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News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, MARCH 17, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Reagan Calls For Aid To Contras -- President Reagan, pleading for \$100 million to help Nicaragua's Contra rebels "prevent a communist takeover in Central America," Sunday said otherwise the future price tag for stopping the "malignancy in Managua" would be much steeper.

(Miami Herald, Cincinnati Enquirer, Arizona Republic, Minneapolis Star & Tribune, Las Vegas Sun, Richmond Times Dispatch, Washington Post, Washington Times, New York Times, Wall Street Journal, Baltimore Sun, USA Today, AP, Reuter, Scripps Howard News Service, UPI)

NATIONAL NEWS

Deal Struck On Shelter -- The White House and homeless activist Mitch Snyder yesterday reached an agreement under which Snyder ended a month-long hunger strike, and the federal government pledged to turn over the homeless shelter at Second and D streets NW to the District government, along with \$5 million to renovate it. (Washington Post, UPI)

Gloomy Data Making Economists Uncertain On Outlook For Growth -- During the first two months of this year, many economists became steadily more upbeat about the outlook for the nation's economy.

(New York Times)

NETWORK NEWS (Sunday Evening)

NICARAGUA -- As the President returned from Camp David, his aides were talking tough, confident that his speech on TV will win over Congress.

FRENCH ELECTIONS -- The Socialist Party lost its majority in Parliament.

NASA -- The Miami Herald quoted private auditors as saying NASA wasted up to a third of its budget last year.

SONG OF THE IRISH LEGION

"Ye boys of the sod, to Columbia true,
"Come up, boys, and fight, for the
Red, White and Blue!
"Two countries we love, and two mottoes
we'll share,
"And we'll join them in one, on the banner
we bear:
"Erin, mavoureen! Columbia, agra!
"E pluribus unum! Erin, go bragh!

(James De Mille, 1861)

INTERNATIONAL NEWS

REAGAN'S VIEW: CONTRA AID OR "SECOND CUBA"

Even as President Reagan's top aides held open the prospect of a compromise with Congress on his proposed aid package for the Nicaraguan rebels, Reagan portrayed the issues Sunday night in uncompromising terms as a choice between freedom and communist tyranny.

(David Hess, Knight Ridder, Miami Herald)

Reagan On TV Takes Contra Fight To Nation

Labeling Nicaragua's leftist Sandinista government "an outlaw regime," President Reagan said Sunday night the U.S. must "deny the Soviet Union a beachhead in North America" in order to maintain U.S. security.

(Enquirer Wire Services, Cincinnati Enquirer)

Contra Aid Plea Is Put To Public Reagan Asks Voters To Pressure Congress

President Reagan took to the airways Sunday evening seeking public pressure on Congress for \$100 million to aid "virtually defenseless" Nicaraguan rebels.

(AP, Arizona Republic)

Reagan Calls On Americans To Aid Contras

President Reagan, condemning Nicaragua as a "cancer" that poses a direct threat to the U.S., said Sunday night that stopping communism and international terrorism there would serve as a historic test on his presidency. (New York Times News Service, Minneapolis Star & Tribune)

Analyst: Contras Already Beaten

A former CIA analyst says in a report the contras have already been beaten by the Nicaraguan government and anymore U.S. aid would only antagonize other Latin American nations.

The author of the report, David MacMichael, a former Marine Corps officer and CIA analyst, said last week his report on the contras, to be released Monday, was discarded by the Reagan Administration.

(UPI, Las Vegas Sun)

Reagan Says Sandinistas Pose Mortal Threat

President Reagan, seeking to ignite support for his plan to give \$100 million in arms and supplies to the contra rebels, said yesterday that if the Sandinista "malignancy" is not stopped, Nicaragua will become "a second Cuba, a second Libya."

(New York Times News Service, AP, Richmond Times Dispatch)

Reagan Assails Managua

President Reagan, seeking to ignite public opinion behind the Nicaraguan policy, told the nation last night that Nicaragua had become "a safe house, a command post" for international terrorists and a potential "beachhead" for communist subversion in this hemisphere.

(Robert Timberg, Baltimore Sun, A1)

Reagan Condemns Nicaragua In Plea For Aid To Rebels

President Reagan, condemning Nicaragua as a "cancer" that poses a direct threat to the United States, said tonight that stopping Communism and international terrorism there would serve as a historic test of his Presidency.

In a bluntly worded television speech, Mr. Reagan called on the American people to demand that Congress endorse the Administration's \$100 million aid package for the Nicaraguan rebels or face a growing Soviet beachhead in Central and South America, increased terrorism in the region and a tide of "desperate Latin peoples by the millions" fleeing into the southern United States. (Bernard Weintraub, New York Times, A1)

Reagan Issues Plea For Support For The Contras

In an all-out effort to rally support for his Contra aid program, President Reagan painted the Nicaraguan government as a direct and ominous threat to the U.S.

The President's advisers hoped the television address would "raise the temperature" on an issue that so far has failed to capture popular support in advance of Thursday's scheduled House vote on the Contra aid proposal. (Jane Mayer, Wall Street Journal, A3)

Reagan Differs With DEA On Sandinista Drug Trade

President Reagan's claim that "top Nicaraguan government officials" engaged in international drug trade is at variance with earlier statements from DEA officials. (AP story, Baltimore Sun, A1)

Reagan: Stop Nicaragua "Cancer"

President Reagan, with one eye on history and the other on Congress, Sunday put his prestige on the line for the "contra" cause in Nicaragua. "I have only three years left to serve my country," said Reagan, begging Congress not to "permit this cancer to spread."

Reagan has won over scores of House members in recent weeks. Estimates now put him a dozen short of victory. In his speech, Reagan asked viewers to "get in touch" with their congressmen and "urge them to vote yes." (Johanna Neuman, USA Today, A1)

Reagan Urges Hill To Approve Aid To Contras

President Reagan, warning that Nicaragua has become a "command post for international terror" seeking to topple neighboring governments and give the Soviet Union a "beachhead in North America," urged Congress last night to approve \$100 million in aid to Nicaraguan rebels for "the defense of our own southern frontier."

In a nationally televised address from the Oval Office, Reagan appealed for bipartisan support to send arms and supplies to the "freedom fighters" and declared that failure to do so could imperil Mexico and the Panama Canal, and send "desperate Latin peoples by the millions" fleeing toward the United States. (David Hoffman, Washington Post, A1)

Lists Communist Actions, Raises "Beachhead" Specter

President Reagan last night urged the House to approve \$100 million aid for the Nicaraguan resistance, which he said was fighting a Sandinista "outlaw regime," or face the threat of a Soviet beachhead in Central America.

"The danger will not go away," he said. "It will grow worse, much worse, if we fail to take action now."

(Jeremiah O'Leary, Washington Times, A1)

Reagan Calls For Aid To Contras

President Reagan, pleading for \$100 million to help Nicaragua's Contra rebels "prevent a communist takeover in Central America," Sunday said otherwise the future price tag for stopping the "malignancy in Managua" would be much steeper.

Reagan, in a televised address, asked Americans to urge lawmakers to reverse what even White House officials concede is an uphill fight for congressional approval of aid.

(Peter Brown, Scripps Howard News Service)

Reagan Says Communists Building Deep Water Port In Nicaragua

President Reagan, seeking support for military aid to Nicaraguan rebels, said Nicaragua is increasing its threat to the region by building a deep water port with Communist help.

In a televised address to the nation last night, Reagan predicted crucial setbacks for the hemisphere if Congress failed to approve \$100 million in aid to the so-called contra rebels trying to overthrow the leftist Sandinista government.

(Ralph Harris, Reuter)

Reagan: United States Under "Mortal Threat" Unless Communists Stopped

President Reagan, putting his case to the public for resuming arms shipments to the Contra rebels, says the United States is under "mortal threat" unless Soviet-sponsored communism in Nicaragua is stopped.

Seeking to set off a wave of pressure on a balky congress in a nationally televised address Sunday, Reagan warned of the growth of "a second Cuba, a second Libya, right on the doorstep of the United States."

(Helen Thomas, UPI)

Reagan Invokes Lessons Of History

President Reagan, casting the past as possible prologue to sound an alarm against a communist presence in the hemisphere, invoked the lessons of history in his latest bid to rally support for Nicaraguan rebels.

Warning that Moscow could be handed "a beachhead in North America" if he is rebuffed, Reagan offered a historical framework Sunday evening for what has become one of the hardest fought priorities of his presidency.

(Norman Sandler, UPI)

Reagan/Contras

President Reagan, seeking public pressure on Congress to approve \$100 million aid for "virtually defenseless" Nicaraguan rebels, declared Sunday evening that the funds are needed to "deny the Soviet Union a beachhead in North America."

Beseeching Congress "to vote yes," Reagan emphasized his belief that "it is not Nicaragua alone that threatens us." He asked viewers, "Tell them to help the free the freedom fighters. Help us prevent a Communist takeover of Central America." (Michael Putzel, AP)

Reagan Links Sandinistas With Drug-Running, Attack On Marines

President Reagan is seeking to link Nicaragua's leftist government with drug smuggling and the murder of four U.S. Marines as he presses for the votes he still needs in Congress to resume rearming Nicaraguan guerrillas.

Following Reagan's speech, the Nicaraguan Embassy said his policy of support for the rebels, known as Contras, could "trigger a bloody regional war in Central America." (Dale Nelson, AP)

DEMOCRATS, IN REPLY, URGE SEEKING PEACE THROUGH NEGOTIATIONS

Sen. Jim Sasser (D-Tenn), in the official Democratic response to President Reagan's appeal for aid to Nicaraguan rebels, said last night that the President is "seizing military options before he has exhausted the hope of a peaceful solution" and warned that U.S. troops will ultimately be required if Reagan pursues a policy of armed conflict.

(Kathy Sawyer, Washington Post, A18)

Pursue Diplomatic Solutions First, Democrats Tell Reagan

The Democratic Party tonight responded to President Reagan's television appeal for aid for Nicaraguan rebels by accusing him of pursuing military rather than diplomatic solutions.

Tennessee Democratic Sen. James Sasser said Democrats agreed the Sandinistas had betrayed their revolution and that Nicaragua should never become a base for Soviet "military interventionism." (Reuter)

Democrats Say Reagan Not Giving Diplomacy A Chance In Nicaragua

Sen. Sasser said Sunday the President was proposing "a wider war" without giving diplomacy enough of a chance. The Tennessee senator said that "the Contra army could become a thorn in the flesh of the Sandinistas, but almost nobody believes the Contras can actually win a military victory." (Donald Rothberg, AP)

REAGAN APPEAL MADE NO APPARENT CONVERTS OF DEMOCRATS

President Reagan's appeal for \$100 million for the guerrillas fighting the Nicaraguan government has made no apparent converts in Congress, but Sen. Robert Dole predicts victory.

"In my view a majority of members will vote yes on the package," Dole said after Reagan's nationally broadcast speech Sunday. But there was no apparent shift of votes. (Michael Myers, UPI)

Support Growing In House For \$100 Million Package

The Reagan Administration needs only a dozen more votes to push its \$100 million aid request for the Nicaraguan resistance through the Democratic-controlled House, White House and congressional sources said yesterday.

"We'll win," Donald Regan predicted yesterday in a televised interview. "We are going all out to do it." The White House is convinced it can win the additional 10 to 12 votes before Wednesday, another senior Administration official said. (Rita McWilliams, Washington Times, A1)

LATIN MOOD SHIFTS AGAINST WASHINGTON

MEXICO CITY -- The diplomatic mood in Latin America has tipped against Washington in recent months, weakening the Reagan Administration's sales pitch to Congress for aid to the Nicaraguan rebels and isolating the United States in the region on the issue.

Seven South American countries and Mexico, grouped in the Contadora movement, took the unprecedented step last month of formally urging the U.S. government to halt aid to the guerrillas and press efforts for a regional peace treaty. (Robert McCartney, Washington Post, A18)

RALLIES AGAINST PROPOSED CONTRA AID

An estimated 1,700 people protesting President Reagan's proposal to aid the Contra rebels fighting Nicaragua's government attended weekend rallies in Oregon, Wisconsin and Washington. (AP)

REAGAN TAKES SCATTERSHOT APPROACH TO CONTRA AID BID

In his boldest bid yet for aid to Nicaraguan rebels, President Reagan took aim at the issues not with a precision rifle shot but in a scattershot approach that could very well play into the hands of his critics.

Reagan went into this speech needing to cajole and convince. He did so with a repackaged recitation of the same arguments that failed to generate a groundswell of support for these policies in the past.

(Norman Sandler, Analysis, UPI)

SUCCESS IN SMALL BITES

"I'm willing to take what I can get," Reagan told me in a 1968 interview. "You have take what you can get and get some more next year; that's what the opposition has been doing for years."

And that is exactly what Reagan has been doing for the past two decades. On issues that matter most to him, Reagan has been willing to settle for small bites of what he wants and come back to Congress for the rest of the meal. (Lou Cannon, Washington Post, A2)

SHULTZ REPORTS NO PROGRESS IN STOCKHOLM TALKS

Secretary Shultz, flying home early yesterday after talks with Soviet Premier Ryzhkov in Stockholm, was obviously disappointed with the results of the first high-level U.S.-Soviet meeting since the "fireside" summit in Geneva four months ago.

"It's basically where it stood," he said of the snagged effort since the first of the year to set a date for a second meeting between President Reagan and Soviet leader Gorbachev.

(Barry Schweid, Washington Post, A16)

DOLLAR DROPS TO RECORD LOW AGAINST YEN VALUE

TOKYO, Monday, March 17 -- The dollar dropped to a record low of 174.80 yen on the Tokyo Foreign Exchange Market today, prompting Japanese Finance Minister Takeshita to appeal to the United States and West Germany to join Japan in intervening in exchange markets to stop what he called the "excessive speed" of the yen's appreciation.

(Sam Jameson, Los Angeles Times)

Dollar Plunges In Tokyo Causing Concern Over Intervention

TOKYO -- The dollar plummeted to a record low of 174.80 yen today, sparking worries that Japan's central bank may start buying the U.S. currency to halt its fall. Concern increased when Finance minister Takeshita called a hurried press conference to say he did not rule out the possibility of Bank of Japan intervention in the market to prop up the dollar.

(Jeff Stearns, Reuter)

SUMMIT ON ACID RAIN MAY BE BREAKTHROUGH

Canadian Prime Minister Mulroney arrives in Washington tonight for two days of what might be billed "breakthrough" talks with President Reagan on acid rain -- a hotly controversial subject that pits the nations industrialists against its environmentalists.

Insiders say that the White House, which had been reluctant to put further economic burdens on smokestack industries, is ready to shift its position on the same issue and begin a new test program.

(Warren Strobel, Washington Times, A1)

U.S./Canada

As President Reagan and Prime Minister Mulroney of Canada prepare to meet this week at their second "Shamrock Summit," the United States appears ready to take two giant steps toward even closer ties between the two neighboring nations.

In one step, Reagan will endorse a report that blames coal-burning industry, much of it in the United States, for causing the acid rain that damages lakes, forests and fields in both countries, according to a senior U.S. official who spoke on condition he not be named.

(Michael Putzel, AP)

IRISH PREMIER TO DISCUSS U.S. AID WITH REAGAN, CONGRESS

Irish Prime minister FitzGerald meets President Reagan and congressional leaders this morning to discuss a \$250 million aid package that some members of Congress hope will be signed into law today.

The economic aid bill, which was approved by the House on March 11 but still has to go through the Senate, is part of a U.S. effort to help implement and encourage a recent British-Irish agreement that gives Ireland a say in the affairs of Northern Ireland for the first time.

(Adela Gooch, Reuter)

FRENCH RIGHT WINNING NARROWLY

PARIS -- France's right-wing opposition parties appeared headed for a slim victory in parliamentary elections tonight, effectively ending five years of left-wing government but leaving considerable room for maneuvering to Socialist President Francois Mitterand.

(Michael Dobbs, Washington Post, A1)

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NATIONAL NEWS

DEAL STRUCK ON SHELTER

The White House and homeless activist Mitch Snyder yesterday reached an agreement under which Snyder ended a month-long hunger strike, and the federal government pledged to turn over the homeless shelter at Second and D streets NW to the District government, along with \$5 million to renovate it.

The agreement -- mediated by Capitol Hill staff members -- capped four days of hurried behind-the-scenes negotiations, which sources said White House officials entered into in part because of fear that Snyder would die from his fast. Administration officials also feared political embarrassment over the shelter controversy because they had heard CBS' "60 Minutes" planned a report on Snyder, sources said.

(John Minitz & Barbara Carton, Washington Post, A1)

Homeless Advocate Goes Off Hunger Strike; Shelter Saved

Mitch Snyder, who broke a 33-day hunger strike when he won his fight with the government, has pledged to mount a fund-raising drive to renovate a downtown shelter for the city's street people.

"My mother raised me to say nice things when somebody does nice things for me, but what I don't understand is (how Reagan) can give \$100 million to the Contras in Nicaragua...when there are people out on the streets here," Snyder said. "I truly do not understand what's operating."

(Julie Brienza, UPI)

GLOOMY DATA MAKING ECONOMISTS UNCERTAIN ON OUTLOOK FOR GROWTH

During the first two months of this year, many economists became steadily more upbeat about the outlook for the nation's economy. Their growth estimates rose as the dollar and oil prices fell, until their consensus neared the Reagan Administration's optimistic projection that the economy would expand at a healthy rate of 4 percent.

In the past few weeks, however, the doubts many economists harbored earlier have been resurrected by gloomy unemployment and production statistics, dismal trade figures, weak reports of retail sales and discouraging news from such blue-chip companies as the General Motors Corporation and the International Business Machines Corporation.

(Barnaby Feder, New York Times, A1)

PACT REACHED ON OFFSHORE OIL

The Reagan Administration and members of Congress have reached a compromise on how to split long-disputed offshore oil revenues, an agreement that would free up to \$1.4 billion for seven coastal states.

(AP story, Washington Post, A9)

DEMOCRATS SCORE HIT ON NOMINEE'S RECORD

In the trench warfare over President Reagan's judicial nominees, the Democrats have picked targets carefully. In taking aim at Jefferson Sessions, they knew they had a nominee who would be vulnerable to an assault on his civil rights record. Minutes after the Senate confirmation hearing began Thursday, it was clear the Democrats had scored a direct hit.

By the time he had explained why he once had called the NAACP "un-American" and "communist-inspired" or said the Ku Klux Klan was "okay," Sessions appeared so wounded that many in the Senate were saying he was likely to become the first Reagan judicial nominee to be defeated.
(Howard Kurtz, Washington Post, A4)

IRELAND IN SPOTLIGHT FOR REAGAN TODAY

President Reagan celebrates St. Patrick's Day today with the traditional visit from Prime Minister Garret FitzGerald and, just to keep his Irish up, will tonight attend a dinner in honor of House Speaker O'Neill.
(Jeremiah O'Leary, Washington Times, A4)

KENNEDY, WEINBERGER DEBATE DEFENSE ISSUES

Caspar Weinberger and Sen. Edward Kennedy agree on one thing: arms control and a strong national defense are compatible. They disagree, however, on how the two could be merged into a solid policy.
(Walter Andrews, Washington Times, A3)

HAIG RISES TO SURPRISING 9% IN '88 RACE, HARRIS POLL SAYS

Alexander Haig, after months of trailing the pack of Republican presidential hopefuls, is expected to make a strong showing in an independent poll scheduled for release this week, according to associates of Mr. Haig.
(Ralph Hallow, Washington Times, A3)

EDITOR'S NOTES: "Stephen I. Schlossberg: An Advocate for Labor In Management of U.S.," by Peter Pearl, appears on page of A9 of the Washington Post.

"The Hostage and the Hopes: In Washington, Keeping Vigil For the Seven Still in Beirut," by Carla Hall, appears on page C1 of the Washington Post.

NETWORK NEWS SUMMARY

(Sunday Evening, March 16, 1986)

Note: CBS did not air a broadcast.

NICARAGUA

NBC's Chris Wallace: It will be international power politics on the highest level tonight, as the President asks the public and Congress to back his Central American policy. Mr. Reagan is seeking \$100 million in aid to the contra rebels, \$70 million in military aid. NBC News will carry the President's speech live tonight at 8 p.m. Eastern time.

NBC's Robin Lloyd: As President Reagan returned from Camp David this afternoon, his aides were talking tough, confident that the President's speech tonight will win over a reluctant Congress.

(TV Coverage: Reagans returning to Camp David.)

Officials say he will appeal directly to the American people, and will stress why he thinks aid to the Nicaraguan rebels is the only effective way to bring democracy to Nicaragua. As he did last month in his pitch for an increase in his defense budget, the President will use charts and maps, in this case, to explain why he believes the Sandinistas are a threat.

(TV Coverage: Contras fighting in fields.)

The Soviet military build-up in Nicaragua, officials say, will be a major theme. On NBC's 'Meet The Press' today, Chief of Staff Donald Regan was making it clear the Administration cannot accept the Nicaraguan government.

(Regan: "We have to get rid of it, in some way or another. And, what we want to do is to try to help those who are trying to overthrow that communist government; try to force it to have free elections to allow that nation to have the leaders that they should have.")

But as he did earlier in the week, the President wants to drive home the point that this does not mean another Vietnam. Aides say he will stress the importance of taking action now.

(President on Friday, March 14: "If we help now, we can literally turn the situation around and change the future. If we fail now, I think we guarantee untold problems for the people of Central America, and for our own children.")

But Congressmen who have supported the President in the past on this issue aren't buying their tactics.

(Rep. McCurdy: "I don't think he'll win this vote, because there are no alternatives allowed. It's a straight up-or-down vote on his package.")

Officials here certainly aren't talking compromise yet. But clearly, they're nervous about losing the vote. And they're counting on the President tonight to turn that around.

Wallace: Robin, the House vote is not until Thursday, and the President clearly is not going to stop with tonight's speech. What does he have in mind for the rest of this week?

Lloyd: Well, this will be the last big push by the President, and from here on in, officials say they'll be working the phones and counting the votes in Congress, and they'll be sending Special Envoy Habib to Capitol Hill. Both sides agree the Administration needs about 15 votes to switch over in order to win. (NBC-Lead)

ABC's Sam Donaldson: The Reagan Administration, battling hard to win congressional approval of \$100 million in aid to the Nicaraguan contra rebels, wheels out its ultimate weapons tonight: President Reagan himself, who with another of those television addresses for which he is so famous, hopes to swing public opinion behind him.

ABC's Kenneth Walker: The President returned from a weekend at Camp David to prepare for tonight's televised speech on aid to the Nicaraguan guerrillas.

(TV Coverage: President and Mrs. Reagan arriving on South Lawn.) But he took no questions on the subject; White House Chief of Staff Donald Regan, on the other hand, had plenty to say, abandoning what had been the Administration's formal stance that contra aid was aimed at forcing negotiations with the Sandinistas.

(Regan: "We have a very aggressive communist nation on our hemisphere for the first time within any kind of history. We have to get rid of it in some way or another, and what we want to do is to try to help those who are trying to overthrow that communist government.")

Regan flatly ruled out any compromise.

(Regan: "Our prediction? We'll win." Robert Novak: "Do you really think so?" Regan: "Yes, we're going all out to do it.")

The issue has dominated the President's schedule for two weeks. He showcased contra leaders at the White House. He's lobbied a steady stream of senators and congress-members. And last week at the State Department, the President reviewed intercepted weapons he said the Sandinistas shipped to Central American revolutionaries.

(TV Coverage: President with other officials in Cabinet Room; congressmen arriving at White House; President viewing captured weapons at the State Department.)

But none of the White House displays has softened critics in Congress.

(Rep. Michael Barnes: "Clearly on this issue the President is going up against American public opinion. The vast majority of the people in the United States don't agree with him on this issue, just as the vast majority of people all over the hemisphere don't agree with him on this issue.")

The President's non-stop campaign over the past 10 days has made much closer a fight that began as nearly hopeless. White House aides hope to get the margin of victory from the President's speech tonight.

Donaldson: In Nicaragua today, there wasn't much doing officially, President Ortega being in Stockholm. But Barry Serafin reports from Managua that people there know very well what's going on in Washington.

ABC's Barry Serafin reports from Managua that what's going on in Washington is not lost on anyone. A newspaper headline has Mr. Reagan declaring, "I am a contra." That remark by Mr. Reagan drew a sharp response from President Ortega during a visit to Sweden. "By identifying himself as a contra," he said, "he has lost all reason." Said Ortega: "It is dangerous and serious for Reagan to stubbornly insist on carrying on with this war and threatening Nicaragua with American troops." In Managua, one of Ortega's critics, Mario Rapachole (ph), head of a conservative party faction, says he does not want war either, but he adds this.

(Rapachole: "If the authorization of a hundred million will bring our country into starting a process of democratization through a free election as any other half-civilized country, welcome the hundred million.")

No immediate government response is expected here to President Reagan's speech. Sandinista officials say they are trying to keep a low profile during the debate and they insist the contra rebels will be defeated with or without the \$100 million in U.S. aid.

Donaldson: The House is now scheduled to vote on the President's request on Thursday, and it has become quite an emotional issue, with Democrats complaining that some White House officials -- notably Communications Director Patrick J. Buchanan -- have engaged in red-baiting by saying members will be voting either for the President or for the communists. Chief of Staff Regan today defended Buchanan by saying: Pat comes on a little strong, as we know, but not too strong for me. Regan did not go out on a limb with that judgement, since President Reagan had already declared that he likes what Buchanan says on the subject. (ABC-Lead)

ORTEGA'S ATTACK

Wallace: Nicaraguan leader Daniel Ortega was fighting back today, saying that President Reagan has "lost his senses in his all-out support for the contras." Noting that Mr. Reagan declared himself a contra, Ortega said, "It is dangerous if the head of a Superpower has lost his reason."

NBC's Mike Boettcher is standing by live now in Nicaragua.

Mike, the President is calling this contra vote a turning point for Central America. Is it seen as that important down there?

Boettcher: Well, these contra votes have been very routine in the past few years; they're used to living with that. But for the first time, the Nicaraguans believe that no matter if the contra aid is passed or not, they're going to beat the contras. They say that if the contras receive \$100 million in aid, they're going to receive \$100 or more from the Eastern bloc. And for the first time, they have a feeling of optimism that they're going to win here, no matter what.

Wallace: How about the possibility of direct U.S. military involvement? We hear a lot about that from Managua. Is that propaganda, or do they really fear that?

Boettcher: A lot of people here say it might be a blessing in disguise if the \$100 million in aid is passed, because then the President will not resort to sending U.S. troops here.

-more-

Boettcher continues:

As a matter of fact, yesterday I was at a graduation ceremony for reserve officers. They weren't being trained primarily to fight to contras. They were being trained to come out of their jobs, their civilian clothes and put on uniforms if the U.S. invaded this country.

Wallace: Mike, despite today's comments by Ortega, the Sandinistas have generally kept to a pretty low profile during this fight during the last few weeks. How come?

Boettcher: I think that they feel that in the past, what they've said down here hasn't really made that big of a difference. And in the past, they have put their foot in their mouths. And as well -- trips to buy sunglasses in New York, and trips to Moscow -- haven't exactly helped their cause. And a lot of the people who supported them in the U.S. -- a lot of congressmen -- have now seemed to distance themselves, saying, "we don't support the Sandinistas, but we don't want contra aid." So their former supporters who supported them publicly are now kind of distancing themselves from the Sandinistas, and they want to just keep quiet. They don't think it has helped them, really. (NBC-2)

CONTRAS/HISTORICAL PERSPECTIVE

Wallace: The President and Congress have been arguing for years about the contras, and not just about whether to back them. There are basic disagreements about whether the contras are an effective fighting force. Whether they believe in democracy, or a return to a Right-wing dictatorship. Who are the contras?

NBC's Jim Miklaszewski reports from Managua:

President Reagan calls them "freedom fighters" -- counterrevolutionaries.

(President: "I guess that makes them contras, and so it makes me a contra, too.")

And the contra leadership welcomed their latest recruit.

(Contra leader Adolfo Colero: "Even President Reagan is a contra.")

But the picture that emerges from the jungles of Central America is one of an ill-trained, ill-equipped, rag-tag peasant army -- losing the war. Most of the 20,000 contras are peasant farmers, recruited from rural Nicaragua. They're holed up now in base camps in Honduras, undergoing training. But U.S. military officials report, and these pictures reveal, they lack even the most basic combat skills.

(TV Coverage: contra soldiers ineptly fighting.

Like the proper way to shoot a gun. Former Nicaraguan National Guardsmen lead the contras military high command. A congressional report now claims many were personally responsible for the brutality during the Somoza regime.

(Rep. George Miller (D-Ca.): "This force was recruited by the CIA, trained by the Argentinian terrorists, and paid for by the American government. They're paid, hired, trained killers.")

The contra political leaders, three former Nicaraguan businessmen, claim they control their military forces. Adolfo Colero says democracy, not military rule, is their goal.

Miklaszewski continues:

But after five years and \$100 million in U.S. aid, the contras lack more than the military might needed to topple the Sandinistas. They have failed to win the support of most Nicaraguan people. Administration officials say even with more U.S. aid, the contras cannot win the war. Just keep the pressure on the Sandinistas. Without it, they're going nowhere. (NBC-3)

OPEC MEETING

Wallace reports that OPEC oil ministers looked glum today, after four hours of emergency talks on how to stop the sharpest oil price decline in history. One oil minister said prices could hit \$8 a barrel, unless the cartel agrees on some way to cut production. (NBC-4)

ABC's Mike Lee reports from Geneva on the OPEC meeting. The economic and political differences within OPEC now seem to be as deep as some of their oil wells. (ABC-4)

MARCOS

Wallace reports that Ferdinand Marcos reportedly wants to leave Hawaii and the U.S. and settle in another country.

NBC's Jack Reynolds reports that a senior Administration official has confirmed that the former dictator has requested U.S. assistance in getting Spain, Mexico or Panama to accept him. But Spain's foreign minister said his country would not accept Marcos. Marcos is reportedly depressed by the news reports about his and his wife's former lifestyle and their wealth. This morning, on 'Meet The Press,' White House Chief of Staff Donald Regan expressed doubt about charges against Marcos.

(Chief of Staff Donald Regan: "I'm skeptical. First of all, I want that proven to me. No one has ever offered me any proof that he does have such things.")

The documents that could help make the case against Marcos are being held by U.S. customs in Hawaii. There's another reason for Marcos' sudden desire to resume his travels: while the Administration had agreed to turn over the documents to Philippine authorities, NBC News has been told that could now happen as early as tomorrow.

(NBC-11)

FRENCH ELECTIONS

ABC's Pierre Salinger reports from Paris that vote counting continued into the night as the French parliamentary elections turned out to be much closer than the polls indicated. The Socialist Party lost its absolute majority in the parliament, but remained the largest single party in the legislature.

Salinger continues:

The conservative coalition of the Guallist RPR and the Union for French Democracy won the largest number of seats, but only a slim majority that may make it difficult for them to govern. Even though the right did not get the overwhelming majority it had predicted for itself, some observers are predicting President Mitterrand may have to resign rather than oversee the destruction of the program he put into law. (ABC-2)

Wallace: After five years of Socialist rule in France, the Conservative opposition has apparently won an absolute majority of seats in the National Assembly. If computer projections are correct, that would mean that President Francois Mitterrand would have to appoint a Prime Minister from the opposition ranks. (NBC-13)

U.S. HOSTAGES

NBC's David Hazinski reports that it has been a long year for Peggy Seay, the sister of American hostage Terry Anderson. Anderson, the AP Beirut Bureau chief, was kidnapped a year ago today, joining five other Americans held in captivity in Lebanon. The emotions were put aside while Seay turned the hostage families into a lobby that any politician would be proud of: There was a White House visit. And meetings with Congressional Committees. Peggy Seay took part in a candlelight vigil at the White House this evening. (TV Coverage: Seay and friends in Lafayette Park.) (NBC-17)

NASA

Wallace reports that The Miami Herald today quoted private auditors as saying the space agency wasted up to a third of its budget last year, much of it through overcharges. In one instance, they say, NASA paid one thousand times too much for shuttle parts. (NBC-6)

CHALLENGER

NBC's Dan Molina reports that off and on for the past two days, rough seas have forced the search ships to return to port. Underwater, strong currents have frequently made it difficult for divers and the small submarines to operate. Elsewhere in the search area, the U.S.S. Preserver appears to be close to completing the recovery of the remains of the crew and the crew compartment. That part of the operation could be over as early as tomorrow. (NBC-7)

ABC's John Quinones reports that new tests conducted by NASA at the Marshall Space Center have revealed grave deficiencies in the way the shuttle's solid rocket booster was originally tested and approved for flight. A top NASA official has told ABC News that the tests show the critical O-rings are far more likely to be damaged during launch than originally predicted. (ABC-5)

Monday, March 17, 1986 -- B-7

PRO-ABORTION MARCH

Wallace reports that tens of thousands of people marched in support of abortion rights in Los Angeles today. Today's event was a follow-up to the National March For Womens' Lives last week in Washington.

(NBC-9)

SWISS POLLS

Donaldson reports the Swiss went to the polls today and, as expected, turned down by 3-1 their government's proposal that Switzerland join the U.N.

(ABC-3; NBC-14)

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ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley.

Panel: George Will, Sam Donaldson.

Guests: Ambassador Vassiliy Safronchuk, acting permanent representative of the Soviet Union to the U.N., former CIA Director Richard Helms, Sen. Moynihan, and Sen. Cohen.

Brinkley: What can you tell us about the Russian spying? Is it as bad as we're told?

Helms: I think it was, and the thing that impressed me is that President Reagan at long last has made the right and proper step in starting to reduce the size of the Soviet mission to the United Nations.

Donaldson: Your complaint is not necessarily that the Soviets spy, but that there are too many of them and we can't keep up with them....

Helms: That's right.... I'd like to see them cut down to about the same that we are.

Brinkley: The Soviet delegation to the U.N. is bigger than that of the U.S. and China combined, so tell us, why do you need so many people there?

Safronchuk: All this talk about spying and Soviet personnel being engaged in activities unrelated to the United Nations is utter nonsense.... The Soviet Mission is engaged completely in the activities of the U.N. aimed at maintaining peace and international security. With regard to the size of the mission you should take into account the amount of work....

Will: Your position is that the American charges are illegal.... Are you going to obey the U.S. directive about reducing the size of your mission?

Safronchuk: We will certainly discuss it with the U.N. Secretary General. It is his business, not the U.S. government's business....

Donaldson: In the final analysis, you will have to do what Washington wants you to do. My question is, what will Moscow do in retaliation?

Safronchuk: Well, I'm not going to comment on our bilateral relations and on what steps my government is going to take....

Brinkley: We have two Americans who have pleaded guilty to selling American secrets to Russian people who were at the U.N.

Safronchuk: Well, what kind of Russian people? ... There is no evidence....

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Donaldson: Do you think that this act will in any way affect the timing or the probability of a second summit meeting between Gorbachev and President Reagan?

Safronchuk: Certainly, this illegal decision of the U.S. government will not help to create favorable conditions for the summit meeting.

Brinkley: Sen. Moynihan, until you came to the Senate, you were Ambassador to the United Nations. Tell us ... did you actually see or know of Russian spying at the U.N.?

Moynihan: The phone tapping you talked about earlier is ... just widespread, it's getting worse, and it's an outrage.... A young man, Paul Brown, who works for me was at the Columbia Journalism School about 10 years ago, and a Soviet librarian tried to recruit him.... These are violations of the charter, and I'm sorry to disagree with the Ambassador, but the Headquarters Agreement specifically states that behavior outside official duties is governed by American law, and tapping telephones is a violation of our law. I only wish the Administration had said what they're doing. I mean, after all, they are doing it not just to collect secrets, they're listening in --

Donaldson: We're told the President actually made this decision six months ago to reduce the Soviet U.N. Mission, but because of the forthcoming Geneva summit held his hand. Well, if there was a reason to hold his hand before the Geneva summit why do it now in anticipation of a Washington summit?

Cohen: I might take the opposite tack and say if the Soviet Union is interested in promoting the spirit of Geneva they might undertake to unilaterally reduce the outrageous number of people they have here in the name of equity....

Moynihan: We've been pressing. I have had a bill in for 10 years ... for the FBI to locate these people and ... tell them to get out of the country....

Will: Sen. Moynihan, this is about the third time on this show you've made this vigorous plea for the President to do something about it.... Couldn't Congress stipulate that either the wiretapping stops or they go home?

Moynihan: We have done that, the Senate has. This legislation I've been pressing, but the Administration always makes us drop it in conference, and I think maybe they ... will. The President sent a very major message to Congress on Friday, a real State paper. It kept referring to the U.N. in it.... Our hands are clean, and we have a right to act, and I think a need do.

BRINKLEY FREE FOR ALL

Brinkley: Will the President get the \$100 million aid package, and should he?

Will: I'm inclined to think that he may get it, because the reporting by those who are covering this say it comes down to Republican votes in the House and generally when it comes down to Republican votes the President wins, particularly because this is not a peripheral issue; this is central to the Reagan Doctrine, which is containment-plus. That we should have resistance, aiding those who will resist, at the fringe of the Soviet empire. It's a very cost-effective way to use American dollars without using American blood to promote American interests.

Donaldson: I think he's going to get it. Whether he does it in an initial House vote, or whether the Senate gives him as a compromise and he gets some money.... If Reagan gets any money for military assistance, he wins, it seems to me. The second part of your question -- I don't think it will do any good. This rag-tag army of the contras are not going to be able to defeat 160,000 regular and militia Nicaraguan troops.... It may give the Nicaraguans a little problem; in the long run we'll have to come back -- more money. And I can see Ronald Reagan, 18 months from now, giving a speech to the nation some Sunday night and saying, "My fellow Americans, we must combat communism. The contras were brave, steadfast like George Washington, but they died at Valley Forge. And now we're going to have to send American troops."

Carter: He won't get it this week. As to what he gets some other day, I don't know. He's going to lose the vote. He's not that certain in the Senate for that matter.... The second thing is: no, he ought not to win it for a number of reasons. The first ... the contras can't do the trick. The Administration has an objective, true enough, but it's not the containment of that regime, it is in fact the overthrow of that regime. And he's been very clear about it privately if not always publicly and to do that -- to do that is going to require ultimately something better than a bunch of Somoza generals, colonels and sergeants.

Will: That in the first place is a gross libel on the 20,000 or so people who have -- by various counts.... There are more contras in the field today than there were Sandinistas at the time the Sandinistas took over in Managua. So it seems to me it's arguable they can succeed. It is arguable that even if they can't succeed, we ought to support them anyway. Because they are making the Soviet Union pay a higher cost for their empire. We support the Afghan resistance.... No one expects the Afghan resistance to throw the Red Army out of Afghanistan. Does that mean we should therefore not support them?

Donaldson: ...your conclusion that if this is such a sudden menace there, the President says a Red tide lapping at Harlingen, Texas, San Diego, California -- let's go down with U.S. troops. Why doesn't he? I'll tell you why. A senior official at the White House was quite candid with a few of us ten days ago -- he said the American people won't support it. That's right. The moment Ronald Reagan believes the American people will support it, the Marines are going down -- once again -- to Nicaragua, which would be a devastating blow to U.S. prestige and influence in Latin America.

Carter: One thing the contras have not been able to engage or they would be in Nicaragua, instead of in a privileged sanctuary in Honduras, is mass support in the field.... If it's so important, then we have an obligation not to stand here and talk....

Will: Why this passion you have to supplant the contras, who are willing to do it on their own, with American troops, which seems to be the logic of your position?

Donaldson: Either Ronald Reagan is telling us the truth about the menace or he's flapping a bloody bedsheet at us in order to get other people to do the dirty business. Now, Mr. President, if you have the courage of your convictions, call on Congress to send American troops....

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CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Panel: CBS's Bruce Hall and Eric Engberg.

Guests: Henry Hartsfield Jr., astronaut; Paul Weitz, astronaut -- followed by Sen. Jake Garn; Alex Roland, space historian, Duke University.

Stahl: ...Just the other day NASA announced that it wants to start flying again in January, and it wants to have nine flights the first year, and move it up to 18 by the third year. Do you consider that with that kind of announcement that NASA is fixing the problem?

Weitz: I personally feel that a schedule such as that is probably more than we really ought to start off with again. In the past, I firmly believe, that the system has come to succumb, probably subconsciously, to the pressures of schedule, which has turned out to be a very ambitious schedule, and I think that one of the things we ought to see that we don't do again in the future is set ourselves up where we are susceptible to such pressures....

Stahl: Let me ask Mr. Hartsfield, what did the astronauts say to each other when the presidential commission found out that the engineers had urged no launch because of the cold weather and that some NASA managers went ahead with the launch, but never even informed...their own bosses that there was a recommendation from the engineers not to launch. What did you all say to each other?

Hartsfield: I think that most of us were generally shocked by that. It's my personal feeling that there was a breakdown there, and I think that something went wrong with our process....

Guests: Sen. Garn. and Professor Roland.

Stahl: Senator Garn, you have been saying, up until now at least, that you're convinced NASA, even in this case, the Challenger case, put safety above other considerations. Now some of the astronauts have begun questioning that. Have you changed your own mind?

Garn: No, I haven't changed my mind. I don't think the astronauts have....The dissension at NASA is not nearly as great as everybody would like to indicate....

Stahl: Professor Roland, you also have said in the past that NASA puts safety ahead of other considerations. Have you changed your mind?

Roland: I have indeed. In the last five or six weeks I've found this a very dismaying story, and Sen. Garn and I agree the complete story isn't in yet, but what I've seen so far is an overwhelmingly circumstantial case that the way NASA runs today, or the way it ran in January, is not the way I knew it. It used to be that the technical decisions were paramount, and the purpose of top NASA administrators was to insulate the technical managers from external political pressure or economic pressure, and the evidence I'm seeing now suggests that that's no longer true, and the political pressure has infiltrated the agency.

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FACE THE NATION (continued)

CBS's Bruce Hall and Eric Engberg join Lesley Stahl. Hall reports on there are no new developments in the investigation of the shuttle explosion.

Stahl: I want to ask you both about charges that a senior official at NASA is now making. One is that the commission, by deciding early what the cause was -- and sort of has decided that management made a big mistake -- is damaging NASA. And secondly, that the press is largely at fault here because we pressured them so much.

Engberg: The commission is behaving in a way that is different than a routine accident investigation is conducted. That's true. Normally, accident investigators go out and find out what happened and then issue a report of finding of probably cause, but Chairman Rogers understood, early on, I think, that the public wasn't going to sit around and wait for 120 days to have some idea of what went wrong. And we're investigating more than the cause of an accident here. We're investigating the deaths of seven Americans who were killed on an important mission for their country, and whether a federal agency did its job in protecting their lives, and I think that it would have been very unrealistic to think that somehow this information wouldn't have come out before the commission's final report was issued....

Stahl: Bruce, it is my own impression that in fact the press has been, in a way, ridiculing the delays. Do you think that the press has made a mistake and been part of the pressure problem?

Hall: The press has ridiculed the delays. There's no doubt that NASA officials have been stung by that, but you must remember the real root of the cause is they announced a very overly ambitious schedule and they couldn't keep up with it and they've just done the same thing again....

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NBC -- MEET THE PRESS

Moderator Marvin Kalb, with Chris Wallace and Robert Novak.

Guest: Donald Regan.

Kalb: Let's start with Nicaragua. You just heard...what the President said, nothing more important than this aid for the contras. That really was hyperbole though, wasn't it? He doesn't quite mean that.

Regan: No, not in the sense that we have a very aggressive communist nation on our hemisphere for the first time within any kind of history. We have to get rid of it on some way or another. And what we want to do is try to help those who are trying to overthrow that communist government, try to force it to have free elections to allow that nation to have the leaders that they should have.

Kalb: When the President says nothing more important -- just to be clear -- nothing more important than arms control with the Russians, than an agreement in the Middle East, than the budget deficit, he doesn't really mean that, does he?

Regan: Well, a lot of things are important. But in the context of this week, nothing is more important than getting that done this week.

Novak: I would like your candid assessment of how that vote is going to come out next Wednesday -- a prediction.

Regan: A prediction? We'll win.... We're going all out to do it. We're fairly close now and we think that after people have heard the President of the United States tonight and they have time to mull it over, they'll let their congressman know that they should vote along with the President on this issue.

Wallace: Isn't this the kind of slowly escalating commitment that got us into Vietnam?

Regan: No, we don't think so. First of all, the \$100 million that's coming, by the way, not as new money but it's coming out of the Pentagon budget, will be over an 18-month period. We've been assured by the contras themselves that that's more than enough money to take care of them. Now as far as training and so on is concerned, we have no intention of sending our troops into Nicaragua for training or any other purpose.

Wallace: What are the limits of the U.S. commitment in Central America?

Regan: As far as we're concerned, we're going to continue to help those who are fighting for freedom no matter where it is -- whether in Nicaragua or elsewhere. We did it in El Salvador. Recall that when we took over as an Administration, El Salvador was about to go communist. We rescued that nation. We did the same thing for Grenada. Now we want to do the same thing for Nicaragua.... No U.S. Vietnam, absolutely not.

MEET THE PRESS (continued)

Kalb: You said earlier in this program, used the expression "to get rid of the Sandinista regime," that we would get rid of them.... One hundred million dollars in aid sounds awfully paltry for something described as a vital national interest to the United States.

Regan: Let me explain that. What we mean by get rid of is that we think that if free elections are held in Nicaragua today, six months from today, or when, that the people would vote out that type of government. That's getting rid of them. That's what we want. We want free elections. The contras have assured us that the only way they can get free elections down there is to keep pressure on that government. It will not respond just to negotiations.... As a result of that pushing they will come toward elections. It's just what we had in the Philippines and it's exactly what we want here -- elections.

Novak: Let me just put up a hypothetical that you don't win the vote.... Do you do what you always have done when you lose, you come up with a compromise, or does the President go out to Santa Barbara and let the Democrats make the next move in Congress?

Regan: I think that'll be up to those who didn't vote for this to have to consider what their next step would be because they're the ones that are going to invite further communist takeover in Central America.

Novak: Do you subscribe to the views of your White House Communications Director Pat Buchanan, who's been accused of McCarthyism, who says that the Democrats, with their policies, would perpetuate communist rule in Nicaragua?

Regan: I think that anyone who doesn't vote for this -- it's not necessarily Democrats -- it's anyone who doesn't vote for this does allow that regime, Ortega and his communist allies, to stay in power in Nicaragua.

Novak: Do you agree with Pat Buchanan's line or do you -- or do you not like his language?

Regan: Well, Pat comes on a little strong as we know.

Novak: Too strong for you?

Regan: No, not too strong for me. As far as I'm concerned, Pat has a legitimate right to say what he thinks.

Wallace: So you didn't chew out, as some people reported -- you didn't chew out Buchanan for writing that. And it was pretty tough language....

Regan: Well, that was Pat speaking, and he had a right to speak, and I did not chew him out.... We have raised the elevation of the seriousness of this. Now Pat did it in his way. The President did it in his way. Those two ways -- there is a difference between them.

MEET THE PRESS (continued)

Novak: There are reports out of Hawaii that former President Marcos, who still thinks he's president, feels that he is being treated badly by the U.S.... The President promised him safe haven and treated -- to treat him with honor and dignity. Isn't his word being broken?

Regan: No. The President is still treating Mr. Marcos with honor and dignity and will give him safe haven. I think it's the press that Mr. Marcos objects to, and the media, and all the attention that's being paid to his wealth -- to the things he left behind in the Philippines and the like. It's not to the United States Government.... The Secretary of the Treasury has to uphold the United States law. And when a grand jury calls for documents and subpoenas them, we must give them.

Kalb: I'd like to ask you about U.S. Soviet relations now....The Secretary of State talked to the new Soviet Prime Minister yesterday in Stockholm. The reports seem negative. What has, in your view, gone wrong? Why can't we get an agreement on the date for the next summit?

Regan: It's up to the Soviet Union. We don't understand it. For some reason, they are delaying notifying us as to when the General Secretary will be coming over here.... I think that they would have like to have seen more progress in Geneva, which means that we should have bought their proposition. We're not doing that. We have surfaced many new things....

Wallace: What is the deadline? Don't you have to make an agreement pretty soon if you're going to...a summer summit?

Regan: No. Those things don't take that long to prepare.... There's no such thing as a deadline.... The General Secretary has promised to come.

Novak: I want to ask about the tax reform package that Senator Packwood has put up. There's some indication that the President has endorsed it. Have you bought that lock, stock and barrel, that plan?

Regan: No, we've not bought it lock, stock and barrel. We said in general it sounds like something we'd be interested in, because it covers the four points that the President put in a letter to the House Republicans when he asked them to vote for that bill, which we didn't like. Now there are some things in it that we will want to be changed, but we think it's a good working document....

Novak: How do you feel about \$60 billion in excise taxes and the non-deductibility of excise taxes for corporations in the Packwood bill?

Regan: We're looking at that. We want to find out what's the interplay there, as far as it's economic effect. It's a novel idea.

Novak: But as of now, you feel that the President could sign the Packwood bill?

Regan: Not as it stands now.... It will have to be changed in some respects....

Wallace: The budget. The President's proposal was clobbered this week in the House, 312-12, I think it was, which raises the question, when is this Administration going to get down to serious negotiations with Congress about reducing the deficit?

Regan: I think George Washington's first budget was probably turned down by the Congress. I don't think any president ever gets his budget when it's sent up in its entirety. We know that sooner or later the Congress is going to have to come up with its own version. We're not going to negotiate with our own budget. We want to see what kind of a budget they come up with....

Wallace: Domenici came out with his idea this week, and that was for zero-percent real growth increase in defense. You people want an 8% increase, and \$16 billion in new revenue, \$10 billion beyond the President. How's that sound?

Regan: We want to see if that goes through the Finance Committee. He had only six votes for it. He's going to have to get a majority of his own committee to approve it.... It's not what we want at all, no. Definitely not.

Novak: Mr. Regan, the smart boys in this town -- including most of the people in my business -- think that this is all a game, that when it comes to the end of the year, the President, as he did in '82, as he did in '84, will acquiesce in a tax increase. Do you think that's an accurate scenario?

Regan: Incidentally, I don't agree with your characterization of them as being all the smart boys in this town. We think there are some smart boys in the Administration. The President is not going to go for a tax increase, no....

Kalb: What about the idea of a tax amnesty, which is being kicked around up on the Hill?

Regan: I'm not too sure of that one. I was Secretary of the Treasury. I looked at that pretty carefully. And I think it might have disastrous long-range effects. You forgive people now, won't people cheat and say, well, there'll be another amnesty and I'll get into that.

Wallace: Some people have said that you were the most forgiving and the last person to jump off the Marcos bandwagon. Before the election you said, you know, if it is a matter of fraud there is fraud in a lot of countries. At the very end, you were the last Administration official to break away from Marcos. Is that true?

Regan: Yes, and I'll tell you why. I was thinking in terms of peace, the same as President Reagan was, of having a peaceful solution to that problem. That could have ignited and there'd have been a terrible civil war there had the military really engaged each other. We were being very cautious, trying to support Marcos right along, in order to try to arrive at the type of solution which we did get.

Novak: Pete Domenici...says we must have a tax increase. Is he reading the economy wrong?

Regan: I think that the revenues we're going to get from the natural increase in the economy, you know what the amount is between 1986 and '87? Seventy-five billion dollars additional revenue. Wouldn't you think that \$75 billion was enough for the Congress to spend without taking more out of the family budget? What we're saying is hit the federal budget, not the family budget.

Kalb: Mr. Regan, I want to ask you about the Challenger disaster. Do you feel that the presidential commission might at this point in its investigation be going too far and discouraging people working for NASA and perhaps instigating a whole mass of defections and retirements?

Regan: Look, Bill Rogers is a former attorney general. He worked on the original Dewey investigations of racketeering. The man is a very experienced lawyer. He knows how to handle things. We're trusting Bill Rogers to do the right thing by that commission and give us the report we want: what happened and who did it.

Kalb: And there was no rush that was put on this particular launch by the White House?

Regan: Absolutely none. Let me put that one to rest. I've asked every one of the senior staff, did they do anything about this. No pressure.... And surprising enough, the media is the one that's being blamed by the director of the Kennedy Center for the pressure, not the White House.

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AGRONSKY & COMPANY

Moderator: Martin Agronsky.

Panel: Elizabeth Drew, Carl Rowan, Hugh Sidey, and James Kilpatrick.

Agronsky: The Reagan Administration is now warning members of Congress that if they don't support the President on his Nicaraguan policy they'll jeopardize their political future. Will that strategy work?

Kilpatrick: The President is right in his position on Nicaragua, and I think that eventually he's going to get more than his critics think.

Rowan: I don't think the President has sold to the American people the notion that Nicaragua represents this kind of threat. So I don't think anybody in Congress is going to lose his seat by refusing to vote for \$100 million for the contras.

Drew: They don't have the votes yet; they may offer other compromises, and that could be the ball game.

Sidey: There is great political hazard in abandoning the contras without a reasonable alternative, and I think the Democrats are in danger.

Agronsky: The point is that it has not been incontrovertibly documented that such a threat exists.

Sidey: Part of this also is a 'Bash Reagan' episode.... Reagan has had too much of his own way. A lot of those guys don't like him; they don't agree with him. It's political, so therefore, they're going to hit him where they think they can.

Drew: They don't like to go against him.... There are objections to giving this aid that have to do with other than how they feel about Reagan.

Agronsky: The President makes his case on Sunday....

On the economy:

Agronsky: Why is everyone so worried?

Sidey: Who is worried? Inside the beltway you'll find a lot of people who are worried, but you'll find a pretty good attitude out in the country.

Agronsky: You're not getting the White House spelling it out specifically, but you're getting the President moving toward a position where he will accept very substantial defense budget cuts, and where he will accept whatever he wants to call it -- revenue enhancements or tax increases.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin.

Panel: Jack Germond, Michael Kramer of New York magazine, Robert Novak, Morton Kondracke.

On Contra Aid:

McLaughlin: Will the House pass the \$100 million aid request?

All: No.

On the President's refusal to allow a tax increase:

McLaughlin: Will there be a tax increase this year?

Kramer: There will be some new taxes this year.

Germond: There will be something; I don't know what.

Novak: No.

Kondracke: There will be some sort of new tax this year.

McLaughlin: I agree with Morton.

On Reagan's \$352 million proposed missile sale to Saudi Arabia:

McLaughlin: Is this sale going to get through the Congress?

All: Yes.

On the 1986 Southern Senate Races:

Republican seats:

Alabama: Denton - 5 say he stays.

Florida: Hawkins - 5 say she loses.

Georgia: Mattingly - 5 say he stays.

North Carolina - 5 say that G.O.P. Rep. Broyhill wins; holding the seat for the Republicans.

Democratic seats:

Arkansas: Bumpers - 5 he stays.

Kentucky: Ford - All say he wins big.

Louisiana: 4 to 1 say that G.O.P. Rep. Henson Moore takes a seat away from the Democrats.

South Carolina: Hollings - 5 say he wins easily.

Conclusions: No net change in the South. (4-4).

Predictions:

Novak: 1987 will be a year of five percent growth in the U.S. economy.

Germond: Gov. Dukakis (D-Ma.) will become a presidential candidate after the fall elections.

Kondracke: Add to the list of Nobel Peace Prize winners Cory Aquino and Cardinal Jamie Sin.

Kramer: Chile will go before South Africa.

McLaughlin: In the French elections, the conservatives will win with 53 percent, and there will be a presidential election by November.

-End of B-Section-

NETWORK COVERAGE FOLLOWING PRESIDENT'S SPEECH

ABC

Peter Jennings: President Reagan, urging you to help him stop what he calls the communist takeover of Central America. This debate about what the Sandinistas are up to in Central America is an extremely complicated one and fraught with history. Nicaragua is the largest but the least densely populated country in Central America, and on two occasions since the the turn of the century the U.S. Marines have been sent to Nicaragua because this country did not like the way that country was being governed.

The Sandinistas, incidentally, take their name from Augusto Sandino -- a brilliant guerrilla who fought against the United States and the Nicaraguan National Guard then. The Sandinista revolution, as the President alluded, finally prevailed in '79 -- 1979 -- and has been a thorn in the side of U.S. Central American policymakers.

Now Senator James Sasser of Tennessee will put the Democratic case for not giving the contra forces military aid. He has long been opposed to the Reagan policy, being one of those who fears the ultimate Reagan goal is American armed intervention in the region once again....

CBS

Dan Rather: And thus he concludes another nationwide appeal for aid to Nicaragua's Contadora rebels. He warned as he has before that the Soviets and Cuba can become dominant powers in the hemisphere if aid is denied to the contras. He charged that members of the Sandinista regime have been guilty of selling illegal drugs to Americans. He said the Sandinista leadership practices brutality at home, including a very graphic example he gave of cutting off the ears of an evangelical minister, said they've transformed their nation into what he called, and I quote the President now, "a safe house, a command post for international terror."

Then, in closing his 20-minute address, the President made clear that he believes that the communists are on the verge of a major victory in Central America if the contra effort fails. And with that, he urged senators and representatives to vote yes on his aid proposal and for the citizens to help get that passed. Now the Democratic response....

NBC

Tom Brokaw: President Reagan, speaking from the Oval Office tonight, obviously willing to risk his considerable political popularity in this fight. He stepped into the ring, using every punch that he had. First of all, the nationwide address, of course. The vivid language. Once again, the specter of a communist menace sweeping all the way from Nicaragua north through Mexico, into the United States. He hit all of the markers.

NETWORK COVERAGE FOLLOWING PRESIDENT'S SPEECH (continued)

Brokaw continues: He accused the Sandinistas of importing drugs into the United States; he talked about attacks on the church and on the synagogue. He quoted Democrats: Lane Kirkland, the labor leader; he also raised the name of John F. Kennedy and former Senator "Scoop" Jackson. The late "Scoop" Jackson of the state of Washington. Of course, his critics say that if it's all this dangerous, then why aren't American troops involved? And in Central America, foreign ministers have been saying that they don't want arms to go to the contras; they want negotiations. In fact, that's what we will hear now from Senator James Sasser, of Tennessee, who recently went to Central America. He will outline, on behalf of the Democratic Party, a compromise position in opposition to the President's statement tonight.

Additional Reaction following Sen. Sasser's speech:

Brokaw: Today, the Chief of Staff of the White House, Donald Regan, said on NBC's 'Meet The Press' that we've got to get rid of the Sandinistas, but he quickly amended his answer to say that he means that he hopes to have free elections there. This promises to be one of the bloodiest political fights of the season in Washington. It will go on all of this week. The votes are scheduled in Congress on Thursday in the House and in the Senate. It's now expected to be very close, in the House especially. Not so long ago, the White House was conceding that they were behind, perhaps by as many as 80 votes. But now it will get to be very close. And, of course, the White House is counting on the President's speech tonight to make it even closer, if not provide a victory.

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