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WEDNESDAY, DECEMBER 10, 1986 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

U.S. -- NICARAGUA

Two Former Administration Figures Refuse To Testify -- Two of President Reagan's recently departed national security aides -- both still active-duty military officers -- refused to publicly answer questions Tuesday from a House committee trying to explore the Iranian-Contra arms-and-money connection. (New York Times, Washington Post, AP, Scripps Howard, UPI)

Shultz: Allies Not Consumed By Iran Affair -- Secretary Shultz, in his first meetings with European officials since the revelations over secret U.S. arms sales to Iran, found the allies are "not consumed" by the unfolding controversy, a spokesman said.

(Washington Post, Reuter, UPI)

NATIONAL NEWS

Wright Tax Proposal Strongly Criticized -- The suggestion by House Speaker-elect James Wright for raising federal revenue by postponing tax-rate cuts met with forceful objections in Congress and from the Reagan Administration yesterday. (New York Times, Washington Post)

NETWORK NEWS (Tuesday Evening)

WHITE HOUSE -- Mr. Reagan certainly appeared to be preoccupied by this scandal today.

POINDEXTER/NORTH/HOUSE COMMITTEE -- Adm. Poindexter, Lt. Col. North, and retired Gen. Secord today used the constitution they fought to defend.

AMBASSADOR KELLY -- John Kelly had day long meetings at the State Department today.

Larry Speakes, to reporters about what the President recalls from the events of 1985:

Mr. Speakes: Do you recall what you had for lunch on the first day of September, 1985, on or about 12:00 noon? ... Do you recall what time you went home? Do you recall filing a story on that day? No, none of the above. So fairness for you is fairness for the President.

Question: But, Larry --

Mr. Speakes: I'm about to get enough of you. Go make a fool of yourself.

(White House Briefing, 12/9)

IRAN — NICARAGUA

POINDEXTER, NORTH REFUSE TO TESTIFY White House Is Alleged To Limit Access To Data

In an atmosphere of high expectation and continuing mystery, two of President Reagan's former assistants who are most closely identified with the clandestine Iran weapons scheme refused to testify in public before the House Foreign Affairs Committee yesterday, invoking their Fifth Amendment protections against self-incrimination.

Vice Adm. Poindexter, Reagan's former national security adviser, and his one-time assistant, Lt. Col. North, appeared before a nationally televised hearing for the first time. They answered no questions about the secret arms shipments to Iran or the diversion of money to aid the contra rebels fighting the government of Nicaragua that are the focus of the most serious crisis of the Reagan presidency.

(David Hoffman & Helen Dewar, Washington Post, A1)

2 Ex-Reagan Aides Maintain Silence In House Hearing

Two former White House officials linked to the diversion of Iranian arms payments to the Nicaraguan rebels declined again today to answer questions before Congress, invoking their Fifth Amendment right against self-incrimination.

But Lt. Col. North and his former immediate superior, Vice Adm. Poindexter, told the House Foreign Affairs Committee in separate appearances that they wanted to cooperate fully and would reveal what they knew at the "appropriate time."

The refusal of Adm. Poindexter and Col. North to provide information was expected, but nevertheless was counter to President Reagan's assurances that the full record of the affair would be made available.

(Bernard Gwertzman, New York Times, A1)

Two Former Administration Figures Refuse To Testify

Two of President Reagan's recently departed national security aides -- both still active-duty military officers -- refused to publicly answer questions Tuesday from a House committee trying to explore the Iranian-Contra arms-and-money connection.

The dramatic invocations of fifth Amendment rights by Vice Adm. Poindexter and Marine Lt. Col. North brought an increasing aura of mystery to the burgeoning foreign policy scandal.

The twin refusals to testify came as the Reagan Administration appeared, still, to be at odds with itself over exactly what happened and how officials should respond to congressional demands for answers. Retired Gen. Richard Secord, another principal figure in the controversy, took the fifth Amendment before the Senate Intelligence Committee.

(Cliff Haas, AP)

Attorneys Shield Poindexter, North

By the time the Iran arms-Contra aid scandal completely unfolds, the attorneys for Vice Adm. Poindexter and Lt. Col. North may be just as familiar to much of the country as their clients.

Richard Beckler, representing Poindexter, and Brendan Sullivan, Jr., North's Lawyer, jumped quickly and fiercely to their clients' defense Tuesday during tense moments of questioning in nationally televised congressional hearings. (Dana Walker, UPI)

North 'On The End Of A String Out There' -- Fascell

Lt. Col. North, the gung-ho Marine and reputed mastermind of the Iran arms-Contra aid affair, struggled to keep tears from ruining his crisp appearance before the House Foreign Affairs Committee.

"I don't think he looked too happy," said Dante Fascell. "I don't blame him. Here's a man who's got 18 years in public service...(and) believes he's carrying out orders, and all of a sudden he finds himself at the end of a string out there. He thought he was doing the right thing. I can see why he's anguished." (Elaine Povich, UPI)

Owen Alleged To Be Link Between North And Contras In Arms Deals

Former Senate aide Robert Owen served as a direct link between Lt. Col. North and Nicaragua rebels in secret arms deals, according to congressional sources and court documents.

Owen invoked the Fifth Amendment Monday in his appearance before the Senate Intelligence Committee, which is probing the Iranian arms sale and the diversion of profits to Nicaraguan rebels.

(John Bennett, Scripps Howard)

REAGAN MAY TALK TO IRAN-CONTRA INVESTIGATORS

Some key figures in the Iran arms-Contra aid scandal -- including the two alleged architects of the plan -- have refused to divulge any details, but President Reagan may do some talking of his own to Congress.

White House spokesman Larry Speakes indicated Tuesday that Reagan might consent to be questioned, but only after he has had a chance to review the facts. (Michael Myers, UPI)

Reagan In No Hurry In Iran Affair

Despite repeated assurances that he wants prompt and full disclosure of all the facts in the Iranian arms affair, President Reagan is in no hurry to provide recollections of his own role and will not summon present or former aides to tell him what happened, the White House said Tuesday.

The White House said it would be "unfair" to ask the President to tell what he remembers about oral or written orders to sell arms to Iran until he has an opportunity to review all available documents and various formal investigations get under way.

Under this timetable, it could be several weeks -- perhaps months -- before Congress and the public obtain Reagan's own version of the affair and answers to the Watergate-reminiscent question: What did the President know and when did he know it? (Leo Rennert, McClatchy)

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SECORD BECOMES FOURTH TO TAKE FIFTH

Richard Secord, a retired Air Force major general, has become the fourth person to refuse to testify before the Senate Intelligence Committee -- a day after he was identified as having a central role in the Administration's secret negotiations with Iran.

Committee Chairman Durenberger said that Secord, who Secretary Shultz linked to "back-channel" Amendment while appearing before the panel Tuesday. (Neil Roland, UPI)

MCFARLANE SAYS IRANIAN DEMANDED MORE ARMS

Former national security adviser Robert McFarlane has told congressional investigative committees that he broke off his four days of secret discussions in Tehran last May after the senior defense adviser to the speaker of Iran's parliament told him additional arms shipments would be needed to gain the release of U.S. hostages in Lebanon.

In the past week, McFarlane has detailed the failed mission before the Senate Select Committee on Intelligence and the House Foreign Affairs Committee. The mission is being described by many legislators as illustrative of the faulty White House planning and execution that led to the Iran-contra scandal. (Walter Pincus, Washington Post, A21)

REAGAN REFERS TO 'SMOKING GUN'

President Reagan, struggling to end the Iran arms-Contra aid scandal engulfing his Administration, referred to an old phrase from another Republican White House debacle to describe it -- "smoking gun."

Reagan told a group of GOP governors Tuesday that he picked up the term, popularized during the Watergate scandal, from Attorney General Meese, who used the phrase when he told the President about the diversion of secret U.S. arms profits from Iran to the Nicaraguan Contra rebels. (Helen Thomas, UPI)

MEESE: IRAN POLICY MADE 'CONSIDERABLE PROGRESS'

LONDON -- U.S. Attorney General Meese said today that President Reagan's policy toward Iran had made "considerable progress" in nurturing greater moderation in Iranian behavior both on terrorism and in its conduct of the war with Iraq.

Meese's assessment, apparently designed to reassure European allies worried over signs of Administration disarray, was one of the most upbeat yet offered by any Administration official on the achievements of what he described as Reagan's "strategic initiative" on Iran.

Meese painted the portrait of a "strong President," who had taken rapid steps to resolve the current U.S. crisis over Iran "so that he can go forward with the large bulk of his foreign policy objectives." The Iran initiative, he said, was only "one very small element of the total foreign policy of the United States." (Karen DeYoung, Washington Post, A21)

Meese Says He Thinks Reagan Acted Strongly, Decisively

LONDON -- U.S. Attorney General Meese defended President Reagan's handling of the Iran-Contras arms scandal as quick and decisive, but admitted some mistakes were made in the Administration's efforts to improve relations with Iran.

However, at a news conference Tuesday, Meese denied that there was any "disarray in U.S. foreign policy."

Asked what concerns the allies were raising about the Iranian issue, Meese replied, "I think one of the main concerns is what happened, why did it happen, and what was the President intending to do."

(Michael West, AP)

Meese Withdraws From Iran Arms Scandal Debate

LONDON -- Attorney General Meese is taking himself out of the public debate over the Iran arms scandal, citing his department's criminal investigation for his refusal to comment.

Meese, who planned to return to Washington today, declined to discuss contradictions between his earlier statements and sworn testimony by a key witness over President Reagan's knowledge of arms shipments to Iran.

"I think it would not be appropriate for me to comment on any of the facts because we are in fact at the present time obtaining testimony and information as to what exactly occurred," Meese told reporters Tuesday.

(Robert Mackay, UPI)

ANTI-ARMS SALES DRIVE WAS 'MODESTLY SUCCESSFUL' Credibility Suffers, But Policy Still In Force

Operation Staunch, the three-year U.S. diplomatic effort to discourage other countries from selling arms to Iran, enjoyed several successes and many frustrations before its credibility was shattered by revelations last month that the United States was secretly shipping arms to Iran.

The embargo officially remains in place. A Nov. 26 cable to U.S. embassies reaffirmed the government's commitment to Staunch, adding that there wouldn't be "any further" U.S. sales to Iran. About the same time, State Department spokesman Charles Redman said "Operation Staunch continues to be pursued vigorously."

(Charles Babcock, Washington Post, A22)

QUESTIONING OF AMBASSADOR TO BEIRUT BEGINS State Department Investigates Kelly's Role In Iran Initiative

State Department officials yesterday began questioning John Kelly, the U.S. ambassador recalled from Lebanon to explain his role in the secret White House initiative toward Iran to gain release of American hostages held in Lebanon.

Kelly was conferring with department officials and would make himself available "to all appropriate officials, including the FBI," deputy spokeswoman Phyllis Oakley said. (David Ottaway, Washington Post, A26)

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WHITE HOUSE DISSENTS FROM BUCHANAN'S STANCE

White House communications director Patrick Buchanan yesterday continued his defense of secretly diverting the profits from Iran arms sales to aid the Nicaraguan contras despite the efforts of Administration officials to distance themselves from the suggestion that it is legitimate to break the law for a good cause.

Presidential spokesman Larry Speakes said that recent comments by Buchanan did not reflect the thinking of President Reagan.

"The President does not agree or condone the breaking of the law by any individual, and he does not in any way believe that the President, whoever he might be, is above the law and has the right to pick and choose what laws may or may not be broken," Speakes told reporters, echoing passages of a radio speech by Reagan last Saturday.

(Lou Cannon, Washington Post, A25)

No Retreat, No Surrender For Buchanan

Presidential assistant Patrick Buchanan shows no signs of retreat from his fervent defense of the Iran arms-Contra aid scandal, though his critics are enraged and some top White House aides appear concerned.

Buchanan, who has kept a low profile through much of the last two years, is again the center of attention for his lavish praise of Lt. Col. North, the fired NSC deputy at the center of controversy.

Buchanan's remarks caused consternation in some White House circles, where presidential aides have been working to project a "business-as-usual" face.

Buchanan, however, was not fazed. He said Speakes did not characterize his views correctly, and he admonished reporters "not to associate the President with everything Pat Buchanan writes or says."

"I speak for myself," he declared.

(Norman Sandler, UPI)

CIA TRYING TO KEEP CLEAN, FINDS ITSELF INVOLVED IN ARMS FRAY

The CIA, trying to keep from being muddied by the Iranian arms affair, finds itself embroiled in the fray as recriminations and revelations fly in Congress.

The agency was involved in some aspects of the convoluted transactions, however, and CIA Director William Casey has become involved in a dispute with a prominent Republican senator, Richard Lugar of Indiana, who urged his resignation as part of a general "house cleaning" in the Reagan Administration.

While many on Capitol Hill appeared to believe that the CIA will come out clean, questions remain about the roles of two former agency officials in the Iran and Nicaraguan connections. Thomas Clines, a former senior agency official, is named in a suit accusing a group of Americans of illegally supplying the Nicaraguan rebels. And George Cave, a onetime CIA expert on Iran, helped open a channel to Tehran, according to published reports.

(Bryan Brumley, AP)

Casey Summoned To Tell Congress What CIA Knew

CIA Director William Casey is being asked to spell out in closed-door House testimony exactly how much the spy agency knew about the diversion of profits from Iranian arms sales to aid Nicaraguan Contra rebels.

Casey is scheduled to appear before a closed session of the House Foreign Affairs Committee today, even though some committee Democrats say he should be required to testify under oath and in public.

(Lawrence Knutson, AP)

Casey To Testify For First Time On Contra Connection

CIA director Casey testifies to Congress today on the Iran arms scandal after a report that President Reagan is frustrated by the refusal of two key aides to reveal what they know.

The Republican governor of New Jersey, Thomas Kean, told reporters yesterday after meeting Reagan that the President was frustrated at the refusal by former NSC officials Poindexter and North to testify about the affair to a congressional hearing.

(Sue Baker, Reuter)

IRAN INVESTIGATORS STILL SEARCHING FOR FUNDS FLOW

After more than a week of probing, congressional investigators say they cannot find the flow of profits from Iran arms sales to U.S.-backed rebels in Nicaragua.

Following the money trail is one of the key goals of three committees investigating the sales of arms to Iran and diversion of funds to the so-called contra rebels at a time U.S. military assistance to the guerrillas was illegal.

(Michael Posner, Reuter)

SECORD'S PURCHASE OF PLANE NOT REGISTERED FOR A YEAR

Retired Air Force major general Richard Secord last year purchased a small Piper aircraft customized for flight at higher altitudes, but did not register ownership of the plane with the Federal Aviation Administration until last Nov. 4. Secord is under criminal investigation in connection with diversion of profits from arms sales to Iran to aid the contras fighting the government of Nicaragua.

FAA records show that last month, Secord registered ownership of a 1973 Piper Seneca I, a twin-engine light transport plane with a range of 750 miles. Records show that Secord purchased the plane from Blaxton Aircraft Sales in Trinity, Ala.

(Washington Post, A26)

DOMESTIC REACTION

PRESIDENT REAGAN/WHITE HOUSE REACTION/IRAN AFFAIR

President Reagan says he watches the hearings on the Iran arms-Contra aid affair "when I can't find a ballgame."

In many ways, the remark symbolically typifies the tone that pervades the White House these days, with the Iran arms-Contra aid scandal dominating the headlines and preoccupying Washington.

Distance and detachment appear to be the name of the game as White House aides go about their business, and the action, lights and cameras move to Capitol Hill.

Describing the atmosphere at the White House, deputy press secretary Peter Roussel said, "Life is going on. Contrary to what some people may think, people are working on the agenda for 1987. Plans are going forward. The President is not hunkered down in the Oval Office. He is moving."

At one point, Larry Speakes maintained it was unfair to ask Reagan to corroborate testimony by former national security adviser Robert McFarlane that the President approved an arms sale to Iran through Israel in August 1985.

"Do you recall what you had for lunch on the 1st day of September 1985, on or about 12 noon?" he asked a reporter.

When the reporter persisted, Speakes said, "I'm about to get enough of you. Go, make a fool of yourself." (Helen Thomas, UPI)

Iran/President Reagan

While key witnesses refuse to testify before Congress, an unflattering picture of President Reagan's loose style of White House management is taking shape under the harsh spotlight of the Iran-Contras scandal.

Reagan's former national security adviser, Robert McFarlane, has said in congressional testimony that there was a "climate" in the White House that may have led eager aides to operate under "the presumption of authority which does not exist."

McFarlane's theory is buttressed by outside experts. In his book "Presidents' Secret Wars," author John Prados reviews CIA and Pentagon covert operations since World War II and concludes that the Reagan Administration's "whole posture is not conducive to close scrutiny of cover action proposals." (Miles Benson, Newhouse)

Iran/Secrecy

President Reagan and other top U.S. officials routinely are protected from details of such covert operations as the Iran-Contras deals so that they can deny such activity convincingly, according to intelligence community sources.

But the spreading Iran arms scandal has revealed that at least in this case, some officials went beyond merely withholding details to outright misrepresentation, not only to the public and Congress but also to each other, according to U.S. officials.

The result, according to one intelligence source, is a welter of evasions and half-truths "that destroys the basis for trust, makes it difficult for us to have frank exchanges with one another -- and that makes it difficult or impossible to coordinate policy."

(David Wood, Newhouse)

White House Refusing To Clear Up Conflicting Claims On Arms Deal

The White House is refusing to clear up conflicting claims about President Reagan's involvement in selling arms to Iran and says it is up to the Justice Department to determine the facts.

The confusion -- centering on whether Reagan authorized weapons shipments before they were made or approved them retroactively was triggered by the sworn testimony of Robert McFarlane, the President's former national security adviser, who contradicted statements by Attorney General Meese.

Meanwhile, White House spokesman Larry Speakes said no one that he has consulted recalled that Reagan authorized shipments in August 1985, as McFarlane claimed. However, Speakes acknowledged he did not talk with everyone in the White House and said he would not take the question to Reagan. (Terence Hunt, AP)

MAJORITY OF AMERICANS POLLED DISAPPROVE OF REAGAN'S HANDLING OF ARMS DEAL

About half of the Americans polled by CBS News and The New York Times believes President Reagan is lying when he says he had no knowledge of the diversion of profits from U.S. arms sales to Iran to the Nicaraguan Contra rebels, according to the survey.

The survey found that 47 percent believe Reagan was lying when he said he did not know the profits were being funneled to the Contras, while 37 percent believe the President was telling the truth.

However, when asked if Reagan has more honesty and integrity than most people in public office, 54 percent of those polled said he did, while 35 percent said he did not. The 54 percent figure was a drop of 5 percent from the CBS News/The New York Times poll in November. (AP)

Many In Poll Say Reagan Is Lying On Diversion Of Funds From Iran

About half the public says that President Reagan is "lying" when he asserts that he had no knowledge that funds from the sale of arms to Iran were being diverted to Nicaraguan insurgents, according to the latest New York Times/CBS News Poll.

Besides that blow to Mr. Reagan's credibility, the poll showed that his job approval rating had not rebounded despite a series of recent moves by the President. Forty-seven percent said they approved of the job Mr. Reagan was doing, a statistically insignificant difference from the 46 percent who approved in a survey one week ago that revealed a 21 point drop in his approval rating. (Gerald Boyd, New York Times, A1)

Nearly Half Of Americans Polled Believe Reagan Lying On Knowledge Of Deal

President Reagan received a strong rating in honesty and integrity in a public opinion poll which also found that nearly half of all Americans believe he lied about his knowledge of the Iran-Contra affair.

The survey found that 61 percent of those polled disapprove of the President's handling of the arms sales controversy, while 20 percent approve of his efforts. (AP)

NIXON: THIS ISN'T A WATERGATE
Reagan Troubles Blamed On Aides Who 'Screwed It Up'

PARSIPPANY, N.J. -- Former president Nixon said today that President Reagan has told him he did not know about the scheme to sell arms to Iran and divert funds to aid the Nicaraguan rebels and that Reagan is in trouble because subordinates "screwed it up."

But Nixon, making his first comments on the crisis that has engulfed the Reagan presidency, said at a closed-door meeting of Republican governors here that "it is not going to be another Watergate, as long as you stay ahead of the curve." (Bill Peterson, Washington Post, A1)

Nixon Calls Iran-Contra Scandal A 'Sideshow'

PARSIPPANY -- Richard Nixon, who knows something about scandals, calls the Iran arms-Contra aid scandal a Washington "sideshow" and maintains it should not be allowed to interfere with foreign policy.

The former president urged his audience "to draw the line" between President Reagan's policies and the "mistakes" in their execution that resulted in the worst crisis of the current Administration. He also drew distinctions between the present furor and his own scandal, according to The Washington Post. (Judi Hasson, UPI)

Nixon Calls Iran Affair A Circus Sideshow And Urges President's Critics To Get Off His Back

PARSIPPANY -- Former President Nixon Tuesday dismissed the Iranian arms controversy as a circus "sideshow" and said it is time for President Reagan's critics "to get off his back."

Nixon, speaking behind closed doors at a conclave of Republican governors and their wives, said he supports Reagan's goal "to do what is necessary to aid the Contras at a time when Congress was denying aid to the anti-communist forces in Nicaragua," a Nixon aide said afterward. (Marcus Stern, Copley)

Just What Ronald Reagan Didn't Want

PARSIPPANY -- Just when President Reagan didn't need a reminder of Watergate, along came Richard Nixon.

Despite periodic assertions that Nixon has managed to overcome his Watergate legacy and don the mantle of an elder statesman, the former president remains a symbol of how not to handle a controversy like the one troubling the Reagan Administration.

The memory of Watergate clearly haunts Reagan and his advisers as they struggled to recover from the initial blow of the disclosures of secret arms sales to Iran and money being slipped to the Contras.

(Donald Rothberg, AP)

REAGAN FRUSTRATED BY IRAN AFFAIR, GOP GOVERNORS SAY

President Reagan, frustrated by difficulties in getting to the bottom of the Iran-Contra affair, is "trying to find desperately who did what," Republican governors who met with him at the White House say.

Sixteen governors flew to the capital from New Jersey to meet with Reagan Tuesday and said they urged him to avoid becoming so preoccupied with the controversy that matters like the budget deficit and Soviet-American relations are neglected.

"His whole attitude was one of frustration, of a man trying to get tom of something, and frankly being frustrated," said Gov. Thomas Kean of New Jersey, new chairman of the Republican Governors Association.

(Donald Rothberg, AP)

Republican Governors Urge President To Act Swiftly To Get To The Bottom Of Iran Arms Controversy

A group of Republican governors said President Reagan was a picture of frustration when they urged him during a private, 30-minute White House meeting Tuesday to act more swiftly in getting to the bottom of the Iranian arms controversy.

"It's become the weirdest thing," Kean quoted Reagan as saying of the affair. "He knows something wrong was done here, but he just can't get to the bottom of it."

(Marcus Stern, Copley)

IRAN/CONGRESSIONAL REACTION

Multiple probes of the Iran arms deal grind away on Capitol Hill, but members of Congress have been unable to get beyond a central contradiction in the slowly unfolding scandal.

"It's mystifying," said Rep. Olympia Snowe, a member of the House Foreign Affairs Committee. "What creates an atmosphere in which people adopt a hear-no-evil, see-no-evil attitude in this Administration?"

"We're back to the great paradox," said Rep. Dan Mica. "Nobody could have acted without higher-ups, and the higher-ups didn't know."

(Paula Schwed, Newhouse)

Hill Probers Say Huge Commissions May Have Been Taken From Arms

Congressional investigators say there are large amounts of the millions of dollars in profits from the Iran arms sales that were meant for Nicaragua's Contra rebels.

While the Reagan Administration has said \$10 million to \$30 million in proceeds from the sale was deposited in a Swiss bank account for use by the Contras, it seems much of that money may have gone for sales commissions and fees, said congressional sources.

(Jim Drinkard, AP)

THOUSANDS RAISED FOR NORTH'S LEGAL DEFENSE

Friends of Lt. Col. North, a former NSC official, have started two legal defense funds that have raised thousands of dollars for the fired aide.

J. Curtis Herge said Tuesday that North deserves "his day in court" and he has collected contributions ranging from \$2 to \$1,000 for North's legal defense. (UPI)

Congressman Donates To North's Defense Fund

Rep. Tom Lantos says he decided to contribute \$250 to a defense fund for fired NSC staff member Lt. Col. North out of a "sense of fair play," not any political motivation.

He also said Tuesday he is not worried about possible negative political fallout from helping to pay for the defense of someone whose activities he and other members of the House Foreign Affairs Committee are investigating. (Bud Newman, UPI)

FOREIGN REACTION

BEIRUT EDITOR 'NEVER IMAGINED' SCOOP WOULD BE SO BIG

BEIRUT -- Hassan Sabra, the Beirut editor who published the story that touched off the furor over on U.S. arms sales to Iran despite protests from his wife and colleagues and kidnap threat from Hezbollah, says he now considers it not only his best scoop but the greatest achievement of his life.

"I knew it would be an important story, but I never imagined it would assume such dimensions," Sabra, 38, a Shiite Moslem from a southern Lebanese village bordering the Israeli-declared security belt, said in an interview Monday. "Everybody close to me was against me -- my wife, the editorial board at Ash Shiraa -- but this news had to get out."

(Nora Boustany, Washington Post, A21)

SHULTZ MEETS EUROPEAN ALLIES 'Rebuilding' Cited After Iran Disclosures

LONDON -- Secretary Shultz, saying he had a "rebuilding job to do" following the Iran arms controversy, held private talks today with British Foreign Secretary Geoffrey Howe, as well as a group discussion including Howe, West German Foreign Minister Hans-Dietrich Genscher and French Foreign Minister Jean-Bernard Raymond.

Shultz, one of several U.S. Cabinet members to travel through London this week on engagements scheduled prior to the disclosure of the Iran-Contra operations, had said he would try to diminish widespread concerns among the allies about their impact on U.S. foreign policy.

(Jeffrey Smith, Washington Post, A26)

Shultz Avoids Concentrating On Iran Affair In British Talks

LONDON -- Secretary Shultz, fresh from testifying before a special Congressional committee on the arms-for-Iran affair, headed for a NATO meeting in Brussels today to try to rebuild allied confidence.

State Department spokesman Charles Redman said early today Shultz did not focus on the Iran issue in talks with his British, French and West German counterparts.

"It wasn't even addressed tangentially," Redman said.

However, European diplomats involved with the talks said the Iran scandal had colored the mood and the allied ministers were eager for signs of continuity in U.S. policy. (Charles Bremner, Reuter)

Shultz: Allies Not Consumed By Iran Affair

LONDON -- Secretary Shultz, in his first meetings with European officials since the revelations over secret U.S. arms sales to Iran, found the allies are "not consumed" by the unfolding controversy, a spokesman said.

"There were other subjects to discuss," State Department spokesman Charles Redman said following Shultz's meetings Tuesday with the foreign ministers of Britain, France and West Germany. "Iran is not an all-consuming question in Europe." (Matthew Quinn, UPI)

PERES: ARMS DEALS MAY BE ONLY WAY TO GET HOSTAGES FREE

JERUSALEM -- Foreign Minister Shimon Peres says the arms transfers to Iran were a mistake but carried out because of "prime consideration" for hostages held in Lebanon.

"When two democratic countries have to deal with one undemocratic country, we create a blunder," Peres said. "When the Israel-American-Iran arms deal is analyzed, it will be seen there would not have been a crisis if it hadn't been for the hostages." (Tony Banks, AP)

CONTRAS ISSUE RAISED ANEW IN HONDURAS

TEGUCIGALPA -- Honduras has entered another tense and perhaps critical moment in its uneasy role as host to U.S.-sponsored Nicaraguan rebels, according to Honduran and diplomatic sources.

Continued willingness here to give haven and support to the some 12,000 insurgents is key to Reagan Administration plans for turning the irregulars, over the next year, into a strong force able to leave Honduran bases and carve a place and a political role for itself inside Nicaragua.

The Honduran attitude has shifted several times since the United States began building up the rebels, or contras, in 1982. This time, questions have arisen as the Reagan Administration is undertaking what is designed as a decisive buildup of rebel forces with \$100 million in open U.S. aid that became available last month.

(Edward Cody, Washington Post, A23)

SOVIETS AND IRAN AGREE TO UPGRADE TRADE TIES
Action Is Called Tehran's Top Priority

NICOSIA -- The Soviet Union and Iran today conducted their first high-level economic talks since the 1979 Islamic revolution, and an Iranian leader said that improving relations with Moscow is one of Iran's top foreign policy priorities.

But the agency quoted Iran's powerful parliament speaker, Ali Akbar Hashemi Rafsanjani, as criticizing Moscow for supplying weapons to Iraq, Iran's enemy in the Persian Gulf war, and for occupying neighboring Afghanistan.
(AP story, Washington Post, A23)

BRUNEI OFFICIAL SAYS SULTAN MADE DONATION

BANDAR SERI BEGAWAN, Brunei -- A government official said today that this tiny oil-rich country, ruled by one of the world's wealthiest men, had sent several million dollars to U.S.-backed Nicaraguan rebels.

The official, who asked not to be identified, said the money, reported to be close to \$10 million, was channeled through the National Bank of Brunei, which is no longer operating.

The payment followed a brief visit here by Secretary Shultz in June when he visited Brunei's ruler, Sultan Muda Hassanah Bolkiah. No details of the talks were disclosed.
(Reuter story, Washington Post, A25)

SOUTHEAST ASIA PUZZLED BY FLAP OVER ARMS SALE, SENATOR SAYS

JAKARTA -- The governments of Indonesia and other southeast Asian nations are puzzled by the uproar in Washington over arms sales to Iran and are worried that it may weaken the United States, visiting Senator Daniel Evans said today.

"The interest expressed by government officials here and in the other southeast Asian countries I have just visited...is why we make so much of these events," the Republican senator from the state of Washington told a news conference.
(Reuter)

INTERNATIONAL NEWS

HONDURAS/NICARAGUAN

TEGUCIGALPA -- Remnants of a Nicaraguan force that crossed into Honduras began withdrawing Tuesday, a source at the Honduran armed forces high command said. There were no reports of further fighting.

The source, who spoke on condition of anonymity for security reasons, said in a telephone interview "many of those that remained behind were pulling back at noon," but a cluster of four tiny deserted villages less than 3 miles from the border remained occupied. (Reid Miller, AP)

WRITER'S SUIT AGAINST FBI REINSTATED

The U.S. Court of Appeals here yesterday reinstated a lawsuit against the FBI by a freelance writer whose address book, diary and other papers were seized and copied at the Miami airport when he returned from a trip to Nicaragua in January 1985.

Edward Haase, who is active in organizations opposed to U.S. policy in Central America, seeks a court order declaring that the Federal Bureau of Investigation violated his constitutional rights and stating that it is unlawful for FBI agents to make such searches without probable cause or a warrant. (Washington Post, A25)

Court Says U.S. Should Prove It Doesn't Search All Returnees From Nicaragua

When freelance writer Edward Haase returned to the United States from a trip to Nicaragua, the FBI seized many of his personal papers, including a diary, as he passed through customs.

As a result, the Reagan Administration will now have to show a federal judge that it does not have a policy of searching everyone who returns to the United States from the war-torn country. (Tom Seppy, AP)

BAKER SETS TALKS WITH STOLTENBERG U.S. Seeks Accord With West Germany

Treasury Secretary Baker will meet with West German Finance Minister Gerhard Stoltenberg on Saturday in an effort to reach an understanding on monetary issues comparable to the recent U.S.-Japan accord on exchange rates, sources said yesterday.

A Treasury spokesman confirmed that Baker plans to meet with Stoltenberg, as well as with the finance ministers of Britain, France and Italy, in sessions in conjunction with a regularly scheduled meeting of American and Common Market ministers Friday in Brussels.

(Hobart Rowen, Washington Post, G1)

SOUTH AFRICA OUSTS U.S. CORRESPONDENT
Los Angeles Times Appealing Deadline

JOHANNESBURG -- The government said today it has refused to renew the work permit of Michael Parks, correspondent of the Los Angeles Times, and told him to leave South Africa by Dec. 31.

Parks is the fifth foreign journalist ordered out of the country since a nationwide state of emergency was imposed June 12 because of violent protests against the apartheid system of race discrimination. The Department of Home Affairs would not give a reason for his expulsion.

(David Crary, Washington Post, A29)

POLAND BARS VISIT BY KENNEDY
Senator Intended To Give Rights Awards To 2 Leading Dissidents

WARSAW -- The Polish government announced today that it would be "not possible" for Sen. Edward Kennedy to carry out a planned visit to Poland this month during which Kennedy planned to present an award to two senior opposition leaders and meet with Solidarity chairman Lech Walesa.

The announcement appeared to reverse a previous government agreement to the trip and is likely to deal a setback to U.S.-Polish relations at a time when diplomats on both sides were looking forward to a major improvement in the ties.

(Jackson Diehl, Washington Post, A29)

SOVIET DISSIDENT REPORTEDLY DIES IN PRISON

MOSCOW -- Anatoly Marchenko, a leading dissident and a pioneer in the struggle for improved human rights in the Soviet Union, has died in a prison camp following a four-month hunger strike, family friends said here tonight.

Marchenko's wife, Larissa Bogoraz, received word today in a telegram which did not give the date or cause of his death, the friends reported. He is believed to have succumbed to effects of the hunger strike in Chistopol Prison, 600 miles east of Moscow, where he had completed half of a 10-year sentence for anti-Soviet agitation and propaganda.

(Gary Lee, Washington Post, A1)

NATIONAL NEWS

WRIGHT TAX PROPOSAL STRONGLY CRITICIZED Reagan Officials, Hill Democrats And Republicans Object To Postponing Cuts In New Law

The suggestion by House Speaker-elect James Wright for raising federal revenue by postponing tax-rate cuts met with forceful objections in Congress and from the Reagan Administration yesterday.

Republicans and Democrats said such a change in the massive tax-revision law signed by President Reagan last October would undermine the trade-off between lower rates and fewer deductions that helped push the package through Congress.

"This is nothing more than a general tax increase," Treasury Secretary James Baker said in a statement. "It would break a compact that Congress and the executive branch made with the American people in the tax reform bill. We would be totally and unalterably opposed to that."

(Anne Swardson, Washington Post, G1)

Congress Leaders Rule Out Increase In Taxes For Rich

Congressional leaders from both parties today rejected a suggestion by the new Speaker of the House that taxes of higher-income people be raised beyond the levels set by this year's sweeping tax revision law.

The responses ranged from skepticism to outright hostility. Republicans said the suggestion demonstrated "soak the rich" attitudes of a party that will control both houses of Congress next year. Democrats said they feared that the proposal would only reinforce that stereotype, undercutting any argument they might make that Republicans protect the rich.

(Peter Kilborn, New York Times, A1)

BOWEN, OMB DIVIDED OVER MEDICARE PLAN

Health and Human Services Secretary Otis Bowen has voiced "strong objections" to an Office of Management and Budget proposal to pay physicians treating Medicare patients a single, predetermined amount to cover all doctor services while a patient is hospitalized.

Bowen, writing budget director James Miller to appeal a number of OMB decisions, said the doctor-payment proposal constituted an "administered price system for physician services," whereas the Administration favors more reliance on a free-market system. Bowen, a physician, also said HHS actuaries believe the "probable savings" from the proposal "to be substantially lower" than \$11.3 billion.

(Spencer Rich, Washington Post, A14)

Bowen's Proposal To Extend Care For Elderly Called Insufficient

Health Secretary Bowen, already under attack by conservatives for proposing catastrophic-care insurance under Medicare, is now being criticized for not offering enough protection for elderly Americans.

Sen. Heinz, chairman of the Senate Special Committee on Aging, said "beneficiaries will still experience substantial out-of-pocket costs" under Bowen's proposal.

(James Rowley, AP)

NETWORK NEWS SUMMARY

(Tuesday evening, December 9th)

WHITE HOUSE

NBC's Tom Brokaw: At the White House today the President's men continued to counterpunch political criticism and they again denied that the President had an active early role in the decision to send arms to Iran. As for the President, Chris Wallace reports Mr. Reagan certainly appeared to be preoccupied by this scandal today.

NBC's Chris Wallace: The President has pledged to get to the bottom of the Iranian arms scandal, but there are growing questions about his commitment to investigating the case. In a meeting today with the president of Zaire, Mr. Reagan was asked whether he is watching the congressional hearings.

(President Reagan: "Now and then when I can't find a ball game.") While the President was putting down the hearings, Pat Buchanan had begun a full-scale campaign to undercut them. Talking last night to Cuban-Americans he said Congress and the media must not be allowed to cripple the President.

(Buchanan: "It is not President Reagan who should be saying he is sorry. It is not President Reagan who should be apologizing. It is America's Congress who blindly and ... [unintelligible].")

Buchanan also praised Oliver North saying sometimes it's patriotic to break the law.

(Buchanan: "If he ripped off the Ayatollah and took \$30 million and gave it to the Contras, then God bless Col. North.")

The White House maintains Buchanan is speaking for himself, not the President, but it has done nothing to stop him. One congressman said this raises questions about the Administration's sincerity.

(Rep. Sam Gejdenson: "What Mr. Buchanan says is we're still trying to deal with a press problem, with an image problem. They've got a substantive problem, that's what they need to address.")

Mr. Reagan also says he wants a full airing of all the facts, but the White House has refused to clear up a major contradiction. McFarlane said yesterday the President approved weapons sales to Iran months before he officially waved the U.S. arms embargo.

(Question: "When did that authorization occur?" McFarlane: "In August of 1985.")

Spokesman Larry Speakes said today no White House officials recall that, but that they haven't checked their files and that they won't until called on by an official investigation. The President was asked directly to settle the issue.

(President Reagan: "With our guest here I'm not going to take any questions.")

The White House has begun a new grass roots effort urging conservative groups to back the President, the question is while emphasizing how much Mr. Reagan has done right, are the President's men still interested in learning what went wrong? (NBC-3)

ABC's Peter Jennings: Robert McFarlane caused quite a stir when in testimony yesterday he insisted that President Reagan did approve in advance the arms shipments to Iran in August of 1985. That is not the way the Attorney General said it happened. But as Sam Donaldson reports today the White House was going back to take another look.

ABC's Sam Donaldson: During the photo session today with Zaire's President Seko, President Reagan declined to answer when asked whether he approved an arms shipment to Iran in August of '85.

(President Reagan: "With our guest here I'm not going to take any questions.")

His only public comment on the hearings, a quip, when asked if he had been watching them.

(President Reagan: "Now and then when I can't find a ball game.")

The White House position on McFarlane's testimony that the President gave advance approval is that memories must be refreshed and files consulted before anyone can say whether McFarlane is right or wrong. Press Secretary Larry Speakes declined to go ask the President directly what he remembered, but reminded that President Ford had gone up to Capitol Hill to answer questions about his pardon of Nixon, Speakes said Mr. Reagan might also answer investigators' questions at an appropriate time and place. Last night in Miami Mr. Reagan's Communications Director kept up his controversial defense of Col. Oliver North.

(Pat Buchanan: "If he ripped off the Ayatollah and took \$30 million and gave it to the Contras, then God bless Col. North.")

The President's press secretary said the President disagrees that anyone has the right to break the law. The contention is the President would not approve an illegality, but just what he did approve and when he is not yet prepared to say. (ABC-6)

CBS's Bill Plante: President Reagan, questioned during a photo session with the President of Zaire, shrugged off the drama on Capitol Hill with a quip when asked if he'd been watching the hearings.

(President Reagan: "Now and then when I can't find a ball game.")

Pressed for more reaction the President moved to take credit for the disclosures that have been made.

(President Reagan: "[Unintelligible] ... I'm the one who told you all that we know.")

But in the latest CBS News-New York times poll taken in the last two days, more than half the people surveyed think the worst thing about the current crisis is the way the Reagan Administration handled the facts (51%), not the arms sales to Iran (26%) or the diversion of funds to the Contras (7%). Only 20% of the 1,036 adults surveyed approve of the President's handling of the arms for Iran, cash for the Contras policy, 61% disapprove. Is the President lying when he says he didn't know that money from the arms sales to Iran was going to the Contras, 47% think so (37% think not). And nearly half the people surveyed think he is not cooperating fully in the investigation as he promised (45% think he is not cooperating, 38% think he is). Half the people also believe that the President isn't really in charge of what goes on in this White House. More than half think this issue will keep the Administration from accomplishing very much for the next two years. Jimmy Carter faults Mr. Reagan's policy towards Iran and the way it has been handled.

Plante continues:

(Jimmy Carter: "Well, I think it is probably one of the worst mistakes that any president ever made. Well, I think that what they've done so far is to avoid revealing anything to the American public until they were actually forced to do so and this means that the entire investigation is likely to drag out for two or three months.")

But Republican governors who visited the White House today described a President anxious to dispose of the problem.

(Gov. Thomas Kean: "I had a strong feeling of a man who desperately wants to find out the facts, to get them on the table and tell them to the American public.")

And there's another important audience, both the Attorney General and the Secretary of State on scheduled trips to Europe, found themselves trying to explain the scandal to concerned allies. The White House staff, despite attempts at business as usual, is now almost totally absorbed with this problem. Insiders say that though Mr. Reagan has already taken most of the actions available to him, his own polls are still falling. That leaves the President stuck waiting for answers that could be months away. (CBS-2)

POINDEXTER/NORTH/HOUSE COMMITTEE

NBC's John Dancy: It was a moment of high drama as the former National Security Adviser, a U.S. Navy Admiral, appeared before the committee. Poindexter offered to cooperate later.

(Adm. Poindexter: "I firmly believe, as the President has stated several times, that this committee and the American people have the right to know all of the relevant facts regarding the activities of the NSC staff.")

But as to specifics of the Iran operation, Poindexter said he could not answer because of the possibility of criminal prosecution.

(Poindexter: "I must decline to answer that question at this time because of my constitutional rights under the Fifth Amendment.")

Congressman Michael Barnes of Maryland suggested that Poindexter had a duty to testify even if it meant he might later be found guilty of some criminal charge.

(Rep. Barnes: "My judgement is that the worst thing that would happened then is you would have a very short, probably suspended sentence somewhere, because nobody believes that YOU were acting out of your own personal interests.")

Poindexter's attorney, Richard Beckler, erupted.

(Beckler: "For Mr. Barnes, who is sitting up there, to take a long leap forward to the end of a trial and suggest that my client would be convicted and then maybe only get a suspended sentence is nothing less than outrageous.")

Then it was Lt. Col. Oliver North's turn. His chest full of decorations, North looked stricken as Congressman Lee Hamilton of Indiana began the questioning.

Dancy continues:

(Rep. Hamilton: "Col. North did you make the decision to put some of the proceeds of the arms sales to Iran into an account for the use of the Contras?" North: "Mr. Hamilton, on the advice of counsel I respectfully and regretfully decline to answer the question based on my constitutional rights." Hamilton: "I hope that you and the Congress will be able to work out, as I think we will in time, an appropriate way in which we will have the opportunity to hear from you. Because I think you recognize how important it is to the country that we do that." North: "I do Mr. Hamilton and I don't think there is another person in American who wants to tell this story as much as I do, sir.")

Nevertheless, the impression is growing here at the Capitol that North and Poindexter will tell all they know about the Iran arms deal only if they are granted immunity from prosecution. But so far they have not asked for immunity. (NBC-Lead)

ABC's Charles Gibson reports if the two men who appeared before the committee today were indeed at the center of a secret scheme of government double dealing, you'd never have been able to tell from the reception. The committee was downright cordial. There was high drama, but it was an hour and fifteen minutes of no comment. Everyone worries these days about how things play, how they look. One Republican member, an Administration supporter, said given the fact we had two key Reagan men up there taking the Fifth, we did all right. (ABC-Lead)

CBS's Phil Jones reports key figures in this crisis, Adm. Poindexter, Lt. Col. North and retired Gen. Secord today used the constitution they fought to defend. Some Republicans, worried about political fall out from this controversy are now asking for key figures to be given immunity from prosecution so the whole story can be told now and not dribbled into next year and the '88 political season. (CBS-Lead)

SENATE HEARINGS/SECORD

NBC's James Polk reports Secord spent less than half an hour before the Senate Intelligence Committee refusing to testify. It is Secord who may well be the middle man between the sale of arms to Iran and the secret use of the profits to resupply the Contras in Nicaragua. One source familiar with the Secord operation says whatever was done was done wholly within the law acting on higher authority but would not say whose authority. (NBC-5)

ABC's Brit Hume reports retired Air Force Gen. Richard Secord also invoked his Fifth Amendment rights before the Senate intelligence committee today. But Chairman David Durenberger has said the refusal of witnesses to testify has not prevented the committee from getting a picture of what happened and he as much as said today the scandal has been exaggerated, especially the Contra funding aspect of it which he indicated enriched arms brokers more than anyone else. (ABC-4)

NIXON/CARTER

Brokaw: Two former occupants of the White House now have spoken out about the arms sale scandal. Richard Nixon, who had his own scandal of course, said this one, in his words, can be viewed like a circus. Speaking to Republican governors Nixon said it was essential, again in his words, to keep the side show on Washington in perspective. Do not weaken the presidency in the last two years, he said. And Jimmy Carter, who had his own troubles with Iran, said in an interview that it appears that President Reagan is trying to hide the facts. If they come out piecemeal he added, "that could be more damaging." (NBC-4)

Rather: Former President Nixon today told Republican governors to get off Reagan's back. Mr. Reagan has been consulting with Mr. Nixon. They last talked last Saturday. (CBS-5)

AMBASSADOR KELLY

Brokaw: The United States ambassador to Lebanon, John Kelly, summoned home by Secretary Shultz because of the arms scandal, had day long meetings at the State Department today. Kelly is being questioned by State Department lawyers and by FBI agents who want to know about his secret so-called back-channel communication directly with the White House outside of the Secretary of State on the arms deal. (NBC-6, ABC-7)

BRUNEI/CONTRAS

Brokaw: A government official of the small but very rich Asian nation of Brunei confirmed today that his country did send several million dollars to the Contras in Nicaragua. He gave no details. U.S. officials have said the State Department requested this help when Congress cut off American military aid to the rebels. It is not known whether this aid from Brunei was used for humanitarian or military supplies. (NBC-11)

COMMENTARY

NBC's John Chancellor comments one of the more beguiling stories to surface in the past few days is the sultan of Brunei's gift of several million dollars to the Contra rebels, a gift solicited earlier this year by the Department of State. Secretary Shultz was asked yesterday if this gift didn't break at least the spirit of a law that restricted Contra aid to humanitarian help. Not at all, said the Secretary. Mr. Shultz said we wanted to be very careful that we live completely by the spirit, let alone the letter, of the law. The legal system will decide whether the Administration broke the letter of the law in this and other matters, but what about the spirit of the law and the intent of the American people. The White House may have broken laws, but its main problem is that it broke faith. It acted in defiance of the spirit and mood of the public and that's why it is in such trouble. (NBC-11)

NBC MAIL

Brokaw: And while the public opinion polls show a majority of Americans don't approve of the secret sale of arms to Iran and the diversion of profits to the Contras, our mail has been running heavily the other way, viewers defending the President and blaming his critics and the press. Tonight, as we do from time to time, we'd like to share with you some of that mail. Forest Crane of Cape Coral, Florida, wrote: "It is my belief that our President's critics do not want full disclosure of the Iranian affair, they simply want to keep the issue alive to embarrass our President and obtain publicity." From Charles Stutsenberg in Paradise, Pennsylvania: "It seems as there has not been one good word to the President in this whole unfortunate affair. Surely he should have some credit for wanting to get the hostages home and yes, getting three of them home." From Lynn Chadwell of Kingsport, Tennessee: "There are some things that should be kept secret. The American public does not need to know everything." Several viewers wrote about the responsibilities of the press. Lucile Uwen of Pacen, Arizona, said: "A free press has great obligations: credence, objectivity and justice. It seems to me you bypassed those precepts when you and your fellows manufactured what you then dubbed a scandal based on speculation, surmise and supposition." But Sr. Mary John Marloff of Columbus, Ohio, called the coverage: "Excellent. Your incisive questions, comments and interviews were aimed at the discovery of truth which we so desperately need on the Nation's scene." And finally, Al Zeiglebauer of Fort Worth, Texas, who said: "Will you all please shut up and let the investigators investigate." (NBC-12)

EDITORIALS/COLUMNISTS

U.S./IRAN/NICARAGUA

Reality Has Set In: Even Reagan Is Politically Mortal -- "And now, a little reality. Ronald Reagan is a popular and powerful president. But even he, it turns out, is politically mortal. Just like everyone else. He always was. It's just that it was easy for everyone to be deluded during all those months when his approval rating was in the 65 percent range and grown men quivered whenever he threatened to go on television.... Reagan is already guaranteed his place in history. He made some changes in American government and politics, and while those changes never added up to the 'revolution' some of his supporters claim, neither are they inconsequential. Among his accomplishments was his popularity, which made it seem that he bestrode the political world like a colossus. The lesson now learned, again, is that we have no colossi here. Just folks."

(Chicago Tribune, 12/9)

Painful Testimony -- "Mr. Shultz knew little. Mr. McFarlane knew more. The two together, however, have been unable to provide nearly enough information to satisfy the imperative of a full accounting. Unless Mr. Reagan can find a suitable mechanism of his own, it will be left to the pulling and hauling of others -- not a pretty process to contemplate but an essential one all the same."

(Washington Post, 12/9)

America's Credibility -- "The Administration now will take its lumps, as Vice-President George Bush noted in his excellent speech Tuesday conceding that errors had been made by the Administration. But, as he also noted, it serves no purpose but Moscow's to punish the contras -- and Hondurans, Costa Ricans, and Salvadorans -- for sins committed by men in Washington who were zealous but shortsighted.... Pulling the plug on the contras would be disastrous for America's long-term interests."

(Detroit News, 12/7)

Vice President Makes An Essential Concession -- "Whatever the Vice President's precise motives, it's refreshing to hear some candor from a high-level Administration official. We hope the remarks will yet serve as a model for Reagan and his top aides. The public has pretty high tolerance for mistakes when they are honestly admitted, but it can find deceit extremely hard to forgive."

(Milwaukee Journal, 12/4)

Immunity? Not Yet! -- "Where appropriate: That should be the operative phrase in deciding whether and when to grant immunity in exchange for any compelled testimony about Iranscam. It may be appropriate to grant it later to obtain evidence unobtainable otherwise. Later -- not now."

(Miami Herald, 12/5)

Select Committee Is Best Approach -- "In any case, if Reagan really wants to seize the initiative in this matter there is a better way to do it than calling a special session of Congress. Rather he should stop blaming the press for not covering up his mistakes, seize some of his top advisers by their collars, toss them out of the White House and fill their jobs with responsible and capable individuals."

(Milwaukee Sentinel, 12/2)

Whose Team Is Shultz On? -- "Some weeks back, he offered his thoughts on the Iran negotiations and emphasized that he was speaking, not for the Reagan Administration, but for himself. That's unacceptable. So long as Shultz is Secretary of State he should speak for the Administration -- or tender his resignation."
(New York Post, 12/9)

Two Kinds of Mistakes Were Made On Nicaragua -- "And if Central America is not Vietnam, neither is there light at the end of the contra-aid tunnel.... As Congress rails about abuses of process -- and properly so -- it cannot ignore its own complicity. When it reconvenes, its first order of business ought to be to get this country off a dead-end track. It should stop payment on the final \$40 million of its aid package to the contras. Then it should demand attention to the track not taken -- a diplomatic initiative to defuse the war and stop the bleeding."
(Philadelphia Inquirer, 12/9)

Borderline Warfare -- "Naturally the Sandinistas, not missing a trick, sent troops into Honduras to see how the Americans would react. The U.S. Army reacted by ferrying Honduran troops to the general area of the incursion, but trying at the same time to abide by another congressional restriction that bans U.S. operations closer than 20 miles from the border. This little test of U.S. resolve is the way the U.S.-Soviet game is played today. If Congress wants to resign from this game, it could always say so and take responsibility for what happens. Or it could come up with a coherent policy itself. Rather than accepting responsibility or forming policy, its approach to Nicaragua has been to enact pettifogging restrictions, and then complain that an Administration trying to conduct a policy is 'violating the law.' This, as we are again seeing, is a recipe for disaster abroad, and at home."
(Wall Street Journal, 12/9)

BUDGET DEFICIT

Budgetary Bamboozling -- "The 100th Congress should ignore all the debate about process and put the alternative budgeting questions on hold until it has dealt with the big question: How to rescue the projected federal deficit.... It's crucial, for the economic well being of this country and for the financial stability of future generations, that Congress keep its eye on the ball -- the deficit. Any lengthy detour to a debate over form rather than substance is nothing more than a delaying game."
(Journal of Commerce, 12/3)

SALT II

Moving Beyond SALT II -- "For a treaty that was never ratified by the U.S. Senate, and was denounced by our president as 'fatally flawed', the SALT II nuclear arms limitation treaty has distorted our policy decisions for too long.... With SALT II behind us, we should move forward to a fair, safe and verifiable arms reductions agreement."
(Birmingham News, 12/2)

Congress May Be Best Source of Sane Nuclear Arms Policy -- "Some sober-sounding voices in Congress are mentioning a House-Senate effort to compel a return to SALT II compliance with legislated dry-docking of a Poseidon. Such congressional action is an awkward way to run the country's foreign and defense policy. But if it becomes the only way, let it be the chosen way."
(Salt Lake Tribune, 12/1)