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# News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, FEBRUARY 19, 1987 -- 6 a.m. EST EDITION

## TODAY'S HEADLINES

### IRAN-NICARAGUA

President Changed Statement On 1985 Iran Arms Approval -- President Reagan has given inconsistent statements to the Tower commission investigating the Iran-contra affair, first telling the panel that he gave authorization for the 1985 Israeli shipment of arms to Iran and then, in a second meeting, saying he was mistaken and had not given the approval until afterward, according to informed sources.

(Los Angeles Times, Washington Post)

CIA Director Designate Survives Two Days Of Grilling On Iran -- Robert Gates, nominated to head the CIA, looked set to win the Senate's approval despite doubts raised over his conduct in the Iran arms scandal during two days of grilling by skeptical senators.

(Washington Post, Washington Times, Reuter)

### INTERNATIONAL NEWS

Contras Lose First Test Vote In Senate Committee, 11-9 -- The Senate Foreign Relations Committee voted 11-9 yesterday to cut off U.S. aid to the Nicaraguan resistance.

(Washington Post, Washington Times)

### NETWORK NEWS (Wednesday Evening)

**PRESIDENT REAGAN/SHAMIR** -- Both leaders want to put the Iran-contra arms deal behind them.

**CONTRA AID/SENATE** -- The Senate Foreign Relations Committee approved a complete ban on contra funding.

**GATES CONFIRMATION HEARINGS** -- Robert Gates once again faced another tough day of questioning.



## SAVE THE CONGRESSMEN

IN WASHINGTON SOME CONGRESSMEN STILL HAVE TO LIVE A MIDDLE-CLASS LIFE...THEY'RE FORCED TO EAT IN THE CAPITAL HILL CAFETERIA.. DRIVE THEMSELVES TO WORK AND OCCASIONALLY PAY THEIR OWN POSTAGE. (SOME HAVE EVEN BEEN SEEN SLEEPING ON THE HOUSE FLOOR) **THIS CAN'T GO ON!**  
**HERE'S HOW YOU CAN HELP**  
**KEEP QUIET ABOUT THEIR AUTOMATIC PAY RAISE**

BY PETERS FOR THE DAYTON DAILY NEWS

## **IRAN — NICARAGUA**

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### **CONFLICTS IN REAGAN IRAN REMARKS CITED Told Tower Panel He Authorized Shipment Of Arms But Later Denied It, Sources Say**

President Reagan, in two meetings with the special commission investigating the Iran-contras affair, gave conflicting statements on whether he authorized Israel's first shipment of arms to Iran in August of 1985, White House and other sources said Wednesday.

The President at first told the commission, headed by former Sen. John Tower, that he had approved the shipment, the sources said. That contradicted congressional testimony by Donald Regan and substantiated testimony by Robert McFarlane.

But almost three weeks later, in a second closed-door session that was initiated by Reagan, the President told the commission that after a lengthy discussion with Regan, he had concluded that he was mistaken -- that actually he had not authorized the shipment.

(Jack Nelson, Los Angeles Times, A1)

### **President Changed Statement On 1985 Iran Arms Approval**

President Reagan has given inconsistent statements to the Tower commission investigating the Iran-contra affair, first telling the panel that he gave authorization for the 1985 Israeli shipment of arms to Iran and then, in a second meeting, saying he was mistaken and had not given the approval until afterward, according to informed sources.

One source said yesterday, "Regan redirected the President, went over the issues with him, and got the President to line up his recollections." A second source said the President was "more enlightened." (Bob Woodward & David Hoffman, Washington Post, A1)

### **REAGAN REJECTS QUESTIONS; WEINBERGER CONFIRMS AID TO IRAN AND IRAQ**

President Reagan refused to answer questions Wednesday about the Iran-contra scandal that has befallen his presidency, while Secretary Weinberger said the Administration had secretly provided intelligence information to both sides in the brutal Iran-Iraq war.

Reagan seemed in no mood to field questions on the controversy when reporters were permitted into the Oval Office before his meeting with Israeli Prime Minister Shamir.

"I'm not going to take any questions on the that situation" until after a presidential commission files its report on the Iran-contra affair on Feb. 26, Reagan said. He refused to elaborate on his previous comment that mistakes had been made and declined to identify who had been guilty of the errors.

(David Espo, AP)

## REAGAN MEETS WITH SHAMIR: MUCH DISAGREEMENT

President Reagan and Prime Minister Shamir, meeting Wednesday for the first time since the Israeli government changed hands last October, disagreed on a number of key issues.

The tone of the White House meeting, according to diplomats, was less cordial than the session Reagan had with Shamir's predecessor, Shimon Peres, last September.

Although Reagan "made very plain" the Administration's "conviction" that no one should sell arms to Iran, a senior Administration official told reporters, Reagan did not get such a pledge from Shamir.

(Walter Friedenberg, Scripps Howard)

## ISRAEL TO GIVE U.S. CHRONOLOGY OF ROLE IN IRAN ARMS DEAL

Prime Minister Shamir agreed yesterday that Israel will begin compiling a chronology of financial transactions and contacts with U.S. officials and will answer questions submitted by the Senate and House select committees investigating the Iran-contra arms scandal, the panels' leaders announced after meeting with him.

Sen. Daniel Iouye and House panel Chairman Lee Hamilton described Shamir as "extremely cooperative" during the discussions, also attended by Senate and House leaders.

(David Ottaway, Washington Post, A1)

## GATES ASKS TO BE JUDGED IN NEW ROLE

### CIA Nominee Faces 2nd Day Of Questions On Role In Iran Affair

The Senate Select Committee on Intelligence yesterday ended two days of public hearings on the nomination of Robert Gates to be director of central intelligence with the nominee asking to be judged by what he has done in the two months since becoming acting director of the agency rather than by his actions during the Iran-contra affair.

At the close of yesterday's three-hour session, Chairman David Boren said that the members felt "a strong obligation to be thorough" and that there would be "at least" one closed hearing for those who want to raise questions about classified matters.

Although Sens. Arlen Specter and Bill Bradley voiced unhappiness at some of Gates' answers during the two days of questioning, a majority of the members of the committee favors recommending approval of his nomination, according to committee sources.

(Walter Pincus & Dusko Doder, Washington Post, A1)

## CIA Director Designate Survives Two Days Of Grilling On Iran

Robert Gates, nominated to head the CIA, looked set to win the Senate's approval despite doubts raised over his conduct in the Iran arms scandal during two days of grilling by skeptical senators.

Gates appeared in less trouble and a Senate aide said he was likely to be confirmed as the U.S. spy agency's youngest chief -- barring any new revelations between now and a first vote in two weeks.

(Sue Baker, Reuter)

CIA Limits Covert Aid In Wake Of Iran Deal

CIA support for covert activities has been restricted since agency rules were violated in a 1985 arms shipment to Iran, acting Director Robert Gates said yesterday.

Sen. Bill Bradley accused Gates of "passing the buck" by not acting quickly on information about a possible diversion of money to the contras.

Gates said he instructed a senior CIA analyst who suspected the diversion to inform "higher levels of the agency."

(Bill Gertz, Washington Times, A4)

EDITOR'S NOTE: "Scandal Trapped CIA In 'Catch-22' -- Gates," by Michael Hedges, appears in The Washington Times, A4.

## **NATIONAL NEWS**

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### **REAGAN NAMES WOMAN TO HIS INNER CIRCLE FOR FIRST TIME**

White House women, a small cadre in the Reagan era, took a giant step forward Wednesday when the President chose a woman to be secretary of the Cabinet for the first time ever.

This means Nancy Risque will be the first woman to be part of Reagan's "inner circle."

Even though Reagan took the historic first step of naming a woman, Sandra Day O'Connor, to the Supreme Court, the White House, long criticized as weak on the appointment of women to top level posts, has been looking for some time for women with executive skills.

(Ann McFeatters, Scripps Howard)

### **REGAN'S FUTURE IS 'UP TO HIM'**

#### **President Says He Won't Fire Staff Chief Or Stand In His Way**

President Reagan declared yesterday that he won't fire his embattled chief of staff, Donald Regan, but added that he wouldn't stand in the way if Regan decides to quit.

Asked by reporters whether Regan would stay on as chief of staff, the President paused for a moment and said "this is up to him." Speaking deliberately, he then added a formulation he has often used when an official was expected to resign.

"I have always said that when the people that I've asked to come into government feel that they have to return to private life, that's their business and I will never try to talk them out of it," Reagan said, responding to reporters' questions at an Oval Office picture-taking ceremony for the first time in nearly three months.

(Lou Cannon, Washington Post, A1)

### **Regan Hangs In But Grip On Job Is Seen As Shaky**

Today, the issue is not whether Donald Regan should reach for higher office but whether -- by retaining the one he occupies -- he is aggravating the paralysis of the Iran scandal and reducing the President's chances of recovery.

Regan, asked later about his future at the White House, pointed to Reagan standing nearby and said: "It's up to him." Moments later, asked again whether he was departing, Regan replied: "No."

Sources have said that Regan holds a firm commitment from the President that he can stay as long as he likes, and White House officials asserted that Reagan's remark was not intended as a slap at the chief of staff. But the consensus emerging among a number of current and former White House advisers is that Regan, having fended off efforts to force him out of his job two months ago, is still in a shaky position and may have to leave.

(James Gerstenzang, Los Angeles Times, A1)

### Reagan Gives Chief Of Staff A Lukewarm Endorsement

President Reagan yesterday gave less than a ringing endorsement of Donald Regan and said it was up to Regan whether he remained in the Administration.

The President's failure to express confidence and support for the feisty and powerful chief of staff immediately raised questions as to whether Regan will stay on the job much longer.

Whatever his intent, Reagan created the impression that whether the 68-year-old chief of staff stays or leaves is entirely up to Regan. Missing were the standard expressions of full and complete confidence the President often uses when one of his senior officials is the subject of controversy.

(Jeremiah O'Leary, Washington Times, A3)

### Three-Cornered Tug Of War Pulling On White House

Like a vaudeville team, President Reagan and his embattled chief of staff passed the buck back and forth Wednesday on who's in charge at the White House.

Reagan, asked if he planned to fire Donald Regan in wake of reports that First Lady Nancy Reagan wants him out, said: "Nobody's getting fired."

But Reagan left room for a graceful exit, saying when aides leave "that's their business and I will never try to talk them out of it."

(Johanna Neuman, USA Today, A6)

### U.S. FIGHTS DRUG-TEST CHEATING

#### Unusual Rules Call For Dye In Toilets, Monitoring Workers

The government, trying to prevent cheating by federal employees on drug tests, will announce an extraordinary set of guidelines today that include rigid monitoring of employees, testing temperatures of urine samples and placing blue dye in designated federal toilets.

The guidelines announced today will require that monitors be stationed inside restrooms -- but outside toilet stalls -- while urine samples are given to help assure the tests' accuracy.

(Judith Havemann, Washington Post, A1)

### BUSH CONSPICUOUSLY ABSENT FROM CONSERVATIVE 'CATTLE SHOW'

Republican activists are gathering here for the first "cattle show" of the 1988 campaign, and Vice President Bush is conspicuously absent from the heavily conservative gathering.

But Bush, whose standing in the polls has suffered in recent months because of the Administration's Iranian arms scandal, decided he would rather go to New Orleans to address a conference of school administrators.

"I find it somewhat interesting that a year ago the Vice President worked conservatives" while "this year he's trying to be a moderate," said Ed Rollins, campaign chairman for Rep. Jack Kemp, a likely Bush rival.

(Peter Brown, Scripps Howard)

EDITOR'S NOTE: "2 Parties Say They'll Sponsor Presidential Debates -- But League Of Women Voters, Decrying Effort To 'Steal' Events, Refuses To Stand Aside," by James Dickenson, appears in The Washington Post, A4.



## **INTERNATIONAL NEWS**

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### **REAGAN PLANNING TO LIFT SANCTIONS AGAINST POLAND**

President Reagan, responding to Polish liberalization moves and appeals from Solidarity leader Lech Walesa and Polish-Americans, plans to lift remaining U.S. sanctions imposed against Poland following the 1981 military crackdown.

U.S. officials said an announcement would be made at the White House today. But precise arrangements on how it would be handled had still not been finalized last night. (William Scally, Reuter)

### **ISRAELI LEADER LEAVES U.S. OFFICIALS FRUSTRATED**

Israeli Prime Minister Shamir's three days of tough talks here apparently have left U.S. officials wondering what they could try next to get Middle East peace talks rolling.

Reagan said he and Shamir agreed that "measurable progress" towards direct peace talks was vital. The President repeated that an international conference could be one way of making it.

A senior official, who declined to be identified, said Washington would keep trying but gave no hint of how he thought progress could be made. (Michael Battye, Reuter)

### **SENATE COMMITTEE VOTES TO HALT AID TO CONTRAS Legislation Calls For More Latin Peace Moves**

The Senate Foreign Relations Committee voted yesterday to halt U.S. aid to Nicaraguan guerrillas as the Democratic-controlled 100th Congress opened what is expected to be a yearlong fight with President Reagan over the troubled contra-aid program.

Dividing largely along party lines, the committee approved the funding cutoff, 11 to 9, as part of a broader measure seeking more aggressive peace efforts in Central America and \$300 million in new economic assistance to El Salvador, Costa Rica, Honduras and Ecuador.

(Helen Dewar, Washington Post, A16)

### **Contras Lose First Test Vote In Senate Committee, 11-9**

The Senate Foreign Relations Committee voted 11-9 yesterday to cut off U.S. aid to the Nicaraguan resistance.

"This committee has acted and indicated contra aid is on a short time frame," said Sen. Christopher Dodd, sponsor of the bill. "It's a serious action."

(Jennifer Spevacek, Washington Times, A1)



CRUZ IS SAID TO AGREE TO KEEP CONTRA POST  
Arrangement Would Put Funds For Rebels Under Control Of UNO

Arturo Cruz, the disaffected Nicaraguan rebel who has been threatening to leave the contra leadership for several weeks, has decided to remain in his post after all, State Department and rebel officials said yesterday.

Cruz has scheduled a news conference this morning to announce his decision. If he remains as a director of the United Nicaraguan Opposition, it will represent a triumph for the Reagan Administration's efforts to hold the tottering alliance together.

(Joanne Omang, Washington Post, A16)

U.S. ISSUES ANNUAL HUMAN RIGHTS REPORT

The State Department today issued its annual assessment of international human rights, denouncing abuse in South Africa, hailing a return to democracy in the Philippines and applauding a "spectacular shift" in Latin America.

The department also decried "major human rights abuses" in Nicaragua and, though citing progress in the Soviet Union, berated the Kremlin for trying to "terrorize" the people of Afghanistan into submitting to its puppet regime.

(Matthew Quinn, UPI)

BRITON SAYS HE'S ASSURED OF CONSULTATIONS ON SDI  
Defense Minister Sees Weinberger, Carlucci

British Defense Minister George Younger said yesterday that he has been assured by Secretary Weinberger and Frank Carlucci that Britain will be consulted before "any substantial change" is made in SDI research and development program.

Younger told reporters that he expects U.S. officials to "explain in detail" any changes in the SDI plan and what effects, if any, they would have on arms control negotiations with the Soviet Union.

(Don Oberdorfer, Washington Post, A11)

U.S. OFFERS FOOD AID TO MOZAMBIQUE  
Major Relief Operation Planned In War-Ravaged Country

The Reagan Administration is mounting a major humanitarian relief operation in Marxist Mozambique where an insurgency has led to a severe food shortage and what one senior official called "a political disaster" threatening between 5 million and 6 million people, about one-third of the population.

The Administration also wants the United Nations to call a special meeting of potential Western donors to provide additional supplies to meet the emergency as was done in Ethiopia, Peter McPherson, administrator of the Agency for International Development, told reporters.

(David Ottaway, Washington Post, A12)

HODEL CRITICIZES CANADA ON ENERGY, ENVIRONMENT  
Opposition To Arctic Oil Development Hit

Interior Secretary Hodel renewed an attack on Canadian environmental and energy policies yesterday, accusing Canada of opposing oil development in an Alaskan wildlife refuge in an effort to increase its energy exports to the U.S.

Speaking on NBC's "Today" show, Hodel said Canada, in expressing concern about possible exploration in the Arctic National Wildlife Refuge, "can't be oblivious to the fact that if we are blindfolded to our resources...it just means that we are going to have to import more oil at a higher price, and Canada is an exporter."

(Cass Peterson, Washington Post, A12)

EDITOR'S NOTES: "Arturo Cruz At The Nicaraguan Crossroads," by Lloyd Grove, appears in The Washington Post, B1.

"Rebel Reorganization Plan Blows Up In Leaders' Faces," by Glenn Garvin, appears in The Washington Times, A1.

## **NETWORK NEWS SUMMARY**

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(Wednesday Evening, February 18, 1987)

THE PRESIDENT/SHAMIR VISIT/DONALD REGAN

NBC's Tom Brokaw: There are so many parts to the Iran-contra affair, and one of the most important is the relationship between the United States and Israel. Israel was a key player in the secret arms shipments. Some have testified it was Israel's idea in the first place and then Israel kept it going. Israeli officials have denied that role. So when President Reagan and Israeli Prime Minister Yitzhak Shamir met at the White House today, it was hard to avoid the subject.

NBC's Chris Wallace: The President and Shamir wanted to put Iran behind them, but in their first meeting since the scandal broke, and with reporters allowed close to Mr. Reagan for the first time in 2½ months, Iran kept intruding.

(TV coverage: The President sitting with Shamir in the Oval Office.) The President refused to comment until the panel he appointed reports back next week.

(The President: I'm not going to take any questions on that situation until the Tower Commission's report is turned in to us."

Helen Thomas: "Then you're going to take questions?"

The President: "Possibly.")

Officials say Iran also came up in private. The President urging the Israelis to cooperate in all the U.S. investigations.

(TV coverage: Still photos of the President and Shamir with words beneath.)

But aides say there was no attempt to reconcile differences between the two governments -- about Israel's role in the arms deal.

(The President: "In discussing Iran and other regional issues, the Prime Minister and I agreed on the importance of looking to the future instead of dwelling on the past.")

And Shamir indicated the future of peace in the Mideast depends on Mr. Reagan not being paralyzed by his current problems.

(Shamir: "America under your leadership stands tall and upright despite unseen difficulties.")

But there was no escaping those difficulties. Shamir later met with the chairmen of the two congressional committees investigating the scandal. They said Israeli officials won't testify in person, but will answer written questions.

(Rep. Lee Hamilton: "Israel said they wanted to provide us all the information they had. I'm very pleased with the modalities that have been worked out, and I think it will expedite our investigation.")

And the President had to deal with a story in today's Washington Post that Nancy Reagan is no longer speaking to Chief of Staff Donald Regan and wants him out.

(TV coverage: Still photos of the First Lady and Donald Regan.)

The President denied all of it, but at first seemed to indicate Regan might leave on his own.

(The President: "When the people that I've asked to come into government feel that they have to return to private life, that's their business and I will never try to talk them out of it.")

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Wallace continues: But later, both denied Regan is leaving and appeared to go out of their way to show relations are still warm. (TV coverage: The President and Donald Regan walking and pointing at each other.)

Those smiles may not last long. Sources tell NBC News the Tower Commission report will criticize Donald Regan saying he failed to give the President good advice. (NBC-Lead)

ABC's Peter Jennings: It is certainly fair to call questions about the President's Chief of Staff Donald Regan nagging ones. When the headline in the Washington Post this morning reads, "Chief of Staff In Worsening Bind," a lot of people in the nation's capitol pay very close attention. The story suggests that Mr. Regan might be leaving the White House after all -- that for one thing, the First Lady isn't even talking to him any more.

ABC's Sam Donaldson: Not since December 11th had Ronald Reagan allowed reporters to get close enough to him to ask a question without shouting until today when he had to tackle the story that his wife won't talk to his chief of staff.

(The President sitting in the Oval Office: "Oh for Heaven sakes."  
Helen Thomas: "Not true?"

The President: "No not true. And nobody's getting fired.")  
No firings perhaps, but the President sounded far less certain when asked if Donald Regan is staying on.

(The President: "Well this is up to him. I have always said that when the people that I've asked to come into government feel that they have to return to private life, that's their business. I will never try to talk them out of it.")

That answer didn't seem to please Chief of Staff Regan. It certainly left the door wide open for his resignation. But later in the day the President denied Regan is leaving.

(TV coverage: The President and Mr. Regan walking together and pointing at each other.)

And back to shouting at long distance once again, so did Regan. Regan's departure has been widely forecast -- indeed widely prayed for in Republican ranks -- for some weeks now, and it's no secret that Mrs. Reagan is among those wanting him out. One source here says she and Regan are in conflict at the moment over when the President should start talking about the Iranian arms sale scandal in public again, with Regan urging a news conference soon and Mrs. Reagan counseling otherwise. Be that as it may, the upshot of the day's events seems to be that while Regan may resign at some point down the road, it won't happen now. (ABC-5)

Jennings: The press' opportunity with the President took place during the visit of the Israeli Prime Minister Yitzhak Shamir. And this is clearly not the best of times for U.S.-Israeli relations. When the meeting was over, both men still disagreed on the concept of an international forum to revive the Middle East peace process. And the disagreements go quite some distance beyond that.

ABC's John McWethy: Though Israel's role in the Iran arms scandal was apparently discussed today with Prime Minister Shamir, President Reagan tried to put the best face on it.

(The President at departure ceremony: "In discussing Iran and other regional issues, the Prime Minister and I agreed on the importance of looking to the future instead of dwelling on the past.")

The past, of course, has painful reminders that the extraordinary relationship between the United States and Israel is suffering important strains. Avner Aniv is a visiting professor from Israel at Georgetown University.

(Avner Aniv: "There are problems because of the intensity of the scope of these relations. There are bones of contention because relations are so extensive and good.")

...The U.S. provides Israel with more aid than any other country in the world: \$3 billion. That breaks down to about \$750 annually for every man woman and child in Israel. James Aboureszk, an outspoken critic of Israel and a former senator, charges that the Israeli lobby in Congress has far more influence than it ought to.... Others argue that Israel is a crucial military friend and the only stable ally the U.S. has in the Middle East.... But analysts say the very special relationship is changing, maturing, and that Israel must now be more accountable for what it does when that affects the U.S. An example of that was provided this evening when Prime Minister Shamir announced agreement with the U.S. Congress to provide new information on Israel's role in the U.S. arms scandal. (ABC-5)

CBS's Dan Rather: Amid new reports of White House disarray, more reports that new pressure is building on White House Chief of Staff Donald Regan to get out. For example, Nancy Reagan reportedly won't even talk to Regan anymore.

(TV coverage: Still photos of the First Lady and Mr. Regan.)

President Reagan today had his first Oval Office photo opportunity with reporters in months.

(TV coverage: Still photo of the President under the words "Arms Scandal.")

He said nothing substantive about the arms for Iranians mess. Bill Plante reports the President also did and said nothing to dispel the talk about Regan.

CBS's Bill Plante: President Reagan said he wasn't going to fire embattled Chief of Staff Donald Regan.

(TV coverage: The President and Shamir sitting in the Oval Office.)

But he did seem to be showing Regan the door when reporters asked if the chief of staff would stay on.

(The President: "This is up to him. I have always said that when the people who I've asked to come into government feel that they have to return to private life, that's their business and I will never try to talk them out of it.")

As the startled appearing Regan watched the photo session with Israeli Prime Minister Shamir, the President was asked, "Is that a yes or a no?" Said Mr. Reagan, "That's not an answer."

(TV coverage: The President sitting with Shamir in the Oval Office.)

Plante continues: The President also refused to give answers on the Iran-contra scandal until after the Tower Commission issues its report next week. After Shamir departed the chief of staff was asked if he intended to leave.

(TV coverage: The President and Donald Regan walking and pointing at each other.)

He passed the buck to the President. Regan has been under attack for his autocratic management style and his role in the arms-to-Iran affair, but until today at least, it was clear that the President was on Regan's side.

(TV coverage: The President and Mr. Regan shaking hands with people inside the White House.)

Now sources say First Lady Nancy Reagan, never a big fan, is no longer speaking to the chief of staff, though he denies it. Treasury Secretary James Baker and former Transportation Secretary Drew Lewis are again being mentioned as candidates for Regan's job though neither apparently wants it. Another possibility: Energy Secretary John Herrington. The infighting over Donald Regan's future has now gone on for more than three months adding to the image of an Administration in disarray and a President unable to move forward. Regan again put out the word today that he's not leaving. Nonetheless, sources now predict he'll be gone by April. (CBS-2)

#### CONTRA AID/SENATE

Jennings: There are several things going on today which really show us all in a very clear way what the fallout has been from the Iran-contra affair. The man who has helped to keep the President so isolated is under new pressure to resign. There is tension between the United States and Israel. The CIA is still trying to explain itself. And the President's ambitions for the contras in Central America have been at least undermined on Capitol Hill. Tomorrow the President had planned to send the contras another \$40 million.

ABC's Ann Compton: The Senate Foreign Relations Committee split virtually along party lines and approved a complete ban on contra funding.

(Sen. Cranston: "The contra effort has failed utterly, militarily, diplomatically, and I think also in moral terms. The contra effort rather obviously has poisoned our national government.")

The bill to stop contra aid would commit \$300 million to four struggling democracies in Central America but that was not enough for Republicans.

(Sen. Kassebaum: "We really might as well be honest, this \$40 million is the emotional lightning rod of this issue here before us today.")

The blow to the President's policy is only symbolic. The \$40 million for the Nicaraguan contras has already been appropriated. If Congress passes a resolution to block the aid the President can still use his veto power to win in the end. That has sent Democrats scrambling for other strategies: Possibly a moratorium until the investigations are complete on the diversion of the Iran arm sale profits; or a moratorium until the Government Accounting Office traces the mysterious disappearance of \$27 million in humanitarian aid sent to the contras last year.

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Compton continues: Today auditors told Congress the State Department has complained that GAO is being too tough on them.

(Charles Bowsher, GAO: "They have some words in there about the fact that we're holding this program to too high of a standard of accountability and auditing.")

Senator: "Simply because you asked them where the money went."

Bowsher: "Where the money went.")

Contra aid has become so tarnished by the Iran investigation and by the chaos within the contra leadership ranks that the President has now decided to delay releasing the \$40 million. And the contras may never see the \$105 million he wanted to send down later in the year.

(ABC-Lead)

Brokaw: On Capitol Hill the Senate Foreign Relations Committee, controlled by Democrats, voted 11-9 to cut off all U.S. aid to the contras. But supporters conceded that even if the bill to end contra aid passes the full Senate, it is unlikely they could override a Presidential veto.

(NBC-2)

#### GATES CONFIRMATION HEARINGS

Brokaw: Robert Gates, the man that President Reagan has named to head the CIA is learning firsthand just how strongly Congress feels about the agency's independent ways. When Gates appeared before the Senate Intelligence Committee for the second day of his confirmation hearings he was the target once again of still more very pointed questions.

NBC's John Dancy: After a day of tough questioning yesterday and facing another one today, Gates made a rueful little joke to photographers -- made it in front of an open microphone.

(Gates: "Remember that country and western song, 'Take This Job and Shove It?'" )

Gates...revealed he had disagreed with the Iran arms sale. Gates told senators that last September, after two more Americans were kidnapped in Lebanon, he had recommended to Casey that the Iran arms deal be scrapped.

(Gates: "At that point I told the director that I thought the entire activity should be called off -- that the whole policy was a bad idea.")

Some senators thought Gates was ducking the contra diversion.

Gates testified he learned last October from CIA official Charles Allen that some Iran arms money might have been passed on to the contras. Gates testified he passed that information on to national security adviser John Poindexter.

(Sen. Bradley: "So you basically passed the buck to Poindexter?"

Gates: The fact is that the basic motivation was not to sit on the information, not to try and cover it up, not to shut up Mr. Allen, but instead to move the issue to higher levels of authority and responsibility."

Bradley: "So you passed it to Poindexter and then you essentially left the country?"

Gates: "That's correct.")



Dancy continues: In two days of hearings senators have made it clear they want Gates to do a better job than William Casey did of keeping them informed. Bradley asked Gates what he would do if he became CIA director then found there were written presidential orders for CIA covert actions that Gates was not aware of.

(Gates: "Well the first thing I would do would be to hop in a car and come up here.")

Bradley: "Well you're learning Mr. Gates."

Gates: "Nobody ever accused me of being slow, Senator.")

The intelligence committee is to vote on the Gates nomination in about two weeks, but the committee could reopen hearings if there is new information in the Tower Commission report concerning Gates.

(NBC-3)

Jennings: The Iran affair was swirling around another forum on the hill today. It was the second day of hearings for Robert Gates, the man the President would like to be the new director of the CIA. Today Mr. Gates got another grilling.

ABC's Brit Hume: Again today Gates tried to convince senators there was no cover-up in what he and the CIA told Congress after the Iran affair came to light. But he ran into a storm of questions and criticism about CIA chief Casey's first testimony to this committee -- testimony prepared under Gates' supervision.

(Sen. Specter: "And I come back with particularity to the testimony that was given by Director Casey on November 21st which was skimpy, scanty, uninformative, and really misleading.")

Why, demanded Specter, had Casey not mentioned that the CIA had flown some of the arms into Iran in November 1985, a mission for which retroactive presidential approval -- a so-called finding -- was later sought by CIA legal counsel Stanley Sporkin.

(Gates: "Senator, the judgment at the time and to this day by our attorneys at the agency was that the role that our officers played in facilitating the flight on the 22nd and 23rd of November 1985 was not an illegal action and did not require a finding.")

Sen. Specter: "Why did general counsel Sporkin then draft a finding which tried to cover CIA activities which had already taken place? Are you saying that he tried to do that even though it was unnecessary to do?"

Gates: "That is what our general counsel at the time said and that is what our general counsel to this day continues to say sir."

Sen. Specter: "Well I think you're wrong Mr. Gates.")

Gates later said he did not believe in retroactive findings and that he didn't know of any except that one.... The committee won't vote on Gates until after the Tower Commission issues its report. Barring unforeseen damage Gates appears to have weathered the storm.

(ABC-2)

Rather: President Reagan turned aside reporters' questions again today and his Central America policy took some direct hits from the Congress. The Senate Foreign Relations Committee voted to cut off aid to Nicaraguan contras, and other committees had sharp questions about the Iran arms scandal, the role of the CIA, and Mr. Reagan's new choice to be CIA director.

CBS's Phil Jones: At the Senate Foreign Relations Committee today, Democrats made a fresh assault on continuing aid to the Nicaraguan rebels, voting to cut off \$40 million in military assistance to the contras.... But it was a narrow 11-9 vote with opponents admitting they still don't have the votes to override a certain presidential veto. At another hearing the director of the GAO, Charles Bowsher, disclosed that the GAO has found at least \$80,000 in designated humanitarian aid actually went for weapons. Bowsher also complained about the CIA refusing to allow the GAO to audit covert accounts. And at the confirmation of Robert Gates to be CIA director today he was able to joke with photographers in obvious reference to the tough questioning he has undergone.... Gates was anxious to diffuse the confrontation with GAO over accounting of covert funds.

(Gates: "We are prepared to pursue with the committee any additional arrangements that it might wish to develop.")

The 43-year-old CIA director nominee modified his statement of yesterday when he indicated that he would not tell the committee if he saw illegal activities by the NSC.... In earlier secret testimony Gates said that he had not told any of his superiors that the Iran policy was bad and should be changed. Today he changed his story saying he did tell then-CIA Director Casey on one occasion the whole idea was wrong.... Unless Gates is linked further to the Iran-contra operation he is expected to be confirmed as CIA director. (CBS-Lead)

#### MCFARLANE/TOWER COMMISSION

Brokaw: The Tower Commission is investigating just what the National Security Council did during the Iran affair, and tomorrow the commission is going to meet again with former NSC adviser Robert McFarlane. Mr. McFarlane requested the meeting even though he is still in the Bethesda Naval hospital.... (ABC-3, CBS-3, NBC-4)

#### COMMENTARY/U.S.-ISRAEL

Brokaw: At their meeting today, President Reagan and Israel's Prime Minister Shamir touched only briefly on some very important matter. In his commentary tonight, John Chancellor has some serious reservations about that.

NBC's John Chancellor: The interesting thing about the Israeli Prime Minister's visit, of course, is what is not being discussed in Washington. One thing not being talked about very much is Israel's involvement in the sale of arms to Iran. The arms sales are the biggest problem this Administration has ever faced. The Israelis were deeply involved. Yet Secretary of State Shultz and Prime Minister Shamir discussed it very, very briefly yesterday. You might have thought two old allies would sit down and have a long, long talk about it. But that's not the scenario for this trip. There was no indication that Iran took up very much time today when Shamir went to the White House. There's also the matter of Jonathan J. Pollard.... The Jerusalem Post described him as one of the most important spies in Israel's history. You might have thought the Pollard case and all of its ramifications would be high on the agenda.

-more-

Chancellor continues: Not so. Mr. Shamir may get some tough questions on this trip but not from the Reagan Administration. Things will go smoothly even though there's a lot of tension just below the surface. This is not a healthy way to run an alliance. Israel is an old and important ally. Close allies have to be able to sit around the table at the highest levels and argue about their differences. Instead, the Administration is acting as if the problems don't exist. In any relationship truth and frankness are essential. If Israel and the United States were man and wife, a marriage counsellor would see danger signs. (NBC-14)

#### CHANNELL/FUNDRAISING

Jennings: And now we turn our attention to conservative fundraiser Carl Channell. Mr. Channell is presently being investigated by a great many people, including the independent counsel on the Iran affair. That investigation centers on whether or not he raised money to provide arms for the contras in Central America at a time when that was prohibited by law....

ABC's Karen Burnes: Carl Channell has access to the White House and the National Security Counsel that most fundraisers envy: meeting with President Reagan, Chief of Staff Donald Regan, and Lt. Col. Oliver North.

(TV coverage: Still photo of the President with Channell.)

Three years ago he was virtually unknown.... Channell received support from the White House and he uses it in his fundraising packages. In a nine-day period in December of 1985 Channell received three letters from President Reagan, two of them written on the same day. The letters commend him and thank him for his steadfast support in a variety of foreign policy areas. In two years Channell's groups have raised close to \$10 million at a time when most conservative groups can barely raise a tenth of that.... Channell also set up the American Conservative Foundation.

(Jane McLaughlin: "The purpose of this foundation was to raise money specifically for Col. North's off-duty trips to Central America acting as a direct liaison for President Reagan, and that these trips would require up to \$90,000 a month.")

...The Channell organization grew quickly. The year the Administration called upon private groups to help fund the contras, Channell moved from a small brownstone to offices costing \$31,000 a month. Now he has eleven organizations and is proud of his fundraising ability.... Despite the fact that Carl Channell is under extensive investigation he's still raising money and now plans to invite his contributors to a briefing on March 18th. Attorney General Ed Meese was scheduled to speak at that meeting, however, late this afternoon, the Attorney General's office said that he was declining to appear. (ABC-8)

## POLAND SANCTIONS

Brokaw: The Reagan Administration said today it will end all economic sanctions against Poland. These sanctions were imposed when Poland declared martial law five years ago. The White House said, however, that after talking to Polish Catholic leaders and Solidarity leader Lech Walesa, it is convinced that Poland will not go back on its decision to end martial law or rescind other recent reforms. (NBC-7)

## SOVIETS/CHERNOBYL

Brokaw: Soviet television tonight offered the closest, most graphic look yet at the world's first nuclear reactor accident. The Soviet documentary about it showed the graphite core of the reactor on fire while the reactor blowout that spewed out radiation was still in progress.... Much of the Soviet broadcast was devoted to blaming local officials for not evacuating residents quickly enough and for withholding information from authorities in Moscow.... The program dealt practically not at all with the radioactive cloud sent over much of the world. (ABC-10, CBS-8)

## BEIRUT FIGHTING

Brokaw: This was another day of terrible bloodshed in Beirut. The fighting this week has been the worst in three years in that city. 25 more fighters were killed as Amal militiamen continued to battle an alliance of Druze and communist forces. Syria, which has soldiers in Beirut, ordered a cease fire, but it broke down just as all the others have before. (ABC-7, CBS-5, NBC-5)

## AMNESTY INTERNATIONAL/U.S.

Brokaw: Amnesty International today called for a worldwide campaign to force the United States to end the death penalty. Its report charged that executions are often racially biased. Richard Valeriani reports.... (NBC-6)

## IRISH ELECTIONS

Rather: Prime Minister Fitzgerald tonight conceded defeat in Ireland's general election. Not yet clear whether opposition leader Charles Haughey will be the new prime minister will also win a majority in the Irish parliament. (CBS-12)

## HOUSING

Rather: The U.S. government said today that mild weather helped hold new home construction to a smaller than expected 0.2 of one percent decline in January. (CBS-13)

## **EDITORIALS/COLUMNISTS**

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### **SOVIET UNION REFORMS**

Gorbachev's Gamble -- "Soviet leader Mikhail Gorbachev is betting that he can turn the stagnant Soviet economic and political systems around by easing repression on intellectuals and releasing some political dissidents. It's a high-stakes gamble. But Gorbachev seems to understand that the payoff could be enormous: return of his nation to a place of economic leadership, and a place in history for himself as the man who turned back decades of repression in the Soviet Union." (Des Moines Register, 2/13)

Is The Glasnost Half-Full? -- In the long term, the Soviet rulers face communism's persistent paradox: Without economic liberalization the economy will decline further, but such liberalization creates pressure for political liberalization -- and can go only so far without the kind of reform that could threaten the absolute power of the Communist Party. Predicting how the Soviets will respond as these contradictions become more concrete is beyond the powers of our crystal ball." (Orange County Register, 2/15)

'Glasnost,' A Fraud -- "If all Soviet prisons and work camps and mental hospitals used for political opponents were flung open, if all of the nations that Soviet oppressors hold captive were freed to govern themselves, if the Cuban Communist troops were sent home from Africa, if the Red insurgency ceased in Latin America and if the threat posed by the Soviet Union against Western Europe evaporated, then, and only then, would it be safe to believe that 'glasnost' is real and not just a new face on old Communist aggression." (Chattanooga News-Free Press, 2/11)

Beyond 'Glasnost' -- "The remedies Gorbachev prescribed have been labeled as 'democratization.' In reality, his proposals for a secret ballot and the nomination of more than one candidate for some party secretaries are Administrative reforms, since the party hierarchy will still nominate candidates and 'the decisions of higher bodies' will still be 'compulsory for all lower party committees.' Nevertheless, there is now fresh air in the sick chamber, and if Gorbachev survives long enough, he may be forced to take a scalpel to the party's terminal tenure system."

(Boston Globe, 2/13)

So Much For 'Openness' -- "After weeks of what some optimists hoped would be promising reform in Soviet policy, government security forces staged their roughest crackdown on dissent in more than a year. So much for glasnost, 'openness,' the label of Soviet Premier Gorbachev's professed policy of 'democratization and reconstruction.' In a busy Moscow mall, a group of Jewish activists and Western correspondents was punched, shoved and kicked by plainclothesmen, aided by a snowplow. The state's business is proceeding pretty much as usual."

(Chicago Tribune, 2/16)

Early Spring In Moscow -- "Skepticism is in order, for the Soviets are masters of the tactical retreat for strategic gains. But it is not enough merely to say that a lot of people still are in the gulag and that Russian repression is systemic and permanent. The Soviet government should be commended, and the pressure for new and continuing freedoms ought to stay on."

(Kansas City Times, 2/12)

EDITORIALS & COLUMNISTS (continued)

The Messages From Moscow Are Mixed At Best -- "Although hundreds of new exit visas have been issued under a revised Soviet law that took effect last month, the revision actually represents a tightening of emigration rules; it specifies that those applying to leave must have close relatives abroad.... One can only hope that the actions of the KGB and the police don't represent a more accurate picture of present-day Soviet policy than the significant -- if still limited -- reforms emanating from the Kremlin."  
(Newsday, 2/13)

Gorbachev's Attempts To Improve His Image -- "Obviously, the release of even a single dissident should be welcomed, but it is much too soon to be celebrating the transformation of the Soviet state. Gorbachev, after all, is a product of the totalitarian system, and he didn't claw his way to the top by being a nice guy or a closet liberal.... Ever since the Bolshevik revolution there have been people in the West who are eager, despite repeated disappointments, to find something in the Soviet Union that democrats could applaud. Gorbachev is playing to this audience. But it's much too soon to credit him with turning a police state into a democracy."  
(Honolulu Star-Bulletin, 2/13)

WELFARE REFORMS

Buckets of Welfare -- "A controlled program to allow greater welfare experimentation by the states is a good idea. It will -- as to some extent on the issue of 'work-fare' it already has -- tend to reduce the polarization that has followed this subject on the national level in the past. At the state level both liberals and conservatives seem able to take positions that on the national stage they cannot. But if the Administration expects its proposal to be taken seriously, it must put sensible limits on it. Otherwise it will be no more than the diversion that the new federalism was."  
(Washington Post, 2/17)

Supply-Side Welfare -- "The Reagan Administration is considering proposals to encourage state and local governments to devise innovative, localized welfare programs. That makes sense. In a vast country of 240 million people, comprehensive federal programs simply cannot grapple with intricate, localized problems. And a economist Charles Murray has shown, distant federal bureaucrats often do more harm than good."  
(Washington Times, 2/17)

How To Pay For Welfare -- "The welfare system was designed 50 years ago for a different America. To conclude that it isn't working may be the easy part. How to rebuild it is another matter.... The need to rebuild welfare is plain to right and left, so plain that the prospects for change are good. The test will be whether policy makers really want to get people off welfare rolls and onto payrolls, or just get the welfare monster off Washington's back and onto that of the states."  
(New York Times 2/15)

## **FOREIGN MEDIA REACTION**

### **SHAMIR VISIT**

"Since the Irangate revelations, exposing intense Israeli involvement -- from former Prime Minister Mr. Peres downwards -- in President Reagan's decision to sell arms to Iran, some doubts have been raised about Israel's role in U.S. foreign policy." (Financial Times, Britain)

"Curiously, it's perhaps on the most important issue, the relaunch of a peace process, that Shamir will be best heard. Contrary to Peres, Shamir, like the United States, always wanted to keep Moscow outside of such a process and rejected the idea of an international conference." (Les Echos, France)

"No American Administration has adjusted itself so perfectly to Israeli desires as the Reagan Administration, ranging from the 1982 Israeli invasion designed to crush the PLO, and the Israeli refusal to consider an international conference on the Middle East, to support for Iran in the Gulf war. It cannot be a good thing when a superpower like the United States conforms exclusively to the interests of a single state in the Middle East." (Gazet van Antwerpen, Belgium)

"The shift in the American position on the international conference means that the State Department has endorsed the view of Peres. Broad smiles and two-way compliments could not hide the Shamir-Shultz differences." (Maariv, Israel)

"Politically, the two parties' denominator is their insistence on unilateral deals and the revival of the Camp David process. Militarily, Washington has crowned its moves by granting Israel the status of a high-level special ally. All of this indicates that the Reagan Administration, which has devoted itself to the implementation of Israel's policy, is seeking a military adventure." (al-Baath, Syria)

### **GATES HEARINGS**

"President Reagan's newly-appointed director of the CIA yesterday made the widest admission yet of Administration error in the Iranian arms affair." (Guardian, Britain)

"The Senate Intelligence Committee yesterday listened to the testimony of Robert Gates. Should it emerge that Gates was involved in arms sales to Iran and in the diversion of funds to the contras, this would certainly be a harsh blow for Reagan." (Corriere Della Sera, Italy)

"Even if no charges are laid, some grave penalties have already been paid. Distinguished careers have been besmirched, reputations destroyed. A President has been wounded personally and politically, and his Administration has been seriously undermined." (Sun, Australia)





# News Summary

OFFICE OF THE PRESS SECRETARY

THURSDAY, FEBRUARY 19, 1987 -- 6 a.m. EST EDITION

## TODAY'S HEADLINES

### IRAN-NICARAGUA

President Changed Statement On 1985 Iran Arms Approval -- President Reagan has given inconsistent statements to the Tower commission investigating the Iran-contra affair, first telling the panel that he gave authorization for the 1985 Israeli shipment of arms to Iran and then, in a second meeting, saying he was mistaken and had not given the approval until afterward, according to informed sources.

(Los Angeles Times, Washington Post)

CIA Director Designate Survives Two Days Of Grilling On Iran -- Robert Gates, nominated to head the CIA, looked set to win the Senate's approval despite doubts raised over his conduct in the Iran arms scandal during two days of grilling by skeptical senators.

(Washington Post, Washington Times, Reuter)

### INTERNATIONAL NEWS

Contras Lose First Test Vote In Senate Committee, 11-9 -- The Senate Foreign Relations Committee voted 11-9 yesterday to cut off U.S. aid to the Nicaraguan resistance.


(Washington Post, Washington Times)

### NETWORK NEWS (Wednesday Evening)

**PRESIDENT REAGAN/SHAMIR** -- Both leaders want to put the Iran-contra arms deal behind them.

**CONTRA AID/SENATE** -- The Senate Foreign Relations Committee approved a complete ban on contra funding.

**GATES CONFIRMATION HEARINGS** -- Robert Gates once again faced another tough day of questioning.



**SAVE THE CONGRESSMEN**

IN WASHINGTON SOME CONGRESSMEN STILL HAVE TO LIVE A MIDDLE-CLASS LIFE...THEY'RE FORCED TO EAT IN THE CAPITAL HILL CAFETERIA.. DRIVE THEMSELVES TO WORK AND OCCASIONALLY PAY THEIR OWN POSTAGE. (SOME HAVE EVEN BEEN SEEN SLEEPING ON THE HOUSE FLOOR) **THIS CAN'T GO ON!**

**HERES HOW YOU CAN HELP**

**KEEP QUIET ABOUT THEIR AUTOMATIC PAY RAISE**

BY PETER FOR THE DAYTON DAILY NEWS

## **IRAN — NICARAGUA**

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### **CONFLICTS IN REAGAN IRAN REMARKS CITED Told Tower Panel He Authorized Shipment Of Arms But Later Denied It, Sources Say**

President Reagan, in two meetings with the special commission investigating the Iran-contras affair, gave conflicting statements on whether he authorized Israel's first shipment of arms to Iran in August of 1985, White House and other sources said Wednesday.

The President at first told the commission, headed by former Sen. John Tower, that he had approved the shipment, the sources said. That contradicted congressional testimony by Donald Regan and substantiated testimony by Robert McFarlane.

But almost three weeks later, in a second closed-door session that was initiated by Reagan, the President told the commission that after a lengthy discussion with Regan, he had concluded that he was mistaken -- that actually he had not authorized the shipment.

(Jack Nelson, Los Angeles Times, A1)

### **President Changed Statement On 1985 Iran Arms Approval**

President Reagan has given inconsistent statements to the Tower commission investigating the Iran-contra affair, first telling the panel that he gave authorization for the 1985 Israeli shipment of arms to Iran and then, in a second meeting, saying he was mistaken and had not given the approval until afterward, according to informed sources.

One source said yesterday, "Regan redirected the President, went over the issues with him, and got the President to line up his recollections." A second source said the President was "more enlightened." (Bob Woodward & David Hoffman, Washington Post, A1)

### **REAGAN REJECTS QUESTIONS; WEINBERGER CONFIRMS AID TO IRAN AND IRAQ**

President Reagan refused to answer questions Wednesday about the Iran-contra scandal that has befallen his presidency, while Secretary Weinberger said the Administration had secretly provided intelligence information to both sides in the brutal Iran-Iraq war.

Reagan seemed in no mood to field questions on the controversy when reporters were permitted into the Oval Office before his meeting with Israeli Prime Minister Shamir.

"I'm not going to take any questions on the that situation" until after a presidential commission files its report on the Iran-contra affair on Feb. 26, Reagan said. He refused to elaborate on his previous comment that mistakes had been made and declined to identify who had been guilty of the errors.

(David Espo, AP)

#### REAGAN MEETS WITH SHAMIR: MUCH DISAGREEMENT

President Reagan and Prime Minister Shamir, meeting Wednesday for the first time since the Israeli government changed hands last October, disagreed on a number of key issues.

The tone of the White House meeting, according to diplomats, was less cordial than the session Reagan had with Shamir's predecessor, Shimon Peres, last September.

Although Reagan "made very plain" the Administration's "conviction" that no one should sell arms to Iran, a senior Administration official told reporters, Reagan did not get such a pledge from Shamir.

(Walter Friedenberg, Scripps Howard)

#### ISRAEL TO GIVE U.S. CHRONOLOGY OF ROLE IN IRAN ARMS DEAL

Prime Minister Shamir agreed yesterday that Israel will begin compiling a chronology of financial transactions and contacts with U.S. officials and will answer questions submitted by the Senate and House select committees investigating the Iran-contra arms scandal, the panels' leaders announced after meeting with him.

Sen. Daniel Iouye and House panel Chairman Lee Hamilton described Shamir as "extremely cooperative" during the discussions, also attended by Senate and House leaders.

(David Ottaway, Washington Post, A1)

#### GATES ASKS TO BE JUDGED IN NEW ROLE

##### CIA Nominee Faces 2nd Day Of Questions On Role In Iran Affair

The Senate Select Committee on Intelligence yesterday ended two days of public hearings on the nomination of Robert Gates to be director of central intelligence with the nominee asking to be judged by what he has done in the two months since becoming acting director of the agency rather than by his actions during the Iran-contra affair.

At the close of yesterday's three-hour session, Chairman David Boren said that the members felt "a strong obligation to be thorough" and that there would be "at least" one closed hearing for those who want to raise questions about classified matters.

Although Sens. Arlen Specter and Bill Bradley voiced unhappiness at some of Gates' answers during the two days of questioning, a majority of the members of the committee favors recommending approval of his nomination, according to committee sources.

(Walter Pincus & Dusko Doder, Washington Post, A1)

#### CIA Director Designate Survives Two Days Of Grilling On Iran

Robert Gates, nominated to head the CIA, looked set to win the Senate's approval despite doubts raised over his conduct in the Iran arms scandal during two days of grilling by skeptical senators.

Gates appeared in less trouble and a Senate aide said he was likely to be confirmed as the U.S. spy agency's youngest chief -- barring any new revelations between now and a first vote in two weeks.

(Sue Baker, Reuter)

CIA Limits Covert Aid In Wake Of Iran Deal

CIA support for covert activities has been restricted since agency rules were violated in a 1985 arms shipment to Iran, acting Director Robert Gates said yesterday.

Sen. Bill Bradley accused Gates of "passing the buck" by not acting quickly on information about a possible diversion of money to the contras.

Gates said he instructed a senior CIA analyst who suspected the diversion to inform "higher levels of the agency."

(Bill Gertz, Washington Times, A4)

EDITOR'S NOTE: "Scandal Trapped CIA In 'Catch-22' -- Gates," by Michael Hedges, appears in The Washington Times, A4.

## NATIONAL NEWS

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### REAGAN NAMES WOMAN TO HIS INNER CIRCLE FOR FIRST TIME

White House women, a small cadre in the Reagan era, took a giant step forward Wednesday when the President chose a woman to be secretary of the Cabinet for the first time ever.

This means Nancy Risque will be the first woman to be part of Reagan's "inner circle."

Even though Reagan took the historic first step of naming a woman, Sandra Day O'Connor, to the Supreme Court, the White House, long criticized as weak on the appointment of women to top level posts, has been looking for some time for women with executive skills.

(Ann McFeatters, Scripps Howard)

### REGAN'S FUTURE IS 'UP TO HIM'

#### President Says He Won't Fire Staff Chief Or Stand In His Way

President Reagan declared yesterday that he won't fire his embattled chief of staff, Donald Regan, but added that he wouldn't stand in the way if Regan decides to quit.

Asked by reporters whether Regan would stay on as chief of staff, the President paused for a moment and said "this is up to him." Speaking deliberately, he then added a formulation he has often used when an official was expected to resign.

"I have always said that when the people that I've asked to come into government feel that they have to return to private life, that's their business and I will never try to talk them out of it," Reagan said, responding to reporters' questions at an Oval Office picture-taking ceremony for the first time in nearly three months.

(Lou Cannon, Washington Post, A1)

### Regan Hangs In But Grip On Job Is Seen As Shaky

Today, the issue is not whether Donald Regan should reach for higher office but whether -- by retaining the one he occupies -- he is aggravating the paralysis of the Iran scandal and reducing the President's chances of recovery.

Regan, asked later about his future at the White House, pointed to Reagan standing nearby and said: "It's up to him." Moments later, asked again whether he was departing, Regan replied: "No."

Sources have said that Regan holds a firm commitment from the President that he can stay as long as he likes, and White House officials asserted that Reagan's remark was not intended as a slap at the chief of staff. But the consensus emerging among a number of current and former White House advisers is that Regan, having fended off efforts to force him out of his job two months ago, is still in a shaky position and may have to leave.

(James Gerstenzang, Los Angeles Times, A1)

### Reagan Gives Chief Of Staff A Lukewarm Endorsement

President Reagan yesterday gave less than a ringing endorsement of Donald Regan and said it was up to Regan whether he remained in the Administration.

The President's failure to express confidence and support for the feisty and powerful chief of staff immediately raised questions as to whether Regan will stay on the job much longer.

Whatever his intent, Reagan created the impression that whether the 68-year-old chief of staff stays or leaves is entirely up to Regan. Missing were the standard expressions of full and complete confidence the President often uses when one of his senior officials is the subject of controversy.

(Jeremiah O'Leary, Washington Times, A3)

### Three-Cornered Tug Of War Pulling On White House

Like a vaudeville team, President Reagan and his embattled chief of staff passed the buck back and forth Wednesday on who's in charge at the White House.

Reagan, asked if he planned to fire Donald Regan in wake of reports that First Lady Nancy Reagan wants him out, said: "Nobody's getting fired."

But Reagan left room for a graceful exit, saying when aides leave "that's their business and I will never try to talk them out of it."

(Johanna Neuman, USA Today, A6)

### U.S. FIGHTS DRUG-TEST CHEATING

#### Unusual Rules Call For Dye In Toilets, Monitoring Workers

The government, trying to prevent cheating by federal employees on drug tests, will announce an extraordinary set of guidelines today that include rigid monitoring of employees, testing temperatures of urine samples and placing blue dye in designated federal toilets.

The guidelines announced today will require that monitors be stationed inside restrooms -- but outside toilet stalls -- while urine samples are given to help assure the tests' accuracy.

(Judith Havemann, Washington Post, A1)

### BUSH CONSPICUOUSLY ABSENT FROM CONSERVATIVE 'CATTLE SHOW'

Republican activists are gathering here for the first "cattle show" of the 1988 campaign, and Vice President Bush is conspicuously absent from the heavily conservative gathering.

But Bush, whose standing in the polls has suffered in recent months because of the Administration's Iranian arms scandal, decided he would rather go to New Orleans to address a conference of school administrators.

"I find it somewhat interesting that a year ago the Vice President worked conservatives" while "this year he's trying to be a moderate," said Ed Rollins, campaign chairman for Rep. Jack Kemp, a likely Bush rival.

(Peter Brown, Scripps Howard)

EDITOR'S NOTE: "2 Parties Say They'll Sponsor Presidential Debates -- But League Of Women Voters, Decrying Effort To 'Steal' Events, Refuses To Stand Aside," by James Dickenson, appears in The Washington Post, A4.

## **INTERNATIONAL NEWS**

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### **REAGAN PLANNING TO LIFT SANCTIONS AGAINST POLAND**

President Reagan, responding to Polish liberalization moves and appeals from Solidarity leader Lech Walesa and Polish-Americans, plans to lift remaining U.S. sanctions imposed against Poland following the 1981 military crackdown.

U.S. officials said an announcement would be made at the White House today. But precise arrangements on how it would be handled had still not been finalized last night. (William Scally, Reuter)

### **ISRAELI LEADER LEAVES U.S. OFFICIALS FRUSTRATED**

Israeli Prime Minister Shamir's three days of tough talks here apparently have left U.S. officials wondering what they could try next to get Middle East peace talks rolling.

Reagan said he and Shamir agreed that "measurable progress" towards direct peace talks was vital. The President repeated that an international conference could be one way of making it.

A senior official, who declined to be identified, said Washington would keep trying but gave no hint of how he thought progress could be made. (Michael Battye, Reuter)

### **SENATE COMMITTEE VOTES TO HALT AID TO CONTRAS Legislation Calls For More Latin Peace Moves**

The Senate Foreign Relations Committee voted yesterday to halt U.S. aid to Nicaraguan guerrillas as the Democratic-controlled 100th Congress opened what is expected to be a yearlong fight with President Reagan over the troubled contra-aid program.

Dividing largely along party lines, the committee approved the funding cutoff, 11 to 9, as part of a broader measure seeking more aggressive peace efforts in Central America and \$300 million in new economic assistance to El Salvador, Costa Rica, Honduras and Ecuador.

(Helen Dewar, Washington Post, A16)

### **Contras Lose First Test Vote In Senate Committee, 11-9**

The Senate Foreign Relations Committee voted 11-9 yesterday to cut off U.S. aid to the Nicaraguan resistance.

"This committee has acted and indicated contra aid is on a short time frame," said Sen. Christopher Dodd, sponsor of the bill. "It's a serious action." (Jennifer Spevacek, Washington Times, A1)



CRUZ IS SAID TO AGREE TO KEEP CONTRA POST  
Arrangement Would Put Funds For Rebels Under Control Of UNO

Arturo Cruz, the disaffected Nicaraguan rebel who has been threatening to leave the contra leadership for several weeks, has decided to remain in his post after all, State Department and rebel officials said yesterday.

Cruz has scheduled a news conference this morning to announce his decision. If he remains as a director of the United Nicaraguan Opposition, it will represent a triumph for the Reagan Administration's efforts to hold the tottering alliance together.

(Joanne Omang, Washington Post, A16)

U.S. ISSUES ANNUAL HUMAN RIGHTS REPORT

The State Department today issued its annual assessment of international human rights, denouncing abuse in South Africa, hailing a return to democracy in the Philippines and applauding a "spectacular shift" in Latin America.

The department also decried "major human rights abuses" in Nicaragua and, though citing progress in the Soviet Union, berated the Kremlin for trying to "terrorize" the people of Afghanistan into submitting to its puppet regime.

(Matthew Quinn, UPI)

BRITON SAYS HE'S ASSURED OF CONSULTATIONS ON SDI  
Defense Minister Sees Weinberger, Carlucci

British Defense Minister George Younger said yesterday that he has been assured by Secretary Weinberger and Frank Carlucci that Britain will be consulted before "any substantial change" is made in SDI research and development program.

Younger told reporters that he expects U.S. officials to "explain in detail" any changes in the SDI plan and what effects, if any, they would have on arms control negotiations with the Soviet Union.

(Don Oberdorfer, Washington Post, A11)

U.S. OFFERS FOOD AID TO MOZAMBIQUE  
Major Relief Operation Planned In War-Ravaged Country

The Reagan Administration is mounting a major humanitarian relief operation in Marxist Mozambique where an insurgency has led to a severe food shortage and what one senior official called "a political disaster" threatening between 5 million and 6 million people, about one-third of the population.

The Administration also wants the United Nations to call a special meeting of potential Western donors to provide additional supplies to meet the emergency as was done in Ethiopia, Peter McPherson, administrator of the Agency for International Development, told reporters.

(David Ottaway, Washington Post, A12)

HODEL CRITICIZES CANADA ON ENERGY, ENVIRONMENT  
Opposition To Arctic Oil Development Hit

Interior Secretary Hodel renewed an attack on Canadian environmental and energy policies yesterday, accusing Canada of opposing oil development in an Alaskan wildlife refuge in an effort to increase its energy exports to the U.S.

Speaking on NBC's "Today" show, Hodel said Canada, in expressing concern about possible exploration in the Arctic National Wildlife Refuge, "can't be oblivious to the fact that if we are blindfolded to our resources...it just means that we are going to have to import more oil at a higher price, and Canada is an exporter."

(Cass Peterson, Washington Post, A12)

EDITOR'S NOTES: "Arturo Cruz At The Nicaraguan Crossroads," by Lloyd Grove, appears in The Washington Post, B1.

"Rebel Reorganization Plan Blows Up In Leaders' Faces," by Glenn Garvin, appears in The Washington Times, A1.

## **NETWORK NEWS SUMMARY**

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(Wednesday Evening, February 18, 1987)

### **THE PRESIDENT/SHAMIR VISIT/DONALD REGAN**

NBC's Tom Brokaw: There are so many parts to the Iran-contra affair, and one of the most important is the relationship between the United States and Israel. Israel was a key player in the secret arms shipments. Some have testified it was Israel's idea in the first place and then Israel kept it going. Israeli officials have denied that role. So when President Reagan and Israeli Prime Minister Yitzhak Shamir met at the White House today, it was hard to avoid the subject.

NBC's Chris Wallace: The President and Shamir wanted to put Iran behind them, but in their first meeting since the scandal broke, and with reporters allowed close to Mr. Reagan for the first time in 2½ months, Iran kept intruding.

(TV coverage: The President sitting with Shamir in the Oval Office.) The President refused to comment until the panel he appointed reports back next week.

(The President: I'm not going to take any questions on that situation until the Tower Commission's report is turned in to us.)

Helen Thomas: "Then you're going to take questions?"

The President: "Possibly.")

Officials say Iran also came up in private. The President urging the Israelis to cooperate in all the U.S. investigations.

(TV coverage: Still photos of the President and Shamir with words beneath.)

But aides say there was no attempt to reconcile differences between the two governments -- about Israel's role in the arms deal.

(The President: "In discussing Iran and other regional issues, the Prime Minister and I agreed on the importance of looking to the future instead of dwelling on the past.")

And Shamir indicated the future of peace in the Mideast depends on Mr. Reagan not being paralyzed by his current problems.

(Shamir: "America under your leadership stands tall and upright despite unseen difficulties.")

But there was no escaping those difficulties. Shamir later met with the chairmen of the two congressional committees investigating the scandal. They said Israeli officials won't testify in person, but will answer written questions.

(Rep. Lee Hamilton: "Israel said they wanted to provide us all the information they had. I'm very pleased with the modalities that have been worked out, and I think it will expedite our investigation.")

And the President had to deal with a story in today's Washington Post that Nancy Reagan is no longer speaking to Chief of Staff Donald Regan and wants him out.

(TV coverage: Still photos of the First Lady and Donald Regan.)

The President denied all of it, but at first seemed to indicate Regan might leave on his own.

(The President: "When the people that I've asked to come into government feel that they have to return to private life, that's their business and I will never try to talk them out of it.")

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Wallace continues: But later, both denied Regan is leaving and appeared to go out of their way to show relations are still warm. (TV coverage: The President and Donald Regan walking and pointing at each other.)

Those smiles may not last long. Sources tell NBC News the Tower Commission report will criticize Donald Regan saying he failed to give the President good advice. (NBC-Lead)

ABC's Peter Jennings: It is certainly fair to call questions about the President's Chief of Staff Donald Regan nagging ones. When the headline in the Washington Post this morning reads, "Chief of Staff In Worsening Bind," a lot of people in the nation's capitol pay very close attention. The story suggests that Mr. Regan might be leaving the White House after all -- that for one thing, the First Lady isn't even talking to him any more.

ABC's Sam Donaldson: Not since December 11th had Ronald Reagan allowed reporters to get close enough to him to ask a question without shouting until today when he had to tackle the story that his wife won't talk to his chief of staff.

(The President sitting in the Oval Office: "Oh for Heaven sakes.")

Helen Thomas: "Not true?"

The President: "No not true. And nobody's getting fired.")

No firings perhaps, but the President sounded far less certain when asked if Donald Regan is staying on.

(The President: "Well this is up to him. I have always said that when the people that I've asked to come into government feel that they have to return to private life, that's their business. I will never try to talk them out of it.")

That answer didn't seem to please Chief of Staff Regan. It certainly left the door wide open for his resignation. But later in the day the President denied Regan is leaving.

(TV coverage: The President and Mr. Regan walking together and pointing at each other.)

And back to shouting at long distance once again, so did Regan. Regan's departure has been widely forecast -- indeed widely prayed for in Republican ranks -- for some weeks now, and it's no secret that Mrs. Reagan is among those wanting him out. One source here says she and Regan are in conflict at the moment over when the President should start talking about the Iranian arms sale scandal in public again, with Regan urging a news conference soon and Mrs. Reagan counseling otherwise. Be that as it may, the upshot of the day's events seems to be that while Regan may resign at some point down the road, it won't happen now. (ABC-5)

Jennings: The press' opportunity with the President took place during the visit of the Israeli Prime Minister Yitzhak Shamir. And this is clearly not the best of times for U.S.-Israeli relations. When the meeting was over, both men still disagreed on the concept of an international forum to revive the Middle East peace process. And the disagreements go quite some distance beyond that.

ABC's John McWethy: Though Israel's role in the Iran arms scandal was apparently discussed today with Prime Minister Shamir, President Reagan tried to put the best face on it.

(The President at departure ceremony: "In discussing Iran and other regional issues, the Prime Minister and I agreed on the importance of looking to the future instead of dwelling on the past.")

The past, of course, has painful reminders that the extraordinary relationship between the United States and Israel is suffering important strains. Avner Aniv is a visiting professor from Israel at Georgetown University.

(Avner Aniv: "There are problems because of the intensity of the scope of these relations. There are bones of contention because relations are so extensive and good.")

...The U.S. provides Israel with more aid than any other country in the world: \$3 billion. That breaks down to about \$750 annually for every man woman and child in Israel. James Aboureszk, an outspoken critic of Israel and a former senator, charges that the Israeli lobby in Congress has far more influence than it ought to.... Others argue that Israel is a crucial military friend and the only stable ally the U.S. has in the Middle East.... But analysts say the very special relationship is changing, maturing, and that Israel must now be more accountable for what it does when that affects the U.S. An example of that was provided this evening when Prime Minister Shamir announced agreement with the U.S. Congress to provide new information on Israel's role in the U.S. arms scandal. (ABC-5)

CBS's Dan Rather: Amid new reports of White House disarray, more reports that new pressure is building on White House Chief of Staff Donald Regan to get out. For example, Nancy Reagan reportedly won't even talk to Regan anymore.

(TV coverage: Still photos of the First Lady and Mr. Regan.)

President Reagan today had his first Oval Office photo opportunity with reporters in months.

(TV coverage: Still photo of the President under the words "Arms Scandal.")

He said nothing substantive about the arms for Iranians mess. Bill Plante reports the President also did and said nothing to dispel the talk about Regan.

CBS's Bill Plante: President Reagan said he wasn't going to fire embattled Chief of Staff Donald Regan.

(TV coverage: The President and Shamir sitting in the Oval Office.)

But he did seem to be showing Regan the door when reporters asked if the chief of staff would stay on.

(The President: "This is up to him. I have always said that when the people who I've asked to come into government feel that they have to return to private life, that's their business and I will never try to talk them out of it.")

As the startled appearing Regan watched the photo session with Israeli Prime Minister Shamir, the President was asked, "Is that a yes or a no?" Said Mr. Reagan, "That's not an answer."

(TV coverage: The President sitting with Shamir in the Oval Office.)

Plante continues: The President also refused to give answers on the Iran-contra scandal until after the Tower Commission issues its report next week. After Shamir departed the chief of staff was asked if he intended to leave.

(TV coverage: The President and Donald Regan walking and pointing at each other.)

He passed the buck to the President. Regan has been under attack for his autocratic management style and his role in the arms-to-Iran affair, but until today at least, it was clear that the President was on Regan's side.

(TV coverage: The President and Mr. Regan shaking hands with people inside the White House.)

Now sources say First Lady Nancy Reagan, never a big fan, is no longer speaking to the chief of staff, though he denies it. Treasury Secretary James Baker and former Transportation Secretary Drew Lewis are again being mentioned as candidates for Regan's job though neither apparently wants it. Another possibility: Energy Secretary John Herrington. The infighting over Donald Regan's future has now gone on for more than three months adding to the image of an Administration in disarray and a President unable to move forward. Regan again put out the word today that he's not leaving. Nonetheless, sources now predict he'll be gone by April. (CBS-2)

#### CONTRA AID/SENATE

Jennings: There are several things going on today which really show us all in a very clear way what the fallout has been from the Iran-contra affair. The man who has helped to keep the President so isolated is under new pressure to resign. There is tension between the United States and Israel. The CIA is still trying to explain itself. And the President's ambitions for the contras in Central America have been at least undermined on Capitol Hill. Tomorrow the President had planned to send the contras another \$40 million.

ABC's Ann Compton: The Senate Foreign Relations Committee split virtually along party lines and approved a complete ban on contra funding.

(Sen. Cranston: "The contra effort has failed utterly, militarily, diplomatically, and I think also in moral terms. The contra effort rather obviously has poisoned our national government.")

The bill to stop contra aid would commit \$300 million to four struggling democracies in Central America but that was not enough for Republicans.

(Sen. Kassebaum: "We really might as well be honest, this \$40 million is the emotional lightning rod of this issue here before us today.")

The blow to the President's policy is only symbolic. The \$40 million for the Nicaraguan contras has already been appropriated. If Congress passes a resolution to block the aid the President can still use his veto power to win in the end. That has sent Democrats scrambling for other strategies: Possibly a moratorium until the investigations are complete on the diversion of the Iran arm sale profits; or a moratorium until the Government Accounting Office traces the mysterious disappearance of \$27 million in humanitarian aid sent to the contras last year.

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Compton continues: Today auditors told Congress the State Department has complained that GAO is being too tough on them.

(Charles Bowsher, GAO: "They have some words in there about the fact that we're holding this program to too high of a standard of accountability and auditing.")

Senator: "Simply because you asked them where the money went."

Bowsher: "Where the money went.")

Contra aid has become so tarnished by the Iran investigation and by the chaos within the contra leadership ranks that the President has now decided to delay releasing the \$40 million. And the contras may never see the \$105 million he wanted to send down later in the year.

(ABC-Lead)

Brokaw: On Capitol Hill the Senate Foreign Relations Committee, controlled by Democrats, voted 11-9 to cut off all U.S. aid to the contras. But supporters conceded that even if the bill to end contra aid passes the full Senate, it is unlikely they could override a Presidential veto.

(NBC-2)

#### GATES CONFIRMATION HEARINGS

Brokaw: Robert Gates, the man that President Reagan has named to head the CIA is learning firsthand just how strongly Congress feels about the agency's independent ways. When Gates appeared before the Senate Intelligence Committee for the second day of his confirmation hearings he was the target once again of still more very pointed questions.

NBC's John Dancy: After a day of tough questioning yesterday and facing another one today, Gates made a rueful little joke to photographers -- made it in front of an open microphone.

(Gates: "Remember that country and western song, 'Take This Job and Shove It?'" )

Gates...revealed he had disagreed with the Iran arms sale. Gates told senators that last September, after two more Americans were kidnapped in Lebanon, he had recommended to Casey that the Iran arms deal be scrapped.

(Gates: "At that point I told the director that I thought the entire activity should be called off -- that the whole policy was a bad idea.")

Some senators thought Gates was ducking the contra diversion. Gates testified he learned last October from CIA official Charles Allen that some Iran arms money might have been passed on to the contras. Gates testified he passed that information on to national security adviser John Poindexter.

(Sen. Bradley: "So you basically passed the buck to Poindexter?"

Gates: The fact is that the basic motivation was not to sit on the information, not to try and cover it up, not to shut up Mr. Allen, but instead to move the issue to higher levels of authority and responsibility."

Bradley: "So you passed it to Poindexter and then you essentially left the country?"

Gates: "That's correct.")



Dancy continues: In two days of hearings senators have made it clear they want Gates to do a better job than William Casey did of keeping them informed. Bradley asked Gates what he would do if he became CIA director then found there were written presidential orders for CIA covert actions that Gates was not aware of.

(Gates: "Well the first thing I would do would be to hop in a car and come up here.")

Bradley: "Well you're learning Mr. Gates."

Gates: "Nobody ever accused me of being slow, Senator.")

The intelligence committee is to vote on the Gates nomination in about two weeks, but the committee could reopen hearings if there is new information in the Tower Commission report concerning Gates.

(NBC-3)

Jennings: The Iran affair was swirling around another forum on the hill today. It was the second day of hearings for Robert Gates, the man the President would like to be the new director of the CIA. Today Mr. Gates got another grilling.

ABC's Brit Hume: Again today Gates tried to convince senators there was no cover-up in what he and the CIA told Congress after the Iran affair came to light. But he ran into a storm of questions and criticism about CIA chief Casey's first testimony to this committee -- testimony prepared under Gates' supervision.

(Sen. Specter: "And I come back with particularity to the testimony that was given by Director Casey on November 21st which was skimpy, scanty, uninformative, and really misleading.")

Why, demanded Specter, had Casey not mentioned that the CIA had flown some of the arms into Iran in November 1985, a mission for which retroactive presidential approval -- a so-called finding -- was later sought by CIA legal counsel Stanley Sporkin.

(Gates: "Senator, the judgment at the time and to this day by our attorneys at the agency was that the role that our officers played in facilitating the flight on the 22nd and 23rd of November 1985 was not an illegal action and did not require a finding.")

Sen. Specter: "Why did general counsel Sporkin then draft a finding which tried to cover CIA activities which had already taken place? Are you saying that he tried to do that even though it was unnecessary to do?"

Gates: "That is what our general counsel at the time said and that is what our general counsel to this day continues to say sir."

Sen. Specter: "Well I think you're wrong Mr. Gates.")

Gates later said he did not believe in retroactive findings and that he didn't know of any except that one.... The committee won't vote on Gates until after the Tower Commission issues its report. Barring unforeseen damage Gates appears to have weathered the storm.

(ABC-2)

Rather: President Reagan turned aside reporters' questions again today and his Central America policy took some direct hits from the Congress. The Senate Foreign Relations Committee voted to cut off aid to Nicaraguan contras, and other committees had sharp questions about the Iran arms scandal, the role of the CIA, and Mr. Reagan's new choice to be CIA director.

CBS's Phil Jones: At the Senate Foreign Relations Committee today, Democrats made a fresh assault on continuing aid to the Nicaraguan rebels, voting to cut off \$40 million in military assistance to the contras.... But it was a narrow 11-9 vote with opponents admitting they still don't have the votes to override a certain presidential veto. At another hearing the director of the GAO, Charles Bowsher, disclosed that the GAO has found at least \$80,000 in designated humanitarian aid actually went for weapons. Bowsher also complained about the CIA refusing to allow the GAO to audit covert accounts. And at the confirmation of Robert Gates to be CIA director today he was able to joke with photographers in obvious reference to the tough questioning he has undergone.... Gates was anxious to diffuse the confrontation with GAO over accounting of covert funds.

(Gates: "We are prepared to pursue with the committee any additional arrangements that it might wish to develop.")

The 43-year-old CIA director nominee modified his statement of yesterday when he indicated that he would not tell the committee if he saw illegal activities by the NSC.... In earlier secret testimony Gates said that he had not told any of his superiors that the Iran policy was bad and should be changed. Today he changed his story saying he did tell then-CIA Director Casey on one occasion the whole idea was wrong.... Unless Gates is linked further to the Iran-contra operation he is expected to be confirmed as CIA director. (CBS-Lead)

#### MCFARLANE/TOWER COMMISSION

Brokaw: The Tower Commission is investigating just what the National Security Council did during the Iran affair, and tomorrow the commission is going to meet again with former NSC adviser Robert McFarlane. Mr. McFarlane requested the meeting even though he is still in the Bethesda Naval hospital.... (ABC-3, CBS-3, NBC-4)

#### COMMENTARY/U.S.-ISRAEL

Brokaw: At their meeting today, President Reagan and Israel's Prime Minister Shamir touched only briefly on some very important matter. In his commentary tonight, John Chancellor has some serious reservations about that.

NBC's John Chancellor: The interesting thing about the Israeli Prime Minister's visit, of course, is what is not being discussed in Washington. One thing not being talked about very much is Israel's involvement in the sale of arms to Iran. The arms sales are the biggest problem this Administration has ever faced. The Israelis were deeply involved. Yet Secretary of State Shultz and Prime Minister Shamir discussed it very, very briefly yesterday. You might have thought two old allies would sit down and have a long, long talk about it. But that's not the scenario for this trip. There was no indication that Iran took up very much time today when Shamir went to the White House. There's also the matter of Jonathan J. Pollard.... The Jerusalem Post described him as one of the most important spies in Israel's history. You might have thought the Pollard case and all of its ramifications would be high on the agenda.

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Chancellor continues: Not so. Mr. Shamir may get some tough questions on this trip but not from the Reagan Administration. Things will go smoothly even though there's a lot of tension just below the surface. This is not a healthy way to run an alliance. Israel is an old and important ally. Close allies have to be able to sit around the table at the highest levels and argue about their differences. Instead, the Administration is acting as if the problems don't exist. In any relationship truth and frankness are essential. If Israel and the United States were man and wife, a marriage counsellor would see danger signs. (NBC-14)

#### CHANNELL/FUNDRAISING

Jennings: And now we turn our attention to conservative fundraiser Carl Channell. Mr. Channell is presently being investigated by a great many people, including the independent counsel on the Iran affair. That investigation centers on whether or not he raised money to provide arms for the contras in Central America at a time when that was prohibited by law....

ABC's Karen Burnes: Carl Channell has access to the White House and the National Security Counsel that most fundraisers envy: meeting with President Reagan, Chief of Staff Donald Regan, and Lt. Col. Oliver North.

(TV coverage: Still photo of the President with Channell.)

Three years ago he was virtually unknown.... Channell received support from the White House and he uses it in his fundraising packages. In a nine-day period in December of 1985 Channell received three letters from President Reagan, two of them written on the same day. The letters commend him and thank him for his steadfast support in a variety of foreign policy areas. In two years Channell's groups have raised close to \$10 million at a time when most conservative groups can barely raise a tenth of that.... Channell also set up the American Conservative Foundation.

(Jane McLaughlin: "The purpose of this foundation was to raise money specifically for Col. North's off-duty trips to Central America acting as a direct liaison for President Reagan, and that these trips would require up to \$90,000 a month.")

...The Channell organization grew quickly. The year the Administration called upon private groups to help fund the contras, Channell moved from a small brownstone to offices costing \$31,000 a month. Now he has eleven organizations and is proud of his fundraising ability.... Despite the fact that Carl Channell is under extensive investigation he's still raising money and now plans to invite his contributors to a briefing on March 18th. Attorney General Ed Meese was scheduled to speak at that meeting, however, late this afternoon, the Attorney General's office said that he was declining to appear. (ABC-8)

## POLAND SANCTIONS

Brokaw: The Reagan Administration said today it will end all economic sanctions against Poland. These sanctions were imposed when Poland declared martial law five years ago. The White House said, however, that after talking to Polish Catholic leaders and Solidarity leader Lech Walesa, it is convinced that Poland will not go back on its decision to end martial law or rescind other recent reforms. (NBC-7)

## SOVIETS/CHERNOBYL

Brokaw: Soviet television tonight offered the closest, most graphic look yet at the world's first nuclear reactor accident. The Soviet documentary about it showed the graphite core of the reactor on fire while the reactor blowout that spewed out radiation was still in progress.... Much of the Soviet broadcast was devoted to blaming local officials for not evacuating residents quickly enough and for withholding information from authorities in Moscow.... The program dealt practically not at all with the radioactive cloud sent over much of the world. (ABC-10, CBS-8)

## BEIRUT FIGHTING

Brokaw: This was another day of terrible bloodshed in Beirut. The fighting this week has been the worst in three years in that city. 25 more fighters were killed as Amal militiamen continued to battle an alliance of Druze and communist forces. Syria, which has soldiers in Beirut, ordered a cease fire, but it broke down just as all the others have before. (ABC-7, CBS-5, NBC-5)

## AMNESTY INTERNATIONAL/U.S.

Brokaw: Amnesty International today called for a worldwide campaign to force the United States to end the death penalty. Its report charged that executions are often racially biased. Richard Valeriani reports.... (NBC-6)

## IRISH ELECTIONS

Rather: Prime Minister Fitzgerald tonight conceded defeat in Ireland's general election. Not yet clear whether opposition leader Charles Haughey will be the new prime minister will also win a majority in the Irish parliament. (CBS-12)

## HOUSING

Rather: The U.S. government said today that mild weather helped hold new home construction to a smaller than expected 0.2 of one percent decline in January. (CBS-13)

## **EDITORIALS/COLUMNISTS**

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### **SOVIET UNION REFORMS**

Gorbachev's Gamble -- "Soviet leader Mikhail Gorbachev is betting that he can turn the stagnant Soviet economic and political systems around by easing repression on intellectuals and releasing some political dissidents. It's a high-stakes gamble. But Gorbachev seems to understand that the payoff could be enormous: return of his nation to a place of economic leadership, and a place in history for himself as the man who turned back decades of repression in the Soviet Union." (Des Moines Register, 2/13)

Is The Glasnost Half-Full? -- In the long term, the Soviet rulers face communism's persistent paradox: Without economic liberalization the economy will decline further, but such liberalization creates pressure for political liberalization -- and can go only so far without the kind of reform that could threaten the absolute power of the Communist Party. Predicting how the Soviets will respond as these contradictions become more concrete is beyond the powers of our crystal ball." (Orange County Register, 2/15)

'Glasnost,' A Fraud -- "If all Soviet prisons and work camps and mental hospitals used for political opponents were flung open, if all of the nations that Soviet oppressors hold captive were freed to govern themselves, if the Cuban Communist troops were sent home from Africa, if the Red insurgency ceased in Latin America and if the threat posed by the Soviet Union against Western Europe evaporated, then, and only then, would it be safe to believe that 'glasnost' is real and not just a new face on old Communist aggression." (Chattanooga News-Free Press, 2/11)

Beyond 'Glasnost' -- "The remedies Gorbachev prescribed have been labeled as 'democratization.' In reality, his proposals for a secret ballot and the nomination of more than one candidate for some party secretaries are Administrative reforms, since the party hierarchy will still nominate candidates and 'the decisions of higher bodies' will still be 'compulsory for all lower party committees.' Nevertheless, there is now fresh air in the sick chamber, and if Gorbachev survives long enough, he may be forced to take a scalpel to the party's terminal tenure system."

(Boston Globe, 2/13)

So Much For 'Openness' -- "After weeks of what some optimists hoped would be promising reform in Soviet policy, government security forces staged their roughest crackdown on dissent in more than a year. So much for glasnost, 'openness,' the label of Soviet Premier Gorbachev's professed policy of 'democratization and reconstruction.' In a busy Moscow mall, a group of Jewish activists and Western correspondents was punched, shoved and kicked by plainclothesmen, aided by a snowplow. The state's business is proceeding pretty much as usual."

(Chicago Tribune, 2/16)

Early Spring In Moscow -- "Skepticism is in order, for the Soviets are masters of the tactical retreat for strategic gains. But it is not enough merely to say that a lot of people still are in the gulag and that Russian repression is systemic and permanent. The Soviet government should be commended, and the pressure for new and continuing freedoms ought to stay on."

(Kansas City Times, 2/12)

EDITORIALS & COLUMNISTS (continued)

The Messages From Moscow Are Mixed At Best -- "Although hundreds of new exit visas have been issued under a revised Soviet law that took effect last month, the revision actually represents a tightening of emigration rules; it specifies that those applying to leave must have close relatives abroad.... One can only hope that the actions of the KGB and the police don't represent a more accurate picture of present-day Soviet policy than the significant -- if still limited -- reforms emanating from the Kremlin."

(Newsday, 2/13)

Gorbachev's Attempts To Improve His Image -- "Obviously, the release of even a single dissident should be welcomed, but it is much too soon to be celebrating the transformation of the Soviet state. Gorbachev, after all, is a product of the totalitarian system, and he didn't claw his way to the top by being a nice guy or a closet liberal.... Ever since the Bolshevik revolution there have been people in the West who are eager, despite repeated disappointments, to find something in the Soviet Union that democrats could applaud. Gorbachev is playing to this audience. But it's much too soon to credit him with turning a police state into a democracy."

(Honolulu Star-Bulletin, 2/13)

WELFARE REFORMS

Buckets of Welfare -- "A controlled program to allow greater welfare experimentation by the states is a good idea. It will -- as to some extent on the issue of 'work-fare' it already has -- tend to reduce the polarization that has followed this subject on the national level in the past. At the state level both liberals and conservatives seem able to take positions that on the national stage they cannot. But if the Administration expects its proposal to be taken seriously, it must put sensible limits on it. Otherwise it will be no more than the diversion that the new federalism was."

(Washington Post, 2/17)

Supply-Side Welfare -- "The Reagan Administration is considering proposals to encourage state and local governments to devise innovative, localized welfare programs. That makes sense. In a vast country of 240 million people, comprehensive federal programs simply cannot grapple with intricate, localized problems. And a economist Charles Murray has shown, distant federal bureaucrats often do more harm than good."

(Washington Times, 2/17)

How To Pay For Welfare -- "The welfare system was designed 50 years ago for a different America. To conclude that it isn't working may be the easy part. How to rebuild it is another matter.... The need to rebuild welfare is plain to right and left, so plain that the prospects for change are good. The test will be whether policy makers really want to get people off welfare rolls and onto payrolls, or just get the welfare monster off Washington's back and onto that of the states."

(New York Times 2/15)

## **FOREIGN MEDIA REACTION**

### **SHAMIR VISIT**

"Since the Irangate revelations, exposing intense Israeli involvement -- from former Prime Minister Mr. Peres downwards -- in President Reagan's decision to sell arms to Iran, some doubts have been raised about Israel's role in U.S. foreign policy." (Financial Times, Britain)

"Curiously, it's perhaps on the most important issue, the relaunch of a peace process, that Shamir will be best heard. Contrary to Peres, Shamir, like the United States, always wanted to keep Moscow outside of such a process and rejected the idea of an international conference." (Les Echos, France)

"No American Administration has adjusted itself so perfectly to Israeli desires as the Reagan Administration, ranging from the 1982 Israeli invasion designed to crush the PLO, and the Israeli refusal to consider an international conference on the Middle East, to support for Iran in the Gulf war. It cannot be a good thing when a superpower like the United States conforms exclusively to the interests of a single state in the Middle East." (Gazet van Antwerpen, Belgium)

"The shift in the American position on the international conference means that the State Department has endorsed the view of Peres. Broad smiles and two-way compliments could not hide the Shamir-Shultz differences." (Maariv, Israel)

"Politically, the two parties' denominator is their insistence on unilateral deals and the revival of the Camp David process. Militarily, Washington has crowned its moves by granting Israel the status of a high-level special ally. All of this indicates that the Reagan Administration, which has devoted itself to the implementation of Israel's policy, is seeking a military adventure." (al-Baath, Syria)

### **GATES HEARINGS**

"President Reagan's newly-appointed director of the CIA yesterday made the widest admission yet of Administration error in the Iranian arms affair." (Guardian, Britain)

"The Senate Intelligence Committee yesterday listened to the testimony of Robert Gates. Should it emerge that Gates was involved in arms sales to Iran and in the diversion of funds to the contras, this would certainly be a harsh blow for Reagan." (Corriere Della Sera, Italy)

"Even if no charges are laid, some grave penalties have already been paid. Distinguished careers have been besmirched, reputations destroyed. A President has been wounded personally and politically, and his Administration has been seriously undermined." (Sun, Australia)