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# News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, MARCH 24, 1987 -- 6 a.m. EST EDITION

#### TODAY'S HEADLINES

#### INTERNATIONAL NEWS

Soviet's Charge Dampens U.S. Hopes For Arms Pact -- The Reagan Administration yesterday denounced on several fronts a Soviet official's charge that the U.S. is attempting to back out of an agreement to eliminate medium-range missiles from Europe.

(Washington Times, Reuter)

White House: No Trade For Ill Hostage -- The U.S. and Israel hung tough Monday against the "blackmail" offer of Lebanese terrorists to free a USA hostage (Alann Steen) described as mortally ill.

(USA Today, Washington Post)

#### NATIONAL NEWS

Reagan Determined To Veto Highway Bill, Doles Say -- Transportation Secretary Elizabeth Dole, defending President Reagan's expected veto of a \$87.5 billion highway bill, says the move need not kill the 65 mph speed limit.

(AP)

#### NETWORK NEWS (Monday Evening)

HOSTAGES -- Alann Steen is reportedly very sick and his captors are willing to trade for him.

U.S.-IRAN -- The U.S. has warned Iran of possible military action if the Iranians try to prevent oil tankers from leaving the Persian Gulf.

BUDGET DEFICIT/TAXES --The debate over the deficit has become a political gamble for some Democrats.



And on your left, ladies and gentleman, the Capitol Building, as seen in such films as "Protocol" and the "Seduction of Joe Tynan"

## U.S. FIRM ON MISSILE CONVERSION Soviet Contention That U.S. Reneged Denounced As False

The Reagan Administration reaffirmed yesterday that it wants the right to convert medium-range Pershing II missiles in Europe into shorter-range weapons that would be excluded from the so-called "zero option" arms agreement under discussion with the Soviet Union.

But a State department spokesman described as "patently false" a Soviet claim that U.S. negotiators in Geneva had consequently backed away from the avowed U.S. goal of eliminating medium-range missiles in Europe. State Department spokesman Charles Redman said that "from day one" the proposal also contained a provision allowing the U.S. to introduce enough new, shorter-range missiles to match the current Soviet lead in such weapons.

(Jeffrey Smith, Washington Post, A1)

#### U.S. CALLS SOVIET CHARGES ON EUROMISSILES POSTURING

The White House today brushed aside as posturing a Soviet charge that the U.S. was blocking progress on an accord to ban medium-range nuclear missiles from Europe.

Viktor Karpov, the chief Soviet negotiator at the superpower arms talks at Geneva, said yesterday there were more and more signs that Washington did not want an agreement.

Meanwhile, President Reagan today reaffirmed his commitment to SDI, better known as "Star Wars," which he set in motion in a speech just four vears ago.

In a statement he said remarkable progress had been made toward the goal of freeing the world from the deadly threat of ballistic missiles.

(Reuter)

#### Soviet's Charge Dampens U.S. Hopes For Arms Pact

The Reagan Administration yesterday denounced on several fronts a Soviet official's charge that the U.S. is attempting to back out of an agreement to eliminate medium-range missiles from Europe.

The dispute, which seemed to dampen optimism for a treaty on intermediate-range nuclear forces (INF), came as President Reagan celebrated the fourth anniversary of his SDI anti-missile program.

(Warren Strobel & Jeremiah O'Leary, Washington Times, A1)

## REAGAN UNDER ATTACK FROM RIGHT ON 'STAR WARS' DEVELOPMENT ISSUE

Sen. Wallop Assails 'Thin Gruel' As President Defends Research Plan

President Reagan, whose "Star Wars" antimissile defense strategy is under assault from leading Democrats, came under sharp attack yesterday from a conservative Republican who accused the Administration of providing only "incompetent, irresponsible talk" on the issue.

The attack from Sen. Malcolm Wallop, in a speech observing the fourth anniversary of Reagan's proposal for SDI, came as the President reaffirmed his support for SDI in a way that appeared designed to reassure the Soviet Union while at the same time fending off criticism from both left and right at home.

In a statement issued by the White House, Reagan reiterated that SDI would never be used for offensive purposes, portrayed it as an "insurance policy" against ballistic missile attack and described it as a "singularly effective instrument" for getting the Soviets to the arms control bargaining table.

But Wallop attacked SDI as "thin gruel" and a "substitute" for actual development of antimissile weapons, a course favored by Wallop and other congressional conservatives who are planning a series of legislative initiatives aimed at forcing the implementation of a strategic defense policy.

(Helen Dewar & Lou Cannon, Washington Post, A26)

#### THATCHER ADVOCATES CAUTION AHEAD OF MOSCOW TRIP

BONN -- British Prime Minister Thatcher has advocated a cautious approach to U.S.-Soviet arms control talks in consultations with West German and French leaders ahead of her trip to Moscow next week.

Thatcher met President Mitterand and Chancellor Kohl yesterday for talks dominated by the latest superpower proposals to banish all medium-range nuclear missiles from Europe.

Kohl said it was of vital importance that the British leader know that she had the support of her West European friends when she met Soviet leader Mikhail Gorbachev. (Kathy Marks, Reuter)

#### BIDEN SAYS U.S. SEEKS NUCLEAR SUPERIORITY

NASHUA, N.H. -- Sen. Joseph Biden said here today that he believes the Reagan Administration's real goal in seeking a broad interpretation of the 1972 ABM Treaty is to achieve nuclear superiority over the Soviet Union.

"I believe what's at stake here -- and I'm not even sure if the President is fully signed on -- is a clear determination...to believe that we can in fact seek and gain nuclear superiority in a way that will enable us to somehow change the way the Soviets do business," said Biden, who is expected to formally announce his bid for his party's presidential nomination this spring.

In his speech here, Biden noted that the Administration already has the option to unilaterally abrogate the ABM Treaty -- but is "unwilling" to do so because that would mean having to "explain to the American people" its ultimate designs. (Paul Taylor, Washington Post, A26)

## LINK TO SDI CITED IN DEATH OF ITALIAN Ties With U.S. Hit By Brigades Faction

ROME -- A terrorist group said today that it gunned down a senior Italian Air Force general here Friday "because of the responsibilities he exercised as a result of Italy's adhesion to the [U.S.] Star Wars project."

The Red Brigades faction called the Union of Fighting Communists issued identical 14-page communiques in Rome, Genoa, Turin, and Milan explaining the motive for killing Gen. Licio Giorgieri, 62, who was director general of the Defense Ministry's department of space and armaments procurement. (Loren Jenkins, Washington Post, A21)

#### KIDNAPERS SAY AMERICAN IS GRAVELY ILL Beirut Group Offers Hostage Alann Steen For Prisoners In Israel

BEIRUT -- The pro-Iranian Islamic Jihad for the Liberation of Palestine said today that a kidnaped American professor is ill and in danger of dying "in 10 days," and the group renewed part of an offer to exchange him for 100 prisoners held in Israel.

A communique, delivered to the Beirut offices of the independent An Nahar newspaper and accompanied by a photograph of another missing American academic, did not identify the illness of journalism teacher Alann Steen, 47.

(Nora Boustany, Washington Post, A21)

#### White House: No Trade For Ill Hostage

The U.S. and Israel hung tough Monday against the "blackmail" offer of Lebanese terrorists to free a USA hostage (Alann Steen) described as mortally ill.

The USA and Israel would be to blame, charged the statement in a Beirut paper. His (Steen's) wife Virginia, in Beirut, has said he needs medicine but did not discuss the report.

The USA and Israel stuck to their non-negotiation policy -- dramatized last month when they stood firm against a threat to kill all four teachers.

(Don Kirk, USA Today, A1)

## CONTRA-AID FOES FAIL TO STOP FILIBUSTER Democratic Bid To Halt Aid Is Bottled Up By Conservatives

Senate Democratic leaders failed yesterday to choke off a filibuster against legislation that would stop aid to the Nicaraguan contras until the Reagan Administration makes a full accounting of earlier assistance.

The vote was 46 to 45, 14 short of the 60 votes necessary to invoke cloture and end the conservative filibuster. The filibuster tactic is being used by supporters of aid to the contras to delay action on the aid-accounting measure that the House approved by a vote of 230 to 196 two weeks ago. (Helen Dewar, Washington Post, A3)

#### STATE DEPT. HELPED CONTRACTOR AIDING CONTRAS Normal Procedures Bypassed To Speed 'Emergency' Payment

State Department officials, citing White House concern, bypassed normal procedures in 1985 to bail out a financially strapped company that was aiding the Nicaraguan contras, a department memo shows.

The State Department memo from Frank Gardner, then an official of the department's Office of Public Diplomacy for Latin America and the Caribbean, was addressed to an official in the comptroller's office.

"This is to request the usual timing of 25 to 30 days be set aside to make an emergency payment of \$12,858 to International Business Communications Inc. in response to its bill dated 41185," said the memo, which was dated the same day as IBC's bill.

(Larry Margasak, Washington Post, A3)

#### COMMANDER OF CONTRAS' SOUTHERN FRONT QUITS

MIAMI -- The top commander of U.S.-backed rebels fighting in southern Nicaragua has resigned and withdrawn from the war against the Sandinista government, according to a communique.

Fernando (El Negro) Chamorro, military chief of the rebels, or contras, on the southern front, said in a statement released over the weekend in Costa Rica that he is quitting because the movement is dominated by the "narrow personal interests of an opportunist clique."

Chamorro's resignation is not expected to weaken further the already disorganized and struggling southern front, U.S. officials and leaders of the contras said.

"He was only the titular head anyway," said one U.S. official, reached by telephone in Washington. "For the last six months he's been in Miami, out of the loop." (Julia Peterson, Washington Post, A25)

#### U.S. MONITORING SOVIET ROLE IN PHILIPPINE INSURGENCY

MANILA -- The U.S. has expanded its intelligence operations in the Philippines to monitor growing Soviet involvement in the communist insurgency, including alleged arms shipments from Cam Ranh Bay in Vietnam.

Sources said up to 150 CIA agents are keeping track of at least as many Soviet agents, perhaps more, who are popping up all over the archipelago and funneling funds and arms to the insurgents.

(Tom Breen, Washington Times, A1)

#### CAR BOMB INJURES AT LEAST 31 AT BRITISH BASE

RHEINDAHLEN, West Germany -- A car bomb exploded Monday night outside a British military mess hall where officers and their wives were holding a going-away party, and officials said at least 31 people were injured.

One British officer and six German base staffers were hospitalized, but their injuries were not life-threatening, said Army Col. Michel Baugniet, chief spokesman for the British armed forces in West Germany.

There was an anonymous phone call warning of the bomb but no immediate claim of responsibility. (Erich Reimann, AP)

## SOVIETS COMPLYING WITH U.S.-ORDERED DIPLOMATIC CUTS, U.S. SAYS

UNITED NATIONS -- The Soviet Union is quietly complying with a U.S. order to cut its U.N. diplomatic staff by April 1, U.S. officials say.

When the U.S. last ordered such reductions in October, the Soviets retaliated by kicking five American diplomats out of Moscow, and other tit-for-tat expulsions followed.

But this time, the process seems to be going smoothly, American diplomats said.

"We have no reason to believe that the Soviets are not going to meet the April 1 deadline. Our record reflects they are under the numbers," said Robert Miller, a counsellor at the U.S. mission. (Andrew Katell, AP)

## AFGHAN JETS HIT VILLAGE IN PAKISTAN 51 Reported Dead; Rebel Staging Area Was Target Of Bombs

NEW DELHI -- Afghan warplanes bombed a frontier village inside Pakistan today, killing at least 51 people and wounding 105, according to Pakistani authorities.

The attack, the third in the last month, came shortly after noon, according to news agency reports from Peshwar. The bombs destroyed a number of houses and buildings in Teri Mangal in the mountainous Kurram region, a key staging area for Afghan Moslem guerrillas battling Soviet and Kabul forces inside Afghanistan.

(Richard Weintraub, Washington Post, A1)

#### U.S. OFFICIAL WARNS AGAINST CUTTING OFF PAKISTAN AID

A State Department official warned Congress today that cutting off U.S. aid to Pakistan in an attempt to stop it from building a nuclear bomb could have the opposite effect.

Assistant Secretary of State Richard Murphy, testifying before the Senate subcommittee on Near Eastern and South Asian Affairs on the Reagan Administration's foreign aid request for those regions, urged Congress to approve a six-year, 4.2 billion package of economic and military aid to Pakistan.

"Shifting to a policy of threats and public ultimata would in our view decrease, not increase our ability to continue to make a contribution to preventing a nuclear arms race in South Asia," Murphy said in his statement to the committee. (Valerie Strauss, Reuter)

#### LIBYA SUFFERS BLOW IN CHAD Major Setback Seen To Gadhafi's Goals

PARIS -- Libyan forces in Chad have suffered a major military and psychological defeat that threatens to diminish Moamar Gadhafi's longstanding role in that central African country, French and U.S. officials said today.

The Chadian government, in an announcement confirmed here and in Chad, said French-supported troops loyal to President Hissene Habre captured the main Libyan airstrip in Chad, at the desert settlement of Ouadi Doum, in a brief but fierce battle yesterday. Chad's forces captured an undisclosed number of tanks, armored personnel carriers and aircraft, said a diplomat speaking by telephone from the U.S. Embassy in Ndjamena, the capital. (Edward Cody, Washington Post, A1)

#### U.S. Congratulates Chad On 'Major Victories' Over Libya

The U.S. today praised Chad for what it called major victories over Libvan troops in the north of the country.

State Department spokesman Charles Redman added his confirmation to that of France on Chadian reports that government troops had overrun the Libyan air base at Ouadi Doum yesterday.

"We again call on Libya to end its aggression against Chad and withdraw all its military forces," Redman said. (Reuter)

#### U.S. SHRUGS OFF GADDAFI NUCLEAR THREAT

The White House today shrugged off a threat by Libyan leader Muammar Gaddafi to install Soviet nuclear missiles along his coast if the U.S. again attacks his country.

"We have heard statements like that before. He has on numerous occasions threatened various relationships with the Soviet Union," spokesman Marlin Fitzwater said. (Reuter)

#### U.S. WARNS IRAN OF DETERMINATION TO KEEP SHIPPING LANES OPEN

The U.S. has warned Iran in a message sent through Swiss intermediaries that Persian Gulf shipping lanes will be kept open, the White House said yesterday.

The warning comes after Iran test-fired at least one Chinese-built Silkworm antiship missile into the narrow Strait of Hormuz, through which oil tankers must pass to reach the open sea from the Persian Gulf. Pentagon sources said yesterday that Iran also has demonstrated other anti-ship capabilities recently, including the ability to make and sow mines in at least one Iraqi port. (George Wilson, Washington Post, A25)

## LATIN DEBT COMPROMISE IS REJECTED U.S. Softened Position On control Of Loans

MIAMI -- Latin American nations today rejected a proposal by Treasury Secretary James Baker softening the U.S. demand for near-veto power over loans by the Inter-American Development Bank.

Baker promptly withdrew his compromise, leaving the U.S. and Latin America at odds over who should control allocation of the roughly \$3 billion in loans the development bank makes to Latin America each year.

(Anne Swardson, Washington Post, D1)

## ANTIDRUG TACTIC TARGETS AID Helms, Kerry Seek To Penalize 3 Countries

Sens. Jesse Helms and John Kerry, who often represent opposite ends of the political spectrum, are leading an effort to force the Reagan Administration to penalize the Bahamas, Panama and Mexico for serving as international drug-trafficking centers.

Under a provision of a major antidrug law enacted last year, countries linked to the drug trade risk losing half their U.S. aid and U.S. backing for international development loans if they fail to cooperate with efforts to combat drug smuggling and laundering of illicit profits.

(Joe Pichirallo, Washington Post, A8)

## BRANDT FORCED FROM TOP OF WEST GERMAN PARTY Social Democrat Chair Resigns Under Fire

BONN -- Willy Brandt, Nobel peace laureate and the grand old man of West Germany's left, was forced to resign today as Social Democratic Party chairman after drawing heavy criticism for nominating a young Greek family friend as party spokesman.

The party announced after a meeting of its executive committee that Brandt would step down in June after 23 years as chairman. The leadership nominated Hans-Jochen Vogel, a moderate who is the party's parliamentary floor leader, to succeed Brandt.

(Robert McCartney, Washington Post, A21)

#### NATIONAL NEWS

#### REAGAN DETERMINED TO VETO HIGHWAY BILL, DOLES SAY

Transportation Secretary Elizabeth Dole, defending President Reagan's expected veto of a \$87.5 billion highway bill, says the move need not kill the 65 mph speed limit.

"This is what you call a surgical veto," she said, saying Congress should rework the bill to Reagan's liking and resubmit it. "So there's no reason that Congress can't act quickly to move to the next piece of legislation. Get it done quickly with 65 (mph) in it."

Mrs. Dole joined her husband, Senate Republican leader Bob Dole, in describing Reagan's objections to the compromise highway and mass transit bill, while pledging to help get the planned veto upheld on Capitol Hill.

(Merrill Hartson, AP)

#### \$422 MILLION HOMELESS AID BILL INTRODUCED Speedy Action Promised On Bipartisan Measure In Senate

Senate Majority Leader Robert Byrd yesterday introduced and promised to place on a fast track bipartisan legislation that would authorize \$422 million in spending for homeless persons this year.

Byrd said the proposed funding level, which would increase spending in the fiscal year ending Oct. 1 by \$207 million, is "a significant amount, representing an earnest desire to contribute federal resources to help the homeless in our country." (Tom Kenworthy, Washington Post, A7)

#### U.S. COASTAL PLAN SEEKS TO EXPAND PROTECTED AREAS

The Interior Department today proposed expanding the network of fragile coastal areas in which the federal government discourages development.

Dan Smith, the department's deputy assistant secretary for fish, wildlife and forests, said that if Congress carried out the recommendations, it would mean tripling the acreage of ecologically sensitive shoreline, bays, marshland and wetlands in the National Coastal Barrier Resources System, and could save taxpayers billions of dollars by preventing federal spending in high-risk areas.

Environmental groups, however, immediately attacked the proposals, arguing that they did not go far enough and that they left out key stretches of the nation's coasts. (Clifford May, New York Times, A1)

#### U.S. RESISTS ORDER FOR JOB EXAMS

The Reagan Administration has appealed a U.S. District Court decision requiring competitive examinations for entry-level professional federal jobs and asked the court to stay its ruling until the issue is resolved.

The Office of Personnel Management "would suffer irreparable injury if forced to comply with the order," the civil service agency told the court. The OPM said it does not have the resources to develop new tests in the six months allowed by Judge Joyce Hens Green, and would have to disrupt the lives of employees now hired under alternative methods.

(Judith Havemann, Washington Post, A6)

#### WEBSTER'S SUCCESSOR AT FBI COULD BE SELECTED THIS WEEK

Attorney General Edwin Meese is expected to announce by the end of this week his choice to replace FBI Director William Webster, who has been nominated to take over the CIA, an Administration source said yesterday.

The source, who asked not to be named, said a final decision by Meese is "overdue," possibly because the attorney general has been trying to persuade his longtime friend and colleague, Lowell Jensen, to take the job.

(John McCaslin, Washington Times, A3)

#### EX-CIA CHIEF BEING MEDICATED, FED VIA TUBES New Procedures Indicate Poor Response To Cancer treatment

Doctors at Georgetown University Medical Center have inserted tubes into the brain and stomach of former CIA director William Casey to administer cancer treatment and help feed him, the hospital reported yesterday.

Medical experts said the procedures suggest that Casey, who had a brain tumor removed Dec. 18, was not responding well to treatment.

(Michael Specter, Washington Post. A5)

#### HAIG TO JOIN GOP RACE FOR PRESIDENCY

NEW YORK -- Alexander Haig, who spent 18 stormy months as President Reagan's first secretary of state, told supporters here this evening that he will be a candidate for the 1988 Republican presidential nomination and will base his campaign on his experience and "leadership to take our country safely into the next decade."

"Tomorrow I will announce my candidacy for the Republican nomination to run for president of the United States," Haig told about 1,100 backers at a \$500-a-plate fund-raising dinner. "What I offer is leadership. Leadership to take our country safely into the next decade, to build a more prosperous America, leadership to dedicate America to excellence in all fields, and leadership, above all, of an America willing and able to keep the peace." (James Dickenson, Washington Post, A1)

#### WHITE HOUSE ADVANCE MAN POSED AS NETWORK REPORTER

A White House advance man recently posed as a reporter for NBC News to scout sites in Columbia, Mo., for a visit by President Reagan, officials said Monday.

"We wish it hadn't happened," said James Hooley, a special assistant to the President and director of presidential advance. "It's certainly something that we do not expect to happen again."

Hooley said the advance man, a consultant who is not on the White House payroll, offered the network affiliation when pressed by local officials in Missouri. (UPI story, Washington Post, A17)

#### WASHINGTON WAYS

Mrs. Reagan and James Robinson, chairman of American Express, got star billing Sunday night, but it was Sybil Harrington who was the real star of the Metropolitan Opera gala in New York.

Nancy Reagan flies to Ponte Verdra, Fla. today where a drug treatment center for adolescents will by named the Nancy Reagan TPC (Tournament of Players Championship) Village. A check representing proceeds from the PGA Tour Wives Golf Classic, being played later in the day, will be presented to the First Lady at a PGA Tour Tournament Players Club luncheon. (Donnie Radcliffe, Washington Post, C2)

#### IRAN -- NICARAGUA

#### CONGRESSIONAL INVESTIGATOR TO QUESTION IRANIAN IN PARIS

Congressional investigators looking into the Iran-contra affair are jetting to Paris this weekend to interview Iranian middleman Manucher Ghorbanifar, once described in official government documents as a "talented fabricator."

Congressional officials speaking only on the condition they would not be identified by name said the session with Ghorbanifar would not be held under oath. They said no decision has been made whether to have the Iranian testify when public hearings begin in May on secret arms sales to Iran and possible diversion of payments to the Nicaraguan contras.

(David Espo, AP)

#### HOUSE PROBES LINK BETWEEN CONTRAS AND YOUTH COMMISSION

A little-known youth organization is under investigation by the House Foreign Affairs Committee as a possible conduit for money that was sent illegally to the Nicaraguan contra rebels, sources say.

Evidence at this stage is skimpy, but investigators are trying to learn more about a cryptic notation on a flow chart found in the safe of Lt. Col. Oliver North, the fired White House aide central to the Iran-contra scandal.

House staff members told UPI Monday their attention was drawn to the partly government-funded International Youth Year Commission because a box on the handwritten chart bore the words "Intl. Youth Comm."

(Pat O'Brien, UPI)

(Monday Evening, March 23, 1987)

HOSTAGES

NBC's Tom Brokaw: One of the American hostages in Lebanon reportedly is very sick and his captors are willing to trade for him. The hostage is Alann Steen... His kidnappers will release him for 100 Moslem prisoners they say. But the initial response is no deal.

NBC's Rick Davis: ... The communique gives the United States 10 days to convince Israel to release 100 prisoners from jails in return for Steen's freedom. The Israeli government has already rejected the demand. Alann Steen's brother had this comment:

(Bruce Steen: "I can't believe that these people are so heartless. For humanitarian reasons they should just let him go.")

...From Tehran there was word about Terry Waite, last seen on January 20. State-run radio said he was kidnapped by the Revolutionary Justice Organization because its members believed he was a U.S. spy. Tonight former President Jimmy Carter...had this comment about the charges involving Waite:

(Jimmy Carter: "That's ridiculous. I will say that much. There's no truth to that at all.")

Tonight Carter was called to a third and unexpected meeting with Syrian president Hafez Assad. It lasted 3½ hours. Neither the Syrians nor members of the Carter party gave details. (NBC-Lead)

ABC's Barrie Dunsmore reports that today a message from his (Alann Steen's) kidnappers says that he is ill and could die within 10 days. They say he can be released if Israel releases some 100 Lebanese prisoners. Oddly, the note was accompanied by a photo of another U.S. hostage Professor Alan Polhill. In the U.S., Steen's relatives say he was in good health at the time of the kidnapping.

(Bruce Steen: "Maybe it's a ploy -- that's crossed my mind -- to get attention. And you don't know what the story is. I don't know how sick he is.")...

ABC's Peter Jennings: That Revolutionary Justice group you heard has now made a phone call to Tehran and denies that it is holding Terry Waite. Walli Jumblatt, the Druze leader, said today that when Terry Waite disappeared he was carrying money. Question: Was it ransom money? And we do not know. And about exchanging Alann Steen for 100 Arabs? The White House said today it would not put pressure on anyone to make a deal. (ABC-Lead)

CBS's Dan Rather: An American hostage in Lebanon is reported to be very ill. His kidnappers are offering to swap him for 100 Arabs. The hostage is Alann Steen....

CBS's Tom Fenton reports the statement also said, "our humanitarian motives require that we free the ill spy in exchange for 100 prisoners being held in Israel, and that the U.S. should pressure Israel to make a swap." The group said it will release a video tape of Steen within 72 hours showing his condition.... (CBS-Lead)

#### U.S.-IRAN

Jennings: reports the United States has formally warned Iran of possible military action if the Iranians try to prevent oil tankers from leaving the Persian Gulf. Officials say the message was conveyed in a note which Swiss diplomats passed to the Iranian authorities. (ABC-2)

#### BUDGET DEFICIT/TAXES

Brokaw: On Wall Street and in Washington experts agree that there is an issue that may be far more important than the insider trading scandal or the Iran-contra affair. It's the growing size of the federal deficit. Bob Kur reports tonight on the new debate over the deficit and the political gamble of some Democrats.

NBC's Bob Kur: Since Ronald Reagan took office the nation's annual budget deficit has tripled.

(TV coverage: The President taking the Oath of Office in 1981.)

Many economists warn that if the government does not raise taxes, cut spending, or both, eventually the government will have to borrow so much money there won't be enough for business and industry. The result: fewer jobs, a lower standard of living. In his recent news conference President Reagan appeared to leave the door open to some tax increases by limiting his objections to rate increases.

(The President: "And my pledge to veto any tax rate increase remains rock solid.")

But today Treasury Secretary Baker insisted the President is against any tax increases.

(Secretary Baker: "It doesn't leave the door open, no. I mean, the President's just as committed against tax increases -- tax increases -- as he always has been.")

But in fact, the budget President Reagan sent Congress this year does contain billions in new revenues, even if he does not label them taxes. Among them, higher premiums for some medicare patients, higher fees for FHA and VA mortgage borrowers, new fees on student loans. Democrats on congressional budget committees say it's hypocritical for Mr. Reagan to send up revenue increases then attack Democrats for proposing other tax increases.... But the spectre of candidate Walter Mondale proposing a tax increase in 1984 haunts congressional Democrats. Many believe Mr. Reagan can get away with revenue increases but they can't.

(Patrick Caddell, Democrat pollster: "Democrats should make clear to the public that tax increases are a last resort, not the first resort, that we seek as a party.")

But Speaker Wright believes voters will see it his way.

(Rep. Wright: "I think they will respect us more, that we have the honesty to say to them that we believe we ought to pay as we go.") It's a high-stakes gamble, but both the President and Congress know that more new revenues will be part of the next budget. The question is which party will position itself to gain from the battle.

(NBC-7)

#### B-1 BOMBER

Jennings: At home there was an embarrassing admission from the Air Force today about this country's newest and most expensive bomber. The Air Force said, "Yes, pilots of the new B-1 have been told not to perform certain maneuvers because some of the plane's critical equipment doesn't work well enough yet. It was an embarrassing admission because this was also the day that the Air Force invited the press to come and see the B-1 do its stuff.

ABC's Bob Zelnick reports the plane was displayed today amid praise from those who fly it.... In 1977, President Carter cancelled the program. But President Reagan viewed the B-1 as a symbol of his commitment to defense.

(TV coverage: The President wearing a "B-1B" ballcap at a rally.) He successfully pressed for the manufacture of 100 planes in just six years.

(Rep. Aspin: "The problem is that when you try and produce a plane that quickly, it comes off the line not fully tested.")

...The Air Force says about \$4 billion in repairs will enable the B-1 to perform its mission.... But some B-1 problems seem incurable. For example, fully loaded the plane Reagan approved is about 40 tons heavier than the one Carter rejected, raising questions as to whether the B-1 can reach its targets.... Few talk about junking the B-1 or denying the Air Force the funds it needs to fix that which is fixable. In fact, with the B-1 now deployed, both critics and supporters hope the pressure is off to move quickly on the Stealth bomber so that it can be developed and tested with care. (ABC-4)

Rather: The United States Air Force today showed off its new B-1

Bomber. The Air Force is trying to stop growing suspicions that it may have bought what is known in the car business as a "lemon."

CBS's David Martin reports Air Force "show and tell" has not stopped House Arms Services chairman Les Aspin from ordering an investigation of the B-1.

(Rep. Aspin: "People will come back from the demonstration thinking it's working fine. And it does work fine as long as you don't have to fly it in over the Soviet Union and hit targets in the Soviet Union.")

... If the Air Force can hide problems on a project as public as the B-1, what can it do with secret programs like the soon-to-be- built Stealth bomber which will cost even more than the B-1.

(Rep. Aspin: "Because of the problems that we saw in the B-1 program, we're now going to look at the Stealth program and say, "Wait a minute. What happened here in the B-1? Can it happen in the Stealth?" And really try to find out.")

No one disputes the need for secret military projects, but critics argue the Pentagon is using secrecy not to conceal weapons from the Russians, but to hid problems from the public and Congress.

(CBS-3)

#### WHITE HOUSE ADVANCE/NBC

Brokaw: The White House admitted today that one of its advance men posed as an NBC News reporter while scouting locations in Columbia, Missouri, for President Reagan's trip on Thursday. The advance man was visiting two local schools and apparently he didn't want to raise expectations over the President's visit. The White House spokesman said, "We wish it hadn't happened. It's the kind of thing that we regret and would not do again."

#### KHADAFY/SOVIETS

Brokaw: Threats by Libya's Moammar Khadafy to invite the Soviet Union to install nuclear weapons in his country, those threats are not getting much attention from the United States or the Soviet Union tonight. A Soviet spokesman said Khadafy was speaking for himself. And at the White House President Reagan's spokesman said Khadafy has said the same thing before.

#### AFGHAN/PAKISTAN

Jennings: Afghan warplanes reportedly attacked a Pakistani village along the border between the two countries today. At least 51 people are reported to have been killed. Guerrillas who oppose the pro-Soviet Afghan government apparently operate out of the village that was hit.

(ABC-10, CBS-12)

#### U.S./CHAD

Rather: Libyan forces fighting in Chad are reported to have suffered a series of stunning defeats over the past few days. This has prompted congratulations to the Chad government from the Reagan Administration. According to the U.S. State Department, of 4,000 Libyan soldiers defending a major air base, 1,000 have been killed. The rest have either fled into the desert or have been captured. The Libyans are believed to have lost numerous Soviet-supplied helicopters, tanks, jet fighters, transport planes and armored cars. (CBS-10)

#### ANGOLA

Rather: Deeper in Africa and farther south, the under-reported war in Angola rages on. There Cuban troops, Soviet weapons, and a Marxist-Leninist government are challenged by a U.S.-backed rebel force.

CBS's Alan Pizzey reports that with no frontrunner and no front lines, Angolan incompetence and Soviet sophistication are winning nothing. (CBS-11)

#### SCHOOL PRAYER

Jennings: Since this is a nation of laws and of belief in the constitution, we tend to assume that when the Supreme Court issues a ruling that is it. But some Court decisions cut very deep. At least in the case of school prayer, what the Court has ruled and what some people are doing is simply not the same.

#### ABC's Tim O'Brien:

(The President, on January 27: "Why is it that we can build a nation with our prayers but we can't use a school room for voluntary prayer.")

President Reagan might be surprised to learn that school rooms in public schools are being used for prayer in open defiance of the U.S. Supreme Court. In this third grade class in Florida, they recite the Lord's Prayer and sing bible hymns at the beginning of every day. And why?

(Ann Fitzpatrick, parent: "I think it's everybody's prerogative. If they want to pray they should be able to pray.")... (ABC-9)

#### SUPREME COURT/CABLE TV

Rather: A victory today for cable television channels showing sexually explicit programming. The U.S. Supreme Court upheld a Utah ruling forbidding state officials from banning so-called indecent material except during certain hours. (ABC-8, CBS-13)

#### MARVIN KALB

Brokaw reports Marvin Kalb and NBC News announced today that Marvin will be leaving us to join the faculty of the John F. Kennedy school at Harvard as of June, 1st. (NBC-9)

#### DEAN MARTIN'S SON

Rather: The 35-year-old son of entertainer Dean Martin, Dean Paul Martin, is missing tonight. He was the pilot of a missing California Air National Guard F-4 Phantom jet. The plane is believed to have crashed into a mountain in southern California Saturday. The jet disappeared from radar near a mountaintop. No wreckage has been located and it is not known if Dean Martin's son or the other officer on board ejected. (ABC-7, CBS-4, NBC-6)

#### **EDITORIALS/COLUMNISTS**

#### THE PRESIDENT'S NEWS CONFERENCE

Mr. Reagan's Sharpness -- "The President acquitted himself admirably, with direct presentation, clear answers and even a few obviously unrehearsed quips that showed his witty spontaneity.... The President's press conference showed the President very much in good spirits, in good humor, with a good grasp of the facts and, as always, supporting sound principles. Critics who hoped to see a doddering old man retreating before a pack of snapping questioners should be disappointed."

(Chattanooga News-Free Press, 3/20)

Who's In Charge? -- "The President showed in Thursday's press conference, his first in four months, that he can still rise to a public occasion. His new White House team had prepared him capably. His lack of recall remains disconcerting. But he appeared ready to take up other matters."

(Christian Science Monitor, 3/23)

Reagan Responds -- "The fact that Reagan stood firm during tough questioning on the most damaging event in his political career is encouraging evidence that he still can be an effective president during his final two years in office. The public has a right to wonder whether he has told all that he knows about the Iran-contra affair. But there was little question Thursday night that Reagan want's to face this issue and move on to other pressing business in the capital... Despite occasional slips of the tongue, Reagan proved he still is an able sparring partner."

(Dallas Morning News, 3/20)

Mr. Reagan Tries Again -- "In the sense that he didn't fall apart under questioning last night, the President held his own. But neither did his meandering, defensive performance add anything to the public's knowledge about the Iran-contra affair -- or restore any confidence that the President has his Administration's policy-making apparatus under control. It's all too evident that the President still does not realize how he managed to get himself into so much trouble by selling arms to Iran. One wonders if he ever will."

(New Jersey Record, 3/20)

The Press Conference -- "The President demonstrated Thursday night that he can still stand on his own two feet in the East Room and go one-on-many with the White House press corps with self-confidence. Those who have followed the President over the years know that the more often he deals with the press, the better he does. His new team of advisers should now plan for far more frequent sessions with the media without misgivings."

(Los Angeles Times, 3/20)

Press Seeks Answers, Not President's Blood -- "If the President really wants to get the Iran-contra scandal behind him, he must do more than just react to the discoveries by others. He must take the initiative, end the secrecy, actively support the investigators, personally ask questions, demand answers, and give answers himself. Most of all, he must know that we can never put this affair behind us until all the answers are put before us."

#### EDITORIALS & COLUMNISTS (continued)

Reagan's Account Still Contradicts Tower Findings -- "Like a boxer trailing in the final rounds of a championship fight, Ronald Reagan came out swinging last night -- hoping for the kind of media knockout that would at last put the bedeviling Iran-contra scandal behind his troubled Presidency.... He didn't get that knockout -- but his strong performance at least partially allayed public fears about the distracted and unfocused style of his presidency in the four months since he last faced public questioning."

Smoother And More Lucid -- "He did better at the press conference Thursday night than at the one he had four months ago. This time, his aides didn't have to 'clarify' major errors in his statements. This time, he didn't wander off in mid-sentence, and he didn't contradict himself. He appeared to be more at ease... What seems to have returned is the coherent management by new and trustworthy subordinates commanded by presidential chief of staff Howard H. Baker Jr. Mr. Reagan was well prepared for the press conference. His greatest accomplishment since November has been to admit the obvious -- 'mistakes were made.'"

(Hartford Courant, 3/22)

Reagan Passes The Stress Test -- "The truth about the affair can be expected to come out in the hearings and prosecutions now under way. Until then, at least, it was good to see the President more firmly in control of himself and the agenda. This is a president who has made an atrocious error, but his competence at the press conference gives some grounds for believing, as Sen. John Tower of the Tower Commission has stated, that Iranamok was an aberration -- not part of a dangerous pattern."

News Conference Means New Start -- "President Reagan did what his supporters and staff hoped he would do at his news conference last night: He projected a more forthright, in-charge image of himself and gave a clearer understanding of the chronology of events leading to the arms-for-hostages deal with Iran.... It was a news conference where not a great deal of news was made, but considering the traumatic events of the last months, maybe that's not such a bad development after all."

(Boston Herald, 3/20)

Reagan Was Effective; The Press Wasn't -- "The Great Communicator may not have talked his way out of Iranamok entirely with his successful press conference Thursday, but he urgued his position well and probably has won a spell of relative freedom from the sheer doggedness of the issue.... Reagan has put himself sufficiently square with the basic outlines of the Iran-contra affair that he is beginning to win a just sympathy when he is hounded on what many see as small points." (Atlanta Constitution, 3/21)

#### FOREIGN MEDIA REACTION

#### THE PRESIDENT'S NEWS CONFERENCE

"President Reagan was in great shape and he came out victorious in his confrontation with the fourth estate.... The first reactions of political circles are as a whole favorable and the public will likely react favorable to the image projected by the President."

(Le Monde, France)

"His performance was unanimously assessed as positive.... The curtain has now come down on the press conference and polls will say if the average American liked Mr. Reagan's performance. The answer will likely be a massive 'yes.'"

(Figaro, France)

"The strategy, while not exactly statesmanlike, seemed to have worked in a land that clearly still wants to like him, and appears to be fast growing bored with the continual harping on the affair."

(Daily Telegraph, Britain)

"Since to have failed to cope would have been a terminal disaster, the ability to cope was being hailed last night as a sort of triumph."

(Guardian, Britain)

"President Reagan's press conference last week was the usual shambles, though it's being hailed as a great triumph here.... There is a sense in Washington, though, that there are too many unexploded mines lying around for anyone to relax."

(Observer, Britain)

"Reagan left the ring the clear winner on points. The President...needed to demonstrate his mastery of the details and facts of his political agenda. He passed with flying colors."

(Die Welt, West Germany

"Reagan managed to score a small point in his favor. But it is doubtful whether it is enough to overcome the Presidential crisis."

(Rheinische Post, West Germany

"Being sick and tired of Irangate, all America really wanted to know was whether Reagan is still in control and able to govern in the next 20 months. Thanks also to the poor performance offered by White House journalists...Reagan was able to dispel some of the doubts.... The President appeared self-confident and relaxed." (La Stampa, Italy)

"The first reviews of the President's appearance are cautiously positive. Even Reagan's critics admit that the press conference helped Reagan to repair his recently damaged reputation."

(Svenska Dagbladet, Sweden)

"The fact that Reagan was in good form possibly reflects the good management of his new advisers, headed by Howard Baker as chief-of-staff.... (But) nor can one say for certain that the President now has the situation under better control." (Dagans Nyheter, Sweden)

#### FOREIGN MEDIA (continued)

"President Reagan is shaping up pretty well to finish his term on a passably good note. His decision to face the press seems to have succeeded. But American political circles regard him now with commiseration rather than admiration; their sentiment seems to be don't kick a man when he's down."

(Le Matin, Switzerland)

"President Reagan certainly looked confident as he held his Thursday press conference, his strategy and that of his advisers seems based on the idea that manner counts for more than matter in televised presentations to the American public."

(Berner Zeitung, Switzerland)

"Apparently, Reagan has regained his confidence. In his press conference he answered more than 30 questions hurled at him by the journalists, and he displayed calmness, humor and capability in handling difficult issues."

(Mind Pao Daily News, Hong Kong)

"If the purpose of the televised press conference was to prove that the elderly President is still in fair command of his faculties...Reagan went away a winner."

(Yediot Aharonot, Israel)

"When President Reagan was asked during the press conference whether the U.S. arms deal with Iran had affected U.S. relations with the Arabs, he said it had not, adding that Washington's relations with the Arab countries had never been better. This reassurance by Reagan is justifiable."

(al-Khaleej, United Arab Emirates)

"President Reagan is bouncing back strongly from the aftermath of his Iran arms sale scandal. The public grilling has done much to rebuild confidence and help resolve his badly damaged credibility. More importantly, he has vowed 'never to go down that same road again.'"

(Gulf Daily News, Bahrain)

"With rare exceptions, the majority of American and European newspapers recognize that this last performance confirmed Reagan's ability, his patriotism and his high respect for democratic institutions. One can conclude that the press conference presented a new Reagan, more confident in his own judgment, more moderate and less dogmatic."

(O Estado de Sao Paulo, Brazil)

"Encouraged by the good reception given by Congress and media to his Thursday press conference, President Reagan has a good chance of coming out of the shadows, although it is unlikely that he will recover the prestige shaken by the Iran-contra scandal." (Folha de Sao Paulo, Brazil)

"In possibly the most important press conference of his Presidential career, Reagan yesterday demonstrated that while critics might still call him a lame-duck President...he was not a spent force."

(Australian, Australia)



# News Summary

OFFICE OF THE PRESS SECRETARY

TUESDAY, MARCH 24, 1987 -- 6 a.m. EST EDITION

#### TODAY'S HEADLINES

#### INTERNATIONAL NEWS

Soviet's Charge Dampens U.S. Hopes For Arms Pact -- The Reagan Administration yesterday denounced on several fronts a Soviet official's charge that the U.S. is attempting to back out of an agreement to eliminate medium-range missiles from Europe.

(Washington Times, Reuter)

White House: No Trade For Ill Hostage -- The U.S. and Israel hung tough Monday against the "blackmail" offer of Lebanese terrorists to free a USA hostage (Alann Steen) described as mortally ill.

(USA Today, Washington Post)

#### NATIONAL NEWS

Reagan Determined To Veto Highway Bill, Doles Say -- Transportation Secretary Elizabeth Dole, defending President Reagan's expected veto of a \$87.5 billion highway bill, says the move need not kill the 65 mph speed limit.

(AP)

#### NETWORK NEWS (Monday Evening)

HOSTAGES -- Alann Steen is reportedly very sick and his captors are willing to trade for him.

U.S.-IRAN -- The U.S. has warned Iran of possible military action if the Iranians try to prevent oil tankers from leaving the Persian Gulf.

BUDGET DEFICIT/TAXES --The debate over the deficit has become a political gamble for some Democrats.



And on your left, ladies and gentleman, the Capitol Building, as seen in such films as "Protocol" and the "Seduction of Joe Tynan"

## U.S. FIRM ON MISSILE CONVERSION Soviet Contention That U.S. Reneged Denounced As False

The Reagan Administration reaffirmed yesterday that it wants the right to convert medium-range Pershing II missiles in Europe into shorter-range weapons that would be excluded from the so-called "zero option" arms agreement under discussion with the Soviet Union.

But a State department spokesman described as "patently false" a Soviet claim that U.S. negotiators in Geneva had consequently backed away from the avowed U.S. goal of eliminating medium-range missiles in Europe. State Department spokesman Charles Redman said that "from day one" the proposal also contained a provision allowing the U.S. to introduce enough new, shorter-range missiles to match the current Soviet lead in such weapons.

(Jeffrey Smith, Washington Post, A1)

#### U.S. CALLS SOVIET CHARGES ON EUROMISSILES POSTURING

The White House today brushed aside as posturing a Soviet charge that the U.S. was blocking progress on an accord to ban medium-range nuclear missiles from Europe.

Viktor Karpov, the chief Soviet negotiator at the superpower arms talks at Geneva, said yesterday there were more and more signs that Washington did not want an agreement.

Meanwhile, President Reagan today reaffirmed his commitment to SDI, better known as "Star Wars," which he set in motion in a speech just four years ago.

In a statement he said remarkable progress had been made toward the goal of freeing the world from the deadly threat of ballistic missiles.

(Reuter)

#### Soviet's Charge Dampens U.S. Hopes For Arms Pact

The Reagan Administration yesterday denounced on several fronts a Soviet official's charge that the U.S. is attempting to back out of an agreement to eliminate medium-range missiles from Europe.

The dispute, which seemed to dampen optimism for a treaty on intermediate-range nuclear forces (INF), came as President Reagan celebrated the fourth anniversary of his SDI anti-missile program.

(Warren Strobel & Jeremiah O'Leary, Washington Times, A1)

## REAGAN UNDER ATTACK FROM RIGHT ON 'STAR WARS' DEVELOPMENT ISSUE Sen. Wallop Assails 'Thin Gruel' As President Defends Research Plan

President Reagan, whose "Star Wars" antimissile defense strategy is under assault from leading Democrats, came under sharp attack yesterday from a conservative Republican who accused the Administration of providing only "incompetent, irresponsible talk" on the issue.

The attack from Sen. Malcolm Wallop, in a speech observing the fourth anniversary of Reagan's proposal for SDI, came as the President reaffirmed his support for SDI in a way that appeared designed to reassure the Soviet Union while at the same time fending off criticism from both left and right at home.

In a statement issued by the White House, Reagan reiterated that SDI would never be used for offensive purposes, portrayed it as an "insurance policy" against ballistic missile attack and described it as a "singularly effective instrument" for getting the Soviets to the arms control bargaining table.

But Wallop attacked SDI as "thin gruel" and a "substitute" for actual development of antimissile weapons, a course favored by Wallop and other congressional conservatives who are planning a series of legislative initiatives aimed at forcing the implementation of a strategic defense policy.

(Helen Dewar & Lou Cannon, Washington Post, A26)

#### THATCHER ADVOCATES CAUTION AHEAD OF MOSCOW TRIP

BONN -- British Prime Minister Thatcher has advocated a cautious approach to U.S.-Soviet arms control talks in consultations with West German and French leaders ahead of her trip to Moscow next week.

Thatcher met President Mitterand and Chancellor Kohl yesterday for talks dominated by the latest superpower proposals to banish all medium-range nuclear missiles from Europe.

Kohl said it was of vital importance that the British leader know that she had the support of her West European friends when she met Soviet leader Mikhail Gorbachev. (Kathy Marks, Reuter)

#### BIDEN SAYS U.S. SEEKS NUCLEAR SUPERIORITY

NASHUA, N.H. -- Sen. Joseph Biden said here today that he believes the Reagan Administration's real goal in seeking a broad interpretation of the 1972 ABM Treaty is to achieve nuclear superiority over the Soviet Union.

"I believe what's at stake here -- and I'm not even sure if the President is fully signed on -- is a clear determination...to believe that we can in fact seek and gain nuclear superiority in a way that will enable us to somehow change the way the Soviets do business," said Biden, who is expected to formally announce his bid for his party's presidential nomination this spring.

In his speech here, Biden noted that the Administration already has the option to unilaterally abrogate the ABM Treaty -- but is "unwilling" to do so because that would mean having to "explain to the American people" its ultimate designs. (Paul Taylor, Washington Post, A26)

## LINK TO SDI CITED IN DEATH OF ITALIAN Ties With U.S. Hit By Brigades Faction

ROME -- A terrorist group said today that it gunned down a senior Italian Air Force general here Friday "because of the responsibilities he exercised as a result of Italy's adhesion to the [U.S.] Star Wars project."

The Red Brigades faction called the Union of Fighting Communists issued identical 14-page communiques in Rome, Genoa, Turin, and Milan explaining the motive for killing Gen. Licio Giorgieri, 62, who was director general of the Defense Ministry's department of space and armaments procurement. (Loren Jenkins, Washington Post, A21)

#### KIDNAPERS SAY AMERICAN IS GRAVELY ILL Beirut Group Offers Hostage Alann Steen For Prisoners In Israel

BEIRUT -- The pro-Iranian Islamic Jihad for the Liberation of Palestine said today that a kidnaped American professor is ill and in danger of dying "in 10 days," and the group renewed part of an offer to exchange him for 100 prisoners held in Israel.

A communique, delivered to the Beirut offices of the independent An Nahar newspaper and accompanied by a photograph of another missing American academic, did not identify the illness of journalism teacher Alann Steen, 47.

(Nora Boustany, Washington Post, A21)

#### White House: No Trade For Ill Hostage

The U.S. and Israel hung tough Monday against the "blackmail" offer of Lebanese terrorists to free a USA hostage (Alann Steen) described as mortally ill.

The USA and Israel would be to blame, charged the statement in a Beirut paper. His (Steen's) wife Virginia, in Beirut, has said he needs medicine but did not discuss the report.

The USA and Israel stuck to their non-negotiation policy -- dramatized last month when they stood firm against a threat to kill all four teachers.

(Don Kirk, USA Today, A1)

## CONTRA-AID FOES FAIL TO STOP FILIBUSTER Democratic Bid To Halt Aid Is Bottled Up By Conservatives

Senate Democratic leaders failed yesterday to choke off a filibuster against legislation that would stop aid to the Nicaraguan contras until the Reagan Administration makes a full accounting of earlier assistance.

The vote was 46 to 45, 14 short of the 60 votes necessary to invoke cloture and end the conservative filibuster. The filibuster tactic is being used by supporters of aid to the contras to delay action on the aid-accounting measure that the House approved by a vote of 230 to 196 two weeks ago.

(Helen Dewar, Washington Post, A3)

#### STATE DEPT. HELPED CONTRACTOR AIDING CONTRAS Normal Procedures Bypassed To Speed 'Emergency' Payment

State Department officials, citing White House concern, bypassed normal procedures in 1985 to bail out a financially strapped company that was aiding the Nicaraguan contras, a department memo shows.

The State Department memo from Frank Gardner, then an official of the department's Office of Public Diplomacy for Latin America and the

Caribbean, was addressed to an official in the comptroller's office.

"This is to request the usual timing of 25 to 30 days be set aside to make an emergency payment of \$12,858 to International Business Communications Inc. in response to its bill dated 41185," said the memo, which was dated the same day as IBC's bill.

(Larry Margasak, Washington Post, A3)

#### COMMANDER OF CONTRAS' SOUTHERN FRONT QUITS

MIAMI -- The top commander of U.S.-backed rebels fighting in southern Nicaragua has resigned and withdrawn from the war against the Sandinista government, according to a communique.

Fernando (El Negro) Chamorro, military chief of the rebels, or contras, on the southern front, said in a statement released over the weekend in Costa Rica that he is quitting because the movement is dominated by the "narrow personal interests of an opportunist clique."

Chamorro's resignation is not expected to weaken further the already disorganized and struggling southern front, U.S. officials and leaders of the contras said.

"He was only the titular head anyway," said one U.S. official, reached by telephone in Washington. "For the last six months he's been in Miami, out of the loop." (Julia Peterson, Washington Post, A25)

#### U.S. MONITORING SOVIET ROLE IN PHILIPPINE INSURGENCY

MANILA -- The U.S. has expanded its intelligence operations in the Philippines to monitor growing Soviet involvement in the communist insurgency, including alleged arms shipments from Cam Ranh Bay in Vietnam.

Sources said up to 150 CIA agents are keeping track of at least as many Soviet agents, perhaps more, who are popping up all over the archipelago and funneling funds and arms to the insurgents.

(Tom Breen, Washington Times, A1)

#### CAR BOMB INJURES AT LEAST 31 AT BRITISH BASE

RHEINDAHLEN, West Germany -- A car bomb exploded Monday night outside a British military mess hall where officers and their wives were holding a going-away party, and officials said at least 31 people were injured.

One British officer and six German base staffers were hospitalized, but their injuries were not life-threatening, said Army Col. Michel Baugniet, chief spokesman for the British armed forces in West Germany.

There was an anonymous phone call warning of the bomb but no immediate claim of responsibility. (Erich Reimann, AP)

## SOVIETS COMPLYING WITH U.S.-ORDERED DIPLOMATIC CUTS, U.S. SAYS

UNITED NATIONS -- The Soviet Union is quietly complying with a U.S. order to cut its U.N. diplomatic staff by April 1, U.S. officials say.

When the U.S. last ordered such reductions in October, the Soviets retaliated by kicking five American diplomats out of Moscow, and other tit-for-tat expulsions followed.

But this time, the process seems to be going smoothly, American

diplomats said.

"We have no reason to believe that the Soviets are not going to meet the April 1 deadline. Our record reflects they are under the numbers," said Robert Miller, a counsellor at the U.S. mission. (Andrew Katell, AP)

#### AFGHAN JETS HIT VILLAGE IN PAKISTAN 51 Reported Dead; Rebel Staging Area Was Target Of Bombs

NEW DELHI -- Afghan warplanes bombed a frontier village inside Pakistan today, killing at least 51 people and wounding 105, according to Pakistani authorities.

The attack, the third in the last month, came shortly after noon, according to news agency reports from Peshwar. The bombs destroyed a number of houses and buildings in Teri Mangal in the mountainous Kurram region, a key staging area for Afghan Moslem guerrillas battling Soviet and Kabul forces inside Afghanistan.

(Richard Weintraub, Washington Post, A1)

#### U.S. OFFICIAL WARNS AGAINST CUTTING OFF PAKISTAN AID

A State Department official warned Congress today that cutting off U.S. aid to Pakistan in an attempt to stop it from building a nuclear bomb could have the opposite effect.

Assistant Secretary of State Richard Murphy, testifying before the Senate subcommittee on Near Eastern and South Asian Affairs on the Reagan Administration's foreign aid request for those regions, urged Congress to approve a six-year, 4.2 billion package of economic and military aid to Pakistan.

"Shifting to a policy of threats and public ultimata would in our view decrease, not increase our ability to continue to make a contribution to preventing a nuclear arms race in South Asia," Murphy said in his statement to the committee. (Valerie Strauss, Reuter)

#### LIBYA SUFFERS BLOW IN CHAD Major Setback Seen To Gadhafi's Goals

PARIS -- Libyan forces in Chad have suffered a major military and psychological defeat that threatens to diminish Moamar Gadhafi's longstanding role in that central African country, French and U.S. officials said today.

The Chadian government, in an announcement confirmed here and in Chad, said French-supported troops loyal to President Hissene Habre captured the main Libyan airstrip in Chad, at the desert settlement of Ouadi Doum, in a brief but fierce battle yesterday. Chad's forces captured an undisclosed number of tanks, armored personnel carriers and aircraft, said a diplomat speaking by telephone from the U.S. Embassy in Ndjamena, the capital. (Edward Cody, Washington Post, A1)

#### U.S. Congratulates Chad On 'Major Victories' Over Libya

The U.S. today praised Chad for what it called major victories over Libyan troops in the north of the country.

State Department spokesman Charles Redman added his confirmation to that of France on Chadian reports that government troops had overrun the Libyan air base at Ouadi Doum yesterday.

"We again call on Libva to end its aggression against Chad and withdraw all its military forces," Redman said. (Reuter)

#### U.S. SHRUGS OFF GADDAFI NUCLEAR THREAT

The White House today shrugged off a threat by Libyan leader Muammar Gaddafi to install Soviet nuclear missiles along his coast if the U.S. again attacks his country.

"We have heard statements like that before. He has on numerous occasions threatened various relationships with the Soviet Union," spokesman Marlin Fitzwater said. (Reuter)

#### U.S. WARNS IRAN OF DETERMINATION TO KEEP SHIPPING LANES OPEN

The U.S. has warned Iran in a message sent through Swiss intermediaries that Persian Gulf shipping lanes will be kept open, the White House said yesterday.

The warning comes after Iran test-fired at least one Chinese-built Silkworm antiship missile into the narrow Strait of Hormuz, through which oil tankers must pass to reach the open sea from the Persian Gulf. Pentagon sources said yesterday that Iran also has demonstrated other anti-ship capabilities recently, including the ability to make and sow mines in at least one Iraqi port. (George Wilson, Washington Post, A25)

### LATIN DEBT COMPROMISE IS REJECTED U.S. Softened Position On control Of Loans

MIAMI -- Latin American nations today rejected a proposal by Treasury Secretary James Baker softening the U.S. demand for near-veto power over loans by the Inter-American Development Bank.

Baker promptly withdrew his compromise, leaving the U.S. and Latin America at odds over who should control allocation of the roughly \$3 billion in loans the development bank makes to Latin America each year.

(Anne Swardson, Washington Post, D1)

## ANTIDRUG TACTIC TARGETS AID Helms, Kerry Seek To Penalize 3 Countries

Sens. Jesse Helms and John Kerry, who often represent opposite ends of the political spectrum, are leading an effort to force the Reagan Administration to penalize the Bahamas, Panama and Mexico for serving as international drug-trafficking centers.

Under a provision of a major antidrug law enacted last year, countries linked to the drug trade risk losing half their U.S. aid and U.S. backing for international development loans if they fail to cooperate with efforts to combat drug smuggling and laundering of illicit profits.

(Joe Pichirallo, Washington Post, A8)

## BRANDT FORCED FROM TOP OF WEST GERMAN PARTY Social Democrat Chair Resigns Under Fire

BONN -- Willy Brandt, Nobel peace laureate and the grand old man of West Germany's left, was forced to resign today as Social Democratic Party chairman after drawing heavy criticism for nominating a young Greek family friend as party spokesman.

The party announced after a meeting of its executive committee that Brandt would step down in June after 23 years as chairman. The leadership nominated Hans-Jochen Vogel, a moderate who is the party's parliamentary floor leader, to succeed Brandt.

(Robert McCartney, Washington Post, A21)

#### NATIONAL NEWS

#### REAGAN DETERMINED TO VETO HIGHWAY BILL, DOLES SAY

Transportation Secretary Elizabeth Dole, defending President Reagan's expected veto of a \$87.5 billion highway bill, says the move need not kill the 65 mph speed limit.

"This is what you call a surgical veto," she said, saying Congress should rework the bill to Reagan's liking and resubmit it. "So there's no reason that Congress can't act quickly to move to the next piece of legislation. Get it done quickly with 65 (mph) in it."

Mrs. Dole joined her husband, Senate Republican leader Bob Dole, in describing Reagan's objections to the compromise highway and mass transit bill, while pledging to help get the planned veto upheld on Capitol Hill.

(Merrill Hartson, AP)

#### \$422 MILLION HOMELESS AID BILL INTRODUCED Speedy Action Promised On Bipartisan Measure In Senate

Senate Majority Leader Robert Byrd yesterday introduced and promised to place on a fast track bipartisan legislation that would authorize \$422 million in spending for homeless persons this year.

Byrd said the proposed funding level, which would increase spending in the fiscal year ending Oct. 1 by \$207 million, is "a significant amount, representing an earnest desire to contribute federal resources to help the homeless in our country."

(Tom Kenworthy, Washington Post, A7)

#### U.S. COASTAL PLAN SEEKS TO EXPAND PROTECTED AREAS

The Interior Department today proposed expanding the network of fragile coastal areas in which the federal government discourages development.

Dan Smith, the department's deputy assistant secretary for fish, wildlife and forests, said that if Congress carried out the recommendations, it would mean tripling the acreage of ecologically sensitive shoreline, bays, marshland and wetlands in the National Coastal Barrier Resources System, and could save taxpayers billions of dollars by preventing federal spending in high-risk areas.

Environmental groups, however, immediately attacked the proposals, arguing that they did not go far enough and that they left out key stretches of the nation's coasts. (Clifford May, New York Times, A1)

#### U.S. RESISTS ORDER FOR JOB EXAMS

The Reagan Administration has appealed a U.S. District Court decision requiring competitive examinations for entry-level professional federal jobs and asked the court to stay its ruling until the issue is resolved.

The Office of Personnel Management "would suffer irreparable injury if forced to comply with the order," the civil service agency told the court. The OPM said it does not have the resources to develop new tests in the six months allowed by Judge Joyce Hens Green, and would have to disrupt the lives of employees now hired under alternative methods.

(Judith Havemann, Washington Post, A6)

#### WEBSTER'S SUCCESSOR AT FBI COULD BE SELECTED THIS WEEK

Attorney General Edwin Meese is expected to announce by the end of this week his choice to replace FBI Director William Webster, who has been nominated to take over the CIA, an Administration source said yesterday.

The source, who asked not to be named, said a final decision by Meese is "overdue," possibly because the attorney general has been trying to persuade his longtime friend and colleague, Lowell Jensen, to take the job.

(John McCaslin, Washington Times, A3)

#### EX-CIA CHIEF BEING MEDICATED, FED VIA TUBES New Procedures Indicate Poor Response To Cancer treatment

Doctors at Georgetown University Medical Center have inserted tubes into the brain and stomach of former CIA director William Casey to administer cancer treatment and help feed him, the hospital reported vesterday.

Medical experts said the procedures suggest that Casey, who had a brain tumor removed Dec. 18, was not responding well to treatment.

(Michael Specter, Washington Post, A5)

#### HAIG TO JOIN GOP RACE FOR PRESIDENCY

NEW YORK -- Alexander Haig, who spent 18 stormy months as President Reagan's first secretary of state, told supporters here this evening that he will be a candidate for the 1988 Republican presidential nomination and will base his campaign on his experience and "leadership to take our country safely into the next decade."

"Tomorrow I will announce my candidacy for the Republican nomination to run for president of the United States," Haig told about 1,100 backers at a \$500-a-plate fund-raising dinner. "What I offer is leadership. Leadership to take our country safely into the next decade, to build a more prosperous America, leadership to dedicate America to excellence in all fields, and leadership, above all, of an America willing and able to keep the peace." (James Dickenson, Washington Post, A1)

#### WHITE HOUSE ADVANCE MAN POSED AS NETWORK REPORTER

A White House advance man recently posed as a reporter for NBC News to scout sites in Columbia, Mo., for a visit by President Reagan, officials said Monday.

"We wish it hadn't happened," said James Hooley, a special assistant to the President and director of presidential advance. "It's certainly

something that we do not expect to happen again."

Hooley said the advance man, a consultant who is not on the White House payroll, offered the network affiliation when pressed by local officials in Missouri. (UPI story, Washington Post, A17)

#### WASHINGTON WAYS

Mrs. Reagan and James Robinson, chairman of American Express, got star billing Sunday night, but it was Sybil Harrington who was the real

star of the Metropolitan Opera gala in New York.

Nancy Reagan flies to Ponte Verdra, Fla. today where a drug treatment center for adolescents will by named the Nancy Reagan TPC (Tournament of Players Championship) Village. A check representing proceeds from the PGA Tour Wives Golf Classic, being played later in the day, will be presented to the First Lady at a PGA Tour Tournament Players Club luncheon. (Donnie Radcliffe, Washington Post, C2)

#### IRAN — NICARAGUA

#### CONGRESSIONAL INVESTIGATOR TO QUESTION IRANIAN IN PARIS

Congressional investigators looking into the Iran-contra affair are jetting to Paris this weekend to interview Iranian middleman Manucher Ghorbanifar, once described in official government documents as a "talented fabricator."

Congressional officials speaking only on the condition they would not be identified by name said the session with Ghorbanifar would not be held under oath. They said no decision has been made whether to have the Iranian testify when public hearings begin in May on secret arms sales to Iran and possible diversion of payments to the Nicaraguan contras.

(David Espo, AP)

#### HOUSE PROBES LINK BETWEEN CONTRAS AND YOUTH COMMISSION

A little-known youth organization is under investigation by the House Foreign Affairs Committee as a possible conduit for money that was sent illegally to the Nicaraguan contra rebels, sources say.

Evidence at this stage is skimpy, but investigators are trying to learn more about a cryptic notation on a flow chart found in the safe of Lt. Col. Oliver North, the fired White House aide central to the Iran-contra scandal.

House staff members told UPI Monday their attention was drawn to the partly government-funded International Youth Year Commission because a box on the handwritten chart bore the words "Intl. Youth Comm."

(Pat O'Brien, UPI)

(Monday Evening, March 23, 1987)

**HOSTAGES** 

NBC's Tom Brokaw: One of the American hostages in Lebanon reportedly is very sick and his captors are willing to trade for him. The hostage is Alann Steen... His kidnappers will release him for 100 Moslem prisoners they say. But the initial response is no deal.

NBC's Rick Davis: ... The communique gives the United States 10 days to convince Israel to release 100 prisoners from jails in return for Steen's freedom. The Israeli government has already rejected the demand. Alann Steen's brother had this comment:

(Bruce Steen: "I can't believe that these people are so heartless. For humanitarian reasons they should just let him go.")

...From Tehran there was word about Terry Waite, last seen on January 20. State-run radio said he was kidnapped by the Revolutionary Justice Organization because its members believed he was a U.S. spy. Tonight former President Jimmy Carter...had this comment about the charges involving Waite:

(Jimmy Carter: "That's ridiculous. I will say that much. There's no truth to that at all.")

Tonight Carter was called to a third and unexpected meeting with Syrian president Hafez Assad. It lasted 3½ hours. Neither the Syrians nor members of the Carter party gave details. (NBC-Lead)

ABC's Barrie Dunsmore reports that today a message from his (Alann Steen's) kidnappers says that he is ill and could die within 10 days. They say he can be released if Israel releases some 100 Lebanese prisoners. Oddly, the note was accompanied by a photo of another U.S. hostage Professor Alan Polhill. In the U.S., Steen's relatives say he was in good health at the time of the kidnapping.

(Bruce Steen: "Maybe it's a ploy -- that's crossed my mind -- to get attention. And you don't know what the story is. I don't know how sick he is.")...

ABC's Peter Jennings: That Revolutionary Justice group you heard has now made a phone call to Tehran and denies that it is holding Terry Waite. Walli Jumblatt, the Druze leader, said today that when Terry Waite disappeared he was carrying money. Question: Was it ransom money? And we do not know. And about exchanging Alann Steen for 100 Arabs? The White House said today it would not put pressure on anyone to make a deal. (ABC-Lead)

CBS's Dan Rather: An American hostage in Lebanon is reported to be very ill. His kidnappers are offering to swap him for 100 Arabs. The hostage is Alann Steen....

CBS's Tom Fenton reports the statement also said, "our humanitarian motives require that we free the ill spy in exchange for 100 prisoners being held in Israel, and that the U.S. should pressure Israel to make a swap." The group said it will release a video tape of Steen within 72 hours showing his condition... (CBS-Lead)

#### U.S.-IRAN

Jennings: reports the United States has formally warned Iran of possible military action if the Iranians try to prevent oil tankers from leaving the Persian Gulf. Officials say the message was conveyed in a note which Swiss diplomats passed to the Iranian authorities. (ABC-2)

#### BUDGET DEFICIT/TAXES

Brokaw: On Wall Street and in Washington experts agree that there is an issue that may be far more important than the insider trading scandal or the Iran-contra affair. It's the growing size of the federal deficit. Bob Kur reports tonight on the new debate over the deficit and the political gamble of some Democrats.

NBC's Bob Kur: Since Ronald Reagan took office the nation's annual budget deficit has tripled.

(TV coverage: The President taking the Oath of Office in 1981.)

Many economists warn that if the government does not raise taxes, cut spending, or both, eventually the government will have to borrow so much money there won't be enough for business and industry. The result: fewer jobs, a lower standard of living. In his recent news conference President Reagan appeared to leave the door open to some tax increases by limiting his objections to rate increases.

(The President: "And my pledge to veto any tax rate increase remains rock solid.")

But today Treasury Secretary Baker insisted the President is against any tax increases.

(Secretary Baker: "It doesn't leave the door open, no. I mean, the President's just as committed against tax increases -- tax increases -- as he always has been.")

But in fact, the budget President Reagan sent Congress this year does contain billions in new revenues, even if he does not label them taxes. Among them, higher premiums for some medicare patients, higher fees for FHA and VA mortgage borrowers, new fees on student loans. Democrats on congressional budget committees say it's hypocritical for Mr. Reagan to send up revenue increases then attack Democrats for proposing other tax increases.... But the spectre of candidate Walter Mondale proposing a tax increase in 1984 haunts congressional Democrats. Many believe Mr. Reagan can get away with revenue increases but they can't.

(Patrick Caddell, Democrat pollster: "Democrats should make clear to the public that tax increases are a last resort, not the first resort, that we seek as a party.")

But Speaker Wright believes voters will see it his way.

(Rep. Wright: "I think they will respect us more, that we have the honesty to say to them that we believe we ought to pay as we go.") It's a high-stakes gamble, but both the President and Congress know that more new revenues will be part of the next budget. The question is which party will position itself to gain from the battle.

(NBC-7)

#### B-1 BOMBER

Jennings: At home there was an embarrassing admission from the Air Force today about this country's newest and most expensive bomber. The Air Force said, "Yes, pilots of the new B-1 have been told not to perform certain maneuvers because some of the plane's critical equipment doesn't work well enough yet. It was an embarrassing admission because this was also the day that the Air Force invited the press to come and see the B-1 do its stuff.

ABC's Bob Zelnick reports the plane was displayed today amid praise from those who fly it.... In 1977, President Carter cancelled the program. But President Reagan viewed the B-1 as a symbol of his commitment to defense.

(TV coverage: The President wearing a "B-1B" ballcap at a rally.) He successfully pressed for the manufacture of 100 planes in just six years.

(Rep. Aspin: "The problem is that when you try and produce a plane that quickly, it comes off the line not fully tested.")

...The Air Force says about \$4 billion in repairs will enable the B-1 to perform its mission... But some B-1 problems seem incurable. For example, fully loaded the plane Reagan approved is about 40 tons heavier than the one Carter rejected, raising questions as to whether the B-1 can reach its targets.... Few talk about junking the B-1 or denying the Air Force the funds it needs to fix that which is fixable. In fact, with the B-1 now deployed, both critics and supporters hope the pressure is off to move quickly on the Stealth bomber so that it can be developed and tested with care. (ABC-4)

Rather: The United States Air Force today showed off its new B-1

Bomber. The Air Force is trying to stop growing suspicions that it may have bought what is known in the car business as a "lemon."

CBS's David Martin reports Air Force "show and tell" has not stopped House Arms Services chairman Les Aspin from ordering an investigation of the B-1.

(Rep. Aspin: "People will come back from the demonstration thinking it's working fine. And it does work fine as long as you don't have to fly it in over the Soviet Union and hit targets in the Soviet Union.")

... If the Air Force can hide problems on a project as public as the B-1, what can it do with secret programs like the soon-to-be-built Stealth bomber which will cost even more than the B-1.

(Rep. Aspin: "Because of the problems that we saw in the B-1 program, we're now going to look at the Stealth program and say, "Wait a minute. What happened here in the B-1? Can it happen in the Stealth?" And really try to find out.")

No one disputes the need for secret military projects, but critics argue the Pentagon is using secrecy not to conceal weapons from the Russians, but to hid problems from the public and Congress.

(CBS-3)

#### WHITE HOUSE ADVANCE/NBC

Brokaw: The White House admitted today that one of its advance men posed as an NBC News reporter while scouting locations in Columbia, Missouri, for President Reagan's trip on Thursday. The advance man was visiting two local schools and apparently he didn't want to raise expectations over the President's visit. The White House spokesman said, "We wish it hadn't happened. It's the kind of thing that we regret and would not do again."

#### KHADAFY/SOVIETS

Brokaw: Threats by Libya's Moammar Khadafy to invite the Soviet Union to install nuclear weapons in his country, those threats are not getting much attention from the United States or the Soviet Union tonight. A Soviet spokesman said Khadafy was speaking for himself. And at the White House President Reagan's spokesman said Khadafy has said the same thing before.

(NBC-2)

#### AFGHAN/PAKISTAN

Jennings: Afghan warplanes reportedly attacked a Pakistani village along the border between the two countries today. At least 51 people are reported to have been killed. Guerrillas who oppose the pro-Soviet Afghan government apparently operate out of the village that was hit.

(ABC-10, CBS-12)

#### U.S./CHAD

Rather: Libyan forces fighting in Chad are reported to have suffered a series of stunning defeats over the past few days. This has prompted congratulations to the Chad government from the Reagan Administration. According to the U.S. State Department, of 4,000 Libyan soldiers defending a major air base, 1,000 have been killed. The rest have either fled into the desert or have been captured. The Libyans are believed to have lost numerous Soviet-supplied helicopters, tanks, jet fighters, transport planes and armored cars. (CBS-10)

#### ANGOLA

Rather: Deeper in Africa and farther south, the under-reported war in Angola rages on. There Cuban troops, Soviet weapons, and a Marxist-Leninist government are challenged by a U.S.-backed rebel force.

CBS's Alan Pizzey reports that with no frontrunner and no front lines, Angolan incompetence and Soviet sophistication are winning nothing. (CBS-11)

#### SCHOOL PRAYER

Jennings: Since this is a nation of laws and of belief in the constitution, we tend to assume that when the Supreme Court issues a ruling that is it. But some Court decisions cut very deep. At least in the case of school prayer, what the Court has ruled and what some people are doing is simply not the same.

#### ABC's Tim O'Brien:

(The President, on January 27: "Why is it that we can build a nation with our prayers but we can't use a school room for voluntary prayer.")

President Reagan might be surprised to learn that school rooms in public schools are being used for prayer in open defiance of the U.S. Supreme Court. In this third grade class in Florida, they recite the Lord's Prayer and sing bible hymns at the beginning of every day. And why?

(Ann Fitzpatrick, parent: "I think it's everybody's prerogative. If they want to pray they should be able to pray.")... (ABC-9)

#### SUPREME COURT/CABLE TV

Rather: A victory today for cable television channels showing sexually explicit programming. The U.S. Supreme Court upheld a Utah ruling forbidding state officials from banning so-called indecent material except during certain hours. (ABC-8, CBS-13)

#### MARVIN KALB

Brokaw reports Marvin Kalb and NBC News announced today that Marvin will be leaving us to join the faculty of the John F. Kennedy school at Harvard as of June, 1st. (NBC-9)

#### DEAN MARTIN'S SON

Rather: The 35-year-old son of entertainer Dean Martin, Dean Paul Martin, is missing tonight. He was the pilot of a missing California Air National Guard F-4 Phantom jet. The plane is believed to have crashed into a mountain in southern California Saturday. The jet disappeared from radar near a mountaintop. No wreckage has been located and it is not known if Dean Martin's son or the other officer on board ejected. (ABC-7, CBS-4, NBC-6)

#### THE PRESIDENT'S NEWS CONFERENCE

Mr. Reagan's Sharpness -- "The President acquitted himself admirably, with direct presentation, clear answers and even a few obviously unrehearsed quips that showed his witty spontaneity.... The President's press conference showed the President very much in good spirits, in good humor, with a good grasp of the facts and, as always, supporting sound principles. Critics who hoped to see a doddering old man retreating before a pack of snapping questioners should be disappointed."

(Chattanooga News-Free Press, 3/20)

Who's In Charge? -- "The President showed in Thursday's press conference, his first in four months, that he can still rise to a public occasion. His new White House team had prepared him capably. His lack of recall remains disconcerting. But he appeared ready to take up other matters."

(Christian Science Monitor, 3/23)

Reagan Responds -- "The fact that Reagan stood firm during tough questioning on the most damaging event in his political career is encouraging evidence that he still can be an effective president during his final two years in office. The public has a right to wonder whether he has told all that he knows about the Iran-contra affair. But there was little question Thursday night that Reagan want's to face this issue and move on to other pressing business in the capital... Despite occasional slips of the tongue, Reagan proved he still is an able sparring partner."

(Dallas Morning News, 3/20)

Mr. Reagan Tries Again -- "In the sense that he didn't fall apart under questioning last night, the President held his own. But neither did his meandering, defensive performance add anything to the public's knowledge about the Iran-contra affair -- or restore any confidence that the President has his Administration's policy-making apparatus under control. It's all too evident that the President still does not realize how he managed to get himself into so much trouble by selling arms to Iran. One wonders if he ever will."

(New Jersey Record, 3/20)

The Press Conference -- "The President demonstrated Thursday night that he can still stand on his own two feet in the East Room and go one-on-many with the White House press corps with self-confidence. Those who have followed the President over the years know that the more often he deals with the press, the better he does. His new team of advisers should now plan for far more frequent sessions with the media without misgivings."

(Los Angeles Times, 3/20)

Press Seeks Answers, Not President's Blood -- "If the President really wants to get the Iran-contra scandal behind him, he must do more than just react to the discoveries by others. He must take the initiative, end the secrecy, actively support the investigators, personally ask questions, demand answers, and give answers himself. Most of all, he must know that we can never put this affair behind us until all the answers are put before us."

#### EDITORIALS & COLUMNISTS (continued)

Reagan's Account Still Contradicts Tower Findings -- "Like a boxer trailing in the final rounds of a championship fight, Ronald Reagan came out swinging last night -- hoping for the kind of media knockout that would at last put the bedeviling Iran-contra scandal behind his troubled Presidency.... He didn't get that knockout -- but his strong performance at least partially allayed public fears about the distracted and unfocused style of his presidency in the four months since he last faced public questioning."

Smoother And More Lucid -- "He did better at the press conference Thursday night than at the one he had four months ago. This time, his aides didn't have to 'clarify' major errors in his statements. This time, he didn't wander off in mid-sentence, and he didn't contradict himself. He appeared to be more at ease... What seems to have returned is the coherent management by new and trustworthy subordinates commanded by presidential chief of staff Howard H. Baker Jr. Mr. Reagan was well prepared for the press conference. His greatest accomplishment since November has been to admit the obvious -- 'mistakes were made.'"

(Hartford Courant, 3/22)

Reagan Passes The Stress Test -- "The truth about the affair can be expected to come out in the hearings and prosecutions now under way. Until then, at least, it was good to see the President more firmly in control of himself and the agenda. This is a president who has made an atrocious error, but his competence at the press conference gives some grounds for believing, as Sen. John Tower of the Tower Commission has stated, that Iranamok was an aberration -- not part of a dangerous pattern."

News Conference Means New Start -- "President Reagan did what his supporters and staff hoped he would do at his news conference last night: He projected a more forthright, in-charge image of himself and gave a clearer understanding of the chronology of events leading to the arms-for-hostages deal with Iran.... It was a news conference where not a great deal of news was made, but considering the traumatic events of the last months, maybe that's not such a bad development after all."

(Boston Herald, 3/20)

Reagan Was Effective; The Press Wasn't -- "The Great Communicator may not have talked his way out of Iranamok entirely with his successful press conference Thursday, but he urgued his position well and probably has won a spell of relative freedom from the sheer doggedness of the issue.... Reagan has put himself sufficiently square with the basic outlines of the Iran-contra affair that he is beginning to win a just sympathy when he is hounded on what many see as small points." (Atlanta Constitution, 3/21)

#### FOREIGN MEDIA REACTION

#### THE PRESIDENT'S NEWS CONFERENCE

"President Reagan was in great shape and he came out victorious in his confrontation with the fourth estate.... The first reactions of political circles are as a whole favorable and the public will likely react favorable to the image projected by the President."

(Le Monde, France)

"His performance was unanimously assessed as positive.... The curtain has now come down on the press conference and polls will say if the average American liked Mr. Reagan's performance. The answer will likely be a massive 'yes.'"

(Figaro, France)

"The strategy, while not exactly statesmanlike, seemed to have worked in a land that clearly still wants to like him, and appears to be fast growing bored with the continual harping on the affair."

(Daily Telegraph, Britain)

"Since to have failed to cope would have been a terminal disaster, the ability to cope was being hailed last night as a sort of triumph."

(Guardian, Britain)

"President Reagan's press conference last week was the usual shambles, though it's being hailed as a great triumph here.... There is a sense in Washington, though, that there are too many unexploded mines lying around for anyone to relax."

(Observer, Britain)

"Reagan left the ring the clear winner on points. The President...needed to demonstrate his mastery of the details and facts of his political agenda. He passed with flying colors."

(Die Welt, West Germany

"Reagan managed to score a small point in his favor. But it is doubtful whether it is enough to overcome the Presidential crisis."

(Rheinische Post, West Germany

"Being sick and tired of Irangate, all America really wanted to know was whether Reagan is still in control and able to govern in the next 20 months. Thanks also to the poor performance offered by White House journalists...Reagan was able to dispel some of the doubts.... The President appeared self-confident and relaxed." (La Stampa, Italy)

"The first reviews of the President's appearance are cautiously positive. Even Reagan's critics admit that the press conference helped Reagan to repair his recently damaged reputation."

(Svenska Dagbladet, Sweden)

"The fact that Reagan was in good form possibly reflects the good management of his new advisers, headed by Howard Baker as chief-of-staff.... (But) nor can one say for certain that the President now has the situation under better control." (Dagans Nyheter, Sweden)

#### FOREIGN MEDIA (continued)

"President Reagan is shaping up pretty well to finish his term on a passably good note. His decision to face the press seems to have succeeded. But American political circles regard him now with commiseration rather than admiration; their sentiment seems to be don't kick a man when he's down."

(Le Matin, Switzerland)

"President Reagan certainly looked confident as he held his Thursday press conference, his strategy and that of his advisers seems based on the idea that manner counts for more than matter in televised presentations to the American public."

(Berner Zeitung, Switzerland)

"Apparently, Reagan has regained his confidence. In his press conference he answered more than 30 questions hurled at him by the journalists, and he displayed calmness, humor and capability in handling difficult issues."

(Mind Pao Daily News, Hong Kong)

"If the purpose of the televised press conference was to prove that the elderly President is still in fair command of his faculies...Reagan went away a winner."

(Yediot Aharonot, Israel)

"When President Reagan was asked during the press conference whether the U.S. arms deal with Iran had affected U.S. relations with the Arabs, he said it had not, adding that Washington's relations with the Arab countries had never been better. This reassurance by Reagan is justifiable."

(al-Khaleej, United Arab Emirates)

"President Reagan is bouncing back strongly from the aftermath of his Iran arms sale scandal. The public grilling has done much to rebuild confidence and help resolve his badly damaged credibility. More importantly, he has vowed 'never to go down that same road again.'"

(Gulf Daily News, Bahrain)

"With rare exceptions, the majority of American and European newspapers recognize that this last performance confirmed Reagan's ability, his patriotism and his high respect for democratic institutions. One can conclude that the press conference presented a new Reagan, more confident in his own judgment, more moderate and less dogmatic."

(O Estado de Sao Paulo, Brazil)

"Encouraged by the good reception given by Congress and media to his Thursday press conference, President Reagan has a good chance of coming out of the shadows, although it is unlikely that he will recover the prestige shaken by the Iran-contra scandal." (Folha de Sao Paulo, Brazil)

"In possibly the most important press conference of his Presidential career, Reagan yesterday demonstrated that while critics might still call him a lame-duck President...he was not a spent force."

(Australian, Australia)