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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, FEBRUARY 18, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Envoy Confers With Marcos; Aquino Demands President Quit -- President Reagan's special envoy, Philip Habib, met separately today with President Marcos and Corazon Aquino, both of whom said later that the American had assured them he was only here to gather information in the aftermath of the presidential election.

(Baltimore Sun, New York Times, Wall Street Journal, Washington Post, Washington Times, UPI)

United States Blamed For Contra Attack -- The foreign ministry has charged the United States with responsibility for the deaths of four Nicaraguan women and a Swiss development worker who were killed in a rebel ambush.

(UPI)

NATIONAL NEWS

Administration, House GOP Seek Compromise on Budget -- House Republicans and the White House, after a shootout over tax reform last December, began working behind closed doors yesterday to craft a compromise version of the Administration's fiscal 1987 budget.

(Washington Post, Washington Times)

NETWORK NEWS (Monday Evening)

CHALLENGER COMMISSION -- William Rogers said the decision to launch Challenger may have been flawed.

PHILIPPINES -- Both at home and abroad today, the pressure on the Administration to abandon Marcos continued to build.

END OF TYLENOL CAPSULES -- Johnson & Johnson says it will no longer make or sell capsules directly to consumers.

SHCHARANSKY

"...Of course I feel myself simply obliged to come to the United States and express my thanks, deepest gratitude, to all those people who were struggling so firmly for the Soviet Jewry, and for my release in particular, and who were together with Avital during this awful nightmare, during all these years, and thanks to whom Avital was practically always near me...."

(Anatoly Shcharansky, Meet the Press, (2/16))

INTERNATIONAL NEWS

HABIB SEES AQUINO, MARCOS

MANILA -- U.S. presidential envoy Philip Habib met today with President Marcos and Corazon Aquino in what the two foes described as a mission to gather information rather than an attempt to broker the country's simmering political crisis. Neither side seemed to emerge from their separate sessions pleased with what they had heard from Habib on their dispute, which is over an election marred by fraud and violence.

Habib's actions are being watched closely by all the participants in the current Philippines political drama after confusing U.S. policy pronouncements in which President Reagan first appeared to lean towards Marcos' version of recent events and then to stiffen his stance toward him.

(William Branigin & James Rupert, Washington Post, A1)

Marcos Likely to Appoint Ver to Major Post

MANILA -- President Marcos intends to appoint Gen. Fabian Ver to a post more powerful than the one he held before, well-placed sources disclosed yesterday. The sources implied that Mr. Marcos had temporarily sidelined Gen. Ver simply to placate U.S. public opinion and would bring him back into the military after U.S. envoy Philip Habib leaves the Philippines.

(Tom Breen, Washington Times, A1)

U.S. Envoy Confers With Marcos; Aquino Demands President Quit

MANILA -- President Reagan's special envoy, Philip Habib, met separately today with President Marcos and Corazon Aquino, both of whom said later that the American had assured them he was only here to gather information in the aftermath of the presidential election.

Mr. Habib had no public comment after the meetings. But after what Malacanang Palace said was a two-hour meeting this morning, Mr. Marcos was quoted in an official release as saying Mr. Habib asserted that the United States "was not interested any way telling us how to run our affairs."

(Seth Mydans, New York Times, A1)

U.S. Officials Want Marcos To Step Down

U.S. officials and members of Congress now agree that U.S. interests in the Philippines would be best served if President Marcos leaves office through an orderly transition. Administration officials clearly hope the Philippine president will see the writing on the wall and take this course (stepping down) on his own.

"If we had our druthers, we would see some sort of transition arrangement, but no one has a formula to bring that about," a senior Administration official said, emphasizing that this is a matter for the Philippine people to decide.

(Frederick Kempe, Wall Street Journal, A37)

U.S. Envoy Sees Marcos And Aquino

MANILA -- With American policy towards the Philippines at a crossroads, a special envoy from President Reagan held talks yesterday with the two candidates in the disputed Philippine presidential election but apparently offered no indications as to which way Washington will jump.

(Anthony Barbieri, Baltimore Sun, A1)

Congress Challenges U.S. Policy on Marcos

Congress has issued a strong challenge to President Reagan's wait-and-see policy towards the Philippines amid charges that President Marcos rigged the Feb. 7 election to stay in power. Reagan is waiting for a report from his envoy, Philip Habib, on conditions in the Philippines and has urged Marcos and opposition leader Corazon Aquino to peacefully resolve the political and economic turmoil in the 7,000-island nation.

But on Capitol Hill, lawmakers are calling for the President to crack down on Marcos on grounds he remains in office by what Reagan himself called "widespread fraud and violence."

(Michael Myers, UPI)

Pro-Government Firms Feel Aquino's Boycott Call

MANILA -- Pro-government businesses today began to feel the effects of opposition leader Corazon Aquino's call for a boycott of companies that supported Marcos in the disputed Feb. 7 presidential election. In a related development, leftist youths called a protest rally in front of the U.S. embassy and a march to the presidential palace.

Special envoy Philip Habib's second day in Manila was shrouded in secrecy. The embassy has declined to disclose the activities of Habib, who is gathering information on the election for President Reagan.

(Fernando Del Mundo, UPI)

ENTRECHING IN HONDURAS

Sometime this week, the 31-piece band of the New Mexico Army National Guard will unpack its tubas, trombones and piccolos in the Honduran jungle and begin entertaining American troops in Central America.

The band's fortnight sojourn is a small symptom of what has become a sustained and institutionalized U.S. military and intelligence presence in Honduras. Since the summer of 1983, there have rarely been fewer than 1,000 U.S. troops in that mountainous nation the size of Ohio, while tens of thousands more have cycled through in an unbroken series of exercises.

(Fred Hiatt, Washington Post, A1)

EXCAVATION TEAM TO SEARCH FOR WARPLANE TODAY

BANGKOK, Thailand -- A U.S. military excavation team camped in the jungle foothills of southern Laos and prepared to search for the remains of 14 American airmen whose plane was shot down in 1972. The 11-man team, participating in the second U.S.-Lao excavation of an American warplane, was expected to begin work today at the crash site 80 miles to the east.

(Ted Chan, UPI)

CONTRAS WARN CIVIL WAR COULD WITHER WITHOUT U.S. MILITARY AID

SAN JOSE, Costa Rica -- Unless the U.S. Congress gives Contra rebels fighting the Sandinista government in Nicaragua more financial aid, the fighting could turn into a prolonged "sterile war" with many casualties and no winners. Alfonso Robelo, a political commander of the largest Contra army, said in a recent interview that if approved, the funding would go toward beefing up the crippled urban offensive of the Nicaraguan Democratic Force, or FDN.

Renewed military aid from the United States "in adequate amounts and with appropriate conditions" is vital to the FDN's ability to continue its 5-year-old struggle to overthrow the Sandinista government, Robelo said.

(Tracy Wilkinson, UPI)

UNITED STATES BLAMED FOR CONTRA ATTACK

SOMOTILLO, Nicaragua -- The foreign ministry has charged the United States with responsibility for the deaths of four Nicaraguan women and a Swiss development worker who were killed in a rebel ambush. Eight other civilians, including several small children, were wounded in the Sunday night attack, and some were listed in critical condition Monday, a military official said.

The officials Monday said two or three rebel Contras detonated two land mines as a truck carrying 19 civilians passed over the mines near the city of Somotillo, 72 miles north of Managua. "The mines are very sophisticated, and only the U.S. Army and the CIA have them," said Lt. Orlando Perez, head of the Nicaraguan border patrol.

(Oswaldo Bonilla, UPI)

W. EUROPE FEARS LOSING ARMS SHIELD

BRUSSELS, Belgium -- As the United States and the Soviet Union seem to move closer to an agreement to reduce nuclear weapons in Europe, U.S. allies in Western Europe are increasingly nervous over the prospect of losing the protective shield provided by the recent installation of cruise and Pershing II missiles.

"Now that the moment of truth has arrived, the Europeans are afraid of being left high and dry by the U.S.," commented one American official here.

(Peter Maass, Baltimore Sun, A1)

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NATIONAL NEWS

GOP LAWMAKERS, MILLER PLOT STRATEGY

House Republicans met yesterday with the director of OMB to straighten out a few things among themselves about President Reagan's proposed budget and perhaps offset publicity accorded Democrats who held nationwide budget hearings last week.

"The businesslike attitude of our Republican members, including their willingness to work on a holiday, contrasts sharply with the costly and blatantly political tour that the House Budget Democrats conducted over the recess," Rep. Lynn Martin (R-Ill.) said in a statement on the Washington's Birthday holiday. (Judith Havemann, Washington Post, A7)

Administration, House GOP Seek Compromise on Budget

House Republicans and the White House, after a shootout over tax reform last December, began working behind closed doors yesterday to craft a compromise version of the Administration's fiscal 1987 budget.

White House Budget Director James Miller met with five key Republican members of the House Budget Committee, starting what some optimistic Republicans predict will result in the most united GOP budget strategy during the Reagan Administration.

(Rita McWilliams, Washington Times, A3)

USDA READIES STEPS TO COMBAT EROSION

Agriculture Department officials are putting the last touches on plans to carry out a new soil conservation program, the most stringent ever adopted in this country, that will take millions of erosion-prone acres out of production and penalize farmers who mistreat their land.

Unlike other federal conservation efforts in the past 50 years, which have poured billions of dollars into marginally effective schemes, this one has an important new wrinkle. Government farm-program subsidies will no longer be available to farmers who allow erosion to continue on their farms.

(Ward Sinclair, Washington Post, A11)

REAGAN POLITICAL ADVISER FOCUSES ON HOLDING SENATE

President Reagan's chief political strategist says the Republicans can do little more than hold their own in the 1986 House and Senate races. But "holding their own" -- retaining control of the Senate and suffering minimum midterm losses in the House -- would be a good year's work.

Mitchell Daniels, who has taken the high-visibility position once held by Edward Rollins, believes that the Republicans do not have all the issues on their side -- an assessment that differs from some key Administration policy makers. (Thomas Brandt, Washington Times, A1)

B1, STEALTH DOGFIGHT IN CONGRESS

The strangest Air Force bomber debate since 1921 is about to unfold in Congress -- with tens of billions of dollars at stake. The choice is between the bomber almost everyone in Congress knows about, Rockwell International Corp.'s B1, and the bomber almost no one in Congress knows about, Northrop Corp.'s "Stealth." (George Wilson, Washington Post, A8)

CONGRESS/BUDGET

House Speaker O'Neill is challenging President Reagan to back increases to help trim budget deficits or watch his military buildup come to an end. "The time has come for the President to face the facts," O'Neill, told the AFL-CIO executive council meeting Monday in Bal Harbour, Fla. "Unless he moves on revenues his defense buildup is over."

The speaker's remarks were the latest shots in this year's budget struggle that continued away from Capitol Hill for the past week while Congress took time off to observe the birthdays of Abraham Lincoln and George Washington. (Cliff Haas, AP)

REAGAN/FOUNDATION

The board of governors of the Ronald Reagan Presidential Foundation includes the President's four children, actor Charlton Heston, evangelist Billy Graham, a cluster of corporate titans and a melange of media moguls.

The 102 governors, nominated by the trustees and approved by President Reagan and his wife, Nancy, will give advice on the direction, policy and conduct of the foundation. (UPI)

EDITOR'S NOTES: "The Name Game at the White House" by Donnie Radcliffe appears on page B2 of the Washington Post Style section.

"Not the Real Elvis," an article on Vice President Bush's bid for the '88 Republican presidential nomination by Richard Viguerie, appears on page D1 of the Washington Times Commentary section.

NETWORK NEWS SUMMARY

(Monday Evening, February 17, 1986)

END OF TYLENOL CAPSULES

ABC's Ted Koppel: Johnson & Johnson has reached the conclusion that there are some acts of terrorism against which it simply cannot protect the public.

ABC's Bettina Gregory: Johnson & Johnson says it will no longer make or sell any capsules directly to consumers. And they don't plan to resume sales in the future. In addition to all forms of Tylenol capsules, the company will also stop making capsules of Sine-Aid and other sinus medications, CoTylenol and Dymensin. The company will try to replace sales of Tylenol capsules with 'Caplets,' coated tablets, which contain the same amount of medicine and which are not believed as vulnerable to tampering. But the rest of the over-the-counter capsule makers are not rushing to withdraw their products.

The F.D.A. is meeting with over-the-counter drug makers in Washington tomorrow. But the F.D.A. is not ready to ban all capsules because they're easier to swallow than tablets, and can be used for time-released medicines.

(John Norris, F.D.A.: "This time there does not seem to be any justification to go beyond what was done voluntarily today by Johnson & Johnson.") (ABC, NBC-Lead, CBS-2)

CHALLENGER COMMISSION FINDINGS

Koppel: The commission investigating the explosion on board the space shuttle Challenger has begun focusing on the way NASA's Top Brass makes crucial decisions. Over the weekend, the chairman of the commission, William Rogers, said the decision to launch Challenger may have been flawed.

ABC's Lynn Sherr: NASA decided to launch Challenger despite disagreements over the effect of the cold on the hard rubber O-rings used to seal the rocket segments. ABC News has learned those disagreements were a major factor leading to this weekend's surprise announcement from the Presidential Commission to bar key officials at NASA and rocket maker Morton Thiokol from taking part in the accident investigation. It appears there were disagreements among both the Thiokol people and NASA's own propulsion people, a source close to the commission told ABC News. The source also expressed concern that the disagreements did not go far enough up the decision ladder. In public testimony and briefings, NASA has never suggested there were differences of opinion over the decision to launch. But they said the concerns were resolved. By forbidding NASA and the rocket maker to investigate themselves, as they had been doing since the accident happened, the Presidential Commission was also saying they were too close to the event, sources say, and they indicated that only key individuals, not hundreds on the decision-making team, are meant to step aside. (ABC-2)

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CBS's Eric Engberg: The President's commission investigation reportedly was shocked by revelations made at Cape Canaveral on Friday that the decision to launch Challenger came after engineers familiar with the solid rocket boosters warned against a launch. CBS News has been told that evidence presented behind closed doors so upset commission chairman William Rogers and other members that they moved at once to bar any NASA employee involved in the decision to launch from playing an active role in the investigation. Who said what when will now become crucial to the investigation. Faced with a NASA now clearly in crisis, the White House is trying to line up a new administrator for the agency. It wants James Fletcher, who had the job once before. But that can happen only if the current administrator, James Beggs, who is on leave because of trouble unrelated to the agency, will agree to step aside. (CBS-1)

NBC's Dan Melina: NASA engineers were aware of all of these possibilities after the switch to the new boosters. There had been very few concerns before that. Changes in the new boosters were being considered, but the flaws didn't appear to be very crucial to safety. (NBC-2)

ANTI-MARCOS PRESSURE ON PRESIDENT REAGAN

Koppel: Both at home and abroad today, the pressure on the Reagan Administration to abandon Philippine President Marcos continued to build. The growing tide of anti-Marcos feeling led the President to issue a strong denunciation of Marcos over the weekend. And Mr. Reagan's personal envoy, Philip Habib, met with Marcos and his opposition today to sort out allegations of election fraud.

ABC's Mark Litke: President Marcos seemed quite happy to meet with special envoy Philip Habib, a chance to tell his side of the story. According to palace sources, Marcos presented Habib with written evidence, pictures, and a sworn statement, presumably backing up his claims that the opposition had cheated, and that he was the legitimate victor.

(TV Coverage: Marcos greeting Habib; Aquino talking with Habib.) Corazon Aquino, of course, told him a different tale a short time later. According to her aides, the veteran diplomat got an earful about the U.S. supporting an imposter president, who had stolen the election from Mrs. Aquino. And Habib probably heard more criticism at his final meeting with Cardinal Hymie Synn, of the influential Catholic church, which has also condemned the election as fraudulent. It's still not known if Habib is carrying messages from President Reagan. As usual, Habib's not saying.

(Habib to reporters: "I've told you before -- just take pictures and that's all!")

While Habib has received a cordial reception from all parties, one thing is for certain: his presence here is having no effect on the mood of political confrontation in the Philippines. Tonight Mrs. Aquino went on a catholic radio station to attack the government.

ABC's Kenneth Walker reports that Democratic senators, just back from Manila, intensified calls today for President Reagan to get tough with Marcos.

(Sen. Levin: "Senators Boren, Pryor and I all agree that the President should pick up the phone and clearly and unambiguously tell Marcos that it is time for him to step aside, that he no longer has any support from the United States.")

At last week's news conference, President Reagan tried to deflect charges that Marcos was trying to steal the election.

(President: "We're concerned about the violence that was evident there and the possibility of fraud, although it could have been that all of that was occurring on both sides.")

But on Saturday, after the Philippine Parliament declared Marcos the winner, a much tougher statement was issued from the Reagan ranch in California.

("Widespread fraud and violence," the statement read, "perpetrated largely by the ruling party, was so extreme that the election's credibility has been called into question.")

The President's statement was fashioned in a conference call Mr. Reagan held with National Security Adviser Poindexter, CIA Director Casey, Secretary Weinberger, Secretary Shultz, and Chief of Staff Regan. What changed the President's view was growing criticism from Congress and the Administration's own reports showing most of the fraud was by Marcos supporters, and that without it, Aquino would have won. If U.S. Ambassador Habib fails to help arrange an accommodation between Marcos and Aquino, President Reagan must decide if Marcos and strategic U.S. bases in the Philippines must be defended, whatever the cost. (ABC-5)

CBS's David Jackson reports that Habib made the rounds of major parties to the current political crisis.

(TV Coverage: Habib with Marcos, Catholic leaders, Aquino and Senator Laurel.)

A palace spokesman said Habib assured Marcos he's here to gather facts, not interfere. Senator Laurel told CBS News Habib sounded Aquino and Laurel out on the idea of an aid cut, which is just what they want.

CBS's Bill Plante: Administration officials tell CBS News that President Reagan's change of heart last weekend about the credibility of the Philippine election is just the beginning of U.S. pressure if Marcos remains unwilling to seek accommodation with his opposition. Policy makers here believe that Marcos is on his way out. Their main concern is that the transition be without violence. That is why the Administration is anxious to move gradually. But many in Congress want stronger action now.

(Sen. Levin: "The President should pick up the phone and clearly and unambiguously tell Mr. Marcos that it is time for him to step aside and that he no longer has any support from the United States.")

Democrat James Sasser will try to stop economic aid and pull out 18,000 U.S. military dependants. But the chairman of the Foreign Relations Committee wants to continue aid, while denouncing the election results.

Plante continues:

(Sen. Lugar: "Congress is weighing it heavily against no aid at all.... I think we ... ought to help the Administration devise ways of assisting our friends, who are the Philippine people.")
Pressure from Congress is one thing. But officials here know that the only American that Marcos takes seriously is Ronald Reagan, who had to be convinced that the election was too fraudulent to be credible. Nevertheless, Administration aides who doubt that things will get any better in Manila, are counting on the President to come around and to get the message to Marcos. (CBS-5)

NBC's Keith Miller: In a two-hour meeting, Marcos told Habib it was the opposition, not his party, that cheated. He offered Habib photographs and statements that he said would prove it. According to a spokesman, Habib listened but did not comment. In a separate meeting, Corazon Aquino told the diplomatic troubleshooter that a crisis can be averted only if Marcos resigns. When asked what Aquino gave Habib, a spokesman said an earful. Habib, in his habit, wasn't talking about what he found out. Whatever Habib's findings, Marcos shows no intention of avoiding the results of the election. He has run this country for 20 years, and is apparently convinced he can stabilize the situation, with or without American support. (NBC-3)

ISRAELI SWEEP

Koppel: For the first time in more than two months, Israeli troops today launched a major offensive inside Southern Lebanon. There are unconfirmed reports Israelis exchanged gunfire with U.N. Peacekeeping troops in the area. The Israelis say that they're looking for two Israeli soldiers kidnapped earlier in the day by guerrillas who ambushed an Israeli patrol. Two other Israeli soldiers were killed in that ambush. (ABC-7, CBS-4, NBC-6)

DUVALIER GO HOME

NBC's Tom Brokaw: The French government said today that Jean-Claude Duvalier, the deposed Haitian dictator, has worn out his welcome in that country, and a senior presidential aide said the United States should now take responsibility for him. "He came in an American plane," said this official, "and we would like the Americans to take charge of Duvalier." The United States, thus far, has refused to allow Duvalier to come here, however. (NBC-4)

NICARAGUA

Brokaw: Nicaragua said today that at least four people, including a swiss volunteer, were killed by the contras in an attack on a civilian truck. The government said it happened late yesterday near the Honduran border, and the worst contra attack on civilians in more than a year. This attack comes as the Reagan Administration prepares to ask Congress for more money for the contras, fighting the Nicaraguan government. Many of the contras, however, have fled, and top Administration officials say only about 3,000 still are fighting. And it may be now a losing battle.

NBC's Jamie Gangel: This is what the contras are up against:

(TV Coverage: Lean contra soldiers doing maneuvers.)

A strengthened Sandinista army Nicaragua is now spending more than 50 percent of its budget to support.

(Sandinista Vice President Sergio Ramirez: "We can win this war this year or next year -- we are not in any hurry.")

Even in areas the contras have infiltrated, they hold no towns and have launched no major offensives. Instead, government troops have set up large camps and are patrolling aggressively. Publicly, the contras still say they're winning. That all they need is U.S. military aid.

(Contra leader Alphonso Robelo: "If they give us full aid in adequate amounts, we can win in 12 months.")

Top Administration officials are concerned the White House is overselling the contras. And some U.S. officials are now saying, the contras are in such disarray, they may not even be worth backing. Said one, "Ronald Reagan's freedom fighters are just a rag-tag army with little training or discipline." (NBC-10)

AMERICAN KILLED

Brokaw: In El Salvador, Leftist guerrillas say they are responsible for the weekend killing of a American in San Salvador. Peter Haskell died Saturday, after being shot in the chest. The rebels claim that he was an advisor to the Salvadoran army, but the U.S. Embassy said that Haskell was simply a merchant sailor. (NBC-11)

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ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley.

Panel: George F. Will, Sam Donaldson.

Guests: Andrew O'Rourke, Westchester County (New York) Executive, James Zagel, Director, Illinois Department of Law Enforcement, Frank Young, M.D., Administrator, Food and Drug Administration, James Burke, CEO of Johnson & Johnson.

On the Tylenol Poisonings:

Will: There's a normal sort of American reflex that if something goes wrong the federal government ought to do something about it.

Young: Yes.

Will: Are you going to do something about it?

Young: I'm not going to say what we're going to do at this point. We're ready to examine all the options I think there's a real responsibility that the federal government has, and we'll do our part, but it's also important that as I gave the advice to the consumers, you really should look very carefully at the type of medicine that you're taking.

FREE FOR ALL DISCUSSION

David Brinkley, Sam Donaldson, George Will, and Hodding Carter III.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

Brinkley: What did you all think of it?

Will: The reason was conflict of interest, and the question is: why shouldn't he have an interest in how the money will be spent, that he, more than any American has been responsible for raising.... I think he has a right to be angry.

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Donaldson: A lot of people suspect that the conflict of interest was between Lee Iacocca and a man named George Bush. Because if Mr. Iacocca had remained as head of the commission, he would have had a very major part in the Fourth of July celebration of the dedication. And other people say Donald Regan -- another very strong-willed man -- was angry at him and wanted him fired. I'd like to speak a word for Donald Hodel, the Secretary of Interior. Iacocca said, after he'd been fired, that it was almost "un-American" to fire him. Rot! It's very American to do away with your political enemies, unlike Marcos, who shoots them ...

Will: If his name were Lee Smith, if ... he were not prominently mentioned as a presidential candidate, were he not critical of the Reagan Administration, he would not have been fired, right?

Carter: They knew he was what he was when they put him in there, he's done a magnificent job. Obviously, they should not have gotten rid of him.

On the Philippines Election:

Brinkley: What do we do about it?

Carter: You prepare a place for Mr. Marcos and back way off, and say loudly and repeatedly, that we do not associate ourselves with this election.

Brinkley: Prepare a place -- what do you mean?

Carter: When he has to leave. We can find an island for all our pet dictators.

Donaldson: Two weeks before the election, on this very program, White House Chief of Staff Don Regan was asked about that, and remember what he said: "Well, we'd condemn the fraud, but if it's a duly certified government, we'd have to work with it." And we said to Regan, well, even if it's elected by fraud? And he said, "Yeah, lot of the governments are elected by fraud." What about Angola?

Regan was wrong. Ronald Reagan was wrong, early on, to take the neutral attitude in which he said in his news conference that there was fraud on both sides; as if to suggest, gee, they're equally guilty.

Brinkley: What was he wrong about?

Donaldson: To say that there was fraud on both sides, when clearly his own observer team had that morning reported to him, and it was that Marcos -- the government of the Philippines -- that was controlling the fraud was wrong.

Will: We're still ... woven into the life of the Philippines, in a way that seems to me hard to end.

CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Philippines President Marcos; Senator Lugar, Richard Holbrooke; Former Assistant Secretary of State (Carter); and Philippine opposition leader Senator Salvador Laurel.

Stahl: In a key move to mollify the United States, Philippine President Marcos announced today the resignation of his Army Chief of Staff General Fabian Ver. The move, long sought by the Reagan Administration, came one day after President Reagan shifted his position and blamed Marcos for widespread fraud and violence, which the President said was so extreme the election's credibility has been called into question.

CBS correspondent David Jackson: Marcos says President Reagan's statement that the voting was fraught with fraud is misinformed, but he promises to investigate all charges. He did announce changes that the Reagan Administration has been after all along, including the removal of the controversial military chief of staff General Fabian Ver.

Stahl: In an interview earlier this morning, Ferdinand Marcos told us, to our surprise, that he welcomes President Reagan's latest statement, that Marcos' party carried out most of the fraud and violence in the election.

Marcos: Any statement from the President of the United States is significant --

Stahl: Do you admit that your party carried out any fraud and violence?

Marcos: No, I don't.

Stahl: Why did Gen. Ver resign? I know it's something the U.S. government had hoped would happen, but why -- why today?

Marcos: Well, because I was just proclaimed, and he felt that he had performed his mission....

Stahl: ... Have you been told that you would be welcome in the United States ...?

Marcos: Well, I don't know. I never asked because I don't intend really to come to the United States.

Stahl: Is there any -- under any circumstance in which you would step down?

Marcos: Well, that's ridiculous....

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Stahl: Sen. Laurel, Gen. Ver has resigned.... would you, because of this move, consider ... negotiating with Marcos, as the U.S. government would like to have you do?

Laurel: I don't think that would be enough to have us join the Marcos government.

Stahl: I would like to ask you about President Reagan's latest statement, that he now feels that the Marcos party did carry out most of the fraud and the violence. There had been a lot of complaints, and an impression left that the President was endorsing the moves that Marcos was making. What are your views on the President's statement and positions?

Laurel: Well ... I'm glad that President Reagan corrected his previous statement, because we were all shocked here in Manila when we heard him say that fraud was committed on both sides, and that this was just a simple political contest between two political parties, which was not true, and I'm glad that Mr. Reagan has corrected his previous statement, because the fact is that really the fraud was committed exclusively by the party in power, by Mr. Marcos' party.

Stahl: Do you see this in any way as abandonment by the U.S. government of Marcos, or do you see it more as a move toward neutrality?

Laurel: ... It's too early at this point to say that this is a move towards the direction of distancing itself from Marcos, but I could at least say right now quite accurately that I think Mr. Reagan is getting better advice and information.

Stahl: A lot of leaders in this country, particularly those in Congress, are calling for a cut-off of aid to your country as long as Marcos is in office. Do you support that?

Laurel: I should be the last person to ask for a cut-off of American aid to the Philippines....

Stahl: Is that Mrs. Aquino's position?

Laurel: Yes.

Stahl: Sen. Lugar, you have just heard the opposition leader, Laurel, say that he's not sure that cutting off aid is such a good idea.... you've even brought up the possibility. Why do you think it would be a good idea if it ... would weaken the Army?....

Lugar: ... The problem is, trying to separate aid for military reform from an endorsement of President Marcos....

Stahl: Let me ... ask if you think the ... Reagan Administration, is handling the situation the right way....

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Tuesday, February 18, 1986 -- B-10

Laurel: The Administration had a rough week.... Senator Lugar's commission did such a brilliant job under such difficult circumstances.... I think that President Reagan's statement yesterday will be looked back on by historians as the beginning of the end for President Marcos, because the Philippine people now understand that the conclusions of the Lugar Commission and the President's view are now synonymous, and this election is not a credible or acceptable outcome.

Lugar: The President has been very careful to say that this country is not suggesting supplanting of anybody.

Holbrooke: I think in the real world we are looking now at not a question of whether Marcos is going to leave, but how and when. For the national interest of the U.S., it's better that it be sooner than later....

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NBC -- MEET THE PRESS

Moderator: Marvin Kalb.

Panel: Elizabeth Drew, Robert Kaiser.

Guest: Anatoly Shcharansky.

Kaiser: Tell us a little about your life in camp.... Did you ever hear a radio?.... How did you learn that Ronald Reagan had become President, or that Gorbachev had become General Secretary?

Shcharansky: ... You more or less find out the ... Soviet point of view on these, or other events....

Once, for example, I could read a Soviet propagandist book ... where there was a photo of President Reagan's letter to my wife, Avital, and in English, and I think it's only because of this that the Soviet authorities did let me read it; they simply didn't notice what in this propagandist book is, and so I read the letter of President Reagan to my wife. It was a very pleasant moment to see it.

Kalb: Could you tell me why do you feel that Mr. Gorbachev allowed you to be released at this time.

Shcharansky: Well, I think that Mr. Gorbachev does try to demonstrate now to the Western World that he is ready to make some changes in his policy, and wants to encourage the West to meet his aims in other branches -- economical, military, political and so on. But ... unfortunately, there is a set condition that almost always, when the Soviet Union makes such signs, he immediately takes some steps in his inner policy, in order to discourage those who can be encouraged by these signs....

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AGRONSKY & COMPANY

Moderator: Martin Agronsky

Panel: Jack Kilpatrick, Strobe Talbott of Time, Elizabeth Drew and Tom Oliphant of The Boston Globe.

On the Challenger Investigation:

Agronsky: Do you think the evidence developed so far from the investigation from the shuttle tragedy indicates a serious misjudgement on the part of NASA?

Talbott: It doesn't look good. I think one thing we can feel good about is that the President moved quickly to establish an independent investigation to look into this.

Drew: The testimony ... documents ... do paint a fairly worrisome, disturbing picture. It is very important this commission be -- and be seen to be -- very independent.

Kilpatrick: It smells to high heaven, and I have an instinctive feeling that there is worse yet to come.

Oliphant: The question is ... whether or not there was a scandalous misjudgement.

On the Philippines election:

Agronsky: We're not sure where the President of the United States stands in connection with how he regards Marcos in the Philippines. On the one hand, we have Mr. Reagan making the observation that there was violence on both sides, which immediately was covered over by the State Department and the White House saying he didn't really mean it. But now, we really don't know where Mr. Reagan is -- does he really regard Mr. Marcos as a democrat, the election as not a fraud?

Drew: We have a government that's very badly and deeply divided over this question. You have on the one hand just about all of the professionals -- and that includes in the Pentagon, in the military, this is not a liberal versus conservative issue, all the people who really know about the Philippines, and many people on the Hill, of various stripes -- who say Marcos cannot govern this nation, he probably stole the election, he cannot deal with the communist insurgency, he has to go in some form. We have Mr. Habib over there ... you did have the President issue a very carefully-crafted statement on the day they sent Habib that was crafted by the State Department. What threw everybody so much was that night he stood up in the press conference and said, there has been fraud on both sides, and you know, the bases are the most important thing. When you get Sam Nunn, who is a ... conservative to moderate Democrat, saying Marcos lost the election; he's trying to steal it from Mrs. Aquino, we should cut off aid, you're beginning to get a consensus that Reagan's going to have to deal with.

Kilpatrick: I'm in favor of cutting off aid. Certainly, this smells to high heaven, too. My gracious ...

Talbott: Marcos will continue for awhile ... but the way that we would really jeopardize those bases, in the long run, is to side with Marcos, because he's a goner, sooner or later.

Oliphant: If there's a silver lining this weekend, it is the Habib mission. This is a wonderful diplomat. I wouldn't be at all surprised if -- stripped of all the diplomatic language -- what he basically says to the guy is, 'Look, you're through.'

Talbott: I think we're knocking the Administration pretty hard here, and, I think, deservedly as far as what the President said at his press conference. That was a classic example of where an off-the-cuff remark by him, that has nothing to do with his talking points, nothing to do with what his advisers were telling him, created big problems that wouldn't be there otherwise.

Agronsky: Sen. Dole said there is an alternative to the Philippines bases: apparently the Martians Islands.

Drew: I think that you have in Mr. Reagan a very great reluctance to appear to be like Jimmy Carter, who undercut the Shah of Iran, Somoza. But the Philippines is different. You have a democratic two-party system, if it's allowed to function.

On Shcharansky's freedom:

Agronsky: What does it mean? Why did they do it?

Talbott: Pre-Summit maneuvering by Gorbachev. It's part of a pattern; the Soviets are coming at us every week with arms control proposals, diplomatic initiatives, and they're trying to increase expectations and hopes for a successful summit, and thereby increase pressure on President Reagan to make some concessions at that summit.

Oliphant: There are other indications that other refuseniks are going to be let go soon. This is part of a pattern, one that's yet unfolding.

On Arms Control:

Oliphant: Gorbachev ... told Sen. Kennedy that he would in no way link a deal on European nuclear missiles with some kind of agreement stopping 'Star Wars.' I'm wondering why he did that and what you think the significance of it is.

Talbott: I think basically that Gorbachev is telling Reagan he can have a so-called Intermediate-Range nuclear forces agreement this year, but he's hoping that that, in turn, will raise expectations for the summit that's coming up in '87, and will increase pressure on Reagan to make some concessions on "Star Wars" then.

Drew: It's beyond politics. This is a wonderful triumph of the human spirit. It's the result of a lot of pressure by a lot of people: President Reagan, Sen. Kennedy, rabbis, Jewish groups, other politicians, in other words, you have to keep pressing.

On budget, taxes

Agronsky: The President says no taxes; Sen. Domenici says ... must be taxes. What's gonna happen?

Kilpatrick: There will be a tax increase. But they won't call it a tax increase. There won't be any increase in the tax rate, as such, but they will finagle it around so we get some more revenue.

Talbott: I'm not so sure anymore.... After that court decision declaring the trigger mechanism (of Gramm-Rudman) unconstitutional, I think that the White House has gone back to the "no deal" posture.

Oliphant: Tactically, for the time being.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

Agronsky: Why in the world did Hodel fire Iacocca?

Talbott: Everybody says it ain't so, but I think it's politics. Lee Iacocca spooks the White House, and particularly Donald Regan.

Agronsky: He's on his way, huh?

Drew: Iacocca ... I don't care who says what ... Mr. Hodel did it.

Oliphant: ... In the President's defense, I see no evidence that the President has any problem with Lee Iacocca. The President is a big, strong, secure man. It's these little, eensy, minor-league politicians around him, headed by Donald Regan, who I think sometimes is a Democrat mole ...

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THE McLAUGHLIN GROUP

Moderator: John McLaughlin

Panel: Robert Novak, Morton Kondracke, Jack Germond, Ben Wattenberg.

On the Philippines Election:

McLaughlin: Corazon Aquino has emerged as a major force in the Philippines. Do you agree?

Wattenberg: Yes. You can have corruption and you can have democracy, and they got both. Any doubt that you may have that she's tough enough to deal with the communist guerrillas -- forget it.

Novak: I think what all of that is is not pro-Aquino; it's anti-Marcos. I think President Reagan's options as President are limited, and I think he's doing the right thing.

Germond: This is a test for the decency of this government, and at this point, we are failing it. By any reasonable assumption, Aquino won that election.

Kondracke: President Reagan has been publicly hinting that we side with Marcos in this arrangement, that we're not really neutral, that we're not really on the side of democracy. I would like to think that that was for a purpose, but I'm afraid it's not. It's part of his knee-jerk kinship to Marcos.

On Shcharansky:

McLaughlin: Will the release of Anatoly Shcharansky free the Soviets from the stigma of being perceived as inhumane and repressive?

Novak: What they have done, is that since Geneva, they have put a gag on Ronald Reagan so he doesn't talk about human rights and they've dribbled out political prisoners, one by one.

Germond: I would agree with Novak that this is a cynical ploy on their part.

Kondracke: This is one dissident. This is not detente.

Wattenberg: The Soviets are going to do what they have to do, and only what they have to do. Gorbachev is coming to the U.S. He can either be greeted with enormous demonstrations, or he can try to diffuse it in one way or another. One man won't do it. He's playing a public relations game.

Novak: But the way he plays it is -- the President of the United States, Ronald Reagan, the old anti-communist, is asked at his press conference about Sakharov. The President is told, "you can't say anything about human rights, or you might cost somebody's freedom," -- he says, "Well, gee, I can't mention that" -- the Russians are winning that game.

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Germond: Shcharansky is not just another Jewish dissident. Shcharansky's release is symbolically very important as a gesture.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

McLaughlin: When the dust settles on this controversy, do you think that more harm will have been done to the Reagan Administration or to Lee Iacocca?

Novak, Germond, Kondracke, Wattenberg: Reagan is hurt more.

McLaughlin: I think it's gonna hurt Iacocca more!

PREDICTIONS:

Wattenberg: Not this week, probably not this year, but within a year or two, we will all be able to say that the Philippine Islands are a real democracy.

Novak: The oil-import tax is on a life-support system, and by the time we meet again will be dead.

Germond: The response to this movement toward a Southern regional primary in 1988: it appears likely there will be seven or eight Southern states. The response to this is going to be at least two or three Northeast and Midwestern states moving their primaries up to compete, changing the whole way we choose our presidents.

Kondracke: Jack Kemp and Pat Robertson are attracting support on the basis that the other one won't run. Both of them will run, and you're going to have a dandy bruhaha on the Right.

McLaughlin: The Simpson-Mazzoli Immigration Bill is dead for all time.

-End of B-Section-



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, FEBRUARY 18, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Envoy Confers With Marcos; Aquino Demands President Quit -- President Reagan's special envoy, Philip Habib, met separately today with President Marcos and Corazon Aquino, both of whom said later that the American had assured them he was only here to gather information in the aftermath of the presidential election.
(Baltimore Sun, New York Times, Wall Street Journal, Washington Post, Washington Times, UPI)

United States Blamed For Contra Attack -- The foreign ministry has charged the United States with responsibility for the deaths of four Nicaraguan women and a Swiss development worker who were killed in a rebel ambush.
(UPI)

NATIONAL NEWS

Administration, House GOP Seek Compromise on Budget -- House Republicans and the White House, after a shootout over tax reform last December, began working behind closed doors yesterday to craft a compromise version of the Administration's fiscal 1987 budget.
(Washington Post, Washington Times)

NETWORK NEWS (Monday Evening)

CHALLENGER COMMISSION -- William Rogers said the decision to launch Challenger may have been flawed.

PHILIPPINES -- Both at home and abroad today, the pressure on the Administration to abandon Marcos continued to build.

END OF TYLENOL CAPSULES -- Johnson & Johnson says it will no longer make or sell capsules directly to consumers.

SHCHARANSKY

"...Of course I feel myself simply obliged to come to the United States and express my thanks, deepest gratitude, to all those people who were struggling so firmly for the Soviet Jewry, and for my release in particular, and who were together with Avital during this awful nightmare, during all these years, and thanks to whom Avital was practically always near me...."

(Anatoly Shcharansky, Meet the Press, (2/16))

INTERNATIONAL NEWS

HABIB SEES AQUINO, MARCOS

MANILA -- U.S. presidential envoy Philip Habib met today with President Marcos and Corazon Aquino in what the two foes described as a mission to gather information rather than an attempt to broker the country's simmering political crisis. Neither side seemed to emerge from their separate sessions pleased with what they had heard from Habib on their dispute, which is over an election marred by fraud and violence.

Habib's actions are being watched closely by all the participants in the current Philippines political drama after confusing U.S. policy pronouncements in which President Reagan first appeared to lean towards Marcos' version of recent events and then to stiffen his stance toward him.

(William Branigin & James Rupert, Washington Post, A1)

Marcos Likely to Appoint Ver to Major Post

MANILA -- President Marcos intends to appoint Gen. Fabian Ver to a post more powerful than the one he held before, well-placed sources disclosed yesterday. The sources implied that Mr. Marcos had temporarily sidelined Gen. Ver simply to placate U.S. public opinion and would bring him back into the military after U.S. envoy Philip Habib leaves the Philippines.

(Tom Breen, Washington Times, A1)

U.S. Envoy Confers With Marcos; Aquino Demands President Quit

MANILA -- President Reagan's special envoy, Philip Habib, met separately today with President Marcos and Corazon Aquino, both of whom said later that the American had assured them he was only here to gather information in the aftermath of the presidential election.

Mr. Habib had no public comment after the meetings. But after what Malacanang Palace said was a two-hour meeting this morning, Mr. Marcos was quoted in an official release as saying Mr. Habib asserted that the United States "was not interested any way telling us how to run our affairs."

(Seth Mydans, New York Times, A1)

U.S. Officials Want Marcos To Step Down

U.S. officials and members of Congress now agree that U.S. interests in the Philippines would be best served if President Marcos leaves office through an orderly transition. Administration officials clearly hope the Philippine president will see the writing on the wall and take this course (stepping down) on his own.

"If we had our druthers, we would see some sort of transition arrangement, but no one has a formula to bring that about," a senior Administration official said, emphasizing that this is a matter for the Philippine people to decide.

(Frederick Kempe, Wall Street Journal, A37)

U.S. Envoy Sees Marcos And Aquino

MANILA -- With American policy towards the Philippines at a crossroads, a special envoy from President Reagan held talks yesterday with the two candidates in the disputed Philippine presidential election but apparently offered no indications as to which way Washington will jump.

(Anthony Barbieri, Baltimore Sun, A1)

Congress Challenges U.S. Policy on Marcos

Congress has issued a strong challenge to President Reagan's wait-and-see policy towards the Philippines amid charges that President Marcos rigged the Feb. 7 election to stay in power. Reagan is waiting for a report from his envoy, Philip Habib, on conditions in the Philippines and has urged Marcos and opposition leader Corazon Aquino to peacefully resolve the political and economic turmoil in the 7,000-island nation.

But on Capitol Hill, lawmakers are calling for the President to crack down on Marcos on grounds he remains in office by what Reagan himself called "widespread fraud and violence."

(Michael Myers, UPI)

Pro-Government Firms Feel Aquino's Boycott Call

MANILA -- Pro-government businesses today began to feel the effects of opposition leader Corazon Aquino's call for a boycott of companies that supported Marcos in the disputed Feb. 7 presidential election. In a related development, leftist youths called a protest rally in front of the U.S. embassy and a march to the presidential palace.

Special envoy Philip Habib's second day in Manila was shrouded in secrecy. The embassy has declined to disclose the activities of Habib, who is gathering information on the election for President Reagan.

(Fernando Del Mundo, UPI)

ENTRENCHING IN HONDURAS

Sometime this week, the 31-piece band of the New Mexico Army National Guard will unpack its tubas, trombones and piccolos in the Honduran jungle and begin entertaining American troops in Central America.

The band's fortnight sojourn is a small symptom of what has become a sustained and institutionalized U.S. military and intelligence presence in Honduras. Since the summer of 1983, there have rarely been fewer than 1,000 U.S. troops in that mountainous nation the size of Ohio, while tens of thousands more have cycled through in an unbroken series of exercises.

(Fred Hiatt, Washington Post, A1)

EXCAVATION TEAM TO SEARCH FOR WARPLANE TODAY

BANGKOK, Thailand -- A U.S. military excavation team camped in the jungle foothills of southern Laos and prepared to search for the remains of 14 American airmen whose plane was shot down in 1972. The 11-man team, participating in the second U.S.-Lao excavation of an American warplane, was expected to begin work today at the crash site 80 miles to the east.

(Ted Chan, UPI)

CONTRAS WARN CIVIL WAR COULD WITHER WITHOUT U.S. MILITARY AID

SAN JOSE, Costa Rica -- Unless the U.S. Congress gives Contra rebels fighting the Sandinista government in Nicaragua more financial aid, the fighting could turn into a prolonged "sterile war" with many casualties and no winners. Alfonso Robelo, a political commander of the largest Contra army, said in a recent interview that if approved, the funding would go toward beefing up the crippled urban offensive of the Nicaraguan Democratic Force, or FDN.

Renewed military aid from the United States "in adequate amounts and with appropriate conditions" is vital to the FDN's ability to continue its 5-year-old struggle to overthrow the Sandinista government, Robelo said.

(Tracy Wilkinson, UPI)

UNITED STATES BLAMED FOR CONTRA ATTACK

SOMOTILLO, Nicaragua -- The foreign ministry has charged the United States with responsibility for the deaths of four Nicaraguan women and a Swiss development worker who were killed in a rebel ambush. Eight other civilians, including several small children, were wounded in the Sunday night attack, and some were listed in critical condition Monday, a military official said.

The officials Monday said two or three rebel Contras detonated two land mines as a truck carrying 19 civilians passed over the mines near the city of Somotillo, 72 miles north of Managua. "The mines are very sophisticated, and only the U.S. Army and the CIA have them," said Lt. Orlando Perez, head of the Nicaraguan border patrol.

(Oswaldo Bonilla, UPI)

W. EUROPE FEARS LOSING ARMS SHIELD

BRUSSELS, Belgium -- As the United States and the Soviet Union seem to move closer to an agreement to reduce nuclear weapons in Europe, U.S. allies in Western Europe are increasingly nervous over the prospect of losing the protective shield provided by the recent installation of cruise and Pershing II missiles.

"Now that the moment of truth has arrived, the Europeans are afraid of being left high and dry by the U.S.," commented one American official here.

(Peter Maass, Baltimore Sun, A1)

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NATIONAL NEWS

GOP LAWMAKERS, MILLER PLOT STRATEGY

House Republicans met yesterday with the director of OMB to straighten out a few things among themselves about President Reagan's proposed budget and perhaps offset publicity accorded Democrats who held nationwide budget hearings last week.

"The businesslike attitude of our Republican members, including their willingness to work on a holiday, contrasts sharply with the costly and blatantly political tour that the House Budget Democrats conducted over the recess," Rep. Lynn Martin (R-Ill.) said in a statement on the Washington's Birthday holiday. (Judith Havemann, Washington Post, A7)

Administration, House GOP Seek Compromise on Budget

House Republicans and the White House, after a shootout over tax reform last December, began working behind closed doors yesterday to craft a compromise version of the Administration's fiscal 1987 budget.

White House Budget Director James Miller met with five key Republican members of the House Budget Committee, starting what some optimistic Republicans predict will result in the most united GOP budget strategy during the Reagan Administration.

(Rita McWilliams, Washington Times, A3)

USDA READIES STEPS TO COMBAT EROSION

Agriculture Department officials are putting the last touches on plans to carry out a new soil conservation program, the most stringent ever adopted in this country, that will take millions of erosion-prone acres out of production and penalize farmers who mistreat their land.

Unlike other federal conservation efforts in the past 50 years, which have poured billions of dollars into marginally effective schemes, this one has an important new wrinkle. Government farm-program subsidies will no longer be available to farmers who allow erosion to continue on their farms.

(Ward Sinclair, Washington Post, A11)

REAGAN POLITICAL ADVISER FOCUSES ON HOLDING SENATE

President Reagan's chief political strategist says the Republicans can do little more than hold their own in the 1986 House and Senate races. But "holding their own" -- retaining control of the Senate and suffering minimum midterm losses in the House -- would be a good year's work.

Mitchell Daniels, who has taken the high-visibility position once held by Edward Rollins, believes that the Republicans do not have all the issues on their side -- an assessment that differs from some key Administration policy makers. (Thomas Brandt, Washington Times, A1)

B1, STEALTH DOGFIGHT IN CONGRESS

The strangest Air Force bomber debate since 1921 is about to unfold in Congress -- with tens of billions of dollars at stake. The choice is between the bomber almost everyone in Congress knows about, Rockwell International Corp.'s B1, and the bomber almost no one in Congress knows about, Northrop Corp.'s "Stealth." (George Wilson, Washington Post, A8)

CONGRESS/BUDGET

House Speaker O'Neill is challenging President Reagan to back increases to help trim budget deficits or watch his military buildup come to an end. "The time has come for the President to face the facts," O'Neill, told the AFL-CIO executive council meeting Monday in Bal Harbour, Fla. "Unless he moves on revenues his defense buildup is over."

The speaker's remarks were the latest shots in this year's budget struggle that continued away from Capitol Hill for the past week while Congress took time off to observe the birthdays of Abraham Lincoln and George Washington. (Cliff Haas, AP)

REAGAN/FOUNDATION

The board of governors of the Ronald Reagan Presidential Foundation includes the President's four children, actor Charlton Heston, evangelist Billy Graham, a cluster of corporate titans and a melange of media moguls.

The 102 governors, nominated by the trustees and approved by President Reagan and his wife, Nancy, will give advice on the direction, policy and conduct of the foundation. (UPI)

EDITOR'S NOTES: "The Name Game at the White House" by Donnie Radcliffe appears on page B2 of the Washington Post Style section.

"Not the Real Elvis," an article on Vice President Bush's bid for the '88 Republican presidential nomination by Richard Viguerie, appears on page D1 of the Washington Times Commentary section.

NETWORK NEWS SUMMARY

(Monday Evening, February 17, 1986)

END OF TYLENOL CAPSULES

ABC's Ted Koppel: Johnson & Johnson has reached the conclusion that there are some acts of terrorism against which it simply cannot protect the public.

ABC's Bettina Gregory: Johnson & Johnson says it will no longer make or sell any capsules directly to consumers. And they don't plan to resume sales in the future. In addition to all forms of Tylenol capsules, the company will also stop making capsules of Sine-Aid and other sinus medications, CoTylenol and Dymensin. The company will try to replace sales of Tylenol capsules with 'Caplets,' coated tablets, which contain the same amount of medicine and which are not believed as vulnerable to tampering. But the rest of the over-the-counter capsule makers are not rushing to withdraw their products.

The F.D.A. is meeting with over-the-counter drug makers in Washington tomorrow. But the F.D.A. is not ready to ban all capsules because they're easier to swallow than tablets, and can be used for time-released medicines.

(John Norris, F.D.A.: "This time there does not seem to be any justification to go beyond what was done voluntarily today by Johnson & Johnson.") (ABC, NBC-Lead, CBS-2)

CHALLENGER COMMISSION FINDINGS

Koppel: The commission investigating the explosion on board the space shuttle Challenger has begun focusing on the way NASA's Top Brass makes crucial decisions. Over the weekend, the chairman of the commission, William Rogers, said the decision to launch Challenger may have been flawed.

ABC's Lynn Sherr: NASA decided to launch Challenger despite disagreements over the effect of the cold on the hard rubber O-rings used to seal the rocket segments. ABC News has learned those disagreements were a major factor leading to this weekend's surprise announcement from the Presidential Commission to bar key officials at NASA and rocket maker Morton Thiokol from taking part in the accident investigation. It appears there were disagreements among both the Thiokol people and NASA's own propulsion people, a source close to the commission told ABC News. The source also expressed concern that the disagreements did not go far enough up the decision ladder. In public testimony and briefings, NASA has never suggested there were differences of opinion over the decision to launch. But they said the concerns were resolved. By forbidding NASA and the rocket maker to investigate themselves, as they had been doing since the accident happened, the Presidential Commission was also saying they were too close to the event, sources say, and they indicated that only key individuals, not hundreds on the decision-making team, are meant to step aside. (ABC-2)

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CBS's Eric Engberg: The President's commission investigation reportedly was shocked by revelations made at Cape Canaveral on Friday that the decision to launch Challenger came after engineers familiar with the solid rocket boosters warned against a launch. CBS News has been told that evidence presented behind closed doors so upset commission chairman William Rogers and other members that they moved at once to bar any NASA employee involved in the decision to launch from playing an active role in the investigation. Who said what when will now become crucial to the investigation. Faced with a NASA now clearly in crisis, the White House is trying to line up a new administrator for the agency. It wants James Fletcher, who had the job once before. But that can happen only if the current administrator, James Beggs, who is on leave because of trouble unrelated to the agency, will agree to step aside. (CBS-1)

NBC's Dan Melina: NASA engineers were aware of all of these possibilities after the switch to the new boosters. There had been very few concerns before that. Changes in the new boosters were being considered, but the flaws didn't appear to be very crucial to safety. (NBC-2)

ANTI-MARCOS PRESSURE ON PRESIDENT REAGAN

Koppel: Both at home and abroad today, the pressure on the Reagan Administration to abandon Philippine President Marcos continued to build. The growing tide of anti-Marcos feeling led the President to issue a strong denunciation of Marcos over the weekend. And Mr. Reagan's personal envoy, Philip Habib, met with Marcos and his opposition today to sort out allegations of election fraud.

ABC's Mark Litke: President Marcos seemed quite happy to meet with special envoy Philip Habib, a chance to tell his side of the story. According to palace sources, Marcos presented Habib with written evidence, pictures, and a sworn statement, presumably backing up his claims that the opposition had cheated, and that he was the legitimate victor.

(TV Coverage: Marcos greeting Habib; Aquino talking with Habib.) Corazon Aquino, of course, told him a different tale a short time later. According to her aides, the veteran diplomat got an earful about the U.S. supporting an imposter president, who had stolen the election from Mrs. Aquino. And Habib probably heard more criticism at his final meeting with Cardinal Hymie Synn, of the influential Catholic church, which has also condemned the election as fraudulent. It's still not known if Habib is carrying messages from President Reagan. As usual, Habib's not saying.

(Habib to reporters: "I've told you before -- just take pictures and that's all!")

While Habib has received a cordial reception from all parties, one thing is for certain: his presence here is having no effect on the mood of political confrontation in the Philippines. Tonight Mrs. Aquino went on a catholic radio station to attack the government.

ABC's Kenneth Walker reports that Democratic senators, just back from Manila, intensified calls today for President Reagan to get tough with Marcos.

(Sen. Levin: "Senators Boren, Pryor and I all agree that the President should pick up the phone and clearly and unambiguously tell Marcos that it is time for him to step aside, that he no longer has any support from the United States.")

At last week's news conference, President Reagan tried to deflect charges that Marcos was trying to steal the election.

(President: "We're concerned about the violence that was evident there and the possibility of fraud, although it could have been that all of that was occurring on both sides.")

But on Saturday, after the Philippine Parliament declared Marcos the winner, a much tougher statement was issued from the Reagan ranch in California.

("Widespread fraud and violence," the statement read, "perpetrated largely by the ruling party, was so extreme that the election's credibility has been called into question.")

The President's statement was fashioned in a conference call Mr. Reagan held with National Security Adviser Poindexter, CIA Director Casey, Secretary Weinberger, Secretary Shultz, and Chief of Staff Regan. What changed the President's view was growing criticism from Congress and the Administration's own reports showing most of the fraud was by Marcos supporters, and that without it, Aquino would have won. If U.S. Ambassador Habib fails to help arrange an accommodation between Marcos and Aquino, President Reagan must decide if Marcos and strategic U.S. bases in the Philippines must be defended, whatever the cost. (ABC-5)

CBS's David Jackson reports that Habib made the rounds of major parties to the current political crisis.

(TV Coverage: Habib with Marcos, Catholic leaders, Aquino and Senator Laurel.)

A palace spokesman said Habib assured Marcos he's here to gather facts, not interfere. Senator Laurel told CBS News Habib sounded Aquino and Laurel out on the idea of an aid cut, which is just what they want.

CBS's Bill Plante: Administration officials tell CBS News that President Reagan's change of heart last weekend about the credibility of the Philippine election is just the beginning of U.S. pressure if Marcos remains unwilling to seek accommodation with his opposition. Policy makers here believe that Marcos is on his way out. Their main concern is that the transition be without violence. That is why the Administration is anxious to move gradually. But many in Congress want stronger action now.

(Sen. Levin: "The President should pick up the phone and clearly and unambiguously tell Mr. Marcos that it is time for him to step aside and that he no longer has any support from the United States.")

Democrat James Sasser will try to stop economic aid and pull out 18,000 U.S. military dependants. But the chairman of the Foreign Relations Committee wants to continue aid, while denouncing the election results.

Plante continues:

(Sen. Lugar: "Congress is weighing it heavily against no aid at all.... I think we ... ought to help the Administration devise ways of assisting our friends, who are the Philippine people.")
Pressure from Congress is one thing. But officials here know that the only American that Marcos takes seriously is Ronald Reagan, who had to be convinced that the election was too fraudulent to be credible. Nevertheless, Administration aides who doubt that things will get any better in Manila, are counting on the President to come around and to get the message to Marcos. (CBS-5)

NBC's Keith Miller: In a two-hour meeting, Marcos told Habib it was the opposition, not his party, that cheated. He offered Habib photographs and statements that he said would prove it. According to a spokesman, Habib listened but did not comment. In a separate meeting, Corazon Aquino told the diplomatic troubleshooter that a crisis can be averted only if Marcos resigns. When asked what Aquino gave Habib, a spokesman said an earful. Habib, in his habit, wasn't talking about what he found out. Whatever Habib's findings, Marcos shows no intention of avoiding the results of the election. He has run this country for 20 years, and is apparently convinced he can stabilize the situation, with or without American support. (NBC-3)

ISRAELI SWEEP

Koppel: For the first time in more than two months, Israeli troops today launched a major offensive inside Southern Lebanon. There are unconfirmed reports Israelis exchanged gunfire with U.N. Peacekeeping troops in the area. The Israelis say that they're looking for two Israeli soldiers kidnapped earlier in the day by guerrillas who ambushed an Israeli patrol. Two other Israeli soldiers were killed in that ambush. (ABC-7, CBS-4, NBC-6)

DUVALIER GO HOME

NBC's Tom Brokaw: The French government said today that Jean-Claude Duvalier, the deposed Haitian dictator, has worn out his welcome in that country, and a senior presidential aide said the United States should now take responsibility for him. "He came in an American plane," said this official, "and we would like the Americans to take charge of Duvalier." The United States, thus far, has refused to allow Duvalier to come here, however. (NBC-4)

-more-

NICARAGUA

Brokaw: Nicaragua said today that at least four people, including a swiss volunteer, were killed by the contras in an attack on a civilian truck. The government said it happened late yesterday near the Honduran border, and the worst contra attack on civilians in more than a year. This attack comes as the Reagan Administration prepares to ask Congress for more money for the contras, fighting the Nicaraguan government. Many of the contras, however, have fled, and top Administration officials say only about 3,000 still are fighting. And it may be now a losing battle.

NBC's Jamie Gangel: This is what the contras are up against:

(TV Coverage: Lean contra soldiers doing maneuvers.)

A strengthened Sandinista army Nicaragua is now spending more than 50 percent of its budget to support.

(Sandinista Vice President Sergio Ramirez: "We can win this war this year or next year -- we are not in any hurry.")

Even in areas the contras have infiltrated, they hold no towns and have launched no major offensives. Instead, government troops have set up large camps and are patrolling aggressively. Publicly, the contras still say they're winning. That all they need is U.S. military aid.

(Contra leader Alphonso Robelo: "If they give us full aid in adequate amounts, we can win in 12 months.")

Top Administration officials are concerned the White House is overselling the contras. And some U.S. officials are now saying, the contras are in such disarray, they may not even be worth backing. Said one, "Ronald Reagan's freedom fighters are just a rag-tag army with little training or discipline." (NBC-10)

AMERICAN KILLED

Brokaw: In El Salvador, Leftist guerrillas say they are responsible for the weekend killing of a American in San Salvador. Peter Haskell died Saturday, after being shot in the chest. The rebels claim that he was an advisor to the Salvadoran army, but the U.S. Embassy said that Haskell was simply a merchant sailor. (NBC-11)

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ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley.

Panel: George F. Will, Sam Donaldson.

Guests: Andrew O'Rourke, Westchester County (New York) Executive, James Zagel, Director, Illinois Department of Law Enforcement, Frank Young, M.D., Administrator, Food and Drug Administration, James Burke, CEO of Johnson & Johnson.

On the Tylenol Poisonings:

Will: There's a normal sort of American reflex that if something goes wrong the federal government ought to do something about it.

Young: Yes.

Will: Are you going to do something about it?

Young: I'm not going to say what we're going to do at this point. We're ready to examine all the options I think there's a real responsibility that the federal government has, and we'll do our part, but it's also important that as I gave the advice to the consumers, you really should look very carefully at the type of medicine that you're taking.

FREE FOR ALL DISCUSSION

David Brinkley, Sam Donaldson, George Will, and Hodding Carter III.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

Brinkley: What did you all think of it?

Will: The reason was conflict of interest, and the question is: why shouldn't he have an interest in how the money will be spent, that he, more than any American has been responsible for raising.... I think he has a right to be angry.

-more-

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Donaldson: A lot of people suspect that the conflict of interest was between Lee Iacocca and a man named George Bush. Because if Mr. Iacocca had remained as head of the commission, he would have had a very major part in the Fourth of July celebration of the dedication. And other people say Donald Regan -- another very strong-willed man -- was angry at him and wanted him fired. I'd like to speak a word for Donald Hodel, the Secretary of Interior. Iacocca said, after he'd been fired, that it was almost "un-American" to fire him. Rot! It's very American to do away with your political enemies, unlike Marcos, who shoots them ...

Will: If his name were Lee Smith, if ... he were not prominently mentioned as a presidential candidate, were he not critical of the Reagan Administration, he would not have been fired, right?

Carter: They knew he was what he was when they put him in there, he's done a magnificent job. Obviously, they should not have gotten rid of him.

On the Philippines Election:

Brinkley: What do we do about it?

Carter: You prepare a place for Mr. Marcos and back way off, and say loudly and repeatedly, that we do not associate ourselves with this election.

Brinkley: Prepare a place -- what do you mean?

Carter: When he has to leave. We can find an island for all our pet dictators.

Donaldson: Two weeks before the election, on this very program, White House Chief of Staff Don Regan was asked about that, and remember what he said: "Well, we'd condemn the fraud, but if it's a duly certified government, we'd have to work with it." And we said to Regan, well, even if it's elected by fraud? And he said, "Yeah, lot of the governments are elected by fraud." What about Angola?

Regan was wrong. Ronald Reagan was wrong, early on, to take the neutral attitude in which he said in his news conference that there was fraud on both sides; as if to suggest, gee, they're equally guilty.

Brinkley: What was he wrong about?

Donaldson: To say that there was fraud on both sides, when clearly his own observer team had that morning reported to him, and it was that Marcos -- the government of the Philippines -- that was controlling the fraud was wrong.

Will: We're still ... woven into the life of the Philippines, in a way that seems to me hard to end.

###

CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Philippines President Marcos; Senator Lugar, Richard Holbrooke; former Assistant Secretary of State (Carter); and Philippine opposition leader Senator Salvador Laurel.

Stahl: In a key move to mollify the United States, Philippine President Marcos announced today the resignation of his Army Chief of Staff General Fabian Ver. The move, long sought by the Reagan Administration, came one day after President Reagan shifted his position and blamed Marcos for widespread fraud and violence, which the President said was so extreme the election's credibility has been called into question.

CBS correspondent David Jackson: Marcos says President Reagan's statement that the voting was fraught with fraud is misinformed, but he promises to investigate all charges. He did announce changes that the Reagan Administration has been after all along, including the removal of the controversial military chief of staff General Fabian Ver.

Stahl: In an interview earlier this morning, Ferdinand Marcos told us, to our surprise, that he welcomes President Reagan's latest statement, that Marcos' party carried out most of the fraud and violence in the election.

Marcos: Any statement from the President of the United States is significant --

Stahl: Do you admit that your party carried out any fraud and violence?

Marcos: No, I don't.

Stahl: Why did Gen. Ver resign? I know it's something the U.S. government had hoped would happen, but why -- why today?

Marcos: Well, because I was just proclaimed, and he felt that he had performed his mission....

Stahl: ... Have you been told that you would be welcome in the United States ...?

Marcos: Well, I don't know. I never asked because I don't intend really to come to the United States.

Stahl: Is there any -- under any circumstance in which you would step down?

Marcos: Well, that's ridiculous....

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Stahl: Sen. Laurel, Gen. Ver has resigned.... would you, because of this move, consider ... negotiating with Marcos, as the U.S. government would like to have you do?

Laurel: I don't think that would be enough to have us join the Marcos government.

Stahl: I would like to ask you about President Reagan's latest statement, that he now feels that the Marcos party did carry out most of the fraud and the violence. There had been a lot of complaints, and an impression left that the President was endorsing the moves that Marcos was making. What are your views on the President's statement and positions?

Laurel: Well ... I'm glad that President Reagan corrected his previous statement, because we were all shocked here in Manila when we heard him say that fraud was committed on both sides, and that this was just a simple political contest between two political parties, which was not true, and I'm glad that Mr. Reagan has corrected his previous statement, because the fact is that really the fraud was committed exclusively by the party in power, by Mr. Marcos' party.

Stahl: Do you see this in any way as abandonment by the U.S. government of Marcos, or do you see it more as a move toward neutrality?

Laurel: ... It's too early at this point to say that this is a move towards the direction of distancing itself from Marcos, but I could at least say right now quite accurately that I think Mr. Reagan is getting better advice and information.

Stahl: A lot of leaders in this country, particularly those in Congress, are calling for a cut-off of aid to your country as long as Marcos is in office. Do you support that?

Laurel: I should be the last person to ask for a cut-off of American aid to the Philippines....

Stahl: Is that Mrs. Aquino's position?

Laurel: Yes.

Stahl: Sen. Lugar, you have just heard the opposition leader, Laurel, say that he's not sure that cutting off aid is such a good idea.... you've even brought up the possibility. Why do you think it would be a good idea if it ... would weaken the Army?....

Lugar: ... The problem is, trying to separate aid for military reform from an endorsement of President Marcos....

Stahl: Let me ... ask if you think the ... Reagan Administration, is handling the situation the right way....

-more-

Laurel: The Administration had a rough week.... Senator Lugar's commission did such a brilliant job under such difficult circumstances.... I think that President Reagan's statement yesterday will be looked back on by historians as the beginning of the end for President Marcos, because the Philippine people now understand that the conclusions of the Lugar Commission and the President's view are now synonymous, and this election is not a credible or acceptable outcome.

Lugar: The President has been very careful to say that this country is not suggesting supplanting of anybody.

Holbrooke: I think in the real world we are looking now at not a question of whether Marcos is going to leave, but how and when. For the national interest of the U.S., it's better that it be sooner than later....

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NBC -- MEET THE PRESS

Moderator: Marvin Kalb.

Panel: Elizabeth Drew, Robert Kaiser.

Guest: Anatoly Shcharansky.

Kaiser: Tell us a little about your life in camp.... Did you ever hear a radio?.... How did you learn that Ronald Reagan had become President, or that Gorbachev had become General Secretary?

Shcharansky: ... You more or less find out the ... Soviet point of view on these, or other events....

Once, for example, I could read a Soviet propagandist book ... where there was a photo of President Reagan's letter to my wife, Avital, and in English, and I think it's only because of this that the Soviet authorities did let me read it; they simply didn't notice what in this propagandist book is, and so I read the letter of President Reagan to my wife. It was a very pleasant moment to see it.

Kalb: Could you tell me why do you feel that Mr. Gorbachev allowed you to be released at this time.

Shcharansky: Well, I think that Mr. Gorbachev does try to demonstrate now to the Western World that he is ready to make some changes in his policy, and wants to encourage the West to meet his aims in other branches -- economical, military, political and so on. But ... unfortunately, there is a set condition that almost always, when the Soviet Union makes such signs, he immediately takes some steps in his inner policy, in order to discourage those who can be encouraged by these signs....

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AGRONSKY & COMPANY

Moderator: Martin Agronsky

Panel: Jack Kilpatrick, Strobe Talbott of Time, Elizabeth Drew and Tom Oliphant of The Boston Globe.

On the Challenger Investigation:

Agronsky: Do you think the evidence developed so far from the investigation from the shuttle tragedy indicates a serious misjudgement on the part of NASA?

Talbott: It doesn't look good. I think one thing we can feel good about is that the President moved quickly to establish an independent investigation to look into this.

Drew: The testimony ... documents ... do paint a fairly worrisome, disturbing picture. It is very important this commission be -- and be seen to be -- very independent.

Kilpatrick: It smells to high heaven, and I have an instinctive feeling that there is worse yet to come.

Oliphant: The question is ... whether or not there was a scandalous misjudgement.

On the Philippines election:

Agronsky: We're not sure where the President of the United States stands in connection with how he regards Marcos in the Philippines. On the one hand, we have Mr. Reagan making the observation that there was violence on both sides, which immediately was covered over by the State Department and the White House saying he didn't really mean it. But now, we really don't know where Mr. Reagan is -- does he really regard Mr. Marcos as a democrat, the election as not a fraud?

Drew: We have a government that's very badly and deeply divided over this question. You have on the one hand just about all of the professionals -- and that includes in the Pentagon, in the military, this is not a liberal versus conservative issue, all the people who really know about the Philippines, and many people on the Hill, of various stripes -- who say Marcos cannot govern this nation, he probably stole the election, he cannot deal with the communist insurgency, he has to go in some form. We have Mr. Habib over there ... you did have the President issue a very carefully-crafted statement on the day they sent Habib that was crafted by the State Department. What threw everybody so much was that night he stood up in the press conference and said, there has been fraud on both sides, and you know, the bases are the most important thing. When you get Sam Nunn, who is a ... conservative to moderate Democrat, saying Marcos lost the election; he's trying to steal it from Mrs. Aquino, we should cut off aid, you're beginning to get a consensus that Reagan's going to have to deal with.

Kilpatrick: I'm in favor of cutting off aid. Certainly, this smells to high heaven, too. My gracious ...

Talbott: Marcos will continue for awhile ... but the way that we would really jeopardize those bases, in the long run, is to side with Marcos, because he's a goner, sooner or later.

Oliphant: If there's a silver lining this weekend, it is the Habib mission. This is a wonderful diplomat. I wouldn't be at all surprised if -- stripped of all the diplomatic language -- what he basically says to the guy is, 'Look, you're through.'

Talbott: I think we're knocking the Administration pretty hard here, and, I think, deservedly as far as what the President said at his press conference. That was a classic example of where an off-the-cuff remark by him, that has nothing to do with his talking points, nothing to do with what his advisers were telling him, created big problems that wouldn't be there otherwise.

Agronsky: Sen. Dole said there is an alternative to the Philippines bases: apparently the Martians Islands.

Drew: I think that you have in Mr. Reagan a very great reluctance to appear to be like Jimmy Carter, who undercut the Shah of Iran, Somoza. But the Philippines is different. You have a democratic two-party system, if it's allowed to function.

On Shcharansky's freedom:

Agronsky: What does it mean? Why did they do it?

Talbott: Pre-Summit maneuvering by Gorbachev. It's part of a pattern; the Soviets are coming at us every week with arms control proposals, diplomatic initiatives, and they're trying to increase expectations and hopes for a successful summit, and thereby increase pressure on President Reagan to make some concessions at that summit.

Oliphant: There are other indications that other refuseniks are going to be let go soon. This is part of a pattern, one that's yet unfolding.

On Arms Control:

Oliphant: Gorbachev ... told Sen. Kennedy that he would in no way link a deal on European nuclear missiles with some kind of agreement stopping 'Star Wars.' I'm wondering why he did that and what you think the significance of it is.

Talbott: I think basically that Gorbachev is telling Reagan he can have a so-called Intermediate-Range nuclear forces agreement this year, but he's hoping that that, in turn, will raise expectations for the summit that's coming up in '87, and will increase pressure on Reagan to make some concessions on "Star Wars" then.

Drew: It's beyond politics. This is a wonderful triumph of the human spirit. It's the result of a lot of pressure by a lot of people: President Reagan, Sen. Kennedy, rabbis, Jewish groups, other politicians, in other words, you have to keep pressing.

On budget, taxes

Agronsky: The President says no taxes; Sen. Domenici says ... must be taxes. What's gonna happen?

Kilpatrick: There will be a tax increase. But they won't call it a tax increase. There won't be any increase in the tax rate, as such, but they will finagle it around so we get some more revenue.

Talbott: I'm not so sure anymore.... After that court decision declaring the trigger mechanism (of Gramm-Rudman) unconstitutional, I think that the White House has gone back to the "no deal" posture.

Oliphant: Tactically, for the time being.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

Agronsky: Why in the world did Hodel fire Iacocca?

Talbott: Everybody says it ain't so, but I think it's politics. Lee Iacocca spooks the White House, and particularly Donald Regan.

Agronsky: He's on his way, huh?

Drew: Iacocca ... I don't care who says what ... Mr. Hodel did it.

Oliphant: ... In the President's defense, I see no evidence that the President has any problem with Lee Iacocca. The President is a big, strong, secure man. It's these little, eensy, minor-league politicians around him, headed by Donald Regan, who I think sometimes is a Democrat mole ...

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THE McLAUGHLIN GROUP

Moderator: John McLaughlin

Panel: Robert Novak, Morton Kondracke, Jack Germond, Ben Wattenberg.

On the Philippines Election:

McLaughlin: Corazon Aquino has emerged as a major force in the Philippines. Do you agree?

Wattenberg: Yes. You can have corruption and you can have democracy, and they got both. Any doubt that you may have that she's tough enough to deal with the communist guerrillas -- forget it.

Novak: I think what all of that is is not pro-Aquino; it's anti-Marcos. I think President Reagan's options as President are limited, and I think he's doing the right thing.

Germond: This is a test for the decency of this government, and at this point, we are failing it. By any reasonable assumption, Aquino won that election.

Kondracke: President Reagan has been publicly hinting that we side with Marcos in this arrangement, that we're not really neutral, that we're not really on the side of democracy. I would like to think that that was for a purpose, but I'm afraid it's not. It's part of his knee-jerk kinship to Marcos.

On Shcharansky:

McLaughlin: Will the release of Anatoly Shcharansky free the Soviets from the stigma of being perceived as inhumane and repressive?

Novak: What they have done, is that since Geneva, they have put a gag on Ronald Reagan so he doesn't talk about human rights and they've dribbled out political prisoners, one by one.

Germond: I would agree with Novak that this is a cynical ploy on their part.

Kondracke: This is one dissident. This is not detente.

Wattenberg: The Soviets are going to do what they have to do, and only what they have to do. Gorbachev is coming to the U.S. He can either be greeted with enormous demonstrations, or he can try to diffuse it in one way or another. One man won't do it. He's playing a public relations game.

Novak: But the way he plays it is -- the President of the United States, Ronald Reagan, the old anti-communist, is asked at his press conference about Sakharov. The President is told, "you can't say anything about human rights, or you might cost somebody's freedom," -- he says, "Well, gee, I can't mention that" -- the Russians are winning that game.

-more-

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Germond: Shcharansky is not just another Jewish dissident. Shcharansky's release is symbolically very important as a gesture.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

McLaughlin: When the dust settles on this controversy, do you think that more harm will have been done to the Reagan Administration or to Lee Iacocca?

Novak, Germond, Kondracke, Wattenberg: Reagan is hurt more.

McLaughlin: I think it's gonna hurt Iacocca more!

PREDICTIONS:

Wattenberg: Not this week, probably not this year, but within a year or two, we will all be able to say that the Philippine Islands are a real democracy.

Novak: The oil-import tax is on a life-support system, and by the time we meet again will be dead.

Germond: The response to this movement toward a Southern regional primary in 1988: it appears likely there will be seven or eight Southern states. The response to this is going to be at least two or three Northeast and Midwestern states moving their primaries up to compete, changing the whole way we choose our presidents.

Kondracke: Jack Kemp and Pat Robertson are attracting support on the basis that the other one won't run. Both of them will run, and you're going to have a dandy bruhaha on the Right.

McLaughlin: The Simpson-Mazzoli Immigration Bill is dead for all time.

-End of B-Section-



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, FEBRUARY 18, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Envoy Confers With Marcos; Aquino Demands President Quit -- President Reagan's special envoy, Philip Habib, met separately today with President Marcos and Corazon Aquino, both of whom said later that the American had assured them he was only here to gather information in the aftermath of the presidential election.

(Baltimore Sun, New York Times, Wall Street Journal, Washington Post, Washington Times, UPI)

United States Blamed For Contra Attack -- The foreign ministry has charged the United States with responsibility for the deaths of four Nicaraguan women and a Swiss development worker who were killed in a rebel ambush.

(UPI)

NATIONAL NEWS

Administration, House GOP Seek Compromise on Budget -- House Republicans and the White House, after a shootout over tax reform last December, began working behind closed doors yesterday to craft a compromise version of the Administration's fiscal 1987 budget.

(Washington Post, Washington Times)

NETWORK NEWS (Monday Evening)

CHALLENGER COMMISSION -- William Rogers said the decision to launch Challenger may have been flawed.

PHILIPPINES -- Both at home and abroad today, the pressure on the Administration to abandon Marcos continued to build.

END OF TYLENOL CAPSULES -- Johnson & Johnson says it will no longer make or sell capsules directly to consumers.

SHCHARANSKY

"...Of course I feel myself simply obliged to come to the United States and express my thanks, deepest gratitude, to all those people who were struggling so firmly for the Soviet Jewry, and for my release in particular, and who were together with Avital during this awful nightmare, during all these years, and thanks to whom Avital was practically always near me...."

(Anatoly Shcharansky, Meet the Press, (2/16)

INTERNATIONAL NEWS

HABIB SEES AQUINO, MARCOS

MANILA -- U.S. presidential envoy Philip Habib met today with President Marcos and Corazon Aquino in what the two foes described as a mission to gather information rather than an attempt to broker the country's simmering political crisis. Neither side seemed to emerge from their separate sessions pleased with what they had heard from Habib on their dispute, which is over an election marred by fraud and violence.

Habib's actions are being watched closely by all the participants in the current Philippines political drama after confusing U.S. policy pronouncements in which President Reagan first appeared to lean towards Marcos' version of recent events and then to stiffen his stance toward him.

(William Branigin & James Rupert, Washington Post, A1)

Marcos Likely to Appoint Ver to Major Post

MANILA -- President Marcos intends to appoint Gen. Fabian Ver to a post more powerful than the one he held before, well-placed sources disclosed yesterday. The sources implied that Mr. Marcos had temporarily sidelined Gen. Ver simply to placate U.S. public opinion and would bring him back into the military after U.S. envoy Philip Habib leaves the Philippines.

(Tom Breen, Washington Times, A1)

U.S. Envoy Confers With Marcos; Aquino Demands President Quit

MANILA -- President Reagan's special envoy, Philip Habib, met separately today with President Marcos and Corazon Aquino, both of whom said later that the American had assured them he was only here to gather information in the aftermath of the presidential election.

Mr. Habib had no public comment after the meetings. But after what Malacanang Palace said was a two-hour meeting this morning, Mr. Marcos was quoted in an official release as saying Mr. Habib asserted that the United States "was not interested any way telling us how to run our affairs."

(Seth Mydans, New York Times, A1)

U.S. Officials Want Marcos To Step Down

U.S. officials and members of Congress now agree that U.S. interests in the Philippines would be best served if President Marcos leaves office through an orderly transition. Administration officials clearly hope the Philippine president will see the writing on the wall and take this course (stepping down) on his own.

"If we had our druthers, we would see some sort of transition arrangement, but no one has a formula to bring that about," a senior Administration official said, emphasizing that this is a matter for the Philippine people to decide.

(Frederick Kempe, Wall Street Journal, A37)

U.S. Envoy Sees Marcos And Aquino

MANILA -- With American policy towards the Philippines at a crossroads, a special envoy from President Reagan held talks yesterday with the two candidates in the disputed Philippine presidential election but apparently offered no indications as to which way Washington will jump.

(Anthony Barbieri, Baltimore Sun, A1)

Congress Challenges U.S. Policy on Marcos

Congress has issued a strong challenge to President Reagan's wait-and-see policy towards the Philippines amid charges that President Marcos rigged the Feb. 7 election to stay in power. Reagan is waiting for a report from his envoy, Philip Habib, on conditions in the Philippines and has urged Marcos and opposition leader Corazon Aquino to peacefully resolve the political and economic turmoil in the 7,000-island nation.

But on Capitol Hill, lawmakers are calling for the President to crack down on Marcos on grounds he remains in office by what Reagan himself called "widespread fraud and violence."

(Michael Myers, UPI)

Pro-Government Firms Feel Aquino's Boycott Call

MANILA -- Pro-government businesses today began to feel the effects of opposition leader Corazon Aquino's call for a boycott of companies that supported Marcos in the disputed Feb. 7 presidential election. In a related development, leftist youths called a protest rally in front of the U.S. embassy and a march to the presidential palace.

Special envoy Philip Habib's second day in Manila was shrouded in secrecy. The embassy has declined to disclose the activities of Habib, who is gathering information on the election for President Reagan.

(Fernando Del Mundo, UPI)

ENTRENCHING IN HONDURAS

Sometime this week, the 31-piece band of the New Mexico Army National Guard will unpack its tubas, trombones and piccolos in the Honduran jungle and begin entertaining American troops in Central America.

The band's fortnight sojourn is a small symptom of what has become a sustained and institutionalized U.S. military and intelligence presence in Honduras. Since the summer of 1983, there have rarely been fewer than 1,000 U.S. troops in that mountainous nation the size of Ohio, while tens of thousands more have cycled through in an unbroken series of exercises.

(Fred Hiatt, Washington Post, A1)

EXCAVATION TEAM TO SEARCH FOR WARPLANE TODAY

BANGKOK, Thailand -- A U.S. military excavation team camped in the jungle foothills of southern Laos and prepared to search for the remains of 14 American airmen whose plane was shot down in 1972. The 11-man team, participating in the second U.S.-Lao excavation of an American warplane, was expected to begin work today at the crash site 80 miles to the east.

(Ted Chan, UPI)

CONTRAS WARN CIVIL WAR COULD WITHER WITHOUT U.S. MILITARY AID

SAN JOSE, Costa Rica -- Unless the U.S. Congress gives Contra rebels fighting the Sandinista government in Nicaragua more financial aid, the fighting could turn into a prolonged "sterile war" with many casualties and no winners. Alfonso Robelo, a political commander of the largest Contra army, said in a recent interview that if approved, the funding would go toward beefing up the crippled urban offensive of the Nicaraguan Democratic Force, or FDN.

Renewed military aid from the United States "in adequate amounts and with appropriate conditions" is vital to the FDN's ability to continue its 5-year-old struggle to overthrow the Sandinista government, Robelo said.

(Tracy Wilkinson, UPI)

UNITED STATES BLAMED FOR CONTRA ATTACK

SOMOTILLO, Nicaragua -- The foreign ministry has charged the United States with responsibility for the deaths of four Nicaraguan women and a Swiss development worker who were killed in a rebel ambush. Eight other civilians, including several small children, were wounded in the Sunday night attack, and some were listed in critical condition Monday, a military official said.

The officials Monday said two or three rebel Contras detonated two land mines as a truck carrying 19 civilians passed over the mines near the city of Somotillo, 72 miles north of Managua. "The mines are very sophisticated, and only the U.S. Army and the CIA have them," said Lt. Orlando Perez, head of the Nicaraguan border patrol.

(Oswaldo Bonilla, UPI)

W. EUROPE FEARS LOSING ARMS SHIELD

BRUSSELS, Belgium -- As the United States and the Soviet Union seem to move closer to an agreement to reduce nuclear weapons in Europe, U.S. allies in Western Europe are increasingly nervous over the prospect of losing the protective shield provided by the recent installation of cruise and Pershing II missiles.

"Now that the moment of truth has arrived, the Europeans are afraid of being left high and dry by the U.S.," commented one American official here.

(Peter Maass, Baltimore Sun, A1)

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NATIONAL NEWS

GOP LAWMAKERS, MILLER PLOT STRATEGY

House Republicans met yesterday with the director of OMB to straighten out a few things among themselves about President Reagan's proposed budget and perhaps offset publicity accorded Democrats who held nationwide budget hearings last week.

"The businesslike attitude of our Republican members, including their willingness to work on a holiday, contrasts sharply with the costly and blatantly political tour that the House Budget Democrats conducted over the recess," Rep. Lynn Martin (R-Ill.) said in a statement on the Washington's Birthday holiday. (Judith Havemann, Washington Post, A7)

Administration, House GOP Seek Compromise on Budget

House Republicans and the White House, after a shootout over tax reform last December, began working behind closed doors yesterday to craft a compromise version of the Administration's fiscal 1987 budget.

White House Budget Director James Miller met with five key Republican members of the House Budget Committee, starting what some optimistic Republicans predict will result in the most united GOP budget strategy during the Reagan Administration.

(Rita McWilliams, Washington Times, A3)

USDA READIES STEPS TO COMBAT EROSION

Agriculture Department officials are putting the last touches on plans to carry out a new soil conservation program, the most stringent ever adopted in this country, that will take millions of erosion-prone acres out of production and penalize farmers who mistreat their land.

Unlike other federal conservation efforts in the past 50 years, which have poured billions of dollars into marginally effective schemes, this one has an important new wrinkle. Government farm-program subsidies will no longer be available to farmers who allow erosion to continue on their farms.

(Ward Sinclair, Washington Post, A11)

REAGAN POLITICAL ADVISER FOCUSES ON HOLDING SENATE

President Reagan's chief political strategist says the Republicans can do little more than hold their own in the 1986 House and Senate races. But "holding their own" -- retaining control of the Senate and suffering minimum midterm losses in the House -- would be a good year's work.

Mitchell Daniels, who has taken the high-visibility position once held by Edward Rollins, believes that the Republicans do not have all the issues on their side -- an assessment that differs from some key Administration policy makers. (Thomas Brandt, Washington Times, A1)

B1, STEALTH DOGFIGHT IN CONGRESS

The strangest Air Force bomber debate since 1921 is about to unfold in Congress -- with tens of billions of dollars at stake. The choice is between the bomber almost everyone in Congress knows about, Rockwell International Corp.'s B1, and the bomber almost no one in Congress knows about, Northrop Corp.'s "Stealth." (George Wilson, Washington Post, A8)

CONGRESS/BUDGET

House Speaker O'Neill is challenging President Reagan to back increases to help trim budget deficits or watch his military buildup come to an end. "The time has come for the President to face the facts," O'Neill, told the AFL-CIO executive council meeting Monday in Bal Harbour, Fla. "Unless he moves on revenues his defense buildup is over."

The speaker's remarks were the latest shots in this year's budget struggle that continued away from Capitol Hill for the past week while Congress took time off to observe the birthdays of Abraham Lincoln and George Washington. (Cliff Haas, AP)

REAGAN/FOUNDATION

The board of governors of the Ronald Reagan Presidential Foundation includes the President's four children, actor Charlton Heston, evangelist Billy Graham, a cluster of corporate titans and a melange of media moguls.

The 102 governors, nominated by the trustees and approved by President Reagan and his wife, Nancy, will give advice on the direction, policy and conduct of the foundation. (UPI)

EDITOR'S NOTES: "The Name Game at the White House" by Donnie Radcliffe appears on page B2 of the Washington Post Style section.

"Not the Real Elvis," an article on Vice President Bush's bid for the '88 Republican presidential nomination by Richard Viguerie, appears on page D1 of the Washington Times Commentary section.

NETWORK NEWS SUMMARY

(Monday Evening, February 17, 1986)

END OF TYLENOL CAPSULES

ABC's Ted Koppel: Johnson & Johnson has reached the conclusion that there are some acts of terrorism against which it simply cannot protect the public.

ABC's Bettina Gregory: Johnson & Johnson says it will no longer make or sell any capsules directly to consumers. And they don't plan to resume sales in the future. In addition to all forms of Tylenol capsules, the company will also stop making capsules of Sine-Aid and other sinus medications, CoTylenol and Dymensin. The company will try to replace sales of Tylenol capsules with 'Caplets,' coated tablets, which contain the same amount of medicine and which are not believed as vulnerable to tampering. But the rest of the over-the-counter capsule makers are not rushing to withdraw their products.

The F.D.A. is meeting with over-the-counter drug makers in Washington tomorrow. But the F.D.A. is not ready to ban all capsules because they're easier to swallow than tablets, and can be used for time-released medicines.

(John Norris, F.D.A.: "This time there does not seem to be any justification to go beyond what was done voluntarily today by Johnson & Johnson.") (ABC, NBC-Lead, CBS-2)

CHALLENGER COMMISSION FINDINGS

Koppel: The commission investigating the explosion on board the space shuttle Challenger has begun focusing on the way NASA's Top Brass makes crucial decisions. Over the weekend, the chairman of the commission, William Rogers, said the decision to launch Challenger may have been flawed.

ABC's Lynn Sherr: NASA decided to launch Challenger despite disagreements over the effect of the cold on the hard rubber O-rings used to seal the rocket segments. ABC News has learned those disagreements were a major factor leading to this weekend's surprise announcement from the Presidential Commission to bar key officials at NASA and rocket maker Morton Thiokol from taking part in the accident investigation. It appears there were disagreements among both the Thiokol people and NASA's own propulsion people, a source close to the commission told ABC News. The source also expressed concern that the disagreements did not go far enough up the decision ladder. In public testimony and briefings, NASA has never suggested there were differences of opinion over the decision to launch. But they said the concerns were resolved. By forbidding NASA and the rocket maker to investigate themselves, as they had been doing since the accident happened, the Presidential Commission was also saying they were too close to the event, sources say, and they indicated that only key individuals, not hundreds on the decision-making team, are meant to step aside. (ABC-2)

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CBS's Eric Engberg: The President's commission investigation reportedly was shocked by revelations made at Cape Canaveral on Friday that the decision to launch Challenger came after engineers familiar with the solid rocket boosters warned against a launch. CBS News has been told that evidence presented behind closed doors so upset commission chairman William Rogers and other members that they moved at once to bar any NASA employee involved in the decision to launch from playing an active role in the investigation. Who said what when will now become crucial to the investigation. Faced with a NASA now clearly in crisis, the White House is trying to line up a new administrator for the agency. It wants James Fletcher, who had the job once before. But that can happen only if the current administrator, James Beggs, who is on leave because of trouble unrelated to the agency, will agree to step aside. (CBS-1)

NBC's Dan Melina: NASA engineers were aware of all of these possibilities after the switch to the new boosters. There had been very few concerns before that. Changes in the new boosters were being considered, but the flaws didn't appear to be very crucial to safety. (NBC-2)

ANTI-MARCOS PRESSURE ON PRESIDENT REAGAN

Koppel: Both at home and abroad today, the pressure on the Reagan Administration to abandon Philippine President Marcos continued to build. The growing tide of anti-Marcos feeling led the President to issue a strong denunciation of Marcos over the weekend. And Mr. Reagan's personal envoy, Philip Habib, met with Marcos and his opposition today to sort out allegations of election fraud.

ABC's Mark Litke: President Marcos seemed quite happy to meet with special envoy Philip Habib, a chance to tell his side of the story. According to palace sources, Marcos presented Habib with written evidence, pictures, and a sworn statement, presumably backing up his claims that the opposition had cheated, and that he was the legitimate victor.

(TV Coverage: Marcos greeting Habib; Aquino talking with Habib.) Corazon Aquino, of course, told him a different tale a short time later. According to her aides, the veteran diplomat got an earful about the U.S. supporting an imposter president, who had stolen the election from Mrs. Aquino. And Habib probably heard more criticism at his final meeting with Cardinal Hymie Synn, of the influential Catholic church, which has also condemned the election as fraudulent. It's still not known if Habib is carrying messages from President Reagan. As usual, Habib's not saying.

(Habib to reporters: "I've told you before -- just take pictures and that's all!")

While Habib has received a cordial reception from all parties, one thing is for certain: his presence here is having no effect on the mood of political confrontation in the Philippines. Tonight Mrs. Aquino went on a catholic radio station to attack the government.

ABC's Kenneth Walker reports that Democratic senators, just back from Manila, intensified calls today for President Reagan to get tough with Marcos.

(Sen. Levin: "Senators Boren, Pryor and I all agree that the President should pick up the phone and clearly and unambiguously tell Marcos that it is time for him to step aside, that he no longer has any support from the United States.")

At last week's news conference, President Reagan tried to deflect charges that Marcos was trying to steal the election.

(President: "We're concerned about the violence that was evident there and the possibility of fraud, although it could have been that all of that was occurring on both sides.")

But on Saturday, after the Philippine Parliament declared Marcos the winner, a much tougher statement was issued from the Reagan ranch in California.

("Widespread fraud and violence," the statement read, "perpetrated largely by the ruling party, was so extreme that the election's credibility has been called into question.")

The President's statement was fashioned in a conference call Mr. Reagan held with National Security Adviser Poindexter, CIA Director Casey, Secretary Weinberger, Secretary Shultz, and Chief of Staff Regan. What changed the President's view was growing criticism from Congress and the Administration's own reports showing most of the fraud was by Marcos supporters, and that without it, Aquino would have won. If U.S. Ambassador Habib fails to help arrange an accommodation between Marcos and Aquino, President Reagan must decide if Marcos and strategic U.S. bases in the Philippines must be defended, whatever the cost. (ABC-5)

CBS's David Jackson reports that Habib made the rounds of major parties to the current political crisis.

(TV Coverage: Habib with Marcos, Catholic leaders, Aquino and Senator Laurel.)

A palace spokesman said Habib assured Marcos he's here to gather facts, not interfere. Senator Laurel told CBS News Habib sounded Aquino and Laurel out on the idea of an aid cut, which is just what they want.

CBS's Bill Plante: Administration officials tell CBS News that President Reagan's change of heart last weekend about the credibility of the Philippine election is just the beginning of U.S. pressure if Marcos remains unwilling to seek accommodation with his opposition. Policy makers here believe that Marcos is on his way out. Their main concern is that the transition be without violence. That is why the Administration is anxious to move gradually. But many in Congress want stronger action now.

(Sen. Levin: "The President should pick up the phone and clearly and unambiguously tell Mr. Marcos that it is time for him to step aside and that he no longer has any support from the United States.")

Democrat James Sasser will try to stop economic aid and pull out 18,000 U.S. military dependants. But the chairman of the Foreign Relations Committee wants to continue aid, while denouncing the election results.

Plante continues:

(Sen. Lugar: "Congress is weighing it heavily against no aid at all.... I think we ... ought to help the Administration devise ways of assisting our friends, who are the Philippine people.")
Pressure from Congress is one thing. But officials here know that the only American that Marcos takes seriously is Ronald Reagan, who had to be convinced that the election was too fraudulent to be credible. Nevertheless, Administration aides who doubt that things will get any better in Manila, are counting on the President to come around and to get the message to Marcos. (CBS-5)

NBC's Keith Miller: In a two-hour meeting, Marcos told Habib it was the opposition, not his party, that cheated. He offered Habib photographs and statements that he said would prove it. According to a spokesman, Habib listened but did not comment. In a separate meeting, Corazon Aquino told the diplomatic troubleshooter that a crisis can be averted only if Marcos resigns. When asked what Aquino gave Habib, a spokesman said an earful. Habib, in his habit, wasn't talking about what he found out. Whatever Habib's findings, Marcos shows no intention of avoiding the results of the election. He has run this country for 20 years, and is apparently convinced he can stabilize the situation, with or without American support. (NBC-3)

ISRAELI SWEEP

Koppel: For the first time in more than two months, Israeli troops today launched a major offensive inside Southern Lebanon. There are unconfirmed reports Israelis exchanged gunfire with U.N. Peacekeeping troops in the area. The Israelis say that they're looking for two Israeli soldiers kidnapped earlier in the day by guerrillas who ambushed an Israeli patrol. Two other Israeli soldiers were killed in that ambush. (ABC-7, CBS-4, NBC-6)

DUVALIER GO HOME

NBC's Tom Brokaw: The French government said today that Jean-Claude Duvalier, the deposed Haitian dictator, has worn out his welcome in that country, and a senior presidential aide said the United States should now take responsibility for him. "He came in an American plane," said this official, "and we would like the Americans to take charge of Duvalier." The United States, thus far, has refused to allow Duvalier to come here, however. (NBC-4)

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NICARAGUA

Brokaw: Nicaragua said today that at least four people, including a swiss volunteer, were killed by the contras in an attack on a civilian truck. The government said it happened late yesterday near the Honduran border, and the worst contra attack on civilians in more than a year. This attack comes as the Reagan Administration prepares to ask Congress for more money for the contras, fighting the Nicaraguan government. Many of the contras, however, have fled, and top Administration officials say only about 3,000 still are fighting. And it may be now a losing battle.

NBC's Jamie Gangel: This is what the contras are up against:

(TV Coverage: Lean contra soldiers doing maneuvers.)

A strengthened Sandinista army Nicaragua is now spending more than 50 percent of its budget to support.

(Sandinista Vice President Sergio Ramirez: "We can win this war this year or next year -- we are not in any hurry.")

Even in areas the contras have infiltrated, they hold no towns and have launched no major offensives. Instead, government troops have set up large camps and are patrolling aggressively. Publicly, the contras still say they're winning. That all they need is U.S. military aid.

(Contra leader Alphonso Robelo: "If they give us full aid in adequate amounts, we can win in 12 months.")

Top Administration officials are concerned the White House is overselling the contras. And some U.S. officials are now saying, the contras are in such disarray, they may not even be worth backing. Said one, "Ronald Reagan's freedom fighters are just a rag-tag army with little training or discipline." (NBC-10)

AMERICAN KILLED

Brokaw: In El Salvador, Leftist guerrillas say they are responsible for the weekend killing of a American in San Salvador. Peter Haskell died Saturday, after being shot in the chest. The rebels claim that he was an advisor to the Salvadoran army, but the U.S. Embassy said that Haskell was simply a merchant sailor. (NBC-11)

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ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley.

Panel: George F. Will, Sam Donaldson.

Guests: Andrew O'Rourke, Westchester County (New York) Executive, James Zagel, Director, Illinois Department of Law Enforcement, Frank Young, M.D., Administrator, Food and Drug Administration, James Burke, CEO of Johnson & Johnson.

On the Tylenol Poisonings:

Will: There's a normal sort of American reflex that if something goes wrong the federal government ought to do something about it.

Young: Yes.

Will: Are you going to do something about it?

Young: I'm not going to say what we're going to do at this point. We're ready to examine all the options I think there's a real responsibility that the federal government has, and we'll do our part, but it's also important that as I gave the advice to the consumers, you really should look very carefully at the type of medicine that you're taking.

FREE FOR ALL DISCUSSION

David Brinkley, Sam Donaldson, George Will, and Hodding Carter III.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

Brinkley: What did you all think of it?

Will: The reason was conflict of interest, and the question is: why shouldn't he have an interest in how the money will be spent, that he, more than any American has been responsible for raising.... I think he has a right to be angry.

-more-

Tuesday, February 18, 1986 -- B-7

Donaldson: A lot of people suspect that the conflict of interest was between Lee Iacocca and a man named George Bush. Because if Mr. Iacocca had remained as head of the commission, he would have had a very major part in the Fourth of July celebration of the dedication. And other people say Donald Regan -- another very strong-willed man -- was angry at him and wanted him fired. I'd like to speak a word for Donald Hodel, the Secretary of Interior. Iacocca said, after he'd been fired, that it was almost "un-American" to fire him. Rot! It's very American to do away with your political enemies, unlike Marcos, who shoots them ...

Will: If his name were Lee Smith, if ... he were not prominently mentioned as a presidential candidate, were he not critical of the Reagan Administration, he would not have been fired, right?

Carter: They knew he was what he was when they put him in there, he's done a magnificent job. Obviously, they should not have gotten rid of him.

On the Philippines Election:

Brinkley: What do we do about it?

Carter: You prepare a place for Mr. Marcos and back way off, and say loudly and repeatedly, that we do not associate ourselves with this election.

Brinkley: Prepare a place -- what do you mean?

Carter: When he has to leave. We can find an island for all our pet dictators.

Donaldson: Two weeks before the election, on this very program, White House Chief of Staff Don Regan was asked about that, and remember what he said: "Well, we'd condemn the fraud, but if it's a duly certified government, we'd have to work with it." And we said to Regan, well, even if it's elected by fraud? And he said, "Yeah, lot of the governments are elected by fraud." What about Angola?

Regan was wrong. Ronald Reagan was wrong, early on, to take the neutral attitude in which he said in his news conference that there was fraud on both sides; as if to suggest, gee, they're equally guilty.

Brinkley: What was he wrong about?

Donaldson: To say that there was fraud on both sides, when clearly his own observer team had that morning reported to him, and it was that Marcos -- the government of the Philippines -- that was controlling the fraud was wrong.

Will: We're still ... woven into the life of the Philippines, in a way that seems to me hard to end.

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CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Philippines President Marcos; Senator Lugar, Richard Holbrooke; former Assistant Secretary of State (Carter); and Philippine opposition leader Senator Salvador Laurel.

Stahl: In a key move to mollify the United States, Philippine President Marcos announced today the resignation of his Army Chief of Staff General Fabian Ver. The move, long sought by the Reagan Administration, came one day after President Reagan shifted his position and blamed Marcos for widespread fraud and violence, which the President said was so extreme the election's credibility has been called into question.

CBS correspondent David Jackson: Marcos says President Reagan's statement that the voting was fraught with fraud is misinformed, but he promises to investigate all charges. He did announce changes that the Reagan Administration has been after all along, including the removal of the controversial military chief of staff General Fabian Ver.

Stahl: In an interview earlier this morning, Ferdinand Marcos told us, to our surprise, that he welcomes President Reagan's latest statement, that Marcos' party carried out most of the fraud and violence in the election.

Marcos: Any statement from the President of the United States is significant --

Stahl: Do you admit that your party carried out any fraud and violence?

Marcos: No, I don't.

Stahl: Why did Gen. Ver resign? I know it's something the U.S. government had hoped would happen, but why -- why today?

Marcos: Well, because I was just proclaimed, and he felt that he had performed his mission....

Stahl: ... Have you been told that you would be welcome in the United States ...?

Marcos: Well, I don't know. I never asked because I don't intend really to come to the United States.

Stahl: Is there any -- under any circumstance in which you would step down?

Marcos: Well, that's ridiculous....

Stahl: Sen. Laurel, Gen. Ver has resigned.... would you, because of this move, consider ... negotiating with Marcos, as the U.S. government would like to have you do?

Laurel: I don't think that would be enough to have us join the Marcos government.

Stahl: I would like to ask you about President Reagan's latest statement, that he now feels that the Marcos party did carry out most of the fraud and the violence. There had been a lot of complaints, and an impression left that the President was endorsing the moves that Marcos was making. What are your views on the President's statement and positions?

Laurel: Well ... I'm glad that President Reagan corrected his previous statement, because we were all shocked here in Manila when we heard him say that fraud was committed on both sides, and that this was just a simple political contest between two political parties, which was not true, and I'm glad that Mr. Reagan has corrected his previous statement, because the fact is that really the fraud was committed exclusively by the party in power, by Mr. Marcos' party.

Stahl: Do you see this in any way as abandonment by the U.S. government of Marcos, or do you see it more as a move toward neutrality?

Laurel: ... It's too early at this point to say that this is a move towards the direction of distancing itself from Marcos, but I could at least say right now quite accurately that I think Mr. Reagan is getting better advice and information.

Stahl: A lot of leaders in this country, particularly those in Congress, are calling for a cut-off of aid to your country as long as Marcos is in office. Do you support that?

Laurel: I should be the last person to ask for a cut-off of American aid to the Philippines....

Stahl: Is that Mrs. Aquino's position?

Laurel: Yes.

Stahl: Sen. Lugar, you have just heard the opposition leader, Laurel, say that he's not sure that cutting off aid is such a good idea.... you've even brought up the possibility. Why do you think it would be a good idea if it ... would weaken the Army?....

Lugar: ... The problem is, trying to separate aid for military reform from an endorsement of President Marcos....

Stahl: Let me ... ask if you think the ... Reagan Administration, is handling the situation the right way....

Laurel: The Administration had a rough week.... Senator Lugar's commission did such a brilliant job under such difficult circumstances....

I think that President Reagan's statement yesterday will be looked back on by historians as the beginning of the end for President Marcos, because the Philippine people now understand that the conclusions of the Lugar Commission and the President's view are now synonymous, and this election is not a credible or acceptable outcome.

Lugar: The President has been very careful to say that this country is not suggesting supplanting of anybody.

Holbrooke: I think in the real world we are looking now at not a question of whether Marcos is going to leave, but how and when. For the national interest of the U.S., it's better that it be sooner than later....

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NBC -- MEET THE PRESS

Moderator: Marvin Kalb.

Panel: Elizabeth Drew, Robert Kaiser.

Guest: Anatoly Shcharansky.

Kaiser: Tell us a little about your life in camp.... Did you ever hear a radio?.... How did you learn that Ronald Reagan had become President, or that Gorbachev had become General Secretary?

Shcharansky: ... You more or less find out the ... Soviet point of view on these, or other events....

Once, for example, I could read a Soviet propagandist book ... where there was a photo of President Reagan's letter to my wife, Avital, and in English, and I think it's only because of this that the Soviet authorities did let me read it; they simply didn't notice what in this propagandist book is, and so I read the letter of President Reagan to my wife. It was a very pleasant moment to see it.

Kalb: Could you tell me why do you feel that Mr. Gorbachev allowed you to be released at this time.

Shcharansky: Well, I think that Mr. Gorbachev does try to demonstrate now to the Western World that he is ready to make some changes in his policy, and wants to encourage the West to meet his aims in other branches -- economical, military, political and so on. But ... unfortunately, there is a set condition that almost always, when the Soviet Union makes such signs, he immediately takes some steps in his inner policy, in order to discourage those who can be encouraged by these signs....

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AGRONSKY & COMPANY

Moderator: Martin Agronsky

Panel: Jack Kilpatrick, Strobe Talbott of Time, Elizabeth Drew and Tom Oliphant of The Boston Globe.

On the Challenger Investigation:

Agronsky: Do you think the evidence developed so far from the investigation from the shuttle tragedy indicates a serious misjudgement on the part of NASA?

Talbott: It doesn't look good. I think one thing we can feel good about is that the President moved quickly to establish an independent investigation to look into this.

Drew: The testimony ... documents ... do paint a fairly worrisome, disturbing picture. It is very important this commission be -- and be seen to be -- very independent.

Kilpatrick: It smells to high heaven, and I have an instinctive feeling that there is worse yet to come.

Oliphant: The question is ... whether or not there was a scandalous misjudgement.

On the Philippines election:

Agronsky: We're not sure where the President of the United States stands in connection with how he regards Marcos in the Philippines. On the one hand, we have Mr. Reagan making the observation that there was violence on both sides, which immediately was covered over by the State Department and the White House saying he didn't really mean it. But now, we really don't know where Mr. Reagan is -- does he really regard Mr. Marcos as a democrat, the election as not a fraud?

Drew: We have a government that's very badly and deeply divided over this question. You have on the one hand just about all of the professionals -- and that includes in the Pentagon, in the military, this is not a liberal versus conservative issue, all the people who really know about the Philippines, and many people on the Hill, of various stripes -- who say Marcos cannot govern this nation, he probably stole the election, he cannot deal with the communist insurgency, he has to go in some form. We have Mr. Habib over there ... you did have the President issue a very carefully-crafted statement on the day they sent Habib that was crafted by the State Department. What threw everybody so much was that night he stood up in the press conference and said, there has been fraud on both sides, and you know, the bases are the most important thing. When you get Sam Nunn, who is a ... conservative to moderate Democrat, saying Marcos lost the election; he's trying to steal it from Mrs. Aquino, we should cut off aid, you're beginning to get a consensus that Reagan's going to have to deal with.

Kilpatrick: I'm in favor of cutting off aid. Certainly, this smells to high heaven, too. My gracious ...

Talbott: Marcos will continue for awhile ... but the way that we would really jeopardize those bases, in the long run, is to side with Marcos, because he's a goner, sooner or later.

Oliphant: If there's a silver lining this weekend, it is the Habib mission. This is a wonderful diplomat. I wouldn't be at all surprised if -- stripped of all the diplomatic language -- what he basically says to the guy is, 'Look, you're through.'

Talbott: I think we're knocking the Administration pretty hard here, and, I think, deservedly as far as what the President said at his press conference. That was a classic example of where an off-the-cuff remark by him, that has nothing to do with his talking points, nothing to do with what his advisers were telling him, created big problems that wouldn't be there otherwise.

Agronsky: Sen. Dole said there is an alternative to the Philippines bases: apparently the Martians Islands.

Drew: I think that you have in Mr. Reagan a very great reluctance to appear to be like Jimmy Carter, who undercut the Shah of Iran, Somoza. But the Philippines is different. You have a democratic two-party system, if it's allowed to function.

On Shcharansky's freedom:

Agronsky: What does it mean? Why did they do it?

Talbott: Pre-Summit maneuvering by Gorbachev. It's part of a pattern; the Soviets are coming at us every week with arms control proposals, diplomatic initiatives, and they're trying to increase expectations and hopes for a successful summit, and thereby increase pressure on President Reagan to make some concessions at that summit.

Oliphant: There are other indications that other refuseniks are going to be let go soon. This is part of a pattern, one that's yet unfolding.

On Arms Control:

Oliphant: Gorbachev ... told Sen. Kennedy that he would in no way link a deal on European nuclear missiles with some kind of agreement stopping 'Star Wars.' I'm wondering why he did that and what you think the significance of it is.

Talbott: I think basically that Gorbachev is telling Reagan he can have a so-called Intermediate-Range nuclear forces agreement this year, but he's hoping that that, in turn, will raise expectations for the summit that's coming up in '87, and will increase pressure on Reagan to make some concessions on "Star Wars" then.

Drew: It's beyond politics. This is a wonderful triumph of the human spirit. It's the result of a lot of pressure by a lot of people: President Reagan, Sen. Kennedy, rabbis, Jewish groups, other politicians, in other words, you have to keep pressing.

On budget, taxes

Agronsky: The President says no taxes; Sen. Domenici says ... must be taxes. What's gonna happen?

Kilpatrick: There will be a tax increase. But they won't call it a tax increase. There won't be any increase in the tax rate, as such, but they will finagle it around so we get some more revenue.

Talbott: I'm not so sure anymore.... After that court decision declaring the trigger mechanism (of Gramm-Rudman) unconstitutional, I think that the White House has gone back to the "no deal" posture.

Oliphant: Tactically, for the time being.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

Agronsky: Why in the world did Hodel fire Iacocca?

Talbott: Everybody says it ain't so, but I think it's politics. Lee Iacocca spooks the White House, and particularly Donald Regan.

Agronsky: He's on his way, huh?

Drew: Iacocca ... I don't care who says what ... Mr. Hodel did it.

Oliphant: ... In the President's defense, I see no evidence that the President has any problem with Lee Iacocca. The President is a big, strong, secure man. It's these little, eensy, minor-league politicians around him, headed by Donald Regan, who I think sometimes is a Democrat mole ...

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THE McLAUGHLIN GROUP

Moderator: John McLaughlin

Panel: Robert Novak, Morton Kondracke, Jack Germond, Ben Wattenberg.

On the Philippines Election:

McLaughlin: Corazon Aquino has emerged as a major force in the Philippines. Do you agree?

Wattenberg: Yes. You can have corruption and you can have democracy, and they got both. Any doubt that you may have that she's tough enough to deal with the communist guerrillas -- forget it.

Novak: I think what all of that is is not pro-Aquino; it's anti-Marcos. I think President Reagan's options as President are limited, and I think he's doing the right thing.

Germond: This is a test for the decency of this government, and at this point, we are failing it. By any reasonable assumption, Aquino won that election.

Kondracke: President Reagan has been publicly hinting that we side with Marcos in this arrangement, that we're not really neutral, that we're not really on the side of democracy. I would like to think that that was for a purpose, but I'm afraid it's not. It's part of his knee-jerk kinship to Marcos.

On Shcharansky:

McLaughlin: Will the release of Anatoly Shcharansky free the Soviets from the stigma of being perceived as inhumane and repressive?

Novak: What they have done, is that since Geneva, they have put a gag on Ronald Reagan so he doesn't talk about human rights and they've dribbled out political prisoners, one by one.

Germond: I would agree with Novak that this is a cynical ploy on their part.

Kondracke: This is one dissident. This is not detente.

Wattenberg: The Soviets are going to do what they have to do, and only what they have to do. Gorbachev is coming to the U.S. He can either be greeted with enormous demonstrations, or he can try to diffuse it in one way or another. One man won't do it. He's playing a public relations game.

Novak: But the way he plays it is -- the President of the United States, Ronald Reagan, the old anti-communist, is asked at his press conference about Sakharov. The President is told, "you can't say anything about human rights, or you might cost somebody's freedom," -- he says, "Well, gee, I can't mention that" -- the Russians are winning that game.

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Germond: Shcharansky is not just another Jewish dissident. Shcharansky's release is symbolically very important as a gesture.

On the firing of Lee Iacocca from the Statue of Liberty Commission:

McLaughlin: When the dust settles on this controversy, do you think that more harm will have been done to the Reagan Administration or to Lee Iacocca?

Novak, Germond, Kondracke, Wattenberg: Reagan is hurt more.

McLaughlin: I think it's gonna hurt Iacocca more!

PREDICTIONS:

Wattenberg: Not this week, probably not this year, but within a year or two, we will all be able to say that the Philippine Islands are a real democracy.

Novak: The oil-import tax is on a life-support system, and by the time we meet again will be dead.

Germond: The response to this movement toward a Southern regional primary in 1988: it appears likely there will be seven or eight Southern states. The response to this is going to be at least two or three Northeast and Midwestern states moving their primaries up to compete, changing the whole way we choose our presidents.

Kondracke: Jack Kemp and Pat Robertson are attracting support on the basis that the other one won't run. Both of them will run, and you're going to have a dandy bruhaha on the Right.

McLaughlin: The Simpson-Mazzoli Immigration Bill is dead for all time.

-End of B-Section-