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News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MARCH 27, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Says It May Limit Maneuvers If Libya Stops Armed Resistance -- Reagan Administration officials said today that United States flight and naval operations in disputed waters near Libya may end before the scheduled conclusion on April 1 provided that Libya did not resume armed opposition to the American maneuvers.

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

U.S. Army Copters Carry Hondurans To Border Region -- Fourteen United States Army helicopters today transported a battalion of Honduran troops close to an area on the border where Nicaraguan Government forces were reported to be fighting anti-Government rebels.

(Washington Post, New York Times)

NATIONAL NEWS

Regan Hints Volcker May Get Third Term As Fed Chairman -- Chief of Staff Regan said yesterday that the Administration wants Fed Chairman Paul Volcker to stay in his job through the end of his term in August 1987, and raised the possibility that he might be asked to serve another term.

(Washington Post)

NETACF NEWS (Wednesday Evening)

LIBYA -- Off the coast of Libya, no shooting, but Kaddafi turned up his calls for suicide attacks on Americans everywhere.

ABC POLL -- Most Americans feel America's toughness has been just about right.

HONDURAS -- U.S. pilots started ferrying Honduran soldiers to a remote border area, where remnants of a Sandinista force are reportedly isolated.

'Best Regards'

THE WASHINGTON POST

The following message was sent on commercial teletype Monday at 10 a.m. EST, several hours after U.S. ships first crossed the "line of death" and two hours after U.S. planes were fired upon:

From Commander in Chief of the Libyan Arab Air Force
To Commander of Sixth Fleet

Unless the aggressive acts are stopped against Jamahiriya [Libya] we are bound to destroy the CV [aircraft] carriers /Stop/ In doing that will have the political and military support of the world states /Stop/ Maintain in peace you will leave in peace /Stop/ Best regards

INTERNATIONAL NEWS

NAVY PREPARES TO LEAVE GULF; QADDAFI PLANS SEA MANEUVERS

Navy warships last night prepared to leave the Gulf of Sidra after steaming closer to Libya's territorial waters, while Col. Qaddafi announced intentions to demonstrate his own naval firepower elsewhere in the Mediterranean.

The Libyan government, according to maritime sources, telephoned shipping agents around the world yesterday to warn that Libyan warships planned target practice today in the area 100 miles north of Tripoli, far to the northwest of the contested Gulf of Sidra where American and Libyan forces have exchanged missile fire this week.

(George Wilson, Washington Post, A1)

U.S. Says It May Limit Maneuvers If Libya Stops Armed Resistance

Reagan Administration officials said today that United States flight and naval operations in disputed waters near Libya may end before the scheduled conclusion on April 1 provided that Libya did not resume armed opposition to the American maneuvers.

A ranking White House official said late today that the withdrawal of the Navy's 30-ship armada was tentatively scheduled to start on Thursday, but hinged on whether Libya restrained or resumed missile fire at Navy aircraft.

(Bernard Weinraub, New York Times, A1)

U.S. Fleet Could Pull Out Of Gulf Of Sidra Today

U.S. warships in the Gulf of Sidra, having demonstrated their willingness to fight in waters claimed by Col. Qaddafi, could leave the disputed gulf today, Pentagon sources say.

But the Defense Department sources added that if the maneuvers within the gulf do end today, the 6th Fleet vessels would remain nearby in the Mediterranean Sea.

(Norman Black, AP)

Fleet May Leave Tomorrow If Not Provoked By Qaddafi

U.S. officials yesterday said the 6th Fleet had proved its right to sail the Gulf of Sidra and the 30-ship naval task force could pull back as early as tomorrow if Col. Qaddafi behaves himself.

"We have demonstrated the right to operate in international waters. We have to do that periodically. We've done that," said Pentagon spokesman Robert Sims.

(Walter Andrews, Washington Times, A1)

LIBYA SEEN LIKELY TO DELAY RESPONSE

TRIPOLI, Libya -- Western diplomats said here today that they expect any terrorist response by Col. Qaddafi to the U.S. attacks on Libyan patrol boats and antiaircraft missile installations to be delayed for weeks and even months, possibly until Americans have relaxed their defenses.

(Christopher Dickey, Washington Post, A23)

U.S. Fears Worldwide Terrorism In Conflict With Gaddafi

With all quiet in the Gulf of Sidra, the United States has expressed fears that the conflict with Libya might switch from the high seas to the shadowy underworld of urban guerrilla warfare.

State Department officials said yesterday Libyan agents were watching U.S. installations abroad and that this might indicate possible attacks on American property and civilians.

Charles Redman said that Libyan surveillance began before this week's naval clashes in the disputed gulf. Embassies and friendly governments were alerted to the danger, and American travelers were advised to take care. (William Scally, Reuter)

Terrorists Trained Abroad Live In U.S., Official Warns

A top Senate official voiced concern yesterday over radicals living in the United States who not only are sympathetic toward Col. Qaddafi but have not been trained abroad in terrorist activity.

Joel Lisker, chief counsel of the Senate Judiciary Subcommittee on Security and Terrorism, said in an interview that some individuals from five "radical entente" countries -- Libya, Syria, Iran, North Korean and Cuba -- left the United States under false documents and returned as trained terrorists. (John McCaslin, Washington Times, A1)

SOME AIRPORTS TIGHTEN UP; OTHERS SAY NO SPECIAL PRECAUTIONS

Extra vigilance is the order of the day at airports from Boston to Los Angeles, but officials at New York and Atlanta airports say security is tight and won't get any tighter for fear of Libyan terrorists.

"We not only have our two eyes open, we've got our hands working, too," said Thomas DiMaria, public safety coordinator at Greater Buffalo (N.Y.) International Airport. (Robert Barr, AP)

DIDN'T VIOLATE '73 ACT, WHITE HOUSE DECLARES

The White House last night told Congress that the military strikes by the U.S. 6th Fleet against Libyan sea and land targets did not require President Reagan to report to the Congress under the 1973 War Powers Resolution.

In a letter to Rep. Dante Fascell, chairman of the House Foreign Affairs Committee, presidential assistant William Ball said, "We disagree with your claim that our actions in the Gulf of Sidra have failed to adequately satisfy the requirements of the War Powers Resolution.

(Thomas Brandt, Washington Times, A5)

TRIPOLI'S REACTION TO WAR CALL: HO-HUM

TRIPOLI -- Blood-curdling posters, warlike slogans and high taxi fares were the only apparent signs of crisis in the Libyan capital yesterday, a city which seemed to be going about its business with hardly a hiccup. (Reuters, Washington Times, A5)

U.S. WANTS SECURITY COUNCIL TO UPHOLD FREEDOM OF NAVIGATION

The United States, presenting itself as the champion of seafaring nations, wants the U.N. Security Council to reaffirm freedom of navigation and to condemn what it views as violations by countries such as Libya.

The Soviet Union on the other hand, is urging the 15-nation council to condemn U.S. "aggression" against Libya in the Gulf of Sidra and to take action to protect Libya's territorial integrity. (O.C. Doelling, AP)

LIBYA CONFRONTATION ROILS SHULTZ'S ATHENS VISIT

ATHENS -- Efforts by Secretary Shultz and the Greek government to move their relationship into "calmer seas" hit heavy weather instead today because of this week's U.S. military action against Libya.

Shultz's effort to get past [Prime Minister] Papandreu's anti-American rhetoric got off to a shaky start. The international relations committee of Papandreu's PASOK party issued a statement today condemning the U.S. military action in Libya as "the armed enforcement of a new Pax Americana" and an "attempt for a holocaust in the Mediterranean."

(Joanne Omang, Washington Post, A25)

U.S. AIDES ENCOURAGED BY ARAB REACTION ON LIBYA

U.S. officials said yesterday that they were encouraged by the relatively subdued nature of Arab reaction to the military confrontation with Libya because the Administration had expected a more vitriolic condemnation of the United States.

"It's still too early to tell, but we feel that the reaction is not nearly as bad as it could have been," said a senior State Department official, who asked not to be identified. (John Goshko, Washington Post, A26)

U.S. AIDES UNCERTAIN ON SIZE OF INCURSION BY NICAFAGUA

Reagan Administration officials, while publicly accusing Nicaragua of invading Honduras with 1,500 troops, privately acknowledged yesterday that they are uncertain about the size of the Nicaraguan force and about other details of the headline conflict in Central America.

Questions about the size of the incursion were accompanied by an uncertainty about the sources and reliability of U.S. information, the attitude of the Honduran government and the reasons why the Administration chose to treat it as a major event.

(Don Oberdorfer & Fred Hiatt, Washington Post, A1)

U.S. PILOTS AIRLIFT HONDURANS

TEGUCIGALPA, Honduras -- U.S. military helicopters ferried hundreds of Honduran soldiers today to an area near the Nicaraguan border where Nicaraguan troops entered the country to attack anti-Sandinista rebels, U.S. officials said.

The helicopters landed at least nine miles away from the scene of any combat to avoid placing the approximately 50 U.S. pilots and crew members in danger, the officials said. (Robert McCartney, Washington Post, A1)

U.S. Army Copters Carry Hondurans To Border Region

TEGUCIGALPA, Honduras -- Fourteen United States Army helicopters today transported a battalion of Honduran troops close to an area on the border where Nicaraguan Government forces were reported to be fighting anti-Government rebels. (James LeMoyne, New York Times, A1)

SENATORS FAIL TO ACHIEVE CONTRA-AID COMPROMISE

Senate leaders broke off talks yesterday on a bipartisan compromise to aid the rebels fighting the government of Nicaragua, with Democrats saying the White House "torpedoed" a possible agreement and Republicans accusing the Democrats of being inflexible.

Sen. Jim Sasser (D-Tenn) blamed the breakdown on John Poindexter. Poindexter arrived late at a morning congressional negotiating session and stated the Administration's position on the two issues in what Democrats said were unswerving terms. (Milton Coleman, Washington Post, A8)

Senate A Little Shaky On Contra Aid

Republicans in the Senate saw their hopes dwindling for easy passage of a \$100 million aid package for the Nicaraguan Contra rebels, bogged down in a dispute between Democratic leaders and the Administration.

The Senate planned a final vote today on President Reagan's aid request, but it appeared Republican leader Robert Dole's early confidence that the request would attract 70 or 80 votes had evaporated.

(Michael Myers, UPI)

Senate Talks Collapse On Contra Aid Compromise

The Senate was set to act today on President Reagan's \$100 million aid request for Nicaraguan rebels after a 24-hour delay and the collapse of negotiations aimed at reaching a bipartisan compromise.

Talks between the Republican majority and the Democratic minority broke down yesterday amid Democratic charges the White House had "hardened its attitude" and "torpedoed" a possible agreement.

(Carol Giacomo, Reuter)

Senators Work Late Preparing For Contra Aid Vote

Efforts to reach a bipartisan accord on aid to the Nicaraguan resistance collapsed late yesterday, forcing the Senate to postpone debate on the Administration proposal that has bitterly divided Congress.

Senate leaders were meeting privately late last night in hopes of reaching a last-minute compromise, before the Senate early today begins consideration of the \$100 million aid package for the rebels fighting Nicaragua's Marxist Sandinista Regime.

(Christopher Simpson, Washington Times, A1)

HONDURANS WERE HESITANT TO SEEK U.S. AID

Pressure and reassurances were needed before Honduras would agree to ask the United States for emergency aid against an armed Nicaraguan incursion, senior Administration officials said yesterday.

Honduran reluctance was only overcome late Monday after long negotiations involving President Jose Azcona Hoyo, his military commanders and Elliot Abrams, officials said. (Stephens Broening, Baltimore Sun, A1)

REAGAN HEADS FOR RANCH WHILE CONTINUING CONTRA AID, BALANCED BUDGET BATTLES

President Reagan was still jousting with Congress over his Central American policy and a balanced-budget amendment as he prepared for a 10-day vacation at his California "Ranch in the Sky."

On his way to the ranch north of Santa Barbara the President was stopping off in New Orleans to do his bit in helping Republicans retain control of the Senate. (Dale Nelson, AP)

NICARAGUANS REPORTED PINNED DOWN IN HONDURAS

Reagan Administration officials said yesterday that a Nicaraguan battalion of about 300 troops remained pinned down inside Honduras, and a senior adviser said this was "an advertisement" of the aggressive military intentions of Nicaragua on the eve of a Senate vote on a \$100 million aid package for the anti-Sandinista rebels.

Larry Speakes said that "contrary to statements made by Nicaraguan emissaries in several locations, it now appears that as many as 300 Sandinista troops are blocked in Honduras and unable to extricate themselves."

Administration efforts to extract some advantage from the Sandinista incursion came on a day when the mood at the White House changed from optimism to uncertainty about the prospects of the contra aid package. It also produced recriminations at White House briefings, where a senior Administration official accused reporters of omitting facts from their stories in a manner that favors the Sandinista government.

(Lou Cannon, Washington Post, A8)

Sandinista Forces Defeated; Only 300 Still In Honduras

Two Nicaraguan battalions that invaded Honduras retreated in disarray yesterday after five days of fighting with anti-Sandinista rebels, and U.S. diplomatic sources said fewer than 300 stragglers remained on Honduran soil.

An embassy source in the Honduran capital of Tegucigalpa reported the Nicaraguans had "lost their integrity" -- military jargon for a defeat -- suffering 200 dead and losing large quantities of documents and military equipment. (Roger Fontaine, Washington Times, A1)

WHITE HOUSE WAS OUT FRONT WITH NEWS OF SANDINISTA INCURSION INTO HONDURAS

"You can't cover the war from the White House," Larry Speakes told reporters as they peppered him with questions about Nicaragua's reported attack across the Honduran border.

That statement is evident, but this was a fight that might not have been noticed -- much less netted \$20 million in U.S. military aid to repel the attackers -- had it not been for the bully pulpit in the White House press briefing room. The White House, in fact, was the principal source of information about the conflict this week.

(Michael Putzel, News Analysis, AP)

GORBACHEV CALLS FOR U.S.-SOVIET NAVAL PULLOUT

MOSCOW -- Mikhail Gorbachev, assailing U.S. actions against Libya as "an encroachment," today proposed the withdrawal of all Soviet and American military fleets from the Mediterranean, according to the official Soviet news agency Tass.

Gorbachev pledged that the Soviet Union would remove its naval fleet from the Mediterranean region at the same time the U.S. 6th Fleet pulled out, according to Tass.

(Gary Lee, Washington Post, A28)

Gorbachev: U.S., Soviets Should Pull Fleets From Mediterranean

MOSCOW -- Mikhail Gorbachev, accusing the United States of waging a planned "punitive" attack against Libya, has proposed that Moscow and Washington remove their fleets from the Mediterranean.

"The United States is not stinting words in justifying that act of aggression," he said Wednesday about this week's U.S.-Libyan clashes in the Gulf of Sidra. "Facts irrefutably show, however, that it is not an unexpected incident but a punitive operation conceived and planned in advance."

(Anna Christensen, UPI)

U.S. MAY ANSWER SOVIET SALT "VIOLATIONS" IN KIND

Kenneth Adelman, a top arms control official, said yesterday that the Administration was considering allowing the U.S. missile-carrying submarine fleet to expand beyond arms agreement limits as a response to Soviet "violations."

Other government sources said a national security planning group met Tuesday at the White House to study a range of possible responses to what were regarded as continuing Soviet violations of the ratified 1979 SALT II.

(Charles Corddry, Baltimore Sun, A1)

SHULTZ PREPARES FOR KEY TALKS IN GREECE AS THOUSANDS PROTEST

ATHENS, Greece -- Secretary Shultz holds key talks with Prime Minister Papandreu today after massive street protests against his visit and a mixture of kind and harsh words from Greece's ruling Socialists.

Shultz has said he will press Papandreu to clarify the future of American bases after hints by the Greek leader that he will back down on a pledge to shut them by 1990.

(Bruce Clark, Reuter)

U.S. ATTORNEY GENERAL FINDS PAKISTAN FIRM FIGHTING DRUGS

ISLAMABAD, Pakistan -- Attorney General Meese has expressed satisfaction with the response from Pakistan on fighting the drug traffic to the West.

Meese held a news conference last night after a two-day visit aimed at underlining U.S. support for Pakistan's opposition to the Soviet military presence in neighboring Afghanistan and its fight against drugs.

(Raja Asghar, Reuter)

BONN, U.S. IN ACCORD IN SDI RESEARCH PACT

After prolonged negotiations West Germany and the United States have reached accord on Bonn's role in research for President Reagan's "star wars" space defense program.

The Pentagon said, "Things are close to being ironed out, and there is a good possibility that we will have something [today]."

(Reuter story, Washington Times, A4)

EMBASSY SECURITY PROPOSAL CRITICIZED

Critics of an Administration plan to spend \$4.4 billion to upgrade security at U.S. embassies say the program is unmanageable and will still leave American installations abroad vulnerable to terrorist attacks.

"They [the State Department] don't know how to spend what they've got now," said one Reagan Administration official. "The folks don't handle money like you would at home." (Warren Strobel, Washington Times, A5)

EDITOR'S NOTE: "Soviet Missiles 'Capable'" by Karen DeYoung appears on page A1 of the Washington Post.

"Envoys Speculate On Likelihood Of Soviet Losses" by Christopher Dickey appears on page A27 of the Washington Post.

"Clash Has Embarrassed Moderate Arabs," News Analysis by Jonathan Randal, appears on page A28 of the Washington Post.

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NATIONAL NEWS

REGAN HINTS VOLCKER MAY GET THIRD TERM AS FED CHAIRMAN

Chief of Staff Regan said yesterday that the Administration wants Fed Chairman Paul Volcker to stay in his job through the end of his term in August 1987, and raised the possibility that he might be asked to serve another term.

In what appeared to be an effort to calm fears that there is serious discord in the nation's central bank, or wide policy disagreements between the Fed and the White House, Regan said that the views of Volcker and President Reagan on basic monetary issues are not "that far off."

(Hobart Rowan, Washington Post, A1)

U.S. SUES GENERAL DYNAMICS OVER DIVAD GUN CHARGES

The Justice Department sued General Dynamics Corp. yesterday, alleging that the company mischarged the government an undetermined amount on a \$41 million contract to build a prototype of the Divad antiaircraft gun.

The civil suit, filed in U.S. District Court in Los Angeles, grew out of a U.S. investigation that led to the indictment in December of General Dynamics and four current or former executives in connection with the Division Air Defense gun, also known as the Sgt. York.

(AP story, Washington Post, A5)

\$750 MILLION IN EXTRA FARM LENDING AID STARTING TO SHRINK

The Farmers Home Administration, under pressure to provide more loan money to help farmers through spring planting, has used up about a sixth of the additional \$750 million that President Reagan released for loans two weeks ago.

FmHA administrator Vance Clark said that about 15 states that ran out of direct operating loan allocations have tapped the new fund for \$123 million. Other states are expected to seek aid as the planting season moves north and demand for financing intensifies.

(Ward Sinclair, Washington Post, A11)

MISSOURIAN TO BE NAMED TO USDA NO. 2 POST

Peter Myers, an Agriculture Department administrator since 1982, will be named the second in command at the agency, congressional sources said.

Myers, assistant secretary for natural resources and environment since last May, will move up to deputy secretary of agriculture and fill an opening created last month when John Norton left the job, the sources said Wednesday.

(Barry Massey, AP)

EDITOR'S NOTE: "Crimson Over Meese" by Howard Kurtz appears on page D1 of the Washington Post.

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NEWS FROM THE STATES

MEDITERRANEAN SKIRMISH LIKELY TO HELP KHADAFY

GALESBURG, Ill. (UPI) -- A Knox College political scientist said Tuesday Moammar Khadafy likely will be the ultimate winner politically in the latest confrontation between American and Libyan forces around the Gulf of Sidra. "I think if we are trying to undermine Mr. Khadafy, this is not the way to do it," said Robert Siebert, a professor of political science who co-authored a textbook in 1982 entitled 'Politics and Change in the Middle East.'

"In fact, this is a good way to generate pretty widespread support for him," said Siebert. "There isn't a small country anywhere in the world that is comfortable about setting a precedent of superpowers coming in and beating up on them, regardless of what the provocations are presumed to be. So he's going to be able to milk this pretty substantially if it ends at the kind of level of conflict that it's at now."

U.T. EXPERTS CRITICIZE U.S. ACTION IN LIBYA

AUSTIN, Texas (UPI) -- The military confrontation between the United States and Libya will only enhance Libyan leader Col. Moammar Khadafy's international appeal, according to Middle East experts at the University of Texas. "Mr. Reagan is, in some ways, Khadafy's best" public relations man, said James Bill, a government professor and specialist on Middle Eastern affairs. "Confrontation converts a man who is relatively insignificant on the world stage suddenly into a major actor," he said. "It makes the man appear much bigger and more important than he is." Robert Fernea, a professor of anthropology at UT's Center for Middle Eastern Studies, agreed.

Fernea said the attacks by U.S. warplanes on Libyan military targets might be linked to President Reagan's push for military aid to the Nicaraguan contra rebels. "I look on it as a political act entirely," he said. "It's pure Reaganism to me. I read it as being connected to the contra issue in Congress. It will make the vote next time around take place in a greater sense of urgency. Since Ronald Reagan took over as president there's been a pattern of doing this," said Bill.

CALIFORNIANS PICKET FOR, AGAINST REAGAN'S LIBYAN ACTIONS

FRESNO (UPI) -- Rival groups picketed together outside the federal building in Fresno Tuesday, one group supporting President Reagan and the Sixth Fleet's operations near Libya and the other charging the President was provoking Libyan President Moammar Khadafy. There was no violence between members of the Women's International League for Peace and Freedom and the group sponsored by the American Legion, but there were angry words.

The women's group carried picket signs denouncing the Sixth fleet's war exercises off the coast of Libya and the other group carried American flags and signs saying they supported Reagan and the right of the United States to conduct the war games.

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DE CUELLAR L.A. VISIT CUT SHORT BY LIBYA TROUBLES

LOS ANGELES (UPI) -- Javier Perez de Cuellar, Secretary-General of the United Nations, cut short his California visit Tuesday to return to New York to help ease tension brought on by the Libyan crisis in the Gulf of Sidra. Neither Libya nor the United States requested a Security Council meeting, but Perez de Cuellar said Libya and the United States sent him letters outlining their disparate versions of the hostilities. "For the Soviets, it's a provocation and for the Americans, they were exercising their rights to act in international waters," he said.

In a letter to the Security Council, U.S. Ambassador Vernon Walters said, "The United States government protests the unjustified attacks against American naval units operating in or above international waters." Soviet deputy chief of mission, Ambassador Vasiliy Safronchuk, fired back at a news conference that "nobody asked the United States to police international waters. This is a sheer act of war," he said. A letter to Perez de Cuellar from the Libyan foreign ministry said, "Libya, therefore, has no other choice in protecting its security and integrity than to resort to its own strength," the letter said.

OHIO OFFICIALS SUPPORT REAGAN'S LIBYAN ACTION

DAYTON (UPI) -- Most Ohio congressmen are pointing to Col. Khadafy as the antagonist in this week's U.S. attack on Libyan targets; however, some lawmakers are questioning whether President Reagan was provoking a fight. Democratic Rep. Don Pease of Oberlin said the United States certainly knew how Khadafy was going to respond to warplanes crossing over that line and he questioned whether the U.S. was deliberately antagonizing the Libyan leader. "The question is why we should pick this particular time to prove a point. It looks as if President Reagan is just spoiling for a fight," said Pease.

Democratic Rep. Louis Stokes also questioned whether the U.S. was within its rights. Republican Rep. Robert McEwen said he is backing the President 100 percent in this incident and that there was "clearly hostile intent" on Khadafy's part. Echoing McEwen was his Republican colleague Thomas Kindness. Democratic Rep. James Traficant said U.S. warplanes had every right to fly within the 125-mile line. Also backing the president was Republican Rep. Willis Gradison of Cincinnati. Ohio Senators Glenn and Metzenbaum were in agreement regarding the incident.

LIBYA HURT MOST, PROF SAYS

EAST LANSING, Mich. (UPI) -- A Michigan State University specialist in military affairs said the interchange of missile fire between Libya and the United States will hurt the Libyans most. "I think that sending ships into the Gulf of Sidra should be regarded as a reasonable, routine act by the U.S. government," political science professor David Rohde said today. "Khadafy claims a water limit that we regard as unreasonable and to demonstrate that we don't accept it, we periodically have to sail across it and that's what we did." Rohde said hostilities may escalate "but whatever happens, Libyan will get the worst of it."

NETWORK NEWS SUMMARY

(Wednesday Evening, March 26, 1986)

LIBYA

CBS's Dan Rather: Off the coast of Libya, tension but no shooting today. Muommar Kaddafi turned up his calls for suicide attacks on Americans everywhere.

CBS's David Martin reports from Libya that pictures of a Libyan patrol boat on fire in the Gulf of Sidra were released today by the Sixth Fleet. The first hard evidence of the damage Navy jets have done with their missiles. Lifeboats can be seen as survivors scramble to escape the burning vessel, one of several which ventured out toward the American fleet.

(Admiral Kelso: "We were not going to permit them to attack our forces, and there are very definitely severely damaged patrol boats, and we're continuing to evaluate the others. We certainly did nothing to provoke an action. There was no American ship or plane within 60 miles of the Libyan international waters that are recognized by most of the world when that firing took place.")

The U.S. does not have the Mediterranean to itself. Soviet ships continue to monitor the exercise, but Pentagon officials say there is no evidence the Russians are passing intelligence to their Libyan clients. In Moscow, Gorbachev tried to score a few propaganda points in a meeting with the President of Algeria by accusing the U.S. of aggression, and calling for immediate negotiations on the withdrawal of both the American and Russian navies from the Mediterranean. A State Department official called the proposal "absurd." The biggest danger to Americans is not at sea, but on land.

(State Department spokesman Charles Redman: "We are aware that agents of the Libyan government have been conducting surveillance operations against a number of American installations and interests around the world. This could mean that Americans are targeted for attacks in the future.")

Pentagon officials say the operation could end as soon as tomorrow. But the American fleet is expected to remain in the general area for at least a few more days.

Rather: I asked Doug Tunnell in Tripoli if the Libyan people see Kaddafi as the winner or loser in this recent fighting.

Tunnell reports that it's looking very much like Kaddafi could still come out a winner. What America has done has given them a common enemy today, a repeated warning, another call to Arabs to launch suicide strikes against American targets. Both on embassies and businesses in the Middle East. And from Damascus today, at least one Palestinian group has agreed to comply.

Rather: Tom Fenton reports tonight that many Americans abroad are taking the new Libyan threat seriously, but many wonder how or if they can protect themselves.

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CBS's Tom Fenton reports that in Damascus today, Abu Nidal, the Palestinian terrorist closely linked with Col. Kaddafi, issued this threat: "Anything American has from now on become a target for armed revolutionaries." In Beirut today, a car bomb killed 8 innocent Lebanese and wounded 80. Such events are routine in Lebanon, but the mind that could create such carnage is the type of mentality that threatens potential victims everywhere.

Rather: The Reagan Administration today officially notified Congress that, in its view, the Gulf of Sidra operations do not require invocation of the 1973 War Powers Act. That act seeks to require a president to notify Congress within 48 hours if and when U.S. forces are put in danger of hostile fire. (CBS-Lead)

ABC's Steve Shepard reports that a Navy photo shows a Soviet-built Libyan-owned (gunboat), attacked by U.S. planes off of Benghazi early Tuesday morning EST.
(TV: Photo of burning Libyan ship.)
(Admiral Kelso: "We were not going to permit them to attack our forces. One of my major responsibilities is to protect the American kids that operate these ships and fly these airplanes.")
Today, U.S. flight operations continue off of the coast of Libya. But there has been no hostile action for more than two days. Unless Libya attacks again, U.S. Naval exercises are close to winding down. The Sixth Fleet could be headed back to port as early as tomorrow. (ABC-2)

NBC's Tom Brokaw: Kaddafi warned today that American targets all over the world now would be fair game for retaliation, because of the U.S. military strikes in the Gulf of Sidra. In the Gulf of Sidra today, U.S. warships and jet fighters operated without incident, and NBC's Fred Francis reports from the Pentagon tonight this has prompted an American claim of victory.

NBC's Fred Francis reports that the carrier Saratoga and the rest of the Sixth Fleet have not been challenged for almost two days. And Defense officials tell NEC News that the battle for the right of passage in the Gulf of Sidra is over. Officials say the fleet, which continued its air operations today, will withdraw by Friday if Kaddafi does not unleash his ships or planes or missile batteries. The navy released pictures of a Soviet-built vessel, one of four lost in the gulf fighting. It is estimated by Defense officials that as many 200 Libyans have died since Monday. The man in charge of the three-carrier battle group, Vice Admiral Frank Kelso, told reporters today that his fleet wasn't looking for a fight. There is a real concern in Washington that Kaddafi might lash out with terrorist attacks against American targets. In fact, Administration sources say that one of the reasons the President sent the fleet to Libya was because of intelligence reports that Kaddafi had planned terrorist attacks against American diplomats. There is no indication tonight that the presence of the Sixth Fleet has changed Kaddafi's mind.

ABC NEWS POLL

Jennings: Last night, we surveyed more than 500 people by telephone. In addition, ABC News' Bill Blakemore has found some pretty strong opinions on the street.

ABC's Bill Blakemore reports that the national flurry of reaction to our clash with Libya was found by the nationwide ABC News poll to contain some very clear patterns. Two-thirds of Americans approved of Ronald Reagan's handling of the conflict, and think the level of America's military toughness has been just about right.

APPROVE: 66%

DISAPPROVE: 23%

NO OPINION: 11%

HOW TOUGH WAS REAGAN?

JUST ABOUT RIGHT: 67%

NOT TOUGH ENOUGH: 12%

TOO TOUGH: 16%

NO OPINION: 5%

SHOULD THE U.S. TEACH KADDAFI MORE OF A LESSON, EVEN IF IT MEANS RISKING A LARGER WAR WITH LIBYA?

YES: 39%

NO: 57%

DID REAGAN PROVOKE KADDAFI?

YES: 27%

NO: 66%

NO OPINION: 7%

WILL THIS ACTION PROVOKE MORE FUTURE TERRORISM?

YES: 10%

NO: 45%

NO CHANGE: 39%

NO OPINION: 5%

Margin of Error: +/- = 5%

(ABC-5)

GORBACHEV ON LIBYAN ACTION

Brokaw: Gorbachev, in his first public comment on the Gulf of Sidra fighting, said today, "It showed the imperial bandit face of the U.S." He offered to withdraw the Soviet fleet from the Mediterranean if the U.S. would do the same thing. (NBC-4)

-more-

Jennings reports that Mikhail Gorbachev weighed in today on the U.S./Libyan dispute. Gorbachev said in the past few days that America has shown "its imperial bandit face." Mr. Gorbachev also had a proposal for opening talks on withdrawing all American and Soviet Naval ships from the Mediterranean. (ABC-2; CBS-1)

CENTRAL AMERICA

Rather: In Central America, some of the latest U.S. military aid is now being hand-delivered by U.S. military personnel. U.S. military helicopters piloted by U.S. military crews spent the day ferrying Honduran soldiers to the frontier of Nicaragua, a remote Honduran province where a much talked-about, but not at all seen major Nicaraguan troop incursion or invasion is supposedly in progress. In Washington, President Reagan's forces rushed to the front lines in Congress, where the Senate is now nearing a vote on military aid for the contras fighting Nicaragua's government.

CBS's Richard Schlessinger reports from Honduras that at daybreak, U.S. pilots started ferrying Honduran soldiers to the remote border area, where remnants of a Sandinista force are reportedly isolated, and trying to escape back into Nicaragua. 14 American helicopters are being used to move between five and six hundred Honduran troops to the mountain jungles east of the capital. American officials say the helicopters will stay about ten miles away from any fighting. Informed sources say three battalions of Nicaraguan troops tried four times on Sunday to overrun the main rebel camp, about 15 miles inside Honduras. They did not succeed, and about 2,000 U.S.-backed contra rebels cut off their retreat. Some prisoners were taken, and Honduran authorities showed two of them to the news media. There have been at least 35 Nicaraguan attacks across the Honduran border in the past two years. The one this week was by far the largest. The Reagan Administration says the Sandinistas tried to mount an all-out invasion, but the Honduran Foreign Minister stops far short of that. He says only the Nicaraguans defied his government demand that Sandinista soldiers stay out of Honduras. (Carlos Lopez Conteras: "This incursion does not represent a major threat to the security of Honduras.")

Lopez worries that the use of American helicopters will drag Honduras into the middle of an American political debate, over the Administration's \$100 million aid package for the contras. Washington's version of what is happening here, says Lopez, could be exaggerated by highly partisan politicians.

CBS's Phil Jones reports that as the Senate debate on aid to the contras began, the Reagan Administration was emphasizing the urgency of the fighting in Honduras. Spokesman Larry Speakes read a letter from the Honduran President, received yesterday, stating:

"My government has confirmed the presence of Sandinista armed forces on Honduran territory."

Jones continues:

Officials were clearly irritated by suggestions of exaggeration.

(State Department's Redman: "The government of Honduras ought to know whether its national sovereignty has been violated, whether it is under attack by the Sandinista army. It has so said.")

(Sen. Kennedy: "This Administration has done best when they have played the statesman and not when they have played 'Rambo.' And this Administration is playing 'Rambo' in Nicaragua.")

Even before the debate began today, Democrats accused the Administration of torpedoing a compromise. A compromise that called for face-to-face negotiations with the Sandinistas, and a second congressional vote on military aid that could not be vetoed by the President. On the Senate floor, the debate was mostly along party lines. It appears the Administration has enough votes to get its contra aid package through the Senate. But it is going to be close, and it will not be the strong, bipartisan message that Republican leaders had hoped to send the Sandinistas. (CBS-3)

ABC's Peter Collins reports U.S. Army helicopters were airborne today, carrying Honduran troops toward the Nicaraguan border and a possible confrontation with Sandinista forces. It all had the ominous look and sound of war, but the fighting of the past few days is already dying down. The contras are claiming to have routed the Sandinistas, killing 200 while losing 40 men of their own. American officials here have expressed amazement that the Sandinistas would hand President Reagan this kind of propaganda coup. But they're moving quickly to take advantage of it.

ABC's Sam Donaldson: Reagan Administration officials, beginning with Press Secretary Larry Speakes, bridled today at suggestions today they are hyping the Honduran situation for purposes of the contra aid battle on Capitol Hill. Speakes read the formal letter from Honduran President Escona, requesting "urgent military assistance to repel a Sandinista presence in flagrant violation of our sovereignty." Speakes said he couldn't explain why some Honduran officials continue to minimize reports of an invasion. But a senior White House official quoted by a rule of anonymity said they are very goosey in Tugusigalpa about acknowledging the presence of contras on their territory. And as to the conflicting reports as to how many Sandinistas are actually on Honduran territory, and how much fighting is actually going on, the State Department spokesman handled the numbers question this way:

(Redman: "If you want to quibble whether it's 1450 or 1120 or 1760 -- all I am saying is that there is a battle going on, the situation is tense, there are sizable numbers of Nicaraguans there under any circumstance.")

Not everyone in Congress was convinced.

(Sen. Sasser: "Without question, there's an enormous offensive underway. What we're not sure of is whether it's a public relations offensive by the Administration to get aid for the contras or whether there's a military offensive by the Nicaraguans. I think the answer to that question is in doubt.")

The doubts weren't helped by word that in the middle of all this, Honduran President Escona went off on vacation. But then, it seems only fair: the Gulf of Sidra notwithstanding, President Reagan leaves on his tomorrow morning.

-more-

Jennings: Which means that the President will be out of town by the time the Senate gets to voting on aid for the Nicaraguan contras. Ever since last week's 'no' vote in the House, the Reagan Administration has been looking forward to -- and perhaps counting on a win in the Senate -- where the Republicans have the majority. Debate began today. But even in the Senate, the President is running into some difficulties.

ABC's Brit Hume: Republican leaders expected to prevail, but kept trying in talks with Democrats today to win more of them over. It wasn't easy. The President sent National Security Advisor Poindexter with word he would not agree to a requirement Congress approve this aid twice, and would not agree to talks that exclude the contras. One Democrat said Poindexter --

(Sen. Sasser: "Steamed in to the Majority Leader's office, at flank speed, torpedoed the negotiations without even a warning shot across the bow.")

Republican leaders denied that, but admitted they were worried.

(Sen. Lugar: "I think it will be possible to pass it, but I think it will be very close, and my guess is that we have 51 votes. I hope we have that many.")

So debate began on \$100 million on military and other aid to the contras. There would be a joint commission named by the President and Congress to oversee efforts to negotiate, but with no power to stop the aid. The floor debate and remarks outside reflected deep division over this issue.

(Sen. Kennedy: "This Administration has done best when its played a statesman and not played 'Rambo.' This Administration is playing 'Rambo' in Nicaragua, and the American people want it to halt.")

(Sen. Gramm: "We are faced with a new problem; a new reality: a communist foothold on the mainland of the Americas. And we need a bipartisan consensus to deal with that problem.")

So does the Administration. That's the reason for today's talks, but this evening they were still going, and Presidential aide Poindexter was still here. (ABC-Lead)

NBC's Tom Brokaw: There is a confusing situation in Central America tonight, but the Administration continues to insist that a large number of Nicaraguan Sandinista soldiers are trapped in Honduras, and that the fighting still is going on. Nicaragua denies that, and even some American Defense Department officials are skeptical about the size of the Sandinista force. The White House sees this as a very serious situation.

ABC's Jim Miklaszewski reports that the Administration says that 1500 Sandinista soldiers crossed the border into Honduras in a major invasion that began Saturday night, and on Sunday staged four assaults on at least one, perhaps two, contra camps.

(TV: Sandinista raiding force marching.)

But the contras repelled the attacks, and forced the Nicaraguans to retreat. But informed sources, both in the Pentagon and in Honduras, dispute a major part of the Administration version. Those sources say that the initial Sandinista force was actually about 600. Just slightly larger than raiding parties which had struck at contra camps in the past.

Miklaszewski continues:

Honduras reports there have been some 60 such raids in the past three years. Military sources say intelligence from Honduras just does not support the 1500 troops the Administration reports. White House spokesman Larry Speakes stood by the Administration accounts, saying, "these are the facts. Whatever they said is not the facts. Sorry." The State Department suggested that numbers are not important.

(Redman: "If you want to quibble whether it's 1450 or 1120 or 1760, all I'm saying is that there is a battle going on.")

Some members of Congress disagree. Former ambassador Robert White, a frequent critic of Administration policies in Central America, says there's just no proof to the Administration's claims. Some members of Congress suggest the Administration figures were hyped, to influence upcoming votes on contra aid, and say if that's the case, it raises questions about more than just the accuracy of Administration intelligence reports.

ABC's Robin Lloyd reports more than a dozen U.S. helicopters, flown by American military pilots, loaded up 500 to 600 Honduran soldiers, taking them into a remote mountainous area near the Nicaraguan border.

(TV: U.S. soldiers assisting Honduran soldiers.)

Even Honduran government spokesmen were keeping a low profile, giving no explanation why the U.S., not Honduras, made the first announcement. Honduras confirmed the Sandinista attack, only after a visit yesterday by the top U.S. military official in the region, General John Galvin. Some Hondurans are now suggesting that the U.S. pressured the Honduran government to call for American help. But another explanation was that the Honduran government was seeking to avoid controversy. But tonight, as the airlift continues, the Hondurans appear to be taking yet another step toward the U.S. side in the Central American conflict.

Brokaw: reports that NBC's Dennis Murphy is in Managua, Nicaragua tonight, where the Sandinista government continues to deny that they have any troops involved in Honduras at all. By the way, that \$20 million the President sent Honduras to deal with the reports of the Sandinistas -- that \$20 million is in addition to another \$450 million that in military aid the Reagan Administration has sent the tiny Central American country in the last five years. And in the U.S. Senate this evening, the President's request for \$100 million in additional aid to the contras is expected to pass after some bitter debate. That was true even before this latest report of the Sandinista invasion. Sen. Dole acknowledged today that that helped the President's cause. Referring to the Sandinistas, Dole said, "I hope they don't pull out while we're debating this.!" (NBC-Lead)

CHALLENGER REMAINS

Brokaw: reports that the waiting is over tonight for most of the families of the seven Challenger astronauts. Their loved ones now have been identified, and funeral arrangements are underway. (NBC-6)

COMMENTARY

NBC's John Chancellor: Daniel Ortega is on his way to winning this year's award for dumb timing. Which is interesting, because Ortega won last year's award for dumb timing.... Just a few days ago, the House voted against aid to the contras, and the Senate is to vote this week. The Nicaraguan invasion of a neighboring country could produce votes in both Houses to help the contras.... The Congress is again outraged, the House of Representatives again embarrassed. Speaker O'Neill says Ortega is a bumbling, incompetent communist. After last year's dumb timing, the Congress voted some money for the contras. If the timing this year is as it looks, the contras may get their money again. (NEC-9)

Editor's Note: ABC's Richard Threlkeld filed a 'status report' on Kaddafi's reign in Libya, which included film of the Libyan leader and his ways. (ABC-6)

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EDITORIALS/COLUMNISTS

LIBYA

The Stakes In The Sidra Gulf -- "If anyone in the world had it coming, Moammar Khadafy did.... But there you have to feel a little uncomfortable about the Administration's judgment, too. The first time the Navy's jets fired on Libyan ships and a coastal radar installation, it made a point. Continuing to pound away starts to look like taunting a madman. And it is hard to justify that as a foreign policy imperative."

(Chicago Tribune, 3/26)

Crossing The 'Line Of Death' -- "A great seafaring nation like the United States has much at stake globally in asserting the right of peaceful transit beyond the 12-mile limit. A great status quo power like the United States must take the lead, if no others will, in dealing with rogue regimes that sponsor and encourage terrorism.... We must not surrender to the apostles of hate and outlawry. It is this nation's painful mission to uphold international law and order even when others cower."

(Baltimore Sun, 3/26)

Why's The U.S. Fighting? A Burden Of Leadership -- "Like it or not, invite or not -- the U.S. is the dominant moral force on Earth today. That's not a job anybody goes out looking for, but it carries burdens that are hard to escape.... That's what the U.S. is proving in the Mediterranean right now. It's tough and risky. But it's overdue -- and dead right."

(New York Daily News, 3/26)

Might On Behalf Of Right In The Gulf Of Sidra... -- "Washington behaved with impeccable respect for international law, even while acting against the world's most ostentatious outlaw. There was a principle at stake - freedom of navigation."

(New York Post, 3/26)

Right Goal, Doubtful Strategy -- "The issue of navigation in the Gulf of Sidra offered a tempting hook for America to grab - aided by Col. Khadafy's eagerness to bite - in dealing with a problem that torments the Administration. The goals are right: to find ways to dry up state support for terrorism and to encourage Arab and Libyan opposition to Col. Khadafy. Unfortunately the risky strategy being tried in the Gulf of Sidra could produce the opposite results from those intended."

(Philadelphia Inquirer, 3/26)

The Sidra Turkey Shoot -- "Col. Quaddafi is not simply another sun-crazed lunatic. He is a client and trusted ally of the Soviet Union, using the wealth from Libya's low-sulfur oil to buy up all the Soviet hardware he can get. Moscow is always happy to oblige, but the material comes with strings. Substantial help from his Soviet patrons and their East European puppets has turned Libya into a staging area for terrorism, and that is what the Sidra turkey shoot is all about. Col. Qaddafi may have drawn an imaginary line across the Gulf of Sidra, but the United States has drawn the line on state-sponsored terrorism."

(Washington Times, 3/26)

LIBYA (continued)

USA Made Its Point; Don't Provoke A War -- "Our nation must continue to fight terrorism. We must capture terrorists and bring them to justice. We must isolate international outlaws like Khaddafy from the world community. And we must use force in self-defense when terrorists are about to strike or missiles are about to be launched. The USA has made the point: We are not afraid to fight for freedom of the high seas. Now we should declare victory and take one step back. We accepted a bully's challenge, and blood was shed. That's enough. Both sides now should show restraint.... This tussle must stop before the bully draws the rest of the schoolyard into the battle. We must not let Kadafy lure us to the brink of war with his 'Line of Death.'" (USA Today, 3/26)

In Self-Defense -- "Khadaify is capable of almost any irrational action you can think up. For the short run, let's just say, hooray for the U.S. Navy. What it has done to the Libyan armed forces -- and to Col. Khadaify's vanity -- is a lot less than they deserve." (Dallas Morning News, 3/26)

NICARAGUA

The Sandinistas' Invasion Is As Bad As The Contras' -- "The Nicaraguan-contra clash on Honduran soil is the almost inevitable outcome of Mr. Reagan's policy of relying mainly on military force to deal with the Sandinista problem. With the contras based in neighboring Central American nations and unable to establish themselves in Nicaragua, it was only a matter of time until the fighting expanded into a regional conflict. This expansion serves warning of what lies ahead if the United States focuses its hopes solely on ousting the Sandinistas militarily. Force without diplomacy threatens all Central America with the turmoil that Honduras now fears." (Philadelphia Inquirer, 3/26)

...While Congress' Lack Of Will Brings Danger Closer To Home -- "It must be made clear to Managua that the U.S. recognizes the difference between peace negotiations and military adventurism. And that the latter will not be tolerated. There's another issue at stake here -- a matter of pragmatism, not just principle. Again, Washington must aid the Nicaraguan freedom fighters now -- while there are still Nicaraguan freedom fighters to aid." (New York Post, 3/26)

Nicaragua On The March -- "Daniel Ortega's trip to Moscow was enough to change last year's vote on humanitarian aid. His invasion of Honduras should be met with an infusion of military support for the resistance. President Reagan, in fact, should call for more military aid than his original \$70 million. Let the Democrats, before the backdrop of Nicaragua on the march, deny him again." (Washington Times, 3/26)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MARCH 27, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Says It May Limit Maneuvers If Libya Stops Armed Resistance -- Reagan Administration officials said today that United States flight and naval operations in disputed waters near Libya may end before the scheduled conclusion on April 1 provided that Libya did not resume armed opposition to the American maneuvers.

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

U.S. Army Copters Carry Hondurans To Border Region -- Fourteen United States Army helicopters today transported a battalion of Honduran troops close to an area on the border where Nicaraguan Government forces were reported to be fighting anti-Government rebels.

(Washington Post, New York Times)

NATIONAL NEWS

Regan Hints Volcker May Get Third Term As Fed Chairman -- Chief of Staff Regan said yesterday that the Administration wants Fed Chairman Paul Volcker to stay in his job through the end of his term in August 1987, and raised the possibility that he might be asked to serve another term.

(Washington Post)

NETWORK NEWS (Wednesday Evening)

LIBYA -- Off the coast of Libya, no shooting, but Kaddafi turned up his calls for suicide attacks on Americans everywhere.

ABC POLL -- Most Americans feel America's toughness has been just about right.

HONDURAS -- U.S. pilots started ferrying Honduran soldiers to a remote border area, where remnants of a Sandinista force are reportedly isolated.

'Best Regards'

THE WASHINGTON POST

The following message was sent on commercial teletype Monday at 10 a.m. EST, several hours after U.S. ships first crossed the "line of death" and two hours after U.S. planes were fired upon:

From Commander in Chief of the Libyan Arab Air Force
To Commander of Sixth Fleet

Unless the aggressive acts are stopped against Jamahiriya [Libya] we are bound to destroy the CV [aircraft] carriers /Stop/ In doing that will have the political and military support of the world states /Stop/ Maintain in peace you will leave in peace /Stop/ Best regards

INTERNATIONAL NEWS

NAVY PREPARES TO LEAVE GULF; QADDAFI PLANS SEA MANEUVERS

Navy warships last night prepared to leave the Gulf of Sidra after steaming closer to Libya's territorial waters, while Col. Qaddafi announced intentions to demonstrate his own naval firepower elsewhere in the Mediterranean.

The Libyan government, according to maritime sources, telephoned shipping agents around the world yesterday to warn that Libyan warships planned target practice today in the area 100 miles north of Tripoli, far to the northwest of the contested Gulf of Sidra where American and Libyan forces have exchanged missile fire this week.

(George Wilson, Washington Post, A1)

U.S. Says It May Limit Maneuvers If Libya Stops Armed Resistance

Reagan Administration officials said today that United States flight and naval operations in disputed waters near Libya may end before the scheduled conclusion on April 1 provided that Libya did not resume armed opposition to the American maneuvers.

A ranking White House official said late today that the withdrawal of the Navy's 30-ship armada was tentatively scheduled to start on Thursday, but hinged on whether Libya restrained or resumed missile fire at Navy aircraft.

(Bernard Weinraub, New York Times, A1)

U.S. Fleet Could Pull Out Of Gulf Of Sidra Today

U.S. warships in the Gulf of Sidra, having demonstrated their willingness to fight in waters claimed by Col. Qaddafi, could leave the disputed gulf today, Pentagon sources say.

But the Defense Department sources added that if the maneuvers within the gulf do end today, the 6th Fleet vessels would remain nearby in the Mediterranean Sea.

(Norman Black, AP)

Fleet May Leave Tomorrow If Not Provoked By Qaddafi

U.S. officials yesterday said the 6th Fleet had proved its right to sail the Gulf of Sidra and the 30-ship naval task force could pull back as early as tomorrow if Col. Qaddafi behaves himself.

"We have demonstrated the right to operate in international waters. We have to do that periodically. We've done that," said Pentagon spokesman Robert Sims.

(Walter Andrews, Washington Times, A1)

LIBYA SEEN LIKELY TO DELAY RESPONSE

TRIPOLI, Libya -- Western diplomats said here today that they expect any terrorist response by Col. Qaddafi to the U.S. attacks on Libyan patrol boats and antiaircraft missile installations to be delayed for weeks and even months, possibly until Americans have relaxed their defenses.

(Christopher Dickey, Washington Post, A23)

U.S. Fears Worldwide Terrorism In Conflict With Gaddafi

With all quiet in the Gulf of Sidra, the United States has expressed fears that the conflict with Libya might switch from the high seas to the shadowy underworld of urban guerrilla warfare.

State Department officials said yesterday Libyan agents were watching U.S. installations abroad and that this might indicate possible attacks on American property and civilians.

Charles Redman said that Libyan surveillance began before this week's naval clashes in the disputed gulf. Embassies and friendly governments were alerted to the danger, and American travelers were advised to take care. (William Scally, Reuter)

Terrorists Trained Abroad Live In U.S., Official Warns

A top Senate official voiced concern yesterday over radicals living in the United States who not only are sympathetic toward Col. Qaddafi but have not been trained abroad in terrorist activity.

Joel Lisker, chief counsel of the Senate Judiciary Subcommittee on Security and Terrorism, said in an interview that some individuals from five "radical entente" countries -- Libya, Syria, Iran, North Korean and Cuba -- left the United States under false documents and returned as trained terrorists. (John McCaslin, Washington Times, A1)

SOME AIRPORTS TIGHTEN UP; OTHERS SAY NO SPECIAL PRECAUTIONS

Extra vigilance is the order of the day at airports from Boston to Los Angeles, but officials at New York and Atlanta airports say security is tight and won't get any tighter for fear of Libyan terrorists.

"We not only have our two eyes open, we've got our hands working, too," said Thomas DiMaria, public safety coordinator at Greater Buffalo (N.Y.) International Airport. (Robert Barr, AP)

DIDN'T VIOLATE '73 ACT, WHITE HOUSE DECLARES

The White House last night told Congress that the military strikes by the U.S. 6th Fleet against Libyan sea and land targets did not require President Reagan to report to the Congress under the 1973 War Powers Resolution.

In a letter to Rep. Dante Fascell, chairman of the House Foreign Affairs Committee, presidential assistant William Ball said, "We disagree with your claim that our actions in the Gulf of Sidra have failed to adequately satisfy the requirements of the War Powers Resolution.

(Thomas Brandt, Washington Times, A5)

TRIPOLI'S REACTION TO WAR CALL: HO-HUM

TRIPOLI -- Blood-curdling posters, warlike slogans and high taxi fares were the only apparent signs of crisis in the Libyan capital yesterday, a city which seemed to be going about its business with hardly a hiccup. (Reuters, Washington Times, A5)

U.S. WANTS SECURITY COUNCIL TO UPHOLD FREEDOM OF NAVIGATION

The United States, presenting itself as the champion of seafaring nations, wants the U.N. Security Council to reaffirm freedom of navigation and to condemn what it views as violations by countries such as Libya.

The Soviet Union on the other hand, is urging the 15-nation council to condemn U.S. "aggression" against Libya in the Gulf of Sidra and to take action to protect Libya's territorial integrity. (O.C. Doelling, AP)

LIBYA CONFRONTATION ROILS SHULTZ'S ATHENS VISIT

ATHENS -- Efforts by Secretary Shultz and the Greek government to move their relationship into "calmer seas" hit heavy weather instead today because of this week's U.S. military action against Libya.

Shultz's effort to get past [Prime Minister] Papandreu's anti-American rhetoric got off to a shaky start. The international relations committee of Papandreu's PASOK party issued a statement today condemning the U.S. military action in Libya as "the armed enforcement of a new Pax Americana" and an "attempt for a holocaust in the Mediterranean."

(Joanne Omang, Washington Post, A25)

U.S. AIDES ENCOURAGED BY ARAB REACTION ON LIBYA

U.S. officials said yesterday that they were encouraged by the relatively subdued nature of Arab reaction to the military confrontation with Libya because the Administration had expected a more vitriolic condemnation of the United States.

"It's still too early to tell, but we feel that the reaction is not nearly as bad as it could have been," said a senior State Department official, who asked not to be identified. (John Goshko, Washington Post, A26)

U.S. AIDES UNCERTAIN ON SIZE OF INCURSION BY NICARAGUA

Reagan Administration officials, while publicly accusing Nicaragua of invading Honduras with 1,500 troops, privately acknowledged yesterday that they are uncertain about the size of the Nicaraguan force and about other details of the headline conflict in Central America.

Questions about the size of the incursion were accompanied by an uncertainty about the sources and reliability of U.S. information, the attitude of the Honduran government and the reasons why the Administration chose to treat it as a major event.

(Don Oberdorfer & Fred Hiatt, Washington Post, A1)

U.S. PILOTS AIRLIFT HONDURANS

TEGUCIGALPA, Honduras -- U.S. military helicopters ferried hundreds of Honduran soldiers today to an area near the Nicaraguan border where Nicaraguan troops entered the country to attack anti-Sandinista rebels, U.S. officials said.

The helicopters landed at least nine miles away from the scene of any combat to avoid placing the approximately 50 U.S. pilots and crew members in danger, the officials said. (Robert McCartney, Washington Post, A1)

U.S. Army Helicopters Carry Hondurans To Border Region

TEGUCIGALPA, Honduras -- Fourteen United States Army helicopters today transported a battalion of Honduran troops close to an area on the border where Nicaraguan Government forces were reported to be fighting anti-Government rebels. (James LeMoyne, New York Times, A1)

SENATORS FAIL TO ACHIEVE CONTRA-AID COMPROMISE

Senate leaders broke off talks yesterday on a bipartisan compromise to aid the rebels fighting the government of Nicaragua, with Democrats saying the White House "torpedoed" a possible agreement and Republicans accusing the Democrats of being inflexible.

Sen. Jim Sasser (D-Tenn) blamed the breakdown on John Poindexter. Poindexter arrived late at a morning congressional negotiating session and stated the Administration's position on the two issues in what Democrats said were unswerving terms. (Milton Coleman, Washington Post, A8)

Senate A Little Shaky On Contra Aid

Republicans in the Senate saw their hopes dwindling for easy passage of a \$100 million aid package for the Nicaraguan Contra rebels, bogged down in a dispute between Democratic leaders and the Administration.

The Senate planned a final vote today on President Reagan's aid request, but it appeared Republican leader Robert Dole's early confidence that the request would attract 70 or 80 votes had evaporated.

(Michael Myers, UPI)

Senate Talks Collapse On Contra Aid Compromise

The Senate was set to act today on President Reagan's \$100 million aid request for Nicaraguan rebels after a 24-hour delay and the collapse of negotiations aimed at reaching a bipartisan compromise.

Talks between the Republican majority and the Democratic minority broke down yesterday amid Democratic charges the White House had "hardened its attitude" and "torpedoed" a possible agreement.

(Carol Giacomo, Reuter)

Senators Work Late Preparing For Contra Aid Vote

Efforts to reach a bipartisan accord on aid to the Nicaraguan resistance collapsed late yesterday, forcing the Senate to postpone debate on the Administration proposal that has bitterly divided Congress.

Senate leaders were meeting privately late last night in hopes of reaching a last-minute compromise, before the Senate early today begins consideration of the \$100 million aid package for the rebels fighting Nicaragua's Marxist Sandinista Regime.

(Christopher Simpson, Washington Times, A1)

HONDURANS WERE HESITANT TO SEEK U.S. AID

Pressure and reassurances were needed before Honduras would agree to ask the United States for emergency aid against an armed Nicaraguan incursion, senior Administration officials said yesterday.

Honduran reluctance was only overcome late Monday after long negotiations involving President Jose Azcona Hoyo, his military commanders and Elliot Abrams, officials said. (Stephens Broening, Baltimore Sun, A1)

REAGAN HEADS FOR RANCH WHILE CONTINUING CONTRA AID, BALANCED BUDGET BATTLES

President Reagan was still jousting with Congress over his Central American policy and a balanced-budget amendment as he prepared for a 10-day vacation at his California "Ranch in the Sky."

On his way to the ranch north of Santa Barbara the President was stopping off in New Orleans to do his bit in helping Republicans retain control of the Senate. (Dale Nelson, AP)

NICARAGUANS REPORTED PINNED DOWN IN HONDURAS

Reagan Administration officials said yesterday that a Nicaraguan battalion of about 300 troops remained pinned down inside Honduras, and a senior adviser said this was "an advertisement" of the aggressive military intentions of Nicaragua on the eve of a Senate vote on a \$100 million aid package for the anti-Sandinista rebels.

Larry Speakes said that "contrary to statements made by Nicaraguan emissaries in several locations, it now appears that as many as 300 Sandinista troops are blocked in Honduras and unable to extricate themselves."

Administration efforts to extract some advantage from the Sandinista incursion came on a day when the mood at the White House changed from optimism to uncertainty about the prospects of the contra aid package. It also produced recriminations at White House briefings, where a senior Administration official accused reporters of omitting facts from their stories in a manner that favors the Sandinista government.

(Lou Cannon, Washington Post, A8)

Sandinista Forces Defeated; Only 300 Still In Honduras

Two Nicaraguan battalions that invaded Honduras retreated in disarray yesterday after five days of fighting with anti-Sandinista rebels, and U.S. diplomatic sources said fewer than 300 stragglers remained on Honduran soil.

An embassy source in the Honduran capital of Tegucigalpa reported the Nicaraguans had "lost their integrity" -- military jargon for a defeat -- suffering 200 dead and losing large quantities of documents and military equipment. (Roger Fontaine, Washington Times, A1)

WHITE HOUSE WAS OUT FRONT WITH NEWS OF SANDINISTA INCURSION INTO HONDURAS

"You can't cover the war from the White House," Larry Speakes told reporters as they peppered him with questions about Nicaragua's reported attack across the Honduran border.

That statement is evident, but this was a fight that might not have been noticed -- much less netted \$20 million in U.S. military aid to repel the attackers -- had it not been for the bully pulpit in the White House press briefing room. The White House, in fact, was the principal sources of information about the conflict this week.

(Michael Putzel, News Analysis, AP)

GORBACHEV CALLS FOR U.S.-SOVIET NAVAL PULLOUT

MOSCOW -- Mikhail Gorbachev, assailing U.S. actions against Libya as "an encroachment," today proposed the withdrawal of all Soviet and American military fleets from the Mediterranean, according to the official Soviet news agency Tass.

Gorbachev pledged that the Soviet Union would remove its naval fleet from the Mediterranean region at the same time the U.S. 6th Fleet pulled out, according to Tass.

(Gary Lee, Washington Post, A28)

Gorbachev: U.S., Soviets Should Pull Fleets From Mediterranean

MOSCOW -- Mikhail Gorbachev, accusing the United States of waging a planned "punitive" attack against Libya, has proposed that Moscow and Washington remove their fleets from the Mediterranean.

"The United States is not stinting words in justifying that act of aggression," he said Wednesday about this week's U.S.-Libyan clashes in the Gulf of Sidra. "Facts irrefutably show, however, that it is not an unexpected incident but a punitive operation conceived and planned in advance."

(Anna Christensen, UPI)

U.S. MAY ANSWER SOVIET SALT "VIOLATIONS" IN KIND

Kenneth Adelman, a top arms control official, said yesterday that the Administration was considering allowing the U.S. missile-carrying submarine fleet to expand beyond arms agreement limits as a response to Soviet "violations."

Other government sources said a national security planning group met Tuesday at the White House to study a range of possible responses to what were regarded as continuing Soviet violations of the ratified 1979 SALT II.

(Charles Corddry, Baltimore Sun, A1)

SHULTZ PREPARES FOR KEY TALKS IN GREECE AS THOUSANDS PROTEST

ATHENS, Greece -- Secretary Shultz holds key talks with Prime Minister Papandreou today after massive street protests against his visit and a mixture of kind and harsh words from Greece's ruling Socialists.

Shultz has said he will press Papandreou to clarify the future of American bases after hints by the Greek leader that he will back down on a pledge to shut them by 1990.

(Bruce Clark, Reuter)

U.S. ATTORNEY GENERAL FINDS PAKISTAN FIRM FIGHTING DRUGS

ISLAMABAD, Pakistan -- Attorney General Meese has expressed satisfaction with the response from Pakistan on fighting the drug traffic to the West.

Meese held a news conference last night after a two-day visit aimed at underlining U.S. support for Pakistan's opposition to the Soviet military presence in neighboring Afghanistan and its fight against drugs.

(Raja Asghar, Reuter)

BONN, U.S. IN ACCORD IN SDI RESEARCH PACT

After prolonged negotiations West Germany and the United States have reached accord on Bonn's role in research for President Reagan's "star wars" space defense program.

The Pentagon said, "Things are close to being ironed out, and there is a good possibility that we will have something [today]."

(Reuter story, Washington Times, A4)

EMBASSY SECURITY PROPOSAL CRITICIZED

Critics of an Administration plan to spend \$4.4 billion to upgrade security at U.S. embassies say the program is unmanageable and will still leave American installations abroad vulnerable to terrorist attacks.

"They [the State Department] don't know how to spend what they've got now," said one Reagan Administration official. "The folks don't handle money like you would at home." (Warren Strobel, Washington Times, A5)

EDITOR'S NOTE: "Soviet Missiles 'Capable'" by Karen DeYoung appears on page A1 of the Washington Post.

"Envoys Speculate On Likelihood Of Soviet Losses" by Christopher Dickey appears on page A27 of the Washington Post.

"Clash Has Embarrassed Moderate Arabs," News Analysis by Jonathan Randal, appears on page A28 of the Washington Post.

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NATIONAL NEWS

REGAN HINTS VOLCKER MAY GET THIRD TERM AS FED CHAIRMAN

Chief of Staff Regan said yesterday that the Administration wants Fed Chairman Paul Volcker to stay in his job through the end of his term in August 1987, and raised the possibility that he might be asked to serve another term.

In what appeared to be an effort to calm fears that there is serious discord in the nation's central bank, or wide policy disagreements between the Fed and the White House, Regan said that the views of Volcker and President Reagan on basic monetary issues are not "that far off."

(Hobart Rowan, Washington Post, A1)

U.S. SUES GENERAL DYNAMICS OVER DIVAD GUN CHARGES

The Justice Department sued General Dynamics Corp. yesterday, alleging that the company mischarged the government an undetermined amount on a \$41 million contract to build a prototype of the Divad antiaircraft gun.

The civil suit, filed in U.S. District Court in Los Angeles, grew out of a U.S. investigation that led to the indictment in December of General Dynamics and four current or former executives in connection with the Division Air Defense gun, also known as the Sgt. York.

(AP story, Washington Post, A5)

\$750 MILLION IN EXTRA FARM LENDING AID STARTING TO SHRINK

The Farmers Home Administration, under pressure to provide more loan money to help farmers through spring planting, has used up about a sixth of the additional \$750 million that President Reagan released for loans two weeks ago.

FmHA administrator Vance Clark said that about 15 states that ran out of direct operating loan allocations have tapped the new fund for \$123 million. Other states are expected to seek aid as the planting season moves north and demand for financing intensifies.

(Ward Sinclair, Washington Post, A11)

MISSOURIAN TO BE NAMED TO USDA NO. 2 POST

Peter Myers, an Agriculture Department administrator since 1982, will be named the second in command at the agency, congressional sources said.

Myers, assistant secretary for natural resources and environment since last May, will move up to deputy secretary of agriculture and fill an opening created last month when John Norton left the job, the sources said Wednesday.

(Barry Massey, AP)

EDITOR'S NOTE: "Crimson Over Meese" by Howard Kurtz appears on page D1 of the Washington Post.

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NEWS FROM THE STATES

MEDITERRANEAN SKIRMISH LIKELY TO HELP KHADAFY

GALESBURG, Ill. (UPI) -- A Knox College political scientist said Tuesday Moammar Khadafy likely will be the ultimate winner politically in the latest confrontation between American and Libyan forces around the Gulf of Sidra. "I think if we are trying to undermine Mr. Khadafy, this is not the way to do it," said Robert Siebert, a professor of political science who co-authored a textbook in 1982 entitled 'Politics and Change in the Middle East.'

"In fact, this is a good way to generate pretty widespread support for him," said Siebert. "There isn't a small country anywhere in the world that is comfortable about setting a precedent of superpowers coming in and beating up on them, regardless of what the provocations are presumed to be. So he's going to be able to milk this pretty substantially if it ends at the kind of level of conflict that it's at now."

U.T. EXPERTS CRITICIZE U.S. ACTION IN LIBYA

AUSTIN, Texas (UPI) -- The military confrontation between the United States and Libya will only enhance Libyan leader Col. Moammar Khadafy's international appeal, according to Middle East experts at the University of Texas. "Mr. Reagan is, in some ways, Khadafy's best" public relations man, said James Bill, a government professor and specialist on Middle Eastern affairs. "Confrontation converts a man who is relatively insignificant on the world stage suddenly into a major actor," he said. "It makes the man appear much bigger and more important than he is." Robert Fernea, a professor of anthropology at UT's Center for Middle Eastern Studies, agreed.

Fernea said the attacks by U.S. warplanes on Libyan military targets might be linked to President Reagan's push for military aid to the Nicaraguan contra rebels. "I look on it as a political act entirely," he said. "It's pure Reaganism to me. I read it as being connected to the contra issue in Congress. It will make the vote next time around take place in a greater sense of urgency. Since Ronald Reagan took over as president there's been a pattern of doing this," said Bill.

CALIFORNIANS PICKET FOR, AGAINST REAGAN'S LIBYAN ACTIONS

FRESNO (UPI) -- Rival groups picketed together outside the federal building in Fresno Tuesday, one group supporting President Reagan and the Sixth Fleet's operations near Libya and the other charging the President was provoking Libyan President Moammar Khadafy. There was no violence between members of the Women's International League for Peace and Freedom and the group sponsored by the American Legion, but there were angry words.

The women's group carried picket signs denouncing the Sixth fleet's war exercises off the coast of Libya and the other group carried American flags and signs saying they supported Reagan and the right of the United States to conduct the war games.

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DE CUELLAR L.A. VISIT CUT SHORT BY LIBYA TROUBLES

LOS ANGELES (UPI) -- Javier Perez de Cuellar, Secretary-General of the United Nations, cut short his California visit Tuesday to return to New York to help ease tension brought on by the Libyan crisis in the Gulf of Sidra. Neither Libya nor the United States requested a Security Council meeting, but Perez de Cuellar said Libya and the United States sent him letters outlining their disparate versions of the hostilities. "For the Soviets, it's a provocation and for the Americans, they were exercising their rights to act in international waters," he said.

In a letter to the Security Council, U.S. Ambassador Vernon Walters said, "The United States government protests the unjustified attacks against American naval units operating in or above international waters." Soviet deputy chief of mission, Ambassador Vasiliy Safronchuk, fired back at a news conference that "nobody asked the United States to police international waters. This is a sheer act of war," he said. A letter to Perez de Cuellar from the Libyan foreign ministry said, "Libya, therefore, has no other choice in protecting its security and integrity than to resort to its own strength," the letter said.

OHIO OFFICIALS SUPPORT REAGAN'S LIBYAN ACTION

DAYTON (UPI) -- Most Ohio congressmen are pointing to Col. Khadafy as the antagonist in this week's U.S. attack on Libyan targets; however, some lawmakers are questioning whether President Reagan was provoking a fight. Democratic Rep. Don Pease of Oberlin said the United States certainly knew how Khadafy was going to respond to warplanes crossing over that line and he questioned whether the U.S. was deliberately antagonizing the Libyan leader. "The question is why we should pick this particular time to prove a point. It looks as if President Reagan is just spoiling for a fight," said Pease.

Democratic Rep. Louis Stokes also questioned whether the U.S. was within its rights. Republican Rep. Robert McEwen said he is backing the President 100 percent in this incident and that there was "clearly hostile intent" on Khadafy's part. Echoing McEwen was his Republican colleague Thomas Kindness. Democratic Rep. James Traficant said U.S. warplanes had every right to fly within the 125-mile line. Also backing the president was Republican Rep. Willis Gradison of Cincinnati. Ohio Senators Glenn and Metzenbaum were in agreement regarding the incident.

LIBYA HURT MOST, PROF SAYS

EAST LANSING, Mich. (UPI) -- A Michigan State University specialist in military affairs said the interchange of missile fire between Libya and the United States will hurt the Libyans most. "I think that sending ships into the Gulf of Sidra should be regarded as a reasonable, routine act by the U.S. government," political science professor David Rohde said today. "Khadafy claims a water limit that we regard as unreasonable and to demonstrate that we don't accept it, we periodically have to sail across it and that's what we did." Rohde said hostilities may escalate "but whatever happens, Libyan will get the worst of it."

NETWORK NEWS SUMMARY

(Wednesday Evening, March 26, 1986)

LIBYA

CBS's Dan Rather: Off the coast of Libya, tension but no shooting today. Muommar Kaddafi turned up his calls for suicide attacks on Americans everywhere.

CBS's David Martin reports from Libya that pictures of a Libyan patrol boat on fire in the Gulf of Sidra were released today by the Sixth Fleet. The first hard evidence of the damage Navy jets have done with their missiles. Lifeboats can be seen as survivors scramble to escape the burning vessel, one of several which ventured out toward the American fleet.

(Admiral Kelso: "We were not going to permit them to attack our forces, and there are very definitely severely damaged patrol boats, and we're continuing to evaluate the others. We certainly did nothing to provoke an action. There was no American ship or plane within 60 miles of the Libyan international waters that are recognized by most of the world when that firing took place.")

The U.S. does not have the Mediterranean to itself. Soviet ships continue to monitor the exercise, but Pentagon officials say there is no evidence the Russians are passing intelligence to their Libyan clients. In Moscow, Gorbachev tried to score a few propaganda points in a meeting with the President of Algeria by accusing the U.S. of aggression, and calling for immediate negotiations on the withdrawal of both the American and Russian navies from the Mediterranean. A State Department official called the proposal "absurd." The biggest danger to Americans is not at sea, but on land.

(State Department spokesman Charles Redman: "We are aware that agents of the Libyan government have been conducting surveillance operations against a number of American installations and interests around the world. This could mean that Americans are targeted for attacks in the future.")

Pentagon officials say the operation could end as soon as tomorrow. But the American fleet is expected to remain in the general area for at least a few more days.

Rather: I asked Doug Tunnell in Tripoli if the Libyan people see Kaddafi as the winner or loser in this recent fighting.

Tunnell reports that it's looking very much like Kaddafi could still come out a winner. What America has done has given them a common enemy today, a repeated warning, another call to Arabs to launch suicide strikes against American targets. Both on embassies and businesses in the Middle East. And from Damascus today, at least one Palestinian group has agreed to comply.

Rather: Tom Fenton reports tonight that many Americans abroad are taking the new Libyan threat seriously, but many wonder how or if they can protect themselves.

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CBS's Tom Fenton reports that in Damascus today, Abu Nidal, the Palestinian terrorist closely linked with Col. Kaddafi, issued this threat: "Anything American has from now on become a target for armed revolutionaries." In Beirut today, a car bomb killed 8 innocent Lebanese and wounded 80. Such events are routine in Lebanon, but the mind that could create such carnage is the type of mentality that threatens potential victims everywhere.

Rather: The Reagan Administration today officially notified Congress that, in its view, the Gulf of Sidra operations do not require invocation of the 1973 War Powers Act. That act seeks to require a president to notify Congress within 48 hours if and when U.S. forces are put in danger of hostile fire. (CBS-Lead)

ABC's Steve Shepard reports that a Navy photo shows a Soviet-built Libyan-owned (gunboat), attacked by U.S. planes off of Benghazi early Tuesday morning EST. (TV: Photo of burning Libyan ship.) (Admiral Kelso: "We were not going to permit them to attack our forces. One of my major responsibilities is to protect the American kids that operate these ships and fly these airplanes.") Today, U.S. flight operations continue off of the coast of Libya. But there has been no hostile action for more than two days. Unless Libya attacks again, U.S. Naval exercises are close to winding down. The Sixth Fleet could be headed back to port as early as tomorrow. (ABC-2)

NBC's Tom Brokaw: Kaddafi warned today that American targets all over the world now would be fair game for retaliation, because of the U.S. military strikes in the Gulf of Sidra. In the Gulf of Sidra today, U.S. warships and jet fighters operated without incident, and NBC's Fred Francis reports from the Pentagon tonight this has prompted an American claim of victory.

NBC's Fred Francis reports that the carrier Saratoga and the rest of the Sixth Fleet have not been challenged for almost two days. And Defense officials tell NBC News that the battle for the right of passage in the Gulf of Sidra is over. Officials say the fleet, which continued its air operations today, will withdraw by Friday if Kaddafi does not unleash his ships or planes or missile batteries. The navy released pictures of a Soviet-built vessel, one of four lost in the gulf fighting. It is estimated by Defense officials that as many 200 Libyans have died since Monday. The man in charge of the three-carrier battle group, Vice Admiral Frank Kelso, told reporters today that his fleet wasn't looking for a fight. There is a real concern in Washington that Kaddafi might lash out with terrorist attacks against American targets. In fact, Administration sources say that one of the reasons the President sent the fleet to Libya was because of intelligence reports that Kaddafi had planned terrorist attacks against American diplomats. There is no indication tonight that the presence of the Sixth Fleet has changed Kaddafi's mind.

ABC NEWS POLL

Jennings: Last night, we surveyed more than 500 people by telephone. In addition, ABC News' Bill Blakemore has found some pretty strong opinions on the street.

ABC's Bill Blakemore reports that the national flurry of reaction to our clash with Libya was found by the nationwide ABC News poll to contain some very clear patterns. Two-thirds of Americans approved of Ronald Reagan's handling of the conflict, and think the level of America's military toughness has been just about right.

APPROVE: 66%

DISAPPROVE: 23%

NO OPINION: 11%

HOW TOUGH WAS REAGAN?

JUST ABOUT RIGHT: 67%

NOT TOUGH ENOUGH: 12%

TOO TOUGH: 16%

NO OPINION: 5%

SHOULD THE U.S. TEACH KADDAFI MORE OF A LESSON, EVEN
IF IT MEANS RISKING A LARGER WAR WITH LIBYA?

YES: 39%

NO: 57%

DID REAGAN PROVOKE KADDAFI?

WILL THIS ACTION PROVOKE
MORE FUTURE TERRORISM?

YES: 27%

YES: 10%

NO: 66%

NO: 45%

NO OPINION: 7%

NO CHANGE: 39%

NO OPINION: 5%

Margin of Error: +/- = 5%

(ABC-5)

GORBACHEV ON LIBYAN ACTION

Brokaw: Gorbachev, in his first public comment on the Gulf of Sidra fighting, said today, "It showed the imperial bandit face of the U.S." He offered to withdraw the Soviet fleet from the Mediterranean if the U.S. would do the same thing. (NBC-4)

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Jennings reports that Mikhail Gorbachev weighed in today on the U.S./Libyan dispute. Gorbachev said in the past few days that America has shown "its imperial bandit face." Mr. Gorbachev also had a proposal for opening talks on withdrawing all American and Soviet Naval ships from the Mediterranean. (ABC-2; CBS-1)

CENTRAL AMERICA

Rather: In Central America, some of the latest U.S. military aid is now being hand-delivered by U.S. military personnel. U.S. military helicopters piloted by U.S. military crews spent the day ferrying Honduran soldiers to the frontier of Nicaragua, a remote Honduran province where a much talked-about, but not at all seen major Nicaraguan troop incursion or invasion is supposedly in progress. In Washington, President Reagan's forces rushed to the front lines in Congress, where the Senate is now nearing a vote on military aid for the contras fighting Nicaragua's government.

CBS's Richard Schlessinger reports from Honduras that at daybreak, U.S. pilots started ferrying Honduran soldiers to the remote border area, where remnants of a Sandinista force are reportedly isolated, and trying to escape back into Nicaragua. 14 American helicopters are being used to move between five and six hundred Honduran troops to the mountain jungles east of the capital. American officials say the helicopters will stay about ten miles away from any fighting. Informed sources say three battalions of Nicaraguan troops tried four times on Sunday to overrun the main rebel camp, about 15 miles inside Honduras. They did not succeed, and about 2,000 U.S.-backed contra rebels cut off their retreat. Some prisoners were taken, and Honduran authorities showed two of them to the news media. There have been at least 35 Nicaraguan attacks across the Honduran border in the past two years. The one this week was by far the largest. The Reagan Administration says the Sandinistas tried to mount an all-out invasion, but the Honduran Foreign Minister stops far short of that. He says only the Nicaraguans defied his government demand that Sandinista soldiers stay out of Honduras. (Carlos Lopez Conteras: "This incursion does not represent a major threat to the security of Honduras.")

Lopez worries that the use of American helicopters will drag Honduras into the middle of an American political debate, over the Administration's \$100 million aid package for the contras. Washington's version of what is happening here, says Lopez, could be exaggerated by highly partisan politicians.

CBS's Phil Jones reports that as the Senate debate on aid to the contras began, the Reagan Administration was emphasizing the urgency of the fighting in Honduras. Spokesman Larry Speakes read a letter from the Honduran President, received yesterday, stating:

"My government has confirmed the presence of Sandinista armed forces on Honduran territory."

Jones continues:

Officials were clearly irritated by suggestions of exaggeration. (State Department's Redman: "The government of Honduras ought to know whether its national sovereignty has been violated, whether it is under attack by the Sandinista army. It has so said.") (Sen. Kennedy: "This Administration has done best when they have played the statesman and not when they have played 'Rambo.' And this Administration is playing 'Rambo' in Nicaragua.") Even before the debate began today, Democrats accused the Administration of torpedoing a compromise. A compromise that called for face-to-face negotiations with the Sandinistas, and a second congressional vote on military aid that could not be vetoed by the President. On the Senate floor, the debate was mostly along party lines. It appears the Administration has enough votes to get its contra aid package through the Senate. But it is going to be close, and it will not be the strong, bipartisan message that Republican leaders had hoped to send the Sandinistas. (CBS-3)

ABC's Peter Collins reports U.S. Army helicopters were airborne today, carrying Honduran troops toward the Nicaraguan border and a possible confrontation with Sandinista forces. It all had the ominous look and sound of war, but the fighting of the past few days is already dying down. The contras are claiming to have routed the Sandinistas, killing 200 while losing 40 men of their own. American officials here have expressed amazement that the Sandinistas would hand President Reagan this kind of propaganda coup. But they're moving quickly to take advantage of it.

ABC's Sam Donaldson: Reagan Administration officials, beginning with Press Secretary Larry Speakes, bridled today at suggestions today they are hyping the Honduran situation for purposes of the contra aid battle on Capitol Hill. Speakes read the formal letter from Honduran President Escona, requesting "urgent military assistance to repel a Sandinista presence in flagrant violation of our sovereignty." Speakes said he couldn't explain why some Honduran officials continue to minimize reports of an invasion. But a senior White House official quoted by a rule of anonymity said they are very goosey in Tugusigalpa about acknowledging the presence of contras on their territory. And as to the conflicting reports as to how many Sandinistas are actually on Honduran territory, and how much fighting is actually going on, the State Department spokesman handled the numbers question this way:

(Redman: "If you want to quibble whether it's 1450 or 1120 or 1760 -- all I am saying is that there is a battle going on, the situation is tense, there are sizable numbers of Nicaraguans there under any circumstance.")

Not everyone in Congress was convinced.

(Sen. Sasser: "Without question, there's an enormous offensive underway. What we're not sure of is whether it's a public relations offensive by the Administration to get aid for the contras or whether there's a military offensive by the Nicaraguans. I think the answer to that question is in doubt.")

The doubts weren't helped by word that in the middle of all this, Honduran President Escona went off on vacation. But then, it seems only fair: the Gulf of Sidra notwithstanding, President Reagan leaves on his tomorrow morning.

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Jennings: Which means that the President will be out of town by the time the Senate gets to voting on aid for the Nicaraguan contras. Ever since last week's 'no' vote in the House, the Reagan Administration has been looking forward to -- and perhaps counting on a win in the Senate -- where the Republicans have the majority. Debate began today. But even in the Senate, the President is running into some difficulties.

ABC's Brit Hume: Republican leaders expected to prevail, but kept trying in talks with Democrats today to win more of them over. It wasn't easy. The President sent National Security Advisor Poindexter with word he would not agree to a requirement Congress approve this aid twice, and would not agree to talks that exclude the contras. One Democrat said Poindexter --

(Sen. Sasser: "Steamed in to the Majority Leader's office, at flank speed, torpedoed the negotiations without even a warning shot across the bow.")

Republican leaders denied that, but admitted they were worried.

(Sen. Lugar: "I think it will be possible to pass it, but I think it will be very close, and my guess is that we have 51 votes. I hope we have that many.")

So debate began on \$100 million on military and other aid to the contras. There would be a joint commission named by the President and Congress to oversee efforts to negotiate, but with no power to stop the aid. The floor debate and remarks outside reflected deep division over this issue.

(Sen. Kennedy: "This Administration has done best when its played a statesman and not played 'Rambo.' This Administration is playing 'Rambo' in Nicaragua, and the American people want it to halt.")

(Sen. Gramm: "We are faced with a new problem; a new reality: a communist foothold on the mainland of the Americas. And we need a bipartisan consensus to deal with that problem.")

So does the Administration. That's the reason for today's talks, but this evening they were still going, and Presidential aide Poindexter was still here. (ABC-Lead)

NBC's Tom Brokaw: There is a confusing situation in Central America tonight, but the Administration continues to insist that a large number of Nicaraguan Sandinista soldiers are trapped in Honduras, and that the fighting still is going on. Nicaragua denies that, and even some American Defense Department officials are skeptical about the size of the Sandinista force. The White House sees this as a very serious situation.

ABC's Jim Miklaszewski reports that the Administration says that 1500 Sandinista soldiers crossed the border into Honduras in a major invasion that began Saturday night, and on Sunday staged four assaults on at least one, perhaps two, contra camps.

(TV: Sandinista raiding force marching.)

But the contras repelled the attacks, and forced the Nicaraguans to retreat. But informed sources, both in the Pentagon and in Honduras, dispute a major part of the Administration version. Those sources say that the initial Sandinista force was actually about 600. Just slightly larger than raiding parties which had struck at contra camps in the past.

Miklaszewski continues:

Honduras reports there have been some 60 such raids in the past three years. Military sources say intelligence from Honduras just does not support the 1500 troops the Administration reports. White House spokesman Larry Speakes stood by the Administration accounts, saying, "these are the facts. Whatever they said is not the facts. Sorry." The State Department suggested that numbers are not important.

(Redman: "If you want to quibble whether it's 1450 or 1120 or 1760, all I'm saying is that there is a battle going on.")

Some members of Congress disagree. Former ambassador Robert White, a frequent critic of Administration policies in Central America, says there's just no proof to the Administration's claims. Some members of Congress suggest the Administration figures were hyped, to influence upcoming votes on contra aid, and say if that's the case, it raises questions about more than just the accuracy of Administration intelligence reports.

ABC's Robin Lloyd reports more than a dozen U.S. helicopters, flown by American military pilots, loaded up 500 to 600 Honduran soldiers, taking them into a remote mountainous area near the Nicaraguan border.

(TV: U.S. soldiers assisting Honduran soldiers.)

Even Honduran government spokesmen were keeping a low profile, giving no explanation why the U.S., not Honduras, made the first announcement. Honduras confirmed the Sandinista attack, only after a visit yesterday by the top U.S. military official in the region, General John Galvin. Some Hondurans are now suggesting that the U.S. pressured the Honduran government to call for American help. But another explanation was that the Honduran government was seeking to avoid controversy. But tonight, as the airlift continues, the Hondurans appear to be taking yet another step toward the U.S. side in the Central American conflict.

Brokaw: reports that NBC's Dennis Murphy is in Managua, Nicaragua tonight, where the Sandinista government continues to deny that they have any troops involved in Honduras at all. By the way, that \$20 million the President sent Honduras to deal with the reports of the Sandinistas -- that \$20 million is in addition to another \$450 million that in military aid the Reagan Administration has sent the tiny Central American country in the last five years. And in the U.S. Senate this evening, the President's request for \$100 million in additional aid to the contras is expected to pass after some bitter debate. That was true even before this latest report of the Sandinista invasion. Sen. Dole acknowledged today that that helped the President's cause. Referring to the Sandinistas, Dole said, "I hope they don't pull out while we're debating this.!" (NBC-Lead)

CHALLENGER REMAINS

Brokaw: reports that the waiting is over tonight for most of the families of the seven Challenger astronauts. Their loved ones now have been identified, and funeral arrangements are underway. (NBC-6)

COMMENTARY

NBC's John Chancellor: Daniel Ortega is on his way to winning this year's award for dumb timing. Which is interesting, because Ortega won last year's award for dumb timing.... Just a few days ago, the House voted against aid to the contras, and the Senate is to vote this week. The Nicaraguan invasion of a neighboring country could produce votes in both Houses to help the contras.... The Congress is again outraged, the House of Representatives again embarrassed. Speaker O'Neill says Ortega is a bumbling, incompetent communist. After last year's dumb timing, the Congress voted some money for the contras. If the timing this year is as it looks, the contras may get their money again. (NEC-9)

Editor's Note: ABC's Richard Threlkeld filed a 'status report' on Kaddafi's reign in Libya, which included film of the Libyan leader and his ways. (ABC-6)

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EDITORIALS/COLUMNISTS

LIBYA

The Stakes In The Sidra Gulf -- "If anyone in the world had it coming, Moammar Khadafy did.... But there you have to feel a little uncomfortable about the Administration's judgment, too. The first time the Navy's jets fired on Libyan ships and a coastal radar installation, it made a point. Continuing to pound away starts to look like taunting a madman. And it is hard to justify that as a foreign policy imperative."

(Chicago Tribune, 3/26)

Crossing The 'Line Of Death' -- "A great seafaring nation like the United States has much at stake globally in asserting the right of peaceful transit beyond the 12-mile limit. A great status quo power like the United States must take the lead, if no others will, in dealing with rogue regimes that sponsor and encourage terrorism.... We must not surrender to the apostles of hate and outlawry. It is this nation's painful mission to uphold international law and order even when others cower."

(Baltimore Sun, 3/26)

Why's The U.S. Fighting? A Burden Of Leadership -- "Like it or not, invite or not -- the U.S. is the dominant moral force on Earth today. That's not a job anybody goes out looking for, but it carries burdens that are hard to escape.... That's what the U.S. is proving in the Mediterranean right now. It's tough and risky. But it's overdue -- and dead right."

(New York Daily News, 3/26)

Might On Behalf Of Right In The Gulf Of Sidra... -- "Washington behaved with impeccable respect for international law, even while acting against the world's most ostentatious outlaw. There was a principle at stake - freedom of navigation."

(New York Post, 3/26)

Right Goal, Doubtful Strategy -- "The issue of navigation in the Gulf of Sidra offered a tempting hook for America to grab - aided by Col. Khadafy's eagerness to bite - in dealing with a problem that torments the Administration. The goals are right: to find ways to dry up state support for terrorism and to encourage Arab and Libyan opposition to Col. Khadafy. Unfortunately the risky strategy being tried in the Gulf of Sidra could produce the opposite results from those intended."

(Philadelphia Inquirer, 3/26)

The Sidra Turkey Shoot -- "Col. Quaddafi is not simply another sun-crazed lunatic. He is a client and trusted ally of the Soviet Union, using the wealth from Libya's low-sulfur oil to buy up all the Soviet hardware he can get. Moscow is always happy to oblige, but the material comes with strings. Substantial help from his Soviet patrons and their East European puppets has turned Libya into a staging area for terrorism, and that is what the Sidra turkey shoot is all about. Col. Qaddafi may have drawn an imaginary line across the Gulf of Sidra, but the United States has drawn the line on state-sponsored terrorism."

(Washington Times, 3/26)

LIBYA (continued)

USA Made Its Point; Don't Provoke A War -- "Our nation must continue to fight terrorism. We must capture terrorists and bring them to justice. We must isolate international outlaws like Khaddafy from the world community. And we must use force in self-defense when terrorists are about to strike or missiles are about to be launched. The USA has made the point: We are not afraid to fight for freedom of the high seas. Now we should declare victory and take one step back. We accepted a bully's challenge, and blood was shed. That's enough. Both sides now should show restraint.... This tussle must stop before the bully draws the rest of the schoolyard into the battle. We must not let Kadafy lure us to the brink of war with his 'Line of Death.'" (USA Today, 3/26)

In Self-Defense -- "Khaddafy is capable of almost any irrational action you can think up. For the short run, let's just say, hooray for the U.S. Navy. What it has done to the Libyan armed forces -- and to Col. Khaddafy's vanity -- is a lot less than they deserve." (Dallas Morning News, 3/26)

NICARAGUA

The Sandinistas' Invasion Is As Bad As The Contras' -- "The Nicaraguan-contra clash on Honduran soil is the almost inevitable outcome of Mr. Reagan's policy of relying mainly on military force to deal with the Sandinista problem. With the contras based in neighboring Central American nations and unable to establish themselves in Nicaragua, it was only a matter of time until the fighting expanded into a regional conflict. This expansion serves warning of what lies ahead if the United States focuses its hopes solely on ousting the Sandinistas militarily. Force without diplomacy threatens all Central America with the turmoil that Honduras now fears." (Philadelphia Inquirer, 3/26)

...While Congress' Lack Of Will Brings Danger Closer To Home -- "It must be made clear to Managua that the U.S. recognizes the difference between peace negotiations and military adventurism. And that the latter will not be tolerated. There's another issue at stake here -- a matter of pragmatism, not just principle. Again, Washington must aid the Nicaraguan freedom fighters now -- while there are still Nicaraguan freedom fighters to aid." (New York Post, 3/26)

Nicaragua On The March -- "Daniel Ortega's trip to Moscow was enough to change last year's vote on humanitarian aid. His invasion of Honduras should be met with an infusion of military support for the resistance. President Reagan, in fact, should call for more military aid than his original \$70 million. Let the Democrats, before the backdrop of Nicaragua on the march, deny him again." (Washington Times, 3/26)



News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, MARCH 27, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Says It May Limit Maneuvers If Libya Stops Armed Resistance -- Reagan Administration officials said today that United States flight and naval operations in disputed waters near Libya may end before the scheduled conclusion on April 1 provided that Libya did not resume armed opposition to the American maneuvers.

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

U.S. Army Copters Carry Hondurans To Border Region -- Fourteen United States Army helicopters today transported a battalion of Honduran troops close to an area on the border where Nicaraguan Government forces were reported to be fighting anti-Government rebels.

(Washington Post, New York Times)

NATIONAL NEWS

Regan Hints Volcker May Get Third Term As Fed Chairman -- Chief of Staff Regan said yesterday that the Administration wants Fed Chairman Paul Volcker to stay in his job through the end of his term in August 1987, and raised the possibility that he might be asked to serve another term.

(Washington Post)

NETWORK NEWS (Wednesday Evening)

LIBYA -- Off the coast of Libya, no shooting, but Kaddafi turned up his calls for suicide attacks on Americans everywhere.

ABC POLL -- Most Americans feel America's toughness has been just about right.

HONDURAS -- U.S. pilots started ferrying Honduran soldiers to a remote border area, where remnants of a Sandinista force are reportedly isolated.

'Best Regards'

THE WASHINGTON POST

The following message was sent on commercial teletype Monday at 10 a.m. EST, several hours after U.S. ships first crossed the "line of death" and two hours after U.S. planes were fired upon:

From Commander in Chief of the Libyan Arab Air Force
To Commander of Sixth Fleet

Unless the aggressive acts are stopped against Jamahiriya [Libya] we are bound to destroy the CV [aircraft] carriers /Stop/ In doing that will have the political and military support of the world states /Stop/ Maintain in peace you will leave in peace /Stop/ Best regards

INTERNATIONAL NEWS

NAVY PREPARES TO LEAVE GULF; QADDAFI PLANS SEA MANEUVERS

Navy warships last night prepared to leave the Gulf of Sidra after steaming closer to Libya's territorial waters, while Col. Qaddafi announced intentions to demonstrate his own naval firepower elsewhere in the Mediterranean.

The Libyan government, according to maritime sources, telephoned shipping agents around the world yesterday to warn that Libyan warships planned target practice today in the area 100 miles north of Tripoli, far to the northwest of the contested Gulf of Sidra where American and Libyan forces have exchanged missile fire this week.

(George Wilson, Washington Post, A1)

U.S. Says It May Limit Maneuvers If Libya Stops Armed Resistance

Reagan Administration officials said today that United States flight and naval operations in disputed waters near Libya may end before the scheduled conclusion on April 1 provided that Libya did not resume armed opposition to the American maneuvers.

A ranking White House official said late today that the withdrawal of the Navy's 30-ship armada was tentatively scheduled to start on Thursday, but hinged on whether Libya restrained or resumed missile fire at Navy aircraft.

(Bernard Weinraub, New York Times, A1)

U.S. Fleet Could Pull Out Of Gulf Of Sidra Today .

U.S. warships in the Gulf of Sidra, having demonstrated their willingness to fight in waters claimed by Col. Qaddafi, could leave the disputed gulf today, Pentagon sources say.

But the Defense Department sources added that if the maneuvers within the gulf do end today, the 6th Fleet vessels would remain nearby in the Mediterranean Sea.

(Norman Black, AP)

Fleet May Leave Tomorrow If Not Provoked By Qaddafi

U.S. officials yesterday said the 6th Fleet had proved its right to sail the Gulf of Sidra and the 30-ship naval task force could pull back as early as tomorrow if Col. Qaddafi behaves himself.

"We have demonstrated the right to operate in international waters. We have to do that periodically. We've done that," said Pentagon spokesman Robert Sims.

(Walter Andrews, Washington Times, A1)

LIBYA SEEN LIKELY TO DELAY RESPONSE

TRIPOLI, Libya -- Western diplomats said here today that they expect any terrorist response by Col. Qaddafi to the U.S. attacks on Libyan patrol boats and antiaircraft missile installations to be delayed for weeks and even months, possibly until Americans have relaxed their defenses.

(Christopher Dickey, Washington Post, A23)

U.S. Fears Worldwide Terrorism In Conflict With Gaddafi

With all quiet in the Gulf of Sidra, the United States has expressed fears that the conflict with Libya might switch from the high seas to the shadowy underworld of urban guerrilla warfare.

State Department officials said yesterday Libyan agents were watching U.S. installations abroad and that this might indicate possible attacks on American property and civilians.

Charles Redman said that Libyan surveillance began before this week's naval clashes in the disputed gulf. Embassies and friendly governments were alerted to the danger, and American travelers were advised to take care. (William Scally, Reuter)

Terrorists Trained Abroad Live In U.S., Official Warns

A top Senate official voiced concern yesterday over radicals living in the United States who not only are sympathetic toward Col. Qaddafi but have not been trained abroad in terrorist activity.

Joel Lisker, chief counsel of the Senate Judiciary Subcommittee on Security and Terrorism, said in an interview that some individuals from five "radical entente" countries -- Libya, Syria, Iran, North Korean and Cuba -- left the United States under false documents and returned as trained terrorists. (John McCaslin, Washington Times, A1)

SOME AIRPORTS TIGHTEN UP; OTHERS SAY NO SPECIAL PRECAUTIONS

Extra vigilance is the order of the day at airports from Boston to Los Angeles, but officials at New York and Atlanta airports say security is tight and won't get any tighter for fear of Libyan terrorists.

"We not only have our two eyes open, we've got our hands working, too," said Thomas DiMaria, public safety coordinator at Greater Buffalo (N.Y.) International Airport. (Robert Barr, AP)

DIDN'T VIOLATE '73 ACT, WHITE HOUSE DECLARES

The White House last night told Congress that the military strikes by the U.S. 6th Fleet against Libyan sea and land targets did not require President Reagan to report to the Congress under the 1973 War Powers Resolution.

In a letter to Rep. Dante Fascell, chairman of the House Foreign Affairs Committee, presidential assistant William Ball said, "We disagree with your claim that our actions in the Gulf of Sidra have failed to adequately satisfy the requirements of the War Powers Resolution.

(Thomas Brandt, Washington Times, A5)

TRIPOLI'S REACTION TO WAR CALL: HO-HUM

TRIPOLI -- Blood-curdling posters, warlike slogans and high taxi fares were the only apparent signs of crisis in the Libyan capital yesterday, a city which seemed to be going about its business with hardly a hiccup. (Reuters, Washington Times, A5)

U.S. WANTS SECURITY COUNCIL TO UPHOLD FREEDOM OF NAVIGATION

The United States, presenting itself as the champion of seafaring nations, wants the U.N. Security Council to reaffirm freedom of navigation and to condemn what it views as violations by countries such as Libya.

The Soviet Union on the other hand, is urging the 15-nation council to condemn U.S. "aggression" against Libya in the Gulf of Sidra and to take action to protect Libya's territorial integrity. (O.C. Doelling, AP)

LIBYA CONFRONTATION ROILS SHULTZ'S ATHENS VISIT

ATHENS -- Efforts by Secretary Shultz and the Greek government to move their relationship into "calmer seas" hit heavy weather instead today because of this week's U.S. military action against Libya.

Shultz's effort to get past [Prime Minister] Papandreou's anti-American rhetoric got off to a shaky start. The international relations committee of Papandreou's PASOK party issued a statement today condemning the U.S. military action in Libya as "the armed enforcement of a new Pax Americana" and an "attempt for a holocaust in the Mediterranean."

(Joanne Omang, Washington Post, A25)

U.S. AIDES ENCOURAGED BY ARAB REACTION ON LIBYA

U.S. officials said yesterday that they were encouraged by the relatively subdued nature of Arab reaction to the military confrontation with Libya because the Administration had expected a more vitriolic condemnation of the United States.

"It's still too early to tell, but we feel that the reaction is not nearly as bad as it could have been," said a senior State Department official, who asked not to be identified. (John Goshko, Washington Post, A26)

U.S. AIDES UNCERTAIN ON SIZE OF INCURSION BY NICARAGUA

Reagan Administration officials, while publicly accusing Nicaragua of invading Honduras with 1,500 troops, privately acknowledged yesterday that they are uncertain about the size of the Nicaraguan force and about other details of the headline conflict in Central America.

Questions about the size of the incursion were accompanied by an uncertainty about the sources and reliability of U.S. information, the attitude of the Honduran government and the reasons why the Administration chose to treat it as a major event.

(Don Oberdorfer & Fred Hiatt, Washington Post, A1)

U.S. PILOTS AIRLIFT HONDURANS

TEGUCIGALPA, Honduras -- U.S. military helicopters ferried hundreds of Honduran soldiers today to an area near the Nicaraguan border where Nicaraguan troops entered the country to attack anti-Sandinista rebels, U.S. officials said.

The helicopters landed at least nine miles away from the scene of any combat to avoid placing the approximately 50 U.S. pilots and crew members in danger, the officials said. (Robert McCartney, Washington Post, A1)

U.S. Army Copters Carry Hondurans To Border Region

TEGUCIGALPA, Honduras -- Fourteen United States Army helicopters today transported a battalion of Honduran troops close to an area on the border where Nicaraguan Government forces were reported to be fighting anti-Government rebels. (James LeMoynes, New York Times, A1)

SENATORS FAIL TO ACHIEVE CONTRA-AID COMPROMISE

Senate leaders broke off talks yesterday on a bipartisan compromise to aid the rebels fighting the government of Nicaragua, with Democrats saying the White House "torpedoed" a possible agreement and Republicans accusing the Democrats of being inflexible.

Sen. Jim Sasser (D-Tenn) blamed the breakdown on John Poindexter. Poindexter arrived late at a morning congressional negotiating session and stated the Administration's position on the two issues in what Democrats said were unswerving terms. (Milton Coleman, Washington Post, A8)

Senate A Little Shaky On Contra Aid

Republicans in the Senate saw their hopes dwindling for easy passage of a \$100 million aid package for the Nicaraguan Contra rebels, bogged down in a dispute between Democratic leaders and the Administration.

The Senate planned a final vote today on President Reagan's aid request, but it appeared Republican leader Robert Dole's early confidence that the request would attract 70 or 80 votes had evaporated.

(Michael Myers, UPI)

Senate Talks Collapse On Contra Aid Compromise

The Senate was set to act today on President Reagan's \$100 million aid request for Nicaraguan rebels after a 24-hour delay and the collapse of negotiations aimed at reaching a bipartisan compromise.

Talks between the Republican majority and the Democratic minority broke down yesterday amid Democratic charges the White House had "hardened its attitude" and "torpedoed" a possible agreement.

(Carol Giacomo, Reuter)

Senators Work Late Preparing For Contra Aid Vote

Efforts to reach a bipartisan accord on aid to the Nicaraguan resistance collapsed late yesterday, forcing the Senate to postpone debate on the Administration proposal that has bitterly divided Congress.

Senate leaders were meeting privately late last night in hopes of reaching a last-minute compromise, before the Senate early today begins consideration of the \$100 million aid package for the rebels fighting Nicaragua's Marxist Sandinista Regime.

(Christopher Simpson, Washington Times, A1)

HONDURANS WERE HESITANT TO SEEK U.S. AID

Pressure and reassurances were needed before Honduras would agree to ask the United States for emergency aid against an armed Nicaraguan incursion, senior Administration officials said yesterday.

Honduran reluctance was only overcome late Monday after long negotiations involving President Jose Azcona Hoyo, his military commanders and Elliot Abrams, officials said. (Stephens Broening, Baltimore Sun, A1)

REAGAN HEADS FOR RANCH WHILE CONTINUING CONTRA AID, BALANCED BUDGET BATTLES

President Reagan was still jousting with Congress over his Central American policy and a balanced-budget amendment as he prepared for a 10-day vacation at his California "Ranch in the Sky."

On his way to the ranch north of Santa Barbara the President was stopping off in New Orleans to do his bit in helping Republicans retain control of the Senate. (Dale Nelson, AP)

NICARAGUANS REPORTED PINNED DOWN IN HONDURAS

Reagan Administration officials said yesterday that a Nicaraguan battalion of about 300 troops remained pinned down inside Honduras, and a senior adviser said this was "an advertisement" of the aggressive military intentions of Nicaragua on the eve of a Senate vote on a \$100 million aid package for the anti-Sandinista rebels.

Larry Speakes said that "contrary to statements made by Nicaraguan emissaries in several locations, it now appears that as many as 300 Sandinista troops are blocked in Honduras and unable to extricate themselves."

Administration efforts to extract some advantage from the Sandinista incursion came on a day when the mood at the White House changed from optimism to uncertainty about the prospects of the contra aid package. It also produced recriminations at White House briefings, where a senior Administration official accused reporters of omitting facts from their stories in a manner that favors the Sandinista government.

(Lou Cannon, Washington Post, A8)

Sandinista Forces Defeated; Only 300 Still In Honduras

Two Nicaraguan battalions that invaded Honduras retreated in disarray yesterday after five days of fighting with anti-Sandinista rebels, and U.S. diplomatic sources said fewer than 300 stragglers remained on Honduran soil.

An embassy source in the Honduran capital of Tegucigalpa reported the Nicaraguans had "lost their integrity" -- military jargon for a defeat -- suffering 200 dead and losing large quantities of documents and military equipment. (Roger Fontaine, Washington Times, A1)

WHITE HOUSE WAS OUT FRONT WITH NEWS OF SANDINISTA INCURSION INTO HONDURAS

"You can't cover the war from the White House," Larry Speakes told reporters as they peppered him with questions about Nicaragua's reported attack across the Honduran border.

That statement is evident, but this was a fight that might not have been noticed -- much less netted \$20 million in U.S. military aid to repel the attackers -- had it not been for the bully pulpit in the White House press briefing room. The White House, in fact, was the principal source of information about the conflict this week.

(Michael Putzel, News Analysis, AP)

GORBACHEV CALLS FOR U.S.-SOVIET NAVAL PULLOUT

MOSCOW -- Mikhail Gorbachev, assailing U.S. actions against Libya as "an encroachment," today proposed the withdrawal of all Soviet and American military fleets from the Mediterranean, according to the official Soviet news agency Tass.

Gorbachev pledged that the Soviet Union would remove its naval fleet from the Mediterranean region at the same time the U.S. 6th Fleet pulled out, according to Tass.

(Gary Lee, Washington Post, A28)

Gorbachev: U.S., Soviets Should Pull Fleets From Mediterranean

MOSCOW -- Mikhail Gorbachev, accusing the United States of waging a planned "punitive" attack against Libya, has proposed that Moscow and Washington remove their fleets from the Mediterranean.

"The United States is not stinting words in justifying that act of aggression," he said Wednesday about this week's U.S.-Libyan clashes in the Gulf of Sidra. "Facts irrefutably show, however, that it is not an unexpected incident but a punitive operation conceived and planned in advance."

(Anna Christensen, UPI)

U.S. MAY ANSWER SOVIET SALT "VIOLATIONS" IN KIND

Kenneth Adelman, a top arms control official, said yesterday that the Administration was considering allowing the U.S. missile-carrying submarine fleet to expand beyond arms agreement limits as a response to Soviet "violations."

Other government sources said a national security planning group met Tuesday at the White House to study a range of possible responses to what were regarded as continuing Soviet violations of the ratified 1979 SALT II.

(Charles Corddry, Baltimore Sun, A1)

SHULTZ PREPARES FOR KEY TALKS IN GREECE AS THOUSANDS PROTEST

ATHENS, Greece -- Secretary Shultz holds key talks with Prime Minister Papandreu today after massive street protests against his visit and a mixture of kind and harsh words from Greece's ruling Socialists.

Shultz has said he will press Papandreu to clarify the future of American bases after hints by the Greek leader that he will back down on a pledge to shut them by 1990.

(Bruce Clark, Reuter)

U.S. ATTORNEY GENERAL FINDS PAKISTAN FIRM FIGHTING DRUGS

ISLAMABAD, Pakistan -- Attorney General Meese has expressed satisfaction with the response from Pakistan on fighting the drug traffic to the West.

Meese held a news conference last night after a two-day visit aimed at underlining U.S. support for Pakistan's opposition to the Soviet military presence in neighboring Afghanistan and its fight against drugs.

(Raja Asghar, Reuter)

BONN, U.S. IN ACCORD IN SDI RESEARCH PACT

After prolonged negotiations West Germany and the United States have reached accord on Bonn's role in research for President Reagan's "star wars" space defense program.

The Pentagon said, "Things are close to being ironed out, and there is a good possibility that we will have something [today]."

(Reuter story, Washington Times, A4)

EMBASSY SECURITY PROPOSAL CRITICIZED

Critics of an Administration plan to spend \$4.4 billion to upgrade security at U.S. embassies say the program is unmanageable and will still leave American installations abroad vulnerable to terrorist attacks.

"They [the State Department] don't know how to spend what they've got now," said one Reagan Administration official. "The folks don't handle money like you would at home." (Warren Strobel, Washington Times, A5)

EDITOR'S NOTE: "Soviet Missiles 'Capable'" by Karen DeYoung appears on page A1 of the Washington Post.

"Envoys Speculate On Likelihood Of Soviet Losses" by Christopher Dickey appears on page A27 of the Washington Post.

"Clash Has Embarrassed Moderate Arabs," News Analysis by Jonathan Randal, appears on page A28 of the Washington Post.

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NATIONAL NEWS

REGAN HINTS VOLCKER MAY GET THIRD TERM AS FED CHAIRMAN

Chief of Staff Regan said yesterday that the Administration wants Fed Chairman Paul Volcker to stay in his job through the end of his term in August 1987, and raised the possibility that he might be asked to serve another term.

In what appeared to be an effort to calm fears that there is serious discord in the nation's central bank, or wide policy disagreements between the Fed and the White House, Regan said that the views of Volcker and President Reagan on basic monetary issues are not "that far off."

(Hobart Rowan, Washington Post, A1)

U.S. SUES GENERAL DYNAMICS OVER DIVAD GUN CHARGES

The Justice Department sued General Dynamics Corp. yesterday, alleging that the company mischarged the government an undetermined amount on a \$41 million contract to build a prototype of the Divad antiaircraft gun.

The civil suit, filed in U.S. District Court in Los Angeles, grew out of a U.S. investigation that led to the indictment in December of General Dynamics and four current or former executives in connection with the Division Air Defense gun, also known as the Sgt. York.

(AP story, Washington Post, A5)

\$750 MILLION IN EXTRA FARM LENDING AID STARTING TO SHRINK

The Farmers Home Administration, under pressure to provide more loan money to help farmers through spring planting, has used up about a sixth of the additional \$750 million that President Reagan released for loans two weeks ago.

FmHA administrator Vance Clark said that about 15 states that ran out of direct operating loan allocations have tapped the new fund for \$123 million. Other states are expected to seek aid as the planting season moves north and demand for financing intensifies.

(Ward Sinclair, Washington Post, A11)

MISSOURIAN TO BE NAMED TO USDA NO. 2 POST

Peter Myers, an Agriculture Department administrator since 1982, will be named the second in command at the agency, congressional sources said.

Myers, assistant secretary for natural resources and environment since last May, will move up to deputy secretary of agriculture and fill an opening created last month when John Norton left the job, the sources said Wednesday.

(Barry Massey, AP)

EDITOR'S NOTE: "Crimson Over Meese" by Howard Kurtz appears on page D1 of the Washington Post.

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NEWS FROM THE STATES

MEDITERRANEAN SKIRMISH LIKELY TO HELP KHADAFY

GALESBURG, Ill. (UPI) -- A Knox College political scientist said Tuesday Moammar Khadafy likely will be the ultimate winner politically in the latest confrontation between American and Libyan forces around the Gulf of Sidra. "I think if we are trying to undermine Mr. Khadafy, this is not the way to do it," said Robert Siebert, a professor of political science who co-authored a textbook in 1982 entitled 'Politics and Change in the Middle East.'

"In fact, this is a good way to generate pretty widespread support for him," said Siebert. "There isn't a small country anywhere in the world that is comfortable about setting a precedent of superpowers coming in and beating up on them, regardless of what the provocations are presumed to be. So he's going to be able to milk this pretty substantially if it ends at the kind of level of conflict that it's at now."

U.T. EXPERTS CRITICIZE U.S. ACTION IN LIBYA

AUSTIN, Texas (UPI) -- The military confrontation between the United States and Libya will only enhance Libyan leader Col. Moammar Khadafy's international appeal, according to Middle East experts at the University of Texas. "Mr. Reagan is, in some ways, Khadafy's best" public relations man, said James Bill, a government professor and specialist on Middle Eastern affairs. "Confrontation converts a man who is relatively insignificant on the world stage suddenly into a major actor," he said. "It makes the man appear much bigger and more important than he is." Robert Fernea, a professor of anthropology at UT's Center for Middle Eastern Studies, agreed.

Fernea said the attacks by U.S. warplanes on Libyan military targets might be linked to President Reagan's push for military aid to the Nicaraguan contra rebels. "I look on it as a political act entirely," he said. "It's pure Reaganism to me. I read it as being connected to the contra issue in Congress. It will make the vote next time around take place in a greater sense of urgency. Since Ronald Reagan took over as president there's been a pattern of doing this," said Bill.

CALIFORNIANS PICKET FOR, AGAINST REAGAN'S LIBYAN ACTIONS

FRESNO (UPI) -- Rival groups picketed together outside the federal building in Fresno Tuesday, one group supporting President Reagan and the Sixth Fleet's operations near Libya and the other charging the President was provoking Libyan President Moammar Khadafy. There was no violence between members of the Women's International League for Peace and Freedom and the group sponsored by the American Legion, but there were angry words.

The women's group carried picket signs denouncing the Sixth fleet's war exercises off the coast of Libya and the other group carried American flags and signs saying they supported Reagan and the right of the United States to conduct the war games.

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DE CUELLAR L.A. VISIT CUT SHORT BY LIBYA TROUBLES

LOS ANGELES (UPI) -- Javier Perez de Cuellar, Secretary-General of the United Nations, cut short his California visit Tuesday to return to New York to help ease tension brought on by the Libyan crisis in the Gulf of Sidra. Neither Libya nor the United States requested a Security Council meeting, but Perez de Cuellar said Libya and the United States sent him letters outlining their disparate versions of the hostilities. "For the Soviets, it's a provocation and for the Americans, they were exercising their rights to act in international waters," he said.

In a letter to the Security Council, U.S. Ambassador Vernon Walters said, "The United States government protests the unjustified attacks against American naval units operating in or above international waters." Soviet deputy chief of mission, Ambassador Vasily Safronchuk, fired back at a news conference that "nobody asked the United States to police international waters. This is a sheer act of war," he said. A letter to Perez de Cuellar from the Libyan foreign ministry said, "Libya, therefore, has no other choice in protecting its security and integrity than to resort to its own strength," the letter said.

OHIO OFFICIALS SUPPORT REAGAN'S LIBYAN ACTION

DAYTON (UPI) -- Most Ohio congressmen are pointing to Col. Khadafy as the antagonist in this week's U.S. attack on Libyan targets; however, some lawmakers are questioning whether President Reagan was provoking a fight. Democratic Rep. Don Pease of Oberlin said the United States certainly knew how Khadafy was going to respond to warplanes crossing over that line and he questioned whether the U.S. was deliberately antagonizing the Libyan leader. "The question is why we should pick this particular time to prove a point. It looks as if President Reagan is just spoiling for a fight," said Pease.

Democratic Rep. Louis Stokes also questioned whether the U.S. was within its rights. Republican Rep. Robert McEwen said he is backing the President 100 percent in this incident and that there was "clearly hostile intent" on Khadafy's part. Echoing McEwen was his Republican colleague Thomas Kindness. Democratic Rep. James Traficant said U.S. warplanes had every right to fly within the 125-mile line. Also backing the president was Republican Rep. Willis Gradison of Cincinnati. Ohio Senators Glenn and Metzenbaum were in agreement regarding the incident.

LIBYA HURT MOST, PROF SAYS

EAST LANSING, Mich. (UPI) -- A Michigan State University specialist in military affairs said the interchange of missile fire between Libya and the United States will hurt the Libyans most. "I think that sending ships into the Gulf of Sidra should be regarded as a reasonable, routine act by the U.S. government," political science professor David Rohde said today. "Khadafy claims a water limit that we regard as unreasonable and to demonstrate that we don't accept it, we periodically have to sail across it and that's what we did." Rohde said hostilities may escalate "but whatever happens, Libyan will get the worst of it."

NETWORK NEWS SUMMARY

(Wednesday Evening, March 26, 1986)

LIBYA

CBS's Dan Rather: Off the coast of Libya, tension but no shooting today.

Muommar Kaddafi turned up his calls for suicide attacks on Americans everywhere.

CBS's David Martin reports from Libya that pictures of a Libyan patrol boat on fire in the Gulf of Sidra were released today by the Sixth Fleet. The first hard evidence of the damage Navy jets have done with their missiles. Lifeboats can be seen as survivors scramble to escape the burning vessel, one of several which ventured out toward the American fleet.

(Admiral Kelso: "We were not going to permit them to attack our forces, and there are very definitely severely damaged patrol boats, and we're continuing to evaluate the others. We certainly did nothing to provoke an action. There was no American ship or plane within 60 miles of the Libyan international waters that are recognized by most of the world when that firing took place.")

The U.S. does not have the Mediterranean to itself. Soviet ships continue to monitor the exercise, but Pentagon officials say there is no evidence the Russians are passing intelligence to their Libyan clients. In Moscow, Gorbachev tried to score a few propaganda points in a meeting with the President of Algeria by accusing the U.S. of aggression, and calling for immediate negotiations on the withdrawal of both the American and Russian navies from the Mediterranean. A State Department official called the proposal "absurd." The biggest danger to Americans is not at sea, but on land.

(State Department spokesman Charles Redman: "We are aware that agents of the Libyan government have been conducting surveillance operations against a number of American installations and interests around the world. This could mean that Americans are targeted for attacks in the future.")

Pentagon officials say the operation could end as soon as tomorrow. But the American fleet is expected to remain in the general area for at least a few more days.

Rather: I asked Doug Tunnell in Tripoli if the Libyan people see Kaddafi as the winner or loser in this recent fighting.

Tunnell reports that it's looking very much like Kaddafi could still come out a winner. What America has done has given them a common enemy today, a repeated warning, another call to Arabs to launch suicide strikes against American targets. Both on embassies and businesses in the Middle East. And from Damascus today, at least one Palestinian group has agreed to comply.

Rather: Tom Fenton reports tonight that many Americans abroad are taking the new Libyan threat seriously, but many wonder how or if they can protect themselves.

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CBS's Tom Fenton reports that in Damascus today, Abu Nidal, the Palestinian terrorist closely linked with Col. Kaddafi, issued this threat: "Anything American has from now on become a target for armed revolutionaries." In Beirut today, a car bomb killed 8 innocent Lebanese and wounded 80. Such events are routine in Lebanon, but the mind that could create such carnage is the type of mentality that threatens potential victims everywhere.

Rather: The Reagan Administration today officially notified Congress that, in its view, the Gulf of Sidra operations do not require invocation of the 1973 War Powers Act. That act seeks to require a president to notify Congress within 48 hours if and when U.S. forces are put in danger of hostile fire. (CBS-Lead)

ABC's Steve Shepard reports that a Navy photo shows a Soviet-built Libyan-owned (gunboat), attacked by U.S. planes off of Benghazi early Tuesday morning EST. (TV: Photo of burning Libyan ship.) (Admiral Kelso: "We were not going to permit them to attack our forces. One of my major responsibilities is to protect the American kids that operate these ships and fly these airplanes.") Today, U.S. flight operations continue off of the coast of Libya. But there has been no hostile action for more than two days. Unless Libya attacks again, U.S. Naval exercises are close to winding down. The Sixth Fleet could be headed back to port as early as tomorrow. (ABC-2)

NBC's Tom Brokaw: Kaddafi warned today that American targets all over the world now would be fair game for retaliation, because of the U.S. military strikes in the Gulf of Sidra. In the Gulf of Sidra today, U.S. warships and jet fighters operated without incident, and NBC's Fred Francis reports from the Pentagon tonight this has prompted an American claim of victory.

NBC's Fred Francis reports that the carrier Saratoga and the rest of the Sixth Fleet have not been challenged for almost two days. And Defense officials tell NBC News that the battle for the right of passage in the Gulf of Sidra is over. Officials say the fleet, which continued its air operations today, will withdraw by Friday if Kaddafi does not unleash his ships or planes or missile batteries. The navy released pictures of a Soviet-built vessel, one of four lost in the gulf fighting. It is estimated by Defense officials that as many 200 Libyans have died since Monday. The man in charge of the three-carrier battle group, Vice Admiral Frank Kelso, told reporters today that his fleet wasn't looking for a fight. There is a real concern in Washington that Kaddafi might lash out with terrorist attacks against American targets. In fact, Administration sources say that one of the reasons the President sent the fleet to Libya was because of intelligence reports that Kaddafi had planned terrorist attacks against American diplomats. There is no indication tonight that the presence of the Sixth Fleet has changed Kaddafi's mind.

ABC NEWS POLL

Jennings: Last night, we surveyed more than 500 people by telephone. In addition, ABC News' Bill Blakemore has found some pretty strong opinions on the street.

ABC's Bill Blakemore reports that the national flurry of reaction to our clash with Libya was found by the nationwide ABC News poll to contain some very clear patterns. Two-thirds of Americans approved of Ronald Reagan's handling of the conflict, and think the level of America's military toughness has been just about right.

APPROVE: 66%

DISAPPROVE: 23%

NO OPINION: 11%

HOW TOUGH WAS REAGAN?

JUST ABOUT RIGHT: 67%

NOT TOUGH ENOUGH: 12%

TOO TOUGH: 16%

NO OPINION: 5%

SHOULD THE U.S. TEACH KADDAFI MORE OF A LESSON, EVEN IF IT MEANS RISKING A LARGER WAR WITH LIBYA?

YES: 39%

NO: 57%

DID REAGAN PROVOKE KADDAFI?

YES: 27%

NO: 66%

NO OPINION: 7%

WILL THIS ACTION PROVOKE MORE FUTURE TERRORISM?

YES: 10%

NO: 45%

NO CHANGE: 39%

NO OPINION: 5%

Margin of Error: +/- = 5%

(ABC-5)

GORBACHEV ON LIBYAN ACTION

Brokaw: Gorbachev, in his first public comment on the Gulf of Sidra fighting, said today, "It showed the imperial bandit face of the U.S." He offered to withdraw the Soviet fleet from the Mediterranean if the U.S. would do the same thing. (NBC-4)

Jennings reports that Mikhail Gorbachev weighed in today on the U.S./Libyan dispute. Gorbachev said in the past few days that America has shown "its imperial bandit face." Mr. Gorbachev also had a proposal for opening talks on withdrawing all American and Soviet Naval ships from the Mediterranean. (ABC-2; CBS-1)

CENTRAL AMERICA

Rather: In Central America, some of the latest U.S. military aid is now being hand-delivered by U.S. military personnel. U.S. military helicopters piloted by U.S. military crews spent the day ferrying Honduran soldiers to the frontier of Nicaragua, a remote Honduran province where a much talked-about, but not at all seen major Nicaraguan troop incursion or invasion is supposedly in progress. In Washington, President Reagan's forces rushed to the front lines in Congress, where the Senate is now nearing a vote on military aid for the contras fighting Nicaragua's government.

CBS's Richard Schlessinger reports from Honduras that at daybreak, U.S. pilots started ferrying Honduran soldiers to the remote border area, where remnants of a Sandinista force are reportedly isolated, and trying to escape back into Nicaragua. 14 American helicopters are being used to move between five and six hundred Honduran troops to the mountain jungles east of the capital. American officials say the helicopters will stay about ten miles away from any fighting. Informed sources say three battalions of Nicaraguan troops tried four times on Sunday to overrun the main rebel camp, about 15 miles inside Honduras. They did not succeed, and about 2,000 U.S.-backed contra rebels cut off their retreat. Some prisoners were taken, and Honduran authorities showed two of them to the news media. There have been at least 35 Nicaraguan attacks across the Honduran border in the past two years. The one this week was by far the largest. The Reagan Administration says the Sandinistas tried to mount an all-out invasion, but the Honduran Foreign Minister stops far short of that. He says only the Nicaraguans defied his government demand that Sandinista soldiers stay out of Honduras. (Carlos Lopez Conteras: "This incursion does not represent a major threat to the security of Honduras.")

Lopez worries that the use of American helicopters will drag Honduras into the middle of an American political debate, over the Administration's \$100 million aid package for the contras. Washington's version of what is happening here, says Lopez, could be exaggerated by highly partisan politicians.

CBS's Phil Jones reports that as the Senate debate on aid to the contras began, the Reagan Administration was emphasizing the urgency of the fighting in Honduras. Spokesman Larry Speakes read a letter from the Honduran President, received yesterday, stating:

"My government has confirmed the presence of Sandinista armed forces on Honduran territory."

Jones continues:

Officials were clearly irritated by suggestions of exaggeration. (State Department's Redman: "The government of Honduras ought to know whether its national sovereignty has been violated, whether it is under attack by the Sandinista army. It has so said.") (Sen. Kennedy: "This Administration has done best when they have played the statesman and not when they have played 'Rambo.' And this Administration is playing 'Rambo' in Nicaragua.") Even before the debate began today, Democrats accused the Administration of torpedoing a compromise. A compromise that called for face-to-face negotiations with the Sandinistas, and a second congressional vote on military aid that could not be vetoed by the President. On the Senate floor, the debate was mostly along party lines. It appears the Administration has enough votes to get its contra aid package through the Senate. But it is going to be close, and it will not be the strong, bipartisan message that Republican leaders had hoped to send the Sandinistas. (CBS-3)

ABC's Peter Collins reports U.S. Army helicopters were airborne today, carrying Honduran troops toward the Nicaraguan border and a possible confrontation with Sandinista forces. It all had the ominous look and sound of war, but the fighting of the past few days is already dying down. The contras are claiming to have routed the Sandinistas, killing 200 while losing 40 men of their own. American officials here have expressed amazement that the Sandinistas would hand President Reagan this kind of propaganda coup. But they're moving quickly to take advantage of it.

ABC's Sam Donaldson: Reagan Administration officials, beginning with Press Secretary Larry Speakes, bridled today at suggestions today they are hyping the Honduran situation for purposes of the contra aid battle on Capitol Hill. Speakes read the formal letter from Honduran President Escona, requesting "urgent military assistance to repel a Sandinista presence in flagrant violation of our sovereignty." Speakes said he couldn't explain why some Honduran officials continue to minimize reports of an invasion. But a senior White House official quoted by a rule of anonymity said they are very goosey in Tugusigalpa about acknowledging the presence of contras on their territory. And as to the conflicting reports as to how many Sandinistas are actually on Honduran territory, and how much fighting is actually going on, the State Department spokesman handled the numbers question this way:

(Redman: "If you want to quibble whether it's 1450 or 1120 or 1760 -- all I am saying is that there is a battle going on, the situation is tense, there are sizable numbers of Nicaraguans there under any circumstance.")

Not everyone in Congress was convinced.

(Sen. Sasser: "Without question, there's an enormous offensive underway. What we're not sure of is whether it's a public relations offensive by the Administration to get aid for the contras or whether there's a military offensive by the Nicaraguans. I think the answer to that question is in doubt.")

The doubts weren't helped by word that in the middle of all this, Honduran President Escona went off on vacation. But then, it seems only fair: the Gulf of Sidra notwithstanding, President Reagan leaves on his tomorrow morning.

-more-

Jennings: Which means that the President will be out of town by the time the Senate gets to voting on aid for the Nicaraguan contras. Ever since last week's 'no' vote in the House, the Reagan Administration has been looking forward to -- and perhaps counting on a win in the Senate -- where the Republicans have the majority. Debate began today. But even in the Senate, the President is running into some difficulties.

ABC's Brit Hume: Republican leaders expected to prevail, but kept trying in talks with Democrats today to win more of them over. It wasn't easy. The President sent National Security Advisor Poindexter with word he would not agree to a requirement Congress approve this aid twice, and would not agree to talks that exclude the contras. One Democrat said Poindexter --

(Sen. Sasser: "Steamed in to the Majority Leader's office, at flank speed, torpedoed the negotiations without even a warning shot across the bow.")

Republican leaders denied that, but admitted they were worried.

(Sen. Lugar: "I think it will be possible to pass it, but I think it will be very close, and my guess is that we have 51 votes. I hope we have that many.")

So debate began on \$100 million on military and other aid to the contras. There would be a joint commission named by the President and Congress to oversee efforts to negotiate, but with no power to stop the aid. The floor debate and remarks outside reflected deep division over this issue.

(Sen. Kennedy: "This Administration has done best when its played a statesman and not played 'Rambo.' This Administration is playing 'Rambo' in Nicaragua, and the American people want it to halt.")

(Sen. Gramm: "We are faced with a new problem; a new reality: a communist foothold on the mainland of the Americas. And we need a bipartisan consensus to deal with that problem.")

So does the Administration. That's the reason for today's talks, but this evening they were still going, and Presidential aide Poindexter was still here. (ABC-Lead)

NBC's Tom Brokaw: There is a confusing situation in Central America tonight, but the Administration continues to insist that a large number of Nicaraguan Sandinista soldiers are trapped in Honduras, and that the fighting still is going on. Nicaragua denies that, and even some American Defense Department officials are skeptical about the size of the Sandinista force. The White House sees this as a very serious situation.

ABC's Jim Miklaszewski reports that the Administration says that 1500 Sandinista soldiers crossed the border into Honduras in a major invasion that began Saturday night, and on Sunday staged four assaults on at least one, perhaps two, contra camps.

(TV: Sandinista raiding force marching.)

But the contras repelled the attacks, and forced the Nicaraguans to retreat. But informed sources, both in the Pentagon and in Honduras, dispute a major part of the Administration version. Those sources say that the initial Sandinista force was actually about 600. Just slightly larger than raiding parties which had struck at contra camps in the past.

Miklaszewski continues:

Honduras reports there have been some 60 such raids in the past three years. Military sources say intelligence from Honduras just does not support the 1500 troops the Administration reports. White House spokesman Larry Speakes stood by the Administration accounts, saying, "these are the facts. Whatever they said is not the facts. Sorry." The State Department suggested that numbers are not important.

(Redman: "If you want to quibble whether it's 1450 or 1120 or 1760, all I'm saying is that there is a battle going on.")

Some members of Congress disagree. Former ambassador Robert White, a frequent critic of Administration policies in Central America, says there's just no proof to the Administration's claims. Some members of Congress suggest the Administration figures were hyped, to influence upcoming votes on contra aid, and say if that's the case, it raises questions about more than just the accuracy of Administration intelligence reports.

ABC's Robin Lloyd reports more than a dozen U.S. helicopters, flown by American military pilots, loaded up 500 to 600 Honduran soldiers, taking them into a remote mountainous area near the Nicaraguan border.

(TV: U.S. soldiers assisting Honduran soldiers.)

Even Honduran government spokesmen were keeping a low profile, giving no explanation why the U.S., not Honduras, made the first announcement. Honduras confirmed the Sandinista attack, only after a visit yesterday by the top U.S. military official in the region, General John Galvin. Some Hondurans are now suggesting that the U.S. pressured the Honduran government to call for American help. But another explanation was that the Honduran government was seeking to avoid controversy. But tonight, as the airlift continues, the Hondurans appear to be taking yet another step toward the U.S. side in the Central American conflict.

Brokaw: reports that NBC's Dennis Murphy is in Managua, Nicaragua tonight, where the Sandinista government continues to deny that they have any troops involved in Honduras at all. By the way, that \$20 million the President sent Honduras to deal with the reports of the Sandinistas -- that \$20 million is in addition to another \$450 million that in military aid the Reagan Administration has sent the tiny Central American country in the last five years. And in the U.S. Senate this evening, the President's request for \$100 million in additional aid to the contras is expected to pass after some bitter debate. That was true even before this latest report of the Sandinista invasion. Sen. Dole acknowledged today that that helped the President's cause. Referring to the Sandinistas, Dole said, "I hope they don't pull out while we're debating this.!" (NBC-Lead)

CHALLENGER REMAINS

Brokaw: reports that the waiting is over tonight for most of the families of the seven Challenger astronauts. Their loved ones now have been identified, and funeral arrangements are underway. (NBC-6)

COMMENTARY

NBC's John Chancellor: Daniel Ortega is on his way to winning this year's award for dumb timing. Which is interesting, because Ortega won last year's award for dumb timing.... Just a few days ago, the House voted against aid to the contras, and the Senate is to vote this week. The Nicaraguan invasion of a neighboring country could produce votes in both Houses to help the contras.... The Congress is again outraged, the House of Representatives again embarrassed. Speaker O'Neill says Ortega is a bumbling, incompetent communist. After last year's dumb timing, the Congress voted some money for the contras. If the timing this year is as it looks, the contras may get their money again. (NEC-9)

Editor's Note: ABC's Richard Threlkeld filed a 'status report' on Kaddafi's reign in Libya, which included film of the Libyan leader and his ways. (ABC-6)

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EDITORIALS/COLUMNISTS

LIBYA

The Stakes In The Sidra Gulf -- "If anyone in the world had it coming, Moammar Khadafy did.... But there you have to feel a little uncomfortable about the Administration's judgment, too. The first time the Navy's jets fired on Libyan ships and a coastal radar installation, it made a point. Continuing to pound away starts to look like taunting a madman. And it is hard to justify that as a foreign policy imperative."

(Chicago Tribune, 3/26)

Crossing The 'Line Of Death' -- "A great seafaring nation like the United States has much at stake globally in asserting the right of peaceful transit beyond the 12-mile limit. A great status quo power like the United States must take the lead, if no others will, in dealing with rogue regimes that sponsor and encourage terrorism.... We must not surrender to the apostles of hate and outlawry. It is this nation's painful mission to uphold international law and order even when others cower."

(Baltimore Sun, 3/26)

Why's The U.S. Fighting? A Burden Of Leadership -- "Like it or not, invite or not -- the U.S. is the dominant moral force on Earth today. That's not a job anybody goes out looking for, but it carries burdens that are hard to escape.... That's what the U.S. is proving in the Mediterranean right now. It's tough and risky. But it's overdue -- and dead right."

(New York Daily News, 3/26)

Might On Behalf Of Right In The Gulf Of Sidra... -- "Washington behaved with impeccable respect for international law, even while acting against the world's most ostentatious outlaw. There was a principle at stake - freedom of navigation."

(New York Post, 3/26)

Right Goal, Doubtful Strategy -- "The issue of navigation in the Gulf of Sidra offered a tempting hook for America to grab - aided by Col. Khadafy's eagerness to bite - in dealing with a problem that torments the Administration. The goals are right: to find ways to dry up state support for terrorism and to encourage Arab and Libyan opposition to Col. Khadafy. Unfortunately the risky strategy being tried in the Gulf of Sidra could produce the opposite results from those intended."

(Philadelphia Inquirer, 3/26)

The Sidra Turkey Shoot -- "Col. Quaddafi is not simply another sun-crazed lunatic. He is a client and trusted ally of the Soviet Union, using the wealth from Libya's low-sulfur oil to buy up all the Soviet hardware he can get. Moscow is always happy to oblige, but the material comes with strings. Substantial help from his Soviet patrons and their East European puppets has turned Libya into a staging area for terrorism, and that is what the Sidra turkey shoot is all about. Col. Qaddafi may have drawn an imaginary line across the Gulf of Sidra, but the United States has drawn the line on state-sponsored terrorism."

(Washington Times, 3/26)

LIBYA (continued)

USA Made Its Point; Don't Provoke A War -- "Our nation must continue to fight terrorism. We must capture terrorists and bring them to justice. We must isolate international outlaws like Khaddafy from the world community. And we must use force in self-defense when terrorists are about to strike or missiles are about to be launched. The USA has made the point: We are not afraid to fight for freedom of the high seas. Now we should declare victory and take one step back. We accepted a bully's challenge, and blood was shed. That's enough. Both sides now should show restraint.... This tussle must stop before the bully draws the rest of the schoolyard into the battle. We must not let Kadafy lure us to the brink of war with his 'Line of Death.'" (USA Today, 3/26)

In Self-Defense -- "Khaddafy is capable of almost any irrational action you can think up. For the short run, let's just say, hooray for the U.S. Navy. What it has done to the Libyan armed forces -- and to Col. Khaddafy's vanity -- is a lot less than they deserve." (Dallas Morning News, 3/26)

NICARAGUA

The Sandinistas' Invasion Is As Bad As The Contras' -- "The Nicaraguan-contra clash on Honduran soil is the almost inevitable outcome of Mr. Reagan's policy of relying mainly on military force to deal with the Sandinista problem. With the contras based in neighboring Central American nations and unable to establish themselves in Nicaragua, it was only a matter of time until the fighting expanded into a regional conflict. This expansion serves warning of what lies ahead if the United States focuses its hopes solely on ousting the Sandinistas militarily. Force without diplomacy threatens all Central America with the turmoil that Honduras now fears." (Philadelphia Inquirer, 3/26)

...While Congress' Lack Of Will Brings Danger Closer To Home -- "It must be made clear to Managua that the U.S. recognizes the difference between peace negotiations and military adventurism. And that the latter will not be tolerated. There's another issue at stake here -- a matter of pragmatism, not just principle. Again, Washington must aid the Nicaraguan freedom fighters now -- while there are still Nicaraguan freedom fighters to aid." (New York Post, 3/26)

Nicaragua On The March -- "Daniel Ortega's trip to Moscow was enough to change last year's vote on humanitarian aid. His invasion of Honduras should be met with an infusion of military support for the resistance. President Reagan, in fact, should call for more military aid than his original \$70 million. Let the Democrats, before the backdrop of Nicaragua on the march, deny him again." (Washington Times, 3/26)