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# News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, JULY 27, 1987 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

U.S. To Increase Mine Detection In Gulf, Retaliation Possible -- Secretary Weinberger said U.S. mine detection capability was to be strengthened in the Persian Gulf and retaliation was possible over damage caused to the Kuwaiti tanker Bridgeton. (USA Today, Wall Street Journal, Washington Post, Washington Times, AP, Reuter)

### NATIONAL NEWS

Just Can't Wait To Get On The Road Again -- The conservative Midwest is the latest stop for President Reagan as he continues to hawk his "Economic Bill Of Rights" along Main Street USA in outward indifference to the Iran-contra hearings. (AP, UPI)

### IRAN-NICARAGUA

President Led Secrecy On Iran Deal -- President Reagan led a White House effort to conceal the facts about his secret arms deals with Iran last November, overruling arguments from both Secretary Shultz and then-Chief of Staff Regan that details of the deals should be disclosed, according to minutes of a White House meeting. (Los Angeles Times)

### NETWORK NEWS (Sunday Evening)

**PERSIAN GULF --** Secretary Weinberger promised efforts will be improved to find and remove deadly mines in the Persian Gulf.

**IRAN-CONTRA --** The Iran-contra committee released notes of a meeting last November which show President Reagan actively leading an effort to cover up details of the arms-for-hostages deal.

**ARMS CONTROL --** The U.S. and Soviet Union seem to be moving closer to an arms control treaty.

#### SECRETARY BALDRIGE...

"...He was a very warm and wonderful person, and I know how deeply he was attached to doing what he was doing at the moment of his death. And it is a very heavy blow for all of us in the Administration. He had been here from the very beginning and did a wonderful job in every way. And we all thought the world of him. He was enormously popular, and justly so. And it is a heavy blow."

(Secretary Weinberger, 7/26)

## **INTERNATIONAL NEWS**

### **U.S. TO ADD GULF MINE DEFENSES**

Secretary Weinberger said that the U.S. "has mine-sweeping capability in the Persian Gulf and it can be increased and will be increased."

Weinberger reacted strongly to suggestions that the Pentagon had not considered the possibility of mines in the gulf, where a Kuwaiti-owned oil supertanker flying the U.S. flag struck a mine on Friday while under U.S. Navy escort.

"You don't need a mine sweeper" to detonate and destroy mines, Weinberger said. "We have capabilities that are available when mines are discovered.... We did not look for (mines) in that area (where the tanker Bridgeton was hit) because there have never been any mines in that area." (Molly Moore & Judith Havemann, Washington Post, A1)

### **Navy Vows To Expand Mine Watch**

KUWAIT -- Amid mounting tension, the top U.S. Navy officer in the Persian Gulf held emergency talks here on the defense of U.S.-flagged ships, and Secretary Weinberger vowed to increase minesweeping.

Rear Adm. Harold Bernsen met here with U.S. Ambassador Anthony Quainton to discuss alternatives for antimine warfare in the gulf.

Among the options:

-- Persuading Saudi Arabia to send its four minesweepers into the main channel on a regular basis -- something Saudi authorities are reluctant to do for fear of provoking Iran.

-- Deploy U.S. antimine helicopters permanently to the region -- action that Kuwaiti officials had opposed as giving the U.S. too large a presence on Kuwaiti soil. (Don Kirk, USA Today, A1)

### **Tanker's Mining Bares Weakness Of U.S. In Gulf**

Friday's mine explosion in the Persian Gulf not only damaged a Kuwaiti oil tanker, but it also exposed a soft spot in the U.S. Navy's ability to protect itself.

...Over the weekend, Defense Department officials here scrambled to come up with new ways to clear the gulf's sea lanes of mines....

However, any plans to increase the U.S. military presence will face protests in Congress and perhaps strain relations with Kuwait, which hopes to gain U.S. naval protection without a heavy influx of uniformed personnel. Senate Majority Leader Robert Byrd said the incident "certainly shows the perils we face in following a hastily conceived."

(Tim Carrington, Wall Street Journal, A3)

### **U.S. To Increase Mine Detection In Gulf, Retaliation Possible**

Secretary Weinberger said U.S. mine detection capability was to be strengthened in the Persian Gulf and retaliation was possible over damage caused to the Kuwaiti tanker Bridgeton.

Appearing on the same program [ABC's "This Week with David Brinkley], Iran's ambassador to the U.N., Said Rajaie Khorassani, said he was pleased the Bridgeton was damaged but declined to say if Iran was responsible. (Reuter)

### U.S. Seeking Proof, Weighing Retaliation

The U.S. is "perfectly capable" of retaliating against Iran if it is proven the Islamic republic laid the mine that struck a Kuwaiti supertanker in the Persian Gulf last week, Secretary Weinberger said. But he declined to say how it might be done.

"If we find the party that laid the mines, we are perfectly capable of taking the retaliatory steps," Weinberger said. "Certainly, those things you don't trumpet in advance, you don't call a press conference and announce that you are going to do an operation."

An official spokesman in Riyadh, Saudi Arabia, said his nation's four U.S.-built minesweepers will not help clear gulf shipping channels, destroying U.S. hopes of aid from that quarter.

(James Dorsey, Washington Times, A1)

### U.S. To Clear Key Gulf Channel Of Mines

The United States today prepared to begin clearing mines from a key channel in the northern Persian Gulf where the reflagged Kuwaiti supertanker Bridgeton was holed last Friday.

The U.S. commander in the gulf, Rear Admiral Harold Bernsen, held talks with Kuwaiti officials yesterday on ways to clear a deep-water shipping lane near Iran's Farsi Island, one of the narrowest and most dangerous in the gulf.

Diplomatic sources said the plan was likely to entail U.S. helicopter-based mine hunting equipment operating from American warships.

(Philip Shehadi, Reuter)

### Damage To Tanker Hit By Mine Is More Serious Than Thought

The U.S.-accompanied Kuwaiti tanker that struck a mine in the Persian Gulf sustained more damage than originally thought, but it might be able to sail with a partial load of oil, shipping and maritime sources said.

Over the weekend, divers examined the hole in the supertanker at Kuwait's Sea Island loading platform. They reported that four of the vessel's 32 compartments were flooded, rather than one compartment as initially reported, said maritime salvage sources in Dubai.

(John Rice, AP)

### **FRANCE PUTS AIRCRAFT CARRIER FORCE ON ALERT FOR POSSIBLE DEPLOYMENT IN PERSIAN GULF**

PARIS -- France put an aircraft carrier and three support ships on alert for a possible swift dispatch to the Persian Gulf, the Defense Ministry announced, as France resumed its tense confrontation with Iran.

The alert, which followed the departure of a French patrol boat to the gulf region on Friday, seemed to signal a hardening in the standoff between Paris and Tehran over an Iranian Embassy official wanted for questioning about terrorist bombings here last fall.

Foreign Minister Jean-Bernard Raimond said in an interview...France "will take the necessary measures" if French ships are attacked again by Iranian gunboats in the gulf.... (Edward Cody, Washington Post, A18)



## ARIAS DISCUSSES PEACE SUMMIT WITH SANDINISTAS

MANAGUA -- Costa Rican President Oscar Arias arrived at the start of a Central American tour hoping to inject new life into a flagging peace initiative for the volatile region.

Arias, on his first official visit to Nicaragua, was met at the airport by President Daniel Ortega, with whom he was expected to discuss plans for a regional summit in Guatemala next month after a previous conference fell through.

Ortega said his government regarded the Arias plan as an important contribution to peace efforts but stressed negotiations should also involve the so-called Contadora group, which for four and a half years has sought in vain for a peaceful end to the bloodshed. (Matthew Campbell, Reuter)

## CASTRO MARKS 34TH ANNIVERSARY OF REVOLUTION'S BEGINNING

ARTEMISA, Cuba -- Fidel Castro, in a speech marking the 34th anniversary of the start of his revolution, likened a Cuban general [Brig. Gen. Rafael Del Pino, who defected to the U.S. on May 28] who defeated the U.S. to a rat leaving a sinking ship, but quickly assured Cubans their ship of state is not sinking.

The speech...was very restrained in its attacks on the U.S. despite a recent chill in Cuban-American relations.

Though Castro made a few thinly veiled references to the U.S. as the "empire" and "the monster," the only times he mentioned the U.S. by name was while criticizing its health-care system. (Rob Gloster, UPI)

## CUBA CLAIMS CIA'S MEN IN HAVANA WERE DOUBLE AGENTS

In A New TV Series, Alleged Spies-Turned-Heroes  
Tell How They Duped American Agency

HAVANA -- Cuba's intensely publicized charges of CIA spying here have created a new category of revolutionary hero -- the double agent.

Cuban national television last week launched its series on alleged activities of the U.S. interest section here with film of supposedly clandestine drops of bulk packages said to contain transmission equipment and currency. (Lewis Diuguid, Washington Post, A15)

## CIA DISPUTES DEFENSE INTELLIGENCE ON SOVIET LASER

The CIA has backed away from a previous estimate of the Soviet Union's space laser weapons development, triggering a dispute with the Pentagon, U.S. officials say.

The Pentagon's Defense Intelligence Agency has projected the Soviets could have a prototype weapon in space before 1990 for killing surveillance and communication satellites. Its position was reflected in the latest annual edition of Soviet Military Power issued by the Pentagon in March.

Until recently, the CIA shared this estimate.

But the spy agency has changed its position, U.S. government officials said last week, because laser scientists now believe the technology needed for a space laser is not as advanced as they previously had thought. (Walter Andrews, UPI)

## **NATIONAL NEWS**

### **REAGAN ON THE ROAD AGAIN IN BATTLE FOR ECONOMIC RIGHTS**

President Reagan is taking his campaign against high taxes and government spending to Wisconsin today, where a member of his own party [Rep. F. James Sensenbrenner] predicts Reagan is in for "the toughest battle" of his presidency over the so-called "Economic Bill Of Rights."

Meanwhile, a Democratic member of the tax-writing House Ways and Means Committee [Rep. Jim Moody] derided Reagan's "road show" and called the President "a non-player as we are struggling to reduce the deficit."  
(Dale Nelson, AP)

### **Just Can't Wait To Get On The Road Again**

The conservative Midwest is the latest stop for President Reagan as he continues to hawk his "Economic Bill Of Rights" along Main Street USA in outward indifference to the Iran-Contra hearings.

Still mum on the myriad questions that have emerged during 10 weeks of testimony, Reagan was headed to southeastern Wisconsin today to press the case for spending cuts, less taxation and more presidential clout over Congress.

Friendly crowds awaited Reagan in three small towns outside Milwaukee, where he planned to address workers at a home furnishings factory, attend a Rotary Club luncheon and deliver a speech near the shores of Lake Michigan.  
(Norman Sandler, UPI)

### **WRITING REAGAN'S FINAL SCENES Aides Battle Over Best Face For Presidency**

As President Reagan tries to emerge from the political trauma of the Iran-contra hearings, a quiet struggle is taking place within his Administration over how to put the best face on the remaining 18 months of his presidency.

White House officials and Republican political strategists say battle lines have been drawn between White House Chief of Staff Baker, who favors a limited but big-ticket agenda of arms control and budget compromise, and conservatives who want the President to go out fighting and draw clear partisan lines for the 1988 election campaign.

Reagan, in a combative mood after weeks of congressional hearings into the Iran-contra affair that have exposed seminal deficiencies in his presidency, is said to be of both minds, depending on the day and the issue.  
(Lou Cannon, Washington Post, A1)

## DEATH LEAVES REAGAN SHORT-HANDED AT CRUCIAL TRADE TIME

The sudden death of Secretary Baldrige in a freak horseback accident leaves the Reagan Administration without a key player at a crucial time in its negotiations with Congress over far-reaching trade legislation.

While the Administration searches for a successor, Deputy Commerce Secretary Clarence Brown, a former Republican congressman from Ohio, was expected to be named by President Reagan as acting commerce secretary.

But Administration officials, who spoke on the condition of anonymity, said it is unlikely that Brown would be offered the post permanently for the last 18 months of the Reagan presidency.

U.S. Trade Representative Clayton Yeutter, who shared jurisdiction over trade matters with Baldrige, is...being mentioned as a possible [successor].

But Yeutter aides, requesting anonymity, said they doubted the chief U.S. trade negotiator, who already enjoys Cabinet status, would be interested in making such a move. (Tom Raum, AP)

### Commerce Chief's Death Leaves Reagan Without His Moderator On Trade Issues

Secretary Baldrige's death leaves the Reagan Administration without a strong voice for the business community in trade issues that have divided Congress and even the Administration itself.

Baldrige, who brought his seniority as a member of President Reagan's Cabinet and what Reagan called his "common-sense wisdom" to bear on trade issues, won't be easy to replace. There aren't many corporate executives and outsiders of his stature willing to serve for only the Administration's remaining year and a half. There are even fewer who could enjoy Reagan's confidence as Baldrige did.

The White House, stunned by Baldrige's unexpected death, hasn't developed a list of possible successors....

Since the secretary's remaining agenda may call for a trusted insider who also has trade-policy expertise, Reagan may consider the option of naming Labor Secretary Brock or Trade Representative Yeutter....

(Eduardo Lachica, Wall Street Journal, A3)

### Baldrige's Death Not Likely To Alter Trade Policy

The sudden death of Secretary Baldrige, the Reagan Administration's leading hawk on trade policy, is not expected to weaken the Administration stand against protectionism in foreign trade.

"The nation has suffered a great loss with the tragic and untimely death of Secretary Malcolm Baldrige," President Reagan said....

Vice President Bush said, "I feel like I've lost a brother. I loved the guy."

"The Administration has lost one of its finest Cabinet officers and the nation has lost an outstanding public servant. I've lost a very close friend," said Treasury Secretary Baker.

(Jeremiah O'Leary & Karen Riley, Washington Times, A5)

### Reagan Free Trade Policy Seen Unaffected By Baldrige Death

Secretary Baldrige was a top architect of President's Reagan's trade policy, but Reagan's tough stance to end the huge U.S. trading deficit will not end with Baldrige's death.

Trade analysts said Baldrige was a soft-spoken but forceful advocate of Reagan's free trade policies, both in talks with U.S. overseas trading partners and in trying to block Congress from passing protectionist legislation.

But, they added, the fight he led for open yet fair trade would be continued by the Administration's two other chief trade officials, Secretary Baker and Secretary Yeutter. (Robert Trautman, Reuter)

### Baldrige's Body Flown To Home Town; Tributes Pour In For Commerce Secretary Who Died In Horse Accident

The body of Secretary Baldrige was flown to his home town of Woodbury, Conn., after an autopsy showed that he died after his chest and abdomen were crushed in a freak horse accident.

The crowd stood and sang "God Bless America" and the national anthem as statements of shock and sadness poured in from President Reagan, Vice President Bush, congressional leaders, friends and the Japanese minister of international trade and industry.

(Judith Havemann, Washington Post, A3)

### BANKRUPTCY LOOMING, SENATE MUST UNSNARL STANDOFF OVER U.S. DEBT LIMIT

Senators are starting their week facing a complex political snarl over how to best slash massive federal deficits, a dispute that has pushed the government to the edge of default.

On Tuesday, they resume trying to reach bipartisan agreement on budget process reforms. A fight over the issue has held up progress on a measure to stretch the \$2.111 trillion federal debt limit. Without some extension, the government would be unable to pay its bills by late this week, perhaps Thursday.

Today, the House will consider a bill that would prohibit the sale in military exchange stores of any product manufactured or assembled by the Toshiba Corp., in retaliation for Toshiba's sale of sensitive submarine technology to the Soviet Union. (Alan Fram, AP)

### Gramm-Rudman Battling Could Add Billions To Deficit

Senate squabbling over how to reinstate the Gramm-Rudman balanced budget law could result this week instead in the addition of billions of dollars more to the deficit, Budget Director Miller says.

If Congress fails by tomorrow to increase the debt ceiling above the present \$2.1 trillion mark, the country will face an unprecedented default on obligations that may never be repaid, Miller said in a weekend interview. (Gene Grabowski, Washington Times, A2)



## **IRAN — NICARAGUA**

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### **PRESIDENT LED SECRECY ON IRAN DEAL Shultz Overruled In Heated Debate, Minutes Disclose**

President Reagan led a White House effort to conceal the facts about his secret arms deals with Iran last November, overruling arguments from both Secretary Shultz and then-Chief of Staff Regan that details of the deals should be disclosed, according to minutes of a White House meeting.

The minutes, part of a 2-inch sheaf of documents released last week by Congress's Iran-contra committees, describe an apparently heated confrontation between Reagan and Shultz during the meeting Nov. 10.

(Los Angeles Times, A1)

### **WEINBERGER SAYS QUITTING WOULD NOT HAVE STOPPED ARMS SALES TO IRAN**

Secretary Weinberger is defending his decision not to resign in protest of U.S. arms sales to Iran, saying he would have been unable to continue arguing "vigorously and vociferously" against the policy.

"Resigning may make the resigner feel a little more comfortable and morally superior, but it doesn't accomplish anything and it removes any possibility of continuing to present those arguments in a way that eventually will prevail. And that has happened," Weinberger said in an interview on ABC's "This Week with David Brinkley."

Meanwhile, the Iranian ambassador to the U.N. [Said Khorassani] said Iran has tapes of meetings between U.S. and Iranian officials in Tehran that "show things slightly different from the picture presented to the public" during the [Iran-contra hearings].

(Donna Cassata, AP)

### **BENNETT CRITICIZES SHULTZ' TESTIMONY**

Secretary Bennett has joined other conservative Republicans in criticizing Secretary Shultz' testimony before the Iran-contra investigative committee.

Bennett said the Iran-contra committee members "really got hurt by the North testimony, and their attempt in questioning Shultz was to pull them back up."

(Ralph Hallow, Washington Times, A8)

### **White House Staff: Shultz 'Self-Serving'**

While the official White House description of Secretary Shultz' testimony is "honest and sincere and helpful," many staff members are "furious" over what they consider blatantly self-serving remarks.

"It's classic George Shultz," said one official who recently left the White House. "A great critic, but no action. If he is so good, then why couldn't he stop it?"

One senior Administration official said, "he protesteth too much," and summed the feeling at the White House this way: "Nobody around here is pleased."

(Donald Rheem, Christian Science Monitor, A1)

### A WIDENING CREDIBILITY GAP

Behind the facade of White House happy talk, President Reagan is said to be distressed at poll findings that a solid majority of Americans believe that John Poindexter is lying when he says he approved diversion of Iran arms sales profits to the contras on his own.

That is also the President's story, and Reagan is accustomed to being believed. The Iran-contra affair revealed shocking flaws of policy and process, but Reagan's friends say he is more concerned about damage inflicted to his reputation for truthfulness.

The irony of the President's predicament is that this longstanding and carefully cultivated reputation has become dependent on Poindexter, the least credible participant in the scandal. Reagan did not plan it this way. He naively expected to be believed when he described himself as a "White House source" in a nationally televised speech last Nov. 13 and wrongly asserted that the Iran initiative was not a trade of U.S. arms for American hostages.

Poindexter did not provide the "smoking gun" that Reagan's foes had sought. But he did something perhaps as damaging, which was to leave the President's reputation resting on the word of a man who simply cannot be believed. Those who study the affair will long wonder why Reagan, on the day he accepted Poindexter's resignation, didn't care enough to ask what had been going on. (Column, Lou Cannon, Washington Post, A2)

### MEESE TO FACE TOUGH QUESTIONING BY ARMS-FOR-HOSTAGES PROBERS

Attorney General Meese, who headed the initial inquiry into the Iran-Contra scandal last November, is expected to face stiff questioning when congressional panels resume their probe into the affair.

When Meese begins his scheduled appearance Tuesday before joint congressional investigating committees, lawmakers will be expected to grill him on published reports that President Reagan led an initial effort last November 10 to conceal details of the covert sales of U.S. arms to Iran.

One report placed Meese at the meeting, saying he supported Reagan's move to conceal the arms sales. (Glenn Somerville, Reuter)

### Meese's Vagueness Is Expected To Vex Iran-Contra Panel Eager To Fill Gaps

Attorney General Meese goes before the Iran-contra inquiry this week in what is expected to be a tug-of-war with House and Senate investigators exasperated by his frequent claims of being unable to recall events.

Meese played a lead role in deliberations within the Reagan Administration as the controversy became public last fall, but his responses in private depositions before the House and Senate committees often have been vague, according to investigative sources.

(David Rogers, Wall Street Journal, A2)

### HEARINGS A PRIMER ON U.S BUREAUCRACY FOR FRIENDS AND FOES ALIKE

The Iran-contra hearings are giving foreign capitals something their intelligence networks would be hard-pressed to match: an inside look at the battles over foreign policy at the top levels of the U.S. government.

"There is a certain grudging admiration that this government, this system, is willing to go this public," Helmut Sonnenfeldt, a former NSC staffer, said in an interview. "No other governments, even the most democratic ones in Europe or the Far East, ever do this sort of thing."

"We're learning things about how things work here in your government that we never knew," one Japanese diplomat, speaking on condition he not be identified, said in an interview. (Dale Nelson, AP)

### RANCHER PAID BY CIA FOR HELPING CONTRAS

An American rancher in Costa Rica with ties to Oliver North says he told criminal investigators recently the CIA paid him \$1,100 a month for assisting the Nicaraguan contra rebels.

In an interview with UPI, rancher John Hull said he told investigators for independent counsel Lawrence Walsh that the agency gave him \$800 a month for bodyguards and \$300 a month to rent CIA safehouses in San Jose, Costa Rica. (Neil Roland, UPI)

### BELEAGUED FUND-RAISER CHANNELL EAGER TO RETURN TO AIDING CONTRAS Conservatives Facing Bankruptcy, Sentencing In Iran Affair

Carl Channell...says he wants to get past his troubles so he can go back to helping the Nicaraguan rebels.

And despite the problems that grew out of his involvement with Oliver North...and the private contra aid effort, Channell said he is ready to take up the cause again. (Rita Beamish, Washington Post, A4)

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## **NETWORK NEWS SUMMARY**

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(Sunday Evening, July 26, 1987)

### **PERSIAN GULF**

CBS's Bruce Morton: One of warfare's oldest weapons is proving a major headache for today's U.S. warships in the Persian Gulf. Defense Secretary Weinberger promised today efforts will be improved to find and remove deadly mines -- the kind that damaged a tanker two days ago.

CBS's Alan Pizzey reports from Kuwait on the damage to the Bridgeton and the travel of U.S. flagged tankers through the Persian Gulf.

(Weinberger: "We have a mine sweeping capability in the Persian Gulf. It can be increased and will be increased.")

Unless the Navy can stop mines being laid, they'll have to sweep the narrow shipping lanes giant tankers like the Bridgeton must climb.... It will be several more days before the Bridgeton is ready to set sail again -- with or without a cargo of oil. Whether she leaves empty or full, she remains a tempting target for whoever set the mines in the first place.

CBS's Jacqueline Adams: When the Bridgeton struck that mine, bitter military and policy debates in Washington were quickly reignited.... High stakes are both short and long-term -- reassuring Middle East states made weary by American arms sales to Iran, pre-empting Soviet influence in the Persian Gulf, pressuring Iran to end its seven year war with Kuwait's ally Iraq and preserving Western access to vital Gulf oil supplies now and in the future.... Some, though they agree that Kuwait's tankers should be protected, believe it's foolhardy for the U.S. to go it alone.

(Rep. Aspin: "If Iran has to take on the whole Western world -- that's one thing. If it has to take on the great Satan and be able to come up with some nifty little attack on some flank on the great Satan that we didn't attack -- that's a whole different story.")

...White House officials, however, believe such arguments are "hogwash" since British, French, Saudi Arabian, even Soviet ships already constitute a international force in the Gulf. The role of the U.S., officials argue, is the one the Administration is pursuing -- arranging a cease-fire in the Iran-Iraq war so the U.S. Navy can get out of the escort business.

Morton: France today placed an aircraft carrier and two other warships on 24-hour alert to head for the Persian Gulf. Spokesman sighted good intentions in the Gulf and the on-going diplomatic standoff with Iran. (CBS-3)

ABC's Sam Donaldson: A team of divers reported today that the damage to the Kuwaiti super tanker Bridgeton is more extensive than originally thought when the tanker hit a mine on Friday while being escorted by the U.S. Navy in the Persian Gulf. This news came even as U.S. officials scrambled to find a way to prevent such incidents from taking place during future convoy operations.

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ABC's David Ensor in Kuwait reports on the damage to the Bridgeton. The problem is no matter what capability the U.S. adds to its tanker escort service, the mission cannot be made risk-free in these troubled waters. For Iran, the tankers and their Navy escorts may remain a tempting target for as long as they sail.

ABC's Bob Zelnick: In his first public comment since the Bridgeton explosion, Defense Secretary Weinberger suggested on "This Week With David Brinkley" that the U.S. would shortly expand its mine sweeping capability in the Persian Gulf to try to prevent future such incidents.

(Weinberger: "We've done it once in this connection. We did it with the whole Red Sea and we're perfectly capable of doing it in this area.")

...The U.S. has a few of its own mine sweeping ships, but they're not of world-class quality.... The Saudis have four mine sweepers but have been timid about using them in the Gulf's international water. NATO allies like Germany and Holland have excellent mine sweepers, but no desire to antagonize Iran. Thus the U.S. has been going it alone and there's strong dissent from Capitol Hill.

(Rep. Aspin: "If what we had done had been part of an effort by our European allies and part of the moderate Gulf states, we would not be kind of so much out in front on the issue.")

The Iranians, while dodging responsibility for the Bridgeton incident, have also made no secret of their glee.

(Ambassador Khorassani: "We're not afraid of saying that we are pleased to see that the tanker was hit.")

(Weinberger: "If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps.")

Sources here say that to protect future convoys, 3-5 C-Stallions will likely be airlifted to the Persian Gulf area....

ABC's Jon Bascom reports on what it was like to be part of the U.S. press pool along on the U.S. mission.

Donaldson: France, which already has warships in the Gulf to assist vessels under attack, may be sending more ships there for another reason. Because of the deepening crisis with Iran over the harassment of diplomats, a French aircraft carrier and three support ships have been put on alert and told they may be ordered to sail to the Persian Gulf within the next 24 hours. (ABC-Lead)

NBC's John Hart: France ordered four warships on standby to sail for the Persian Gulf on 24 hours' notice -- the French defense ministry saying it is a precaution justified by the international situation in the Middle East. In West Germany the conservative leader urged his government to send warships to the Gulf as a gesture of support for the American, British and French ships already in the region. And China said today it is sympathetic to requests from Kuwait for leasing Chinese oil tankers that fly the Chinese flag. The mine that struck the reflagged Kuwait oiler the Bridgeton did more damage than was thought -- tearing open for compartments in the ships.

NBC's Jim Miklaszewski: When an underwater mine tore a gash in the Bridgeton, it also blew a gaping hole to the U.S. military super power image. With some tough talk today, Defense Secretary Caspar Weinberger set out to repair the damage.



Miklaszewski continues:

(Weinberger: "If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps.")

But Weinberger conceded it's difficult to determine who laid the mine. U.S. military officials are convinced it was Iran, but the Iranians weren't saying today.

(Khorassani: "We are not afraid of saying that we are pleased to see that the tanker was hit.")

The U.S. was dealt still another set back when the Saudis said they will not use their mine sweepers to help clear Persian Gulf shipping lanes.... Instead the Navy hopes to use mine sweeping helicopters.

(Weinberger: "We were asked to assist in sweeping mines from the Red Sea, which had been planted by Iran and Libya, and we were able to do that very successfully.")

(Sen. Exon: "There have been myself and other who have tried to push this on the Navy, but their priorities were simply in other areas.")

...Experts contend that without adequate mine defenses, the U.S. runs the risk of losing the battle for the Persian Gulf.... The Administration insists the Persian Gulf mines will not disrupt plans for future convoys. Some Navy officials aren't so sure -- they admit the U.S. has been dealt an embarrassing blow. When those escorts resume, the Navy will set out not only to protect the tankers, but to restore its damaged image as well. (NBC-Lead)

#### IRAN-CONTRA INVESTIGATION

Morton: The Iran-contra committees have released notes of a meeting last Nov. which, if accurate, shows President Reagan actively leading an initial effort to cover up details of the arms-for-hostages dealings with Iran.

CBS's Bill Plante: Despite President Reagan's public statements to the contrary, notes taken during a meeting Nov. 10 show that Mr. Reagan seems to have been fully aware last fall that he was trading arms for hostages. Shortly after the story broke, at a time when he still hoped more hostages would be released, Mr. Reagan discussed a cover up of the facts at a conference of his main White House and Cabinet advisers. The hand written notes of that meetings of that meeting, taken by Deputy National Security Advisor Alton Keel, were among documents made public last week by the Iran-contra committees. When the story of the arms deal first appeared in a Beirut magazine, the President --

(The President Nov. 6: "The speculation, the comments on a story that came out of the Middle East -- has no foundation.")

But four days later, the notes show that Mr. Reagan opened the meeting by calling for a statement to indicate there would be no bargaining with terrorists, and noting his hope for a moderate government in Iran. He told his aides, "We don't talk TOW. We don't talk specifics." A few days later, well before the operation had been abandoned, and with some advisers still urging another deal, the President addressed the nation.

(The President Nov. 13: "We did not -- repeat -- did not trade weapons or anything else for hostages. Nor will we.")

Keel's notes also show Secretary of State Shultz asking, "Do we trade  
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Plante continues:

any more arms for hostages?" and getting no direct answer from the President. By last March, after the Tower Commission had concluded that he had indeed traded arms for hostages, Mr. Reagan still insisted he didn't believe it in his heart.

(Rep. Cheney: "Once you've made those decisions there's a tendency to try to rationalize in your own mind why it was the right thing to do and to defend it. You have to be able to do that in this town otherwise your policy just falls. You don't want a wimp for president.")

A senior White House official told CBS News that the President, in that Nov. meeting, was simply looking for ways to keep the hostage trade secret because he believed that more hostages were about to be released. There's no question, said the official, that the President was involved. But if that's the fact, then there's also no question that at the very least, Mr. Reagan dissembled.

Morton: At one point the notes of that Nov. meeting show the President saying, "Appreciate people saying you support the policy, will not comment on." And Attorney General Edwin Meese saying, "Agree." That adds one to a long list of questions about Meese's role in the affair. He'll appear before the committees later this week. Rita Braver is with us now.

CBS's Rita Braver: I think that this memo...is going to be yet one of the other issues that the Attorney General is going to have to address when he comes to Capitol Hill. In the last few weeks of the hearings we have heard over and over again questions about the Attorney General's role through all of this.

Morton: The memo is one. There are already some areas where the committee is suspicious of him.

Braver: Absolutely. I think that this week the main area that will come under question here is the investigation that Mr. Meese held into putting together a chronology for the President on the history of the Iran arms sales. And that is going to be the subject of a lot of questioning. Mr. Meese...actually turned up the memo that indicated that some of the funds from the arms sales had been diverted. And yet there are many, many questions from Congress about the conduct of that investigation....

Morton: A lot of question that the Attorney General never asked.... And there's that wonderful story that Col. North told....

Braver: Mr. Meese's investigators have said that there was no shredding going on while they were actually there. But the question comes up again and again -- why didn't they seal off the offices? Once they had found that diversion memo, while wasn't there a seal put on everything and why wasn't the FBI called? One of the things that the Attorney General is expected to be asked about is why he went on national television and gave a news conference before he ever told the FBI that this diversion memo had been found.

Morton: Do you have any hints as to what line Mr. Meese will take when he testifies?

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Braver: He will take the line that everything he did was appropriate, that he only wanted to get the truth out, that all of the advice that he gave the President about the Iran arms sales was correct, and that once he discovered the diversion memo, he immediately brought that to the public's attention. I think there are people at the Justice Dept. who are generally shocked that he wasn't treated as a hero for disclosing the diversion instead of being kind of publicly bashed for how he handled the investigation. (CBS-Lead)

ABC's Kenneth Walker: President Reagan, returning from Camp David today, wasn't talking about reported suggestions that he ordered an early cover up of the Iran-contra scandal. (TV coverage: The President and First Lady on the White House lawn.)

Last week Secretary of State George Shultz testified about a top-level meeting called to discuss unfolding revelations about the then week-old crisis.... Former White House aide Alton Keel took notes released last week by Congress which showed the President ordered his advisers not to talk specifics when asked about the crisis.... Shultz reportedly asked the President near the end, "Do we trade any more arms for hostages?" Mr. Reagan gave Shultz no assurance the note said. One participant, Defense Secretary Weinberger continued today to deny that stronger oppositions to the the arms sales to Iran, even a resignation, may not have spared the President a disaster.

(Weinberger: "Resigning may make the resigner feel a little more comfortable and morally superior but it doesn't accomplish anything.")

One Republican defended the President's demand for secrecy, saying Mr. Reagan at the time still had hope that more American hostages in Lebanon would be freed.

(Rep. Kemp: "The President recognized that policy and lives were at stake and it had to be kept secret.")

But Senate committee member Howell Heflin said Keel's notes may deserve closer attention.

(Heflin: "I think it's evidence and it's evidence that needs to be evaluated.")

That evaluation is likely to come this week when congressional committees begin the final phase of their investigation with testimony from former Chief of Staff Don Regan, Defense Secretary Weinberger, and Attorney General Edwin Meese.

ABC's Dennis Troute: Aides say the Attorney General put aside much of this afternoon to go over his coming testimony before the Iran-contra committee. The principle Justice Dept. question the committee wants answered -- did Meese move slowly as the Iran case broke because he was giving those involved time to take political cover or because he and his investigators were slow in figuring out the scam?

(Sen. Rudman: "I think it was incompetence.")

In retrospect, the Attorney General's failures are glaring. At the urging of Adm. Poindexter, who said the safety of U.S. hostages in Lebanon was involved, Meese ordered the FBI to suspend its investigation of Southern Air Transport....

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Troute continues: Meese aides insist that because so many versions of the Iran story then were circulating, he could not be certain which were the false ones.

(Terry Eastland: "The Attorney General, as he has indicated at that time, was trying to base that upon information he had.")

Other apparent lapses in the investigation that the committee may want explained -- why Meese failed to ask Adm. Poindexter if the President knew of the funds diversion, why Meese insisted on using political aides in his inquiry, rather than the criminal justice professionals of the FBI, and why officials waited so long to seal Oliver North's offices.... As Meese testifies Tuesday, he has more than an interested public listening in. Independent Counsel Lawrence Walsh is investigating possible criminal violations into the attempt to cover up the Iran scandal.

Donaldson: Iran's Ambassador to the U.N., Rajaie Khorassani said today that all the truth has not been revealed about the arms sale to his country, saying more of the story is contained on tape recordings Iran possesses of former National Security Adviser Robert McFarlane's phone conversations with Washington when McFarlane was in Iran last May. Khorassani said the tapes show things slightly different from the picture presented to the public but he declined to say whether Iran will ever release them. "I don't think that we should embroil ourselves in the internal affairs of the United States," he explained.

(ABC-2)

NBC's Jamie Gangel: The handwritten notes taken by then Deputy National Security Adviser Alton Keel revealed that President Reagan not only knew the details of the arms-for-hostages operation, but took the lead in concealing them. It shows the President concerned with leaks about the operation.... Returning from Camp David today, the President would not comment on the notes.

(TV coverage: The President and First Lady on the South Lawn.)

A senior White House official said, "Of course the President was in charge. The President was trying to cover it up because it was a covert operation -- a secret and we still hoped to get the hostages out." It is the same picture of a involved President given by several officials, including Secretary Shultz.... But if the President was an engaged, hands-on boss, who knew so many details and instructed his staff to conceal them, committee members suggest it may raise new questions about the President's credibility.

(Rep. Foley: "There might have been more effort on the part of the President to try to keep the facts from coming out than has been the official position of the White House.")

And it raises new questions about why the President could not remember if he had authorized the Israeli shipment of arms to Iran -- a key part of the deal. Testifying to the Tower Board first the President said he did. Then, 16 days later, he said he did not. And then just nine days after that, the President said he just couldn't remember.

Hart: The Miami Herald reports today that the White House has had its own secret force of military intelligence operatives since the early days of the Reagan Administration and sent military personnel on active duty into at least two fire fights with Nicaraguan forces in 1984.

Hart continues: The Miami Herald saying the unit was named the "intelligence support activity" and had a Navy commando team, a seal team and a helicopter force. The newspaper says the teams were set up off the books, outside the military structure for anti-terrorist missions, but that former colonel North and former CIA Director Casey expanded their missions. A Deputy Assistant Defense Secretary was quoted as saying, "The only way to get things done was to cut the bureaucrats out." The White House flatly denies this story. (NBC-2)

#### ARMS CONTROL

Morton: The U.S. and Soviet Union seem to be moving closer to a treaty banning medium and short-range missiles in Europe, but one obstacle remaining in the 72 short-range West German missiles with U.S. controlled warheads. Today Defense Secretary Caspar Weinberger said on ABC the U.S. would not bargain away those West German missiles. (CBS-2)

#### MALCOLM BALDRIGE

Morton: The body of Commerce Secretary Malcolm Baldrige was flown home to Connecticut today. He'll be buried there on Thursday. Baldrige was killed yesterday in a rodeo accident in California. The Secretary died doing what he loved most.

CBS's John Blackstone:

(Rodeo Announcer: "And this empty horse is the horse of Malcolm Baldrige.")

Malcolm Baldrige was not a Washington politician looking for a little limelight at the country fair. He was a genuine cowboy. In the arena, where he was to have competed, Malcolm Baldrige was remembered last night more as a member of the Cowboy Hall of Fame than as a man who negotiated international trade agreements.

(Rodeo Announcer: "We lost one of our cowboys. His horse fell and rolled on his and fatally injured him. He miss him. He was a true cowboy.")

The Secretary of Commerce lived a more colorful life than his tailored business suits suggested. He was a member of the Eastern establishment -- a Connecticut businessman and a multi-millionaire. He joined the rodeo circuit whenever he could. He learned the skills of a cowboy doing boyhood summers on a Nebraska ranch -- skills he was still using at age 64.... The kind of accident that killed him is unusual, but not unknown in the rodeo.... As Secretary of Commerce he advocated free trade and open competition. Recently he was a leading proponent of retaliating against Japan for unfair trade practices.

(Rep. Gephardt: "Malcolm Baldrige is one who really, I think, saw the world as it is. He understood that many foreign markets are closing and you're not going to get them open just by talking about it.")

Today the body of Malcolm Baldrige was returned to the East. Friends say part of him will always be in the West.

(CBS-9, ABC-3, NBC-3)

-End of B-Section-



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

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

Guests: Secretary of Defense Caspar Weinberger, Rep. Les Aspin, Iranian Ambassador Rajaie Khorassani.

Brinkley: Congressman, some of your colleagues say they fear that our involvement in the Persian Gulf could lead to war. What is your view?

Aspin: Possibly, but not likely. More likely it's going to lead to a major attack of a facility like we had in Beirut.... The problem is that what we're doing here is a very, very visible help to Iraq. What we should have done was get much more of a collective effort.... I do object to the fact that our profile is the one that's very prominent....

Donaldson: The American flotilla did not contain a mine sweeper and one of the ships was struck by a mine. Is it a legitimate question to ask to the U.S. Navy where was the mine sweeper?

Aspin: We are very short of mine sweepers.... What we have here is a mine attack in a part of the Gulf that we did not anticipate a mine attack, in a part of the Gulf that had not been mined before....

Donaldson: At what point do we say maybe we'd better anticipate an attack anywhere in the Gulf and be prepared to be accountable?

Aspin: That is exactly the point that the critics of the whole reflagging policy have been making is -- that the attack will come from an unexpected quarter.... We must put an united front against what Iran is trying to do. But we, as the U.S. going high profile, doing it solo, is not the right kind of signal.... When the U.S. goes it alone without really getting the allies involved it sends the signal to Iran that the U.S. is out there by itself and there's opposition in Congress, therefore, a kind of terrorist attack against U.S. forces will cause Congress to rebel and want to put them all back.

Guest: Rajaie Khorassani.

Brinkley: The U.N. has voted unanimously for your country and Iraq to cease firing and to accept some sort of truce. What set of conditions would bring your country to accept this?

Khorassani: I think the resolution which was pushed and orchestrated by the U.S. should not have much weight and you shouldn't pay too much attention to it. Just let it follow its own course of action.... We have not produced specific conditions for abiding by this resolution. We simply say that it is a resolution pushed by the U.S. and orchestrated by the U.S. in order to sway the aggressor. If you want a solution to the Persian Gulf as a whole, then you can talk to us and they in the Security Council should have talked to us and they did not.... We have not rejected the resolution, but we think it does not have much practicality.

Donaldson: Is Iran responsible for the mine in the Persian Gulf that hit the tanker Bridgeton?

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THIS WEEK (continued)

Khorassani: Apparently nobody has accepted that responsibility in Tehran and I'm not in a position to accept that.... We are pleased to see that the tanker was hit....

Donaldson: If the U.S. established that the mine was yours, would it be just for the U.S. to strike back at a military installation in Iran?

Khorassani: If the U.S. wants to be further involved in the war, it can proceed. We have no objection to that. We have to prepare for the worst, of course.

Will: You've also said...Iran has the right and will exercise the right to attack any legitimate target, even a target in the sea. Would you define "any legitimate target" and specifically is any legitimate target broad enough to include any ship aiding Kuwait or Iraq through Kuwait?

Khorassani: We think any ship aiding Kuwait and Iraq through Kuwait is a legitimate target....

Donaldson: Is there anything Iran is prepared to do at the moment to help the U.S. get released of hostages from Lebanon?

Khorassani: We are always prepared to work -- but our limitations [due to] the war.... So far as I know, there is no negotiations for release.

Will: I assume you've been watching some of the Iran-contra hearings. What's your conclusion?

Khorassani: I think the people of the U.S. can trust the Senate very greatly. I also believe that all the truth is not yet revealed.... We know some of the things that we wish the people of the U.S. could know as well.... I don't think that I am instructed to tell them....

Guest: Secretary Weinberger

Brinkley: Why don't you have mine sweepers in the Persian Gulf?

Weinberger: We have a mine sweeping capability in the Persian Gulf and it can be increased and will be increased. What we don't do is talk about it.... It has not been firmly established that this was a mine.... I think it was a mine, but it hasn't been firmly established....

Donaldson: What did you do to try to guard against the contingency of mines in that particular stretch of water?

Weinberger: We have the capabilities that are available when mines are discovered. You find a mine field ahead of time.

Donaldson: But you didn't look for it.

Weinberger: We did not look for it in that area because there's never been any mines in that area....

THIS WEEK (continued)

Will: Has our presence there had the effect of stopping the attacks on ships in the Gulf?

Weinberger: The idea of the original cease-fire resolution was to try to get a cease-fire in the war on the land and on the sea.... If Iraq chooses to enforce it, they could dominate the air completely and that could neutralize, to a considerable extent, the advantage in numbers that Iran has on the ground. Iraq and Iran have been locked in this ground war for nine years now...but Iran has not been able to exploit its ground advantage.

Donaldson: Do we do anything against the party who may have laid the mine?

Weinberger: If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps. Those things you don't trump in advance. You don't call a press conference and announce what you're going to do in operational matters....

Will: Mr. Gorbachev indicted this week that he would be willing to agree to a worldwide ban on these intermediate-range missiles.... How much does it simplify the verification? How close are we today to a summit?

Weinberger: It simplifies the verification process but it obviously doesn't eliminate it.... We have been urging zero. The Soviets have been demanding that they keep a large number of warheads in the East and they have now given that up.... I don't know what conditions are attached to it. When Mr. Gorbachev announces a concession like this, he never announces any of the conditions they put on it. When we see those, we'll know much more about it....

Donaldson: You opposed the arms sales to Iran policy back in 1985 and 1986. Do you think you did enough however?

Weinberger: Yes, I do. I think that those arguments were presented as vigorously as has been said and I think they were fully understood and I think that simply a different policy was adopted.... You do keep arguing.... There was no question that the sales were proceeding and everyone knew that George Shultz and I totally opposed the sales. What was important was to try to stop that policy, and ultimately, finally we did.

Donaldson: But you didn't. Did you?

Weinberger: That policy is totally stopped.... It is stopped and that's the important thing.

Brinkley: Why didn't somebody foresee the disaster it became?

Weinberger: I think basically that was foreseen and those arguments were presented, but there were countervailing arguments.... These are important attempts too to try to do things of this kind. Not everyone's arguments are perfect or always persuasive....

THIS WEEK (continued)

FREE-FOR-ALL DISCUSSION (Morton Kondracke joins panel.)

Brinkley: How will West Europe defend itself against Russian ground forces [if the missiles are removed]?

Will: We still have plenty of nuclear weapons in Europe if this is the end of arms control in Europe....

Donaldson: ...I think that Gorbachev, who has seized the propaganda initiative so brilliantly in the last two years...is perfectly capable of making this kind of apparent concession to put increased pressure on us to make a concession that would be very unwise.

Kondracke: The Reagan Administration has hung tough all the way along and had gotten the Soviets to remove the SS20. Now nobody gives the Administration of the U.S. side any credit.... We proposed it, he didn't. The Soviets walked away from the table. They came back to the table. Somehow they got the credit for coming back to the table instead of our having the credit for being there all along....

Donaldson: I think the general concession was accurate -- for a long time this President -- Mr. Reagan -- had to be dragged kicking and screaming to every possibility of a concession when it came to looking at arms control.

Will: But isn't that definition of a good negotiator -- someone who has to be dragged kicking and screaming by the other side's concession?

Donaldson: It wasn't the structure [of the NSC]. It was the people in the NSC who didn't obey the law, who didn't tell the truth, who made an effort to run a covert operation and, from some of the testimony, kept secret even from the President of the U.S -- these guys were bums.

Kondracke: What they were was hyperactivists.... We got to get out there and fight terrorism all by ourselves, etc. etc. They had William Casey as their den mother, who was out there cheering them on and sort of sponsoring them with the President and doing all these irregular things.

Donaldson: I think that's the greatest service that George Shultz's testimony provided this past week -- that is -- a public servant who said you don't have a right to lie, to mislead, to go around the law to do things you ought not to do....

Brinkley: What do we conclude from George Shultz's testimony?

Will: The public liked it and liked it because there seemed to be honest passion in it.... I believe the Secretary of State, being the preeminent cabinet member, could have stopped it and should have stopped it.... By threatening to resign.

Donaldson: The Secretary also painted a picture of a very active President. Ronald Reagan knew what he was doing, he wanted to sell arms.

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

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Moderator: Chris Wallace. Panel: R.W. Apple, Robert Kaiser.  
Guests: FAA Administrator T. Allan McArtor, Rep. Guy Molinari,  
American Airline Chairman Robert Crandall.

Wallace: How bad is the situation?

Molinari: There's a lot basically wrong with the system today.... I'm concerned that the statistics are going to catch up to the system....

Wallace: Is the system just plain overloaded?

Crandall: I think the FAA is doing a fine job of keeping the system safe. Unfortunately, we're paying the price of safety in terms of delays. I think there are many things that can be done.... I'd like to give the public better information about the quality of airlines' service.... We have urged the Department of Transportation to require the airline to report it so that we can now go out and sell quality.... We've got to move air traffic controlling -- the system -- higher on list of national priorities. We've got to create more capacity -- more runways, more airports, more controllers. Until we get that done, I think we've got to allocate the available capacity so that we don't try to operate 800 flights when there's only room for 400....

Molinari: We must require if the airline won't slot off aircrafts to accommodate the number of people flying, then the FAA must mandate that.

Crandall: Regulation as we use to know it isn't necessary. We do have to allocate the available space....

Wallace: What's the first thing the FAA Administrator should do?

Molinari: I would tell him to look at his system very careful, address the morale problems, address the personnel problems....

Crandall: Acknowledge that the people at the FAA are doing an excellent job. Second, go to the Congress and ask for the resources required to do as much as possible to increase capacity right away, and in the long-term, build a ten year plan to give us the capacity of the air traffic control system that we need.

Guest: T. Allan McArtor.

Wallace: Are you going to do what our other guests recommend?

McArtor: I certainly understand their concerns and I welcome their suggestions. I think we need to be mindful of the fact that the peak-hour phenomenon we're experiencing these day are in part due to a scheduling problem and for us to be mindful of the capacity limits on our major airports....

Wallace: Aren't you going to consider something more dramatic than that?



MEET THE PRESS (continued)

McArtor: Of course we'll consider it. But restricting air commerce as a means of restricting demand on the system is done only if you're not mindful of the capacity of the system itself.... The mission of the FAA is to provide a safe and efficient air system and the service issues are consumer issues and we have to work with airlines to find solutions. Restricting air commerce is something we would like to do as a very last event.

Wallace: Would you like to see all the consumer information published?

McArtor: I think that's a excellent idea. I think that the ticket-buying public needs to have more information in which to make a more informed choice. Already the DOT is exploring more and more the requirement for information to be publish. I think we ought to require those things more and more.

Wallace: What do you intend to do to improve the air travel system?

McArtor: We need to be mindful of three things -- service issues, safety issues and security issues. Clearly the FAA's mission is involved in safety and security.... We've got a great deal of effort underway in terms of inspections and emphasis with the carriers to make sure that these service issues don't impact safety. Our first mission is safety -- maintain the air system as safely as possible....

DISCUSSION

Wallace: George Shultz this week seemed to flush out both of the conflicting images that we have of Ronald Reagan these days. Sometimes he seemed to be talking about the disengaged President who was misled by his advisers. But sometimes he also seemed to be talking about a President who knew exactly what he was doing and was the prime, moving force behind the Iran initiative. Which is the real Reagan?

Apple: I don't think there is one. I think that Reagan is what the person who is working for him sees in him....

Kaiser: I don't think after all these hearings that we can buy the disengaged Reagan imagine anymore. I think Shultz wanted us to for his own purposes. It seems to me not only was he theoretically in charge, there's lots and lots of evidence now that Reagan was personally in charge. I think it's silly to stop pretending to continue with this.

Wallace: Shultz indicated that the President signed these three findings...he never told Shultz about it. It doesn't seem to me there was any disengagement here. The President didn't want George Shultz in on this operation because he knew Shultz opposed it.... Can they go back to work? Can they trust each other?

Apple: I think it's extraordinary that the Secretary of State of the U.S. is on television for two days and say, in effect, "They won't play with me." That has to undercut his standing abroad, at least to some degree....

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

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Moderator: Lesley Stahl. Panel: John Walcott.  
Guests: Representatives Jack Kemp and Richard Gephardt.

Stahl: The Washington Post reports today that there is a document... that shows that the President was the one who ordered his team not to divulge facts about the arms sales to Iran.... What does this mean now for where we go in the investigation? Does it point more to the President? What does it mean to you?

Kemp: It is pretty clear that the President was deeply concerned about what would happen to Iran and the Middle East after Khomeini. It is equally clear, and is to this day, that the President was very much concerned about the hostages.... He was, I think, trying to prevent the type of leak that would endanger the lives of those hostages or a policy, and the combination of it.... It would not be the right policy to put it up on Capitol Hill and let it be leaked, with all of the problems that envisions.... The President will come under deep criticism from those who want to attack him for the policy....

Stahl: The polls show that the American people don't think the President has told the truth, on the other hand they don't seem to be that disturbed by it. What do you think the message is and what's the big lesson of all of this?

Gephardt: Americans don't want to lose faith in their President... I think the people want to stick with Ronald Reagan because they are worried about losing the luster of another presidency....

Kemp: ...When Kuwait needed some help, it came to the U.S. Now, the policy isn't perfect, but the U.S. is not in disrepute in the Middle East or anywhere else in the world, unless we constantly attack the policy of the country in the face of the world.

Gephardt: I doubt seriously if we would have put those flags on the vessels if we hadn't sold the arms to the Ayatolla and ruined our credibility in the Middle East.

Kemp: I disagree, because clearly the Soviet Union was going to flag the Kuwaiti vessels, and had we not done it the Persian Gulf would have been another part of the blue-water navy.... You have criticized the President for flagging the ships, you have criticized the President for doing anything in the Middle East, and you've criticized the President for any aid to the contras. Your policy is isolationist.

Gephardt: The whole policy is flawed.... We need to get our allies to come with us in the region and to keep those oil lanes open.

Kemp: But the allies turned it down....

Stahl: Congressman Kemp, you have often called for George Shultz to resign because you didn't feel he was loyal to the President. Do you now think...he was the loyal one and the other aides weren't? Or what do you think?

FACE THE NATION (continued)

Kemp: I wish the President had accepted his resignation. My difference with George Shultz is not personal, it's policy. He consistently -- in Central America, in Africa, in the third world and with regard to the freedom fighters and SDI, has opposed the President. What he is saying in effect in this instance is that he didn't know, but the President did know. I just think that that is disloyal to the policy of the President. It's for that reason that I think George Shultz should have had his resignation accepted by the President....

DISCUSSION

Stahl: At the hearings we seem to be getting a new portrait of the President...something quite different from the portrait that said he was disengaged. Are we getting a whole new Ronald Reagan emerging?

Walcott: Absolutely, especially these notes that have now come out of a meeting at which the President appears to have led the effort to present a misleading portrait of the Iran arms sales to the American people... I think it's been clear for a long time that the President was the driving force behind all of this, that he was engaged in some of the details and remembered some of the details of how that was done.

Stahl: What is the question -- we have known for a long time that he wanted this -- what does the memo show us about the details that he was involved in?

Walcott: The memo suggests that he remembered pretty well what had been involved...that he and signed three separate findings, all of which really set forward an arms-for-hostages trade. But it also suggests that he didn't want to say that.

Stahl: What do you make of the polls -- where the public hasn't really believed Ronald Reagan for awhile, but they don't seem to care?

Walcott: First of all, he's a very likable fellow. Secondly, there's always a question of whether he is deliberately lying or acting.... He doesn't come off as deceitful. I think Adm. Poindexter came off that way. But the President doesn't. So the people say, "Well, maybe he didn't mean to deceive us." Finally, there really isn't much question that his goals were worthy one: he wanted the hostages home.

Stahl: We really don't know the story. What happened in your view?

Walcott: We don't know what happened, we really don't -- after all these investigations -- we still really don't know. But Poindexter's testimony and Shultz's testimony suggest that Reagan knew from the beginning what he wanted: he wanted to get the hostages home. And so when Shultz and Weinberger came in and said, "No, no, Mr. President, this is wrong" -- he simply didn't listen.

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## ***THE McLAUGHLIN GROUP***

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Moderator: John McLaughlin. Panel: Fred Barnes, Robert Novak, Eleanor Clift, Morton Kondracke.

### **ON PERSIAN GULF**

McLaughlin: Is putting American flags on Kuwaiti vessels sound or unsound U.S. foreign policy?

Barnes: I think it's sound but I think you have to be clear about what the policy is. The policy is not protecting the flow of oil. The policy is not protecting freedom of the seas. The policy is tilting toward Iraq....

Novak: It is sound policy. It does have to do with the flow of oil and it's also sound because it does improve our credentials in the Arab world which had become very tarnished indeed.

Clift: It's wrong-headed, reactive, seat-of-the pants policy.... We're there because of the fear of the Soviet and we're there because the Administration got caught selling arms to Iran and we're trying to redress that balance. We're there for all the wrong reasons and it's very risky.

Kondracke: We are there because we are a superpower.... We are not looking for a fight.... We are not tilting in a major way toward the Iraqis. We have every right to be there. It is in our interest to be there. It is not in our interest to have the Soviet Union guaranteeing the security of the Persian Gulf.

Clift: ...I think the President is spoiling for a fight. He would like nothing better than a good clean crime over there that he could retaliate against to get back at the Iranians....

Barnes: Eleanor's objections are just because if Ronald Reagan does it, she doesn't like it. We know that. We can dismiss them as that.... When you have the tanker war at its height, the oil price around the world was dropping.... It did not interfere with the flow....

McLaughlin: If it is demonstrated that Iran was behind this underwater mine which damaged the Bridgeton, should the U.S. retaliate? Will the U.S. retaliate?

Barnes: No. No.

Kondracke: Of course no, no.

Novak: If, IF, it was so demonstrated, we must retaliate and we would retaliate by hitting Iran's boys in their motor boats and taking a raid on some of those islands in the Gulf....

Clift: This is just a small sign of what's to come.

McLaughlin: This is a counterproductive, provocative act.

MCLAUGHLIN GROUP (continued)

ON IRAN-CONTRA HEARINGS

McLaughlin: What is Shultz? A hero, a victim...a crybaby, a Judas?

Clift: I think it is reassuring to see a government official sit there without benefit of immunity and without a lawyer whispering in his ear and a man who has at least somewhat close to total recall....

Novak: What George Shultz was doing was being used by the enemies of this Administration, Republican and Democratic on that panel. They were using him because this committee was in retreat and they said -- here's a guy who can save us. And that's why we're had this nauseating, outgushing praise for Mr. Shultz. He's never had it so good. For his part, he has broken a rule in Washington -- he has turned against his own Administration to save himself and that's something you cannot do.

Barnes: He hasn't. He has helped the committee because he's answered questions about policy and process....

Kondracke: He was right about this policy. But he should have resigned over what was really important -- namely, the policy.... He does represent the stability of the government instead of having all these cowboys....

Clift: I would argue that he has been loyal to the President.... I think this does help the President. The President had two choices -- he's either a fool or a knave. And George Shultz, whether he means to or not, is boosting the fool side.

Barnes: It doesn't really hurt the President. Reagan has taken the hit on the Iranian arms sale.... We knew that Ronald Reagan's style is to allow battling aides. It got out of control, but we knew it was there and he's already suffered through that.

Novak: People who are really Reagan haters, like Eleanor, says it helps him because they think he is a fool or a knave. The late Bill Casey was doing what the President wanted and that was trying to fight Communist while George Shultz was advancing the interest of the State Dept....

McLaughlin: Are you saying Admiral Poindexter threw himself on a grenade to protect the President whereas George Shultz threw the grenade under the bed?

Novak: The big difference is that Adm. Poindexter has a prosecutor trying to [get] him.

McLaughlin: This presents his Administration as vile and unknowledgeable. It further says that the most important officer was left out of the information....

Clift: It portrays the President as unknowing -- which is the President's chief defense throughout this. And he portrays the President as angry when he is presented with the real facts. It seems to me those two things make the President look better than anything being said in this testimony.



MCLAUGHLIN GROUP (continued)

McLaughlin: What does Ronald Reagan do with this situation?

Barnes: I think he's going to do nothing at all and George Shultz will be Secretary of State for the rest of the Administration.

Novak: He should call him up and say, "George, it's been a great time, but I think it's time for you to go because you have saved yourself at the expense at the Administration." ...

Clift: The President should hang on to George Shultz for dear life.

ON ARMS CONTROL

McLaughlin: Is this [Gorbachev's proposal] a good deal for the U.S?

Barnes: On balance it is a good deal and it shows that the Reagan policy on installing the Pershing...has worked.

Novak: It's a good deal.

Clift: It's a good deal for the President politically and a good deal for the country.

Kondracke: It's a good deal provided that this does not lead us to getting rid of all nuclear weapons in Europe.

McLaughlin: I say, "Go for it."

PREDICTIONS

Barnes: Secretary of Education William Bennett is going to poke a stick in the eye of Otis Bowen by hiring the assistant secretary at HHS who was fired by Bowen. She's going to start to work at Education.

Novak: The liberals on the Hill are going to use the Iran-contra hearings next week for a drive to get Ed Meese out of office and they will have allies in the Reagan White House.

Clift: More Meese -- if Ed Meese is indicted by one of the two special prosecutors investigating him, and I predict he will be, if he does not resign, there will be impeachment proceedings begun on Capitol Hill.

Kondracke: Pat Schroeder is going to run for President -- probably announce in Sept. and have \$2 million to begin with. The kind of tragedy here is that she's going to run as a hardline feminist instead of running as a normal Democrat.

McLaughlin: The Judiciary Committee will vote out 8-6 behind the nomination of Judge Bork, but it will be for no recommendation to the full Senate in the manner of Judge Manion.

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## **AGRONSKY & COMPANY**

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Moderator: Carl Rowan. Panel: Hugh Sidey, Elizabeth Drew, Lou Cannon, James Kilpatrick.

### **ON IRAN-CONTRA HEARINGS/SHULTZ TESTIMONY**

Rowan: I'm going to name four men -- President Reagan, Mr. Poindexter, Lt. Col. Oliver North and Secretary of State Shultz -- which of those men was most damaged by Mr. Shultz's testimony?

Sidey: ...We're finally talking about what went wrong with the system and the people in it. Ronald Reagan is in charge of that system and therefore I think he was hurt the most by this.

Drew: That's right.... Shultz gave a devastating picture of the internal warfare in this Administration that, I think, is without precedent. But it is President Reagan who is in charge of these people.

Cannon: I think it's kind of a tie between President Reagan and Adm. Poindexter. We knew the President was in charge before this week and that he hadn't exercised that charge very well. I think we learned that Adm. Poindexter failed to fulfill his duty as a national security adviser in guiding the President.

Kilpatrick: I suppose Adm. Poindexter was hurt the most. I think the Secretary's testimony helped the President. It certainly helped the President in my eyes.

Rowan: I know that they've ripped the hero's mantle off of Poindexter, but I think that testimony took the buck away from Poindexter and put it right back at the President's feet.

Sidey: ...The President let this get out of hand. At some point surely he should have sensed that things were running amuck and just said, "Okay -- enough of this." He did not. He did not exercise finally his authority. I just say...we get a better picture. This isn't the mountain that we made it in earlier hearings. I think it's been deflated and we're back to discussing these organizational problems and seeing what we can do about them.

Kilpatrick: I've got to disagree with my brother on this. It seemed to me in at least two areas Shultz's testimony helped the President. One, he made the point that in Reagan's eyes -- as Reagan himself saw it -- this was not an arms-for-hostages trade. Then he [supported] the testimony that the President really did not know....

Cannon: You understand more after Shultz's testimony what was motivating Reagan. He was driven by this need to free Americans who were captive. He behaved in a fashion that was wrong but his motivation, it seems to me -- he has a more human face coming out of Shultz's testimony than he did out of Poindexter's and North's.... At the same time, I don't agree that this is less of a mountain. I think it's much more of a mountain. When you find a national security advisor who doesn't care about the Constitution...I think you have a situation of enormous danger.

-more-

AGRONSKY & COMPANY (continued)

Kilpatrick: The President certainly was at fault. At the same time, it's been overblown. You have here the misconduct of a few people...and you have incompetence on the part of the President....

Rowan: I don't think it's overblown.... The President knew what he [Casey] was doing.

Sidey: The missing character is Bill Casey. The master strategist.... I think at some point he got from the President a nod of authority to do something without the President knowing it and Bill Casey's the orchestrator of this.... It's a textbook example of how to isolate the President....

Rowan: We're talking about usurping the powers of the man elected President.... [Poindexter] took the key player out of the game.... How can you justify that?

Sidey: That's within intelligence work. This is the matter of deniability....

Rowan: He wasn't given the opportunity to make the decision.

Cannon: The irony of this is that the President, who has always had a lot of credibility in this country -- his credibility has now been made dependent upon Adm. Poindexter, who, it seems to me, doesn't have much credibility after these hearings.

Kilpatrick: I still have absolute confidence in the credibility of the President of the U.S.

ON PERSIAN GULF

Rowan: What should be done in this case -- pull out, retaliate?

Kilpatrick: I'm not certain retaliation is yet called for.... We can't pull out. We're in for the long haul.

Cannon: The White House isn't going to retaliate for a mine. The one thing that this does, is it advertises the danger of the policy....

Sidey: We're involved no matter what. We can't run away from that part of the world.... This is precisely what Adm. Poindexter was talking about -- this inability of the Congress, the media, to step up to these challenges. Here's where I give Ronald Reagan the best credit. He's the only person, leader, in this political system now who is willing to take some risk to prevent greater disaster down the line. He's done it with terrorism. He's done it with Libya. He's done it with the Pershing missiles. He's done it in Grenada. His record so far on that, I think, is just superb.... He'd risk it again and I'm for him.



# News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, JULY 27, 1987 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

U.S. To Increase Mine Detection In Gulf, Retaliation Possible -- Secretary Weinberger said U.S. mine detection capability was to be strengthened in the Persian Gulf and retaliation was possible over damage caused to the Kuwaiti tanker Bridgeton. (USA Today, Wall Street Journal, Washington Post, Washington Times, AP, Reuter)

### NATIONAL NEWS

Just Can't Wait To Get On The Road Again -- The conservative Midwest is the latest stop for President Reagan as he continues to hawk his "Economic Bill Of Rights" along Main Street USA in outward indifference to the Iran-contra hearings. (AP, UPI)

### IRAN-NICARAGUA

President Led Secrecy On Iran Deal -- President Reagan led a White House effort to conceal the facts about his secret arms deals with Iran last November, overruling arguments from both Secretary Shultz and then-Chief of Staff Regan that details of the deals should be disclosed, according to minutes of a White House meeting. (Los Angeles Times)

### NETWORK NEWS (Sunday Evening)

**PERSIAN GULF** -- Secretary Weinberger promised efforts will be improved to find and remove deadly mines in the Persian Gulf.

**IRAN-CONTRA** -- The Iran-contra committee released notes of a meeting last November which show President Reagan actively leading an effort to cover up details of the arms-for-hostages deal.

**ARMS CONTROL** -- The U.S. and Soviet Union seem to be moving closer to an arms control treaty.

#### SECRETARY BALDRIGE...

"...He was a very warm and wonderful person, and I know how deeply he was attached to doing what he was doing at the moment of his death. And it is a very heavy blow for all of us in the Administration. He had been here from the very beginning and did a wonderful job in every way. And we all thought the world of him. He was enormously popular, and justly so. And it is a heavy blow."

(Secretary Weinberger, 7/26)

## **INTERNATIONAL NEWS**

### **U.S. TO ADD GULF MINE DEFENSES**

Secretary Weinberger said that the U.S. "has mine-sweeping capability in the Persian Gulf and it can be increased and will be increased."

Weinberger reacted strongly to suggestions that the Pentagon had not considered the possibility of mines in the gulf, where a Kuwaiti-owned oil supertanker flying the U.S. flag struck a mine on Friday while under U.S. Navy escort.

"You don't need a mine sweeper" to detonate and destroy mines, Weinberger said. "We have capabilities that are available when mines are discovered.... We did not look for (mines) in that area (where the tanker Bridgeton was hit) because there have never been any mines in that area." (Molly Moore & Judith Havemann, Washington Post, A1)

### **Navy Vows To Expand Mine Watch**

KUWAIT -- Amid mounting tension, the top U.S. Navy officer in the Persian Gulf held emergency talks here on the defense of U.S.-flagged ships, and Secretary Weinberger vowed to increase minesweeping.

Rear Adm. Harold Bernsen met here with U.S. Ambassador Anthony Quainton to discuss alternatives for antimine warfare in the gulf.

Among the options:

-- Persuading Saudi Arabia to send its four minesweepers into the main channel on a regular basis -- something Saudi authorities are reluctant to do for fear of provoking Iran.

-- Deploy U.S. antimine helicopters permanently to the region -- action that Kuwaiti officials had opposed as giving the U.S. too large a presence on Kuwaiti soil. (Don Kirk, USA Today, A1)

### **Tanker's Mining Bares Weakness Of U.S. In Gulf**

Friday's mine explosion in the Persian Gulf not only damaged a Kuwaiti oil tanker, but it also exposed a soft spot in the U.S. Navy's ability to protect itself.

...Over the weekend, Defense Department officials here scrambled to come up with new ways to clear the gulf's sea lanes of mines....

However, any plans to increase the U.S. military presence will face protests in Congress and perhaps strain relations with Kuwait, which hopes to gain U.S. naval protection without a heavy influx of uniformed personnel. Senate Majority Leader Robert Byrd said the incident "certainly shows the perils we face in following a hastily conceived."

(Tim Carrington, Wall Street Journal, A3)

### **U.S. To Increase Mine Detection In Gulf, Retaliation Possible**

Secretary Weinberger said U.S. mine detection capability was to be strengthened in the Persian Gulf and retaliation was possible over damage caused to the Kuwaiti tanker Bridgeton.

Appearing on the same program [ABC's "This Week with David Brinkley], Iran's ambassador to the U.N., Said Rajaie Khorassani, said he was pleased the Bridgeton was damaged but declined to say if Iran was responsible. (Reuter)

### U.S. Seeking Proof, Weighing Retaliation

The U.S. is "perfectly capable" of retaliating against Iran if it is proven the Islamic republic laid the mine that struck a Kuwaiti supertanker in the Persian Gulf last week, Secretary Weinberger said. But he declined to say how it might be done.

"If we find the party that laid the mines, we are perfectly capable of taking the retaliatory steps," Weinberger said. "Certainly, those things you don't trumpet in advance, you don't call a press conference and announce that you are going to do an operation."

An official spokesman in Riyadh, Saudi Arabia, said his nation's four U.S.-built minesweepers will not help clear gulf shipping channels, destroying U.S. hopes of aid from that quarter.

(James Dorsey, Washington Times, A1)

### U.S. To Clear Key Gulf Channel Of Mines

The United States today prepared to begin clearing mines from a key channel in the northern Persian Gulf where the reflagged Kuwaiti supertanker Bridgeton was holed last Friday.

The U.S. commander in the gulf, Rear Admiral Harold Bernsen, held talks with Kuwaiti officials yesterday on ways to clear a deep-water shipping lane near Iran's Farsi Island, one of the narrowest and most dangerous in the gulf.

Diplomatic sources said the plan was likely to entail U.S. helicopter-based mine hunting equipment operating from American warships.

(Philip Shehadi, Reuter)

### Damage To Tanker Hit By Mine Is More Serious Than Thought

The U.S.-accompanied Kuwaiti tanker that struck a mine in the Persian Gulf sustained more damage than originally thought, but it might be able to sail with a partial load of oil, shipping and maritime sources said.

Over the weekend, divers examined the hole in the supertanker at Kuwait's Sea Island loading platform. They reported that four of the vessel's 32 compartments were flooded, rather than one compartment as initially reported, said maritime salvage sources in Dubai.

(John Rice, AP)

### **FRANCE PUTS AIRCRAFT CARRIER FORCE ON ALERT FOR POSSIBLE DEPLOYMENT IN PERSIAN GULF**

PARIS -- France put an aircraft carrier and three support ships on alert for a possible swift dispatch to the Persian Gulf, the Defense Ministry announced, as France resumed its tense confrontation with Iran.

The alert, which followed the departure of a French patrol boat to the gulf region on Friday, seemed to signal a hardening in the standoff between Paris and Tehran over an Iranian Embassy official wanted for questioning about terrorist bombings here last fall.

Foreign Minister Jean-Bernard Raimond said in an interview...France "will take the necessary measures" if French ships are attacked again by Iranian gunboats in the gulf.... (Edward Cody, Washington Post, A18)



## ARIAS DISCUSSES PEACE SUMMIT WITH SANDINISTAS

MANAGUA -- Costa Rican President Oscar Arias arrived at the start of a Central American tour hoping to inject new life into a flagging peace initiative for the volatile region.

Arias, on his first official visit to Nicaragua, was met at the airport by President Daniel Ortega, with whom he was expected to discuss plans for a regional summit in Guatemala next month after a previous conference fell through.

Ortega said his government regarded the Arias plan as an important contribution to peace efforts but stressed negotiations should also involve the so-called Contadora group, which for four and a half years has sought in vain for a peaceful end to the bloodshed. (Matthew Campbell, Reuter)

## CASTRO MARKS 34TH ANNIVERSARY OF REVOLUTION'S BEGINNING

ARTEMISA, Cuba -- Fidel Castro, in a speech marking the 34th anniversary of the start of his revolution, likened a Cuban general [Brig. Gen. Rafael Del Pino, who defected to the U.S. on May 28] who defeated the U.S. to a rat leaving a sinking ship, but quickly assured Cubans their ship of state is not sinking.

The speech...was very restrained in its attacks on the U.S. despite a recent chill in Cuban-American relations.

Though Castro made a few thinly veiled references to the U.S. as the "empire" and "the monster," the only times he mentioned the U.S. by name was while criticizing its health-care system. (Rob Gloster, UPI)

## CUBA CLAIMS CIA'S MEN IN HAVANA WERE DOUBLE AGENTS

In A New TV Series, Alleged Spies-Turned-Heroes  
Tell How They Duped American Agency

HAVANA -- Cuba's intensely publicized charges of CIA spying here have created a new category of revolutionary hero -- the double agent.

Cuban national television last week launched its series on alleged activities of the U.S. interest section here with film of supposedly clandestine drops of bulk packages said to contain transmission equipment and currency. (Lewis Diuguid, Washington Post, A15)

## CIA DISPUTES DEFENSE INTELLIGENCE ON SOVIET LASER

The CIA has backed away from a previous estimate of the Soviet Union's space laser weapons development, triggering a dispute with the Pentagon, U.S. officials say.

The Pentagon's Defense Intelligence Agency has projected the Soviets could have a prototype weapon in space before 1990 for killing surveillance and communication satellites. Its position was reflected in the latest annual edition of Soviet Military Power issued by the Pentagon in March.

Until recently, the CIA shared this estimate.

But the spy agency has changed its position, U.S. government officials said last week, because laser scientists now believe the technology needed for a space laser is not as advanced as they previously had thought. (Walter Andrews, UPI)



## **NATIONAL NEWS**

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### **REAGAN ON THE ROAD AGAIN IN BATTLE FOR ECONOMIC RIGHTS**

President Reagan is taking his campaign against high taxes and government spending to Wisconsin today, where a member of his own party [Rep. F. James Sensenbrenner] predicts Reagan is in for "the toughest battle" of his presidency over the so-called "Economic Bill Of Rights."

Meanwhile, a Democratic member of the tax-writing House Ways and Means Committee [Rep. Jim Moody] derided Reagan's "road show" and called the President "a non-player as we are struggling to reduce the deficit."  
(Dale Nelson, AP)

#### **Just Can't Wait To Get On The Road Again**

The conservative Midwest is the latest stop for President Reagan as he continues to hawk his "Economic Bill Of Rights" along Main Street USA in outward indifference to the Iran-Contra hearings.

Still mum on the myriad questions that have emerged during 10 weeks of testimony, Reagan was headed to southeastern Wisconsin today to press the case for spending cuts, less taxation and more presidential clout over Congress.

Friendly crowds awaited Reagan in three small towns outside Milwaukee, where he planned to address workers at a home furnishings factory, attend a Rotary Club luncheon and deliver a speech near the shores of Lake Michigan.  
(Norman Sandler, UPI)

### **WRITING REAGAN'S FINAL SCENES Aides Battle Over Best Face For Presidency**

As President Reagan tries to emerge from the political trauma of the Iran-contra hearings, a quiet struggle is taking place within his Administration over how to put the best face on the remaining 18 months of his presidency.

White House officials and Republican political strategists say battle lines have been drawn between White House Chief of Staff Baker, who favors a limited but big-ticket agenda of arms control and budget compromise, and conservatives who want the President to go out fighting and draw clear partisan lines for the 1988 election campaign.

Reagan, in a combative mood after weeks of congressional hearings into the Iran-contra affair that have exposed seminal deficiencies in his presidency, is said to be of both minds, depending on the day and the issue.  
(Lou Cannon, Washington Post, A1)

## DEATH LEAVES REAGAN SHORT-HANDED AT CRUCIAL TRADE TIME

The sudden death of Secretary Baldrige in a freak horseback accident leaves the Reagan Administration without a key player at a crucial time in its negotiations with Congress over far-reaching trade legislation.

While the Administration searches for a successor, Deputy Commerce Secretary Clarence Brown, a former Republican congressman from Ohio, was expected to be named by President Reagan as acting commerce secretary.

But Administration officials, who spoke on the condition of anonymity, said it is unlikely that Brown would be offered the post permanently for the last 18 months of the Reagan presidency.

U.S. Trade Representative Clayton Yeutter, who shared jurisdiction over trade matters with Baldrige, is...being mentioned as a possible [successor].

But Yeutter aides, requesting anonymity, said they doubted the chief U.S. trade negotiator, who already enjoys Cabinet status, would be interested in making such a move. (Tom Raum, AP)

### Commerce Chief's Death Leaves Reagan Without His Moderator On Trade Issues

Secretary Baldrige's death leaves the Reagan Administration without a strong voice for the business community in trade issues that have divided Congress and even the Administration itself.

Baldrige, who brought his seniority as a member of President Reagan's Cabinet and what Reagan called his "common-sense wisdom" to bear on trade issues, won't be easy to replace. There aren't many corporate executives and outsiders of his stature willing to serve for only the Administration's remaining year and a half. There are even fewer who could enjoy Reagan's confidence as Baldrige did.

The White House, stunned by Baldrige's unexpected death, hasn't developed a list of possible successors....

Since the secretary's remaining agenda may call for a trusted insider who also has trade-policy expertise, Reagan may consider the option of naming Labor Secretary Brock or Trade Representative Yeutter....

(Eduardo Lachica, Wall Street Journal, A3)

### Baldrige's Death Not Likely To Alter Trade Policy

The sudden death of Secretary Baldrige, the Reagan Administration's leading hawk on trade policy, is not expected to weaken the Administration stand against protectionism in foreign trade.

"The nation has suffered a great loss with the tragic and untimely death of Secretary Malcolm Baldrige," President Reagan said....

Vice President Bush said, "I feel like I've lost a brother. I loved the guy."

"The Administration has lost one of its finest Cabinet officers and the nation has lost an outstanding public servant. I've lost a very close friend," said Treasury Secretary Baker.

(Jeremiah O'Leary & Karen Riley, Washington Times, A5)

### Reagan Free Trade Policy Seen Unaffected By Baldrige Death

Secretary Baldrige was a top architect of President's Reagan's trade policy, but Reagan's tough stance to end the huge U.S. trading deficit will not end with Baldrige's death.

Trade analysts said Baldrige was a soft-spoken but forceful advocate of Reagan's free trade policies, both in talks with U.S. overseas trading partners and in trying to block Congress from passing protectionist legislation.

But, they added, the fight he led for open yet fair trade would be continued by the Administration's two other chief trade officials, Secretary Baker and Secretary Yeutter. (Robert Trautman, Reuter)

### Baldrige's Body Flown To Home Town; Tributes Pour In For Commerce Secretary Who Died In Horse Accident

The body of Secretary Baldrige was flown to his home town of Woodbury, Conn., after an autopsy showed that he died after his chest and abdomen were crushed in a freak horse accident.

The crowd stood and sang "God Bless America" and the national anthem as statements of shock and sadness poured in from President Reagan, Vice President Bush, congressional leaders, friends and the Japanese minister of international trade and industry.

(Judith Havemann, Washington Post, A3)

### BANKRUPTCY LOOMING, SENATE MUST UNSNARL STANDOFF OVER U.S. DEBT LIMIT

Senators are starting their week facing a complex political snarl over how to best slash massive federal deficits, a dispute that has pushed the government to the edge of default.

On Tuesday, they resume trying to reach bipartisan agreement on budget process reforms. A fight over the issue has held up progress on a measure to stretch the \$2.111 trillion federal debt limit. Without some extension, the government would be unable to pay its bills by late this week, perhaps Thursday.

Today, the House will consider a bill that would prohibit the sale in military exchange stores of any product manufactured or assembled by the Toshiba Corp., in retaliation for Toshiba's sale of sensitive submarine technology to the Soviet Union. (Alan Fram, AP)

### Gramm-Rudman Battling Could Add Billions To Deficit

Senate squabbling over how to reinstate the Gramm-Rudman balanced budget law could result this week instead in the addition of billions of dollars more to the deficit, Budget Director Miller says.

If Congress fails by tomorrow to increase the debt ceiling above the present \$2.1 trillion mark, the country will face an unprecedented default on obligations that may never be repaid, Miller said in a weekend interview. (Gene Grabowski, Washington Times, A2)

## **IRAN — NICARAGUA**

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### **PRESIDENT LED SECRECY ON IRAN DEAL Shultz Overruled In Heated Debate, Minutes Disclose**

President Reagan led a White House effort to conceal the facts about his secret arms deals with Iran last November, overruling arguments from both Secretary Shultz and then-Chief of Staff Regan that details of the deals should be disclosed, according to minutes of a White House meeting.

The minutes, part of a 2-inch sheaf of documents released last week by Congress's Iran-contra committees, describe an apparently heated confrontation between Reagan and Shultz during the meeting Nov. 10.

(Los Angeles Times, A1)

### **WEINBERGER SAYS QUITTING WOULD NOT HAVE STOPPED ARMS SALES TO IRAN**

Secretary Weinberger is defending his decision not to resign in protest of U.S. arms sales to Iran, saying he would have been unable to continue arguing "vigorously and vociferously" against the policy.

"Resigning may make the resigner feel a little more comfortable and morally superior, but it doesn't accomplish anything and it removes any possibility of continuing to present those arguments in a way that eventually will prevail. And that has happened," Weinberger said in an interview on ABC's "This Week with David Brinkley."

Meanwhile, the Iranian ambassador to the U.N. [Said Khorassani] said Iran has tapes of meetings between U.S. and Iranian officials in Tehran that "show things slightly different from the picture presented to the public" during the [Iran-contra hearings].

(Donna Cassata, AP)

### **BENNETT CRITICIZES SHULTZ' TESTIMONY**

Secretary Bennett has joined other conservative Republicans in criticizing Secretary Shultz' testimony before the Iran-contra investigative committee.

Bennett said the Iran-contra committee members "really got hurt by the North testimony, and their attempt in questioning Shultz was to pull them back up."

(Ralph Hallow, Washington Times, A8)

### **White House Staff: Shultz 'Self-Serving'**

While the official White House description of Secretary Shultz' testimony is "honest and sincere and helpful," many staff members are "furious" over what they consider blatantly self-serving remarks.

"It's classic George Shultz," said one official who recently left the White House. "A great critic, but no action. If he is so good, then why couldn't he stop it?"

One senior Administration official said, "he protesteth too much," and summed the feeling at the White House this way: "Nobody around here is pleased."

(Donald Rheem, Christian Science Monitor, A1)

### A WIDENING CREDIBILITY GAP

Behind the facade of White House happy talk, President Reagan is said to be distressed at poll findings that a solid majority of Americans believe that John Poindexter is lying when he says he approved diversion of Iran arms sales profits to the contras on his own.

That is also the President's story, and Reagan is accustomed to being believed. The Iran-contra affair revealed shocking flaws of policy and process, but Reagan's friends say he is more concerned about damage inflicted to his reputation for truthfulness.

The irony of the President's predicament is that this longstanding and carefully cultivated reputation has become dependent on Poindexter, the least credible participant in the scandal. Reagan did not plan it this way. He naively expected to be believed when he described himself as a "White House source" in a nationally televised speech last Nov. 13 and wrongly asserted that the Iran initiative was not a trade of U.S. arms for American hostages.

Poindexter did not provide the "smoking gun" that Reagan's foes had sought. But he did something perhaps as damaging, which was to leave the President's reputation resting on the word of a man who simply cannot be believed. Those who study the affair will long wonder why Reagan, on the day he accepted Poindexter's resignation, didn't care enough to ask what had been going on. (Column, Lou Cannon, Washington Post, A2)

### MEESE TO FACE TOUGH QUESTIONING BY ARMS-FOR-HOSTAGES PROBERS

Attorney General Meese, who headed the initial inquiry into the Iran-Contra scandal last November, is expected to face stiff questioning when congressional panels resume their probe into the affair.

When Meese begins his scheduled appearance Tuesday before joint congressional investigating committees, lawmakers will be expected to grill him on published reports that President Reagan led an initial effort last November 10 to conceal details of the covert sales of U.S. arms to Iran.

One report placed Meese at the meeting, saying he supported Reagan's move to conceal the arms sales. (Glenn Somerville, Reuter)

### Meese's Vagueness Is Expected To Vex Iran-Contra Panel Eager To Fill Gaps

Attorney General Meese goes before the Iran-contra inquiry this week in what is expected to be a tug-of-war with House and Senate investigators exasperated by his frequent claims of being unable to recall events.

Meese played a lead role in deliberations within the Reagan Administration as the controversy became public last fall, but his responses in private depositions before the House and Senate committees often have been vague, according to investigative sources.

(David Rogers, Wall Street Journal, A2)

HEARINGS A PRIMER ON U.S BUREAUCRACY  
FOR FRIENDS AND FOES ALIKE

The Iran-contra hearings are giving foreign capitals something their intelligence networks would be hard-pressed to match: an inside look at the battles over foreign policy at the top levels of the U.S. government.

"There is a certain grudging admiration that this government, this system, is willing to go this public," Helmut Sonnenfeldt, a former NSC staffer, said in an interview. "No other governments, even the most democratic ones in Europe or the Far East, ever do this sort of thing."

"We're learning things about how things work here in your government that we never knew," one Japanese diplomat, speaking on condition he not be identified, said in an interview. (Dale Nelson, AP)

RANCHER PAID BY CIA FOR HELPING CONTRAS

An American rancher in Costa Rica with ties to Oliver North says he told criminal investigators recently the CIA paid him \$1,100 a month for assisting the Nicaraguan contra rebels.

In an interview with UPI, rancher John Hull said he told investigators for independent counsel Lawrence Walsh that the agency gave him \$800 a month for bodyguards and \$300 a month to rent CIA safehouses in San Jose, Costa Rica. (Neil Roland, UPI)

BELEAGUED FUND-RAISER CHANNELL  
EAGER TO RETURN TO AIDING CONTRAS  
Conservatives Facing Bankruptcy, Sentencing In Iran Affair

Carl Channell...says he wants to get past his troubles so he can go back to helping the Nicaraguan rebels.

And despite the problems that grew out of his involvement with Oliver North...and the private contra aid effort, Channell said he is ready to take up the cause again. (Rita Beamish, Washington Post, A4)

-End of A-Section-

## **NETWORK NEWS SUMMARY**

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(Sunday Evening, July 26, 1987)

### **PERSIAN GULF**

CBS's Bruce Morton: One of warfare's oldest weapons is proving a major headache for today's U.S. warships in the Persian Gulf. Defense Secretary Weinberger promised today efforts will be improved to find and remove deadly mines -- the kind that damaged a tanker two days ago.

CBS's Alan Pizzey reports from Kuwait on the damage to the Bridgeton and the travel of U.S. flagged tankers through the Persian Gulf.

(Weinberger: "We have a mine sweeping capability in the Persian Gulf. It can be increased and will be increased.")

Unless the Navy can stop mines being laid, they'll have to sweep the narrow shipping lanes giant tankers like the Bridgeton must climb.... It will be several more days before the Bridgeton is ready to set sail again -- with or without a cargo of oil. Whether she leaves empty or full, she remains a tempting target for whoever set the mines in the first place.

CBS's Jacqueline Adams: When the Bridgeton struck that mine, bitter military and policy debates in Washington were quickly reignited.... High stakes are both short and long-term -- reassuring Middle East states made weary by American arms sales to Iran, pre-empting Soviet influence in the Persian Gulf, pressuring Iran to end its seven year war with Kuwait's ally Iraq and preserving Western access to vital Gulf oil supplies now and in the future.... Some, though they agree that Kuwait's tankers should be protected, believe it's foolhardy for the U.S. to go it alone.

(Rep. Aspin: "If Iran has to take on the whole Western world -- that's one thing. If it has to take on the great Satan and be able to come up with some nifty little attack on some flank on the great Satan that we didn't attack -- that's a whole different story.")

...White House officials, however, believe such arguments are "hogwash" since British, French, Saudi Arabian, even Soviet ships already constitute a international force in the Gulf. The role of the U.S., officials argue, is the one the Administration is pursuing -- arranging a cease-fire in the Iran-Iraq war so the U.S. Navy can get out of the escort business.

Morton: France today placed an aircraft carrier and two other warships on 24-hour alert to head for the Persian Gulf. Spokesman sighted good intentions in the Gulf and the on-going diplomatic standoff with Iran. (CBS-3)

ABC's Sam Donaldson: A team of divers reported today that the damage to the Kuwaiti super tanker Bridgeton is more extensive than originally thought when the tanker hit a mine on Friday while being escorted by the U.S. Navy in the Persian Gulf. This news came even as U.S. officials scrambled to find a way to prevent such incidents from taking place during future convoy operations.

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ABC's David Ensor in Kuwait reports on the damage to the Bridgeton. The problem is no matter what capability the U.S. adds to its tanker escort service, the mission cannot be made risk-free in these troubled waters. For Iran, the tankers and their Navy escorts may remain a tempting target for as long as they sail.

ABC's Bob Zelnick: In his first public comment since the Bridgeton explosion, Defense Secretary Weinberger suggested on "This Week With David Brinkley" that the U.S. would shortly expand its mine sweeping capability in the Persian Gulf to try to prevent future such incidents.

(Weinberger: "We've done it once in this connection. We did it with the whole Red Sea and we're perfectly capable of doing it in this area.")

...The U.S. has a few of its own mine sweeping ships, but they're not of world-class quality.... The Saudis have four mine sweepers but have been timid about using them in the Gulf's international water. NATO allies like Germany and Holland have excellent mine sweepers, but no desire to antagonize Iran. Thus the U.S. has been going it alone and there's strong dissent from Capitol Hill.

(Rep. Aspin: "If what we had done had been part of an effort by our European allies and part of the moderate Gulf states, we would not be kind of so much out in front on the issue.")

The Iranians, while dodging responsibility for the Bridgeton incident, have also made no secret of their glee.

(Ambassador Khorassani: "We're not afraid of saying that we are pleased to see that the tanker was hit.")

(Weinberger: "If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps.")

Sources here say that to protect future convoys, 3-5 C-Stallions will likely be airlifted to the Persian Gulf area....

ABC's Jon Bascom reports on what it was like to be part of the U.S. press pool along on the U.S. mission.

Donaldson: France, which already has warships in the Gulf to assist vessels under attack, may be sending more ships there for another reason. Because of the deepening crisis with Iran over the harassment of diplomats, a French aircraft carrier and three support ships have been put on alert and told they may be ordered to sail to the Persian Gulf within the next 24 hours. (ABC-Lead)

NBC's John Hart: France ordered four warships on standby to sail for the Persian Gulf on 24 hours' notice -- the French defense ministry saying it is a precaution justified by the international situation in the Middle East. In West Germany the conservative leader urged his government to send warships to the Gulf as a gesture of support for the American, British and French ships already in the region. And China said today it is sympathetic to requests from Kuwait for leasing Chinese oil tankers that fly the Chinese flag. The mine that struck the reflagged Kuwait oiler the Bridgeton did more damage than was thought -- tearing open for compartments in the ships.

NBC's Jim Miklaszewski: When an underwater mine tore a gash in the Bridgeton, it also blew a gaping hole to the U.S. military super power image. With some tough talk today, Defense Secretary Caspar Weinberger set out to repair the damage.

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Miklaszewski continues:

(Weinberger: "If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps.")

But Weinberger conceded it's difficult to determine who laid the mine. U.S. military officials are convinced it was Iran, but the Iranians weren't saying today.

(Khorassani: "We are not afraid of saying that we are pleased to see that the tanker was hit.")

The U.S. was dealt still another set back when the Saudis said they will not use their mine sweepers to help clear Persian Gulf shipping lanes.... Instead the Navy hopes to use mine sweeping helicopters.

(Weinberger: "We were asked to assist in sweeping mines from the Red Sea, which had been planted by Iran and Libya, and we were able to do that very successfully.")

(Sen. Exon: "There have been myself and other who have tried to push this on the Navy, but their priorities were simply in other areas.")

...Experts contend that without adequate mine defenses, the U.S. runs the risk of losing the battle for the Persian Gulf.... The Administration insists the Persian Gulf mines will not disrupt plans for future convoys. Some Navy officials aren't so sure -- they admit the U.S. has been dealt an embarrassing blow. When those escorts resume, the Navy will set out not only to protect the tankers, but to restore its damaged image as well. (NBC-Lead)

#### IRAN-CONTRA INVESTIGATION

Morton: The Iran-contra committees have released notes of a meeting last Nov. which, if accurate, shows President Reagan actively leading an initial effort to cover up details of the arms-for-hostages dealings with Iran.

CBS's Bill Plante: Despite President Reagan's public statements to the contrary, notes taken during a meeting Nov. 10 show that Mr. Reagan seems to have been fully aware last fall that he was trading arms for hostages. Shortly after the story broke, at a time when he still hoped more hostages would be released, Mr. Reagan discussed a cover up of the facts at a conference of his main White House and Cabinet advisers. The hand written notes of that meetings of that meeting, taken by Deputy National Security Advisor Alton Keel, were among documents made public last week by the Iran-contra committees. When the story of the arms deal first appeared in a Beirut magazine, the President --

(The President Nov. 6: "The speculation, the comments on a story that came out of the Middle East -- has no foundation.")

But four days later, the notes show that Mr. Reagan opened the meeting by calling for a statement to indicate there would be no bargaining with terrorists, and noting his hope for a moderate government in Iran. He told his aides, "We don't talk TOW. We don't talk specifics." A few days later, well before the operation had been abandoned, and with some advisers still urging another deal, the President addressed the nation.

(The President Nov. 13: "We did not -- repeat -- did not trade weapons or anything else for hostages. Nor will we.")

Keel's notes also show Secretary of State Shultz asking, "Do we trade

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Plante continues:

any more arms for hostages?" and getting no direct answer from the President. By last March, after the Tower Commission had concluded that he had indeed traded arms for hostages, Mr. Reagan still insisted he didn't believe it in his heart.

(Rep. Cheney: "Once you've made those decisions there's a tendency to try to rationalize in your own mind why it was the right thing to do and to defend it. You have to be able to do that in this town otherwise your policy just falls. You don't want a wimp for president.")

A senior White House official told CBS News that the President, in that Nov. meeting, was simply looking for ways to keep the hostage trade secret because he believed that more hostages were about to be released. There's no question, said the official, that the President was involved. But if that's the fact, then there's also no question that at the very least, Mr. Reagan dissembled.

Morton: At one point the notes of that Nov. meeting show the President saying, "Appreciate people saying you support the policy, will not comment on." And Attorney General Edwin Meese saying, "Agree." That adds one to a long list of questions about Meese's role in the affair. He'll appear before the committees later this week. Rita Braver is with us now.

CBS's Rita Braver: I think that this memo...is going to be yet one of the other issues that the Attorney General is going to have to address when he comes to Capitol Hill. In the last few weeks of the hearings we have heard over and over again questions about the Attorney General's role through all of this.

Morton: The memo is one. There are already some areas where the committee is suspicious of him.

Braver: Absolutely. I think that this week the main area that will come under question here is the investigation that Mr. Meese held into putting together a chronology for the President on the history of the Iran arms sales. And that is going to be the subject of a lot of questioning. Mr. Meese...actually turned up the memo that indicated that some of the funds from the arms sales had been diverted. And yet there are many, many questions from Congress about the conduct of that investigation....

Morton: A lot of question that the Attorney General never asked.... And there's that wonderful story that Col. North told....

Braver: Mr. Meese's investigators have said that there was no shredding going on while they were actually there. But the question comes up again and again -- why didn't they seal off the offices? Once they had found that diversion memo, while wasn't there a seal put on everything and why wasn't the FBI called? One of the things that the Attorney General is expected to be asked about is why he went on national television and gave a news conference before he ever told the FBI that this diversion memo had been found.

Morton: Do you have any hints as to what line Mr. Meese will take when he testifies?

Braver: He will take the line that everything he did was appropriate, that he only wanted to get the truth out, that all of the advice that he gave the President about the Iran arms sales was correct, and that once he discovered the diversion memo, he immediately brought that to the public's attention. I think there are people at the Justice Dept. who are generally shocked that he wasn't treated as a hero for disclosing the diversion instead of being kind of publicly bashed for how he handled the investigation. (CBS-Lead)

ABC's Kenneth Walker: President Reagan, returning from Camp David today, wasn't talking about reported suggestions that he ordered an early cover up of the Iran-contra scandal.

(TV coverage: The President and First Lady on the White House lawn.)

Last week Secretary of State George Shultz testified about a top-level meeting called to discuss unfolding revelations about the then week-old crisis.... Former White House aide Alton Keel took notes released last week by Congress which showed the President ordered his advisers not to talk specifics when asked about the crisis.... Shultz reportedly asked the President near the end, "Do we trade any more arms for hostages?" Mr. Reagan gave Shultz no answer, the note said. One participant, Defense Secretary Weinberger continued today to deny that stronger oppositions to the arms sales to Iran, even a resignation, may not have spared the President a disaster.

(Weinberger: "Resigning may make the resigner feel a little more comfortable and morally superior but it doesn't accomplish anything.")

One Republican defended the President's demand for secrecy, saying Mr. Reagan at the time still had hope that more American hostages in Lebanon would be freed.

(Rep. Kemp: "The President recognized that policy and lives were at stake and it had to be kept secret.")

But Senate committee member Howell Heflin said Keel's notes may deserve closer attention.

(Heflin: "I think it's evidence and it's evidence that needs to be evaluated.")

That evaluation is likely to come this week when congressional committees begin the final phase of their investigation with testimony from former Chief of Staff Don Regan, Defense Secretary Weinberger, and Attorney General Edwin Meese.

ABC's Dennis Troute: Aides say the Attorney General put aside much of this afternoon to go over his coming testimony before the Iran-contra committee. The principle Justice Dept. question the committee wants answered -- did Meese move slowly as the Iran case broke because he was giving those involved time to take political cover or because he and his investigators were slow in figuring out the scam?

(Sen. Rudman: "I think it was incompetence.")

In retrospect, the Attorney General's failures are glaring. At the urging of Adm. Poindexter, who said the safety of U.S. hostages in Lebanon was involved, Meese ordered the FBI to suspend its investigation of Southern Air Transport....

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Troute continues: Meese aides insist that because so many versions of the Iran story then were circulating, he could not be certain which were the false ones.

(Terry Eastland: "The Attorney General, as he has indicated at that time, was trying to base that upon information he had.")

Other apparent lapses in the investigation that the committee may want explained -- why Meese failed to ask Adm. Poindexter if the President knew of the funds diversion, why Meese insisted on using political aides in his inquiry, rather than the criminal justice professionals of the FBI, and why officials waited so long to seal Oliver North's offices.... As Meese testifies Tuesday, he has more than an interested public listening in. Independent Counsel Lawrence Walsh is investigating possible criminal violations into the attempt to cover up the Iran scandal.

Donaldson: Iran's Ambassador to the U.N., Rajaie Khorassani said today that all the truth has not been revealed about the arms sale to his country, saying more of the story is contained on tape recordings Iran possesses of former National Security Adviser Robert McFarlane's phone conversations with Washington when McFarlane was in Iran last May. Khorassani said the tapes show things slightly different from the picture presented to the public but he declined to say whether Iran will ever release them. "I don't think that we should embroil ourselves in the internal affairs of the United States," he explained.

(ABC-2)

NBC's Jamie Gangel: The handwritten notes taken by then Deputy National Security Adviser Alton Keel revealed that President Reagan not only knew the details of the arms-for-hostages operation, but took the lead in concealing them. It shows the President concerned with leaks about the operation.... Returning from Camp David today, the President would not comment on the notes.

(TV coverage: The President and First Lady on the South Lawn.)

A senior White House official said, "Of course the President was in charge. The President was trying to cover it up because it was a covert operation -- a secret and we still hoped to get the hostages out." It is the same picture of a involved President given by several officials, including Secretary Shultz.... But if the President was an engaged, hands-on boss, who knew so many details and instructed his staff to conceal them, committee members suggest it may raise new questions about the President's credibility.

(Rep. Foley: "There might have been more effort on the part of the President to try to keep the facts from coming out than has been the official position of the White House.")

And it raises new questions about why the President could not remember if he had authorized the Israeli shipment of arms to Iran -- a key part of the deal. Testifying to the Tower Board first the President said he did. Then, 16 days later, he said he did not. And then just nine days after that, the President said he just couldn't remember.

Hart: The Miami Herald reports today that the White House has had its own secret force of military intelligence operatives since the early days of the Reagan Administration and sent military personnel on active duty into at least two fire fights with Nicaraguan forces in 1984.

Hart continues: The Miami Herald saying the unit was named the "intelligence support activity" and had a Navy commando team, a seal team and a helicopter force. The newspaper says the teams were set up off the books, outside the military structure for anti-terrorist missions, but that former colonel North and former CIA Director Casey expanded their missions. A Deputy Assistant Defense Secretary was quoted as saying, "The only way to get things done was to cut the bureaucrats out." The White House flatly denies this story. (NBC-2)

#### ARMS CONTROL

Morton: The U.S. and Soviet Union seem to be moving closer to a treaty banning medium and short-range missiles in Europe, but one obstacle remaining in the 72 short-range West German missiles with U.S. controlled warheads. Today Defense Secretary Caspar Weinberger said on ABC the U.S. would not bargain away those West German missiles. (CBS-2)

#### MALCOLM BALDRIGE

Morton: The body of Commerce Secretary Malcolm Baldrige was flown home to Connecticut today. He'll be buried there on Thursday. Baldrige was killed yesterday in a rodeo accident in California. The Secretary died doing what he loved most.

CBS's John Blackstone:

(Rodeo Announcer: "And this empty horse is the horse of Malcolm Baldrige.")

Malcolm Baldrige was not a Washington politician looking for a little limelight at the country fair. He was a genuine cowboy. In the arena, where he was to have competed, Malcolm Baldrige was remembered last night more as a member of the Cowboy Hall of Fame than as a man who negotiated international trade agreements.

(Rodeo Announcer: "We lost one of our cowboys. His horse fell and rolled on his and fatally injured him. He miss him. He was a true cowboy.")

The Secretary of Commerce lived a more colorful life than his tailored business suits suggested. He was a member of the Eastern establishment -- a Connecticut businessman and a multi-millionaire. He joined the rodeo circuit whenever he could. He learned the skills of a cowboy doing boyhood summers on a Nebraska ranch -- skills he was still using at age 64.... The kind of accident that killed him is unusual, but not unknown in the rodeo.... As Secretary of Commerce he advocated free trade and open competition. Recently he was a leading proponent of retaliating against Japan for unfair trade practices.

(Rep. Gephardt: "Malcolm Baldrige is one who really, I think, saw the world as it is. He understood that many foreign markets are closing and you're not going to get them open just by talking about it.")

Today the body of Malcolm Baldrige was returned to the East.

Friends say part of him will always be in the West.

(CBS-9, ABC-3, NBC-3)

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

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

Guests: Secretary of Defense Caspar Weinberger, Rep. Les Aspin, Iranian Ambassador Rajaie Khorassani.

Brinkley: Congressman, some of your colleagues say they fear that our involvement in the Persian Gulf could lead to war. What is your view?

Aspin: Possibly, but not likely. More likely it's going to lead to a major attack of a facility like we had in Beirut.... The problem is that what we're doing here is a very, very visible help to Iraq. What we should have done was get much more of a collective effort.... I do object to the fact that our profile is the one that's very prominent....

Donaldson: The American flotilla did not contain a mine sweeper and one of the ships was struck by a mine. Is it a legitimate question to ask to the U.S. Navy where was the mine sweeper?

Aspin: We are very short of mine sweepers.... What we have here is a mine attack in a part of the Gulf that we did not anticipate a mine attack, in a part of the Gulf that had not been mined before....

Donaldson: At what point do we say maybe we'd better anticipate an attack anywhere in the Gulf and be prepared to be accountable?

Aspin: That is exactly the point that the critics of the whole reflagging policy have been making is -- that the attack will come from an unexpected quarter.... We must put an united front against what Iran is trying to do. But we, as the U.S. going high profile, doing it solo, is not the right kind of signal.... When the U.S. goes it alone without really getting the allies involved it sends the signal to Iran that the U.S. is out there by itself and there's opposition in Congress, therefore, a kind of terrorist attack against U.S. forces will cause Congress to rebel and want to put them all back.

Guest: Rajaie Khorassani.

Brinkley: The U.N. has voted unanimously for your country and Iraq to cease firing and to accept some sort of truce. What set of conditions would bring your country to accept this?

Khorassani: I think the resolution which was pushed and orchestrated by the U.S. should not have much weight and you shouldn't pay too much attention to it. Just let it follow its own course of action.... We have not produced specific conditions for abiding by this resolution. We simply say that it is a resolution pushed by the U.S. and orchestrated by the U.S. in order to sway the aggressor. If you want a solution to the Persian Gulf as a whole, then you can talk to us and they in the Security Council should have talked to us and they did not.... We have not rejected the resolution, but we think it does not have much practicality.

Donaldson: Is Iran responsible for the mine in the Persian Gulf that hit the tanker Bridgeton?

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THIS WEEK (continued)

Khorassani: Apparently nobody has accepted that responsibility in Tehran and I'm not in a position to accept that.... We are pleased to see that the tanker was hit....

Donaldson: If the U.S. established that the mine was yours, would it be just for the U.S. to strike back at a military installation in Iran?

Khorassani: If the U.S. wants to be further involved in the war, it can proceed. We have no objection to that. We have to prepare for the worst, of course.

Will: You've also said...Iran has the right and will exercise the right to attack any legitimate target, even a target in the sea. Would you define "any legitimate target" and specifically is any legitimate target broad enough to include any ship aiding Kuwait or Iraq through Kuwait?

Khorassani: We think any ship aiding Kuwait and Iraq through Kuwait is a legitimate target....

Donaldson: Is there anything Iran is prepared to do at the moment to help the U.S. get released of hostages from Lebanon?

Khorassani: We are always prepared to work -- but our limitations [due to] the war.... So far as I know, there is no negotiations for release.

Will: I assume you've been watching some of the Iran-contra hearings. What's your conclusion?

Khorassani: I think the people of the U.S. can trust the Senate very greatly. I also believe that all the truth is not yet revealed.... We know some of the things that we wish the people of the U.S. could know as well.... I don't think that I am instructed to tell them....

Guest: Secretary Weinberger

Brinkley: Why don't you have mine sweepers in the Persian Gulf?

Weinberger: We have a mine sweeping capability in the Persian Gulf and it can be increased and will be increased. What we don't do is talk about it.... It has not been firmly established that this was a mine.... I think it was a mine, but it hasn't been firmly established....

Donaldson: What did you do to try to guard against the contingency of mines in that particular stretch of water?

Weinberger: We have the capabilities that are available when mines are discovered. You find a mine field ahead of time.

Donaldson: But you didn't look for it.

Weinberger: We did not look for it in that area because there's never been any mines in that area....

THIS WEEK (continued)

Will: Has our presence there had the effect of stopping the attacks on ships in the Gulf?

Weinberger: The idea of the original cease-fire resolution was to try to get a cease-fire in the war on the land and on the sea.... If Iraq chooses to enforce it, they could dominate the air completely and that could neutralize, to a considerable extent, the advantage in numbers that Iran has on the ground. Iraq and Iran have been locked in this ground war for nine years now...but Iran has not been able to exploit its ground advantage.

Donaldson: Do we do anything against the party who may have laid the mine?

Weinberger: If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps. Those things you don't trump in advance. You don't call a press conference and announce what you're going to do in operational matters....

Will: Mr. Gorbachev indicted this week that he would be willing to agree to a worldwide ban on these intermediate-range missiles.... How much does it simplify the verification? How close are we today to a summit?

Weinberger: It simplifies the verification process but it obviously doesn't eliminate it.... We have been urging zero. The Soviets have been demanding that they keep a large number of warheads in the East and they have now given that up.... I don't know what conditions are attached to it. When Mr. Gorbachev announces a concession like this, he never announces any of the conditions they put on it. When we see those, we'll know much more about it....

Donaldson: You opposed the arms sales to Iran policy back in 1985 and 1986. Do you think you did enough however?

Weinberger: Yes, I do. I think that those arguments were presented as vigorously as has been said and I think they were fully understood and I think that simply a different policy was adopted.... You do keep arguing.... There was no question that the sales were proceeding and everyone knew that George Shultz and I totally opposed the sales. What was important was to try to stop that policy, and ultimately, finally we did.

Donaldson: But you didn't. Did you?

Weinberger: That policy is totally stopped.... It is stopped and that's the important thing.

Brinkley: Why didn't somebody foresee the disaster it became?

Weinberger: I think basically that was foreseen and those arguments were presented, but there were countervailing arguments.... These are important attempts too to try to do things of this kind. Not everyone's arguments are perfect or always persuasive....

THIS WEEK (continued)

FREE-FOR-ALL DISCUSSION (Morton Kondracke joins panel.)

Brinkley: How will West Europe defend itself against Russian ground forces [if the missiles are removed]?

Will: We still have plenty of nuclear weapons in Europe if this is the end of arms control in Europe....

Donaldson: ...I think that Gorbachev, who has seized the propaganda initiative so brilliantly in the last two years...is perfectly capable of making this kind of apparent concession to put increased pressure on us to make a concession that would be very unwise.

Kondracke: The Reagan Administration has hung tough all the way along and had gotten the Soviets to remove the SS20. Now nobody gives the Administration of the U.S. side any credit.... We proposed it, he didn't. The Soviets walked away from the table. They came back to the table. Somehow they got the credit for coming back to the table instead of our having the credit for being there all along....

Donaldson: I think the general concession was accurate -- for a long time this President -- Mr. Reagan -- had to be dragged kicking and screaming to every possibility of a concession when it came to looking at arms control.

Will: But isn't that definition of a good negotiator -- someone who has to be dragged kicking and screaming by the other side's concession?

Donaldson: It wasn't the structure [of the NSC]. It was the people in the NSC who didn't obey the law, who didn't tell the truth, who made an effort to run a covert operation and, from some of the testimony, kept secret even from the President of the U.S -- these guys were bums.

Kondracke: What they were was hyperactivists.... We got to get out there and fight terrorism all by ourselves, etc. etc. They had William Casey as their den mother, who was out there cheering them on and sort of sponsoring them with the President and doing all these irregular things.

Donaldson: I think that's the greatest service that George Shultz's testimony provided this past week -- that is -- a public servant who said you don't have a right to lie, to mislead, to go around the law to do things you ought not to do....

Brinkley: What do we conclude from George Shultz's testimony?

Will: The public liked it and liked it because there seemed to be honest passion in it.... I believe the Secretary of State, being the preeminent cabinet member, could have stopped it and should have stopped it.... By threatening to resign.

Donaldson: The Secretary also painted a picture of a very active President. Ronald Reagan knew what he was doing, he wanted to sell arms.

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

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Moderator: Chris Wallace. Panel: R.W. Apple, Robert Kaiser.  
Guests: FAA Administrator T. Allan McArtor, Rep. Guy Molinari, American Airline Chairman Robert Crandall.

Wallace: How bad is the situation?

Molinari: There's a lot basically wrong with the system today.... I'm concerned that the statistics are going to catch up to the system....

Wallace: Is the system just plain overloaded?

Crandall: I think the FAA is doing a fine job of keeping the system safe. Unfortunately, we're paying the price of safety in terms of delays. I think there are many things that can be done.... I'd like to give the public better information about the quality of airlines' service.... We have urged the Department of Transportation to require the airline to report it so that we can now go out and sell quality.... We've got to move air traffic controlling -- the system -- higher on list of national priorities. We've got to create more capacity -- more runways, more airports, more controllers. Until we get that done, I think we've got to allocate the available capacity so that we don't try to operate 800 flights when there's only room for 400....

Molinari: We must require if the airline won't slot off aircrafts to accommodate the number of people flying, then the FAA must mandate that.

Crandall: Regulation as we use to know it isn't necessary. We do have to allocate the available space....

Wallace: What's the first thing the FAA Administrator should do?

Molinari: I would tell him to look at his system very careful, address the morale problems, address the personnel problems....

Crandall: Acknowledge that the people at the FAA are doing an excellent job. Second, go to the Congress and ask for the resources required to do as much as possible to increase capacity right away, and in the long-term, build a ten year plan to give us the capacity of the air traffic control system that we need.

Guest: T. Allan McArtor.

Wallace: Are you going to do what our other guests recommend?

McArtor: I certainly understand their concerns and I welcome their suggestions. I think we need to be mindful of the fact that the peak-hour phenomenon we're experiencing these day are in part due to a scheduling problem and for us to be mindful of the capacity limits on our major airports....

Wallace: Aren't you going to consider something more dramatic than that?

MEET THE PRESS (continued)

McArtor: Of course we'll consider it. But restricting air commerce as a means of restricting demand on the system is done only if you're not mindful of the capacity of the system itself.... The mission of the FAA is to provide a safe and efficient air system and the service issues are consumer issues and we have to work with airlines to find solutions. Restricting air commerce is something we would like to do as a very last event.

Wallace: Would you like to see all the consumer information published?

McArtor: I think that's a excellent idea. I think that the ticket-buying public needs to have more information in which to make a more informed choice. Already the DOT is exploring more and more the requirement for information to be publish. I think we ought to require those things more and more.

Wallace: What do you intend to do to improve the air travel system?

McArtor: We need to be mindful of three things -- service issues, safety issues and security issues. Clearly the FAA's mission is involved in safety and security.... We've got a great deal of effort underway in terms of inspections and emphasis with the carriers to make sure that these service issues don't impact safety. Our first mission is safety -- maintain the air system as safely as possible....

DISCUSSION

Wallace: George Shultz this week seemed to flush out both of the conflicting images that we have of Ronald Reagan these days. Sometimes he seemed to be talking about the disengaged President who was misled by his advisers. But sometimes he also seemed to be talking about a President who knew exactly what he was doing and was the prime, moving force behind the Iran initiative. Which is the real Reagan?

Apple: I don't think there is one. I think that Reagan is what the person who is working for him sees in him....

Kaiser: I don't think after all these hearings that we can buy the disengaged Reagan imagine anymore. I think Shultz wanted us to for his own purposes. It seems to me not only was he theoretically in charge, there's lots and lots of evidence now that Reagan was personally in charge. I think it's silly to stop pretending to continue with this.

Wallace: Shultz indicated that the President signed these three findings...he never told Shultz about it. It doesn't seem to me there was any disengagement here. The President didn't want George Shultz in on this operation because he knew Shultz opposed it.... Can they go back to work? Can they trust each other?

Apple: I think it's extraordinary that the Secretary of State of the U.S. is on television for two days and say, in effect, "They won't play with me." That has to undercut his standing abroad, at least to some degree....

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

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Moderator: Lesley Stahl.    Panel: John Walcott.  
Guests: Representatives Jack Kemp and Richard Gephardt.

Stahl: The Washington Post reports today that there is a document... that shows that the President was the one who ordered his team not to divulge facts about the arms sales to Iran.... What does this mean now for where we go in the investigation? Does it point more to the President? What does it mean to you?

Kemp: It is pretty clear that the President was deeply concerned about what would happen to Iran and the Middle East after Khomeini. It is equally clear, and is to this day, that the President was very much concerned about the hostages.... He was, I think, trying to prevent the type of leak that would endanger the lives of those hostages or a policy, and the combination of it.... It would not be the right policy to put it up on Capitol Hill and let it be leaked, with all of the problems that ensue.... The President will come under deep criticism from those who want to attack him for the policy....

Stahl: The polls show that the American people don't think the President has told the truth, on the other hand they don't seem to be that disturbed by it. What do you think the message is and what's the big lesson of all of this?

Gephardt: Americans don't want to lose faith in their President... I think the people want to stick with Ronald Reagan because they are worried about losing the luster of another presidency....

Kemp: ...When Kuwait needed some help, it came to the U.S. Now, the policy isn't perfect, but the U.S. is not in disrepute in the Middle East or anywhere else in the world, unless we constantly attack the policy of the country in the face of the world.

Gephardt: I doubt seriously if we would have put those flags on the vessels if we hadn't sold the arms to the Ayatolla and ruined our credibility in the Middle East.

Kemp: I disagree, because clearly the Soviet Union was going to flag the Kuwaiti vessels, and had we not done it the Persian Gulf would have been another part of the blue-water navy.... You have criticized the President for flagging the ships, you have criticized the President for doing anything in the Middle East, and you've criticized the President for any aid to the contras. Your policy is isolationist.

Gephardt: The whole policy is flawed.... We need to get our allies to come with us in the region and to keep those oil lanes open.

Kemp: But the allies turned it down....

Stahl: Congressman Kemp, you have often called for George Shultz to resign because you didn't feel he was loyal to the President. Do you now think...he was the loyal one and the other aides weren't? Or what do you think?

FACE THE NATION (continued)

Kemp: I wish the President had accepted his resignation. My difference with George Shultz is not personal, it's policy. He consistently -- in Central America, in Africa, in the third world and with regard to the freedom fighters and SDI, has opposed the President. What he is saying in effect in this instance is that he didn't know, but the President did know. I just think that that is disloyal to the policy of the President. It's for that reason that I think George Shultz should have had his resignation accepted by the President....

DISCUSSION

Stahl: At the hearings we seem to be getting a new portrait of the President...something quite different from the portrait that said he was disengaged. Are we getting a whole new Ronald Reagan emerging?

Walcott: Absolutely, especially these notes that have now come out of a meeting at which the President appears to have led the effort to present a misleading portrait of the Iran arms sales to the American people... I think it's been clear for along time that the President was the driving force behind all of this, that he was engaged in some of the details and remembered some of the details of how that was done.

Stahl: What is the question -- we have known for a long time that he wanted this -- what does the memo show us about the details that he was involved in?

Walcott: The memo suggests that he remembered pretty well what had been involved...that he and signed three separate findings, all of which really set forward an arms-for-hostages trade. But it also suggests that he didn't want to say that.

Stahl: What do you make of the polls -- where the public hasn't really believed Ronald Reagan for awhile, but they don't seem to care?

Walcott: First of all, he's a very likable fellow. Secondly, there's always a question of whether he is deliberately lying or acting.... He doesn't come off as deceitful. I think Adm. Poindexter came off that way. But the President doesn't. So the people say, "Well, maybe he didn't mean to deceive us." Finally, there really isn't much question that his goals were worthy one: he wanted the hostages home.

Stahl: We really don't know the story. What happened in your view?

Walcott: We don't know what happened, we really don't -- after all these investigations -- we still really don't know. But Poindexter's testimony and Shultz's testimony suggest that Reagan knew from the beginning what he wanted: he wanted to get the hostages home. And so when Shultz and Weinberger came in and said, "No, no, Mr. President, this is wrong" -- he simply didn't listen.

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## ***THE McLAUGHLIN GROUP***

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Moderator: John McLaughlin. Panel: Fred Barnes, Robert Novak, Eleanor Clift, Morton Kondracke.

### **ON PERSIAN GULF**

McLaughlin: Is putting American flags on Kuwaiti vessels sound or unsound U.S. foreign policy?

Barnes: I think it's sound but I think you have to be clear about what the policy is. The policy is not protecting the flow of oil. The policy is not protecting freedom of the seas. The policy is tilting toward Iraq....

Novak: It is sound policy. It does have to do with the flow of oil and it's also sound because it does improve our credentials in the Arab world which had become very tarnished indeed.

Clift: It's wrong-headed, reactive, seat-of-the pants policy.... We're there because of the fear of the Soviet and we're there because the Administration got caught selling arms to Iran and we're trying to redress that balance. We're there for all the wrong reasons and it's very risky.

Kondracke: We are there because we are a superpower.... We are not looking for a fight.... We are not tilting in a major way toward the Iraqis. We have every right to be there. It is in our interest to be there. It is not in our interest to have the Soviet Union guaranteeing the security of the Persian Gulf.

Clift: ...I think the President is spoiling for a fight. He would like nothing better than a good clean crime over there that he could retaliate against to get back at the Iranians....

Barnes: Eleanor's objections are just because if Ronald Reagan does it, she doesn't like it. We know that. We can dismiss them as that.... When you have the tanker war at its height, the oil price around the world was dropping.... It did not interfere with the flow....

McLaughlin: If it is demonstrated that Iran was behind this underwater mine which damaged the Bridgeton, should the U.S. retaliate? Will the U.S. retaliate?

Barnes: No. No.

Kondracke: Of course no, no.

Novak: If, IF, it was so demonstrated, we must retaliate and we would retaliate by hitting Iran's boys in their motor boats and taking a raid on some of those islands in the Gulf....

Clift: This is just a small sign of what's to come.

McLaughlin: This is a counterproductive, provocative act.

MCLAUGHLIN GROUP (continued)

ON IRAN-CONTRA HEARINGS

McLaughlin: What is Shultz? A hero, a victim...a crybaby, a Judas?

Clift: I think it is reassuring to see a government official sit there without benefit of immunity and without a lawyer whispering in his ear and a man who has at least somewhat close to total recall....

Novak: What George Shultz was doing was being used by the enemies of this Administration, Republican and Democratic on that panel. They were using him because this committee was in retreat and they said -- here's a guy who can save us. And that's why we're had this nauseating, outgushing praise for Mr. Shultz. He's never had it so good. For his part, he has broken a rule in Washington -- he has turned against his own Administration to save himself and that's something you cannot do.

Barnes: He hasn't. He has helped the committee because he's answered questions about policy and process....

Kondracke: He was right about this policy. But he should have resigned over what was really important -- namely, the policy.... He does represent the stability of the government instead of having all these cowboys....

Clift: I would argue that he has been loyal to the President.... I think this does help the President. The President had two choices -- he's either a fool or a knave. And George Shultz, whether he means to or not, is boosting the fool side.

Barnes: It doesn't really hurt the President. Reagan has taken the hit on the Iranian arms sale.... We knew that Ronald Reagan's style is to allow battling aides. It got out of control, but we knew it was there and he's already suffered through that.

Novak: People who are really Reagan haters, like Eleanor, says it helps him because they think he is a fool or a knave. The late Bill Casey was doing what the President wanted and that was trying to fight Communist while George Shultz was advancing the interest of the State Dept....

McLaughlin: Are you saying Admiral Poindexter threw himself on a grenade to protect the President whereas George Shultz threw the grenade under the bed?

Novak: The big difference is that Adm. Poindexter has a prosecutor trying to [get] him.

McLaughlin: This presents his Administration as vile and unknowledgeable. It further says that the most important officer was left out of the information....

Clift: It portrays the President as unknowing -- which is the President's chief defense throughout this. And he portrays the President as angry when he is presented with the real facts. It seems to me those two things make the President look better than anything being said in this testimony.

MCLAUGHLIN GROUP (continued)

McLaughlin: What does Ronald Reagan do with this situation?

Barnes: I think he's going to do nothing at all and George Shultz will be Secretary of State for the rest of the Administration.

Novak: He should call him up and say, "George, it's been a great time, but I think it's time for you to go because you have saved yourself at the expense at the Administration." ...

Clift: The President should hang on to George Shultz for dear life.

ON ARMS CONTROL

McLaughlin: Is this [Gorbachev's proposal] a good deal for the U.S?

Barnes: On balance it is a good deal and it shows that the Reagan policy on installing the Pershing...has worked.

Novak: It's a good deal.

Clift: It's a good deal for the President politically and a good deal for the country.

Kondracke: It's a good deal provided that this does not lead us to getting rid of all nuclear weapons in Europe.

McLaughlin: I say, "Go for it."

PREDICTIONS

Barnes: Secretary of Education William Bennett is going to poke a stick in the eye of Otis Bowen by hiring the assistant secretary at HHS who was fired by Bowen. She's going to start to work at Education.

Novak: The liberals on the Hill are going to use the Iran-contra hearings next week for a drive to get Ed Meese out of office and they will have allies in the Reagan White House.

Clift: More Meese -- if Ed Meese is indicted by one of the two special prosecutors investigating him, and I predict he will be, if he does not resign, there will be impeachment proceedings begun on Capitol Hill.

Kondracke: Pat Schroeder is going to run for President -- probably announce in Sept. and have \$2 million to begin with. The kind of tragedy here is that she's going to run as a hardline feminist instead of running as a normal Democrat.

McLaughlin: The Judiciary Committee will vote out 8-6 behind the nomination of Judge Bork, but it will be for no recommendation to the full Senate in the manner of Judge Manion.

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## **AGRONSKY & COMPANY**

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Moderator: Carl Rowan. Panel: Hugh Sidey, Elizabeth Drew, Lou Cannon, James Kilpatrick.

### **ON IRAN-CONTRA HEARINGS/SHULTZ TESTIMONY**

Rowan: I'm going to name four men -- President Reagan, Mr. Poindexter, Lt. Col. Oliver North and Secretary of State Shultz -- which of those men was most damaged by Mr. Shultz's testimony?

Sidey: ...We're finally talking about what went wrong with the system and the people in it. Ronald Reagan is in charge of that system and therefore I think he was hurt the most by this.

Drew: That's right.... Shultz gave a devastating picture of the internal warfare in this Administration that, I think, is without precedent. But it is President Reagan who is in charge of these people.

Cannon: I think it's kind of a tie between President Reagan and Adm. Poindexter. We knew the President was in charge before this week and that he hadn't exercised that charge very well. I think we learned that Adm. Poindexter failed to fulfill his duty as a national security adviser in guiding the President.

Kilpatrick: I suppose Adm. Poindexter was hurt the most. I think the Secretary's testimony helped the President. It certainly helped the President in my eyes.

Rowan: I know that they've ripped the hero's mantle off of Poindexter, but I think that testimony took the buck away from Poindexter and put it right back at the President's feet.

Sidey: ...The President let this get out of hand. At some point surely he should have sensed that things were running amuck and just said, "Okay -- enough of this." He did not. He did not exercise finally his authority. I just say...we get a better picture. This isn't the mountain that we made it in earlier hearings. I think it's been deflated and we're back to discussing these organizational problems and seeing what we can do about them.

Kilpatrick: I've got to disagree with my brother on this. It seemed to me in at least two areas Shultz's testimony helped the President. One, he made the point that in Reagan's eyes -- as Reagan himself saw it -- this was not an arms-for-hostages trade. Then he [supported] the testimony that the President really did not know....

Cannon: You understand more after Shultz's testimony what was motivating Reagan. He was driven by this need to free Americans who were captive. He behaved in a fashion that was wrong but his motivation, it seems to me -- he has a more human face coming out of Shultz's testimony than he did out of Poindexter's and North's.... At the same time, I don't agree that this is less of a mountain. I think it's much more of a mountain. When you find a national security advisor who doesn't care about the Constitution...I think you have a situation of enormous danger.

-more-

AGRONSKY & COMPANY (continued)

Kilpatrick: The President certainly was at fault. At the same time, it's been overblown. You have here the misconduct of a few people...and you have incompetence on the part of the President....

Rowan: I don't think it's overblown.... The President knew what he [Casey] was doing.

Sidey: The missing character is Bill Casey. The master strategist.... I think at some point he got from the President a nod of authority to do something without the President knowing it and Bill Casey's the orchestrator of this.... It's a textbook example of how to isolate the President....

Rowan: We're talking about usurping the powers of the man elected President.... [Poindexter] took the key player out of the game.... How can you justify that?

Sidey: That's within intelligence work. This is the matter of deniability....

Rowan: He wasn't given the opportunity to make the decision.

Cannon: The irony of this is that the President, who has always had a lot of credibility in this country -- his credibility has now been made dependent upon Adm. Poindexter, who, it seems to me, doesn't have much credibility after these hearings.

Kilpatrick: I still have absolute confidence in the credibility of the President of the U.S.

ON PERSIAN GULF

Rowan: What should be done in this case -- pull out, retaliate?

Kilpatrick: I'm not certain retaliation is yet called for.... We can't pull out. We're in for the long haul.

Cannon: The White House isn't going to retaliate for a mine. The one thing that this does, is it advertises the danger of the policy....

Sidey: We're involved no matter what. We can't run away from that part of the world.... This is precisely what Adm. Poindexter was talking about -- this inability of the Congress, the media, to step up to these challenges. Here's where I give Ronald Reagan the best credit. He's the only person, leader, in this political system now who is willing to take some risk to prevent greater disaster down the line. He's done it with terrorism. He's done it with Libya. He's done it with the Pershing missiles. He's done it in Grenada. His record so far on that, I think, is just superb.... He'd risk it again and I'm for him.



# News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, JULY 27, 1987 -- 6 a.m. EDT EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

U.S. To Increase Mine Detection In Gulf, Retaliation Possible -- Secretary Weinberger said U.S. mine detection capability was to be strengthened in the Persian Gulf and retaliation was possible over damage caused to the Kuwaiti tanker Bridgeton. (USA Today, Wall Street Journal, Washington Post, Washington Times, AP, Reuter)

### NATIONAL NEWS

Just Can't Wait To Get On The Road Again -- The conservative Midwest is the latest stop for President Reagan as he continues to hawk his "Economic Bill Of Rights" along Main Street USA in outward indifference to the Iran-contra hearings. (AP, UPI)

### IRAN-NICARAGUA

President Led Secrecy On Iran Deal -- President Reagan led a White House effort to conceal the facts about his secret arms deals with Iran last November, overruling arguments from both Secretary Shultz and then-Chief of Staff Regan that details of the deals should be disclosed, according to minutes of a White House meeting. (Los Angeles Times)

### NETWORK NEWS (Sunday Evening)

**PERSIAN GULF** -- Secretary Weinberger promised efforts will be improved to find and remove deadly mines in the Persian Gulf.

**IRAN-CONTRA** -- The Iran-contra committee released notes of a meeting last November which show President Reagan actively leading an effort to cover up details of the arms-for-hostages deal.

**ARMS CONTROL** -- The U.S. and Soviet Union seem to be moving closer to an arms control treaty.

#### SECRETARY BALDRIGE...

"...He was a very warm and wonderful person, and I know how deeply he was attached to doing what he was doing at the moment of his death. And it is a very heavy blow for all of us in the Administration. He had been here from the very beginning and did a wonderful job in every way. And we all thought the world of him. He was enormously popular, and justly so. And it is a heavy blow."

(Secretary Weinberger, 7/26)



## **INTERNATIONAL NEWS**

### **U.S. TO ADD GULF MINE DEFENSES**

Secretary Weinberger said that the U.S. "has mine-sweeping capability in the Persian Gulf and it can be increased and will be increased."

Weinberger reacted strongly to suggestions that the Pentagon had not considered the possibility of mines in the gulf, where a Kuwaiti-owned oil supertanker flying the U.S. flag struck a mine on Friday while under U.S. Navy escort.

"You don't need a mine sweeper" to detonate and destroy mines, Weinberger said. "We have capabilities that are available when mines are discovered.... We did not look for (mines) in that area (where the tanker Bridgeton was hit) because there have never been any mines in that area." (Molly Moore & Judith Havemann, Washington Post, A1)

### **Navy Vows To Expand Mine Watch**

KUWAIT -- Amid mounting tension, the top U.S. Navy officer in the Persian Gulf held emergency talks here on the defense of U.S.-flagged ships, and Secretary Weinberger vowed to increase minesweeping.

Rear Adm. Harold Bernsen met here with U.S. Ambassador Anthony Quainton to discuss alternatives for antimine warfare in the gulf.

Among the options:

- Persuading Saudi Arabia to send its four minesweepers into the main channel on a regular basis -- something Saudi authorities are reluctant to do for fear of provoking Iran.

- Deploy U.S. antimine helicopters permanently to the region -- action that Kuwaiti officials had opposed as giving the U.S. too large a presence on Kuwaiti soil. (Don Kirk, USA Today, A1)

### **Tanker's Mining Bares Weakness Of U.S. In Gulf**

Friday's mine explosion in the Persian Gulf not only damaged a Kuwaiti oil tanker, but it also exposed a soft spot in the U.S. Navy's ability to protect itself.

...Over the weekend, Defense Department officials here scrambled to come up with new ways to clear the gulf's sea lanes of mines....

However, any plans to increase the U.S. military presence will face protests in Congress and perhaps strain relations with Kuwait, which hopes to gain U.S. naval protection without a heavy influx of uniformed personnel. Senate Majority Leader Robert Byrd said the incident "certainly shows the perils we face in following a hastily conceived."

(Tim Carrington, Wall Street Journal, A3)

### **U.S. To Increase Mine Detection In Gulf, Retaliation Possible**

Secretary Weinberger said U.S. mine detection capability was to be strengthened in the Persian Gulf and retaliation was possible over damage caused to the Kuwaiti tanker Bridgeton.

Appearing on the same program [ABC's "This Week with David Brinkley], Iran's ambassador to the U.N., Said Rajaie Khorassani, said he was pleased the Bridgeton was damaged but declined to say if Iran was responsible. (Reuter)

### U.S. Seeking Proof, Weighing Retaliation

The U.S. is "perfectly capable" of retaliating against Iran if it is proven the Islamic republic laid the mine that struck a Kuwaiti supertanker in the Persian Gulf last week, Secretary Weinberger said. But he declined to say how it might be done.

"If we find the party that laid the mines, we are perfectly capable of taking the retaliatory steps," Weinberger said. "Certainly, those things you don't trumpet in advance, you don't call a press conference and announce that you are going to do an operation."

An official spokesman in Riyadh, Saudi Arabia, said his nation's four U.S.-built minesweepers will not help clear gulf shipping channels, destroying U.S. hopes of aid from that quarter.

(James Dorsey, Washington Times, A1)

### U.S. To Clear Key Gulf Channel Of Mines

The United States today prepared to begin clearing mines from a key channel in the northern Persian Gulf where the reflagged Kuwaiti supertanker Bridgeton was holed last Friday.

The U.S. commander in the gulf, Rear Admiral Harold Bernsen, held talks with Kuwaiti officials yesterday on ways to clear a deep-water shipping lane near Iran's Farsi Island, one of the narrowest and most dangerous in the gulf.

Diplomatic sources said the plan was likely to entail U.S. helicopter-based mine hunting equipment operating from American warships.

(Philip Shehadi, Reuter)

### Damage To Tanker Hit By Mine Is More Serious Than Thought

The U.S.-accompanied Kuwaiti tanker that struck a mine in the Persian Gulf sustained more damage than originally thought, but it might be able to sail with a partial load of oil, shipping and maritime sources said.

Over the weekend, divers examined the hole in the supertanker at Kuwait's Sea Island loading platform. They reported that four of the vessel's 32 compartments were flooded, rather than one compartment as initially reported, said maritime salvage sources in Dubai.

(John Rice, AP)

### **FRANCE PUTS AIRCRAFT CARRIER FORCE ON ALERT FOR POSSIBLE DEPLOYMENT IN PERSIAN GULF**

PARIS -- France put an aircraft carrier and three support ships on alert for a possible swift dispatch to the Persian Gulf, the Defense Ministry announced, as France resumed its tense confrontation with Iran.

The alert, which followed the departure of a French patrol boat to the gulf region on Friday, seemed to signal a hardening in the standoff between Paris and Tehran over an Iranian Embassy official wanted for questioning about terrorist bombings here last fall.

Foreign Minister Jean-Bernard Raimond said in an interview...France "will take the necessary measures" if French ships are attacked again by Iranian gunboats in the gulf.... (Edward Cody, Washington Post, A18)



## ARIAS DISCUSSES PEACE SUMMIT WITH SANDINISTAS

MANAGUA -- Costa Rican President Oscar Arias arrived at the start of a Central American tour hoping to inject new life into a flagging peace initiative for the volatile region.

Arias, on his first official visit to Nicaragua, was met at the airport by President Daniel Ortega, with whom he was expected to discuss plans for a regional summit in Guatemala next month after a previous conference fell through.

Ortega said his government regarded the Arias plan as an important contribution to peace efforts but stressed negotiations should also involve the so-called Contadora group, which for four and a half years has sought in vain for a peaceful end to the bloodshed. (Matthew Campbell, Reuter)

## CASTRO MARKS 34TH ANNIVERSARY OF REVOLUTION'S BEGINNING

ARTEMISA, Cuba -- Fidel Castro, in a speech marking the 34th anniversary of the start of his revolution, likened a Cuban general [Brig. Gen. Rafael Del Pino, who defected to the U.S. on May 28] who defeated the U.S. to a rat leaving a sinking ship, but quickly assured Cubans their ship of state is not sinking.

The speech...was very restrained in its attacks on the U.S. despite a recent chill in Cuban-American relations.

Though Castro made a few thinly veiled references to the U.S. as the "empire" and "the monster," the only times he mentioned the U.S. by name was while criticizing its health-care system. (Rob Gloster, UPI)

## CUBA CLAIMS CIA'S MEN IN HAVANA WERE DOUBLE AGENTS

In A New TV Series, Alleged Spies-Turned-Heroes  
Tell How They Duped American Agency

HAVANA -- Cuba's intensely publicized charges of CIA spying here have created a new category of revolutionary hero -- the double agent.

Cuban national television last week launched its series on alleged activities of the U.S. interest section here with film of supposedly clandestine drops of bulk packages said to contain transmission equipment and currency. (Lewis Diuguid, Washington Post, A15)

## CIA DISPUTES DEFENSE INTELLIGENCE ON SOVIET LASER

The CIA has backed away from a previous estimate of the Soviet Union's space laser weapons development, triggering a dispute with the Pentagon, U.S. officials say.

The Pentagon's Defense Intelligence Agency has projected the Soviets could have a prototype weapon in space before 1990 for killing surveillance and communication satellites. Its position was reflected in the latest annual edition of Soviet Military Power issued by the Pentagon in March.

Until recently, the CIA shared this estimate.

But the spy agency has changed its position, U.S. government officials said last week, because laser scientists now believe the technology needed for a space laser is not as advanced as they previously had thought. (Walter Andrews, UPI)

## NATIONAL NEWS

### REAGAN ON THE ROAD AGAIN IN BATTLE FOR ECONOMIC RIGHTS

President Reagan is taking his campaign against high taxes and government spending to Wisconsin today, where a member of his own party [Rep. F. James Sensenbrenner] predicts Reagan is in for "the toughest battle" of his presidency over the so-called "Economic Bill Of Rights."

Meanwhile, a Democratic member of the tax-writing House Ways and Means Committee [Rep. Jim Moody] derided Reagan's "road show" and called the President "a non-player as we are struggling to reduce the deficit."  
(Dale Nelson, AP)

### Just Can't Wait To Get On The Road Again

The conservative Midwest is the latest stop for President Reagan as he continues to hawk his "Economic Bill Of Rights" along Main Street USA in outward indifference to the Iran-Contra hearings.

Still mum on the myriad questions that have emerged during 10 weeks of testimony, Reagan was headed to southeastern Wisconsin today to press the case for spending cuts, less taxation and more presidential clout over Congress.

Friendly crowds awaited Reagan in three small towns outside Milwaukee, where he planned to address workers at a home furnishings factory, attend a Rotary Club luncheon and deliver a speech near the shores of Lake Michigan.  
(Norman Sandler, UPI)

### WRITING REAGAN'S FINAL SCENES Aides Battle Over Best Face For Presidency

As President Reagan tries to emerge from the political trauma of the Iran-contra hearings, a quiet struggle is taking place within his Administration over how to put the best face on the remaining 18 months of his presidency.

White House officials and Republican political strategists say battle lines have been drawn between White House Chief of Staff Baker, who favors a limited but big-ticket agenda of arms control and budget compromise, and conservatives who want the President to go out fighting and draw clear partisan lines for the 1988 election campaign.

Reagan, in a combative mood after weeks of congressional hearings into the Iran-contra affair that have exposed seminal deficiencies in his presidency, is said to be of both minds, depending on the day and the issue.  
(Lou Cannon, Washington Post, A1)

## DEATH LEAVES REAGAN SHORT-HANDED AT CRUCIAL TRADE TIME

The sudden death of Secretary Baldrige in a freak horseback accident leaves the Reagan Administration without a key player at a crucial time in its negotiations with Congress over far-reaching trade legislation.

While the Administration searches for a successor, Deputy Commerce Secretary Clarence Brown, a former Republican congressman from Ohio, was expected to be named by President Reagan as acting commerce secretary.

But Administration officials, who spoke on the condition of anonymity, said it is unlikely that Brown would be offered the post permanently for the last 18 months of the Reagan presidency.

U.S. Trade Representative Clayton Yeutter, who shared jurisdiction over trade matters with Baldrige, is...being mentioned as a possible [successor].

But Yeutter aides, requesting anonymity, said they doubted the chief U.S. trade negotiator, who already enjoys Cabinet status, would be interested in making such a move. (Tom Raum, AP)

### Commerce Chief's Death Leaves Reagan Without His Moderator On Trade Issues

Secretary Baldrige's death leaves the Reagan Administration without a strong voice for the business community in trade issues that have divided Congress and even the Administration itself.

Baldrige, who brought his seniority as a member of President Reagan's Cabinet and what Reagan called his "common-sense wisdom" to bear on trade issues, won't be easy to replace. There aren't many corporate executives and outsiders of his stature willing to serve for only the Administration's remaining year and a half. There are even fewer who could enjoy Reagan's confidence as Baldrige did.

The White House, stunned by Baldrige's unexpected death, hasn't developed a list of possible successors....

Since the secretary's remaining agenda may call for a trusted insider who also has trade-policy expertise, Reagan may consider the option of naming Labor Secretary Brock or Trade Representative Yeutter....

(Eduardo Lachica, Wall Street Journal, A3)

### Baldrige's Death Not Likely To Alter Trade Policy

The sudden death of Secretary Baldrige, the Reagan Administration's leading hawk on trade policy, is not expected to weaken the Administration stand against protectionism in foreign trade.

"The nation has suffered a great loss with the tragic and untimely death of Secretary Malcolm Baldrige," President Reagan said....

Vice President Bush said, "I feel like I've lost a brother. I loved the guy."

"The Administration has lost one of its finest Cabinet officers and the nation has lost an outstanding public servant. I've lost a very close friend," said Treasury Secretary Baker.

(Jeremiah O'Leary & Karen Riley, Washington Times, A5)

### Reagan Free Trade Policy Seen Unaffected By Baldrige Death

Secretary Baldrige was a top architect of President's Reagan's trade policy, but Reagan's tough stance to end the huge U.S. trading deficit will not end with Baldrige's death.

Trade analysts said Baldrige was a soft-spoken but forceful advocate of Reagan's free trade policies, both in talks with U.S. overseas trading partners and in trying to block Congress from passing protectionist legislation.

But, they added, the fight he led for open yet fair trade would be continued by the Administration's two other chief trade officials, Secretary Baker and Secretary Yeutter. (Robert Trautman, Reuter)

### Baldrige's Body Flown To Home Town; Tributes Pour In For Commerce Secretary Who Died In Horse Accident

The body of Secretary Baldrige was flown to his home town of Woodbury, Conn., after an autopsy showed that he died after his chest and abdomen were crushed in a freak horse accident.

The crowd stood and sang "God Bless America" and the national anthem as statements of shock and sadness poured in from President Reagan, Vice President Bush, congressional leaders, friends and the Japanese minister of international trade and industry.

(Judith Havemann, Washington Post, A3)

### BANKRUPTCY LOOMING, SENATE MUST UNSNARL STANDOFF OVER U.S. DEBT LIMIT

Senators are starting their week facing a complex political snarl over how to best slash massive federal deficits, a dispute that has pushed the government to the edge of default.

On Tuesday, they resume trying to reach bipartisan agreement on budget process reforms. A fight over the issue has held up progress on a measure to stretch the \$2.111 trillion federal debt limit. Without some extension, the government would be unable to pay its bills by late this week, perhaps Thursday.

Today, the House will consider a bill that would prohibit the sale in military exchange stores of any product manufactured or assembled by the Toshiba Corp., in retaliation for Toshiba's sale of sensitive submarine technology to the Soviet Union. (Alan Fram, AP)

### Gramm-Rudman Battling Could Add Billions To Deficit

Senate squabbling over how to reinstate the Gramm-Rudman balanced budget law could result this week instead in the addition of billions of dollars more to the deficit, Budget Director Miller says.

If Congress fails by tomorrow to increase the debt ceiling above the present \$2.1 trillion mark, the country will face an unprecedented default on obligations that may never be repaid, Miller said in a weekend interview. (Gene Grabowski, Washington Times, A2)

## **IRAN — NICARAGUA**

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### **PRESIDENT LED SECRECY ON IRAN DEAL Shultz Overruled In Heated Debate, Minutes Disclose**

President Reagan led a White House effort to conceal the facts about his secret arms deals with Iran last November, overruling arguments from both Secretary Shultz and then-Chief of Staff Regan that details of the deals should be disclosed, according to minutes of a White House meeting.

The minutes, part of a 2-inch sheaf of documents released last week by Congress's Iran-contra committees, describe an apparently heated confrontation between Reagan and Shultz during the meeting Nov. 10.

(Los Angeles Times, A1)

### **WEINBERGER SAYS QUITTING WOULD NOT HAVE STOPPED ARMS SALES TO IRAN**

Secretary Weinberger is defending his decision not to resign in protest of U.S. arms sales to Iran, saying he would have been unable to continue arguing "vigorously and vociferously" against the policy.

"Resigning may make the resigner feel a little more comfortable and morally superior, but it doesn't accomplish anything and it removes any possibility of continuing to present those arguments in a way that eventually will prevail. And that has happened," Weinberger said in an interview on ABC's "This Week with David Brinkley."

Meanwhile, the Iranian ambassador to the U.N. [Said Khorassani] said Iran has tapes of meetings between U.S. and Iranian officials in Tehran that "show things slightly different from the picture presented to the public" during the [Iran-contra hearings].

(Donna Cassata, AP)

### **BENNETT CRITICIZES SHULTZ' TESTIMONY**

Secretary Bennett has joined other conservative Republicans in criticizing Secretary Shultz' testimony before the Iran-contra investigative committee.

Bennett said the Iran-contra committee members "really got hurt by the North testimony, and their attempt in questioning Shultz was to pull them back up."

(Ralph Hallow, Washington Times, A8)

### **White House Staff: Shultz 'Self-Serving'**

While the official White House description of Secretary Shultz' testimony is "honest and sincere and helpful," many staff members are "furious" over what they consider blatantly self-serving remarks.

"It's classic George Shultz," said one official who recently left the White House. "A great critic, but no action. If he is so good, then why couldn't he stop it?"

One senior Administration official said, "he protesteth too much," and summed the feeling at the White House this way: "Nobody around here is pleased."

(Donald Rheem, Christian Science Monitor, A1)

### A WIDENING CREDIBILITY GAP

Behind the facade of White House happy talk, President Reagan is said to be distressed at poll findings that a solid majority of Americans believe that John Poindexter is lying when he says he approved diversion of Iran arms sales profits to the contras on his own.

That is also the President's story, and Reagan is accustomed to being believed. The Iran-contra affair revealed shocking flaws of policy and process, but Reagan's friends say he is more concerned about damage inflicted to his reputation for truthfulness.

The irony of the President's predicament is that this longstanding and carefully cultivated reputation has become dependent on Poindexter, the least credible participant in the scandal. Reagan did not plan it this way. He naively expected to be believed when he described himself as a "White House source" in a nationally televised speech last Nov. 13 and wrongly asserted that the Iran initiative was not a trade of U.S. arms for American hostages.

Poindexter did not provide the "smoking gun" that Reagan's foes had sought. But he did something perhaps as damaging, which was to leave the President's reputation resting on the word of a man who simply cannot be believed. Those who study the affair will long wonder why Reagan, on the day he accepted Poindexter's resignation, didn't care enough to ask what had been going on. (Column, Lou Cannon, Washington Post, A2)

### MEESE TO FACE TOUGH QUESTIONING BY ARMS-FOR-HOSTAGES PROBERS

Attorney General Meese, who headed the initial inquiry into the Iran-Contra scandal last November, is expected to face stiff questioning when congressional panels resume their probe into the affair.

When Meese begins his scheduled appearance Tuesday before joint congressional investigating committees, lawmakers will be expected to grill him on published reports that President Reagan led an initial effort last November 10 to conceal details of the covert sales of U.S. arms to Iran.

One report placed Meese at the meeting, saying he supported Reagan's move to conceal the arms sales. (Glenn Somerville, Reuter)

### Meese's Vagueness Is Expected To Vex Iran-Contra Panel Eager To Fill Gaps

Attorney General Meese goes before the Iran-contra inquiry this week in what is expected to be a tug-of-war with House and Senate investigators exasperated by his frequent claims of being unable to recall events.

Meese played a lead role in deliberations within the Reagan Administration as the controversy became public last fall, but his responses in private depositions before the House and Senate committees often have been vague, according to investigative sources.

(David Rogers, Wall Street Journal, A2)

## HEARINGS A PRIMER ON U.S BUREAUCRACY FOR FRIENDS AND FOES ALIKE

The Iran-contra hearings are giving foreign capitals something their intelligence networks would be hard-pressed to match: an inside look at the battles over foreign policy at the top levels of the U.S. government.

"There is a certain grudging admiration that this government, this system, is willing to go this public," Helmut Sonnefeldt, a former NSC staffer, said in an interview. "No other governments, even the most democratic ones in Europe or the Far East, ever do this sort of thing."

"We're learning things about how things work here in your government that we never knew," one Japanese diplomat, speaking on condition he not be identified, said in an interview. (Dale Nelson, AP)

## RANCHER PAID BY CIA FOR HELPING CONTRAS

An American rancher in Costa Rica with ties to Oliver North says he told criminal investigators recently the CIA paid him \$1,100 a month for assisting the Nicaraguan contra rebels.

In an interview with UPI, rancher John Hull said he told investigators for independent counsel Lawrence Walsh that the agency gave him \$800 a month for bodyguards and \$300 a month to rent CIA safehouses in San Jose, Costa Rica. (Neil Roland, UPI)

## BELEAGUED FUND-RAISER CHANNELL EAGER TO RETURN TO AIDING CONTRAS Conservatives Facing Bankruptcy, Sentencing In Iran Affair

Carl Channell...says he wants to get past his troubles so he can go back to helping the Nicaraguan rebels.

And despite the problems that grew out of his involvement with Oliver North...and the private contra aid effort, Channell said he is ready to take up the cause again. (Rita Beamish, Washington Post, A4)

-End of A-Section-

## **NETWORK NEWS SUMMARY**

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(Sunday Evening, July 26, 1987)

### **PERSIAN GULF**

CBS's Bruce Morton: One of warfare's oldest weapons is proving a major headache for today's U.S. warships in the Persian Gulf. Defense Secretary Weinberger promised today efforts will be improved to find and remove deadly mines -- the kind that damaged a tanker two days ago.

CBS's Alan Pizzey reports from Kuwait on the damage to the Bridgeton and the travel of U.S. flagged tankers through the Persian Gulf.

(Weinberger: "We have a mine sweeping capability in the Persian Gulf. It can be increased and will be increased.")

Unless the Navy can stop mines being laid, they'll have to sweep the narrow shipping lanes giant tankers like the Bridgeton must climb.... It will be several more days before the Bridgeton is ready to set sail again -- with or without a cargo of oil. Whether she leaves empty or full, she remains a tempting target for whoever set the mines in the first place.

CBS's Jacqueline Adams: When the Bridgeton struck that mine, bitter military and policy debates in Washington were quickly reignited.... High stakes are both short and long-term -- reassuring Middle East states made weary by American arms sales to Iran, pre-empting Soviet influence in the Persian Gulf, pressuring Iran to end its seven year war with Kuwait's ally Iraq and preserving Western access to vital Gulf oil supplies now and in the future.... Some, though they agree that Kuwait's tankers should be protected, believe it's foolhardy for the U.S. to go it alone.

(Rep. Aspin: "If Iran has to take on the whole Western world -- that's one thing. If it has to take on the great Satan and be able to come up with some nifty little attack on some flank on the great Satan that we didn't attack -- that's a whole different story.")

...White House officials, however, believe such arguments are "hogwash" since British, French, Saudi Arabian, even Soviet ships already constitute a international force in the Gulf. The role of the U.S., officials argue, is the one the Administration is pursuing -- arranging a cease-fire in the Iran-Iraq war so the U.S. Navy can get out of the escort business.

Morton: France today placed an aircraft carrier and two other warships on 24-hour alert to head for the Persian Gulf. Spokesman sighted good intentions in the Gulf and the on-going diplomatic standoff with Iran. (CBS-3)

ABC's Sam Donaldson: A team of divers reported today that the damage to the Kuwaiti super tanker Bridgeton is more extensive than originally thought when the tanker hit a mine on Friday while being escorted by the U.S. Navy in the Persian Gulf. This news came even as U.S. officials scrambled to find a way to prevent such incidents from taking place during future convoy operations.

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ABC's David Ensor in Kuwait reports on the damage to the Bridgeton. The problem is no matter what capability the U.S. adds to its tanker escort service, the mission cannot be made risk-free in these troubled waters. For Iran, the tankers and their Navy escorts may remain a tempting target for as long as they sail.

ABC's Bob Zelnick: In his first public comment since the Bridgeton explosion, Defense Secretary Weinberger suggested on "This Week With David Brinkley" that the U.S. would shortly expand its mine sweeping capability in the Persian Gulf to try to prevent future such incidents.

(Weinberger: "We've done it once in this connection. We did it with the whole Red Sea and we're perfectly capable of doing it in this area.")

...The U.S. has a few of its own mine sweeping ships, but they're not of world-class quality.... The Saudis have four mine sweepers but have been timid about using them in the Gulf's international water. NATO allies like Germany and Holland have excellent mine sweepers, but no desire to antagonize Iran. Thus the U.S. has been going it alone and there's strong dissent from Capitol Hill.

(Rep. Aspin: "If what we had done had been part of an effort by our European allies and part of the moderate Gulf states, we would not be kind of so much out in front on the issue.")

The Iranians, while dodging responsibility for the Bridgeton incident, have also made no secret of their glee.

(Ambassador Khorassani: "We're not afraid of saying that we are pleased to see that the tanker was hit.")

(Weinberger: "If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps.")

Sources here say that to protect future convoys, 3-5 C-Stallions will likely be airlifted to the Persian Gulf area....

ABC's Jon Bascom reports on what it was like to be part of the U.S. press pool along on the U.S. mission.

Donaldson: France, which already has warships in the Gulf to assist vessels under attack, may be sending more ships there for another reason. Because of the deepening crisis with Iran over the harassment of diplomats, a French aircraft carrier and three support ships have been put on alert and told they may be ordered to sail to the Persian Gulf within the next 24 hours. (ABC-Lead)

NBC's John Hart: France ordered four warships on standby to sail for the Persian Gulf on 24 hours' notice -- the French defense ministry saying it is a precaution justified by the international situation in the Middle East. In West Germany the conservative leader urged his government to send warships to the Gulf as a gesture of support for the American, British and French ships already in the region. And China said today it is sympathetic to requests from Kuwait for leasing Chinese oil tankers that fly the Chinese flag. The mine that struck the reflagged Kuwait oiler the Bridgeton did more damage than was thought -- tearing open for compartments in the ships.

NBC's Jim Miklaszewski: When an underwater mine tore a gash in the Bridgeton, it also blew a gaping hole to the U.S. military super power image. With some tough talk today, Defense Secretary Caspar Weinberger set out to repair the damage.

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Miklaszewski continues:

(Weinberger: "If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps.")

But Weinberger conceded it's difficult to determine who laid the mine. U.S. military officials are convinced it was Iran, but the Iranians weren't saying today.

(Khorassani: "We are not afraid of saying that we are pleased to see that the tanker was hit.")

The U.S. was dealt still another set back when the Saudis said they will not use their mine sweepers to help clear Persian Gulf shipping lanes.... Instead the Navy hopes to use mine sweeping helicopters.

(Weinberger: "We were asked to assist in sweeping mines from the Red Sea, which had been planted by Iran and Libya, and we were able to do that very successfully.")

(Sen. Exon: "There have been myself and other who have tried to push this on the Navy, but their priorities were simply in other areas.")

...Experts contend that without adequate mine defenses, the U.S. runs the risk of losing the battle for the Persian Gulf.... The Administration insists the Persian Gulf mines will not disrupt plans for future convoys. Some Navy officials aren't so sure -- they admit the U.S. has been dealt an embarrassing blow. When those escorts resume, the Navy will set out not only to protect the tankers, but to restore its damaged image as well. (NBC-Lead)

## IRAN-CONTRA INVESTIGATION

Morton: The Iran-contra committees have released notes of a meeting last Nov. which, if accurate, shows President Reagan actively leading an initial effort to cover up details of the arms-for-hostages dealings with Iran.

CBS's Bill Plante: Despite President Reagan's public statements to the contrary, notes taken during a meeting Nov. 10 show that Mr. Reagan seems to have been fully aware last fall that he was trading arms for hostages. Shortly after the story broke, at a time when he still hoped more hostages would be released, Mr. Reagan discussed a cover up of the facts at a conference of his main White House and Cabinet advisers. The hand written notes of that meetings of that meeting, taken by Deputy National Security Advisor Alton Keel, were among documents made public last week by the Iran-contra committees. When the story of the arms deal first appeared in a Beirut magazine, the President --

(The President Nov. 6: "The speculation, the comments on a story that came out of the Middle East -- has no foundation.")

But four days later, the notes show that Mr. Reagan opened the meeting by calling for a statement to indicate there would be no bargaining with terrorists, and noting his hope for a moderate government in Iran. He told his aides, "We don't talk TOW. We don't talk specifics." A few days later, well before the operation had been abandoned, and with some advisers still urging another deal, the President addressed the nation.

(The President Nov. 13: "We did not -- repeat -- did not trade weapons or anything else for hostages. Nor will we.")

Keel's notes also show Secretary of State Shultz asking, "Do we trade

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Plante continues:

any more arms for hostages?" and getting no direct answer from the President. By last March, after the Tower Commission had concluded that he had indeed traded arms for hostages, Mr. Reagan still insisted he didn't believe it in his heart.

(Rep. Cheney: "Once you've made those decisions there's a tendency to try to rationalize in your own mind why it was the right thing to do and to defend it. You have to be able to do that in this town otherwise your policy just falls. You don't want a wimp for president.")

A senior White House official told CBS News that the President, in that Nov. meeting, was simply looking for ways to keep the hostage trade secret because he believed that more hostages were about to be released. There's no question, said the official, that the President was involved. But if that's the fact, then there's also no question that at the very least, Mr. Reagan dissembled.

Morton: At one point the notes of that Nov. meeting show the President saying, "Appreciate people saying you support the policy, will not comment on." And Attorney General Edwin Meese saying, "Agree." That adds one to a long list of questions about Meese's role in the affair. He'll appear before the committees later this week. Rita Braver is with us now.

CBS's Rita Braver: I think that this memo...is going to be yet one of the other issues that the Attorney General is going to have to address when he comes to Capitol Hill. In the last few weeks of the hearings we have heard over and over again questions about the Attorney General's role through all of this.

Morton: The memo is one. There are already some areas where the committee is suspicious of him.

Braver: Absolutely. I think that this week the main area that will come under question here is the investigation that Mr. Meese held into putting together a chronology for the President on the history of the Iran arms sales. And that is going to be the subject of a lot of questioning. Mr. Meese...actually turned up the memo that indicated that some of the funds from the arms sales had been diverted. And yet there are many, many questions from Congress about the conduct of that investigation....

Morton: A lot of question that the Attorney General never asked.... And there's that wonderful story that Col. North told....

Braver: Mr. Meese's investigators have said that there was no shredding going on while they were actually there. But the question comes up again and again -- why didn't they seal off the offices? Once they had found that diversion memo, while wasn't there a seal put on everything and why wasn't the FBI called? One of the things that the Attorney General is expected to be asked about is why he went on national television and gave a news conference before he ever told the FBI that this diversion memo had been found.

Morton: Do you have any hints as to what line Mr. Meese will take when he testifies?

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Braver: He will take the line that everything he did was appropriate, that he only wanted to get the truth out, that all of the advice that he gave the President about the Iran arms sales was correct, and that once he discovered the diversion memo, he immediately brought that to the public's attention. I think there are people at the Justice Dept. who are generally shocked that he wasn't treated as a hero for disclosing the diversion instead of being kind of publicly bashed for how he handled the investigation. (CBS-Lead)

ABC's Kenneth Walker: President Reagan, returning from Camp David today, wasn't talking about reported suggestions that he ordered an early cover up of the Iran-contra scandal.

(TV coverage: The President and First Lady on the White House lawn.)

Last week Secretary of State George Shultz testified about a top-level meeting called to discuss unfolding revelations about the then week-old crisis.... Former White House aide Alton Keel took notes released last week by Congress which showed the President ordered his advisers not to talk specifics when asked about the crisis.... Shultz reportedly asked the President near the end, "Do we trade any more arms for hostages?" Mr. Reagan gave Shultz no assurance the note said. One participant, Defense Secretary Weinberger continued today to deny that stronger oppositions to the the arms sales to Iran, even a resignation, may not have spared the President a disaster.

(Weinberger: "Resigning may make the resigner feel a little more comfortable and morally superior but it doesn't accomplish anything.")

One Republican defended the President's demand for secrecy, saying Mr. Reagan at the time still had hope that more American hostages in Lebanon would be freed.

(Rep. Kemp: "The President recognized that policy and lives were at stake and it had to be kept secret.")

But Senate committee member Howell Heflin said Keel's notes may deserve closer attention.

(Heflin: "I think it's evidence and it's evidence that needs to be evaluated.")

That evaluation is likely to come this week when congressional committees begin the final phase of their investigation with testimony from former Chief of Staff Don Regan, Defense Secretary Weinberger, and Attorney General Edwin Meese.

ABC's Dennis Troute: Aides say the Attorney General put aside much of this afternoon to go over his coming testimony before the Iran-contra committee. The principle Justice Dept. question the committee wants answered -- did Meese move slowly as the Iran case broke because he was giving those involved time to take political cover or because he and his investigators were slow in figuring out the scam?

(Sen. Rudman: "I think it was incompetence.")

In retrospect, the Attorney General's failures are glaring. At the urging of Adm. Poindexter, who said the safety of U.S. hostages in Lebanon was involved, Meese ordered the FBI to suspend its investigation of Southern Air Transport....

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Troute continues: Meese aides insist that because so many versions of the Iran story then were circulating, he could not be certain which were the false ones.

(Terry Eastland: "The Attorney General, as he has indicated at that time, was trying to base that upon information he had.")

Other apparent lapses in the investigation that the committee may want explained -- why Meese failed to ask Adm. Poindexter if the President knew of the funds diversion, why Meese insisted on using political aides in his inquiry, rather than the criminal justice professionals of the FBI, and why officials waited so long to seal Oliver North's offices.... As Meese testifies Tuesday, he has more than an interested public listening in. Independent Counsel Lawrence Walsh is investigating possible criminal violations into the attempt to cover up the Iran scandal.

Donaldson: Iran's Ambassador to the U.N., Rajaie Khorassani said today that all the truth has not been revealed about the arms sale to his country, saying more of the story is contained on tape recordings Iran possesses of former National Security Adviser Robert McFarlane's phone conversations with Washington when McFarlane was in Iran last May. Khorassani said the tapes show things slightly different from the picture presented to the public but he declined to say whether Iran will ever release them. "I don't think that we should embroil ourselves in the internal affairs of the United States," he explained.

(ABC-2)

NBC's Jamie Gangel: The handwritten notes taken by then Deputy National Security Adviser Alton Keel revealed that President Reagan not only knew the details of the arms-for-hostages operation, but took the lead in concealing them. It shows the President concerned with leaks about the operation.... Returning from Camp David today, the President would not comment on the notes.

(TV coverage: The President and First Lady on the South Lawn.) A senior White House official said, "Of course the President was in charge. The President was trying to cover it up because it was a covert operation -- a secret and we still hoped to get the hostages out." It is the same picture of a involved President given by several officials, including Secretary Shultz.... But if the President was an engaged, hands-on boss, who knew so many details and instructed his staff to conceal them, committee members suggest it may raise new questions about the President's credibility.

(Rep. Foley: "There might have been more effort on the part of the President to try to keep the facts from coming out than has been the official position of the White House.")

And it raises new questions about why the President could not remember if he had authorized the Israeli shipment of arms to Iran -- a key part of the deal. Testifying to the Tower Board first the President said he did. Then, 16 days later, he said he did not. And then just nine days after that, the President said he just couldn't remember.

Hart: The Miami Herald reports today that the White House has had its own secret force of military intelligence operatives since the early days of the Reagan Administration and sent military personnel on active duty into at least two fire fights with Nicaraguan forces in 1984.

Hart continues: The Miami Herald saying the unit was named the "intelligence support activity" and had a Navy commando team, a seal team and a helicopter force. The newspaper says the teams were set up off the books, outside the military structure for anti-terrorist missions, but that former colonel North and former CIA Director Casey expanded their missions. A Deputy Assistant Defense Secretary was quoted as saying, "The only way to get things done was to cut the bureaucrats out." The White House flatly denies this story. (NBC-2)

#### ARMS CONTROL

Morton: The U.S. and Soviet Union seem to be moving closer to a treaty banning medium and short-range missiles in Europe, but one obstacle remaining in the 72 short-range West German missiles with U.S. controlled warheads. Today Defense Secretary Caspar Weinberger said on ABC the U.S. would not bargain away those West German missiles. (CBS-2)

#### MALCOLM BALDRIGE

Morton: The body of Commerce Secretary Malcolm Baldrige was flown home to Connecticut today. He'll be buried there on Thursday. Baldrige was killed yesterday in a rodeo accident in California. The Secretary died doing what he loved most.

CBS's John Blackstone:

(Rodeo Announcer: "And this empty horse is the horse of Malcolm Baldrige.")

Malcolm Baldrige was not a Washington politician looking for a little limelight at the country fair. He was a genuine cowboy. In the arena, where he was to have competed, Malcolm Baldrige was remembered last night more as a member of the Cowboy Hall of Fame than as a man who negotiated international trade agreements.

(Rodeo Announcer: "We lost one of our cowboys. His horse fell and rolled on his and fatally injured him. He miss him. He was a true cowboy.")

The Secretary of Commerce lived a more colorful life than his tailored business suits suggested. He was a member of the Eastern establishment -- a Connecticut businessman and a multi-millionaire. He joined the rodeo circuit whenever he could. He learned the skills of a cowboy doing boyhood summers on a Nebraska ranch -- skills he was still using at age 64.... The kind of accident that killed him is unusual, but not unknown in the rodeo.... As Secretary of Commerce he advocated free trade and open competition. Recently he was a leading proponent of retaliating against Japan for unfair trade practices.

(Rep. Gephardt: "Malcolm Baldrige is one who really, I think, saw the world as it is. He understood that many foreign markets are closing and you're not going to get them open just by talking about it.")

Today the body of Malcolm Baldrige was returned to the East. Friends say part of him will always be in the West.

(CBS-9, ABC-3, NBC-3)

-End of B-Section-

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

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

Guests: Secretary of Defense Caspar Weinberger, Rep. Les Aspin, Iranian Ambassador Rajaie Khorassani.

Brinkley: Congressman, some of your colleagues say they fear that our involvement in the Persian Gulf could lead to war. What is your view?

Aspin: Possibly, but not likely. More likely it's going to lead to a major attack of a facility like we had in Beirut.... The problem is that what we're doing here is a very, very visible help to Iraq. What we should have done was get much more of a collective effort.... I do object to the fact that our profile is the one that's very prominent....

Donaldson: The American flotilla did not contain a mine sweeper and one of the ships was struck by a mine. Is it a legitimate question to ask to the U.S. Navy where was the mine sweeper?

Aspin: We are very short of mine sweepers.... What we have here is a mine attack in a part of the Gulf that we did not anticipate a mine attack, in a part of the Gulf that had not been mined before....

Donaldson: At what point do we say maybe we'd better anticipate an attack anywhere in the Gulf and be prepared to be accountable?

Aspin: That is exactly the point that the critics of the whole reflagging policy have been making is -- that the attack will come from an unexpected quarter.... We must put an united front against what Iran is trying to do. But we, as the U.S. going high profile, doing it solo, is not the right kind of signal.... When the U.S. goes it alone without really getting the allies involved it sends the signal to Iran that the U.S. is out there by itself and there's opposition in Congress, therefore, a kind of terrorist attack against U.S. forces will cause Congress to rebel and want to put them all back.

Guest: Rajaie Khorassani.

Brinkley: The U.N. has voted unanimously for your country and Iraq to cease firing and to accept some sort of truce. What set of conditions would bring your country to accept this?

Khorassani: I think the resolution which was pushed and orchestrated by the U.S. should not have much weight and you shouldn't pay too much attention to it. Just let it follow its own course of action.... We have not produced specific conditions for abiding by this resolution. We simply say that it is a resolution pushed by the U.S. and orchestrated by the U.S. in order to sway the aggressor. If you want a solution to the Persian Gulf as a whole, then you can talk to us and they in the Security Council should have talked to us and they did not.... We have not rejected the resolution, but we think it does not have much practicality.

Donaldson: Is Iran responsible for the mine in the Persian Gulf that hit the tanker Bridgeton?

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THIS WEEK (continued)

Khorassani: Apparently nobody has accepted that responsibility in Tehran and I'm not in a position to accept that.... We are pleased to see that the tanker was hit....

Donaldson: If the U.S. established that the mine was yours, would it be just for the U.S. to strike back at a military installation in Iran?

Khorassani: If the U.S. wants to be further involved in the war, it can proceed. We have no objection to that. We have to prepare for the worst, of course.

Will: You've also said...Iran has the right and will exercise the right to attack any legitimate target, even a target in the sea. Would you define "any legitimate target" and specifically is any legitimate target broad enough to include any ship aiding Kuwait or Iraq through Kuwait?

Khorassani: We think any ship aiding Kuwait and Iraq through Kuwait is a legitimate target....

Donaldson: Is there anything Iran is prepared to do at the moment to help the U.S. get released of hostages from Lebanon?

Khorassani: We are always prepared to work -- but our limitations [due to] the war.... So far as I know, there is no negotiations for release.

Will: I assume you've been watching some of the Iran-contra hearings. What's your conclusion?

Khorassani: I think the people of the U.S. can trust the Senate very greatly. I also believe that all the truth is not yet revealed.... We know some of the things that we wish the people of the U.S. could know as well.... I don't think that I am instructed to tell them....

Guest: Secretary Weinberger

Brinkley: Why don't you have mine sweepers in the Persian Gulf?

Weinberger: We have a mine sweeping capability in the Persian Gulf and it can be increased and will be increased. What we don't do is talk about it.... It has not been firmly established that this was a mine.... I think it was a mine, but it hasn't been firmly established....

Donaldson: What did you do to try to guard against the contingency of mines in that particular stretch of water?

Weinberger: We have the capabilities that are available when mines are discovered. You find a mine field ahead of time.

Donaldson: But you didn't look for it.

Weinberger: We did not look for it in that area because there's never been any mines in that area....



THIS WEEK (continued)

Will: Has our presence there had the effect of stopping the attacks on ships in the Gulf?

Weinberger: The idea of the original cease-fire resolution was to try to get a cease-fire in the war on the land and on the sea.... If Iraq chooses to enforce it, they could dominate the air completely and that could neutralize, to a considerable extent, the advantage in numbers that Iran has on the ground. Iraq and Iran have been locked in this ground war for nine years now...but Iran has not been able to exploit its ground advantage.

Donaldson: Do we do anything against the party who may have laid the mine?

Weinberger: If we find the party that laid the mine, we are perfectly capable of taking retaliatory steps. Those things you don't trump in advance. You don't call a press conference and announce what you're going to do in operational matters....

Will: Mr. Gorbachev indicted this week that he would be willing to agree to a worldwide ban on these intermediate-range missiles.... How much does it simplify the verification? How close are we today to a summit?

Weinberger: It simplifies the verification process but it obviously doesn't eliminate it.... We have been urging zero. The Soviets have been demanding that they keep a large number of warheads in the East and they have now given that up.... I don't know what conditions are attached to it. When Mr. Gorbachev announces a concession like this, he never announces any of the conditions they put on it. When we see those, we'll know much more about it....

Donaldson: You opposed the arms sales to Iran policy back in 1985 and 1986. Do you think you did enough however?

Weinberger: Yes, I do. I think that those arguments were presented as vigorously as has been said and I think they were fully understood and I think that simply a different policy was adopted.... You do keep arguing.... There was no question that the sales were proceeding and everyone knew that George Shultz and I totally opposed the sales. What was important was to try to stop that policy, and ultimately, finally we did.

Donaldson: But you didn't. Did you?

Weinberger: That policy is totally stopped.... It is stopped and that's the important thing.

Brinkley: Why didn't somebody foresee the disaster it became?

Weinberger: I think basically that was foreseen and those arguments were presented, but there were countervailing arguments.... These are important attempts too to try to do things of this kind. Not everyone's arguments are perfect or always persuasive....

THIS WEEK (continued)

FREE-FOR-ALL DISCUSSION (Morton Kondracke joins panel.)

Brinkley: How will West Europe defend itself against Russian ground forces [if the missiles are removed]?

Will: We still have plenty of nuclear weapons in Europe if this is the end of arms control in Europe....

Donaldson: ...I think that Gorbachev, who has seized the propaganda initiative so brilliantly in the last two years...is perfectly capable of making this kind of apparent concession to put increased pressure on us to make a concession that would be very unwise.

Kondracke: The Reagan Administration has hung tough all the way along and had gotten the Soviets to remove the SS20. Now nobody gives the Administration of the U.S. side any credit.... We proposed it, he didn't. The Soviets walked away from the table. They came back to the table. Somehow they got the credit for coming back to the table instead of our having the credit for being there all along....

Donaldson: I think the general concession was accurate -- for a long time this President -- Mr. Reagan -- had to be dragged kicking and screaming to every possibility of a concession when it came to looking at arms control.

Will: But isn't that definition of a good negotiator -- someone who has to be dragged kicking and screaming by the other side's concession?

Donaldson: It wasn't the structure [of the NSC]. It was the people in the NSC who didn't obey the law, who didn't tell the truth, who made an effort to run a covert operation and, from some of the testimony, kept secret even from the President of the U.S -- these guys were bums.

Kondracke: What they were was hyperactivists.... We got to get out there and fight terrorism all by ourselves, etc. etc. They had William Casey as their den mother, who was out there cheering them on and sort of sponsoring them with the President and doing all these irregular things.

Donaldson: I think that's the greatest service that George Shultz's testimony provided this past week -- that is -- a public servant who said you don't have a right to lie, to mislead, to go around the law to do things you ought not to do....

Brinkley: What do we conclude from George Shultz's testimony?

Will: The public liked it and liked it because there seemed to be honest passion in it.... I believe the Secretary of State, being the preeminent cabinet member, could have stopped it and should have stopped it.... By threatening to resign.

Donaldson: The Secretary also painted a picture of a very active President. Ronald Reagan knew what he was doing, he wanted to sell arms.

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

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Moderator: Chris Wallace. Panel: R.W. Apple, Robert Kaiser.  
Guests: FAA Administrator T. Allan McArtor, Rep. Guy Molinari,  
American Airline Chairman Robert Crandall.

Wallace: How bad is the situation?

Molinari: There's a lot basically wrong with the system today.... I'm concerned that the statistics are going to catch up to the system....

Wallace: Is the system just plain overloaded?

Crandall: I think the FAA is doing a fine job of keeping the system safe. Unfortunately, we're paying the price of safety in terms of delays. I think there are many things that can be done.... I'd like to give the public better information about the quality of airlines' service.... We have urged the Department of Transportation to require the airline to report it so that we can now go out and sell quality.... We've got to move air traffic controlling -- the system -- higher on list of national priorities. We've got to create more capacity -- more runways, more airports, more controllers. Until we get that done, I think we've got to allocate the available capacity so that we don't try to operate 800 flights when there's only room for 400....

Molinari: We must require if the airline won't slot off aircrafts to accommodate the number of people flying, then the FAA must mandate that.

Crandall: Regulation as we use to know it isn't necessary. We do have to allocate the available space....

Wallace: What's the first thing the FAA Administrator should do?

Molinari: I would tell him to look at his system very careful, address the morale problems, address the personnel problems....

Crandall: Acknowledge that the people at the FAA are doing an excellent job. Second, go to the Congress and ask for the resources required to do as much as possible to increase capacity right away, and in the long-term, build a ten year plan to give us the capacity of the air traffic control system that we need.

Guest: T. Allan McArtor.

Wallace: Are you going to do what our other guests recommend?

McArtor: I certainly understand their concerns and I welcome their suggestions. I think we need to be mindful of the fact that the peak-hour phenomenon we're experiencing these day are in part due to a scheduling problem and for us to be mindful of the capacity limits on our major airports....

Wallace: Aren't you going to consider something more dramatic than that?

MEET THE PRESS (continued)

McArtor: Of course we'll consider it. But restricting air commerce as a means of restricting demand on the system is done only if you're not mindful of the capacity of the system itself.... The mission of the FAA is to provide a safe and efficient air system and the service issues are consumer issues and we have to work with airlines to find solutions. Restricting air commerce is something we would like to do as a very last event.

Wallace: Would you like to see all the consumer information published?

McArtor: I think that's a excellent idea. I think that the ticket-buying public needs to have more information in which to make a more informed choice. Already the DOT is exploring more and more the requirement for information to be publish. I think we ought to require those things more and more.

Wallace: What do you intend to do to improve the air travel system?

McArtor: We need to be mindful of three things -- service issues, safety issues and security issues. Clearly the FAA's mission is involved in safety and security.... We've got a great deal of effort underway in terms of inspections and emphasis with the carriers to make sure that these service issues don't impact safety. Our first mission is safety -- maintain the air system as safely as possible....

DISCUSSION

Wallace: George Shultz this week seemed to flush out both of the conflicting images that we have of Ronald Reagan these days. Sometimes he seemed to be talking about the disengaged President who was misled by his advisers. But sometimes he also seemed to be talking about a President who knew exactly what he was doing and was the prime, moving force behind the Iran initiative. Which is the real Reagan?

Apple: I don't think there is one. I think that Reagan is what the person who is working for him sees in him....

Kaiser: I don't think after all these hearings that we can buy the disengaged Reagan imagine anymore. I think Shultz wanted us to for his own purposes. It seems to me not only was he theoretically in charge, there's lots and lots of evidence now that Reagan was personally in charge. I think it's silly to stop pretending to continue with this.

Wallace: Shultz indicated that the President signed these three findings...he never told Shultz about it. It doesn't seem to me there was any disengagement here. The President didn't want George Shultz in on this operation because he knew Shultz opposed it.... Can they go back to work? Can they trust each other?

Apple: I think it's extraordinary that the Secretary of State of the U.S. is on television for two days and say, in effect, "They won't play with me." That has to undercut his standing abroad, at least to some degree....

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

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Moderator: Lesley Stahl.    Panel: John Walcott.  
Guests: Representatives Jack Kemp and Richard Gephardt.

Stahl: The Washington Post reports today that there is a document... that shows that the President was the one who ordered his team not to divulge facts about the arms sales to Iran.... What does this mean now for where we go in the investigation? Does it point more to the President? What does it mean to you?

Kemp: It is pretty clear that the President was deeply concerned about what would happen to Iran and the Middle East after Khomeini. It is equally clear, and is to this day, that the President was very much concerned about the hostages.... He was, I think, trying to prevent the type of leak that would endanger the lives of those hostages or a policy, and the combination of it.... It would not be the right policy to put it up on Capitol Hill and let it be leaked, with all of the problems that envisions.... The President will come under deep criticism from those who want to attack him for the policy....

Stahl: The polls show that the American people don't think the President has told the truth, on the other hand they don't seem to be that disturbed by it. What do you think the message is and what's the big lesson of all of this?

Gephardt: Americans don't want to lose faith in their President... I think the people want to stick with Ronald Reagan because they are worried about losing the luster of another presidency....

Kemp: ...When Kuwait needed some help, it came to the U.S. Now, the policy isn't perfect, but the U.S. is not in disrepute in the Middle East or anywhere else in the world, unless we constantly attack the policy of the country in the face of the world.

Gephardt: I doubt seriously if we would have put those flags on the vessels if we hadn't sold the arms to the Ayatolla and ruined our credibility in the Middle East.

Kemp: I disagree, because clearly the Soviet Union was going to flag the Kuwaiti vessels, and had we not done it the Persian Gulf would have been another part of the blue-water navy.... You have criticized the President for flagging the ships, you have criticized the President for doing anything in the Middle East, and you've criticized the President for any aid to the contras. Your policy is isolationist.

Gephardt: The whole policy is flawed.... We need to get our allies to come with us in the region and to keep those oil lanes open.

Kemp: But the allies turned it down....

Stahl: Congressman Kemp, you have often called for George Shultz to resign because you didn't feel he was loyal to the President. Do you now think...he was the loyal one and the other aides weren't? Or what do you think?

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FACE THE NATION (continued)

Kemp: I wish the President had accepted his resignation. My difference with George Shultz is not personal, it's policy. He consistently -- in Central America, in Africa, in the third world and with regard to the freedom fighters and SDI, has opposed the President. What he is saying in effect in this instance is that he didn't know, but the President did know. I just think that that is disloyal to the policy of the President. It's for that reason that I think George Shultz should have had his resignation accepted by the President....

DISCUSSION

Stahl: At the hearings we seem to be getting a new portrait of the President...something quite different from the portrait that said he was disengaged. Are we getting a whole new Ronald Reagan emerging?

Walcott: Absolutely, especially these notes that have now come out of a meeting at which the President appears to have led the effort to present a misleading portrait of the Iran arms sales to the American people... I think it's been clear for along time that the President was the driving force behind all of this, that he was engaged in some of the details and remembered some of the details of how that was done.

Stahl: What is the question -- we have known for a long time that he wanted this -- what does the memo show us about the details that he was involved in?

Walcott: The memo suggests that he remembered pretty well what had been involved...that he and signed three separate findings, all of which really set forward an arms-for-hostages trade. But it also suggests that he didn't want to say that.

Stahl: What do you make of the polls -- where the public hasn't really believed Ronald Reagan for awhile, but they don't seem to care?

Walcott: First of all, he's a very likable fellow. Secondly, there's always a question of whether he is deliberately lying or acting.... He doesn't come off as deceitful. I think Adm. Poindexter came off that way. But the President doesn't. So the people say, "Well, maybe he didn't mean to deceive us." Finally, there really isn't much question that his goals were worthy one: he wanted the hostages home.

Stahl: We really don't know the story. What happened in your view?

Walcott: We don't know what happened, we really don't -- after all these investigations -- we still really don't know. But Poindexter's testimony and Shultz's testimony suggest that Reagan knew from the beginning what he wanted: he wanted to get the hostages home. And so when Shultz and Weinberger came in and said, "No, no, Mr. President, this is wrong" -- he simply didn't listen.

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## ***THE McLAUGHLIN GROUP***

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Moderator: John McLaughlin. Panel: Fred Barnes, Robert Novak, Eleanor Clift, Morton Kondracke.

### **ON PERSIAN GULF**

McLaughlin: Is putting American flags on Kuwaiti vessels sound or unsound U.S. foreign policy?

Barnes: I think it's sound but I think you have to be clear about what the policy is. The policy is not protecting the flow of oil. The policy is not protecting freedom of the seas. The policy is tilting toward Iraq....

Novak: It is sound policy. It does have to do with the flow of oil and it's also sound because it does improve our credentials in the Arab world which had become very tarnished indeed.

Clift: It's wrong-headed, reactive, seat-of-the pants policy.... We're there because of the fear of the Soviet and we're there because the Administration got caught selling arms to Iran and we're trying to redress that balance. We're there for all the wrong reasons and it's very risky.

Kondracke: We are there because we are a superpower.... We are not looking for a fight.... We are not tilting in a major way toward the Iraqis. We have every right to be there. It is in our interest to be there. It is not in our interest to have the Soviet Union guaranteeing the security of the Persian Gulf.

Clift: ...I think the President is spoiling for a fight. He would like nothing better than a good clean crime over there that he could retaliate against to get back at the Iranians....

Barnes: Eleanor's objections are just because if Ronald Reagan does it, she doesn't like it. We know that. We can dismiss them as that.... When you have the tanker war at its height, the oil price around the world was dropping.... It did not interfere with the flow....

McLaughlin: If it is demonstrated that Iran was behind this underwater mine which damaged the Bridgeton, should the U.S. retaliate? Will the U.S. retaliate?

Barnes: No. No.

Kondracke: Of course no, no.

Novak: If, IF, it was so demonstrated, we must retaliate and we would retaliate by hitting Iran's boys in their motor boats and taking a raid on some of those islands in the Gulf....

Clift: This is just a small sign of what's to come.

McLaughlin: This is a counterproductive, provocative act.

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MCLAUGHLIN GROUP (continued)

ON IRAN-CONTRA HEARINGS

McLaughlin: What is Shultz? A hero, a victim...a crybaby, a Judas?

Clift: I think it is reassuring to see a government official sit there without benefit of immunity and without a lawyer whispering in his ear and a man who has at least somewhat close to total recall....

Novak: What George Shultz was doing was being used by the enemies of this Administration, Republican and Democratic on that panel. They were using him because this committee was in retreat and they said -- here's a guy who can save us. And that's why we're had this nauseating, outgushing praise for Mr. Shultz. He's never had it so good. For his part, he has broken a rule in Washington -- he has turned against his own Administration to save himself and that's something you cannot do.

Barnes: He hasn't. He has helped the committee because he's answered questions about policy and process....

Kondracke: He was right about this policy. But he should have resigned over what was really important -- namely, the policy.... He does represent the stability of the government instead of having all these cowboys....

Clift: I would argue that he has been loyal to the President.... I think this does help the President. The President had two choices -- he's either a fool or a knave. And George Shultz, whether he means to or not, is boosting the fool side.

Barnes: It doesn't really hurt the President. Reagan has taken the hit on the Iranian arms sale.... We knew that Ronald Reagan's style is to allow battling aides. It got out of control, but we knew it was there and he's already suffered through that.

Novak: People who are really Reagan haters, like Eleanor, says it helps him because they think he is a fool or a knave. The late Bill Casey was doing what the President wanted and that was trying to fight Communist while George Shultz was advancing the interest of the State Dept....

McLaughlin: Are you saying Admiral Poindexter threw himself on a grenade to protect the President whereas George Shultz threw the grenade under the bed?

Novak: The big difference is that Adm. Poindexter has a prosecutor trying to [get] him.

McLaughlin: This presents his Administration as vile and unknowledgeable. It further says that the most important officer was left out of the information....

Clift: It portrays the President as unknowing -- which is the President's chief defense throughout this. And he portrays the President as angry when he is presented with the real facts. It seems to me those two things make the President look better than anything being said in this testimony.



MCLAUGHLIN GROUP (continued)

McLaughlin: What does Ronald Reagan do with this situation?

Barnes: I think he's going to do nothing at all and George Shultz will be Secretary of State for the rest of the Administration.

Novak: He should call him up and say, "George, it's been a great time, but I think it's time for you to go because you have saved yourself at the expense at the Administration." ...

Clift: The President should hang on to George Shultz for dear life.

ON ARMS CONTROL

McLaughlin: Is this [Gorbachev's proposal] a good deal for the U.S?

Barnes: On balance it is a good deal and it shows that the Reagan policy on installing the Pershing...has worked.

Novak: It's a good deal.

Clift: It's a good deal for the President politically and a good deal for the country.

Kondracke: It's a good deal provided that this does not lead us to getting rid of all nuclear weapons in Europe.

McLaughlin: I say, "Go for it."

PREDICTIONS

Barnes: Secretary of Education William Bennett is going to poke a stick in the eye of Otis Bowen by hiring the assistant secretary at HHS who was fired by Bowen. She's going to start to work at Education.

Novak: The liberals on the Hill are going to use the Iran-contra hearings next week for a drive to get Ed Meese out of office and they will have allies in the Reagan White House.

Clift: More Meese -- if Ed Meese is indicted by one of the two special prosecutors investigating him, and I predict he will be, if he does not resign, there will be impeachment proceedings begun on Capitol Hill.

Kondracke: Pat Schroeder is going to run for President -- probably announce in Sept. and have \$2 million to begin with. The kind of tragedy here is that she's going to run as a hardline feminist instead of running as a normal Democrat.

McLaughlin: The Judiciary Committee will vote out 8-6 behind the nomination of Judge Bork, but it will be for no recommendation to the full Senate in the manner of Judge Manion.

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## **AGRONSKY & COMPANY**

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Moderator: Carl Rowan. Panel: Hugh Sidey, Elizabeth Drew, Lou Cannon, James Kilpatrick.

### **ON IRAN-CONTRA HEARINGS/SHULTZ TESTIMONY**

Rowan: I'm going to name four men -- President Reagan, Mr. Poindexter, Lt.Col. Oliver North and Secretary of State Shultz -- which of those men was most damaged by Mr. Shultz's testimony?

Sidey: ...We're finally talking about what went wrong with the system and the people in it. Ronald Reagan is in charge of that system and therefore I think he was hurt the most by this.

Drew: That's right.... Shultz gave a devastating picture of the internal warfare in this Administration that, I think, is without precedent. But it is President Reagan who is in charge of these people.

Cannon: I think it's kind of a tie between President Reagan and Adm. Poindexter. We knew the President was in charge before this week and that he hadn't exercised that charge very well. I think we learned that Adm. Poindexter failed to fulfill his duty as a national security adviser in guiding the President.

Kilpatrick: I suppose Adm. Poindexter was hurt the most. I think the Secretary's testimony helped the President. It certainly helped the President in my eyes.

Rowan: I know that they've ripped the hero's mantle off of Poindexter, but I think that testimony took the buck away from Poindexter and put it right back at the President's feet.

Sidey: ...The President let this get out of hand. At some point surely he should have sensed that things were running amuck and just said, "Okay -- enough of this." He did not. He did not exercise finally his authority. I just say...we get a better picture. This isn't the mountain that we made it in earlier hearings. I think it's been deflated and we're back to discussing these organizational problems and seeing what we can do about them.

Kilpatrick: I've got to disagree with my brother on this. It seemed to me in at least two areas Shultz's testimony helped the President. One, he made the point that in Reagan's eyes -- as Reagan himself saw it -- this was not an arms-for-hostages trade. Then he [supported] the testimony that the President really did not know....

Cannon: You understand more after Shultz's testimony what was motivating Reagan. He was driven by this need to free Americans who were captive. He behaved in a fashion that was wrong but his motivation, it seems to me -- he has a more human face coming out of Shultz's testimony than he did out of Poindexter's and North's.... At the same time, I don't agree that this is less of a mountain. I think it's much more of a mountain. When you find a national security advisor who doesn't care about the Constitution...I think you have a situation of enormous danger.

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AGRONSKY & COMPANY (continued)

Kilpatrick: The President certainly was at fault. At the same time, it's been overblown. You have here the misconduct of a few people...and you have incompetence on the part of the President....

Rowan: I don't think it's overblown.... The President knew what he [Casey] was doing.

Sidey: The missing character is Bill Casey. The master strategist.... I think at some point he got from the President a nod of authority to do something without the President knowing it and Bill Casey's the orchestrator of this.... It's a textbook example of how to isolate the President....

Rowan: We're talking about usurping the powers of the man elected President.... [Poindexter] took the key player out of the game.... How can you justify that?

Sidey: That's within intelligence work. This is the matter of deniability....

Rowan: He wasn't given the opportunity to make the decision.

Cannon: The irony of this is that the President, who has always had a lot of credibility in this country -- his credibility has now been made dependent upon Adm. Poindexter, who, it seems to me, doesn't have much credibility after these hearings.

Kilpatrick: I still have absolute confidence in the credibility of the President of the U.S.

ON PERSIAN GULF

Rowan: What should be done in this case -- pull out, retaliate?

Kilpatrick: I'm not certain retaliation is yet called for.... We can't pull out. We're in for the long haul.

Cannon: The White House isn't going to retaliate for a mine. The one thing that this does, is it advertises the danger of the policy....

Sidey: We're involved no matter what. We can't run away from that part of the world.... This is precisely what Adm. Poindexter was talking about -- this inability of the Congress, the media, to step up to these challenges. Here's where I give Ronald Reagan the best credit. He's the only person, leader, in this political system now who is willing to take some risk to prevent greater disaster down the line. He's done it with terrorism. He's done it with Libya. He's done it with the Pershing missiles. He's done it in Grenada. His record so far on that, I think, is just superb.... He'd risk it again and I'm for him.