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# News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JANUARY 21, 1986 -- 6 a.m. EST EDITION

## TODAY'S HEADLINES

### NATIONAL NEWS

A National Outpouring Of Tributes -- Referring to the Reagan Administration as attempting to "change the cry of 'We shall overcome' to 'We shall overturn,'" the Rev. Joseph Lowery said, "In the name of Martin, we ain't going back." (Washington Post, New York Times, Baltimore Sun, Washington Times, AP, UPI, Reuter)

President Is Told How He Must Cut Federal Spending -- The Comptroller General told the President precisely what cuts he must make in federal spending. (New York Times, Washington Post, AP, UPI)

### INTERNATIONAL NEWS

Crude Oil Prices Hit 6-Year Low -- In the U.S., futures prices for heating oil, gasoline and crude oil continued a 10-day drop that has left prices at their lowest level since the late 1970s. (Washington Post, Baltimore Sun, AP)

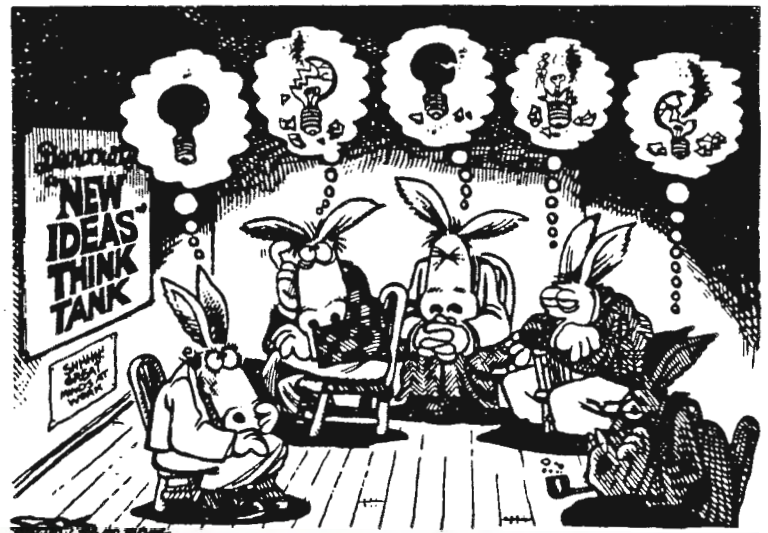
Senior U.S. Official In Bonn For Talks On Libyan Sanctions -- West Germany has refused to join the U.S. sanctions, arguing that economic boycotts are not effective, but has pledged support for heightened international cooperation to combat terrorism. (Reuter)

### NETWORK NEWS (Monday Evening)

**KING HOLIDAY** -- Some of the strongest words of the day were in protest over the President's refusal to order strong sanctions to force an end to the policy of apartheid.

**LIBYAN TERRORISTS** -- Libyan high school students are training for operations into the White House.

**PHILIPPINE ELECTIONS** -- All foreign observers and press will be banned on election day.



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

## NATIONAL NEWS

### A NATIONAL OUTPOURING OF TRIBUTES

ATLANTA -- The faithful marched and sang again for the Rev. Martin Luther King, Jr. yesterday, this time as part of the establishment and with the police on their side. The occasion also brought renewed calls for an end to apartheid in South Africa, a cause that many think has revitalized the moribund civil rights movement in this country.

In Washington, where city officials have been honoring King on his birthday since 1969, thousands jammed the Convention Center and later the Kennedy Center to attend tributes.

Referring to the Reagan Administration as attempting to "change the cry of 'We shall overcome' to 'We shall overturn,'" the Rev. Joseph Lowery said, "The truth of the matter is, in the name of Martin, we ain't going back." Vice President Bush nevertheless drew a warm response from the standing-room-only crowd, which braved the tight security provided by his Secret Service detail in order to pack themselves in, some of them hours before the service.

Bush praised King's philosophy of nonviolence and said the gathering of black elected officials before him was "colorful testimony" to its effectiveness.  
(Kathy Sawyer, Washington Post, A1)

### Huge King Day Parade In Atlanta, Other Honors Mark New Holiday

Monday morning at Ebenezer Baptist Church, at services with rousing gospel music and moving tributes to Dr. King's memory, Vice President Bush joined other speakers in asking that Dr. King's dream of equality and nonviolence be advanced both at home and abroad.

(William Schmidt, New York Times, A1)

### Atlanta Sings, Marches To Pay Tribute To King

In a 2 1/2 hour ecumenical service, Vice President Bush, South African Bishop Tutu and Dr. King's widow and four children joined about 600 people for a tribute to the black leader.

(John Schidlovsky, Baltimore Sun, A1)

### Black And White Join Arms As Atlanta Praises Dr. King

The hometown commemoration began at Dr. King's crypt at the King Center, where his widow, Coretta Scott King, and Vice President Bush laid a wreath and observed a moment of prayer.

Mr. Bush, who led a string of tributes at Ebenezer Baptist Church, described Dr. King as a man who "understood that this nation was yearning for a rebirth of its principles."

(Isaiah Poole, Washington Times, A3)

### Protests, Parades Mark King Observance

"America today bears witness to the fact that Dr. King's faith in America was true faith," Vice President Bush said. "Love has overcome hate."  
(AP)

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### Ceremonies Mark King Holiday

The ceremonies included speeches by Bush, Sens. Kennedy and Dole, Atlanta Mayor Young and others -- and there was special recognition of Rosa Parks, the woman whose decision not to sit at the back of the bus any longer gave birth to King's civil rights movement in Montgomery.

(UPI)

### Tutu Says Reagan Was Forced To Apply Sanctions

LOS ANGELES -- South African Bishop Desmond Tutu Monday night compared apartheid to Nazism and said President Reagan was forced to apply sanctions against South Africa against his wishes. He will conclude a tour of the United States on Saturday with a dinner to be given by actress Jane Fonda.

(Reuter)

### PRESIDENT IS TOLD HOW HE MUST CUT FEDERAL SPENDING

For the first time, the Comptroller General of the United States told the President yesterday precisely what cuts he must make in federal spending. The Comptroller General, Charles Bowsher, acted under a new budget-balancing law that does not permit the President to make any modifications in the Comptroller General's report.

(Robert Pear, New York Times, A1)

### Hill Girds For Election-Year Budget Clash

Congress is expected to be dominated from start to finish by the rigorous budget-balancing law that it imposed on itself last year after a frustrating and inconclusive effort to reduce the deficit.

The balanced-budget straitjacket will put extraordinary new pressures on the strained relations between the White House and Congress, while the fragile institutional bonds within Congress will be stretched to the breaking point, some lawmakers predict.

(Helen Dewar, Washington Post, A3)

### Congress Returns To Election-Year Agenda Of Pitfalls

The Gramm-Rudman-Hollings Act is expected to color everything this year, from tax reform and aid to anti-communist forces in Nicaragua and Angola, which are Reagan Administration initiatives, to trade policy that is being pushed by Congress.

Congress and the Reagan Administration will be struggling under this untested, but sweeping, new system to meet deficit guidelines calling for cuts of \$11.7 billion this year and \$55 billion or more for 1987.

(Thomas Brandt, Washington Times, A1)

### Congress Has Light Work Schedule On Return From Recess

Members will be reacting to the immediate sting of the \$11.7 billion in cuts called for by March 1 in spending for fiscal 1986. The Senate Budget Committee will hear from White House Budget Director James Miller and Congressional Budget Office Director Rudolph Penner on the effects of the law, which is aimed at achieving a balanced budget by fiscal 1991.

(Jim Drinkard, AP)

### Congress Returns To Capitol Hill

The House scheduled just one bill for consideration this week, the measure to limit the amount of time banks can hold checks before giving customers use of their money. As the first item of business in the Senate, Sen. Dole scheduled action on a bill authorizing the sale of the federally created ConRail freight service to a private railroad firm, Norfolk Southern Corp. (UPI)

### TRADE BILLS DRAWING ATTENTION AS CONGRESS RETURNS

Reagan Administration trade policy, under harsh attack in Congress for ten months, is headed toward a tough election-year challenge as lawmakers respond to voter concern about Asian imports. Retaliation against Japanese trade barriers, contained in two bills opposed by the White House, is set for Senate floor action as Congress, back from its holiday break, opens its 1986 session. (AP)

### HOSTAGE FAMILIES PREPARE 900-FOOT YELLOW RIBBON FOR REAGAN

The families of six American hostages in Lebanon have a present for President Reagan: a 900-foot cloth ribbon signed by more than 7,200 people. The families hope to present their gift to top Reagan Administration officials as a way of keeping attention focused on the plight of missing Americans. (AP)

### Families Appeal For Release Of Hostages

WASHINGTON -- Family members of six American hostages held in Lebanon are making another appeal to the Administration for their release and for one family, the plea has taken on a new urgency. Glenn Anderson of Batavia, New York, the father of hostage Terry Anderson, is critically ill with cancer, a family member said Monday.

Peggy Say, sister of Terry Anderson, who was kidnapped in Beirut last March, also told UPI she and some other members of the families of six hostages expected to meet Vice President Bush today. But Marlin Fitzwater, Bush's Press Secretary, said late Monday that, "Nothing is scheduled at this time." (UPI)

### NRC DELAYS ACTION ON CLOSED HEARINGS

The Nuclear Regulatory Commission delayed action last week on a plan to bar the public from some of its meetings, saying that it wants to review a not-yet completed report from the American Bar Association before making its decision. The controversial rule, proposed in May, has been revised to specify that the five-member commission would not be permitted to hold closed meetings involving the licensing of nuclear plants or briefings on power plant safety issues. (Washington Post, A13)



#### REP. GEPHARDT FAVORS TAX INCREASE

Rep. Richard Gephardt (D-Mo.) said Monday that Congress should seek an agreement with the White House for a tax increase to help avoid drastic spending cuts next year under the new Gramm-Rudman-Hollings budget-balancing law.

In remarks to a legislative strategy session of the American Association of Retired Persons and in an interview later, Gephardt said he would prefer to raise income taxes. But he said Congress is more likely to support an increase in gasoline taxes or oil import fees if petroleum prices continue to fall. (Helen Dewar, Washington Post, A5)

#### HECKLER SEES 'GREATER CHALLENGE' IN IRELAND

WELLESLEY, Mass. -- Margaret Heckler, preparing to assume her new post as the first female U.S. ambassador to Ireland next week, says she feels no bitterness about her ouster from President Reagan's cabinet last year. "Indeed, this is a far greater challenge than I faced, even at the HHS." (UPI)

#### FANNIE MAE POSTS \$36.9 MILLION PROFIT FOR 1985

The Federal National Mortgage Corp. (Fannie Mae) yesterday reported 1986 net income of \$36.9 million (52 cents a share), a dramatic improvement over its \$57.4 million loss in 1984. Chairman David Maxwell predicted in a telephone interview Monday that Fannie Mae's profitability would improve again in 1986, barring an unexpected jump in interest rates or a sharp downturn in the economy.

(Washington Post, E1)

#### NAYLOR MAY LEAVE USDA

Agricultural insiders continue to speculate that Frank Naylor, undersecretary of Agriculture for small community and rural development, will leave the USDA and take a job with the independent Farm Credit System. (Washington Post, A13)

#### CALIFORNIA SEEKS TO BOOST SALES ABROAD

SAN DIEGO -- California takes trade seriously. The state spends \$10 million a year to promote foreign sales by its farmers and industries, and the California State World Trade Commission decided last week to open two overseas offices, in London and Tokyo. (Washington Post, E1)

EDITOR'S NOTE: 'Hopefuls Look Right For Support,' page A5 of the Washington Post, 'Troubled Citizens Dial The President,' page A13 of the Washington Post.

## INTERNATIONAL NEWS

### CRUDE OIL PRICES HIT 6-YEAR LOW

Crude oil prices dropped below \$20 a barrel in London yesterday, triggering speculation that prices could fall as low as \$14 a barrel by the end of the year. The sharp drop in oil prices could boost economic growth of industrial nations and have an almost immediate impact on consumer costs for home heating oil and gasoline. (Washington Post, A1)

#### Oil Price Drops Seen Continuing

Oil industry analysts see no immediate end to the continuing nosedive of prices, driven downward by increased production, a glut of supplies and low demand made weaker by mild winter temperatures. (AP)

#### Steep Drop In Oil Prices Accelerates

NEW YORK -- Prices for some oil products fell to their lowest levels since before the Iranian revolution of six years ago. Charles T. Maxwell, an analyst with Cyrus J. Lawrence, Inc., said that, if the price drops continued, "they could exert a tremendous impact" on interest rates in the United States and elsewhere, on the financial stability of debtor nations and their lenders, and on the willingness of Western nations to discuss establishing official prices for crude oil in concert with OPEC.

(Baltimore Sun, A1)

### SENIOR U.S OFFICIAL IN BONN FOR TALKS ON LIBYAN SANCTIONS

BONN -- U.S. Deputy Secretary of State John Whitehead will meet West German leaders today to outline President Reagan's sanctions drive against Libya. A Foreign Ministry statement issued after Whitehead's talks with Foreign Minister Hans Dietrich-Genscher said the two officials had agreed that close international police cooperation was needed to fight international terrorism. (Reuter)

### LIBYAN HIGH SCHOOL'S 3 R's: READING, WRITING, ROCKETRY

TRIPOLI -- Officials of the Libyan Ministry of Information escorted a small group of reporters and photographers on a tour of Ali Awarith Secondary school in Tripoli Monday. Mohammed el-Aref, 15 years old, studies algebra, chemistry and literature in his neighborhood school. He also has weekly lessons in rocket launching, hand grenade tossing, signals and communication, and machine gun assembly and maintenance.

"Military courses are my favorite because they help me defend my country against its enemies -- Americans, Zionists and Imperialists everywhere," Mohammed said. This, Libyan officials said, is a typical high school in the Libya of Col. Muammar el-Qaddafi.

(Judith Miller, New York Times, A1)

ADMINISTRATION STILL IN DISAGREEMENT ON  
RETALIATION TO TERRORISM

WASHINGTON -- Five years after President Reagan promised "swift and effective retribution" for terrorist attacks against Americans, his top advisers remain divided on whether such action is wise, or even possible. A special task force on terrorism, headed by Vice President Bush, has sent a report to the White House that is ambiguous on the question of retribution, neither recommending it nor ruling it out. A public version may be released next month. (News Analysis by R. Gregory Nokes, AP)

EDUCATION SECRETARY URGES SOVIETS RAISE IRON  
CURTAIN TO U.S. TEACHERS

Education Secretary Bennett Tuesday appealed to the Soviet Union to "raise the iron curtain" and allow American intellectuals, including Bennett himself, to teach in Soviet classrooms and appear on Soviet television.

Bennett proposed the exchange in a speech prepared for delivery today to the Chamber of Commerce in Kansas City, Mo.

(For release at 1 p.m. EST by Christopher Connell of AP)

BOTH SIDES CLAIM EDGE IN SOUTH YEMEN

Rebels and forces loyal to President Ali Nasser Mohammed both claimed to be gaining control of South Yemen yesterday as foreigners evacuated by ship reported new fighting and said that the week of civil war had "absolutely devastated" Aden, the capital of the strategically situated Soviet ally on the Arabian Peninsula. (Washington Post, A1)

BRITAIN, FRANCE AGREE ON CHANNEL TUNNEL

LILLE, France -- Pursuing a centuries-old dream, Britain and France Monday announced the construction of the world's largest underwater tunnel to provide the first fixed link between the island kingdom and the continent of Europe. (Washington Post, A9)

MILITARY COUP TOPPLES LESOTHO LEADER

HARARE, Zimbabwe -- South Africa's racial conflict spilled over its borders Monday with a coup that toppled the civilian government of Lesotho and sent a message to the region's other black-ruled states that they, too, could be swept up in events as the struggle over white-minority rule deepens. (Washington Post, A9)



### LUSTER OFF JAMAICAN EXAMPLE

KINGSTON, Jamaica -- When Prime Minister Edward Seaga took over from a socialist leader five years ago, the Reagan Administration hailed the change as a victory over leftist influence in the Caribbean and heralded Seaga's free-enterprise philosophy as the answer to the island's woes.

What the breezy optimism failed to foresee was that the bottom would drop out of Jamaica's bauxite market, which used to bring in two thirds of the country's foreign exchange. In a classic Third World pattern, the main export lost its value by half, and heavy borrowing from foreign leaders got even heavier. As a result, more than 40 percent of the national budget now goes to service a \$3 billion foreign debt and the government is seeking softer conditions from the World Bank after imposing a program of politically dangerous austerity. (Washington Post, A11)

### BRAZIL SETS 'ROUGH OUTLINE' FOR DEBT PAYMENT

NEW YORK -- Brazil's 700 creditor banks were informed by Telex Monday that Brazil and its bank working committee reached a "rough outline" for restructuring part of the nation's \$100 billion foreign debt. (Washington Post, E1)

### FIRST SOVIET SPACE SHUTTLE IS SAID TO BE 'IDENTICAL TO OURS'

When the Soviet Union launches its first space shuttle -- an event expected this year according to those who monitor Soviet space developments -- don't be surprised if it looks just like U.S. space orbiters. "We've seen the Soviet orbiter and it's identical to ours," said retired Air Force Lt. Col. Thomas Krebs. "It was easy for the Soviets to get hold of the plans because the space shuttle was unclassified," said Col. Krebs, now a consultant living in Springfield, VA.

"Anyone could buy a set of blueprints." He held up a book on sale at the National Air and Space Museum -- "The Space Shuttle Operator's Manual," -- and asked, "Can you imagine being able to buy a book like this in Moscow about Soviet space hardware?"

(Ernest Weatherall, Washington Times, A4)

### PENTAGON WARNS OF SOVIET SHIP

The Soviets last month launched one of the angled-deck carriers, which is expected to be operational in four years; and have another under construction, according to the Pentagon. The carriers are designed to carry high-performance carriers and bombers, which cannot be deployed by the type of carrier the Soviets now have deployed.

Secretary Weinberger said last week that they will give the Soviets the "capability to engage in conflict and aggression much farther from their shores in a way that will challenge very severely our own Naval strength. This is a significant and added capability, without any question, and we should be realistic and recognize that."

(Washington Post, A11)

## NETWORK NEWS SUMMARY

(Monday Evening)

### MARTIN LUTHER KING, JR. HOLIDAY

CBS's Dan Rather reports this was not just a day here for watching the parade go by, they banged the drum loudly today for justice. They were not only the words of protest from Dr. King of the 50s and 60s, but 1986 words of protest about President Reagan's policies at home and abroad. Bishop Desmond Tutu of South Africa...addressed the Administration representative Vice President George Bush.

(TV coverage of Tutu: "My brothers and sisters, please help us. If you side with us, you side with justice. You side with peace. You side with righteousness. You side with reconciliation.")

...Some of the strongest words of the day were in protest over President Reagan's refusal to order strong sanctions to force an end to South Africa's official racist policy of apartheid, words of warning from Bishop Tutu.

(Tutu: "Friends, we are going to be free. We would want to be able to say when we are free the leaders of the free world were on our side. We want to be able to say America, Britain, Germany, yes, they were our friends. But remember, when we are free we will remember who helped us to become free.")

Here in the Ebenezer Baptist Church, the Vice President gave no ground, indicated no change.

(TV coverage of the Vice President: "We intend to remain involved, to help all that country's citizens go through this painful period. We shall use our resources to urge negotiations and peaceful remedies rather than violence.")

Bush and Tutu met briefly after the ceremonies in Dr. King's old church to talk things over. The Bishop was asked if the Vice President went far enough in support of the South African people.

(Tutu: "No.")

(CBS-Lead)

Rather: Here in Atlanta at events for the Martin Luther King holiday, President Reagan's support for South Africa's white minority government has been widely ridiculed. Example: The appearance of the State Department's African Affairs chief William Robertson at a Sunday symposium.

(TV coverage of William Robertson: "The President of the United States is crying: End apartheid." Robertson's statement is met with cheers, jeers and boos.)

Following today's main event, Vice President Bush met privately with Bishop Tutu, and afterward, in an exclusive interview with CBS News, Bush indicated Tutu was moving up his deadline for again pressuring President Reagan publicly for stronger economic sanctions including pulling out all investments.

Bush: He came to see me in the White House some time ago, nowhere near two years ago, it was just last year, saying well we ought to have a period of two years to take a look at things. Today he told me that he had moved up his timetable to March. Now he didn't say what that meant, what happens after March. Because I feel that we ought to try the path we are doing, I refuse to concede that I care less in my heart than Bishop Tutu.

Rather: When Bishop Tutu today spoke of we will remember who our friends were when we win, speaking of those who want to overthrow apartheid, did you take that as a warning?

Bush: I wondered what he meant, I think it probably was.

Rather: A threat, would that be too strong?

Bush: I would prefer you ask him to categorize it.

Rather: Bush also suggested that Tutu's words of praise today about South Africa's outlawed African National Congress raised questions about Tutu's commitment to non-violence.

Bush: We abhor violence, black against black, black against white, white against black, and I don't know that he is fully on board on that. They saluted him today for that, but there have been some statements that have bothered us on that, but I don't think our policy is going to be shaped no matter how compassionate the cry coming from Bishop Tutu's heart.

Rather: Vice President Bush emphasized that he considered this a day of national reconciliation and celebration, and that he was glad to be in Atlanta taking part. (CBS-10)

ABC's Peter Jennings reports it took the United States Congress sixteen years to finally endorse a national holiday for Dr. Martin Luther King, Jr., but it finally happened.... And it has been an international day, a time to focus on inequality elsewhere.

ABC's Rebecca Chase reports in Atlanta they gathered on Auburn Ave. where Dr. King lived and worked and is buried. The day's ceremonies began with Vice President Bush and King's widow, Coretta Scott King, placing a wreath on the civil rights leader's tomb.... Today the Vice President brought a message from an Administration which has been criticized for not taking a stronger stand against apartheid.

(TV coverage of the Vice President: "And on behalf of the American people here today in this sacred place, I call again for the end to apartheid.")

The Vice President said he came in a spirit of reconciliation to honor a man who proved that love could overcome hate.... (ABC-Lead)

NBC's Roger Mudd reports this is the third Monday in January and by federal law this is the day the nation first honors a black hero, Martin Luther King, Jr. The central focus today was in King's home state and home town.

NBC's David Hazinsky reports Vice President Bush offered moral support to those opposing apartheid, but no new action against the South African government.

(TV coverage of the Vice President: "We have repeatedly called for an end to that system, and on behalf of the American people here today in this sacred place, I call again for the end to apartheid.")

(NBC-Lead)

## LIBYAN TERRORISTS

Mudd: In Libya today, a group of Western reporters was taken on a visit to a school for boys and told about an unusual part of the curriculum. The school's military commander said all Libyan high school students are training for suicide missions. He said we are ready to launch such operations even in the United States and into the White House itself. (NBC-4)

## PHILIPPINE ELECTIONS

Mudd: The Philippine presidential election is only eighteen days away and there is new concern tonight whether the election will be conducted fairly. Philippine officials said today all foreign observers and press will be banned from the polling places on election day, including U.S. observers invited to monitor the voting. At the same time, Manila's powerful Archbishop warned today the machinery for election fraud was in place. (NBC-7)

## OIL PRICES

Mudd: On the London market today, the price of a barrel of oil fell to its lowest level in six years, under \$20. Just last month the price was more than \$30. Dealers say they have never seen such a plunge before. So far it's had no effect on retail prices of gasoline or heating oil, but experts say it could cause huge problems for many oil producing countries including Mexico, Norway and Britain. (NBC-8)

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## ABC -- THIS WEEK WITH DAVID BRINKLEY

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Moderator: David Brinkley.

Panel: Sam Donaldson, George Will, Jody Powell.

Guests: Professor Glenn Loury, Dr. Mary Francis Berry, Sen. Orrin Hatch, Rev. Jesse Jackson.

### On Minority Hiring:

Brinkley: Now Professors Berry and Loury, this week's controversy is about the Justice Department trying to cancel an executive order requiring government contractors to hire minorities. What is your thought about it?

Berry: I think that Ed Meese ought to give up trying to change the executive order. It works. It has goals and timetables in it, it doesn't have quotas in it, and I don't understand why Ed Meese, over the objections of most of the Cabinet and many business people and the community, is trying to define something in such a way as to break something which isn't broken and so that we can impede the effort to employ women and minorities in jobs that the tax payers pay for.

Brinkley: What is the answer to his argument that it's discrimination?

Berry: It is not discrimination. All the executive order program requires is that a government contractor make a good faith effort to find women and minorities, if he hasn't had them before, who are qualified for the job. If he makes a good faith effort and he doesn't find any then he doesn't have to hire them.

Loury: My own view is that to the extent that we are using goals and timetables as a consequence of the court having found violation of the law with the intent of remedying the consequence of the discrimination, I think it is fine. To the extent, however, that we are asking for something beyond that, that is for firms to increase their employing of blacks beyond what it would have been if they had behaved in neutral fashion, I think we are operating in a morally difficult area. And I would take slight issue with Dr. Berry's characterization of the problem. White males also have rights and I think to an extent, that's what the Meese Justice Department is trying to say.

Donaldson: President Reagan said that he is no racist, and yet in our poll, 56% of American blacks said that they thought he was. How do you explain that?

Loury: I can't explain that. I think the question though, is the wrong question to ask. Who knows President Reagan or any other public officials well enough to know in their heart of hearts whether he is or is not a racist?

Donaldson: You measure people by their deeds and what about his deeds? Does it lend any substance to the charge?

Loury: The distinction that I am trying to draw is between a person who is on the other side of a public policy issue from me and I oppose them for that, and a person who is morally corrupt. ...more

THIS WEEK (continued)

Brinkley: The Rev. Mr. Jackson and Sen. Hatch, thank you both very much for being with us today. Mr. Jackson tell me this, what has happened to the civil rights movement?

Jackson: Under this Administration there has been a radical reversal of support from the White House. A., it has not met with the Congressional Black Caucus in 6 years, our civil rights leadership, so we don't even talk with each other. Number 2., the Voting Rights Act is not being actively enforced, as the law calls for, and the now the attempt to unravel the Affirmative Action. So the radical tail wind from the White House has admittedly slowed down the forward progress.

Brinkley: Well in view of the fact that such great progress has been made, and I think you will agree to that, no doubt not enough, but a great deal. Do you call him (The President) a racist?

Jackson: I do not. I think that his signals have been powerfully racist. He did not support Dr. King while he was in Montgomery, Birmingham or Selma. Upon taking office he, in fact, exploited the tender racial sensitivities of many whites by not affirming Affirmative Action, by not actively supporting the Voting Rights Act, by the very gross kinship with South Africa. So those signals are racist and if he would just meet with our leadership so we could agree to agree, or agree to disagree, at least it would be a civilized relationship.

Hatch: I know Ronald Reagan very well and he hasn't got a racist bone in his body. The only thing that Ronald Reagan has been against is race conscious quotas which prefer one person over another based solely upon the color of their skin, which even black leaders say they are against but yet some of these programs have become the impetus for.

Donaldson: Sen. Hatch, as you know, the executive order now in place that is the subject of controversy, does not call for racial quotas, it calls for goals. And yet when someone like Ed Meese argues that it calls for racial quotas and others, do they not distort, and perhaps some would say purposely, the debate.

Hatch: You are correct in stating that executive order 11246 established by Lyndon Johnson does not call for quotas and almost expressly overrules them. But the problem is the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance, in extensive hearings that I held, we found that they were using, in essence, quotas to force quotas upon hiring throughout America, in many cases to the detriment not only of individuals, but of minority individuals as well.

Will: Rev. Jackson, the thrust of a lot of your rhetoric and the rhetoric of other civil rights leaders is that blacks are, and should look upon themselves as victims. But many other people are saying blacks are chiefly victims of other blacks, killing blacks, selling them dope, this sort of thing, and victims of their own kind of values, their own misbehavior if you will. Are you perhaps focusing on the wrong problem?



THIS WEEK (continued)

Jackson: It's at both ends. I've spent more time the last ten years than almost anybody in America in these schools saying to our youth to say no to drugs, to say no to alcohol, to say no to making unwanted babies, engaging in various acts of suicide and fratricide, that's wrong, it cannot be justified. Further more, the present welfare system is a system that isn't working.

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On The Soviet Arms Offer:

Brinkley: Now the Russians have offered to eliminate all nuclear weapons by the year 2000 on a specifically written schedule. What should the response be?

Will: The response should be severe skepticism. They were, of course, since the 1950s, in favor of general and complete disarmament. It's worth arguing about, but it is a very tendentious and suspicious step because it does begin by saying first let's kill something that doesn't exist, that we are afraid will exist, and really isn't nuclear.

Donaldson: But it is a new proposition and I think at this point anything that looks like it is new, we ought to take a close look at.

Powell: It seems to me in the larger sense that what the Soviets have done here is to weight or underscore two pretty serious questions. The first is this idea of doing away with nuclear weapons. The other question is what the President wants to leave as his legacy. Is it the hope of SDI, or is it a fairly serious, and probably the most substantive arms control agreement yet?

On Responding to Terrorism:

Brinkley: Secretary Shultz has been a good deal more militaristic in relation to what we should do about terrorism than our Secretary of Defense has been.

Donaldson: I think that Weinberger is right on this. Shultz says that we shouldn't wait until all the moral dilemmas of a situation are resolved. Weinberger suggests that, in fact, we've got to be very careful to uphold our own standards. And I think the smartest thing that Ronald Reagan has ever said in this regard was once at a news conference when he said rather eloquently that he wasn't going to let terrorism turn him into a terrorist. He was not going to respond against people who kill innocent people by doing it himself in the name of striking back, and if he will just stick to that I think our policy is secure.

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## *NBC -- MEET THE PRESS*

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Moderator: Marvin Kalb.

Panel: Albert Hunt, Elizabeth Drew.

Guests: James Miller, Sen. Daniel Patrick Moynihan, Sen. Phil Gramm.

On Gramm-Rudman:

Kalb: We are back on "Meet the Press" with James Miller. Mr. Miller, a question I've wanted to ask you for a long time. The past Reagan budgets, when they've been sent up to Capitol Hill, have often been described, facetiously perhaps, as dead-on-arrival. This one, your first, is being described as dead-even-before-arrival. What is the point of sending up large items that you know in advance are not going to be accepted by the Congress?

Miller: Let me say, as Mark Twain would have said, reports of the budget's death are premature or greatly exaggerated. What are the alternatives? What are the alternatives? Do we want to raise taxes? Does Congress want to cut national defense, when we finally have the Soviet Union talking about arms control? Do they want to cut the poor and the elderly? Those are the alternatives.

Kalb: You know, or at least I think you know, that the Congress is not going to give the President inflation plus 3 percent on defense.

Miller: I disagree. I think Congress will. We're surely going to articulate that position.

Hunt: Mr. Miller, you have said repeatedly and the others at the White House have said that the alternative is a tax increase, if you don't accept something like the Reagan budget. Is the implication that you would -- if the Reagan budget is not accepted, that you would prefer a tax increase, as onerous as that is to the draconian cuts that would take place in the Gramm-Rudman?

Miller: Well, look, I think it's very important that Congress respond to the President's budget. The President's budget has not yet arrived. And I think when you look very carefully at the budget and look at the alternatives, Congress is going to be much more inclined to go along with the President's budget than they may be right now.

Drew: Mr. Miller, is an oil import fee a tax?

Miller: Yes.

Drew: So, even though the President proposed one in 1983 as part of a contingency tax and all the people around him are talking about it, you rule it out as a way of raising revenues to deal with this?

Miller: Well, Ms. Drew, I would raise an exception. People around him are not talking about an oil import tax. The President opposes any tax, and that I count as a tax, and there's been no discussion of that within this -- the budget circles of the President.

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MEET THE PRESS (continued)

Drew: Since we know that there's not much precedent for them adopting this budget, your predecessor, David Stockman, after he was free -- after he'd resigned, said that he'd been through five budget rounds with Congress and he said the budget-cutting time is over, it had gone about as far as it politically could, and, in fact, taxes had to be raised by about a hundred billion dollars a year. Was he all wet?

Miller: Well, I think so. I hate to say that about my predecessor, whom I have the utmost respect for, but let me say this. He said at one time that if the window of opportunity for getting rid of the budget deficit closed -- I said that I think we ought to punch a hole through the wall, and that's one thing that we're doing here. But the difference between the situation that David faced and the one that we're facing now in the Administration is now there's a law. It's called Gramm-Rudman-Hollings. And that law requires Congress to reduce the budget deficit down to \$144 billion. You don't have that big barrel of red ink to write in this year that you had last year. With the rules of the game changed, even some of the same proposals that were rejected last year look a lot more attractive this year.

Drew: Is the gist of what you've been saying that it's either the President's program or something terribly close to it, or we will have to go to the automatic cuts, which you call sequester?

Miller: I think it is premature to judge what the strategy is going to be or even be discussing it. We're going to propose the President's program, and articulate it, and explain it well.

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Kalb: We are back on "Meet the Press" with Republican Senator Phil Gramm, and Democratic Senator Daniel Patrick Moynihan. Senator Gramm, it's been said that the President's new budget is dead before arrival on the Hill. What chances do you give it?

Gramm: I give it a pretty good chance. I think Jimmy Miller's right. I think it's one thing to have rejected any responsible effort to control spending for the last three years when the alternative was simply passing the buck, passing the buck on to the economy in higher interest rates and on to our children in higher debt. But the alternative now under Gramm-Rudman-Hollings is an automatic across-the-board reduction in all kinds of sacred cow programs. So, I think you're going to see a new response from the Congress because now it's one thing to throw rocks, it's another thing to propose concrete alternatives.

Kalb: Senator Moynihan, what do you think?

Moynihan: Well, I'm one of the 24 senators who voted no, so we get that clear. I think Senator Gramm is right, that we are going to move to that automatic sequester process where every program is cut an identical amount. We all are already going to do it for this year on March 1.

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

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Moderator: Lesley Stahl.

Guests: Corazon Aquino, Rep. Stephen Solarz, Michael Armacost.

### On U.S. Bases in the Philippines:

Stahl: Mrs. Aquino, are you pro American?

Aquino: Let me put it this way. I am Filipino and I like Americans. I am a friend of the Americans. I think that would be a better way of stating it.

Stahl: I ask you that because you have said that eventually you would like to see the removal of those very strategically important U.S. bases at Subic Bay and Clark removed from the Island of the Philippines, and you know how important the American Government feels those bases are strategically to our relationship with the Far East.

Aquino: All right. As far as the bases are concerned, while it is true I am for the eventual removal of the bases, I have not said what date or when that date will be. In the meantime, I respect the U.S./Philippine bases agreement up through 1991, and before that time there will be negotiations, and also many events may happen between now and then, and so I would like to keep all my options open before we go into negotiations. After the negotiations, then we will present the matter to the Filipino people for their approval.

Stahl: Do you think the United States should do more than it's done to pressure Mr. Marcos into making reforms, or are you satisfied with the current policy of the United States, the Reagan Administration?

Aquino: Well, definitely the American posture has greatly improved, and I appreciate the fact that the United States is more greatly concerned now about the human rights problem in the Philippines, and I think that is good enough.

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Stahl: Joining us now, Michael Armacost. Mr. Armacost, the United States Government on Friday signed a tentative accord with a tiny group of islands called the Palau Islands, 500 miles east of the Philippines. The accord would allow us to build two new military installations there. Have we pretty much decided that at some point we are not going to be able to maintain our strategically vital military bases on the Philippines, and that we'd better start planning for that contingency now?

Armacost: No great power, I think, wishes to have its strategic options hostage to developments in any country. So having options is important, but we have made no decision and don't expect to have to make decisions to withdraw from the Philippines.

FACE THE NATION (continued)

Stahl: The Reagan Administration was very pro Marcos in the beginning, and changed after the assassination of Mrs. Aquino's husband, to become more openly critical, and to pressure Mr. Marcos. Did the Reagan Administration make mistakes in the beginning? Were we too late in realizing what was happening over there, and you were the Ambassador at the time. In fact, they used to call you Ambassador Armaclose because you were so close to Mr. Marcos.

Armacost: Well, you hear all kinds of things. I think there has been a more acute problem since August of 1983. The problems are several. There has been the crisis of legitimacy of government institutions. There has been a growing economic problem. That was in part a function of international economic events, the low commodity prices, high interest rates, but those were obviously exacerbated by the assassination and the capital flight which followed.

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## ***THE McLAUGHLIN GROUP***

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Moderator: John McLaughlin.

Panel: Ben Wattenberg, Morton Kondracke, Jack Germond, Michael Kinsley.

### On The Soviet Arms Control Offer:

McLaughlin: Is there anything new in this Soviet proposal and should it be taken seriously?

Kinsley: This business about eliminating all nuclear weapons by the year 2000 is silly grandstanding, but you have to remember who started this business about making nuclear weapons obsolete. It was President Reagan with his Star Wars proposal, and now Mikhail Gorbachev comes along and says: Well I've got a simpler, cheaper way to do this. Not only that, but this calls Reagan's bluff in another way, because America's dirty little secret is we don't want to make nuclear weapons obsolete, because then we would be facing Soviet conventional superiority.

Wattenberg: It is old wine in new silos. All it really does is put the ball back up in the air. You don't know whether it is a propaganda ploy or whether they are serious about it. We are going to find that all out in Geneva between now and next summer.

Germond: Some of it is obviously propaganda, but it shouldn't be pushed aside, particularly the business about medium-range missiles in Europe.

Kondracke: It's the same old wine in so far as it's a propaganda ploy, it's dressed up in a different way. What I find most interesting about it is that they have finally figured out how to really harness the Star Wars plan to intermediate weapons in Europe, all Europe will be free of nuclear weapons if the United States will only give up Star Wars. This is to get all the peaceniks in Europe to put pressure on the United States.

McLaughlin: Is Ronald Reagan going to soften on Star Wars?

Kinsley: Yes, he is going to soften because all of you right-wingers are saying Star Wars is what brought the Russians to the bargaining table. If that is true, the only way they are going to bargain is to get rid of Star Wars.

Wattenberg: He is not going to get rid of Star Wars.

Germond: I think he will, eventually. I think he already has to some degree.

Kondracke: He regards Star Wars as part of his legacy, the legacy of his presidency. He is not going to trade it away.

McLaughlin: That's three to two, McLaughlin being with you Morton, saying that Reagan will not yield on Star Wars.



McLAUGHLIN GROUP (continued)

On Gramm-Rudman-Hollings:

McLaughlin: G-R-H is a law passed last month that mandates big cuts in the budget in order to zero out the massive federal deficit by 1991. This week the first amputations were announced by President Reagan's Budget Director James Miller. Who are the winners and who are the losers in this first round of cuts?

Wattenberg: The temporary winners are the elderly who don't get cuts in social security and the people who believe that waste, fraud and abuse can really make a big dent in the deficit. The biggest loser in the G-R process is the other G-R process, which is Gorbachev-Reagan. It is going to put the whole peace process on hold because Mickey G. is going to sit and say the Americans may shoot themselves in the foot with a big defense cut, I ain't negotiating until I see what happens on G-R, Gramm-Rudman.

Germond: The line that the dislocations are not severe from this \$11.7 billion cut maybe a sustained one. What we are talking about in the fall, right in the middle of the campaign, is \$55 billion, five times the cuts or more, right at campaign time.

Kondracke: It is going to be a gorgeous thing to watch. It is going to be a mess, but it is going to be wonderful to cover. They are going to have to decide whether they are going to make all these cuts in programs that really do count, that people care about. Or whether to have a tax increase, or whether to repeal the whole thing, or whether to modify it in some way, all at the very time when people are looking to see whether they want to reelect their legislators or not.

Kinsley: I think the most interesting moment is going to come before that. It is going to come next month when Reagan has to propose a budget to meet this without initiating these automatic cuts, because the truth that no one is paying any attention to is that Reagan, for all his talk of cutting, has never proposed a responsible budget.

McLaughlin: What is the probability of a tax increase in the light of the developments that are burgeoning, on a scale of zero to 100, 100 being metaphysical certitude, that there will be a tax increase?

Kinsely: If you count any kind revenue enhancement as a tax increase, 90 percent.

Wattenberg: 86.7 percent.

Germond: 90 percent.

Kondracke: Somewhere in the 70s.

McLaughlin: 95 percent.

## AGRONSKY & COMPANY

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Moderator: Martin Agronsky.

Panel: Elizabeth Drew, Hugh Sidey, Jack Kilpatrick, Carl Rowan.

### On the Soviet Arms Control Offer:

Agronsky: This proposal by the Soviet leader Gorbachev for arms control and the eventual elimination of nuclear weapons, do you see it as a real opening to end the nuclear arms race?

Drew: Well let's forget the end of nuclear weapons, that's not going to happen, although he and President Reagan have talked about it. The proposal is very interesting both politically, and for some real substantive changes in the Soviet negotiating position on ongoing negotiating subjects. The Administration, taken by surprise, now realizes it has to respond.

Sidey: Star Wars is a success. This comes out, I believe, of Mr. Reagan's position on Star Wars, his firmness, and I think it indeed is encouraging. Already, before we have any hardware, it is a success.

Kilpatrick: On its face, the Soviet proposal is very appealing and very attractive, but if we have learned anything about the Soviet Union over the past four years, it is not to take much that they say at face value.

Rowan: Well, there are some towering obstacles to any of this ever taking place, but I tell you it would be monumental if we just got all the missiles of both sides out of Europe and all of each sides troops out of Europe. What a blessing that would be for Poland and Hungary and Czechoslovakia.

### On the Gramm-Rudman-Hollings Amendment:

Agronsky: The Gramm-Rudman-Hollings deficit and budget bill has finally come into effect this week. What is the first impact that you see?

Kilpatrick: As of March 1, about \$11.7 billion has to be cut out of the 1986 outlays. I don't think it is going hurt very badly on the domestic side. It's a 4.3% cut for the non-defense items and I think most of us have been around long enough to believe that these federal agencies could cut 43¢ out of every ten dollars they have to spend, so I don't think the disruption is going to be all that bad now. Come September it is going to be ferocious when they start cutting \$50 to \$60 billion dollars out of the budget or raising it in taxes.

Drew: This is just the opening curtain on the Gramm-Rudman follies which we are in for all year.

Sidey: The fact of the matter is once again, rational discussion didn't do anything for 30 years, there wasn't going to be any move against this, and now you try a desperate measure.

AGRONSKY (continued)

Drew: This is going to be a year of major, major maneuvering, the whole question really getting down to will Congress in both parties and the President agree to a deal at some point this summer to make the cuts or as large a cuts as possible so as to avoid this across the board triggering? Will they want to and will they be able to?

On Terrorism:

Agronsky: We stick to the formula of words not deeds. Now we have a dispute between the Secretary of State, Mr. Shultz, who wants to do something active about terrorism, even for example, acting against Libya in military fashion, and our Secretary of Defense Mr. Weinberger, who doesn't want use the military arm. How did that come about and how is it going to come out?

Drew: Well, it's a two year old argument on which they go public every once in a while. The essence of it is that Mr. Shultz is more willing to use force than Mr. Weinberger. I think it is time for them to cut it out in public, and I think it's time for the President, who is supposed to be running the government, to call these guys in, establish whatever policy he wants to follow, and have them stop arguing it in public like this.

Kilpatrick: I don't think that we are that far apart. I don't think Weinberger has ruled out force, and I don't think Shultz has ruled out restraint.

Rowan: Well, I think Weinberger is right in this one, and I think the President has already adopted what he said his policy is.

Agronsky: Well, we don't see any evidence of it certainly.

Rowan: We see evidence that he has adopted the Weinberger line.

Agronsky: Well, he adopt the line, but what is he doing about it, is the point I'm trying to make. Again it's words, it isn't deeds.

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