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News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, FEBRUARY 2, 1987 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

IRAN -- NICARAGUA

White House Says Congress Need Not See Reagan Notes -- President Reagan's personal notes on daily doings in the Oval Office contain some detail about the Iran-contra scandal, but White House officials say Congress can solve the puzzle without such "private papers."

(USA Today, Washington Post, AP, UPI)

INTERNATIONAL NEWS

U.S. Journalist Is Held By Iran; Reason Unclear -- An American journalist, Gerald Seib, the Middle East correspondent for the Wall Street Journal, has been detained in Iran, the Swiss Foreign Ministry said today.

(New York Times, Washington Post, UPI)

NATIONAL NEWS

Fitzwater Becomes Chief Spokesman Today -- Twenty years of faithful government service that began in a bureaucratic backwater thrust Marlin Fitzwater into a center-stage hot seat today as President Reagan's new chief spokesman.

(UPI)

NETWORK NEWS (Sunday Evening)

PRESIDENT'S NOTES -- The White House is rejecting calls that it turn over President Reagan's hand-written notes to Congress.

ISRAEL/HOSTAGES -- Israel said "no deal" to terrorist demands that it free 400 Palestinian prisoners in return for four Beirut University professors kidnapped last weekend.

SHULTZ/HOSTAGES -- Secretary Shultz said the U.S. should be prepared to use military force against hostage-takers.

THE LAST WORD

"Let government rededicate itself to the truth — first, last and always. And let the press rededicate itself to accuracy and fairness — first, last and always."

(Larry Speakes at the
National Press Club, 1/30)

IRAN — NICARAGUA

REAGAN IRAN NOTES REPORT CONFIRMED

A White House spokesman confirmed yesterday that President Reagan keeps "personal notes" about his activities that include material on the Iran arms affair, but said releasing them to congressional committees investigating the Iran-contra controversy may "infringe on the privacy of the President and others."

Asked if Reagan kept such recollections, as reported yesterday in The Washington Post, White House spokesman Don Mathes said: "Yes, he does keep notes that he makes from time to time at his residence in the evening. They are personal notes on his private and official activities."

Mathes said Reagan's notes "would include some of his official activities and indeed there would be something on Iran" in them.

(Dale Nelson, Washington Post, A16)

White House Says Congress Need Not See Reagan Notes

President Reagan's personal notes on daily doings in the Oval Office contain some detail about the Iran-contra scandal, but White House officials say Congress can solve the puzzle without such "private papers."

White House spokesman Don Mathes noted there had been no request for Reagan's notes, and in an apparent bid to head off what could become a clash between the President and Congress over access, he noted: "The White House is confident that by the end of these investigations, there will be no unanswered questions that would warrant the use of the President's private papers."

(Sean McCormally, UPI)

White House: Iran 'Notes Are Personal'

The White House and Congress may be headed for a showdown over President Reagan's private notes on Iran.

The Senate Select Committee may subpoena Reagan's notes and talk to historian Edmund Morris, given special access to write a Reagan biography.

White House spokesman Don Mathes said, "The notes are personal and the White House believes that to release them would infringe on the privacy of the President."

(Johanna Neuman & Tony Mauro, USA Today, A1)

Senate Panel Deciding Whether To Seek Reagan Notes On Iran Arms Deals

A Senate committee investigating the Iran arms-contra controversy hasn't yet decided whether to ask President Reagan to turn over "personal notes" which might shed light on his knowledge of the complicated affair, panel members say.

"I certainly think that any relevant information ought to be made available," said Sen. George Mitchell. "The President has said repeatedly that he wants all relevant information to be made public," Mitchell added.

(Tim Ahern, AP)

SHULTZ RIPS ARMS DEAL MENTALITY

Secretary Shultz is increasing his piercing criticism of the White House policy that led to the Iran arms deals, and is not behaving like a man thinking of quitting.

Criticizing the Iran deal, Shultz said in an interview with U.S. News & World Report: "The structure of the arms deliveries and the connection with the hostages may have gotten pretty tightly connected."

In which case, "the perception of the Iranians -- whatever the perception in this country was -- would be that hostages are a thing of value. Once you get that established in somebody's mind, then you have problems. The more you make out of hostages, the more value is placed on them by hostage takers.... If we say and do things that suggest that there's nothing in this world we wouldn't do to get these hostages out, that's a bad line to take," Shultz said.

(Richard Beeston, Washington Times, A6)

ABSHIRE REASSURES EDGY NATO ALLIES

The NATO allies have been reassured that the Iran-contra arms-selling episode won't undercut the Reagan Administration's foreign policy goals, David Abshire, the President's special adviser, said in an interview.

"NATO does not want to see another trauma in the U.S.," Mr. Abshire said. "It is a nightmare to them and they don't like that happening."

(Jeremiah O'Leary, Washington Times, A5)

HUGE ILLEGAL DEAL ON ARMS FOR IRAN WAS KNOWN TO U.S.

Pentagon Aides Said To Have Allowed Operation
In Hope Of Getting Intelligence

High Pentagon intelligence officials learned more than a year ago that private arms dealers were trying illegally to ship 39 American fighter planes and vast amounts of other weapons to Iran, but the officials did not stop the sales, according to confidential documents and participants who informed the government.

The illegal efforts were allowed to continue because the military officials hoped to gain intelligence information, including data on Iran and access to advanced Soviet tanks captured from Iraq by Iran, the sources said. (Stuart Diamond & Ralph Blumenthal, New York Times, A1)

POINDEXTER GOT RID OF PENTAGON OFFICIAL FOR FEAR OF LEAKS ON IRAN ARMS

A Pentagon official was fired last April because President Reagan's national security adviser, Vice Adm. John Poindexter, feared the official was about to uncover the secret sales of U.S. arms to Iran, according to a Senate staff report.

Sen. Orrin Hatch is expected to deliver the report Monday to the Senate Intelligence Committee investigating the arms sales and the diversion of profits to the Nicaraguan rebels, James Phillips, who wrote the report, said Sunday.

(Donna Cassata, AP)

ISRAEL SENT RIFLES TO CONTRAS, PAPER SAYS

JERUSALEM -- Israel sent captured Soviet-made rifles to the U.S.-backed Nicaraguan rebels, but Washington stopped the shipment on the high seas when Iran disclosed the original arms deal last October, a leading Israeli newspaper said today.

Defense Minister Yitzhak Rabin repeated a denial that Israel sent weapons to the rebels, as alleged by a report of the Senate Select Committee on Intelligence. He did not refer specifically to the new allegations in the daily Maariv. (Jonathan Randal, Washington Post, A16)

Rabin Contradicts Weapons Scenario

JERUSALEM -- Israel yesterday denied U.S. charges that it offered to send weapons to the anti-Marxist Nicaraguan resistance, but an Israeli newspaper said the Jerusalem government sent a shipment of rifles that was recalled to Israel.

Defense Minister Yitzhak Rabin, reflecting growing exasperation over allegations of Israel's role in the affair, said the recently released U.S. Senate Intelligence Committee report was "a certificate of ineptness" with "no basis in reality." (Washington Times, A1)

CIA RETIRING AN OFFICER WHO AIDED THE CONTRAS

The CIA, acknowledging that one of its officers helped funnel weapons to the Nicaraguan rebels despite a congressional ban, is forcing the station chief in Costa Rica to accept early retirement, intelligence sources said yesterday.

The sources, insisting on anonymity, said the station chief sent secret messages to the then-White House aide Oliver North and to members of the contra aid network with sophisticated encoding devices that North obtained from the National Security Agency.

(Robert Parry, Washington Post, A17)

EDITOR'S NOTE: "Ledeen Seems To Relish Iran Insider's Role," by Charles Babcock, appears in the Washington Post, A1.

INTERNATIONAL NEWS

IRAN HOLDS AMERICAN JOURNALIST No Charge Given; Writer Was Invited To Cover Gulf War

TEHRAN -- The Iranian government, which last week invited nearly 100 foreign journalists to cover its latest offensive against Iraq, has detained the Middle East correspondent for the Wall Street Journal, Gerald Seib.

Iranian officials from the government's Ministry of Guidance, which had accredited Seib, an American, refused to comment on why he was detained yesterday, two days after his passport was taken by government officials without explanation. (Loren Jenkins, Washington Post, A1)

U.S. Journalist Is Held By Iran; Reason Unclear

ROME -- An American journalist, Gerald Seib, the Middle East correspondent for the Wall Street Journal, has been detained in Iran, the Swiss Foreign Ministry said today.

A diplomat from the Swiss Embassy who was accompanying the journalist was also detained briefly but was later released, according to a Swiss Foreign Ministry spokesman. (Roberto Suro, New York Times, A1)

Iran/Seib

Iran has detained an American correspondent for the Wall Street Journal who was visiting Iran with other journalists at the invitation of the Tehran government, the State Department said Sunday.

Gerald Seib, a Middle East correspondent based in Cairo was detained Saturday by Iran, State Department spokesman Bruce Ammerman said in Washington.

"We do not know why he was detained," Ammerman said. "Seib should be released immediately and allowed to depart Iran." (UPI)

KIDNAPPERS DEMAND ISRAEL FREE 400 IN JAIL

BEIRUT -- Terrorists again threatened to kill four kidnapped university professors yesterday, saying their corpses would be dumped in garbage cans unless 400 prisoners in Israel were freed within a week.

"The Islamic Jihad for the Liberation of Palestine announced that it will free the four American hostages in exchange for the release of 400 holy war strugglers held in Zionist Nazi jails in Palestine," said a statement received Saturday night by Beirut's an-Nahar newspaper.

(Washington Times, A1)

WAITE: NO RANSOM OR HOSTAGE EXCHANGE

LONDON -- Missing hostage negotiator Terry Waite left emphatic instructions before heading to Beirut -- no ransom payment or hostage exchange if he is kidnapped.

Archbishop of Canterbury Robert Runcie, for whom Waite serves as a special envoy, said Sunday that he would abide by the instructions despite concern for his envoy's safety. (Robert Mackay, UPI)

PERLE BERATES NATO ALLIES 'Mealy-Mouthed' Line Draws European Rebuke

MUNICH -- A top-ranking U.S. defense official today sharply criticized European allied leaders as "mealy-mouthed" in expressing their opinions on world security issues and accused Soviet leader Gorbachev of lying during arms negotiations.

Assistant Defense Secretary Richard Perle's verbal barrage against NATO leaders provoked angry rebukes from both European and U.S. representatives attending the annual Wehrkunde Conference here.

(Molly Moore, Washington Post, A13)

MORE AMERICANS BELIEVE U.S. USES 'DISINFORMATION'

The number of Americans who believe the U.S. government uses "disinformation" -- false or misleading information -- rose sharply last year, according to the results of a public opinion poll on national security issues.

The poll, taken last November by the Gary Lawrence Co. of Santa Ana, Calif., found that nearly half the American public thinks the U.S. government is likely to "deliberately use misleading information to deceive other nations' leaders and people." (Bill Gertz, Washington Times, A3)

SHCHARANSKY/RALLY

LOS ANGELES -- Soviet dissident Anatoly Shcharansky Sunday told a rally of several thousand American Jews and human rights advocates that together they can convince the Soviet Union to free Jews seeking to emigrate to Israel.

With a police helicopter clattering overhead and dozens of private guards and police officers quietly surveying the crowd, Shcharansky's call for freedom was echoed by speakers who included Mayor Tom Bradley, Sen. Joseph Biden and Israeli Consul General Eytan Bentsur.

(Howard Gantman, UPI)

FILIPINOS CAST VOTES ON CHARTER Troops Are Alerted For Disruptions During Balloting

MANILA -- In the first electoral test of President Corazon Aquino's government, millions of Filipinos began voting today on a new constitution that would allow the Philippine president to remain in office until 1992.

The nation was tense on the eve of the balloting, following last week's failed coup by soldiers loyal to former president Ferdinand Marcos and a weekend of rumors that attacks by dissident soldiers were imminent. Authorities said 79 of 81 armed forces combat battalions are on alert throughout the country in anticipation of attempts by communist and Moslem guerrillas, military renegades and right-wing extremists to disrupt balloting.
(Gregg Jones, Washington Post, A1)

Filipinos Vote In Crucial Plebiscite For Cory Aquino

MANILA -- Millions of Filipinos voted on a draft constitution today in a crucial test for President Corazon Aquino's embattled 11-month-old government.

Precincts were to close at 3:00 p.m. and counting was to begin immediately in the crucial plebiscite, but full official results were not expected until the weekend.
(Fernando Del Mundo, UPI)

MARINE GUARD CHARGED WITH SPYING FOR SOVIETS

A Marine security guard has been charged with espionage for supplying the Soviet Union with the names and identities of covert U.S. intelligence agents in Moscow, the Marine Corps has announced.

Marine Sgt. Clayton Lonetree also has been charged with providing the Soviet KGB intelligence service with floor plans and office personnel locations in the U.S. embassies in Moscow and Vienna, the Marine Corps said in a statement released Friday.
(Bill Gertz, Washington Times, A4)

AMERICA'S CUP

FREMANTLE -- Stars & Stripes beat Kookaburra III by one minute 46 seconds in today's third race of the best-of-seven America's Cup final. Times -- Stars & Stripes three hours and 10 minutes, Kookaburra III three hours, 11 minutes and 46 seconds. Stars & Stripes leads the best-of-seven series 3-0.
(Reuter)

NATIONAL NEWS

MEESE: WHO NEEDS CONGRESS? Reagan Has Other Ways To Pursue Agenda, He Says

President Reagan, his effectiveness on Capitol Hill diminished, has developed an alternative game plan.

Attorney General Edwin Meese, said in an interview that if Congress ignores Reagan's legislation, the White House will use courts and executive orders to pursue its agenda.

"Success is not necessarily measured by what happens on Capitol Hill," Meese said, adding: "If Congress didn't pass another law for the next two years other than the budget, the state of the nation would not be irreparably harmed." (Johanna Neuman, USA Today, A4)

NEW ATMOSPHERE AT THE NSC

Much of substance has happened at the National Security Council since Frank Carlucci took control of that beleaguered body, but the most important change may be that the door to the national security adviser's office is kept open for the first time in the Reagan Administration.

After only a month on the job, Carlucci has his stiffest challenges in front of him, but has met the first test of demystifying the NSC. A veteran diplomat, who has dealt often with the Administration, claims that a mood of secrecy and excitability has been replaced by a "much more mature, more cool-headed" approach. (Lou Cannon, Washington Post, A2)

FITZWATER BECOMES CHIEF SPOKESMAN TODAY

Twenty years of faithful government service that began in a bureaucratic backwater thrust Marlin Fitzwater into a center-stage hot seat today as President Reagan's new chief spokesman.

The quiet transition took place Sunday, as Speakes bid a formal farewell to government and prepared to begin work on Wall Street as head of communications for Merrill Lynch & Co. at a handsome six-figure salary. (Norman Sandler, UPI)

RELUCTANT HOUSE TO VOTE ON PAY

The House, hoodwinked by a parliamentary maneuver in the Senate last week, faces a potentially embarrassing vote this week on whether to grant itself a 15.6 percent pay increase.

The House Democratic leadership wanted to avoid a vote and let the pay increase take effect automatically -- as it would unless rejected before Wednesday's deadline, congressional sources said.

(Walter Andrews, Washington Times, A2)

ACLU LAUDS 25 HILL DEMOCRATS, GIVES 'ZEROS' TO 49 REPUBLICANS

Six senators and 19 congressmen turned in perfect civil-liberties voting records last year, while 11 senators and 38 congressmen received zeros on a new American Civil Liberties Union scorecard.

The ACLU's Washington office reported today that 1986 "was far from ideal" for civil-liberty gains in Congress.

(Mary Belcher, Washington Times, A2)

REMEDIAL EDUCATION BILL GOES TO CONGRESS THIS WEEK

Two ranking lawmakers on powerful House education committees this week will send Congress a proposal to expand the federal government's \$3.9 billion remedial education program.

The Hawkins-Goodling proposal, an attempt to stop students from dropping out of school, would earmark \$100 million for expansion of remedial efforts.

(Carol Innerst, Washington Times, A4)

WORK-PROGRAM EFFECTS 'MODEST' FOR ENROLLEES

GAO Says Effort Won't Slash Welfare Rolls

Work programs for welfare recipients have "modest" effects on the job prospects of participants and therefore should not be expected to slash welfare rolls, according to a study by the General Accounting Office released yesterday.

The study, requested by Rep. Ted Weiss, found that the programs often spent only a few hundred dollars per participant, focusing on low-cost job-search assistance rather than on education or training.

(Spencer Rich, Washington Post, A7)

NETWORK NEWS SUMMARY

(Sunday Evening, February 1st)

PRESIDENT REAGAN'S NOTES

NBC's Chris Wallace: The White House tonight is flatly rejecting calls that it turn over President Reagan's hand-written notes to Congress. Officials confirmed today that Mr. Reagan does keep a personal record of his dealings, but said releasing those files would infringe on his privacy. Robin Lloyd reports that the dispute involves a central issue decided in the Watergate controversy.

NBC's Robin Lloyd: Aides say the President has kept a record of his presidency in the form of hand-written notes for his memoirs. They acknowledge that some of those notes refer to his role in the Iran arms deal, and that he used these papers last week in preparing for his interview with the special review panel investigating the Iran controversy. Some members of the Senate Select Committee want to see these papers now to try to determine if they're relevant to the Iran-Contra investigation.

(Sen. Hatch: "I think the Committee would ask for them, and I think they would push to get them.")

But aides say the President will not hand over these notes despite his repeated pledge to get all the facts out.

(The President: "We will get to the bottom of this and I will take whatever action is called for.")

Sources say Chief of Staff Donald Regan, when he testified before the Senate Intelligence Committee last month, told the members that if pressed for these papers the President would invoke executive privilege. And today a White House spokesman said to release these documents would quote, "infringe on the privacy of the President and others. In 1974, in the middle of the Watergate investigation, the Supreme Court ruled that then-President Nixon had to hand over to a federal court and to the special prosecutor parts of a daily diary he dictated into a recording machine. An attorney who worked for the Watergate committee said there appears to be some legal precedent on the basis of that decision.

(James Hamilton, Watergate Attorney: "The independent counsel and the Congress is not going to be foreclosed from getting this information simply because they are denominated as private papers.")

But White House officials say there is no legal precedent, and no comparison with Watergate because unlike Nixon, they say, the President is not under investigation for allegedly covering up criminal activity. The White House hopes to avoid a confrontation with Congress over the President's notes. But despite these intentions, officials here are making it clear that they do not plan to release them. (NBC-Lead)

CBS's Susan Spencer: Finding out who in the White House knew what about the Iran-Contra scandal may take investigators where the Administration feels they have no right at all to go: into the President's personal notes.

CBS's Jacqueline Adams: The White House today confirmed that President Reagan does occasionally make hand-written notes on his private and official activities -- notes which he consulted prior to his only lengthy question and answer session on the Iran-Contra scandal -- a 75-minute meeting with his Tower Commission. The Senate Select Committee investigating the Iran controversy may want to see those notes although there's been no discussion of that yet. But one member, Democratic Senator George Mitchell believes the committee should have access to the notes, although he is willing to let a third party review them to determine whether they're relevant or not. The White House view though is that the notes are strictly private, that all the committee's questions will be answered in testimony. Both Mitchell and the White House agree that it's premature to discuss whether executive privilege will be invoked to keep the notes private. But former White House spokesman Larry Speakes believes the President is leaning that way.

(Larry Speakes: "I think he would be mindful of any precedent he might set in binding future presidents. But other than that I think he'd be as open as he could be.")

(The President at his State of the Union Message: "We will get to the bottom of this and I will take whatever action is called for.")

Tonight Senate sources are waiting to see whether President Reagan really means it. (CBS-3)

ISRAEL/HOSTAGES

Spencer: Israel today said "no deal" to terrorist demands that it free 400 Palestinian prisoners in return for four Beirut university professors kidnapped last weekend. One official called the idea of a trade unthinkable. Meanwhile, there are reports tonight of intense hush-hush talks among Syria, Iran, and Lebanese militia leaders to determine the fate of hostage negotiator Terry Waite, whereabouts still unknown.

CBS's Doug Tunnell: In Lebanon today the British Embassy continued the search for the Church of England's hostage negotiator Terry Waite, while in England the Archbishop of Canterbury said Waite had long made clear what should not be done if he were ever taken hostage.

(Robert Runcie, Archbishop of Canterbury: "Should anything happen to him, he wouldn't want money or people to be exchanged for him in that way.")

But an exchange is exactly what one group of kidnappers holding three American hostages asked for last night.... Release 400 prisoners in Israel within the next week or else, the statement warned, the hostages will be killed. In Jerusalem, Israeli officials publicly ruled out any bargain.

(Moshe Shahal, Energy Minister: "You should not give or accept their conditions. Otherwise you are going to promote terrorism instead of fighting it.")

...Israeli Defense Minister, Yitzhak Rabin, today said no new deal was in the works so far.

(Yitzhak Rabin: "There is no request or any contact that was made by the United States government to Israel.") (CBS-Lead)

-more-

NBC's Steven Frazier reports the Archbishop of Canterbury said he had no fresh news about Waite, but he did have Waite's instructions that no rescue should be attempted nor ransom paid should something happen to him in Beirut. (NBC-4)

Wallace: Two Palestinian groups are separately claiming responsibility tonight for a bomb that blew up aboard an Israeli bus causing a number of injuries. This attack came as Israeli leaders rejected a swap involving American hostages.

NBC's Martin Fletcher: A bomb in a bus wounded nine Israelis. For Israeli leaders, nine more reasons not to negotiate with terrorists. Weakness, they say, encourages more terrorism.... Israel's answer was swift: no deal. And the Defense Minister said Israel hadn't been asked to give in to the terrorist demands.

(Yitzhak Rabin: "There is no request or any contact that was made by the United States government to Israel.")

Israeli experts see the terrorist demand as having a political aim. By linking American lives with Israel's Arab prisoners, the terrorists want to drive a wedge between the United States and Israel. (NBC-5)

SHULTZ/HOSTAGES

Spencer: Secretary of State George Shultz says the U.S. should be prepared to use military force against hostage takers, "when we have a clear target and when we know what we're doing." That comment came in an interview with U.S. News and World Report. (CBS-2)

SENATE REPORT/ISRAELI ROLE

Spencer: The Senate report on the Iran-Contra affair outlines an Israeli role in weapons shipment to the rebels of Nicaragua -- a role that Israel today flatly denied.

CBS's Bob Simon: Israel lifted its shield of silence just a bit today. Just enough to shoot off a few arrows towards Washington -- towards the Senate committee and the charge that Israel was involved in the Contra connection.

(Avi Pazner, Prime Minister Spokesman: "Israel reaffirms that it had no knowledge and was not a party in any way in the alleged diversion of Iranian funds to the Contras.")

The report alleged that Defense Minister Rabin proposed to Washington that Israel ship captured Soviet Bloc weapons to the Nicaraguan rebels. Rabin had a few words to say about that.

(Rabin: "What is attributed to me is a total nonsense. In the Contras hands there is no arms that came from Israel.")

But a leading Israeli newspaper reported today that a ship carrying Russian rifles destined for the Contras actually left Israel last fall, but was told to return immediately when Irangate exploded in Washington. The paper reports that the ship only sailed after repeated requests from Oliver North.... Off the record, officials are worried that Israel's standing in Congress is being damaged, and that it may be tough going when the time comes for guns and funds to be voted for Israel. (CBS-4)

KHASHOGGI/IRAN ARMS

Wallace: One of the world's richest men was a go-between in the Iran-Contra arms deal. Adnan Khashoggi says he lost millions in the complex arrangement, and now he's threatening to go to court to get that money back.

NBC's James Polk: Adnan Khashoggi, a billionaire beset by money troubles says he plans to file an American lawsuit if necessary, to recover \$10 million he lost in financing the Iran arms deal. That money disappeared from a Swiss bank account listed in the name Lake Resources after Khashoggi made a \$15 million deposit to underwrite one of the missile shipments. (NBC-3)

AMERICAN REPORTER/IRAN

Wallace: The Wall Street Journal says one of its reporters, Gerald Seib, has been detained in Iran. Seib was invited by the government there to visit the Iran-Iraq war zone. An Iranian news agency did not mention Seib, but it did say an Israeli spy has been arrested disguised as a journalist. Tonight the State Department demanded that Seib be released immediately. (NBC-2, CBS-14)

AYATOLLAH/IRAN

Spencer: It was on this day in 1979 that the Ayatollah returned to Iran to launch his brand of Islamic revolution.

CBS's Bill Redicker reports that the fervor has faded. The Iranian revolution has settled down and settled in. No one seems to pay much attention to the anti-American slogans. Few are curious about the former American Embassy. For those who remember Tehran as an angry cauldron of anti-everything, eight years have returned this city to its pre-revolutionary past. (CBS-15)

CONGRESSIONAL PAY RAISE

Wallace: This week members of Congress will get the chance to vote on a pay raise. But it's a vote they would just as soon avoid.

NBC's Bob Kur: Many in Congress wanted a big pay raise but did not want to face the political problem of voting directly for it. Already in the budget, the raise proposed by President Reagan will take effect automatically this Wednesday unless the House rejects it. The Senate already has. A lawsuit filed by Sen. Humphrey...and the National Taxpayer's Association seeks to block the raise challenging its constitutionality because it does not require a vote of approval.... Many members say whether or not to vote for a raise is the most agonizing issue they face. The Constitution allows them to set their own salaries and it sounds good, but retired Senator Russell Long called it a power no good man would want, and no bad man should have. (NBC-7)

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panel: George Will and Sam Donaldson.
Guests: Secretary James Baker; Karl Otto Pohl, President, Deutsche Bundesbank; Henry Kaufman, Salomon Brothers.

Will: Mr. Pohl, how much of the value of the dollar is determined by the size of the American deficit, and the amount of borrowing from abroad that that requires?

Pohl: I'm pretty sure that the fact that the U.S. budget deficit has not been reduced has contributed to the decline of the dollar, and has led to some, let's say, judgments and assessments of American fiscal policy which has also contributed to this development.

Brinkley: The performance of American business and industry, or of government, does not justify the kind of record-breaking stock market we have seen in the last few days or weeks. What's going on?

Kaufman: It has to be recognized that while the economy has slowed appreciably, there's really no expectation of an imminent recession or economic contraction. It is quite obvious that while fiscal stimulation is waning, the expectation is...that the support for the economy is coming from, and will have to continue to come from, monetary stimulation.

Donaldson: Will the Fed continue to lower its discount rate, or are we at the bottom at the moment?

Kaufman: My own belief is that the Fed will wait a little bit longer.... So somewhere in March or April, I would expect one more reduction in the discount rate.

Brinkley: The deficit is not going away in a short period.

Baker: That's true. But I think you'll see that there's going to be substantial progress on the deficit in 1987, already built into the system as a consequence of cuts that were legislated in the last couple of years, to some extent, not where we wanted them, in the defense budget.

Donaldson: What are you doing to the dollar?

Baker: One thing we're not doing is talking it down.... The one thing we should not do is speculate on what the appropriate level of the dollar should or should not be.

Donaldson: A lot of people believe the President is now in the twilight zone of his presidency, not just from the standpoint of the calendar; from the standpoint of his energy. Are you one of those, for instance, who is threatening to resign unless Donald Regan leaves?

THIS WEEK (continued)

Baker: Absolutely not. And I know of no truth to that story whatsoever, and I have no idea where it came from. But let me tell you this.... Many people have made serious mistakes by underestimating this President. And many people have suggested that he is in the twilight of this campaign or that or this effort. And I think it's a mistake to underestimate this President. You're going to see him come back, and come back vigorously.

ROUND TABLE DISCUSSION: Tom Wicker joins panel.

Brinkley: Mr. Reagan met for the first time with the new bipartisan leadership of Congress. What happened?

Donaldson: The fact is, the Democrats believe they're gonna clobber this President and they've started out with the help of Republicans on the Hill by passing this huge \$18 billion Clean Water Bill. The President has vetoed it now, and they're going pass it over his veto, and the Democrats will say that's scalp number one.

Wicker: I certainly wouldn't underestimate his (the President's) ability to label this as one more evidence that the Democrats are big spenders.

Will: The Reagan agenda really has been in place since September 1981.... I have trouble figuring out what clobbering the President would constitute. The Democrats could spend more money. The President can veto them or let them run up the deficit, or let them raise taxes to pay for it. Those may be short-term clobberings of the President, but they have a boomerang effect. And it seems to me if they want to spend the next two years forcing this President to do what he has singly failed to do in his first six years -- which is use the veto -- I think a President wins when he gets in that kind of a fight with Congress.

Wicker: Military spending was a big factor in Reagan's victories, but I think it might also be, by now, a weakness, because people have had a look at what six years of very big military budgets have meant. And I don't think there's anything like the constituency out there now either for increased military spending, or even for present levels of military spending that there would have been in 1980....

Brinkley: What would constitute clobbering Mr. Reagan and how can they do it?

Donaldson: They can clobber by not giving him in his budget some of the things and the priorities he thinks he wants. And they're still necessary to keep the so-called Reagan Revolution going.

Wicker: Suppose they refuse to permit the second installment of the \$100 million for the contras to go through.... There are a number of things the Democrats can do to force the President to take strong action to overrule.

NBC -- MEET THE PRESS

Moderator: Marvin Kalb. Panel: Anne Garrels, NBC News, and John Wallach, Hearst Newspapers.

Guest: Rep. Stephen Solarz, Joker Arroyo, Executive Secretary of the Philippines, and Juan Ponce Enrile.

Kalb: The State Department says that if Mrs. Aquino does not get something like 60% or above (on the constitutional vote), it in effect would be considered a vote against her. Would you agree with that?

Solarz: What's at stake here is whether or not the Philippines will be adopting a new constitution. If the constitution were defeated it would create a chaotic situation in the Philippines which would constitute a real threat to the stability of the government.

Garrels: Tomorrow there may well be a new constitution which may well ban nuclear weapons in the Philippines. How is this going to affect American ship business -- the U.S. bases?

Solarz: The new constitution doesn't actually ban nuclear weapons in the Philippines. It provides that they can be there if the president of the Philippines deems it to be in the national interest of the Philippines to have them there.

Garrels: Mr. Enrile, where do you think the greatest threat comes to the Aquino government -- from the left or from the right?

Enrile: I think you have to expect threats from both sides.

Kalb: Let us project a year or two into the future. You've got the constitution, Mrs. Aquino is more or less in control and running the government effectively. What does that mean to the two American bases in the Philippines?

Enrile: If the constitution is adopted that means that the American bases in the Philippines will be rendered useless because there is a provision in this constitution which says that the Philippines, consistent with national interest, adopts a free nuclear policy.

Kalb: Mr. Arroyo, does that mean that the Philippine government will, as the New Zealand government has already done, forbid American ships, planes, etc. carrying nuclear weapons from landing or being in the Philippine bases?

Mr. Arroyo: That's right. With the adoption of this constitution and with this provision in it, American water vessels powered by nuclear fuel or armed with nuclear weapons could not enter Subic.

CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Larry Speakes, Rep. Coelho.

Stahl: There's a report this morning that President Reagan has been keeping a diary...that the Senate committee may ask him for. Did you know about these notes?

Speakes: No. It's a brand new one on me.... I was not aware that the President kept notes or a diary of any type.

Stahl: Do you know what the President will do if they do ask for them? Will he invoke executive privilege as has been suggested?

Speakes: The President has been very open with the congressional committees with all of the investigations.... So, I guess it would be a question on whether the President felt he was giving in on something that might bind future presidents to a precedent.

Stahl: There's an impression that we have reached the gloomiest point in President Reagan's term in office.... What do you see happening now to the Ronald Reagan presidency.

Speakes: ...As far as the presidency, I believe there's a great reservoir of goodwill out there for Ronald Reagan.... But frankly, I believe the American public is tiring of it (the Iran affair), they're tuning out on it, and nobody's got to the specific problems affecting the President.

Stahl: "Newsweek" has a new poll coming out...that shows the American people think Congress can better handle the problems of the country.

Speakes: When you see how the question's phrased it might be a little different.

Stahl: What strikes you is what the Democrats said after that speech. And that is that the President is presenting old and tired ideas -- nothing new -- that's what Ronald Reagan used to say about the Democrats. Do you not see some important sea change happening right now?

Speakes: Not really. I think the Democrats are, of course, setting the stage for the presidential elections...and we're seeing a lot of that rhetoric that we will see between now and Election Day.

Stahl: You sound just like the White House spokesman, Larry.

Speakes: I'm one who believes in Ronald Reagan. I believe what we're doing is important. I believe what we've done is important, and I think there's a desire from the American people that the President carry on. There's much to be done. The Democrats talk about old ideas. Well, they've never acted on the ideas.

Stahl: What's it like at the White House.... Are people depressed? We hear the President's been depressed.

FACE THE NATION (continued)

Speakes: You may have heard it, but it's wrong. It's dead wrong. The President is going about his job just as he's always gone about it....

Stahl: How hard does the President work these days? Is it less than he used to?

Speakes: I don't think so. He's had a bit of recuperation since that surgery in early January, but he's practically back to a full day on the job. The preoccupation with Iran is on the outside, not on the inside.

Stahl: Why do we keep hearing little hints of the problem with the President is he's not involved, he's disengaged?

Speakes: ...The reported exchange with Jim Wright that day in the leadership meeting, the new Speaker challenged the President. It was more or less that old argument of "We're spending too much on defense and how are we going to get it out of domestic programs," but I'll tell you what -- the Gipper was back. Ronald Reagan stepped up there and he spent ten minutes in a rebuttal to Jim Wright that was pretty exciting business.... The President challenged him with a number of facts and figures and said we've got to get down to business...but let's get something done.

Stahl: Some people say that the fact that he's been uninvolved is really why Iran happened.

Speakes: Any whispers by people who come out of the White House about Ronald Reagan not being involved and on top of his job and there for the final two years is hogwash. But Iran is a different question. The President set a good policy into motion. He thought he had good people carrying it out and those people missserved the President.

Stahl: Don Regan. Is he back in total charge at the White House?

Speakes: He never was out.... I think he's been the victim of the greatest campaign of get-him-out, get-him-out, that I have ever seen.

Stahl: Sen. Boren says he (Regan) should resign.

Speakes: Sen. Boren is wrong on this one.

Stahl: Nancy Reagan. How powerful is she really?

Speakes: She's deeply interested in the success or failure of this Administration as we all are. And she makes her viewpoint known and her judgments are very, very good.... The Reagans have worked long and hard to get to the White House and they've had a beautiful six years, and I don't think either one of them -- and I'm not either -- are interested in letting anything tarnish that presidency. We're going to work hard to put this Iranian thing behind us.

Stahl: It's still "we."

FACE THE NATION (continued)

Guest: Rep. Coelho.

Stahl: You said after the State of the Union address that we are seeing the end of the Reagan era. Is that generally what all you Democrats have concluded, and is your meeting based on that read of what's happening?

Coelho: The joke going on down here, that President Reagan had a six-year script for an eight-year term, typifies what most of us feel. That Ronald Reagan is now speaking about the past and defending the past, and we're looking forward to the next decade. The best example of that is the Clean Water Bill....

Stahl: Aren't you a little concerned of writing Ronald Reagan off a little too early?

Coelho: The difference is that Ronald Reagan always had the one thing going through all these things: that people believed him. What's happening today is that people are not sure what to believe.... I was intrigued with Larry's comments. He was, in effect, saying that the President really knows what's going on, Don Regan doesn't know because the national security adviser doesn't have control over him....

Stahl: What was the exchange between the Speaker and the President (at the leadership meeting)?

Coelho: Basically what happened is that the Speaker got into a discussion of what are our priorities. We disagree with the White House and the Republicans.

Stahl: Did the Gipper come fighting back, as Larry Speakes said?

Coelho: I was intrigued. I have to be honest and say that I thought the President did come back.... The President gave us his rhetoric of the campaigns of '76, of 1980, and 1984.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin. Panel: Eleanor Clift, Morton Kondracke, Jack Germond, Robert Novak.

ON THE STATE OF THE UNION ADDRESS:

McLaughlin: What's your appraisal of this speech, both as to style and content?

Clift: The White House needed to show the Gipper is back and I think they did that. He looked vital and healthy. But on a substantive level he filled his speech with Reaganesque phrases about optimism and patriotism, and that would be fine if he were emceeding the Olympics. But he delivered nothing in terms of substance.... It was a stale script and I think it sets up a confrontation with the Congress.

Novak: I have to agree almost 100% with Eleanor, except for the fact that he did come out very strongly and very necessarily for the contras. He missed an opportunity to say, "We must go for early deployment of SDI," because they had not made a decision, and that reflects what's going on in this whole Administration.

Germond: The President's strength as a national leader has been based on his persona -- his personal qualities. He has undercut that persona by trading arms for hostages and specific programs are not going to bail him out.

McLaughlin: That's an interesting thought. That the President, no matter what he said, could not have extricated himself from the Iran mess.

Kondracke: If he had, instead of just saying mistakes were made, have said "what I learned" from this mistaken episode about terrorism policy, and where we are going from here, and how "I'm going to rally the allies," and how we're going to have a unified strategy against terrorism from now on, then he could have gotten something out of it.

Germond: What that report (Senate report) shows is a pattern of involvement by the President and by Don Regan in a whole series of meetings and discussions in the White House that make it impossible for them to maintain this deniability.

Novak: What the President didn't need was another mea culpa.

McLaughlin: Did the Democrats make a tactical error in keeping President Reagan at so great a distance?

Clift: It was boys-will-be-boys towel snapping.... I think it's time for the Democrats to draw the battle lines.

McLaughlin: On a scale of 0-10, tell me how much this speech halted the downward slide of the Reagan Administration?

Clift: I give it a two.

MCLAUGHLIN GROUP (continued)

Novak, Germond: It was a lost chance. The answer is zero.

Kondracke: Minus 0.5. McLaughlin: The answer is 3.

ON LEBANON:

McLaughlin: Do you see the prospect of military strike taking place?

Kondracke: No way. We don't know who to hit.... I don't want the President to look as though he's preoccupied every single day as though it's the top item on the agenda of the government.

McLaughlin: On a scale of 0-100, what probability is there that the United States will use military force on either of those theatres, Lebanon or Iran?

Clift: I'm going to give it a 1. Novak: 0.1

Germond: 10 Kondracke: Pretty close to zero.

McLaughlin: I'll say zero.

ON PHILIPPINES:

McLaughlin: Six months from now who will be the president of the Philippines?

Clift: Anybody but Marcos. I think Cory Aquino may not make it.

Novak, Germond, Kondracke, McLaughlin: Aquino.

PREDICTIONS:

Clift: For the first time in a State of the Union address the President did not reissue his commitment against abortion. It is the clearest death knell yet that the end of the Reagan revolution on social issues is here.

Novak: Coming to Washington to help the Vice President's fading presidential campaign is...George Bush, Jr.

Germond: Howard Baker...will run for president.

Kondracke: Probably the most reactionary thing the Reagan Administration has done is this attempt to appeal the Miranda ruling.... I predict that will go nowhere in the Supreme Court.

McLaughlin: Governor Cuomo will shortly announce an exploratory committee. He will seek the presidency and he will announce in April.

AGRONSKY & COMPANY

Moderator: Martin Agronsky. Panel: Carl Rowan, James Kilpatrick, Strobe Talbott, Elizabeth Drew.

Agronsky: The President's chief advisers and most of his critics said that his State of the Union message this week would be the most important of his presidency. How did he do?

Rowan: With some eloquence he spelled out a lot of laudable goals, but they'll never come to fruition because his rhetoric has absolutely no relationship to his budget or his policies.

Kilpatrick: I thought he did pretty fair. I don't think it was the best speech he ever made, but he looked good. He certainly had the Republicans with him. He had the Democrats booing and groaning. Pretty fair. Not an A+, but a B+ speech.

Talbott: Ronald Reagan is good at looking good, but that's not the issue. It was a great speech if you believe that you can run a railroad or a presidency on nostalgia.

Drew: I think we annually tend to overload the State of the Union message with more importance as a make-or-break event. It seldom makes or breaks a presidential career. I think his speech was long on symbolism, short on content, and excessively and somewhat sadly reliant on old rhetorical tricks that are getting a little tired.

Agronsky: What kind of an evaluation, what kind of a responsibility did Mr. Reagan choose to accept on this whole business concerning us (Iran-Contra affair) -- "Where is the money?" Whose idea was it?

Drew: He (The President) really still does not recognize the seriousness of it and the fact that you can't sweep it aside. I think he's being very badly advised by Regan and some of his people that they can get rid of it.

Agronsky: Do you feel that it will fade away?

Kilpatrick: I think it will. It's going to be awfully hard to keep the public's attention concentrated on a story as complicated as this one.

Talbott: I think that this doesn't have real staying power. One thing that came out of this (the Senate) report is there is a real issue here of the McFarlane version of what happened versus the Regan version of what happened.

Drew: There are very intriguing things that are in there, including it now appears that Don Regan was far more involved in bringing in North to see the President with all sorts of people from outside the government while the Secretary of State and Defense were being shut out. I think we're seeing Casey's role is larger than we were told at first.

AGRONSKY (continued)

Rowan: On the way here I heard a report from one of the Boston newspapers saying that Shultz, Weinberger and Jim Baker have told the President that if Don Regan doesn't go, they will resign. Interesting, if true.

ON THE PRESIDENT'S MEETING WITH CONGRESSIONAL LEADERS:

Agronsky: On Thursday the President met with the leaders of the Congress at the White House and was described by all of those who were present as a very confrontational, angry kind of meeting. Then on Friday the President vetoed the Clean Water Bill, and in the course of the veto he made the observation that he hopes that the Congress will not continue along these lines...

Rowan: He'd better take it as a harbinger to come.

Agronsky: Do you share the President's concern that he may be on a collision course with this Congress during the rest of his term?

Drew: I think this is all play-acting.

ON LEBANON:

Drew: I think it's a very big thing that happened. One could call it a little reality overtaking the Administration on foreign policy, but what they had to do was say, "We can longer protect any Americans who are in Lebanon." That was sensible given the circumstances. But it's a very sorry end to two things: One is the so-called Middle East policy. It's also a very sorry end to a policy of trying to stop hostage-taking.

Talbott: And it makes the Irangate scandal all the worse for the President.

Agronsky: Where does the United States stand now if the West Germans want to yield and take it easy on them?

Drew: Obviously we have no moral standing to tell other countries what to do about this.

Kilpatrick: The President felt deeply about getting these hostages back. Deeply enough to, I think mistakenly, trade these arms in. I don't think the public is going to resent this quite as much as you folks think it is.



News Summary

OFFICE OF THE PRESS SECRETARY

MONDAY, FEBRUARY 2, 1987 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

IRAN -- NICARAGUA

White House Says Congress Need Not See Reagan Notes -- President Reagan's personal notes on daily doings in the Oval Office contain some detail about the Iran-contra scandal, but White House officials say Congress can solve the puzzle without such "private papers."

(USA Today, Washington Post, AP, UPI)

INTERNATIONAL NEWS

U.S. Journalist Is Held By Iran; Reason Unclear -- An American journalist, Gerald Seib, the Middle East correspondent for the Wall Street Journal, has been detained in Iran, the Swiss Foreign Ministry said today.

(New York Times, Washington Post, UPI)

NATIONAL NEWS

Fitzwater Becomes Chief Spokesman Today -- Twenty years of faithful government service that began in a bureaucratic backwater thrust Marlin Fitzwater into a center-stage hot seat today as President Reagan's new chief spokesman.

(UPI)

NETWORK NEWS (Sunday Evening)

PRESIDENT'S NOTES -- The White House is rejecting calls that it turn over President Reagan's hand-written notes to Congress.

ISRAEL/HOSTAGES -- Israel said "no deal" to terrorist demands that it free 400 Palestinian prisoners in return for four Beirut University professors kidnapped last weekend.

SHULTZ/HOSTAGES -- Secretary Shultz said the U.S. should be prepared to use military force against hostage-takers.

THE LAST WORD

"Let government rededicate itself to the truth — first, last and always. And let the press rededicate itself to accuracy and fairness — first, last and always."

(Larry Speakes at the
National Press Club, 1/30)

IRAN — NICARAGUA

REAGAN IRAN NOTES REPORT CONFIRMED

A White House spokesman confirmed yesterday that President Reagan keeps "personal notes" about his activities that include material on the Iran arms affair, but said releasing them to congressional committees investigating the Iran-contra controversy may "infringe on the privacy of the President and others."

Asked if Reagan kept such recollections, as reported yesterday in The Washington Post, White House spokesman Don Mathes said: "Yes, he does keep notes that he makes from time to time at his residence in the evening. They are personal notes on his private and official activities."

Mathes said Reagan's notes "would include some of his official activities and indeed there would be something on Iran" in them.

(Dale Nelson, Washington Post, A16)

White House Says Congress Need Not See Reagan Notes

President Reagan's personal notes on daily doings in the Oval Office contain some detail about the Iran-contra scandal, but White House officials say Congress can solve the puzzle without such "private papers."

White House spokesman Don Mathes noted there had been no request for Reagan's notes, and in an apparent bid to head off what could become a clash between the President and Congress over access, he noted: "The White House is confident that by the end of these investigations, there will be no unanswered questions that would warrant the use of the President's private papers."

(Sean McCormally, UPI)

White House: Iran 'Notes Are Personal'

The White House and Congress may be headed for a showdown over President Reagan's private notes on Iran.

The Senate Select Committee may subpoena Reagan's notes and talk to historian Edmund Morris, given special access to write a Reagan biography.

White House spokesman Don Mathes said, "The notes are personal and the White House believes that to release them would infringe on the privacy of the President."

(Johanna Neuman & Tony Mauro, USA Today, A1)

Senate Panel Deciding Whether To Seek Reagan Notes On Iran Arms Deals

A Senate committee investigating the Iran arms-contra controversy hasn't yet decided whether to ask President Reagan to turn over "personal notes" which might shed light on his knowledge of the complicated affair, panel members say.

"I certainly think that any relevant information ought to be made available," said Sen. George Mitchell. "The President has said repeatedly that he wants all relevant information to be made public," Mitchell added.

(Tim Ahern, AP)

SHULTZ RIPS ARMS DEAL MENTALITY

Secretary Shultz is increasing his piercing criticism of the White House policy that led to the Iran arms deals, and is not behaving like a man thinking of quitting.

Criticizing the Iran deal, Shultz said in an interview with U.S. News & World Report: "The structure of the arms deliveries and the connection with the hostages may have gotten pretty tightly connected."

In which case, "the perception of the Iranians -- whatever the perception in this country was -- would be that hostages are a thing of value. Once you get that established in somebody's mind, then you have problems. The more you make out of hostages, the more value is placed on them by hostage takers.... If we say and do things that suggest that there's nothing in this world we wouldn't do to get these hostages out, that's a bad line to take," Shultz said.

(Richard Beeston, Washington Times, A6)

ABSHIRE REASSURES EDGY NATO ALLIES

The NATO allies have been reassured that the Iran-contra arms-selling episode won't undercut the Reagan Administration's foreign policy goals, David Abshire, the President's special adviser, said in an interview.

"NATO does not want to see another trauma in the U.S.," Mr. Abshire said. "It is a nightmare to them and they don't like that happening."

(Jeremiah O'Leary, Washington Times, A5)

HUGE ILLEGAL DEAL ON ARMS FOR IRAN WAS KNOWN TO U.S.

Pentagon Aides Said To Have Allowed Operation
In Hope Of Getting Intelligence

High Pentagon intelligence officials learned more than a year ago that private arms dealers were trying illegally to ship 39 American fighter planes and vast amounts of other weapons to Iran, but the officials did not stop the sales, according to confidential documents and participants who informed the government.

The illegal efforts were allowed to continue because the military officials hoped to gain intelligence information, including data on Iran and access to advanced Soviet tanks captured from Iraq by Iran, the sources said. (Stuart Diamond & Ralph Blumenthal, New York Times, A1)

POINDEXTER GOT RID OF PENTAGON OFFICIAL FOR FEAR OF LEAKS ON IRAN ARMS

A Pentagon official was fired last April because President Reagan's national security adviser, Vice Adm. John Poindexter, feared the official was about to uncover the secret sales of U.S. arms to Iran, according to a Senate staff report.

Sen. Orrin Hatch is expected to deliver the report Monday to the Senate Intelligence Committee investigating the arms sales and the diversion of profits to the Nicaraguan rebels, James Phillips, who wrote the report, said Sunday.

(Donna Cassata, AP)

ISRAEL SENT RIFLES TO CONTRAS, PAPER SAYS

JERUSALEM -- Israel sent captured Soviet-made rifles to the U.S.-backed Nicaraguan rebels, but Washington stopped the shipment on the high seas when Iran disclosed the original arms deal last October, a leading Israeli newspaper said today.

Defense Minister Yitzhak Rabin repeated a denial that Israel sent weapons to the rebels, as alleged by a report of the Senate Select Committee on Intelligence. He did not refer specifically to the new allegations in the daily Maariv. (Jonathan Randal, Washington Post, A16)

Rabin Contradicts Weapons Scenario

JERUSALEM -- Israel yesterday denied U.S. charges that it offered to send weapons to the anti-Marxist Nicaraguan resistance, but an Israeli newspaper said the Jerusalem government sent a shipment of rifles that was recalled to Israel.

Defense Minister Yitzhak Rabin, reflecting growing exasperation over allegations of Israel's role in the affair, said the recently released U.S. Senate Intelligence Committee report was "a certificate of ineptness" with "no basis in reality." (Washington Times, A1)

CIA RETIRING AN OFFICER WHO AIDED THE CONTRAS

The CIA, acknowledging that one of its officers helped funnel weapons to the Nicaraguan rebels despite a congressional ban, is forcing the station chief in Costa Rica to accept early retirement, intelligence sources said yesterday.

The sources, insisting on anonymity, said the station chief sent secret messages to the then-White House aide Oliver North and to members of the contra aid network with sophisticated encoding devices that North obtained from the National Security Agency.

(Robert Parry, Washington Post, A17)

EDITOR'S NOTE: "Ledeen Seems To Relish Iran Insider's Role," by Charles Babcock, appears in the Washington Post, A1.

INTERNATIONAL NEWS

IRAN HOLDS AMERICAN JOURNALIST No Charge Given; Writer Was Invited To Cover Gulf War

TEHRAN -- The Iranian government, which last week invited nearly 100 foreign journalists to cover its latest offensive against Iraq, has detained the Middle East correspondent for the Wall Street Journal, Gerald Seib.

Iranian officials from the government's Ministry of Guidance, which had accredited Seib, an American, refused to comment on why he was detained yesterday, two days after his passport was taken by government officials without explanation. (Loren Jenkins, Washington Post, A1)

U.S. Journalist Is Held By Iran; Reason Unclear

ROME -- An American journalist, Gerald Seib, the Middle East correspondent for the Wall Street Journal, has been detained in Iran, the Swiss Foreign Ministry said today.

A diplomat from the Swiss Embassy who was accompanying the journalist was also detained briefly but was later released, according to a Swiss Foreign Ministry spokesman. (Roberto Suro, New York Times, A1)

Iran/Seib

Iran has detained an American correspondent for the Wall Street Journal who was visiting Iran with other journalists at the invitation of the Tehran government, the State Department said Sunday.

Gerald Seib, a Middle East correspondent based in Cairo was detained Saturday by Iran, State Department spokesman Bruce Ammerman said in Washington.

"We do not know why he was detained," Ammerman said. "Seib should be released immediately and allowed to depart Iran." (UPI)

KIDNAPPERS DEMAND ISRAEL FREE 400 IN JAIL

BEIRUT -- Terrorists again threatened to kill four kidnapped university professors yesterday, saying their corpses would be dumped in garbage cans unless 400 prisoners in Israel were freed within a week.

"The Islamic Jihad for the Liberation of Palestine announced that it will free the four American hostages in exchange for the release of 400 holy war strugglers held in Zionist Nazi jails in Palestine," said a statement received Saturday night by Beirut's an-Nahar newspaper.

(Washington Times, A1)

WAITE: NO RANSOM OR HOSTAGE EXCHANGE

LONDON -- Missing hostage negotiator Terry Waite left emphatic instructions before heading to Beirut -- no ransom payment or hostage exchange if he is kidnapped.

Archbishop of Canterbury Robert Runcie, for whom Waite serves as a special envoy, said Sunday that he would abide by the instructions despite concern for his envoy's safety. (Robert Mackay, UPI)

PERLE BERATES NATO ALLIES
'Mealy-Mouthed' Line Draws European Rebuke

MUNICH -- A top-ranking U.S. defense official today sharply criticized European allied leaders as "mealy-mouthed" in expressing their opinions on world security issues and accused Soviet leader Gorbachev of lying during arms negotiations.

Assistant Defense Secretary Richard Perle's verbal barrage against NATO leaders provoked angry rebukes from both European and U.S. representatives attending the annual Wehrkunde Conference here.

(Molly Moore, Washington Post, A13)

MORE AMERICANS BELIEVE U.S. USES 'DISINFORMATION'

The number of Americans who believe the U.S. government uses "disinformation" -- false or misleading information -- rose sharply last year, according to the results of a public opinion poll on national security issues.

The poll, taken last November by the Gary Lawrence Co. of Santa Ana, Calif., found that nearly half the American public thinks the U.S. government is likely to "deliberately use misleading information to deceive other nations' leaders and people." (Bill Gertz, Washington Times, A3)

SHCHARANSKY/RALLY

LOS ANGELES -- Soviet dissident Anatoly Shcharansky Sunday told a rally of several thousand American Jews and human rights advocates that together they can convince the Soviet Union to free Jews seeking to emigrate to Israel.

With a police helicopter clattering overhead and dozens of private guards and police officers quietly surveying the crowd, Shcharansky's call for freedom was echoed by speakers who included Mayor Tom Bradley, Sen. Joseph Biden and Israeli Consul General Eytan Bentsur.

(Howard Gantman, UPI)

FILIPINOS CAST VOTES ON CHARTER Troops Are Alerted For Disruptions During Balloting

MANILA -- In the first electoral test of President Corazon Aquino's government, millions of Filipinos began voting today on a new constitution that would allow the Philippine president to remain in office until 1992.

The nation was tense on the eve of the balloting, following last week's failed coup by soldiers loyal to former president Ferdinand Marcos and a weekend of rumors that attacks by dissident soldiers were imminent. Authorities said 79 of 81 armed forces combat battalions are on alert throughout the country in anticipation of attempts by communist and Moslem guerrillas, military renegades and right-wing extremists to disrupt balloting.
(Gregg Jones, Washington Post, A1)

Filipinos Vote In Crucial Plebiscite For Cory Aquino.

MANILA -- Millions of Filipinos voted on a draft constitution today in a crucial test for President Corazon Aquino's embattled 11-month-old government.

Precincts were to close at 3:00 p.m. and counting was to begin immediately in the crucial plebiscite, but full official results were not expected until the weekend.
(Fernando Del Mundo, UPI)

MARINE GUARD CHARGED WITH SPYING FOR SOVIETS

A Marine security guard has been charged with espionage for supplying the Soviet Union with the names and identities of covert U.S. intelligence agents in Moscow, the Marine Corps has announced.

Marine Sgt. Clayton Lonetree also has been charged with providing the Soviet KGB intelligence service with floor plans and office personnel locations in the U.S. embassies in Moscow and Vienna, the Marine Corps said in a statement released Friday. (Bill Gertz, Washington Times, A4)

AMERICA'S CUP

FREMANTLE -- Stars & Stripes beat Kookaburra III by one minute 46 seconds in today's third race of the best-of-seven America's Cup final. Times -- Stars & Stripes three hours and 10 minutes, Kookaburra III three hours, 11 minutes and 46 seconds. Stars' & Stripes leads the best-of-seven series 3-0.
(Reuter)

NATIONAL NEWS

MEESE: WHO NEEDS CONGRESS?

Reagan Has Other Ways To Pursue Agenda, He Says

President Reagan, his effectiveness on Capitol Hill diminished, has developed an alternative game plan.

Attorney General Edwin Meese, said in an interview that if Congress ignores Reagan's legislation, the White House will use courts and executive orders to pursue its agenda.

"Success is not necessarily measured by what happens on Capitol Hill," Meese said, adding: "If Congress didn't pass another law for the next two years other than the budget, the state of the nation would not be irreparably harmed."
(Johanna Neuman, USA Today, A4)

NEW ATMOSPHERE AT THE NSC

Much of substance has happened at the National Security Council since Frank Carlucci took control of that beleaguered body, but the most important change may be that the door to the national security adviser's office is kept open for the first time in the Reagan Administration.

After only a month on the job, Carlucci has his stiffest challenges in front of him, but has met the first test of demystifying the NSC. A veteran diplomat, who has dealt often with the Administration, claims that a mood of secrecy and excitability has been replaced by a "much more mature, more cool-headed" approach. (Lou Cannon, Washington Post, A2)

FITZWATER BECOMES CHIEF SPOKESMAN TODAY

Twenty years of faithful government service that began in a bureaucratic backwater thrust Marlin Fitzwater into a center-stage hot seat today as President Reagan's new chief spokesman.

The quiet transition took place Sunday, as Speakes bid a formal farewell to government and prepared to begin work on Wall Street as head of communications for Merrill Lynch & Co. at a handsome six-figure salary.
(Norman Sandler, UPI)

RELUCTANT HOUSE TO VOTE ON PAY

The House, hoodwinked by a parliamentary maneuver in the Senate last week, faces a potentially embarrassing vote this week on whether to grant itself a 15.6 percent pay increase.

The House Democratic leadership wanted to avoid a vote and let the pay increase take effect automatically -- as it would unless rejected before Wednesday's deadline, congressional sources said.

(Walter Andrews, Washington Times, A2)

ACLU LAUDS 25 HILL DEMOCRATS, GIVES 'ZEROS' TO 49 REPUBLICANS

Six senators and 19 congressmen turned in perfect civil-liberties voting records last year, while 11 senators and 38 congressmen received zeros on a new American Civil Liberties Union scorecard.

The ACLU's Washington office reported today that 1986 "was far from ideal" for civil-liberty gains in Congress.

(Mary Belcher, Washington Times, A2)

REMEDIAL EDUCATION BILL GOES TO CONGRESS THIS WEEK

Two ranking lawmakers on powerful House education committees this week will send Congress a proposal to expand the federal government's \$3.9 billion remedial education program.

The Hawkins-Goodling proposal, an attempt to stop students from dropping out of school, would earmark \$100 million for expansion of remedial efforts.

(Carol Innerst, Washington Times, A4)

WORK-PROGRAM EFFECTS 'MODEST' FOR ENROLLEES

GAO Says Effort Won't Slash Welfare Rolls

Work programs for welfare recipients have "modest" effects on the job prospects of participants and therefore should not be expected to slash welfare rolls, according to a study by the General Accounting Office released yesterday.

The study, requested by Rep. Ted Weiss, found that the programs often spent only a few hundred dollars per participant, focusing on low-cost job-search assistance rather than on education or training.

(Spencer Rich, Washington Post, A7)

NETWORK NEWS SUMMARY

(Sunday Evening, February 1st)

PRESIDENT REAGAN'S NOTES

NBC's Chris Wallace: The White House tonight is flatly rejecting calls that it turn over President Reagan's hand-written notes to Congress. Officials confirmed today that Mr. Reagan does keep a personal record of his dealings, but said releasing those files would infringe on his privacy. Robin Lloyd reports that the dispute involves a central issue decided in the Watergate controversy.

NBC's Robin Lloyd: Aides say the President has kept a record of his presidency in the form of hand-written notes for his memoirs. They acknowledge that some of those notes refer to his role in the Iran arms deal, and that he used these papers last week in preparing for his interview with the special review panel investigating the Iran controversy. Some members of the Senate Select Committee want to see these papers now to try to determine if they're relevant to the Iran-Contra investigation.

(Sen. Hatch: "I think the Committee would ask for them, and I think they would push to get them.")

But aides say the President will not hand over these notes despite his repeated pledge to get all the facts out.

(The President: "We will get to the bottom of this and I will take whatever action is called for.")

Sources say Chief of Staff Donald Regan, when he testified before the Senate Intelligence Committee last month, told the members that if pressed for these papers the President would invoke executive privilege. And today a White House spokesman said to release these documents would quote, "infringe on the privacy of the President and others. In 1974, in the middle of the Watergate investigation, the Supreme Court ruled that then-President Nixon had to hand over to a federal court and to the special prosecutor parts of a daily diary he dictated into a recording machine. An attorney who worked for the Watergate committee said there appears to be some legal precedent on the basis of that decision.

(James Hamilton, Watergate Attorney: "The independent counsel and the Congress is not going to be foreclosed from getting this information simply because they are denominated as private papers.")

But White House officials say there is no legal precedent, and no comparison with Watergate because unlike Nixon, they say, the President is not under investigation for allegedly covering up criminal activity. The White House hopes to avoid a confrontation with Congress over the President's notes. But despite these intentions, officials here are making it clear that they do not plan to release them. (NBC-Lead)

CBS's Susan Spencer: Finding out who in the White House knew what about the Iran-Contra scandal may take investigators where the Administration feels they have no right at all to go: into the President's personal notes.

CBS's Jacqueline Adams: The White House today confirmed that President Reagan does occasionally make hand-written notes on his private and official activities -- notes which he consulted prior to his only lengthy question and answer session on the Iran-Contra scandal -- a 75-minute meeting with his Tower Commission. The Senate Select Committee investigating the Iran controversy may want to see those notes although there's been no discussion of that yet. But one member, Democratic Senator George Mitchell believes the committee should have access to the notes, although he is willing to let a third party review them to determine whether they're relevant or not. The White House view though is that the notes are strictly private, that all the committee's questions will be answered in testimony. Both Mitchell and the White House agree that it's premature to discuss whether executive privilege will be invoked to keep the notes private. But former White House spokesman Larry Speakes believes the President is leaning that way.

(Larry Speakes: "I think he would be mindful of any precedent he might set in binding future presidents. But other than that I think he'd be as open as he could be.")

(The President at his State of the Union Message: "We will get to the bottom of this and I will take whatever action is called for.")

Tonight Senate sources are waiting to see whether President Reagan really means it. (CBS-3)

ISRAEL/HOSTAGES

Spencer: Israel today said "no deal" to terrorist demands that it free 400 Palestinian prisoners in return for four Beirut university professors kidnapped last weekend. One official called the idea of a trade unthinkable. Meanwhile, there are reports tonight of intense hush-hush talks among Syria, Iran, and Lebanese militia leaders to determine the fate of hostage negotiator Terry Waite, whereabouts still unknown.

CBS's Doug Tunnell: In Lebanon today the British Embassy continued the search for the Church of England's hostage negotiator Terry Waite, while in England the Archbishop of Canterbury said Waite had long made clear what should not be done if he were ever taken hostage.

(Robert Runcie, Archbishop of Canterbury: "Should anything happen to him, he wouldn't want money or people to be exchanged for him in that way.")

But an exchange is exactly what one group of kidnappers holding three American hostages asked for last night.... Release 400 prisoners in Israel within the next week or else, the statement warned, the hostages will be killed. In Jerusalem, Israeli officials publicly ruled out any bargain.

(Moshe Shahal, Energy Minister: "You should not give or accept their conditions. Otherwise you are going to promote terrorism instead of fighting it.")

...Israeli Defense Minister, Yitzhak Rabin, today said no new deal was in the works so far.

(Yitzhak Rabin: "There is no request or any contact that was made by the United States government to Israel.") (CBS-Lead)

-more-

NBC's Steven Frazier reports the Archbishop of Canterbury said he had no fresh news about Waite, but he did have Waite's instructions that no rescue should be attempted nor ransom paid should something happen to him in Beirut. (NBC-4)

Wallace: Two Palestinian groups are separately claiming responsibility tonight for a bomb that blew up aboard an Israeli bus causing a number of injuries. This attack came as Israeli leaders rejected a swap involving American hostages.

NBC's Martin Fletcher: A bomb in a bus wounded nine Israelis. For Israeli leaders, nine more reasons not to negotiate with terrorists. Weakness, they say, encourages more terrorism.... Israel's answer was swift: no deal. And the Defense Minister said Israel hadn't been asked to give in to the terrorist demands.

(Yitzhak Rabin: "There is no request or any contact that was made by the United States government to Israel.")

Israeli experts see the terrorist demand as having a political aim. By linking American lives with Israel's Arab prisoners, the terrorists want to drive a wedge between the United States and Israel. (NBC-5)

SHULTZ/HOSTAGES

Spencer: Secretary of State George Shultz says the U.S. should be prepared to use military force against hostage takers, "when we have a clear target and when we know what we're doing." That comment came in an interview with U.S. News and World Report. (CBS-2)

SENATE REPORT/ISRAELI ROLE

Spencer: The Senate report on the Iran-Contra affair outlines an Israeli role in weapons shipment to the rebels of Nicaragua -- a role that Israel today flatly denied.

CBS's Bob Simon: Israel lifted its shield of silence just a bit today. Just enough to shoot off a few arrows towards Washington -- towards the Senate committee and the charge that Israel was involved in the Contra connection.

(Avi Pazner, Prime Minister Spokesman: "Israel reaffirms that it had no knowledge and was not a party in any way in the alleged diversion of Iranian funds to the Contras.")

The report alleged that Defense Minister Rabin proposed to Washington that Israel ship captured Soviet Bloc weapons to the Nicaraguan rebels. Rabin had a few words to say about that.

(Rabin: "What is attributed to me is a total nonsense. In the Contras hands there is no arms that came from Israel.")

But a leading Israeli newspaper reported today that a ship carrying Russian rifles destined for the Contras actually left Israel last fall, but was told to return immediately when Irangate exploded in Washington. The paper reports that the ship only sailed after repeated requests from Oliver North.... Off the record, officials are worried that Israel's standing in Congress is being damaged, and that it may be tough going when the time comes for guns and funds to be voted for Israel. (CBS-4)

KHASHOGGI/IRAN ARMS

Wallace: One of the world's richest men was a go-between in the Iran-Contra arms deal. Adnan Khashoggi says he lost millions in the complex arrangement, and now he's threatening to go to court to get that money back.

NBC's James Polk: Adnan Khashoggi, a billionaire beset by money troubles says he plans to file an American lawsuit if necessary, to recover \$10 million he lost in financing the Iran arms deal. That money disappeared from a Swiss bank account listed in the name Lake Resources after Khashoggi made a \$15 million deposit to underwrite one of the missile shipments. (NBC-3)

AMERICAN REPORTER/IRAN

Wallace: The Wall Street Journal says one of its reporters, Gerald Seib, has been detained in Iran. Seib was invited by the government there to visit the Iran-Iraq war zone. An Iranian news agency did not mention Seib, but it did say an Israeli spy has been arrested disguised as a journalist. Tonight the State Department demanded that Seib be released immediately. (NBC-2, CBS-14)

AYATOLLAH/IRAN

Spencer: It was on this day in 1979 that the Ayatollah returned to Iran to launch his brand of Islamic revolution.

CBS's Bill Redicker reports that the fervor has faded. The Iranian revolution has settled down and settled in. No one seems to pay much attention to the anti-American slogans. Few are curious about the former American Embassy. For those who remember Tehran as an angry cauldron of anti-everything, eight years have returned this city to its pre-revolutionary past. (CBS-15)

CONGRESSIONAL PAY RAISE

Wallace: This week members of Congress will get the chance to vote on a pay raise. But it's a vote they would just as soon avoid.

NBC's Bob Kur: Many in Congress wanted a big pay raise but did not want to face the political problem of voting directly for it. Already in the budget, the raise proposed by President Reagan will take effect automatically this Wednesday unless the House rejects it. The Senate already has. A lawsuit filed by Sen. Humphrey...and the National Taxpayer's Association seeks to block the raise challenging its constitutionality because it does not require a vote of approval.... Many members say whether or not to vote for a raise is the most agonizing issue they face. The Constitution allows them to set their own salaries and it sounds good, but retired Senator Russell Long called it a power no good man would want, and no bad man should have. (NBC-7)

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panel: George Will and Sam Donaldson.
Guests: Secretary James Baker; Karl Otto Pohl, President, Deutsche Bundesbank; Henry Kaufman, Salomon Brothers.

Will: Mr. Pohl, how much of the value of the dollar is determined by the size of the American deficit, and the amount of borrowing from abroad that that requires?

Pohl: I'm pretty sure that the fact that the U.S. budget deficit has not been reduced has contributed to the decline of the dollar, and has led to some, let's say, judgments and assessments of American fiscal policy which has also contributed to this development.

Brinkley: The performance of American business and industry, or of government, does not justify the kind of record-breaking stock market we have seen in the last few days or weeks. What's going on?

Kaufman: It has to be recognized that while the economy has slowed appreciably, there's really no expectation of an imminent recession or economic contraction. It is quite obvious that while fiscal stimulation is waning, the expectation is...that the support for the economy is coming from, and will have to continue to come from, monetary stimulation.

Donaldson: Will the Fed continue to lower its discount rate, or are we at the bottom at the moment?

Kaufman: My own belief is that the Fed will wait a little bit longer.... So somewhere in March or April, I would expect one more reduction in the discount rate.

Brinkley: The deficit is not going away in a short period.

Baker: That's true. But I think you'll see that there's going to be substantial progress on the deficit in 1987, already built into the system as a consequence of cuts that were legislated in the last couple of years, to some extent, not where we wanted them, in the defense budget.

Donaldson: What are you doing to the dollar?

Baker: One thing we're not doing is talking it down.... The one thing we should not do is speculate on what the appropriate level of the dollar should or should not be.

Donaldson: A lot of people believe the President is now in the twilight zone of his presidency, not just from the standpoint of the calendar; from the standpoint of his energy. Are you one of those, for instance, who is threatening to resign unless Donald Regan leaves?

THIS WEEK (continued)

Baker: Absolutely not. And I know of no truth to that story whatsoever, and I have no idea where it came from. But let me tell you this.... Many people have made serious mistakes by underestimating this President. And many people have suggested that he is in the twilight of this campaign or that or this effort. And I think it's a mistake to underestimate this President. You're going to see him come back, and come back vigorously.

ROUND TABLE DISCUSSION: Tom Wicker joins panel.

Brinkley: Mr. Reagan met for the first time with the new bipartisan leadership of Congress. What happened?

Donaldson: The fact is, the Democrats believe they're gonna clobber this President and they've started out with the help of Republicans on the Hill by passing this huge \$18 billion Clean Water Bill. The President has vetoed it now, and they're going pass it over his veto, and the Democrats will say that's scalp number one.

Wicker: I certainly wouldn't underestimate his (the President's) ability to label this as one more evidence that the Democrats are big spenders.

Will: The Reagan agenda really has been in place since September 1981.... I have trouble figuring out what clobbering the President would constitute. The Democrats could spend more money. The President can veto them or let them run up the deficit, or let them raise taxes to pay for it. Those may be short-term clobberings of the President, but they have a boomerang effect. And it seems to me if they want to spend the next two years forcing this President to do what he has singly failed to do in his first six years -- which is use the veto -- I think a President wins when he gets in that kind of a fight with Congress.

Wicker: Military spending was a big factor in Reagan's victories, but I think it might also be, by now, a weakness, because people have had a look at what six years of very big military budgets have meant. And I don't think there's anything like the constituency out there now either for increased military spending, or even for present levels of military spending that there would have been in 1980....

Brinkley: What would constitute clobbering Mr. Reagan and how can they do it?

Donaldson: They can clobber by not giving him in his budget some of the things and the priorities he thinks he wants. And they're still necessary to keep the so-called Reagan Revolution going.

Wicker: Suppose they refuse to permit the second installment of the \$100 million for the contras to go through.... There are a number of things the Democrats can do to force the President to take strong action to overrule.

NBC -- MEET THE PRESS

Moderator: Marvin Kalb. Panel: Anne Garrels, NBC News, and John Wallach, Hearst Newspapers.

Guest: Rep. Stephen Solarz, Joker Arroyo, Executive Secretary of the Philippines, and Juan Ponce Enrile.

Kalb: The State Department says that if Mrs. Aquino does not get something like 60% or above (on the constitutional vote), it in effect would be considered a vote against her. Would you agree with that?

Solarz: What's at stake here is whether or not the Philippines will be adopting a new constitution. If the constitution were defeated it would create a chaotic situation in the Philippines which would constitute a real threat to the stability of the government.

Garrels: Tomorrow there may well be a new constitution which may well ban nuclear weapons in the Philippines. How is this going to affect American ship business -- the U.S. bases?

Solarz: The new constitution doesn't actually ban nuclear weapons in the Philippines. It provides that they can be there if the president of the Philippines deems it to be in the national interest of the Philippines to have them there.

Garrels: Mr. Enrile, where do you think the greatest threat comes to the Aquino government -- from the left or from the right?

Enrile: I think you have to expect threats from both sides.

Kalb: Let us project a year or two into the future. You've got the constitution, Mrs. Aquino is more or less in control and running the government effectively. What does that mean to the two American bases in the Philippines?

Enrile: If the constitution is adopted that means that the American bases in the Philippines will be rendered useless because there is a provision in this constitution which says that the Philippines, consistent with national interest, adopts a free nuclear policy.

Kalb: Mr. Arroyo, does that mean that the Philippine government will, as the New Zealand government has already done, forbid American ships, planes, etc. carrying nuclear weapons from landing or being in the Philippine bases?

Mr. Arroyo: That's right. With the adoption of this constitution and with this provision in it, American water vessels powered by nuclear fuel or armed with nuclear weapons could not enter Subic.

CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Larry Speakes, Rep. Coelho.

Stahl: There's a report this morning that President Reagan has been keeping a diary...that the Senate committee may ask him for. Did you know about these notes?

Speakes: No. It's a brand new one on me.... I was not aware that the President kept notes or a diary of any type.

Stahl: Do you know what the President will do if they do ask for them? Will he invoke executive privilege as has been suggested?

Speakes: The President has been very open with the congressional committees with all of the investigations.... So, I guess it would be a question on whether the President felt he was giving in on something that might bind future presidents to a precedent.

Stahl: There's an impression that we have reached the gloomiest point in President Reagan's term in office.... What do you see happening now to the Ronald Reagan presidency.

Speakes: ...As far as the presidency, I believe there's a great reservoir of goodwill out there for Ronald Reagan.... But frankly, I believe the American public is tiring of it (the Iran affair), they're tuning out on it, and nobody's got to the specific problems affecting the President.

Stahl: "Newsweek" has a new poll coming out...that shows the American people think Congress can better handle the problems of the country.

Speakes: When you see how the question's phrased it might be a little different.

Stahl: What strikes you is what the Democrats said after that speech. And that is that the President is presenting old and tired ideas -- nothing new -- that's what Ronald Reagan used to say about the Democrats. Do you not see some important sea change happening right now?

Speakes: Not really. I think the Democrats are, of course, setting the stage for the presidential elections...and we're seeing a lot of that rhetoric that we will see between now and Election Day.

Stahl: You sound just like the White House spokesman, Larry.

Speakes: I'm one who believes in Ronald Reagan. I believe what we're doing is important. I believe what we've done is important, and I think there's a desire from the American people that the President carry on. There's much to be done. The Democrats talk about old ideas. Well, they've never acted on the ideas.

Stahl: What's it like at the White House.... Are people depressed? We hear the President's been depressed.

FACE THE NATION (continued)

Speakes: You may have heard it, but it's wrong. It's dead wrong. The President is going about his job just as he's always gone about it....

Stahl: How hard does the President work these days? Is it less than he used to?

Speakes: I don't think so. He's had a bit of recuperation since that surgery in early January, but he's practically back to a full day on the job. The preoccupation with Iran is on the outside, not on the inside.

Stahl: Why do we keep hearing little hints of the problem with the President is he's not involved, he's disengaged?

Speakes: ...The reported exchange with Jim Wright that day in the leadership meeting, the new Speaker challenged the President. It was more or less that old argument of "We're spending too much on defense and how are we going to get it out of domestic programs," but I'll tell you what -- the Gipper was back. Ronald Reagan stepped up there and he spent ten minutes in a rebuttal to Jim Wright that was pretty exciting business.... The President challenged him with a number of facts and figures and said we've got to get down to business...but let's get something done.

Stahl: Some people say that the fact that he's been uninvolved is really why Iran happened.

Speakes: Any whispers by people who come out of the White House about Ronald Reagan not being involved and on top of his job and there for the final two years is hogwash. But Iran is a different question. The President set a good policy into motion. He thought he had good people carrying it out and those people missserved the President.

Stahl: Don Regan. Is he back in total charge at the White House?

Speakes: He never was out.... I think he's been the victim of the greatest campaign of get-him-out, get-him-out, that I have ever seen.

Stahl: Sen. Boren says he (Regan) should resign.

Speakes: Sen. Boren is wrong on this one.

Stahl: Nancy Reagan. How powerful is she really?

Speakes: She's deeply interested in the success or failure of this Administration as we all are. And she makes her viewpoint known and her judgments are very, very good.... The Reagans have worked long and hard to get to the White House and they've had a beautiful six years, and I don't think either one of them -- and I'm not either -- are interested in letting anything tarnish that presidency. We're going to work hard to put this Iranian thing behind us.

Stahl: It's still "we."

FACE THE NATION (continued)

Guest: Rep. Coelho.

Stahl: You said after the State of the Union address that we are seeing the end of the Reagan era. Is that generally what all you Democrats have concluded, and is your meeting based on that read of what's happening?

Coelho: The joke going on down here, that President Reagan had a six-year script for an eight-year term, typifies what most of us feel. That Ronald Reagan is now speaking about the past and defending the past, and we're looking forward to the next decade. The best example of that is the Clean Water Bill....

Stahl: Aren't you a little concerned of writing Ronald Reagan off a little too early?

Coelho: The difference is that Ronald Reagan always had the one thing going through all these things: that people believed him. What's happening today is that people are not sure what to believe.... I was intrigued with Larry's comments. He was, in effect, saying that the President really knows what's going on, Don Regan doesn't know because the national security adviser doesn't have control over him....

Stahl: What was the exchange between the Speaker and the President (at the Leadership meeting)?

Coelho: Basically what happened is that the Speaker got into a discussion of what are our priorities. We disagree with the White House and the Republicans.

Stahl: Did the Gipper come fighting back, as Larry Speakes said?

Coelho: I was intrigued. I have to be honest and say that I thought the President did come back.... The President gave us his rhetoric of the campaigns of '76, of 1980, and 1984.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin. Panel: Eleanor Clift, Morton Kondracke, Jack Germond, Robert Novak.

ON THE STATE OF THE UNION ADDRESS:

McLaughlin: What's your appraisal of this speech, both as to style and content?

Clift: The White House needed to show the Gipper is back and I think they did that. He looked vital and healthy. But on a substantive level he filled his speech with Reaganesque phrases about optimism and patriotism, and that would be fine if he were emceeing the Olympics. But he delivered nothing in terms of substance.... It was a stale script and I think it sets up a confrontation with the Congress.

Novak: I have to agree almost 100% with Eleanor, except for the fact that he did come out very strongly and very necessarily for the contras. He missed an opportunity to say, "We must go for early deployment of SDI," because they had not made a decision, and that reflects what's going on in this whole Administration.

Germond: The President's strength as a national leader has been based on his persona -- his personal qualities. He has undercut that persona by trading arms for hostages and specific programs are not going to bail him out.

McLaughlin: That's an interesting thought. That the President, no matter what he said, could not have extricated himself from the Iran mess.

Kondracke: If he had, instead of just saying mistakes were made, have said "what I learned" from this mistaken episode about terrorism policy, and where we are going from here, and how "I'm going to rally the allies," and how we're going to have a unified strategy against terrorism from now on, then he could have gotten something out of it.

Germond: What that report (Senate report) shows is a pattern of involvement by the President and by Don Regan in a whole series of meetings and discussions in the White House that make it impossible for them to maintain this deniability.

Novak: What the President didn't need was another mea culpa.

McLaughlin: Did the Democrats make a tactical error in keeping President Reagan at so great a distance?

Clift: It was boys-will-be-boys towel snapping.... I think it's time for the Democrats to draw the battle lines.

McLaughlin: On a scale of 0-10, tell me how much this speech halted the downward slide of the Reagan Administration?

Clift: I give it a two.

MCLAUGHLIN GROUP (continued)

Novak, Germond: It was a lost chance. The answer is zero.

Kondracke: Minus 0.5. McLaughlin: The answer is 3.

ON LEBANON:

McLaughlin: Do you see the prospect of military strike taking place?

Kondracke: No way. We don't know who to hit.... I don't want the President to look as though he's preoccupied every single day as though it's the top item on the agenda of the government.

McLaughlin: On a scale of 0-100, what probability is there that the United States will use military force on either of those theatres, Lebanon or Iran?

Clift: I'm going to give it a 1. Novak: 0.1

Germond: 10 Kondracke: Pretty close to zero.

McLaughlin: I'll say zero.

ON PHILIPPINES:

McLaughlin: Six months from now who will be the president of the Philippines?

Clift: Anybody but Marcos. I think Cory Aquino may not make it.

Novak, Germond, Kondracke, McLaughlin: Aquino.

PREDICTIONS:

Clift: For the first time in a State of the Union address the President did not reissue his commitment against abortion. It is the clearest death knell yet that the end of the Reagan revolution on social issues is here.

Novak: Coming to Washington to help the Vice President's fading presidential campaign is...George Bush, Jr.

Germond: Howard Baker...will run for president.

Kondracke: Probably the most reactionary thing the Reagan Administration has done is this attempt to appeal the Miranda ruling.... I predict that will go nowhere in the Supreme Court.

McLaughlin: Governor Cuomo will shortly announce an exploratory committee. He will seek the presidency and he will announce in April.

AGRONSKY & COMPANY

Moderator: Martin Agronsky. Panel: Carl Rowan, James Kilpatrick, Strobe Talbott, Elizabeth Drew.

Agronsky: The President's chief advisers and most of his critics said that his State of the Union message this week would be the most important of his presidency. How did he do?

Rowan: With some eloquence he spelled out a lot of laudable goals, but they'll never come to fruition because his rhetoric has absolutely no relationship to his budget or his policies.

Kilpatrick: I thought he did pretty fair. I don't think it was the best speech he ever made, but he looked good. He certainly had the Republicans with him. He had the Democrats booing and groaning. Pretty fair. Not an A+, but a B+ speech.

Talbott: Ronald Reagan is good at looking good, but that's not the issue. It was a great speech if you believe that you can run a railroad or a presidency on nostalgia.

Drew: I think we annually tend to overload the State of the Union message with more importance as a make-or-break event. It seldom makes or breaks a presidential career. I think his speech was long on symbolism, short on content, and excessively and somewhat sadly reliant on old rhetorical tricks that are getting a little tired.

Agronsky: What kind of an evaluation, what kind of a responsibility did Mr. Reagan choose to accept on this whole business concerning us (Iran-Contra affair) -- "Where is the money?" Whose idea was it?

Drew: He (The President) really still does not recognize the seriousness of it and the fact that you can't sweep it aside. I think he's being very badly advised by Regan and some of his people that they can get rid of it.

Agronsky: Do you feel that it will fade away?

Kilpatrick: I think it will. It's going to be awfully hard to keep the public's attention concentrated on a story as complicated as this one.

Talbott: I think that this doesn't have real staying power. One thing that came out of this (the Senate) report is there is a real issue here of the McFarlane version of what happened versus the Regan version of what happened.

Drew: There are very intriguing things that are in there, including it now appears that Don Regan was far more involved in bringing in North to see the President with all sorts of people from outside the government while the Secretary of State and Defense were being shut out. I think we're seeing Casey's role is larger than we were told at first.

AGRONSKY (continued)

Rowan: On the way here I heard a report from one of the Boston newspapers saying that Shultz, Weinberger and Jim Baker have told the President that if Don Regan doesn't go, they will resign. Interesting, if true.

ON THE PRESIDENT'S MEETING WITH CONGRESSIONAL LEADERS:

Agronsky: On Thursday the President met with the leaders of the Congress at the White House and was described by all of those who were present as a very confrontational, angry kind of meeting. Then on Friday the President vetoed the Clean Water Bill, and in the course of the veto he made the observation that he hopes that the Congress will not continue along these lines...

Rowan: He'd better take it as a harbinger to come.

Agronsky: Do you share the President's concern that he may be on a collision course with this Congress during the rest of his term?

Drew: I think this is all play-acting.

ON LEBANON:

Drew: I think it's a very big thing that happened. One could call it a little reality overtaking the Administration on foreign policy, but what they had to do was say, "We can longer protect any Americans who are in Lebanon." That was sensible given the circumstances. But it's a very sorry end to two things: One is the so-called Middle East policy. It's also a very sorry end to a policy of trying to stop hostage-taking.

Talbott: And it makes the Irangate scandal all the worse for the President.

Agronsky: Where does the United States stand now if the West Germans want to yield and take it easy on them?

Drew: Obviously we have no moral standing to tell other countries what to do about this.

Kilpatrick: The President felt deeply about getting these hostages back. Deeply enough to, I think mistakenly, trade these arms in. I don't think the public is going to resent this quite as much as you folks think it is.