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News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, MARCH 19, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

President Continues His Drive For Rebels -- President Reagan yesterday wooed undecided Democrats and Republicans as his request for \$100 million in aid for the Nicaraguan resistance moved closer to the showdown in the House.
(Washington Post, Washington Times, AP)

Plan For Contributions To Reagan And Carter Found In Marcos Files -- Reagan Administration and Congressional officials said today that documents brought to the United States by Ferdinand Marcos show a plan to make payments to several American political candidates, including \$50,000 to President Reagan and an unspecified amount to Jimmy Carter.
(New York Times, USA Today, Washington Post, Washington Times, AP, UPI)

NATIONAL NEWS

House, Senate At Odds On Deficit-Cut Bill -- The House and the Senate squared off again yesterday over last year's deficit-reduction legislation as Republicans and Democrats on the Senate Budget Committee edged warily toward a bipartisan compromise on a budget blueprint for next fiscal year.
(Washington Post)

NETWORK NEWS (Tuesday Evening)

NICARAGUA -- As the battle neared its showdown in Congress, supporters and opponents Tuesday predicted victory.

LIBYAN SHOWDOWN -- Sources say U.S. Navy will ignore what Qaddafi calls "the line of death."

ACID RAIN -- President Reagan will reverse his policy and will now call for action of Acid Rain.

TRIBUTE TO THE SPEAKER

"To be honest, I've always known that Tip was behind me -- even if it was only at the State of the Union Address. As I made each proposal, I could hear Tip whispering to George Bush, 'Forget it. No way. Fat chance.' ... He said that since it was March 17th, it was only fitting that someone drop by who actually had known St. Patrick. And that's true, Tip. I did know St. Patrick. In fact, we both changed to the same political party at about the same time."
(President Reagan at the Tip O'Neill Dinner, 3/17)

INTERNATIONAL NEWS

REAGAN TWISTS ARMS BEFORE HOUSE DEBATE ON AID TO CONTRAS

President Reagan summoned more than a dozen House Democrats to the White House yesterday but apparently made little headway in his effort to win the final votes needed for congressional approval of a \$100 million aid package for the Nicaraguan rebels.

The House Democrats said Reagan, during a 45-minute meeting in the Cabinet Room, repeated a litany of familiar arguments for the proposed \$70 million in military assistance and \$30 million in nonlethal humanitarian aid for the contras.

Spokesman Larry Speakes, although still predicting a White House victory, said "we still have a ways to go." Speakes said the Administration is 10 to 12 votes short of a majority in the House.

(Edward Walsh & Milton Coleman, Washington Post, A27)

President Continues His Drive For Rebels

President Reagan yesterday wooed undecided Democrats and Republicans as his request for \$100 million in aid for the Nicaraguan resistance moved closer to the showdown in the House.

White House officials acknowledged that Mr. Reagan has lain his prestige on the line in going first for a vote in the Democratic-controlled House. The long-range strategy, should the House turn the President down, is to push the measure through the Senate and then try again in the House, the officials said. (Jeremiah O'Leary, Washington Times, A1)

Both Sides See Victory In Upcoming Contra Aid Vote

With congressional votes looming on President Reagan's proposal to give \$100 million to guerrillas fighting Nicaragua's leftist government, each side insists that it will win a close vote.

Larry Speakes said Tuesday, "We believe we will win," and added that he expects no changes in Reagan's package despite opponents' predictions that the White House will have a compromise.

(Tim Ahern, AP)

REAGAN ADMINISTRATION USING OUTDATED POLL TO GAIN SUPPORT FOR CONTRAS

SAN JOSE, Costa Rica -- President Reagan and his aides have been using an outdated Central American opinion poll in a bid to win congressional approval and public support for \$100 million in aid to the Contras.

The poll, taken last July by an affiliate of the Gallup organization and circulated by the American Embassy in San Jose, shows most Costa Ricans favoring U.S. aid to Nicaragua's anti-Sandinista rebels.

But a poll taken last November by the same organization shows a wide majority of Costa Ricans opposing Reagan's aid request, which is scheduled for a House vote Thursday and consideration by the Senate next week.

(Reid Miller, AP)

U.S. ACCUSES SANDINISTAS OF RIGHTS VIOLATIONS

The State Department launched another round yesterday in the escalating battle of countercharges about human rights violations in Nicaragua, issuing a report charging ruling leftist Sandinistas with "even greater repression of their own people to maintain their hold on power."

Illustrating the central role that all sides assign to the human rights issue in the controversy over U.S. policy in Nicaragua, the report was timed to coincide with House debate opening today on President Reagan's \$100 Million aid request for Nicaraguan rebels.

(Joanne Omang, Washington Post, A27)

NICARAGUA EXPECTED TO RECEIVE NEW WEAPONS FROM ALLIES

The Soviet bloc is expected to add substantially to Nicaragua's air combat capability with shipments of Czech-made L-39 jets and other aircraft in the coming weeks, Administration sources said.

With an eye on Thursday's House vote on new U.S. aid to Nicaraguan rebels, the officials outlined to the AP on Tuesday night what they said was a Sandinista plan to acquire five types of aircraft, possibly before the end of the summer.

(George Gedda, AP)

OFFICIAL SAYS REAGAN WOULD SEND U.S. ADVISERS TO AID CONTRAS

Congress begins debate today on President Reagan's request for \$100 million in aid for Nicaraguan rebels -- including about 50 U.S. military instructors.

Assistant Secretary of State Elliott Abrams told a congressional subcommittee yesterday that if Congress approved the request, Reagan would send anti-aircraft equipment and up to four dozen U.S. instructors to Central America to train the so-called contra rebels.

(Peter Szekely, Reuter)

CHURCH TO HOLD NEW ROUND OF TALKS WITH GOVERNMENT

MANAGUA, Nicaragua -- Bishop Julian Barni, who has urged the United States and the Soviet Union to leave Nicaragua in peace, said Roman Catholic Church leaders and officials of the leftist government will meet to discuss their differences.

Barni, in a Tuesday press conference, said both the Soviet Union and United States should stop financing opposing sides in the Nicaraguan conflict.

(Tracy Wilkinson, UPI)

GRANTEE OF U.S. ENDOWMENT FUNDS SANDINISTA OPPONENTS

A U.S. organization that has received substantial funds from the National Endowment for Democracy, a federally financed agency, has been funneling most of the money to opponents of the Sandinista government in Nicaragua, an official of the group said yesterday.

The organization, called Friends of the Democratic Center in Central America (Prodemca), has used the government money to help the opposition newspaper La Prensa and an anti-Sandinista human rights group.

(Sidney Blumenthal, Washington Post, A1)

ZSCHAU TO LEAD GOP DEBATE IN TURNAROUND ON CONTRAS

Last April, Rep. Edwin Zschau of California was one of 40 House Republicans to oppose President Reagan's request for military aid to the rebels fighting the Sandinista government of Nicaragua.

Today, Zschau is scheduled to be the leadoff speaker for the Republicans in supporting Reagan's new aid request.

(Washington Post, A29)

FEAR OF SOVIET STRATEGIC BASE IN NICARAGUA NAGS AT U.S.

The United States will face the end of a long-standing "immunity" from threats to the security in the Western Hemisphere if a Soviet strategic base is established in Nicaragua, U.S. defense experts say.

(Bill Gertz, Washington Times, A8)

MARCOS PAPERS SHOW U.S. CAMPAIGN GIFTS

Documents brought to the United States by deposed president Ferdinand Marcos indicate that \$50,000 was contributed to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, apparently supervised by Manila intelligence officers, according to congressional sources, who saw the documents last night.

Rep. Robert Torricelli (D-N.J.) said the records also indicate that campaign contributions were made to U.S. senators, whom he declined to name. Torricelli said last night that the money may have been funneled into the Carter and Reagan campaigns by dividing it among 50 donors.

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

Marcos "Gifts" To Campaigns: No Firm Proof

Names of top political leaders and corporations appear in documents tracing much of the "hidden wealth" of deposed president Marcos, investigators said Tuesday.

Philippine fact-finder Jovito Salonga said a typewritten paper lists \$50,000 in 1980 campaign gifts to both President Reagan and then President Jimmy Carter and \$10,000 to Sen. Alan Cranston, D-Calif.

(Don Kirk, USA Today, A1)

U.S./Marcos

Documents brought to the United States by deposed president Marcos refer to \$50,000 campaign contributions to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, congressional sources said.

(Tim Ahern, AP)

Plan For Contributions To Reagan And Carter Found In Marcos Files

Reagan Administration and Congressional officials said today that documents brought to the United States by Ferdinand Marcos show a plan to make payments to several American political candidates, including \$50,000 to President Reagan and an unspecified amount to Jimmy Carter.

It was not clear from the documents whether the plan was carried out and the payments actually made. White House and Reagan campaign officials denied that Mr. Reagan had received any campaign contributions from the Philippines.

(Jeff Gerth, New York Times, A1)

U.S./Marcos

The United States turned over 2,300 pages of documents to Philippine officials Tuesday that indicate Ferdinand Marcos may have donated \$50,000 to the 1980 presidential campaigns of both Jimmy Carter and Ronald Reagan.

Albert Brashear denied the President actually received any campaign contributions from Marcos. "We presume it's not true given the screening mechanism of our campaign and the screening by the FEC. Such a deception would have been detected," he said. (Matthew Quinn, UPI)

U.S.-CANADA AGREEMENT ON ACID RAIN IS NEAR

President Reagan and Canadian Prime Minister Mulroney have moved close to agreement on the controversial issue of acid rain, which is threatening the environment on both sides of the border, and will announce specific stands today, U.S. and Canadian officials said after the leaders' initial White House meetings yesterday.

U.S. sources said Reagan will endorse a January report on acid rain in a way acceptable to Mulroney, who has made progress on the issue his central objective in the talks here.

The Administration added to robust confusion on the issue with a statement at a White House briefing immediately after the Reagan-Mulroney meeting that "we have reached agreement" on acid rain.

White House officials said later that the statement, by a senior State Department official, was premature. Other Administration sources said that, at the time it was made, the agreement was limited to "a process by which we announce our positions on the [envoys'] reports."

(Don Oberdorfer & Herbert Denton, Washington Post, A3)

Reagan Statement Awaited On \$5 Billion Acid Rain Plan

President Reagan is expected to issue a statement on acid rain pollution today that will please Canadian officials but could fall short of fully endorsing a \$5 billion test cleanup plan recommended by U.S. and Canadian officials.

Larry Speakes said the two leaders "are in substantial agreement on how the two countries proceed with the acid rain problem." Although another senior Administration official said Mr. Reagan and Mr. Mulroney "reached agreement" on acid rain, Canadian officials said the two simply agreed in their meeting to issue separate statements on the matter.

(Mary Belcher, Washington Times, A2)

Reagan, Mulroney Agree On Acid Rain Solution

President Reagan and Canadian Prime Minister Mulroney have agreed on an approach to solving the acid rain problem, the single most difficult issue between the neighboring nations.

But the two leaders declined to sign a joint agreement, and instead chose to issue separate statements later today, signaling that their agreement may not be a total one. (Ira Allen, UPI)

White House Moves Closer To Approving Acid Rain Pact

An American-Canadian agreement on curbing acid rain was to be announced today by the White House, a senior U.S. official said yesterday following a meeting between President Reagan and visiting Canadian Prime Minister Mulroney. (Reuter)

NAVY WARSHIPS PASSED CLOSE TO SOVIET SHORE, U.S. SAYS

Two Navy warships, following orders approved by the White House and State Department, sailed within six miles of the Soviet coast in the Black Sea south of Crimea last week, the Pentagon acknowledged yesterday in responding to a formal Soviet protest that the action was "clearly provocative."

Defense and Navy officials said the Reagan Administration had not intended the passage to send the Soviets a message on any particular issue beyond the right of U.S. vessels to go inside the Soviets' claimed 12-mile territorial waters on "innocent passage."

(George Wilson, Washington Post, A4)

2 U.S. Ships Enter Soviet Waters Off Crimea To Gather Intelligence

Two United States warships heavily equipped with electronic sensors entered Soviet territorial waters in the Black Sea last week to test Soviet defenses, Pentagon officials said.

The officials said that the exercise had been ordered by the Joint Chiefs of Staff in the name of Secretary Weinberger and that a similar exercise was planned in the Gulf of Sidra off Libya next week.

(Richard Halloran, New York Times, A1)

Soviets Say U.S. Vessels Violate Their Waters

MOSCOW -- The Soviet Union today protested what it called a "defiant" and "provocative" violation of its territorial waters by two U.S. warships last week and it warned that repetitions could lead to "serious consequences."

The sharp protest of the Thursday incident in the Black Sea appeared to be a further setback in relations between the two countries, which have been strained in recent weeks by a series of expulsion orders, accusations of espionage and exchanges of criticism.

(Celestine Bohlen, Washington Post, A21)

Ships Didn't Transgress, U.S. Says

The United States yesterday rebutted a Soviet charge that U.S. warships violated Soviet territorial waters last week when they operated six miles from the Black Sea coast. (Washington Times, A5)

GORBACHEV COURTS BACKING OF NONALIGNEDS

MOSCOW -- Last Thursday Mikhail Gorbachev dispatched a letter to the so-called "Delhi Six" countries in which he announced an extension of the Soviet nuclear test moratorium and simultaneously brought the half-dozen national leaders into the middle of his dispute with the Reagan Administration over the testing of nuclear weapons. Some analysts in the Soviet capital say they consider the letter a deft stroke of superpower diplomacy. (Gary Lee, Washington Post, A21)

BRAZIL DEMANDS U.S. CLARIFICATION

SAO PAULO, Brazil -- Brazil has demanded U.S. clarification of President Reagan's statement during his televised address Sunday night that Nicaragua's Sandinista government is aiding radicals in this country.

Acting Foreign Minister Paulo Tarso Flecha de Lima yesterday summoned the U.S. Embassy charge d'affaires to request clarification of Reagan's remarks on the grounds that Brazil has had no internal security problems since at least 1979, when the Sandinista government came to power. Guerrilla groups were effectively wiped out a decade ago.

(Richard House, Washington Post, A28)

Reagan's Statement Queried

RIO DE JANEIRO -- Brazil has demanded U.S. clarification of a statement by President Reagan that Nicaragua's Sandinista government was supplying arms to Brazilian rebels, since there are none in the country, a Foreign Office spokesman said yesterday.

(Washington Times, A7)

U.S. SEEKS A-TEST MONITORING FACILITY IN CHINA

The United States is conducting sensitive negotiations to put new seismic devices in China to monitor Soviet underground nuclear tests, Administration and Congressional sources said yesterday.

A China-based facility would strengthen U.S. capabilities to detect Soviet tests and determine their size when carried out at the Semipalatinsk test site in East Kazakhstan, according to experts outside the government.

(Walter Pincus, Washington Post, A8)

ANTITERRORISM BILL CLEARS HOUSE EASILY

Recalling terrifying attacks on Americans abroad, the House approved a \$4.4 billion antiterrorism bill yesterday to increase security at U.S. embassies and pay Americans diplomats for each day they are held hostage.

The legislation has the backing of President Reagan. "Americans serving overseas need adequate protection to carry out their mission safely," he said in a letter to the House Foreign Affairs Committee.

(UPI story, Washington Post, A14)

MEXICAN CORRUPTION SPURRING DRUG TRADE, SAYS U.S. OFFICIAL

U.S. Customs Commissioner William von Raab yesterday charged that "corruption and ineptitude" by Mexican law enforcement officials has allowed drug trafficking along the border to increase so much that it poses a "serious national security concern."

(Mary Thornton, Washington Post, A7)

Customs Chief Cites Mexican "Corruption" In Smuggling

The head of the U.S. Customs Service yesterday blamed "corruption and ineptitude" within Mexico's law enforcement apparatus for making the U.S.-Mexican border area a haven for drug smugglers.

(Washington Times, A5)

NATIONAL NEWS

HOUSE, SENATE AT ODDS ON DEFICIT-CUT BILL

The House and the Senate squared off again yesterday over last year's deficit-reduction legislation as Republicans and Democrats on the Senate Budget Committee edged warily toward a bipartisan compromise on a budget blueprint for next fiscal year.

A budget compromise consideration last night would provide about \$295 billion for defense, \$25 billion less than President Reagan recommended and \$4 billion less than the amount proposed earlier by committee Chairman Pete Domenici (R-N.M.) to keep pace with inflation. It would defy Reagan on taxes by proposing \$18 billion in new revenues, slightly more than Domenici proposed last week.

(Helen Dewar, Washington Post, A8)

SENATE CONFIRMS SIDNEY FITZWATER AS A U.S. JUDGE

The Senate, repelling a Democratic assault on another of President Reagan's judicial nominees, voted 52 to 42 yesterday to confirm Sidney Fitzwater as a U.S. District Court judge in Texas.

(Howard Kurtz, Washington Post, A6)

Senate Clears Fitzwater For Judgeship, 52-42

The Senate approved the nomination of Sidney Fitzwater for a federal judgeship yesterday in a party line test of the Reagan Administration's judicial selection policies.

(David Sellers, Washington Times, A4)

ADVOCATE OF URINALYSIS GETS TESTY AT HILL SESSION

A top official of the President's Commission on Organized Crime clashed yesterday with a House subcommittee when he refused its request to submit to a surprise drug test before testifying in favor of a commission proposal to require urinalysis drug testing of federal employees.

Rodney Smith, deputy executive director of the commission, angrily faced a bank of television cameras and denounced the request as a "cheap shot" and a "performance for the media."

(Mary Thornton, Washington Post, A17)

FED'S MOVE TOWARD DISCOUNT-RATE CUT FOLLOWED TORTUOUS TRAIL

President Reagan's four appointees to the Federal Reserve Board voted as a bloc Feb. 24 to force the central bank to cut its discount rate over the objections of Chairman Paul Volcker.

Within hours, however, Wayne Angell, one of the two new members on the board, requested another meeting, at which he changed his vote before the earlier action could be announced. Ten days later the board voted unanimously to cut the discount rate.

Former Fed officials said they could recall no other occasion when a discount-rate cut was approved and then withdrawn before it was announced.

(John Berry, Washington Post, A1)

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GOLDWATER SHUNS LEHMAN ON PORT CRUSADE

Sen. Barry Goldwater (R-Ariz.), chairman of the Armed Services Committee, has taken aim at Navy Secretary John Lehman's beloved strategic home-porting program and, in an extraordinary slap, said he will not even discuss the issue with the outspoken Navy leader.

(Fred Hiatt, Washington Post, A17)

EDITOR'S NOTE: "Welcoming the Northern Lights" by Donnie Radcliffe appears on page B1 of the Washington Post, Style section.

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NEWS FROM THE STATES

FARMER STARTS TRACTOR TREK TO PROTEST CONTRA AID

SAN FRANCISCO (UPI) -- An alfalfa farmer from Merced, Ca. started a cross-country trek aboard a rusting, hay loading machine to protest President Reagan's appeal for increased aid to Nicaraguan Contras. "Reagan doesn't know what he's talking about," Roger McAfee said Monday at a news conference before he and Josue Frausto, who works on the McAfee farm, headed for the Bay Bridge. McAfee, 47, dressed in brown overalls, scuffed farming boots and a green baseball cap, said, "The minister of affairs gave land back to the Nicaraguan peasants while our government is taking land away from farmers in America." The two men plan to drive the 22-foot-long hay loader at its top speed of 40 mph on a circuitous route, drumming up support for Nicaragua's peasants during the 20-day trip.

McAfee said some 106 American farmers, mostly from Iowa, who are in danger of losing their own lands, are negotiating with the Nicaraguan government for use of 25,000 acres in the Sebaco Valley, some 118 miles northwest of Managua. Winter and summer are opposites in the United States and Nicaragua, enabling the farmers to produce in both countries, he said.

CUOMO KILLS DEATH PENALTY BILL FOURTH TIME

ALBANY, N.Y. (UPI) -- Gov. Mario Cuomo has once again vetoed a death penalty bill for first-degree murderers that was passed by the legislature, saying there was no evidence it would deter crime.

"Violent crime has not uniformly decreased in states that have enacted capital punishment, nor has it increased in states that have abolished capital punishment," Cuomo said Monday. The bill would have allowed the death penalty for contract killers and murderers of police officers. The legislature passed the death penalty bill for the 10th straight year. Although the Senate is likely to override the veto, the Assembly is not expected to do so.

PRO-LIFERS PROTEST CUOMO

ALBANY, N.Y. (UPI) -- A statewide anti-abortion coalition and four state lawmakers have urged Gov. Mario Cuomo and the legislature to stop paying \$15 million a year for Medicaid-funded abortions. "It is killing mostly the children of poorer people. This is heinous," Mrs. Virginia Horan, the president of The Citizens Concerned for Human Life, Inc., said Monday. Mr. Gary Fryer, a Cuomo spokesman, said that funding for abortions has been approved by the state legislature and governor, and the practice will continue.

NETWORK NEWS SUMMARY

(Tuesday Evening, March 18, 1986)

SHOWDOWN WITH LIBYA

CBC's Dan Rather: CBS News has been told tonight that President Reagan is about to escalate his military challenge to Libya's Muommar Qaddafi.

CBS's Bill McLaughlin: Within the next 48 hours the U.S. aircraft carrier America will steam into the Mediterranean, where it will join two other aircraft carrier groups, led by the Saratoga and the Coral Sea. The carriers are scheduled to engage in what are called routine maneuvers. But Administration sources tell CBS News there's nothing routine about this unusual and impressive Naval gathering. The sources say that the U.S. Navy will ignore what Qaddafi dramatically calls "the line of death" across the Gulf of Sidra. In effect, daring the Libyan strongman to attack the U.S. CBS News has been told that the Reagan Administration hopes Qaddafi does attack, and in the words of one official, "if and when that happens, we'll clobber him." Intelligence sources say that the U.S. has more than enough justification for a military strike against Libya. The Administration is said to have collected hard evidence proving that Qaddafi is still deeply involved with terrorist groups. Other sources say that Qaddafi is actively involved in new plots against Israeli and American targets. "In the past we talked," said one official. "This time, we are fully prepared to act." (CBS-Lead)

NBC's Tom Brokaw: Pentagon sources are telling NBC News tonight that new military exercises are planned for the waters off the coast of Libya. The new maneuvers will involve three U.S. aircraft carriers and they are scheduled to begin next week. (NBC-12)

NICARAGUA

Rather: President Reagan's spokesmen are going around confidently predicting victory in Thursday's House vote in more aid for the Nicaraguan contra rebels. Democrats still predict defeat and even some top Republican leaders are openly wondering if the votes are there. Whatever it might mean militarily, a beefed-up contra force would mean more problems for the already-mangled Sandinista economy.

CBS's Michael Conner reports that contra attacks like the one on an electric plant last night are intended to cripple the Nicaraguan economy, making life so tough here that people will want to get rid of the Sandinistas. The war, pressure from the U.S., and Sandinista mismanagement have all helped to make living in Nicaragua tougher every day. Today at some stores, it was hard to find affordable meat. People complained about beans being almost gone, and eggs were not to be found for any price.

(Nicaraguan woman: "It gets worse every day.... ")

Conner continues:

What there is often costs twice as much today as it did last week, because the government keeps raising prices. Now some people say they cannot afford to feed their families. In this very Catholic country, Cardinal Miguel Obando Ebravvo has become the most popular figure in the political opposition. He says people can't take much more. Though life may be tougher, some people seem afraid to go against the government; sometimes even afraid to even talk about it. Just because people are unhappy doesn't mean they like the contras. In fact, many people would like to find an alternative to both the government and the contras. But there simply isn't one. U.S. policymakers keep searching for a group which will direct the opposition, but it's just not here. And support for the Sandinistas is strong, especially among the next generation. (CBS-2)

ABC's Peter Jennings: Two more days and counting now, until the House of Representatives votes on aid to the contras in Nicaragua. Those for and against are turning up the heat. Each and every vote will count. President Reagan is picking his targets carefully.

ABC's Charles Gibson reports that Rep. Jim Chapman (D-Tx.) just came to Congress seven months ago. Usually, you need to be here seven years before getting a summons to the White House. But there was Chapman today, and a bunch of other congressmen, called in for some Reagan arm-twisting. Such is the life of an undecided.

(TV Coverage: Congressmen visiting White House.)

(Rep. Chapman: "I wish I could say right now that ... I've made up my mind....")

Even the Vice President was worrying about the rookie congressman.

(Vice President: "I would hope he'd be with us.")

Radio ads sponsored by a pro-contra organization have been running, urging constituents to call Chapman. And other congressmen were getting tough newspaper ads, from a group called 'Citizens For Reagan.' Despite the pressures, many congressmen said their calls were still running against the President.

(Rep. Schummer: "The American people are focusing not on the messenger, but on the message.")

Democratic leaders met today to recount their votes. They think they're gaining. They need 218 to beat the President.

(Rep. Bonoir (D-Mi.): "We are approaching 210 in the Democratic count. And from what intelligence I was able to gather ... the Republican count is at about 14 now.")

And, Democrats claim, they'll pick up another half dozen now-undecideds. Including, they think, Jim Chapman. (ABC-Lead)

NBC's Tom Brokaw: In Washington, as the battle over \$100 million in new U.S. aid to the Nicaraguan contras neared its showdown vote in Congress this week, supporters and opponents today predicted victory. But House Democrats did concede that they're losing some of their opposition votes. President Reagan has portrayed Nicaragua as a communist beachhead in Central America, with all of the repression of a Soviet state. There may be some exaggeration in that.

NBC's Mike Boettcher reports from Managua that President Reagan's Nicaragua is not the country the Sandinistas see. They have built the most powerful military force in all of Central America, with the help of Cuba and the Soviet Union.

(TV Coverage: Military planes flying.)

But a powerful army is the only dream fully realized by the young revolutionaries who took power seven years ago. The government taught the Nicaraguan people how to read and write, and provided free medical care and inoculations against killer diseases. The Sandinistas promised their people they would have enough to eat; some landless peasants were given titles to land and a rifle to defend it. All of this was done while trying to change a private enterprise economy to a government-run system. But the four-year war against the contras has left the Sandinista dream in shambles.

(Sandinista leader: "The country is using more than half of its budget for the war. And some of the most wonderful triumphs of the revolution cannot go on precisely because of the war.")

Free speech has also become a casualty of the war. It is enough to be thought a contra sympathizer to be thrown in prison. Those jailed say the conditions are not good.... Equally to blame for the economic problems and repression, according to critics, is the Marxist government's desire to be ideologically pure. (NBC-10)

CONTRA REACTION

Jennings: Well, as you can imagine, there are a great many people in Central America who are watching the debate in Washington very closely. In the capital of Nicaragua, some Sandinista officials say it won't make any difference. That they will beat the anti-government contras whether they get the aid or not. In the contra camps they are hanging on every word, and they are certainly in need.

ABC's Peter Collins reports from Nicaragua that at a remote contra base, the debate in Washington is far away. 2,000 new recruits for the anti-communist rebel army stand in the hot sun. Many are very young; barely in their teens. Most were in grade school when the Sandinistas seized power nearly seven years ago. Too young to have been members of the old Somoza National Guard that opponents of aid say dominates the contras. A few of their key commanders, however, were part of the Guard. As they sat listening to President Reagan's speech this week over short-wave radios, some pleaded for help.

(Contra leader: "I ask myself, why does not anyone criticize the Soviets for giving the Nicaraguans what they want? Tanks, rocket launchers, cannons -- and why we can't be helped? From the bottom of my heart, I ask the American people to understand us. We are only fighting for the liberty of our country.")

As it happens, long-delayed fresh supplies are arriving in contra camps this week. This material is part of the \$27 million in so-called humanitarian aid provided by Congress last year, but only just now getting to the contras, because it was blocked by the Honduran government. It includes tons of food, new uniforms and boots, U.S. Army style knapsacks, canteens marked "F.T.N." for Nicaraguan Democratic Force, and small hand-held radios. Some, but not all, contra units are also getting new weapons.

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Collins continues:

Various types of battered old guns are being turned in and exchanged for brand new Soviet Bloc assault rifles -- the same kind the Sandinistas carry. The contras say they bought these weapons in part with private American donations, not official U.S. aid, and that they're being handed out now because some of the other equipment they need is finally arriving. The new supplies, though limited, and the prospect of more U.S. aid has tremendously boosted the morale of the badly-battered contra Army. This week, four columns of freshly-armed contras, totaling several thousand men, are going back inside Nicaragua by new routes that bypass Sandinista positions along the border. They are resuming the offensive after giving up control of those border areas to the Sandinistas late last year because of the supply problems, although the contras still operate deep inside the country. The contras say they are handicapped by the limited type of supplies they're getting. To deal with well-armed Sandinista forces that include Soviet tanks and highly sophisticated armored helicopters of the type used in Afghanistan, the contras say they need small missiles and anti-aircraft guns. And, they say, they need small aircraft of their own to make night drops of supplies to their forces. It's mainly that kind of hardware that the proposed American aid would buy. The contras have also added a new wrinkle to their training: for the first time, they are training officers. And, for the first time, the classes include discussions about democracy and where their aid is coming from, why President Reagan is backing them, and why some members of Congress object. The democracy lessons are a direct result of American pressure to change this movement into something the U.S. Congress can support. But in the meantime, contra leaders say, without fresh supplies of weapons and ammunition, they will lose this war. (ABC-3)

ACID RAIN

Rather: CBS News White House correspondent Bill Plante confirms tonight that President Reagan will reverse his previous policy and will now call for action on the problem of acid rain. President Reagan and Canadian Prime Minister Mulroney are expected to endorse publicly tomorrow an acid rain study conducted by the two countries. (TV Coverage: President and Mulroney at White House.) Correspondent Plante says Mr. Reagan will not recommend specific reductions in smokestack emissions. Mulroney was welcomed to the White House today for what is called the "Shamrock Summit", both Mulroney and President Reagan being of Irish ancestors. (CBS-7)

Brokaw reports that today Canada at last, at least got an acknowledgement from the United States that acid rain is largely produced here and crosses the border. Canada's Prime Minister Mulroney, who began two days of talks with President Reagan, said the acknowledgement was the least that he could take back to Canada, where acid rain is a huge political issue. (TV Coverage: President welcoming Mulroney to the White House.) Tomorrow, officials said, Mr. Reagan will promise to spend money to find ways of burning coal more cleanly, although he will be vague about where that money might come from.

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Brokaw continues:

And this agreement does not call for what environmentalists in both countries want most: mandatory controls to reduce emissions. (NBC-4)

MULRONEY INTERVIEW

Jennings: The Canadian Prime Minister, Brian Mulroney, met today with President Reagan.

(TV Coverage: President and Mulroney at White House.)

The two men have long been at odds on the subject of acid rain. After years of saying the problem needs more study, and making Canadians and many Americans angry, the Administration is about to spend some money to solve a problem which affects not only Canada, but at least 17 American states. Prime Minister Mulroney said today that the American environment is dying, too. Just as surely, as summer follows spring.

Jennings: Mr. Prime Minister, you are under increasing pressure to win concessions from President Reagan on acid rain, which pollutes Canada and the U.S. How well do you think you did?

Mulroney: "Well, the President will be making a statement on it tomorrow, Peter. But I think we're making solid progress. President Reagan has taken a great interest in this, along with Secretary Shultz. And I'm hopeful that we're going to make some substantial progress, beginning tomorrow. This is something that pollutes your environment as well as ours.... We'll have to see tomorrow what the President's response is. Last March President Reagan and I appointed our joint envoys to look into the acid rain problem, and the report has been submitted by Drew Lewis and Bill Davis which is worthwhile. So I think the President wants to move on it, and I hope he does tomorrow.

SOVIET PROTEST

Brokaw: The Soviet Union issued a formal protest over something the U.S. did last Thursday. Two U.S. Navy ships in the Black Sea, a destroyer and a guided missile cruiser, sailed six miles into Soviet territorial waters. Moscow called that incident "demonstrative, defiant and clearly provocative." The United States said it was simply an exercise in the rite of what it called an innocent passage. (NBC-11)

DRUG TESTING

Jennings: Faced with a growing epidemic of drug use in the workplace, the Presidential Commission two weeks ago proposed drug-testing for all civilian government workers. A Congressional Civil Service Subcommittee met to consider the proposal today, and the committee members were skeptical to say the least.

ABC's James Wooten:

(Rep. Ackerman: "Mr. Smith, would you accommodate us with a specimen of your urine?"

Rodney Smith of the Crime Commission: "Absolutely not."

Rep. Ackerman: "I thank you. You have very eloquently proven the point that we have set out to prove.")

Which is that the commission's recommendation of drug tests for federal workers is an unconstitutional indignity. Nonsense, said Mr. Smith. It's an idea whose time regrettably has come.

(Smith: "We have said that every government agency should consider guidelines, including suitable drug testing.")

Some private companies are already testing their employees, and the commission wants the government to stop doing business with those who don't. Not a good idea, said the government unions.

(Union leader James Pierce: "In fact, it smacks of a police state. Lie detector tests, urinalysis tests -- where does the Administration go next?")

One of the problems with drug testing, as Rep. Schroeder of Colorado sees it, is the testing itself.

(Rep. Schroeder: "There is not a positive test that absolutely is right. And you can really ruin people for the rest of their lives.")

No one is questioning anyone's motives, but with 25 million Americans now using marijuana, cocaine and heroin, there isn't much hope on Capitol Hill that testing federal employees will make the slightest difference. (ABC-6)

TIP O'NEILL

Jennings: Ever since Ronald Reagan swamped the Democrats and went to Washington, the symbol of the Democratic opposition to him in the Capitol City has been the speaker of the House, Tip O'Neill. And yet, last night, when Washington gathered to honor Tip O'Neill, the President was right up there with praise as well.

ABC's Brit Hume reports that on duty, they are Washington's most intense political adversaries. But off-duty they are friends and perhaps the Capitol's favorite comedy team. Last night this relationship reached a culmination of sorts in a St. Patrick's Day dinner to honor the retiring O'Neill. This was a night for two old Irish politicians to do their stuff.

(President: "Despite all this, Tip wanted me here. He said that since it was March 17th, it was only fitting that someone drop by who actually had known St. Patrick. (Laughter) Sure, I've said some things about Tip and he's said some things about me, but that's all history. And, anyway, you know how it is -- I forget." (Laughter) O'Neill: "Your charm, your humor, your wit -- sometimes when I get up in the morning, I say, don't let it get to you, old boy."

It was a jolly night ... but everybody knew that today, they'd be back to business as usual; sort of like the aftermath of a summit.

(ABC-7)

MARCOS

Rather: The U.S. today officially and formally turned over to the Aquino government what amounts to a treasure map that could help pinpoint the Marcos billions. The hundreds of financial papers were seized when the Marcos family arrived in Hawaii last month.

CBS's Debra Potter reports that the documents were also provided today to a House Subcommittee, which has its own mission: (Rep. Solarz: "To determine whether in fact any American foreign aid funds for the Philippines were recycled by the Marcoses, or any of their cronies.")

The Subcommittee issued secret subpoenas for eight people to testify about the Marcos holdings and alleged attempts to influence U.S. elections. As the legal pressure on Marcos mounts, there are signs that he is stripping up his efforts to find a new home. To leave the U.S. before he becomes the target of prosecution. (CBS-12)

Jennings: The evidence is now in the hands of the new Philippine government, which was quick to say that the Marcos raid on the treasury was unprecedented.

ABC's Charles Gibson: reports the House Subcommittee also subpoenaed eight unidentified persons to appear and answer questions about allegations of improper attempts to use Filipino money to influence the 1982 American elections. President Reagan recently said he believed that Mr. Marcos was a millionaire before he took office. But was he? His 1966 tax return, obtained by ABC News, listed assets of \$120,000 Philippine Pesos, or only about \$30,000 U.S. Dollars. (ABC-1)

NBC's Jack Reynolds reports that Tuesday afternoon, the House Subcommittee on Asian and Pacific Affairs issued a subpoena and got its copy of the documents. General Fabian Ver appeared before a grand jury today in Alexandria, Virginia, in an investigation of possible theft of American military aid. Ver's appearance was brief. He reportedly declined to cooperate, and may be called back for more questioning. (NBC-1)

U.S. ECONOMY

Rather: The American economy goes deeper into Balance of Payments trouble. The Commerce Department today reported that this nation paid out a record \$117.7 billion more for goods and services last year than it took in. (CBS-4; NBC-4)

U.S. DOLLAR

Rather: Against that bleak deficit backdrop, the U.S. Dollar continued to collapse on the Tokyo Exchange. Now, in the puzzling world of economics, there is some strength in that weakness.

CBS's Barry Peterson reports that the fall of the dollar is being heard loud and clear in Japan, because it means that Japanese products are more expensive in America. And for a nation that has lived and flourished by selling its products in America, that means trouble. A sign of the times in Japan: a stereo parts maker out of business. And it's going to get worse -- more Japanese workers may soon be losing their jobs. And who may benefit from all this? Those products that say, "Made in the U.S.A." (CBS-5)

Brokaw reports that Secretary Baldrige said that the decreasing value of the dollar now overseas and lower interest rates at home should help ease that deficit later this year. (NBC-5)

NASA/CHALLENGER

Rather: Seven weeks to the day after the Challenger exploded, the part that may explain the disaster is now on shore.

CBS's Bruce Hall: Investigators are confident they will be able to determine whether the seals were eroded by hot gasses before the explosion. Today some Presidential Commission members reviewed new tests on cold temperatures, which government and industry officials are conducting in Utah. A key NASA investigator, James Thompson, expressed confidence today that the agency will find the cause of the accident. But sources at the Presidential Commission say it is premature for NASA to be talking about launching in a year, saying now is a time for caution and conservatism. (CBS-8)

FRANCE

Rather: Socialist President Mitterrand asked a Conservative today to form a new government as Prime Minister. He is Jacques Chirac, the mayor of Paris who was Prime Minister during the '70s. He promised a quick reply. Chirac leads France's largest right-of-center party. Mitterrand's hand was forced, after Conservatives took control of the Parliament in Sunday's election.

(CBS-9)

PALME

NBC's Brian Rose reports that Victor Gunnersohn, the suspect in the murder of the Swedish Prime Minister, was, until May 1985 a member of a Right-wing political cult based in the U.S. and headed by Lyndon LaRouche. LaRouche, a frequent candidate for president who has spent millions of dollars on half-hour prime-time TV appearances, runs an international neo-Nazi political organization based in Virginia, with branches in a number of European cities, including Stockholm. For the last three years, Palme has been frequently attacked in LaRouche publications as a Soviet stooge. In Stockholm, a LaRouche spokesman said the suspect Gunnersohn had been expelled from the group last year, because of what he called "unbalanced features." And a spokesman said the organization had no involvement in any way in the Swedish assassination. (NBC-9)

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U.S. CURRENCY

Rather: reports the U.S. Treasury Department announced today that within the next 15 to 18 months, you'll be carrying folding money that will look slightly different. The department said it is modifying U.S. currency for the first time in more than half a century, hoping to frustrate counterfeiters and make it more difficult for drug dealers. (CBS-13; NBC-8)

HOUSING STARTS

Rather: The Commerce Department reported today that housing starts fell 3.5 percent in February, but in spite of that, the report said building activity was at the second highest monthly total in the past two years. Building permits -- a sign of future activity -- dropped 6.9 percent in February. (CBS-14)

COMMENTARY

NBC's John Chancellor: Something is going on that is hurting the Voice of America, something disgraceful. The ideal director of the VOA should be an experienced broadcast journalist with management experience. The job is now vacant and the U.S.I.A. found just the right candidate: William Sheahan, a newsman for 30 years who used to be president of ABC News. But the job requires Senate confirmation, and Sen. Jesse Helms opposes Sheahan, and so do some other conservatives. Why? Because Sheahan is a political centrist. Because he would want the VOA broadcasts to be fair and impartial, which the VOA charter requires. And because Sheahan won't say if he voted for Ronald Reagan. What the conservatives want is someone who will shape the programs of the voice to suit conservative views. Bill Sheahan won't get the job. The main asset of the VOA is its credibility. The fact that its listeners can depend on it to give them straight news, along with discussion and opinion that reflect all sides of American life. If any ideological group -- liberal or conservative -- gets to run the voice, credibility goes out the window. It's another example of the kind of thinking that says that if we're going to beat the Russians, we have got to behave like the Russians. Is Radio Moscow under strict ideological control? Then put the Voice of America under strict ideological control. That, of course, makes no sense. If the battle with communism is about values, what is it worth if we abandon our values in order to fight the battle? (NBC-14)



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, MARCH 19, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

President Continues His Drive For Rebels -- President Reagan yesterday wooed undecided Democrats and Republicans as his request for \$100 million in aid for the Nicaraguan resistance moved closer to the showdown in the House.
(Washington Post, Washington Times, AP)

Plan For Contributions To Reagan And Carter Found In Marcos Files -- Reagan Administration and Congressional officials said today that documents brought to the United States by Ferdinand Marcos show a plan to make payments to several American political candidates, including \$50,000 to President Reagan and an unspecified amount to Jimmy Carter.
(New York Times, USA Today, Washington Post, Washington Times, AP, UPI)

NATIONAL NEWS

House, Senate At Odds On Deficit-Cut Bill -- The House and the Senate squared off again yesterday over last year's deficit-reduction legislation as Republicans and Democrats on the Senate Budget Committee edged warily toward a bipartisan compromise on a budget blueprint for next fiscal year.
(Washington Post)

NETWORK NEWS (Tuesday Evening)

NICARAGUA -- As the battle neared its showdown in Congress, supporters and opponents Tuesday predicted victory.

LIBYAN SHOWDOWN -- Sources say U.S. Navy will ignore what Qaddafi calls "the line of death."

ACID RAIN -- President Reagan will reverse his policy and will now call for action of Acid Rain.

TRIBUTE TO THE SPEAKER

"To be honest, I've always known that Tip was behind me -- even if it was only at the State of the Union Address. As I made each proposal, I could hear Tip whispering to George Bush, 'Forget it. No way. Fat chance.' ... He said that since it was March 17th, it was only fitting that someone drop by who actually had known St. Patrick. And that's true, Tip. I did know St. Patrick. In fact, we both changed to the same political party at about the same time."

(President Reagan at the
Tip O'Neill Dinner, 3/17)

INTERNATIONAL NEWS

REAGAN TWISTS ARMS BEFORE HOUSE DEBATE ON AID TO CONTRAS

President Reagan summoned more than a dozen House Democrats to the White House yesterday but apparently made little headway in his effort to win the final votes needed for congressional approval of a \$100 million aid package for the Nicaraguan rebels.

The House Democrats said Reagan, during a 45-minute meeting in the Cabinet Room, repeated a litany of familiar arguments for the proposed \$70 million in military assistance and \$30 million in nonlethal humanitarian aid for the contras.

Spokesman Larry Speakes, although still predicting a White House victory, said "we still have a ways to go." Speakes said the Administration is 10 to 12 votes short of a majority in the House.

(Edward Walsh & Milton Coleman, Washington Post, A27)

President Continues His Drive For Rebels

President Reagan yesterday wooed undecided Democrats and Republicans as his request for \$100 million in aid for the Nicaraguan resistance moved closer to the showdown in the House.

White House officials acknowledged that Mr. Reagan has lain his prestige on the line in going first for a vote in the Democratic-controlled House. The long-range strategy, should the House turn the President down, is to push the measure through the Senate and then try again in the House, the officials said. (Jeremiah O'Leary, Washington Times, A1)

Both Sides See Victory In Upcoming Contra Aid Vote

With congressional votes looming on President Reagan's proposal to give \$100 million to guerrillas fighting Nicaragua's leftist government, each side insists that it will win a close vote.

Larry Speakes said Tuesday, "We believe we will win," and added that he expects no changes in Reagan's package despite opponents' predictions that the White House will have a compromise.

(Tim Ahern, AP)

REAGAN ADMINISTRATION USING OUTDATED POLL TO GAIN SUPPORT FOR CONTRAS

SAN JOSE, Costa Rica -- President Reagan and his aides have been using an outdated Central American opinion poll in a bid to win congressional approval and public support for \$100 million in aid to the Contras.

The poll, taken last July by an affiliate of the Gallup organization and circulated by the American Embassy in San Jose, shows most Costa Ricans favoring U.S. aid to Nicaragua's anti-Sandinista rebels.

But a poll taken last November by the same organization shows a wide majority of Costa Ricans opposing Reagan's aid request, which is scheduled for a House vote Thursday and consideration by the Senate next week.

(Reid Miller, AP)

U.S. ACCUSES SANDINISTAS OF RIGHTS VIOLATIONS

The State Department launched another round yesterday in the escalating battle of countercharges about human rights violations in Nicaragua, issuing a report charging ruling leftist Sandinistas with "even greater repression of their own people to maintain their hold on power."

Illustrating the central role that all sides assign to the human rights issue in the controversy over U.S. policy in Nicaragua, the report was timed to coincide with House debate opening today on President Reagan's \$100 Million aid request for Nicaraguan rebels.

(Joanne Omang, Washington Post, A27)

NICARAGUA EXPECTED TO RECEIVE NEW WEAPONS FROM ALLIES

The Soviet bloc is expected to add substantially to Nicaragua's air combat capability with shipments of Czech-made L-39 jets and other aircraft in the coming weeks, Administration sources said.

With an eye on Thursday's House vote on new U.S. aid to Nicaraguan rebels, the officials outlined to the AP on Tuesday night what they said was a Sandinista plan to acquire five types of aircraft, possibly before the end of the summer.

(George Gedda, AP)

OFFICIAL SAYS REAGAN WOULD SEND U.S. ADVISERS TO AID CONTRAS

Congress begins debate today on President Reagan's request for \$100 million in aid for Nicaraguan rebels -- including about 50 U.S. military instructors.

Assistant Secretary of State Elliott Abrams told a congressional subcommittee yesterday that if Congress approved the request, Reagan would send anti-aircraft equipment and up to four dozen U.S. instructors to Central America to train the so-called contra rebels.

(Peter Szekely, Reuter)

CHURCH TO HOLD NEW ROUND OF TALKS WITH GOVERNMENT

MANAGUA, Nicaragua -- Bishop Julian Barni, who has urged the United States and the Soviet Union to leave Nicaragua in peace, said Roman Catholic Church leaders and officials of the leftist government will meet to discuss their differences.

Barni, in a Tuesday press conference, said both the Soviet Union and United States should stop financing opposing sides in the Nicaraguan conflict.

(Tracy Wilkinson, UPI)

GRANTEE OF U.S. ENDOWMENT FUNDS SANDINISTA OPPONENTS

A U.S. organization that has received substantial funds from the National Endowment for Democracy, a federally financed agency, has been funneling most of the money to opponents of the Sandinista government in Nicaragua, an official of the group said yesterday.

The organization, called Friends of the Democratic Center in Central America (Prodemca), has used the government money to help the opposition newspaper La Prensa and an anti-Sandinista human rights group.

(Sidney Blumenthal, Washington Post, A1)

ZSCHAU TO LEAD GOP DEBATE IN TURNAROUND ON CONTRAS

Last April, Rep. Edwin Zschau of California was one of 40 House Republicans to oppose President Reagan's request for military aid to the rebels fighting the Sandinista government of Nicaragua.

Today, Zschau is scheduled to be the leadoff speaker for the Republicans in supporting Reagan's new aid request.

(Washington Post, A29)

FEAR OF SOVIET STRATEGIC BASE IN NICARAGUA NAGS AT U.S.

The United States will face the end of a long-standing "immunity" from threats to the security in the Western Hemisphere if a Soviet strategic base is established in Nicaragua, U.S. defense experts say.

(Bill Gertz, Washington Times, A8)

MARCOS PAPERS SHOW U.S. CAMPAIGN GIFTS

Documents brought to the United States by deposed president Ferdinand Marcos indicate that \$50,000 was contributed to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, apparently supervised by Manila intelligence officers, according to congressional sources, who saw the documents last night.

Rep. Robert Torricelli (D-N.J.) said the records also indicate that campaign contributions were made to U.S. senators, whom he declined to name. Torricelli said last night that the money may have been funneled into the Carter and Reagan campaigns by dividing it among 50 donors.

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

Marcos "Gifts" To Campaigns: No Firm Proof

Names of top political leaders and corporations appear in documents tracing much of the "hidden wealth" of deposed president Marcos, investigators said Tuesday.

Philippine fact-finder Jovito Salonga said a typewritten paper lists \$50,000 in 1980 campaign gifts to both President Reagan and then President Jimmy Carter and \$10,000 to Sen. Alan Cranston, D-Calif.

(Don Kirk, USA Today, A1)

U.S./Marcos

Documents brought to the United States by deposed president Marcos refer to \$50,000 campaign contributions to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, congressional sources said.

(Tim Ahern, AP)

Plan For Contributions To Reagan And Carter Found In Marcos Files

Reagan Administration and Congressional officials said today that documents brought to the United States by Ferdinand Marcos show a plan to make payments to several American political candidates, including \$50,000 to President Reagan and an unspecified amount to Jimmy Carter.

It was not clear from the documents whether the plan was carried out and the payments actually made. White House and Reagan campaign officials denied that Mr. Reagan had received any campaign contributions from the Philippines.

(Jeff Gerth, New York Times, A1)

U.S./Marcos

The United States turned over 2,300 pages of documents to Philippine officials Tuesday that indicate Ferdinand Marcos may have donated \$50,000 to the 1980 presidential campaigns of both Jimmy Carter and Ronald Reagan.

Albert Brashear denied the President actually received any campaign contributions from Marcos. "We presume it's not true given the screening mechanism of our campaign and the screening by the FEC. Such a deception would have been detected," he said. (Matthew Quinn, UPI)

U.S.-CANADA AGREEMENT ON ACID RAIN IS NEAR

President Reagan and Canadian Prime Minister Mulroney have moved close to agreement on the controversial issue of acid rain, which is threatening the environment on both sides of the border, and will announce specific stands today, U.S. and Canadian officials said after the leaders' initial White House meetings yesterday.

U.S. sources said Reagan will endorse a January report on acid rain in a way acceptable to Mulroney, who has made progress on the issue his central objective in the talks here.

The Administration added to robust confusion on the issue with a statement at a White House briefing immediately after the Reagan-Mulroney meeting that "we have reached agreement" on acid rain.

White House officials said later that the statement, by a senior State Department official, was premature. Other Administration sources said that, at the time it was made, the agreement was limited to "a process by which we announce our positions on the [envoys'] reports."

(Don Oberdorfer & Herbert Denton, Washington Post, A3)

Reagan Statement Awaited On \$5 Billion Acid Rain Plan

President Reagan is expected to issue a statement on acid rain pollution today that will please Canadian officials but could fall short of fully endorsing a \$5 billion test cleanup plan recommended by U.S. and Canadian officials.

Larry Speakes said the two leaders "are in substantial agreement on how the two countries proceed with the acid rain problem." Although another senior Administration official said Mr. Reagan and Mr. Mulroney "reached agreement" on acid rain, Canadian officials said the two simply agreed in their meeting to issue separate statements on the matter.

(Mary Belcher, Washington Times, A2)

Reagan, Mulroney Agree On Acid Rain Solution

President Reagan and Canadian Prime Minister Mulroney have agreed on an approach to solving the acid rain problem, the single most difficult issue between the neighboring nations.

But the two leaders declined to sign a joint agreement, and instead chose to issue separate statements later today, signaling that their agreement may not be a total one. (Ira Allen, UPI)

White House Moves Closer To Approving Acid Rain Pact

An American-Canadian agreement on curbing acid rain was to be announced today by the White House, a senior U.S. official said yesterday following a meeting between President Reagan and visiting Canadian Prime Minister Mulroney. (Reuter)

NAVY WARSHIPS PASSED CLOSE TO SOVIET SHORE, U.S. SAYS

Two Navy warships, following orders approved by the White House and State Department, sailed within six miles of the Soviet coast in the Black Sea south of Crimea last week, the Pentagon acknowledged yesterday in responding to a formal Soviet protest that the action was "clearly provocative."

Defense and Navy officials said the Reagan Administration had not intended the passage to send the Soviets a message on any particular issue beyond the right of U.S. vessels to go inside the Soviets' claimed 12-mile territorial waters on "innocent passage."

(George Wilson, Washington Post, A4)

2 U.S. Ships Enter Soviet Waters Off Crimea To Gather Intelligence

Two United States warships heavily equipped with electronic sensors entered Soviet territorial waters in the Black Sea last week to test Soviet defenses, Pentagon officials said.

The officials said that the exercise had been ordered by the Joint Chiefs of Staff in the name of Secretary Weinberger and that a similar exercise was planned in the Gulf of Sidra off Libya next week.

(Richard Halloran, New York Times, A1)

Soviets Say U.S. Vessels Violate Their Waters

MOSCOW -- The Soviet Union today protested what it called a "defiant" and "provocative" violation of its territorial waters by two U.S. warships last week and it warned that repetitions could lead to "serious consequences."

The sharp protest of the Thursday incident in the Black Sea appeared to be a further setback in relations between the two countries, which have been strained in recent weeks by a series of expulsion orders, accusations of espionage and exchanges of criticism.

(Celestine Bohlen, Washington Post, A21)

Ships Didn't Transgress, U.S. Says

The United States yesterday rebutted a Soviet charge that U.S. warships violated Soviet territorial waters last week when they operated six miles from the Black Sea coast. (Washington Times, A5)

GORBACHEV COURTS BACKING OF NONALIGNEDS

MOSCOW -- Last Thursday Mikhail Gorbachev dispatched a letter to the so-called "Delhi Six" countries in which he announced an extension of the Soviet nuclear test moratorium and simultaneously brought the half-dozen national leaders into the middle of his dispute with the Reagan Administration over the testing of nuclear weapons. Some analysts in the Soviet capital say they consider the letter a deft stroke of superpower diplomacy. (Gary Lee, Washington Post, A21)

BRAZIL DEMANDS U.S. CLARIFICATION

SAO PAULO, Brazil -- Brazil has demanded U.S. clarification of President Reagan's statement during his televised address Sunday night that Nicaragua's Sandinista government is aiding radicals in this country.

Acting Foreign Minister Paulo Tarso Flecha de Lima yesterday summoned the U.S. Embassy charge d'affaires to request clarification of Reagan's remarks on the grounds that Brazil has had no internal security problems since at least 1979, when the Sandinista government came to power. Guerrilla groups were effectively wiped out a decade ago.

(Richard House, Washington Post, A28)

Reagan's Statement Queried

RIO DE JANEIRO -- Brazil has demanded U.S. clarification of a statement by President Reagan that Nicaragua's Sandinista government was supplying arms to Brazilian rebels, since there are none in the country, a Foreign Office spokesman said yesterday.

(Washington Times, A7)

U.S. SEEKS A-TEST MONITORING FACILITY IN CHINA

The United States is conducting sensitive negotiations to put new seismic devices in China to monitor Soviet underground nuclear tests, Administration and Congressional sources said yesterday.

A China-based facility would strengthen U.S. capabilities to detect Soviet tests and determine their size when carried out at the Semipalatinsk test site in East Kazakhstan, according to experts outside the government.

(Walter Pincus, Washington Post, A8)

ANTITERRORISM BILL CLEARS HOUSE EASILY

Recalling terrifying attacks on Americans abroad, the House approved a \$4.4 billion antiterrorism bill yesterday to increase security at U.S. embassies and pay Americans diplomats for each day they are held hostage.

The legislation has the backing of President Reagan. "Americans serving overseas need adequate protection to carry out their mission safely," he said in a letter to the House Foreign Affairs Committee.

(UPI story, Washington Post, A14)

MEXICAN CORRUPTION SPURRING DRUG TRADE, SAYS U.S. OFFICIAL

U.S. Customs Commissioner William von Raab yesterday charged that "corruption and ineptitude" by Mexican law enforcement officials has allowed drug trafficking along the border to increase so much that it poses a "serious national security concern."

(Mary Thornton, Washington Post, A7)

Customs Chief Cites Mexican "Corruption" In Smuggling

The head of the U.S. Customs Service yesterday blamed "corruption and ineptitude" within Mexico's law enforcement apparatus for making the U.S.-Mexican border area a haven for drug smugglers.

(Washington Times, A5)

NATIONAL NEWS

HOUSE, SENATE AT ODDS ON DEFICIT-CUT BILL

The House and the Senate squared off again yesterday over last year's deficit-reduction legislation as Republicans and Democrats on the Senate Budget Committee edged warily toward a bipartisan compromise on a budget blueprint for next fiscal year.

A budget compromise consideration last night would provide about \$295 billion for defense, \$25 billion less than President Reagan recommended and \$4 billion less than the amount proposed earlier by committee Chairman Pete Domenici (R-N.M.) to keep pace with inflation. It would defy Reagan on taxes by proposing \$18 billion in new revenues, slightly more than Domenici proposed last week.

(Helen Dewar, Washington Post, A8)

SENATE CONFIRMS SIDNEY FITZWATER AS A U.S. JUDGE

The Senate, repelling a Democratic assault on another of President Reagan's judicial nominees, voted 52 to 42 yesterday to confirm Sidney Fitzwater as a U.S. District Court judge in Texas.

(Howard Kurtz, Washington Post, A6)

Senate Clears Fitzwater For Judgeship, 52-42

The Senate approved the nomination of Sidney Fitzwater for a federal judgeship yesterday in a party line test of the Reagan Administration's judicial selection policies.

(David Sellers, Washington Times, A4)

ADVOCATE OF URINALYSIS GETS TESTY AT HILL SESSION

A top official of the President's Commission on Organized Crime clashed yesterday with a House subcommittee when he refused its request to submit to a surprise drug test before testifying in favor of a commission proposal to require urinalysis drug testing of federal employees.

Rodney Smith, deputy executive director of the commission, angrily faced a bank of television cameras and denounced the request as a "cheap shot" and a "performance for the media."

(Mary Thornton, Washington Post, A17)

FED'S MOVE TOWARD DISCOUNT-RATE CUT FOLLOWED TORTUOUS TRAIL

President Reagan's four appointees to the Federal Reserve Board voted as a bloc Feb. 24 to force the central bank to cut its discount rate over the objections of Chairman Paul Volcker.

Within hours, however, Wayne Angell, one of the two new members on the board, requested another meeting, at which he changed his vote before the earlier action could be announced. Ten days later the board voted unanimously to cut the discount rate.

Former Fed officials said they could recall no other occasion when a discount-rate cut was approved and then withdrawn before it was announced.

(John Berry, Washington Post, A1)

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GOLDWATER SHUNS LEHMAN ON PORT CRUSADE

Sen. Barry Goldwater (R-Ariz.), chairman of the Armed Services Committee, has taken aim at Navy Secretary John Lehman's beloved strategic home-porting program and, in an extraordinary slap, said he will not even discuss the issue with the outspoken Navy leader.

(Fred Hiatt, Washington Post, A17)

EDITOR'S NOTE: "Welcoming the Northern Lights" by Donnie Radcliffe appears on page B1 of the Washington Post, Style section.

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NEWS FROM THE STATES

FARMER STARTS TRACTOR TREK TO PROTEST CONTRA AID

SAN FRANCISCO (UPI) -- An alfalfa farmer from Merced, Ca. started a cross-country trek aboard a rusting, hay loading machine to protest President Reagan's appeal for increased aid to Nicaraguan Contras. "Reagan doesn't know what he's talking about," Roger McAfee said Monday at a news conference before he and Josue Frausto, who works on the McAfee farm, headed for the Bay Bridge. McAfee, 47, dressed in brown overalls, scuffed farming boots and a green baseball cap, said, "The minister of affairs gave land back to the Nicaraguan peasants while our government is taking land away from farmers in America."

The two men plan to drive the 22-foot-long hay loader at its top speed of 40 mph on a circuitous route, drumming up support for Nicaragua's peasants during the 20-day trip.

McAfee said some 106 American farmers, mostly from Iowa, who are in danger of losing their own lands, are negotiating with the Nicaraguan government for use of 25,000 acres in the Sebaco Valley, some 118 miles northwest of Managua. Winter and summer are opposites in the United States and Nicaragua, enabling the farmers to produce in both countries, he said.

CUOMO KILLS DEATH PENALTY BILL FOURTH TIME

ALBANY, N.Y. (UPI) -- Gov. Mario Cuomo has once again vetoed a death penalty bill for first-degree murderers that was passed by the legislature, saying there was no evidence it would deter crime.

"Violent crime has not uniformly decreased in states that have enacted capital punishment, nor has it increased in states that have abolished capital punishment," Cuomo said Monday. The bill would have allowed the death penalty for contract killers and murderers of police officers. The legislature passed the death penalty bill for the 10th straight year. Although the Senate is likely to override the veto, the Assembly is not expected to do so.

PRO-LIFERS PROTEST CUOMO

ALBANY, N.Y. (UPI) -- A statewide anti-abortion coalition and four state lawmakers have urged Gov. Mario Cuomo and the legislature to stop paying \$15 million a year for Medicaid-funded abortions. "It is killing mostly the children of poorer people. This is heinous," Mrs. Virginia Horan, the president of The Citizens Concerned for Human Life, Inc., said Monday. Mr. Gary Fryer, a Cuomo spokesman, said that funding for abortions has been approved by the state legislature and governor, and the practice will continue.

NETWORK NEWS SUMMARY

(Tuesday Evening, March 18, 1986)

SHOWDOWN WITH LIBYA

CBC's Dan Rather: CBS News has been told tonight that President Reagan is about to escalate his military challenge to Libya's Muommar Qaddafi.

CBS's Bill McLaughlin: Within the next 48 hours the U.S. aircraft carrier America will steam into the Mediterranean, where it will join two other aircraft carrier groups, led by the Saratoga and the Coral Sea. The carriers are scheduled to engage in what are called routine maneuvers. But Administration sources tell CBS News there's nothing routine about this unusual and impressive Naval gathering. The sources say that the U.S. Navy will ignore what Qaddafi dramatically calls "the line of death" across the Gulf of Sidra. In effect, daring the Libyan strongman to attack the U.S. CBS News has been told that the Reagan Administration hopes Qaddafi does attack, and in the words of one official, "if and when that happens, we'll clobber him." Intelligence sources say that the U.S. has more than enough justification for a military strike against Libya. The Administration is said to have collected hard evidence proving that Qaddafi is still deeply involved with terrorist groups. Other sources say that Qaddafi is actively involved in new plots against Israeli and American targets. "In the past we talked," said one official. "This time, we are fully prepared to act." (CBS-Lead)

NBC's Tom Brokaw: Pentagon sources are telling NBC News tonight that new military exercises are planned for the waters off the coast of Libya. The new maneuvers will involve three U.S. aircraft carriers and they are scheduled to begin next week. (NBC-12)

NICARAGUA

Rather: President Reagan's spokesmen are going around confidently predicting victory in Thursday's House vote in more aid for the Nicaraguan contra rebels. Democrats still predict defeat and even some top Republican leaders are openly wondering if the votes are there. Whatever it might mean militarily, a beefed-up contra force would mean more problems for the already-mangled Sandinista economy.

CBS's Michael Conner reports that contra attacks like the one on an electric plant last night are intended to cripple the Nicaraguan economy, making life so tough here that people will want to get rid of the Sandinistas. The war, pressure from the U.S., and Sandinista mismanagement have all helped to make living in Nicaragua tougher every day. Today at some stores, it was hard to find affordable meat. People complained about beans being almost gone, and eggs were not to be found for any price. (Nicaraguan woman: "It gets worse every day.... ")

Conner continues:

What there is often costs twice as much today as it did last week, because the government keeps raising prices. Now some people say they cannot afford to feed their families. In this very Catholic country, Cardinal Miguel Obando Ebravvo has become the most popular figure in the political opposition. He says people can't take much more. Though life may be tougher, some people seem afraid to go against the government; sometimes even afraid to even talk about it. Just because people are unhappy doesn't mean they like the contras. In fact, many people would like to find an alternative to both the government and the contras. But there simply isn't one. U.S. policymakers keep searching for a group which will direct the opposition, but it's just not here. And support for the Sandinistas is strong, especially among the next generation. (CBS-2)

ABC's Peter Jennings: Two more days and counting now, until the House of Representatives votes on aid to the contras in Nicaragua. Those for and against are turning up the heat. Each and every vote will count. President Reagan is picking his targets carefully.

ABC's Charles Gibson reports that Rep. Jim Chapman (D-Tx.) just came to Congress seven months ago. Usually, you need to be here seven years before getting a summons to the White House. But there was Chapman today, and a bunch of other congressmen, called in for some Reagan arm-twisting. Such is the life of an undecided.

(TV Coverage: Congressmen visiting White House.)

(Rep. Chapman: "I wish I could say right now that ... I've made up my mind.... ")

Even the Vice President was worrying about the rookie congressman.

(Vice President: "I would hope he'd be with us.")

Radio ads sponsored by a pro-contra organization have been running, urging constituents to call Chapman. And other congressmen were getting tough newspaper ads, from a group called 'Citizens For Reagan.' Despite the pressures, many congressmen said their calls were still running against the President.

(Rep. Schummer: "The American people are focusing not on the messenger, but on the message.")

Democratic leaders met today to recount their votes. They think they're gaining. They need 218 to beat the President.

(Rep. Bonoir (D-Mi.): "We are approaching 210 in the Democratic count. And from what intelligence I was able to gather ... the Republican count is at about 14 now.")

And, Democrats claim, they'll pick up another half dozen now-undecideds. Including, they think, Jim Chapman. (ABC-Lead)

NBC's Tom Brokaw: In Washington, as the battle over \$100 million in new U.S. aid to the Nicaraguan contras neared its showdown vote in Congress this week, supporters and opponents today predicted victory. But House Democrats did concede that they're losing some of their opposition votes. President Reagan has portrayed Nicaragua as a communist beachhead in Central America, with all of the repression of a Soviet state. There may be some exaggeration in that.

NBC's Mike Boettcher reports from Managua that President Reagan's Nicaragua is not the country the Sandinistas see. They have built the most powerful military force in all of Central America, with the help of Cuba and the Soviet Union.

(TV Coverage: Military planes flying.)

But a powerful army is the only dream fully realized by the young revolutionaries who took power seven years ago. The government taught the Nicaraguan people how to read and write, and provided free medical care and inoculations against killer diseases. The Sandinistas promised their people they would have enough to eat; some landless peasants were given titles to land and a rifle to defend it. All of this was done while trying to change a private enterprise economy to a government-run system. But the four-year war against the contras has left the Sandinista dream in shambles.

(Sandinista leader: "The country is using more than half of its budget for the war. And some of the most wonderful triumphs of the revolution cannot go on precisely because of the war.")

Free speech has also become a casualty of the war. It is enough to be thought a contra sympathizer to be thrown in prison. Those jailed say the conditions are not good.... Equally to blame for the economic problems and repression, according to critics, is the Marxist government's desire to be ideologically pure. (NBC-10)

CONTRA REACTION

Jennings: Well, as you can imagine, there are a great many people in Central America who are watching the debate in Washington very closely. In the capital of Nicaragua, some Sandinista officials say it won't make any difference. That they will beat the anti-government contras whether they get the aid or not. In the contra camps they are hanging on every word, and they are certainly in need.

ABC's Peter Collins reports from Nicaragua that at a remote contra base, the debate in Washington is far away. 2,000 new recruits for the anti-communist rebel army stand in the hot sun. Many are very young; barely in their teens. Most were in grade school when the Sandinistas seized power nearly seven years ago. Too young to have been members of the old Somoza National Guard that opponents of aid say dominates the contras. A few of their key commanders, however, were part of the Guard. As they sat listening to President Reagan's speech this week over short-wave radios, some pleaded for help.

(Contra leader: "I ask myself, why does not anyone criticize the Soviets for giving the Nicaraguans what they want? Tanks, rocket launchers, cannons -- and why we can't be helped? From the bottom of my heart, I ask the American people to understand us. We are only fighting for the liberty of our country.")

As it happens, long-delayed fresh supplies are arriving in contra camps this week. This material is part of the \$27 million in so-called humanitarian aid provided by Congress last year, but only just now getting to the contras, because it was blocked by the Honduran government. It includes tons of food, new uniforms and boots, U.S. Army style knapsacks, canteens marked "F.T.N." for Nicaraguan Democratic Force, and small hand-held radios. Some, but not all, contra units are also getting new weapons.

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Collins continues:

Various types of battered old guns are being turned in and exchanged for brand new Soviet Bloc assault rifles -- the same kind the Sandinistas carry. The contras say they bought these weapons in part with private American donations, not official U.S. aid, and that they're being handed out now because some of the other equipment they need is finally arriving. The new supplies, though limited, and the prospect of more U.S. aid has tremendously boosted the morale of the badly-battered contra Army. This week, four columns of freshly-armed contras, totaling several thousand men, are going back inside Nicaragua by new routes that bypass Sandinista positions along the border. They are resuming the offensive after giving up control of those border areas to the Sandinistas late last year because of the supply problems, although the contras still operate deep inside the country. The contras say they are handicapped by the limited type of supplies they're getting. To deal with well-armed Sandinista forces that include Soviet tanks and highly sophisticated armored helicopters of the type used in Afghanistan, the contras say they need small missiles and anti-aircraft guns. And, they say, they need small aircraft of their own to make night drops of supplies to their forces. It's mainly that kind of hardware that the proposed American aid would buy. The contras have also added a new wrinkle to their training: for the first time, they are training officers. And, for the first time, the classes include discussions about democracy and where their aid is coming from, why President Reagan is backing them, and why some members of Congress object. The democracy lessons are a direct result of American pressure to change this movement into something the U.S. Congress can support. But in the meantime, contra leaders say, without fresh supplies of weapons and ammunition, they will lose this war. (ABC-3)

ACID RAIN

Rather: CBS News White House correspondent Bill Plante confirms tonight that President Reagan will reverse his previous policy and will now call for action on the problem of acid rain. President Reagan and Canadian Prime Minister Mulroney are expected to endorse publicly tomorrow an acid rain study conducted by the two countries. (TV Coverage: President and Mulroney at White House.) Correspondent Plante says Mr. Reagan will not recommend specific reductions in smokestack emissions. Mulroney was welcomed to the White House today for what is called the "Shamrock Summit", both Mulroney and President Reagan being of Irish ancestors. (CBS-7)

Brokaw reports that today Canada at last, at least got an acknowledgement from the United States that acid rain is largely produced here and crosses the border. Canada's Prime Minister Mulroney, who began two days of talks with President Reagan, said the acknowledgement was the least that he could take back to Canada, where acid rain is a huge political issue. (TV Coverage: President welcoming Mulroney to the White House.) Tomorrow, officials said, Mr. Reagan will promise to spend money to find ways of burning coal more cleanly, although he will be vague about where that money might come from.

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Brokaw continues:

And this agreement does not call for what environmentalists in both countries want most: mandatory controls to reduce emissions. (NBC-4)

MULRONEY INTERVIEW

Jennings: The Canadian Prime Minister, Brian Mulroney, met today with President Reagan.

(TV Coverage: President and Mulroney at White House.)

The two men have long been at odds on the subject of acid rain. After years of saying the problem needs more study, and making Canadians and many Americans angry, the Administration is about to spend some money to solve a problem which affects not only Canada, but at least 17 American states. Prime Minister Mulroney said today that the American environment is dying, too. Just as surely, as summer follows spring.

Jennings: Mr. Prime Minister, you are under increasing pressure to win concessions from President Reagan on acid rain, which pollutes Canada and the U.S. How well do you think you did?

Mulroney: "Well, the President will be making a statement on it tomorrow, Peter. But I think we're making solid progress. President Reagan has taken a great interest in this, along with Secretary Shultz. And I'm hopeful that we're going to make some substantial progress, beginning tomorrow. This is something that pollutes your environment as well as ours.... We'll have to see tomorrow what the President's response is. Last March President Reagan and I appointed our joint envoys to look into the acid rain problem, and the report has been submitted by Drew Lewis and Bill Davis which is worthwhile. So I think the President wants to move on it, and I hope he does tomorrow.

SOVIET PROTEST

Brokaw: The Soviet Union issued a formal protest over something the U.S. did last Thursday. Two U.S. Navy ships in the Black Sea, a destroyer and a guided missile cruiser, sailed six miles into Soviet territorial waters. Moscow called that incident "demonstrative, defiant and clearly provocative." The United States said it was simply an exercise in the rite of what it called an innocent passage. (NBC-11)

DRUG TESTING

Jennings: Faced with a growing epidemic of drug use in the workplace, the Presidential Commission two weeks ago proposed drug-testing for all civilian government workers. A Congressional Civil Service Subcommittee met to consider the proposal today, and the committee members were skeptical to say the least.

ABC's James Wooten:

(Rep. Ackerman: "Mr. Smith, would you accommodate us with a specimen of your urine?"

Rodney Smith of the Crime Commission: "Absolutely not."

Rep. Ackerman: "I thank you. You have very eloquently proven the point that we have set out to prove.")

Which is that the commission's recommendation of drug tests for federal workers is an unconstitutional indignity. Nonsense, said Mr. Smith. It's an idea whose time regrettably has come.

(Smith: "We have said that every government agency should consider guidelines, including suitable drug testing.")

Some private companies are already testing their employees, and the commission wants the government to stop doing business with those who don't. Not a good idea, said the government unions.

(Union leader James Pierce: "In fact, it smacks of a police state. Lie detector tests, urinalysis tests -- where does the Administration go next?")

One of the problems with drug testing, as Rep. Schroeder of Colorado sees it, is the testing itself.

(Rep. Schroeder: "There is not a positive test that absolutely is right. And you can really ruin people for the rest of their lives.")

No one is questioning anyone's motives, but with 25 million Americans now using marijuana, cocaine and heroin, there isn't much hope on Capitol Hill that testing federal employees will make the slightest difference.

(ABC-6)

TIP O'NEILL

Jennings: Ever since Ronald Reagan swamped the Democrats and went to Washington, the symbol of the Democratic opposition to him in the Capitol City has been the speaker of the House, Tip O'Neill. And yet, last night, when Washington gathered to honor Tip O'Neill, the President was right up there with praise as well.

ABC's Brit Hume reports that on duty, they are Washington's most intense political adversaries. But off-duty they are friends and perhaps the Capitol's favorite comedy team. Last night this relationship reached a culmination of sorts in a St. Patrick's Day dinner to honor the retiring O'Neill. This was a night for two old Irish politicians to do their stuff.

(President: "Despite all this, Tip wanted me here. He said that since it was March 17th, it was only fitting that someone drop by who actually had known St. Patrick. (Laughter) Sure, I've said some things about Tip and he's said some things about me, but that's all history. And, anyway, you know how it is -- I forget." (Laughter) O'Neill: "Your charm, your humor, your wit -- sometimes when I get up in the morning, I say, don't let it get to you, old boy."

It was a jolly night ... but everybody knew that today, they'd be back to business as usual; sort of like the aftermath of a summit.

(ABC-7)

MARCOS

Rather: The U.S. today officially and formally turned over to the Aquino government what amounts to a treasure map that could help pinpoint the Marcos billions. The hundreds of financial papers were seized when the Marcos family arrived in Hawaii last month.

CBS's Debra Potter reports that the documents were also provided today to a House Subcommittee, which has its own mission: (Rep. Solarz: "To determine whether in fact any American foreign aid funds for the Philippines were recycled by the Marcoses, or any of their cronies.") The Subcommittee issued secret subpoenas for eight people to testify about the Marcos holdings and alleged attempts to influence U.S. elections. As the legal pressure on Marcos mounts, there are signs that he is stripping up his efforts to find a new home. To leave the U.S. before he becomes the target of prosecution. (CBS-12)

Jennings: The evidence is now in the hands of the new Philippine government, which was quick to say that the Marcos raid on the treasury was unprecedented.

ABC's Charles Gibson: reports the House Subcommittee also subpoenaed eight unidentified persons to appear and answer questions about allegations of improper attempts to use Filipino money to influence the 1982 American elections. President Reagan recently said he believed that Mr. Marcos was a millionaire before he took office. But was he? His 1966 tax return, obtained by ABC News, listed assets of \$120,000 Philippine Pesos, or only about \$30,000 U.S. Dollars. (ABC-1)

NBC's Jack Reynolds reports that Tuesday afternoon, the House Subcommittee on Asian and Pacific Affairs issued a subpoena and got its copy of the documents. General Fabian Ver appeared before a grand jury today in Alexandria, Virginia, in an investigation of possible theft of American military aid. Ver's appearance was brief. He reportedly declined to cooperate, and may be called back for more questioning. (NBC-1)

U.S. ECONOMY

Rather: The American economy goes deeper into Balance of Payments trouble. The Commerce Department today reported that this nation paid out a record \$117.7 billion more for goods and services last year than it took in. (CBS-4; NBC-4)

U.S. DOLLAR

Rather: Against that bleak deficit backdrop, the U.S. Dollar continued to collapse on the Tokyo Exchange. Now, in the puzzling world of economics, there is some strength in that weakness.

CBS's Barry Peterson reports that the fall of the dollar is being heard loud and clear in Japan, because it means that Japanese products are more expensive in America. And for a nation that has lived and flourished by selling its products in America, that means trouble. A sign of the times in Japan: a stereo parts maker out of business. And it's going to get worse -- more Japanese workers may soon be losing their jobs. And who may benefit from all this? Those products that say, "Made in the U.S.A." (CBS-5)

Brokaw reports that Secretary Baldrige said that the decreasing value of the dollar now overseas and lower interest rates at home should help ease that deficit later this year. (NBC-5)

NASA/CHALLENGER

Rather: Seven weeks to the day after the Challenger exploded, the part that may explain the disaster is now on shore.

CBS's Bruce Hall: Investigators are confident they will be able to determine whether the seals were eroded by hot gasses before the explosion. Today some Presidential Commission members reviewed new tests on cold temperatures, which government and industry officials are conducting in Utah. A key NASA investigator, James Thompson, expressed confidence today that the agency will find the cause of the accident. But sources at the Presidential Commission say it is premature for NASA to be talking about launching in a year, saying now is a time for caution and conservatism. (CBS-8)

FRANCE

Rather: Socialist President Mitterrand asked a Conservative today to form a new government as Prime Minister. He is Jacques Chirac, the mayor of Paris who was Prime Minister during the '70s. He promised a quick reply. Chirac leads France's largest right-of-center party. Mitterrand's hand was forced, after Conservatives took control of the Parliament in Sunday's election.

(CBS-9)

PALME

NBC's Brian Rose reports that Victor Gunnersohn, the suspect in the murder of the Swedish Prime Minister, was, until May 1985 a member of a Right-wing political cult based in the U.S. and headed by Lyndon LaRouche. LaRouche, a frequent candidate for president who has spent millions of dollars on half-hour prime-time TV appearances, runs an international neo-Nazi political organization based in Virginia, with branches in a number of European cities, including Stockholm. For the last three years, Palme has been frequently attacked in LaRouche publications as a Soviet stooge. In Stockholm, a LaRouche spokesman said the suspect Gunnersohn had been expelled from the group last year, because of what he called "unbalanced features." And a spokesman said the organization had no involvement in any way in the Swedish assassination. (NBC-9)

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U.S. CURRENCY

Rather: reports the U.S. Treasury Department announced today that within the next 15 to 18 months, you'll be carrying folding money that will look slightly different. The department said it is modifying U.S. currency for the first time in more than half a century, hoping to frustrate counterfeiters and make it more difficult for drug dealers. (CBS-13; NBC-8)

HOUSING STARTS

Rather: The Commerce Department reported today that housing starts fell 3.5 percent in February, but in spite of that, the report said building activity was at the second highest monthly total in the past two years. Building permits -- a sign of future activity -- dropped 6.9 percent in February. (CBS-14)

COMMENTARY

NBC's John Chancellor: Something is going on that is hurting the Voice of America, something disgraceful. The ideal director of the VOA should be an experienced broadcast journalist with management experience. The job is now vacant and the U.S.I.A. found just the right candidate: William Sheahan, a newsman for 30 years who used to be president of ABC News. But the job requires Senate confirmation, and Sen. Jesse Helms opposes Sheahan, and so do some other conservatives. Why? Because Sheahan is a political centrist. Because he would want the VOA broadcasts to be fair and impartial, which the VOA charter requires. And because Sheahan won't say if he voted for Ronald Reagan. What the conservatives want is someone who will shape the programs of the voice to suit conservative views. Bill Sheahan won't get the job. The main asset of the VOA is its credibility. The fact that its listeners can depend on it to give them straight news, along with discussion and opinion that reflect all sides of American life. If any ideological group -- liberal or conservative -- gets to run the voice, credibility goes out the window. It's another example of the kind of thinking that says that if we're going to beat the Russians, we have got to behave like the Russians. Is Radio Moscow under strict ideological control? Then put the Voice of America under strict ideological control. That, of course, makes no sense. If the battle with communism is about values, what is it worth if we abandon our values in order to fight the battle? (NBC-14)



News Summary

OFFICE OF THE PRESS SECRETARY

WEDNESDAY, MARCH 19, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

President Continues His Drive For Rebels -- President Reagan yesterday wooed undecided Democrats and Republicans as his request for \$100 million in aid for the Nicaraguan resistance moved closer to the showdown in the House.
(Washington Post, Washington Times, AP)

Plan For Contributions To Reagan And Carter Found In Marcos Files -- Reagan Administration and Congressional officials said today that documents brought to the United States by Ferdinand Marcos show a plan to make payments to several American political candidates, including \$50,000 to President Reagan and an unspecified amount to Jimmy Carter.
(New York Times, USA Today, Washington Post, Washington Times, AP, UPI)

NATIONAL NEWS

House, Senate At Odds On Deficit-Cut Bill -- The House and the Senate squared off again yesterday over last year's deficit-reduction legislation as Republicans and Democrats on the Senate Budget Committee edged warily toward a bipartisan compromise on a budget blueprint for next fiscal year.
(Washington Post)

NETWORK NEWS (Tuesday Evening)

NICARAGUA -- As the battle neared its showdown in Congress, supporters and opponents Tuesday predicted victory.

LIBYAN SHOWDOWN -- Sources say U.S. Navy will ignore what Qaddafi calls "the line of death."

ACID RAIN -- President Reagan will reverse his policy and will now call for action of Acid Rain.

TRIBUTE TO THE SPEAKER

"To be honest, I've always known that Tip was behind me -- even if it was only at the State of the Union Address. As I made each proposal, I could hear Tip whispering to George Bush, 'Forget it. No way. Fat chance.' ... He said that since it was March 17th, it was only fitting that someone drop by who actually had known St. Patrick. And that's true, Tip. I did know St. Patrick. In fact, we both changed to the same political party at about the same time."

(President Reagan at the
Tip O'Neill Dinner, 3/17)

INTERNATIONAL NEWS

REAGAN TWISTS ARMS BEFORE HOUSE DEBATE ON AID TO CONTRAS

President Reagan summoned more than a dozen House Democrats to the White House yesterday but apparently made little headway in his effort to win the final votes needed for congressional approval of a \$100 million aid package for the Nicaraguan rebels.

The House Democrats said Reagan, during a 45-minute meeting in the Cabinet Room, repeated a litany of familiar arguments for the proposed \$70 million in military assistance and \$30 million in nonlethal humanitarian aid for the contras.

Spokesman Larry Speakes, although still predicting a White House victory, said "we still have a ways to go." Speakes said the Administration is 10 to 12 votes short of a majority in the House.

(Edward Walsh & Milton Coleman, Washington Post, A27)

President Continues His Drive For Rebels

President Reagan yesterday wooed undecided Democrats and Republicans as his request for \$100 million in aid for the Nicaraguan resistance moved closer to the showdown in the House.

White House officials acknowledged that Mr. Reagan has lain his prestige on the line in going first for a vote in the Democratic-controlled House. The long-range strategy, should the House turn the President down, is to push the measure through the Senate and then try again in the House, the officials said. (Jeremiah O'Leary, Washington Times, A1)

Both Sides See Victory In Upcoming Contra Aid Vote

With congressional votes looming on President Reagan's proposal to give \$100 million to guerrillas fighting Nicaragua's leftist government, each side insists that it will win a close vote.

Larry Speakes said Tuesday, "We believe we will win," and added that he expects no changes in Reagan's package despite opponents' predictions that the White House will have a compromise.

(Tim Ahern, AP)

REAGAN ADMINISTRATION USING OUTDATED POLL TO GAIN SUPPORT FOR CONTRAS

SAN JOSE, Costa Rica -- President Reagan and his aides have been using an outdated Central American opinion poll in a bid to win congressional approval and public support for \$100 million in aid to the Contras.

The poll, taken last July by an affiliate of the Gallup organization and circulated by the American Embassy in San Jose, shows most Costa Ricans favoring U.S. aid to Nicaragua's anti-Sandinista rebels.

But a poll taken last November by the same organization shows a wide majority of Costa Ricans opposing Reagan's aid request, which is scheduled for a House vote Thursday and consideration by the Senate next week.

(Reid Miller, AP)

U.S. ACCUSES SANDINISTAS OF RIGHTS VIOLATIONS

The State Department launched another round yesterday in the escalating battle of countercharges about human rights violations in Nicaragua, issuing a report charging ruling leftist Sandinistas with "even greater repression of their own people to maintain their hold on power."

Illustrating the central role that all sides assign to the human rights issue in the controversy over U.S. policy in Nicaragua, the report was timed to coincide with House debate opening today on President Reagan's \$100 Million aid request for Nicaraguan rebels.

(Joanne Omang, Washington Post, A27)

NICARAGUA EXPECTED TO RECEIVE NEW WEAPONS FROM ALLIES

The Soviet bloc is expected to add substantially to Nicaragua's air combat capability with shipments of Czech-made L-39 jets and other aircraft in the coming weeks, Administration sources said.

With an eye on Thursday's House vote on new U.S. aid to Nicaraguan rebels, the officials outlined to the AP on Tuesday night what they said was a Sandinista plan to acquire five types of aircraft, possibly before the end of the summer.

(George Gedda, AP)

OFFICIAL SAYS REAGAN WOULD SEND U.S. ADVISERS TO AID CONTRAS

Congress begins debate today on President Reagan's request for \$100 million in aid for Nicaraguan rebels -- including about 50 U.S. military instructors.

Assistant Secretary of State Elliott Abrams told a congressional subcommittee yesterday that if Congress approved the request, Reagan would send anti-aircraft equipment and up to four dozen U.S. instructors to Central America to train the so-called contra rebels.

(Peter Szekely, Reuter)

CHURCH TO HOLD NEW ROUND OF TALKS WITH GOVERNMENT

MANAGUA, Nicaragua -- Bishop Julian Barni, who has urged the United States and the Soviet Union to leave Nicaragua in peace, said Roman Catholic Church leaders and officials of the leftist government will meet to discuss their differences.

Barni, in a Tuesday press conference, said both the Soviet Union and United States should stop financing opposing sides in the Nicaraguan conflict.

(Tracy Wilkinson, UPI)

GRANTEE OF U.S. ENDOWMENT FUNDS SANDINISTA OPPONENTS

A U.S. organization that has received substantial funds from the National Endowment for Democracy, a federally financed agency, has been funneling most of the money to opponents of the Sandinista government in Nicaragua, an official of the group said yesterday.

The organization, called Friends of the Democratic Center in Central America (Prodemca), has used the government money to help the opposition newspaper La Prensa and an anti-Sandinista human rights group.

(Sidney Blumenthal, Washington Post, A1)

ZSCHAU TO LEAD GOP DEBATE IN TURNAROUND ON CONTRAS

Last April, Rep. Edwin Zschau of California was one of 40 House Republicans to oppose President Reagan's request for military aid to the rebels fighting the Sandinista government of Nicaragua.

Today, Zschau is scheduled to be the leadoff speaker for the Republicans in supporting Reagan's new aid request.

(Washington Post, A29)

FEAR OF SOVIET STRATEGIC BASE IN NICARAGUA NAGS AT U.S.

The United States will face the end of a long-standing "immunity" from threats to the security in the Western Hemisphere if a Soviet strategic base is established in Nicaragua, U.S. defense experts say.

(Bill Gertz, Washington Times, A8)

MARCOS PAPERS SHOW U.S. CAMPAIGN GIFTS

Documents brought to the United States by deposed president Ferdinand Marcos indicate that \$50,000 was contributed to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, apparently supervised by Manila intelligence officers, according to congressional sources, who saw the documents last night.

Rep. Robert Torricelli (D-N.J.) said the records also indicate that campaign contributions were made to U.S. senators, whom he declined to name. Torricelli said last night that the money may have been funneled into the Carter and Reagan campaigns by dividing it among 50 donors.

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

Marcos "Gifts" To Campaigns: No Firm Proof

Names of top political leaders and corporations appear in documents tracing much of the "hidden wealth" of deposed president Marcos, investigators said Tuesday.

Philippine fact-finder Jovito Salonga said a typewritten paper lists \$50,000 in 1980 campaign gifts to both President Reagan and then President Jimmy Carter and \$10,000 to Sen. Alan Cranston, D-Calif.

(Don Kirk, USA Today, A1)

U.S./Marcos

Documents brought to the United States by deposed president Marcos refer to \$50,000 campaign contributions to the 1980 election campaigns of both Ronald Reagan and then-President Jimmy Carter, congressional sources said.

(Tim Ahern, AP)

Plan For Contributions To Reagan And Carter Found In Marcos Files

Reagan Administration and Congressional officials said today that documents brought to the United States by Ferdinand Marcos show a plan to make payments to several American political candidates, including \$50,000 to President Reagan and an unspecified amount to Jimmy Carter.

It was not clear from the documents whether the plan was carried out and the payments actually made. White House and Reagan campaign officials denied that Mr. Reagan had received any campaign contributions from the Philippines.

(Jeff Gerth, New York Times, A1)

U.S./Marcos

The United States turned over 2,300 pages of documents to Philippine officials Tuesday that indicate Ferdinand Marcos may have donated \$50,000 to the 1980 presidential campaigns of both Jimmy Carter and Ronald Reagan.

Albert Brashear denied the President actually received any campaign contributions from Marcos. "We presume it's not true given the screening mechanism of our campaign and the screening by the FEC. Such a deception would have been detected," he said. (Matthew Quinn, UPI)

U.S.-CANADA AGREEMENT ON ACID RAIN IS NEAR

President Reagan and Canadian Prime Minister Mulroney have moved close to agreement on the controversial issue of acid rain, which is threatening the environment on both sides of the border, and will announce specific stands today, U.S. and Canadian officials said after the leaders' initial White House meetings yesterday.

U.S. sources said Reagan will endorse a January report on acid rain in a way acceptable to Mulroney, who has made progress on the issue his central objective in the talks here.

The Administration added to robust confusion on the issue with a statement at a White House briefing immediately after the Reagan-Mulroney meeting that "we have reached agreement" on acid rain.

White House officials said later that the statement, by a senior State Department official, was premature. Other Administration sources said that, at the time it was made, the agreement was limited to "a process by which we announce our positions on the [envoys'] reports."

(Don Oberdorfer & Herbert Denton, Washington Post, A3)

Reagan Statement Awaited On \$5 Billion Acid Rain Plan

President Reagan is expected to issue a statement on acid rain pollution today that will please Canadian officials but could fall short of fully endorsing a \$5 billion test cleanup plan recommended by U.S. and Canadian officials.

Larry Speakes said the two leaders "are in substantial agreement on how the two countries proceed with the acid rain problem." Although another senior Administration official said Mr. Reagan and Mr. Mulroney "reached agreement" on acid rain, Canadian officials said the two simply agreed in their meeting to issue separate statements on the matter.

(Mary Belcher, Washington Times, A2)

Reagan, Mulroney Agree On Acid Rain Solution

President Reagan and Canadian Prime Minister Mulroney have agreed on an approach to solving the acid rain problem, the single most difficult issue between the neighboring nations.

But the two leaders declined to sign a joint agreement, and instead chose to issue separate statements later today, signaling that their agreement may not be a total one. (Ira Allen, UPI)

White House Moves Closer To Approving Acid Rain Pact

An American-Canadian agreement on curbing acid rain was to be announced today by the White House, a senior U.S. official said yesterday following a meeting between President Reagan and visiting Canadian Prime Minister Mulroney. (Reuter)

NAVY WARSHIPS PASSED CLOSE TO SOVIET SHORE, U.S. SAYS

Two Navy warships, following orders approved by the White House and State Department, sailed within six miles of the Soviet coast in the Black Sea south of Crimea last week, the Pentagon acknowledged yesterday in responding to a formal Soviet protest that the action was "clearly provocative."

Defense and Navy officials said the Reagan Administration had not intended the passage to send the Soviets a message on any particular issue beyond the right of U.S. vessels to go inside the Soviets' claimed 12-mile territorial waters on "innocent passage."

(George Wilson, Washington Post, A4)

2 U.S. Ships Enter Soviet Waters Off Crimea To Gather Intelligence

Two United States warships heavily equipped with electronic sensors entered Soviet territorial waters in the Black Sea last week to test Soviet defenses, Pentagon officials said.

The officials said that the exercise had been ordered by the Joint Chiefs of Staff in the name of Secretary Weinberger and that a similar exercise was planned in the Gulf of Sidra off Libya next week.

(Richard Halloran, New York Times, A1)

Soviets Say U.S. Vessels Violate Their Waters

MOSCOW -- The Soviet Union today protested what it called a "defiant" and "provocative" violation of its territorial waters by two U.S. warships last week and it warned that repetitions could lead to "serious consequences."

The sharp protest of the Thursday incident in the Black Sea appeared to be a further setback in relations between the two countries, which have been strained in recent weeks by a series of expulsion orders, accusations of espionage and exchanges of criticism.

(Celestine Bohlen, Washington Post, A21)

Ships Didn't Transgress, U.S. Says

The United States yesterday rebutted a Soviet charge that U.S. warships violated Soviet territorial waters last week when they operated six miles from the Black Sea coast.

(Washington Times, A5)

GORBACHEV COURTS BACKING OF NONALIGNEDS

MOSCOW -- Last Thursday Mikhail Gorbachev dispatched a letter to the so-called "Delhi Six" countries in which he announced an extension of the Soviet nuclear test moratorium and simultaneously brought the half-dozen national leaders into the middle of his dispute with the Reagan Administration over the testing of nuclear weapons. Some analysts in the Soviet capital say they consider the letter a deft stroke of superpower diplomacy.

(Gary Lee, Washington Post, A21)

BRAZIL DEMANDS U.S. CLARIFICATION

SAO PAULO, Brazil -- Brazil has demanded U.S. clarification of President Reagan's statement during his televised address Sunday night that Nicaragua's Sandinista government is aiding radicals in this country.

Acting Foreign Minister Paulo Tarso Flecha de Lima yesterday summoned the U.S. Embassy charge d'affaires to request clarification of Reagan's remarks on the grounds that Brazil has had no internal security problems since at least 1979, when the Sandinista government came to power. Guerrilla groups were effectively wiped out a decade ago.

(Richard House, Washington Post, A28)

Reagan's Statement Queried

RIO DE JANEIRO -- Brazil has demanded U.S. clarification of a statement by President Reagan that Nicaragua's Sandinista government was supplying arms to Brazilian rebels, since there are none in the country, a Foreign Office spokesman said yesterday.

(Washington Times, A7)

U.S. SEEKS A-TEST MONITORING FACILITY IN CHINA

The United States is conducting sensitive negotiations to put new seismic devices in China to monitor Soviet underground nuclear tests, Administration and Congressional sources said yesterday.

A China-based facility would strengthen U.S. capabilities to detect Soviet tests and determine their size when carried out at the Semipalatinsk test site in East Kazakhstan, according to experts outside the government.

(Walter Pincus, Washington Post, A8)

ANTITERRORISM BILL CLEARS HOUSE EASILY

Recalling terrifying attacks on Americans abroad, the House approved a \$4.4 billion antiterrorism bill yesterday to increase security at U.S. embassies and pay Americans diplomats for each day they are held hostage.

The legislation has the backing of President Reagan. "Americans serving overseas need adequate protection protection to carry out their mission safely," he said in a letter to the House Foreign Affairs Committee.

(UPI story, Washington Post, A14)

MEXICAN CORRUPTION SPURRING DRUG TRADE, SAYS U.S. OFFICIAL

U.S. Customs Commissioner William von Raab yesterday charged that "corruption and ineptitude" by Mexican law enforcement officials has allowed drug trafficking along the border to increase so much that it poses a "serious national security concern."

(Mary Thornton, Washington Post, A7)

Customs Chief Cites Mexican "Corruption" In Smuggling

The head of the U.S. Customs Service yesterday blamed "corruption and ineptitude" within Mexico's law enforcement apparatus for making the U.S.-Mexican border area a haven for drug smugglers.

(Washington Times, A5)

NATIONAL NEWS

HOUSE, SENATE AT ODDS ON DEFICIT-CUT BILL

The House and the Senate squared off again yesterday over last year's deficit-reduction legislation as Republicans and Democrats on the Senate Budget Committee edged warily toward a bipartisan compromise on a budget blueprint for next fiscal year.

A budget compromise consideration last night would provide about \$295 billion for defense, \$25 billion less than President Reagan recommended and \$4 billion less than the amount proposed earlier by committee Chairman Pete Domenici (R-N.M.) to keep pace with inflation. It would defy Reagan on taxes by proposing \$18 billion in new revenues, slightly more than Domenici proposed last week.

(Helen Dewar, Washington Post, A8)

SENATE CONFIRMS SIDNEY FITZWATER AS A U.S. JUDGE

The Senate, repelling a Democratic assault on another of President Reagan's judicial nominees, voted 52 to 42 yesterday to confirm Sidney Fitzwater as a U.S. District Court judge in Texas.

(Howard Kurtz, Washington Post, A6)

Senate Clears Fitzwater For Judgeship, 52-42

The Senate approved the nomination of Sidney Fitzwater for a federal judgeship yesterday in a party line test of the Reagan Administration's judicial selection policies.

(David Sellers, Washington Times, A4)

ADVOCATE OF URINALYSIS GETS TESTY AT HILL SESSION

A top official of the President's Commission on Organized Crime clashed yesterday with a House subcommittee when he refused its request to submit to a surprise drug test before testifying in favor of a commission proposal to require urinalysis drug testing of federal employees.

Rodney Smith, deputy executive director of the commission, angrily faced a bank of television cameras and denounced the request as a "cheap shot" and a "performance for the media."

(Mary Thornton, Washington Post, A17)

FED'S MOVE TOWARD DISCOUNT-RATE CUT FOLLOWED TORTUOUS TRAIL

President Reagan's four appointees to the Federal Reserve Board voted as a bloc Feb. 24 to force the central bank to cut its discount rate over the objections of Chairman Paul Volcker.

Within hours, however, Wayne Angell, one of the two new members on the board, requested another meeting, at which he changed his vote before the earlier action could be announced. Ten days later the board voted unanimously to cut the discount rate.

Former Fed officials said they could recall no other occasion when a discount-rate cut was approved and then withdrawn before it was announced.

(John Berry, Washington Post, A1)

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GOLDWATER SHUNS LEHMAN ON PORT CRUSADE

Sen. Barry Goldwater (R-Ariz.), chairman of the Armed Services Committee, has taken aim at Navy Secretary John Lehman's beloved strategic home-porting program and, in an extraordinary slap, said he will not even discuss the issue with the outspoken Navy leader.

(Fred Hiatt, Washington Post, A17)

EDITOR'S NOTE: "Welcoming the Northern Lights" by Donnie Radcliffe appears on page B1 of the Washington Post, Style section.

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NEWS FROM THE STATES

FARMER STARTS TRACTOR TREK TO PROTEST CONTRA AID

SAN FRANCISCO (UPI) -- An alfalfa farmer from Merced, Ca. started a cross-country trek aboard a rusting, hay loading machine to protest President Reagan's appeal for increased aid to Nicaraguan Contras. "Reagan doesn't know what he's talking about," Roger McAfee said Monday at a news conference before he and Josue Frausto, who works on the McAfee farm, headed for the Bay Bridge. McAfee, 47, dressed in brown overalls, scruffed farming boots and a green baseball cap, said, "The minister of affairs gave land back to the Nicaraguan peasants while our government is taking land away from farmers in America."

The two men plan to drive the 22-foot-long hay loader at its top speed of 40 mph on a circuitous route, drumming up support for Nicaragua's peasants during the 20-day trip.

McAfee said some 106 American farmers, mostly from Iowa, who are in danger of losing their own lands, are negotiating with the Nicaraguan government for use of 25,000 acres in the Sebaco Valley, some 118 miles northwest of Managua. Winter and summer are opposites in the United States and Nicaragua, enabling the farmers to produce in both countries, he said.

CUOMO KILLS DEATH PENALTY BILL FOURTH TIME

ALBANY, N.Y. (UPI) -- Gov. Mario Cuomo has once again vetoed a death penalty bill for first-degree murderers that was passed by the legislature, saying there was no evidence it would deter crime.

"Violent crime has not uniformly decreased in states that have enacted capital punishment, nor has it increased in states that have abolished capital punishment," Cuomo said Monday. The bill would have allowed the death penalty for contract killers and murderers of police officers. The legislature passed the death penalty bill for the 10th straight year. Although the Senate is likely to override the veto, the Assembly is not expected to do so.

PRO-LIFERS PROTEST CUOMO

ALBANY, N.Y. (UPI) -- A statewide anti-abortion coalition and four state lawmakers have urged Gov. Mario Cuomo and the legislature to stop paying \$15 million a year for Medicaid-funded abortions. "It is killing mostly the children of poorer people. This is heinous," Mrs. Virginia Horan, the president of The Citizens Concerned for Human Life, Inc., said Monday. Mr. Gary Fryer, a Cuomo spokesman, said that funding for abortions has been approved by the state legislature and governor, and the practice will continue.

NETWORK NEWS SUMMARY

(Tuesday Evening, March 18, 1986)

SHOWDOWN WITH LIBYA

CBC's Dan Rather: CBS News has been told tonight that President Reagan is about to escalate his military challenge to Libya's Muommar Qaddafi.

CBS's Bill McLaughlin: Within the next 48 hours the U.S. aircraft carrier America will steam into the Mediterranean, where it will join two other aircraft carrier groups, led by the Saratoga and the Coral Sea. The carriers are scheduled to engage in what are called routine maneuvers. But Administration sources tell CBS News there's nothing routine about this unusual and impressive Naval gathering. The sources say that the U.S. Navy will ignore what Qaddafi dramatically calls "the line of death" across the Gulf of Sidra. In effect, daring the Libyan strongman to attack the U.S. CBS News has been told that the Reagan Administration hopes Qaddafi does attack, and in the words of one official, "if and when that happens, we'll clobber him." Intelligence sources say that the U.S. has more than enough justification for a military strike against Libya. The Administration is said to have collected hard evidence proving that Qaddafi is still deeply involved with terrorist groups. Other sources say that Qaddafi is actively involved in new plots against Israeli and American targets. "In the past we talked," said one official. "This time, we are fully prepared to act." (CBS-Lead)

NBC's Tom Brokaw: Pentagon sources are telling NBC News tonight that new military exercises are planned for the waters off the coast of Libya. The new maneuvers will involve three U.S. aircraft carriers and they are scheduled to begin next week. (NBC-12)

NICARAGUA

Rather: President Reagan's spokesmen are going around confidently predicting victory in Thursday's House vote in more aid for the Nicaraguan contra rebels. Democrats still predict defeat and even some top Republican leaders are openly wondering if the votes are there. Whatever it might mean militarily, a beefed-up contra force would mean more problems for the already-mangled Sandinista economy.

CBS's Michael Conner reports that contra attacks like the one on an electric plant last night are intended to cripple the Nicaraguan economy, making life so tough here that people will want to get rid of the Sandinistas. The war, pressure from the U.S., and Sandinista mismanagement have all helped to make living in Nicaragua tougher every day. Today at some stores, it was hard to find affordable meat. People complained about beans being almost gone, and eggs were not to be found for any price. (Nicaraguan woman: "It gets worse every day.... ")

Conner continues:

What there is often costs twice as much today as it did last week, because the government keeps raising prices. Now some people say they cannot afford to feed their families. In this very Catholic country, Cardinal Miguel Obando Ebravvo has become the most popular figure in the political opposition. He says people can't take much more. Though life may be tougher, some people seem afraid to go against the government; sometimes even afraid to even talk about it. Just because people are unhappy doesn't mean they like the contras. In fact, many people would like to find an alternative to both the government and the contras. But there simply isn't one. U.S. policymakers keep searching for a group which will direct the opposition, but it's just not here. And support for the Sandinistas is strong, especially among the next generation. (CBS-2)

ABC's Peter Jennings: Two more days and counting now, until the House of Representatives votes on aid to the contras in Nicaragua. Those for and against are turning up the heat. Each and every vote will count. President Reagan is picking his targets carefully.

ABC's Charles Gibson reports that Rep. Jim Chapman (D-Tx.) just came to Congress seven months ago. Usually, you need to be here seven years before getting a summons to the White House. But there was Chapman today, and a bunch of other congressmen, called in for some Reagan arm-twisting. Such is the life of an undecided.

(TV Coverage: Congressmen visiting White House.)

(Rep. Chapman: "I wish I could say right now that ... I've made up my mind.... ")

Even the Vice President was worrying about the rookie congressman.

(Vice President: "I would hope he'd be with us.")

Radio ads sponsored by a pro-contra organization have been running, urging constituents to call Chapman. And other congressmen were getting tough newspaper ads, from a group called 'Citizens For Reagan.' Despite the pressures, many congressmen said their calls were still running against the President.

(Rep. Schummer: "The American people are focusing not on the messenger, but on the message.")

Democratic leaders met today to recount their votes. They think they're gaining. They need 218 to beat the President.

(Rep. Bonoir (D-Mi.): "We are approaching 210 in the Democratic count. And from what intelligence I was able to gather ... the Republican count is at about 14 now.")

And, Democrats claim, they'll pick up another half dozen now-undecideds. Including, they think, Jim Chapman. (ABC-Lead)

NBC's Tom Brokaw: In Washington, as the battle over \$100 million in new U.S. aid to the Nicaraguan contras neared its showdown vote in Congress this week, supporters and opponents today predicted victory. But House Democrats did concede that they're losing some of their opposition votes. President Reagan has portrayed Nicaragua as a communist beachhead in Central America, with all of the repression of a Soviet state. There may be some exaggeration in that.

NBC's Mike Boettcher reports from Managua that President Reagan's Nicaragua is not the country the Sandinistas see. They have built the most powerful military force in all of Central America, with the help of Cuba and the Soviet Union.

(TV Coverage: Military planes flying.)

But a powerful army is the only dream fully realized by the young revolutionaries who took power seven years ago. The government taught the Nicaraguan people how to read and write, and provided free medical care and inoculations against killer diseases. The Sandinistas promised their people they would have enough to eat; some landless peasants were given titles to land and a rifle to defend it. All of this was done while trying to change a private enterprise economy to a government-run system. But the four-year war against the contras has left the Sandinista dream in shambles.

(Sandinista leader: "The country is using more than half of its budget for the war. And some of the most wonderful triumphs of the revolution cannot go on precisely because of the war.")

Free speech has also become a casualty of the war. It is enough to be thought a contra sympathizer to be thrown in prison. Those jailed say the conditions are not good.... Equally to blame for the economic problems and repression, according to critics, is the Marxist government's desire to be ideologically pure. (NBC-10)

CONTRA REACTION

Jennings: Well, as you can imagine, there are a great many people in Central America who are watching the debate in Washington very closely. In the capital of Nicaragua, some Sandinista officials say it won't make any difference. That they will beat the anti-government contras whether they get the aid or not. In the contra camps they are hanging on every word, and they are certainly in need.

ABC's Peter Collins reports from Nicaragua that at a remote contra base, the debate in Washington is far away. 2,000 new recruits for the anti-communist rebel army stand in the hot sun. Many are very young; barely in their teens. Most were in grade school when the Sandinistas seized power nearly seven years ago. Too young to have been members of the old Somoza National Guard that opponents of aid say dominates the contras. A few of their key commanders, however, were part of the Guard. As they sat listening to President Reagan's speech this week over short-wave radios, some pleaded for help.

(Contra leader: "I ask myself, why does not anyone criticize the Soviets for giving the Nicaraguans what they want? Tanks, rocket launchers, cannons -- and why we can't be helped? From the bottom of my heart, I ask the American people to understand us. We are only fighting for the liberty of our country.")

As it happens, long-delayed fresh supplies are arriving in contra camps this week. This material is part of the \$27 million in so-called humanitarian aid provided by Congress last year, but only just now getting to the contras, because it was blocked by the Honduran government. It includes tons of food, new uniforms and boots, U.S. Army style knapsacks, canteens marked "F.T.N." for Nicaraguan Democratic Force, and small hand-held radios. Some, but not all, contra units are also getting new weapons.

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Collins continues:

Various types of battered old guns are being turned in and exchanged for brand new Soviet Bloc assault rifles -- the same kind the Sandinistas carry. The contras say they bought these weapons in part with private American donations, not official U.S. aid, and that they're being handed out now because some of the other equipment they need is finally arriving. The new supplies, though limited, and the prospect of more U.S. aid has tremendously boosted the morale of the badly-battered contra Army. This week, four columns of freshly-armed contras, totaling several thousand men, are going back inside Nicaragua by new routes that bypass Sandinista positions along the border. They are resuming the offensive after giving up control of those border areas to the Sandinistas late last year because of the supply problems, although the contras still operate deep inside the country. The contras say they are handicapped by the limited type of supplies they're getting. To deal with well-armed Sandinista forces that include Soviet tanks and highly sophisticated armored helicopters of the type used in Afghanistan, the contras say they need small missiles and anti-aircraft guns. And, they say, they need small aircraft of their own to make night drops of supplies to their forces. It's mainly that kind of hardware that the proposed American aid would buy. The contras have also added a new wrinkle to their training: for the first time, they are training officers. And, for the first time, the classes include discussions about democracy and where their aid is coming from, why President Reagan is backing them, and why some members of Congress object. The democracy lessons are a direct result of American pressure to change this movement into something the U.S. Congress can support. But in the meantime, contra leaders say, without fresh supplies of weapons and ammunition, they will lose this war. (ABC-3)

ACID RAIN

Rather: CBS News White House correspondent Bill Plante confirms tonight that President Reagan will reverse his previous policy and will now call for action on the problem of acid rain. President Reagan and Canadian Prime Minister Mulroney are expected to endorse publicly tomorrow an acid rain study conducted by the two countries.

(TV Coverage: President and Mulroney at White House.)

Correspondent Plante says Mr. Reagan will not recommend specific reductions in smokestack emissions. Mulroney was welcomed to the White House today for what is called the "Shamrock Summit", both Mulroney and President Reagan being of Irish ancestors. (CBS-7)

Brokaw reports that today Canada at last, at least got an acknowledgement from the United States that acid rain is largely produced here and crosses the border. Canada's Prime Minister Mulroney, who began two days of talks with President Reagan, said the acknowledgement was the least that he could take back to Canada, where acid rain is a huge political issue.

(TV Coverage: President welcoming Mulroney to the White House.)

Tomorrow, officials said, Mr. Reagan will promise to spend money to find ways of burning coal more cleanly, although he will be vague about where that money might come from.

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Brokaw continues:

And this agreement does not call for what environmentalists in both countries want most: mandatory controls to reduce emissions. (NBC-4)

MULRONEY INTERVIEW

Jennings: The Canadian Prime Minister, Brian Mulroney, met today with President Reagan.

(TV Coverage: President and Mulroney at White House.)

The two men have long been at odds on the subject of acid rain. After years of saying the problem needs more study, and making Canadians and many Americans angry, the Administration is about to spend some money to solve a problem which affects not only Canada, but at least 17 American states. Prime Minister Mulroney said today that the American environment is dying, too. Just as surely, as summer follows spring.

Jennings: Mr. Prime Minister, you are under increasing pressure to win concessions from President Reagan on acid rain, which pollutes Canada and the U.S. How well do you think you did?

Mulroney: "Well, the President will be making a statement on it tomorrow, Peter. But I think we're making solid progress. President Reagan has taken a great interest in this, along with Secretary Shultz. And I'm hopeful that we're going to make some substantial progress, beginning tomorrow. This is something that pollutes your environment as well as ours.... We'll have to see tomorrow what the President's response is. Last March President Reagan and I appointed our joint envoys to look into the acid rain problem, and the report has been submitted by Drew Lewis and Bill Davis which is worthwhile. So I think the President wants to move on it, and I hope he does tomorrow.

SOVIET PROTEST

Brokaw: The Soviet Union issued a formal protest over something the U.S. did last Thursday. Two U.S. Navy ships in the Black Sea, a destroyer and a guided missile cruiser, sailed six miles into Soviet territorial waters. Moscow called that incident "demonstrative, defiant and clearly provocative." The United States said it was simply an exercise in the rite of what it called an innocent passage. (NBC-11)

DRUG TESTING

Jennings: Faced with a growing epidemic of drug use in the workplace, the Presidential Commission two weeks ago proposed drug-testing for all civilian government workers. A Congressional Civil Service Subcommittee met to consider the proposal today, and the committee members were skeptical to say the least.

ABC's James Wooten:

(Rep. Ackerman: "Mr. Smith, would you accommodate us with a specimen of your urine?"

Rodney Smith of the Crime Commission: "Absolutely not."

Rep. Ackerman: "I thank you. You have very eloquently proven the point that we have set out to prove.")

Which is that the commission's recommendation of drug tests for federal workers is an unconstitutional indignity. Nonsense, said Mr. Smith. It's an idea whose time regrettably has come.

(Smith: "We have said that every government agency should consider guidelines, including suitable drug testing.")

Some private companies are already testing their employees, and the commission wants the government to stop doing business with those who don't. Not a good idea, said the government unions.

(Union leader James Pierce: "In fact, it smacks of a police state. Lie detector tests, urinalysis tests -- where does the Administration go next?")

One of the problems with drug testing, as Rep. Schroeder of Colorado sees it, is the testing itself.

(Rep. Schroeder: "There is not a positive test that absolutely is right. And you can really ruin people for the rest of their lives.")

No one is questioning anyone's motives, but with 25 million Americans now using marijuana, cocaine and heroin, there isn't much hope on Capitol Hill that testing federal employees will make the slightest difference.

(ABC-6)

TIP O'NEILL

Jennings: Ever since Ronald Reagan swamped the Democrats and went to Washington, the symbol of the Democratic opposition to him in the Capitol City has been the speaker of the House, Tip O'Neill. And yet, last night, when Washington gathered to honor Tip O'Neill, the President was right up there with praise as well.

ABC's Brit Hume reports that on duty, they are Washington's most intense political adversaries. But off-duty they are friends and perhaps the Capitol's favorite comedy team. Last night this relationship reached a culmination of sorts in a St. Patrick's Day dinner to honor the retiring O'Neill. This was a night for two old Irish politicians to do their stuff.

(President: "Despite all this, Tip wanted me here. He said that since it was March 17th, it was only fitting that someone drop by who actually had known St. Patrick. (Laughter) Sure, I've said some things about Tip and he's said some things about me, but that's all history. And, anyway, you know how it is -- I forget." (Laughter)

O'Neill: "Your charm, your humor, your wit -- sometimes when I get up in the morning, I say, don't let it get to you, old boy."

It was a jolly night ... but everybody knew that today, they'd be back to business as usual; sort of like the aftermath of a summit.

(ABC-7)

MARCOS

Rather: The U.S. today officially and formally turned over to the Aquino government what amounts to a treasure map that could help pinpoint the Marcos billions. The hundreds of financial papers were seized when the Marcos family arrived in Hawaii last month.

CBS's Debra Potter reports that the documents were also provided today to a House Subcommittee, which has its own mission: (Rep. Solarz: "To determine whether in fact any American foreign aid funds for the Philippines were recycled by the Marcoses, or any of their cronies.") The Subcommittee issued secret subpoenas for eight people to testify about the Marcos holdings and alleged attempts to influence U.S. elections. As the legal pressure on Marcos mounts, there are signs that he is stripping up his efforts to find a new home. To leave the U.S. before he becomes the target of prosecution. (CBS-12)

Jennings: The evidence is now in the hands of the new Philippine government, which was quick to say that the Marcos raid on the treasury was unprecedented.

ABC's Charles Gibson: reports the House Subcommittee also subpoenaed eight unidentified persons to appear and answer questions about allegations of improper attempts to use Filipino money to influence the 1982 American elections. President Reagan recently said he believed that Mr. Marcos was a millionaire before he took office. But was he? His 1966 tax return, obtained by ABC News, listed assets of \$120,000 Philippine Pesos, or only about \$30,000 U.S. Dollars. (ABC-1)

NBC's Jack Reynolds reports that Tuesday afternoon, the House Subcommittee on Asian and Pacific Affairs issued a subpoena and got its copy of the documents. General Fabian Ver appeared before a grand jury today in Alexandria, Virginia, in an investigation of possible theft of American military aid. Ver's appearance was brief. He reportedly declined to cooperate, and may be called back for more questioning. (NBC-1)

U.S. ECONOMY

Rather: The American economy goes deeper into Balance of Payments trouble. The Commerce Department today reported that this nation paid out a record \$117.7 billion more for goods and services last year than it took in. (CBS-4; NBC-4)

U.S. DOLLAR

Rather: Against that bleak deficit backdrop, the U.S. Dollar continued to collapse on the Tokyo Exchange. Now, in the puzzling world of economics, there is some strength in that weakness.

CBS's Barry Peterson reports that the fall of the dollar is being heard loud and clear in Japan, because it means that Japanese products are more expensive in America. And for a nation that has lived and flourished by selling its products in America, that means trouble. A sign of the times in Japan: a stereo parts maker out of business. And it's going to get worse -- more Japanese workers may soon be losing their jobs. And who may benefit from all this? Those products that say, "Made in the U.S.A." (CBS-5)

Brokaw reports that Secretary Baldrige said that the decreasing value of the dollar now overseas and lower interest rates at home should help ease that deficit later this year. (NBC-5)

NASA/CHALLENGER

Rather: Seven weeks to the day after the Challenger exploded, the part that may explain the disaster is now on shore.

CBS's Bruce Hall: Investigators are confident they will be able to determine whether the seals were eroded by hot gasses before the explosion. Today some Presidential Commission members reviewed new tests on cold temperatures, which government and industry officials are conducting in Utah. A key NASA investigator, James Thompson, expressed confidence today that the agency will find the cause of the accident. But sources at the Presidential Commission say it is premature for NASA to be talking about launching in a year, saying now is a time for caution and conservatism. (CBS-8)

FRANCE

Rather: Socialist President Mitterrand asked a Conservative today to form a new government as Prime Minister. He is Jacques Chirac, the mayor of Paris who was Prime Minister during the '70s. He promised a quick reply. Chirac leads France's largest right-of-center party. Mitterrand's hand was forced, after Conservatives took control of the Parliament in Sunday's election.

(CBS-9)

PALME

NBC's Brian Rose reports that Victor Gunnersohn, the suspect in the murder of the Swedish Prime Minister, was, until May 1985 a member of a Right-wing political cult based in the U.S. and headed by Lyndon LaRouche. LaRouche, a frequent candidate for president who has spent millions of dollars on half-hour prime-time TV appearances, runs an international neo-Nazi political organization based in Virginia, with branches in a number of European cities, including Stockholm. For the last three years, Palme has been frequently attacked in LaRouche publications as a Soviet stooge. In Stockholm, a LaRouche spokesman said the suspect Gunnersohn had been expelled from the group last year, because of what he called "unbalanced features." And a spokesman said the organization had no involvement in any way in the Swedish assassination. (NBC-9)

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U.S. CURRENCY

Rather: reports the U.S. Treasury Department announced today that within the next 15 to 18 months, you'll be carrying folding money that will look slightly different. The department said it is modifying U.S. currency for the first time in more than half a century, hoping to frustrate counterfeiters and make it more difficult for drug dealers. (CBS-13; NBC-8)

HOUSING STARTS

Rather: The Commerce Department reported today that housing starts fell 3.5 percent in February, but in spite of that, the report said building activity was at the second highest monthly total in the past two years. Building permits -- a sign of future activity -- dropped 6.9 percent in February. (CBS-14)

COMMENTARY

NBC's John Chancellor: Something is going on that is hurting the Voice of America, something disgraceful. The ideal director of the VOA should be an experienced broadcast journalist with management experience. The job is now vacant and the U.S.I.A. found just the right candidate: William Sheahan, a newsman for 30 years who used to be president of ABC News. But the job requires Senate confirmation, and Sen. Jesse Helms opposes Sheahan, and so do some other conservatives. Why? Because Sheahan is a political centrist. Because he would want the VOA broadcasts to be fair and impartial, which the VOA charter requires. And because Sheahan won't say if he voted for Ronald Reagan. What the conservatives want is someone who will shape the programs of the voice to suit conservative views. Bill Sheahan won't get the job. The main asset of the VOA is its credibility. The fact that its listeners can depend on it to give them straight news, along with discussion and opinion that reflect all sides of American life. If any ideological group -- liberal or conservative -- gets to run the voice, credibility goes out the window. It's another example of the kind of thinking that says that if we're going to beat the Russians, we have got to behave like the Russians. Is Radio Moscow under strict ideological control? Then put the Voice of America under strict ideological control. That, of course, makes no sense. If the battle with communism is about values, what is it worth if we abandon our values in order to fight the battle? (NBC-14)