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The Long Road Back

Reagan's speech was a strong first step. Now he must show he's in charge

In the White House, they were calling it Ronald Reagan's third term: a restoration of his battered presidency, beginning with last week's *mea culpa* speech on Iran, that would win back America's affection and a measure of trust sufficient to let him serve out the next two years with dignity. But that was by no means a sure thing. The speech, straightforward and remarkably effective, won as much ground as any speech could, but Reagan had still to prove that he could take control of his government. The paradox was that the more his handlers tried to depict him as energized, resolute and firmly in command, the more he looked as if

somebody else were pulling the strings.

The speech itself was the centerpiece of a week of frenetic activity for Reagan. He showed up for a cabinet meeting, photo sessions and brief press encounters; there was a briefing on southern Africa to show his concern with substance, and a visit with the National Security Council staff to show that he means to clean it up. Staffers were planning a road trip and a symbolic visit to Capitol Hill for him. Yet just as he had done all through the worst crisis of his presidency, Reagan himself played only a figurehead role, even when it came to the crucial business of reshuffling the White House staff. After Nancy Reagan and her cronies (page 22) finally won their campaign to oust chief of staff Donald Regan, it was the president's friend Paul Laxalt who sounded out and proposed former Tennessee Sen. Howard Baker for the job. Last week, after Robert Gates's nomination as CIA director ran into trouble in the Senate, it was Baker and national security adviser Frank Carlucci who offered up FBI chief William Webster in his place. And it was Baker who dismissed White House director of communications John Koehler, who had assumed the post only a week before. Baker considered Koehler, a controversial appointment to begin with, to be out of his depth in the job. Nancy Reagan vetoed proposals for a presidential press conference and recruited speechwriter Landon Parvin to craft the explanation to the nation. By his own aides' accounts, Reagan took no initiatives.

A helping hand: As friends and critics alike saw it, the president would have to take charge and achieve something dramatic to regain any semblance of his political magic. He got a hand from an unexpected corner: Soviet leader Mikhail Gorbachev suddenly withdrew Soviet obstacles to an arms-control treaty covering intermediate-range nu-

clear forces in Europe (page 36). New talks were set in Geneva, and the White House announced that Secretary of State George Shultz would visit Moscow next month. Staffers said the trip could pave the way for another summit in Washington next fall. Some diplomats worried that Reagan might be overeager for a deal in the scandal's aftermath, but his advisers were delighted. "It would be foolish not to respond" to such an initiative, a top hand argued, and Reagan himself exulted: "If anyone tells you we are just marking time for the next 22 months,

the business I used to be in said, 'Save something for the third act'—and we will."

In the White House, in fact, the mood was nearly ebullient. "Spring came early," said a senior aide. The new tone began with the speech, with Reagan at his mediagenic best. Though he himself had crossed out an "I'm sorry" scribbled into the margin by presidential counselor David Abshire, Reagan swallowed enough crow to satisfy all but the sternest critics. Conceding the Tower commission's point that a diplomatic initiative to Iran had turned into an arms-for-hostages deal, the president admitted, "There are reasons why it happened, but no excuses. It was a mistake." Accepting "full responsibility" for everything that had gone wrong, he said flatly: "As the Navy would say, this happened on my watch." And he concluded: "By the time you reach my age, you've made plenty of mistakes, and if you've lived your life properly, so you learn... You change. You go forward."

Moving on: The president also promised reforms. There is a new team in the White House, he said; proper records are being kept. The NSC staff has been told to obey the law and stay out of covert action. From now on, any undercover activity will be the kind that Americans can approve of if it ever hits the front page. And with that, he said, "The business of our country and our people must proceed." It was time, he said the next day, to put the scandal behind; enough energy had been spent on "inside-Washington politics—who's up and who's down, and who's in and out."

Reaganauts rejoiced. "The Gipper's back!" crowed Indiana Sen. Dan Quayle. Democrats focused on the need for action, not words; Massachusetts Rep. Barney Frank commented that the Tower panel hadn't said Reagan "was a lousy speechmaker; they said he was a lousy president." Calls to the White House ran 93 percent in Reagan's favor, and Vice President George Bush, who said he was "catching the dickens" from friends, reported happily that in

one day's campaigning in Iowa, only six out of 55 questions concerned Iran. But the broader reaction seemed more skeptical. A NEWSWEEK Poll after the speech found a predictable uptick in his approval rating, to 46 percent from 40 percent the week before. But fully 59 percent of the sampling thought that in the end, the president would turn out to be more involved in the scandal than he has admitted (page 20).

Ollie's army: Close readings of the speech and the Tower report found a good many troubling questions unanswered. Some backers worried that Reagan himself could turn out to be deeply implicated, especially in Lt. Col. Oliver North's efforts to arm the Nicaraguan contras during the two-year congressional ban on military aid (page 21). Former Sen. John Tower and his colleagues on the panel, former Secretary of State Edmund Muskie and former national-security adviser Brent Scowcroft, had bent over backward to accept the president's word that he didn't know when he had approved arms for Iran or that profits had been diverted to the contras. But the report concluded that he had probably consented to the first arms shipment, and it seemed hardly likely that he had done that so casually that he could forget the incident. George Shultz and Defense Secretary Caspar Weinberger, protesting the commission's criticism that they should have argued harder against the policy, both repeated that they had objected loudly and often—to the point, Weinberger said, where "you run out of appeals."

The speech itself artfully skipped over some pitfalls and blandly ignored others. The president bemoaned the price he had paid in public trust for his "silence" on Iran, omitting any mention of the long chain of contradictory misstatements he actually made. He said North and his washbuckling colleagues had been "free-lancing," though the Tower record showed North had reported what he was doing and had asked that Reagan be briefed on most of his activities. And the president consistently portrayed his own sins as excesses of virtue: he had been too trusting of aides who let him down; he had allowed his compassion for the hostages to affect his strategic judgment.

Whatever last week's verdict, all the nagging questions will be ventilated thoroughly—some will say endlessly—in the months to come. Select committees in both houses of

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Congress will start hearing witnesses next month, and the Senate panel was close to granting immunity from prosecution to North's boss, former national-security adviser John Poindexter. That will force him to testify or be held in contempt of Congress; nothing he says can be used to prosecute him, but special prosecutor Lawrence Walsh can file charges based on evidence he has collected and sealed before the committee's hearings. North has challenged the constitutionality of the act creating special prosecutors; Meese countered last week by naming Walsh a special officer of the Justice Department, and North's lawyers challenged that move in turn. Meanwhile, there were signs that the scandal might spread further: investigators were taking seriously an ABC News report that former CIA Director William Casey might have secured South African help for the contras in exchange for the administration's opposition to sanctions against apartheid.

But all that was for the future. In the White House last week, staffers were reveling in the aftermath of the successful speech and the relaxed new air Howard Baker had brought to the West Wing. Quips and smiles were the order of the day: at the first senior staff meeting, Baker told budget director James Miller: "Tell us about the budget, if you've got the courage." Baker's irreverence momentarily embar-



WALLY McNAMEE—NEWSWEEK

rassed him with the First Couple last week when he had to explain away past references to Nancy Reagan as a "dragon" and to the president's "blank expression" when reminded of conversations more than two weeks old. But he ducked both punches with style and grace, and his value to Reagan's

team was underlined as Congress got ready for another fight over a \$40 million aid installment for the contras. With Baker in the White House, Senate Democrats conceded, they probably couldn't defeat the aid package, let alone override Reagan's veto.

Comeback trail? Ronald Reagan surely had a long road to travel to salvage his presidency and hold his own for the next two years. But the first steps had succeeded, and perhaps the most significant note of the week was the renewed caution in many Democrats' comments. "People realized old Dutch may have some fight left in him," a senior aide said happily. Like a fighter coming off the canvas, he was striking fear in his opponents: "Nobody really wanted to go out and be too critical just yet." In corresponding measure, old Dutch himself was regaining his bounce. Late in the week his brother Neil—in the tradition of presidential brothers from Sam Houston Johnson to Billy Carter—sounded off to an interviewer with the speculation that the president probably did start the Iranian deal as a way to fund the contras, since "there's more than one way to skin a cat." When reporters braced Ronald Reagan with that wisecrack, he boomed: "My brother said that? I'll skin *him*." What might have been an embarrassment dissolved in laughter.

LARRY MARTZ with THOMAS M. DeFRANK
and ELEANOR CLIFT in Washington