ISLAMABAD -- The government denied that it tried to buy a type of steel used for making nuclear weapons from a U.S. company and said it worried about possible damage to relations with Washington.

"Neither the government of Pakistan nor any of its agencies sponsored any violation of the export laws of the United States," said the spokesman, who was not identified in accordance with government rules.

He described as baseless an allegation by Rep. Stephen Solarz that Pakistan tried to export steel used in the enrichment of weapons-grade uranium. (Mohammed Aftab, AP)

U.S. Says Pakistan Must Act To Avoid Aid Cutoff Over Nuclear-Export Case

The Reagan Administration has told Pakistan that actions, not words, are needed to deal with the crisis of confidence caused by the arrest of a Pakistani native on charges he sought to illegally export sensitive U.S. material for Pakistan's nuclear weapons program, State Department officials said.

The U.S. message, delivered by Undersecretary of State Michael Armacost and U.S. Ambassador to Pakistan Arnold Raphel in conversations with Pakistani officials, did not specify what action Pakistan should take to repair the situation and avert a cutoff of U.S. economic and military aid, according to the sources. (Don Oberdorfer, Washington Post, A22)

JAPAN VOWS TO TOUGHEN TECHNOLOGY EXPORT POLICIES

Japan, seeking to defuse U.S. anger over a Japanese company's sale of sensitive technology to the Soviet Union, has vowed to toughen its export-licensing policies to prevent any repeat occurrence, the Commerce Department announced.

Japan's trade minister, Hajime Tamura, also promised Commerce Secretary Baldrige that his government would pursue its investigation of the sale "with a view toward criminal prosecution," according to a Baldrige spokesman. (Tom Raum, AP)

SOVIETS SCORE SILENT SUCCESS IN UNDERSEA RACE WITH U.S.

[Several incidents last year alerted the U.S. Navy to the fact that Soviet submarines had recently become much quieter and therefore harder to track.]

These disturbing events from the shadowy world of underwater eavesdropping accelerated the Reagan Administration's hunt for foreign companies that had sold the Soviet Union the machinery needed to make such propellers. Firms in Japan and Norway eventually were fingered as the culprits, straining relations with the U.S. Congress has reacted bitterly, moving to ban foreign companies responsible for the security breach from selling products in the U.S.

The longer-term consequence of quieter Soviet submarines is a shift in the U.S.-Soviet balance of power under the sea. How big a shift is now in dispute. But there is no dispute that Soviet subs have become significantly quieter, posing an unwanted new challenge to the Defense Department. (George Wilson, Washington Post, A1)

AIR CRASH KILLS 6 AMERICANS IN EL SALVADOR Deputy Commander Of Military Group Among Victims On Medical Evacuation Flight

SAN SALVADOR -- Six American servicemen, including the deputy commander of the U.S. military group in El Salvador, were killed late last night when their helicopter crashed on the eastern outskirts of the capital, U.S. military and embassy spokesmen said. One American was injured.

Pentagon officials in Washington said Lt. Col. James Basile, 43, an Air Force officer from Chesire, Conn., and deputy commander of the military group, was among the dead. They did not release the names of the other victims pending notification of relatives.

There was no indication that the crash, which destroyed the U.S. military UH1H Huey helicopter, was caused by hostile gunfire or sabotage, the spokesmen said. A crash assessment team was conducting a full investigation today at the site. (Julia Preston, Washington Post, A27)

NATIONAL NEWS

BAKER SAYS FISCAL '87 DEFICIT \$20 BILLION BELOW EXPECTATION

Treasury Secretary Baker announced that the budget deficit for the fiscal 1987 will be \$20 billion less than anticipated, mostly because of the tax revision that produced an upsurge in revenue as of April 15.

After a Cabinet meeting one day before federal agencies were to submit \$13 billion in additional budget cuts for fiscal 1988, Baker said:

"The President is extremely pleased to note that the fiscal 1987 deficit is going to be reduced significantly more than we originally anticipated. We think that we'll see a deficit reduction in the neighborhood of \$66 billion, down to a level of \$155 billion or so, which is of course significantly below the \$175 billion we originally anticipated." (UPI)

Baker Sees \$20 Billion Improvement In Deficit Picture

Increased revenues and other developments have improved the prospects for deficit reduction in the current fiscal year by about \$20 billion, the Reagan Administration said.

Treasury Secretary Baker, speaking to reporters after a Cabinet meeting on the budget, said the latest figures indicated the deficit can be reduced to about \$155 billion.

"We are a good ways through the fiscal year, so there is good reason to think this will hold up," Baker said.

At OMB, an official who declined to be identified said tax law changes would increase revenues by about \$27 billion, but this would be offset by about \$10 billion in losses, for a net gain of \$17 billion. This official said other factors, mainly new legislation, accounted for the remaining \$3 billion of the difference. (Dale Nelson, AP)

DOLE TELLS FAA TO BOOST SECURITY

Transportation Secretary Dole ordered the FAA to get tougher with airlines, and impose fines for lax security at passenger checkpoints.

Dole, in releasing a task force report on airport security, said the task force found that while an overhaul is not needed, "the system must be strengthened" by the air carriers. (AP)

BIDEN ACCUSED OF UNFAIRLY DELAYING BORK HEARINGS

A Republican senator accused the Democratic chairman of the Senate Judiciary Committee of unfairly delaying confirmation hearings on Robert Bork's nomination as a Supreme Court justice.

Bork was named July 1 by President Reagan to replace retiring Justice Lewis Powell. Judiciary Chairman Joseph Biden said Bork's confirmation hearings would not start until Sept. 15...

New Hampshire Sen. Gordon Humphrey said a study by the Congressional Research Service found this was a far longer period than the average of 18 days between nomination and the start of confirmation hearings for the last 15 Supreme Court nominations.

"The study shows Sen. Biden's delaying tactics are unfair, unreasonable and unprecedented in modern times," Humphrey said at a news conference. (Reuter)

KOOP BELIEVES U.S. LIKELY TO URGE
AIDS TEST FOR ALL SURGERY PATIENTS

Surgeon General Koop said the Public Health Service is likely to recommend routine AIDS tests for all hospital surgical patients.

"In spite of my feeling that mandatory testing leads down a dead end that is very costly without much effect, we could voluntarily test surgical patients," Koop said.

He cited a "growing health problem" of surgeons and nurses who refuse to participate in surgery because they fear exposure to the deadly disease.
(Any Bayer, Washington Times, A1)

NOFZIGER INDICTMENT SAID READY
Charges May Stem From Lobbying Since Leaving White House

Former White House political director Lyn Nofziger, a longtime adviser to President Reagan, has told associates he expects to be indicted today on charges stemming from his lobbying activities after leaving the Administration on behalf of Wedtech Corp., informed sources said.

Nofziger has told the associates he also expects his business associate, Mark Bragg, to be charged, the sources said. Independent counsel James McKay has scheduled a news conference for this morning to announce the indictment, which apparently has been returned and will be disclosed today, according to a source familiar with the investigation.

(David Hoffman, Washington Post, A1)

Nofziger And His Partner Indicted In Lobby Probe

A federal grand jury indicted Lyn Nofziger, President Reagan's former political director, and a partner in Nofziger's Washington-based public relations firm on charges of illegal lobbying activities, sources close to the case said.

The charges, made in sealed indictments that are expected to be made public today, will say that Nofziger violated conflict of interest laws that prohibit top government officials from lobbying their former colleagues for 12 months after they leave office, the sources said.

(Ronald Ostrow & Robert Jackson, Los Angeles Times, A1)

DEAVER TRIAL POSTPONED TILL OCTOBER
Judge, Overruled On Private Jury Questioning, Blames News Media

U.S. District Court Judge Thomas Penfield Jackson postponed until Oct. 19 the perjury trial of former White House Deputy Chief of Staff Michael Deaver, blaming the news media for an appeals court decision that he said destroyed his ability to preside over the case.

"I am also satisfied that the several interpretations of these proceedings occasioned by the news media's efforts...have left an impression in the minds of the panel that it is the news media, not the court, who dictates the pace of the trial and the manner of the proceeding," the judge said later in a written opinion.

(Bill McAllister, Washington Post, A1)

NETWORK NEWS SUMMARY

(Thursday Evening, July 16, 1987)

IRAN-CONTRA HEARINGS/POINDEXTER

NBC's Tom Brokaw: Former National Security Advisor John Poindexter, appearing for a second day before the joint congressional committee investigating the Iran-contra affair repeatedly said, "I can't recall" when asked about some of the most controversial aspects of the scandal. Poindexter, who is also the target of a possible criminal charge, navigated very carefully through a series of precise questions.

NBC's John Dancy: Again today Adm. Poindexter arrived for the hearings in civilian clothes. His wife, Linda, an ordained Episcopalian priest, wore a clerical collar. Poindexter relieved that one of his conversations with former CIA Director William Casey had been taped by the CIA. Poindexter had called Casey, who was out of the country, to talk about testimony Casey was to give to a congressional committee.

(Poindexter: "In fact I think you have a tape of that conversation in one of your exhibits. I did not realize the conversation was taped at the time, but I guess the CIA taped it.")

While the conversation reportedly contained no new information, one committee member was startled to find out about the taping itself.

(Sen. Nunn: "This raises a great concern and questions about what the CIA tapes and what they do with that, what the rules are.")

Committee sources say their investigators have found no other significant taped conversations between Casey and North, for example. Poindexter also testified today that President Reagan, despite his statements to the contrary, knew the NSC was quietly supporting the contra.

(Poindexter: "In a general way he understood that the contras were being supported and what we were involved in generally in coordinating the effort and he was aware of the status of the contras in the field. The kinds of things that he was briefed on, I think, would have made that clear.")

For example, Poindexter testified yesterday that Mr. Reagan knew about this air field in Costa Rica built to air drop supplies to the contras.... Poindexter insisted that sort of help was not forbidden by law because the air strip was built and operated with private funds. Sen. Mitchell blasted what he called "patterns of lying."

(Mitchell: "If high officials of the executive branch come before the legislative branch and deliberately and repeatedly lie and make misstatements, we are not going to be able to have an effectively functioning democratic government.")

Throughout the hearings Poindexter, a man of demonstrated intellectual ability and achievement, was troubled by faulty memory.

(Liman: "Did Don Regan ever ask you what you knew about the diversion?")

Poindexter: "I don't recall his doing that."

Liman: "Did he ever ask you whether you had told the President?"

Poindexter: "I don't recall his doing that.")

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Dancy continues: One committee member said he does not believe Poindexter's testimony yesterday that he did not tell President Reagan about the diversion of money to the contras.

(Rep. Stokes: "I have some very serious reservations about the question of whether or not he's telling the truth on this aspect of his testimony.")

Today's session was noticeably lacking in electricity. Some committee members say this is a suspense novel which has lost its suspense. That may be one reason the committee now hopes to wrap up its work a week early -- by the end of July.

Brokaw: It turns out that November 21, 1986, was an especially busy day at the White House and a review of the testimony reflects some of what the special prosecutor may be investigating for possible criminal charges. Attorney General Meese recommended a fact finding session on what had happened a year early when the President had signed a finding authorizing the Iran arms sale. And on Nov. 21 the President agreed with Meese. The Attorney General then told Poindexter to pull together documents to be reviewed -- among them the original finding. Poindexter thought it would be politically damaging, so he destroyed it. Oliver North came to his office with a personal notebook that also showed the President's approval of arms for hostages. North said he would destroy that notebook. North also said that Poindexter told him at that time that the President did not know of the diversion of profits to the contras. Poindexter said today he does not recall that conversation with North. Meese then called to say that the Justice Department lawyers would be over to look at the files the next day. Oliver North continued his shredding. Poindexter briefed the House and Senate Intelligence Committees on Nov. 21 but he did not tell them of the arms for hostages and the diversion or that he knew that the HAWK anti-aircraft missiles had been shipped at the time that Israel sent them to Iran. At the White House spokesmen say that President Reagan was unaware of these efforts to cover up.

NBC's Chris Wallace: The President still wasn't talking about the hearings today, waiting to make sure there really are no more damaging allegations.

(The President: "I am going to be making a statement when all of this hearing are over.")

But the White House wasn't waiting. Cabinet officials outside announced that with Poindexter saying the President wasn't told about the diversion, the scandal is largely over.

(Secretary James Baker: "Well it certainly answers the question of whether or not the the President did or didn't know, don't it? Rather conclusively it seems to me.")

(Secretary Baldrige: "Did he know about the diversion to the contras? He's always said he didn't and that's been proven to be true, so that removes a major hurdle.")

The White House said it's working to make sure it couldn't happen again, noting that under Poindexter's replacement, Frank Carlucci, the NSC has briefed Congress on all covert operations. And spokesman Marlin Fitzwater, while not mentioning Poindexter by name, condemned officials who make decisions and don't tell the President -- calling that "subverting the system."

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Wallace continues: But try as he might to put the scandal behind him, Mr. Reagan still has problems. Poindexter said today the President knew about NSC efforts in Nicaragua, directly contradicting Mr. Reagan's testimony to the Tower Board last January that he didn't know that the NSC staff was engaged in helping the contras. The President held to that position for months, until the Iran-contra hearings revealed Mr. Reagan did have some knowledge.

(The President on May 15: "Yes, I was kept briefed on that. As a matter of fact, I was very definitely involved in the decisions about support to the freedom fighters. It was my idea to begin with.")

Today spokesman Fitzwater continued to deny the President knew about military aid to the contras. When asked to clear up all the conflicts, he said, "they are going to stay in conflict." ...Today a top U.S. official said Mr. Reagan's credibility may even have been harmed overseas -- suggesting the Soviets may have slowed down arms negotiations to see if a weakened President will give them a better deal. (NBC-Lead)

ABC's David Brinkley: Tonight some reaction from the American people to the television extravaganza of Col. North, Adm. Poindexter and all those others. A new ABC News-Washington Post poll shows that people are highly skeptical when Adm. Poindexter said he did not tell President Reagan about the Iranian money going to the contras -- 48 percent thought he was telling the truth; 44 percent thought he was not. Asked if they felt the President knew about all of this before it became public in Nov. -- 64 percent did not believe him; 31 percent did. And did Col. North's dramatic testimony...change public attitudes about aiding the contras? The answer seems to be yes. Those in favor rose from 29 to 43 percent. Those opposed fell from 67 to 46 percent.

Poindexter Did Not Tell the President:

Believe him: 48%

Don't believe him: 44%

Did Reagan Know Before November?

Yes: 64%

No: 31%

Aid To Contras

| | NOW | JUNE 1 |
|--------|-----|--------|
| Favor | 43% | 29% |
| Oppose | 46% | 67% |

Adm. Poindexter told investigating committees yesterday that it was he who kept information from the President, kept it from Congress and followed a pattern of doing it. Today he told the committee how it cost him his White House job.

ABC's Brit Hume: John Poindexter, the man with the smoking pipe but no smoking gun, provided further detail of his last days in the Administration as the Iran-contra affair came to light and the Attorney General came to see him at the White House.

Hume continues:

(Poindexter: "He started off by saying, 'I assume you are aware of the memo that we found in Ollie's files.' I said, 'Yes.' He said, 'Where you aware of this?' I said that I was generally aware of the plan to transfer funds and that I told him that I was prepared to resign.")

Poindexter said he did not tell Meese that he had authorized North's actions.

(Poindexter: "I did not want to provide that detailed information at the time because I wanted the President and his staff to be able to say they didn't know anything about it.")

Liman: "Is a fact that the Attorney General didn't ask you whether you had told the President?"

Poindexter: "I do not recall his asking me whether I had told the President or his asking me whether I had approved it.")

The next morning, Nov. 25, 1986, Meese summoned Poindexter to his office at the Justice Department and told him it was time to submit his resignation to White House Chief of Staff Don Regan.

(Poindexter: "I went back to my office, sat down to eat my breakfast, and a few minutes later Don Regan came in and I told him that I was going to resign.")

Poindexter said Regan didn't ask him what he knew about the contra money or whether he had told the President. Later that morning he met with the President in the presence of Meese, Regan, and Vice President Bush.

(Poindexter: "I said, 'Mr. President, I assume that you are aware of the paper that Ed Meese has found that reveals a plan to transfer funds to the contras. I was generally aware of that plan and I would like to submit my resignation to give you the necessary latitude to do whatever you need to do.' And the President responded and said that he had great regret and this was in the tradition of a naval officer accepting responsibility. And I shook hands with everybody and left the office. That was the last time I saw the President.") That was the day of the famous Reagan-Meese news conference when the contra fund diversion was disclosed and a criminal investigation announced. It was, it seemed, that investigation that kept the question of what of President knew from being immediately answered.

(Liman: "Can you tell us why you didn't then stand up and say, 'I, Adm. Poindexter, made the decision and did not tell the President of the U.S.'")

Poindexter: "I did not want to make that kind of decision until I had had an opportunity to consult with attorneys and after I did, I followed the advice of my attorneys.")

Poindexter acknowledged withholding information from Congress repeatedly on the Iran arms sales, said he was unaware of any plan to make him a scapegoat.... He said he did not regard North's operation as covert action in the sense the law means it. Most committee members have either said nothing, or said they believe Poindexter's story. Rep. Stokes was one exception today.... It also came out today that there was a CIA tape of phone call between Casey and Poindexter....

ABC's Sam Donaldson: During a photo opportunity with his cabinet, the President was covered with questions....

(The President: "I am going to making a statement when all of this hearing is over and then I will be ready to talk. But I don't think I'm going to make any comment until the hearings are over.")

But through Marlin Fitzwater the President let it be known he feels betrayed by Adm. Poindexter's conduct. Said Fitzwater -- anytime the President is not allowed to make decisions that are presidential, he has been done a disservice. Fitzwater said the correct presidential decisions making process had been subverted. The question Mr. Reagan's first term chief of staff suggested was one of not having the right people around.

(James Baker: "In the final analysis, you've got to depend on making sure that you have the right people and that they share with the President those matters that the President deserves to have shared with him.")

Adm. Poindexter may have been a great help to the President in his key testimony in the contra money diversion, but the picture being painted of him here today is of a discredited aide who has done great harm to the President in secretly authorizing the diversion in the first place. It is a picture consistent with the President's claim that he was kept in the dark and one absolutely essential to project in the uphill fight to convince a doubting public that that claim is the truth.

(ABC-Lead)

ABC's Karen Burnes reports on how Col. North supposedly carried out covert work. (ABC-3)

CBS's Dan Rather: Admiral Poindexter has been questioned closely for a second day. Today's questions centered not so much on what he said to President Reagan, but more on whether Poindexter is to be believed.

CBS's Phil Jones: Today investigators began to challenge the credibility of Poindexter as he was unable to recall crucial events of the Iran-contra affair and as he stuck to his claim that he never told the President about the contra diversion....

(Liman: "So you created a situation where it would be only your word to corroborate that of our commander?"

Poindexter: "That is correct.")

...Poindexter also took the blame today for directing North to prepare a chronology that some had charged was phoney.

(Poindexter: "I specifically told him to leave out the transfer of fund to the contras.")

Liman: "Did anybody at the White House ask you to prepare inaccurate chronologies?"

Liman: "Absolutely not.")

And Poindexter admitted that he had not stopped North from destroying a notebook with documents showing the President had approved the shipment of HAWK misisles to Iran.... Poindexter's testimony also raised further questions about Attorney General Meese's initial investigation when the scandal broke last Nov. Poindexter told Meese he was generally aware of the diversion.... According to Poindexter, he was not questioned about the diversion by White House Chief of Staff Donald Regan.... Meese finally told Poindexter it was time to resign.

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Jones continued: At the resignation meeting with the President and others, Poindexter said he was leaving to give the President the latitude to do whatever he needed to do. While Poindexter was a key witness, there are still questions to be answered -- like the complicated money trail, the Swiss bank accounts and the role of Attorney General Meese.

(Sen. Hatch: "I do think the committee has to button up the rest of it. That means Meese, that means Shultz, that means Weinberger. And I suspect we are going to see some Meese-bashing before it's over because that's the only other way they can damage this President.")

The heat of these hearings has certainly subsided. But as one key Republican put it today, the facts that have emerged are cold and chilling as the committees prepare to deal with their most serious question of what to do to make sure it never happens again.

CBS's Bill Plante: President Reagan still wasn't talking today.

(The President: "I'll make my comments when it's all over.")

But the White House staff went on the offensive. Mr. Reagan's spokesman, in an obvious reference to Adm. Poindexter, said the President is doing a disservice when he's not allowed to make presidential decisions. A former chief of staff agreed.

(James Baker: "The President runs this place. It's a little bit difficult for him to do it when there are things out there that he doesn't know about.")

But Poindexter's testimony has raised questions beyond whether Mr. Reagan was told about the diversion of funds -- questions of consistency and credibility. For example -- did the President authorize the NSC staff to aid the contras? This January Mr. Reagan told the Tower Commission he did not know that the NSC staff was engaged in helping the contras.... In fact, by May, the President remembered things very differently.

(The President: "As a matter of fact, I was very definitely involved in the decisions about support to the freedom fighters -- it was my idea to begin with.")

Is this kind of confusion damaging Mr. Reagan's efforts to bounce back from the Iran-contra scandal? ...The President's staff is trying hard to deflect the notion that he's been damaged. But despite a general sense of relieve around here, there is still lot of uneasiness about what Poindexter may yet reveal and about testimony yet to come --the Attorney General, the Secretaries of State and Defense.

(CBS-Lead)

CONTRA VICTORY

Brinkley: The Administration tell us tonight about what they call a major contra victory, perhaps one of the most important of the war. The contras claimed to have overrun a Nicaraguan brigade headquarters. It is deep inside the country and is described as a major military base.

(ABC-2)

NOFZIGER

Brokaw: President Reagan is due for another jolt tomorrow when a special prosecutor will announce the indictment of his former White House aide Lynn Nofziger. NBC had learned that a grand jury acted today on the indictment charging Nofziger asked for White House help in getting an Army contract for the Wedtech Corporation.

(NBC-2, CBS-3)

DEAVER

Brokaw: The trial of former White House aide Michael Deaver for perjury was delayed until mid-October while lawyers appeal a ruling that jury selection, in this case, must be open to the public.... He is the first person to be tried under the Ethics in Government Act.

(NBC-3, CBS-3)

PERSIAN GULF POLICY

Rather: A word came down today from the Coast Guard -- it cleared the first two Kuwaiti tankers for U.S. reflagging and Persian Gulf U.S. Navy protection. A Coast Guard spokesman said all they are waiting for now is President Reagan's official go-ahead. The President could launch the convoy before next Wednesday.

(CBS-7)

NBC's John Chancellor's commentary: Next week in the Persian Gulf the U.S. Navy will begin taking sides against Iran in the Iran-Iraq war. Navy ships will convoy tankers which belong to Kuwaiti.... Which brings us to a paradox: The U.S. says it wants to keep the Persian Gulf open, but if the U.S. wants Iran to lose, the way to do it is to close the Gulf. Iraq and Iran finance their war by selling oil. None of Iraq's oil goes by sea -- it goes through pipelines. But every drop of Iran's oil goes by sea....

(NBC-9)

CHOPPER CRASHED IN EL SALVADOR

Brokaw: In El Salvador the crash of a U.S. military helicopter has killed six U.S. military personnel including the second in command at of the U.S. military group in that country. The crash occurred in a heavy rain storm about 15 miles east of the capitol....

(NBC-5, ABC-7, CBS-4)

ISRAELI TRAVEL ADVISORY

Brokaw: The State Department says that a growing number of American are being harassed on entering Israeli and the department is on the verge of issuing and unprecedented travel advisory warning to Arab Americans and black Americans on the trouble that may await them in Israeli.

NBC's Anne Garrels:The U.S. State Department says such actions against American citizens are unjustified.

(Charles Redman: "As I've said before, we're certainly are continuing to express our deep concern to the Israeli government about discriminatory and arbitrary treatment of some American citizens.")...

(NBC-8, ABC-5)

EDITORIALS/COLUMNISTS

IRAN-CONTRA HEARINGS/POINDEXTER

What Reagan Didn't Know -- "Unless other evidence or testimony unexpectedly is produced, the President has been shielded from the diversion scandal.... Reagan's innocence comes as no real surprise, especially considering his super-delegatory style. But in some ways, that innocence is more troubling than his possible complicity. Look at it like this: What's worse, a president who's in control and makes a few bad judgments, or a president who doesn't know what his own White House is doing?"
(Cleveland Plain Dealer, 7/16)

Poindexter: Lots Of Smoke, Even Without 'Smoking Gun' -- "On a more complex level, questions remain about the wisdom of pursuing policies that from the outset were considered so indefensible as to require keeping the President in the dark -- or, at least, out of view.... The secrecy, however, became to prescription, not preventative, for disaster -- allowing ventures that could not pass the test of good sense to flourish. As another sadder-but-wiser former NSC adviser, Robert McFarlane, observed Monday: In an unaccountable White House 'the temptation to go beyond prudence is irresistible.'"
(Philadelphia Inquirer, 7/16)

A Strange Kind Of Service -- "Taking Adm. Poindexter's testimony at face value, you would still have to say that 'protecting' the President in his particular way, Adm. Poindexter blinded him and let him inflict upon himself repeated political wounds. The admiral's particular sense of duty -- actually a very peculiar sense, since it virtually writes off consultation with Congress -- came across strong. Still, his has a very strange and narrow idea of service to the President.... More needs to be known of the dispersal of information and authority in the Administration's upper reaches and in particular of the discrepancy between the five memos on the diversion that North testified he sent up the chain and the one -- only one -- that Adm. Poindexter reported he received."

(Washington Post, 7/16)

The Buck Stops Where? -- "Adm. Poindexter's testimony that he never told the President about the diversion of Iranian arms sales funds to the contras was like one of those old good news/bad news jokes. The good news is that President Reagan has not been engaged in lying and cover-up in the Nixonian Watergate fashion. The bad news is that the President was not in charge of things.... The central concern raised by Poindexter's testimony is that a belief in so-called 'laid-back management style' resulted in extremely far-reaching decisions being made by unelected White House subordinates. Mr. Poindexter felt it was his duty not to inform the President of a serious policy decision so as to protect him from political and diplomatic embarrassment. Harry Truman must be twirling in his grave."

(Baltimore Sun, 7/16)

IRAN-CONTRA HEARINGS/NORTH

North Is Not Hero -- "Lt. Col. Oliver North is not hero.... I guess you have to give North credit. He's turned himself into a willing scapegoat. He's a noble martyr who wraps himself in the flag and speaks of fighting for freedom, all the while speaking of his admiration and support for William Casey's 'secret government' plan. I'll give him credit for that, but his popularity is a pathetic commentary on America's need for heroes."

(Shawn Sensiba, Dixon Telegraph, 7/13)

A Self-Financing Rogue Agency -- "There is a place for covert operations in a democracy, but only if those who run them are accountable to the President and at least to some leaders in Congress. If Col. North is to be believed, Mr. Casey envisioned a rogue agency accountable only to himself. The Iran-contra hearings can result in nothing more than emphasizing democratic values and the need for government officials who respect the law."

(Hartford Courant, 7/15)

The Cure For Olliemania -- "Olliemania, of fervent admiration for Lt. Col. Oliver North as a patriot and potential leader, is said to be an epidemic sweeping the country. If so, there is a handy cure: It consists of the Constitution, common sense and this country's long history of regaining its balance after nearly tipping over.... The consensus about Col. North may last -- that he is a patriotic fellow who sincerely believes in his mission and his right to carry it out on orders of his superiors. What will not last is his view that some people are so much more right than others that they are entitled to ignore laws."

(Chicago Tribune, 7/15)

North's Last Stand -- "North's convictions are not necessarily those of Congress, and therein lies the fundamental failure of the White House's policymaking: The belief that only ideologues can rightly protect policy. In this case, that moral arrogance has led the White House to support democratic principles in Central America by trashing them in the U.S. There's nothing neat about that, nor the slap-dash management that has fostered it."

(Cleveland Plain Dealer, 7/15)

Keeping Perspective -- "The public reaction tells us something...about today's America -- where people may be looking for a hero or a scapegoat, rather than an answer to a perplexing set of questions. The question that must be raised is whether the substance of the investigation -- the dangers of a secret foreign policy outside normal government control -- is being overpowered by televised political theater.... North's testimony has revealed that he, and others, essentially elevated themselves to the position of appointed guardians of the republic, guardians who believed themselves more dedicated and more knowledgeable than those elected by the people. Under such a system, the people surely are shortchanged."

(Dallas Morning News, 7/14)

The Ollie Show -- "Few events in recent years...have so grabbed the attention and emotions of the American public as has North's televised appearance.... He obviously believes his actions as National Security Staff member were not only legal but also proper, and his testimony, tailored to the TV camera, has persuaded many Americans that he is correct."

(Forth Worth Star-Telegram, 7/11)

LETTERS TO THE EDITOR

IRAN-CONTRA HEARINGS/NORTH

"I put Ollie North in a class with Nathan Hale, Patrick Henry, Paul Revere and all the great men who made this great country. For a long time our youth had no hero to look up to. Not anymore. God bless you, Ollie. Hopefully the people who elected the lousy liberals will wake up and vote for men who want to keep us free."

(M. DeRepsinis, Queens, New York Post, 7/15)

"I am not believing this. Ollie North wears his Boy Scout uniform up the hill, and openly admits lying on a day-to-day basis, even to the Congress of the U.S., and the American public thinks the poor boy is abused when the investigatory committee puts a little heat on him. Give me a break! ...It is time for North and the committee to get to the bottom of this charade."

(John D. Zeigler, Tyler, TX. Dallas Morning News, 7/15)

"After viewing the unmerciful brow-beating directed at Lt. Col. North by elected officials bloated with hubris, I am prepared to embrace North's proposal that the U.S. transfer hegemony to military law during national emergency. Having lived through four wars and observing the aftermath of those wars, I am convinced that peace-loving politicians are directly responsible for all the miserable conditions that confound the world. Col. North's contingency scenario of martial law is an idea whose time is now. It should be explored and Americans given the opportunity to vote on the proposal."

(Dub Hicks, Chula Vista, CA., San Diego Tribune, 7/14)

"I can't believe what you have published about Lt. Col. Oliver North's testimony in the Iran-contra hearings. I have watched the hearings on television from the beginning and your report on the North testimony is inaccurate and exactly opposite that of most Americans.... So far, the score is Oliver North, 4: Congress and the news media, 0. The American people have spoken."

(Walter S. Kenton Sr., Towson, Baltimore Sun, 7/16)

"Like that of his commander in chief, President Reagan, Lt. Col. Oliver North's popularity increases each time he defends his actions, no matter how illegal or immoral, under the guise of 'patriotism.' Are we to assume that breaking the law and lying because it serves our purposes is the lesson we want our children to carry with them throughout their lives? ...What America really needs is... more understanding of and respect for the democratic institutions through which this country has become a great nation."

(Andrew Serio, Stafford, VT. Hartford Courant, 7/16)

"North's loyalty and desire for bold, decisive action appeals to those who want to see something finally get done in the slippery world of politics. His willingness to 'take the fall' seems courageous. Hence, our sympathy, despite his arrogant neglect of Congress and the law, his impatience with the democratic process, and his blind acceptance of conservative ideology. But where are those who urged him on, like a faithful terrier? Are they so honorable?"

(Jeffrey Broadbent, E. Calais, VT., Christian Science Monitor, 7/15)



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, JULY 17, 1987 -- 6 a.m. EDT EDITION

TODAY'S HEADLINES

IRAN-NICARAGUA

Admiral Recalls No Pointed Query When He Resigned -- John Poindexter testified that when he resigned last November, neither Attorney General Meese nor Chief of Staff Regan asked him who had approved the diversion of Iran arms profits to the Nicaraguan rebels. (Los Angeles Times, New York Times, Washington Post, Washington Times, Copley, Newhouse, Reuter, UPI)

INTERNATIONAL NEWS

Thatcher Visit Aimed At Bolstering Reagan -- Prime Minister Thatcher left for Washington for a whirlwind visit that British commentators said was aimed at bolstering her old friend, President Reagan, in a time of need. (Washington Times, AP, Reuter, UPI)

NATIONAL NEWS

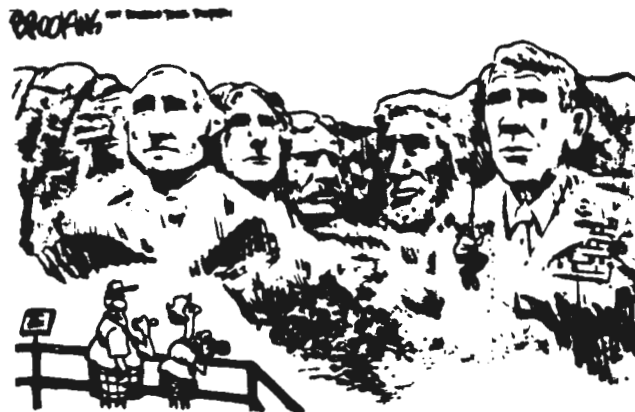
Baker Sees \$20 Billion Improvement In Deficit Picture -- Increased revenues and other developments have improved the prospects for deficit reduction in the current fiscal year by about \$20 billion, the Reagan Administration said. (AP, UPI)

NETWORK NEWS (Thursday Evening)

IRAN-CONTRA -- Investigators challenged John Poindexter on his inability to recall crucial events of the Iran-contra affair.

CONTRA VICTORY -- The Administration reported the contras have overrun a Nicaraguan brigade headquarters deep inside the country.

NOFZIGER -- A grand jury will indict Lyn Nofziger on charges of illegal lobbying activities.



IRAN — NICARAGUA

POINDEXTER: NOT ASKED ABOUT FUND DIVERSION

Former National Security Adviser John Poindexter testified that in his final conversation with the President, attorney general and White House chief of staff last November, none of them asked what he knew about the diversion of U.S.-Iran arms sales proceeds to the Nicaraguan rebels.

Poindexter testified further that he offered no explanation to them why he decided the previous February to approve the diversion plan without telling the President or other senior officials what he had done.

That testimony, along with other new assertions, was elicited by Iran-contra probers whose questions challenged Poindexter's credibility and the plausibility of his dramatic assertion Wednesday that he never told President Reagan of the diversion because he wanted to protect him from political damage if it ever became public.

...A skeptical Arthur Liman, chief counsel of the Senate Iran-contra panel, asked Poindexter why it had taken him eight months to reveal a piece of information that would have helped exonerate a President Poindexter said he wanted to protect....

(Dan Morgan & Walter Pincus, Washington Post, A1)

Admiral Recalls No Pointed Query When He Resigned

John Poindexter testified that when he resigned last November, neither Attorney General Meese nor Chief of Staff Regan asked him who had approved the diversion of Iran arms profits to the Nicaraguan rebels.

Poindexter also described what he said was his only conversation with the President that touched on the diversion -- in the Oval Office the morning he resigned. And by his account the question of who approved the diversion never came up there either.

Poindexter's account raised further questions about whether the President and his top advisers had been genuinely concerned with getting to the bottom of the affair, as they said at the time....

(Fox Butterfield, New York Times, A1)

Poindexter Told Reagan He 'Generally' Knew Of Plan

John Poindexter testified that he told President Reagan when the Iran-contra fund diversion was exposed that he had only general knowledge of the affair.

Poindexter -- who revealed two days ago that he had approved the diversion plan -- said he remained silent during the ensuing political firestorm on the advice of his attorney.

"My best recollection of the conversation was that I said, 'Mr. President, I assume that you are aware of the paper that (Attorney General) Ed Meese has found that reveals a plan to transfer funds to the contras,'" Poindexter said....

"I was generally aware of that plan, and I would like to submit my resignation," Poindexter said he told the President.

"The President responded and said that he had great regret and that this was in the tradition of a naval officer accepting responsibility."

"That was the last time I saw the President," Poindexter said.

(Mary Belcher, Washington Times, A1)

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Poindexter Says Reagan Designated NSC to Support Contras

John Poindexter said President Reagan in effect designated his National Security Council staff to help Nicaraguan rebels when Congress had banned official aid.

...Poindexter also said he withheld all information on NSC aid to the contra rebels from Congress even though he believed it was legal.

"The President in effect wanted the National Security Council staff to make sure the contras remained alive until we could turn the vote around in the Congress," he said.

Asked by Senate chief counsel Arthur Liman if the President had designated the NSC staff to carry out activities in support of the contras, [Poindexter] replied, "In effect, he did." (Sue Baker, Reuter)

Poindexter's Testimony/Role Of NSC

John Poindexter, in a direct contradiction of President Reagan, testified that the President directed his National Security Council staff to aid the Nicaraguan contras and was aware that Oliver North "was the chief action officer" supporting the contras.

[Poindexter] said that after Congress halted U.S. military aid to the rebels in 1984 under the Boland amendment, the President ordered his staff to find ways to keep the contra fighting force alive.

Poindexter's testimony was significant because the President has repeatedly maintained he had no idea the National Security Council was aiding the contras and that he had only very general knowledge that his Administration was assisting the contras during the two-year period prohibition ordered by the Boland amendment.

(Robert Gettlin & Robert Lewis, Newhouse)

Poindexter Testifies About A Campaign Of Deception

John Poindexter testified about a systematic campaign that included destroying documents and withholding information from Congress as part of an effort to shield information about the Iran-contra affair.

[Poindexter] admitted he purposely neglected to tell Attorney General Meese key details about the scheme to divert Iranian arms sales profits to the contras even though Meese was conducting a preliminary investigation into the arms sales and had already discovered evidence about the diversion.

Poindexter, who stressed during his two days of testimony that leaks to the press were a constant concern during his White House tour, testified, "We were trying to protect the contra support activity that the NSC staff was involved with. We didn't want that public."

(Finlay Lewis, Copley)

Some Questioning Poindexter Story About Diversion

As John Poindexter completed a second day of testimony, some members of the congressional Iran-contra committees questioned the credibility of his story that he never told President Reagan about the diversion of profits from the Iran arms sales to the Nicaraguan rebels.

Most of Poindexter's congressional critics cited specific aspects of his testimony that seemed implausible to them. But Rep. Louis Stokes, who also chairs the House Intelligence Committee, was much broader in criticism, saying the overall account "does not square with me."

Stokes explained that he could not accept the assertion that Poindexter, a Navy rear admiral who was well-known for operating by the book, would make such an important decision without at least consulting someone else in the White House.

Sen. George Mitchell added that he could not understand why Poindexter had kept his story secret for so long.

(Sara Fritz & Karen Tumulty, Los Angeles Times, A1)

Lawmakers Criticize Poindexter's Actions

John Poindexter denied important information to President Reagan in the Iran-contra scandal and took too much responsibility for policy himself, congressional investigators say.

"An honorable and upright officer feels that he was entitled to take the responsibility for the destruction of presidential documents. Where does this leave us in the sense of how national security policy is made?" asked Rep. Thomas Foley, after Poindexter's second dramatic round of testimony....

"I think the disturbing part of the testimony if taken at face value is that the President was both denied of information and not encouraged to inquire about some key aspects of this," Foley said at the end of Thursday's hearing. "Even men of good will and honor don't know what the President will approve."

(Dana Walker, UPI)

How 'Plausible' Has The Witness Made Reagan's Position?

After two days of testimony, John Poindexter has left the Iran-contra congressional committees and the American people grappling with a central question: How plausible is the "plausible deniability" he says he wanted to give President Reagan?

Far from resolving the issue, Poindexter's testimony yesterday raised new questions about it.

He's asking the committees to believe not only his word but the credibility of his actions....

(News Analysis, Haynes Johnson, Washington Post, A14)

Majority Says Poindexter Is Hiding Facts

A substantial majority of Americans believes that John Poindexter is withholding important information in his testimony on the Iran-contra affair and is covering up for President Reagan, while many continue to believe that the President has not told the full truth about his role in the affair, according to a Washington Post-ABC News survey taken after Poindexter's first day of testimony.

But the poll also found what may be a surge in public support for U.S. aid to the Nicaraguan rebels after the testimony of Poindexter and Oliver North. And while those questioned had doubts about Poindexter's testimony, they expressed strong support for North and said they felt he was telling the truth.

(David Hoffman, Washington Post, A1)

Poindexter Says CIA Taped November Conversation With Casey

A CIA taping system for overseas communications recorded several conversations that are "pertinent" to the Iran-contra affair, including one between then-CIA Director William Casey and then-National Security Adviser John Poindexter after the Iran arms sales became public last November, according to information released at the Iran-contra hearings.

The Iran-contra congressional committees have received a transcript of that call. Members said it would be released when it is declassified. The CIA is reviewing all other tapes involving Casey, a senior Administration official said, and any additional "relevant" transcripts have been, or soon will be, turned over the congressional committees and independent counsel Lawrence Walsh.

(Bob Woodward, Washington Post, A15)

Poindexter's Lawyer Pokes Panel's Link To Prosecutor

John Poindexter's attorney repeatedly accused chief Senate Iran-contra committee counsel Arthur Liman of asking misleading questions of the former national security adviser, a top target of a criminal probe.

Richard Beckler frequently interrupted questioning during Poindexter's second day of testimony before the House and Senate Iran-contra panels to accuse the committee counsels of belaboring points and prejudging his client's answers.

Beckler also claimed the committee is working hand-in-hand with special prosecutor Lawrence Walsh, who is conducting a criminal investigation of the scandal, and said his client is a primary target of Walsh's probe.

(Dana Walker, UPI)

Poindexter's Acts Raise Legal Questions

John Poindexter's testimony, including his admission that he destroyed a signed presidential "finding" authorizing an arms-for-hostages deal, raises questions about whether he obstructed justice or participated in a criminal conspiracy, legal experts said. But they said the crucial question is whether, at the time Poindexter destroyed the document, he knew there was a criminal investigation under way and acted with intent to impede it.

They also said Poindexter's destruction of the finding appears to violate a 1978 records preservation law that carries no criminal penalties but that could be used in building a case that Poindexter conspired to defraud the U.S.

(Ruth Marcus, Washington Post, A6)

WHITE HOUSE TRIES TO MEND FENCES WITH CONGRESS OVER COVERT OPERATIONS

The White House, signaling it wants to mend fences with Capitol Hill, said it has stopped all covert operations Congress might not have known about or which didn't meet new criteria.

At the same time, the White House will not abandon its contention that some members of Congress leak classified information to suit their own purposes.

Secret operations must now be legal, disclosed to Congress, supportive of U.S. policy and acceptable to the American people if they become public knowledge, according to policies drawn up by National Security Adviser Carlucci and the National Security Council staff.

Carlucci...has made many changes in the way the NSC operates, and the White House has been careful to disclose them as "reforms."

(Ann McFeatters, Scripps Howard)

White House Says It Would Discuss Covert Operations

The White House, seeking to patch up its relations with Congress in an effort to limit the political damage of the Iran-contra hearings, is willing to discuss with the House and Senate the sensitive issue of consultations about covert operations, presidential spokesman Marlin Fitzwater said.

President Reagan's aides also are considering opportunities for Reagan to comment on the findings of the congressional Iran-contra investigating committees when the hearings draw to a close next month. Chief of Staff Baker has ordered preparatory work for a possible presidential speech on the subject.

(James Gerstenzang, Los Angeles Times, A1)

Reagan Plans Speech, Not News Conference, When Hearings End

President Reagan, resisting pressure to respond now to revelations at the Iran-contra hearings, is likely to arrange a speech and not a news conference to address the nation when the hearings end, aides say.

"I'm to be making a statement when all this hearing is over," Reagan told journalists. "Then I'll be ready to talk."

A senior Administration official explained later that Reagan intends to make a speech after the hearings end, supposedly in the first week of August, "to say what he wants to say and how he wants to say it."

Speaking on the condition of anonymity, the official said the President would talk "not just to the media but to the American people." He thus indicated Reagan does not intend to be interrogated by reporters at a news conference.

Reagan also is considering a public statement of some kind in response to suggestions from Congress about how to improve communication between the White House and Capitol Hill regarding sensitive intelligence, aides say.

(Helen Thomas, UPI)

Officials Express Disappointment, Disagreement With Poindexter

President Reagan's spokesman disagrees with some statements made by John Poindexter on the Iran-contra affair, and another top Administration official says he is disappointed, but neither are directly criticizing the former national security adviser.

When asked after a Cabinet meeting for his reaction to Poindexter's revelations before the Iran-contra committees, Treasury Secretary Baker said, "Disappointment at some of them." He did not elaborate.

(Dale Nelson, AP)

Reagan Won't Comment On Admiral

President Reagan refused to comment on whether he had been deceived by John Poindexter.

But White House officials adopted a strategy of not criticizing the former national security adviser directly while at the same time sharply criticizing what he had done.

The approach came as the White House also indicated that Reagan planned a series of moves to repair any damage to his credibility caused by Poindexter's testimony.... (Gerald Boyd, New York Times, A7)

CONTRAS CASH IN ON NORTH'S NEW ACCLAIM

Oliver North's boffo performance at the Iran-contra hearings is paying big dividends -- for the contras.

Donations are pouring in, fund-raisers say. Opponents argue North's impact will pass.

"Our phones have been ringing off the wall," said Judith Rodriguez of the Nicaraguan Resistance, the main anti-Sandinista group backed by the Reagan Administration.

The White House hopes to exploit the surge in the polls with a presidential speech in August....

(Juan Walte & Tracy Walmer, USA Today, A1)

NORTH'S WEAPONS SUPPLIER TIED TO TERRORIST ABU NIDAL

Oliver North's secret arms network supplied Nicaraguan rebels with \$1.5 million in weapons bought in 1985 and 1986 from a Syrian smuggler tied to notorious terrorist Abu Nidal, according to records released by the congressional Iran-contra panels.

The weapons, apparently of Polish origin, were purchased from Manzer Kassar, a Damascus drug smuggler and arms merchant. The 42-year-old Kassar and his three brothers have built a multimillion-dollar empire on military deals in Eastern and Western Europe.

Administration officials, speaking on condition that they not be named, said Kassar has "clearly established" business links to the Abu Nidal terrorist ring, responsible for a November, 1985, Egyptair hijacking in which 57 people died and for December 1985, massacres in Rome and Vienna airports.

(Michael Wines, Los Angeles Times, A1)

EDITOR'S NOTE: "Results Of The Washington Post-ABC News Poll," appears in The Washington Post, A14.

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INTERNATIONAL NEWS

REAGAN SAID TO SEEK THATCHER THINKING ON ARMS CONTROL

President Reagan is expected to probe British Prime Minister Thatcher's thinking on why the Soviet Union is stalling on arms control progress when the two leaders meet today, a senior U.S. official said.

The senior official, who briefed reporters on background, said some U.S. officials believe that what they see as Soviet delaying tactics at the Geneva talks will continue all summer.

The one-day visit, in which Thatcher will meet with key aides as well as Reagan, is also expected to touch on the Persian Gulf war, the Middle East peace process, and Reagan's recent initiative to improve relations with Syria, the official said.

Other topics include congressional moves toward protectionism and the U.S. budget deficit. (Carol Giacomo, Reuter)

Thatcher To See Reagan On Key Topics

Neither President Reagan nor British Prime Minister Thatcher will wish to get side-tracked into the "never-never land of the Iran-contra affair" when they meet at the White House this morning, a senior Administration official says.

Thatcher's one-day visit to Washington for talks with Reagan and other U.S. officials, comes as a welcome change for the White House after the focus of the past week on the congressional hearings.

"We are very pleased she is coming here first after her stupendous election victory last month," said the official.

(Richard Beeston, Washington Times, A8)

Thatcher Urging Reagan Not To Abandon World Stage As Presidency Winds Down

British Prime Minister Thatcher, visiting President Reagan to discuss relations with the Soviets and the crisis in the Persian Gulf, says the world needs strong American leadership.

Thatcher, in her first visit to Washington since she won a third consecutive term as prime minister in June, brought a simple message: that in its remaining 18 months in office the Reagan Administration must not let politics and the Iran-contra affair distract it from leading the Western world.

In an interview with American journalists earlier this month, the British leader rejected the notion that the Iran-contra affair had reduced the Administration's ability to get things done on the world stage, notably to seize opportunities for an arms agreement. (Henry Gottlieb, AP)

Thatcher Visit Aimed At Bolstering Reagan

Prime Minister Thatcher left for Washington for a whirlwind visit that British commentators said was aimed at bolstering her old friend, President Reagan, in a time of need.

Government spokesmen said the Middle East, arms control and international trade would be the main topics of her talks with American officials.

But unofficial commentators unanimously decided her purpose was, as Philip Webster, the chief political correspondent of the London Times, put it, "to bolster Reagan's standing as the leader of the Western alliance despite his domestic difficulties over the Iran-contra affair."

The London Evening Standard newspaper said her aim is "to succor a President of the United States...to fortify Mr. Reagan's standing as leader of the Western alliance by giving him her unqualified support."

The Daily Express newspaper said she hoped "to put Reagan back on top" in the wake of his problems over the Iran-contra affair. (UPI)

U.S. FEARS SOVIET IMPERILS A SUMMIT BY STAND ON ARMS

Administration officials, frustrated and disappointed by recent Soviet attitudes toward arms control talks, say prospects for a fall meeting between President Reagan and Mikhail Gorbachev are fading.

The Administration had been hoping that Washington and Moscow could conclude an agreement banning short and medium-range missiles from Europe in time for the two leaders to sign a pact later this year.

But the atmosphere at arms talks in Geneva turned sour about two and a half weeks ago, officials say, and shows little sign of improving.

"Without some change in Soviet attitudes, the prospects for a summit are clouded," an official said. (Steven Roberts, New York Times, A1)

U.N. EXPECTED TO ACT ON GULF CEASE-FIRE BID NEXT WEEK

UNITED NATIONS -- The Security Council is expected to meet early next week to approve an order that Iran and Iraq halt their seven-year war, diplomatic sources said.

They said that the five permanent members of the council "took into account" some changes proposed by the nonaligned states, apparently clearing the way for what may be an historic, unanimous decision.

The proposed resolution threatens "further steps," meaning sanctions, to ensure compliance with the order for an immediate cease-fire.

(Reuter)

COAST GUARD CLEARS TWO KUWAITI TANKERS TO FLY U.S. FLAGS

The U.S. Coast Guard cleared the first two Kuwaiti oil tankers to fly U.S. flags and be protected by American naval forces in the Persian Gulf.

The White House said all that remained was for President Reagan to approve a date for beginning convoy operations in the strategic waterway where the Administration has vowed to protect 11 Kuwaiti tankers from attack by Iranian forces.

(Charles Aldinger, Reuter)

TECHNICAL ERROR ABOARD JET BLAMED FOR ATTACK ON STARK

The Iraqi pilot who fired on the USS Stark did so because a single switch on his sophisticated radar system was in the wrong position, a simple technical error that erroneously led him to believe the American warship had entered the Persian Gulf war zone.

Details of the mistake that led the pilot to fire two missiles at the ship, resulting in the death of 37 U.S. sailors, were revealed in recent interviews with Iraqi and U.S. officials by Insight [Washington Times] magazine. (Richard Mackenzie, Washington Times, A1)

IRAN THREATENS TO CUT TIES WITH PARIS

PARIS -- Iran threatened to break diplomatic relations with France unless armed police ringing the Iranian Embassy in Paris are removed within three days.

The French government, reacting to the ultimatum, reiterated that the police will remain on station to prevent escape by an elusive Iranian official wanted for questioning on suspected links to terrorist bombings last fall in Paris.

The two countries thus appeared headed for a formal break as a result of an increasingly bitter two-week standoff that has tattered Prime Minister Jacques Chirac's policy of seeking normalization with Iran.

(Edward Cody, Washington Post, A27)

Relations With Paris Imperiled, Iran Says

TEHRAN -- Iran said it was cutting its embassy staff in Paris and threatened to break diplomatic relations with France within 72 hours if a police siege of the embassy compound was not lifted.

"The embassy staff will be reduced to a minimum" before the deadline set for the lift of the siege, the official Islamic Republic News Agency said.

In Paris, the government of Premier Jacques Chirac refused immediate comment on the threat and police remained in place around the Iranian Embassy.

"The question of the removal (of police) is not being asked," said a spokesman for the French Interior Ministry, which is in charge of police. He refused to comment directly on the Iranian threat.

(Washington Times, A9)

U.N. ENVOY EXPRESSES NEW OPTIMISM ABOUT FREEING HOSTAGES

Gen. Vernon Walters, the U.S. envoy to the U.N., said Syria was working to free foreign hostages in Lebanon and that it should be clear in "a couple of weeks" if its efforts would be successful.

Walters, who held discussions with Syrian President Hafez al-Assad in Damascus on July 5, gave the timetable when asked if Assad had the power to resolve the hostage situation.

"In a couple of weeks I'll try to tell you," the veteran U.S. diplomatic troubleshooter told reporters at a White House news briefing.

Asked what he meant, Walters replied: "It's a question if he can locate them through intelligence and do something about it." (Reuter)

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Walters Hopes Syrian Trip Will Speed Hostages' Release

Vernon Walters, U.S. ambassador to the U.N., expressed hope that his recent meeting with Syrian President Hafez al-Assad will help obtain the release of hostages in the Middle East.

"I asked him (Assad) to do everything he could to bring about the release of these hostages and said it would have a positive effect in the rest of the world if he could find his way to do so," Walters said.

"He said he would try and see what he could do," Walters said, recounting discussions during his July 5-6 visit to Damascus. "I think it's a matter of honor for him to try and show what he can do. We'll know in a couple of weeks."

A "couple of weeks" could mean two weeks or eight weeks, Walters said. (Jeremiah O'Leary, Washington Times, A9)

'SATISFACTORY' LETTER SOLVES U.S. DISPUTE WITH GREECE

ATHENS -- A dispute between U.S. and Greek authorities over charges that Greek officials had contacts with an Arab terrorist organization was settled today, a government spokesman said.

Sotiris Kostopoulos said the U.S. had sent a written note on the matter that Athens regarded as "satisfactory."

The dispute erupted last month when U.S. Ambassador Robert Keeley presented a document to Foreign Minister Karolos Papoulias alleging Greek contacts with the group of Palestinian guerrilla leader Abu Nidal.

(Reuter)

PAKISTAN DENIES ORDERING MATERIAL FOR NUCLEAR WEAPONS FROM U.S. COMPANY

ISLAMABAD -- The government denied that it tried to buy a type of steel used for making nuclear weapons from a U.S. company and said it worried about possible damage to relations with Washington.

"Neither the government of Pakistan nor any of its agencies sponsored any violation of the export laws of the United States," said the spokesman, who was not identified in accordance with government rules.

He described as baseless an allegation by Rep. Stephen Solarz that Pakistan tried to export steel used in the enrichment of weapons-grade uranium. (Mohammed Aftab, AP)

U.S. Says Pakistan Must Act To Avoid Aid Cutoff Over Nuclear-Export Case

The Reagan Administration has told Pakistan that actions, not words, are needed to deal with the crisis of confidence caused by the arrest of a Pakistani native on charges he sought to illegally export sensitive U.S. material for Pakistan's nuclear weapons program, State Department officials said.

The U.S. message, delivered by Undersecretary of State Michael Armacost and U.S. Ambassador to Pakistan Arnold Raphel in conversations with Pakistani officials, did not specify what action Pakistan should take to repair the situation and avert a cutoff of U.S. economic and military aid, according to the sources. (Don Oberdorfer, Washington Post, A22)

JAPAN VOWS TO TOUGHEN TECHNOLOGY EXPORT POLICIES

Japan, seeking to defuse U.S. anger over a Japanese company's sale of sensitive technology to the Soviet Union, has vowed to toughen its export-licensing policies to prevent any repeat occurrence, the Commerce Department announced.

Japan's trade minister, Hajime Tamura, also promised Commerce Secretary Baldrige that his government would pursue its investigation of the sale "with a view toward criminal prosecution," according to a Baldrige spokesman. (Tom Raum, AP)

SOVIETS SCORE SILENT SUCCESS IN UNDERSEA RACE WITH U.S.

[Several incidents last year alerted the U.S. Navy to the fact that Soviet submarines had recently become much quieter and therefore harder to track.]

These disturbing events from the shadowy world of underwater eavesdropping accelerated the Reagan Administration's hunt for foreign companies that had sold the Soviet Union the machinery needed to make such propellers. Firms in Japan and Norway eventually were fingered as the culprits, straining relations with the U.S. Congress has reacted bitterly, moving to ban foreign companies responsible for the security breach from selling products in the U.S.

The longer-term consequence of quieter Soviet submarines is a shift in the U.S.-Soviet balance of power under the sea. How big a shift is now in dispute. But there is no dispute that Soviet subs have become significantly quieter, posing an unwanted new challenge to the Defense Department.

(George Wilson, Washington Post, A1)

AIR CRASH KILLS 6 AMERICANS IN EL SALVADOR Deputy Commander Of Military Group Among Victims On Medical Evacuation Flight

SAN SALVADOR -- Six American servicemen, including the deputy commander of the U.S. military group in El Salvador, were killed late last night when their helicopter crashed on the eastern outskirts of the capital, U.S. military and embassy spokesmen said. One American was injured.

Pentagon officials in Washington said Lt. Col. James Basile, 43, an Air Force officer from Chesire, Conn., and deputy commander of the military group, was among the dead. They did not release the names of the other victims pending notification of relatives.

There was no indication that the crash, which destroyed the U.S. military UH1H Huey helicopter, was caused by hostile gunfire or sabotage, the spokesmen said. A crash assessment team was conducting a full investigation today at the site. (Julia Preston, Washington Post, A27)

NATIONAL NEWS

BAKER SAYS FISCAL '87 DEFICIT \$20 BILLION BELOW EXPECTATION

Treasury Secretary Baker announced that the budget deficit for the fiscal 1987 will be \$20 billion less than anticipated, mostly because of the tax revision that produced an upsurge in revenue as of April 15.

After a Cabinet meeting one day before federal agencies were to submit \$13 billion in additional budget cuts for fiscal 1988, Baker said:

"The President is extremely pleased to note that the fiscal 1987 deficit is going to be reduced significantly more than we originally anticipated. We think that we'll see a deficit reduction in the neighborhood of \$66 billion, down to a level of \$155 billion or so, which is of course significantly below the \$175 billion we originally anticipated." (UPI)

Baker Sees \$20 Billion Improvement In Deficit Picture

Increased revenues and other developments have improved the prospects for deficit reduction in the current fiscal year by about \$20 billion, the Reagan Administration said.

Treasury Secretary Baker, speaking to reporters after a Cabinet meeting on the budget, said the latest figures indicated the deficit can be reduced to about \$155 billion.

"We are a good ways through the fiscal year, so there is good reason to think this will hold up," Baker said.

At OMB, an official who declined to be identified said tax law changes would increase revenues by about \$27 billion, but this would be offset by about \$10 billion in losses, for a net gain of \$17 billion. This official said other factors, mainly new legislation, accounted for the remaining \$3 billion of the difference. (Dale Nelson, AP)

DOLE TELLS FAA TO BOOST SECURITY

Transportation Secretary Dole ordered the FAA to get tougher with airlines, and impose fines for lax security at passenger checkpoints.

Dole, in releasing a task force report on airport security, said the task force found that while an overhaul is not needed, "the system must be strengthened" by the air carriers. (AP)

BIDEN ACCUSED OF UNFAIRLY DELAYING BORK HEARINGS

A Republican senator accused the Democratic chairman of the Senate Judiciary Committee of unfairly delaying confirmation hearings on Robert Bork's nomination as a Supreme Court justice.

Bork was named July 1 by President Reagan to replace retiring Justice Lewis Powell. Judiciary Chairman Joseph Biden said Bork's confirmation hearings would not start until Sept. 15...

New Hampshire Sen. Gordon Humphrey said a study by the Congressional Research Service found this was a far longer period than the average of 18 days between nomination and the start of confirmation hearings for the last 15 Supreme Court nominations.

"The study shows Sen. Biden's delaying tactics are unfair, unreasonable and unprecedented in modern times," Humphrey said at a news conference. (Reuter)

KOOP BELIEVES U.S. LIKELY TO URGE
AIDS TEST FOR ALL SURGERY PATIENTS

Surgeon General Koop said the Public Health Service is likely to recommend routine AIDS tests for all hospital surgical patients.

"In spite of my feeling that mandatory testing leads down a dead end that is very costly without much effect, we could voluntarily test surgical patients," Koop said.

He cited a "growing health problem" of surgeons and nurses who refuse to participate in surgery because they fear exposure to the deadly disease.

(Any Bayer, Washington Times, A1)

NOFZIGER INDICTMENT SAID READY
Charges May Stem From Lobbying Since Leaving White House

Former White House political director Lyn Nofziger, a longtime adviser to President Reagan, has told associates he expects to be indicted today on charges stemming from his lobbying activities after leaving the Administration on behalf of Wedtech Corp., informed sources said.

Nofziger has told the associates he also expects his business associate, Mark Bragg, to be charged, the sources said. Independent counsel James McKay has scheduled a news conference for this morning to announce the indictment, which apparently has been returned and will be disclosed today, according to a source familiar with the investigation.

(David Hoffman, Washington Post, A1)

Nofziger And His Partner Indicted In Lobby Probe

A federal grand jury indicted Lyn Nofziger, President Reagan's former political director, and a partner in Nofziger's Washington-based public relations firm on charges of illegal lobbying activities, sources close to the case said.

The charges, made in sealed indictments that are expected to be made public today, will say that Nofziger violated conflict of interest laws that prohibit top government officials from lobbying their former colleagues for 12 months after they leave office, the sources said.

(Ronald Ostrow & Robert Jackson, Los Angeles Times, A1)

DEAVER TRIAL POSTPONED TILL OCTOBER
Judge, Overruled On Private Jury Questioning, Blames News Media

U.S. District Court Judge Thomas Penfield Jackson postponed until Oct. 19 the perjury trial of former White House Deputy Chief of Staff Michael Deaver, blaming the news media for an appeals court decision that he said destroyed his ability to preside over the case.

"I am also satisfied that the several interpretations of these proceedings occasioned by the news media's efforts...have left an impression in the minds of the panel that it is the news media, not the court, who dictates the pace of the trial and the manner of the proceeding," the judge said later in a written opinion.

(Bill McAllister, Washington Post, A1)

NETWORK NEWS SUMMARY

(Thursday Evening, July 16, 1987)

IRAN-CONTRA HEARINGS/POINDEXTER

NBC's Tom Brokaw: Former National Security Advisor John Poindexter, appearing for a second day before the joint congressional committee investigating the Iran-contra affair repeatedly said, "I can't recall" when asked about some of the most controversial aspects of the scandal. Poindexter, who is also the target of a possible criminal charge, navigated very carefully through a series of precise questions.

NBC's John Dancy: Again today Adm. Poindexter arrived for the hearings in civilian clothes. His wife, Linda, an ordained Episcopalian priest, wore a clerical collar. Poindexter relieved that one of his conversations with former CIA Director William Casey had been taped by the CIA. Poindexter had called Casey, who was out of the country, to talk about testimony Casey was to give to a congressional committee.

(Poindexter: "In fact I think you have a tape of that conversation in one of your exhibits. I did not realize the conversation was taped at the time, but I guess the CIA taped it.")

While the conversation reportedly contained no new information, one committee member was startled to find out about the taping itself.

(Sen. Nunn: "This raises a great concern and questions about what the CIA tapes and what they do with that, what the rules are.")

Committee sources say their investigators have found no other significant taped conversations between Casey and North, for example. Poindexter also testified today that President Reagan, despite his statements to the contrary, knew the NSC was quietly supporting the contra.

(Poindexter: "In a general way he understood that the contras were being supported and what we were involved in generally in coordinating the effort and he was aware of the status of the contras in the field. The kinds of things that he was briefed on, I think, would have made that clear.")

For example, Poindexter testified yesterday that Mr. Reagan knew about this air field in Costa Rica built to air drop supplies to the contras.... Poindexter insisted that sort of help was not forbidden by law because the air strip was built and operated with private funds. Sen. Mitchell blasted what he called "patterns of lying."

(Mitchell: "If high officials of the executive branch come before the legislative branch and deliberately and repeatedly lie and make misstatements, we are not going to be able to have an effectively functioning democratic government.")

Throughout the hearings Poindexter, a man of demonstrated intellectual ability and achievement, was troubled by faulty memory.

(Liman: "Did Don Regan ever ask you what you knew about the diversion?")

Poindexter: "I don't recall his doing that."

Liman: "Did he ever ask you whether you had told the President?"

Poindexter: "I don't recall his doing that.")

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Dancy continues: One committee member said he does not believe Poindexter's testimony yesterday that he did not tell President Reagan about the diversion of money to the contras.

(Rep. Stokes: "I have some very serious reservations about the question of whether or not he's telling the truth on this aspect of his testimony.")

Today's session was noticeably lacking in electricity. Some committee members say this is a suspense novel which has lost its suspense. That may be one reason the committee now hopes to wrap up its work a week early -- by the end of July.

Brokaw: It turns out that November 21, 1986, was an especially busy day at the White House and a review of the testimony reflects some of what the special prosecutor may be investigating for possible criminal charges. Attorney General Meese recommended a fact finding session on what had happened a year early when the President had signed a finding authorizing the Iran arms sale. And on Nov. 21 the President agreed with Meese. The Attorney General then told Poindexter to pull together documents to be reviewed -- among them the original finding. Poindexter thought it would be politically damaging, so he destroyed it. Oliver North came to his office with a personal notebook that also showed the President's approval of arms for hostages. North said he would destroy that notebook. North also said that Poindexter told him at that time that the President did not know of the diversion of profits to the contras. Poindexter said today he does not recall that conversation with North. Meese then called to say that the Justice Department lawyers would be over to look at the files the next day. Oliver North continued his shredding. Poindexter briefed the House and Senate Intelligence Committees on Nov. 21 but he did not tell them of the arms for hostages and the diversion or that he knew that the HAWK anti-aircraft missiles had been shipped at the time that Israel sent them to Iran. At the White House spokesmen say that President Reagan was unaware of these efforts to cover up.

NBC's Chris Wallace: The President still wasn't talking about the hearings today, waiting to make sure there really are no more damaging allegations.

(The President: "I am going to be making a statement when all of this hearing are over.")

But the White House wasn't waiting. Cabinet officials outside announced that with Poindexter saying the President wasn't told about the diversion, the scandal is largely over.

(Secretary James Baker: "Well it certainly answers the question of whether or not the the President did or didn't know, don't it? Rather conclusively it seems to me.")

(Secretary Baldrige: "Did he know about the diversion to the contras? He's always said he didn't and that's been proven to be true, so that removes a major hurdle.")

The White House said it's working to make sure it couldn't happen again, noting that under Poindexter's replacement, Frank Carlucci, the NSC has briefed Congress on all covert operations. And spokesman Marlin Fitzwater, while not mentioning Poindexter by name, condemned officials who make decisions and don't tell the President -- calling that "subverting the system."

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Wallace continues: But try as he might to put the scandal behind him, Mr. Reagan still has problems. Poindexter said today the President knew about NSC efforts in Nicaragua, directly contradicting Mr. Reagan's testimony to the Tower Board last January that he didn't know that the NSC staff was engaged in helping the contras. The President held to that position for months, until the Iran-contra hearings revealed Mr. Reagan did have some knowledge.

(The President on May 15: "Yes, I was kept briefed on that. As a matter of fact, I was very definitely involved in the decisions about support to the freedom fighters. It was my idea to begin with.")

Today spokesman Fitzwater continued to deny the President knew about military aid to the contras. When asked to clear up all the conflicts, he said, "they are going to stay in conflict." ...Today a top U.S. official said Mr. Reagan's credibility may even have been harmed overseas -- suggesting the Soviets may have slowed down arms negotiations to see if a weakened President will give them a better deal. (NBC-Lead)

ABC's David Brinkley: Tonight some reaction from the American people to the television extravaganza of Col. North, Adm. Poindexter and all those others. A new ABC News-Washington Post poll shows that people are highly skeptical when Adm. Poindexter said he did not tell President Reagan about the Iranian money going to the contras -- 48 percent thought he was telling the truth; 44 percent thought he was not. Asked if they felt the President knew about all of this before it became public in Nov. -- 64 percent did not believe him; 31 percent did. And did Col. North's dramatic testimony...change public attitudes about aiding the contras? The answer seems to be yes. Those in favor rose from 29 to 43 percent. Those opposed fell from 67 to 46 percent.

Poindexter Did Not Tell the President:

Believe him: 48%

Don't believe him: 44%

Did Reagan Know Before November?

Yes: 64%

No: 31%

Aid To Contras

| | NOW | JUNE 1 |
|--------|-----|--------|
| Favor | 43% | 29% |
| Oppose | 46% | 67% |

Adm. Poindexter told investigating committees yesterday that it was he who kept information from the President, kept it from Congress and followed a pattern of doing it. Today he told the committee how it cost him his White House job.

ABC's Brit Hume: John Poindexter, the man with the smoking pipe but no smoking gun, provided further detail of his last days in the Administration as the Iran-contra affair came to light and the Attorney General came to see him at the White House.

Hume continues:

(Poindexter: "He started off by saying, 'I assume you are aware of the memo that we found in Ollie's files.' I said, 'Yes.' He said, 'Where you aware of this?' I said that I was generally aware of the plan to transfer funds and that I told him that I was prepared to resign.")

Poindexter said he did not tell Meese that he had authorized North's actions.

(Poindexter: "I did not want to provide that detailed information at the time because I wanted the President and his staff to be able to say they didn't know anything about it.")

Liman: "Is a fact that the Attorney General didn't ask you whether you had told the President?"

Poindexter: "I do not recall his asking me whether I had told the President or his asking me whether I had approved it.")

The next morning, Nov. 25, 1986, Meese summoned Poindexter to his office at the Justice Department and told him it was time to submit his resignation to White House Chief of Staff Don Regan.

(Poindexter: "I went back to my office, sat down to eat my breakfast, and a few minutes later Don Regan came in and I told him that I was going to resign.")

Poindexter said Regan didn't ask him what he knew about the contra money or whether he had told the President. Later that morning he met with the President in the presence of Meese, Regan, and Vice President Bush.

(Poindexter: "I said, 'Mr. President, I assume that you are aware of the paper that Ed Meese has found that reveals a plan to transfer funds to the contras. I was generally aware of that plan and I would like to submit my resignation to give you the necessary latitude to do whatever you need to do.' And the President responded and said that he had great regret and this was in the tradition of a naval officer accepting responsibility. And I shook hands with everybody and left the office. That was the last time I saw the President.")

That was the day of the famous Reagan-Meese news conference when the contra fund diversion was disclosed and a criminal investigation announced. It was, it seemed, that investigation that kept the question of what of President knew from being immediately answered.

(Liman: "Can you tell us why you didn't then stand up and say, 'I, Adm. Poindexter, made the decision and did not tell the President of the U.S.'")

Poindexter: "I did not want to make that kind of decision until I had had an opportunity to consult with attorneys and after I did, I followed the advice of my attorneys.")

Poindexter acknowledged withholding information from Congress repeatedly on the Iran arms sales, said he was unaware of any plan to make him a scapegoat.... He said he did not regard North's operation as covert action in the sense the law means it. Most committee members have either said nothing, or said they believe Poindexter's story. Rep. Stokes was one exception today.... It also came out today that there was a CIA tape of phone call between Casey and Poindexter....

ABC's Sam Donaldson: During a photo opportunity with his cabinet, the President was covered with questions....

(The President: "I am going to making a statement when all of this hearing is over and then I will be ready to talk. But I don't think I'm going to make any comment until the hearings are over.")

But through Marlin Fitzwater the President let it be known he feels betrayed by Adm. Poindexter's conduct. Said Fitzwater -- anytime the President is not allowed to make decisions that are presidential, he has been done a disservice. Fitzwater said the correct presidential decisions making process had been subverted. The question Mr. Reagan's first term chief of staff suggested was one of not having the right people around.

(James Baker: "In the final analysis, you've got to depend on making sure that you have the right people and that they share with the President those matters that the President deserves to have shared with him.")

Adm. Poindexter may have been a great help to the President in his key testimony in the contra money diversion, but the picture being painted of him here today is of a discredited aide who has done great harm to the President in secretly authorizing the diversion in the first place. It is a picture consistent with the President's claim that he was kept in the dark and one absolutely essential to project in the uphill fight to convince a doubting public that that claim is the truth.

(ABC-Lead)

ABC's Karen Burnes reports on how Col. North supposedly carried out covert work. (ABC-3)

CBS's Dan Rather: Admiral Poindexter has been questioned closely for a second day. Today's questions centered not so much on what he said to President Reagan, but more on whether Poindexter is to be believed.

CBS's Phil Jones: Today investigators began to challenge the credibility of Poindexter as he was unable to recall crucial events of the Iran-contra affair and as he stuck to his claim that he never told the President about the contra diversion....

(Liman: "So you created a situation where it would be only your word to corroborate that of our commander?"

Poindexter: "That is correct.")

...Poindexter also took the blame today for directing North to prepare a chronology that some had charged was phoney.

(Poindexter: "I specifically told him to leave out the transfer of fund to the contras.")

Liman: "Did anybody at the White House ask you to prepare inaccurate chronologies?"

Liman: "Absolutely not.")

And Poindexter admitted that he had not stopped North from destroying a notebook with documents showing the President had approved the shipment of HAWK misisles to Iran.... Poindexter's testimony also raised further questions about Attorney General Meese's initial investigation when the scandal broke last Nov. Poindexter told Meese he was generally aware of the diversion.... According to Poindexter, he was not questioned about the diversion by White House Chief of Staff Donald Regan.... Meese finally told Poindexter it was time to resign.

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Jones continued: At the resignation meeting with the President and others, Poindexter said he was leaving to give the President the latitude to do whatever he needed to do. While Poindexter was a key witness, there are still questions to be answered -- like the complicated money trail, the Swiss bank accounts and the role of Attorney General Meese.

(Sen. Hatch: "I do think the committee has to button up the rest of it. That means Meese, that means Shultz, that means Weinberger. And I suspect we are going to see some Meese-bashing before it's over because that's the only other way they can damage this President.")

The heat of these hearings has certainly subsided. But as one key Republican put it today, the facts that have emerged are cold and chilling as the committees prepare to deal with their most serious question of what to do to make sure it never happens again.

CBS's Bill Plante: President Reagan still wasn't talking today.

(The President: "I'll make my comments when it's all over.")

But the White House staff went on the offensive. Mr. Reagan's spokesman, in an obvious reference to Adm. Poindexter, said the President is done a disservice when he's not allowed to make presidential decisions. A former chief of staff agreed.

(James Baker: "The President runs this place. It's a little bit difficult for him to do it when there are things out there that he doesn't know about.")

But Poindexter's testimony has raised questions beyond whether Mr. Reagan was told about the diversion of funds -- questions of consistency and credibility. For example -- did the President authorize the NSC staff to aid the contras? This January Mr. Reagan told the Tower Commission he did not know that the NSC staff was engaged in helping the contras.... In fact, by May, the President remembered things very differently.

(The President: "As a matter of fact, I was very definitely involved in the decisions about support to the freedom fighters -- it was my idea to begin with.")

Is this kind of confusion damaging Mr. Reagan's efforts to bounce back from the Iran-contra scandal? ...The President's staff is trying hard to deflect the notion that he's been damaged. But despite a general sense of relieve around here, there is still lot of uneasiness about what Poindexter may yet reveal and about testimony yet to come --the Attorney General, the Secretaries of State and Defense.

(CBS-Lead)

CONTRA VICTORY

Brinkley: The Administration tell us tonight about what they call a major contra victory, perhaps one of the most important of the war. The contras claimed to have overrun a Nicaraguan brigade headquarters. It is deep inside the country and is described as a major military base.

(ABC-2)

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NOFZIGER

Brokaw: President Reagan is due for another jolt tomorrow when a special prosecutor will announce the indictment of his former White House aide Lynn Nofziger. NBC had learned that a grand jury acted today on the indictment charging Nofziger asked for White House help in getting an Army contract for the Wedtech Corporation.

(NBC-2, CBS-3)

DEAVER

Brokaw: The trial of former White House aide Michael Deaver for perjury was delayed until mid-October while lawyers appeal a ruling that jury selection, in this case, must be open to the public.... He is the first person to be tried under the Ethics in Government Act.

(NBC-3, CBS-3)

PERSIAN GULF POLICY

Rather: A word came down today from the Coast Guard -- it cleared the first two Kuwaiti tankers for U.S. reflagging and Persian Gulf U.S. Navy protection. A Coast Guard spokesman said all they are waiting for now is President Reagan's official go-ahead. The President could launch the convoy before next Wednesday.

(CBS-7)

NBC's John Chancellor's commentary: Next week in the Persian Gulf the U.S. Navy will begin taking sides against Iran in the Iran-Iraq war. Navy ships will convoy tankers which belong to Kuwaiti.... Which brings us to a paradox: The U.S. says it wants to keep the Persian Gulf open, but if the U.S. wants Iran to lose, the way to do it is to close the Gulf. Iraq and Iran finance their war by selling oil. None of Iraq's oil goes by sea -- it goes through pipelines. But every drop of Iran's oil goes by sea....

(NBC-9)

CHOPPER CRASHED IN EL SALVADOR

Brokaw: In El Salvador the crash of a U.S. military helicopter has killed six U.S. military personnel including the second in command at of the U.S. military group in that country. The crash occurred in a heavy rain storm about 15 miles east of the capitol....

(NBC-5, ABC-7, CBS-4)

ISRAELI TRAVEL ADVISORY

Brokaw: The State Department says that a growing number of American are being harassed on entering Israeli and the department is on the verge of issuing an unprecedented travel advisory warning to Arab Americans and black Americans on the trouble that may await them in Israeli.

NBC's Anne Garrels:The U.S. State Department says such actions against American citizens are unjustified.

(Charles Redman: "As I've said before, we're certainly are continuing to express our deep concern to the Israeli government about discriminatory and arbitrary treatment of some American citizens.")...

(NBC-8, ABC-5)

EDITORIALS/COLUMNISTS

IRAN-CONTRA HEARINGS/POINDEXTER

What Reagan Didn't Know -- "Unless other evidence or testimony unexpectedly is produced, the President has been shielded from the diversion scandal.... Reagan's innocence comes as no real surprise, especially considering his super-delegatory style. But in some ways, that innocence is more troubling than his possible complicity. Look at it like this: What's worse, a president who's in control and makes a few bad judgments, or a president who doesn't know what his own White House is doing?"
(Cleveland Plain Dealer, 7/16)

Poindexter: Lots Of Smoke, Even Without 'Smoking Gun' -- "On a more complex level, questions remain about the wisdom of pursuing policies that from the outset were considered so indefensible as to require keeping the President in the dark -- or, at least, out of view.... The secrecy, however, became to prescription, not preventative, for disaster -- allowing ventures that could not pass the test of good sense to flourish. As another sadder-but-wiser former NSC adviser, Robert McFarlane, observed Monday: In an unaccountable White House 'the temptation to go beyond prudence is irresistible.'"
(Philadelphia Inquirer, 7/16)

A Strange Kind Of Service -- "Taking Adm. Poindexter's testimony at face value, you would still have to say that 'protecting' the President in his particular way, Adm. Poindexter blinded him and let him inflict upon himself repeated political wounds. The admiral's particular sense of duty -- actually a very peculiar sense, since it virtually writes off consultation with Congress -- came across strong. Still, his has a very strange and narrow idea of service to the President.... More needs to be known of the dispersal of information and authority in the Administration's upper reaches and in particular of the discrepancy between the five memos on the diversion that North testified he sent up the chain and the one -- only one -- that Adm. Poindexter reported he received."
(Washington Post, 7/16)

The Buck Stops Where? -- "Adm. Poindexter's testimony that he never told the President about the diversion of Iranian arms sales funds to the contras was like one of those old good news/bad news jokes. The good news is that President Reagan has not been engaged in lying and cover-up in the Nixonian Watergate fashion. The bad news is that the President was not in charge of things.... The central concern raised by Poindexter's testimony is that a belief in so-called 'laid-back management style' resulted in extremely far-reaching decisions being made by unelected White House subordinates. Mr. Poindexter felt it was his duty not to inform the President of a serious policy decision so as to protect him from political and diplomatic embarrassment. Harry Truman must be twirling in his grave."
(Baltimore Sun, 7/16)

IRAN-CONTRA HEARINGS/NORTH

North Is Not Hero -- "Lt. Col. Oliver North is not hero.... I guess you have to give North credit. He's turned himself into a willing scapegoat. He's a noble martyr who wraps himself in the flag and speaks of fighting for freedom, all the while speaking of his admiration and support for William Casey's 'secret government' plan. I'll give him credit for that, but his popularity is a pathetic commentary on America's need for heroes."

(Shawn Sensiba, Dixon Telegraph, 7/13)

A Self-Financing Rogue Agency -- "There is a place for covert operations in a democracy, but only if those who run them are accountable to the President and at least to some leaders in Congress. If Col. North is to be believed, Mr. Casey envisioned a rogue agency accountable only to himself. The Iran-contra hearings can result in nothing more than emphasizing democratic values and the need for government officials who respect the law."

(Hartford Courant, 7/15)

The Cure For Olliemanía -- "Olliemanía, of fervent admiration for Lt. Col. Oliver North as a patriot and potential leader, is said to be an epidemic sweeping the country. If so, there is a handy cure: It consists of the Constitution, common sense and this country's long history of regaining its balance after nearly tipping over.... The consensus about Col. North may last -- that he is a patriotic fellow who sincerely believes in his mission and his right to carry it out on orders of his superiors. What will not last is his view that some people are so much more right than others that they are entitled to ignore laws."

(Chicago Tribune, 7/15)

North's Last Stand -- "North's convictions are not necessarily those of Congress, and therein lies the fundamental failure of the White House's policymaking: The belief that only ideologues can rightly protect policy. In this case, that moral arrogance has led the White House to support democratic principles in Central America by trashing them in the U.S. There's nothing neat about that, nor the slap-dash management that has fostered it."

(Cleveland Plain Dealer, 7/15)

Keeping Perspective -- "The public reaction tells us something...about today's America -- where people may be looking for a hero or a scapegoat, rather than an answer to a perplexing set of questions. The question that must be raised is whether the substance of the investigation -- the dangers of a secret foreign policy outside normal government control -- is being overpowered by televised political theater.... North's testimony has revealed that he, and others, essentially elevated themselves to the position of appointed guardians of the republic, guardians who believed themselves more dedicated and more knowledgeable than those elected by the people. Under such a system, the people surely are shortchanged."

(Dallas Morning News, 7/14)

The Ollie Show -- "Few events in recent years...have so grabbed the attention and emotions of the American public as has North's televised appearance.... He obviously believes his actions as National Security Staff member were not only legal but also proper, and his testimony, tailored to the TV camera, has persuaded many Americans that he is correct."

(Forth Worth Star-Telegram, 7/11)

LETTERS TO THE EDITOR

IRAN-CONTRA HEARINGS/NORTH

"I put Ollie North in a class with Nathan Hale, Patrick Henry, Paul Revere and all the great men who made this great country. For a long time our youth had no hero to look up to. Not anymore. God bless you, Ollie. Hopefully the people who elected the lousy liberals will wake up and vote for men who want to keep us free."

(M. DeRepsinis, Queens, New York Post, 7/15)

"I am not believing this. Ollie North wears his Boy Scout uniform up the hill, and openly admits lying on a day-to-day basis, even to the Congress of the U.S., and the American public thinks the poor boy is abused when the investigatory committee puts a little heat on him. Give me a break! ...It is time for North and the committee to get to the bottom of this charade."

(John D. Zeigler, Tyler, TX. Dallas Morning News, 7/15)

"After viewing the unmerciful brow-beating directed at Lt. Col. North by elected officials bloated with hubris, I am prepared to embrace North's proposal that the U.S. transfer hegemony to military law during national emergency. Having lived through four wars and observing the aftermath of those wars, I am convinced that peace-loving politicians are directly responsible for all the miserable conditions that confound the world. Col. North's contingency scenario of martial law is an idea whose time is now. It should be explored and Americans given the opportunity to vote on the proposal."

(Dub Hicks, Chula Vista, CA., San Diego Tribune, 7/14)

"I can't believe what you have published about Lt. Col. Oliver North's testimony in the Iran-contra hearings. I have watched the hearings on television from the beginning and your report on the North testimony is inaccurate and exactly opposite that of most Americans.... So far, the score is Oliver North, 4: Congress and the news media, 0. The American people have spoken."

(Walter S. Kenton Sr., Towson, Baltimore Sun, 7/16)

"Like that of his commander in chief, President Reagan, Lt. Col. Oliver North's popularity increases each time he defends his actions, no matter how illegal or immoral, under the guise of 'patriotism.' Are we to assume that breaking the law and lying because it serves our purposes is the lesson we want our children to carry with them throughout their lives? ...What America really needs is... more understanding of and respect for the democratic institutions through which this country has become a great nation."

(Andrew Serio, Stafford, VT. Hartford Courant, 7/16)

"North's loyalty and desire for bold, decisive action appeals to those who want to see something finally get done in the slippery world of politics. His willingness to 'take the fall' seems courageous. Hence, our sympathy, despite his arrogant neglect of Congress and the law, his impatience with the democratic process, and his blind acceptance of conservative ideology. But where are those who urged him on, like a faithful terrier? Are they so honorable?"

(Jeffrey Broadbent, E. Calais, VT., Christian Science Monitor, 7/15)