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# News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, JANUARY 28, 1986 -- 6 a.m. EST EDITION

## TODAY'S HEADLINES

### INTERNATIONAL NEWS

U.S. Forces Edge Closer to Libyan Territory -- A U.S. armada off Libya edged closer to the Gulf of Sidra today and warplanes from two aircraft carriers encountered Libyan fighters within visual range, U.S. officials said. (Washington Post, Washington Times, UPI, Reuter)

Angolan Rebel Leader Courts U.S. Leaders for Aid -- The Administration is putting out the welcome mat for Jonas Savimbi despite its opposition to a legislative groundswell that is pushing for overt military aid for the Angolan rebel leader. (Washington Post, Washington Times, AP, UPI)

### NATIONAL NEWS

Reagan to Cite Strength, Seek Unity in Message to Nation -- President Reagan's State of the Union address tonight will give an optimistic assessment of America's strength while appealing for unity in the face of difficult problems, Administration officials said. (New York Times, AP, Reuter, UPI)

Sanders to Leave SBA -- James Sanders says he is resigning as head of the Small Business Administration because "it's time to move on" and not because of differences with White House budget officials over the fate of his embattled agency. (Washington Post, Washington Times, AP)

### NETWORK NEWS (Monday Evening)

**LIBYA** -- NBC News has been told by defense officials that at least one U.S. warship intends to move into the Gulf of Sidra.

**HONDURAS** -- Vice President Bush was in Tegucigalpa today when the new Honduran President was sworn in.

**AGRICULTURE** -- Richard Lyng will be nominated as the replacement for Secretary Block.

#### COULDN'T GET ELECTED DOGCATCHER DEPARTMENT:

From the West Coast comes word that Walter Mondale has been calling in chits with Democratic interest groups again. According to a recent Los Angeles Times report, the 1984 presidential nominee telephoned William Robertson, head of the Los Angeles County AFL-CIO, and L.A. Mayor Tom Bradley to lobby for the construction of a dog run in a local park. Mondale's daughter Eleanor, who lives in L.A., had complained that she had nowhere to run her pet Rottweiler, Teddy, without a leash.

...And they said he had no new ideas.

(The New Republic, 2/10)

## INTERNATIONAL NEWS

### ARMED ACTION AGAINST LIBYA STILL POSSIBLE

Deputy Secretary of State Whitehead said yesterday that he "fervently" hopes that the United States will not have to take military action against Libya but warned that the answer lies not in U.S. hands but on those of Qaddafi.

Whitehead caused a stir when he stressed to reporters that President Reagan has "reserved the right to come back to the military option in case the nonmilitary, peaceful measures don't work."

(John Goshko, Washington Post, A10)

### U.S. Again Says "No" to Libya on Direct Dialogue

Libya's foreign minister yesterday called for direct talks with the United States to end the crisis in the Mediterranean but the Reagan Administration rejected the offer and called on Libya to stop sponsoring terrorism. "Libya has been floundering all over the Mediterranean to get a message to Washington. The Libyans are using anybody and everybody they can think of to act as an intermediary," said one Administration official who asked not to be identified.

(Roger Fontaine, Washington Times, A1)

### U.S. Warships Reported Moving Closer to Gulf of Sirte

U.S. Navy warships are moving closer to the disputed Gulf of Sirte in heavy Mediterranean Seas, but have not crossed the "line of death" drawn by Col. Gaddafi across the mouth of the waters, U.S. Administration officials said yesterday. The officials, who asked not to be identified, declined to say whether ships or planes from the Sixth Fleet would directly challenge Libya's territorial claim over the gulf.

(Charles Aldinger, Reuter)

### U.S. Forces Edge Closer to Libyan Territory

A U.S. armada off Libya edged closer to the Gulf of Sidra today and warplanes from two aircraft carriers encountered Libyan fighters within visual range, U.S. officials said. The Navy battle force headed by the carriers Coral Sea and Saratoga, and planes from both flattops, operated within and just outside the Tripoli flight information region, Fir, but stayed away from the Libyan-claimed Gulf of Sidra, the officials said Monday.

(Richard Gross, UPI)

### EUROPEANS TO HALT ARMS SALES TO NATIONS BACKING TERRORISTS

BRUSSELS -- European Community foreign ministers agreed today to halt arms sales to countries supporting terrorism but refused to endorse the U.S. campaign of condemnation and economic sanctions against Libya.

The arms embargo is not likely to have great effect because the important European arms manufacturing nations already ban sales to Libya, which receives most of its weapons from the Soviet Union.

(Steven Dryden, Washington Post, A10)

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### COVERT AID OPPOSED ON HILL

The chairmen of the Senate and House intelligence committees have decided to oppose covert military aid assistance to noncommunist forces fighting in Angola and are urging the Reagan Administration instead to seek to convince the Congress of the need for an open assistance program.

That sentiment was echoed by Sen. Patrick Leahy (D-Vt), who said, "If we're going to get involved in these kinds of activities, then we ought to do it overtly, not covertly." (David Ottaway, Washington Post, A1)

### Savimbi Lobbies U.S. for UNITA Support

As Jonas Savimbi launches a media and congressional assault on Washington today, his anti-communist forces in Angola are waiting out the rainy season and bracing for another possible government offensive. The 10-year-old civil war between Mr. Savimbi's UNITA and the government of the Popular Movement for the Liberation of Angola -- backed by a Soviet arsenal and propped up by 35,000 Cuban troops -- remains a stalemate.

(James Morrison, Washington Times, A6)

### Angolan Rebel Leader Courts U.S. Leaders for Aid

The Administration is putting out the welcome mat for Jonas Savimbi despite its opposition to a legislative groundswell that is pushing for overt military aid for the Angolan rebel leader. Savimbi arrives in Washington today for an eight-day visit where he will meet with top-level officials and address groups in his quest for a resumption of U.S. aid.

(Matthew Quinn, UPI)

### Angolan Rebel Leader Visiting Washington, Seeking Aid

Angola's rebel leader Jonas Savimbi, whose fight against communism in his homeland has won him impassioned support among conservative Americans, intends to make a direct appeal for U.S. assistance during his visit here. The issue of whether the United States should aid Savimbi's forces has been hotly debated since Congress last year overturned an amendment prohibiting U.S. support for any of the factions in Angola.

(George Gedda, AP)

### IMPENDING CUTS IMPERIL FOREIGN AID

Cuts required in U.S. foreign aid spending by the Gramm-Rudman-Hollings budget-balancing law will make it "extremely difficult and in some cases impossible" to carry out U.S. foreign policy commitments, the chairman of the House Foreign Affairs Committee said yesterday.

Rep. Dante Fascell (D-Fla.) said Congress might have to eliminate so-called economic support funds (ESF) for all countries except Israel, Egypt, and the five "base rights" nations where there are agreements allowing U.S. military bases in exchange for aid: Turkey, the Philippines, Kenya, Somalia and Portugal.

(Joanne Omang, Washington Post, A12)

### MARCOS SUPPORTER CHARGES U.S. PLOT

A Philippine cabinet minister who is election campaign manager for President Marcos today accused the U.S. government of seeking to "destabilize" the Marcos administration and cause its defeat in an election next month.

Blas Ople said Washington's "mindless policy toward a close ally" represented "real meddling" in Philippine affairs and "imperialist retribution" against Marcos. (William Branigin, Washington Post, A10)

### KGB DEFECTOR REPORT FLATLY DENIED

The White House yesterday strongly denied that a previously unknown high-ranking KGB officer had defected from the Soviet Union to the West last year, a denial that added a new touch of mystery to Washington's latest spy story.

In an unusually flat denial, Larry Speakes said yesterday, "That story is not correct." When Speakes was then asked which "aspect" of the story he was denying, he replied, "The whole thing."

(Lou Cannon and Patrick Tyler, Washington Post, A10)

### Senate Spy Expert Says Defection Story is True

Despite White House denials, a congressional intelligence expert yesterday confirmed recent reports that a senior Soviet intelligence officer has defected to the United States. Senate Intelligence Committee member Chic Hecht, Nevada Republican, confirmed that a high-level Soviet defection had occurred but would not provide details on who the defector is or when he defected. (Bill Gertz, Washington Times, A2)

### HONDURAS INSTALLS ELECTED LEADER

TEGUCIGALPA, Honduras -- Jose Azcona took office as president of Honduras in a ceremony that marked the first time in more than 50 years that one elected civilian succeeded another as chief executive. Vice President Bush headed the delegation from Washington that attended the ceremony. Bush lauded this inauguration as evidence that democracy is taking root in a region where the armed forces historically have dominated politics. (Robert McCartney, Washington Post, A12)

### New President Vows War on Poverty

Newly inaugurated President Jose Azcona Hoyo began his term with a vow to fight the desperate poverty of his Central American nation and to seek terms from lenders on repayment of its foreign debt. Vice President George Bush, who led the U.S. delegation, hailed the inauguration as a triumph for democracy and said it was "an occasion for celebration."

(Andrew Selsky, AP)



ARAFAT/U.S.

AMMAN, Jordan -- Yasser Arafat lingered in Amman today to discuss a new Middle East peace bid that entails U.S. recognition of the Palestinians' right to self-determination. PLO sources said Arafat was winding up business in Amman after three weekend sessions with King Hussein and that a U.S. envoy was headed to Bonn today to present the new proposals to Israeli Prime Minister Peres. (UPI)

VOLATILE CURRENCY

President Reagan, in his State of the Union address tonight, will ask Secretary Baker to look into the problem of volatile international currency fluctuations and report back on possible ways to deal with it, Administration sources said yesterday.

The proposal, which could lead to much broader action on international monetary reform, was described by informed officials yesterday as a "small first step." One official said it would demonstrate that the Administration is "aware of the problem of volatile currency swings." (David Hoffman, Washington Post, A4)

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## NATIONAL NEWS

### REAGAN'S MESSAGE: A PROUD, PROSPEROUS AMERICA

President Reagan appears before a joint session of Congress and a huge television audience tonight to report that America stands proud and prosperous as he starts a year filled with political challenges. For days, the watchword used by White House officials to describe the speech has been "thematic." Rather than ticking off a litany of legislative requests and new initiatives, the officials said Reagan would offer a broader vision of the future -- and stress how his policies can make that outlook a bright one. (Norman Sandler, UPI)

### State of Union Prompts Debate in White House

After a debate within the White House staff, President Reagan has agreed to speak about family values as well as his domestic and foreign policy agenda in his State of the Union speech Tuesday, White House officials said today. The debate pitted Patrick Buchanan against several key aides to Donald Regan. (New York Times, A1)

### Reagan to Cite Strength, Seek Unity in Message to Nation

President Reagan's State of the Union address tonight will give an optimistic assessment of America's strength while appealing for unity in the face of difficult problems, Administration officials said. Still riding a high wave of popularity after five years in the White House, and pronounced fit after a recent cancer surgery check-up, he will lay the foundation for his legislative program in 1986. (Ralph Harris, Reuter)

### Reagan's Address to Congress to Take Long View of Issues, Aide Says

President Reagan goes before Congress and a national television audience tonight to deliver his fifth address on the State of the Union and, in the words of one aide, "to redefine the role of the government for the next decade and into the next century." The address, fulfilling the Constitution's mandate that the president "shall from time to time give the Congress information of the state of the union," will be shorter and more visionary than Reagan's previous four, White House officials say. (Michael Putzel, AP)

### President to Ask Congress for Extra Medical Coverage for Elderly

President Reagan will ask Congress this year to expand Medicare to cover the expense of catastrophic illness among America's elderly, with the first call for congressional action possible tonight. Reagan delivers his State of the Union address to a joint session of Congress at 9 p.m., and a senior official of the Health and Human Services Department says "hopefully" the catastrophic care program -- covering long-term hospital stays -- will be part of his message. (William Kronholm, AP)

Tuesday, January 28, 1986 -- A-7

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PRESIDENT HIGHLY POPULAR IN POLL;  
NO IDEOLOGICAL SHIFT IS DISCERNED

President Reagan continues to be extremely popular with the American public, according to the latest New York Times/CBS News Poll, but there is no clear evidence that he has yet achieved the ideological realignment he has long sought. Sixty-five percent, or about two-thirds, of the 1,581 people interviewed said that they approved of the way Mr. Reagan was handling his job five full years after he took office. No president in the last half-century has demonstrated quite that much staying power.

(New York Times, A1)

GAO, OMB SPAR OVER REFUNDS

Government employees and retirees could be short changed \$98 million in Federal Employees Health Benefits Program refunds under an Office of Personnel Management formula for distribution, the General Accounting Office said yesterday. The OMB recommended that \$1 billion in overpayments be refunded in direct proportion to the percentage of premiums paid by both employees and the government. GAO countered yesterday that premiums should be recalculated and that refunds be made accordingly. The difference amounts to \$98 million to employees and retirees, says GAO.

(Mark Tapscott, Washington Times, A4)

SEN. DOLE SEES DIFFICULTY IN ACHIEVING  
GOAL OF \$2,000 PERSONAL TAX EXEMPTION

Senate Majority Leader Robert Dole said President Reagan's goal of nearly doubling the personal exemption to \$2,000 for most tax payers will be difficult to achieve, at least all at once. In a letter to Chairman Bob Packwood (R-Ore.) of the Senate Finance Committee, the Kansas Republican stated that he supports the proposal but added that, to be practical, "we may have to phase the exemption up or to find some other way of accommodating its cost within a revenue-neutral bill."

(Wall Street Journal, A64)

REAGAN SAID TO SHIFT IN FAVOR OF 16¢ CIGARETTE TAX

Despite his earlier opposition, President Reagan will propose keeping the cigarette tax at 16 cents a pack in his 1987 budget, Administration officials said today. They said that with this shift and several other changes, the Administration now believes that Mr. Reagan needs to propose \$38 billion in spending cuts, rather than the roughly \$50 billion that had been anticipated. (Jonathan Fuerbringer, New York Times, A12)

CONRAIL PLAN CRITIC BLASTS "MASSIVE GIVEAWAY"

Reagan Administration plans to sell Conrail came under attack again in the Senate with a leading critic calling the proposal "a massive giveaway" and a "raw deal" for the taxpayer. "I intend to fight it to the end," Sen. Howard Metzenbaum (D-Ohio) said Monday as lawmakers pushed toward a possible vote Thursday on the \$1.2 billion offer from Norfolk Southern Corp. for the government-owned freight line.

(Mike Robinson, AP)



#### DOMENICI SAYS COMPROMISE WILL BE NAME OF THE GAME

A week before President Reagan sends his new budget to Congress, Administration officials have shaved about \$20 billion from their estimate of the spending cuts needed to meet a fiscal 1987 deficit target of \$144 billion. Meanwhile, Sen. Pete Domenici (R-N.M.) said the Administration has to be careful not to press Congress too hard to accept the President's budget on a take-it-or-leave-it basis, lest it lose the chance for compromise later this year. (Cliff Haas, AP)

#### ADMINISTRATION LOWERS FISCAL '87 DEFICIT FORECAST

The Administration has lowered its estimate of the federal deficit for fiscal 1987, but Senate Republican leader Dole -- a key figure in selling the budget on Capitol Hill -- questioned the new optimistic forecast. The White House Budget Office now projects a deficit of about \$182 billion for the next fiscal year, compared with the deficit of "close to \$200 billion" predicted less than a week ago by Budget Director James Miller, Administration officials said Monday. (Dana Walker, UPI)

#### OMB URGES FREEZING FEES FOR GRAZING FEDERAL LAND

The Office of Management and Budget, dodging one of the first bullets in the deficit-reduction battle, has urged President Reagan to freeze grazing fees on federal lands at current levels for one more year.

In a memorandum to Reagan, OMB Director Miller said a one-year freeze "would maintain the pressure on Congress to seek a permanent solution to this problem." (Cass Peterson, Washington Post, A4)

#### SENATE SEEN TURNING TO NEW TAX

A senior Reagan Administration official said yesterday that it is likely the Senate will need to impose some form of new consumption tax and limit the deductibility of state and local taxes to balance the books on its tax-revision bill.

The official, who talked with reporters on a not-for-attribution basis, said it appears the Senate will have to find as much as \$130 billion in new revenues over the next five years to offset the rate reductions the President is seeking and to make up for tax-reduction provisions some senators want to add to the bill. That sum, he said, would have to come from base-broadening or loophole-closing provisions not included in the version of tax revision passed by the House last December.

(David Broder, Washington Post, A1)

#### USDA SAYS 1984 WAS RECORD YEAR FOR FARMERS

According to one way of figuring by the Agriculture Department, 1984 was a banner year for farmers, with net farm income rising to a record level from a severe slump the year before. But other USDA figures for 1984 showed farmers remained heavily in debt, while land values continued to shrink. (Don Kendall, AP)

## SBA ADMINISTRATOR EXPECTED TO RESIGN

James Sanders has notified the White House that he intends to resign by April 1 as administrator of the Small Business Administration, sources said yesterday. Sources said Sanders, who has seen deep cuts raise doubts about the agency's future, disclosed his plans in a letter delivered to the White House last week. The resignation, one source said, will probably take effect March 31. (UPI story, Washington Post, A15)

### Sanders to Leave SBA

James Sanders says he is resigning as head of the Small Business Administration because "it's time to move on" and not because of differences with White House budget officials over the fate of his embattled agency. Sanders, who has headed the SBA since 1982, said Monday he had notified Chief of Staff Regan of his decision to resign on April 1 and would formally submit his resignation to President Reagan later in the week. (Tom Raum, AP)

### SBA Chief to Quit Over Budget Feud

James Sanders has decided to resign as head of the Small Business Administration rather than continue to battle the White House over efforts to abolish his agency, Reagan Administration officials said yesterday. "He has tired of fighting with the White House. They were mad at him for not supporting the Administration budget anyway," said a top SBA official who spoke only on condition that he not be identified.

(Washington Times, A4)

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## **NETWORK NEWS SUMMARY**

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(Monday Evening, January 27)

### **KHADDAFY'S NEW THREAT**

NBC's Tom Brokaw: The United States apparently is determined to call the bluff of Libya's Khaddafy, if it is a bluff. Khaddafy has warned that the entrance to the Gulf of Sidra, off the Libyan Coast, is the "line of death," as he calls it, for ships that cross it. The American response has been to move ships closer the gulf, and at the Pentagon, there are plans to move into the gulf.

NBC's Fred Francis: NBC News has been told by defense officials that at least one U.S. warship intends to move into the Gulf of Sidra. One official said it will probably be the U.S.S. Yorktown. Col. Khaddafy has drawn a battle line across the Gulf of Sidra, claiming those waters as Libyan territory. The U.S. Navy intends to cross that line with the Yorktown, testing that claim. NBC News has also been told by Pentagon officials that jet fighters from two aircraft carriers have sighted and warned of 14 Libyan MiGs since last Friday. The Administration hopes the Libyans will back away from the U.S. warship. In effect, ignore its presence in the Gulf of Sidra and keep this crisis as only a war of words.

Brokaw: At the same time, the U.S. State Department is warning Americans continuing to live in Libya that they face criminal penalties if they so much as buy groceries, a violation of President Reagan's order of economic sanctions against Libya. In Libya today Khaddafy harranged the U.S. before an audience of foreigners living in that country. He called President Reagan a "madman and an idiot." And he called on other Mediterranean countries to close U.S. bases to eliminate the American military presence in that area. (NBC-Lead)

ABC's Peter Jennings: Those American military maneuvers in the Mediterranean have now run four full days off the coast of Libya, and to this point, both sides have kept to themselves.

ABC's John McWethy: Thus far, all intercepts have been without incident, the Libyans showing as much restraint as the Americans. Four of the Libyan aircraft were spotted today, for example, but when the American planes went to inspect, the Libyan interceptors headed for home. American ships are now operating just 15 miles outside of the line that Libya claims as territorial waters. As yet, neither U.S. ships nor planes have gone into the disputed water, but American officials say they will in the next few days as a matter of principle. Khaddafy has vowed to stop them, but intelligence sources say Libya's military is having big problems. Libya is getting top quality help, however. Not only are Soviet ships monitoring American fleet activity, but they are also watching Israel in case an attack comes from there.

McWethy continues: Today, Deputy Secretary of State John Whitehead, just back from Europe, said he had succeeded in raising European awareness of Khaddafy's activities, but admitted he had gotten little else. Whitehead believes pressure on Khaddafy can work.

(Whitehead: "While this man may be pretty crazy, he's also crazy like a fox, and he will do what he needs to do to keep himself in power.")

The U.S. tactic is to keep pressure on Khaddafy, to squeeze him and frighten him and hope that he will change. If he does not, said Whitehead, then the U.S. will again have to review its military options.

ABC's Hal Walker reports from Tripoli that several hundred foreign students and workers quickly turned a symposium on peace in the Mediterranean into a pro-Khaddafy rally. If America attacks Libya, Khaddafy threatened, people from all over the world will respond, and the U.S. fleet will be vaporized by these forces. Leading the anti-American cheering sections were black Africans from Gambia and Ghana, Pakistanis and several East-bloc workers. On hand, too, was a smattering of Americans who work here and said they had been pointedly invited to attend. Whether or not Col. Khaddafy can win militarily is not the main question here. What the Libyan leader has taken great pains to try to prove is that he has, and can hold, Third World support in his confrontation with the U.S. (ABC-4)

CBS's Doug Tunnell: Khaddafy tonight hinted that he believes the American Sixth Fleet is intent on more than just a show of force. He claimed that President Reagan has set out to assassinate him. There are fresh indications that Khaddafy may be searching for a diplomatic way out of a showdown with America. His foreign minister is just back from talks with an American ally in North Africa, King Hassan of Morocco.

(Foreign Minister Treiki: "We believe in dialogue; we are ready to sit with the United States if they want to discuss...")

But the government-sponsored rallies like tonight's seem to emphasize the opposite.

(Khaddafy to crowd: "You must fight with us! We are ready to fight with you!")

With \$400 million at stake, some American companies will try to sidestep the boycott. Until now, Western diplomats have said that the threat of confrontation with America has worked in Khaddafy's favor, rekindling Libyan patriotism and drawing attention away from some of this country's already serious economic problems. But tonight, Khaddafy described a threat to his survival in very personal terms, as if the enemy were closing in on him. (CBS-7)

## PHILIPPINE ELECTION

Brokaw: There are new allegations tonight about Philippines President Marcos and his military record: charges that he was arrested by the U.S. military during WWII. Last week, you'll remember, claims by Marcos that he led a major guerrilla resistance unit were all but discredited. And now, Newsweek magazine cites U.S. Army documents which say that Marcos was arrested at one point for collecting money under false pretenses. The United States is now waiting and watching.

NBC's Chris Wallace: The Reagan Administration's public stance in these final campaign days is clear: all the U.S. wants is a fair election.

(State Dept. Spokesman Kalb: "The U.S. government is neutral in the Philippine election campaign. We do not support any individual candidate or party.")

But behind the scenes, Administration officials have made tough judgements, and a big shift in U.S. policy. Officials believe Marcos will win next week in what is likely to be an unfair and possibly violent election. A congressional source with close Administration ties said Corazon Aquino would have to get 75 percent of the real vote to overcome the vote stealing. And that isn't going to happen. Officials say they will press Marcos to reform, but are pessimistic about his response. The man heading the U.S. team to observe the election describes the American dilemma:

(Sen. Lugar: "The choice is whether to continue to back a regime that does not have the support of the people, and that is losing ground with regard to communists, or to stop that support -- very tough choice.")

This is a big change from when the Reagan Administration embraced Marcos.

(Vice President Bush to Marcos in 1981: "We love your adherence to democratic principles and to the democratic process.")

(President Reagan to Marcos in 1982: "In World War II, Filipinos and Americans fought and died together, and you yourself, Mr. President, played an unforgettably heroic part in that conflict.")

Administration officials have even speculated that Marcos might arrange an attack on the U.S. bases himself and blame it on the rebels, all in hopes of winning back his American friends. (NBC-10)

ABC's Jim Laurie: President Marcos seems out to prove at least two things: that despite reports about his health, he can carry out a rigorous campaign in remote areas; and though it must be done under very controlled conditions, he can venture into strong opposition areas, to inspire the Marcos party faithful to get out the vote.

(ABC-7)

CBS's Bill Redeker: The countryside is where most of the voters live, and where most of the fear and intimidation can be found.

(Poll watcher: "People in general are very scared. The whole atmosphere is charged with fear.")

To check fraud and voter intimidation, the chairman of a national watchdog group came to Danau, The Philippines, to organize poll watchers. But he got little help, and no volunteers. Given the level of political violence and intimidation, no one here expects a completely clean election. Not in a nation where warlords and their armies still rule a lot of the countryside, a lot of its voters. (CBS-4)

#### HONDURAN PRESIDENTIAL INAUGURATION

Jennings: To underline the importance of Honduras to the American effort in Central America, Vice President Bush was in Tegucigalpa today when the new Honduran President was sworn in. President Jose Jaiscona has a long list of problems at home. His biggest might be along his border, where the American-backed contras are doing battle with the Sandinistas in Nicaragua.

ABC's Peter Collins reports that U.S. forces in Honduras have conducted dozens of military exercises in the past five years. To show its displeasure, the outgoing Honduran government has partially blocked shipments of American supplies to the Contras. The new president inaugurated today, Jose Jaiscona, has expressed some doubts about keeping the Contras here, and has talked about signing a peace treaty with Nicaragua. It's not that he's anti-American, or that he trusts the Sandinistas; few people here do. It's just that Honduras has its own problems and its own agenda. From now on, the U.S. won't be able to take this country for granted. (ABC-6)

Rather: With Vice President Bush on hand, an important transfer of power today in Honduras, a key U.S. ally in Central America. Before 40,000 spectators in the National Sports Stadium, Jose Jaiscona Aurieo was sworn in as President. Said the Honduran leader, "We reaffirm our friendship with the U.S. and vow to work for democracy." (CBS-8)

#### UGANDAN UPHEAVAL

Brokaw: Today, after its newest upheaval, the African nation of Uganda appeared to have some peace. The capital was calm today, rebel forces took control this weekend after an eight-day offensive. The signs of the fighting were everywhere. The new military leader told Western diplomats that the overthrow was necessary to save the people from criminal elements in the old regime. (NBC-11, ABC-8)



## CBS POLL ON REAGAN

Rather: President Reagan is all set to deliver what's being billed as a long-on-vision, short-on-details and just plain short State of the Union speech tomorrow night.

CBS's Bob Schieffer: As the President puts the finishing touches on the speech he'll deliver tomorrow night, these comments sum up the findings of our national telephone poll last week of 1,581 adults:

(White man: "The economy's in good shape, the military's much stronger than it used to be, I like the perception that America's changed a lot for the better.")

(Black man: "Reagan's a joke, you know. Big joke, you know. You know. He's not serious enough to be President. You know.")

(White woman: "I think he's doing a great job. I've always felt that Ronald Reagan is an American and he's for America.")

White Americans are feeling good about the state of the nation; black Americans are not. By nearly two to one, white Americans said things are better now than five years ago. But black Americans said just the opposite. And while 60 percent of the whites predicted even better times ahead, blacks didn't share the feeling. Again, a striking contrast when we asked if people approved of Mr. Reagan's handling of the presidency. Only 37 percent of blacks approved, more than in the past, but nowhere near the approval rating he gets from whites. And overall, his 65 percent approval rating is higher than Dwight Eisenhower's at this point of his presidency. Those figures could vary three points either way.

(Sen. Goldwater: "When you say the 'State of the Union' and you assume that all of our people are doing better, I'd have to say they're not.")

Harlem Democrat Charles Rangel agrees with that.

(Rep. Rangel: "A society cannot ignore those needs on the bottom and just talk about the leadership that we've had in reducing taxes and cutting back spending.")

So Mr. Reagan comes here tomorrow night knowing most Americans believe he's been doing a good job, but that must be tempered by the recognition that more and more these days opinion is splitting strictly along racial lines. And few can be happy about that. (CBS-12)

## LYNG

Rather: CBS News White House correspondent Bill Plante has been told that Richard Lyng of California will be nominated later this week as the replacement for Agriculture Secretary Block. (CBS-5)

## THATCHER

Brokaw: Great Britain's Prime Minister Thatcher withstood a bruising assault today in the House of Commons and she emerged with a strong vote of confidence. The political crisis involved a failing British helicopter plant and her means in trying to rescue it. It led to the resignation of two members of her cabinet. (NBC-12, ABC-5, CBS-15)

#### HUSSEIN/ARAFAT

Brokaw reports King Hussein received the chairman of the PLO in Amman. Hussein and Yasser Arafat are attempting to develop a formula acceptable to the United States and Israel to trigger a new peace process. (NBC-3)

#### PERES IN WEST GERMANY

Brokaw: In West Germany today, Israeli Prime Minister Peres made a symbolic and emotional visit to the Bergen-Belson concentration camp where 100,000 are buried. (NBC-4)

#### NIXON

Brokaw: Former President Richard Nixon is in a Miami hospital tonight, being treated for a viral infection and dehydration. Nixon is 73 years old and an aide says he apparently came down with the flu while on vacation in the Bahamas. Tonight his doctor says that he's doing just fine. (NBC-13, CBS-14, ABC-9)

#### U.S. SUPREME COURT/EXXON

Brokaw: There was a record set today by the U.S. Supreme Court: it upheld a fine levied against the Exxon corporation for overcharging its oil customers. The fine is \$2 billion. That's the largest ever upheld by the high court. (NBC-14, CBS-6, ABC-11,)

#### HOME SALES

Rather: The National Association of Realtors said more than three million, two hundred thousand existing single-family homes were sold in 1985, the first time since 1979 sales have topped three million. (CBS-13)

-End of B-Section-

## EDITORIALS/COLUMNISTS

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### ECONOMY/FEDERAL BUDGET

Budget Solution: Spending Cuts -- "The President cannot be completely denied the domestic spending cuts he seeks to reduce the deficit -- nor should he be. There remain important weak spots on the domestic side of the budget: These are not large enough to do as the president suggests; they will not eliminate the need for higher taxes and some defense restraint. But on their merits as well as for their bargaining value, they ought to be a part of the budget compromise.... There are at least four groups of questionable programs: Business subsidies ... Energy subsidies ... Development programs ... Middle-class social programs.... The vital federal functions should not be cut to reduce the deficit. That is the point where Congress must shift to a tax increase." (Washington Post, 1/23)

Budget Solution: Strategy -- "The Reagan administration's policies over five years have left the U.S. in a huge and unsustainable spending boom, consuming far more than it earns, and any remedy is going to be perilous. With luck, a tax increase would bring down the deficit sufficiently convincingly to make interest rates fall and swing money from consumer spending to investment. But no route out of the spending boom is entirely safe.... The solution, and the only solution, is to begin raising taxes immediately." (Washington Post, 1/25)

The Economy in 1986 -- "Some growth and low inflation in one year is not enough to have confidence for the next, especially since a one-year, \$60 billion deficit reduction surely will help skew the economy's performance. Of course, the final 1985 figures are encouraging. They are not what the administration would have liked to see, but they weren't as bad as they might have been. And oil prices, along with the trade deficit, do offer the hope of long-term relief. But it is, so far, only a hope. And the expectation of 4% growth in 1986 is, so far, unjustified."

(Cleveland Plain Dealer, 1/24)

Congress Faces Tough Budget Task -- "A real solution, however, will require an extraordinary degree of bipartisanship in Congress and a new degree of responsibility on Reagan's part. Until Reagan accepts the idea of a tax increase, the necessary compromise cannot take shape. Maybe he will yield if the tax increase is linked with tax reform, which he has given high priority. That approach certainly is worth trying, both because tax reform is a worthy goal and because the budget deficits -- with all the economic distortions that they cause -- are a problem that must not be neglected another year."

(Milwaukee Journal, 1/20)

Can U.S. Afford the Contras? -- "Mr. Reagan argues that non-military aid merely sustains the rebels, while military aid will give them momentum to topple the Sandinistas. He says that the United States must show its resolve by helping the contras if we are to impress Soviet leader Gorbachev. Such conduct would take the country down the wrong road.... Mr. Reagan's failure to embrace the negotiation process authored by the Contadora group of nations in the region is a mistake. Upping the military ante is another one. With the president's military buildup threatened by budget-balancing legislation, his proposal to pay for the contras' war is a luxury he cannot afford."

(Hartford Courant, 1/27)

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## PHILIPPINE ELECTION

Marco's Campaign of Violence -- "It was to have been a free and honest election, called by President Ferdinand Marcos a year ahead of schedule to prove he had the support of the Filipino people. The idea was to gain legitimacy, but Mr. Marcos and his minions have made the process into a deadly farce.... If Mr. Marcos truly believed the election would legitimize his rule, he is finding out that what is being rendered legitimate is the truth exposing the fraud and wrath his dictatorship has heaped upon a deceived nation."  
(Chicago Tribune, 1/27)

Fraud In The Philippines -- "Instructing Mr. Marcos to hold fair elections seems about as realistic as it would have been years ago to expect Boss Pendergast or Boss Hague to do the same in Kansas City or Jersey City. Indeed, Mr. Marcos could have taught them something.... If fraud rules on Feb.7, Reagan administration will have disassociate itself finally from a dictator it once praised as democrat."  
(St. Louis Post Dispatch, 1/24)

The Truth And Ferdinand Marcos -- "Politicians, being mortal, often concoct fictions about their past, but to creative audacity, Ferdinand Marcos of the Philippines is nonpareil.... Americans cannot assure a fair and free election, but they can perhaps give the Philippine people the evidence they need to judge the character of Ferdinand Marcos."  
(New York Times, 1/27)

U.S. Observers In Manila Give Democracy Support -- "Few expect Philippine President Ferdinand Marcos, whose 40 years worth of elaborate lies about his World War II military heroism have just been debunked in the American media, to permit an honest ballot.... Under these conditions, the dispatch of American observers makes sense as an expression of U.S. commitment to the democratic process in the Philippines, as distinct from the Marcos regime. Staying away won't leave Washington with clean hands; the United States is deeply involved in the Philippine saga and undoubtedly will be blamed by all factions in the Manila political spectrum for whatever goes right or wrong. Better then to line up publicly with those Filipinos who want to practice democracy."  
(Philadelphia Inquirer, 1/26)

Philippine Roulette -- "What if Marcos dies soon or retires to, say, Hawaii? And what if his vice president staves off rebellion for a while so that economic issues can be confronted?... This is probably the scenario that US officials prey for. It is a bad bet, however. It depends on a cooperation wholly uncharacteristic of Marcos.... The Philippine situation is not totally bleak. The nation has strong democratic traditions, an impressive system of education, a reservoir of optimism, and at least among the older generation, a residual affection for America."  
(Boston Globe, 1/25)