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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: Sara Fritz Papers
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Archivist: jsm
FOIA ID:
Date: 5/10/2018

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. transcript	Baker off the record comment (1 pg partial)	7/8/83	C
2. transcript	Darman comments (1 pg and 1 pg partial)	7/9/83	C
3. transcript	Gergen, Baker off the record comments (2 pp)	7/14/83	C
4. transcript	Gergen, Baker off the record comments - annotated (2 pp)	7/14/83	C
5. transcript	Fuller off the record comments (1 pg partial)	7/20/83	C

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

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STORY:MEESE
NA:00 FMT:

QUEUE: -RAK
HJ: INI:

MSG:

OPR:RAK ;07/07,10:28

TC: MLS, LT, JF, BFP, DR, JG, GP, EGB, LF, JWM, SJF, PA, ✓
PGH, EAW, DLB

FROM: RAK

RE: Background-only_ivu_with_Ed_Meese

Casey vs. Baker: According to Meese, the President fully backed Bill Casey's decision to publicly contradict Jim Baker's assertion that he received Carter briefing material from the CIA director. "The President felt that Casey was properly making his position known in a public way," says Meese. This statement suggests two things: 1) Baker may not be on completely solid ground with Reagan these days, and Reagan may question Baker's credibility; 2) Meese is siding with Casey in the Casey-Baker squabble.

Meese claims that Reagan will take no action against anybody until after the Justice Department completes its probe. Reagan apparently is content with a situation in which two of his top advisers have made diametrically opposed statements in public.

FBI. While being quick to point out that he has not asked the Justice Department when the the FBI investigation will be finished, Meese says it may be wrapped up fairly soon, within a few weeks. "In similar cases in the past they have moved pretty quickly." The FBI has not as yet sought information from Meese or Reagan. Will the FBI question the President? "I suppose they could but it wouldn't help [the investigation] because the President doesn't know anything,

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and has said he doesn't know anything." Meese has made this same statement publicly. I interpret it as a not-too-subtle suggestion to the Attorney General that the President does not want to be interviewed by the FBI.

Carter papers. The search of White House files and Reagan campaign files at the Hoover Institution has been completed, Meese believes. He says no new material has been forwarded to Justice.

The mole. "To the best of my knowledge, no one was ever planted in the Carter camp."

Ed Rowny. Meese does not deny the report that Rowny engaged in shouting matches with Soviet negotiator Karpov during START talks in Geneva. "Having been a negotiator many times in my life, I can assure you that histrionics are a part of it....The President has no problem with Rowny."

El Salvador. The White House has no great plans to overcome the lack of public support for the President's Central American policies, beyond "a continuing effort to get the issues before the people. We're convinced that if the people know the facts they will support us."

Clearly the administration feels that despite public apathy it has enough leverage with Congress to get most of what Reagan wants in aid to El Salvador. Meese blames news coverage by "all three networks" for the lack of public support for Reagan's policies. The networks, Meese complains, even "imputed cynical motives to sending in

(MORE)

American doctors to treat people shot by terrorists."

It should also be noted that such politically minded White House advisers as Baker are happy that Reagan is not engaged in a highly visible campaign for support of American involvement in El Salvador. The issue arouses concern among many voters that Reagan will lead the country into war. The "warmonger" tag is a political problem unique to Reagan, and his talk about the need to fight Marxists in Central America only exacerbates this concern, particularly among women. Several weeks ago Baker told me on background that one of the things that could prevent Reagan's re-election is if in 1984 "there is shooting going on" by Americans in El Salvador.

(END)

STORY:WHU
MA:60 FMT:

QUEUE:NRD-NRD
HJ:

MSG:

INI:

OPR:PAE

;07/09,17:38

SJF

7

To: nls lt jf bfp dr jg gp jwn la dcb dlb law dld ~~PAK~~ da
pgh

From: sjf

THE FOLLOWING ITEMS COME FROM A BACKGROUND INTERVIEW WITH
JIM BAKER, WHITE HOUSE CHIEF OF STAFF:

* Baker seems relieved that the briefing book scandal has
widened to include other materials. "Hell, the briefing
papers are beginning to look like Ned in the first grade
reader," he says, apparently referring allegations that
they also ran a disinformation campaign.

* President Reagan's remarks dismissing the case as "much
ado about nothing" are now being viewed as a mistake.

* White House officials view Richard Allen's remarks as
pure sour grapes. Baker calls him "that jerk."

* You've heard the last of the education issue. Baker has
been trying to kill it for two weeks.

DEBATEGATE. Baker refuses to discuss in detail his
knowledge of what happened in 1980. But he takes every
opportunity to defend himself. During the course of our

discussion he volunteered OFF THE RECORD that it never

He says he has no idea whether there was a mole in the

Carter campaign, whether there was a wholesale espionage

effort or whether the stuff was passed along by a

disaffected aide. "Remember," he says, "in August 1980 I

was basically a visitor in the campaign." He also noted

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that his response to Albosta has not yet been shaken. "The most important thing is consistency," he says. "My letter remains consistent." For this reason, he adds, Reagan should never have called it "much ado about nothing."

Personally, Baker feels terrible about the whole thing. "It ain't fun to see your name dragged through the crud every day," he says. He can't say why he did not have a stronger negative reaction to the materials in 1980. He insists that such stuff is "exceedingly common" in campaigns. But he adds in his own defense: "I ran two campaigns before this and I didn't do anything like this. The Federal Election Commission even complimented our campaigns. That's why this is so distressing to me."

Baker insists that the briefing book case is not feeding the bickering at the White House. "I want to knock down that stuff about staff conflict," he says. "Yes there are people on the outside taking advantage of this to point a gun at me. But Bill Clark and Ed Meese are not out there trying to subvert this thing or going to the President trying to slash me up. Our relationship has been much better in the last three months." Baker insists he is not out to get Casey, but he was forced to be honest about his recollections. If he had not reported it, he said, "then you would have had a wonderful little coverup." He insists that Casey understands why he did it. Is it possible that outsiders will succeed in stirring up turmoil within the administration as a result of this? "I'm not concerned

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because I now know where the President is coming from." He concedes, however, that the scandal has distracted everyone at the White House, particularly last week when they were all writing letters to Albosta.

Since he does not know what evidence will come out, Baker cannot predict what impact the scandal will have on public opinion. "The best thing would be to find the so-called mole and let the chips fall where they may."

"It's premature to talk about resignations," says Baker. "That's not going to cause the story to go away." Any resignations will come after the case is resolved.

Baker says Dick Allen has no credibility when he admits to receiving NSC documents, and then condemns the others for accepting debate materials.

THE 1984 CAMPAIGN. The debate book case has not affected planning for the 1984 campaign. "We're still having our planning meetings," he says. All plans for the campaign committee remain as previously reported. In addition, Rollins and Atwater will go to the committee and the White House political office will be closed. Joe Rogers will be finance chairman. Bay Buchanan will be treasurer. Noziger will be a "senior consultant" to the committee.

While in Santa Barbara in August, Reagan will be calling in outsiders to discuss his re-election. Sometime between Labor Day and October 15, "he will give us the word that it's go." After the committee is established, he has 45 days to declare his intentions. If the committee is not

(MORE)

announced until October 15, he will have until December 1 (45 days) to make his own statement. They decided against an exploratory committee because it would be phoney.

EDUCATION. ``Education is over,`` says Baker. ``I've been trying to kill it for two weeks. We were becoming guilty of overkill. It played dann well--about as well as briefing-gate has played poorly.``

(END)

STORY:DARMAN
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF ;07/09,17:27

To: mls lt jf dr bfp jg gp lh sxm jwm rak pa pgh

From: sjf

The following items come from a deep background interview with Richard Darman, deputy chief of staff. We cannot use any of these quotes without obtaining permission.

* The basic flaw in President Reagan's foreign policy is that it depends on general principles that are often too abstract and sometimes naive.

* William Clark has provided Reagan with a well-managed foreign policy apparatus, but he lacks people capable of fleshing out policy. ``Our problem is not process, it's people. It's a question of where are the good individuals who can work out a sophisticated, detailed foreign policy?``

* Clark is ``a great media operator,`` who through leaks and backrounders has ``managed to give the impression that he's a shy, close-mouthed and not interested in personal power--none of which is accurate.``

* Shultz will be a good Secretary of State because: (1) He's more intelligent than Haig, (2) he will work within the system and (3) he will build a sophisticated policy around Reagan's basic philosophy.

Overview. Darman rejects JF's idea that Reagan takes a ``Chinese menu`` approach to foreign policy--one from column A, one from column B. ``That was the fundamental failure of the Carter foreign policy,`` says Darman. ``It's much more of a problem in a pragmatically-based administration. In an

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ideologically-based administration, you have certain orienting principles in mind every time you approach a problem. In this administration, on every East-West issue, for example, we will always distrust the Soviet Union. We won't make an assumption of Soviet good will in one instance and an assumption of distrust in another."

"In an ideologically based administration, the question is: How sophisticated is the strategic framework in which you're operating? If your basic principles are extremely abstract, or naive, you will make mistakes. That's our problem. We don't have a strategic capacity worth its name."

Darman does not quarrel with Reagan's basic views. "On the abstract level," he says, "it's sound." But he says that the Reagan administration has not adequately fleshed out these abstract ideas. As a result, Reagan's policy is being fleshed out on a case-by-case basis.

An example of the problem: Like Reagan, Nixon had a policy that he would give security assistance to "proxy" states. He also had a policy defining the areas of the world where he would commit troops. Where does Reagan's policy provide for troops? "Everywhere."

In addition, Darman says, the administration is having trouble developing Middle East policy because it does not fit into Reagan's East-West framework.

Clark. Clark's inexperience in foreign policy does not bother Darman. He thinks foreign policy experts are usually

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too academically oriented to handle the job. Brzezinski and Dick Allen are prime examples. He views Kissinger and Bundy as exceptions.

Darman thinks Clark has done a ``brilliant`` job in establishing good management at the National Security Council. ``Clark's strength is not that he's some sort of foreign policy domo, but he knows what the President wants and he uses presidential power--that's a limited strength.``

He adds that a good national security adviser to the President needs three qualifications: (1) He must be smart, (2) he must understand the how the bureaucracy works and (3) he must be a good, even-handed manager. Darman thinks Clark is lacking in the first category. He's not smart enough. He never questions what Darman describes as ``some of the naive, 1950s ideas of the President.`` Clark also lacks any good people working for him.

Darman admires Clark's skill in manipulating the media. He says that Clark leaks stories to certain reporters almost daily, but gives other reporters the impression that he is completely inaccessible. This technique helped him in dumping Haig. But Darman predicts: ``Sooner or later, it's going to catch up with him.``

NSC Staff. Darman has little regard for the National Security Council staff, which is still dominated by right-wing ideologues. Here's how he assesses some of them:

Bud McFarlane is Clark's chief deputy and the NSC liason to the Congress. After leaving the military, McFarlane went

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Consistency. But Darman cautions that this represents a ``bureaucratic power play'' by Clark and McFarlane to get control of the issues of grain sales and steel, which previously have fallen into the domestic policy arena controlled by Ed Meese. ``They see an opportunity for taking over international economic policy,'' he says. ``The NSC is on the move. Clark has no regard for Meese to manage anything--particularly not international economic issues. They see Shultz coming in with expertise in international economics. They want a piece of the action.''

(Stan Wellborn tells me that the NSC has also recently taken over Space policy from the domestic policy staff.)

For this reason, Darman advises us to ignore stories that the administration is agonizing over the pipeline issue. He says that the President has made up his mind on this subject. Nothing will change until the Soviets make a move that meets with Reagan's approval. Reagan's criteria for lifting the pipeline sanctions will remain secret because: ``If you say it publicly, that insures that the Soviets cannot do it.''

But he adds that Poland is not the sole focus of the pipeline sanctions. The President does view this as an initial step in a long-term economic war with the Soviets. ``It's not required that the Soviet behavior change be in Poland.''

China. Darman says that China policy is not being reviewed at this time by the President. The President wants to sit still on this issue for a while.

~~SECRET~~ #

STORY:BAKER
MA:60 FMT:

QUEUE:JWM-JWM
HJ:

MSG:
INI:

OPR:JWM ;07/12,23:06

TO: MLS, LT, DR, SJF, DAW, File
FROM: JWM

(Following is from deep background dinner with James Baker, White House chief of staff. No quotes. Useage will have to be confined to White House sources or written in clear.)

Whispers:

While White House political operatives regard John Glenn as the most difficult Democrat to defeat in 1984, the betting there is that Walter Mondale will eventually be nominated by the opposition. Also, the White House seems void of any strategy to use to run against Glenn. Against Mondale, they'll pin Jimmy Carter's record on him.

The drumbeat of opposition by women to Reagan polices, spotlighted by criticism by the National Womens Political Caucus in San Antonio, "failed to stir a ripple" at the White House, according to one key aide. (We can use quotes here because it came in a comment from Margaret Tutwiler, Baker's top assistant. Baker, incidentally, admitted that the White House has nothing on tap to deal with the increasing problem with women voters.)

Key White House sources believe the FBI investigation of the Carter briefing papers capet will go to September before there is any conclusion to the case. Aides are confident Reagan will not make any move against any underling until after the investigation is complete. (Translation: There is going to be a lot of internal squabbling before there is any end to this dispute.)

Whether used in story or whisper: Baker definitely came to the meeting with a brief against David Stockman. This was the second case of an indiscretion by Stockman and while attention is focused on differences between Casey and Baker, the OMB director could well be the casualty of the affair. Baker clearly showed disgust for Stockman's role in all this and didn't yield to any temptation to dump on Casey.

Fapergate: Baker seemed confident of his position. If the briefing papers were stolen, it is a crime and the Reagan White House is in a lot of trouble. But if they came from a disgruntled employe, there is only an ethical problem which doesn't seem to disturb him as much.

Baker insists that the information he got was innocuous and nothing of the inside strategy type material suggested by Stockman. He also claims that his differences with Casey don't amount to that much after an interval of three years. He says he and Casey have talked to Reagan about this and wouldn't quarrel with a conclusion that both seem secure with him. He reminds that Reagan doesn't have the

(MORE)

reputation or stomach for throwing people to the wolves.

Baker obviously isn't going on any public counterattack against Casey. He was given every opportunity. He also believes that Casey went to the New York Times, at Bill Safire's suggestion, because he was getting bludgeoned in the press over the affair.

Baker also believes that Clark and Meese are not part of any organized in-house drive to knock him off.

While he didn't say it directly, Baker is obviously concerned about his reputation in this matter. My feeling is that he isn't fearful of getting the axe or being mucked up by it, although the ethical part of all this kept coming up. For his part, Baker kept referring to stories by Broder, Leslie Gelb et al that these sorts of inside information continually move between campaigns. He seems to be arguing that unless it is established that there is a paid plant inside the Carter White House, the affair won't hurt the Administration.

Education: Baker argued that Reagan was on top of the education issue after several weeks of hitting the issue around the country, but he seemed to have great difficulty defending what the President was proposing isn't view of past budget cuts.

Flacks: The fair housing proclamation, the suit against Alabama is seen by Baker as addressing the so-called fairness issue which he admits is a problem for RR. At the same time, he sees this as yielding little political gain for the President.

Women: Repeating, the White House doesn't seem to have a clue to address it. He admits the record on judicial appointments isn't a good one and was silent when Faith Whittleley's input was brought up.

Campaign: He's 99 percent sure RR will run. The committee will be announced anytime from Sept. 1 to Oct. 15 with an official announcement before the end of the year. Drew Lewis will come in to head the campaign before the convention. Stu Spencer also will have the same role he had in 1980--stay aboard the campaign plane to prevent mistakes. Another possible Whisper: Top aides predict RR will not conduct a Rose Garden campaign in 1984 but will travel extensively around the country to take his case to the voters.

(END)

STORY:WHU
MA:60 FMT:

QUEUE:NRD-NRD
HJ:

MSG:
INI:

OPR:PAE

:07/13,14:12

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

From: s jf

WHITE HOUSE REPORT.

The White House has confirmed, at least in part, two stories that appeared in print on Wednesday. They are--
* START. The Soviets have changed their proposal in the START talks, but the White House is not characterizing it as a new proposal. "During this round, the Soviets have provided additional information elaborating on their proposal," said Larry Speakes. "We hope that the further information that they have provided indicates Soviet intentions to show similar flexibility to ours and to move the negotiations forward."

* POLAND. Larry Eagleburger met last week with Poland charge d'affaires. He repeated Reagan's offer of economic aid to Poland in exchange for some liberalizing action in three areas: (1) restoration of dialogue between the government, church and people, (2) the release of political prisoners and (3) the lifting of marshal law.

In addition, the Reagan dropped in on a meeting Wednesday between Mike Deaver and a group of GOP congresswomen who are angry that the President has not lived up to its promise in the State of the Union to propose a package of legislation to help women. Secretary Hechler reported after the meeting that Reagan has agreed to propose legislation that would help finance 30 percent a program run by the

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states to collect child support for welfare as well as non-welfare children. This represents a compromise. Current law calls for 70 percent federal funding, but the White House had proposed to cut it to 54 percent. The current program does not cover non-welfare children. Pension reform also was discussed, but nothing was agreed upon.

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difficult to win black votes....There are also a lot of moderate whites who support these things....Perhaps what we're doing will raise the 'comfort level' of whites with the administration."

Arms_control. The White House is looking for forums in which Reagan can appear in the next couple of weeks to resume his efforts to build support for the MX missile. A number of crucial votes will be coming up in Congress and the White House believes approval for the missile is far from certain.

1984. It may be as late as December before Reagan announces that he will run again. Gergen claims debategate has nothing to do with the timing. The President himself always has preferred a late announcement in order not to politicize the office any earlier than necessary.

Asian_trip. Reagan will have rest stops in Guam and Hawaii on his five-nation trip but Gergen rejects the idea that this President will need extra rest. The trip, which will last about 15 days, will be the longest presidential trip since the advent of jet travel, Gergen believes.

Sex_tapes. The White House was put in a bind by the Los Angeles attorney who claimed to have the Bloomingdale tapes, because he said publicly he would destroy the tapes unless the White House ordered him not to. Hence, the White House could not refuse to talk to the guy without running the risk of being accused of assisting in destroying evidence. When attorney Steinberg called, White House

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counsel Fred Fielding talked to him and apparently told him not to destroy the tapes. The White House obviously would have preferred not to deal with the guy at all. My own view is that senior aides were being ridiculously cautious about the tapes because of the vulnerable (and paranoid) position they are in over debategate.

(END)

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(END)

STORY:HENRY
MA:60 FMT:

QUEUE:RAKX-RAK
HJ:

MSG:
INI:

OPR:RAK ;07/19,17:30

TO: MLS, LT, JF, BFP, DR, JG, GP, DCB, LH, SJF, PA, PGH,
DAW, ILB

FROM: RAK

RE: Kissinger Commission

The following points were made at a background briefing by Assistant Secretary of State Tony Motley and AID head Peter McPherson. They are to be identified only as senior administration officials:

* Despite longstanding allegations involving Henry Kissinger's role in the overthrow of the Allende government in Chile, Latin American leaders support his appointment to head the bipartisan commission on Central America, Motley said. The State Department did not, however, actively solicit the advice of Latin American governments on Kissinger's appointment. Motley attended a luncheon today with 20 Latin American ambassadors and said "they were pleased" with the appointment. "I heard no disparaging comments." (Motley put this remark on the record.) Kissinger was chosen because "he has stature....and a strategic view," Motley said.

* The commission will focus on the long-range "structural" problems of Latin America, not on the day-to-day concerns of Reagan policies that now are being challenged by Congress. The panel will concentrate on economic, political and social problems, but its mandate

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will include looking at ``internal and external threats`` to the ``security and stability`` of the region, according to the executive order signed by Reagan today.

Reagan's overriding objective in creating the panel is political, as was the case with the Scowcroft commission: ``The commission also shall provide advice on the means of building a national consensus on a comprehensive United States policy for the region,`` the executive order states.

* My guess is that the White House is counting on the Kissinger commission to shift American attention away from the military conflict--and all of the political problems it creates for Reagan--and direct it instead to the social and economic problems of emerging democratic states in the region. Such a shift in public attitude would lessen widespread fears of another Vietnam-style U.S. military entanglement, while assisting Reagan's efforts to win approval of the Caribbean Basin Initiative and the other economic-assistance programs he has proposed. Clearly it is public uneasiness about potential American military involvement that is preventing Reagan from getting his way with Congress.

* Kissinger will meet with Reagan soon, possibly this week, and will begin receiving briefings from administration experts as early as next week.

* Office space for Kissinger will be provided at the State Department (presumably not on the seventh floor). The commission members, most of whom have no experience in

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Latin affairs, will be advised by ``senior counselors``
such as Senator Henry Jackson.

* Motley did not rule out the likelihood of the commission
travelling to Latin America before submitting its report on
December 1.

(END)

STORY:GERGEN
DATEC FMT:

QUEUE:RAKX-RAK
EJ:

MSG:
INI:

OPR:RAK ;07/08,12:50

TO: MLS, LT, JF, BFP, DR, JG, GP, DCB, LE, JWM, ✓SJJ, PA,
PGB, IAW, DLE

FROM: RAK

RE: Background-only_ivu_with_David_Gergen

Gergen. Gergen is very subdued, if not depressed, over getting caught up in the briefing papers scandal. He appears very concerned about potential legal complications for himself and others in the White House stemming from the Justice Department investigation. Gergen's answers to my questions were extremely cautious, and he cited as the reason the seriousness of the potential legal ramifications of what he says to anybody. "This is a lot more serious than talking about policy."

Gergen also fears for the loss of his job. He believes he and Stockman are the most vulnerable and the most expendable, the easiest to get rid of if Reagan "has to pay the price" to end the scandal. But Gergen says his job is safe for now, because firing anyone today would impute White House guilt prematurely. (He nervously asked me if I agreed with his assessment.) Gergen also is nervous about what the archivists may find among his papers at Stanford's Hoover Institution. He says he knows of no other Carter material in his files but adds, "I don't really know what I've got at Hoover."

FBI. It appears that Gergen already has been questioned by the FBI. When I asked whether he had yet heard from the

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FBI, he said: "I can't talk to you about that. I agreed that I wouldn't talk about it...There may come a time when we can talk about it."

Baker vs. Casey. What was Jim Baker's reaction to CIA Director Casey's public disavowal of having given the briefing papers to Baker? "We [Baker and his allies] are not reading this as a revolt against Baker per se, or an effort to dump him over the side [by the conservatives]. It's simply an effort by Casey to protect his own good name." Casey called Baker the morning his interview appeared in the New York Times, but Gergen says he doesn't know what they said to each other. The two are on speaking terms and continue to communicate by phone.

Gergen views the discrepancies between Baker and Casey as not a serious matter, and not a problem that Reagan will have to address. "They simply have different recollections. There's nothing anybody can do about that....Nobody is trying to reconcile this. We're going about our business."

Baker. Baker informed Casey in advance that he was writing to Representative Albosta and naming Casey as the person from whom he received the briefing material. Gergen says Baker was in a "predicament" and felt he had to name Casey to avoid appearing as though he was covering anything up. "If he didn't tell all he knew at once, he might later be accused of covering up...He wasn't trying to open a war with Casey, and he fully realized there would be

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ramifications to what he was doing."

Baker is very concerned that his integrity is being tarnished. Gergen and other White House aides have noted that Baker always has tried harder than most to safeguard his reputation by being fastidious about financial disclosure, blind trusts and turning down gifts.

Reagan. Gergen does not expect Reagan to take any action until after the Justice Department probe is finished. In the meantime, Reagan is holding himself very aloof and blissfully ignorant of the whole mess. I suspect that aides are avoiding discussing details with him in order to protect him from knowing anything. Reagan wants his answer to be very brief when he is asked what did he know and when did he know it.

Both Baker and Gergen are very wrapped up in the scandal but Gergen denies that the White House is "paralyzed" by inaction on other matters. This happens to be a slow time, anyway, he says.

CIA. Associates of George Bush such as Baker and Gergen did have ties to former CIA people during the campaign. "There were a lot of former people in the CIA who wanted to help George, mainly because they were friendly with him" from his days as director. The former Bush, and later Reagan, campaign aide named Halper did have a number of contacts among intelligence sources who may have passed along information. And Gergen confirms that both he and Bush worked to get Halper a job in the administration. But

(MORE)

he says he has know knowledge of any systematic network to steal information from the Carter CIA.

Federal Reserve. ``We are not advocating an increase in interest rates or any slowdown in the recovery. There is no concern here that the recovery is going too fast.'' The President opposes a hike in the discount rate.

But at the same time, Gergen admits that Treasury Secretary Regan has been pressuring the Fed to get back down within its target range for the money supply. It appears that at this point the White House will try to have its cake and eat it, too, by attacking the Fed for raising interest rates but at the same time attack the Fed for allowing the money supply to mushroom too quickly. The Fed has always been a convenient scapegoat.

(END)

STOCK:BAKER QUEUE:SJF-SJF MSG: OPR:SJF ;07/20,10:05
MA:00 FMT: HJ: INI:

To: mls lt jf bfp dr jg ap acb lh jwm rak pa pgh daw dlb

From: sjf

Re Baker and Stockman.

The Jim Baker-David Stockman story of last week had an unusual ending over the weekend.

As you'll recall, Jim Baker let it be known in the company of John Mashek and other political reporters last week that he was unhappy with David Stockman. This led to several stories suggesting that Stockman's days in the administration are numbered.

When asked about Baker's feelings toward Stockman last Thursday, David Gergen insisted he knew nothing about it-- nothing more than what he had heard from other reporters.

On Saturday morning, however, Gergen called me at home to discuss the matter. He said he knew our deadline had passed, but he wanted to set the record straight. He insisted that Baker had not intended to leave the impression that he was trying to oust Stockman. He added that Stockman had been reassured by Baker "in a most emphatic way" that the budget director would not be made a scapegoat for the briefing book controversy.

Yet Gergen continued to criticize Stockman. He even volunteered a Bob Orbin joke about Stockman's inability to keep a secret.

From this, I conclude that Baker set out to stir up negative stories about David Stockman, but only to throw a scare into Stockman. It does not appear that Baker is

(MORE)

trying to oust Stockman, primarily because Baker is in a weakened position himself. It's no coincidence that Gergen waited until after our deadline to set the record straight.

(END)

STORY:POLLEN
NA:62 FMT:

QUEUE:RAXX-RAK
HJ:

MSG:
INI:

OPR:RAK ;07/20,13:30

TO: SXM (MLS, LT, GP, SJE) ✓

FROM: RAK

RE: Reagan's_Pollen_Pills

The President occasionally eats bee-pollen bars ``as a snack,`` but he does not believe they are of benefit as a health food, according to Mark Weinberg, an assistant White House press secretary who spends most weekends with the Reagans at Camp David and is an endless source of trivia about them.

Reagan eats the bars ``from time to time for enjoyment.`` At my request Weinberg asked Reagan this morning whether he eats the bars. Reagan's answer: ``Yea, it's better than junk food.`` [Weinberg insisted, however, that Reagan's remark be off the record.] But Reagan says he has not eaten any recently, so perhaps they are yesterday's fad. Weinberg does not know whether Nancy eats them. Among health-food devotees, the bars apparently are eaten as a naturally sweet dessert.

(END)

STORY:WHU
M:50 FMT:

QUEUE:NRD-NRD
HJ:

MSG:
NI:

OPR:RW

;27/20,14:33

To: mls lt jf bfp dr jg gp jwn ln dcb ilb iaw ixb rak pa
pgh

From: sjf ✓

WHITE HOUSE REPORT.

The following statements were issued on Wednesday:

* MIDEAST. The White House stopped short of criticizing Israel's planned partial withdrawal from Lebanon. "Our view on withdrawal has not changed," said Larry Speakes. "Our basic objective is to seek full withdrawal of all foreign forces from Lebanon. Any partial withdrawal should be within the framework of that objective and should not complicate the difficult tasks facing the government of President Gemayel." Speakes said U.S. officials do not know enough about the withdrawal plans to know whether it would complicate matters. This, of course, is not true. U.S. officials are well aware of what the Israelis are planning. Speakes insisted the White House "cannot discern any linkage" between the announced withdrawal and Begin's decision to stay in Israel.

* CENTRAL AMERICA. In response to Nicaragua's offer to negotiate a regional solution, Speakes said: "We welcome any sincere and verifiable proposal to lessen tensions in Central America. Taking Mr. Ortega at his word, we believe the Nicaraguan proposal is a positive step in that it acknowledges the regional nature of the problem and the need to address external support for insurgencies and terrorist groups. The proposal still contains a number of

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serious shortcomings. For example, it puts insurgents in El Salvador on the same level as the democratically elected government. It fails to take into account the need for true democracy as a means to resolve internal problems of the region. It does not deal with Nicaragua's military buildup and there are no clearly articulated provisions for effective verification. Nonetheless, we would hope that the Nicaraguan proposal along with those put forth by other countries of the region would be considered, refined and expanded as necessary at the next meeting of the Contadora Nine scheduled later this month."

* IMF. The White House issued a statement by Arthur Burns, of all people, condemning the House for holding up increased authorization for the International Monetary Fund. "Failure to pass it would undermine confidence and stability throughout the international financial system." Speakes said the President agrees with Burns, who was visiting the White House for a meeting of Reagan's outside economic advisers. They offered no explanation why the who group of economic advisers did not issue the statement.

(END)

STORY:FULLER
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF ;07/20,15:59

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

From: sjf

The following items come from an on-the-record interview with Craig Fuller, director of the Cabinet:

* President Reagan's recent efforts to emphasize education and civil rights were part of a long-term strategy worked out by a body known as the "outreach strategy group."

* Upcoming events on the agenda of the outreach strategy group include a Hispanic week and a week or so of emphasis on lower inflation.

* Some White House staffers who were not involved in the 1980 campaign (including Fuller) are miffed that the briefing book controversy continues to dominate the discussion at White House meetings.

* Government officials trying to implement the Grace Commission recommendations are finding that the estimated savings have been exaggerated.

Outreach Strategy. Fuller says that the newly created outreach strategy group, which he coordinates, has a schedule of issues that will be emphasized like education and civil rights over the next year. He mentioned inflation and Hispanics, but refused to divulge the full list.

(Off the record, the members of this group are Jim Baker, Mike Deaver, Dick Darman, Craig Fuller, Mike McManus and David Gergen. Fuller is afraid to publicize this list for fear others will insist on being included.)

The new strategy is to devote at least one week of the

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President's time to pushing his position on every issue that has the potential for broad public appeal. "We learned from the education initiative that there is benefit in concentrating the President's attention on one issue at a time. You don't have one event in the Cabinet room and have any impact on public opinion. You only do it with a sustained series of events that are similar."

Polls show the education initiative turned the issue from a negative for Reagan to a positive. In addition, says Fuller, "We forced education up on the agenda in every city and state in this country. I also helped us in some of our initiatives such as funding for the science and math program and the merit pay-master teacher program." But Fuller says Reagan did too good a job in selling the math and science program. Congress is about to fund the program at a much higher level than Reagan wanted, and the President will have no choice but to accept it.

Megatrends. White House officials have recently spent a lot of time talking to John Naisbitt, author of Megatrends. Naisbitt has influenced the choice of issues to emphasize. Fuller hopes to enlist Naisbitt in helping him organize a regional news summary for the White House that would survey newspapers all over the country. Fuller thinks the White House responds too much to the Washington Post and not enough to what's written elsewhere in the country.

Women's Issues. Despite Mike Deaver's efforts to take charge of the White House work on women's issues, there has

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been no progress toward developing a legislative package. "We've got too many people involved in women's issues," Fuller complains. The proposed package presented to Reagan several months ago was put on the back burner because "it didn't make a lot of sense for us to make a lot of decisions before going through the consultation process" with members of Congress. Deaver has been scheduling regular meetings with GOP congresswomen (two meetings so far) in an effort to prode the White House into doing something on women's issues. The next meeting, in August, will focus on pensions and IRAs for women. The White House also wants to write the Norris decision into law.

Public Liason. As he did when Elizabeth Dole was chief of public liason, Fuller still does a lot of the outreach work at the White House. This is because Faith Whittlesey has no interest in domestic issues. But Fuller says that Whittlesey has recently hired a couple of good people, particularly Mary Jo Jacobi.

Debategate. "I don't think it's gone away," says Fuller, referring to the briefing book controversy. "I don't think it will go away. The reason that I don't think it's going away is that the Justice Department is obliged to produce a report at some point which, not to mention the possibility of new revelations, is bound to provide us with a better understanding of what actually happened."

He says White House staffers are still "caught up in it." The matter comes up in virtually every meeting. "For

(MORE)

STORY: FULLER

example, we'll be sitting in a legislative strategy group meeting and somebody will walk in with the latest UPI dispatch and everybody will spend 20 minutes talking about it. Fuller himself is bored by these discussions.

Fuller thinks his White House colleagues have overreacted to the problem. Off the record, he told me about a luncheon meeting of the outreach strategy group out

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White House staffers are also becoming paranoid about the

materials in their files. Even Fuller, who is not involved in the controversy, says he has been affected by it. "We now have a new standard," he says. "Every document you receive, you have to look at it and wonder whether you'll be held accountable for it two or three years from now."

There's little doubt in Fuller's mind that Robert Garrick was involved in some sort of covert activity during the campaign. Fuller worked closely with Garrick at the White House before he was sent back to California. But Fuller notes that Garrick's efforts were probably worthless. Garrick is notoriously incompetent. (I saw Garrick in the White House basement on Tuesday on my way to see Fuller. Apparently he was called in to tell what he knows about the

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story in Time Magazine.)

Grace Commission. Fuller has been holding a series of meetings with subcabinet officials on the Grace Commission recommendations. In most instances, he says, the department people agree with the Grace Commission recommendation but caution that it will not save as much money as the commission estimates. "For example," says Fuller, "if the commission says you can save 800 million dollars, the department will say 80 billion dollars." The White House will hold a press conference in September to draw attention to the final report of the Grace Commission. Some recommendations will be incorporated into the proposed 1985 fiscal budget.

(END)

STOPY:SIMS
MA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

OPR:SJF ;07/21,17:51

To: mls lt jr bfp dr jr ep dob ln jwm rak pa pgn daw dlb

From: sjf

The following items come from a background interview with:
Bob Sims, spokesman for the National Security Council:

* The United States plans no immediate response to the lifting of martial law in Poland. No reciprocal action will be taken unless political prisoners are released.

* A chief reason for choosing Henry Kissinger to head the Central American commission was to draw public attention to the situation.

* The administration will seek increased military and economic aid for Central America in fiscal 1984.

* Israeli Prime Minister Begin may never have intended to come to the United States next week. U.S. officials say he never made the normal preparations for a state visit.

Poland. Actions in Poland will be treated with some skepticism by the Reagan administration. Although Sims declined to predict when President Reagan might respond, he insisted that no action is expected before our magazine comes out next Monday. (I told him that I would be checking with him again on Friday on this point.) Sims says the State Department needs time to study what is done and consult with allies. "There's no pre-cooked deal."

Although the U.S. is insisting on real liberalization, it's not an all-or-nothing proposition. The U.S. will fashion its response to fit the actions of the Polish government. One element is necessary, however, and that is

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the release of political prisoners. "The political prisoner situation is the key to having some reciprocal action," says Sims.

The possible U.S. responses are well known--restoring fishing rights, resuming airline landings and renegotiating the debt. "Those are the candidates." He refused to say which would be viewed as more significant. He noted, however, that "the allies are interested in the credit issue--more than we are."

Central America. For months, administration officials have been complaining that most Americans are still unaware of the situation in Central America. Nothing they do seems to have much impact on public opinion. It was in this context that Henry Kissinger was chosen to head the commission on Central America. "The fact that he attracts attention--that's just fine with us. We want attention focused on this problem. One of the purposes of this commission is to create a national consensus on U.S. policy in Central America. You can't create a national consensus if no one knows anything about it." Sims suggested that Kissinger's commission will generate publicity by holding open hearings.

Like other administration officials, Sims tries to minimize Reagan's previous criticism of Kissinger. He says that Reagan only criticized Kissinger once during his campaign in response to a question of whether he would rather have a different secretary of state. That, of

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course, is rewriting history. Kissinger and his style of diplomacy was the big issue in a fierce platform battle between Reagan and Ford at the 1976 GOP convention. But the memory of that battle has faded. "We're not following the policies of detente and Kissinger is not our secretary of state," says Sims. "He is someone who gets results. He is in our view ideal. He has no legacy of a policy in Central America. He barely set foot in that part of the world. He comes in with a clean slate, with no policies of his own to revive. It would be a different matter if we were asking him to head a commission on U.S.-Soviet relations. His controversial baggage is not really a problem here."

Sims insists there will be no effort by the White House to dictate the outcome of the commission report. "Anyone who thinks he (Kissinger) will not be independent is out of their mind."

He confirmed that the President will seek increased funding for Central America in fiscal 1984. He acknowledged that \$400 million had been discussed. "If we don't get what we ask for in 1983, it would make sense for us to ask for more in 1984." Administration officials were disappointed that they could not work out a compromise with Congress over short-term funding as part of the deal that established the commission. But there is still "an expectation that Congress will be more responsive" to their requests for more aid as a result of the commission.

The administration was surprised by Nicaragua's offer to

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negotiate a regional solution. Sims says it reflects a recognition on their part that Ronald Reagan ``means business.'' Other factors: (1) The army in El Salvador is ``doing better these days and (2) the contras are ``more of an irritant'' to Nicaragua than expected and (3) ``the Cubans must be working whether they are getting in over their heads.''

But U.S. officials are not hopeful that the negotiations will produce a solution. ``The Contadora effort is not a dynamic one,''' says Sims. ``They have a hard time getting down to basics.''

Middle East. Administration official tried without success to dissuade the Israelis from redeploying their troops in Lebanon. Sims admits there has been a loss of momentum, but he says the blame belongs on Syria and not on Israel. He does not know what the U.S. will do next, but he predicts they will ``focus more attention on Syria.''

Why did Begin cancel his trip? ``I don't blame him for not coming,''' says Sims. ``He had to look at it and say to himself `what am I going to get out of this visit?' The answer was nothing.''' Sims also insists that Begin's ill health also was a factor in the cancelation.

If Begin had made the trip, says Sims, the redeployment of Israeli troops in Lebanon would have been delayed. But there was no question that the redeployment would have occurred eventually. Once Begin decided to cancel his trip, he had no reason to put it off any longer.

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The redeployment is designed as much to "get them out of a strategically difficult situation" as it is to mollify public opinion in Israel. Sims quoted an Israeli military official as saying that the new line "is where we should have stopped in the first place."

Sims refuses to say whether the U.S. will commit more troops. "We haven't been asked" is the standard answer.

(END)

STORY:WHU.501
MA:60 FMT:

QUEUE:NRD-NRD
HJ:

MSG:
INI:

OPR:BW

;07/22,14:35

To: mls lt jf bfp dr ig gp jwm lh dcb ilb daw dxb rak pgh
From: sjf

RE GAMEYAL--REAGAN MEETING.

President Reagan has appointed Robert C. McFarlane as his personal envoy to the Mideast, replacing Philip Habib.

The announcement was made as Gameyal left the White House after meeting with Reagan. Officials insisted Gameyal did not request additional American troops for Lebanon, apparently because it would have embarrassed the U.S. on a day when three Americans were wounded in Beirut.

McFarlane, who until now has been William Clark's alter ego on the National Security Council staff, told reporters he will be leaving for the Middle East in a week to 10 days. But he provided no itinerary.

McFarlane portrayed his appointment as the beginning of a new initiative by Reagan in the Middle East. "We enter it with a renewed determination," he said. But he acknowledged that he has no new strategy for achieving peace. When asked to outline the "new steps" that Reagan referred to in his statement upon Gameyal's departure, McFarlane replied "trying harder, new faces and an intensified dialogue, both economic and securitywise." He added: "This is not...a new fundamental direction of strategy."

Habib was forced to quite because the Syrians refused to accept him. But Reagan said Habib was forced to quit for personal reasons. Nicholas Veleotis of the State Department

told reporters on background: "We fully expect that this (McFarlane's) team will be accepted by the Syrians."

McFarlane said he would concentrate first on achieving a total withdrawal of all forces from Lebanon. "The President believes that we must have a settlement in Lebanon before we can achieve any strategic gains."

He said his team would include Richard Fairbanks, who worked for Habib. But he did not include Morris Draper, who was Habib's top assistant. McFarlane will continue to hold his current title. But he gave no indication who would be doing his work while he is in the Middle East. Clark is extremely dependent upon McFarlane.

McFarlane's appointment will add to the popular view that that the National Security Council staff is running foreign policy. In an effort to do that, Veleotis declared on the record: "George Shultz was a fervent advocate of Bud replacing Phil Habib."

(END)

STORY:VERSTAN
MA:60 FMT:

QUEUE:RAKX-RAK
EJ:

MSG:
INI:

OPR:RAK ;07/25,14:40

TO: MLS, LT, JF, BFP, DR, JG, GP, DCB, LH, SJF, PA, PGH,
DAW, ELB

FROM: RAK

RE: Background-only_ivu_with_Lee_Verstandig

Verstandig, 45, replaced Rich Williamson as Reagan's liaison to governors, mayors and county executives. He is a former aide to Senator John Chafee and a longtime associate of Irew Lewis. He was assistant secretary for intergovernmental affairs under Lewis at the Department of Transportation and was acting EPA administrator after Anne Burford resigned.

Like nearly everyone in the White House these days, Verstandig is focusing most of his attention on 1984. He stressed his close ties to Lewis, who is expected to oversee the day-to-day operation of the re-election campaign. With a background in polling and political consulting, Verstandig is likely to become a deputy to Lewis at the re-election committee. Verstandig, who immodestly calls himself Lewis's "political arm," says Lewis recently asked him, "When are we going to get the Lewis-Verstandig team back together?"

My guess is that Jim Baker brought Verstandig to the White House with 1984 in mind. He is clearly politically savvy. He is active in the White House strategy group headed by Mike Deaver that searching for ways to cure Reagan's gender

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gap. More importantly, Verstandig is assisting Faith Whittlesey in trying to build support for Reagan among various constituency groups. I imagine that Baker is encouraging Verstandig to trample on Whittlesey's turf. She has been a major disappointment to Baker, who regards her position as an important one for 1984. Verstandig has been offering ideas on how Reagan can appeal to Hispanics, and he arranged the meetings Reagan held recently with congresswomen to discuss women's issues.

Verstandig says he views "the principal function of my office as one of outreach"--a euphemism for building political support among state and local leaders. He is spending most of his time on the road, and has been inviting mayors and others to the White House for political massaging.

Conservatives view Verstandig somewhat suspiciously, in part because he was sponsored by Baker and in part because he worked for Chafee (and earlier was dean of political affairs at Brown University). He is defensive about his conservative credentials. "I was the conservative conscience of John Chafee....Most of the people who know me know I'm not liberal...I'm sufficiently conservative." Verstandig is critical of Williamson (his predecessor) whom hard-line conservatives regarded as one of their chief voices in the White House.

Verstandig acknowledges--as Williamson never could--that federalism is an issue whose time has not yet come.

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“Federalism isn’t dead, but it’s dormant....As a political historian I’ve always felt it will take six or eight years to take hold.” He maintains that outside the Northeast there is support for federalism “as a concept.” And he asserts that the idea of urban-enterprize zones is growing acceptance, despite resistance in the House. For his part, Verstandig seems much more interested in politics than in the substance of policies.

(END)

STORY:LEWIS
MA:60 FMT:

QUEUE:JWM-JWM
HJ:

MSG:
INI:

OPR:JWM ;07/26,15:36

TO: MLS, LT, DR, SJF, DAW, TJF, FILE
FROM: JWM

Re: Lunch with Drew Lewis, heir apparent to be 1984 Reagan-Eush campaign chairman. BACKGROUND

Without much conviction or passion, Lewis said our Whisper about him definitely being campaign chairman next year was off. But everything he says indicates the opposite. A big unknown is the state of the Warner-Amex Cable business which is in a huge mess right now. Lewis insists he won't leave without the company turning a corner for the sake of his own reputation.

Meanwhile, Lewis is obviously playing a role in the selection of the campaign team next year. At least 20 state chairmen have already agreed to sign on when the curtain is lifted on the Reagan effort. (Whisper) This alone indicates the amount of work being done behind the scenes by Baker, Deaver, Laxalt et al.

Current plan is for RR to announce on the week of November 13 upon return from a trip overseas (timed to coincide with a triumphant return home) (Whisper)

Lewis feels the later he comes aboard, if he does, the better. Too many early campaign chairmen, he adds, are victims of infighting, jealousy. Ford had three chairmen, RR had Sears and then really didn't have any. He says Casey never really ran the campaign in 1980 but did it along with Wirthlin and Meese in a troika. "Makes you wonder," he adds, "if anyone can be chairman?"

Although Lewis is the choice of a wide ideological range in the party, he sees problems ahead with Laxalt's unique standing with the President, Baker in the White House with the right wing watching him, Deaver who will always be in the close-in crowd etc.

Still, Lewis admits interest if he can get the cable business in town. In seven cities, the company is losing 128 million so it is no cup of tea.

Issues. Lewis feels RR will need more than the improving economy because of the loss of votes of women, more blacks against him, blue collars who didn't like Carter but will vote for Mondale, Glenn or any Democratic challenger. Lewis thinks RR needs a summit and needs to demonstrate to women "that he's interested in peace." He feels it will be close election, closer with Glenn but RR has got troubles he didn't have running against Jimmy Carter.

The real issue, he believes, will be "whether the Democrats have a candidate who can run the country better than Ronald Reagan. I believes the answer is no, but it isn't going to be easy." JWM

(END)

STORY:DUBERST
MA:62 FMT:

QUEUE:RAKX-RAK-
HJ:

MSG:
INI:

OPR:RAK ;07/28,11:37

TO: MLS, LT, JF, DR, GP, SJF, JLS

FROM: RAK

RE: Background-only_ivu_with_Ken_Duberstein

Judge Clark. On "very deep background," Duberstein complains mightily that William Clark completely cut out the rest of the White House staff, including Jim Baker, on two major decisions: The appointment of Henry Kissinger and the planned military maneuvers in Central America.

Duberstein says he learned of both decision from the network news. As a result, key members of Congress were not consulted or briefed in advance of the decisions. "That didn't help us in the slightest" in trying to sell Reagan's Central American policies to Congress. Duberstein attributes Reagan's increasing opposition on Capitol Hill in large part to lack of consultation by the White House.

Clark worked directly with Reagan on both the Kissinger appointment and planning for the military exercises. This demonstrates Clark's growing confidence and his own ambitions to expand his influence. By keeping the planning secret from Baker, Clark clearly has intensified the strains between the two men. "This was a case where there was a very, very tight hold. It was done in a way that very few people in the White House even knew about it," says Duberstein.

In an effort to ameliorate ruffled feathers on the Hill, Clark and Secretary of State Shultz went to the Capitol on

Wednesday to brief lawmakers on the military exercises and other Central American developments.

Duberstein fears there is ``a potential for a big problem'' for Reagan if House Democrats decide to make Central America a partisan issue for 1984. But because of the obvious political dangers inherent for Democrats in trying to block Reagan's policies, Duberstein believes they ultimately will back off strong opposition to the administration's plans. Many Democrats differ with Speaker O'Neil's assessment that Central America is a good issue for Democrats to oppose Reagan on, Duberstein says.

Outside lobbyists. (For JLS) The Reagan White House has used outsiders to provide lobbying help on only four occasions. In each instance, the work was done on an ad-hoc basis and the outsider volunteered his services.

1) Tom Korologos, a former congressional liaison aide in the Ford White House, helped (without pay) to get Alexander Haig confirmed in 1981. Korologos arranged meetings between Haig and various lawmakers.

2) Max Friedersdorf, who preceeded Duberstein as Reagan's congressional liaison, worked as the Scowcroft commission's liaison to Congress. Friedersdorf now is the U.S. consul general in Bermuda and was detailed to the Scowcroft commission. While on assignment there, he continued to receive his regular State Department salary.

3) Korologos helped get Kenneth Adelman confirmed (again, without pay).

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4) Korologos has been arranging meetings for Kissinger on Capitol Hill. He may continue to operate on a volunteer basis as a liaison between the Kissinger Commission and Congress.

(END)

SA:23
FBI:

SI:1G-1G
HJ:

INI: MSG:

OPR:TG

:07/28.11:47

SJF

July 28, 1983

AOK (MLS LT GP LJL SJF/RAK) from TG

Reagan names organized-crime panel...

The President today named a 20-person group (including 5 women) to investigate organized crime in the U.S. over the next 3 years.

The group is to recommend ways to "break apart and ultimately destroy the tightly-knit regional and national networks of career criminals" who live off racketeering, Reagan said.

Federal appeals judge Irving Kaufman, who sentenced defendants involved in the Apalachin organized-crime conference in the 1950s, heads the panel. Retired Supreme Court Justice Potter Stewart also belongs.

In a White House briefing, Kaufman, Atty. Gen. Smith and FPI director Webster made these points that might be helpful for our current:

* Kaufman says organized crime is "more dangerous and pervasive than ever before." It is entering "new lines of business" and now includes motorcycle gangs, prison gangs and major drug-importing organizations. Smith added drug-selling "cocaine cowboys" and Japanese groups that are "spreading their tentacles into Hawaii and the West Coast."

"It changes in mutation, just like a virus when you're about to cure it," he says. "It's not in the old of the old Cosa Nostra."

* The commission wants to look into how organized crime affects American society as a whole. "It trickles down to the kid on the street who eventually becomes an addict and thief," says Kaufman.

(MORE)

"Our ultimate objective is to make organized crime unprofitable." He noted estimates that illicit drug traffic amounts to 79 billion dollars annually, which he said is a "major part of our economy that never gets taxed...it used to be a pipsqueak problem."

* Yes, the FBI has made strides in fighting organized crime. Webster said there have been "very significant convictions of top players" in the last 2<1/2> years. But that success is a fairly recent development, Smith admits. "It's important to get on top of the problem as soon as possible," he says. "The Mafia spread its roots at a time when we were not on top of it and ahead of it. We want to prevent the same thing from happening now."

* How the commission itself will fight organized crime was less than clear. Smith said the panel would do "the one thing organized crime does not like--put the spotlight on it." Webster said he hoped that more publicity about the problem would encourage witnesses to testify against mobsters. Implicitly, a report concluding that we have a huge problem might lead to more resources to fight it, but none of the officials said today they were calling for that now.

Much of the briefing was devoted to questions from the White House press corps about why Reagan addressed the International Longshoremens Association when its leaders had been convicted of crimes. The officials waffled for a while and finally concluded that an entire group shouldn't be boycotted because some of its members are rotten.

(END)

STORY:SIMS
MA:60 FMT:

QUEUE:RAKX-RAK
HJ:

MSG:
INI:

OPR:RAK ;07/29,11:31

TO: MLS, LT, JF, BFP, DR, JG, GP, DCB, LH, SJF, PA, PGH,
DAW, ILB

FROM: RAK

RE: Background-only ivu with NSC aide Bob Sims

Central America. NSC experts believe such ``concessions`` as Fidel Castro's offer to pull his advisers out of Nicaragua and the Sandinistas' six-point peace plan are indications that the planned American military exercises are making the Cubans and Nicaraguans edgy. But Sims notes that another reason for the movement is that the Cubans and Nicaraguans ``see the war as being fought in Congress.`` Their concessions are aimed at undermining support for Reagan's policies.

How will the Soviets react to the U.S. maneuvers? With ``nervousness,`` says Sims. The Soviet cargo ship Ulyanov arrives in Nicaragua today. The vessel ``skipped a couple of ports to get there ahead of the cavalry,`` meaning the U.S. military forces. Among the hardware it is carrying are helicopters used for transporting troops. (Each chopper carries 26 to 28 men.) Sims says he cannot explain why the

Soviet and Cuban buildup in Nicaragua is occurring at this time. He notes that it has been going on for several months.

Sims rejects reports that the American exercises were motivated by a fear that the Nicaraguans are planning an invasion of Honduras or Costa Rica.

(MORE)

STORY: SIMS

PAGE: 2

Covert aid. The House vote to cut off covert aid to the contras "was basically a partisan vote led by the Democratic leadership....It will never become law." The White House is confident that it has enough support in the Senate to block the Boland-Zablocki measure.

Lebanon. Sims claims not to know whether Secretary of State Shultz or Reagan pressured the Israelis for a timetable on complete withdrawal from Lebanon. And he refuses to speculate how long the Israelis will remain along the Awali line, but he does not discount reports they are planning to stay through the winter.

Expansion of the multinational peacekeeping force is not imminent. Protection of areas vacated by the Israelis will be the responsibility of the Lebanese army, not the MNF. Sims notes that the Lebanese army has been improving faster than the American advisers expected, and may prove less ineffective many fear it will be.

McFarlane. Reagan's instructions to special envoy McFarlane "are private." Sims would discuss McFarlane's mission in only general terms. He notes that McFarlane's departure from the NSC staff "doesn't make life any easier" for Judge Clark, who always has relied heavily on McFarlane's

STORY:MEISE
MA:60 FMT:

QUEUE:RAKX-RAK
HJ:

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OPR:RAK ;07/27,11:13

TO: MLS, LT, JF, BFP, DR, JG, GP, DCB, LH, SJF, PA, PGH,
EAW, ILB

FROM: RAK

RE: Background-only_ivu_with_Ed_Meese

Central America. The U.S. forces that will be sent to Honduras for training exercises ``are not going there for any combat purpose....There is no more possibility of shooting going on [during the exercises] than there is if they were in Washington.'' Meese says reports of a sudden Cuban military buildup in Nicaragua did not contribute to Reagan's decision to conduct the exercises. He refuses to say whether the White House is considering a naval quarantine of Nicaragua to check the flow of arms to El Salvador.

Organized crime. The administration's long-promised commission on organized crime will be named Thursday. Meese declined to reveal the names of the appointees. The prime objective of the panel is to ``provide a new threat assessment'' posed by the mafia. Such a ``threat assessment'' has not been done since the Kefauver Commission issued its report in 1952, Meese says. The commission also will ``investigate all aspects of organized crime and recommend legislation.'' It will work under the Attorney General, with a staff at the Justice Department.

It is clear that this new commission will serve a very useful political purpose in 1984: To underscore the notion

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knowledge and expertise. Reflecting Clark's sensitivity to suggestions that McFarlane lacks the stature for his new post, Sims strongly defends McFarlane's skills as "a superb negotiator." (I don't know of any other high-level negotiations in which McFarlane has participated.)

(MORE)

STORY: SIMS

PAGE: 3

Poland. Don't look for Reagan to respond to the easing of martial law "anytime soon," Sims say, noting that the Polish government still has not released many of the political prisoners it said it would release. Does this mean that the White House has decided not to offer any concessions to the Polish regime? "We're still reviewing the situation," says Sims.

UNESCO. The administration's "thorough review" of American participation in UNESCO will not be completed before the fall, at the earliest.

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that Ronald Reagan is tough on criminals. Meese seems to envision the commission as a grandiose enterprise that will attract a lot of attention. Never a fan of Henry Kissinger, Meese notes sarcastically that the crime commission "is not one of those trendy commissions" (such as Kissinger's) but is one that will do serious work to combat evil.

Loans. Meese became emotional and angry when I asked him about the personal loans arranged for him by a San Francisco accountant whom Meese later recommended for appointment to the board of governors of the Postal Service. The Washington Post stories on the subject are "despicable....I didn't take a bath financially to come here just to have to put up with that kind of crap in the newspaper."

Meese claims "there's no connection whatsoever between the loan(s) and the appointment." He is paying 18 percent interest on the loans, for which he put up no collateral. The money was loaned solely on the accountant's word "that I was a good credit risk." Meese says he could have gotten a better deal if he had gone to a bank. When I asked him why he didn't, he said he didn't have the time when he needed the money, which was used mostly to pay the college expenses of his son (who later was killed in an auto accident). My guess is that Meese didn't have sufficient collateral to get the loan from a bank. It took him more than a year to sell his house in San Diego after he bought a house in McLean.

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Reagan's reaction to the stories: "He said he felt sorry that I had to pay that kind of interest and that he appreciated the sacrifices I had to make to come here."

McFarlane. Here is an indication of how straightforward Meese is with reporters, even on background: The reason Phillip Habib was replaced as Reagan's special Mideast envoy, Meese claims, is that Habib felt he could no longer neglect his academic work and his business interests. Bud McFarlane was chosen to replace Habib because McFarlane "works well with both the Secretary of State and the President."

(END)