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# News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, JULY 20, 1987 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

U.S., Saudis Help Kuwait Clear Mines From Gulf -- The U.S. and Saudi Arabian navies helped Kuwaiti divers clear mines from the Persian Gulf to prepare for trips by 11 Kuwaiti tankers that will be reflagged and protected by the U.S., officials said. (Washington Post, Washington Times, AP, Reuter, UPI)

### IRAN-NICARAGUA

Ex-White House Clerk Differs With Poindexter -- A former White House aide, contradicting a key point in the testimony of John Poindexter, has told investigators that he saw two secret memoranda proposing the diversion of profits from Iranian arms sales to the Nicaraguan rebels, congressional sources said. (Los Angeles Times, AP)

### NATIONAL NEWS

Homosexual Considered For AIDS Panel -- President Reagan tentatively plans to name a homosexual to a federal advisory committee that will investigate the AIDS epidemic, Administration officials said. (New York Times)

### NETWORK NEWS (Sunday Evening)

**NICARAGUA** -- The Sandinista government celebrated the 8th anniversary of its coming to power.

**IRAN-CONTRA** -- With the most damaging testimony already out now, President Reagan's aides are deciding how he can regain his momentum.

**PERSIAN GULF** -- U.S. naval forces are finishing up preparation to protect Kuwaiti tankers in the Persian Gulf.

### HAIR'S OLLIE?

The "Oliver North" look has done for male tonsorial experts what Lady Di did for hairdressers. On the other side of the ledger, there doesn't seem to be a market for John Nields haircuts.

(Washington Times, 7/16)

## **INTERNATIONAL NEWS**

### **U.N. VOTE SEEN A KEY IN GULF**

**Iran Spurns Truce, But May Be Willing To Halt Sea War**

KUWAIT -- As the U.S. military presence and threats from Iran have escalated prior to this week's inaugural voyage of a Kuwaiti supertanker flying the American flag, Western diplomats here are hoping that a U.N. vote Monday for a cease-fire in the Persian Gulf War will forestall any direct confrontation involving the U.S.

Amid preparations for the U.S. "reflagging" of 11 Kuwaiti tankers, a U.S. Navy minesweeping team today cleared or detonated eight mines at the channel entrance to Kuwait's oil loading port. A Kuwaiti Defense Ministry spokesman said that the team worked with Kuwaiti helicopters and Saudi Arabian naval vessels in the minesweeping operation.

Diplomats here said recent public statements by Iran -- that it will attack gulf shipping only in retaliation for Iraqi strikes on its oil facilities and tankers -- have created an opportunity to defuse the rapidly mounting tensions along this strategic waterway.

"When it comes to reflagging operation this week," one Western diplomat said, "there is a good chance, if everyone behaves according to his public statements, that the tanker war will cease and the first reflagged ships will pass unmolested through the gulf.

(Patrick Tyler, Washington Post, A1)

### **Kuwait Clears Mines From Channel Ahead Of U.S. Convoys**

MANAMA, Bahrain -- Kuwait said it had cleared mines from a channel leading to its main oil export terminal as the U.S. Navy made final preparations today to escort the emirate's tankers on hazardous voyage through the Persian Gulf.

Iran...said any "uncalculated" U.S. move could lead to a wider crisis in the region.

Tehran gave conflicting signals, however, on a possible response to a U.N. Security Council resolution calling for a cease-fire in its nearly seven-year-old Gulf War with Iraq.

Iranian President Ali Khamenei, quoted by the national news agency IRNA, said a draft cease-fire resolution before the Security Council would be worthless unless it took a neutral position on the war.

But Khamenei, who said Iran had not been informed of the resolution's contents, did not repeat the outright rejection on Saturday by Foreign Minister Ali Akbar Velayati. (Reuter)

### **U.S., Saudis Help Kuwait Clear Mines From Gulf**

KUWAIT -- The U.S. and Saudi Arabian navies helped Kuwaiti divers clear mines from the Persian Gulf to prepare for trips by 11 Kuwaiti tankers that will be reflagged and protected by the U.S., officials said.

"The entrance of the Kuwaiti seaport of Al Ahmadi was tonight completely cleared of sea mines," a Defense Ministry spokesman said in a statement Sunday night. (Robert MacKay, UPI)

### Shultz Joining U.N. Call For Cease-Fire; Iran Says It Will Keep Fighting

Secretary Shultz and Western foreign ministers gathered at the U.N. to adopt a cease-fire resolution in the Persian Gulf War even as the U.S. diplomatic triumph was marred by an Iranian threat to keep fighting.

Iran's foreign minister, Ali Akbar Velayati, said on Tehran Radio that the U.S.-engineered resolution was an excuse for American intervention in Iran's nearly seven-year-old conflict with Iraq. He was quoted as saying the U.N. draft was defective because it failed to punish Iraq as the aggressor.

Shultz was prepared for Iran's rejection of the cease-fire order. American diplomats have been lobbying for weeks for approval of a follow-up resolution to slap an arms embargo on Iran if it does not comply. It would be put to a vote in late summer. (Barry Schweid, AP)

### Iran Says It Will Reject U.N. Resolution On War

NICOSIA, Cyprus -- Iran said it will reject a U.N. resolution aimed at ending the Iran-Iraq war because the measure fails to label Iraq the aggressor and it amounts to an excuse for U.S. military intervention.

Iraq has strongly supported the resolution, and a Kuwaiti newspaper, al-Seyasseh, reported that Baghdad will sharply curtail its military operations in the Persian Gulf upon adoption of the resolution.

Although most U.N. delegates refused to discuss the resolution's contents, a West German Foreign Ministry spokesman divulged some details last week. "It has a binding effect. If one side or both sides do not abide by it, then the Security Council is called on to enforce the resolution," he said.

The spokesman, who spoke on condition of anonymity, said enforcement measures range from an economic boycott to "military action." He would not elaborate. U.S. officials support a follow-up arms embargo measure against Iran if Tehran does not comply with the resolution.

(Martin Marris. AP)

### U.S. Is Poised To Fire On Iranian Attackers

MANAMA, Bahrain -- American warships escorting tankers into troubled Persian Gulf waters will run a gauntlet of Silkworm missiles, high-speed motor launches and mines, shipping sources said.

Shipping sources say Iran is capable of threatening the U.S. convoy throughout the 550-mile trip from the Strait of Hormuz at the mouth of the gulf to Kuwait at the other end.

A special report to The Washington Times said recent exercises by Iranian naval forces and irregular commando units of the Revolutionary Guards have convinced intelligence analysts that Iran intends to make good its threat to attack U.S. naval units in the gulf. Those analysts said the Soviet Union, with long-range ambitions in the Persian Gulf, would be a major beneficiary of such a clash and may, in fact, be encouraging the Iranians.

Stephen Jukes, Washington Times, A1)

## OIL PRICES RISE ON GULF FEARS BUT RESERVES SEEN AMPLE

NEW YORK -- Oil prices have risen to their highest levels since January 1986 on fears that supplies could be affected by a confrontation between the U.S. and Iran when U.S. ships begin escorting Kuwaiti oil tankers, U.S. oil analysts said.

But they said any confrontation may not significantly reduce the flow of oil through the Persian Gulf and that even if it did, many governments have ample stocks to meet any short-term crisis.

Most analysts canvassed yesterday believed any confrontation sparked by the Navy escorts, expected to begin on Wednesday, would blow over quickly.

"Most analysts don't believe Iran could shut down operations in the Persian Gulf for more than a week because the U.S. naval presence in the region is simply too large and its capability of meeting most threats Iran could pose too great," said William Randol, oil analyst with First Boston Corp.  
(Ted D'Afflisio, Reuter)

## FRANCE PURSUES EVACUATION TALKS BUT STANDS FIRM ON GORDJI

PARIS -- France is pursuing negotiations with Iran on the evacuation of diplomatic staff from Tehran and Paris, but it is standing firm on its demand that an Iranian embassy interpreter testify on alleged terrorist links.

"This (demand) is not negotiable. We are a state that follows the rule of law and we will not compromise this rule of law," Foreign Minister Jean-Bernard Raimond said.  
(Leyla Ertugrul, Reuter)

## France And Iran Discuss Exchange Of Diplomats

PARIS -- France and Iran are working to smoothe repatriation of their embassy personnel despite a break in diplomatic relations that also could make it more difficult to win the release of French hostages kidnapped in Lebanon.

French Foreign Minister Jean-Bernard Raimond, in a television interview, said the French charge d'affairs in Tehran, Pierre Lafrance, was in regular contact with a senior Iranian Foreign Ministry official to ensure a smooth departure for embassy personnel from both nations.

Raimond said France "remains determined" to question Wahid Gordji in the bombings last September in Paris, and police sharpshooters maintained their watch Sunday night from rooftops around the Iranian Embassy.

Meanwhile, 15 diplomats and staff members were holed up at the French Embassy in Tehran. Iran threatened Saturday to submit the embassy personnel to "Islamic justice," but on Sunday Iranian Prime Minister Mir Hossein Musavi acknowledged there had been discussion about an exchange of diplomats.  
(Roman Rollnick, UPI)

### French Act To Resolve Standoff; Iran Pressed To Free Detained Diplomats

PARIS -- The French government, seeking to avoid a new hostage crisis, pursued negotiations with Iran to arrange the departure of its diplomats from the surrounded French Embassy in Tehran.

Underlining the concern of French officials, Social Affairs and Labor Minister Philippe Seguin said "the freedom of some of our fellow countrymen" is at stake in the talks. He called on Iran's Islamic leadership "to show responsibility" in resolving the dispute left over from Friday's diplomatic break.

Strengthening its hand, the government of Prime Minister Jacques Chirac prevented the departure from France of five Iranian diplomatic officials employed by the Iranian Embassy here. An unknown number remained inside the building, the Interior Ministry said.

(Edward Cody, Washington Post, A10)

### PRESIDENT MAY SEEK MORE CONTRA AID

White House officials said that, partly based on public response to the Iran-contra hearings, the Administration was convinced that President Reagan now had a stronger case to seek more aid for the Nicaraguan insurgents.

The officials said they were encouraged by what they saw as the positive portrayal of their Nicaraguan policy in the hearings and by the recent military efforts of the anti-Sandinista rebels.

"There has probably been more attention drawn to the actual policy over the period of the last couple of weeks than had been in the past," said Thomas Griscom, the White House communications director. "That's always been the objective to make sure the American people understand what the policy is and once that was done, we felt that the support would be there."

(Gerald Boyd, New York Times, A6)

### SOVIETS INCREASE ARMS SUPPLY PACE IN NICARAGUA

Soviet arms shipments to Nicaragua are substantially ahead of last year's pace, with weaponry valued at more than \$300 million delivered during the first months of the year, according the U.S. intelligence estimates.

"The equipment is just pouring in," one Pentagon official said recently. "The Nicaraguans are consolidating their military build-up and adding to it everything imaginable."

The intelligence estimates, although classified at the moment, are expected to be released by the Pentagon in the near future. The Defense Department regularly provides the information as part of the Reagan Administration's campaign to publicize the threat posed to Central America by Nicaragua's leftist Sandinista government.

(Norman Black, AP)



### SOVIETS USING HIGH GROUND FOR HIGH-TECH ESPIONAGE

As the U.S. government debates whether to allow the Soviets to occupy their new embassy in Northwest Washington, they already are conducting electronic eavesdropping from a high-rise apartment building in the compound, Administration officials and intelligence experts say.

"There is evidence that the Soviets are using the Mount Alto complex for signals intelligence activities," a high-ranking U.S. intelligence official said. "And if the American people knew about the damage caused by Soviet electronic interception from diplomatic establishments, it would boggle their minds."

(Bill Gertz, Washington Times, A1)

### THATCHER IS BULLISH ON USA

British Prime Minister Thatcher told the U.S. media to "cheer up."

Thatcher -- whose trip to the U.S. is an attempt to buck up a sagging White House -- lectured the news media for airing the dirty laundry of the Iran-contra scandal.

"Why are you doing your level best to put the worst foot forward?" she asked.

Thatcher, fresh from a third-term victory, credited President Reagan for handling the crisis in South Korea and spearheading an effort to win a U.N. cease-fire resolution in the Iran-Iraq War.

(Johanna Neuman, USA Today, A1)

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## **IRAN — NICARAGUA**

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### **FORMER NSC AIDE SAYS HE SAW TWO DIVERSION MEMOS, CONGRESSIONAL SOURCES SAY**

A former White House aide says he has seen two memos proposing the diversion of Iranian arms sales money to the Nicaraguan contras, congressional sources say.

Such an assertion would vary from statements made to Iran-contra investigators by John Poindexter and Oliver North.

One source said that James Radzinski, an aide to Poindexter at the NSC, has testified privately to the congressional Iran-contra committees and may appear before them for public testimony this week.

Another source said he did not know whether Radzinski, who was the control officer for the NSC's most sensitive documents, told the committee investigators he saw the memos as singed. (Larry Margasak, AP)

### **Ex-White House Clerk Differs With Poindexter**

A former White House aide, contradicting a key point in the testimony of John Poindexter, has told investigators that he saw two secret memoranda proposing the diversion of profits from Iranian arms sales to the Nicaraguan rebels, congressional sources said.

The witness, James Radzinski, was the clerk in charge on maintaining the National Security Council's most secret documents, known as "System Four" documents, until the fall of 1986. In closed-door testimony, the sources said, he has told the House and Senate committees that he saw two separate memos describing the scheme to use profits from President Reagan's secret arms sales to Iran to resupply the contras.

"In way, this guy breaks the tie [between Poindexter's assertion that he saw only one such memo and Oliver North's testimony that he sent Poindexter five memos] when he says that he saw more than one," said one source familiar with Radzinski's account. "This does give Poindexter some problems." (Doyle McManus & Don Irwin, Los Angeles Times, A1)

### **POINDEXTER BACK AT THE WITNESS TABLE TODAY**

John Poindexter, called for a fourth round of testimony at the Iran-contra hearings, has convinced at least some congressional investigators he did not tell President Reagan of the crucial diversion scheme -- but they have different reasons for believing him.

Lawmakers such as Sen. Warren Rudman have concluded [Poindexter] did not grasp the significance of what he was doing when, in his words, he hid from the President a decision to approve the diversion of money to Nicaraguan contra rebels from secret U.S. arms sales to Iran.

Other investigators, including Rep. Thomas Foley, say they believe Poindexter's assertion that "the buck stops here with me" because the low-key officer knew just how much it could hurt Reagan politically if ever exposed. (Dana Walker & Joseph Mianowany, UPI)



### Poindexter's Word Raises Eyebrows

John Poindexter -- whose testimony has been sharply challenged -- faces a fourth day of questioning before the Iran-contra panel.

More than any other witness, Poindexter's word has been doubted as illogical or inconsistent with other evidence.

Senate committee Chairman Daniel Inouye labeled it "incredible," Rep. Louis Stokes said it didn't "square" with him; Sen. Sam Nunn was "skeptical."

Most Republicans believed Poindexter: "There's too much indignation on the committee," Rep. Dick Cheney said on CBS' "Face the Nation."

Leslie Phillips, USA Today, A1)

### ROOTS OF THE COVER-UP REMAIN UNEXPLORED

#### Iran Probers Fail To Press Poindexter

As the story of secret U.S. dealings with Iran leaked out last November, former National Security Adviser John Poindexter was at the center of Administration attempts to hide the U.S. role and distance the President from the politically embarrassing operations, according to documents and testimony gathered by the congressional Iran-contra panels.

Many questions have been asked of Poindexter about this pattern of deception, but they have not focused on the full story of how the President and his staff, beginning on Nov. 5, initially attempted to keep events hidden, and then sought to limit what Congress and the public learned.

Poindexter, who completes his testimony this week, has not been pressed in public sessions to disclose who initialed this now well-documented attempt at concealment, or to learn who, if anyone, coordinated it.

Nor have the committees asked the questions that might begin to solve one of the last great mysteries of the Iran-contra affair: Once the cover story that was given Congress and the American people fell apart, did senior officials develop a new cover story about the role of Poindexter and his aide Oliver North -- one that is still operative today?

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

### MEMORY BLANK ON '85 SHIPMENT

#### Top Officials Vague On Transfer Of Missiles From Israel To Iran

President Reagan, John Poindexter, Robert McFarlane and Oliver North have had difficulty remembering details of a Nov. 25, 1985, Israeli arms shipment to Iran, a transaction that has emerged as a focus of the cover-up phase of the Iran-contra affair.

Those officials claimed forgetfulness about details of that shipment when questioned last November, even though their involvement was recorded in an extensive trail of documents and witnesses.

(Washington Post, A4)

## SHULTZ TELLS INVESTIGATORS OF REAGAN FURY ON HEARING OF PLAN TO FREE IRAN TERRORISTS

Secretary Shultz has told congressional investigators that President Reagan was infuriated when informed of a White House-backed offer to help formulate a plan to assist Iran in freeing 17 convicted terrorists imprisoned in Kuwait.

Shultz's account appears to conflict with testimony last week of John Poindexter that Reagan personally endorsed the offer, as part of a nine-point program on which Poindexter had briefed him. Shultz, who learned of the proposal only after the admiral had left the White House, has said the President was shocked to hear of the concession made to Iran, according to sources familiar with the secretary's account.

(David Rogers, Wall Street Journal, A3)

## PROBERS LOOKING AT MEESE FAILURE TO GRILL NORTH, POINDEXTER

Congressional probers will ask Attorney General Meese about his failure to grill John Poindexter and Oliver North on what they knew about the Iran arms scandal, a key senator says.

"I find that mindboggling," but rather than a cover-up, "I think it was incompetence," Sen. Warren Rudman said in an interview on ABC-TV.

"What I still don't understand is how in the world he (Meese) allowed Poindexter and North to leave the White House...without bringing them in and finding out what was their authority, what did they do, how did they do it," Rudman said.

"Had he done that, we would not have had hearings of the length that we've had, the country would not have had the agony it's gone through," Rudman said.

(Reuter)

## REAGAN'S 'WORST' SPEECH How Talk On Arms Deal Went Wrong

President Reagan opened his first nationally televised address on the Iran arms scandal last Nov. 13 with an unusual promise. "Now you are going to hear the facts from a White House source," he said, "and you know my name."

But the investigations into the Iran-contra affair by Congress and the Tower Review Board have now demonstrated that Reagan's address that night was riddled with errors and misstatements. Some Reagan aides have called it the most untruthful of his presidency.

Interviews with a number of former and current officials who were involved in the speech show that, like many of the other statements emerging during that critical month on the growing scandal, this first major effort was in large measure the work of Oliver North, who wrote the original draft, and of John Poindexter, who verified aspects that others in the White House questioned.

The speech is still a nightmare to some of the White House staff who worked on it and to others who helped Reagan earn a reputation over the years as a powerful communicator. "It was the worst speech he ever gave," said a Republican political strategist who has advised Reagan for more than 20 years.

(David Hoffman, Washington Post, A1)

### NEWSWEEK SAYS NORTH WAS SOURCE OF LEAK

Oliver North leaked one of the stories he said last week was leaked by Congress, Newsweek magazine reported.

North justified [deceiving Congress about U.S. arms sales to Iran and diversion of profits to the contras] by citing what he claimed were two leaks by members of Congress of sensitive information -- in one case, involving the U.S. attack on Libya; in another, involving interception of an airliner carrying terrorists believed to have hijacked the cruise ship Achille Lauro.

...In its July 27 issue, Newsweek reported that North himself, not legislators, leaked details of the capture of the Achille Lauro terrorists -- to Newsweek. (Washington Post, A4)

### THE HIGH COST OF SECRECY

When historians assess the decline and fall of President Reagan's credibility, they are likely to find that the Iran-contra affair was a disaster rooted in obsessive presidential preoccupation with secrecy.

Reagan brought with him into the White House a mistrust of the news media that had many sources....

...His passion for secrecy grew, encouraged by aides who trusted Congress as little as they did the news media. The circles within the White House became tighter, restricted to those who supposedly had a "need to know." When the Iran initiative developed, Reagan did not consult experts who might have ridiculed the notion that "Iranian moderates" were functioning within the government of Ayatollah Ruhollah Khomeini.

The President and the country would have been better served if [sources outside the immediate circle of advisers that forwarded the Iran arms initiative] had blown the the whistle on the arms-for-hostages deal. Instead, the Administration succeeded in keeping the swap hidden from the American news media and the American people for 18 months. It was a costly triumph. (Column, Lou Cannon, Washington Post, A2)

### TALK OF PARDONS PREMATURE, IRAN-CONTRA PANELISTS INSIST

Members of the Iran-contra investigative committee said that it is too early for President Reagan to consider pardoning [John Poindexter and Oliver North] who may be prosecuted for their roles in the affair.

"I think, frankly, the notion of criminal prosecution of Col. North and Adm. Poindexter is absurd," said Rep. Dick Cheney on CBS-TV. "So far, there's no evidence that there's been a crime."

Cheney said it would be "premature" for Reagan to begin weighing pardons for either man. (Mary Belcher, Washington Times, A3)

### ORTEGA ASSAILS 'HYPOCRISY' IN U.S.

Hearings Said To Show Reagan Shunned Responsibility For Errors

MANAGUA -- President Ortega said that the Iran-contra hearings have demonstrated President Reagan's "ability to make his subordinates take the blame for his errors."

Nicaragua's leftist president, in a speech marking the eighth anniversary of the Sandinista revolution, said the hearings demonstrated the "immorality, hypocrisy and decomposition of the so-called American democracy." If Reagan did not know the details of the diversion of funds to the contras, Ortega charged, he was incompetent.

Ortega's comments seemed to reflect frustration that the Iran-contra affair so far has not moved Washington away from supporting the contra rebels....  
(Julia Preston, Washington Post, A4)

### IRAN-CONTRA PROBE COSTS OUTSTRIPPING WATERGATE

The Iran-contra investigation is so costly that the final price to U.S. taxpayers could easily top \$10 million -- as much as the Watergate probe that drove President Nixon from office, available records show.

"When you look at what we've actually uncovered and how much it all costs, this is more like putting on a Broadway play than a congressional investigation," said a top Republican aide on the joint panel. He refused to speak for attribution because of committee rules against commenting to the media.  
(Gene Grabowski, Washington Times, A1)

### OFFICIALS SAY POINDEXTER COULDN'T HAVE ACTED ALONE IN FORMER ADMINISTRATIONS

John Poindexter's decision to hide the Iran-contra money diversion from President Reagan would have been inconceivable in previous administrations, several former national security advisers say.

"It wouldn't work that way for either of the presidents I served," said Walt Rostow, the national security adviser under President Johnson from 1966-1969 during the height of the Vietnam War.

"I don't recall withholding anything from either president (Kennedy or Johnson)," said Rostow's predecessor, McGeorge Bundy....

"I was a far more assertive security adviser than Poindexter, and I would never have dreamed of making a decision like that," Henry Kissinger said.  
(Joan Mower, AP)

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## NATIONAL NEWS

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### A HOMOSEXUAL IS CONSIDERED FOR AIDS PANEL But White House Asserts Sexuality Not A Factor

President Reagan tentatively plans to name a homosexual to a federal advisory committee that will investigate the AIDS epidemic, Administration officials said.

The plan was confirmed by two White House officials and by an official of another federal agency who follows developments relating to AIDS.

Officials said the homosexual appointee was chosen because of his professional qualifications, not his sexual orientation.

(Robert Pear, New York Times, A12)

### CONTROVERSY ON BORK PUTS CONSTITUTION IN SPOTLIGHT

In an odd coincidence of history, the 200th anniversary of the signing of the Constitution on Sept. 17 will coincide almost exactly with the opening of an extended discussion of one of the Constitution's most enduring controversies.

Starting in mid-September, the Senate will be debating the nomination of Robert Bork to the Supreme Court and a key issue will be how a judge is meant to interpret the Constitution and the relationship between a judge's official role and his own personal views.

To President Reagan, the answers are simple. In a recent Saturday radio speech, he said that judges should "interpret the law, not make it."

For many judges and legal scholars, however, the matter is far more complicated.

The issue "takes the Senate into the middle of an intellectual thicket that has occupied academics and lawyers for about 50 years -- the extent to which judicial decision-making depends on the individual convictions of judges on the one side and is a more impersonal, constrained activity on the other," Yale law professor Paul Gewirtz says.

(David Lauter, Los Angeles Times, A1)

### AUTHOR SAYS REAGAN THE ACTOR LEANED TOWARDS GOP EARLY ON

President Reagan was approached about running for Congress as a Republican as long ago as 1941 and may have started supporting GOP candidates for office earlier than is usually believe, a new book say.

The volume, "Early Reagan," by Anne Edwards, which focuses on the President's years as a movie actor, says Reagan reportedly backed Richard Nixon for the Senate in 1950 even though he had pledged support to Nixon's Democratic opponent.

The author...depicts Reagan as a hardworking but undistinguished actor with a lifelong interest in politics whose best friends were Republicans.

(Dale Nelson, AP)

## **NETWORK NEWS SUMMARY**

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(Sunday Evening, July 19)

### **NICARAGUA**

CBS's Forrest Sawyer: Thousands of people gathered in Nicaragua today to mark the eighth anniversary of Sandinista rule -- one day after the government announced contra rebels had attacked a farm and killed eight people.

CBS's David Culhane: The essential achievement is that the Sandinista government has endured -- through years of American-backed military and diplomatic efforts designed to bring it down. At a rally today in Matagalpa, President Ortega sounded his theme: There will be no surrender. The Sandinistas were celebrating the victory eight years ago over the Somoza family. But Ortega made it clear the enemy now is the Reagan Administration that is spending hundreds of millions to defeat it. No opposition rallies are allowed now in Nicaragua, but there were some modest anti-Sandinista demonstrations in the U.S. A few dozen rain-soaked people gathered in Miami, and in Los Angeles there were both pro and anti-Sandinista demonstrations.

(TV Coverage: Various demonstrations. Anti-Sandinista signs supporting Col. North.)

In New Orleans, anti-Sandinista groups attended a mass of mourning for the victims of the Nicaraguan government. In New York, Elizabeth Linder spoke at Riverside Church, once again blaming the Reagan Administration for the death of her son, Ben, who was killed in Nicaragua while helping the Sandinistas.

(Elizabeth Linder: "This is not a civil war. This is a war that we, the United States, are waging against a country of 3 1/2 million people.")

Even as the Sandinistas celebrated, there were signs the contras are stepping up their military campaign against the government and hoping for new aid from the U.S. (CBS-Lead)

ABC's Sam Donaldson: The Sandinista Government of Nicaragua today celebrated the 8th anniversary of its coming to power.... But even as it did, the Reagan Administration, apparently on the comeback road from its low point in the Iran-contra congressional hearings, was counting on improved prospects for aiding contra forces bent on overthrowing the Sandinistas.

ABC's John Quinones reports from Nicaragua that thousands gathered in Matagalpa to hear Ortega assault Ronald Reagan on the issue of contra funding from the sale of arms to Iran.

(Ortega: "If President Reagan did not know about the diversion, what has been revealed is the incompetence of the President of a world power.")

Ortega then tried to explain why the Nicaraguan economy has steadily deteriorated over the past five years.

(Ortega: "The main cause of our economic problems is the terrorist aggression and interventionist war waged by the United States against Nicaragua.")

Quinones continues: The crowd responded enthusiastically as Ortega shouted this year's revolutionary slogan: "Here, no one surrenders," they chanted. In Managua, a segment of Nicaragua's more conservative community gathered for Catholic mass. Cardinal Obando y Bravo, a frequent critic of the Sandinistas, asked the gathering to forgive the government for shutting down the Catholic radio station and church newspaper. His audience prayed for an end to the war. But for the Sandinistas, this was a day of solidarity, to be shared with comrades and friends -- even some Americans, like Kris Kristofferson.

(Kristofferson sings: "Sandinista, you can hold your head up high.")  
(ABC-Lead)

NBC's Noah Nelson reports from Nicaragua that at a rally, American entertainer Kris Kristofferson performed as a sign of support for the government. In his speech, Ortega encouraged the people to redouble their efforts to win this war, a war that already consumes half of Nicaragua's national budget. In the last few months, well-armed contra forces deep inside Nicaragua have launched bold attacks on government installations. The aggressiveness of the contras in recent months is tied to the weapons and money they are receiving from the CIA-run contra supply network. The rebels have also been able to gain support in some areas from villagers who feed them and give them information. The Sandinistas say their army, 60,000 strong, is more than a match for the contras. But they admit the contra forces are causing more damage than ever. After eight years in power, the Sandinistas are still struggling for survival.

(NBC-4)

#### IRAN-CONTRA

Sawyer: With the most damaging testimony in the Iran-contra hearings already out now, President Reagan's aides are trying to decide how he can regain his momentum. The President is being advised to come out swinging.

CBS's Jacqueline Adams: As the President returned from Camp David, his pollster was saying that with the Iran-contra hearings winding down, Mr. Reagan will go on the offensive to combat the impression that he is a lame duck.

(TV Coverage: President and Mrs. Reagan return from Camp David.)

(Richard Wirthlin: "To assume that he's a lame duck at this point is almost as extreme as assuming that he hasn't been hurt by the contra-Iran issue. Yes, he's been bruised, but clearly not hurt at all in terms of the long term.")

Wirthlin said the President will wage an aggressive campaign for his controversial Supreme Court nominee, Robert Bork. And he'll fight for more money to aid the contra rebels.

(Sen. Hatch: "I think he will get the contra aid through. That will be a major, major victory for him.")

(Rep. Hyde: "With a summit, with arms control agreement very possible, trade issues, there's an awful lot on the plate and the President can play a very leading, dominant role in these issues.")

But among some Democrats, there are doubts about the President's stamina.



Adams continues:

(Rep. Foley: "I am, however, worried that the Presidents' energy and ability to deal with the problems that face the country seem to me to have been in some decline since before the last election....")

The consensus here is that President Reagan turned a crucial corner last week when Poindexter testified that he never told the President about the diversion of funds. Now that Mr. Reagan has made that turn, though, no one has any concrete plans for where he goes next or how he gets there. (CBS-2)

NBC's John Hart: Newsweek reports that Col. North leaked the very story he said last week was leaked by Congress, the magazine saying that details of the Achille Lauro hijacking first published in a Newsweek story were leaked by North himself.

Today the talk in Washington was pardon -- for and against the idea of giving Col. North and Adm. Poindexter the kind of presidential pardon that Richard Nixon received from Gerald Ford.

NBC's Robin Lloyd: The President wasn't answering questions about whether he would ever consider pardoning North and Poindexter.

(TV Coverage: President and Mrs. Reagan arrive from Camp David.) But some members of the congressional committees investigating the Iran-contra affair today were speaking out in favor of such a move.

(Sen. Hatch: "I would have no objection to the President pardoning him.")

Democrats objected.

(Rep. Stokes: "For the President now to turn around and pardon these men under these circumstances I think would cause a great deal of distress throughout America.")

What set off this debate was an explosive column in The Washington Post by former White House aide Patrick Buchanan, an outspoken conservative. Buchanan called on the President to block any prosecution of North and Poindexter and to openly defy Congress if aid to the contras is cut off, even if this led to impeachment.

(Buchanan: "If I were the President, I would continue sending them supplies and tell the Congress, 'This is a constitutional prerogative of mine and I think we ought to have this out and if this means a constitutional crisis, let's go ahead and do it.'")

Democrats were outraged.

(Sen. Mitchell: "I am shocked that a man who has been a close personal advisor to two presidents explicitly recommends that the President of the United States directly violate the law and challenge Congress to impeach him in that event.")

White House officials were keeping their distance from Buchanan's combative remarks. Polls show the majority of Americans still don't believe the President is telling the truth and White House officials are trying to change that image and avoid controversy. The President's pollster claims the President already is recovering.

(Wirthlin: "The President's credibility is much stronger today than it was two months ago and in fact it's much stronger today than it was a week ago.")

But the hearings aren't over yet. They will go on for at least another two weeks. And aides say the President will continue to avoid making any statements about the Iran-contra affair until the congressional investigation has been completed. (NBC-5)

ABC's Kenneth Walker: Ever more determined to put an end to the Sandinista regime, President Reagan returned from Camp David prepared to accelerate his fight to increase aid for the Nicaraguan contras -- a prospect Democrats and Republicans alike on "This Week with David Brinkley," concede has been improved.

(TV Coverage: President and Mrs. Reagan arrive from Camp David.)

(Rep. Foley: "I think they have been improved, but not critically improved. It has not moved to a majority in any poll. And the more recent polls, I think, that have been taken will show that it's tending to move back toward the heavy disapproval.")

(Rep. Hyde: "People understand now what a Sandinista is, what a contra is, which side we're on, what's at stake. And I think that is bringing the numbers up to where they ought to be.")

A sharp increase in contra aid in defiance of a congressional ban, if necessary, was recommended in a column today by former White House Communications Director Pat Buchanan, who also pleaded for a presidential pardon for Lt. Col. North and Adm. Poindexter -- an idea that drew a predictable partisan response.

(Sen. Hatch: "I would have no objection to the President pardoning them, but I would hope the special counsel will realize that it really doesn't lead to much good for this country to keep this going on and on.")

(Rep. Stokes: "For the President now to turn around and pardon these men under these circumstances, I think would cause a great deal of distress throughout America.")

Certainly a pardon would do nothing to convert the majority of Americans polled who still believes Mr. Reagan is lying about the scandal, but before the President has to confront that problem his more immediate goal is to try and translate whatever advantage he can get from the congressional hearings into more aid for the Nicaraguan contras.

Donaldson: Whatever aid to the contras the U.S. Government may provide from now on will not be channelled in the supersecret Poindexter-North fashion, according to White House officials, who say all covert operations now in progress on whatever subject have been reported to Congress. And the number of covert operations may now be cut back.

ABC's John McWethy reports on the future of covert operations. From the beginning of Ronald Reagan's presidency, he has relied heavily on covert activities, increasing the number of these secret operations by five times over the level used during the Carter Administration. Congress supported this increase every step of the way. Now, after revelations by North and Poindexter that the Administration repeatedly lied to Congress about the Iran-contra affair, the covert capabilities that the late CIA Director Casey worked so hard to build may be in jeopardy.

(Stansfield Turner: "I think Col. North may have done covert action permanent damage. Why? Because the Congress now is going to tighten the screws.")

Even critics of North agree that it is increasingly difficult to keep such operations secret, but they come to very different conclusions about how to deal with the problem.

McWethy continues:

(Alan Goodman, formerly of the CIA: "I think covert action is a weapon of absolute last resort. You go to it when you've tried everything else and it's failed. The Reagan and Casey mistake was to go to it at the outset and increasingly go to covert action as opposed to other tools of foreign policy.")

(Turner: "There's a place for covert action; it's a much narrower one than Col. North has described, than many people believe. Let's not do away with it, but let's not count on it as a big part of our foreign policy.")

One outcome of the Iran-contra scandal is already a scaling back of America's covert activities. This trend most likely will continue. Another result almost certainly will be the passage of new laws to tighten oversight by Congress. These are both outcomes that are contrary to what Ronald Reagan set out to achieve 6 1/2 years ago.

Donaldson: Sen. Rudman said today he blames the Justice Department for prolonging the national uncertainty about the Iran-contra affair by not calling in Adm. Poindexter and Col. North at the outset to explain what happened. Was it a deliberate coverup? No, said Rudman. Just incompetence. (ABC-2)

#### PERSIAN GULF

Sawyer: U.S. Naval forces are finishing up preparations to protect Kuwaiti oil tankers in the Persian Gulf. The tankers will be sailing under U.S. flags in just three days, and diplomats in the region are bracing for a possible storm.

CBS's Alan Pizzey reports on the reflagging operation. Tomorrow the U.N. Security Council is expected to approve a resolution calling for an immediate ceasefire in the gulf war. It will be the eighth such appeal. (ABC-3, CBS-3)

Donaldson: Iran's foreign minister said his country will ignore the Security Council resolution because it does not punish Iraq as the aggressor.

#### IRAN/FRANCE

Sawyer reports Iran says it is negotiating with France to evacuate their embassies now that they have broken off diplomatic relations. (CBS-4)

Hart reports France said it will not negotiate on its right to interrogate an Iranian interpreter now holed up in the Iranian Embassy in Paris in connection with terror bombings in France. Pakistan says Iran asked it to arrange safe conduct home for both countries' diplomats and it has agreed. (NBC-3)

#### BANK FRAUD

Hart reports a newsletter on corporate crime reports the country's banks lost over \$1 billion to fraud and embezzlement last year. The Corporate Crime Reporter said that is up 1/3 from the year before. (NBC-8)

## LEBANON/HOSTAGES

Keith Graves of the BBC reports from Beirut that with relations between Washington and Damascus thawing out after a period on hold, the Syrians would like to find and free the hostages. Their impotence highlights the problems facing those working for the hostages' release.

What is not rumor or speculation is that Terry Waite and Col. North had had several meetings in Washington, London and Beirut. Waite had flown on at least one unpublicized trip with Col. North to Beirut on a U.S. military helicopter. He was being used all along as a front man in the arms-for-hostages deal. Exactly why he returned to Beirut and was kidnapped are matters once again for speculation. But certainly by that time his reputation as an impartial negotiator was hopelessly compromised. (NBC-6)

## WELFARE

Hart: Changing the welfare system, turning it upside down, is what the Senate will be asked to do this week when a bill is presented by Sen. Moynihan. The plan would make the biggest changes since welfare began in 1935. "Turn welfare on its head," he says.

NBC's Robert Hager: The bill would help thousands of abandoned or single mothers who should be getting child support but are not. It would automatically deduct the money from the father's paycheck and send the money directly to the mother.

(Moynihan: "We have a medieval arrangement now. The poor woman goes to court and maybe she gets a court order and maybe she doesn't. And if she does, maybe it gets complied with, but usually it doesn't. It's not fair to the wives, it's not fair to the children, and it's not right of the fathers.")

Not right to leave only the mother to support all the children....

(Moynihan: "Under our bill, states are going to start setting up schedules of what you provide for your family in terms of 18% of your pay for one child and 22-24% for the second child, that kind of thing, and have it just deducted automatically.... But you have to support your children.")

Mothers would also be required to do their part. They'd be required to work or to be enrolled in job training programs. But extra government funds would be provided to pay for transportation as well as for day care. The House has already passed a bill somewhat similar to the Moynihan plan, and the National Governors Conference is expected to embrace many of the proposals next weekend. (NBC-9)

## ITALY/FLOOD

Hart: Moving mud carried off people and buildings in the Italian Alps and at least 14 people are dead from what the torrents of rain have done there.... (ABC-4, NBC-Lead)

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## AIDS

Donaldson: President Reagan intends to appoint a prominent gay activist to his new Presidential Commission on AIDS, according to Newsweek, who without identifying the person by name said he's a New York doctor and leader in the gay rights movement. White House conservatives had argued against such an appointment, but Newsweek said the President overruled them. (ABC-7)

NBC's Ken Bode reports that every presidential candidate now has a position on AIDS. (NBC-10)

## ISRAEL/DISCRIMINATION

Sawyer reports Israel says it does not discriminate or harass visiting black and Arab-Americans, but the U.S. claims it does and has threatened to issue a travelers' advisory to that effect. Top Israeli officials tried to resolve the dispute.

CBS's Bob Simon reports on the high-level meeting this afternoon chaired by the Director-General of Israel's Foreign Ministry. The subject: procedures at Tel Aviv's Ben-Gurion Airport. On Thursday, the State Department announced it has received 75 complaints this summer from blacks and Arab-Americans that they have been harassed at the airport or turned around and put on planes out of Israel. The Israelis claim there are 5,000 Palestinian Arabs living on the West Bank who arrived in Israel on tourist visas and never left. The Israelis claim more than 1,000 black Americans came to Israel on tourist visas just to disappear amidst their bretheren, the Black Hebrews living in the Negeb Desert. Today's message from the Israeli cabinet to the State Department was: Give us a break. The Israelis were determined to come up with a satisfactory reaction very quickly this time; after the Pollard spy case, after arms to Iran, the last thing officials here want is another quarrel with Congress. And the alarm bells in Jerusalem sound especially loud whenever anything smacks of an alliance between American blacks and the Arabs.

(CBS-5)

## BRITISH ECONOMY

CBS's Tom Fenton reports that while Britain was for years the sick man of Europe, under Margaret Thatcher something radical is now happening. The British economy is booming. Britain has become the world's number two creditor nation after Japan. Britain's economy is growing faster than any other major trading nation. Exports are growing. Housing starts are at a record level. And consumer spending is buoyant as the country adopts an American-style credit card mentality. Thatcher has done it by following the Reagan example: cutting taxes, weakening the unions, and taking the government out of business. It is in the old industrial heartland that the price is being paid for Britain's new success: three million unemployed, left behind when old industries died. Mrs. Thatcher is discovering, like President Reagan before her, that in an economic recovery unemployment is often the last problem to be solved. (CBS-6)

## EMISSIONS TRADING

CBS's John Blackstone reports on the booming business of emissions trading. Under the emissions trading system, companies can sell their rights to pollute to other companies. It has become such a big business it has its own banks and brokers. The practice is approved of, even encouraged, by the EPA under guidelines published last December. The EPA says emissions trading allows industrial expansion while still reducing air pollution. Each trade is supposed to result in a 20% reduction in total emissions, but the American Lung Association questions that bookkeeping. Critics believe it is somehow improper to sell air. (CBS-12)

## NOW

Sawyer: Mollie Yard says her first priority as president of the National Organization for Women will be to torpedo Robert Bork's nomination to the Supreme Court. Yard described Bork today as a "Neanderthal." (ABC-6, CBS-8)

## O'NEILL MEMOIRS

Donaldson: Some tidbits from Speaker O'Neill's memoirs, which will be published in September, were published today in the Boston Herald. And apparently O'Neill spares no one. Of his political friend and benefactor, John F. Kennedy...he says, "I've never seen a congressman get so much press while doing so little work." And of Robert F. Kennedy, he says, "I never really liked him. He was a self-important upstart and a know-it-all." But O'Neill's fiercest observations are directed at Ronald Reagan, whose election as President he calls sinful. "But," says O'Neill, "let me give him his due. He would have made a hell of a king." (ABC-8)

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## ***ABC -- THIS WEEK WITH DAVID BRINKLEY***

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Moderator: Sam Donaldson. Panel: George Will, Brit Hume.

Guest: Former Sen. John Tower.

Donaldson: Now that you've heard their (Poindexter's and North's) testimony, would you change any of your major conclusions?

Tower: No, I don't think we would change any of the major conclusions. On our board, of course, we were focusing primarily on the Iran arms sale and on the possibility of diversion of funds to the contras.

Donaldson: You are the only people who have sort of semi-officially questioned the President, and then he told you that he didn't know that the NSC staff was engaged in any sort of help to the contras, let alone the diversion. He has since changed his story on that. What do you make of that?

Tower: Well, I think we knew that he was very supportive of the contras and had perhaps seen people in his White House office, some private citizens, who were engaged in support of the contras, but I don't think he knew of the level of activity that was going on in the NSC. That was about the only conclusion that we could arrive at.

Will: Sen. Tower, based on what you learned about the operation of the White House, and particularly the NSC, in preparing your report, do you find what Admiral Poindexter said believable?

Tower: I find Poindexter believable. I have no reason to believe that he is not telling the truth.

Will: When he testified, some reporters asked the President about it, and the President said: "What's new, that's what I've been saying all along." What is new? We've had 5 percent of the legislative branch sitting there in the Caucus Room listening to this and watching the lawyer do the questioning. What have we got out of this that we didn't already know of importance in your report?

Tower: Well, I think nothing of much importance in terms of the sales of arms to Iran, but I think you've learned perhaps some detail about the support activities on the part of the NSC staff in behalf of the contras. I think that's about the only thing.

Hume: Do you think (the President) withheld information from you, Senator?

Tower: I don't think he wittingly withheld information from us. This is a President that I think always wants to tell the truth -- and the President perhaps at some times doesn't have perfect recall -- but I never got the impression...the President was wittingly and willfully lying to us.

Donaldson: There are allegations that some members of the Executive Branch have even perjured themselves under oath before Congress...and I'm just wondering whether you think we just ought to drop it now.

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Tower: I think that the process is already in being, and it probably would not be a wise idea to cut off the work of the special prosecutor at this point. I think the special prosecutor has a legitimate function to perform and that the investigation should continue.

Will: Pat Buchanan, who is sort of the pit bull terrier of American politics, has said...that this is basically a political argument between the branches of government, and that therefore the President should at some point...pardon them. What do you think about that?

Tower: That's a speculative question, and I certainly would not comment on that right now.

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Guests: Reps. Thomas Foley and Henry Hyde.

Donaldson: You've heard John Poindexter testify on a lot of things, but the key testimony seemed to be that he never told the President that money was being diverted to the Nicaraguan contras. So I suppose the question is, do you believe him?

Foley: I don't have any reason not to believe him. I accept his testimony, but I think it's very disturbing testimony, because it means that a national security adviser, who is not an arrogant man, took the tremendously arrogant decision to make a key decision on foreign national policy.... That's a terribly dangerous precedent for the future.

Hyde: I believe him, and I agree with Tom. I think it was a dangerous decision. If the President wanted to take that risk, he should have had the opportunity to make the judgment, not Admiral Poindexter.

Donaldson: Did you get any sense of how a mild-mannered man like Admiral Poindexter, although he had risen to the rank of admiral, could have decided to arrogate to himself this kind of decision?

Foley: Somebody once described John Poindexter as the perfect staff officer. And apparently, if we are to accept his testimony, and I say I do, he just decided that this particular decision was so dangerous politically, and such a special decision in terms of political vulnerability that he was going to take it unto himself to make the decision not to tell the President.

Donaldson: He called it a detail. Mr. Hyde, in your mind, is something like that a detail?

Hyde: Well, he also called it a neat idea, as did Col. North. A lot of us think it was a neat idea, but he knew it had its political risks. And he was in the protective mode, to coin a phrase, and thought he'd protect the President.

Will: ...As the ABC poll indicates, there's been a surge of support, public support, for aid to the contras, a central tenet of the Reagan doctrine. Do you think, Rep. Foley, that the chances have been markedly improved for continuing aid to the contras?

Foley: I think they've been improved, but not critically improved.

Hyde: I listened to William Schneider earlier today describe the lack of support for the contras among the American populace as due to indifference and isolationism. I think both of those obstacles have been ameliorated due to Col. North.

Donaldson: What about a prospective pardon (for North)?

Foley: I think it would be inappropriate for the President of the United States, who, after all, appointed the independent counsel, through his attorney general and the courts, should not come and deny the ability for that independent counsel to function.

Hyde: I think the law has to proceed. The process has to be played out. On the other hand, I think it would be a grave injustice if Col. North and Admiral Poindexter were to be consigned to Leavenworth for what they have done. And anyone who can...halt a grave injustice from happening, I think has the duty to do that.

Donaldson: What about the President's future now? Is it all over?

Hyde: They've shifted the question. It used to be did the President know of the diversion, and now that that has sputtered out, and no smoking gun...why they move the issue around that the President ought to have known and the policy process and all of those other things. So I think the President has won a victory. I think this will soon be crowded out, other than by the independent counsel's processes, but we have the summit, we have arms control, we have trade legislation, and I think this will not color the final months of the Administration.

Foley: ...Now that it's been established that he isn't guilty of knowledge (of the diversion), I'm glad. Because I think it does give the President an opportunity to function in the last 18 months of his Administration, and that's what all Americans should want. But I don't think that just by itself the apparent corroboration of his testimony...is going to make this President an effective President. I think there is a disturbing lack of enthusiasm by the President to grapple with the central problems of the country and his Administration. That's not due to these investigations.

Hyde: Yes, I think the Democrats perceive the President as wounded, and so they're on the attack, and I think they're going to attack very hard, but I think they're going to fail.

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Guest: Sen. Warren Rudman.

Donaldson: Do you believe John Poindexter?

Rudman: Yes, I do, and I'll tell you why -- my answer may be a bit different from theirs (Foley and Hyde).... His testimony that he still thinks this was not an arms-for-hostages transaction. Secondly, that he still believes that there was nothing really wrong about destroying that finding...buttressed by the fact that this man has no political background whatsoever.... I think that he did not perceive at the time he looked at it how really important it was.

Donaldson: Then, you don't believe him, because he said it was protecting the President from some item that could be potentially very damaging politically.

Rudman: No, I don't totally agree with the publicly stated reason. I don't think he told the President.... But I truly believe that John Poindexter, who is not a congenital liar...because I think he did not realize the enormity of what he was doing.

Will: Let's look down the road a little bit to the ninth inning of these hearings. You have Weinberger, Shultz and Meese -- take Weinberger and Shultz together. It's unclear what the ethics of dissent are within an Administration when you disagree with the policy. What do you want to find out from them? ...Were they really cut out, and how is it possible for lieutenant colonels and the head of the NSC to cut out the two senior national security officials of the government?

Rudman: There were two conflicting aspects of this. Number one, some people say they were cut out; others have testified they really didn't want to know.... I believe that what we have to find out is how involved they were in the process and whether or not they deserve the criticism they received from the Tower board, or whether or not they were very vigorous in their opposition. I am somewhat aware of George Shultz's testimony which will be before us in a few weeks, and I think it will be very interesting.

Will: What is the question for Meese?

Rudman: I think the whole investigation and how it was conducted...What I still don't understand is how in the world they allowed Poindexter and North to leave the White House, to be fired, resign, whatever, without bringing them in and finding out what was their authority, what did they do, how did they do it.

Donaldson: Was it an intentional cover-up?

Rudman: I don't think so; I think it was incompetence.

Hume: Do you now believe, in light of the fact that you believe Poindexter, that the main event is over?

Rudman: I think that in terms of how the White House portrayed it and how you in the media have portrayed it, both. I think it's over from that point of view.

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## ***CBS -- FACE THE NATION***

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Moderator: Lesley Stahl.

Guests: Sen. George Mitchell and Rep. Richard Cheney.

Stahl: Is President Reagan a paralyzed President...?

Cheney: I don't think so. I think the key element for many of us was the issue of whether or not he knew about the diversion of funds. That had been the focal point all along.... I think the President is strong, he should be able to recover from this and go on to an effective 18 months....

Stahl: ..But what does the President do when the public doesn't believe him? And that's where we really are. Has he got what he's wanted?

Cheney: They clearly don't believe him in this particular case. No question about it.... The truth is, he did not know about it. That's what all the evidence shows. In terms of how it affects his presidency long-term, I don't think this is that significant an issue for the American people. I think they're going to judge his final 18 months in office on how he does manage the economy in the future, efforts to negotiate a deal with the Russians on arms control, the future of the Bork nomination, and so forth.

Stahl: We are at sort of a turning point. There is a sense that we perhaps know all we're going to know. What do we do from here as a country?

Mitchell: Well, I agree with Dick, the President will continue to function, although I disagree that he hasn't been seriously damaged. I think he has been seriously impaired as a result of the elections of last November and now following on this here. He will no doubt continue to function, merely by virtue of the fact that he's President...but I don't think the President will ever again reach the status he was in prior to last November.

Stahl: Patrick Buchanan...has an incredible piece in The Washington Post this morning, in which he is recommending the President wait and block any prosecution of Poindexter and North, and if he failed at that, he's recommending the President pardon both of them immediately. And he also says that whether Congress approves or not, demand \$500 million for the contras. And if he can't get the money he should send them weapons anyway and challenge Congress to impeach him.

Cheney: I'm a fan of Pat Buchanan's. He's a very able guy, and I don't always agree with him. I think, frankly, the notion of criminal prosecution of Poindexter and North is absurd... I think that's premature (to pardon them). I think at some point he may have to consider that, he doesn't have to consider it today.

Mitchell: The President has no authority to block that and shouldn't be in that business. Let's see what decision the independent counsel makes before we begin to speculate on what should or should not occur.

Stahl: ...What do you think of the suggestion that says, 'Let's send weapons to the contras even if Congress doesn't want us to,' and then challenge them to impeach the President?

Cheney: I would not recommend that course of action. Pat's no longer a part of the Administration. He speaks as a private citizen, a columnist, if you will, and he can recommend any course of action he wants. That is not Administration policy. I think the key thing is for us to sustain long-term, over time, the Reagan Doctrine, the notion that the U.S. would be involved in supporting anti-communist insurgents in Central Americas (and) elsewhere. That requires public support, that requires congressional support in the key areas, an education campaign, not defiance of the Congress.

Mitchell: Let me just say that I am shocked that a man who has been a close personal advisor to two presidents explicitly recommends that the President of the United States directly violate the law and challenge Congress to impeach him in that event.

Cheney: I hope the Administration learned a lesson from the Iran affair, which was a failure to include and involve Congress in important national policy matters. And it's that failure that the President is suffering from now and at risk our ability long-term to develop the kind of support we need for public policies.

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Guest: Margaret Thatcher

Stahl: Mrs. Thatcher, Oliver North...said that because of the hearings the United States is becoming a laughingstock around the world. And he also said our allies will be wary of helping us in the future because we were airing this so much in public. Do you get that impression, too?

Thatcher: The United States will never become a laughingstock. We know just how much we owe to the United States.... Sometimes we don't always show it. I try to. But we're very much aware of this debt. Now I think there is a problem in the sense that once you're trying to discuss every single tiny little thing that happened, one simply has to recognize you can't carry on the business of government unless some things are confidential. When you damage that, then it does make it more difficult, perhaps, to talk as freely as one otherwise would.

Stahl: The Soviets, our government tells us, are dragging their feet in Geneva. We're told that the prospects for a summit between President Reagan and Mr. Gorbachev...is fading away. There is a sense that the Iran-contras hearings have given the Soviets an impression that Mr. Reagan is weak and are trying to take advantage of that. Why do you think these talks have turned sour?

Thatcher: Well, I don't think they have turned sour. These issues are very complicated. You can get a general outline agreement, namely that yes, we all agree that the intermediate nuclear weapons should go, but even that's not absolutely complete because we'd like them to go worldwide...If you're going to get the first arms reduction agreement, you've got to make certain that it will stick and that you can check it at every single stage.

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## ***NBC -- MEET THE PRESS***

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Moderator: Chris Wallace. Panel: Elizabeth Drew and David Gergen.

Guests: Rep. Louis Stokes and Sen. Orrin Hatch, followed by Richard Wirthlin and public opinion analyst William Schneider.

Wallace: Congressman, you made a very tough charge this week that you just don't believe Adm. Poindexter. Do you really mean that...?

Stokes: I do think that after three days of testimony that Adm. Poindexter still has raised some very interesting questions. It is difficult, I have to be candid about it. It is very difficult for me to believe that a man with his intellect is having the kind of memory lapses that he's having. I'm also having difficulty believing that he took this type of momentous decision upon himself, realizing that he described it himself as a politically explosive decision. It's very difficult for me to believe.

Hatch: Well, [Poindexter] remembers an awful lot. I think the fact of the matter is this is largely overblown. As important as this is now, in retrospect it wasn't really all that important compared to the Reykjavik summit, the Philippines problem, etc., etc.... I think really what's come down here is that the evidence shows that the President did not know of the diversion, and that takes kind of some of the air out of the balloon. And that leaves -- all that's left is the debate over whether or not there should have been any transfer of arms to the Iranians. And I agree that's a good debate, and I think many people, including myself, with the benefit of hindsight, are going to find some fault with that. But I think the other one [the diversion] is pretty well put to bed and I think most of my colleagues disagree with Congressman Stokes.

Drew: Sen. Hatch, on Friday...Henry Hyde...said that he thought that this had been a political calamity for the President and for the party. How much damage do you think it's done?

Hatch: I think it's helped the President. I think the polls will show that the majority of the American people actually think he's benefited from these hearings.... I think the polls will show that the American people still basically believe this President, although they have some questions about this particular hearing.... I also believe that they are going to blame the National Security Council more than they will blame the President on this, and I really believe the big loser from these hearings has to be the Congress of the United States because I believe the majority of people, and probably a vast majority, in this country feel that the Congress has blown this way out of proportion....

Gergen: ...Congressman Stokes..., over the past few weeks, as you know, consultations have been held privately between leaders of the Congress and members of the Administration about reaching a new agreement on intelligence oversight to prevent these kinds of abuses in the future. As Chairman of the House Intelligence Committee, can you tell us how close that agreement is and what the elements will be?

Stokes: Actually, most of those discussions have gone on between the Senate Intelligence Committee and Mr. Carlucci and his staff.... I do have legislation, on which we have conducted hearings on the House side, which would require the President under these type of circumstances to notify the Congress within a period of 48 hours, the theory being that we should never again suffer this type of situation where the Congress is notified 10 months after the President has made this type of a finding.

Hatch: I think one of the things that everybody's going to have to consider is just what are the parameters surrounding the National Security Council. I contend that if they wanted to cover the National Security Council in the Boland Amendments, they should have done so. They did not. But even if they did, there arises a constitutional issue as to whether or not the Congress can dictate in a purely administrative or executive function like the National Security Council.... But I think we're going to have to put some parameters around the National Security Council. They should never conduct covert actions....

Wallace: Senator, you told Oliver North that you don't feel that he should be prosecuted. Do you feel the same way about Adm. Poindexter?

Hatch: I do. I think you find two pretty good people who've made mistakes here and they've acknowledged them. They've had some errors in judgement, they've acknowledged those. And I think in all honesty it's time to end the persecution of those people....

I would have no objection to the President pardoning them, but I would hope the special counsel will realize that it really doesn't lead to much good for this country to keep this going on and on, especially when there are such tenuous criminal charges that could be brought....

Stokes: I think that the President would make a very serious mistake and I think it would be resented by the American public were the President to resort to a pardon. After all, it is the President himself who has caused all of these various investigations.... For the President now to turn around and pardon these men under these circumstances I think would cause a great deal of distress throughout America.

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Guests: Richard Wirthlin and William Schneider.

Wallace: [A pardon] is a very, very dangerous step for a president to take, isn't it?

Schneider: It is, but in this case there are some public polls done by newspapers and networks asking if North in particular and some Poindexter should be prosecuted and the public does not feel they should not because they think they were innocent or justified but because they feel that they are covering up for policies that really came down from the top, that it's really the higher-ups -- Casey, Reagan -- who designed those policies....

Wallace: On the other hand, if you got a pardon, might not some people see that as a deal: they cleared Reagan and then Mr. Reagan clears them?

Schneider: A pardon in advance, I think, would be controversial and a serious mistake for the President.

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Wirthlin: I think it's too premature to discuss that.... I just don't have any comment at all....

Drew: How important is it to the rest of Ronald Reagan's governance that people don't believe him?

Wirthlin: That question can be answered at two levels. It's true that on the issue of Iran there is some skepticism concerning the President's role. But all through this affair well over 60% felt that basically the President is both honest and sincere and a strong leader. And more specifically this last week there was an 11 point increase in the number of people who believe the President is telling the truth on [Iran-contra]. All in all, if you look at the question whether the Iran hearings have tended to support the President's position and the President's statement, you've got 59% who believe the hearings have had that consequence.

Drew: Mr. Schneider..., how useful is this really to the Democrats?

Schneider: I think the President has lost credibility. That credibility has been lost irreparably, I believe. After all, remember that it's the trading arms for hostages that bothered the public much more than the diversion of funds to the contras. And now Poindexter has revealed that the President signed a finding to that effect at the beginning. He refused to admit it month after month....

Gergen: Dr. Wirthlin, several leading conservatives are now calling on the President to go on the offensive with regard to the contras, the Bork nomination, many other issues. Should he, will he, and what form will it take?

Wirthlin: I believe the President will go on the offensive. He should, and I think to assume that he's a lame duck at this point is almost as extreme as assuming that he hasn't been hurt by the contra-Iran issue. Yes, he's been bruised but clearly not hurt at all in terms of the long term. At this point, his job rating is 54%.... My guess is he's going to be very strong in the fall....

Wallace: Mr. Schneider, do you see a permanent change of opinion on the contra issue or is this just a temporary blip...?

Schneider: It's very closely connected to Oliver North...and I think it may well be ephemeral. We saw the same sort of thing happening at the time when we intervened in Grenada. There was a sudden shift in the direction of interventionist sentiment and it disappeared after a few weeks. But it's also a warning to Democrats that Americans have disapproved of aid to the contras largely out of indifference and isolationism, that when it comes down to an issue of principle, a good argument can be made and Americans respond to it. The problem is it's North who has the credibility on that issue, not Reagan.

Wirthlin: I believe that Col. North did in fact raise the saliency of the issue.... But in point of fact Americans are viewing that issue through a different set of eyeglasses than they did before and I believe we can expect the support that's gained to remain pretty much at the levels where it is now.

## **THE McLAUGHLIN GROUP**

Moderator: John McLaughlin. Panel: Fred Barnes, Eleanor Clift, David Gergen, Robert Novak.

On Iran-contra: For all practical purposes, is this Iran-contra inquiry now dead?

Gergen: The main show is over. The side shows will go on. But the big show, the question about Reagan, Reagan's out of the woods now. That's very important for him. Ollie North, in effect, I think, transformed these hearings. He created a sense of legitimacy about much of what happened. And now Poindexter, as skeptical as people may be about Poindexter's testimony...the fact is he's helped to clear the President.

Novak: ...The reason, Gergen, I can explain to you that people disbelieve him is because they're so bitterly disappointed. They have waited for months and months to get a smoking gun to impeach the President of the United States and disgrace him, and suddenly the ballgame's over.

Clift: What the admiral gave the President was a measure of im-plausible deniability. Sure, the ratings are going to go down now. But for those of us who care about how foreign policy is made at the highest levels, we've still got the big four on the docket: Meese, Shultz, Regan and Weinberger.

Barnes: ...It's over. And there's no question about it. ...There are two things that I think show how you can tell. One, when they say they don't believe Poindexter. Obviously, he's telling the truth. There's no evidence to the contrary. It tracks with what North said, what Reagan said.... And secondly, it's when people like Sens. Rudman and Cohen have to go out and say, "Well...there is no smoking gun, Reagan didn't know about the diversion, but this is worse that he didn't know." That's preposterous. Of course it's not worse.

Clift: ...How can you say it's obvious that Poindexter is telling the truth? He was in his job for six weeks and he is a Naval officer that had spent his lifetime following orders, and he suddenly takes it upon himself to do this and there's no memo to the record....

Novak: I'll tell you what's sad. It's that President Reagan comes over as a person [who] doesn't care about the people who have served him loyally, who is interested only in his own scalp....

Who is now the more bloodied, the Congress or the witnesses?

Gergen: ...Clearly, the Congress. The man who's standing up as the heavyweight in all this is Oliver North. Novak: For once, Gergen's right. Clift: Congress is a palooka; they're such an easy target. But the witnesses are bloodied in ways that matter. Barnes: The Congress all the way. They've been exposed for exactly what they're like. McLaughlin: Four say that Congress is the more bloodied.

## AGRONSKY & COMPANY

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

### On the Iran-contra hearings:

Agronsky: What do you think is the most significant thing to come out this week?

Kilpatrick: The most significant thing was about 11:45 Wednesday morning, when counsel asked Poindexter, "Did you tell the President that the profits from the Iran deal had been diverted to the contras?" ...It was a vindication of the President, after all these months.

Rowan: In addition to that, I'd add two other things. It was Poindexter's testimony that in order to spare the President embarrassment, he tore up a finding showing the President had indeed approved a straight arms for hostages deal. I would add that to the fact that when Poindexter went in to resign, he says neither the President nor Meese ever asked him, 'Did you approve the diversion of funds?' Very interesting.

Drew: I would have to say the surprising thing is the effect of the whole picture. People who really looked at this had known for some time there had been considerable amount of lawbreaking, lies to and deception of Congress and the public, the Constitutional processes had been flouted, that there'd been a coverup, but to hear it told...was frightening.

Sidey: I agree with Jack. Those 10 or 20 seconds when Poindexter said, "I did not tell the President," shrank what had been intended to be by those who staged it -- the lynching, the hanging of the U.S. President. And it went from that to just what is kind of a middle-grade foreign policy failure.

Rowan: First of all, we can't have this hang simply on whether or not Poindexter will say that he did or did not tell the President. There are a lot of other factors in this fiasco including the President's numerous statements to the nation that he did not approve an arms for hostages deal....There are a lot of central questions to this thing.

Drew: Oddly and ironically, it was the White House that set up the diversion as the question, and they said if he was absolved of knowing about it, then everything was fine. Also, there were some people who used to say there was no good answer to whether or not the President knew about the diversion.

Kilpatrick: I said for months the issue was whether the President was duplicitous or incompetent. And now it's been shown that he was an incompetent executive in this regard. He was not a liar...I find it kind of scary that this could have happened.

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Drew: Is it possible that this military man took it upon himself to make this extraordinary decision on his own? ...I found among other things the most chilling thing is it turned out that he (Poindexter) sat there and said that this idea that North told us Casey had of an off-the-shelf, free-standing, ongoing covert operation not accountable to the bureaucracy...he thought that was a really good idea.

Kilpatrick: I think the pattern became a good deal clearer this week. At least I felt for the first time I really understood what had happened. And the key operative verb is, 'assumed.' Everyone along the line seemed to assume that he had authority to do what he did. And it ran off in all directions on the assumptions of authority. Now I can understand how Poindexter kept his mouth shut...There's a certain mindset, once you get into intelligence operations in which you just close your mind to communicating.

Agronsky: Here's a man who now tells this committee that he did not regard the Boland Amendment as applicable to the National Security Council? How in the world can he arrive at those assumptions?

Kilpatrick: Poindexter had been working closely with the President for seven years. He had pretty good insights...

Rowan: ...I know how those deals work...you tell your boss and then you swear that even on your death bed you will deny that you told your boss.... Let me mention one other thing that happened Friday. The White House criticized Poindexter. They said that Poindexter was wrong in saying he was sure that if he'd asked the President, the President would not have approved this deal. Even then, Poindexter said 'I expect the President to say that. I still think he would have approved that.'

Agronsky: There's one constitutional concern that relates to the Attorney General, Ed Meese, who apparently came down with these extraordinary evaluations of what was going on and said that they were okay. What kind of advice was the President getting in constitutional terms in this Council from the Justice Department?

Drew: That's obviously a big question that's running through these hearings, and I don't know if it will be concluded when Meese comes to testify. But I can assure you it will be a hot time in the old town when he does. Because there are a lot of questions...certainly for the period between Nov. 21 when it was said the President told him to look into the conflicting testimony through the 25th when it was decided North would be fired and Poindexter would resign...One of the things that we have to ask and wonder...is are we seeing the 'fall guy' plan being enacted before our very eyes.

Kilpatrick: I don't know how in the world you, Carl, can be convinced, or Martin, that the President has been telling the truth. You have two witnesses...who have testified positively, under oath, that they did not inform the President. What kind of evidence would persuade you that the President is telling the truth?

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