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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, MARCH 4, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Reagan Warns Of "Second Cuba" In Nicaragua -- President Reagan, warning that the situation in Nicaragua could turn into "a second Cuba," is fighting an uphill battle to win congressional approval of \$100 million in aid for the Contra rebels.

(New York Times, Washington Post, Washington Times, AP, UPI)

Hill Skeptical As State Denies Medvid Mistake -- The State Department vigorously denied yesterday that it had been duped by the Soviets last fall when Ukrainian seaman Miroslav Medvid attempted to defect from his grain ship in the Mississippi river at New Orleans.

(Washington Post, Washington Times, AP)

NATIONAL NEWS

Panel Recommends Military Fight Drug Traffic -- A presidential panel says the military should help combat a \$110 billion mob-run drug industry, and government contractors should test employees for drugs to eliminate a growing threat to national security.

(Washington Post, Washington Times, Scripps Howard, UPI)

Sen. Laxalt, Retiring, Says He'll Remain Active In Conservative Causes -- The Republican senator who is President Reagan's best friend in Congress assured the conservative contingent that came to bid him farewell that he's "not going out to pasture."

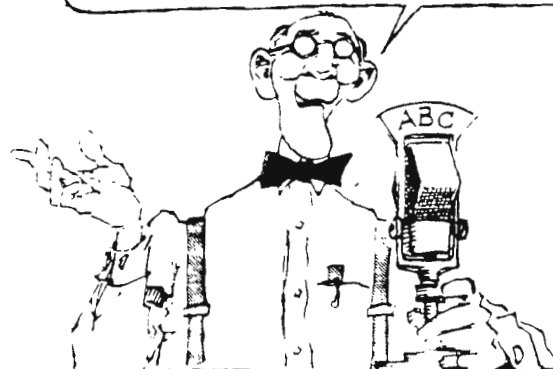
(Washington Times, AP)

NETWORK NEWS (Monday Evening)

AID TO CONTRAS -- President Reagan is seeking aid for the Nicaraguan contras, fighting what he called "a sanctuary for terrorists and subversives."

PRESIDENTIAL COMMISSION -- The commission recommended drug use tests for millions of U.S. citizens who work for the government.

... AND NOW, FOR REBUTTALS TO PRESIDENT
FDR'S DEFENSE SPEECH, WE HAVE
EUROPEAN CORRESPONDENT, ADOLF HITLER
AND ASIAN CORRESPONDENT, TOJO...



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

INTERNATIONAL NEWS

REAGAN WARNS OF DISASTER IF HILL BARS \$100 MILLION CONTRA AID

President Reagan, trying to drum up support for a \$100 million aid package for the Nicaraguan rebels, met yesterday with three rebel leaders and warned the United States faces a "strategic disaster" of great magnitude and a "vast migration" of refugees if Congress turns down his request.

"Defeat for the contras would mean a second Cuba on the mainland of North America," Reagan said at the White House meeting. "It would be a major defeat in the quest for democracy in our hemisphere. And it would mean consolidation of a privileged sanctuary for terrorists and subversives just two days' driving time from Harlingen, Tex.," a city near the Mexican border. (Lou Cannon & Joanne Omang, Washington Post, A21)

U.S. Military Aid Could Draw Many Into Contra Army

The number of Nicaraguan resistance fighters would quadruple with U.S. military assistance, a State Department official said yesterday, as the Administration turned up the heat on Congress to approve \$100 million in rebel aid.

There are 19,000 potential recruits ready to join 6,000 active resistance fighters in Nicaragua if the United States provides military equipment and supplies, said Elliot Abrams, assistant secretary of state for inter-American affairs.

(Mary Belcher & Christopher Simpson, Washington Times, A1)

Reagan Warns On Aid To Nicaraguan Rebels

One senior Administration official, speaking on the condition he not be identified, said White House strategists calculate they need to turn around about 40 votes in the House before the Easter recess if Reagan is to succeed in getting \$100 million in arms and other assistance for the anti-Sandinista fighters known as the Contras. (Michael Putzel, AP)

Reagan Warns Of "Second Cuba" In Nicaragua

President Reagan, warning that the situation in Nicaragua could turn into "a second Cuba," is fighting an uphill battle to win congressional approval of \$100 million in aid for the Contra rebels.

After meeting with Contra leaders Monday, Reagan implored Congress to prove it is "as committed to democracy in Nicaragua as it was in the Philippines" by approving the package, which includes \$70 million in military aid and \$30 million for humanitarian purposes.

(Helen Thomas, UPI)

Shultz Lobbies For Contra Aid On Capitol Hill

Secretary Shultz picks up the Administration's public relations and lobbying blitz for \$100 million in aid to the Nicaraguan Contras with an appearance today on Capitol Hill.

Shultz voiced support for the aid in a speech to the Veterans of Foreign Wars this week and testifies today before the House Appropriations subcommittee of foreign operations. Shultz has said the only alternatives to the aid is sending U.S. troops to the region or doing nothing. (UPI)

Contra Aide Vital, Reagan Declares

President Reagan warned Congress today of a "strategic disaster" if it failed to approve military assistance to the Nicaraguan insurgents, who he said would be crushed like "the Hungarian freedom fighters" without aid.

"It is clear that we need the military aid badly in order to have effective pressure to bring the Sandinistas to the table," Alfonso Robelo Callejas said in recalling his group's remarks to Mr. Reagan.

(Gerald Boyd, New York Times, A1)

CHURCHES: ADMINISTRATION GUILTY OF LYING ABOUT NICARAGUA

An interfaith group of 167 religious leaders issued its sharpest criticism today of the Administration, accusing it of disseminating "misinformation and outright falsehood" on the situation in Nicaragua.

In the sharpest -- and most widely endorsed -- anti-Administration statement yet from the religious community, Roman Catholic, Protestant and Jewish religious leaders said "a scaffold of deception is being constructed around Nicaragua."

(David Anderson, UPI)

PROPERTIES LINKED TO MARCOS FROZEN

A state judge has temporarily frozen any financial dealings on five valuable New York properties linked to deposed president Marcos and his wife Imelda, as the new government in Manila stepped up efforts to recoup "wealth that properly belongs to the Philippine people."

In another development, two State Department officials left Washington yesterday for Honolulu to help resolve the increasingly complex legal questions about 22 crates of documents and valuables that arrived with Marcos and his entourage.

The belongings, now held by the U.S. Customs Service, could also figure prominently in two federal grand jury probes of possible diversion of U.S. military aid into kickbacks and bribes to high Philippine officers.

(Keith Richburg & Dale Russakoff, Washington Post, A1)

PENTAGON PROBES SEEK ACCESS TO MARCOS
DOCUMENTS IN AID-KICKBACK INQUIRY

Defense Department investigators probing possible kickbacks involving U.S. military aid to the Philippines are in Hawaii hoping to look at legal papers that the former president Marcos and his party brought with them into exile.

Sources close to the two-year-old investigation said yesterday that at least one subpoena has been issued in Hawaii in connection with the case since the Marcos party arrived, and that more subpoenas are likely.

(Joanne Omang & Carl Murphy, Washington Post, A23)

ARMY FUNDED PRIVATE PARTIES

Army units at NATO headquarters in Belgium and the 7th Corps in West Germany diverted thousands of dollars in community relations funds to host private parties for U.S. generals, Army investigators have found.

Exclusive parties at Army units throughout Europe were probably financed with community relations funds in several recent years, according to a newly released report by the Army Audit Agency, which was made available to UPI. (UPI story, Washington Post, A12)

STATE DEPT. DENIES SOVIET SEAMAN WAS IMPOSTOR

The State Department yesterday dismissed as "without foundation" a report suggesting that a Ukrainian seaman who jumped from a Soviet ship near New Orleans in October might not have been the same man who later told U.S. officials that he wanted to return home.

The New York Times report, published Sunday, recounted speculation of a possible Soviet-engineered switch that has circulated for weeks in conservative congressional circles and Ukrainian emigre groups concerning seaman Miroslav Medvid. (Washington Post, A24)

Hill Skeptical As State Denies Medvid Mistake

The State Department vigorously denied yesterday that it had been duped by the Soviets last fall when Ukrainian seaman Miroslav Medvid attempted to defect from his grain ship in the Mississippi river at New Orleans.

But there were new signs that the simmering controversy, which the State Department has called "closed" on several occasions, is flaring again. There was new pressure from the Senate for a congressional investigation. (Washington Times, A3)

Administration Denies Report Soviet Sailor Was Swapped For Stand-In

State Department spokesman Charles Redman said officials who saw the sailor in the sick bay of the ship on Oct. 25, and questioned him on Oct. 28 and 29, positively identified him as Medvid through eye-witnesses, photographs and an identifying mark on his heel.

"Allegations that the Soviets pulled a switch and a substitute was interviewed are without foundation," Redman told reporters Monday in the wake of a New York Times story Sunday that discussed such a scenario. (Bryan Brumley, AP)

REAGAN MAY INVITE GORBACHEV TO WESTERN RANCH

Assuming that the two superpowers can settle on a date for their summit in Washington, President Reagan has told aides that he wants to take Soviet leader Gorbachev afterward to visit his beloved California ranch.

"His main idea is to show him what America is really like," a senior White House official said Monday, speaking on condition that he not be identified by name. Other stops during the proposed national tour tentatively include a farm, a manufacturing plant and a supermarket, he said. (Susan Page, Newsday)

HONDURAS/EXERCISES

MOCORON, Honduras -- About 100 U.S. Army engineers parachuted into Honduras Monday with bulldozers and equipment to build an airstrip 15 miles from Nicaragua. The U.S. ambassador said Nicaragua's Marxist government should "take note" of the project. (Andrew Selsky, AP)

BOLIVIA SAYS U.S. AID CUTOFF WOULD ENDANGER FUTURE

LA PAZ -- The Bolivian government has said a reported plan by U.S. Congress to make further aid to Bolivia conditional on the eradication of non-traditional coca growing would endanger the country's economic and political future.

President Estenssoro said in a statement last night that his government had provided "more than enough examples it was working in the fight against narcotics trafficking and of its will to carry out international accords pledging the elimination of non-traditional cultivation of the coca leaf. (Reuter)

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NATIONAL NEWS

PANEL URGES DRUG TESTS FOR ALL FEDERAL WORKERS

The President's Commission on Organized Crime urged yesterday that all federal employees and government contractors be required to take tests for drug use or risk being fired.

In a 455-page report to President Reagan on drug use in America, compiled over 2½ years, the commission also suggested that the military take on an increased drug-enforcement role, and that the National Security Agency set up an information system to be shared by all drug-fighting agencies.

(Mary Thornton, Washington Post, A5)

Military Should Help Fight Drug Invasion, Reagan Told

President Reagan's Commission on Organized Crime urged him yesterday to order the military into the fight against an "airborne, amphibious and overland invasion" of the United States by drug smugglers. The panel also said U.S. authorities should chase drug runners into Mexican air space if necessary.

(John McCaslin, Washington Times, A3)

Panel Recommends Military Fight Drug Traffic

A presidential panel says the military should help combat a \$110 billion mob-run drug industry, and government contractors should test employees for drugs to eliminate a growing threat to national security.

The President's Commission on Organized Crime, in a lengthy report presented to President Reagan Monday, said \$110 billion worth of drug trafficking accounts for about 38 percent of all organized crime activity and demands sweeping measures, including a "much bigger" military role and drug testing for all public and private employees.

(Lori Santos, UPI)

Federal Workers In Forefront Of Drug Testing Movement

Testing federal workers for drug use is a growing practice that experts predict will cover all sectors of the federal workforce within three years. Urinalysis testing for railroad train crew members went into effect in February.

This spring, three major agencies -- the Drug Enforcement Administration, the U.S. Customs Service and the General Services Administration -- will begin testing their employees.

While backers say testing is essential to ferret out drug abuse among federal workers, civil libertarians and labor unions are up in arms about what they brand an infringement on workers' civil rights.

(John Bennett, Scripps Howard News Service)

LOWERING OIL PRICES RAISING HOPES FOR STRONG ECONOMIC GROWTH

The United States will soon be reaping considerable benefits from the fall in oil prices which will boost economic growth, lower interest rates and keep a lid on inflation, many economists predict.

The outlook of many analysts has brightened considerably in the past two months because of the plunge in oil prices. More about the future growth will be known today when the government releases its Index of Leading Indicators for January. (Martin Crutsinger, AP)

COMING COLLISION OVER USER FEES

The OMB is on a collision course with a powerful western senator, and the Reagan Administration's philosophical dedication to user fees is hanging in the balance.

The senator is James McClure (R-Idaho), who on several recent occasions has proven not to be bashful about seeking help for corporate constituents.

The issue is who should pay for the often costly environmental studies required when a private interest seeks a right-of-way over federal lands -- when, for example, a utility wants to construct a power line. In the past, Interior's position has been that the applicant pays.

(Cass Peterson, Washington Post, A15)

LAXALT "ONE OF THE GUIDING STARS," REAGAN SAYS AT TESTIMONIAL DINNER

President Reagan saluted retiring Nevada Sen. Paul Laxalt last night as "one of the guiding stars for a political revolution that has shaken America and the world."

"Again tonight, those tears are not very far away," the President said as he described his longtime friend and political ally as a man "destined to be a leader of this nation and one the foremost Americans of this or any time."

(Bill Kling, Washington Times, A2)

Sen. Laxalt, Retiring, Says He'll Remain Active In Conservative Causes

The Republican senator who is President Reagan's best friend in Congress assured the conservative contingent that came to bid him farewell that he's "not going out to pasture."

The former Nevada governor, who is not seeking re-election this year, sought to dispel thoughts that his retirement from the Senate will mark an end to his political career. (Donna Cassata, AP)

"GENERAL CONTRACTOR" OF THE WHITE HOUSE STAFF

By his own reckoning, Dennis Thomas is exactly where he wants to be: in the thick of White House traffic, with the Oval Office on one side and the office of Donald Regan, President Reagan's chief of staff, on the other. (Gerald Boyd, New York Times, A22)

BILL WOULD MAKE NIXON'S BIRTHPLACE HISTORIC SITE

The Reagan Administration and California congressmen are trying to make Richard Nixon's birthplace a national historic site, saying they want to "preserve history, not judge it." (David Goeller, AP)

EDITOR'S NOTES:

"The Reagan's Marriage: 34 Years of the Anniversary Waltz," by Daphne Hurford, appears on page B1 of the Baltimore Sun.

"The First Family, Cover To Cover: Patti Davis, and Her Novel Life as the President's Daughter," by Donnie Radcliffe, appears on page B1 of the Washington Post Style section.

-end of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening, March 3, 1986)

NICARAGUA/AID TO CONTRAS

Rather: President Reagan himself today warned of what he called a "sanctuary for terrorists and subversives just two days driving time from Arlington, Texas." That's a quote. It was part of the push on Congress to pass renewed military aid money for rebel forces fighting Nicaragua's Sandinista government. But so far, the President's hot words are getting a cool reception from Congress.

CBS's Bill Plante: Meeting with leaders of the Nicaraguan opposition, the contras, President Reagan threw the first pitch of his all-out campaign for military aid to the rebels, and it was a hardball.

(President in Cabinet Room: "Congressional defeat of this aid proposal could well deliver Nicaragua permanently to the communist bloc. Defeat for the contras would mean a second Cuba on the mainland of North America.")

President Reagan's aides told him over the weekend that if he didn't become personally involved in the battle for aid with a recalcitrant Congress, the Administration would certainly lose. So not only the President, but also his Secretary of State, joined the fight, for \$100 million in mostly military aid. Shultz painted a gloomy picture of what happens without the money.

(Secretary Shultz: "It is clear that, without our help in strengthening the Nicaraguan democratic opposition, hope for democracy in Nicaragua is doomed. And progress elsewhere in Central American could be undone.")

To further increase the pressure on Congress, a private conservative group has started running TV spots supporting contra aid.

(TV Coverage: TV commercial saying: "Here's terrorism we can do something about, if we support the President on Nicaragua.")

But right now, as even the President's supporters agree, the aid measure doesn't have a chance.

(GOP Rep. Cheney: "There is no great clamor in the country for aid for Nicaragua; for the contras.")

(Rep. McCurdy: "Trust us; we're not gonna spend \$100 million of your tax dollars on a program that hasn't had much success now.")

Many in Congress still think the President wants to overthrow the Sandinistas, not negotiate with them. So the White House will go all out. There may even be another TV address, as they put Mr. Reagan's prestige on the line. And in the end, he'll probably have to settle for a compromise. (CBS-3)

NBC's Tom Brokaw: As promised, President Reagan and other top officials of his Administration today opened a hard-sell for \$100 million in additional American aid to the contras. Those are the rebels trying to overthrow the Sandinista government of Nicaragua. This promises to be a brutal political battle.

NBC's Chris Wallace: The President today put the full weight of his office behind the contras -- promising a major campaign to win them military support. Mr. Reagan welcomed rebel leaders to the White House like visiting heads of state, first meeting them in the Oval Office, then in the Cabinet Room saying defeat for the contras would allow the communists to set up a second Cuba on the American mainland. (TV Coverage of Oval Office and Cabinet Room photo ops.) (President Reagan: "And those who would invite this strategic disaster by abandoning yet another fighting ally of this country in the field will be held fully accountable by history.")

Secretary Shultz was also challenging Congress, comparing the battle against the Sandinistas to the overthrow of Ferdinand Marcos.

(Shultz: "The United States took a direct interest in the progress of Filipino democracy. For similar reasons, we are deeply concerned with the hopes for democracy in Nicaragua.")

The Administration is putting on this blitz because it says the rebels are at a turning point. With U.S. support, it says their numbers will jump from "6 to 25,000" in a year. But without U.S. support, it says the contras will fall apart. And so the President will lobby the Congress, sell the contras in his radio speeches, and almost certainly make another TV address to the nation. The President will have help. A conservative group is spending a million dollars to run commercials accusing the Sandinistas of religious persecution. (TV Coverage of commercials.) American religious leaders will carry crosses to the Capitol tomorrow, with the names of people killed by the rebels.

(Episcopal Bishop Paul Moore: "The President wants to arm them again with \$100 million worth of weapons. These weapons will be used, not just to fight the soldiers, but they cannot help but also kill innocent children.")

Officials here say that the contra package is now at least 30 votes behind in the House, but they believe a big drive by the President over the next few weeks can still turn that around.

Brokaw: As you indicate, Chris, even with all of this offensive by the President and the White House, this will not be an easy sell on Capitol Hill. John Dancy, how do the votes stack up up there?

NBC's John Dancy: As Chris has said, the President is facing an uphill battle here. Republican leaders have already gone to him and told him that he faces an uphill battle. Eighteen senators -- both Democrats and Republicans -- have written to him asking him to hold off on this. They would like to see the peace process initiated by nations in Central America go forward. They are afraid that if the U.S. gives the contras aid, that can't happen.... Sen. Sasser of Tenn. has just come back from a trip to Central America and he suggested today that the President be given the \$30 million in humanitarian aid that he wants, but that a freeze be put on the military aid until the Sandinistas come to the bargaining table. If they don't come to the bargaining, then the threat is, of course, that money could be unfrozen and given to the contras. (NBC-lead)

Jennings: The Reagan Administration stepped up its campaign to get more aid for the forces trying to overthrow the government of Nicaragua. Congress has already refused the President military aid on five different occasions. This time, as the President looked for \$100 million -- 70% of it military -- the Congress is still skeptical. Sam Donaldson reports that at the White House today, Mr. Reagan called in the contra leaders to help make his case.

ABC's Sam Donaldson: President Reagan, flanked by the political leaders of the contra forces, spoke in the grimmest terms of what he thinks will happen if military aid is not given them.

(President: "Congressional defeat of this aid proposal could well deliver Nicaragua permanently to the communist bloc.")

Administration officials say that if the \$70 million in military aid is forthcoming, the contra ranks will swell to about 25,000 men, and they can win in two or three years. But if not, the 6,000 contra troops now in Nicaragua will probably be defeated -- a defeat the President said would be Congress' fault.

(TV Coverage of contra troops patrolling.)

(President: "And those that would invite this strategic disaster, by abandoning yet another fighting ally of this country in the field, will be held fully accountable by history.")

The Secretary of State, ex-Marine George Shultz, carried the message to the Veterans of Foreign Wars convention in Washington, insisting that the U.S. would rather have a diplomatic solution but arguing that force is needed to bring that about.

(Shultz: "Power and diplomacy must go hand-in-hand.")

Despite Shultz's insistence, Congress has never believed that the Administration has vigorously pursued a diplomatic solution. And that still seems to be the case.

(Rep. McCurdy, D-Ok: "We don't rule out military. We think that the military can be a tool of an overall objective. But you have to do the other things first. And that is exhaust the diplomatic remedies first.")

(Sen. Sasser: "I think we ought to give negotiations and diplomacy one last chance to work in the region.")

The Administration will almost certainly not get all the aid it's asking for, at least not now, even if the President gives his all -- including perhaps a prime-time televised speech. But this is an issue Ronald Reagan will not give up on until, as he once said, the Nicaraguans cry "uncle."

ABC's Peter Collins reports from Nicaragua that well-qualified military observers in Nicaragua believe that, at the moment, the Sandinistas are winning their war with the contras. And they add that if the Sandinistas are not toppled within a year, they will be here for decades. After four years of fighting, the contras are losing ground. The contras' problems are as much political as military. Their leaders have been unable to agree on what Nicaragua should look like if they win. As for the Sandinistas, despite 2,500 Cuban advisors, lots of Soviet-made hardware, and a more than 10-to-one advantage of soldiers in the field, they are still unable to crush the contras. As the foreign observers here see it, to regain momentum, the contras need more than U.S. military aid. More than that, these observers say, they need U.S. military advisors in Nicaragua.

Collins continues:

That would echo the early days of Vietnam and probably be politically impossible.

For the contras and the Reagan Administration, time is running short. The Sandinistas clearly believe if they can hang on until the Spring of 1987, a year from now, the U.S. would not dare intervene during the presidential campaign that would then be underway. The Sandinistas say the bottom line may be something they have been predicting all along: that if Ronald Reagan really wants to change things here, he will have to take an enormous political risk and send in U.S. troops. (ABC-3)

HONDURAS

Brokaw: The U.S. military is beefing up its presence on the border between Nicaragua and Honduras. An American airstrip now is under construction on the Honduras side and the skies are filled with Americans participating in wargames. The U.S. is trying to send a not-so-subtle message.

NBC's Jamie Gangel reports this is all supposed to be for practice.... But according to U.S. officials here, there's a message: to make sure the Nicaraguan government knows just how close U.S. forces can get and just how cordial U.S.-Honduran relations are. U.S. officials here say that behind this military message is a political strategy. The White House wants the Sandinistas to know that if the contras cannot topple Nicaragua's leftist government, the U.S. just might. But even the most hawkish U.S. military officials agree invading Nicaragua is unlikely -- that this is just a political ploy by the Reagan Administration as it lobbies Congress to pass more aid for the contras. The point is to intimidate and pressure the Sandinistas. But the Nicaraguans are conducting a public relations campaign of their own. Every week, there are military parades to show off their troops, equipment and again and again, their Soviet-built attack helicopters. And with the debate over contra aid heating up, the Sandinistas say they will take on the Reagan Administration picture for picture to try to dissuade Congress from giving the rebels more money. (NBC-2)

CHALLENGER INVESTIGATION

CBS's Dan Rather: A group not yet consulted in the investigation of the space shuttle catastrophe, the space shuttle program astronauts themselves, today spoke out publicly for the first time. Two shuttle flight veterans told CBS correspondent Eric Engberg today that before the accident, no one at NASA, no one at the company that makes the shuttle, or the company that makes the rocket boosters -- no one told them about any problem in the rocket booster seals.

CBS's Eric Engberg reports that the astronauts had never been apprised of a potentially deadly problem in a rubber O-ring that sealed segments of the rocket booster. NASA today began making the astronauts available for interviews after a month of self-imposed silence. (CBS-Lead)

SHUTTLE CHALLENGER

ABC's Peter Jennings: For the first time since the Challenger exploded, astronauts in the shuttle program have commented on the flight and on safety in general. And while these astronauts say they were surprised to learn of Challenger's problems, they were shocked to hear that there had been similar problems on their own previous missions.

ABC's Rebecca Chase reports from Houston that astronauts are concerned that they did not learn about booster rocket seal problems until the recent investigation. The astronauts are continuing to train for future missions and say that morale at NASA is coming back.

Jennings: ABC's Lynn Sherr has learned that the presidential commission is expected to begin public hearings again this Friday at Cape Canaveral. And now that the decision-making process has had a thorough questioning, the emphasis will shift to the hardware that made it fail. (ABC-Lead)

PRESIDENTIAL CRIME COMMISSION

Rather: President Reagan's organized crime commission stopped just short today of calling for mandatory drug tests for all American workers. The President's commission did recommend drug-use tests for millions of American citizens who work for the government, and for private companies with government contracts. The commission also called drug trafficking a national security problem, and recommended a major role for the U.S. military in trying to stop it. (CBS-2)

Brokaw: The Presidential Commission on Organized Crime reported today that the Mob gets most of its profits from its traffic in illegal drugs. It estimated that profit at \$110 billion a year. The report said the drug problem is a national emergency. It called for strong measures to fight it. The commission recommended drug testing of people in the workplace, starting with government workers, the military and defense workers. It called for aggressive intervention by the U.S. military in stopping the flow of drugs into this country. And it asked for a nationwide campaign to reduce the demand for drugs by education, counseling and by jail terms for drug users. (NBC-9)

DRUGS

Jennings: There was a call to arms today in the war against illegal drugs. The President's Commission on Organized Crime even called for using the military to track down drug smugglers.

ABC's Dennis Troute reports that the drug trade accounts for 38% of organized crime's profits in the U.S., says the commission. In an 800-page study released today, the commission notes the failure of law enforcement to choke off an estimated \$110 billion worth of drugs coming into this country from abroad.

Troute continues:

The commission recommends that the U.S. military get involved in patrolling borders and coastlines specifically to interdict drugs. The Pentagon has resisted such duty in the past, arguing that the military must concentrate on war readiness instead. And, says the commission, given the lack of success in cutting drug supplies, it's time to hit consumers with stiff user penalties. The commission wants all federal workers and federal contractors, well over three million people, screened for drug abuse -- even if there is no particular reason to suspect them.

(ACLU spokesman: "If this kind of drug testing program is put into effect, the rights of privacy for American citizens generally will be greatly diminished.")

Critics worry, too, about the example given private industry, which also does some drug testing. They say the curtailment of individual rights, for whatever cause, is a dangerous habit itself. (ABC-2)

COMMUNIST INSURGENCY/PHILIPPINES

Rather: Communist-led guerrillas in the Philippines today carried out their boldest attack on the week-old government of Cory Aquino, who has said she may propose a cease-fire with the communists. Some 200 guerrillas ambushed a truck on a bridge in the central Philippines; 15 policemen and four civilians were killed. (CBS-4)

Jennings reports that in the Philippines there are signs that President Aquino's honeymoon may be coming to an end. Today pro-Marcos loyalists at a half-dozen city halls around the country turned out to oppose Aquino's plan to force the replacement of local, pro-Marcos mayors around the country.

The Ministry of Defense is looking into reports of a roadside ambush 200 miles south of Manila in which 19 people died. That could signal that Aquino's effort for a ceasefire with the communist forces may be failing. (ABC-4)

Brokaw: Defense Department sources tell NBC's Anne Garrels that documents brought in to exile by Ferdinand Marcos and his friends may help in an investigation into more than \$100 million of misused U.S. military aid. In New York, meanwhile, a judge has blocked the sale or transfer of American property allegedly owned or controlled by Marcos and his wife. And in Manila today, Corazon Aquino was discovering the down-side of being a leader of the Philippines. She faced protests from both Marcos supporters and her own.

NBC's Jim Bitterman reports mayors, governors and their supporters were barricading themselves in their offices. In several parts of the Philippines, there were well-founded fears the new Aquino government might try to continue imposing its favorites into local jobs -- the same way President Marcos used to.

Bitterman continues:

But there were other protests against the new government, including some by its supporters who don't believe it is moving fast enough to rid the government of Marcos' cronies.... The fragile new government is for the most part still working out of make-shift offices in President Aquino's headquarters, but there is more to running a country than finding adequate office space. Her government still has not legitimized itself under the provisions of the old Constitution.

(NBC-3)

MIDEAST

Brokaw: The funeral of the assassinated mayor of Nablus in the Israeli-occupied West Bank turned into a huge demonstrations for Palestinian nationalism. At one point today, Israeli police opened fire to disperse rock-throwing youths.

(NBC-6; ABC-6; CBS-6)

IRELAND

Brokaw: Protestant organizers in Northern Ireland wanted today's funeral for democracy protest march through Belfast to be peaceful. But it wasn't -- some demonstrators went on a rampage, setting fires to cars and torching a factory.

(NBC-7; ABC-8; CBS-10)

SOUTH AFRICA

Brokaw: Seven blacks were killed today in a South African police ambush near Cape Town. Police, who said they were acting on a tip, charged that the seven were members of the outlawed African National Congress and that they were planing an attack near the police station. It was the most violent clash between rebels and South African security forces this year.

(NBC-8; ABC-7; CBS-5)

MEDVID

ABC's Mark Potter reports the man who found Medvid the night he asked for asylum is jeweler Joe Wyman, who says the man in U.S. photos is definitely not Medvid. Wyman says the man questioned by U.S. authorities was a Soviet official who had approached him the same night he saw Medvid. But the FBI has compared the photos to the one taken originally by the Immigration Service and says it can't tell if it's a different man. The State Department says it has no doubt he was Medvid. Whatever the truth, the issue of whether it was Medvid is being clouded by the various parties as they look for ways to attack each other over the handling of the Medvid affair.(ABC-15)

PALME

Jennings says there is no apparent progress to report in solving the murder of Prime Minister Palme.

ABC's Dean Reynolds reports from Stockholm on the investigation into Palme's murder. What is clear tonight is that Sweden will fight the impulse to restrict public contact with its elected officials and to turn its government into an armed camp. For peace-loving Sweden, that would be far too high a price to pay. (CBS-9, NBC-5, ABC-5)

INSURANCE CRISIS

ABC's Jay Shadler reports on the skyrocketing cost of liability insurance and the conflict between lawyers and insurers over who is to blame. (ABC-12)

OIL PRICES

Jennings reports oil prices dropped sharply, to just over \$12 for West-Texas crude. That compares to a price just last November of \$31 a barrel. Analysts say prices at the pump could drop between 25 and 30¢ a gallon over the next few months. (ABC-13)

STOCKS

Jennings reports the Dow dropped back under the 1,700 level. They lost about 12 points and trading was active. (ABC-14)

Editor's Note: CBS began a five-part, week-long series on "Poverty in America" Monday evening. Tonight's subject: teenage pregnancy. No mention of the Reagan Administration was made. (CBS-11)

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EDITORIALS/COLUMNISTS

DEFENSE SPENDING/PRESIDENT'S SPEECH

The Pentagon Shell Game -- "President Reagan seems unbothered by the now-certified fact that his proposed 1987 budget violates the balanced-budget law he signed only 11 weeks ago. There he was on television again, warning that cuts in his 'modest 3 percent' increase in military spending would jeopardize arms negotiations with Moscow and 'may put peace itself at risk.' These cries of wolf have lost credibility, not least because the dollar figures Mr. Reagan passes on from the Pentagon are simply wrong. No serious debate can evolve from such deception."

(New York Times, 3/1)

The Ends Don't Meet in Reagan's Plan to Build and Build -- "If the President's political skills prolong the day of myth about the spending binge of the past five years, they will leave us, long after Mr. Reagan has gone, with a tremendous bill. That contradiction in his policies, though muted for the moment by tax increases and loophole-closings carried out in the first term and by the Gramm-Rudman-Hollings debate, remains the central fallacy of the Reagan program. Mr. Reagan obfuscated it with his rhetoric on Wednesday night rather than helping us to reconcile his conflicting aims on taxing and spending." (Detroit Free Press, 2/28)

Unreal Defense -- "Given the difficulty that President Reagan had reading the writing on the wall in the Philippines, one wonders what clamor in the streets may be required for him to understand that his defense budget is simply not going to fly.... More serious than the 'waste, fraud and abuse' in Pentagon spending are the misplaced priorities and the refusal to make choices that have characterized the Reagan-Weinberger years. Budgetary discipline is a management tool that forces efficiency. Splurging has sown chaos in Pentagon management." (Boston Globe, 2/28)

Protect Defense -- "The President is right: The defense budget is not unreasonable. The total budgetary authority, \$311.6 billion, represents barely 6 percent of gross national product. That's about a third less of GNP than we spent under President John Kennedy, and only about half the percentage of GNP that the Soviet Union spends on military strength.... The alarm that Mr. Reagan raised when he came to office in 1981 needs to be repeated today simply because the threat to the national security has not diminished. And that's the point. There are no Gramm-Rudman restraints on the external threat and the manner in which it grows." (Detroit News, 2/28)

Reagan Must Also Confront His Own Errors on Defense -- "The Administration must shoulder a large part of the blame for waning of support in Congress and among the public for its ambitious defense spending plans. If the President and his defense secretary and other advisers had demonstrated the ability -- or the willingness -- to choose carefully among various weapons rather than insisting on having them all they might have found the people behind them. If they hope to restore public confidence in their program, it will take more than a rehashing of the unsavory intentions of the men in the Kremlin; it will take a reshaping of the so-far unselective intentions of the men in the White House."

(Atlanta Journal, 3/2)

EDITORIALS (continued)

If Defense is an Emergency, Public Ought to Pay for It -- "As usual, President Reagan did a good job of boiling complex issues down to simple, bite-sized warnings Wednesday when he asked the nation to keep defense spending high. Unfortunately, he omitted the simple other part of the equation -- paying the bill.... If defense is such an emergency, it should be worth getting Americans to pay for it." (Dayton Daily News, 2/28)

Do We Want to Be Weak? -- "Mr. Reagan's program is really a minimum one for peace and deterrence of Soviet threats. Buying defense doesn't buy votes so well as handing out great sums through social programs, the part of the federal budget that is biggest and has grown fastest. But the preservation of our people, our nation and the peace demand the kind of strong defense Mr. Reagan proposes. The President's remarks were tough and clear. They were realistic in noting the nature of Soviet tyranny. We must be realistic in facing it, or suffer in retreat before it."

(Chattanooga News-Free Press, 2/27)

We Can't Afford Fat in Defense Budget -- "We need a strong, lean defense, not a fat, bloated one. Let's give defense enough to keep up with inflation, but no more. It's time to tear up the Pentagon's blank check."

(USA Today, 3/3)

Buying Arms on Credit -- "President Reagan's argument in favor of continuing his military buildup might be convincing if he were willing to ask the nation to pay for it, but he's not willing. His military buildup has been the biggest in peacetime in the nation's history and, if continued at the rate Mr. Reagan asks, it would mean spending almost four times as much on the military by the end of the decade as was being spent at the height of the Vietnam."

(Hartford Courant, 2/28)

VLADIMIR POSNER

White House vs. ABC -- "After President Reagan declared in his speech to the nation Wednesday night that any cuts Congress makes in military spending would threaten U.S. security and endanger U.S.-Soviet arms talks, ABC News interviewed a Soviet spokesman to see what the Kremlin thought about it. Reaganites bounced off White House walls.... Can't they tell the difference between interviewing a Soviet spokesman and supporting the Soviets? Do they sell the U.S. public so short that they don't think Americans can tell the difference? America's news media is duty-bound to present all sides of an issue to inform the public, and none merits fuller coverage than U.S.-Soviet relations. True, the state-controlled Soviet news media wouldn't do it, but does Mr. Reagan really want America's free press to play by Soviet rules?"

(Philadelphia Inquirer, 3/2)

NEWS FROM THE STATES

REPUBLICAN LEADERS ENTHUSIASTIC

NASHVILLE, TN. (UPI) -- There is no secret that the two-day gathering is an early chance for Republican presidential hopefuls to impress the people who will determine the party's nominee in 1988.

Vice President George Bush, former Tennessee Senator Howard Baker and former U.N. Ambassador Jeane Kirkpatrick got their chance Friday. Senate Majority leader Robert Dole of Kansas, former Delaware Governor Pete du Pont, television evangelist Pat Robertson, former Secretary of State Alexander Haig and Rep. Jack Kemp are on Saturday's schedule.

Sen. Paula Hawkins (R-FL), who faces a tough reelection race against Florida Governor Bob Graham, told the conference Friday that if the GOP loses the Senate, President Reagan "will not be a lame duck. He will be a dead duck."

"We must set our sights to capture state legislative majorities," North Carolina Governor James Martin said.

Republican hopes probably can best be summed up by Tennessee Governor Lamar Alexander, who told the crowd Friday they would hear from the next president of the United States "who will be here some time today or tomorrow."

BUSH HONORS ALAMO HEROES ON TEXAS INDEPENDENCE DAY

DALLAS, TX. (UPI) -- Vice President George Bush, who once fought in court to prove himself a Texan, obviously was glad Sunday he succeeded.

"What a great day to be a Texan," Bush said Sunday, standing on a platform in front of the Alamo, as he and his fellow Texans celebrated the 150th anniversary of Texas' declaration of independence from Mexico. In Dallas, Bush told 25,000 people at the State Fair of Texas that the state was "celebrating a quality that's deep in the heart of Texas and that has endured throughout Texas' history. It's the Texas spirit and the Texas pride," he said.

More than 3,000 flag-waving, cheering people visited the shrine of Texas liberty, where more than 180 defenders held off a Mexican army of 2,000 before being wiped out on March 6, 1836, four days after the Texas Declaration of Independence was signed.

In Sugar Land on Saturday, Bush dedicated an enormous Texas flag to celebrate the state's 150th birthday. Minutes earlier, the banner whipped against a nearby bank building and shattered a portion of the building's exterior. The Vice President planned to visit Dallas Monday for a fund-raising dinner for Rep. Dick Armey, (R-Texas), and a speech to the second annual Business and Christian Leadership Banquet that night. Bush will attend a Neuces County GOP fund-raising breakfast in Corpus Christi Tuesday, then fly to Houston for another fundraiser at noon for Rep. Jack Fields, (R-Texas).

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FOREIGN MEDIA REACTION

PRESIDENT'S DEFENSE APPEAL

"There is...a muddle of perception that may not help the White House. The military buildup, remember, was supposed to bring a broken Moscow to the negotiating table.... The policy...has worked. So why hack the railways and schools and the medical spending any longer. One argument, though, has not yet been fully deployed.... If the President truly believes that his nation is in peril without every last dollar for Mr. Weinberger, but that alarm over the budget deficit is threatening such crucial spending, then he has a simple answer. Raise taxes."

(Guardian, Britain)

"Reagan's much-used argument that cuts in the defense budget will jeopardize the Geneva arms control negotiations has lost much of its attractiveness. More and more Americans realize that the President has been saying the same things for years. They ask: What were all these many dollars used for? ...Is President Reagan playing a game of poker? If so, his televised address was a wrong move."

(Koelner Stadt-Anzeiger, West Germany)

"President Reagan's passionate television address Wednesday night...was not enough to convince the U.S. Congress and the American public of the need to increase defense spending."

(Il Mattino, Italy)

"It will be noted that Mr. Reagan implicitly gave assurances to Washington's European allies who point out that in the event of the elimination of nuclear weapons, the imbalance of conventional arsenals between the East and the West would cause a worrying situation."

(Le Soir, Belgium)

"Once again, Reagan was in excellent form and from different angles skillfully emphasized his basic philosophy that only a 'strong enough United States can be an equal negotiating partner for the Soviet Union.'"

(Helsingin Sanomat, Finland)

"U.S. Congress leaders -- Republicans as well as Democrats -- told President Reagan in the White House...that his nationally televised address on Wednesday night for increased military spending had failed to convince them that extra funds were necessary."

(Irish Times, Ireland)

"The President's speech...aroused pointed criticism from the progressives in the U.S. public.... It is significant that this adventurist course is giving rise to anxiety among sober-thinking U.S. congressmen."

(Radio Moscow)

"Matching Gorbachev's tough line...President Reagan sought public support for continued military buildup.... Despite this presidential appeal...observers do not rate as very high the chances of the budget surviving intact."

(Hindustan Times, India)



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, MARCH 4, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Reagan Warns Of "Second Cuba" In Nicaragua -- President Reagan, warning that the situation in Nicaragua could turn into "a second Cuba," is fighting an uphill battle to win congressional approval of \$100 million in aid for the Contra rebels.

(New York Times, Washington Post, Washington Times, AP, UPI)

Hill Skeptical As State Denies Medvid Mistake -- The State Department vigorously denied yesterday that it had been duped by the Soviets last fall when Ukrainian seaman Miroslav Medvid attempted to defect from his grain ship in the Mississippi river at New Orleans.

(Washington Post, Washington Times, AP)

NATIONAL NEWS

Panel Recommends Military Fight Drug Traffic -- A presidential panel says the military should help combat a \$110 billion mob-run drug industry, and government contractors should test employees for drugs to eliminate a growing threat to national security.

(Washington Post, Washington Times, Scripps Howard, UPI)

Sen. Laxalt, Retiring, Says He'll Remain Active In Conservative Causes -- The Republican senator who is President Reagan's best friend in Congress assured the conservative contingent that came to bid him farewell that he's "not going out to pasture."

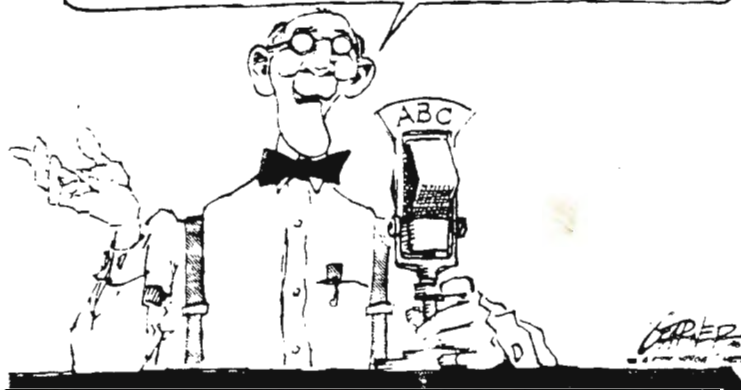
(Washington Times, AP)

NETWORK NEWS (Monday Evening)

AID TO CONTRAS -- President Reagan is seeking aid for the Nicaraguan contras, fighting what he called "a sanctuary for terrorists and subversives."

PRESIDENTIAL COMMISSION -- The commission recommended drug use tests for millions of U.S. citizens who work for the government.

... AND NOW, FOR REBUTTALS TO PRESIDENT
FDR'S DEFENSE SPEECH, WE HAVE
EUROPEAN CORRESPONDENT, ADOLF HITLER
AND ASIAN CORRESPONDENT, TOJO...



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

INTERNATIONAL NEWS

REAGAN WARNS OF DISASTER IF HILL BARS \$100 MILLION CONTRA AID

President Reagan, trying to drum up support for a \$100 million aid package for the Nicaraguan rebels, met yesterday with three rebel leaders and warned the United States faces a "strategic disaster" of great magnitude and a "vast migration" of refugees if Congress turns down his request.

"Defeat for the contras would mean a second Cuba on the mainland of North America," Reagan said at the White House meeting. "It would be a major defeat in the quest for democracy in our hemisphere. And it would mean consolidation of a privileged sanctuary for terrorists and subversives just two days' driving time from Harlingen, Tex.," a city near the Mexican border. (Lou Cannon & Joanne Omang, Washington Post, A21)

U.S. Military Aid Could Draw Many Into Contra Army

The number of Nicaraguan resistance fighters would quadruple with U.S. military assistance, a State Department official said yesterday, as the Administration turned up the heat on Congress to approve \$100 million in rebel aid.

There are 19,000 potential recruits ready to join 6,000 active resistance fighters in Nicaragua if the United States provides military equipment and supplies, said Elliot Abrams, assistant secretary of state for inter-American affairs.

(Mary Belcher & Christopher Simpson, Washington Times, A1)

Reagan Warns On Aid To Nicaraguan Rebels

One senior Administration official, speaking on the condition he not be identified, said White House strategists calculate they need to turn around about 40 votes in the House before the Easter recess if Reagan is to succeed in getting \$100 million in arms and other assistance for the anti-Sandinista fighters known as the Contras. (Michael Putzel, AP)

Reagan Warns Of "Second Cuba" In Nicaragua

President Reagan, warning that the situation in Nicaragua could turn into "a second Cuba," is fighting an uphill battle to win congressional approval of \$100 million in aid for the Contra rebels.

After meeting with Contra leaders Monday, Reagan implored Congress to prove it is "as committed to democracy in Nicaragua as it was in the Philippines" by approving the package, which includes \$70 million in military aid and \$30 million for humanitarian purposes.

(Helen Thomas, UPI)

Shultz Lobbies For Contra Aid On Capitol Hill

Secretary Shultz picks up the Administration's public relations and lobbying blitz for \$100 million in aid to the Nicaraguan Contras with an appearance today on Capitol Hill.

Shultz voiced support for the aid in a speech to the Veterans of Foreign Wars this week and testifies today before the House Appropriations subcommittee of foreign operations. Shultz has said the only alternatives to the aid is sending U.S. troops to the region or doing nothing. (UPI)

Contra Aide Vital, Reagan Declares

President Reagan warned Congress today of a "strategic disaster" if it failed to approve military assistance to the Nicaraguan insurgents, who he said would be crushed like "the Hungarian freedom fighters" without aid.

"It is clear that we need the military aid badly in order to have effective pressure to bring the Sandinistas to the table," Alfonso Robelo Callejas said in recalling his group's remarks to Mr. Reagan.

(Gerald Boyd, New York Times, A1)

CHURCHES: ADMINISTRATION GUILTY OF LYING ABOUT NICARAGUA

An interfaith group of 167 religious leaders issued its sharpest criticism today of the Administration, accusing it of disseminating "misinformation and outright falsehood" on the situation in Nicaragua.

In the sharpest -- and most widely endorsed -- anti-Administration statement yet from the religious community, Roman Catholic, Protestant and Jewish religious leaders said "a scaffold of deception is being constructed around Nicaragua."

(David Anderson, UPI)

PROPERTIES LINKED TO MARCOS FROZEN

A state judge has temporarily frozen any financial dealings on five valuable New York properties linked to deposed president Marcos and his wife Imelda, as the new government in Manila stepped up efforts to recoup "wealth that properly belongs to the Philippine people."

In another development, two State Department officials left Washington yesterday for Honolulu to help resolve the increasingly complex legal questions about 22 crates of documents and valuables that arrived with Marcos and his entourage.

The belongings, now held by the U.S. Customs Service, could also figure prominently in two federal grand jury probes of possible diversion of U.S. military aid into kickbacks and bribes to high Philippine officers.

(Keith Richburg & Dale Russakoff, Washington Post, A1)

PENTAGON PROBES SEEK ACCESS TO MARCOS DOCUMENTS IN AID-KICKBACK INQUIRY

Defense Department investigators probing possible kickbacks involving U.S. military aid to the Philippines are in Hawaii hoping to look at legal papers that the former president Marcos and his party brought with them into exile.

Sources close to the two-year-old investigation said yesterday that at least one subpoena has been issued in Hawaii in connection with the case since the Marcos party arrived, and that more subpoenas are likely.

(Joanne Omang & Carl Murphy, Washington Post, A23)

ARMY FUNDED PRIVATE PARTIES

Army units at NATO headquarters in Belgium and the 7th Corps in West Germany diverted thousands of dollars in community relations funds to host private parties for U.S. generals, Army investigators have found.

Exclusive parties at Army units throughout Europe were probably financed with community relations funds in several recent years, according to a newly released report by the Army Audit Agency, which was made available to UPI.

(UPI story, Washington Post, A12)

STATE DEPT. DENIES SOVIET SEAMAN WAS IMPOSTOR

The State Department yesterday dismissed as "without foundation" a report suggesting that a Ukrainian seaman who jumped from a Soviet ship near New Orleans in October might not have been the same man who later told U.S. officials that he wanted to return home.

The New York Times report, published Sunday, recounted speculation of a possible Soviet-engineered switch that has circulated for weeks in conservative congressional circles and Ukrainian emigre groups concerning seaman Miroslav Medvid.

(Washington Post, A24)

Hill Skeptical As State Denies Medvid Mistake

The State Department vigorously denied yesterday that it had been duped by the Soviets last fall when Ukrainian seaman Miroslav Medvid attempted to defect from his grain ship in the Mississippi river at New Orleans.

But there were new signs that the simmering controversy, which the State Department has called "closed" on several occasions, is flaring again. There was new pressure from the Senate for a congressional investigation.

(Washington Times, A3)

Administration Denies Report Soviet Sailor Was Swapped For Stand-In

State Department spokesman Charles Redman said officials who saw the sailor in the sick bay of the ship on Oct. 25, and questioned him on Oct. 28 and 29, positively identified him as Medvid through eye-witnesses, photographs and an identifying mark on his heel.

"Allegations that the Soviets pulled a switch and a substitute was interviewed are without foundation," Redman told reporters Monday in the wake of a New York Times story Sunday that discussed such a scenario.

(Bryan Brumley, AP)

REAGAN MAY INVITE GORBACHEV TO WESTERN RANCH

Assuming that the two superpowers can settle on a date for their summit in Washington, President Reagan has told aides that he wants to take Soviet leader Gorbachev afterward to visit his beloved California ranch.

"His main idea is to show him what America is really like," a senior White House official said Monday, speaking on condition that he not be identified by name. Other stops during the proposed national tour tentatively include a farm, a manufacturing plant and a supermarket, he said.

(Susan Page, Newsday)

HONDURAS/EXERCISES

MOCORON, Honduras -- About 100 U.S. Army engineers parachuted into Honduras Monday with bulldozers and equipment to build an airstrip 15 miles from Nicaragua. The U.S. ambassador said Nicaragua's Marxist government should "take note" of the project. (Andrew Selsky, AP)

BOLIVIA SAYS U.S. AID CUTOFF WOULD ENDANGER FUTURE

LA PAZ -- The Bolivian government has said a reported plan by U.S. Congress to make further aid to Bolivia conditional on the eradication of non-traditional coca growing would endanger the country's economic and political future.

President Estenssoro said in a statement last night that his government had provided "more than enough examples it was working in the fight against narcotics trafficking and of its will to carry out international accords pledging the elimination of non-traditional cultivation of the coca leaf. (Reuter)

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NATIONAL NEWS

PANEL URGES DRUG TESTS FOR ALL FEDERAL WORKERS

The President's Commission on Organized Crime urged yesterday that all federal employees and government contractors be required to take tests for drug use or risk being fired.

In a 455-page report to President Reagan on drug use in America, compiled over 2½ years, the commission also suggested that the military take on an increased drug-enforcement role, and that the National Security Agency set up an information system to be shared by all drug-fighting agencies.

(Mary Thornton, Washington Post, A5)

Military Should Help Fight Drug Invasion, Reagan Told

President Reagan's Commission on Organized Crime urged him yesterday to order the military into the fight against an "airborne, amphibious and overland invasion" of the United States by drug smugglers. The panel also said U.S. authorities should chase drug runners into Mexican air space if necessary.

(John McCaslin, Washington Times, A3)

Panel Recommends Military Fight Drug Traffic

A presidential panel says the military should help combat a \$110 billion mob-run drug industry, and government contractors should test employees for drugs to eliminate a growing threat to national security.

The President's Commission on Organized Crime, in a lengthy report presented to President Reagan Monday, said \$110 billion worth of drug trafficking accounts for about 38 percent of all organized crime activity and demands sweeping measures, including a "much bigger" military role and drug testing for all public and private employees.

(Lori Santos, UPI)

Federal Workers In Forefront Of Drug Testing Movement

Testing federal workers for drug use is a growing practice that experts predict will cover all sectors of the federal workforce within three years. Urinalysis testing for railroad train crew members went into effect in February.

This spring, three major agencies -- the Drug Enforcement Administration, the U.S. Customs Service and the General Services Administration -- will begin testing their employees.

While backers say testing is essential to ferret out drug abuse among federal workers, civil libertarians and labor unions are up in arms about what they brand an infringement on workers' civil rights.

(John Bennett, Scripps Howard News Service)

LOWERING OIL PRICES RAISING HOPES FOR STRONG ECONOMIC GROWTH

The United States will soon be reaping considerable benefits from the fall in oil prices which will boost economic growth, lower interest rates and keep a lid on inflation, many economists predict.

The outlook of many analysts has brightened considerably in the past two months because of the plunge in oil prices. More about the future growth will be known today when the government releases its Index of Leading Indicators for January.

(Martin Crutsinger, AP)

COMING COLLISION OVER USER FEES

The OMB is on a collision course with a powerful western senator, and the Reagan Administration's philosophical dedication to user fees is hanging in the balance.

The senator is James McClure (R-Idaho), who on several recent occasions has proven not to be bashful about seeking help for corporate constituents.

The issue is who should pay for the often costly environmental studies required when a private interest seeks a right-of-way over federal lands -- when, for example, a utility wants to construct a power line. In the past, Interior's position has been that the applicant pays.

(Cass Peterson, Washington Post, A15)

LAXALT "ONE OF THE GUIDING STARS," REAGAN SAYS AT TESTIMONIAL DINNER

President Reagan saluted retiring Nevada Sen. Paul Laxalt last night as "one of the guiding stars for a political revolution that has shaken America and the world."

"Again tonight, those tears are not very far away," the President said as he described his longtime friend and political ally as a man "destined to be a leader of this nation and one the foremost Americans of this or any time."

(Bill Kling, Washington Times, A2)

Sen. Laxalt, Retiring, Says He'll Remain Active In Conservative Causes

The Republican senator who is President Reagan's best friend in Congress assured the conservative contingent that came to bid him farewell that he's "not going out to pasture."

The former Nevada governor, who is not seeking re-election this year, sought to dispel thoughts that his retirement from the Senate will mark an end to his political career.

(Donna Cassata, AP)

"GENERAL CONTRACTOR" OF THE WHITE HOUSE STAFF

By his own reckoning, Dennis Thomas is exactly where he wants to be: in the thick of White House traffic, with the Oval Office on one side and the office of Donald Regan, President Reagan's chief of staff, on the other.

(Gerald Boyd, New York Times, A22)

BILL WOULD MAKE NIXON'S BIRTHPLACE HISTORIC SITE

The Reagan Administration and California congressmen are trying to make Richard Nixon's birthplace a national historic site, saying they want to "preserve history, not judge it." (David Goeller, AP)

EDITOR'S NOTES:

"The Reagan's Marriage: 34 Years of the Anniversary Waltz," by Daphne Hurford, appears on page B1 of the Baltimore Sun.

"The First Family, Cover To Cover: Patti Davis, and Her Novel Life as the President's Daughter," by Donnie Radcliffe, appears on page B1 of the Washington Post Style section.

-end of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening, March 3, 1986)

NICARAGUA/AID TO CONTRAS

Rather: President Reagan himself today warned of what he called a "sanctuary for terrorists and subversives just two days driving time from Arlington, Texas." That's a quote. It was part of the push on Congress to pass renewed military aid money for rebel forces fighting Nicaragua's Sandinista government. But so far, the President's hot words are getting a cool reception from Congress.

CBS's Bill Plante: Meeting with leaders of the Nicaraguan opposition, the contras, President Reagan threw the first pitch of his all-out campaign for military aid to the rebels, and it was a hardball. (President in Cabinet Room: "Congressional defeat of this aid proposal could well deliver Nicaragua permanently to the communist bloc. Defeat for the contras would mean a second Cuba on the mainland of North America.")

President Reagan's aides told him over the weekend that if he didn't become personally involved in the battle for aid with a recalcitrant Congress, the Administration would certainly lose. So not only the President, but also his Secretary of State, joined the fight, for \$100 million in mostly military aid. Shultz painted a gloomy picture of what happens without the money.

(Secretary Shultz: "It is clear that, without our help in strengthening the Nicaraguan democratic opposition, hope for democracy in Nicaragua is doomed. And progress elsewhere in Central American could be undone.")

To further increase the pressure on Congress, a private conservative group has started running TV spots supporting contra aid.

(TV Coverage: TV commercial saying: "Here's terrorism we can do something about, if we support the President on Nicaragua.")

But right now, as even the President's supporters agree, the aid measure doesn't have a chance.

(GOP Rep. Cheney: "There is no great clamor in the country for aid for Nicaragua, for the contras.")

(Rep. McCurdy: "Trust us; we're not gonna spend \$100 million of your tax dollars on a program that hasn't had much success now.")

Many in Congress still think the President wants to overthrow the Sandinistas, not negotiate with them. So the White House will go all out. There may even be another TV address, as they put Mr. Reagan's prestige on the line. And in the end, he'll probably have to settle for a compromise. (CBS-3)

NBC's Tom Brokaw: As promised, President Reagan and other top officials of his Administration today opened a hard-sell for \$100 million in additional American aid to the contras. Those are the rebels trying to overthrow the Sandinista government of Nicaragua. This promises to be a brutal political battle.

-more-

NBC's Chris Wallace: The President today put the full weight of his office behind the contras -- promising a major campaign to win them military support. Mr. Reagan welcomed rebel leaders to the White House like visiting heads of state, first meeting them in the Oval Office, then in the Cabinet Room saying defeat for the contras would allow the communists to set up a second Cuba on the American mainland. (TV Coverage of Oval Office and Cabinet Room photo ops.) (President Reagan: "And those who would invite this strategic disaster by abandoning yet another fighting ally of this country in the field will be held fully accountable by history.")

Secretary Shultz was also challenging Congress, comparing the battle against the Sandinistas to the overthrow of Ferdinand Marcos.

(Shultz: "The United States took a direct interest in the progress of Filipino democracy. For similar reasons, we are deeply concerned with the hopes for democracy in Nicaragua.")

The Administration is putting on this blitz because it says the rebels are at a turning point. With U.S. support, it says their numbers will jump from "6 to 25,000" in a year. But without U.S. support, it says the contras will fall apart. And so the President will lobby the Congress, sell the contras in his radio speeches, and almost certainly make another TV address to the nation. The President will have help. A conservative group is spending a million dollars to run commercials accusing the Sandinistas of religious persecution. (TV Coverage of commercials.) American religious leaders will carry crosses to the Capitol tomorrow, with the names of people killed by the rebels.

(Episcopal Bishop Paul Moore: "The President wants to arm them again with \$100 million worth of weapons. These weapons will be used, not just to fight the soldiers, but they cannot help but also kill innocent children.")

Officials here say that the contra package is now at least 30 votes behind in the House, but they believe a big drive by the President over the next few weeks can still turn that around.

Brokaw: As you indicate, Chris, even with all of this offensive by the President and the White House, this will not be an easy sell on Capitol Hill. John Dancy, how do the votes stack up up there?

NBC's John Dancy: As Chris has said, the President is facing an uphill battle here. Republican leaders have already gone to him and told him that he faces an uphill battle. Eighteen senators -- both Democrats and Republicans -- have written to him asking him to hold off on this. They would like to see the peace process initiated by nations in Central America go forward. They are afraid that if the U.S. gives the contras aid, that can't happen.... Sen. Sasser of Tenn. has just come back from a trip to Central America and he suggested today that the President be given the \$30 million in humanitarian aid that he wants, but that a freeze be put on the military aid until the Sandinistas come to the bargaining table. If they don't come to the bargaining, then the threat is, of course, that money could be unfrozen and given to the contras. (NBC-lead)

Jennings: The Reagan Administration stepped up its campaign to get more aid for the forces trying to overthrow the government of Nicaragua. Congress has already refused the President military aid on five different occasions. This time, as the President looked for \$100 million -- 70% of it military -- the Congress is still skeptical. Sam Donaldson reports that at the White House today, Mr. Reagan called in the contra leaders to help make his case.

ABC's Sam Donaldson: President Reagan, flanked by the political leaders of the contra forces, spoke in the grimmest terms of what he thinks will happen if military aid is not given them.

(President: "Congressional defeat of this aid proposal could well deliver Nicaragua permanently to the communist bloc.")

Administration officials say that if the \$70 million in military aid is forthcoming, the contra ranks will swell to about 25,000 men, and they can win in two or three years. But if not, the 6,000 contra troops now in Nicaragua will probably be defeated -- a defeat the President said would be Congress' fault.

(TV Coverage of contra troops patrolling.)

(President: "And those that would invite this strategic disaster, by abandoning yet another fighting ally of this country in the field, will be held fully accountable by history.")

The Secretary of State, ex-Marine George Shultz, carried the message to the Veterans of Foreign Wars convention in Washington, insisting that the U.S. would rather have a diplomatic solution but arguing that force is needed to bring that about.

(Shultz: "Power and diplomacy must go hand-in-hand.")

Despite Shultz's insistence, Congress has never believed that the Administration has vigorously pursued a diplomatic solution. And that still seems to be the case.

(Rep. McCurdy, D-Ok: "We don't rule out military. We think that the military can be a tool of an overall objective. But you have to do the other things first. And that is exhaust the diplomatic remedies first.")

(Sen. Sasser: "I think we ought to give negotiations and diplomacy one last chance to work in the region.")

The Administration will almost certainly not get all the aid it's asking for, at least not now, even if the President gives his all -- including perhaps a prime-time televised speech. But this is an issue Ronald Reagan will not give up on until, as he once said, the Nicaraguans cry "uncle."

ABC's Peter Collins reports from Nicaragua that well-qualified military observers in Nicaragua believe that, at the moment, the Sandinistas are winning their war with the contras. And they add that if the Sandinistas are not toppled within a year, they will be here for decades. After four years of fighting, the contras are losing ground. The contras' problems are as much political as military. Their leaders have been unable to agree on what Nicaragua should look like if they win. As for the Sandinistas, despite 2,500 Cuban advisors, lots of Soviet-made hardware, and a more than 10-to-one advantage of soldiers in the field, they are still unable to crush the contras. As the foreign observers here see it, to regain momentum, the contras need more than U.S. military aid. More than that, these observers say, they need U.S. military advisors in Nicaragua.

Collins continues:

That would echo the early days of Vietnam and probably be politically impossible.

For the contras and the Reagan Administration, time is running short. The Sandinistas clearly believe if they can hang on until the Spring of 1987, a year from now, the U.S. would not dare intervene during the presidential campaign that would then be underway. The Sandinistas say the bottom line may be something they have been predicting all along: that if Ronald Reagan really wants to change things here, he will have to take an enormous political risk and send in U.S. troops. (ABC-3)

HONDURAS

Brokaw: The U.S. military is beefing up its presence on the border

between Nicaragua and Honduras. An American airstrip now is under construction on the Honduras side and the skies are filled with Americans participating in wargames. The U.S. is trying to send a not-so-subtle message.

NBC's Jamie Gangel reports this is all supposed to be for practice.... But according to U.S. officials here, there's a message: to make sure the Nicaraguan government knows just how close U.S. forces can get and just how cordial U.S.-Honduran relations are. U.S. officials here say that behind this military message is a political strategy. The White House wants the Sandinistas to know that if the contras cannot topple Nicaragua's leftist government, the U.S. just might. But even the most hawkish U.S. military officials agree invading Nicaragua is unlikely -- that this is just a political ploy by the Reagan Administration as it lobbies Congress to pass more aid for the contras. The point is to intimidate and pressure the Sandinistas. But the Nicaraguans are conducting a public relations campaign of their own. Every week, there are military parades to show off their troops, equipment and again and again, their Soviet-built attack helicopters. And with the debate over contra aid heating up, the Sandinistas say they will take on the Reagan Administration picture for picture to try to dissuade Congress from giving the rebels more money. (NBC-2)

CHALLENGER INVESTIGATION

CBS's Dan Rather: A group not yet consulted in the investigation of the space shuttle catastrophe, the space shuttle program astronauts themselves, today spoke out publicly for the first time. Two shuttle flight veterans told CBS correspondent Eric Engberg today that before the accident, no one at NASA, no one at the company that makes the shuttle, or the company that makes the rocket boosters -- no one told them about any problem in the rocket booster seals.

CBS's Eric Engberg reports that the astronauts had never been apprised of a potentially deadly problem in a rubber O-ring that sealed segments of the rocket booster. NASA today began making the astronauts available for interviews after a month of self-imposed silence. (CBS-Lead)

SHUTTLE CHALLENGER

ABC's Peter Jennings: For the first time since the Challenger exploded, astronauts in the shuttle program have commented on the flight and on safety in general. And while these astronauts say they were surprised to learn of Challenger's problems, they were shocked to hear that there had been similar problems on their own previous missions.

ABC's Rebecca Chase reports from Houston that astronauts are concerned that they did not learn about booster rocket seal problems until the recent investigation. The astronauts are continuing to train for future missions and say that morale at NASA is coming back.

Jennings: ABC's Lynn Sherr has learned that the presidential commission is expected to begin public hearings again this Friday at Cape Canaveral. And now that the decision-making process has had a thorough questioning, the emphasis will shift to the hardware that made it fail. (ABC-Lead)

PRESIDENTIAL CRIME COMMISSION

Rather: President Reagan's organized crime commission stopped just short today of calling for mandatory drug tests for all American workers. The President's commission did recommend drug-use tests for millions of American citizens who work for the government, and for private companies with government contracts. The commission also called drug trafficking a national security problem, and recommended a major role for the U.S. military in trying to stop it. (CBS-2)

Brokaw: The Presidential Commission on Organized Crime reported today that the Mob gets most of its profits from its traffic in illegal drugs. It estimated that profit at \$110 billion a year. The report said the drug problem is a national emergency. It called for strong measures to fight it. The commission recommended drug testing of people in the workplace, starting with government workers, the military and defense workers. It called for aggressive intervention by the U.S. military in stopping the flow of drugs into this country. And it asked for a nationwide campaign to reduce the demand for drugs by education, counseling and by jail terms for drug users. (NBC-9)

DRUGS

Jennings: There was a call to arms today in the war against illegal drugs. The President's Commission on Organized Crime even called for using the military to track down drug smugglers.

ABC's Dennis Troute reports that the drug trade accounts for 38% of organized crime's profits in the U.S., says the commission. In an 800-page study released today, the commission notes the failure of law enforcement to choke off an estimated \$110 billion worth of drugs coming into this country from abroad.

Troute continues:

The commission recommends that the U.S. military get involved in patrolling borders and coastlines specifically to interdict drugs. The Pentagon has resisted such duty in the past, arguing that the military must concentrate on war readiness instead. And, says the commission, given the lack of success in cutting drug supplies, it's time to hit consumers with stiff user penalties. The commission wants all federal workers and federal contractors, well over three million people, screened for drug abuse -- even if there is no particular reason to suspect them.

(ACLU spokesman: "If this kind of drug testing program is put into effect, the rights of privacy for American citizens generally will be greatly diminished.")

Critics worry, too, about the example given private industry, which also does some drug testing. They say the curtailment of individual rights, for whatever cause, is a dangerous habit itself. (ABC-2)

COMMUNIST INSURGENCY/PHILIPPINES

Rather: Communist-led guerrillas in the Philippines today carried out their boldest attack on the week-old government of Cory Aquino, who has said she may propose a cease-fire with the communists. Some 200 guerrillas ambushed a truck on a bridge in the central Philippines; 15 policemen and four civilians were killed. (CBS-4)

Jennings reports that in the Philippines there are signs that President Aquino's honeymoon may be coming to an end. Today pro-Marcos loyalists at a half-dozen city halls around the country turned out to oppose Aquino's plan to force the replacement of local, pro-Marcos mayors around the country.

The Ministry of Defense is looking into reports of a roadside ambush 200 miles south of Manila in which 19 people died. That could signal that Aquino's effort for a ceasefire with the communist forces may be failing. (ABC-4)

Brokaw: Defense Department sources tell NBC's Anne Garrels that documents brought in to exile by Ferdinand Marcos and his friends may help in an investigation into more than \$100 million of misused U.S. military aid. In New York, meanwhile, a judge has blocked the sale or transfer of American property allegedly owned or controlled by Marcos and his wife. And in Manila today, Corazon Aquino was discovering the down-side of being a leader of the Philippines. She faced protests from both Marcos supporters and her own.

NBC's Jim Bitterman reports mayors, governors and their supporters were barricading themselves in their offices. In several parts of the Philippines, there were well-founded fears the new Aquino government might try to continue imposing its favorites into local jobs -- the same way President Marcos used to.

Bitterman continues:

But there were other protests against the new government, including some by its supporters who don't believe it is moving fast enough to rid the government of Marcos' cronies.... The fragile new government is for the most part still working out of make-shift offices in President Aquino's headquarters, but there is more to running a country than finding adequate office space. Her government still has not legitimized itself under the provisions of the old Constitution.

(NBC-3)

MIDEAST

Brokaw: The funeral of the assassinated mayor of Nablus in the Israeli-occupied West Bank turned into a huge demonstrations for Palestinian nationalism. At one point today, Israeli police opened fire to disperse rock-throwing youths.

(NBC-6; ABC-6; CBS-6)

IRELAND

Brokaw: Protestant organizers in Northern Ireland wanted today's funeral for democracy protest march through Belfast to be peaceful. But it wasn't -- some demonstrators went on a rampage, setting fires to cars and torching a factory.

(NBC-7; ABC-8; CBS-10)

SOUTH AFRICA

Brokaw: Seven blacks were killed today in a South African police ambush near Cape Town. Police, who said they were acting on a tip, charged that the seven were members of the outlawed African National Congress and that they were planing an attack near the police station. It was the most violent clash between rebels and South African security forces this year.

(NBC-8; ABC-7; CBS-5)

MEDVID

ABC's Mark Potter reports the man who found Medvid the night he asked for asylum is jeweler Joe Wyman, who says the man in U.S. photos is definitely not Medvid. Wyman says the man questioned by U.S. authorities was a Soviet official who had approached him the same night he saw Medvid. But the FBI has compared the photos to the one taken originally by the Immigration Service and says it can't tell if it's a different man. The State Department says it has no doubt he was Medvid. Whatever the truth, the issue of whether it was Medvid is being clouded by the various parties as they look for ways to attack each other over the handling of the Medvid affair.(ABC-15)

PALME

Jennings says there is no apparent progress to report in solving the murder of Prime Minister Palme.

ABC's Dean Reynolds reports from Stockholm on the investigation into Palme's murder. What is clear tonight is that Sweden will fight the impulse to restrict public contact with its elected officials and to turn its government into an armed camp. For peace-loving Sweden, that would be far too high a price to pay. (CBS-9, NBC-5, ABC-5)

INSURANCE CRISIS

ABC's Jay Shadler reports on the skyrocketing cost of liability insurance and the conflict between lawyers and insurers over who is to blame. (ABC-12)

OIL PRICES

Jennings reports oil prices dropped sharply, to just over \$12 for West-Texas crude. That compares to a price just last November of \$31 a barrel. Analysts say prices at the pump could drop between 25 and 30¢ a gallon over the next few months. (ABC-13)

STOCKS

Jennings reports the Dow dropped back under the 1,700 level. They lost about 12 points and trading was active. (ABC-14)

Editor's Note: CBS began a five-part, week-long series on "Poverty in America" Monday evening. Tonight's subject: teenage pregnancy. No mention of the Reagan Administration was made. (CBS-11)

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EDITORIALS/COLUMNISTS

DEFENSE SPENDING/PRESIDENT'S SPEECH

The Pentagon Shell Game -- "President Reagan seems unbothered by the now-certified fact that his proposed 1987 budget violates the balanced-budget law he signed only 11 weeks ago. There he was on television again, warning that cuts in his 'modest 3 percent' increase in military spending would jeopardize arms negotiations with Moscow and 'may put peace itself at risk.' These cries of wolf have lost credibility, not least because the dollar figures Mr. Reagan passes on from the Pentagon are simply wrong. No serious debate can evolve from such deception."

(New York Times, 3/1)

The Ends Don't Meet in Reagan's Plan to Build and Build -- "If the President's political skills prolong the day of myth about the spending binge of the past five years, they will leave us, long after Mr. Reagan has gone, with a tremendous bill. That contradiction in his policies, though muted for the moment by tax increases and loophole-closings carried out in the first term and by the Gramm-Rudman-Hollings debate, remains the central fallacy of the Reagan program. Mr. Reagan obfuscated it with his rhetoric on Wednesday night rather than helping us to reconcile his conflicting aims on taxing and spending." (Detroit Free Press, 2/28)

Unreal Defense -- "Given the difficulty that President Reagan had reading the writing on the wall in the Philippines, one wonders what clamor in the streets may be required for him to understand that his defense budget is simply not going to fly.... More serious than the 'waste, fraud and abuse' in Pentagon spending are the misplaced priorities and the refusal to make choices that have characterized the Reagan-Weinberger years. Budgetary discipline is a management tool that forces efficiency. Splurging has sown chaos in Pentagon management." (Boston Globe, 2/28)

Protect Defense -- "The President is right: The defense budget is not unreasonable. The total budgetary authority, \$311.6 billion, represents barely 6 percent of gross national product. That's about a third less of GNP than we spent under President John Kennedy, and only about half the percentage of GNP that the Soviet Union spends on military strength.... The alarm that Mr. Reagan raised when he came to office in 1981 needs to be repeated today simply because the threat to the national security has not diminished. And that's the point. There are no Gramm-Rudman restraints on the external threat and the manner in which it grows." (Detroit News, 2/28)

Reagan Must Also Confront His Own Errors on Defense -- "The Administration must shoulder a large part of the blame for waning of support in Congress and among the public for its ambitious defense spending plans. If the President and his defense secretary and other advisers had demonstrated the ability -- or the willingness -- to choose carefully among various weapons rather than insisting on having them all they might have found the people behind them. If they hope to restore public confidence in their program, it will take more than a rehashing of the unsavory intentions of the men in the Kremlin; it will take a reshaping of the so-far unselective intentions of the men in the White House."

(Atlanta Journal, 3/2)

EDITORIALS (continued)

If Defense is an Emergency, Public Ought to Pay for It -- "As usual, President Reagan did a good job of boiling complex issues down to simple, bite-sized warnings Wednesday when he asked the nation to keep defense spending high. Unfortunately, he omitted the simple other part of the equation -- paying the bill.... If defense is such an emergency, it should be worth getting Americans to pay for it." (Dayton Daily News, 2/28)

Do We Want to Be Weak? -- "Mr. Reagan's program is really a minimum one for peace and deterrence of Soviet threats. Buying defense doesn't buy votes so well as handing out great sums through social programs, the part of the federal budget that is biggest and has grown fastest. But the preservation of our people, our nation and the peace demand the kind of strong defense Mr. Reagan proposes. The President's remarks were tough and clear. They were realistic in noting the nature of Soviet tyranny. We must be realistic in facing it, or suffer in retreat before it."

(Chattanooga News-Free Press, 2/27)

We Can't Afford Fat in Defense Budget -- "We need a strong, lean defense, not a fat, bloated one. Let's give defense enough to keep up with inflation, but no more. It's time to tear up the Pentagon's blank check."

(USA Today, 3/3)

Buying Arms on Credit -- "President Reagan's argument in favor of continuing his military buildup might be convincing if he were willing to ask the nation to pay for it, but he's not willing. His military buildup has been the biggest in peacetime in the nation's history and, if continued at the rate Mr. Reagan asks, it would mean spending almost four times as much on the military by the end of the decade as was being spent at the height of the Vietnam."

(Hartford Courant, 2/28)

VLADIMIR POSNER

White House vs. ABC -- "After President Reagan declared in his speech to the nation Wednesday night that any cuts Congress makes in military spending would threaten U.S. security and endanger U.S.-Soviet arms talks, ABC News interviewed a Soviet spokesman to see what the Kremlin thought about it. Reaganites bounced off White House walls.... Can't they tell the difference between interviewing a Soviet spokesman and supporting the Soviets? Do they sell the U.S. public so short that they don't think Americans can tell the difference? America's news media is duty-bound to present all sides of an issue to inform the public, and none merits fuller coverage than U.S.-Soviet relations. True, the state-controlled Soviet news media wouldn't do it, but does Mr. Reagan really want America's free press to play by Soviet rules?"

(Philadelphia Inquirer, 3/2)

NEWS FROM THE STATES

REPUBLICAN LEADERS ENTHUSIASTIC

NASHVILLE, TN. (UPI) -- There is no secret that the two-day gathering is an early chance for Republican presidential hopefuls to impress the people who will determine the party's nominee in 1988.

Vice President George Bush, former Tennessee Senator Howard Baker and former U.N. Ambassador Jeane Kirkpatrick got their chance Friday. Senate Majority leader Robert Dole of Kansas, former Delaware Governor Pete du Pont, television evangelist Pat Robertson, former Secretary of State Alexander Haig and Rep. Jack Kemp are on Saturday's schedule.

Sen. Paula Hawkins (R-FL), who faces a tough reelection race against Florida Governor Bob Graham, told the conference Friday that if the GOP loses the Senate, President Reagan "will not be a lame duck. He will be a dead duck."

"We must set our sights to capture state legislative majorities," North Carolina Governor James Martin said.

Republican hopes probably can best be summed up by Tennessee Governor Lamar Alexander, who told the crowd Friday they would hear from the next president of the United States "who will be here some time today or tomorrow."

BUSH HONORS ALAMO HEROES ON TEXAS INDEPENDENCE DAY

DALLAS, TX. (UPI) -- Vice President George Bush, who once fought in court to prove himself a Texan, obviously was glad Sunday he succeeded.

"What a great day to be a Texan," Bush said Sunday, standing on a platform in front of the Alamo, as he and his fellow Texans celebrated the 150th anniversary of Texas' declaration of independence from Mexico. In Dallas, Bush told 25,000 people at the State Fair of Texas that the state was "celebrating a quality that's deep in the heart of Texas and that has endured throughout Texas' history. It's the Texas spirit and the Texas pride," he said.

More than 3,000 flag-waving, cheering people visited the shrine of Texas liberty, where more than 180 defenders held off a Mexican army of 2,000 before being wiped out on March 6, 1836, four days after the Texas Declaration of Independence was signed.

In Sugar Land on Saturday, Bush dedicated an enormous Texas flag to celebrate the state's 150th birthday. Minutes earlier, the banner whipped against a nearby bank building and shattered a portion of the building's exterior. The Vice President planned to visit Dallas Monday for a fund-raising dinner for Rep. Dick Armey, (R-Texas), and a speech to the second annual Business and Christian Leadership Banquet that night. Bush will attend a Neuces County GOP fund-raising breakfast in Corpus Christi Tuesday, then fly to Houston for another fundraiser at noon for Rep. Jack Fields, (R-Texas).

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FOREIGN MEDIA REACTION

PRESIDENT'S DEFENSE APPEAL

"There is...a muddle of perception that may not help the White House. The military buildup, remember, was supposed to bring a broken Moscow to the negotiating table.... The policy...has worked. So why hack the railways and schools and the medical spending any longer. One argument, though, has not yet been fully deployed.... If the President truly believes that his nation is in peril without every last dollar for Mr. Weinberger, but that alarm over the budget deficit is threatening such crucial spending, then he has a simple answer. Raise taxes."

(Guardian, Britain)

"Reagan's much-used argument that cuts in the defense budget will jeopardize the Geneva arms control negotiations has lost much of its attractiveness. More and more Americans realize that the President has been saying the same things for years. They ask: What were all these many dollars used for? ...Is President Reagan playing a game of poker? If so, his televised address was a wrong move."

(Koelner Stadt-Anzeiger, West Germany)

"President Reagan's passionate television address Wednesday night...was not enough to convince the U.S. Congress and the American public of the need to increase defense spending."

(Il Mattino, Italy)

"It will be noted that Mr. Reagan implicitly gave assurances to Washington's European allies who point out that in the event of the elimination of nuclear weapons, the imbalance of conventional arsenals between the East and the West would cause a worrying situation."

(Le Soir, Belgium)

"Once again, Reagan was in excellent form and from different angles skillfully emphasized his basic philosophy that only a 'strong enough United States can be an equal negotiating partner for the Soviet Union.'"

(Helsingin Sanomat, Finland)

"U.S. Congress leaders -- Republicans as well as Democrats -- told President Reagan in the White House...that his nationally televised address on Wednesday night for increased military spending had failed to convince them that extra funds were necessary."

(Irish Times, Ireland)

"The President's speech...aroused pointed criticism from the progressives in the U.S. public.... It is significant that this adventurist course is giving rise to anxiety among sober-thinking U.S. congressmen."

(Radio Moscow)

"Matching Gorbachev's tough line...President Reagan sought public support for continued military buildup.... Despite this presidential appeal...observers do not rate as very high the chances of the budget surviving intact."

(Hindustan Times, India)

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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, MARCH 4, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Reagan Warns Of "Second Cuba" In Nicaragua -- President Reagan, warning that the situation in Nicaragua could turn into "a second Cuba," is fighting an uphill battle to win congressional approval of \$100 million in aid for the Contra rebels.

(New York Times, Washington Post, Washington Times, AP, UPI)

Hill Skeptical As State Denies Medvid Mistake -- The State Department vigorously denied yesterday that it had been duped by the Soviets last fall when Ukrainian seaman Miroslav Medvid attempted to defect from his grain ship in the Mississippi river at New Orleans.

(Washington Post, Washington Times, AP)

NATIONAL NEWS

Panel Recommends Military Fight Drug Traffic -- A presidential panel says the military should help combat a \$110 billion mob-run drug industry, and government contractors should test employees for drugs to eliminate a growing threat to national security.

(Washington Post, Washington Times, Scripps Howard, UPI)

Sen. Laxalt, Retiring, Says He'll Remain Active In Conservative Causes -- The Republican senator who is President Reagan's best friend in Congress assured the conservative contingent that came to bid him farewell that he's "not going out to pasture."

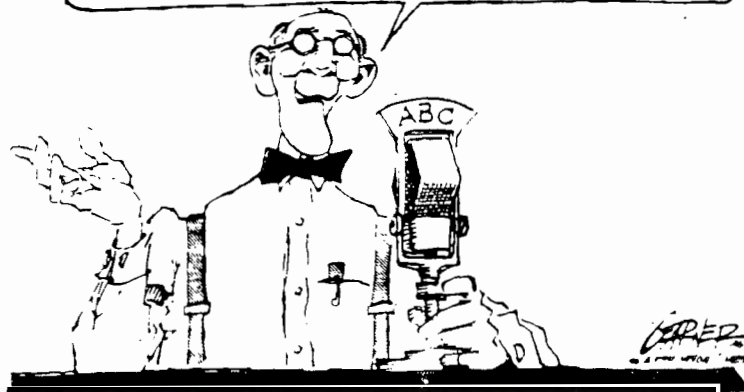
(Washington Times, AP)

NETWORK NEWS (Monday Evening)

AID TO CONTRAS -- President Reagan is seeking aid for the Nicaraguan contras, fighting what he called "a sanctuary for terrorists and subversives."

PRESIDENTIAL COMMISSION -- The commission recommended drug use tests for millions of U.S. citizens who work for the government.

...AND NOW, FOR REBUTTALS TO PRESIDENT
FDR'S DEFENSE SPEECH, WE HAVE
EUROPEAN CORRESPONDENT, ADOLF HITLER
AND ASIAN CORRESPONDENT, TOJO...



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

INTERNATIONAL NEWS

REAGAN WARNS OF DISASTER IF HILL BARS \$100 MILLION CONTRA AID

President Reagan, trying to drum up support for a \$100 million aid package for the Nicaraguan rebels, met yesterday with three rebel leaders and warned the United States faces a "strategic disaster" of great magnitude and a "vast migration" of refugees if Congress turns down his request.

"Defeat for the contras would mean a second Cuba on the mainland of North America," Reagan said at the White House meeting. "It would be a major defeat in the quest for democracy in our hemisphere. And it would mean consolidation of a privileged sanctuary for terrorists and subversives just two days' driving time from Harlingen, Tex.," a city near the Mexican border.

(Lou Cannon & Joanne Omang, Washington Post, A21)

U.S. Military Aid Could Draw Many Into Contra Army

The number of Nicaraguan resistance fighters would quadruple with U.S. military assistance, a State Department official said yesterday, as the Administration turned up the heat on Congress to approve \$100 million in rebel aid.

There are 19,000 potential recruits ready to join 6,000 active resistance fighters in Nicaragua if the United States provides military equipment and supplies, said Elliot Abrams, assistant secretary of state for inter-American affairs.

(Mary Belcher & Christopher Simpson, Washington Times, A1)

Reagan Warns On Aid To Nicaraguan Rebels

One senior Administration official, speaking on the condition he not be identified, said White House strategists calculate they need to turn around about 40 votes in the House before the Easter recess if Reagan is to succeed in getting \$100 million in arms and other assistance for the anti-Sandinista fighters known as the Contras.

(Michael Putzel, AP)

Reagan Warns Of "Second Cuba" In Nicaragua

President Reagan, warning that the situation in Nicaragua could turn into "a second Cuba," is fighting an uphill battle to win congressional approval of \$100 million in aid for the Contra rebels.

After meeting with Contra leaders Monday, Reagan implored Congress to prove it is "as committed to democracy in Nicaragua as it was in the Philippines" by approving the package, which includes \$70 million in military aid and \$30 million for humanitarian purposes.

(Helen Thomas, UPI)

Shultz Lobbies For Contra Aid On Capitol Hill

Secretary Shultz picks up the Administration's public relations and lobbying blitz for \$100 million in aid to the Nicaraguan Contras with an appearance today on Capitol Hill.

Shultz voiced support for the aid in a speech to the Veterans of Foreign Wars this week and testifies today before the House Appropriations subcommittee of foreign operations. Shultz has said the only alternatives to the aid is sending U.S. troops to the region or doing nothing. (UPI)

Contra Aide Vital, Reagan Declares

President Reagan warned Congress today of a "strategic disaster" if it failed to approve military assistance to the Nicaraguan insurgents, who he said would be crushed like "the Hungarian freedom fighters" without aid.

"It is clear that we need the military aid badly in order to have effective pressure to bring the Sandinistas to the table," Alfonso Robelo Callejas said in recalling his group's remarks to Mr. Reagan.

(Gerald Boyd, New York Times, A1)

CHURCHES: ADMINISTRATION GUILTY OF LYING ABOUT NICARAGUA

An interfaith group of 167 religious leaders issued its sharpest criticism today of the Administration, accusing it of disseminating "misinformation and outright falsehood" on the situation in Nicaragua.

In the sharpest -- and most widely endorsed -- anti-Administration statement yet from the religious community, Roman Catholic, Protestant and Jewish religious leaders said "a scaffold of deception is being constructed around Nicaragua."

(David Anderson, UPI)

PROPERTIES LINKED TO MARCOS FROZEN

A state judge has temporarily frozen any financial dealings on five valuable New York properties linked to deposed president Marcos and his wife Imelda, as the new government in Manila stepped up efforts to recoup "wealth that properly belongs to the Philippine people."

In another development, two State Department officials left Washington yesterday for Honolulu to help resolve the increasingly complex legal questions about 22 crates of documents and valuables that arrived with Marcos and his entourage.

The belongings, now held by the U.S. Customs Service, could also figure prominently in two federal grand jury probes of possible diversion of U.S. military aid into kickbacks and bribes to high Philippine officers.

(Keith Richburg & Dale Russakoff, Washington Post, A1)

PENTAGON PROBES SEEK ACCESS TO MARCOS
DOCUMENTS IN AID-KICKBACK INQUIRY

Defense Department investigators probing possible kickbacks involving U.S. military aid to the Philippines are in Hawaii hoping to look at legal papers that the former president Marcos and his party brought with them into exile.

Sources close to the two-year-old investigation said yesterday that at least one subpoena has been issued in Hawaii in connection with the case since the Marcos party arrived, and that more subpoenas are likely.

(Joanne Omang & Carl Murphy, Washington Post, A23)

ARMY FUNDED PRIVATE PARTIES

Army units at NATO headquarters in Belgium and the 7th Corps in West Germany diverted thousands of dollars in community relations funds to host private parties for U.S. generals, Army investigators have found.

Exclusive parties at Army units throughout Europe were probably financed with community relations funds in several recent years, according to a newly released report by the Army Audit Agency, which was made available to UPI.

(UPI story, Washington Post, A12)

STATE DEPT. DENIES SOVIET SEAMAN WAS IMPOSTOR

The State Department yesterday dismissed as "without foundation" a report suggesting that a Ukrainian seaman who jumped from a Soviet ship near New Orleans in October might not have been the same man who later told U.S. officials that he wanted to return home.

The New York Times report, published Sunday, recounted speculation of a possible Soviet-engineered switch that has circulated for weeks in conservative congressional circles and Ukrainian emigre groups concerning seaman Miroslav Medvid.

(Washington Post, A24)

Hill Skeptical As State Denies Medvid Mistake

The State Department vigorously denied yesterday that it had been duped by the Soviets last fall when Ukrainian seaman Miroslav Medvid attempted to defect from his grain ship in the Mississippi river at New Orleans.

But there were new signs that the simmering controversy, which the State Department has called "closed" on several occasions, is flaring again. There was new pressure from the Senate for a congressional investigation.

(Washington Times, A3)

Administration Denies Report Soviet Sailor Was Swapped For Stand-In

State Department spokesman Charles Redman said officials who saw the sailor in the sick bay of the ship on Oct. 25, and questioned him on Oct. 28 and 29, positively identified him as Medvid through eye-witnesses, photographs and an identifying mark on his heel.

"Allegations that the Soviets pulled a switch and a substitute was interviewed are without foundation," Redman told reporters Monday in the wake of a New York Times story Sunday that discussed such a scenario.

(Bryan Brumley, AP)

REAGAN MAY INVITE GORBACHEV TO WESTERN RANCH

Assuming that the two superpowers can settle on a date for their summit in Washington, President Reagan has told aides that he wants to take Soviet leader Gorbachev afterward to visit his beloved California ranch.

"His main idea is to show him what America is really like," a senior White House official said Monday, speaking on condition that he not be identified by name. Other stops during the proposed national tour tentatively include a farm, a manufacturing plant and a supermarket, he said.

(Susan Page, Newsday)

HONDURAS/EXERCISES

MOCORON, Honduras -- About 100 U.S. Army engineers parachuted into Honduras Monday with bulldozers and equipment to build an airstrip 15 miles from Nicaragua. The U.S. ambassador said Nicaragua's Marxist government should "take note" of the project. (Andrew Selsky, AP)

BOLIVIA SAYS U.S. AID CUTOFF WOULD ENDANGER FUTURE

LA PAZ -- The Bolivian government has said a reported plan by U.S. Congress to make further aid to Bolivia conditional on the eradication of non-traditional coca growing would endanger the country's economic and political future.

President Estenssoro said in a statement last night that his government had provided "more than enough examples it was working in the fight against narcotics trafficking and of its will to carry out international accords pledging the elimination of non-traditional cultivation of the coca leaf. (Reuter)

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NATIONAL NEWS

PANEL URGES DRUG TESTS FOR ALL FEDERAL WORKERS

The President's Commission on Organized Crime urged yesterday that all federal employes and government contractors be required to take tests for drug use or risk being fired.

In a 455-page report to President Reagan on drug use in America, compiled over 2½ years, the commission also suggested that the military take on an increased drug-enforcement role, and that the National Security Agency set up an information system to be shared by all drug-fighting agencies.

(Mary Thornton, Washington Post, A5)

Military Should Help Fight Drug Invasion, Reagan Told

President Reagan's Commission on Organized Crime urged him yesterday to order the military into the fight against an "airborne, amphibious and overland invasion" of the United States by drug smugglers. The panel also said U.S. authorities should chase drug runners into Mexican air space if necessary.

(John McCaslin, Washington Times, A3)

Panel Recommends Military Fight Drug Traffic

A presidential panel says the military should help combat a \$110 billion mob-run drug industry, and government contractors should test employees for drugs to eliminate a growing threat to national security.

The President's Commission on Organized Crime, in a lengthy report presented to President Reagan Monday, said \$110 billion worth of drug trafficking accounts for about 38 percent of all organized crime activity and demands sweeping measures, including a "much bigger" military role and drug testing for all public and private employees.

(Lori Santos, UPI)

Federal Workers In Forefront Of Drug Testing Movement

Testing federal workers for drug use is a growing practice that experts predict will cover all sectors of the federal workforce within three years. Urinalysis testing for railroad train crew members went into effect in February.

This spring, three major agencies -- the Drug Enforcement Administration, the U.S. Customs Service and the General Services Administration -- will begin testing their employees.

While backers say testing is essential to ferret out drug abuse among federal workers, civil libertarians and labor unions are up in arms about what they brand an infringement on workers' civil rights.

(John Bennett, Scripps Howard News Service)

LOWERING OIL PRICES RAISING HOPES FOR STRONG ECONOMIC GROWTH

The United States will soon be reaping considerable benefits from the fall in oil prices which will boost economic growth, lower interest rates and keep a lid on inflation, many economists predict.

The outlook of many analysts has brightened considerably in the past two months because of the plunge in oil prices. More about the future growth will be known today when the government releases its Index of Leading Indicators for January. (Martin Crutsinger, AP)

COMING COLLISION OVER USER FEES

The OMB is on a collision course with a powerful western senator, and the Reagan Administration's philosophical dedication to user fees is hanging in the balance.

The senator is James McClure (R-Idaho), who on several recent occasions has proven not to be bashful about seeking help for corporate constituents.

The issue is who should pay for the often costly environmental studies required when a private interest seeks a right-of-way over federal lands -- when, for example, a utility wants to construct a power line. In the past, Interior's position has been that the applicant pays.

(Cass Peterson, Washington Post, A15)

LAXALT "ONE OF THE GUIDING STARS," REAGAN SAYS AT TESTIMONIAL DINNER

President Reagan saluted retiring Nevada Sen. Paul Laxalt last night as "one of the guiding stars for a political revolution that has shaken America and the world."

"Again tonight, those tears are not very far away," the President said as he described his longtime friend and political ally as a man "destined to be a leader of this nation and one the foremost Americans of this or any time."

(Bill Kling, Washington Times, A2)

Sen. Laxalt, Retiring, Says He'll Remain Active In Conservative Causes

The Republican senator who is President Reagan's best friend in Congress assured the conservative contingent that came to bid him farewell that he's "not going out to pasture."

The former Nevada governor, who is not seeking re-election this year, sought to dispel thoughts that his retirement from the Senate will mark an end to his political career. (Donna Cassata, AP)

"GENERAL CONTRACTOR" OF THE WHITE HOUSE STAFF

By his own reckoning, Dennis Thomas is exactly where he wants to be: in the thick of White House traffic, with the Oval Office on one side and the office of Donald Regan, President Reagan's chief of staff, on the other. (Gerald Boyd, New York Times, A22)

BILL WOULD MAKE NIXON'S BIRTHPLACE HISTORIC SITE

The Reagan Administration and California congressmen are trying to make Richard Nixon's birthplace a national historic site, saying they want to "preserve history, not judge it." (David Goeller, AP)

EDITOR'S NOTES:

"The Reagan's Marriage: 34 Years of the Anniversary Waltz," by Daphne Hurford, appears on page B1 of the Baltimore Sun.

"The First Family, Cover To Cover: Patti Davis, and Her Novel Life as the President's Daughter," by Donnie Radcliffe, appears on page B1 of the Washington Post Style section.

-end of A-Section-

NETWORK NEWS SUMMARY

(Monday Evening, March 3, 1986)

NICARAGUA/AID TO CONTRAS

Rather: President Reagan himself today warned of what he called a "sanctuary for terrorists and subversives just two days driving time from Arlington, Texas." That's a quote. It was part of the push on Congress to pass renewed military aid money for rebel forces fighting Nicaragua's Sandinista government. But so far, the President's hot words are getting a cool reception from Congress.

CBS's Bill Plante: Meeting with leaders of the Nicaraguan opposition, the contras, President Reagan threw the first pitch of his all-out campaign for military aid to the rebels, and it was a hardball. (President in Cabinet Room: "Congressional defeat of this aid proposal could well deliver Nicaragua permanently to the communist bloc. Defeat for the contras would mean a second Cuba on the mainland of North America.")

President Reagan's aides told him over the weekend that if he didn't become personally involved in the battle for aid with a recalcitrant Congress, the Administration would certainly lose. So not only the President, but also his Secretary of State, joined the fight, for \$100 million in mostly military aid. Shultz painted a gloomy picture of what happens without the money.

(Secretary Shultz: "It is clear that, without our help in strengthening the Nicaraguan democratic opposition, hope for democracy in Nicaragua is doomed. And progress elsewhere in Central American could be undone.")

To further increase the pressure on Congress, a private conservative group has started running TV spots supporting contra aid.

(TV Coverage: TV commercial saying: "Here's terrorism we can do something about, if we support the President on Nicaragua.")

But right now, as even the President's supporters agree, the aid measure doesn't have a chance.

(GOP Rep. Cheney: "There is no great clamor in the country for aid for Nicaragua, for the contras.")

(Rep. McCurdy: "Trust us; we're not gonna spend \$100 million of your tax dollars on a program that hasn't had much success now.")

Many in Congress still think the President wants to overthrow the Sandinistas, not negotiate with them. So the White House will go all out. There may even be another TV address, as they put Mr. Reagan's prestige on the line. And in the end, he'll probably have to settle for a compromise. (CBS-3)

NBC's Tom Brokaw: As promised, President Reagan and other top officials of his Administration today opened a hard-sell for \$100 million in additional American aid to the contras. Those are the rebels trying to overthrow the Sandinista government of Nicaragua. This promises to be a brutal political battle.

NBC's Chris Wallace: The President today put the full weight of his office behind the contras -- promising a major campaign to win them military support. Mr. Reagan welcomed rebel leaders to the White House like visiting heads of state, first meeting them in the Oval Office, then in the Cabinet Room saying defeat for the contras would allow the communists to set up a second Cuba on the American mainland. (TV Coverage of Oval Office and Cabinet Room photo ops.) (President Reagan: "And those who would invite this strategic disaster by abandoning yet another fighting ally of this country in the field will be held fully accountable by history.")

Secretary Shultz was also challenging Congress, comparing the battle against the Sandinistas to the overthrow of Ferdinand Marcos.

(Shultz: "The United States took a direct interest in the progress of Filipino democracy. For similar reasons, we are deeply concerned with the hopes for democracy in Nicaragua.")

The Administration is putting on this blitz because it says the rebels are at a turning point. With U.S. support, it says their numbers will jump from "6 to 25,000" in a year. But without U.S. support, it says the contras will fall apart. And so the President will lobby the Congress, sell the contras in his radio speeches, and almost certainly make another TV address to the nation. The President will have help. A conservative group is spending a million dollars to run commercials accusing the Sandinistas of religious persecution. (TV Coverage of commercials.) American religious leaders will carry crosses to the Capitol tomorrow, with the names of people killed by the rebels.

(Episcopal Bishop Paul Moore: "The President wants to arm them again with \$100 million worth of weapons. These weapons will be used, not just to fight the soldiers, but they cannot help but also kill innocent children.")

Officials here say that the contra package is now at least 30 votes behind in the House, but they believe a big drive by the President over the next few weeks can still turn that around.

Brokaw: As you indicate, Chris, even with all of this offensive by the President and the White House, this will not be an easy sell on Capitol Hill. John Dancy, how do the votes stack up up there?

NBC's John Dancy: As Chris has said, the President is facing an uphill battle here. Republican leaders have already gone to him and told him that he faces an uphill battle. Eighteen senators -- both Democrats and Republicans -- have written to him asking him to hold off on this. They would like to see the peace process initiated by nations in Central America go forward. They are afraid that if the U.S. gives the contras aid, that can't happen.... Sen. Sasser of Tenn. has just come back from a trip to Central America and he suggested today that the President be given the \$30 million in humanitarian aid that he wants, but that a freeze be put on the military aid until the Sandinistas come to the bargaining table. If they don't come to the bargaining, then the threat is, of course, that money could be unfrozen and given to the contras. (NBC-lead)

Jennings: The Reagan Administration stepped up its campaign to get more aid for the forces trying to overthrow the government of Nicaragua. Congress has already refused the President military aid on five different occasions. This time, as the President looked for \$100 million -- 70% of it military -- the Congress is still skeptical. Sam Donaldson reports that at the White House today, Mr. Reagan called in the contra leaders to help make his case.

ABC's Sam Donaldson: President Reagan, flanked by the political leaders of the contra forces, spoke in the grimmest terms of what he thinks will happen if military aid is not given them.

(President: "Congressional defeat of this aid proposal could well deliver Nicaragua permanently to the communist bloc.")

Administration officials say that if the \$70 million in military aid is forthcoming, the contra ranks will swell to about 25,000 men, and they can win in two or three years. But if not, the 6,000 contra troops now in Nicaragua will probably be defeated -- a defeat the President said would be Congress' fault.

(TV Coverage of contra troops patrolling.)

(President: "And those that would invite this strategic disaster, by abandoning yet another fighting ally of this country in the field, will be held fully accountable by history.")

The Secretary of State, ex-Marine George Shultz, carried the message to the Veterans of Foreign Wars convention in Washington, insisting that the U.S. would rather have a diplomatic solution but arguing that force is needed to bring that about.

(Shultz: "Power and diplomacy must go hand-in-hand.")

Despite Shultz's insistence, Congress has never believed that the Administration has vigorously pursued a diplomatic solution. And that still seems to be the case.

(Rep. McCurdy, D-Ok: "We don't rule out military. We think that the military can be a tool of an overall objective. But you have to do the other things first. And that is exhaust the diplomatic remedies first.")

(Sen. Sasser: "I think we ought to give negotiations and diplomacy one last chance to work in the region.")

The Administration will almost certainly not get all the aid it's asking for, at least not now, even if the President gives his all -- including perhaps a prime-time televised speech. But this is an issue Ronald Reagan will not give up on until, as he once said, the Nicaraguans cry "uncle."

ABC's Peter Collins reports from Nicaragua that well-qualified military observers in Nicaragua believe that, at the moment, the Sandinistas are winning their war with the contras. And they add that if the Sandinistas are not toppled within a year, they will be here for decades. After four years of fighting, the contras are losing ground. The contras' problems are as much political as military. Their leaders have been unable to agree on what Nicaragua should look like if they win. As for the Sandinistas, despite 2,500 Cuban advisors, lots of Soviet-made hardware, and a more than 10-to-one advantage of soldiers in the field, they are still unable to crush the contras. As the foreign observers here see it, to regain momentum, the contras need more than U.S. military aid. More than that, these observers say, they need U.S. military advisors in Nicaragua.

Collins continues:

That would echo the early days of Vietnam and probably be politically impossible.

For the contras and the Reagan Administration, time is running short. The Sandinistas clearly believe if they can hang on until the Spring of 1987, a year from now, the U.S. would not dare intervene during the presidential campaign that would then be underway. The Sandinistas say the bottom line may be something they have been predicting all along: that if Ronald Reagan really wants to change things here, he will have to take an enormous political risk and send in U.S. troops. (ABC-3)

HONDURAS

Brokaw: The U.S. military is beefing up its presence on the border

between Nicaragua and Honduras. An American airstrip now is under construction on the Honduras side and the skies are filled with Americans participating in wargames. The U.S. is trying to send a not-so-subtle message.

NBC's Jamie Gangel reports this is all supposed to be for practice.... But according to U.S. officials here, there's a message: to make sure the Nicaraguan government knows just how close U.S. forces can get and just how cordial U.S.-Honduran relations are. U.S. officials here say that behind this military message is a political strategy. The White House wants the Sandinistas to know that if the contras cannot topple Nicaragua's leftist government, the U.S. just might. But even the most hawkish U.S. military officials agree invading Nicaragua is unlikely -- that this is just a political ploy by the Reagan Administration as it lobbies Congress to pass more aid for the contras. The point is to intimidate and pressure the Sandinistas. But the Nicaraguans are conducting a public relations campaign of their own. Every week, there are military parades to show off their troops, equipment and again and again, their Soviet-built attack helicopters. And with the debate over contra aid heating up, the Sandinistas say they will take on the Reagan Administration picture for picture to try to dissuade Congress from giving the rebels more money. (NBC-2)

CHALLENGER INVESTIGATION

CBS's Dan. Rather: A group not yet consulted in the investigation of the space shuttle catastrophe, the space shuttle program astronauts themselves, today spoke out publicly for the first time. Two shuttle flight veterans told CBS correspondent Eric Engberg today that before the accident, no one at NASA, no one at the company that makes the shuttle, or the company that makes the rocket boosters -- no one told them about any problem in the rocket booster seals.

CBS's Eric Engberg reports that the astronauts had never been apprised of a potentially deadly problem in a rubber O-ring that sealed segments of the rocket booster. NASA today began making the astronauts available for interviews after a month of self-imposed silence. (CBS-Lead)

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SHUTTLE CHALLENGER

ABC's Peter Jennings: For the first time since the Challenger exploded, astronauts in the shuttle program have commented on the flight and on safety in general. And while these astronauts say they were surprised to learn of Challenger's problems, they were shocked to hear that there had been similar problems on their own previous missions.

ABC's Rebecca Chase reports from Houston that astronauts are concerned that they did not learn about booster rocket seal problems until the recent investigation. The astronauts are continuing to train for future missions and say that morale at NASA is coming back.

Jennings: ABC's Lynn Sherr has learned that the presidential commission is expected to begin public hearings again this Friday at Cape Canaveral. And now that the decision-making process has had a thorough questioning, the emphasis will shift to the hardware that made it fail. (ABC-Lead)

PRESIDENTIAL CRIME COMMISSION

Rather: President Reagan's organized crime commission stopped just short today of calling for mandatory drug tests for all American workers. The President's commission did recommend drug-use tests for millions of American citizens who work for the government, and for private companies with government contracts. The commission also called drug trafficking a national security problem, and recommended a major role for the U.S. military in trying to stop it. (CBS-2)

Brokaw: The Presidential Commission on Organized Crime reported today that the Mob gets most of its profits from its traffic in illegal drugs. It estimated that profit at \$110 billion a year. The report said the drug problem is a national emergency. It called for strong measures to fight it. The commission recommended drug testing of people in the workplace, starting with government workers, the military and defense workers. It called for aggressive intervention by the U.S. military in stopping the flow of drugs into this country. And it asked for a nationwide campaign to reduce the demand for drugs by education, counseling and by jail terms for drug users. (NBC-9)

DRUGS

Jennings: There was a call to arms today in the war against illegal drugs. The President's Commission on Organized Crime even called for using the military to track down drug smugglers.

ABC's Dennis Troute reports that the drug trade accounts for 38% of organized crime's profits in the U.S., says the commission. In an 800-page study released today, the commission notes the failure of law enforcement to choke off an estimated \$110 billion worth of drugs coming into this country from abroad.

Troute continues:

The commission recommends that the U.S. military get involved in patrolling borders and coastlines specifically to interdict drugs. The Pentagon has resisted such duty in the past, arguing that the military must concentrate on war readiness instead. And, says the commission, given the lack of success in cutting drug supplies, it's time to hit consumers with stiff user penalties. The commission wants all federal workers and federal contractors, well over three million people, screened for drug abuse -- even if there is no particular reason to suspect them.

(ACLU spokesman: "If this kind of drug testing program is put into effect, the rights of privacy for American citizens generally will be greatly diminished.")

Critics worry, too, about the example given private industry, which also does some drug testing. They say the curtailment of individual rights, for whatever cause, is a dangerous habit itself. (ABC-2)

COMMUNIST INSURGENCY/PHILIPPINES

Rather: Communist-led guerrillas in the Philippines today carried out their boldest attack on the week-old government of Cory Aquino, who has said she may propose a cease-fire with the communists. Some 200 guerrillas ambushed a truck on a bridge in the central Philippines; 15 policemen and four civilians were killed. (CBS-4)

Jennings reports that in the Philippines there are signs that President Aquino's honeymoon may be coming to an end. Today pro-Marcos loyalists at a half-dozen city halls around the country turned out to oppose Aquino's plan to force the replacement of local, pro-Marcos mayors around the country.

The Ministry of Defense is looking into reports of a roadside ambush 200 miles south of Manila in which 19 people died. That could signal that Aquino's effort for a ceasefire with the communist forces may be failing. (ABC-4)

Brokaw: Defense Department sources tell NBC's Anne Garrels that documents brought in to exile by Ferdinand Marcos and his friends may help in an investigation into more than \$100 million of misused U.S. military aid. In New York, meanwhile, a judge has blocked the sale or transfer of American property allegedly owned or controlled by Marcos and his wife. And in Manila today, Corazon Aquino was discovering the down-side of being a leader of the Philippines. She faced protests from both Marcos supporters and her own.

NBC's Jim Bitterman reports mayors, governors and their supporters were barricading themselves in their offices. In several parts of the Philippines, there were well-founded fears the new Aquino government might try to continue imposing its favorites into local jobs -- the same way President Marcos used to.

Bitterman continues:

But there were other protests against the new government, including some by its supporters who don't believe it is moving fast enough to rid the government of Marcos' cronies.... The fragile new government is for the most part still working out of make-shift offices in President Aquino's headquarters, but there is more to running a country than finding adequate office space. Her government still has not legitimized itself under the provisions of the old Constitution.

(NBC-3)

MIDEAST

Brokaw: The funeral of the assassinated mayor of Nablus in the Israeli-occupied West Bank turned into a huge demonstrations for Palestinian nationalism. At one point today, Israeli police opened fire to disperse rock-throwing youths.

(NBC-6; ABC-6; CBS-6)

IRELAND

Brokaw: Protestant organizers in Northern Ireland wanted today's funeral for democracy protest march through Belfast to be peaceful. But it wasn't -- some demonstrators went on a rampage, setting fires to cars and torching a factory.

(NBC-7; ABC-8; CBS-10)

SOUTH AFRICA

Brokaw: Seven blacks were killed today in a South African police ambush near Cape Town. Police, who said they were acting on a tip, charged that the seven were members of the outlawed African National Congress and that they were planing an attack near the police station. It was the most violent clash between rebels and South African security forces this year.

(NBC-8; ABC-7; CBS-5)

MEDVID

ABC's Mark Potter reports the man who found Medvid the night he asked for asylum is jeweler Joe Wyman, who says the man in U.S. photos is definitely not Medvid. Wyman says the man questioned by U.S. authorities was a Soviet official who had approached him the same night he saw Medvid. But the FBI has compared the photos to the one taken originally by the Immigration Service and says it can't tell if it's a different man. The State Department says it has no doubt he was Medvid. Whatever the truth, the issue of whether it was Medvid is being clouded by the various parties as they look for ways to attack each other over the handling of the Medvid affair.(ABC-15)

PALME

Jennings says there is no apparent progress to report in solving the murder of Prime Minister Palme.

ABC's Dean Reynolds reports from Stockholm on the investigation into Palme's murder. What is clear tonight is that Sweden will fight the impulse to restrict public contact with its elected officials and to turn its government into an armed camp. For peace-loving Sweden, that would be far too high a price to pay. (CBS-9, NBC-5, ABC-5)

INSURANCE CRISIS

ABC's Jay Shadler reports on the skyrocketing cost of liability insurance and the conflict between lawyers and insurers over who is to blame. (ABC-12)

OIL PRICES

Jennings reports oil prices dropped sharply, to just over \$12 for West-Texas crude. That compares to a price just last November of \$31 a barrel. Analysts say prices at the pump could drop between 25 and 30¢ a gallon over the next few months. (ABC-13)

STOCKS

Jennings reports the Dow dropped back under the 1,700 level. They lost about 12 points and trading was active. (ABC-14)

Editor's Note: CBS began a five-part, week-long series on "Poverty in America" Monday evening. Tonight's subject: teenage pregnancy. No mention of the Reagan Administration was made. (CBS-11)

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EDITORIALS/COLUMNISTS

DEFENSE SPENDING/PRESIDENT'S SPEECH

The Pentagon Shell Game -- "President Reagan seems unbothered by the now-certified fact that his proposed 1987 budget violates the balanced-budget law he signed only 11 weeks ago. There he was on television again, warning that cuts in his 'modest 3 percent' increase in military spending would jeopardize arms negotiations with Moscow and 'may put peace itself at risk.' These cries of wolf have lost credibility, not least because the dollar figures Mr. Reagan passes on from the Pentagon are simply wrong. No serious debate can evolve from such deception."

(New York Times, 3/1)

The Ends Don't Meet in Reagan's Plan to Build and Build -- "If the President's political skills prolong the day of myth about the spending binge of the past five years, they will leave us, long after Mr. Reagan has gone, with a tremendous bill. That contradiction in his policies, though muted for the moment by tax increases and loophole-closings carried out in the first term and by the Gramm-Rudman-Hollings debate, remains the central fallacy of the Reagan program. Mr. Reagan obfuscated it with his rhetoric on Wednesday night rather than helping us to reconcile his conflicting aims on taxing and spending." (Detroit Free Press, 2/28)

Unreal Defense -- "Given the difficulty that President Reagan had reading the writing on the wall in the Philippines, one wonders what clamor in the streets may be required for him to understand that his defense budget is simply not going to fly.... More serious than the 'waste, fraud and abuse' in Pentagon spending are the misplaced priorities and the refusal to make choices that have characterized the Reagan-Weinberger years. Budgetary discipline is a management tool that forces efficiency. Splurging has sown chaos in Pentagon management." (Boston Globe, 2/28)

Protect Defense -- "The President is right: The defense budget is not unreasonable. The total budgetary authority, \$311.6 billion, represents barely 6 percent of gross national product. That's about a third less of GNP than we spent under President John Kennedy, and only about half the percentage of GNP that the Soviet Union spends on military strength.... The alarm that Mr. Reagan raised when he came to office in 1981 needs to be repeated today simply because the threat to the national security has not diminished. And that's the point. There are no Gramm-Rudman restraints on the external threat and the manner in which it grows." (Detroit News, 2/28)

Reagan Must Also Confront His Own Errors on Defense -- "The Administration must shoulder a large part of the blame for waning of support in Congress and among the public for its ambitious defense spending plans. If the President and his defense secretary and other advisers had demonstrated the ability -- or the willingness -- to choose carefully among various weapons rather than insisting on having them all they might have found the people behind them. If they hope to restore public confidence in their program, it will take more than a rehashing of the unsavory intentions of the men in the Kremlin; it will take a reshaping of the so-far unselective intentions of the men in the White House."

(Atlanta Journal, 3/2)

EDITORIALS (continued)

If Defense is an Emergency, Public Ought to Pay for It -- "As usual, President Reagan did a good job of boiling complex issues down to simple, bite-sized warnings Wednesday when he asked the nation to keep defense spending high. Unfortunately, he omitted the simple other part of the equation -- paying the bill.... If defense is such an emergency, it should be worth getting Americans to pay for it." (Dayton Daily News, 2/28)

Do We Want to Be Weak? -- "Mr. Reagan's program is really a minimum one for peace and deterrence of Soviet threats. Buying defense doesn't buy votes so well as handing out great sums through social programs, the part of the federal budget that is biggest and has grown fastest. But the preservation of our people, our nation and the peace demand the kind of strong defense Mr. Reagan proposes. The President's remarks were tough and clear. They were realistic in noting the nature of Soviet tyranny. We must be realistic in facing it, or suffer in retreat before it."

(Chattanooga News-Free Press, 2/27)

We Can't Afford Fat in Defense Budget -- "We need a strong, lean defense, not a fat, bloated one. Let's give defense enough to keep up with inflation, but no more. It's time to tear up the Pentagon's blank check." (USA Today, 3/3)

Buying Arms on Credit -- "President Reagan's argument in favor of continuing his military buildup might be convincing if he were willing to ask the nation to pay for it, but he's not willing. His military buildup has been the biggest in peacetime in the nation's history and, if continued at the rate Mr. Reagan asks, it would mean spending almost four times as much on the military by the end of the decade as was being spent at the height of the Vietnam." (Hartford Courant, 2/28)

VLADIMIR POSNER

White House vs. ABC -- "After President Reagan declared in his speech to the nation Wednesday night that any cuts Congress makes in military spending would threaten U.S. security and endanger U.S.-Soviet arms talks, ABC News interviewed a Soviet spokesman to see what the Kremlin thought about it. Reaganites bounced off White House walls.... Can't they tell the difference between interviewing a Soviet spokesman and supporting the Soviets? Do they sell the U.S. public so short that they don't think Americans can tell the difference? America's news media is duty-bound to present all sides of an issue to inform the public, and none merits fuller coverage than U.S.-Soviet relations. True, the state-controlled Soviet news media wouldn't do it, but does Mr. Reagan really want America's free press to play by Soviet rules?" (Philadelphia Inquirer, 3/2)

NEWS FROM THE STATES

REPUBLICAN LEADERS ENTHUSIASTIC

NASHVILLE, TN. (UPI) -- There is no secret that the two-day gathering is an early chance for Republican presidential hopefuls to impress the people who will determine the party's nominee in 1988.

Vice President George Bush, former Tennessee Senator Howard Baker and former U.N. Ambassador Jeane Kirkpatrick got their chance Friday. Senate Majority leader Robert Dole of Kansas, former Delaware Governor Pete du Pont, television evangelist Pat Robertson, former Secretary of State Alexander Haig and Rep. Jack Kemp are on Saturday's schedule.

Sen. Paula Hawkins (R-FL), who faces a tough reelection race against Florida Governor Bob Graham, told the conference Friday that if the GOP loses the Senate, President Reagan "will not be a lame duck. He will be a dead duck."

"We must set our sights to capture state legislative majorities," North Carolina Governor James Martin said.

Republican hopes probably can best be summed up by Tennessee Governor Lamar Alexander, who told the crowd Friday they would hear from the next president of the United States "who will be here some time today or tomorrow."

BUSH HONORS ALAMO HEROES ON TEXAS INDEPENDENCE DAY

DALLAS, TX. (UPI) -- Vice President George Bush, who once fought in court to prove himself a Texan, obviously was glad Sunday he succeeded.

"What a great day to be a Texan," Bush said Sunday, standing on a platform in front of the Alamo, as he and his fellow Texans celebrated the 150th anniversary of Texas' declaration of independence from Mexico. In Dallas, Bush told 25,000 people at the State Fair of Texas that the state was "celebrating a quality that's deep in the heart of Texas and that has endured throughout Texas' history. It's the Texas spirit and the Texas pride," he said.

More than 3,000 flag-waving, cheering people visited the shrine of Texas liberty, where more than 180 defenders held off a Mexican army of 2,000 before being wiped out on March 6, 1836, four days after the Texas Declaration of Independence was signed.

In Sugar Land on Saturday, Bush dedicated an enormous Texas flag to celebrate the state's 150th birthday. Minutes earlier, the banner whipped against a nearby bank building and shattered a portion of the building's exterior. The Vice President planned to visit Dallas Monday for a fund-raising dinner for Rep. Dick Armey, (R-Texas), and a speech to the second annual Business and Christian Leadership Banquet that night. Bush will attend a Neuces County GOP fund-raising breakfast in Corpus Christi Tuesday, then fly to Houston for another fundraiser at noon for Rep. Jack Fields, (R-Texas).

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FOREIGN MEDIA REACTION

PRESIDENT'S DEFENSE APPEAL

"There is...a muddle of perception that may not help the White House. The military buildup, remember, was supposed to bring a broken Moscow to the negotiating table.... The policy...has worked. So why hack the railways and schools and the medical spending any longer. One argument, though, has not yet been fully deployed.... If the President truly believes that his nation is in peril without every last dollar for Mr. Weinberger, but that alarm over the budget deficit is threatening such crucial spending, then he has a simple answer. Raise taxes."

(Guardian, Britain)

"Reagan's much-used argument that cuts in the defense budget will jeopardize the Geneva arms control negotiations has lost much of its attractiveness. More and more Americans realize that the President has been saying the same things for years. They ask: What were all these many dollars used for? ...Is President Reagan playing a game of poker? If so, his televised address was a wrong move."

(Koelner Stadt-Anzeiger, West Germany)

"President Reagan's passionate television address Wednesday night...was not enough to convince the U.S. Congress and the American public of the need to increase defense spending."

(Il Mattino, Italy)

"It will be noted that Mr. Reagan implicitly gave assurances to Washington's European allies who point out that in the event of the elimination of nuclear weapons, the imbalance of conventional arsenals between the East and the West would cause a worrying situation."

(Le Soir, Belgium)

"Once again, Reagan was in excellent form and from different angles skillfully emphasized his basic philosophy that only a 'strong enough United States can be an equal negotiating partner for the Soviet Union.'"

(Helsingin Sanomat, Finland)

"U.S. Congress leaders -- Republicans as well as Democrats -- told President Reagan in the White House...that his nationally televised address on Wednesday night for increased military spending had failed to convince them that extra funds were necessary."

(Irish Times, Ireland)

"The President's speech...aroused pointed criticism from the progressives in the U.S. public.... It is significant that this adventurist course is giving rise to anxiety among sober-thinking U.S. congressmen."

(Radio Moscow)

"Matching Gorbachev's tough line...President Reagan sought public support for continued military buildup.... Despite this presidential appeal...observers do not rate as very high the chances of the budget surviving intact."

(Hindustan Times, India)