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News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, MARCH 28, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

Reagan "Deeply Pleased" With Senate Vote -- President Reagan, elated by a narrow Senate approval for his \$100 million aid package for the Nicaraguan Contras, began his 11-day Easter vacation asking the House to go along with the proposal.

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

U.S./Libya -- A large U.S. Navy battle group has sailed unmolested from the Gulf of Sidra and away from Libya with vows by American leaders that the ships will return any time they wish.

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

NATIONAL NEWS

24 Republican Senators Object To Budget Plan -- Twenty-four Republican senators objected yesterday to the bipartisan approved last week by the Senate Budget Committee, and they urged in a letter to Majority Leader Robert Dole that it be overhauled.

(Washington Post)

NETWORK NEWS (Thursday Evening)

LIBYA -- U.S. Naval maneuvers ended five days ahead of schedule. And the President says we will hold Kaddafi fully accountable for any terrorism against the U.S.

CENTRAL AMERICA -- The Senate is expected to vote yes on aid to the Nicaraguan contras.

TRADE DEFICIT -- The trade deficit fell last month to \$12.5 billion. That's the lowest it's been in five months.

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INTERNATIONAL NEWS

INTERNATIONAL NEWS

SENATE NARROWLY APPROVES MODIFIED CONTRA-AID PLAN

The Senate last night narrowly approved President Reagan's modified request for \$100 million in military and humanitarian assistance to the Nicaraguan rebels. The vote was 53 to 47.

Eleven Democrats and 42 Republicans joined in the winning vote, which came one week to the day after the House ignored last-minute changes proposed by the White House and rejected a similar aid request, 222 to 210. Eleven Republican senators voted against the Administration request.

(Milton Coleman, Washington Post, A1)

Senate Votes \$100 Million Contra Aid

The Senate yesterday narrowly approved \$100 million in aid to the Nicaraguan resistance, giving the Administration a 53-to-47 victory to offset last week's House rejection of a similar measure.

Approval of the package gave President Reagan a crucial come-from-behind victory in his bid to bolster the embattled anti-Sandinista forces. It was assured when 11 Democrats joined 42 Republicans in supporting the much-debated measure.

(Christopher Simpson, Washington Times, A1)

Senate Approves Reagan's Request To Help Contras

The Senate tonight narrowly approved President Reagan's request to send \$100 million to the guerrilla forces trying to depose the Sandinista Government in Nicaragua.

In a related development, the Reagan Administration said that as long as Honduran troops stayed near their border with Nicaragua, United States Army helicopters would remain at their disposal to fly in weapons, ammunition, food and other supplies. The helicopters, piloted by American crews, began ferrying a 600-man detachment of Honduran soldiers to the border Wednesday.

(Steven Roberts, New York Times, A1)

Senate Clears Aid To Contras By 53-47 Vote

The Republican-controlled Senate approved President Reagan's request for military aid to Nicaraguan rebels fighting the leftist Sandinista regime in Nicaragua.

The vote reflected continued divisions over the Administration's policy, but it gave Mr. Reagan the base he wanted to pursue congressional approval for an escalation of U.S. involvement in the guerrilla war.

(David Rogers, Wall Street Journal, A3)

Senate Passes Package To Aid "Contra" Rebels

The Senate last night approved a White House plan to give \$100 million to the "contra" rebels of Nicaragua, including the first grant of military aid the rebels since 1983.

Senate leaders saw no real impact on the vote from the recent reported incursion of Nicaraguan forces into Honduras, but they acknowledged that the incident made the White House less willing to compromise.

(Nancy Schwerzler, Baltimore Sun, A1)

Reagan "Deeply Pleased" With Senate Vote

SANTA BARBARA, Calif. -- President Reagan, elated by a narrow Senate approval for his \$100 million aid package for the Nicaraguan Contras, began his 11-day Easter vacation asking the House to go along with the proposal.

"I'm deeply pleased by today's vote in the Senate," Reagan said Thursday on arrival in California, where he plans a secluded stay at his Rancho del Cielo, his ranch in the mountains above Santa Barbara.

(Leon Daniel, UPI)

Reagan/Nicaragua

SANTA BARBARA, Calif. -- President Reagan said Thursday night that Senate approval of his \$100 million aid request for Contra rebels would reassure Nicaragua's "threatened neighbors."

Reagan, who had lobbied by long-distance for Senate support of the aid request, received the news of the Senate's 53-47 vote in support of his proposal as he arrived here for an Easter vacation.

"The Senate's action is sure to send a profoundly reassuring signal to the freedom fighters in Nicaragua and to Nicaragua's threatened neighbors. It helps to demonstrate that it is indeed possible to forge a sustained and responsible bipartisan policy for promoting democracy and stability in our hemisphere," the President said in a statement.

(Dale Nelson, AP)

Contra Aid Passes Senate; Now Reagan Must Persuade House To Go Along

President Reagan, a narrow winner in the Senate on his Contra aid proposal, now has to persuade the House to change its mind and approve the plan for military aid to rebels fighting Nicaragua's leftist government.

On few foreign policy issues had Reagan ever worked so hard. Even as the Senate debated the issue Thursday, Reagan lobbied by telephone as he traveled west for an Easter vacation.

(Tim Ahern, AP)

Senate Approves Contra Aid Package

The Senate approved President Reagan's Nicaraguan rebel aid request last night with a 53 to 47 vote in the Republican-controlled upper house.

Debate now shifts back to the Democratic-led House, which last week rejected Reagan's \$100 million plan, 222-210. The House takes up the issue again April 15.

(Carol Giacomo, Reuter)

Reagan Victory, But Misgivings Remain

The narrow vote of approval for President Reagan's proposed Contra aid program keeps the plan alive but shows that Republicans and Democrats in both houses of Congress have deep misgivings about the President's course.

The voice vote approval was better for Reagan than a rejection, of course, and he is sure to seize on it as evidence of support for his plan to the aid the Contras.

But the Senate debate showed a near majority was concerned about where Reagan's plan could carry the United States in Central America. That same concern was expressed by a majority of House members when they voted down the resolution on March 20.

(Gregory Nokes, News Analysis, AP)

NICARAGUANS SAID TO WITHDRAW AFTER ATTACK IN HONDURAS

CAPIRE, Honduras -- Most of the Nicaraguan troops who entered this Honduran border area five days ago to battle anti-Sandinista rebels based here have withdrawn from the country, U.S. and Honduran officials said today.

[In Washington, there were conflicting reports about whether a helicopter carrying CIA employes had crashed or been forced down near the Honduras-Nicaragua border.]

(Robert McCartney, Washington Post, A1)

HONDURAN PEASANTS CONFIRM REPORT OF BATTLE

CAPIRE, Honduras -- Eight Honduran peasants told today of heavy fighting near this area close to the border with Nicaragua and Honduran soldiers showed reporters five bodies they said were Nicaraguan soldiers killed in fighting inside Honduras.

The peasants' accounts and the bodies were the first evidence that journalists have been able to gather to support official accounts that a large Sandinista force attacked Nicaraguan guerrilla bases here five days ago.

(James LeMoyné, New York Times, A1)

INCURSION BLAMED ON HOUSE VOTE

NEW ORLEANS -- President Reagan charged today that House rejection of aid to the Nicaraguan rebels directly sparked the Sandinista incursion into Honduras and demonstrated that negotiations with Managua are futile.

Reagan's confrontational rhetoric came amid questions about U.S. assertions that the Sandinista force in Honduras numbered 1,500. Some U.S. intelligence sources have estimated it at less than half that size.

(David Hoffman, Washington Post, A27)

SANDINISTA ARMY'S PUSH: BOLDNESS GROWS AS U.S. AID WORRIES EBB

The Nicaraguan Army's incursion into southern Honduras this week reflects the leftist Sandinista government's growing confidence that its troops have gained a decisive upper hand against U.S.-backed rebels, as well as its growing lack of concern about the debate in Washington over contra aid.

(Julia Peterson, News Analysis, Washington Post, A26)

U.S. ENDS NAVAL EXERCISES OFF LIBYA

The United States ended its naval exercises in the Mediterranean off Libya yesterday, apparently closing the chapter on a brief, violent military clash in the Gulf of Sidra that President Reagan lauded as a demonstration of an American "ability to defend the free world's interests."

In his first public comments on the conflict, Reagan said in New Orleans that "we are aware of intensive Libyan preparations" for terrorist actions against Americans. However, the United States "will not be intimidated by new threats of terrorism against us," he added.

(George Wilson & David Hoffman, Washington Post, A1)

U.S./Libya

A large U.S. Navy battle group has sailed unmolested from the Gulf of Sidra and away from Libya with vows by American leaders that the ships will return any time they wish.

"We'll do it again, whether or not any incidents happen or anything of the kind," said Secretary Weinberger, as he and President Reagan announced the 6th Fleet had completed exercises in the disputed gulf Thursday.

(Norman Black, AP)

President Warns Qaddafi On Terror, Praises 6th Fleet

President Reagan warned Col. Qaddafi yesterday that he will be held "fully responsible" if he carries out his threatened terrorist attacks against Americans.

Mr. Reagan's warning came as American warships, boasting a "well doen" from the commander in chief, began withdrawing from waters off the disputed Gulf of Sidra.

(Walter Andrews, Washington Times, A1)

U.S. Says Navy Has Completed Libyan Exercise

The Reagan Administration announced today that Navy ships and planes had completed their exercise in the Gulf of Sidra and had moved north of the gulf region.

President Reagan, in a telephone conversation with the commander of the Sixth Fleet said that it "has once again served as the spear and shield of American policy in a troubled and volatile region."

(Michael Gordon, New York Times, A1)

U.S. Ships End Their Operation In Gulf Of Sidra

The Reagan Administration ended naval exercises in the Gulf of Sidra, taking pains to divorce the unusual five-day confrontation with Libya from the U.S. campaign to curb the North African country's alleged support of international terrorism.

Nevertheless, the naval operations apparently had as much to do with the U.S. war against terrorism as with establishing freedom of navigation in the Gulf of Sidra. "Our policy makers may go around pretending that terrorism has nothing to do with this, but of course it has," said a senior Pentagon official.

(Tim Carrington, Wall Street Journal, A17)

6th Fleet Sails Away From Libya

The United States pulled its big 6th Fleet away from the Gulf of Sidra yesterday, declaring a "flawless" demonstration of freedom of the seas, and notified Col. Qaddafi that he could expect more such maneuvers in the waters off his coast.

In a speech in New Orleans, on his way to an Easter vacation in California, Mr. Reagan appeared to link the Navy's air and sea operations to Libyan terrorism, asserting that Col. Qaddafi was preparing at the time to terrorize Americans.

(Charles Corddry, Baltimore Sun, A1)

REAGAN ENDS WEEK OF CRISIS AS LEADER IN FULL CONTROL

This was the week that Ronald Reagan heard and saw himself portrayed as a steady and sure-headed commander, a Rambo run amok, or a wimp for his handling of something very much like a two-front war in Libya and Honduras.

At the White House the view is that the shoot-out in the Gulf of Sidra showed that America is back. The Sandinista invasion of Honduras proved Mr. Reagan was right about the Marxist regime's menacing nature. On both fronts, the President was seen as a man firmly in charge.

(Tom Diaz, Washington Times, News analysis, A1)

U.S. AIDES SAY WAR POWERS ACT NOT BROKEN

Reagan Administration officials said yesterday that advance notification of Congress prior to U.S. military strikes against Libya was not required by the War Powers Resolution of 1973, and President Reagan said that U.S. forces in or near the Gulf of Sidra took only "limited measures of self-defense necessary to protect themselves from further attack" after coming under hostile fire.

The Administration's legal position that the act does not apply was consistent with the view it took when U.S. military advisers were sent to El Salvador, Marines were deployed in Lebanon and when U.S. forces invaded Grenada. It was also consistent with the positions taken by Presidents Gerald Ford and Jimmy Carter in similar situations.

(Lou Cannon, Washington Post, A19)

LIBYA SILENT ON CASUALTIES

TRIPOLI, Libya -- As the U.S. 6th Fleet pulled away today from waters claimed by Libya, the government of Col. Qaddafi remained silent about the extent of casualties suffered during clashes with U.S. forces, but there were indications that Libya may have suffered more than 30 dead.

(Christopher Dickey, Washington Post, A1)

U.S. TRADE DEFICIT FALLS IN FEBRUARY

The U.S. merchandise trade deficit narrowed to \$12.5 billion in February, reflecting the sharp drop in world oil prices and the first real impact of efforts to stabilize the dollar, the Commerce Department reported yesterday.

Despite the February drop from the January level, the trade deficit is still running at a record annual rate, and unless it continues to fall steeply could break last year's record of a \$148.5 billion deficit.

(Stuart Auerbach, Washington Post, A1)

U.S. ATOM TEST MAY END MORATORIUM BY MOSCOW

The United States is prepared to conduct another underground nuclear weapons test within the next few days, according to informed sources.

Whether the U.S. test shot, the second this year, will take place before or after Monday is unclear, they said.

The Reagan Administration has refused to participate in Gorbachev's moratorium and had refused to resume negotiations for a comprehensive test-ban treaty that would bar all tests. Instead, Reagan has proposed that both nations seek better verification of the size of tests.

(Walter Pincus, Washington Post, A10)

U.S., BONN SIGN AGREEMENT ON "STAR WARS"

The United States and West Germany signed an agreement yesterday clearing the way for German companies and research organizations to participate in President Reagan's SDI program, the Defense Department announced.

The agreement, reached in principle last week and completed here Tuesday, was signed by Secretary Weinberger and West German Economics Minister Martin Bangemann.

(AP story, Washington Post, A10)

West Germany Signs "Star Wars" Research Agreement

West Germany has become the second U.S. ally to formally agree to participate in President Reagan's "Star Wars" space defense program.

After months of negotiation between Bonn and Washington, Secretary Weinberger and Minister Bangemann yesterday signed an accord defining Bonn's role in the controversial project to develop lasers and other anti-missile weapons.

(Adela Gooch, Reuter)

West Germany Gives "Star Wars" Its Qualified Backing

The Reagan Administration, continuing its search for European nations willing to endorse the President's "Star Wars" program, has signed on a new supporter -- West Germany.

A U.S.-West German compromise agreement was announced Thursday, a pact that took three months of negotiations. The agreement between West Germany and the U.S. clears the way for private German research in the program, which is aimed at creating anti-missile defenses based on exotic technologies, including space-based lasers.

(AP)

SHULTZ SEES PROGRESS ON GREEK TIES

ATHENS -- Secretary Shultz said today that U.S. relations with Greece's Socialist government have taken "a real turn for the better" during his two-day visit here, despite the lack of any new accord on whether four U.S. military bases will be allowed to remain in Greece.

"I have found the discussions quite satisfactory," Shultz said. He added that he had felt "great encouragement" in his talks with Prime Minister Papandreou about "broadening and deepening our cooperation" against international terrorism.

(Joanne Omang, Washington Post, A17)

SHULTZ HEADS FOR ITALY AT END OF EUROPEAN TOUR

ATHENS -- Secretary Shultz heads today for Italy on a visit likely to be complicated by Rome's strong criticism of U.S. actions against Libyan forces in the disputed Gulf of Sidra.

Prime Minister Craxi told parliament this week that the American maneuvers carried high risk and caused Italy concern. Shultz reacted tersely, telling reporters traveling with him that countries like Italy ought to be applauding U.S. actions, which he said were taken to preserve the right of passage in international waters and were important to all maritime nations.

(Michael Battye, Reuter)

SOVIET SCHOOL GIRL CHATS WITH REAGAN DURING WHITE HOUSE VISIT

Soviet school girl Katerina Lycheva, carrying her message of peace all the way to the White House, said both East and West shared a common desire for an arms-free world.

Pete Roussel was asked why Reagan agreed to meet with Katerina, but had turned down a recent meeting with Yelena Bonner. Roussel said the meeting with Katerina was coincidental, and occurred as Reagan was going to work and she was finishing a tour.

(AP)

EDITOR'S NOTE: "Reagan's Letter On Gulf Of Sidra" appears on page A18 of the Washington Post.

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NATIONAL NEWS

NATIONAL NEWS

24 REPUBLICAN SENATORS OBJECT TO BUDGET PLAN

Twenty-four Republican senators objected yesterday to the bipartisan approved last week by the Senate Budget Committee, and they urged in a letter to Majority Leader Robert Dole that it be overhauled.

The group complained particularly about tax increases and defense spending constraints that the GOP-controlled panel approved in an effort to gain the votes of members of both parties. The White House has sharply criticized the proposal.

(Helen Dewar, Washington Post, A4)

ECONOMIC GROWTH SEEN BENEFITING FROM LOWER OIL PRICES, INTEREST RATES

U.S. economic growth, which slumped to a barely perceptible rate in the final three months of 1985, is reviving with the help of falling oil prices and declining interest rates, many economists believe.

These analysts are predicting economic growth will strengthen as the year progresses. More about future economic prospects will be known today when the government releases its Index of Leading Economic Indicators for February.

(Martin Crutsinger, AP)

STATES RESIST HHS OVERPAYMENT FINES

More than half the states and the District of Columbia plan to file suit in federal court here today to block more than \$200 million in federal penalties for overpayment errors in two major welfare programs in 1981 and 1982, the American Public Welfare Association said yesterday.

(Spencer Rich, Washington Post, A11)

PRESS GROUNDED BY BUDGET CUTS

SANTA BARBARA, Calif. -- The Gramm-Rudman budget cuts finally hit the White House and made their first slice on the press covering the President and the Secret Service.

Reporters found they no longer had a helicopter to ferry them to Santa Barbara airport when they arrived at the Point Mugu Naval Air Station Thursday, where Air Force One lands on the President's California vacation. They rode vans instead for the 60-mile trip. White House officials said it was a cost-saving measure induced by the mandatory budget cuts enacted by Congress late last year.

(UPI)

NETWORK NEWS SUMMARY

(Wednesday Evening, March 27, 1986)

U.S. LEAVES GULF OF SIDRA

CBS's DAN RATHER: The Senate is poised for a vote at this hour, on military aid money that President Reagan wants for the contras fighting Nicaragua. And U.S. Naval maneuvers in and around the Gulf of Sidra off of Libya ended today, five days ahead of schedule. And tonight, Libyan TV said that "its firmness and brave defiance forced the U.S. to cancel its maneuvers." And all over Libya, there were fireworks of triumph.

CBS's DAVID MARTIN reports that the Commander-in-Chief made it official:

(TV: President: "The United States' Sixth Fleet exercised its right of international passage in the Mediterranean. (Cheers from crowd) They came under attack by the forces of the Libyan government. And now, I can tell you as of today that the exercise is complete. And this morning I telephoned the commander of the Sixth Fleet, and told him that on behalf of you -- the American people -- congratulations, one and all, for a job well done!")

U.S. ships and aircraft spent a total of 75 hours operating below Kaddafi's so-called "line of death." Ships steamed as far as 50 miles into the Gulf of Sidra, and planes ventured 60 miles below the line. Just offshore, nuclear-powered submarines lurked, ready to intercept any of Kaddafi's submarines that attempted to leave port.

(Admiral Crowe: "These operations may lead us to revise our opinion of Mr. Kaddafi's rationality. Once we made it clear that we were determined to stay there and to demonstrate our rights, he withdrew his forces, and I consider that a very rational act.")

High-tech missiles also knocked out radar antennas for Libya's lone battery of long-range anti-aircraft missiles.

(Secretary Weinberger: "These antennas are being replaced with Soviet equipment, and it is our information that as of now, the sites are not returned to full operational status.")

It is only a matter of time before the site is back in operation. For the moment, the prime threat to Americans is terrorism, and the President warned Kaddafi not to try it.

(President: "The United States will not be intimidated by new threats of terrorism against us. Mr. Kaddafi must know that we will hold him fully accountable for any such actions.")

CBS's DOUG TUNNELL reports that while the Pentagon was announcing the withdrawal, Libya began to project the images of victory. The images Kaddafi wants the world to see.

(TV: Libyans celebrating.)

But these festivities were scheduled months ago. Not to mark the end of America's Naval maneuvers, or the beginning of what the regime is certain to call an American retreat. They celebrate a victory sixteen years old: the expulsion of British troops from Libya in 1970. Only hours later did the Libyan public hear that the U.S. Navy is pulling back. If there was a crisis, you couldn't tell from here. In Tripoli, the official score still favors the home team. In Libya, Kaddafi is never losing.

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CBS's DON McNEIL reports that tens of thousands were marching through the streets of Damascus today, chanting no to American terrorism.

(CBS-Lead)

ABC's SHEILAH KAST reports that the President fired a warning at Libya's leader:

(President: "The United States will not be intimidated by new threats of terrorism against us. We're aware of intensive Libyan preparations that were already underway for terrorist operations against Americans. Mr. Kaddafi must know that we will hold him fully accountable for any such actions." Applause.)

The President announced that the exercise was complete --

(President: "And this morning, I telephoned the commander of the Sixth Fleet and told him on behalf of all of you -- the American people -- congratulations, one and all, for a job well done!")

At a news conference, Pentagon officials said that the fleet is pulling out of the Gulf and is returning to its normal patrol areas in the central Mediterranean. Mr. Reagan contended it was not the U.S. which provoked hostilities, but Kaddafi, by drawing the line of death across the gulf.

(President: "Out of our 45 ships in the maneuvers, only three were on the other side of that so-called 'line of death!'")

Beyond the reason the U.S. has already given for these exercises -- preserving freedom of the seas -- the President has publicly acknowledged another goal: fighting terrorism. It is a fight in which the U.S. has not had many notable successes, and Mr. Reagan is clearly elated with the outcome of the Gulf of Sidra operations.

ABC's CHARLES GLASS reports from Libya that today's rally commemorating the 16th anniversary of the expulsion of English troops quickly turned into a demonstration condemning America and praising Kaddafi.

(TV: Protesting Libyans chanting anti-U.S. epithets.)

For Kaddafi, not losing much, and appearing to stand up to the U.S., gave him a public relations victory in Libya and in the rest of the Arab world.

(ABC-2)

NEC's ROGER MUDD: Satisfied that the U.S. Naval and air power off the coast of Libya had made its point, President Reagan declared today the exercise is over. And with that, the U.S. Navy's Sixth Fleet battle group headed north, five days ahead of schedule.

NBC's FRED FRANCIS reports that it was a day for praise and crowing from the President to the Pentagon.

(President: "They came under attack by the forces of the Libyan government -- such as it is -- and they performed superbly. (Laughter) And now, I can tell you as of today, the exercise is complete. And this morning I telephoned the commander of the Sixth Fleet, and told him that on behalf of all of you -- the American people -- congratulations, one and all, for a job well done!")

The fleet began the move northwest from the Gulf of Sidra this morning. They will not go into port, but stay at anchorage off of Sicily. The Secretary of Defense and the Chairman of the Joint Chiefs spoke of their pride, their resolve and Kaddafi's state of mind.

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FRANCIS continues:

(Secretary Weinberger: "We will return to the open seas off the coast of Libya whenever it is required, and whenever we think it's appropriate and necessary.")

(Admiral Crowe: "I frankly would have to rate it -- in my professional judgement -- as a flawless operation.")

(Weinberger: "I think it was rational of him to realize that he had no way of just stopping us, despite all of his claims, from doing what we felt it was essential to do.")

Kaddafi's threats are taken seriously here. That's why the Sixth Fleet will stay within a day's sailing time of the Libyan shore.

NBC's BONNIE ANDERSON reports from Tripoli that a rally soon became an anti-American protest, with thousands of people chanting, "Death to America."

(TV: Anti-U.S. and anti-Reagan posters being waved by protesters.) Libyans are fed a steady diet of anti-American propaganda. Posters like this one are constant reminders that the Reagan Administration -- known as the evildoers here -- are obsessed with death. From now on, this day will be known as the day that the Libyans defeated not one, but two Western powers. (NBC-2)

CENTRAL AMERICA

RATHER: A week after the measure's decisive defeat in the House, the Senate tonight is about to vote on President Reagan's new military aid package for the contras fighting Nicaragua's government. And the Senate is expected to vote yes.

CBS's PHIL JONES reports that the issue followed the President today.

(TV: New Orleans protesters awaiting President.)

In New Orleans, a small group of protesters was waiting for the President. But the President arrived, armed with his own ammunition.

(President: "Does anyone really believe that the ruling clique that runs Nicaragua will enter into a serious dialogue simply to prove they are good guys?")

Back in Washington, the Senate debate was exploding. The two aid proposals drafted by both parties were different in almost every area. The Democratic plan was defeated soundly, 67 to 33. It was clearly the most emotional, divisive foreign policy debate in the Senate since Vietnam. Later tonight they will vote on a Republican plan that would earmark \$70 million for military aid for the contras in July, if peace efforts fail. But it appears tonight that the President has the votes to get what he wants.

RATHER: Tonight's aid to the contras vote also follows President Reagan's insistence today that there has been no exaggeration of Nicaragua's threat, no exaggeration of the still yet to be seen supposedly large Nicaraguan invasion force operating in neighboring Honduras, and where U.S. pilots are ferrying Honduran forces to the front.

CBS's MICHAEL CONNER reports that near the border between Nicaragua and Honduras, helicopters flown by Americans continued to transport Honduran troops and artillery, beefing up positions near where a large number of Nicaraguan troops were supposed to have crossed.

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CONNER continues:

Outside analysts say the size of this raid seems to have been exaggerated by the contras. One source in the field says Nicaraguan army radio traffic, intercepted by the U.S., seems to support the idea of an incursion like those in the past. (CBS-3)

ABC's BRIT HUME reports that Sen. Nunn was won over by a letter from the President pledging all aid to the contras would be sent through civilian, democratic leaders, and that a council of contra leaders would be established to see to that and to end human rights abuses. Republicans Kassebaum, Rudman and Cohen got similar assurances. Still, the debate was long, the language strong.

(Sen. Glenn: "I, for one in this body, deeply resent the Administration's recent sickening display of neo-McCarthyism on the Nicaraguan issue. And I'm talking about plain old red-baiting!")

It appears the President's package will pass by a comfortable margin, giving him a badly needed legislative victory on a policy that has proved highly controversial and divisive.

ABC's SAM DONALDSON: Administration officials have been counting on a favorable Senate vote all along. And they grew even more confident when this week's Nicaraguan incursion into Honduras turned up. Officials here exploited that news to the hilt, holding it up as a prime example of why a Sandinista government unchecked poses a danger to the region. During a speech in New Orleans this afternoon, as the Senate debated, the President laid it on the line:

(President: "Does anyone really believe that the ruling clique that runs Nicaragua will enter into a serious dialogue simply to prove they're good guys? This Sandinista offensive is a slap in the face to everyone who voted against aid to the freedom fighters, thinking it to be a vote for reconciliation. We live in a dangerous world. The lives of the Nicaraguan freedom fighters -- the fate of Central America -- is, to a large degree, in the hands of the United States Congress.")

In the wake of a favorable Senate vote, the White House strategy is simple: keep hammering away at the theme that the choice is between aiding the contras and, however intentionally, aiding the communists. They point out that the President has agreed to a 90-day delay, in order to test the Sandinistas' sincerity for negotiations, then go back to the House on April 15 with the kind of momentum that will -- this time -- nail down a victory.

JENNINGS reports that in Nicaragua -- as we've been hearing for the last couple of days -- there isn't really any hard evidence that a force of their soldiers is in trouble in Honduras. There is, as always, a certain restlessness among the Sandinistas' critics.

ABC's JOHN QUINONES reports from Nicaragua that last night the foreign minister, Miguel D'Escoto, went on national TV and accused the Catholic Church of treason.

(D'Escoto: "The church is being used by the U.S. and by the contras, who are now assassinating our people.")

In an unusual display of outright anger, some Nicaraguans called on the American government to approve funding for the contras, and overthrow the Sandinistas.

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QUINONES continues

(Nicaraguan woman: "I pray that Ronald Reagan gets the support he needs and that the contra aid is approved! Please liberate us, and overthrow the communists!")

The public criticism was indeed extraordinary. Tonight the Sandinistas issued a statement claiming they have destroyed the contras' main training camp. Although the Nicaraguans do not admit it, that camp is located inside Honduran territory.

ABC's PETER COLLINS reports that Honduras is uncomfortable with this situation and is looking for help, even guidance from the U.S. The question on whether the Sandinistas crossed the border now seems to have been answered. They did.

NBC's JOHN DANCY reports from the Senate that both sides rolled out the rhetorical big guns. In New Orleans, President Reagan said reports of the Nicaraguan incursion into Honduras proved his point.

(President: "They want total power in their hands, and they have no respect for the borders of their neighbors.")

Opponents wanted to limit aid to the contras. But the call to help the guerrillas that President Reagan calls freedom fighters had a strong emotional appeal for some. The Democrats attempted a compromise, telling the President how and when aid should go to the contras. But the vote wasn't even close -- 67 to 33, a big victory for the President. Sen. Sasser said the reported Nicaraguan incursion hurt his cause.

(Sen. Sasser: "It did intensify the efforts of the White House and particularly the Republican leadership.")

After defeating the Democratic plan, the Senate prepared to give the President all he asked for. That should give the package a big boost when it goes back to the House for a final vote.

NBC's ROBIN LLOYD reports that Honduran soldiers were digging in, patrolling roads leading to the border. There were no signs of any fighting, but Hondurans and U.S. officials produced an array of weapons they said were used by the Sandinistas.

(TV: Weapons and bodies of dead soldiers.)

And they also uncovered bodies of a half dozen men they claim were Nicaraguan soldiers. Top U.S. military officials weren't providing many answers. By late this afternoon, the two-day U.S. airlift was over.

(ABC-Lead)

U.S. TRADE DEFICIT

MUDD reports that the federal government reported today that the nation's trade deficit fell last month to \$12.5 billion. That's the lowest it's been in five months. It reflects the lower prices we've been paying for imported oil, and it reflects the rise in American exports because of the cheaper dollar.

(NBC-5)

MARCOS

RATHER: CBS News has been told that the Secret Service is extending, for another 10 days, its protection of deposed Philippines President Marcos in Hawaii.

(CBS-8)

EDITORIALS/COLUMNISTS

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THE GULF OF SIDRA

Crossing Libya's Line Of Death -- "If Khadafy were overthrown tomorrow, terrorist incidents against Americans would continue the next day and for as long as Palestinians (who murdered an American girl in Rome) and others harbor deep grievances against U.S. foreign policy which they feel powerless to express by any other means." (San Diego Tribune, 3/25)

Khadafy Blunders Into A Fight... -- "The gulf is relatively untraveled; still, closing it off, as Khadafy has proposed to do, sets an unacceptable precedent. The United States had every right to challenge him." (Atlanta Constitution, 3/26)

Crossing Khadafy's Line -- "Like a slow-thinking Br'er Bear, the Administration listened to Khadafy's yelps about a 'line of death,' pondered the domestic rewards to be reaped from a showdown, and then did exactly what Khadafy wanted it to do. For one glorious moment, he stands alone against the Americans who chose to throw him in that briar patch." (Boston Globe, 3/26)

U.S. Responds To World Bully -- "America stood up to a bully on Monday, and the government's actions were both responsible and necessary.... America didn't go to the Gulf of Sidra looking for a fight. But when aggression came, this nation was prepared." (Boston Herald, 3/26)

NICARAGUA/HONDURAS

Picking Fights -- "Khadafy is one obsession, but Nicaragua is worse. The President blandly loses whatever was left of his tenuous grip on the truth in a television speech about Nicaragua and the hysterical rush of escalation goes on, even if his own people deny the lies the next day.... That is a lot more scary than Khadafy." (Philadelphia Daily News, 3/26)

Panama Canal II -- "The vote of the House against aiding the Nicaraguan anti-Communists was another surrender of American interests, just as giving away our (Panama) canal was. In a way, this surrender is worse because it is to a regime that is already Communist, that violates the Monroe Doctrine and that promotes the spread of Soviet Communism in this hemisphere, endangering all Latin American nations and the U.S." (Chattanooga News-Free Press, 3/24)

Fighting Back In Honduras -- "The \$20 million the President has sent in emergency aid to Honduras is part of the cost of containing the Sandinistas. Much larger sums will be needed in economic aid. As the Kissinger Commission pointed out, the best way to fight communism is to eliminate the misery it feeds on. The need for that sort of humanitarian aid will continue for years -- even if the Sandinistas cry Uncle tomorrow." (New York Daily News, 3/27)

-End of B-Section-