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News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, FEBRUARY 17, 1987 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Reaction To Gorbachev's Speech: Little New -- The Reagan Administration saw little new in a speech by Mikhail Gorbachev, but one assertion by the Soviet leader, if confirmed, could provoke an uproar in Congress and among U.S. allies.

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

Shamir To Say Israel Not Involved In Funds For Contras -- Israeli Prime Minister Shamir intends to try to make two points clear during his visit here: Arming Iran was a U.S. idea, and Israel had nothing to do with the secret funds for Nicaraguan rebels.

(Washington Post, AP, UPI)

IRAN-NICARAGUA

Iran Affair Looms Large In Hearing For CIA Nominee -- The Iran arms-contras aid controversy may provide the Senate Intelligence Committee with a case study to determine if acting CIA Director Robert Gates is qualified to take over the agency permanently.

(Washington Times, AP, UPI)

NETWORK NEWS (Monday Evening)

GORBACHEV SPEECH -- Soviet leader Gorbachev renewed his plea for an end to the nuclear arms race.

CALERO/CONTRAS -- Adolfo Calero announced his resignation to mend political differences within the rebel organization.

IRAN ARMS AFFAIR -- Spokesmen for President Reagan have redoubled efforts to prevent him from having to say anything publicly about the Iran arms deal.



INTERNATIONAL NEWS

GORBACHEV: REFORMS WILL STAND Peace Meeting Told U.S. Is Trying To Scrap ABM Treaty

MOSCOW -- Soviet leader Gorbachev told an international peace gathering here today that "broad democratization" of Soviet society "is irreversible" and, at the same time, he charged the Reagan Administration with attempting to scrap the 1972 ABM Treaty banning antiballistic-missile defenses.

Referring to an earlier agreement he signed with Reagan to prevent the arms race in space and end it on Earth, Gorbachev said, "By undermining the ABM Treaty, the U.S. Administration scorns that pledge."

Reactions from visiting westerners -- many of them long-active in peace movements -- to Gorbachev's speech and to the Soviet positions exposed to them during the forum were positive. In speeches from the same podium where Gorbachev spoke, British novelist Graham Greene, West German Social Democratic politician Egon Bahr, American physician Bernard Lown, cochairman of International Physicians for the Prevention of Nuclear War, and others praised the new Soviet leadership's initiatives.

(Gary Lee, Washington Post, A1)

Gorbachev Proclaims Reforms 'Irreversible' But Fears For Begun Prompt Skepticism

MOSCOW -- The "reorganization" of Soviet society is "irreversible," Soviet General Secretary Gorbachev told a Kremlin-sponsored international peace forum yesterday.

However, the Soviet leader used the occasion to attack once more the Strategic Defense Initiative, and there were doubts whether the Soviets intended to release Yosif Begun, a Jew whose imprisonment has become the center of Soviet dissident street demonstrations.

In Washington, an Administration official said the Soviet leader's remarks "seemed to be surprisingly short of substance."

(Washington Times, A1)

Gorbachev Avows A Need For Peace To Pursue Reform He Tells World Public Figures 'Thoughts And Energy' Are On Renewal Of System

MOSCOW -- Mikhail Gorbachev said today that the Soviet Union was seeking world stability so it could concentrate on domestic concerns.

On specific issues, Gorbachev said that any American effort to undermine the ABM Treaty of 1972 would violate the spirit of a broad agreement he reached with President Reagan in Geneva in 1985 to put a stop to the arms race.

(Philip Taubman, New York Times, A1)

U.S. Reaction To Gorbachev's Speech: Little New

The Reagan Administration saw little new in a speech by Mikhail Gorbachev, but one assertion by the Soviet leader, if confirmed, could provoke an uproar in Congress and among U.S. allies.

The Soviet leader said that Washington had made a formal proposal at the Geneva superpower arms talks to move to a so-called broad interpretation of the ABM Treaty that would permit wider testing of exotic SDI technologies.

U.S. officials refused to confirm or deny Gorbachev's assertion yesterday. "I don't know that that's correct," one official, who asked not to be identified, told Reuters. (Sue Baker, Reuter)

ISRAEL'S SHAMIR OPENS 10-DAY VISIT TO U.S.

Prime Minister Due For Talks With Reagan, Weinberger, Shultz

NEW YORK -- Israeli Prime Minister Shamir arrived today to begin a 10-day visit in the U.S.

After courtesy calls in Manhattan with Mayor Edward Koch and New Jersey Gov. Thomas Kean, Shamir was to fly to Washington Tuesday for talks with President Reagan, Secretary Weinberger and Secretary Shultz.

(AP story, Washington Post, A3)

Shamir To Say Israel Not Involved In Funds For Contras

Israeli Prime Minister Shamir intends to try to make two points clear during his visit here: Arming Iran was a U.S. idea, and Israel had nothing to do with the secret funds for Nicaraguan rebels.

Shamir, according to Israeli officials, will stress his nation's close ties with the U.S. and a willingness to explore peace prospects with its Arab neighbors during a three-day visit beginning today.

(Barry Schweid, AP)

Shamir Begins U.S. Visit Without Word On Iran Arms

NEW YORK -- Israeli Prime Minister Shamir, avoiding comment on the Iran arms affair during the first day of his nine-day U.S. visit, said the recent release of Soviet political prisoners fell short of "a real change in policy."

A White House official said the Iran arms affair will not be a major topic when Shamir meets Reagan. "There are a lot of other things of bilateral interest," the official said.

But the official said, "Mr. Shamir is going to have to face a pretty tough audience on his trip this time." He said he was referring to "the public and the press," and possibly Congress, rather than the Reagan Administration. (Dan Jacobson, UPI)

CALERO QUILTS POST IN REBEL LEADERSHIP

MIAMI -- Adolfo Calero resigned under pressure today as one of three top leaders of the Nicaraguan rebel alliance, but promised that the military wing he heads will continue to work within the coalition to overthrow the leftist Sandinista government of Nicaragua.

Acknowledging that his departure from the United Nicaraguan Opposition umbrella group leadership represents a crisis of the contras, Calero said he was quitting the post in recognition of demands from the Reagan Administration that he either resign or share more power with the other two leaders of the movement.

(Joanne Omang, Washington Post, A1)

Contra Leader Quits Alliance, Labels It A 'Patriotic' Action

Adolfo Calero, head of the largest army of resistance fighters in Nicaragua's anti-communist alliance, resigned yesterday on the eve of a congressional showdown over additional American aid for the contras.

"Mr. Calero did not resign of his own volition," Sen. Jesse Helms said. "His resignation was forced by high officials within the State Department who are seeking capitulation to the communists."

"Until the State Department can give credible assurance that those who are giving their lives in the jungle for freedom are not going to be sold down the river, Congress will have little reason to support further funding for UNO. I, for one, will have no part in a negotiated surrender," Helms added. (James Morrison, Washington Times, A1)

Top Nicaraguan Rebel Leader Resigns As Crisis Deepens

MIAMI -- The resignation of a top Nicaraguan rebel leader has underscored a deepening crisis within the U.S.-backed alliance, raising new doubts about the prospects for new military aid, U.S. and rebel officials said.

Rebel officials and congressional leaders said the resignation of Adolfo Calero underscored the deep disarray of the rebel leadership and could intensify the internal power struggle between moderate and right-wing factions.

Those factors, they said, could jeopardize UNO's future funding and doom the struggling insurgency to failure in its fight against Nicaragua's leftist Sandinista government. (Matt Spetalnick, Reuter)

Shakeup In The Contras

Calero Resigns From Leadership Slot, Giving More Power To Moderates; But He Still Controls Army

In a move aimed at salvaging the Nicaraguan contras' deteriorating position on Capitol Hill, a controversial resistance leader resigned yesterday from the rebels' governing triumvirate.

Analysts say the resignation of Adolfo Calero was designed to signal increased influence for more moderate elements within the contra movement.

(George Moffett, Christian Science Monitor, A1)

PEACE PLAN HAS APPEAL TO U.S. OFFICIALS New Proposal For Nicaragua Seen As Alternative For Democrats

SAN JOSE, Costa Rica -- A Central American peace plan proposed by Costa Rica is attractive to U.S. congressmen, especially Democrats, as a potential alternative to the Reagan Administration policy of staunch support for guerrilla warfare against Nicaragua's Sandinista government.

The plan calls for Central American governments facing armed rebellions to grant amnesties to rebels, start negotiations with internal political opponents and agree to cease-fires with guerrillas. It also calls for concrete steps toward "democratization" according to a timetable, "free elections" monitored by international observers, the suspension of military aid to rebel movements and the reduction of security forces and weapons stocks by the five governments.

(William Branigin, Washington Post, A10)

DEPARTING OFFICIAL CRITICIZES CONTRA POLICY

A senior State Department officer leaving behind a 30-year career is accusing the Administration of using McCarthy-like tactics against its professionals who raise questions about U.S. policy in Central America.

"I am leaving the foreign service in response to your exercise in McCarthyism," Francis McNeil told Elliott Abrams in a letter neither acknowledged nor answered. "Confusing candor with disloyalty is a disservice to American interests and tradition." (Jim Anderson, UPI)

SDI OFFICIAL SEES NO BARRIER TO KEY TESTS FOR 3 YEARS

A research director supervising a central element of the Pentagon's SDI program has concluded that "critical" topics of research can be pursued for at least three years through experiments that comply with the traditional or "narrow" interpretation of the 1972 ABM Treaty.

Col. Raymond Ross, director of the SDI "kinetic energy" weapons research program, said in an interview that two key tests planned for late this year and 1989 could be conducted within the narrow treaty interpretation and still "get at those critical issues that we're after."

(Jeffrey Smith, Washington Post, A13)

HILL DEMOCRATS PLEDGE AFL-CIO TOUGH TRADE BILL

BAL HARBOUR, Fla. -- Democratic leaders of Congress promised the AFL-CIO yesterday that they will pass a tough, import-restricting trade bill that President Reagan is almost certain to veto.

"I'm confident we're going to have a piece of legislation on the President's desk by midsummer," Sen. Robert Byrd told reporters after he and House Majority Leader Thomas Foley spent two hours behind closed doors with the union leaders, who are meeting here this week.

(AP story, Washington Post, A4)

BACKING FADES FOR TRADE BILL PROTECTIONISM

Despite record-breaking trade deficits and pervasive anger in hard-hit industrial and agricultural regions, the Democratic-controlled Congress is backing away from legislation that would protect U.S. industry with rigid quotas or tariffs against foreign goods. Instead, it appears likely to approve only a relatively mild new trade measure.

"The mood among Democrats has changed dramatically," said Rep. Robert Matsui. "The sentiment for protectionist legislation is not as strong as it was one or two years ago. I think members are a lot more sophisticated about the trade deficit. They finally realize they can't just pass a law and make it go away."

(Tom Redburn, Los Angeles Times, A1)

U.S. LAUNCHING INVESTMENT INITIATIVE IN PHILIPPINES

The U.S. government, trying to stimulate American business activity in the Philippines, is sending a 20-company delegation of potential investors to that country -- the first such mission since the tumultuous demise of Ferdinand Marcos' government a year ago.

Representatives of American Motors, Rockwell International and other U.S. companies will depart Friday for a week-long series of meetings with Philippine business executives seeking American capital.

(Henry Gottlieb, AP)

U.S. VETOES WORLD BANK ROLE IN CHILE LOAN

Commercial Banks Told They Must Assume
Responsibility For \$400 Million Request

The Reagan Administration has vetoed World Bank participation in a commercial bank loan to Chile, telling private banks it is their responsibility alone to provide the \$400 million the cash-strapped country will need this year and next, sources said.

Sources said that Chile should be a relatively "easy" loan for commercial banks to make. They said they worry banks will find it impossible to deal with difficult cases, such as Brazil. If banks deadlock on new loans to Brazil, it could plunge the world anew into a debt crisis of the dimension of 1982 and 1983. Brazil has \$108 billion in foreign debts, an economy that is falling apart, festering political problems, declining export earnings and the need to borrow from its commercial bank lenders for the first time since 1984.

(James Rowe, Washington Post, D1)

ANGOLANS TO U.S.: 'LET'S DANCE'

LUANDA, Angola -- The Angolan Cabinet minister spread his arms in the gesture of an embrace. "We are ready to dance," he said. "Our young people like American rhythm and we would like to see our countries getting together more."

"But," Ismael Martins, the foreign trade minister, added, "it takes two to dance. If it were our decision alone, then it has already been taken."

"Washington would achieve what it wants much quicker if it would open an embassy here," remarked one senior Western diplomat with long experience here. (Allister Sparks, Washington Post, A9)

SOVIETS TAKE AIM AT 'AMERIKA' MINISERIES

A Soviet diplomat says Americans watching the "Amerika" miniseries are getting a dose of "laughable" anti-Soviet propaganda.

"We feel it serves very negative and sinister purposes -- that of continuing to fan anti-Soviet feelings to perpetuate the enemy image," Vitaly Churkin, first secretary at the Soviet Embassy, said Monday night.

The Soviet Embassy called a news conference for today to register further indignation over "Amerika." (Mark Knoller, AP)

EDITOR'S NOTE: "Openess Policy Masks Repression" -- first of three articles regarding Soviet leader Gorbachev's new look, by Martin Sieff, appears in The Washington Times, A1.

IRAN — NICARAGUA

GATES FACES TOUGH QUESTIONING AT CONFIRMATION OVER IRAN-CONTRA AFFAIR

Acting CIA Director Robert Gates, facing sharp questioning today about the Iran-contra affair in Senate confirmation hearings, testified last April that CIA employees believe in the congressional oversight process.

Senators on the Select Intelligence Committee say they will ask Gates today to explain the CIA role in the Iran-contra affair, and to renew his pledge to cooperate with congressional oversight panels.

(Jim Drinkard, AP)

Senators May Seek Gates' Pledge To Promptly Report Covert Actions

Intelligence experts are divided over the legal question of notifying Congress in a "timely fashion" of all Administration covert action programs.

The question is expected to be raised before the Senate Intelligence Committee today during the opening of confirmation hearings on the nomination of Robert Gates to be the next CIA director.

George Carver, a former CIA official, called the idea of demanding that Gates pledge before the committee "ridiculous" since it would impinge upon the Administration's executive branch authority.

(Bill Gertz, Washington Times, A3)

Iran Affair Looms Large In Hearing For CIA Nominee

The Iran arms-contra aid controversy may provide the Senate Intelligence Committee with a case study to determine if acting CIA Director Robert Gates is qualified to take over the agency permanently.

"I think it's just a question, really, of qualifications more than anything else," a committee aide said Monday. "There's nothing at all that I can see that's earthshaking."

(Robert Doherty, UPI)

COUNTERTERRORISM POLICY FED NORTH'S POWER AND INFLUENCE IN NSC

In January 1986, about the time President Reagan was authorizing U.S. arms sales to the officially defined "terrorist state" of Iran, Lt. Col. Oliver North became cochairman of a small NSC group that coordinated the government's counterterrorism efforts.

That April, according to several sources, North was an enthusiastic supporter of a presidential finding, reviewed by Congress, that authorized the U.S. intelligence community to engage in a newly activist counterterrorism program. It was envisioned to include such unorthodox measures as shipping faulty weapons to terrorists.

According to congressional and other investigators of the Iran-contra affair, it is clear that the Administration's counterterrorism program helped North increase his power and independence in the NSC. Officials familiar with his work say North made counterterrorism "his turf."

(Dan Morgan, Washington Post, A10)

FICKLE WINDS FAVOR WEINBERGER AFTER A STORMY PASSAGE

Untarnished by the Iran-contra affair, Secretary Weinberger is reaping the harvest of his foresight and his loyalty to President Reagan.

Since the scandal broke in November, a paradoxical calm seems to have settled over Weinberger's sometimes stormy tenure, and he has consolidated his position in the Administration's internal defense debate.

(James Dorsey, Washington Times, A1)

HISTORIC SPEECH: MORAL LESSONS FOR THE WHITE HOUSE

Few people listened as George Washington's farewell speech was read in an annual Senate tribute, but the freshman lawmaker given the task says the Reagan Administration could learn from the first president's thoughts about morality.

Afterward, Sen. John McCain said he thought several sections about "the importance of morality and standards and conduct in government" were applicable this year in light of the Iran arms-contra aid scandal that has engulfed the White House.

"I don't think (Washington) would have been pleased by the conduct of some of our elected as well as non-elected officials" in the scandal, McCain said.

(Joseph Mianowany, UPI)

NATIONAL NEWS

HEALTH CARE MOVE MAY BE REAGAN'S OWN CATASTROPHE

President Reagan's ability to set the agenda on domestic issues may have suffered an irreparable setback with last week's decision to expand Medicare to provide coverage for health care during catastrophic illnesses.

In doing so, the President appeared to abandon his long-standing belief that the private sector is more efficient in providing goods and services than government monopolies.

(Willis Witter, News Analysis, Washington Times, A3)

CONGRESS RETURNS TO DISCUSS DISPUTED ENERGY, HIGHWAY BILLS

Congress is back from nearly two weeks off, with the Senate ready to tackle a seemingly innocuous energy bill that precipitated a confrontation between Democratic and Republican leaders on the chamber floor.

The House plans a quiet week, although it could be disrupted if supporters of a higher, 65 mph federal speed limit try to force a vote on the issue. Such a move, however, is considered unlikely.

The Senate's first business today is expected to be a resolution that urges progress at the Geneva arms reduction talks between the U.S. and Soviet Union.

(Alan Fram, AP)

SENATOR WARNS AGAINST RELIGION IN POLITICS

SOUTH BEND, Ind. -- When government begins to promote prayer, it cannot help but raise "a whole host of knotty questions," warns Sen. Paul Simon.

"There are functions government can perform well, like building highways and providing aid to students. But promoting religion is not a function that government performs well," said Simon in a speech at the University of Notre Dame.

(UPI)

FOIA SURVIVED 'ONSLAUGHT,' CHAIRMAN SAYS

Rep. English Warns Agencies Not To Create Obstacles To Disclosure

Despite what he called a six-year "legislative onslaught by the Reagan Administration" to weaken the Freedom of Information Act, Rep. Glenn English said that the measure has survived "substantially intact," and from the point of view of the news media, it is actually stronger than ever.

"The Reagan Administration seems quite pleased with this opportunity to discourage disclosure of information to its own natural constituency in the business community," English told his audience from the American Society of Access Professionals, including information policy specialists from the Justice Department. "This only demonstrates how anxious this Administration is to discourage the disclosure of information to anybody."

(George Lardner, Washington Post, A15)

NETWORK NEWS SUMMARY

(Monday Evening, February 16, 1987)

GORBACHEV SPEECH/SOVIET UNION

NBC's Tom Brokaw: The most powerful man in the Kremlin and that country's best-known dissident together in the same auditorium where the talk was of peace and the democratization of the Soviet Union. It was still another master stroke by Mikhail Gorbachev who used this Moscow forum to once again attack President Reagan's plan for the Strategic Defense Initiative, star wars. Gorbachev shared the spotlight with a Soviet physicist who not too long ago was in jail for his criticism of Soviet policy.

NBC's Stan Barnard: In the grand Kremlin palace, the presence of this man startled. Andrei Sakharov, the Soviet Union's most famous dissident almost surrounded by other participants of the Soviet sponsored forum on disarmament. They wanted his autograph. And one of the participating scientists talked about Sakharov's contribution to the forum.

(Scientist: "Academician Sakharov also stressed the particular importance of openness and democratization to the building of public trust in the disarmament process -- the theme for which he was awarded the Nobel Peace Prize.")

More than a thousand participants...came to the Kremlin to hear the speech by the man who freed Sakharov, Soviet leader Mikhail Gorbachev. He broke no new ground. Only the audience was new. He again lashed out at star wars saying it would violate the existing Antiballistic Missile Treaty and would take the arms race into space. But it was the presence of Sakharov and the new openness, the freeing of nearly 150 other dissidents that played a major role in the forum and was underlined by the Soviet leader.

(Gorbachev: "We want a broad democratization of all of society. Further democratization is also main guarantee of the irreversible nature of the ongoing process. We want more socialism and hence more democracy.")

Gorbachev said the new openness was developing because it was good for the Soviet Union and not to please the West....

Brokaw: At the same time the family of another Soviet dissident Yosef Begun said he is not free. Apparently he is caught in a power struggle between the secret police and the government bureaucracy in the Soviet Union. Begun remains in jail despite an announcement yesterday that he is free. That claim came from Georgi Arbatov on CBS. Arbatov who runs the U.S.A. Institute in Moscow was responding to questions about protests on behalf of Begun last week -- protests that were broken up, often violently. (NBC-Lead)

ABC's Peter Jennings: In the Soviet Union today an international conference on peace heard on encouraging words about human rights from the Soviet leader Mikhail Gorbachev who coupled them with a renewed plea for an end to the arms race.

ABC's Walter Rodgers: Mr. Gorbachev said there are revolutionary changes underway in Soviet society. New thinking he called it, and a new approach to human rights here.

(Gorbachev: "And I disappoint those who think that this has been the result of pressure on us from the West -- that we wish to gain somebody's fancy in pursuit of some ulterior motives. No, we do not.")

...Mr. Gorbachev's human rights remarks followed five days of embarrassing demonstrations in Moscow last week by Soviet Jews seeking the release of jailed activist Yosef Begun. Georgi Arbatov, key Gorbachev aid, yesterday announced Begun had been freed. But today Begun's wife disputed Arbatov saying as far as she knows her husband is still in prison. Mr. Gorbachev also renewed his attack on the American star wars missile defense program. And he warned President Reagan against scrapping the ABM Treaty.

(Gorbachev: "With the disruption of the treaty, the nuclear arms race will be added by the race in space.")

...Almost all the public figures attending this Soviet sponsored peace forum were impressed with the new Soviet thinking, but there were skeptics.... Clearly there is a striking improvement in the human rights situation here and last week's demonstrations reflect the bureaucratic resistance of those who feel threatened by Mr. Gorbachev's new thinking. (ABC-3)

CBS's Dan Rather: A star-studded group of international movers and shakers was in Moscow today to hear Soviet leader Mikhail Gorbachev speak. There had been widespread reports that he had some new arms control initiative to announce. He didn't. He did try to combine his general arms control offensive with his charm offensive. But this his latest bid to be taken seriously and sincerely in the West may have been blotted by his own KGB secret police. A full day after a top Soviet official said a Jewish dissident had been freed the man still hasn't turned up and apparently remains in a KGB jail cell.

CBS's Wyatt Andrews: For Mikhail Gorbachev it was an unusual speech full of flowery language describing his thoughts about a nuclear-free world and the danger of star wars, as if he wanted to convince the world he means it when he says he wants no nuclear weapons.

(Gorbachev: "After a nuclear war there would be no problems. There would be no one to sit down at a tree stump or at a boulder let alone a table for negotiations. A second Noah's Ark will not survive the nuclear deluge.")

But Gorbachev was speaking to an unusual audience: a collection of 1,000 of the world's most influential writers, businessmen and scientists including former exiled physicist Andrei Sakharov. If Gorbachev was working to impress them he succeeded.... Today Gorbachev described the policy of openness challenging the right of Westerners to doubt Soviet sincerity. We do not change, he said, to please the West.... Gorbachev seemed to be fighting hard for the respect and the understanding of his powerful audience. In short, trying to earn from 1,000 influential private citizens what he has not yet earned from the Reagan Administration. (CBS-Lead)

CONTRAS/CALERO

Jennings: We're going to begin this evening with what appears to be more division and is certainly more confusion in the leadership of the Contras, who with American help are trying to overthrow the government of Nicaragua. For the second time in a week one of the three major Contra leaders has said that he is resigning from the umbrella group which the three men have run. The catch is that Adolfo Calero says he's still going to be in charge of the largest number of actual fighters.

ABC's John Quinones: Adolfo Calero, the most powerful of Contra leaders, announced he's resigning today to mend political differences within the rebel organization.

(Calero: "I have said very clearly that I am leaving for the sake of unity and nationalist spirit.")

(TV coverage: The President shaking hands with Calero.)

...In today's resignation, however, Calero made it clear he will give up only his political post and not his command of the fighting forces.

(Calero: "I will have the largest Contra organization, not necessarily the largest Contra force. The fact that we have the largest Contra force is just an accident.")

So in effect Calero remains as powerful a commandante as ever. Still, in Costa Rica today his political foes applauded Calero's resignation.

(Alfonso Robelo: "This is very positive to everyone. They should see this as the best alternative to keep on receiving the aid needed for the military struggle.")

Still the unanswered question remains. Will today's resignation promote unity as intended, or is it simply the latest chapter of infighting and division within the Contra ranks?

Jennings: The resignation of Mr. Calero certainly accomplishes one thing: it focuses attention on the basic question. Do the Contras even with more American aid stand a realistic chance of attaining their goal?

ABC's Peter Collins: ...The bad odds are one of several reasons why some of their friends think the Contra's chances of winning are slim.

(David Atlee Phillips, Former Director of CIA operations in Latin America: "I think that the chances that the Contras can win are only two or three out of ten. But those aren't bad odds when you're trying to change a government.")

At the very top of the list of problems the Contras face in trying to overthrow the Sandinistas is whether Congress will vote them any more funds.

(Sen. Dodd: Contragate, call it what you will, scandal has not helped. And I believe that we may just have the votes that will bring an end to this program and give a real chance and a start to a diplomatic approach to the problem.")

The chief architect of the Administration's policy says the scandal has not hurt.

(Elliott Abrams: "There is a remarkable ability to separate the scandal from the question of U.S. interests in Central America. And I find Congress, if anything, more concerned about protecting our interests and about the threat to those interests than they were last year.")

Collins continues: Contra strategy will be to launch guerrilla style attacks all over the country and try to provoke Sandinista repression. David Phillips believes more than that is needed.

(Phillips: "At this stage the Contras have really only one course left open to them if they want stay even. They've got to do something dramatic. They've got to take a city and hold it.")

But the Contras aren't ready to do that yet. Senator Dodd just back from Central America says military men there think they may never be.

(Sen. Dodd: "Without exception all who have reached a conclusion believe that the Contras can not win militarily in Nicaragua...even with the additional funds.")

For its part, the Administration is pleading for patience.

(Abrams: "I don't think that they need to take cities all over the country in their first six months. This program just began.")

So, are the Contras doomed? The answer lies both in Washington and with the Contras and how they react to each other over the next six months. (ABC-Lead)

Brokaw: The Nicaraguan Contras are embroiled in a major new battle tonight, a battle within their own ranks, over leadership. This crisis was intensified today with the resignation of Adolfo Calero from what was in effect a three-man board of directors for the Contras. Nonetheless, Calero does remain a key Contra player.

NBC's Robin Lloyd: This latest development came as thousands of rebels moved back into Nicaragua from their bases in Honduras armed with new U.S. military supplies. But even as the Contra troops geared up for an escalation in the fighting, their leaders are now locked in a major internal power struggle. This latest crisis flaired last when Cruz warned that he might resign because of his conflict with Calero. President Reagan's new national security adviser Frank Carlucci was sent to Central America to try to patch up the differences. Calero's announcement today seemed to be part of that effort.

(Calero: "I want to contribute to the unity, to a nationalist spirit, to the confirmation of one big organization.")

But despite the conciliatory words, Cruz and the moderates say it's just window dressing. Calero, they say, did not give up his control of the army. And he didn't address the moderates' demands for reform. Cruz wants nothing less than Calero out.

(Cruz: "It has to work that way otherwise I will not be part of the effort.")

The Reagan Administration is seriously concerned that this latest crisis will jeopardize further support for the Contras in Congress, especially if the moderate leaders go through with their threat to pull out. So Administration officials say they will continue their efforts this week to try to prevent the Contras from splitting apart.

(CBS-2, NBC-2)

THE PRESIDENT/IRAN ARMS AFFAIR

Rather: Spokesmen for President Reagan have redoubled efforts to prevent Mr. Reagan from having to say anything publicly about his weapons for Khomeini deal, and they have become especially touchy when questions arise about where all the money missing from the deal went. Evidence grows that some of the money apparently went to friends of Oliver North who operated a mystery ship.

CBS's Doug Tunnell: The Panamanian registered freighter Erria lies stuck in a Danish harbor today trapped by ice and money problems flowing from voyages to free the hostages in Lebanon and deliver weapons to the Contras. CBS News has obtained documentation showing that the Erria is legally owned by Albert Hakim a mysterious California-based businessman wanted for questioning in connection with the Iran-Contra affair. Hakim and his business partner Richard Secord chaired a secret Swiss account with Oliver North. They bought the Erria in April 1986 for one reason: to play a central role in the Reagan Administration's arms-for-hostages deals. Hakim hired this man to run the ship, Norwegian shipper Tom Parlow, who would only show us his back because he said he fears reprisals for being part of a CIA operation.

(Reporter: "Did your ship ever deliver arms to Iran?"

Parlow: "The Erria did never deliver any arms to Iran.

Reporter: "Did it try?"

Parlow: "It tried to deliver in November of this year.")

But the Erria seemed cursed by bad luck and failure. May 28, 1986: While Robert McFarlane and Oliver North were in this Tehran hotel to secure the release of Americans in Lebanon, Hakim ordered the Erria off the coast of Beirut to wait for hostages who never appeared. July 1986 Hakim dispatched the Erria to pick up a load of weapons in Poland and then on toward Central America. But that shipment was mysteriously recalled on the high seas. It was put on board a second ship and then delivered to the United States. According to maritime sources here 350 tons of Soviet-made machine guns, ammunition, and hand grenades were discharged in Wilmington, North Carolina. But perhaps the most remarkable voyage of the Erria was its last. While Oliver North was taking the Fifth Amendment in Washington, Albert Hakim had secretly ordered the ship to wait off the coast of Iran to pick up two Soviet tanks -- T-72s -- captured from Iraq and sought after by Western military analysts who want to study its secret construction. But the T-72 deal also fell through. (CBS-3)

MCNEIL/CONTRAS

Brokaw: On several occasions veteran diplomat Francis McNeil has raised doubts about the performance of the Contras. The former ambassador to Costa Rica now claims that because of this criticism he was forced to resign from the State Department. McNeil says that assistant secretary of state Elliott Abrams questioned his loyalty. He claims that he was the victims of an exercise in "McCarthyism" by Abrams. That's a charge denied by a senior State Department official.

(ABC-2, NBC-3)

SOUTH AFRICA/HUMAN RIGHTS

Brokaw: Amid increasing charges that U.S. policy toward South Africa is failing Amnesty International said today that human rights violations in that country have reached an almost unprecedented level. This assessment followed a report last week by a panel appointed by the Reagan Administration. U.S. sanctions it said were not working. The sanctions have caused a backlash in South Africa against the United States.

NBC's Mike Boettcher: ...The new U.S. Ambassador Perkins arrived here as anti-American sentiment was growing because of the sanctions and the pullout of American corporations. He has been welcomed in South African townships but South Africa's white government says it doesn't care what Perkins or his President have to say to them.

(David Stewart, Government Spokesman: "Since the deterioration that has taken place in our relations, the ability of the United States to influence affairs in South Africa has of course also diminished.")

And white businessmen who urged the government to reform believe U.S. sanctions have hurt the antiapartheid movement.

(Ray Ackerman, businessman: "I feel terribly let down now because suddenly the Americans particularly are pulling out like flies and we South Africans are having to pick up the slack. And it's not going to help change the government. It's making them more obdurate.")

...South Africa has retreated into a corner behind its military might, cracking down harder on opposition each day, listening less to American pleas that it change. (NBC-4)

DEMJANJUK

Jennings: The beginning of a long-awaited trial in an Israeli courtroom.

The man who went on trial today turned up in Israel when he was deported from the United States. He is accused of killing Jews during World War II. His name is John Demjanjuk. His defense is a simple one. He says the Israelis have the wrong man.

(ABC-4, CBS-4, NBC-5)

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panel: George Will, Sam Donaldson.

Guests: Dr. Anthony Fauci, National Institute of Health; Rep. Henry Waxman; Faye Wattleton, President, Planned Parenthood Federation of America; Connaught Marshner, Child and Family Protection Institute; Dr. Thomas Vernon, Executive Director Colorado Department of Health.

Brinkley: Dr. Fauci, what progress have we made in the last year and a half on AIDS?

Fauci: Considerable progress. There's been at least one and now a couple of drugs coming along that have been identified that have activity against the AIDS virus.

Guests: Faye Wattleton, Connaught Marshner.

Donaldson: Mrs. Wattleton, let me ask you: I take it that you want to see the use of condoms promoted and advertised on television, is that correct?

Ms. Wattleton: We have taken a very strong position that we believe that contraceptives should be advertised on television, condoms being one of the major products that is now in consideration.

Mrs. Marshner: What you're talking about there is a technological solution to a problem that is cultural or personal or psychological.... Condoms don't prevent anything.

Will: Dr. Koop, who is nobody's irresponsible physician, I think you'll admit, and would be described as a cultural conservative by any standards, says, A,, they're safe; B, next to abstinence which we cannot legislate and cannot count on, they are the best proposal. Are you saying that this -- that Dr. Koop and the Reagan Administration backing Dr. Koop are somehow violating a kind of conservative canon here? What specifically, aside from your claim that they're unsafe, is wrong with spreading the word about condoms?

Marshner: Don't take Dr. Koop out of context. He began, and his main point is, that abstinence is the best course. But if you're going to go ahead anyway, then go ahead and use condoms.

Guests: Dr. Vernon, Rep. Waxman.

Brinkley: I have the impression that a great many Americans believe this is one more sensation without substance, that is, media hype, that it's not as bad as it's been made to appear.

Vernon: It's not media hype. We're talking about the biggest thing this nation has faced at least since the Spanish influenza, in terms of the number of cases which are going to occur.

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THIS WEEK (continued)

Waxman: We're certainly facing a horrible tragedy taking place right in front of our very eyes.... More people will die of AIDS by 1990 than died in the whole Vietnam War.

Will: Consistent with civil liberties, how should we test, who should we test, and what should the consequences of the testing be?

Waxman: I think our first consideration has to be public health, stopping the spread of this epidemic.

Vernon: The heart of that issue is confidentiality. To the extent that we can maintain, and must maintain the confidentiality of records of the disease itself and of the antibody test, we can balance that critical tension between protections of individual liberties and privacy on the one hand, and protection of the public health on the other.

FREE-FOR-ALL DISCUSSION -- Bob Maynard of The Oakland Tribune joins panel.

On catastrophic health insurance:

Will: It's fascinating that Ronald Reagan, if this passes, and I think it will, indeed it will pass in a form expanded significantly beyond what he's proposing, will leave Washington with one of his monuments being a substantial enlargement of the welfare state. Now I think there's a good conservative reason for this.... The President said this is the chief remaining source of terrible random insecurity in the lives of Americans.... The one thing we know about medical costs is inflation in that sector is about eight times what it is in the rest of the population and that we consistently...underestimate the cost of the new technologies...so we're almost certainly underestimating the cost of this but we're also clearly understanding the political appeal of it.

Donaldson: George is right. This President has now said that government is the answer, which I think he's correct in saying in this case.... Bowen has beaten three of the top conservatives in this Administration for the heart and mind of Ronald Reagan. ...In this case the rule of reason has applied, and I compliment him. Congress will of course will add to this because health care in nursing homes is not covered in the President's proposal.

Maynard: That's right, it's a limited proposal, it's a good beginning and an opening to what is going to be an enormous program in due course. Simply if you look at the demographics of the United States and recognize that our population is aging....

CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Georgi Arbatov; Rep. Dante Fascell; Senator Richard Lugar.

Stahl: Mr. Arbatov, how can you explain to us how these two incidents can happen in one week, brutal crackdown and release of 140 dissidents? What does it mean?

Arbatov: You have to put into proportion everything. A process is going on...it is a real process of democratization intended not at all to impress you -- we don't care too much about this, though we care, of course, to some degree.... You take this case, demonstration, there were, the last demonstration, seventeen demonstrators, forty-two foreign correspondents, six people from the embassies. And look what you had in Nevada? You have arrested more than 400 people. It goes very well that the most democratic society, nobody raises hell about it.

Stahl: We in the United States wonder why you allowed pictures of such a brutal attack on women to be broadcast when you were establishing so much goodwill through your openness policy and democratization, as you call it. Does this show that Mr. Gorbachev is not in control of the KGB? Explain how it could have happened?

Arbatov: It's a game, part of this attempt just to interfere with the normal process of development in our country to make such conclusions....

Stahl: Can you tell us exactly what the new emigration policy is? Will Jewish "refuseniks" now be allowed to emigrate to Israel or anywhere else? And how many will you allow to do that?

Arbatov: It is again an individual case, it is not a mass action when we kick out a certain number of people....

Stahl: Congressman Fascell, let me ask you your impression of the openness that we are observing in the Soviet Union, including the attack that took place on the demonstrators, and ask how you think this will affect U.S.-Soviet relations, if it will at all.

Fascell: I think our approach is cautious optimism. The General Secretary has certainly gone beyond rhetoric and he deserves a great deal of credit for doing what he's done. This is an evolving matter and I agree with that and I think it's going to take some time before we can really decide what is happening.

Stahl: Senator Lugar, what are your impressions of what's going on and how do you think it's going to affect U.S.-Soviet relations?

Lugar: The problem is how to open the door just a crack without it blowing open, and it appears to me that the Soviets are doing just that, opening it a crack. They have very heavy controls to make sure it doesn't get away from them.

FACE THE NATION (continued)

Stahl: Congressman Fascell, let me ask you about how you think President Reagan's policy on the ABM treaty, trying to interpret it, have a broader approach to it, might affect arms control, and what your views of the President's policy are.

Fascell: I'm not for a unilateral broadening of the interpretation of the ABM treaty along with an early decision with regard to deployment of SDI. I think that's a mistake. I think a proper position is one we've already taken, which is that two countries have appointed a task force to at least discuss the problem.

Stahl: What about SDI? Do you think it's something that we should attempt to continue?

Fascell: The problem starts with the reinterpretation of the ABM treaty which leads to testing and development that goes beyond the normal interpretation or the interpretation that we've had of the ABM treaty up till now and coupled with the decision for early deployment of an SDI system.

Stahl: Senator Lugar, can we go forward with SDI if we don't in some way change the ABM treaty?

Lugar: I'm certain that we need to develop the SDI, and eventually that would require, it seems to me, some reinterpretation of the ABM treaty.

Stahl: Why not just withdraw (from the ABM treaty) then?

Lugar: Because we are attempting to negotiate with the Soviets at several different levels. We are attempting to observe treaty obligations and I think we are being faithful in that regard.

Stahl: Mr. Arbatov, Mr. Gorbachev is going to be giving a major speech tomorrow on Moscow television. Can you give us a little preview?

Arbatov: You have to wait 'til tomorrow. I don't think we should introduce new proposals. You have not answered to our latest proposals, and the ball is in the American garden. As to interpretation, you know, I'm astonished that people in your country use such a euphemism. You want to, you know, tear the treaty, to break it, and you use the word "interpretation."... I wanted also to comment -- one of the comments of Sen. Lugar who spoke about open society being in the United States, as I heard it, and closed society being here. I think during the "Irangate" discussion, it is not very persuasive that you are such an open society.

Stahl: Senator, why are we engaged in this problem right now? Why can't we wait two or three years before we try to broaden the treaty?

Lugar: Well, we may. I don't think that there is any necessary compression here. Clearly there are persons within the Administration who believe that we ought to have testing and deployment sooner rather than later, perhaps to ensure that the SDI continues. Maybe there is fear that there is now sufficient bipartisan cooperation to have sustaining power.

NBC -- MEET THE PRESS

Moderator: Marvin Kalb.

Panel: Albert Hunt and Bob Kur.

Guests: Secretary Otis Bowen, Sen. David Durenberger, Rep. Fortney Stark.

Kalb: One of your aides was quoted within the last couple of days as saying that this catastrophic health insurance plan was merely a first step, and that as I logically look ahead, you're going to address the issue of nursing home care as well. Am I correct in that?

Bowen: Certainly this would have to be the first step because I doubt that there will be a great deal of progress in covering the long-term care yet. That requires some study because most of the plans that we have for that would require some tax incentives, and we have to find out what the impact would be.

Hunt: Would you oppose it if Congress tried to throw in nursing care and at-home care, and paid through -- and paid for it through the, through tax system?

Bowen: There is some nursing home care, and home care in the plan, but it would be admittedly small.

Kur: Are there smaller items that might not invite a presidential veto and that would be easier?

Bowen: I don't know how far the President would go on the increased amount of expenses, but I -- it would be my judgment that Congress should be very cautious about going too far.

Kalb: We have heard now, for more than six years from this Administration, that government is the problem, not the solution, and yet on an issue like catastrophic health insurance, it seems that the Administration is turning to government as part of the solution.

Stark: I think in the case of Medicare that theory doesn't hold.... Private companies have had 20 years to try and provide something comparable and they can't.

Kalb: Sen. Durenberger, do you feel that we may be seeing a political swing here towards something like government-sponsored welfare?

Durenberger: Not at all.... If you look at what this Administration is doing to Medicare right now, it is moving this from a government insurance system into what they call private health plan options or options to buy private health insurance with the Medicare system sponsoring that buy, and an important way to get into that private market is to assure people that when they buy it, they'll have catastrophic protection.

Hunt: You just spent two years taking a whole bunch of tax preferences out of the tax code. Do you want to start throwing some new tax preferences back into the code for health reasons?

MEET THE PRESS (continued)

Stark: We really don't have to.... We left something in there and that's called a house, and you get to deduct the interest on a house, and you get to take \$125,000 of profit tax free when you sell it.... If seniors could build equity in a house, and then later borrow against it, or indeed sell it...if they need long-term hospitalization, I think it's the best tax incentive and the best savings program, and the best long-range way for people to accumulate that equity that would shield them in a time when they might need it for more care in an institution.

Hunt: Sen. Durenberger, you talk about the private insurance companies solving this program. The reason there is a proposal and the reason we're talking about all these horror stories is because the private sector, it seems to me, hasn't done it over the past ten or fifteen years. Why do you think that's suddenly going to change?

Durenberger: Well, because the private market is looking for ways to provide a sensible backup to long-term care. I think they recognize their failures in medigap are in part the failures in, of not having adequate catastrophic in the current system.

Kalb: Mr. Secretary, what makes you feel comfortable, or confident, that the government, or private sector, which of the two, could really address these problems, because they are so enormous...and this is just a first and probably very modest step?

Bowen: As the President requested, we need to find ways where the public and the private sector can work together to find these solutions, and I think that by the expansion of Medicare in this acute care area, is one of the ways that the government can assist.

Kur: Rep. Stark, in what key ways, do you see any proposal emerging from Capitol Hill to differ from the proposal we're talking about today?

Stark: I think Capitol Hill is going to rally behind the good parts in his (Bowen's) program.

Kalb: Secretary Bowen, could you tell us why it was that you encountered such strong opposition from within this Administration for a plan that, as I hear it discussed today, seems rather modest?

Bowen: I think it is such a complex issue, and the answers -- has to be different for different age groups, that it's obvious that there would be disagreement in it, and I suspect some of it is ideological with reference to any expansion of a government program, and I think some feared that what future Congresses might do -- to go way, way beyond what the present thoughts are.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin.

Panel: David Gergen, Jack Germond, Morton Kondracke, Robert Novak.

On the possibility of an Israeli prisoners-for-hostages deal:

Gergen: I don't think there are negotiations taking place. With the policy more firmly in the hands both here in the United States and in Israel of men who are harder-line against terrorism, namely Mr. Shultz here and Mr. Shamir there, I doubt they're negotiating. However, I do think it is very likely that there is a wink-and-nod policy in effect, the United States telling the Israelis, "If you manage to pull this off, we, of course, would appreciate it," just as we did in 1985....

Novak: ...You may call it wink-and-nod, I call it negotiating....

Germond: They're obviously going to deny it but I think it's pretty obvious that they're doing it. The interesting thing about it is the fact that the 400 people that they're trying to get released by Israel include a lot of terrorists who can be identified with particular killing incidents.

On the possibility of U.S. military action:

Gergen: There is plenty of talk but I just cannot imagine we would use our forces in advance, particularly, I think, as long as they're holding Terry Waite over there.... I think the United States would risk a terrible rift in Europe...if Terry Waite were killed as a result of U.S. action. On the other hand, if somebody is killed first then I think Reagan could go in, he could bomb those camps, and I think he would have an enormous amount of support for that.

Is it the most enlightened public policy for the United States to have an unbending, inflexible rule that there should be absolutely no dealing with terrorists under any circumstances?

Gergen: It makes a whole lot of sense; the problem is they haven't done it.... Novak: Yes, but Mr. Germond...said it last week: the virginity has been broken, you can't restore it. Germond: It should but it is too late because we've already done it. Kondracke: It is not too late, this is not virginity. What you do here is you adopt a new policy. McLaughlin: We all agree, five say absolutely no dealing with terrorists.

On reform in the Soviet Union:

Novak: Do I think Gorbachev wants a more efficient totalitarian state that has a better economic record? I sure do. But useful idiots like you, John, think that amounts to democratization....

Germond: The real point is...that whether or not there are internal reforms is a totally separate issue from the positions the Soviet Union is taking on arms control and foreign policy questions and should be considered separately....

Kondracke: ...It is a modernization but it is not liberalization in the sense that we're going to have a democracy....

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MCLAUGHLIN GROUP (continued)

Germond: ...He is attacking the bureaucracy there.... He is better at propaganda....

On the President's catastrophic health insurance plan:

Germond: When you see the extremes on both sides don't like it and you see who is for it, the future is very good, not necessarily for this particular bill but for a catastrophic health insurance plan similar to this, the future is pretty good.

Kondracke: The Democrats will add on benefits to it, reduce the amount of up-front payment and try to expand it beyond the Medicare population.

Gergen: I think it's a virtual certainty we're going to get legislation this year. The politics are such that Reagan really moved too late. If he was going to get anything out of this he should have made this decision several weeks ago because I think he could have gotten out in front of it.

Novak: ...This is a catastrophe for President Reagan. It is the first retreat back toward the Democratic welfare state on a massive scale in six years. This is what Barry Goldwater used to call the dime-store New Deal. What it does is it abandons all principle. I guarantee you that Claude Pepper will prevail; they are going to pump this thing up....

Is this (catastrophic bill) a political plus or minus for Ronald Reagan?

Gergen: Neutral to minus. Novak: It is a disaster; a big minus. Germond: Nothing. Kondracke: It's a 0.5% plus, I guess. Not much. McLaughlin: You've stumbled into it, Mort. You're absolutely right.

On the Iran-contra investigations and Robert McFarlane's hospitalization:

Gergen: It's a tragedy and it's sad to see people try to exploit it for ideological answers.

Germond: The fact of the matter is that nobody was hounding Bob McFarlane; certainly the press wasn't hounding him.... I think on the contrary he was getting very good marks, sort of, from the people who want to see the story come out because he was talking to the committees more openly than any other key witness.

Kondracke: I think it is not important to the whole Iran affair; I think it is a personal tragedy....

Novak: ...The problem with this is that things like this keep coming up to put the story back on the front page, back in the lead spot on the news programs....

PREDICTIONS -- Gergen: ...Stu Spencer not coming to the White House.

Novak: ...As long as Don Regan is still there, Volcker is out. And the choice now is between Beryl Sprinkel and the Vice Chairman.

Germond: There's a new date for Donald Regan's departure from the White House. I'm told he's going to be out of there by April 15.

McLaughlin: Regan will leave the White House 10 months from now.

AGRONSKY & COMPANY

Moderator: Martin Agronsky. Panel: James Kilpatrick, Charles Krauthammer, Marianne Means, Hugh Sidey.

On the Tower Commission's investigation of the NSC:

Means: I think the President is very lucky that they did this and were that vigorous, because the President was beginning to look as though he would really prefer not to have things come out. This way he can take the credit for appointing them, for allowing them to go in and find out some of these things.... He's getting himself out from under what began to look as though he was participating in a coverup.

Kilpatrick: I think he's done that very successfully, but I think that's a bad precedent I think he's setting in giving up his notes, even excerpted and edited. That's going to haunt some president 8-10-12-20 years from now, the Reagan precedent in making available his most personal, private notes.

Sidey: I agree with that.

Means: ...I think these circumstances were such that it was imperative for the President to do things like that.

Krauthammer: My feeling is that the Tower Commission chronology is going to hurt the President a lot because it will show a lot of contradictions in the previous testimony of people in his Administration. On the other hand I think what's going to save him in this whole affair is that it's so unbelievably complicated...that at a certain point people's eyes glaze over.... There are only two real questions: did the President approve of the Iran sale? Obviously he did. And did he know about the contra skimming? That we don't know. The evidence probably is no....

Sidey: ...I agree absolutely with Charles that the country was beginning to turn off, it was boring. But several people have reported to me that since [the McFarlane hospitalization] it has personalized this thing, it has given it a new dimension, it has made people look up....

Kilpatrick: I would venture this observation: Unless these 200 pages really have some dynamite in them, that they'll go right back to sleep....

Agronsky: It will not be a bore if someone brings Poindexter and North to a witness stand, granting them immunity or how ever they may do it. It is not a bore when people sit around and say why doesn't the President tell them to do it?

Kilpatrick: He can't; I've told you that over and over. He cannot command them to waive a constitutional right.

AGRONSKY & CO. (continued)

On the possible re-interpretation of the ABM Treaty:

Krauthammer: ...I think it's another example of American legalism. Only America would turn over its strategic future to lawyers. The question is not three words in a treaty. It is do we want a nuclear defense based on the idea of defense, which is what the President wants, or based on the idea of arms control and not allowing antiballistic missiles. I think we ought to have a debate on that, but as long as the argument is over loopholes in the treaty, we're not going to have a debate over ideas, it will be a debate over words.

Kilpatrick: Why don't we just scrap the treaty?

Krauthammer: Which is what I think the Administration ought to do if it wants to deploy SDI....

Means: I think there's a question about whether the national interest really requires an early deployment of these new rocket things, and in fact I don't approve of the whole SDI thing in the first place, but what the Administration is preparing to do is a political decision as much as a military decision. You know perfectly well that Jack Kemp and a lot of conservative congressmen have been pushing for something as soon as they could get something visible and tangible to go up in the air so they could lock in all future presidents into SDI....

On catastrophic health insurance:

Kilpatrick: I suspect this is an idea whose time has come and that the Congress probably will act upon it.... It would not cover nursing home care; if any plan tried to cover nursing home care, the government would be busted.... This does encroach pretty dramatically upon a need that has been cared for within its limits by the private insurance industry. Secondly, I think that down the road it opens up another one of these entitlement plans that have had such a catastrophic effect upon federal finance. But I think the idea is good and Congress will vote for it.

Krauthammer: It seems to me that there are worse ways to spend money if you are going to have a program.... The one problem I have is that we have this fixation on the elderly. I don't quite understand why someone in their 20s or their 30s who has a catastrophic health problem....

Means: It doesn't go far enough; that's true....

Sidey: Let's also point out that there was opposition within the White House and the President came through on this, which is rather surprising.

Agronsky: Well, not totally, but he's turned around.

Krauthammer: He's given up his opposition to socialized medicine, it seems.

Means: It's too bad he didn't do it in time to put it in the State of the Union speech because it could have given that speech a little more clout and it really was not much of a speech.



News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, FEBRUARY 17, 1987 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

U.S. Reaction To Gorbachev's Speech: Little New -- The Reagan Administration saw little new in a speech by Mikhail Gorbachev, but one assertion by the Soviet leader, if confirmed, could provoke an uproar in Congress and among U.S. allies.

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

Shamir To Say Israel Not Involved In Funds For Contras -- Israeli Prime Minister Shamir intends to try to make two points clear during his visit here: Arming Iran was a U.S. idea, and Israel had nothing to do with the secret funds for Nicaraguan rebels.

(Washington Post, AP, UPI)

IRAN-NICARAGUA

Iran Affair Looms Large In Hearing For CIA Nominee -- The Iran arms-contra aid controversy may provide the Senate Intelligence Committee with a case study to determine if acting CIA Director Robert Gates is qualified to take over the agency permanently.

(Washington Times, AP, UPI)

NETWORK NEWS (Monday Evening)

GORBACHEV SPEECH -- Soviet leader Gorbachev renewed his plea for an end to the nuclear arms race.

CALERO/CONTRAS -- Adolfo Calero announced his resignation to mend political differences within the rebel organization.

IRAN ARMS AFFAIR -- Spokesmen for President Reagan have redoubled efforts to prevent him from having to say anything publicly about the Iran arms deal.



INTERNATIONAL NEWS

GORBACHEV: REFORMS WILL STAND Peace Meeting Told U.S. Is Trying To Scrap ABM Treaty

MOSCOW -- Soviet leader Gorbachev told an international peace gathering here today that "broad democratization" of Soviet society "is irreversible" and, at the same time, he charged the Reagan Administration with attempting to scrap the 1972 ABM Treaty banning antiballistic-missile defenses.

Referring to an earlier agreement he signed with Reagan to prevent the arms race in space and end it on Earth, Gorbachev said, "By undermining the ABM Treaty, the U.S. Administration scorns that pledge."

Reactions from visiting westerners -- many of them long-active in peace movements -- to Gorbachev's speech and to the Soviet positions exposed to them during the forum were positive. In speeches from the same podium where Gorbachev spoke, British novelist Graham Greene, West German Social Democratic politician Egon Bahr, American physician Bernard Lown, cochairman of International Physicians for the Prevention of Nuclear War, and others praised the new Soviet leadership's initiatives.

(Gary Lee, Washington Post, A1)

Gorbachev Proclaims Reforms 'Irreversible' But Fears For Begun Prompt Skepticism

MOSCOW -- The "reorganization" of Soviet society is "irreversible," Soviet General Secretary Gorbachev told a Kremlin-sponsored international peace forum yesterday.

However, the Soviet leader used the occasion to attack once more the Strategic Defense Initiative, and there were doubts whether the Soviets intended to release Yosif Begun, a Jew whose imprisonment has become the center of Soviet dissident street demonstrations.

In Washington, an Administration official said the Soviet leader's remarks "seemed to be surprisingly short of substance."

(Washington Times, A1)

Gorbachev Avows A Need For Peace To Pursue Reform He Tells World Public Figures 'Thoughts And Energy' Are On Renewal Of System

MOSCOW -- Mikhail Gorbachev said today that the Soviet Union was seeking world stability so it could concentrate on domestic concerns.

On specific issues, Gorbachev said that any American effort to undermine the ABM Treaty of 1972 would violate the spirit of a broad agreement he reached with President Reagan in Geneva in 1985 to put a stop to the arms race.

(Philip Taubman, New York Times, A1)

U.S. Reaction To Gorbachev's Speech: Little New

The Reagan Administration saw little new in a speech by Mikhail Gorbachev, but one assertion by the Soviet leader, if confirmed, could provoke an uproar in Congress and among U.S. allies.

The Soviet leader said that Washington had made a formal proposal at the Geneva superpower arms talks to move to a so-called broad interpretation of the ABM Treaty that would permit wider testing of exotic SDI technologies.

U.S. officials refused to confirm or deny Gorbachev's assertion yesterday. "I don't know that that's correct," one official, who asked not to be identified, told Reuters. (Sue Baker, Reuter)

ISRAEL'S SHAMIR OPENS 10-DAY VISIT TO U.S.

Prime Minister Due For Talks With Reagan, Weinberger, Shultz

NEW YORK -- Israeli Prime Minister Shamir arrived today to begin a 10-day visit in the U.S.

After courtesy calls in Manhattan with Mayor Edward Koch and New Jersey Gov. Thomas Kean, Shamir was to fly to Washington Tuesday for talks with President Reagan, Secretary Weinberger and Secretary Shultz.

(AP story, Washington Post, A3)

Shamir To Say Israel Not Involved In Funds For Contras

Israeli Prime Minister Shamir intends to try to make two points clear during his visit here: Arming Iran was a U.S. idea, and Israel had nothing to do with the secret funds for Nicaraguan rebels.

Shamir, according to Israeli officials, will stress his nation's close ties with the U.S. and a willingness to explore peace prospects with its Arab neighbors during a three-day visit beginning today.

(Barry Schweid, AP)

Shamir Begins U.S. Visit Without Word On Iran Arms

NEW YORK -- Israeli Prime Minister Shamir, avoiding comment on the Iran arms affair during the first day of his nine-day U.S. visit, said the recent release of Soviet political prisoners fell short of "a real change in policy."

A White House official said the Iran arms affair will not be a major topic when Shamir meets Reagan. "There are a lot of other things of bilateral interest," the official said.

But the official said, "Mr. Shamir is going to have to face a pretty tough audience on his trip this time." He said he was referring to "the public and the press," and possibly Congress, rather than the Reagan Administration. (Dan Jacobson, UPI)

CALERO QUILTS POST IN REBEL LEADERSHIP

MIAMI -- Adolfo Calero resigned under pressure today as one of three top leaders of the Nicaraguan rebel alliance, but promised that the military wing he heads will continue to work within the coalition to overthrow the leftist Sandinista government of Nicaragua.

Acknowledging that his departure from the United Nicaraguan Opposition umbrella group leadership represents a crisis of the contras, Calero said he was quitting the post in recognition of demands from the Reagan Administration that he either resign or share more power with the other two leaders of the movement.

(Joanne Omang, Washington Post, A1)

Contra Leader Quits Alliance, Labels It A 'Patriotic' Action

Adolfo Calero, head of the largest army of resistance fighters in Nicaragua's anti-communist alliance, resigned yesterday on the eve of a congressional showdown over additional American aid for the contras.

"Mr. Calero did not resign of his own volition," Sen. Jesse Helms said. "His resignation was forced by high officials within the State Department who are seeking capitulation to the communists."

"Until the State Department can give credible assurance that those who are giving their lives in the jungle for freedom are not going to be sold down the river, Congress will have little reason to support further funding for UNO. I, for one, will have no part in a negotiated surrender," Helms added. (James Morrison, Washington Times, A1)

Top Nicaraguan Rebel Leader Resigns As Crisis Deepens

MIAMI -- The resignation of a top Nicaraguan rebel leader has underscored a deepening crisis within the U.S.-backed alliance, raising new doubts about the prospects for new military aid, U.S. and rebel officials said.

Rebel officials and congressional leaders said the resignation of Adolfo Calero underscored the deep disarray of the rebel leadership and could intensify the internal power struggle between moderate and right-wing factions.

Those factors, they said, could jeopardize UNO's future funding and doom the struggling insurgency to failure in its fight against Nicaragua's leftist Sandinista government. (Matt Spetalnick, Reuter)

Shakeup In The Contras Calero Resigns From Leadership Slot, Giving More Power To Moderates; But He Still Controls Army

In a move aimed at salvaging the Nicaraguan contras' deteriorating position on Capitol Hill, a controversial resistance leader resigned yesterday from the rebels' governing triumvirate.

Analysts say the resignation of Adolfo Calero was designed to signal increased influence for more moderate elements within the contra movement.

(George Moffett, Christian Science Monitor, A1)

PEACE PLAN HAS APPEAL TO U.S. OFFICIALS
New Proposal For Nicaragua Seen As Alternative For Democrats

SAN JOSE, Costa Rica -- A Central American peace plan proposed by Costa Rica is attractive to U.S. congressmen, especially Democrats, as a potential alternative to the Reagan Administration policy of staunch support for guerrilla warfare against Nicaragua's Sandinista government.

The plan calls for Central American governments facing armed rebellions to grant amnesties to rebels, start negotiations with internal political opponents and agree to cease-fires with guerrillas. It also calls for concrete steps toward "democratization" according to a timetable, "free elections" monitored by international observers, the suspension of military aid to rebel movements and the reduction of security forces and weapons stocks by the five governments.

(William Branigin, Washington Post, A10)

DEPARTING OFFICIAL CRITICIZES CONTRA POLICY

A senior State Department officer leaving behind a 30-year career is accusing the Administration of using McCarthy-like tactics against its professionals who raise questions about U.S. policy in Central America.

"I am leaving the foreign service in response to your exercise in McCarthyism," Francis McNeil told Elliott Abrams in a letter neither acknowledged nor answered. "Confusing candor with disloyalty is a disservice to American interests and tradition." (Jim Anderson, UPI)

SDI OFFICIAL SEES NO BARRIER TO KEY TESTS FOR 3 YEARS

A research director supervising a central element of the Pentagon's SDI program has concluded that "critical" topics of research can be pursued for at least three years through experiments that comply with the traditional or "narrow" interpretation of the 1972 ABM Treaty.

Col. Raymond Ross, director of the SDI "kinetic energy" weapons research program, said in an interview that two key tests planned for late this year and 1989 could be conducted within the narrow treaty interpretation and still "get at those critical issues that we're after."

(Jeffrey Smith, Washington Post, A13)

HILL DEMOCRATS PLEDGE AFL-CIO TOUGH TRADE BILL

BAL HARBOUR, Fla. -- Democratic leaders of Congress promised the AFL-CIO yesterday that they will pass a tough, import-restricting trade bill that President Reagan is almost certain to veto.

"I'm confident we're going to have a piece of legislation on the President's desk by midsummer," Sen. Robert Byrd told reporters after he and House Majority Leader Thomas Foley spent two hours behind closed doors with the union leaders, who are meeting here this week.

(AP story, Washington Post, A4)

BACKING FADES FOR TRADE BILL PROTECTIONISM

Despite record-breaking trade deficits and pervasive anger in hard-hit industrial and agricultural regions, the Democratic-controlled Congress is backing away from legislation that would protect U.S. industry with rigid quotas or tariffs against foreign goods. Instead, it appears likely to approve only a relatively mild new trade measure.

"The mood among Democrats has changed dramatically," said Rep. Robert Matsui. "The sentiment for protectionist legislation is not as strong as it was one or two years ago. I think members are a lot more sophisticated about the trade deficit. They finally realize they can't just pass a law and make it go away."

(Tom Redburn, Los Angeles Times, A1)

U.S. LAUNCHING INVESTMENT INITIATIVE IN PHILIPPINES

The U.S. government, trying to stimulate American business activity in the Philippines, is sending a 20-company delegation of potential investors to that country -- the first such mission since the tumultuous demise of Ferdinand Marcos' government a year ago.

Representatives of American Motors, Rockwell International and other U.S. companies will depart Friday for a week-long series of meetings with Philippine business executives seeking American capital.

(Henry Gottlieb, AP)

U.S. VETOES WORLD BANK ROLE IN CHILE LOAN

Commercial Banks Told They Must Assume
Responsibility For \$400 Million Request

The Reagan Administration has vetoed World Bank participation in a commercial bank loan to Chile, telling private banks it is their responsibility alone to provide the \$400 million the cash-strapped country will need this year and next, sources said.

Sources said that Chile should be a relatively "easy" loan for commercial banks to make. They said they worry banks will find it impossible to deal with difficult cases, such as Brazil. If banks deadlock on new loans to Brazil, it could plunge the world anew into a debt crisis of the dimension of 1982 and 1983. Brazil has \$108 billion in foreign debts, an economy that is falling apart, festering political problems, declining export earnings and the need to borrow from its commercial bank lenders for the first time since 1984.

(James Rowe, Washington Post, D1)

ANGOLANS TO U.S.: 'LET'S DANCE'

LUANDA, Angola -- The Angolan Cabinet minister spread his arms in the gesture of an embrace. "We are ready to dance," he said. "Our young people like American rhythm and we would like to see our countries getting together more."

"But," Ismael Martins, the foreign trade minister, added, "it takes two to dance. If it were our decision alone, then it has already been taken."

"Washington would achieve what it wants much quicker if it would open an embassy here," remarked one senior Western diplomat with long experience here. (Allister Sparks, Washington Post, A9)

SOVIETS TAKE AIM AT 'AMERIKA' MINISERIES

A Soviet diplomat says Americans watching the "Amerika" miniseries are getting a dose of "laughable" anti-Soviet propaganda.

"We feel it serves very negative and sinister purposes -- that of continuing to fan anti-Soviet feelings to perpetuate the enemy image," Vitaly Churkin, first secretary at the Soviet Embassy, said Monday night.

The Soviet Embassy called a news conference for today to register further indignation over "Amerika." (Mark Knoller, AP)

EDITOR'S NOTE: "Openess Policy Masks Repression" -- first of three articles regarding Soviet leader Gorbachev's new look, by Martin Sieff, appears in The Washington Times, A1.

IRAN — NICARAGUA

GATES FACES TOUGH QUESTIONING AT CONFIRMATION OVER IRAN-CONTRA AFFAIR

Acting CIA Director Robert Gates, facing sharp questioning today about the Iran-contra affair in Senate confirmation hearings, testified last April that CIA employees believe in the congressional oversight process.

Senators on the Select Intelligence Committee say they will ask Gates today to explain the CIA role in the Iran-contra affair, and to renew his pledge to cooperate with congressional oversight panels.

(Jim Drinkard, AP)

Senators May Seek Gates' Pledge To Promptly Report Covert Actions

Intelligence experts are divided over the legal question of notifying Congress in a "timely fashion" of all Administration covert action programs.

The question is expected to be raised before the Senate Intelligence Committee today during the opening of confirmation hearings on the nomination of Robert Gates to be the next CIA director.

George Carver, a former CIA official, called the idea of demanding that Gates pledge before the committee "ridiculous" since it would impinge upon the Administration's executive branch authority.

(Bill Gertz, Washington Times, A3)

Iran Affair Looms Large In Hearing For CIA Nominee

The Iran arms-contra aid controversy may provide the Senate Intelligence Committee with a case study to determine if acting CIA Director Robert Gates is qualified to take over the agency permanently.

"I think it's just a question, really, of qualifications more than anything else," a committee aide said Monday. "There's nothing at all that I can see that's earthshaking."

(Robert Doherty, UPI)

COUNTERTERRORISM POLICY FED NORTH'S POWER AND INFLUENCE IN NSC

In January 1986, about the time President Reagan was authorizing U.S. arms sales to the officially defined "terrorist state" of Iran, Lt. Col. Oliver North became cochairman of a small NSC group that coordinated the government's counterterrorism efforts.

That April, according to several sources, North was an enthusiastic supporter of a presidential finding, reviewed by Congress, that authorized the U.S. intelligence community to engage in a newly activist counterterrorism program. It was envisioned to include such unorthodox measures as shipping faulty weapons to terrorists.

According to congressional and other investigators of the Iran-contra affair, it is clear that the Administration's counterterrorism program helped North increase his power and independence in the NSC. Officials familiar with his work say North made counterterrorism "his turf."

(Dan Morgan, Washington Post, A10)

FICKLE WINDS FAVOR WEINBERGER AFTER A STORMY PASSAGE

Untarnished by the Iran-contra affair, Secretary Weinberger is reaping the harvest of his foresight and his loyalty to President Reagan.

Since the scandal broke in November, a paradoxical calm seems to have settled over Weinberger's sometimes stormy tenure, and he has consolidated his position in the Administration's internal defense debate.

(James Dorsey, Washington Times, A1)

HISTORIC SPEECH: MORAL LESSONS FOR THE WHITE HOUSE

Few people listened as George Washington's farewell speech was read in an annual Senate tribute, but the freshman lawmaker given the task says the Reagan Administration could learn from the first president's thoughts about morality.

Afterward, Sen. John McCain said he thought several sections about "the importance of morality and standards and conduct in government" were applicable this year in light of the Iran arms-contra aid scandal that has engulfed the White House.

"I don't think (Washington) would have been pleased by the conduct of some of our elected as well as non-elected officials" in the scandal, McCain said.

(Joseph Mianowany, UPI)

NATIONAL NEWS

HEALTH CARE MOVE MAY BE REAGAN'S OWN CATASTROPHE

President Reagan's ability to set the agenda on domestic issues may have suffered an irreparable setback with last week's decision to expand Medicare to provide coverage for health care during catastrophic illnesses.

In doing so, the President appeared to abandon his long-standing belief that the private sector is more efficient in providing goods and services than government monopolies.

(Willis Witter, News Analysis, Washington Times, A3)

CONGRESS RETURNS TO DISCUSS DISPUTED ENERGY, HIGHWAY BILLS

Congress is back from nearly two weeks off, with the Senate ready to tackle a seemingly innocuous energy bill that precipitated a confrontation between Democratic and Republican leaders on the chamber floor.

The House plans a quiet week, although it could be disrupted if supporters of a higher, 65 mph federal speed limit try to force a vote on the issue. Such a move, however, is considered unlikely.

The Senate's first business today is expected to be a resolution that urges progress at the Geneva arms reduction talks between the U.S. and Soviet Union.

(Alan Fram, AP)

SENATOR WARNS AGAINST RELIGION IN POLITICS

SOUTH BEND, Ind. -- When government begins to promote prayer, it cannot help but raise "a whole host of knotty questions," warns Sen. Paul Simon.

"There are functions government can perform well, like building highways and providing aid to students. But promoting religion is not a function that government performs well," said Simon in a speech at the University of Notre Dame.

(UPI)

FOIA SURVIVED 'ONSLAUGHT,' CHAIRMAN SAYS

Rep. English Warns Agencies Not To Create Obstacles To Disclosure

Despite what he called a six-year "legislative onslaught by the Reagan Administration" to weaken the Freedom of Information Act, Rep. Glenn English said that the measure has survived "substantially intact," and from the point of view of the news media, it is actually stronger than ever.

"The Reagan Administration seems quite pleased with this opportunity to discourage disclosure of information to its own natural constituency in the business community," English told his audience from the American Society of Access Professionals, including information policy specialists from the Justice Department. "This only demonstrates how anxious this Administration is to discourage the disclosure of information to anybody."

(George Lardner, Washington Post, A15)

NETWORK NEWS SUMMARY

(Monday Evening, February 16, 1987)

GORBACHEV SPEECH/SOVIET UNION

NBC's Tom Brokaw: The most powerful man in the Kremlin and that country's best-known dissident together in the same auditorium where the talk was of peace and the democratization of the Soviet Union. It was still another master stroke by Mikhail Gorbachev who used this Moscow forum to once again attack President Reagan's plan for the Strategic Defense Initiative, star wars. Gorbachev shared the spotlight with a Soviet physicist who not too long ago was in jail for his criticism of Soviet policy.

NBC's Stan Barnard: In the grand Kremlin palace, the presence of this man startled. Andrei Sakharov, the Soviet Union's most famous dissident almost surrounded by other participants of the Soviet sponsored forum on disarmament. They wanted his autograph. And one of the participating scientists talked about Sakharov's contribution to the forum.

(Scientist: "Academician Sakharov also stressed the particular importance of openness and democratization to the building of public trust in the disarmament process -- the theme for which he was awarded the Nobel Peace Prize.")

More than a thousand participants...came to the Kremlin to hear the speech by the man who freed Sakharov, Soviet leader Mikhail Gorbachev. He broke no new ground. Only the audience was new. He again lashed out at star wars saying it would violate the existing Antiballistic Missile Treaty and would take the arms race into space. But it was the presence of Sakharov and the new openness, the freeing of nearly 150 other dissidents that played a major role in the forum and was underlined by the Soviet leader.

(Gorbachev: "We want a broad democratization of all of society. Further democratization is also main guarantee of the irreversible nature of the ongoing process. We want more socialism and hence more democracy.")

Gorbachev said the new openness was developing because it was good for the Soviet Union and not to please the West....

Brokaw: At the same time the family of another Soviet dissident Yosef Begun said he is not free. Apparently he is caught in a power struggle between the secret police and the government bureaucracy in the Soviet Union. Begun remains in jail despite an announcement yesterday that he is free. That claim came from Georgi Arbatov on CBS. Arbatov who runs the U.S.A. Institute in Moscow was responding to questions about protests on behalf of Begun last week -- protests that were broken up, often violently. (NBC-Lead)

ABC's Peter Jennings: In the Soviet Union today an international conference on peace heard on encouraging words about human rights from the Soviet leader Mikhail Gorbachev who coupled them with a renewed plea for an end to the arms race.

ABC's Walter Rodgers: Mr. Gorbachev said there are revolutionary changes underway in Soviet society. New thinking he called it, and a new approach to human rights here.

(Gorbachev: "And I disappoint those who think that this has been the result of pressure on us from the West -- that we wish to gain somebody's fancy in pursuit of some ulterior motives. No, we do not.")

...Mr. Gorbachev's human rights remarks followed five days of embarrassing demonstrations in Moscow last week by Soviet Jews seeking the release of jailed activist Yosef Begun. Georgi Arbatov, key Gorbachev aid, yesterday announced Begun had been freed. But today Begun's wife disputed Arbatov saying as far as she knows her husband is still in prison. Mr. Gorbachev also renewed his attack on the American star wars missile defense program. And he warned President Reagan against scrapping the ABM Treaty.

(Gorbachev: "With the disruption of the treaty, the nuclear arms race will be added by the race in space.")

...Almost all the public figures attending this Soviet sponsored peace forum were impressed with the new Soviet thinking, but there were skeptics.... Clearly there is a striking improvement in the human rights situation here and last week's demonstrations reflect the bureaucratic resistance of those who feel threatened by Mr. Gorbachev's new thinking. (ABC-3)

CBS's Dan Rather: A star-studded group of international movers and shakers was in Moscow today to hear Soviet leader Mikhail Gorbachev speak. There had been widespread reports that he had some new arms control initiative to announce. He didn't. He did try to combine his general arms control offensive with his charm offensive. But this his latest bid to be taken seriously and sincerely in the West may have been blotted by his own KGB secret police. A full day after a top Soviet official said a Jewish dissident had been freed the man still hasn't turned up and apparently remains in a KGB jail cell.

CBS's Wyatt Andrews: For Mikhail Gorbachev it was an unusual speech full of flowery language describing his thoughts about a nuclear-free world and the danger of star wars, as if he wanted to convince the world he means it when he says he wants no nuclear weapons.

(Gorbachev: "After a nuclear war there would be no problems. There would be no one to sit down at a tree stump or at a boulder let alone a table for negotiations. A second Noah's Ark will not survive the nuclear deluge.")

But Gorbachev was speaking to an unusual audience: a collection of 1,000 of the world's most influential writers, businessmen and scientists including former exiled physicist Andrei Sakharov. If Gorbachev was working to impress them he succeeded.... Today Gorbachev described the policy of openness challenging the right of Westerners to doubt Soviet sincerity. We do not change, he said, to please the West.... Gorbachev seemed to be fighting hard for the respect and the understanding of his powerful audience. In short, trying to earn from 1,000 influential private citizens what he has not yet earned from the Reagan Administration. (CBS-Lead)

CONTRAS/CALERO

Jennings: We're going to begin this evening with what appears to be more division and is certainly more confusion in the leadership of the Contras, who with American help are trying to overthrow the government of Nicaragua. For the second time in a week one of the three major Contra leaders has said that he is resigning from the umbrella group which the three men have run. The catch is that Adolfo Calero says he's still going to be in charge of the largest number of actual fighters.

ABC's John Quinones: Adolfo Calero, the most powerful of Contra leaders, announced he's resigning today to mend political differences within the rebel organization.

(Calero: "I have said very clearly that I am leaving for the sake of unity and nationalist spirit.")

(TV coverage: The President shaking hands with Calero.)

...In today's resignation, however, Calero made it clear he will give up only his political post and not his command of the fighting forces.

(Calero: "I will have the largest Contra organization, not necessarily the largest Contra force. The fact that we have the largest Contra force is just an accident.")

So in effect Calero remains as powerful a commandante as ever. Still, in Costa Rica today his political foes applauded Calero's resignation.

(Alfonso Robelo: "This is very positive to everyone. They should see this as the best alternative to keep on receiving the aid needed for the military struggle.")

Still the unanswered question remains. Will today's resignation promote unity as intended, or is it simply the latest chapter of infighting and division within the Contra ranks?

Jennings: The resignation of Mr. Calero certainly accomplishes one thing: it focuses attention on the basic question. Do the Contras even with more American aid stand a realistic chance of attaining their goal?

ABC's Peter Collins: ...The bad odds are one of several reasons why some of their friends think the Contra's chances of winning are slim.

(David Atlee Phillips, Former Director of CIA operations in Latin America: "I think that the chances that the Contras can win are only two or three out of ten. But those aren't bad odds when you're trying to change a government.")

At the very top of the list of problems the Contras face in trying to overthrow the Sandinistas is whether Congress will vote them any more funds.

(Sen. Dodd: Contragate, call it what you will, scandal has not helped. And I believe that we may just have the votes that will bring an end to this program and give a real chance and a start to a diplomatic approach to the problem.")

The chief architect of the Administration's policy says the scandal has not hurt.

(Elliott Abrams: "There is a remarkable ability to separate the scandal from the question of U.S. interests in Central America. And I find Congress, if anything, more concerned about protecting our interests and about the threat to those interests than they were last year.")

Collins continues: Contra strategy will be to launch guerrilla style attacks all over the country and try to provoke Sandinista repression. David Phillips believes more than that is needed.

(Phillips: "At this stage the Contras have really only one course left open to them if they want stay even. They've got to do something dramatic. They've got to take a city and hold it.")

But the Contras aren't ready to do that yet. Senator Dodd just back from Central America says military men there think they may never be.

(Sen. Dodd: "Without exception all who have reached a conclusion believe that the Contras can not win militarily in Nicaragua...even with the additional funds.")

For its part, the Administration is pleading for patience.

(Abrams: "I don't think that they need to take cities all over the country in their first six months. This program just began.")

So, are the Contras doomed? The answer lies both in Washington and with the Contras and how they react to each other over the next six months. (ABC-Lead)

Brokaw: The Nicaraguan Contras are embroiled in a major new battle tonight, a battle within their own ranks, over leadership. This crisis was intensified today with the resignation of Adolfo Calero from what was in effect a three-man board of directors for the Contras. Nonetheless, Calero does remain a key Contra player.

NBC's Robin Lloyd: This latest development came as thousands of rebels moved back into Nicaragua from their bases in Honduras armed with new U.S. military supplies. But even as the Contra troops geared up for an escalation in the fighting, their leaders are now locked in a major internal power struggle. This latest crisis flared last when Cruz warned that he might resign because of his conflict with Calero. President Reagan's new national security adviser Frank Carlucci was sent to Central America to try to patch up the differences. Calero's announcement today seemed to be part of that effort.

(Calero: "I want to contribute to the unity, to a nationalist spirit, to the confirmation of one big organization.")

But despite the conciliatory words, Cruz and the moderates say it's just window dressing. Calero, they say, did not give up his control of the army. And he didn't address the moderates' demands for reform. Cruz wants nothing less than Calero out.

(Cruz: "It has to work that way otherwise I will not be part of the effort.")

The Reagan Administration is seriously concerned that this latest crisis will jeopardize further support for the Contras in Congress, especially if the moderate leaders go through with their threat to pull out. So Administration officials say they will continue their efforts this week to try to prevent the Contras from splitting apart.

(CBS-2, NBC-2)

THE PRESIDENT/IRAN ARMS AFFAIR

Rather: Spokesmen for President Reagan have redoubled efforts to prevent Mr. Reagan from having to say anything publicly about his weapons for Khomeini deal, and they have become especially touchy when questions arise about where all the money missing from the deal went. Evidence grows that some of the money apparently went to friends of Oliver North who operated a mystery ship.

CBS's Doug Tunnell: The Panamanian registered freighter Erria lies stuck in a Danish harbor today trapped by ice and money problems flowing from voyages to free the hostages in Lebanon and deliver weapons to the Contras. CBS News has obtained documentation showing that the Erria is legally owned by Albert Hakim a mysterious California-based businessman wanted for questioning in connection with the Iran-Contra affair. Hakim and his business partner Richard Secord chaired a secret Swiss account with Oliver North. They bought the Erria in April 1986 for one reason: to play a central role in the Reagan Administration's arms-for-hostages deals. Hakim hired this man to run the ship, Norwegian shipper Tom Parlow, who would only show us his back because he said he fears reprisals for being part of a CIA operation.

(Reporter: "Did your ship ever deliver arms to Iran?"

Parlow: "The Erria did never deliver any arms to Iran.

Reporter: "Did it try?"

Parlow: "It tried to deliver in November of this year."

But the Erria seemed cursed by bad luck and failure. May 28, 1986: While Robert McFarlane and Oliver North were in this Tehran hotel to secure the release of Americans in Lebanon, Hakim ordered the Erria off the coast of Beirut to wait for hostages who never appeared. July 1986 Hakim dispatched the Erria to pick up a load of weapons in Poland and then on toward Central America. But that shipment was mysteriously recalled on the high seas. It was put on board a second ship and then delivered to the United States. According to maritime sources here 350 tons of Soviet-made machine guns, ammunition, and hand grenades were discharged in Wilmington, North Carolina. But perhaps the most remarkable voyage of the Erria was its last. While Oliver North was taking the Fifth Amendment in Washington, Albert Hakim had secretly ordered the ship to wait off the coast of Iran to pick up two Soviet tanks -- T-72s -- captured from Iraq and sought after by Western military analysts who want to study its secret construction. But the T-72 deal also fell through. (CBS-3)

MCNEIL/CONTRAS

Brokaw: On several occasions veteran diplomat Francis McNeil has raised doubts about the performance of the Contras. The former ambassador to Costa Rica now claims that because of this criticism he was forced to resign from the State Department. McNeil says that assistant secretary of state Elliott Abrams questioned his loyalty. He claims that he was the victims of an exercise in "McCarthyism" by Abrams. That's a charge denied by a senior State Department official.

(ABC-2, NBC-3)

SOUTH AFRICA/HUMAN RIGHTS

Brokaw: Amid increasing charges that U.S. policy toward South Africa is failing Amnesty International said today that human rights violations in that country have reached an almost unprecedented level. This assessment followed a report last week by a panel appointed by the Reagan Administration. U.S. sanctions it said were not working. The sanctions have caused a backlash in South Africa against the United States.

NBC's Mike Boettcher: ...The new U.S. Ambassador Perkins arrived here as anti-American sentiment was growing because of the sanctions and the pullout of American corporations. He has been welcomed in South African townships but South Africa's white government says it doesn't care what Perkins or his President have to say to them.

(David Stewart, Government Spokesman: "Since the deterioration that has taken place in our relations, the ability of the United States to influence affairs in South Africa has of course also diminished.")

And white businessmen who urged the government to reform believe U.S. sanctions have hurt the antiapartheid movement.

(Ray Ackerman, businessman: "I feel terribly let down now because suddenly the Americans particularly are pulling out like flies and we South Africans are having to pick up the slack. And it's not going to help change the government. It's making them more obdurate.")

...South Africa has retreated into a corner behind its military might, cracking down harder on opposition each day, listening less to American pleas that it change. (NBC-4)

DEMJANJUK

Jennings: The beginning of a long-awaited trial in an Israeli courtroom.

The man who went on trial today turned up in Israel when he was deported from the United States. He is accused of killing Jews during World War II. His name is John Demjanjuk. His defense is a simple one. He says the Israelis have the wrong man.

(ABC-4, CBS-4, NBC-5)

ABC -- THIS WEEK WITH DAVID BRINKLEY

Moderator: David Brinkley. Panel: George Will, Sam Donaldson.

Guests: Dr. Anthony Fauci, National Institute of Health; Rep. Henry Waxman; Faye Wattleton, President, Planned Parenthood Federation of America; Connaught Marshner, Child and Family Protection Institute; Dr. Thomas Vernon, Executive Director Colorado Department of Health.

Brinkley: Dr. Fauci, what progress have we made in the last year and a half on AIDS?

Fauci: Considerable progress. There's been at least one and now a couple of drugs coming along that have been identified that have activity against the AIDS virus.

Guests: Faye Wattleton, Connaught Marshner.

Donaldson: Mrs. Wattleton, let me ask you: I take it that you want to see the use of condoms promoted and advertised on television, is that correct?

Ms. Wattleton: We have taken a very strong position that we believe that contraceptives should be advertised on television, condoms being one of the major products that is now in consideration.

Mrs. Marshner: What you're talking about there is a technological solution to a problem that is cultural or personal or psychological.... Condoms don't prevent anything.

Will: Dr. Koop, who is nobody's irresponsible physician, I think you'll admit, and would be described as a cultural conservative by any standards, says, A,, they're safe; B, next to abstinence which we cannot legislate and cannot count on, they are the best proposal. Are you saying that this -- that Dr. Koop and the Reagan Administration backing Dr. Koop are somehow violating a kind of conservative canon here? What specifically, aside from your claim that they're unsafe, is wrong with spreading the word about condoms?

Marshner: Don't take Dr. Koop out of context. He began, and his main point is, that abstinence is the best course. But if you're going to go ahead anyway, then go ahead and use condoms.

Guests: Dr. Vernon, Rep. Waxman.

Brinkley: I have the impression that a great many Americans believe this is one more sensation without substance, that is, media hype, that it's not as bad as it's been made to appear.

Vernon: It's not media hype. We're talking about the biggest thing this nation has faced at least since the Spanish influenza, in terms of the number of cases which are going to occur.

-more-

THIS WEEK (continued)

Waxman: We're certainly facing a horrible tragedy taking place right in front of our very eyes.... More people will die of AIDS by 1990 than died in the whole Vietnam War.

Will: Consistent with civil liberties, how should we test, who should we test, and what should the consequences of the testing be?

Waxman: I think our first consideration has to be public health, stopping the spread of this epidemic.

Vernon: The heart of that issue is confidentiality. To the extent that we can maintain, and must maintain the confidentiality of records of the disease itself and of the antibody test, we can balance that critical tension between protections of individual liberties and privacy on the one hand, and protection of the public health on the other.

FREE-FOR-ALL DISCUSSION -- Bob Maynard of The Oakland Tribune joins panel.

On catastrophic health insurance:

Will: It's fascinating that Ronald Reagan, if this passes, and I think it will, indeed it will pass in a form expanded significantly beyond what he's proposing, will leave Washington with one of his monuments being a substantial enlargement of the welfare state. Now I think there's a good conservative reason for this.... The President said this is the chief remaining source of terrible random insecurity in the lives of Americans.... The one thing we know about medical costs is inflation in that sector is about eight times what it is in the rest of the population and that we consistently...underestimate the cost of the new technologies...so we're almost certainly underestimating the cost of this but we're also clearly understanding the political appeal of it.

Donaldson: George is right. This President has now said that government is the answer, which I think he's correct in saying in this case.... Bowen has beaten three of the top conservatives in this Administration for the heart and mind of Ronald Reagan. ...In this case the rule of reason has applied, and I compliment him. Congress will of course will add to this because health care in nursing homes is not covered in the President's proposal.

Maynard: That's right, it's a limited proposal, it's a good beginning and an opening to what is going to be an enormous program in due course. Simply if you look at the demographics of the United States and recognize that our population is aging....

CBS -- FACE THE NATION

Moderator: Lesley Stahl.

Guests: Georgi Arbatov; Rep. Dante Fascell; Senator Richard Lugar.

Stahl: Mr. Arbatov, how can you explain to us how these two incidents can happen in one week, brutal crackdown and release of 140 dissidents? What does it mean?

Arbatov: You have to put into proportion everything. A process is going on...it is a real process of democratization intended not at all to impress you -- we don't care too much about this, though we care, of course, to some degree.... You take this case, demonstration, there were, the last demonstration, seventeen demonstrators, forty-two foreign correspondents, six people from the embassies. And look what you had in Nevada? You have arrested more than 400 people. It goes very well that the most democratic society, nobody raises hell about it.

Stahl: We in the United States wonder why you allowed pictures of such a brutal attack on women to be broadcast when you were establishing so much goodwill through your openness policy and democratization, as you call it. Does this show that Mr. Gorbachev is not in control of the KGB? Explain how it could have happened?

Arbatov: It's a game, part of this attempt just to interfere with the normal process of development in our country to make such conclusions....

Stahl: Can you tell us exactly what the new emigration policy is? Will Jewish "refuseniks" now be allowed to emigrate to Israel or anywhere else? And how many will you allow to do that?

Arbatov: It is again an individual case, it is not a mass action when we kick out a certain number of people....

Stahl: Congressman Fascell, let me ask you your impression of the openness that we are observing in the Soviet Union, including the attack that took place on the demonstrators, and ask how you think this will affect U.S.-Soviet relations, if it will at all.

Fascell: I think our approach is cautious optimism. The General Secretary has certainly gone beyond rhetoric and he deserves a great deal of credit for doing what he's done. This is an evolving matter and I agree with that and I think it's going to take some time before we can really decide what is happening.

Stahl: Senator Lugar, what are your impressions of what's going on and how do you think it's going to affect U.S.-Soviet relations?

Lugar: The problem is how to open the door just a crack without it blowing open, and it appears to me that the Soviets are doing just that, opening it a crack. They have very heavy controls to make sure it doesn't get away from them.

FACE THE NATION (continued)

Stahl: Congressman Fascell, let me ask you about how you think President Reagan's policy on the ABM treaty, trying to interpret it, have a broader approach to it, might affect arms control, and what your views of the President's policy are.

Fascell: I'm not for a unilateral broadening of the interpretation of the ABM treaty along with an early decision with regard to deployment of SDI. I think that's a mistake. I think a proper position is one we've already taken, which is that two countries have appointed a task force to at least discuss the problem.

Stahl: What about SDI? Do you think it's something that we should attempt to continue?

Fascell: The problem starts with the reinterpretation of the ABM treaty which leads to testing and development that goes beyond the normal interpretation or the interpretation that we've had of the ABM treaty up till now and coupled with the decision for early deployment of an SDI system.

Stahl: Senator Lugar, can we go forward with SDI if we don't in some way change the ABM treaty?

Lugar: I'm certain that we need to develop the SDI, and eventually that would require, it seems to me, some reinterpretation of the ABM treaty.

Stahl: Why not just withdraw (from the ABM treaty) then?

Lugar: Because we are attempting to negotiate with the Soviets at several different levels. We are attempting to observe treaty obligations and I think we are being faithful in that regard.

Stahl: Mr. Arbatov, Mr. Gorbachev is going to be giving a major speech tomorrow on Moscow television. Can you give us a little preview?

Arbatov: You have to wait 'til tomorrow. I don't think we should introduce new proposals. You have not answered to our latest proposals, and the ball is in the American garden. As to interpretation, you know, I'm astonished that people in your country use such a euphemism. You want to, you know, tear the treaty, to break it, and you use the word "interpretation."... I wanted also to comment -- one of the comments of Sen. Lugar who spoke about open society being in the United States, as I heard it, and closed society being here. I think during the "Irangate" discussion, it is not very persuasive that you are such an open society.

Stahl: Senator, why are we engaged in this problem right now? Why can't we wait two or three years before we try to broaden the treaty?

Lugar: Well, we may. I don't think that there is any necessary compression here. Clearly there are persons within the Administration who believe that we ought to have testing and deployment sooner rather than later, perhaps to ensure that the SDI continues. Maybe there is fear that there is now sufficient bipartisan cooperation to have sustaining power.

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NBC -- MEET THE PRESS

Moderator: Marvin Kalb.

Panel: Albert Hunt and Bob Kur.

Guests: Secretary Otis Bowen, Sen. David Durenberger, Rep. Fortney Stark.

Kalb: One of your aides was quoted within the last couple of days as saying that this catastrophic health insurance plan was merely a first step, and that as I logically look ahead, you're going to address the issue of nursing home care as well. Am I correct in that?

Bowen: Certainly this would have to be the first step because I doubt that there will be a great deal of progress in covering the long-term care yet. That requires some study because most of the plans that we have for that would require some tax incentives, and we have to find out what the impact would be.

Hunt: Would you oppose it if Congress tried to throw in nursing care and at-home care, and paid through -- and paid for it through the, through tax system?

Bowen: There is some nursing home care, and home care in the plan, but it would be admittedly small.

Kur: Are there smaller items that might not invite a presidential veto and that would be easier?

Bowen: I don't know how far the President would go on the increased amount of expenses, but I -- it would be my judgment that Congress should be very cautious about going too far.

Kalb: We have heard now, for more than six years from this Administration, that government is the problem, not the solution, and yet on an issue like catastrophic health insurance, it seems that the Administration is turning to government as part of the solution.

Stark: I think in the case of Medicare that theory doesn't hold.... Private companies have had 20 years to try and provide something comparable and they can't.

Kalb: Sen. Durenberger, do you feel that we may be seeing a political swing here towards something like government-sponsored welfare?

Durenberger: Not at all.... If you look at what this Administration is doing to Medicare right now, it is moving this from a government insurance system into what they call private health plan options or options to buy private health insurance with the Medicare system sponsoring that buy, and an important way to get into that private market is to assure people that when they buy it, they'll have catastrophic protection.

Hunt: You just spent two years taking a whole bunch of tax preferences out of the tax code. Do you want to start throwing some new tax preferences back into the code for health reasons?

MEET THE PRESS (continued)

Stark: We really don't have to.... We left something in there and that's called a house, and you get to deduct the interest on a house, and you get to take \$125,000 of profit tax free when you sell it.... If seniors could build equity in a house, and then later borrow against it, or indeed sell it...if they need long-term hospitalization, I think it's the best tax incentive and the best savings program, and the best long-range way for people to accumulate that equity that would shield them in a time when they might need it for more care in an institution.

Hunt: Sen. Durenberger, you talk about the private insurance companies solving this program. The reason there is a proposal and the reason we're talking about all these horror stories is because the private sector, it seems to me, hasn't done it over the past ten or fifteen years. Why do you think that's suddenly going to change?

Durenberger: Well, because the private market is looking for ways to provide a sensible backup to long-term care. I think they recognize their failures in medigap are in part the failures in, of not having adequate catastrophic in the current system.

Kalb: Mr. Secretary, what makes you feel comfortable, or confident, that the government, or private sector, which of the two, could really address these problems, because they are so enormous...and this is just a first and probably very modest step?

Bowen: As the President requested, we need to find ways where the public and the private sector can work together to find these solutions, and I think that by the expansion of Medicare in this acute care area, is one of the ways that the government can assist.

Kur: Rep. Stark, in what key ways, do you see any proposal emerging from Capitol Hill to differ from the proposal we're talking about today?

Stark: I think Capitol Hill is going to rally behind the good parts in his (Bowen's) program.

Kalb: Secretary Bowen, could you tell us why it was that you encountered such strong opposition from within this Administration for a plan that, as I hear it discussed today, seems rather modest?

Bowen: I think it is such a complex issue, and the answers -- has to be different for different age groups, that it's obvious that there would be disagreement in it, and I suspect some of it is ideological with reference to any expansion of a government program, and I think some feared that what future Congresses might do -- to go way, way beyond what the present thoughts are.

THE McLAUGHLIN GROUP

Moderator: John McLaughlin.

Panel: David Gergen, Jack Germond, Morton Kondracke, Robert Novak.

On the possibility of an Israeli prisoners-for-hostages deal:

Gergen: I don't think there are negotiations taking place. With the policy more firmly in the hands both here in the United States and in Israel of men who are harder-line against terrorism, namely Mr. Shultz here and Mr. Shamir there, I doubt they're negotiating. However, I do think it is very likely that there is a wink-and-nod policy in effect, the United States telling the Israelis, "If you manage to pull this off, we, of course, would appreciate it," just as we did in 1985....

Novak: ...You may call it wink-and-nod, I call it negotiating....

Germond: They're obviously going to deny it but I think it's pretty obvious that they're doing it. The interesting thing about it is the fact that the 400 people that they're trying to get released by Israel include a lot of terrorists who can be identified with particular killing incidents.

On the possibility of U.S. military action:

Gergen: There is plenty of talk but I just cannot imagine we would use our forces in advance, particularly, I think, as long as they're holding Terry Waite over there.... I think the United States would risk a terrible rift in Europe...if Terry Waite were killed as a result of U.S. action. On the other hand, if somebody is killed first then I think Reagan could go in, he could bomb those camps, and I think he would have an enormous amount of support for that.

Is it the most enlightened public policy for the United States to have an unbending, inflexible rule that there should be absolutely no dealing with terrorists under any circumstances?

Gergen: It makes a whole lot of sense; the problem is they haven't done it.... Novak: Yes, but Mr. Germond...said it last week: the virginity has been broken, you can't restore it. Germond: It should but it is too late because we've already done it. Kondracke: It is not too late, this is not virginity. What you do here is you adopt a new policy. McLaughlin: We all agree, five say absolutely no dealing with terrorists.

On reform in the Soviet Union:

Novak: Do I think Gorbachev wants a more efficient totalitarian state that has a better economic record? I sure do. But useful idiots like you, John, think that amounts to democratization....

Germond: The real point is...that whether or not there are internal reforms is a totally separate issue from the positions the Soviet Union is taking on arms control and foreign policy questions and should be considered separately....

Kondracke: ...It is a modernization but it is not liberalization in the sense that we're going to have a democracy....

MCLAUGHLIN GROUP (continued)

Germond: ...He is attacking the bureaucracy there.... He is better at propaganda....

On the President's catastrophic health insurance plan:

Germond: When you see the extremes on both sides don't like it and you see who is for it, the future is very good, not necessarily for this particular bill but for a catastrophic health insurance plan similar to this, the future is pretty good.

Kondracke: The Democrats will add on benefits to it, reduce the amount of up-front payment and try to expand it beyond the Medicare population.

Gergen: I think it's a virtual certainty we're going to get legislation this year. The politics are such that Reagan really moved too late. If he was going to get anything out of this he should have made this decision several weeks ago because I think he could have gotten out in front of it.

Novak: ...This is a catastrophe for President Reagan. It is the first retreat back toward the Democratic welfare state on a massive scale in six years. This is what Barry Goldwater used to call the dime-store New Deal. What it does is it abandons all principle. I guarantee you that Claude Pepper will prevail; they are going to pump this thing up....

Is this (catastrophic bill) a political plus or minus for Ronald Reagan?

Gergen: Neutral to minus. Novak: It is a disaster; a big minus. Germond: Nothing. Kondracke: It's a 0.5% plus, I guess. Not much. McLaughlin: You've stumbled into it, Mort. You're absolutely right.

On the Iran-contra investigations and Robert McFarlane's hospitalization:

Gergen: It's a tragedy and it's sad to see people try to exploit it for ideological answers.

Germond: The fact of the matter is that nobody was hounding Bob McFarlane; certainly the press wasn't hounding him.... I think on the contrary he was getting very good marks, sort of, from the people who want to see the story come out because he was talking to the committees more openly than any other key witness.

Kondracke: I think it is not important to the whole Iran affair; I think it is a personal tragedy....

Novak: ...The problem with this is that things like this keep coming up to put the story back on the front page, back in the lead spot on the news programs....

PREDICTIONS -- Gergen: ...Stu Spencer not coming to the White House.

Novak: ...As long as Don Regan is still there, Volcker is out. And the choice now is between Beryl Sprinkel and the Vice Chairman.

Germond: There's a new date for Donald Regan's departure from the White House. I'm told he's going to be out of there by April 15.

McLaughlin: Regan will leave the White House 10 months from now.

AGRONSKY & COMPANY

Moderator: Martin Agronsky. Panel: James Kilpatrick, Charles Krauthammer, Marianne Means, Hugh Sidey.

On the Tower Commission's investigation of the NSC:

Means: I think the President is very lucky that they did this and were that vigorous, because the President was beginning to look as though he would really prefer not to have things come out. This way he can take the credit for appointing them, for allowing them to go in and find out some of these things.... He's getting himself out from under what began to look as though he was participating in a coverup.

Kilpatrick: I think he's done that very successfully, but I think that's a bad precedent I think he's setting in giving up his notes, even excerpted and edited. That's going to haunt some president 8-10-12-20 years from now, the Reagan precedent in making available his most personal, private notes.

Sidey: I agree with that.

Means: ...I think these circumstances were such that it was imperative for the President to do things like that.

Krauthammer: My feeling is that the Tower Commission chronology is going to hurt the President a lot because it will show a lot of contradictions in the previous testimony of people in his Administration. On the other hand I think what's going to save him in this whole affair is that it's so unbelievably complicated...that at a certain point people's eyes glaze over.... There are only two real questions: did the President approve of the Iran sale? Obviously he did. And did he know about the contra skimming? That we don't know. The evidence probably is no....

Sidey: ...I agree absolutely with Charles that the country was beginning to turn off, it was boring. But several people have reported to me that since [the McFarlane hospitalization] it has personalized this thing, it has given it a new dimension, it has made people look up....

Kilpatrick: I would venture this observation: Unless these 200 pages really have some dynamite in them, that they'll go right back to sleep....

Agronsky: It will not be a bore if someone brings Poindexter and North to a witness stand, granting them immunity or how ever they may do it. It is not a bore when people sit around and say why doesn't the President tell them to do it?

Kilpatrick: He can't; I've told you that over and over. He cannot command them to waive a constitutional right.

AGRONSKY & CO. (continued)

On the possible re-interpretation of the ABM Treaty:

Krauthammer: ...I think it's another example of American legalism. Only America would turn over its strategic future to lawyers. The question is not three words in a treaty. It is do we want a nuclear defense based on the idea of defense, which is what the President wants, or based on the idea of arms control and not allowing antiballistic missiles. I think we ought to have a debate on that, but as long as the argument is over loopholes in the treaty, we're not going to have a debate over ideas, it will be a debate over words.

Kilpatrick: Why don't we just scrap the treaty?

Krauthammer: Which is what I think the Administration ought to do if it wants to deploy SDI....

Means: I think there's a question about whether the national interest really requires an early deployment of these new rocket things, and in fact I don't approve of the whole SDI thing in the first place, but what the Administration is preparing to do is a political decision as much as a military decision. You know perfectly well that Jack Kemp and a lot of conservative congressmen have been pushing for something as soon as they could get something visible and tangible to go up in the air so they could lock in all future presidents into SDI....

On catastrophic health insurance:

Kilpatrick: I suspect this is an idea whose time has come and that the Congress probably will act upon it.... It would not cover nursing home care; if any plan tried to cover nursing home care, the government would be busted.... This does encroach pretty dramatically upon a need that has been cared for within its limits by the private insurance industry. Secondly, I think that down the road it opens up another one of these entitlement plans that have had such a catastrophic effect upon federal finance. But I think the idea is good and Congress will vote for it.

Krauthammer: It seems to me that there are worse ways to spend money if you are going to have a program.... The one problem I have is that we have this fixation on the elderly. I don't quite understand why someone in their 20s or their 30s who has a catastrophic health problem....

Means: It doesn't go far enough; that's true....

Sidey: Let's also point out that there was opposition within the White House and the President came through on this, which is rather surprising.

Agronsky: Well, not totally, but he's turned around.

Krauthammer: He's given up his opposition to socialized medicine, it seems.

Means: It's too bad he didn't do it in time to put it in the State of the Union speech because it could have given that speech a little more clout and it really was not much of a speech.