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NYT

12/12/80

File
Bios

Director of Central Intelligence William Joseph Casey

By WARREN WEAVER Jr.

Special to The New York Times

WASHINGTON, Dec. 11 — In World War II, while in his early 30's, William J. Casey developed a keen interest in espionage and intelligence. Working for the Office of Strategic Services in Europe, he helped plan the infiltration of agents into France and Germany before the Allied invasion.

Thirty years later, after successful careers in business, law and government, Mr. Casey resigned the last of a series of prominent Federal posts, confiding to friends that they did not seem to be leading him toward the jobs he wanted: Secretary of the Army or Director of Central Intelligence.

Today those ambitions were realized when President-elect Ronald Reagan named him to head the Central Intelligence Agency, successor to the O.S.S. The action was recognition of the New York lawyer's service as manager of the campaign that won the Republican nomination and the White House.

In an interview with United Press International today, Mr. Casey said the President-elect had told him: "We need to have a strong intelligence service. Even though we may not have the biggest intelligence service, we know we want to have the best."

Lost Congressional Primary

In the 1980 campaign, as in much of his career, Mr. Casey aroused a certain amount of controversy; other Reagan aides questioned his judgment and background from time to time, but never the success of his candidate.

At one time, Mr. Casey essayed a political career of his own, but without conspicuous success. In 1966 he chal-

lenged Representative Steven B. Derounian, a Goldwater Republican, for renomination in a Long Island Congressional District. This produced reports, now regarded as more amusing than accurate, that the insurgent was a party liberal.

Despite his status as a protégé of Leonard W. Hall, the local Republican leader, Mr. Casey lost the primary and did not run for elective office again.

Named Chairman of S.E.C.

William Joseph Casey was born in Elmhurst, Queens, on March 13, 1913, and was graduated from Fordham University and St. John's University Law School. His New York City accent remains pronounced.

In the Nixon Administration he held a series of appointive Federal posts. In 1971 he became chairman of the Securities and Exchange Commission. In 1973 he served briefly as Under Secretary of State for Economic Affairs but when Henry A. Kissinger became Secretary of State, Mr. Casey left the State Department and became president of the Export-Import Bank.

In the Watergate investigation, the special prosecutor looked into charges that Mr. Casey, while S.E.C. chairman, had withheld documents involving the International Telephone and Telegraph Company from Congress by moving them to the Justice Department. Testimony was contradictory and no legal action was taken.

Mr. Casey was a witness at the trial of Attorney General John N. Mitchell and Secretary of Commerce Maurice H. Stans for obstruction of justice in connection with a \$200,000 Nixon campaign contribution made by Robert L. Vesco, the fugitive financier. Mr. Casey testified that Mr. Mitchell had asked him to see Mr. Vesco's attorney but said he did not learn about the contribution until later.

Cut Political Spending

Replacing John P. Sears as Mr. Reagan's campaign manager on the eve of the New Hampshire primary, Mr. Casey cut back spending and kept the election effort within legal limits. Generally, he was regarded as decisive, not overly diplomatic and little acquainted with modern polling and television techniques.

Mr. Casey was one of the promoters of the abortive attempt at the Republican National Convention to persuade Gerald R. Ford to accept the Vice-Presidential nomination. Some Reagan aides believed that he offered too many concessions in the process.

Mr. Casey is married to the former Sophia Kurz. They have a grown daughter, Bernadette, who lives and works in New York City.



Associated Press

In the 1980 campaign, as in much of his career, he aroused a certain amount of controversy.

NYT

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File
13102

Health and Human Services

Richard Schultz Schweiker

Special to The New York Times

WASHINGTON, Dec. 11 — The resurrection of Richard S. Schweiker, who was to have left his Pennsylvania Senate seat and public life next month, is a tribute to the resourcefulness of the 20-year Congressional veteran and to the loyalty of his Presidential sponsor.

In July 1976, Ronald Reagan startled politicians of both parties with the unorthodox announcement that he had decided weeks in advance who would be his running mate if the Republican National Convention nominated him for President, and that his choice was Senator Schweiker, whose voting record resembled those of liberal Democrats.

The maneuver did not win Mr. Reagan the nomination that time around; if anything, it probably turned some angry conservative delegates to Gerald R. Ford.

But Mr. Schweiker's willingness to cooperate, and to take considerable heat in the process, obviously earned him the lasting gratitude of the Californian, who today named the 54-year-old Senator as Secretary of Health and Human Services.

Plunge in Liberal Rating

The Vice-Presidential experiment was a political watershed for Mr. Schweiker. The year before, Americans for Democratic Action rated his voting record at 89 out of 100. The year after, his rating on the liberal index plunged to 15.

As Secretary of Health and Human Services, assuming his appointment is confirmed, Mr. Schweiker would be expected to reflect the social policies of the Reagan administration in controversial areas such as welfare reform and financing of Social Security.

But his long record of support for health research legislation, as ranking Republican on the Labor and Human Resources Committee and its Health Subcommittee, could bring him into conflict with administration economic initiatives if they focused on his department, as some expect they will.

Aides to Mr. Schweiker maintained that his apparent shift from liberal to conservative was not so abrupt or radical as it seemed in the political spotlight of 1976. They cited his earlier conservative stands: for school prayer, against busing for school desegregation, against gun control and for lower Government spending.

'A Way of Sensing Trends'

"He has a way of sensing which way political trends are moving and getting out in front earlier than some others," a former Schweiker adviser said. "That's what happened in 1976. He had been moving that way, but the national publicity made it seem so sudden."

Only a few years before, Senator Schweiker had been in the vanguard of Republican resistance to President Nixon, criticizing the war in Vietnam, voting against confirmation of both

Clement F. Haynsworth Jr. and G. Harrold Carswell for the Supreme Court and opposing the defensive missile program.

Throughout his Congressional career, Mr. Schweiker has demonstrated independence. He first won election to the House in 1960, defeating an incumbent Republican in the primary in a well-to-do Philadelphia suburban district, after being refused the party endorsement two years before.

Pennsylvania Republican leaders dissuaded him against running for Governor in 1966, but he won the Senate nomination two years later to oppose the two-term Democratic incumbent, Senator Joseph S. Clark. Although the Democratic national ticket carried Pennsylvania by 170,000 votes, Mr. Schweiker won by 280,000.

Richard Schultz Schweiker was born June 1, 1926, in Norristown, Pa., the son of the owner of a tile company that was later purchased by the National Gypsum Company.

He enlisted in the Navy when he was 17 years old and served in the Pacific in World War II as an electronic technician's mate aboard an aircraft carrier. In 1950 he graduated from Pennsylvania State University, where he was elected to Phi Beta Kappa. Before entering politics, he worked in the family business.

In 1955 he married Claire Coleman, who had attracted his attention as the hostess of the Philadelphia version of the children's television program "Romper Room." They have five children and one grandchild. Desire to spend more time with his family was said to be a factor in Mr. Schweiker's retirement from the Senate.



United Press International

Sensing how political trends move, he has a way of "getting out in front earlier than some others."

NYT 12/12/80

Commerce

Malcolm Baldrige

By RICHARD L. MADDEN

Special to The New York Times

WATERBURY, Conn., Dec. 11 — Some people think that Malcolm Baldrige, who is Ronald Reagan's choice to be Secretary of Commerce, is really two people.

There is the Malcolm Baldrige who is a member of the Business Council, director of several large corporations such as AMF, Bendix and Uniroyal, and chairman of the board of Scovill Inc., a diversified manufacturing company with sales of about \$1 billion a year and a sleek new corporate headquarters on the edge of town here.

Then there is the Malcolm Baldrige, known as "Mac," a steer roper on the professional rodeo circuit, a "heeler" in a two-man roping team who lassos the hind legs and flips the steer while his partner ropes the head.

The lanky, soft-spoken industrialist, who is 58 years old, moves easily between the seemingly contradictory worlds of a corporate executive and a cowboy.

'Hideaway' Near Office

He wears a hand-tooled Western belt with his dark, pin-striped suits. Next to his handsome corporate office here is a small hideaway, with Western pictures, a saddle on a sawhorse and a high table where he can read newspapers while standing up and exercising with bar bells.

"He can move in any circle — business, politics and the rodeo," said a Connecticut Republican who has worked with Mr. Baldrige.

"He's very disarming, but he cuts right to the heart of a problem," the politician said. "You don't have long telephone conversations with Mac. If you can't tell him something in two or three minutes, forget it."

Mr. Baldrige, a former state Republican finance chairman, ran the Connecticut campaign for George Bush when he was seeking the Republican Presidential nomination. The Connecticut primary last March was one of the few contests in which Mr. Bush defeated Mr. Reagan.

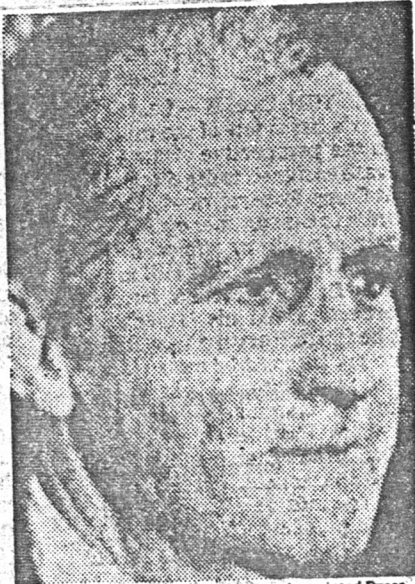
Assignment From Bush

The industrialist, a longtime friend of the Bush family, at first demurred when Mr. Bush asked him last year to take charge of his Connecticut campaign. Mr. Baldrige explained that he had not been active in politics in the last few years, but Mr. Bush insisted that he could get political advice elsewhere and that what he needed was a good manager. "He had me there," Mr. Baldrige said later.

Several years ago Mr. Baldrige was mentioned as a possible gubernatorial candidate, but he decided that he still had a commitment to stay with Scovill.

"That brass ring only goes around once," he said of elective politics.

Malcolm Baldrige Jr. (he no longer uses the junior) was born in Omaha on Oct. 4, 1922. His father was a Republi-



Associated Press

He moves between the seemingly contradictory worlds of a corporate executive and a cowboy.

can Congressman from Nebraska in the 1930's.

His sister, Letitia Baldrige, was the social secretary at the White House when John F. Kennedy was President.

A Graduate of Yale

He traveled East to the Hotchkiss School and to Yale, where he received his bachelor of arts degree in 1944, but he never quite lost his Western roots or the flat twang of Nebraska.

As a teen-ager he worked as a \$1-a-day ranch hand. He still owns a share of a cattle ranch in New Mexico.

After serving with an Army infantry division in the Pacific in World War II, Mr. Baldrige said he was "feeling antsy" and went to work as a mill hand at the Eastern Company's iron foundry in Naugatuck, Conn. By 1960 he was president of the company.

Scovill hired him away from Eastern in 1962 and a year later he became president.

Wife Joined Fire Department

He married the former Margaret Trowbridge Murray in 1951. They have two grown daughters. Mrs. Baldrige was the first female member of the volunteer fire department in the rustic town of Woodbury, where the Baldriges have a large colonial home with horses and cattle nearby.

Mr. Baldrige once said that leaving the corporate board rooms and competing with his fellow rodeo riders invigorated him.

"They're probably the most self-reliant, independent men in the country," he said. "They have no guarantees and no contracts. They've learned to depend completely on themselves, and they've got the self-confidence that comes from that."

NYT 12/12/80

Transportation

Andrew Lindsay Lewis Jr.

By ADAM CLYMER
Special to The New York Times

WASHINGTON, Dec. 11 — In 1976 Andrew Lindsay Lewis Jr. played a decisive role in keeping Ronald Reagan from winning the Republican Presidential nomination, even though he also had to work against the ambitions of his close friend, Senator Richard S. Schweiker, Mr. Reagan's choice for Vice President.

But in 1980 Mr. Lewis was one of the first establishment Republicans to sign up with Mr. Reagan's Presidential drive, and today his reward was designation as the Secretary of Transportation.

The 49-year-old Mr. Lewis, whose first name is always shortened to Drew, is expected to draw heavily on at least one segment of his varied business career in his new Cabinet post.

For the last 10 years he has been a trustee in bankruptcy of the Reading Railroad, a concern that was absorbed into Conrail in 1976 but lives on not only as a key property on Monopoly gameboards but also with interests in real estate, coal and interstate trucking.

Lost Race for Governor

Active in Republican politics in Pennsylvania since 1960, Mr. Lewis was defeated in a run for governor in 1974, but he first assumed a key role in national politics in 1976 when he was running the Pennsylvania campaign for President Ford.

When, in late July of 1976, Mr. Reagan selected Mr. Schweiker as a preconvention running mate, the Reagan forces hoped Mr. Lewis would also desert the President and take some delegates along with him. Instead, despite entreaties from Mr. Schweiker, he held firm for Mr. Ford. The defections the Reagan campaign hoped for in the Northeast never materialized.

But while he played a key role in thwarting Mr. Reagan's last-ditch gamble in 1976, he signed up with the Californian's forces in 1979 and ran a Pennsylvania campaign that won a majority of the delegates while losing the preference primary to George Bush.

In the summer and fall, his role was even more significant. He became deputy chairman of both Reagan-Bush Committee and the Republican National Committee. "He was a very effective bridge," Bill Brock, the national chairman, said today.

Role in Pennsylvania Campaign

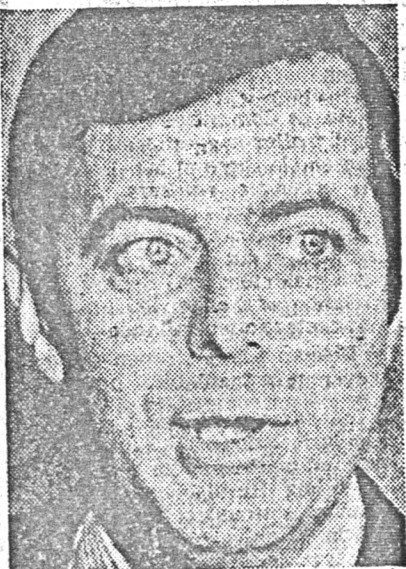
In the campaign, Mr. Lewis pushed successfully to get Mr. Bush and Mr. Ford used in television commercials, and to see that Mr. Bush's travels were concentrated in areas, like the Philadelphia suburbs, where he had an appeal to lifelong Republicans lacked by Mr. Reagan, a Californian and a former Democrat.

Mr. Lewis was born in Philadelphia on Nov. 3, 1931. He is a graduate of Haverford College and the Harvard

Business School. He was married in 1950 to Marilyn S. Stoughton, who said today that they met in the ninth grade in Worcester, Pa., "and I knew I was going to marry him."

"We ran away and were married when we were 18 and had braces on our teeth," she added. They have three grown children: Karen Stoughton Sacks, Russell Shepard Lewis and Andrew Lindsay Lewis 4th. Another child, Andrew Lindsay Lewis 3d, died in infancy of pneumonia.

Mr. Lewis's first job after graduating from Harvard in 1955 was with Henkels & McCoy, a general contracting firm for which he was a job superintendent in the Azores. From 1960 to 1969, he was with the National Gypsum company, both as a corporate vice president and as vice president for



United Press International

He will draw heavily on at least one segment of his varied business career in his new Cabinet post.

marketing of the American Olean Tiles Company, a wholly owned subsidiary.

From 1969 to 1972 he was president of Simplex Wire and Cable and from 1970 to 1974 he was president of Snelling & Snelling, a major employment agency. Since 1975, he has been president of Lewis and Associates, a financial and management consulting firm.

When Mr. Lewis and Mr. Schweiker were designated today as prospective Cabinet members, Mr. Reagan chose not only two close friends but also two members of a very small German Protestant sect, the Schwenkfelders.

Mr. Lewis is president of the Central Schwenkfelder Church in Worcester, a few miles from the farm at Schwenksville, Pa., where he and Mrs. Lewis, just elected to her second term in the Pennsylvania House, live and raise fowl and livestock.

NYT 12/12/80

Defense

Caspar Willard Weinberger

By RICHARD D. LYONS
Special to The New York Times

WASHINGTON, Dec. 11 — Caspar W. Weinberger's first view of the military was from the perspective of an Army buck private assigned to dig ditches for sewers at Camp Roberts, newly opened in California in the summer of 1941.

A student of military affairs, he had tried to join the Royal Canadian Air Force in the Battle of Britain, but poor depth perception and his father's desire that he finish Harvard Law School put an end to that youthful enthusiasm.

So, after graduating and passing the New York Bar examination, Mr. Weinberger, whom President-elect Ronald Reagan today designated to be Secretary of Defense, enlisted in the Army.

"The sergeants at Camp Roberts took all the people with graduate degrees, put us in one company and set us to digging ditches, and I seem to remember that there were a lot of warehouses that had to be cleaned out every half hour," Mr. Weinberger recalled the other day. "It was a humbling experience."

Platoon Leader in Pacific

Mr. Weinberger, now 63 years old, took basic training, went through Officers Candidate School at Fort Benning, Ga., and was sent to the South Pacific as a replacement platoon leader in 1942. He saw duty with the 41st Infantry Division, which was involved in heavy fighting against the Japanese and then was transferred to Gen. Douglas A. MacArthur's intelligence staff, finishing the war as a captain.

While the sobriquet "Cap the Knife" has followed him through public life and political cartoonists have depicted him as a budget-cutting Scrooge, Mr. Weinberger has urged higher military spending for many years.

"The objectives of defense spending are nothing less than our survival as a free nation in a world that cannot be considered completely friendly," Mr. Weinberger wrote a decade ago when, as deputy director of President Nixon's Office of Management and Budget, he had a large measure of responsibility for framing military spending.

Mild mannered but tough-minded, Caspar Willard Weinberger is a member of a rare breed: he is a native Californian, having been born in San Francisco on Aug. 18, 1917, to parents who had moved there from Colorado. His father was a lawyer. After attending public schools, Mr. Weinberger went to Harvard for his undergraduate and graduate education. He graduated magna cum laude and was elected to Phi Beta Kappa. He was also president of The Harvard Crimson.

Elected to State Assembly

He was married in the war to the former Jane Dalton, and the couple has two children and two grandchildren. Mr. Weinberger returned to San Francisco to practice law, then broke into

politics in 1952 when he was elected to the State Assembly.

In 1955, Mr. Weinberger was voted the ablest member of the California Legislature and he won re-election the next year. He lost a bid for statewide office in 1958 when he ran for Attorney General. In 1962 he became state Republican chairman but angered the conservative wing of the party by giving only token support to Senator Barry Goldwater's candidacy for the Presidential nomination.

Mr. Weinberger opposed Ronald Reagan when Mr. Reagan first ran for public office in 1966, backing George Christopher, a fellow San Franciscan, for the Republican nomination for Governor. After Mr. Reagan's election Mr. Weinberger served in a transition group.

After serving as chairman of the State Commission on State Government and as State Finance Director, Mr. Weinberger came to Washington in 1969 as chairman of the Federal Trade Commission, then became deputy director and finally director of the Office of Management and Budget. Eventually he served as Secretary of Health, Education and Welfare, before returning to San Francisco to become an executive with the Bechtel group of engineering and construction companies five years ago.

Mr. Weinberger has been a patron of



United Press International

A World War II Army veteran who has urged higher military spending for many years.

the arts and enjoys going to the theater, symphony, opera and ballet.

Mr. Weinberger has been a book reviewer for newspapers in California; and lately has been writing a newspaper column. Asked if he considered himself a lawyer, a politician or an executive, he answered, "I'm really a frustrated newspaperman."

NYT 12/12/80

Treasury

Donald Thomas Regan

By KAREN W. ARENSON

Donald T. Regan, chairman of Merrill Lynch & Company, Inc., the Wall Street firm that for so long has proclaimed itself bullish on America, will now have a chance to serve as defender of the American dollar and architect of American financial policy in the post of Secretary of the Treasury.

The designation of Mr. Regan as Treasury Secretary, although generally applauded by the financial community, came as something of a surprise to his colleagues, among whom he has a reputation for being extremely bright, though very much a maverick.

He is highly regarded for developing Merrill Lynch into the largest and most innovative firm on Wall Street. But most of his Wall Street peers perceive him more as a manager and administrator than as a policy analyst. Indeed, because he has not been outspoken on economic policy issues, he is somewhat less well-known than his counterparts in banking.

But in testimony before the House Ways and Means Committee in July, Mr. Regan did offer suggestions that tended to resemble those of Mr. Reagan's own economic advisers. He called for a three-part tax incentive program: more rapid capital depreciation for business, a cut in the capital gains tax to a maximum of 21 percent, and the stretching of the individual income tax brackets to offset inflation-induced increases.

Advocate of Tax Cuts

He said that taxes could be cut without worsening inflation if a statutory clamp were put on the growth of total Federal spending. He also contended that the tax cuts would bolster economic growth.

But if he has maintained a low profile politically, he has long moved in national and international financial circles. He is on all the appropriate business groups: the policy committee of the Business Roundtable, the board of the Committee for Economic Development, the Council on Foreign Relations. And as chairman and chief executive officer of the largest firm on Wall Street, and as a former vice chairman of the New York Stock Exchange, the 61-year-old Mr. Regan is quite knowledgeable about financial markets and economics.

"He really understands the way the world is put together," said Eugene Rotberg, treasurer of the World Bank.

Joined Firm After World War II

For Mr. Regan, the move to Washington will mark a return to the spot where he started as a Merrill Lynch salesman in 1946.

Donald Thomas Regan (pronounced REE-gun), was born in Cambridge, Mass., on Dec. 21, 1918. He received a bachelor's degree in English at Harvard College, where he also took many courses in economics. After graduation



Associated Press

His Wall Street peers perceive him more as a manager and administrator than as a policy analyst.

in 1940, he joined the Marine Corps where he rose to lieutenant colonel.

Mr. Regan joined Merrill Lynch at the end of World War II. In 1952 the firm moved him to New York to run its over-the-counter stock trading department, and two years later he was made a partner. He was named president of Merrill Lynch, Pierce, Fenner & Smith in 1968 and chairman and chief executive in 1971. Under him, the firm has developed a network of more than 600 offices in the United States and abroad, with some 8,000 account executives.

He has brought a vision to the firm of a rapidly changing financial world and of the need to change to stay on top. He has transformed Merrill Lynch from a narrow brokerage house into a broadly diversified financial firm, with interests ranging from securities and banking to real estate and insurance.

Despite the magnitude of the changes at Merrill Lynch, each was taken only after careful study and market research. Mr. Regan has a reputation for not shooting from the hip. He is also regarded as more than willing to make controversial moves.

Mr. Regan commutes to Wall Street from his New Jersey home (the company will not identify the community) and is assiduous at keeping his working hours in bounds. He is married to the former Ann Gordon Buchanan, and they have four grown children. He is a history buff and an avid golfer.

When he moves to Washington, Mr. Regan will be immune from the real estate problems facing most of the new administration. He already owns a historic Colonial house in Mount Vernon, Va., purchased a few years ago to be used as an occasional residence and for his eventual retirement.

NYT 12/12/80

Attorney General William French Smith

By ROBERT LINDSEY
Special to The New York Times

LOS ANGELES, Dec. 11 — When Lieut. William French Smith was mustered out of the Navy after World War II, he came to Los Angeles, uncertain what he wanted to do with the rest of his life. He was an unalloyed New Englander, born in New Hampshire and reared in Boston. But, he recalled the other day, he was fascinated by the open spaces, the pragmatism and the opportunities in the Far West, and he decided to stay.

"I had an independent spirit, and I decided my life wasn't going to be dictated to me by my ancestors," he said.

In 1946, Mr. Smith took a job at one of this city's most influential law firms, Gibson, Dunn & Crutcher, and this week he was still there, as a senior partner. "I'm not a rolling stone," the 63-year-old lawyer added with a smile.

But, after 34 years with the same employer, it appears that Mr. Smith will be changing jobs soon: He was designated today as Ronald Reagan's Attorney General.

The courtly, soft-spoken, white-haired man has been Mr. Reagan's personal attorney and one of his closest friends for more than 15 years.

Helped Guide Reagan Career

He is among a half-dozen or so wealthy California Republican conservatives who have guided Mr. Reagan's political career, raised money for him, and tendered him advice since the former actor decided, at their suggestion, to run for Governor in 1966.

"It may be a unique situation" regarding American Presidents, Mr. Smith said of the relationship between the President-elect and his advisers. "The original group, with some changes, has continued with the Governor all these years; and we've not only been politically involved, but socially. When he decided to run for President, there was sort of a ready-made group waiting to help him."

William French Smith was born on Aug. 26, 1917 in Wilton, N.H. His father, who died when the boy was 6, was president of the Mexican Telephone and Telegraph Company, whose headquarters was in Boston.

When he was young, Mr. Smith recalls, he traveled a great deal with his mother, and he was first drawn to California as a teen-ager. He attended the University of California at Berkeley, from which he was graduated summa cum laude in 1939, and then returned east to obtain a law degree from Harvard in 1942.

He lives with his second wife, Jean, (his first marriage ended in divorce), in the affluent suburb of San Marino near here and has three sons and a daughter from his first marriage. For relaxation, he plays tennis and, occasionally, golf.

Mr. Smith is best known in his adopted state as a member and former



The New York Times

He has earned the respect of both union and management representatives as a tough, skilled negotiator.

chairman of the University of California Board of Regents, a post to which he was appointed by Mr. Reagan in 1968.

Praised as Open-Minded

He was at the center of a series of bitter disputes rooted in Mr. Reagan's efforts to cut the university's budget and to deal with campus protesters. Despite their memories of these disputes, many senior university administrators give Mr. Smith high marks for being open-minded and advancing the overall interests of his alma mater.

Mr. Smith is a director of Crocker National Bank, Pullman Inc. and a number of other companies. He is heavily involved in cultural, philanthropic and civic affairs in California.

Asked which fields his closest friends come from, he said that he sought out friends with diverse backgrounds, explaining: "I always like to rub shoulders with as many worlds as I can; there are so many worlds out there."

His legal specialty is labor law, most often as an advocate for management in negotiations and disputes against labor. It is a specialty that has not only made him wealthy but has also earned him the respect of both union and management representatives here as a tough, skilled negotiator.

Asked to describe his style in negotiating, he said:

"It's a matter of applying common sense and fairness and having a feel for the probabilities of a given situation. Understanding human nature is also a big element. You've got to be able to recognize the lowest common denominator and discern areas where concessions will produce returns that are sometimes greater than the concessions."

Office of Management and Budget

David Alan Stockman

By MARJORIE HUNTER

Special to The New York Times

DEC 12 1980 NYT

WASHINGTON, Dec. 11— When Ronald Reagan was practicing for the Presidential debates this fall, Representative David A. Stockman played the roles of both Jimmy Carter and John B. Anderson.

"Who won?" Mr. Stockman was asked the other day.

"I think Mr. Reagan did — ultimately," he replied. "But I hit him pretty hard along the way. They even began to doubt my loyalty."

Whatever doubts that the Reagan forces might have had about the loyalty of the 34-year-old political actor from Michigan were no more than temporary, for he was designated today to assume one of the key roles in the new administration: director of the Office of Management and Budget.

Strong Support From Kemp

It is a job that Mr. Stockman had openly solicited, confident that he was the best man for the job. And in that quest he had the strong backing of his best friend in Congress, Representative Jack F. Kemp, Republican of upstate New York, a co-author of a proposal to reduce taxes 10 percent a year for three years.

Mr. Stockman is no economist. He was a history major at Michigan State University and later studied theology at Harvard Divinity School, with the idea of becoming a nonministerial theologian. "But then I got interested in Boston politics and that was that," he said.

His introduction to the workings of Congress came in 1970 when he became a staff aide to Representative John B. Anderson, the Illinois Republican who ran for President this year as an independent.

Chosen by House Republicans

After two years, Mr. Stockman became executive director of the House Republican Conference. Just 25 at the time, he was the youngest person ever chosen for that job. More graduate study at Harvard, this time as a fellow in the university's Institute of Politics, further whetted his appetite for a political career of his own, and he handily won a House seat in 1976.

David Alan Stockman was born Nov. 10, 1946, at Camp Hood, Tex., while his father was in the Army. After his father left the service, a short time later, the family moved to St. Joseph, Mich., where they ran a fruit farm. It was there that David Stockman grew up.

Some colleagues consider him one of the true intellectuals in Congress, a voracious reader, an imaginative innovator, a man whose brain seems to work overtime. But as is the case of



United Press International

It is a post that he had openly solicited, brashly confident that he was the best man for the job.

many very bright people, he often lacks the gift of being able to simplify, to transmit his often complicated views to others.

However, he is not a stuffy, introverted intellectual. His brilliance is often leavened with great wit.

A slightly built man, with a shock of prematurely gray hair, he is seldom still, moving restlessly around the House floor, scribbling down ideas in committee sessions. He plays tennis with friends, occasionally entertains in his bachelor apartment near Georgetown, but says he is only a "minimal cook."

In his two terms in the House, he has emerged as one of the most effective Republican legislators. A member of the Interstate and Foreign Commerce Committee, he helped shape major energy legislation in committee and led the minority debate on the floor. He also serves as chairman of the Republican Economic Policy Task Force.

Views on Economy

While he is no economist, he feels that he is well versed in that field from what he calls "on-the-job training." An economic conservative, a free-market advocate, he believes that the economy must be stimulated by tax cuts for business, as well as individuals, in order to broaden available supplies of goods.

Mr. Stockman, whose seat in the House will be filled in a special election to be called by Gov. William G. Milliken, a Republican, describes himself as a "policy generalist, with strong ideas on every phase of government."

Baldrige, Choice as Commerce Chief, Is Facing a Host of Persistent Problems

DEC 12 1980 WSJ

By EILEEN ALT POWELL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — President-elect Ronald Reagan's choice for Secretary of Commerce, Malcolm Baldrige, has been involved in manufacturing for more than three decades and in national Republican Party politics for nearly two. But, friends say, he's most at home on the range.

Mr. Baldrige, the 58-year-old chairman of Scovill Inc. in Waterbury, Conn., "just loves to compete in rodeo roping contests," an associate said. "He won a saddle in team roping in California a couple of years ago. It's the first thing you see when you walk into his library."

In addition to being a card-carrying member of the Professional Rodeo Cowboys Association, Mr.

Baldrige seems to have the credentials that Reagan aides were looking for: recognition in the business community and a willingness to take on the tough reindustrialization and trade problems facing the nation.

The National Association of Manufacturers, a Washington-based trade group, hailed the selection of Mr. Baldrige and seven other Cabinet-level appointees as "a team of extraordinarily able people" with "acknowledged, noteworthy success in private life."

'Great Step Forward'

W. Thomas York, chairman of AMF Inc., on whose board Mr. Baldrige serves, praised the appointment. "From the country's point of view, it will be a great step forward," Mr. York said. "He's very much a mover, and even in government, it's hard for me to foresee a situation where he wouldn't do something worthwhile."

Mr. Baldrige faces a tough task. If confirmed by the Senate as the nation's 26th Commerce Secretary, the Nebraska native will confront persistently prickly issues ranging from import protection for the troubled auto and steel industries to the stimulation of new industries and redevelopment of aging ones.

He will also have to deal with questions about the validity of the 1980 census that haven't been answered, and the reorganization of the department's international trade activities that hasn't been completed. What action Mr. Baldrige takes will have to be in the context of the President-elect's pledge to fight inflation and stimulate the economy by holding down federal spending and cutting taxes.

Working Together

Success at the job, Mr. Baldrige told a news conference, will require "government, labor and management all working together."

In an interview later, Mr. Baldrige said his three principal goals would be to boost the nation's productivity, increase its exports and help cut the "excessive government regulation" of business that discourages economic growth.

"As a nation we have to regain the competitive edge at home and abroad that we formerly had," he said.

Although Mr. Baldrige said he favors "changes in tax laws" and the elimination of federal regulations that "are excessive and aren't productive," he declined to cite specific areas for attack. "I don't even know where the Commerce building is yet," he replied.

When he gets there, Mr. Baldrige probably will find himself on an economic team headed by the Treasury Secretary. Recent Presidents have focused economic decision-making at the Treasury, and aides to the President-elect have suggested that he intends to continue that pattern by including the new Treasury Secretary on an inner-circle, "super-Cabinet" while excluding the top Commerce Department official.

"I think Mac can do any job he wants to do well," said John Henske, a Scovill director and president of Olin Corp. He added, however, that past Commerce secretaries "say you can't do much" and suggested that Mr. Baldrige "negotiate (for responsibility) on the first tee."

Mr. Baldrige has deep roots in both the Republican Party and the business community.

Last year he was Connecticut chairman

for the George Bush presidential campaign during the Republican primaries. He attended his fifth consecutive Republican National Convention as a Connecticut delegate, and, after the convention, he served as national vice chairman of the Business for Reagan-Bush Committee.

Mr. Baldrige was born in Omaha Oct. 4, 1922, and learned his cattle-roping skills working summers on a Nebraska ranch. His father, H. Malcolm Baldrige, was a U.S. Congressman from Nebraska for many years. A sister, "Tish," was social secretary to Jacqueline Kennedy throughout her years at the White House.

He was graduated with a bachelor's degree from Yale University in 1944. After service in the infantry in the Pacific in World War II, he joined Eastern Co. in 1947 and rose from foundry foreman to president in 1960-62.

Reshaped Company

He has been chief executive at Scovill since 1963, and has substantially reshaped the company through divestitures and acquisitions. Hamilton Beach household appliances and Yale locks are among the best-known divisions of Scovill, which has annual sales of approximately \$1 billion.

Company records show that Mr. Baldrige earned a salary of \$342,431 last year. The current salary for the Commerce Secretary is \$89,630.

Two Scovill directors said the leading candidate to replace Mr. Baldrige at the corporation appears to be William F. Andrews, Scovill's president and chief operating officer since 1978.



Schweiker, Picked as Chief of Health-Welfare, Said to Support Agency's Humanitarian Role

DEC 12, 1980 WSJ

By BURT SCHORR

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Sen. Richard Schweiker, Ronald Reagan's choice to head the Health and Human Services Department, is supportive of the humanitarian role Congress and previous administrations have shaped for the giant department, those who know him say.

Nevertheless, the Pennsylvania Republican, who's retiring from Congress this year, is far more conservative on health and welfare issues than he was as a Congressman and Senator in the 1960s and early 1970s. Some Schweiker watchers say his rather sharp turn away from prior liberalism occurred on the day in July 1976 when Ronald Reagan chose him as his prospective Vice President.

Responding to questions posed at yesterday's press conference for Mr. Reagan's Cabinet choices, Sen. Schweiker promised that the department would continue "to serve the needy people of this country," as pledged by Mr. Reagan during his campaign. However, he also promised health policies that would result in "less government control, less government interference . . . and more emphasis on tax incentives."

In addition, Sen. Schweiker said there will be renewed emphasis on eliminating "fraud and abuse" from the department's



disbursements, which cover Social Security, public assistance, Medicare, Medicaid, health research and myriad other programs the department administers.

Budget of \$220 Billion

With its annual budget of about \$220 billion, the department spends more than any other institution in the world besides the U.S. government as a whole and the government of the Soviet Union.

Sen. Schweiker, who is 54 years old, also supports a national health-care plan that would let beneficiaries choose from competing private sector insurers as opposed to the government-controlled plan advocated by Sen. Edward Kennedy (D., Mass.). In this regard, he and Reagan health-care advisers are philosophically attuned.

Signs of past activism abound in Sen. Schweiker's biography. He has sponsored legislation to combat diabetes, cancer, heart disease, sickle cell anemia and lead paint poisoning. A Democratic Senate aide who has worked closely with the Pennsylvania Republican praises his "enormous commitment on health matters." The aide adds that Sen. Schweiker "wouldn't accept the HHS job in order to take the department apart."

However, a rightward drift has been clearly evident in Sen. Schweiker's record. In 1976, the AFL-CIO Committee on Political Education gave the Pennsylvania lawmaker a cumulative vote rating of 92%. Since then, his rating on issues favored by the labor organization has slipped to 73%. In 1980 alone he has been "wrong" 12 times and "right" only seven times, according to COPE's tally.

As ranking Republican on both the Senate Labor and Human Resources Committee and the Labor-Health and Human Services Appropriations Subcommittee—two princi-

pal panels for the department he'll head—Sen. Schweiker has sought to limit Washington's reach in the health area.

Food Additive Risks

One of his proposals, for example, involves federal food safety amendments that would require food additive risks to be balanced against benefits. In particular, Sen. Schweiker opposes the current absolute prohibition against any food additive that can be shown to induce cancer in man or animals.

Sen. Schweiker also opposes continued reliance on the centralized government regulation and increased federal expenditures embodied in Kennedy and Carter plans for national health insurance.

The Schweiker health alternative would rely as much as possible on the private sector. It would require employers, for example, to include coverage for catastrophic medical costs in the policies they take out for their employees. Small companies, which frequently don't provide medical coverage for their employees, would be helped to do so by state-administered pools.

A Phi Beta Kappa graduate of Pennsylvania State University, Sen. Schweiker, following World War II Navy service, worked for 10 years as an executive in a family-owned ceramic tile business before his election to the House in 1960. As a Senator, he has shown little enthusiasm for the backslapping, often artificial camaraderie that prevails on Capitol Hill and generally stood apart from the other members. For that reason, as well as Sen. Schweiker's liberalism, the 1976 running-mate offer from Mr. Reagan is seen as the lightning bolt that transformed his Washington career.

Mr. Smith, Who's Going to Washington, Is Described as Conservative but Flexible

DEC 12 1980 WSJ

By ROBERT E. TAYLOR

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—People who know William French Smith, President-elect Ronald Reagan's nominee to be Attorney General, say he is a tough conservative, but he's willing to listen.

Mr. Smith, 63 years old, is a highly successful corporate labor lawyer from Los Angeles. He has long been Mr. Reagan's attorney, confidant and friend. Associates believe he will play a major role in the Reagan administration, with influence over a broad range of government policy.

One reason for Mr. Smith's closeness to Mr. Reagan is that they share the same government philosophy.

Mr. Smith likes to characterize himself as "a true liberal." In his lexicon, that means: "I believe in keeping the exercise of power at the lowest possible level."

"I think he feels that government should interfere as little as possible (in the areas of) civil rights and civil liberties, as well as business," says liberal Democrat Paul Zifren, one of Mr. Smith's law partners.

"He is considerably right of center," agrees his friend, Edward Carter, chairman of Carter Hawley Hale Stores Inc., "but he isn't dogmatic."

"He will listen to all the arguments," says Vilma Martinez, an Hispanic activist on the University of California Board of Regents since 1968. "He's very lawyer-like."

An ability to listen and compromise has gained Mr. Smith a reputation for flexibility and moderation. Associates say he would move slowly and cautiously in changing government policies.

Yet his innate caution, and avoidance—until now—of government jobs, has left many of his closest associates in the dark on what he might do with controversial subjects he must soon face. "He's enigmatic," says one friend.

Faced with law enforcement problems as a regent at the University of California, Mr. Smith has been fair but tough, according to former regent, Fred Dutton, a Democrat. "He's very strong on law enforcement, on maximum penalties, on throwing the book at them," says Mr. Dutton, who favored more

tolerance, for instance, toward dissenting students during the Vietnam war.

On social issues, Mr. Smith generally favors the status quo. He has resisted calls for the university to dispose of its holdings in corporations doing business in South Africa, and to divorce it from two nuclear weapons laboratories that work for the federal government.

Mr. Smith served on the board of the Legal Aid Foundation of Los Angeles, which provides legal services for the poor. He also supported the University of California's refusal to admit Allan Bakke, who is white, to its medical school while accepting less-qualified blacks. "I think he believes in affirmative action," says Mr. Carter, but he thinks the government should "approach it a little less zealously."

As president of the California Chamber of Commerce in 1974, Mr. Smith urged increasing political activism by business executives. Under his leadership, the chamber helped then Gov. Reagan pass his welfare revision proposal, and fought against restrictive federal regulations on air pollution and other areas.

Mr. Smith is the senior partner and head of the labor department at the Los Angeles law firm Gibson, Dunn & Crutcher. His office recently said he was on the boards of six large corporations, including Pacific Telephone & Telegraph Co., a subsidiary of American Telephone and Telegraph Co., which is the target of a six-year-old antitrust suit by the Justice Department. But a brief biography released by the transition staff yesterday listed him as sitting on only three boards, and Pacific Telephone wasn't included.

Mr. Smith disclosed holdings last April in more than 40 stocks, AT&T among them. Transition aides say he will have to put most in a blind trust, and sell those in companies litigating with the Justice Department.

Born in Wilton, N.H., Mr. Smith is a graduate of the University of California and Harvard Law School. He served in the U.S. Naval Reserve during World War II, becoming a lieutenant. He serves on many cultural and civic organizations, as well as being active in the California Republican Party.

At his first news conference as a nominee, Mr. Smith avoided questions about his views on such issues as busing and civil rights. But he responded to one query on the advisability of having a friend of the President as Attorney General. What counts, he said, is "the integrity of the individuals." On that count, he told reporters, "you won't be disappointed."



Pentagon Choice

Weinberger May Have Tough Time Satisfying Hawks, Budget Cutters

Conservatives Will Keep Eye On the B1, Mobile Missiles And Military-Pay Outlay
DEC 12 1980 WSJ
Churchill at His Fingertips

By WALTER S. MOSSBERG

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—In tapping Caspar W. Weinberger as Secretary of Defense, Ronald Reagan has chosen to rely on the most seasoned government veteran in his small inner circle of advisers to oversee what promises to be the biggest U.S. military buildup in years.

The 63-year-old former White House Budget Director and Secretary of Health, Education and Welfare will probably have to draw heavily on both his Washington experience and his friendship with the President-elect to deal with the policy headaches and political heartburn that come with the huge third-floor Pentagon office he will soon occupy.

Mr. Weinberger will be one of the few Reagan Cabinet members with the luxury of a rising budget. But even with big jumps in the Pentagon's current \$160 billion annual appropriation, it won't be easy for him to finance all the new weapons and other items sought by defense hard-liners.

What's more, he is expected to continue serving as a general adviser to Mr. Reagan. He thus will remain acutely conscious of the need to fit rising defense spending into an overall budget, which Mr. Reagan has said must be cut. In fact, Mr. Weinberger has spent weeks working on a plan for slashing federal spending.

As if all this weren't hard enough, Mr. Weinberger will probably face repeated political tests from conservatives in Congress and elsewhere who are already suspicious of him. They decry his lack of defense credentials and worry about his reputation as a consummate budget-cutter, the image that spawned his nickname "Cap the Knife."

"He's going to have to be a strong advocate for the Pentagon," says one conservative Reagan adviser. "He can't adopt a budget director's mentality and get the support of the military and the conservatives."

Conservatives of both parties, who are usually the natural allies of a Defense Secretary, will be closely scrutinizing Mr. Weinberger's early recommendations to Mr. Reagan. Particularly important to them will be his willingness to commit funds almost immediately to revive the B1 bomber, speed the deployment of mobile missiles and increase the budgets for spare parts, maintenance and military pay.



Battle Has Begun

Already, a battle is under way among Reagan advisers over including seed money for some new weapons programs in a supplemental defense budget for this fiscal year, which Mr. Reagan is expected to submit within weeks of taking office. One of Mr. Weinberger's first tasks as Defense Secretary will be to make recommendations to settle the matter.

But most of Mr. Weinberger's longtime associates, and even some conservative Reagan backers, argue that it's a mistake to characterize him as primarily a budget-cutter who can't be trusted to spend for defense.

Instead, they say, it's more important to remember that he's a staunchly conservative, trusted associate of Mr. Reagan. He is, they say, deeply loyal to both the President-elect and the policies that elected him, including the plan for a strengthened defense posture. In addition, they say, he has the Washington know-how to manage the military buildup well.

In an interview a few days before his nomination yesterday, Mr. Weinberger indicated strongly that cutting the defense budget wouldn't be his priority at the Pentagon.

"A Real Gap"

He acknowledged that the price of the military buildup advocated by Mr. Reagan would be high, but he said: "The price of doing too little is even higher. The Russians have opened up a rather big, serious lead over us—a real gap, unlike the 1960 missile gap. That means we're going to have to have a substantial increase in defense spending."

He is optimistic that cuts in domestic programs could offset much of this defense increase. But, he said, the military need is so great that "it doesn't have to be a dollar-for-dollar trade-off."

Many people who know Mr. Weinberger expect him to combine a willingness to carry out the Reagan defense mandate with a healthy skepticism about what particular weapons and programs should be included in the increased defense budgets.

"I think it's a great appointment," says Melvin Laird, who was Defense Secretary when Mr. Weinberger was Budget Director during the Nixon administration. "I didn't have any problems with him. I always found him to be reasonable on defense spending. He wanted to spend a bit less than I did, but that's natural for a Budget Director."

Another Nixon-administration official who knew Mr. Weinberger says "he has a gift for presiding over complicated matters

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Casey Would Carry 2 Assets to CIA Post, But He's Also Seen Bringing 2 Liabilities

DEC 12 1980 WSI

By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—William J. Casey, the gruff New York tax lawyer nominated for director of central intelligence, would bring to the job two valuable assets: a close relationship with the President and intelligence experience.

But, in the view of intelligence professionals, he also carries two liabilities. His age—67—causes some to wonder whether he has the vigor to revitalize the Central Intelligence Agency, which many experts consider to be seriously demoralized.

And professionals fear that Mr. Casey's intelligence experience, which dates back to World War II, might be outdated.

"The initial reaction is going to be a wait-and-see one," said one former intelligence officer.

As CIA director, Mr. Casey would inherit an agency that some of Ronald Reagan's advisers think needs wholesale improvements and sweeping reorganization. They reportedly recommended that the new administration place greater emphasis on covert action and counterintelligence.

Mr. Casey said yesterday that the recommendations are merely a collection of "information and ideas" gathered by the transition team. He said he hadn't read the transition report yet and would set policy later.

But Mr. Casey has said the U.S. needs



the world's "best" intelligence, and he apparently shares the view that the CIA's operations need to be strengthened. One indication of the emphasis the new administration will place on intelligence may be the announcement yesterday that Mr. Casey, as director of central intelligence, would be a member of the President's Cabinet.

Stansfield Turner, the current director of national intelligence, isn't a Cabinet member.

Mr. Casey, who managed Mr. Reagan's election campaign, served during World War II in the U.S. Office of Strategic Services, a highly regarded intelligence operation that was a forerunner of the CIA. He eventually rose to become chief of intelligence for the European Theater.

But for most of his adult life, Mr. Casey has been a highly successful tax lawyer. He made a fortune publishing "desk books" for lawyers needing to know about taxes and estate planning.

President Nixon appointed him chairman of the Securities and Exchange Commission in 1971. Liberal Democrats protested, saying Mr. Casey was too close to Wall Street. But many of the critics were pleasantly surprised when he turned out to be an active, relatively tough regulator.

Mr. Casey later became Under Secretary of State for Economic Affairs, then chairman of the U.S. Export-Import Bank.

He managed Mr. Reagan's presidential campaign from last February through the election—although much of the authority for running the campaign was assumed by Edwin Meese, a Reagan confidant who will be White House counselor.

Intelligence experts say that the first

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Casey Would Carry Assets and Liabilities To His Post at the CIA

Continued From Page Three

problem Mr. Casey should tackle is low morale at the CIA. The agency was severely shaken during the mid-1970s by a period of congressional investigations and press disclosures of questionable activities.

Morale sank further, former officers say, when Mr. Turner eliminated about 800 jobs in the agency's covert action programs in 1977. As a result, many intelligence professionals disliked the Carter administration and Mr. Turner. "I think most everybody agrees that anything would be an improvement," says one former intelligence officer.

Morale also will jump, some observers say, if the new administration can get Congress to pass two bills designed to protect CIA agents. One would outlaw the wholesale disclosure of the names of CIA undercover operators. In recent months, some publications have printed lists of names of CIA agents. This has sent shivers through the intelligence community, whose members fear that disclosure of agents' identities opens them to attack from unfriendly agents.

The second bill would exclude some CIA materials from disclosure under the Freedom of Information Act. Intelligence officials contend that such a bill is necessary to assure agents and sources that their names won't be released.

Mr. Casey isn't expected to encounter any serious problems in congressional confirmation hearings. But he may face some ticklish questions over recent disclosures that while he was chairman of the SEC he met with a lawyer for fugitive financier Robert Vesco. Mr. Vesco was under SEC investigation at the time.

Mr. Vesco's representative brought up the investigation during the meeting with Mr. Casey. But Richard Allen, a Reagan foreign policy adviser who arranged the meeting, has said that he didn't know the lawyer would discuss the Vesco investigation. And Mr. Casey said yesterday that he directed the case against Mr. Vesco, who eventually was indicted five separate times in U.S. courts for securities violations. Mr. Casey said he didn't think there was "any question" about his vigorous pursuit of the case against Mr. Vesco.

Pentagon Choice: Weinberger May Have Hard Time Satisfying Both the Spenders and the Budget Cutters

Continued From First Page

with diverse people and conflicting views. He understands numbers, gadgets, procurements. He'll be great at the Pentagon."

"He's a fine administrator," says Sen. Jesse Helms, a strong backer of big defense-spending increases. The conservative North Carolina Republican adds that, while overall defense spending must rise, if Mr. Weinberger "tightens up the shop, great."

Those who have worked for Mr. Weinberger in government and at the Bechtel Group, where he is a vice president, expect him to keep long hours at the Pentagon, rely on a tight circle of advisers and be quick to reject ideas that seem wasteful and arguments that miss the heart of a problem.

He is universally described as a top-notch lawyer and a first-rate thinker and is also praised for personal warmth and humility.

A former Budget Office associate recalls that Mr. Weinberger was once under intense pressure from top Nixon aides to trace a leak of a White House budget document that embarrassed the administration. At a tense meeting with his top staff members, all of whom were under suspicion, Mr. Weinberger dispensed with the issue unexpectedly.

"I'm very tempted to call in the FBI to track down every copy of the document," he is reported to have said, "except for the fact that I can't find my own copy. So let's go on to something else."

Another former White House aide says that, after years of listening to people arguing for their pet projects, Mr. Weinberger "developed this wonderful ability to just close his eyes, appear to be dozing off, and then suddenly come alive and zap the guy." That technique, this colleague says, should be useful at the Pentagon.

A Bechtel associate describes Mr. Weinberger as an Anglophile. "He spices up meetings with quotes from Winston Churchill," the associate says. "He has them at his fingertips."

A lawyer at Bechtel calls Mr. Weinberger "an extremely demanding individual; I personally won't miss him." However, the lawyer, who prefers anonymity, also calls him a "solid professional" who will be an asset to the federal government.

Another Weinberger associate, who also requests anonymity, has a slightly different perspective: "He is brilliant and can simplify and cut right through a problem, much to the dismay of people who are trying to camouflage it."

Always a Republican

Like Mr. Reagan, Mr. Weinberger got his start in politics in California, and switched during his career from liberalism to conservatism. Unlike his boss, Mr. Weinberger was always a Republican. During most of the 1950s, he was a leading young liberal Republican in the California legislature.

Later he headed the California Republican Party and, after failing in a bid for higher office, wrote a syndicated newspaper column and was the host of a television talk show in the state.

In 1968, when Mr. Reagan was elected governor, he named Mr. Weinberger state finance director. It was in that post that he first showed off his budget-cutting penchant and earned the "Cap the Knife" sobriquet.

Called to Washington in 1970, Weinberger served as a sort of utility man for Presidents Nixon and Ford. He headed successively the Federal Trade Commission, the powerful White House Budget Office and HEW. According to former Nixon advisers, Mr. Weinberger was so well-regarded in the Nixon White House that the President once seriously considered him for an appointment to the Supreme Court.

He also served as a member of Mr. Nixon's small, White House-based "super-Cabinet," which was a precursor to the "Executive Cabinet" planned by Mr. Reagan. The "Executive Cabinet" plan, strongly championed by Mr. Weinberger, would turn a half-dozen or so top Cabinet officers into a general advisory panel with offices and staff at the White House. This group would frequently meet with the President on a wide range of matters.

View on Advocacy

In an article published last week, Mr. Weinberger wrote that Reagan Cabinet members should be "advocates of the administration's overall policies to their departments, rather than advocates from the departments of the policies that the special interests wish."

During his federal career, Mr. Weinberger showed streaks of liberalism. For instance, he introduced a tougher consumerist stance by the FTC and pushed antismoking efforts and drug-price controls at HEW.

Though Mr. Weinberger's track record on defense is scant, he is remembered by Nixon-Ford associates as advocating Pentagon economies but also backing a strong defense posture, a stance many Republicans hope he will adopt again.

The budget for fiscal year 1974, produced in the brief period Mr. Weinberger ran the Budget Office, was one of the toughest in years. The budget proposed a firm spending ceiling and the elimination of over 100 Great Society domestic programs. But it also called for the highest defense spending up until that time since World War II.

In 1972, at the end of his tenure as Budget Director, Mr. Weinberger delivered a paper on defense spending. In it, he said that the defense budget would have been even larger without numerous economies. He boasted that the share of the federal budget devoted to defense spending had declined under Mr. Nixon partly because of these economies, many of which were made possible by the winding down of the Vietnam war and the relaxation of tensions with the Soviet Union.

For future budgets, he advocated continuing cuts in such noncombat areas as command and administration, and training.

But Mr. Weinberger also warned that the size of the defense budget depended on threats from abroad in addition to budget constraints, and that further actual cuts in force levels wouldn't be wise. He said that if tensions increased again—as they have—budgets would have to rise. And, like Mr. Reagan, he argued that further arms agreements with the Russians depended on maintaining a strong U.S. defense posture.

Specifically, Mr. Weinberger backed such costly items as the B1 bomber, the Trident

submarine, new Army tanks and helicopters, Navy ships and the F15 fighter plane. Questions about the fate or production pace of many of these same weapons systems will be on Mr. Weinberger's desk when he arrives at the Pentagon.

In addition, he strongly defended the then-new all-volunteer military, which is backed as well by Mr. Reagan but which is currently under attack from many conservatives who want to restore the draft. Mr. Weinberger noted that pay rises associated with the volunteer military had accounted for much of the increase in the Nixon defense budgets. But reliance on the draft and low military pay, he said, constituted an unfair "tax" on members of the armed services to subsidize the military budget.

"I think Weinberger is going to surprise everybody," says one of Mr. Reagan's most hawkish defense advisers. "Just as only Richard Nixon, a tough anti-Communist, could open relations with China, so only 'Cap the Knife,' a tough budget-cutter, can bring about the kind of big defense-budget increases we need."

File
Bios

Choice for Agriculture Secretary Knows Farming, but Will Be New to Washington

DEC 24 1980 WSJ

By RICHARD L. HUDSON
And SUE SHELLNBARGER

Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON — In naming John R. Block to be his Agriculture Secretary, President-elect Ronald Reagan chose a man well-grounded in farming, but relatively inexperienced in the political bogs of Washington.

The 45-year-old Mr. Block, currently agriculture director in Illinois, is a prosperous hog-and-grain farmer. As such, he shares the common Farm Belt view that government farm policy should focus on promoting the financial well-being of farmers. And he is expected to depart from the broader, more consumer-oriented policies that he says have led the Carter administration toward depressing crop prices to control retail food prices.

But while many agribusiness and farm lobbyists are pleased to be getting an Agriculture Secretary who shares their views, some fret that the Illinois farmer and state official is a neophyte at national farm politics, and they fear that his opinions on farm issues could be easily overridden by other Reagan aides.

"Politically, agriculture is incredibly complex," says one former department official who is currently an agribusiness consultant. Mr. Block, he says, risks being "eaten alive" by the often-conflicting interests of farmers, packers, retailers and consumer activists.

The formal announcement yesterday of Mr. Block's nomination leaves Mr. Reagan still without nominees for Education Secretary, special trade representative, and chairman of the Council of Economic Advisers, among other posts.

Despite earlier Reagan vows to wind up the selection of top aides by Christmas, Edwin Meese, Mr. Reagan's counselor, said more time is needed. He blamed the delay on "mechanical aspects," such as conducting background checks on job applicants.

The selections "take a great deal of finesse," he added.

Mr. Block's nomination as Agriculture Secretary followed some heavy politicking. Lobbying hard for Mr. Block was Republican Sen. Robert Dole of Kansas, an important wheat-growing state. Mr. Dole campaigned last summer for Mr. Reagan, and has publicly insisted that the top farm job go to a farmer with "dirt under his fingernails." In addition, as Mr. Reagan's Cabinet choices unfolded, some Midwestern politicians complained about their region being underrepresented on the cabinet.

Mr. Block was appointed in 1977 by Republican Gov. James Thompson to head the Illinois Department of Agriculture. There he quickly distinguished himself with quotable and popular stands on farm issues, and emerged as a regional spokesman and leader for state farm officials in the Midwest.

His accomplishments in Illinois included getting state vehicles converted to gasohol, promoting farmland preservation, salvaging the moribund state fair, and beefing up the state's farm export promotion offices in Hong Kong and Brussels. Illinois is a major grain-exporting state.

Also at the news conference, Mr. Block, an early and vociferous opponent of the grain embargo, said he would recommend that Mr. Reagan "review" the embargo, and "look toward lifting it as soon as practicable." He added that he generally opposes any trade or price restraints on agriculture, even if crop and food prices are as high as they are expected to be next year.

But while Mr. Block says he is as much a free-market fan as Mr. Reagan, his views on boosting farm prices may run afoul of Mr. Reagan's more penurious economic aides. He said he thinks price supports for some crops should be raised slightly. And in a letter last May to the present Agriculture Secretary, Bob Bergland, Mr. Block complained about the government's "politically motivated cheap food policies."

Mr. Block, a West Point graduate, grew up on the farm he still manages and owns with his father near Galesburg, Ill. The corn, soybean and hog farm has expanded from 300 to 3,000 acres in 20 years, and currently has a sophisticated indoor hog operation that produces 6,000 swine a year.



Allen, Named National Security Adviser, Vows to Pare Foreign-Policy Apparatus

DEC 24 1980 WSJ

By WALTER S. MOSSBERG

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Richard V. Allen has finally reached the spotlight. As President-elect Ronald Reagan's choice for National Security Adviser, he will be holding a job that has made others famous.

But the 44-year-old Mr. Allen, whose rise to prominence in foreign policy was threatened twice by career setbacks, is pledging to get out of the spotlight as quickly as possible. He is promising to whittle down the White House-based foreign-policy apparatus that made the names of Henry Kissinger and Zbigniew Brzezinski better known than those of the Secretaries of State with whom they served.

"You're seeing a disappearing act right now," Mr. Allen told a press conference yesterday at which he was presented along with two other Reagan appointees. They were John Block, state agriculture director in Illinois, who'll be Agriculture Secretary, and Martin Anderson, a Reagan campaign aide and a fellow at the Hoover Institution, a conservative think-tank, who'll be the new President's domestic affairs adviser.

"The President-elect indicated an intent to lower the profile of the National Security Council staff," Mr. Allen said. His job, he added, will be to act as a "liaison" between the State and Defense Departments, instead of a policy maker competing with them.

But carrying out such a radical change might be harder than such statements imply. Both Mr. Allen and Alexander Haig, Mr. Reagan's nominee for Secretary of State, are ambitious, forceful men with strongly held views. Of the two, however, Mr. Allen is much better known to the President-elect and will be in closer contact with him in the White House.

Foreign diplomats, for whom Mr. Allen has served as chief contact with the new administration, aren't expecting him to disappear. "He'll have the greatest opportunity to interpret world events for the President, even if his office is in the basement," says the Washington ambassador of one major European ally.

Mr. Allen might also be able to exert considerable influence over defense-policy decisions, if he chooses, because Defense Secretary-designate Caspar Weinberger, while

close to Mr. Reagan personally, isn't a Pentagon veteran.

Mr. Reagan appears to have a high degree of confidence in Mr. Allen, allowing him to issue a number of important statements since the election concerning the President-elect's views on events in Poland, South Korea and elsewhere.

An articulate, self-assured man whom some criticize as too glib, Mr. Allen has risen steadily in conservative foreign-affairs circles since he coordinated the foreign-policy aspect of Richard Nixon's 1968 presidential campaign.

Mr. Allen is an international economics expert schooled here and in Europe. He served as deputy national security adviser to Henry Kissinger in the Nixon White House and later built a successful career as an international business consultant. This year, he coordinated Mr. Reagan's foreign-policy campaign staff.

Twice his career seemed to suffer reverses, but twice he has bounced back. The first such setback came when he quit the Nixon White House after only 10 months, because of what some say were personality and policy clashes with Mr. Kissinger.

On the second occasion, just days before this year's election, Mr. Allen was temporarily removed from the Reagan campaign after The Wall Street Journal published a story saying he had used his White House connections to further his consulting business. Mr. Allen vigorously disputed that conclusion, and he was restored to the staff after top Reagan aides said they had cleared him in their own investigation.

As National Security Adviser, Mr. Allen would appear to be the highest-ranking Reagan administration official who is a representative of the Republican Party's foreign-policy and defense hard-liners. He is a vigorous advocate of a massive U.S. defense buildup, and favors a firmer approach to the Soviet Union and to Marxist regimes in developing countries.

Though Mr. Haig and Mr. Weinberger also are staunch conservatives well to the right of their Carter administration counterparts, they are primarily pragmatic Washington veterans who aren't fully trusted, as Mr. Allen is, by some of the most conservative foreign-affairs thinkers.

What's more, Mr. Haig and Mr. Weinberger already are moving swiftly to replace the Reagan State Department and Pentagon transition teams, which were dominated by hard-line foreign-policy and defense specialists, with their own aides. The two teams are being allowed to dissolve, on schedule, this week, although some team members had expected to be retained for a longer period.



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DOMESTIC POLICY

A Controversial Libertarian Who Contends That Government's Role Should Be Cut Back

By Nicholas Lemann
Washington Post Staff Writer

Martin Carl Anderson, President-elect Ronald Reagan's choice as chief domestic policy adviser, is a longtime member of the Reagan inner circle. But quite apart from his association with Reagan, he has a strongly held and often published social philosophy that has given him a high-profile reputation of his own as a controversial conservative thinker.

Anderson, 44, is an economist who has built his academic career around attacking the federal government's social welfare programs, which he says have "virtually wiped out poverty in the United States" and by now actually hurt poor people more than they help them.

He is described by friends as a libertarian who in younger days was an admirer of the novelist Ayn Rand and still believes that the role of the federal government in all areas of American life should be severely limited.

Thus he has been a strong opponent not only of government social programs but also of military conscription. He is credited with having kept firm Reagan's opposition to the draft in the face of pressure from military hard-liners advising the president-elect who want to reinstitute it.

At the same time, he is likely also to be unsympathetic to the New Right's desire for increased government involvement in such social issues as abortion and school prayer. And he is regarded by devotees of "supply-side" economics as something less than a true believer in the healing power of broad personal income tax cuts on the economy.

What he is for, if his writings are any indication, is less government.

This will be Anderson's second tour on the White House staff. A 1964 book attacking urban renewal brought him to the attention of Richard Nixon, and he was an early member of Nixon's 1968 presidential campaign. He went into the first Nixon administration as deputy to Arthur Burns when Burns was counselor to the president.

He is still close to Burns, and to another prominent government economist of the Nixon-Ford years, Alan Greenspan.

After Burns became chairman of the Federal Reserve Board in 1970, Anderson stayed on at the White House for another year with the title of special consultant for systems analysis, and was a leading architect of the all-volunteer Army. But he reportedly soon grew frustrated with life in the Nixon White House.

He left in 1971 to become a senior fellow at the Hoover Institution at Stanford University, a bastion of intellectual support for Reagan. He was Reagan's issues adviser in the 1976 campaign, and held a similar position this year.

Anderson was born in Lowell, Mass. on Aug. 5, 1936. He was graduated from Dartmouth College in 1957, got a master's degree there, served in the Army, and got his Ph.D. in industrial management from MIT. He taught business and finance at Columbia University from 1962 until he joined the government.

He has been married for 21 years to the former Annelise Graebner, who now works in the office of presidential personnel at the Reagan transition. They have no children.

The work of Anderson's that has attracted the most attention is his 1978 book "Welfare: The Political Economy of Welfare Reform in the U.S." The book is an intricately reasoned argument against current government welfare policies, and unlike most academic works, it has had a direct effect on government.

It was published at the time of President Carter's welfare reform proposals, and by winning the favorable attention of Sen. Russell Long (D-La.), the chairman of the Senate Finance Committee, it played a part in the scrapping of a Carter proposal for a modified guaranteed annual income. Long bought 40 copies of Anderson's book, which strongly opposes a guaranteed income, and distributed them to members of the Finance Committee.



MARTIN CARL ANDERSON
... poverty in U.S. "virtually wiped out"

The book represented a shift of sorts in the conservative argument against welfare.

Traditionally, conservatives have objected to welfare because of its cost to taxpayers and because of an abstract distaste for government hand-outs. But Anderson's case against welfare was made on behalf of welfare recipients; he said welfare impeded their progress in the world. So his book made it possible for conservatives to say they were opposing welfare out of genuine compassion — an emotion liberals have for years claimed as exclusively their own.

Anderson argued first that the extent of poverty in America is now much less than is commonly thought, because statistics on the subject don't take sufficiently into account non-cash benefits like Medicaid. Second, he argued that welfare programs create such a powerful disincentive to work — because earning money means sharp reductions in benefits — that they create a "poverty wall" around recipients.

"With scarcely anyone noticing it," he wrote, "the poor people in this country have been deeply entangled in a welfare system that is rapidly strangling any incentive they may have had to help themselves and their families by working to increase their incomes."

NATIONAL SECURITY

A Low-Profile Man for a Highly Sensitive Post, Who 'Will Be...and Act Like a Staff Person'

By Don Oberdorfer
Washington Post Staff Writer

By all advance accounts, including his own as expressed to reporters yesterday, Richard V. Allen intends to keep a low profile in one of the most sensitive and potentially powerful posts in Washington — assistant to the president for national security affairs. Such predecessors in the job as Henry A. Kissinger and Zbigniew Brzezinski began by making similar vows, but Allen seems more likely to keep them.

The 44-year-old Allen, chief foreign policy staff aide to Ronald Reagan during his 1980 presidential campaign, served in a similar capacity to Richard M. Nixon in his 1968 campaign and became deputy national security adviser in the Nixon White House, but was soon excluded from the most important matters by his senior associate, Kissinger. Allen left the White House for private industry in less than a year.

The methods of Kissinger and Brzezinski, whose high-profile reigns as security adviser led to internal disputes within government, have often been cited by politicians and policymakers as a major problem for U.S. diplomacy. Even Kissinger conceded in retrospect that his was "an unsound system."

Reflecting this dissatisfaction, Reagan pledged in an Oct. 19 television speech to restore coherence to foreign policymaking by "structural changes" to ensure that the secretary of state will be the president's "principal spokesman and adviser," and that the national security adviser will be a team player and coordinator.

Following the election, Edwin Meese III, Reagan's top staff aide, predicted that the White House national security adviser in the Reagan administration "will be a staff person and act like a staff person. He will be much less visible. He will be a coordinator and the NSC staff will be used as a coordinating vehicle rather than to formulate foreign policy." In the preliminary organization chart of the

Reagan White House, Meese will be the immediate supervisor of Allen's work.

Despite these statements, Allen has been anything but invisible so far. In recent months he appeared as spokesman for the Reagan foreign policy on "Meet the Press," "Issues and Answers" and other national television programs as well as in U.S. News & World Report and other publications. With the nomination of Alexander M. Haig Jr. for secretary of state, however, Allen has begun to fade from the limelight. He told reporters yesterday that "you're seeing a disappearing act right now."

Allen, for other reasons, did another kind of "disappearing act" on Oct. 30, when he resigned from the campaign in its final days because of conflict-of-interest charges against him. In announcing the resignation, Meese declared that Allen was innocent of any wrongdoing but that he was stepping aside in order not to distract attention from the issues of the campaign.

On Nov. 6, two days after Reagan's victory, Allen was back. On that day Reagan named him as a senior adviser to the transition team and a member of the interim foreign policy board, and the president-elect told a press conference "we find absolutely no evidence of wrongdoing whatsoever." Since then Allen has been the main link between Reagan and the foreign and defense policy aspects of the transition.

The conflict-of-interest charges leading to Allen's furlough from the campaign arose from a Wall Street Journal article reporting that Allen had carried on private business negotiations with Japanese companies while in a U.S. government trade post in the early 1970s. The article also charged that Allen claimed the right to benefit from a \$120,000-per-year account that an associate obtained from Datsun, the Japanese automaker, as a result of Allen's activities.

Allen responded, and government records confirmed, that he was a private citizen when these events oc-



RICHARD V. ALLEN
... "you're seeing a disappearing act"

curred. During the time in question, he served without pay on a government trade advisory committee whose members were free to carry on private business.

As a private business consultant, Allen was paid \$10,000 per month for about six months as a trade adviser by Howard Cerny, a lawyer for Robert Vesco, who later fled the country after charges of swindling were brought against him.

In 1976, Allen was accused in a Senate hearing of having sought a \$1 million campaign contribution for the Nixon reelection fund from Grumman International, a defense contracting firm, in return for pressure on Japan to buy a Grumman plane. Allen denied the accusation by a former Grumman official, and it has never been proven.

Allen, who holds B.A. and M.A. degrees from Notre Dame, was a senior staff member in the 1960s of the Georgetown Center for Strategic and International Studies, and the Hoover Institution on War, Revolution and Peace. Since 1972 he has been president of Potomac International Corp., a consulting firm he founded. He is married and has seven children.

A Farmer Who Seeks to Redirect the Focus Of Agency From Consumers Back to Business

By Dan Morgan

Washington Post Staff Writer

Like Bob Bergland, John R. Block of Illinois is a genuine farmer, a grass-roots Midwesterner and a certified nice guy.

But there the similarities end between the present secretary of agriculture and the man named yesterday to succeed him.

In his first public statements yesterday, Block made clear that he wants the Department of Agriculture to be the representative in Washington of farmers and of agricultural businesses. This is the traditional role for the agency but the policy accent changed under Bergland, who sought to make it more responsive to the needs of consumers.

Bergland took the view that a bridge between farmers and consumers was essential because as food prices rise and political pressures to control farm prices mount, both groups have a mutual interest in eco-

nomics stability. Bergland's department therefore frequently took pro-consumer positions on issues of food safety, nutrition and grain reserves but argued that these positions were in the long-term interest of farmers.

Yesterday, however, Block said that the department should be "a strong spokesman for agricultural industry," because "the best thing for consumers is a good healthy agriculture." This is a phrase that frequently was used by a onetime Republican secretary of agriculture, Earl L. Butz, an unabashed apologist for the interests of farmers over the interests of consumers.

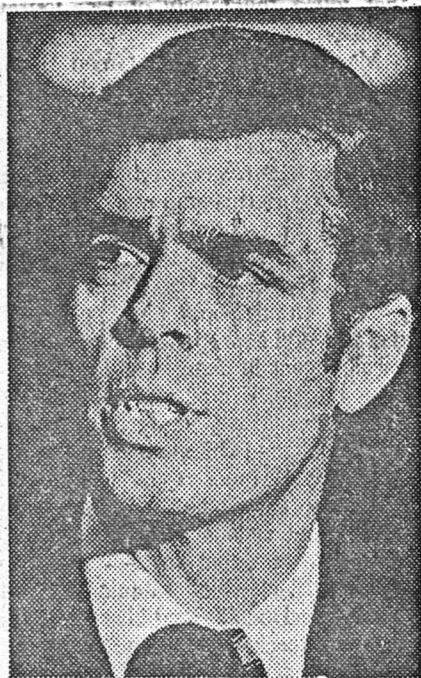
Unlike the views of Butz, who was a university professor, Block's ideas have been forged by his own experiences as a highly successful large-scale farmer. In many respects, in fact, Block typifies the new breed of men who now produce most of the nation's food. These producers are businessmen and managers as much as farmers, and they are as adept at land transactions and banking as they are at deciding what crops to plant and when.

Block expanded a few hundred acres of his father's land in Illinois into a big commercial farm through shrewd investments. He and partners also purchased and resold a tract of land in Minnesota — a transaction that has raised questions whether Block was a land speculator.

He dealt with this forthrightly yesterday, saying that the land had been resold only after it had proved too hard to manage.

"Anyway," he said, "people have a right to buy and sell land . . . And I'm a neighbor. I'm from Illinois, not from Saudi Arabia."

In one respect, Block does differ from most farmers. He was educated at the U.S. Military Academy, and takes his place as the second man in Reagan's Cabinet, after Alexander M.



JOHN R. BLOCK

... "food is a weapon"

Haig Jr., to have attended that institution.

Block's farm manager, Jim Swise, says this has stood his boss in good stead. "I might get mad if one of the hands messes up, but not Jack," says Swise. "I guess he learned how to handle people at West Point."

Block spent only the required two years on active duty before returning to start the job of expanding the family farm, but says that the leadership skills learned as an officer in the 101st Airborne Division helped him when he was tapped to become director of agriculture in the Illinois state government.

Associates describe Block as a man who combines the energy and bearing of a military man with the straight talk that appeals to farmers. Some of this blunt talk has already come through in public statements and interviews. For example, Block has declared that farm price supports are too low, though he hasn't said what they should be. And yesterday he laid out a straightforward view of the connection between food and foreign policy.

"Food is a weapon but the way to use that is to tie countries to us. That way they'll be far more reluctant to upset us."