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WITHDRAWAL SHEET

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DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. transcript	Baker off the record comment (1 pg partial)	3/3/83	C
1. transcript	Fuller off the record comment (2 pp partial)	3/3/83	C
1. transcript	Gergen off the record comment (2 pp partial)	3/10/83	C

RESTRICTIONS

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- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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March 1, 1983

FROM: ✓ SJF - Santa Barbara

TO: MLS, LT, JF, RAK, GP, BFP, WFD

RE: Regarding interview with William Clark

Bob Sims of the NSC staff says that Judge Clark will be available to us for an on-the-record interview in the next two to three weeks. Sims warned^s that Clark is extremely skittish about this interview, since he's never done one on-the-record since he's been at the NSC. "It could be a painful process," says Sims. Clark would like to time the interview in such a way as to make news. One idea that Sims had was to time it so that Clark could comment on the impact of the German elections. Sims will contact us early next week with one or two possible interview dates.

(END FILE--RW)

March 2, 1983

FROM: SJF - Santa Barbara, Calif.

TO: JXL - San Francisco (MLS, LT, JF, BFP, GP, DXB, DAW, JWM, DR, JG,
DCB, LH, SJF, RAK, PA, DLB, PGH)

RE: Queen's visit to Santa Barbara

President Reagan and the Queen courted danger in order to keep their long-standing luncheon date atop the Santa Barbara mountains on Tuesday. Heavy rains made the meeting both difficult and somewhat unpleasant for them.

Reagan aide Mike Deaver told reporters that it was the Queen's decision to keep her date at Rancho del Cielo. But those who know Deaver suspect that it was Deaver himself and possibly Nancy Reagan who firmly resisted canceling the festivities because of the rain. It is well-known that Deaver and Mrs. Reagan--and perhaps the President, too--had been looking forward for a long time to the Queen's scheduled visit. Mrs. Reagan's fondness for rubbing elbows with royalty has been apparent ever since she attended Prince Charles's wedding in London in the summer of 1981.

Deaver, a well-known social climber, has spent many months planning every detail of the Queen's visit. He even got other White House aides involved in tasting California wines to determine which ones to serve to the Queen during this week. Ever since Deaver slept in Windsor Castle last June, he has been telling anyone who would listen what "nice people" the Windsors are. "She's a real trooper and a good sport," said Deaver on Tuesday. He even suggested that the Queen was so anxious to go to Santa

Barbara that she was the first one off her yacht on Tuesday. "All of us have been more concerned about the weather than they were. They're really used to this kind of weather. They've had, I think, an exciting time."

Deaver also insisted that the weather created more danger in Los Angeles than it did in Santa Barbara. High water around the Long Beach Airport prompted Deaver to summon a Navy bus to take the Queen from the yacht to the Long Beach Airport--the first leg of her long trip to the mountaintop. Deaver noted that the Queen ultimately traveled in four different vehicles to get from her yacht in Long Beach to the ranch--the Navy bus, an Air Force plane from Long Beach to Santa Barbara, a limousine from the Santa Barbara Airport to the foot of the mountain and a brown four-wheel drive Chevrolet Suburban for the trip up the mountainside.

"The Queen insists on staying on schedule," Deaver said on Tuesday. "She did not even want to cancel anything today. The police in Los Angeles gave up about ~~seven~~⁷ this morning. We just kept pushing them, telling them that we had to get through the water because she didn't want to disappoint anybody. The police just said it was impossible to get to Long Beach Airport. The roads were washed out, the freeways closed at the time we were supposed to leave. So that's when we sent for the Navy bus."

The White House also chose to defy nature by taking the

Queen up the narrow, winding mountain ride to the ranch. Even on a good day, the 7.2 mile drive up the mountainside is treacherous with many hairpin turns overlooking deep ravines. On Tuesday, rain-swollen^N streams gushed across the road at at least a half dozen points. The muddy brown water was at least ³three feet deep in some places. That is why both Reagan and the Queen traveled up and down the mountain in four-wheel-drive vehicles. The situation on the mountainside was dangerous enough that it had kept Secret Service agents from leaving the ranch at the end of their shift two nights earlier. People who know the area say the Queen and Reagan risked having the road wash away underneath their cars. Rock slides also are common on the mountain during heavy storms.

The Queen's trip to the mountain seemed even more ridiculous when you consider that the ranch was ^Slocked in by fog, which eliminated the normal lovely view. On a sunny day, the ranch is a warm, peaceful place with beautiful vistas of the ocean from many spots. The air is always fresh and still. Horses graze on the slopes around the President's small two-bedroom adobe house. On Tuesday, however, rain was falling in sheets, the ranch was ankle deep in mud and a chill wind blew from the ocean as the Queen arrived. She was forced to wear tall black boots and a khaki trenchcoat over her normal dowdy afternoon dress.

When it became apparent that the weather would pose

problems for the Queen's visit to Santa Barbara, White House advancemen made alternative arrangements for the luncheon to be held at a local restaurant. But officials say this option was never seriously considered by the President. Accompanied by Deaver, the Queen and the Duke arrived at the Santa Barbara Airport around 11 o'clock on Tuesday aboard one of the Air Force planes that is part of the presidential fleet. The arrival ceremony was conducted by the numbers, with one important difference. It was held inside an airplane hanger instead ^{OF} outside on the Tarmac. Because the Queen's plane was late, Reagan and his entourage were forced to spend 19 minutes parked under an overpass on the coastal highway in order not to arrive too early for the ceremony. Even so, Reagan was present in the hanger more than 30 minutes before the Queen's arrival. He killed time by shaking hands with spectators, something he seldom does any more. There was no risk involved in this hand shaking, however, since all of the people in the crowd had entered through metal detectors.

Reagan and Nancy emerged from a holding room when the Queen's plane poked its long nose through the hanger door. A red carpet was laid out at the foot of the plane's staircase, and a military color guard was lined up on both sides of the carpet. Deaver was the first "dignitary" to get off the plane. An Air Force band played military music as the Queen and the Duke descended the stairway. The Queen

was dressed in a blue-gray print dress with matching hat. Nancy Reagan wore an expensive-looking brown coat with fur collar and matching hat. Nancy's outfit was obviously much more stylish than the Queen's. The President, the Queen, Mrs. Reagan and the Duke stood motionless through the playing of the two anthems. Reagan and his wife held their hands over their hearts, but the Queen and the Duke did not. Exactly four minutes after they arrived, the Queen and the Duke were inside their limousine and on their way to the Santa Barbara Courthouse. They stopped at the courthouse before going to the ranch. The Reagans returned directly to the ranch in order to prepare for the arrival of the Queen.

The luncheon at the ranch, described as a "combination plate" in the pool report, included enchiladas, chili reanos[?], refried beans, tacos, rice with chili, Guacamole, a Mexican chicken soup, fruit and coffee. In addition to the Reagans and the Windsors, the other guests were: Jim Baker and his wife and British Foreign Secretary Francis Pym and his wife. The informality of the occasion was reflected in Reagan's outfit--a denim jacket, a Western shirt, a cord tie and boots. "You've seen this weather before," Reagan remarked to reporters upon the Queen's arrival. "I remember it was like this when we signed the economic program." (Reagan is referring to the day that he signed his first budget at the ranch. In truth, it was not

raining on that day, although the sky was somewhat overcast.)

White House officials were extremely disappointed that the rain prohibited the Queen from sailing into the Santa Barbara harbor aboard the Britannia as scheduled. Officials said the waves were too high for her to use the royal barge. They also had to cancel plans for Reagan and the Queen to ride horses together on the ranch. This was to have been the highlight of the day. But the riding trails on Rancho del Cielo have been impassable for nearly a week, according to Reagan's aides.

(END FILE - JNM)

March 3, 1983

FROM: SJF - Santa Barbara, Calif.

TO: MLS, LT, JF, BFP, GP, DXB, DAW, JWM, DR, JG, DCB, LH, SJF, RAK, PA,
DLB, PGH

The following items come from a background interview with White House Chief of Staff Jim Baker:

- o Why is Representative Dingell pressing for better access to the EPA documents? "He's pissed because Levitas got out in front of him on this," says Baker.

- o The new EPA appointees were very reluctant to accept their new assignments. "You can't blame them," says Baker. "Who wants to get involved in that can of worms?"

- o Anne Burford's support at the White House seems to be dwindling. Baker, who was behind her 100 percent last week, is now more cautious. "We may find something (against her) tomorrow," he cautioned.

- o Baker sees evidence that William Clark is trying to take a larger role in foreign policy.

EPA. My appointment with Baker was delayed somewhat because he was working on Wednesday's announcement giving all congressional committees access to the EPA documents under the terms of the Levitas agreement. Baker made it clear that the purpose of this announcement was damage control. Baker and other White House officials now realize that they made a mistake asserting executive privilege over these documents in the first place. They are trying to bury the issue once and for all.

"Nothing is going to be withheld," said Baker. "This

is far different than the way we claimed executive privilege at the start. Under the circumstances, we can't be out there claiming the niceties of executive privilege. All he's (Dingell) got to do is come look at it. If he's unwilling to come look at it and says he's been denied access, then he's not telling the truth."

Baker showed an amazing lack of knowledge about the EPA matters, however. He was unaware that Dingell was asserting that he had evidence of "political manipulation" of the "superfund." He tried to argue that all of Dingell's alleged evidence had to do with perjury by Rita Lavelle . When I challenged him, he pulled out the Dingell letter, read it and admitted he was wrong.

Of the new EPA appointees, Baker volunteered: "We had to work on them to go over there. Their bosses also resisted the idea of losing them. You can't blame them. Who wants to get involved in that can of worms?"

Baker said he did not intend to give us the impression last time we interviewed him that Fred Fielding had completed his investigation of White House involvement in the EPA matter. He said Fielding was still working on it. (At this point in the interview, Baker got up and went into the next room to ask Fielding a few questions about his investigation.) "He has not turned up anything that would merit referral to Justice," said Baker. He added that Fielding is not just asking White House staffers to confess

their own complicity. Fielding is also reviewing White House telephone logs and files. "If we found anything questionable we would ship it over to Justice," said Baker.

Baker says he sees no reason why Burford should be forced out of office by "vague allegations of mismanagement." He added: "Until we know of some ^{WRONG} ~~undoing~~ on her part, the President is still going to give her the benefit of the doubt. We are not giving any consideration to firing her." But he also acknowledged that many White House officials ^{DO} ~~did~~ not agree with the President's judgment on Burford. "I don't want to give you the impression that we would continue to support her if something new came out."

Burford got the idea of an independent investigation at the EPA from the White House, says Baker. "That was our idea," he said. "We explored the possibility of an independent commission to look into the EPA. We concluded that it was not time to do it." He said an independent commission would lack the resources that are available to the Justice Department to investigate EPA.

One reason Burford wants an investigation is that--in Baker's words--"she's ³ ~~crossed~~ ways with Justice." The main source of her disagreement with the Justice Department is that "she wanted to come off the claim of executive privilege much sooner."

Economic Recovery. White House officials feel that

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cancel plans to ride horses with the Queen.
the President was "very disappointed" that he had to
recommended against taking the Queen up the hill. He said
He denied reports that the Secret Service had
to the point.
and Mrs. Reagan really wanted it"--which is probably more
Deaver's explanation. But he also added: "The President
Prince Philip wanted to see the ranch," he said, repeating
take the Queen up to the mountaintop? "The Queen and
Why did the White House decide to risk the elements to
attendance. He called it a "warm lunch."
back to him since he was the only White House official in
He obviously is afraid that such a leak would be traced
the mountaintop lunch between the President and the Queen.
Queen. Baker firmly refuses to divulge the details of

quell the growing impatience for a recovery. Baker says the White House intends to do nothing more than it has already agreed to do. Reagan's own jobs bill will be unveiled shortly. "That should be sufficient for the short range," SAID BAKER.

(END FILE - JNM)

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White House strategy. In Fuller's view, the White House has taken steps to solve the three problems posed by the EPA matter--the documents, the management of EPA and the allegations of wrongdoing. Dropping the claims of executive privilege will help solve the document's problem. Appointing new middle-level managers to EPA will help solve the management problem. And the Justice Department is handling the allegations. Yet Fuller acknowledges that there is no way to solve the political problem being created by the EPA mess. Of the Democrats, he said: "They have a real-live issue."

White House involvement. Fuller offers the following chronology of White House contacts with EPA over the past two years. In late 1981 or early 1982, he recalls, "questions were expressed as to how it (EPA) was proceeding in many areas including the 'superfund' and the Clean Air Act." White House officials then decided that some EPA issues should come before the Cabinet Council on Environment. Up until that point, the only review of EPA regulations was being conducted by the President's Task

Force on Regulation. One of the first EPA issues that was placed in the domain of the Cabinet Council was the "stretchout" of clean-air compliance by the steel industry. As a result of this change in White House supervision of EPA, the EPA made three or four presentations to the Cabinet Council in subsequent months.

In March, 1982, it was also decided that EPA should send "issue alerts" to the White House before announcing any new controversial regulations. The issue alerts were simply fact sheets, according to Fuller. EPA sent the issue alerts to Fuller and White House Political Director Ed Rollins until the New York Times did a story questioning why Rollins was receiving ~~this~~^{them} directly. "I don't know why he was getting them," says Fuller. "I guess he showed an interest." Fuller has since reviewed his own file of EPA issue alerts, and he says only one of them involves^D an action with superfund money.

On the superfund, he says, the White House reviewed overall policy but never got involved in any discussion of what sites should be selected for clean^uup. He says the overall administration policy toward the superfund was that the site^s should be selected as quickly as possible and the money spent swiftly. "I never once heard a discussion of what sites to choose," he said. "I don't know how we could have used ~~the~~ superfund for political gain. We never knew enough about where these sites were."

In the fall (fo) 1982, the White House once again intruded in EPA during Ed Meese's highly touted midterm review of policy. Fuller says that he went with Meese, Joe ^{Wright} ~~Reich~~[?] and Ed Harper to EPA for a special briefing. "From a policy perspective, they seem ^{to} to be doing what needed to be done," he said. "We didn't assess management, ~~only~~, only policy." But Fuller concedes at that point that he suspected there were management problems at EPA.

The idea of a commission to review the enforcement of the superfund came up shortly before Washington's birthday, says Fuller. But the idea was quickly rejected. It was decided instead to give Burford a chance to improve the management of the agency herself. This is why they chose to replace some middle-level EPA officials. "No one felt the time had come for us to recommend to the President to make a change at the top (by firing Burford). We decided that wouldn't be fair. She's a presidential appointee, and she'd been sent these people. It was decided to give her some people who could do a better job." Fuller says the new appointees have been told that they are supposed to report to Burford, not the White House. "Our management style is not to have the White House take over any agency."

Rita Lavelle. Rita Lavelle was fired by Reagan on the recommendation of the White House personnel office, which acted at Burford's request. At the time, no one asked why Burford wanted to fire Lavelle. It wasn't until Fuller met

with Lavelle the next day that he realized she was at the center of many of the issues that had been plaguing him at EPA--the executive-privilege question, the Times Beach issue and criticism of the administration of the superfund. 'I suddenly realized that we had managed to terminate the one person who could bring all these issues into sharp focus.'

As for Lavelle's relationship to Ed Meese: 'I never perceived that she was close to Ed. I think she tended to make more of her contacts with the White House than was there.' Fuller's files show he met with Lavelle several times over the past two years, but never alone or to discuss political considerations.

Lavelle 'undermined her credibility' with Burford when she flip-flopped on the issue of whether she was the author of a memo criticizing EPA Counsel Perry. 'I think that was the final blow,' says Fuller. 'The two of them just didn't get along.'

When the White House recently pulled its file on Lavelle, says Fuller, only two items were found--her employment application and a letter that she wrote to Mike Deaver recommending that President Reagan visit one of the sites chosen for clean^up. 'There wasn't any long paper trail on Rita Lavelle at the White House,' he said. 'In fact, there wasn't any paper trail on Rita Lavelle at all.'

Investigations. Fuller says that he has tried to probe the extent of possible wrongdoing at the agency. [']But all interviews with EPA personnel have been conducted in the presence of Burford, so there is no way of knowing if she is hiding something.)

The Queen's visit. Fuller says that Mike Deaver was particularly crushed by the way the Queen's visit to Santa Barbara was destroyed by the weather. 'Had it been just any place, he wouldn't have cared,' said Fuller. 'But this is an area he really cares about and he wanted to show it off.'

(END FILE--LYA)

March 3, 1983

FROM: SJF - Los Angeles, Calif.

TO: MLS, LT, JF, BFP, GP, DXB, DAW, JWM, DR, JG, DCB, LH, SJF, RAK, PA,
DLB, PGH

RE: El Salvador

Deputy Press Secretary Larry Speakes said today that the administration has already decided to increase to 55 the number of U.S. military advisers in El Salvador. He also reported that the U.S. had 45 military advisers in that country as of March 1, instead of the 37 previously reported. He said the decision to increase it to 55 was made without any involvement by the President. He said no presidential decision was necessary since the U.S. was already operating under a self-proposed rule of 55. Speakes could not say when the U.S. will fill its complement of 55 advisers.

(END FILE - JNM)

March 3, 1983

FROM: SJF - Los Angeles, Calif.

TO: MLS, LT, JF, BFP, GP, DXB, DAW, JWM, DR, JG, DCB, LH, SJF, RAK, PA, ✓
DLB, PGH

RE: El Salvador and William Clark

The following comes from background interview by telephone with NSC staffer Bob Sims:

o Reagan's National Security Adviser, William Clark, is trying to take a larger role in foreign policy, and that includes a somewhat higher public profile.

o Clark would prefer to increase the number of U.S. advisers in El Salvador, perhaps to as many as 100.

o Just how Clark would change the role of U.S. advisers is unclear. Sims explains it this way: "It's a matter of putting them in place where they could give better advice."

Clark's Role. Sims says Clark has "more or less immersed himself" in five key foreign-policy issues: (1) the Middle East, (2) Central America, (3) public diplomacy, (4) arms control and (5) the selling of the defense budget. He says that these issues are the ones that interest the President most.

In addition, says Sims, "He sees a need to do more to express the President's position on priority issues. He's more interested in communicating the President's position now." [Up until now, Clark has avoided making public statements for two reasons: (1) His knowledge of foreign policy is weak, and (2) he thinks the NSC adviser should be

a coordinator not a spokesman.] But Sims says that Clark began changing this policy slowly by speaking out on minor issues on which he became the "substantive expert," such as the POW-MIA issue. Now, Clark is ready to raise his public profile by making "a few more speeches--a little bit more here and there. He's willing to step out on issues he knows."

U.S. NEWS Interview. Off the record, in discussing Clark's willingness to be interviewed by U.S. News, Sims warned that Clark may be difficult to work with on this interview. "He's just not practiced at doing on-the-record interviews," Sims said. "It will be painful. I wonder if you really want to go ^{THROUGH} with it?"

Sims said he was raising this point because he had ^{READ} the Air Force One pool report from last Monday [I was co-author of that report], and he thought it implied some criticism of Clark's briefing of reporters. "Obviously you didn't think much of the way he handled the briefing," said Sims. I asked why he got that impression. In response, he cited one sentence in which we pointed out a small contradiction in what Clark said. [At one point, he said the review had been going on for three weeks, and at another point he said four weeks.] I explained to Sims that this is just a journalistic device and was not meant as a criticism of Clark. But it shows how unsophisticated Clark and his staffers are about ^{THE} press.

More Advisers. According to Sims, Clark did not realize that he was generating a story in the newspapers about more advisers in El Salvador when he talked to reporters on Air Force One. He simply hoped to generate a story about the U.S. review of policy in Central America. "It's clear he intended to focus on the review that's underway," said Sims. "On the other hand, he was surprised by the stories that came out. He is very committed to the idea that we have a serious problem in Central America with exterior forces at our doorstep. He thinks that everyone should understand that it's important."

Sims indicated that Clark would like to beef up forces in El Salvador. At the least, he indicated, the government may commit a full complement of 55 advisers to El Salvador. Although administration policy imposes an arbitrary limit of 55, there are only 37 American advisers in El Salvador at present. Sims added, "Perhaps we need 100 instead of 55."

Interagency Feud. Some people at the State Department were opposed to asking Congress for more money for El Salvador at this time. They argued that the timing was bad. But Sims left the impression that Secretary of State Shultz did not agree with other people in his department. "We don't have one State Department view," said Sims. [" "]It doesn't line up with the NSC and Kirkpatrick, Weinberger and Clark against Shultz. There is a surplus of consensus

at the top.'" Defense strongly favors the request for more money because "they are running out of bullets" in El Salvador. The request received particular support from Kirkpatrick, who recently returned from Central America with a "not so glowing" report on the situation in El Salvador.

(END FILE - JNM/WKM)

TO: MLS, LT, JF, BFP, DR, JG, GP, LE, DCB, DXB, JWM, (SJF),
PA, PGE, SYM, DLB, DAW

FROM: RAK

RE: The White House and El Salvador

Much of the following was provided on background by NSC
aide Bob Sims, special assistant to William Clark:

Reagan. The President became alarmed about the situation
in El Salvador a couple of weeks ago after UN ambassador
Kirkpatrick delivered "a fairly grim report" to him on
her visit to Central America. The significance of
Kirkpatrick's report was overshadowed at the time by VP
Bush's trip to Europe, occurring at about the same time.
The "air of imminent crisis" this week has been
heightened, Sims says, by the failure of the media to
detect earlier "signals of a sense of urgency that have
been emanating from here" since Kirkpatrick's trip.
Reagan's very tough rhetoric on Central America in last
week's speech to the American Legion was one widely
overlooked indication of his growing concern, Sim says.

Reagan's own hawkish instincts are being reinforced at
this point by all of his senior foreign-policy advisers.
Clark, Kirkpatrick, Secretary of State Shultz and Defense
Secretary Weinberger all are urging action to shore up the
El Salvadoran military. Shultz was planning to give a tough
speech on El Salvador this coming Saturday in San Francisco

(MORE)

but the White House decided the timing for such a speech was wrong because the pope will be in El Salvador on Sunday. Shultz's hawkish speech would have stood in sharp contrast to the pope's plea for peace. [Whisper?] The Secretary of State will deal with other topics in his speech, which will be delivered at a dinner honoring Phillip Habib.

Dissent. Sims acknowledges that "some lower down in the State Department bureaucracy" favor efforts at reconciliation with the guerrillas over stepped-up military activity as the best way to end the civil war. In Clark's view, Assistant Secretary of State Thomas Enders' earlier suggestion of negotiations with the rebels is contributing to the administration's problems. Sims complains bluntly that "Enders is not a Central American expert...He's [just] the State Department career diplomat who is running that part of the show now." As far as Enders' understanding of Latin America is concerned, "he's not even in the same category as Clark or the President, who have been interested for some time in affairs south of the border." Sims' comments suggest that Clark and Enders have locked horns openly. At any rate, the President is firmly opposed to discussions with the guerrillas.

Military advisers. The Pentagon has not yet made "any serious proposals" to increase the number of U.S. advisers in El Salvador. The upper limit under consideration is a doubling of the current ceiling of 55. [Whisper?] Only 37

(MORE)

U.S. advisers are now in the country. No one at the NSC believes an increase to 110 American servicemen would create inordinate political problems for the President. Jim Baker may disagree, but I doubt it.

Of more significance militarily is the proposal to allow Americans more flexibility to be stationed in outlying areas where the battles are being fought. At this point, no one is advocating sending Americans into combat with the El Salvadoran army, but Americans could be more effective in directing the El Salvadoran soldiers if the Americans are permitted to be stationed outside San Salvador, says Sims.

El Salvador's army. The White House believes the deteriorating military situation is due less to the increased strength of the rebels than to the fact that the El Salvadoran army is hopelessly disorganized. Many of the field commanders are political cronies of the defense minister. "What is really needed is better leadership in the military. Many of the leaders are not there because of their military abilities."

Congress. Reagan originally had planned to get the extra 60 million in military aid by requesting a reprogramming of foreign military assistance funds already appropriated. This would require only the approval of the Appropriations committees in the House and Senate, not approval by the full Congress. But in recent days there have been indications from congressional leaders that there is enough support in the House and Senate for a separate emergency

(MORE)

appropriation for El Salvador. This would require approval on the House and Senate floors. Reagan would prefer to go this route so long as such an emergency bill would not get bogged down in an emotional debate in Congress.

The President does not intend to use contingency funds to provide the 60 million directly, bypassing Congress. Says Sims, "Taking emergency funds would be only a last resort because it would show that the President was doing it without the support of Congress, and that would be very damaging to the government of El Salvador."

(END)

March 4, 1983

FROM: SJF - San Francisco

TO: LH, MLS, LT, JF, BFP, GP, DXB, DAW, JWM, DR, JG, DCB, LH, SJF, RAK,
PA, DLB, PGH

RE: El Salvador

President Reagan predicted today that if El Salvador falls to rebel forces, it will begin a chain reaction that will bring about the demise of the current governments in Costa Rica, Honduras and Panama.

In a question-and-answer session following his speech to the Commonwealth Club in San Francisco, Reagan repeated his assurances that the United States does not intend to send U.S. military personnel into combat in El Salvador. He noted that "we may want to go beyond the 55" U.S. advisers currently there.

He denied any similarity between this situation in El Salvador and Vietnam. "I can give you assurances," he said, "There is no parallel whatsoever with Vietnam." But he went on to indicate that he believes El Salvador is key to the security of the Western Hemisphere.

"The threat is more to the entire Western Hemisphere and toward the area["'] than it is to one country," Reagan said. ^I "If they get a foothold, and with Nicaragua already there, and El Salvador should fall as a result of this armed violence by the ^Rguerillas, I think that Costa Rica, Honduras and Panama--all of these would fall. It is vital to us that democracy be allowed to succeed in these countries. We believe that the government of El Salvador is

Page - 2

on the front line of a battle that is really aimed at the very heart of the Western Hemisphere, and eventually at us.''

(END FILE - WKM)

March 4, 1983

FROM: SJF - San Francisco, Calif.

TO: JG (MLS, LT, JF, BFP, GP, DXB, DAW, JWM, DR, JG, DCB, LH, SJF, RAK,
PA, DLB, PGH)

RE: Reagan on Trade

In the prepared text of his remarks to the Commonwealth Club in San Francisco, President Reagan rejected calls for protectionist legislation. Instead, he called upon business to do more exporting in the future. He noted that 90 percent of American manufacturers do not export, and yet 4 out of 5 new manufacturing jobs created in the last five years were in export-related industries.

Reagan promised that his administration would come forth with incentives for export, but his speech did not provide any more details on his program than the state-of-the-union speech he made last January. He promised to propose legislation to increase the level of the Import-Export Bank's ceiling on export guarantees and propose a tax alternative to the Domestic International Sales Corporation. He also told the audience that his administration is working to reform the Foreign Corrupt Practices Act to remove disincentives to export. All of these things were announced previously.

Reagan also spoke out directly against the proposed local-content legislation that passed the House of Representatives in the last session. He said this legislation would add substantially to the cost of a new car.

The following are some quotes from the speech pertaining to protectionism:

'There is a great hue and cry for us to bend to protectionist pressures. I have been around long enough to remember that when we did that once before in this century, something called Smoot-Hawley, we lived through a nightmare. World trade fell by 60 percent, contributing to the Great Depression, and to the political turmoil leading to World War II. We and our trading partners are in the same boat. If one partner shoots a hole in the boat, does it make sense for the other partner to shoot another hole in the boat? There are those who say yes and call it getting tough. I call it getting wet--all over. We must set sail again in the direction of prosperity. No one should mistake our determination to use our full power and influence to prevent anyone from destroying the boat and sinking us all.

'There is a fundamental difference between positive support of legitimate American interests and rights in world trade, and the negative actions of protectionism^{TS}. Free trade can only survive if all parties play by the same rules. We are determined to insure equity in our markets. Defending workers and industries from unfair and predatory foreign competition is not protectionism, it's just plain common sense.'

STORY:ITEMS
MA:60 FMT:

QUEUE:SJF-SJF
EJ:

MSG:
INI:

OPR:SJF ;03/10,20:33

To: lt dr gp rak

From: sjf

The following comes from a background interview with Robert Bonatati, who was just fired as Reagan's liason to labor:

Faith Whittlesey called staff members into her office one-by-one on Tuesday to fire them. They were told to be gone by April 1. She explained that she wanted to bring in her "own team." She explained her position to Bob by saying, "I'm a courthouse politician." She told others that she made a mistake by not firing people when she took over the Swiss embassy.

The irony is that she did not fire the two least effective people in the office, Dee Jepson and Morton Blackwell. Both Jepson and Blackwell have been the brunt of jokes in the White House because they are unqualified for their jobs. Bonatati thinks Jepson's job was saved because she is the wife of a senator. The right wing would have raised hell if Blackwell had gotten the axe.

Mike Gale, liason to Jewish groups, was not actually fired as reported. He was put on probation for 60 to 90 days. Although Virginia Knauer was not fired either, it's known that she is going to be quitely demoted to the Department of Health and Human Services.

Bonatati says he is not upset about being fired. He believes that new managers have a right to pick new people. "I'm just resentful of the crudity with which it was

handled," he says. "She mishandled it. She could have done it in a more graceful manner." (As you know, no presidential appointee has ever been fired in the Reagan White House.) Bonatati thinks Whittlesey should have let them know earlier that she was thinking of making some changes. Whittlesey's deputy, John Vipone, added insult to injury by visiting the White House several weeks ago and leaving the impression that everyone would be retained.

Since Bonatati never met Whittlesey until she fired him, he logically is critical of her. "She's quite a contrast to Elizabeth Dole, who was 'Miss Charm School,'" he says. "She's no charmer; she's a cold fish."

(END)

STORY:GEPGEN
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF ;03/10,20:37

To: mls lt jg bfp gp dxb daw jwm dr jg dcb lh sjf rak pa
dlb pgh

From: sjf

The following comes from a background interview with

David Gergen:

* A middle-level White House shakeup is threatened. New personnel chief John Harrington, who concurred in the firings in the public liason office, is now studying possible changes in other offices.

* In the wake of Anne Burford's departure, White House officials will try to revive the image that Reagan had as governor as an environmentalist. Don't expect any major shift in policy, however.

* Look for a Californian to succeed Burford. No name has surfaced yet. Among the non-Californians under consideration are John Quarrels and Jim Mahoney.

* Next week, the White House will unveil the details of Reagan's new program for special educational savings accounts. A defense speech is also in the offing.

* The President's new trade initiative has fallen victim to a sharp philosophical dispute between Secretary of State George Shultz and Secretary of Commerce Malcolm Baldrige.

EPA. Californians in the White House have decided that the antidote to the EPA mess is to somehow revive the reputation that Reagan had as govenor as a defender of the environment. They have not yet decided how to accomplish this goal. (My guess is that they never will.)

(MORE)

(According to a Nadar report put together during the 1980 campaign, Reagan as governor ``signed tough air and water pollution control standards to deal with California's special water and smog problems.'' He made some ``pro-environmental'' decisions on water pollution, but ``defied EPA standards'' and undermined his own Air Resources Board and coastal planning program.)

``You'll find us seeking ways to restore the opinion that the people of California had of him as a governor with a good environmental record,'' says Gergen. ``How to do that has not yet been decided. I assume that you will see efforts to strengthen our record on the environment.''

In fact, Gergen thinks they may replace Burford with someone who was involved in environmental matters in Reagan's administration in California. Gergen knows no names of Californians under consideration. He's also heard people talking about John Quarles and Jim Mahoney as possible successors. No one will be chosen this week. ``There ought to be an intensive search,'' he added.

Despite their talk about recapturing the glory days of Reagan's environmental policy in California, Gergen warned not to expect any major shift in policy. ``There will be no vast departure,'' he said. He added that Interior Secretary James Watt will be ``very much involved'' in plotting the new strategy.

White House officials feel certain that the departure of Burford and the agreement with Dingell have defused the

(MORE)

(This reminds me of a story told to me by Frank Clines of the New York Times. The Times last week carried a thinly disguised interview with Burford in which she expressed her dissatisfaction with the Justice Department. During the interview of Burford by Timesman Phil Shabecoff, according to Clines, she broke into "tears of anger.")

Although the Dingell agreement was not announced until Wednesday night, Reagan told his staff as early as Monday that they should settle the documents issue once and for all. "In retrospect," says Gergen, "there is a feeling here that it would have been wiser to settle sooner."

Shakeup. The firings in the public liason office came as a surprise to everyone, even Chief of Staff James Baker. The new public liason chief, Faith Whittlesey, told Baker that she planned to bring in some of her own people. But she never told him she planned a mass firing. Gergen said he knew nothing about it "until I saw the blood on the windows of the old EOB."

The firings came at the end of a lengthy review of the public liason office by Harrington, who is replacing Helene Von Damm in the personnel office. Harrington is studying a number of offices in the White House at the request of Jim Baker. But Gergen says Whittlesey--not Harrington--was responsible for the firings. Harrington's suggestions focused mainly on ways to reorganize for efficiency. Gergen says that Harrington's solution for the other departments will not be as drastic as the public liason firings.

(MORE)

(Prior to the firings by Whittlesey, no presidential appointee has ever been fired in the Reagan White House. Baker admits that at age 52 he has never in his life fired a soul. The firings show Whittlesey to be a tough woman who will clash with the laid back male-dominated establishment at the White House. Gergen's assistant, Joanna Bistany, says with delight in reference to Whittlesey: "They don't know yet what they've gotten themselves into.")

Even though Harrington was not to blame for the firings, White House staffers are somewhat fearful that the Harrington review will lead to more firings. At minimum, his review is expected to bring about a reorganization of some offices. Public liason was the first shop that Harrington tackled. Now, he's moving on the the press office (and reporters are hopeful that Larry Speakes will get fired too.) Originally, Harrington was not supposed to focus on Gergen's communications department. But the communications staff has now been added to the list. Gergen insists he is not worried, however. "I'm looking at it as a positive development," says Gergen. "I'm lobbying him for additional people. I think the communications department needs to be tooled up for 1984."

Gergen denies he's looking for a new job. Asked about the

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Foreign policy. William Clark has become deeply emersed

in Central American policy because he was not happy with

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the work of Thomas Enders. Jeane Kirkpatrick took a big role in fashioning the new initiative. She even provided the best line for Reagan's speech: "It is not nutmeg that is at stake in the Caribbean and Central America. It is the United States' national security."

Reagan's trade speech last week was intended to unveil the new export legislation that Reagan promised in his State of the Union speech. But the legislation is stymied by a dispute between Shultz and Baldrige. Although both men are free traders, Baldrige thinks the U.S. should take some small protectionist steps that Shultz opposes. U.S. Trade Representative William Brock is "somewhere in the middle." As a result of this dispute, there may be no export legislation. "Beyond that speech, there's not a lot happening," says Gergen. A proposal to reorganize government to put trade in one department also been shelved because of the dispute. As Gergen says, "the forces of 'no change' are very strong in this situation."

Gergen expects the U.S. to make a new proposal in Geneva. But discussion of the negotiating strategy has been delayed by the new initiative in Central America.

(END)

STORY:MEESE
MA:CO FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF

;03/10,20:57

To: mls lt jf bfp dr ig gp jwm dxb dcb lh rap pa dlb pa

pgh

From: sjf

The following items come from a background interview with

Ed Meese:

* If Reagan runs in 1984, his re-election campaign will be run by true blue Reaganites.

* Meese flatly denies that he ever talked to Lyn Nofziger about becoming communications director at the White House.

* The sale of U.S. weather satellites reflects an overall administration policy to contract out many government functions.

* The President is telling Congress that there will be no need for more advisers to El Salvador if he gets enough money for military aid.

Meese's promotion. Meese contends that the Army is investigating his promotion for reasons that do not involve him. "It doesn't involve me," he says. Meese says he is a "mobilization designee" attached to the Selective Service office, but he has no specified duties. He says he does visit military installations in his related role as a member of the Military Manpower Task Force. But he denies reports that he gets pay from the Army for his duties at the Selective Service. "I don't get paid at all," he says.

Nofziger. "I didn't make any overtures to Lyn to come into the White House. The story is totally false." But Meese could not explain why the White House press office is

(MORE)

not denying the story. There must be some truth to it.

The 1984 campaign. Meese indicates he does not expect Baker to run the 1984 campaign. He said the President's campaign will be run by "people who most of his followers will recognize as loyal to him." He refuses to elaborate.

Contracting out. Meese says it was "always contemplated" by the government that the weather satellites would be sold some day. He says the Office of Management and Budget has "a lot of things" to sell. He says the Grace Commission is also searching for things that can be sold.

Burford. Why was Reagan reluctant to fire Burford? "The President is unwilling to fire someone for political expedience or because that person developed opposition because they were doing something that the President wanted done," says Meese. "It bothers him to fire anyone. He's a compassionate person."

El Salvador. "The less money, the more training teams we need in El Salvador," says Meese.

(END)

STORY:ITEMS
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
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OPR:SJF ;03/10,21:00

To: mls lt jg jf bfp gp dxb daw jwm dr jg dcb lh rak pa
dlb pgh

From: sjf

Two white House items.:

* Ken Duberstein, chief White House lobbyist, predicts that the House will pass a freeze resolution. ``The momentum is in favor of a freeze resolution,`` he says.

``Remember, we have 26 more Democrats.``

* No one at the White House knows the source of Reagan's claim last weekend that there are more forests in the United States now than there were when George Washington was at Valley Forge. The best explanation that top White House aides can offer is that the number of forests was increased substantially with the Louisiana Purchase.

(END)

SJF

To: nls lt jg bfp dr jg ep dxb dlb dcb lh rak pg pgh daw
From: sjf - White House.

THE FOLLOWING ITEMS COME FROM A BACKGROUND INTERVIEW WITH
BOB SIMS OF THE NATIONAL SECURITY COUNCIL STAFF:

* Sims asks whether it would be convenient for us to do our
on-the-record interview with William Clark on Friday or
Saturday, March 26 or 27. At that point, he said, Clark
would be prepared to talk about the report of the MX
Commission due out in early April.

* Despite the administration's effort this week to defuse
the discussion of more advisers in El Salvador, Sims says:
"We're still talking in the 50 to 100 range."

* Sims sees no likelihood that the U.S. will come up with a
new proposal in Geneva before the current round of INF
negotiations ends later this month. But he acknowledges
that our allies are pressing for an interim agreement, and
the U.S. is considering such a move. "We're going to stick
with a zero result and work toward that," he says. "But
you can work toward that in many ways."

* Sims also confirms that Shultz and Baldrige are at odds
over export legislation. He does not know whether this
disagreement will preclude any legislation this year.

(END)

SJF

To: mls lt jf jg dr dxb dlb icb gp lh jwn rak pa pgh daw
From: sjf

THE FOLLOWING COMES FROM A BACKGROUND CHAT WITH MARGARET
TUTWILER, AIDE TO JIM BAKER:

* Ed Meese and Lyn Nofziger both deny it, but Margaret insists that Meese did offer Nofziger the job of White House communications director. Clark was also involved in the plot. When Baker got wind of it, he went directly to the President and got it stopped. She thinks that Nofziger was the originator of the idea, not Meese. Nofziger is still trying to be one of the Big Four. Margaret is betting that Lyn becomes the spokesman for the 1984 Reagan campaign-- an idea that makes her cringe because Lyn would surely use it as a platform to snipe at Baker. The right wingers see the campaign as an opportunity to reassert their influence. Moreover, Meese and Nofziger view it as an opportunity to get back at Baker. Baker sorely resents Nofziger's continued sniping because he claims he was the person who brought Lyn into the White House in the first place.

* Like most of the women at the White House, Margaret is overjoyed by Faith Whittlesey's take-charge style. She says there is no truth to reports that Baker did not okay Whittlesey's plan to fire the people. "I find it very refreshing," says Margaret. "Nobody's ever been fired here before--only the hairdressers!" She also thinks Whittlesey is headed for a clash with the male establishment in the White House.

(MORE)
END

STORY:CALL
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF ;03/16,16:03

To: mls lt jf bfp jg gp dxb daw jwm dr rak lh pa

From: sjf

A call from the President.

President Reagan called me about 6 p.m. Monday to say that he'd enjoyed reading my story about his telephone calls. "I read your story and thought it deserved a call," he said.

He actually called me about 5:30 p.m., but I was out of my office. When I returned to my office, I got a message to call Operator One at the White House. (I've since learned that Operator One handles only the President's calls.) When I called Operator One, she put me straight through to the President--no waiting.

I was surprised, of course. I kept wishing for something real witty to say, but nothing came to me. Throughout the conversation, I reviewed in the back of my mind all of the things that I had vowed to ask him if I ever got a chance. None of them seemed appropriate, so we talked mostly about his phone calls. He seemed to me to be stiffer and more self-conscious than "your favorite uncle"--as he was described by one man he called not long ago. I suspect he feels less comfortable chatting with a reporter.

The conversation began on a gloomy note. "A lot of the calls aren't fun," he said. He mentioned his calls to the widows of the Secret Service agents who were killed recently. "There aren't any words that can help at a time like that," he said. "But golly, you've got to do

(MORE)

something." He noted that a number of FBI and Treasury people had died recently in the line of duty.

At that point, it became obvious to both of us that our conversation was getting much too grim. I told him that it was nice of him to call those people. He finally closed the subject by saying, "I guess that it was no my mind because of the memorial service we had earlier today." He noted that he had met personally with the dead agents' families.

Switching the subject, I asked him what prompts him to call people all over the country. I was hoping he'd say that he does it to keep in touch with the mood of the American people, but I was disappointed. His reply: "It isn't any planned thing. I just go by the things that come my way." I asked him if my story was accurate. He replied in the affirmative. I asked if Deaver had been correct when he told me that Reagan started making such calls while he was in Hollywood. As he usually does when he's asked to talk about his days in Hollywood, Reagan quickly segued to his days as governor. (I've noticed that he often avoids talking with reporters about his career as an actor. Deaver says he's always been sensitive to the criticism of himself as a dumb actor.) He then recalled for me the first such telephone call he made as governor. He remembered every detail. He called a man and wife, both of whom were college professors. They had written him a letter in which "they got their facts all wrong," he said. "They were blaming the state for property taxes."

(MORE)

“A woman answered the telephone,” he said, “and when I said ‘hello, this is Ronald Reagan,’ she replied: ‘Sure, and I’m Betty Davis’.”

On that punchline, we concluded our conversation. It lasted only two or three minutes. He seemed willing to talk longer, but I had run out of chit-chat. All I could think of were hard news questions.

(END)

SICFY:PCCE
MA:52 FMT:

QUEUE:SJF-SJF
EJ:

MSG:
INI:

OPR:SJF ;03/17,13:08

To: jg (mls lt gp rak)

From: sjf

Re Reagan's mood.

White House staffers report that President Reagan has been showing more enthusiasm for his job in recent days.

The one thing that everyone cites as evidence of this change is Reagan's press conference last Friday. His answers to most questions were unusually feisty. He defended Mrs. Burford, attacked the bankers and kicked the environmentalists. These remarks were especially vigorous in comparison to many lackluster public performances in recent months.

In addition, Reagan's fire and brimstone speech to the evangelicals in Florida last week and his lunch with Tip O'Neill on St. Patrick's Day suggest that he is approaching his job with new vigor. He also has stepped up his schedule of meetings with members of Congress in the past two weeks.

Until recently, Reagan seemed to be suffering from the winter blues. The recession dragged on longer than he expected. There was no movement in Lebanon. His ratings in the polls were down. His arms policy was being challenged in Germany. The EPA was in disarray. Even his long-anticipated horseback ride with the Queen was canceled by rain. This feeling was reflected in his public appearances.

But aides say the President has been reinvigorated primarily by the recent upturn in the economy. The German election results permit him more flexibility in the conduct

of nuclear arms reduction talks. Even though Reagan did not personally seek Burford's resignation, it also came as a welcome relief. In addition, some new polls suggest that he may be turning the corner in terms of public opinion. All this has contributed to a better mood at the White House.

(END)

STORY:FIELDIN
MA:60 FMT:

QUEUE:NRD-NRD
HJ:

MSG:
INI:

OPR:BW

;03/16,16:23

TO: MLS, LT, JF, BFP, DR, JG, GP, LH, DCB, DXB, JWM, SJF,
PA, PGH, SKM, DLB, DAW

FROM: RAK

RE: Background ivu with White House counsel Fred Fielding

The Thomas Reed affair. Fielding declines to offer his personal assessment of the allegations against Reed, who is accused of using "insider" information and forging other people's names on documents to turn a \$3,125 investment into a \$427,000 windfall. Nor will Fielding express his personal view on whether Reed should have been hired as a consultant to the National Security Council in the first place, in light of the SEC's findings against him.

But, on both counts, Fielding left me with the strong impression that he disagrees with William Clark's judgment in the matter. It was Clark who brought Reed to the White House in spite of the charges against him. (The SEC had settled the case against Reed in exchange for his returning the profits he made. Reed never admitted violating securities laws.) My impression is that Fielding does not believe Reed's assertion that he did not act on insider information. It is also my impression that Fielding, after reviewing the SEC case against Reed, advised against hiring him.

Under White House procedures, the NSC is responsible for "clearing" its own people for NSC staff positions.

(Fielding is responsible for clearing other White House

advisers.) Hence, NSC counsel Richard Morris initiated the FBI background check of Reed. As a courtesy, though, Fielding was sent a copy of the FBI report, which detailed the SEC findings against Reed. The basic elements of the SEC probe already had been reported in the press, although all of the details had not.

When Fielding read the FBI report he sent one of his deputies to wave a red flag at the NSC, warning of the potentially damaging information in Reed's file. Fielding said he advised the NSC to take its background investigation of Reed "a step further to make sure they satisfied themselves" that he should be brought on board. "A little later they came back and said they had satisfied themselves" that there was no problem with Reed that would warrant his not being hired. In naming Reed to a job that required a top-level security clearance, the main consideration was whether he had anything in his background that would make him susceptible to blackmail. Since the SEC already had settled the case against him, the matter was not something that could be used to blackmail him.

Fielding says he is confident that NSC counsel Morris and Judge Clark had all the pertinent facts on Reed. Clark decided to hire him anyway. Fielding believes Reagan also was briefed on the matter in advance.

EPA. To determine whether White House aides are involved in potential wrongdoing at EPA, Fielding has been reviewing phone logs, staff memoranda and other records of contacts

(MORE)

between the White House staff and EPA. The Fielding review was initiated by Jim Baker after whistleblower Hugh Kaufman charged that Superfund decisions were dictated by the White House for political reasons. Of his findings thus far, Fielding says, ``I'm not concerned.''

It is clear that the Fielding review is a half-hearted effort. It does not have high priority. Assistants to the President and their deputies were told to search their files and turn over to Fielding records of their contacts with EPA. Since this is being done on a voluntary basis, anyone with something to hide could do so.

Fielding declines to comment on the various allegations of criminal violations at EPA. But he has prepared for the President (and Jim Baker) an ``internal report on potentially what could come up.''

He wouldn't tell us what his internal report says.

Executive privilege. The principle of executive privilege has suffered because of the wrangling over EPA documents. The recent round of events, in which Reagan backed down and turned over the documents, will be used as precedent in the future, says Fielding. But he adds, ``I don't think [executive privilege] has been wiped out.''

(END)

SJF

March 17, 1983

DAW (LT GP SJF/RAK DCB) from TG

Anti-crime outlook...for Tomorrow--

Angered by President Reagan's veto of an omnibus crime measure last year, congressional leaders of both parties have served notice that they'll consider his new anti-crime package subject-by-subject this time around. Here's the outlook by Capitol Hill handicappers--

Good bets to pass: Tightening the insanity defense; new anti-crime funds for states and cities; making it a federal crime to tamper with drugs and other products; higher penalties for drug offenses.

Even odds: "Preventive detention" to stop crimes by those out on bail; tougher criminal sentencing laws.

Long shots: Easing curbs on police searches; reinstating the death penalty for federal crimes; limiting U.S. lawsuits by state prisoners

Lead: Another effort to overhaul the entire federal criminal code. The administration didn't even bother to resubmit this, and congressional leaders say they won't push it in this session.

Helping the White House will be replacement of liberal Charles Mathias by Reagan friend Paul Laxalt as head of Senate panel that considers most controversial crime legislation. But resentment against Reagan for last year's veto--which both Democrats and Republicans insist was unjustified--will slow congressional action. As one Hill Republican said privately: "He played hardball with us, so his proposals won't have a smooth ride this year."

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STORY:ITEMS
MA:62 FMT:

QUEUE:SJF-SJF
RJ:

MSG:
INI:

OPR:SJF ;03/17,13:12

To: rls lt jf bfp ep dxb daw jwm ar jg dcb lh rak pa dlb

isa

From: sjf

The following items come from a dinner party on Tuesday night hosted by Susan Baker, wife of White House Chief of Staff James Baker:

* About 200 people, including top White House staffers, cabinet members, members of Congress and journalists were invited to the party. The speaker was a fundamentalist Christian expert on the family whom Susan Baker admires. Although Jim Baker was somewhat embarrassed by inviting a Washington crowd to hear a fundamentalist speech about the family, he privately admitted that he thought it would help his standing with the right wing. Among the guests were Jack Kemp and Jim Watt.

* My dinner partner, Kent Hance, says that many Texans expect Jim Baker to run for governor next time around.

* Also according to Hance, the Reagan administration is about to nominate another fox to guard the hen house. Former Texas Congressman Bob Price will be nominated to a seat on the Commodity Futures Trading Commission, even though Hance says he has defaulted on several Small Business Administration loans. A spokesman at the CFTC confirms that Price is expected to be nominated, perhaps as chairman. But the SBA says it never discloses the names of people who have defaulted on loans. Hance predicts a battle over confirmation because of the defaulted loans.

STORY: MEESE
MA: 60 FMT:

QUEUE: NRD-NRD
HJ:

MSG:
INI:

OPR: PAE ; 03/17, 17:07

TO: MLS, LT, JF, BFP, DR, JG, GP, LH, DCB, DXB, JWM, SJJ,
PA, PGH, SXM, DLB, DAW

FROM: RAK

RE: Background-only_ivu_with_Ed_Meese

EPA. The White House expects to name a new EPA administrator within the next week to 10 days. Meese refused to discuss the names of those being considered. He didn't flatly rule out acting administrator John Hernandez as a possibility, but he left the impression that the search is centering on candidates outside the administration.

He also declined to say whether the new administrator would have more support among environmentalists. Meese has nothing but contempt for environmentalists. I would imagine he is lobbying for a more conservative James Watt-type choice than the kind of person Jim Baker is looking for. Baker sees the EPA vacancy as an opportunity for Reagan to recoup some support from environmentalists whom he has alienated. When I asked Meese whether the EPA vacancy didn't offer an opportunity to somewhat placate environmentalists, he rolled his eyes toward the ceiling as if to say that environmentalists are not worth courting. I

Nuclear-freeze. "I really don't think the vote in the House has much significance...It sure doesn't mean much to me and even less to the President. He's going to do what's

(MORE)

STORY: MEESE

PAGE: 2

right....[The vote] was just a misguided and unfortunate reaction by people who haven't stopped to think."

Doesn't the freeze vote bode ill for the future of the MX program? "I don't think they're connected."

The Thomas Reed affair. Meese and Reed are old cronies from the early days in Sacramento, and Meese was uncomfortable talking about the allegations against Reed. Meese said only that whatever happens with the grand jury investigation in New York will determine the ultimate outcome of Reed's case.

Meese didn't want to talk about it, but it seems that he is familiar in some detail with the grand jury probe. When I asked about the grand jury, Meese at first replied defensively that he knew nothing about what the grand jury was looking into. As the conversation continued, though, he referred to the New York federal prosecutor by name (Jim Martin) and suggested that Martin was just trying to "clear up old matters on his desk" before leaving his job. Meese, in trying to downplay the importance of the grand jury probe, seemed to suggest that an indictment is not likely. Meese, of course, would have no legitimate way of knowing anything about the grand jury investigation. When I asked why the federal prosecutor is resigning Meese said--again defensively--that he had no idea why Martin is

several weeks ago and that it is effective April 1.

RR's mood. ``The President is hopeful and buoyant because

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STORY: MEESE

PAGE: 3

of the improvement in the economy....He's anticipated it now for some time and now he's happy that it's here." Reagan is ``determined`` to prevail on the defense budget, aid to El Salvador and the MX missile.

Jobs_bill. If Congress passes the bill with the repeal of withholding taxes on interest and dividends, Reagan will follow through on his promise to veto the legislation. Meese says there are no circumstances under which Reagan would not veto a repeal of withholding.

Defense_budget. ``The President is trying to be more flexible, but he's not sure there is any room to be flexible." This suggests that Reagan is just buying time to fight cuts in Pentagon spending, that he is not ready for a compromise which significantly pares the defense budget.

(END)

ST:V:SIMS
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF ;03/17,18:54

Tc: mls lt jf bfp gp dxb daw jwm dr jg dcb lh rak pa dlb

geh sxm

From: sjf

The following items come from a background interview with
Bob Sims of the National Security Council staff:

* The President will hint for the next several months that he is preparing a new proposal to be presented in Geneva, but no proposal can be offered until the next round.

* Sims denies that Shultz was trying to soft-pedal the El Salvador aid request in his testimony this week. "That's what we were trying to say all along," he said.

* The stalemate in Lebanon is reducing the prospects for Hussein to enter the peace talks. "His situation and the situation on the West Bank gets worse as time goes by."

Geneva Proposal. Sims says the administration will offer "some indications that we are going to be forthcoming" with another proposal in Geneva. But don't expect a new proposal before the end of the current round. "Staggering technical difficulties" preclude preparation of a new proposal in the time remaining before the recess. The "rational way" for the administration to proceed is to offer a new proposal at the start of the next round.

He hints that there is a consensus among top government officials that the United States should propose an interim solution short of the zero option--what Sims describes as "something on the way to zero." The stumbling block is deciding what that proposal should be. "Some people agree

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that there ought to be a new proposal to show just how inflexible the Soviets are. But even those people cannot agree on details. You have to be very, very careful on the details. If you propose something just to show how inflexible the Soviets are, you have to be sure it's something you can live with--just in case they accept it."

Sims confirmed the options listed in the Washington Post, saying that "any informed reporter" already knows those are the options. But he cautioned against the idea that a massive review of policy is underway in preparation for a new decision by the President. "He's going to do what he's going to do," says Sims. "There is a game plan, but I just don't want to share it with you. If people such as Percy and Kohl think they are moving him with their public statements, they are mistaken.

El Salvador. "We're willing to go as far as the country will let us go to protect the national security," says Sims in reference to El Salvador. But he adds that the administration recognizes that the American people will never support an open-ended commitment in El Salvador.

Freeze resolution. Sims holds out hope that the House resolution for a nuclear freeze can still be amended. What they would like is an amendment calling for a freeze after the Soviets agree to reduce their missiles.

Lebanon. "I don't see any breakthroughs coming," says Sims. Administration officials feel they have the support of the American public to increase the commitment of U.S.

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troops in Lebanon as part of a settlement. Lebanese troops would take over those duties eventually, however. ``That's the whole idea. Everybody gets out, including the multinational force. That's a foreign force too.``

(END)

STORY:GERGEND
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF ;03/17,18:04

To: mls lt jf bfp dr jg ep jwm dxb dcb lh rak pa dlb pa
pgh

From: sjf

The following items come from a background interview with
David Gergen:

* Acting EPA Administrator John Hernandez may retain his job as deputy head of the agency despite many allegations against him. Reason: He's the highest ranking Hispanic in the administration.

* To promote his defense budget, President Reagan is considering a plan to declassify some heretofore undisclosed material pertaining to "the nature of the Soviet threat."

* Tom Reed's banishment from the White House may be only temporary. If the allegations cool down, he could be brought back to work for the William Clark again.

* White House officials were surprised by their success in delaying the nuclear freeze resolution. "We did a hell of a lot better than we thought."

* Gergen describes Reagan's apparent new vigor this way: "He has a little more bounce--a little more fire." He attributes it to the improving economy.

EPA. Gergen confirms today's Washington Post story on the search for a new EPA administrator. However, he says that the name of James Buckley should be added to the list. Buckley's appeal is that he is a conservative with a good record on environmental issues, says Gergen. But Buckley

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may not want to return from Europe. Initially, Gergen says, White House officials ruled out Ruckelshaus because they thought he would not accept it. Now, however, friends are telling the White House that he ``might be open to persuasion.'' John Quarrels is no longer in the running. The idea of a Californian also has been discarded. For a brief time, a fellow named Ginelli who headed Reagan's water program in California was under consideration. ``The emphasis now is on a person of national stature.'' The search will be culminated in a few days--perhaps early next week. ``We're on the home stretch.''

As for Hernandez, Gergen says no one at the White House knows whether there is any foundation to the the charges against him. Although the White House would like to clean house of all embarrassing people at EPA, they are giving Hernandez special consideration because he is an Hispanic. ``Nobody wants to railroad him out. We don't want to jump to conclusions about him.''

Tom Reed. Reed contends that there is no grand jury investigation of him. ``The district attorney just asked for some papers,'' says Gergen. Reed still could be rehired by Clark ``if things calm down.'' Clark is known to rely heavily on Reed.

Adelman. Disclosure of the Rowney ``hit list'' memo has not hurt Adelman's changes for confirmation, according to Gergen. Duberstein advises that it has not cost them one vote. Cloture will be difficult, but ``achievable.'' The

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White House is not happy that the vote may be held next week instead of later.

Freeze. White House lobbying against the freeze resolution was limited because they viewed it as a loser. Yesterday's delay was encouraging, however. White House lobbying could be stepped up as a result. There's no hope of blocking the resolution, but still some hope of weakening it.

Defense. A defense speech is being drafted for Reagan, and could be delivered as early as next week--perhaps on television. It's also possible he will wait and deliver it in Los Angeles on March 31. Reagan has been urged by members of Congress and the "peace through strength" group to declassify some material on Soviet military strength to help make his case for the defense budget. Reagan also will hold a series of private briefings for members of Congress on the need for the defense buildup.

1984 Campaign. "I'm not looking forward to it," says Gergen, referring to the 1984 campaign. He fears increased sniping by the right wing and Nofziger, who is likely to be the campaign committee spokesman. Gergen and Baker have discussed their fears of a constant tug-of-war for control of the campaign. Baker has no solution. A campaign chairman will not be chosen until Reagan announces. Gergen heard a rumor that Wirthlin might be chosen, although that sounds unlikely. A better possibility: Stu Spencer.

Although Reagan may wait until Labor Day to announce his decision, Gergen says: "The announcement will not be a

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great surprise. If the hints are strong enough, he can wait a long as he wants." The latest hint: A new \$1 million ad campaign by the Republican National Committee.

Baker_spgof. Gergen showed me a phoney television spot prepared by Lesley Stahl which was used earlier this week as a joke on Baker. Stahl began by saying that President Reagan is coming under heavy pressure from Meese and others to fire Baker. She quotes Meese as saying that Baker should be assigned to head up EPA. Some people are questioning Baker's physical and mental fitness, says Stahl. This is because his latest physical exam uncovered a condition similar to anorexia nervosa. At this point, a picture comes on the screen of a shirtless Baker with wires attached to his chest. It concludes by saying that the photo may not be from Baker's latest physical, but instead from his most recent polygraph test. I confess that I was sucked in until they got to anorexia nervosa. Baker believed it at first too. After he found out it was a phoney, he took it home tried it on his wife, who also was taken in by the tape.

(END)