

April 14, 1983

Dear Michael:

Thank you for writing to me about the role of the Humanities in our society.

An appreciation of ancient literature is very useful in providing us with a sense of perspective on modern problems. For example, the problems of war and peace, so dramatically portrayed in Homer's Iliad, are unfortunately still with us today.

Students should use their education to gain the broadest possible knowledge of the great works of literature and philosophy which form the foundation of our civilization. A good education in the Humanities can give us irreplaceable insights into the human condition in every time and place and thus enable us to make wise decisions today.

With best wishes,

Sincerely,

MICHAEL K. DEEVER
Assistant to the President
and Deputy Chief of Staff

Mr. Michael Ferguson
P.O. Box 521 Village Road
New Vernon, New Jersey 07976

MKD:AVH:RDC:pps

P.O. Box 521 Village Rd.
New Vernon, New Jersey 07976

January 30, 1983

Executive Office of the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. Deaver,

My name is Michael Ferguson and I attend Delbarton School in Morristown, New Jersey.

I am taking a Humanities course because I believe it helps develop the mind. The Humanities is Greek and Roman literature in translation. My class has just finished reading Homers Iliad.

What are your opinions of the Humanities? My teacher, Mr. McGovern, suggested I ask you this question. What do you think is the importance of Humanities in our society? I look forward to your response.

Cordially yours,


Michael Ferguson

THE WHITE HOUSE

Harold

Thanks for the note. Give
me a call when you're coming
to town again and we'll find
some time to chat.

many thanks.

Mike

THE WHITE HOUSE

Mr. Harold Burson
866 Third Avenue
New York, N.Y. 10022

4/14

— 8 April 1983

Harold Burson

Mike Deaver

My thanks for taking time to see me
yesterday.

At some point now, I would like to
see you again to discuss some of our
plans at Burson-Marsteller +,
specifically, to explore whether what
we hope to do fits in with your
own career plans. Prior to my next
visit to Washington, I'll call your
office to see if we can meet.

Harold

THE WHITE HOUSE

WASHINGTON

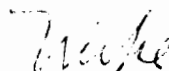
April 14, 1983

Dear Mr. Doherty:

On behalf of the White House, I wish to express my sincere thanks for the generous gift of wine. We appreciate the support and goodwill that prompted this gift.

With best wishes.

Sincerely,



MICHAEL K. DEEVER
Assistant to the President
Deputy Chief of Staff

Mr. F. Gregory Doherty
General Manager
Nathans
3150 M Street, N.W.
Washington, D.C. 20007

WHITE HOUSE GIFT UNIT

F

ID 8300204 DATE RECEIVED 830408

NAME Mr. F. Gregory Doherty, Gregory
Prefix First Last Name Suffix

TITLE General Manager

ORGANIZATION Nathans

ADDRESS 3150 M Street, N.W., Washington
Street City

STATE DC ZIP 20007 COUNTRY _____

SALUTATION Dear Mr. Doherty SPOUSE _____

CATEGORY CODE 0701 GIFT INTENDED FOR

DESCRIPTION Beverage: Wine, 12 bottles
"Domaine Chandon Napa Valley Brut".

- | | |
|---|--|
| P President | DONOR F Personal Friend—Under Minimal Value |
| F First Lady | G Personal Friend—Over Minimal Value |
| <input checked="" type="radio"/> B President and First Lady | H Foreign Official—Under Minimal Value |
| R First Family, Other | I Foreign Official—Over Minimal Value |
| W White House Staff | P General Public—Under Minimal Value |
| <input checked="" type="radio"/> O Other | <input checked="" type="radio"/> G General Public—Over Minimal Value |
| | V VIP—Under Minimal Value |
| | W VIP—Over Minimal Value |
| | O Other—Under Minimal Value |
| | T Other—Over Minimal Value |

- ARRIVAL FORM M Mail Room
 C Congressional Liaison Staff
 P Presented Personally
 S Staff Other Than Congressional Liaison
 O Other

ACKNOWLEDGED BY MD FORM DFT DATE _____

- | | | | |
|-------------|---|---|---|
| DISPOSITION | AR Archives | PR President | DA Camp David |
| | CA Children's Hospital | FL First Lady | EW East Wing |
| | CB Other Charity | FO First Family, Other | <input checked="" type="radio"/> WW West Wing <i>mess; under Ron Jackson.</i> |
| | <input checked="" type="radio"/> DS Destroyed | WH Residence | GS GSA |
| | | PS Presidential Staff | GU Gift Unit—Held |
| | | FS First Lady Staff | GC Gift Unit—Cupboard |
| | | RA Returned to Sender, Commercial | OH Other |
| | | RB Returned to Sender, Over Minimal Value | |
| | | RC Returned to Sender, Other | |

ARCHIVE BOX # _____ APPRAISED VALUE \$156.

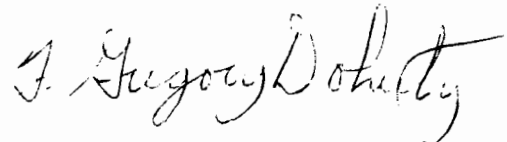
COMMENT Sent as an expression of appreciation for the President's support of the American wine industry; Value per Morris Miller, DC. Gift is for the White House per Mr. Deaver & ack'd for his sig.

NATHANS

April 7, 1983

Fifty years ago today, April 7, 1933, the federal prohibition on beer and wine was revoked and five minutes after that two cases of beer were delivered to President Roosevelt. In recognition of how much President Ronald Reagan has done in support of the American wine industry by serving the best that America has to offer at his state dinners, we would like to offer him a case of California Sparkling wine: Domaine Chandon Napa Valley Brut.

F. Gregory Doherty



General Manager

THE WHITE HOUSE

WASHINGTON

April 14, 1983

Dear Mr. Shirley:

Thank you for your letter regarding my comments about the Beach Boys. I appreciate your taking the time to write me your thoughts.

With best wishes.

Sincerely,

MICHAEL K. DEEVER
Assistant to the President
Deputy Chief of Staff

Mr. Paul Shirley
Coast Medical Rentals
Post Office Box 1003
Santa Cruz, CA 95061

COAST MEDICAL RENTALS PS
PO BOX 1003
SANTA CRUZ CA 95061 11AM

western union Mailgram®



4-025279S101 04/11/83 ICS IPMRNCZ CSP WSHB
4084257755 MGM TDRN SANTA CRUZ CA 59 04-11 0128P EST

MICHAEL DEAVER
WHITE HOUSE
WASHINGTON DC 20010

DEAR MIKE,

YOUR COURAGEOUS STAND ON THE CRITICAL ISSUE OF THE BEACHBOYS VERSUS WAYNE NEWTON APPEARING AT THE ANNUAL INDEPENDENCE DAY CONCERT IS APPRECIATED. IT IS ENCOURAGING TO SEE THAT YOU CONTINUE TO COME DOWN HARD ON THE RIGHT SIDE OF THE TOUGH ISSUES. KEEP UP THE GOOD WORK.

REGARDS
PAUL SHIRLEY

13:29 EST

MGMCOMP

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645
08AM

Western Union Mailgram®



4-0146958098002 04/08/83 ICB IPMMYZZ CSP ATLB
1 4045775300 MGM TDMT ATLANTA GA 04-08 1135A EST

MR AND MRS T J WESLEY JR
1611 OLD MILL CROSSING
MARIETTA GA 30062

THIS MAILGRAM IS A CONFIRMATION COPY OF THE FOLLOWING MESSAGE:

4045775300 TDMT ATLANTA GA 35 04-08 1135A EST

PMS SECRETARY JAMES WATT
DEPT OF INTERIOR

WASHINGTON DC 20240

THANK YOU FOR YOUR ATTEMPT TO SPEAK UP FOR MIDDLE AMERICA. MAYBE IF
WE KEEP TRYING WE WILL SOMEDAY GET AN INDEPENDENCE DAY MUSICAL
PROGRAM REPRESENTING THE TAXPAYERS INSTEAD OF THE HIPPIES AND THEIR
ADMIRERS

MR AND MRS T J WESLEY JR
1611 OLD MILL CROSSING
MARIETTA GA 30062

11:36 EST

MGMCOMP

1984/04/08

Jim

I agree with you about
so called rock-groups and
their ~~its~~ drug related culture.

Unfortunately Jim Watt picked
the wrong group. The Beach Boys
recently banned a member of the
group because of his drug habit.
They don't allow alcohol ~~and~~ ^{or} drugs.

Yes - there's a long way
from Hoagy Carmichael ~~but~~ times
and tastes do change - Hoagy
was a long way from Beethoven
but I enjoy them both and
the Beach Boys too.

Warm regards,

P.S. Jim would agree now too!

THE WHITE HOUSE

WASHINGTON

April 15, 1983

Dear Mr. Wesley:

I agree with you about so-called rock groups and their drug related culture. Unfortunately, Jim Watt picked the wrong group. The Beach Boys recently banned a member of the group because of his drug habit. They don't allow alcohol or drugs.

Yes -- they're a long way from Hoagy Carmichael, but times and tastes do change. Hoagy was a long way from Beethoven, but I enjoy them both and the Beach Boys, too.

Warm regards,

MICHAEL K. DEAVER
Assistant to the President
Deputy Chief of Staff

Mr. Thomas J. Wesley, Jr.
Suite 1500
134 Peachtree Street, N.W.
Atlanta, Georgia 30303

BCC: Mrs Reagan

Thomas J. Wesley, Jr.
134 Peachtree St., N.W., Suite 1500
Atlanta, Georgia 30303

12 April, 1983

Mrs. Nancy Reagan
The White House
Washington, D.C. 20004

Dear Mrs. Reagan:

Please note the enclosed telegram.

My wife and I have always been among the greatest admirers of you and your husband, but I'm afraid we will have to part company with you on the matter of the "Beach Boys".

Like the much maligned James Watt, we have never heard (or seen) these performers but, as people who consider that no good popular music has been written (and rarely performed) since the days of Hoagy Carmichael, Irving Berlin and the Gershwin boys, we simply aren't interested in listening to such entertainment.

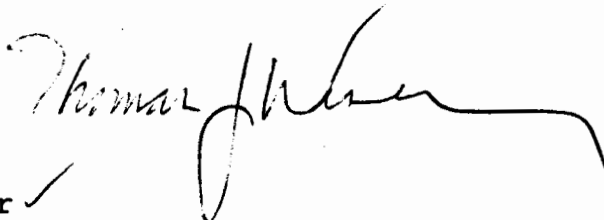
There are a lot of people in America who feel the same way - and most of them are your most loyal supporters.

We can only hope that someday the public will be entertained on the Mall by musicians, who because they shave, cut their hair, and wear coats and ties, are none the less worth hearing.

Besides all that, Jim Watt, whose loyalty to Reagan policies (with which we also fully agree) knows no bounds, deserves better support than that.

Best wishes.

Sincerely,



cc: Mr. Michael K. Deaver ✓

THE WHITE HOUSE

WASHINGTON

April 15, 1983

Dear Marv:

I was delighted to hear that the 631st reunion party was such a success. I'm sorry I wasn't able to attend.

Thanks for the T-shirts. I'll wear it with pride -- great logo.

With best wishes,

Sincerely,

MICHAEL K. DEEVER
Assistant to the President
Deputy Chief of Staff

Mr. Marv Rossi
California Printing Company
269 Eighth Street
San Francisco, CA 94103

259

EIGHTH STREET
SAN FRANCISCO, CA 94103

415 861-1600



April 12, 1983

Mr. Michael Deaver
1600 Pennsylvania Avenue
Washington, DC 20006

Dear Mike:

The 631st reunion party was a huge success, due in part to your effort in acquiring the message from President Reagan.

I'm sorry you were unable to attend, so please accept the enclosed token in appreciation for your help.

I'm sure you will agree that the logo on the t-shirt tells it all.

Best regards,

MK Marv Rossi

ryc

CALIFORNIA

PRINTING

COMPANY

THE WHITE HOUSE

WASHINGTON

April 15, 1983

Dear Sam:

Thanks for sending the Timothy Schellhardt article that appeared in The Wall Street Journal. I have taken the time to glance through it, and am looking forward to having an opportunity to read it closely.

I appreciate your thoughtfulness in sending me this information.

Sincerely,



MICHAEL K. DEEVER
Assistant to the President
Deputy Chief of Staff

The Honorable Samuel R. Pierce, Jr.
Secretary of Housing and Urban
Development
Washington, D.C. 20410



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410

April 11, 1983

*Thank
look forward
to reading*

Honorable Michael K. Deaver
Assistant to the President
and Deputy Chief of Staff
The White House
Washington, D.C. 20500

Dear Mike:

On April 1, 1983, an article about me by Timothy D. Schellhardt appeared in the Wall Street Journal. It was so filled with inaccuracies, distortions and outright untruths that the Office of Public Affairs at HUD felt that a memorandum should be sent to our Principal Staff and Regional Administrators pointing out these misleading and untruthful statements so that they would be in a position to respond to any inquiries or make comments about the article if required to do so.

The memorandum is entitled "The Anatomy of a Hatchet Job". I am enclosing a copy of it. I think you will find the contents extremely interesting, particularly paragraphs 1 through 3, 7 through 9, 12 through 17 and the conclusion on page 12.

Very sincerely yours,

A handwritten signature in cursive script, appearing to read "Samuel R. Pierce, Jr.".

SAMUEL R. PIERCE, JR.

Enclosure



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410

April 7, 1983

MEMORANDUM FOR: Principal Staff
Regional Administrators

FROM: Leonard Burchman, Assistant to the Secretary for Public Affairs

SUBJECT: The Anatomy of a Hatchet Job

An article about the Secretary by Timothy D. Schellhardt, which ran in the Wall Street Journal of Friday, April 1, was so filled with inaccuracies, distortions and outright untruths that it can best be referred to as a "hatchet job." (A copy of the article is attached as Appendix A.)

We are providing you with the following point-by-point analysis against the possibility that the nationally published article may require you to answer inquiries or make comments.

1. Headline reference to "reclusiveness":

Since assuming office early in 1981, Secretary Pierce has made public speaking appearances before no fewer than 145 groups and organizations from coast to coast. That is an average of 1.4 speeches per week since he assumed office. On many of these occasions, the Secretary has made himself available for local press conferences, television interviews, and other public appearances. He has met at HUD with the leadership of virtually every public and private interest group which has an interest in HUD policies and programs.

In addition, he has appeared on a number of nationally televised shows, including such popular news programs as "The Today Show," "Good Morning America," "CBS Morning News," and "The MacNeil-Lehrer Report."

Given the fact that all this information was readily available to the writer of the Journal story, it is hard to see how he could honestly characterize the Secretary as reclusive.

2. Headline reference to "lack of interest":

Secretary Pierce works long hours daily, and carries HUD work with him virtually every weekend. Official department records show that he has taken a total of only five days of vacation time in well over two years on the job. It is most difficult, if not impossible, to equate that kind of a record with any lack of interest in his job.

3. "But what may disturb the HUD chief, and the White House as well, is that among some constituent groups he is acquiring another nickname: the dud at HUD."

Such a characterization can hardly "disturb" the Secretary, since he has never heard it, and can find no-one else -- either at the White House or anywhere else -- who has. So far as he knows, it came from the fertile imagination of the Journal writer.

Moreover, there are other facts that clearly refute the assertion. Since becoming Secretary 27 months ago, Mr. Pierce has received 41 awards, including seven honorary degrees, from various cities, states, private organizations, colleges and universities, in all parts of the country, for his excellent work at HUD.

Later this month, the Organization for Economic Cooperation and Development (OECD) will hold its first meeting of Urban Affairs Ministers. The Ministers of 24 Nations are expected to be in attendance. Secretary Pierce has been selected to chair this historic first meeting.

Such recognition clearly demonstrates the falsity of Mr. Schellhardt's allegations.

4. "A big-city mayor says that when he asked the visiting HUD secretary to tour a neighborhood or talk to some community leaders, Mr. Pierce replied that he would rather stay in his hotel room."

Given the pressure of his workload and the frequently conflicting demands on his time, all of the activities on the Secretary's many trips in the field are carefully scheduled, in detail, in advance. Any mayor, or anyone else interested in proposing additional activities for the Secretary, must, of necessity, clear those in advance. While Secretary Pierce is on trips he often does have to spend considerable time in his hotel room -- his office while on the road -- to keep in telephone touch with headquarters and keep the business of the department going. Clearly it would be impossible to visit every site, or meet every group public officials would like him to -- or which the Secretary himself would like to.

5. "Rep. Parren Mitchell (D., Md.), a prominent member of the congressional black caucus, says he has yet to attend a meeting with the secretary."

The Secretary's appointment calendar shows that he met with Congressman Mitchell on May 5, 1981. He has also had a number of telephone conversations with Mr. Mitchell about housing and other subjects.

6. "Public housing administrators from some of the nation's largest cities, including New York, and representatives of the savings industry also say that, unlike his predecessors, Mr. Pierce hasn't invited them in to chat."

During his first months in office, Secretary Pierce invited the presidents and executive directors of, among other groups, the U. S. Savings and Loan League, the American Bankers Association, and the National Association of Mutual Savings Banks to get their input as he began to mark out policy directions. (The meetings with the National Association of Mutual Savings Banks included ones on February 12 and March 18, 1981.)

He has continued to meet with representatives of the savings industry at their request, and also invited the chief economists of the major banking and housing industry groups in late 1982 to get their forecasts as he determined housing policy for 1983.

He has spoken at the National Association of Housing and Redevelopment Officials conferences, and met with their leaders several times.

7. "He recently surprised members of his own staff as well as housing-industry officials when he told the Senate Banking Committee that mortgage rates would soon fall from the 12%-to-13% range to the 9%-to-9.5% area, a drop no one else is predicting."

Mr. Schellhardt has told the Secretary that he heard him make the supposed assessment of interest rates in testimony before the Senate Committee on Banking, Housing and Urban Affairs on February 14, 1983. He was absolutely wrong. The record of that hearing shows no such comment. What the reporter may have misheard was the following exchange between Senator John Heinz (R., Pa.) and the Secretary, as shown in the transcript of the hearing:

Senator Heinz: "Here we are today, we are at the 12 and 13 percent on FHA and conventional. What do we need to drop to before mortgage revenue bonds are unnecessary?"

Secretary Pierce: "I would say a couple of points, about 10, 9 or 10."

Senator Heinz: "If we can get down to 9 or 10, we wouldn't need them; above that we probably would?"

Secretary Pierce: "That is right."

Those were the answers to Senator Heinz's questions. They clearly do not state that mortgage rates would soon drop "to the 9%-9.5% area."

8. "He told the panel that a top HUD priority was helping first-time home buyers, but he couldn't adequately explain what his department was doing for them."

Mr. Schellhardt told Secretary Pierce that this statement was also based on what he heard at the Senate hearing on February 14, 1983. Mr. Schellhardt's statement is simply untrue. Nowhere in the hearing record is there any exchange of any sort between Secretary Pierce and any Senator that would support that statement.

Here, as in paragraph seven above, Mr. Schellhardt was obviously trying to show that the Secretary did not know what he was talking about. Mr. Schellhardt failed, but he did succeed in demonstrating that he did not know what he was writing about, and that he was so intent on discrediting the Secretary that he used false statements to do so.

9. "Friends and critics agree that Mr. Pierce, a millionaire New York lawyer whose cabinet salary is \$80,100, feels uncomfortable in a job for which he had little background or preparation."

Untrue on both counts! The Secretary feels extremely comfortable in his position. As for background and preparation, he has had a wealth of experience, both in executive management generally and in the housing and urban development subject matter he now deals with.

Consider the following:

In the mid-50's, during the Eisenhower Administration, Samuel Pierce served for about two years as The Assistant to the Under Secretary of Labor. At that time the Under Secretary was responsible for the day to day administration of the entire department and, as his only assistant, Mr. Pierce worked very closely with him on that. Consequently, he received substantial executive management experience during those years.

From 1970 to 1973, he served as General Counsel of the United States Treasury Department. In that capacity he headed the Treasury's Legal Division which consisted of more than 700 lawyers and, except for the Department of Justice, was the largest law office in the United States, if not in the world. He was in charge of the administration of that division and was also a policy advisor to the Secretary of the Treasury. For his work as General Counsel, he received the Treasury's highest honor -- the Alexander Hamilton Award. During the entire history of the Treasury Department, only two other General Counsel had received the award. It was awarded to him in recognition of his "distinguished leadership in the Department of the Treasury."

In 1968, Mr. Pierce was appointed one of the original three members of the Battery Park City Authority in New York, a quasi-governmental agency with the goal of building an enormous real estate complex on the lower west side of New York City. When completed, Battery Park City will virtually be a "city within a city," and will be the largest real estate development ever constructed in the United States.

The original planning for this project was done during Mr. Pierce's years on the Authority. He resigned in 1970 to become General Counsel of the Treasury, but became associated with it again when he left the Treasury in 1973. Thereafter, he served as one of the Authority's outside legal counsel and worked with the Authority on a number of matters, including a \$65 million FHA mortgage guaranty.

After leaving the Treasury, he became a Director and a member of the Finance Committee of the Prudential Insurance Company. As a member of the Finance Committee, he became involved in a wide variety of real estate development all over the United States.

In addition, during the time he was in private law practice, Mr. Pierce was an attorney for some of the nation's largest construction companies. Included among those were Fisher Brothers and the Lefrak Organization.

Moreover, from 1973, when he left the Treasury, to 1981, when he became Secretary of HUD, he served on the Executive Committee of several large, multi-national corporations. They included International Paper Company, U. S. Industries, and International Basic Economy Corporation (IBEC). Service on those committees gave him additional executive management experience.

The Secretary also had a substantial amount of experience with urban problems. Over a 20 year period, from 1961 to 1980, he was appointed by four mayors of New York City (Wagner, Lindsay, Beame and Koch) to serve as either chairman or member of a variety of commissions and committees established to resolve various urban problems. In addition, he was selected by the Board of Directors of HARYOU-ACT (an organization established to fight urban poverty in the Harlem area of Manhattan) to investigate that organization and make recommendations on how its operations could be improved. He carried out the assignment as special investigator, and made many recommendations to improve HARYOU-ACT which were implemented by the Board of Directors.

Clearly the United States Senate found Secretary Pierce well suited for the job for which President Reagan selected him: He was confirmed by a vote of 96-0.

Further testimony to the Secretary's qualifications -- if any is needed -- is available from the Heritage Foundation. In its 1981 "Mandate for Leadership Report," it assessed the needs of top federal jobs and the credentials of those selected to fill them. One of its recommendations: "Appoint strong, decisive HUD Secretary and Under Secretary with executive leadership ability and experience in housing and urban development areas." And its related finding? "Samuel Pierce is well qualified to be Secretary."

10. "Mr. Pierce has all but ended construction of government-subsidized low-rent apartments. The Secretary proudly calls that phase-out his finest achievement; he feels a system of rental vouchers is a better way to help the needy."

Secretary Pierce is indeed proud of his work toward switching department housing assistance largely into a rent voucher system.

Almost as soon as he came to HUD, the Secretary found real problems with the way in which housing assistance was being delivered. It quickly became clear to him that the so-called Section 8 program, relying heavily on subsidies to builders for new construction, was far too expensive and too inefficient in providing housing to those in need. He discovered that, by the end of 1982, the nation's subsidized housing debt would pass the \$250 billion mark -- a quarter of a trillion dollars.

Convinced that something had to be done, he asked a special Commission on Housing, set up by the President at his request, to consider the issue. At the same time, he assigned the task as well to the Department's own Office of Policy Development and Research.

Interestingly, both came up with similar proposals for a housing voucher system -- one designed to channel help to people rather than structures.

Secretary Pierce and HUD have moved toward a voucher system partly on the basis of studies by the Rand Corporation and others showing that, while there are some pockets of housing shortage in this country, there is no overall shortage. The problem is one of affordability, not availability.

Thus vouchers, used in conjunction with a concerted effort to rehabilitate existing units, provide a cost-effective, appropriate solution for those of our citizens who need help in attaining decent housing.

It should be noted that the Secretary's approach is to provide more assisted housing with less money. Thus, HUD subsidized housing assistance covered well over 3.2 million units in 1981, representing an increase over units assisted in 1980. The figure rose to about 3.5 million in 1982, and for 1983 we estimate that about 3.7 million units will be assisted. That figure should rise further to about 3.9 million in 1984, and more than 4 million by the end of 1985.

11. "The HUD secretary notes that he succeeded, over Budget Director David Stockman's pleas, in retaining two urban-aid grant programs dear to mayors. But he has lost several budget battles and some housing-industry officials maintain that Mr. Stockman has more power than the HUD chief over urban policy."

The contention that David Stockman controls urban policy cannot be borne out. While no Cabinet official can expect to prevail in every single instance -- Cabinet officials do function, after all, as part of an Administration team -- it is clear that Secretary Pierce has carried the day for the programs he backs most of the time.

Presumably the two grant programs Mr. Schellhardt refers to are the Urban Development Action Grant (UDAG) and Community Development Block Grant (CDBG) programs. As the article suggests, Secretary Pierce successfully fought for continuation of those programs; indeed, he went right to the President to argue his case.

But those are certainly not isolated cases, as the Journal piece suggests. Two examples make the point:

- Some OMB officials and other members of the Administration felt that FHA and GNMA mortgage guarantee programs had outlived their usefulness, and should be phased out or privatized. Secretary Pierce felt otherwise -- and he won his fight to keep them strong and active. The result is that, today, both programs are playing a significant role in the recovery of the housing industry, which in turn is spearheading the nation's overall economic recovery.

-- Just recently, when Congress passed the jobs bill, it provided that a billion dollars would be given to communities across the country, through the CDBG program, under a special formula factoring in unemployment rates. OMB took the position that, since cities were getting an extra billion dollars through this program in 1983, the 1984 funding level should be cut by a compensating amount. A few days before Mr. Schellhardt's article appeared, Secretary Pierce argued against this approach, and won. Thus, there truly will be an additional billion dollars channeled through the program this year to improve the job situation, without the cities losing that billion dollars next year.

12. "Some Presidential aides complain that Mr. Pierce doesn't fight very hard to win influence. A White House official urged him last summer to 'get out front' on an urban-policy package the Administration was studying. But a cabinet council that he doesn't head has gained control over urban issues."

The Secretary has no knowledge that he was ever urged "to get out front" on an "urban-policy package." In fact, Mr. Schellhardt is completely confused and misinformed about what he terms the "urban-policy package."

In late June, 1982, a copy of a draft of a proposed national urban policy report that HUD had the responsibility of preparing for the President for his submission to Congress was leaked to the press. The particular draft was unduly critical of the nation's mayors and caused an uproar in the communications media.

The draft in question had been worked on by HUD personnel and White House staff. When it was submitted to Secretary Pierce for consideration by the Office of Policy Development and Research (PD&R) at HUD, he rejected it and sent it back to PD&R to be rewritten. Thereafter, some unknown person leaked it to the press.

When the furor caused by the leak erupted, Secretary Pierce decided to take direct responsibility for the writing of the urban policy report. He put together a small task force headed by Dr. June Koch, Deputy Under Secretary for Intergovernmental Relations, and under the Secretary's direction, that group redrafted the urban policy report. Immediately after the redrafted report was completed, the Secretary called a meeting at HUD to which he invited certain members of the White House staff, several of whom had been working on the report prior to the time of the leak. Under the direction of Secretary Pierce, HUD and White House personnel worked together to produce a national urban policy report which was approved by the President and submitted by him to Congress in the summer of 1982.

13. "And now groups such as the National League of Cities have stopped inviting him to attend their annual conventions."

Secretary Pierce last year discontinued funding of a \$1.2 million contract with the National League of Cities, under which the organization provided technical assistance to local housing rehabilitation programs. Funding was terminated due to the contract's high cost and the belief that such activities could be funded out of local Community Development Block Grants instead. The National League of Cities strenuously opposed the Secretary's action.

Could that be the reason for the group's coolness to the Secretary? Might a balanced news report have noted that point?

14. "The HUD secretary is increasing his contacts with the black community, but his overtures frequently are limited to black Republicans."

Secretary Pierce has spoken to black organizations whose membership is Republican, Democratic and independent -- and Mr. Schellhardt had access to the facts which demonstrate that.

Here are three recent examples: On January 21, Secretary Pierce addressed the midwinter workshop of the National Newspaper Publishers Association, in Ft. Lauderdale, Florida. On February 18, he spoke to the Harlem Business Alliance in New York City. On February 25, he attended a meeting of OIC Centers of America in Indianapolis, Indiana. None of those groups can be identified in partisan terms.

15. "Among black groups, Mr. Pierce has been hurt by a much-publicized characterization of him by Henry Gonzalez (D., Texas), chairman of the Housing (sic) Banking Subcommittee on Housing. Last September, Rep. Gonzalez, upset by Administration efforts to reduce public-housing aid, called Mr. Pierce a 'Stepin Fetchit,' a derogatory term taken from the name of an actor who played a subservient black in 1930s movies. Mr. Pierce angrily denied the remark, but the damage was done, say black leaders."

If anyone was damaged by Rep. Gonzalez' intemperate remarks, it was the Congressman himself, not Secretary Pierce.

When the Secretary found himself testifying before Rep. Gonzalez' subcommittee soon after the incident, he had this to say in opening his statement:

"Mr. Chairman, I usually enjoy appearing before you and your subcommittee to discuss matters of mutual concern in the areas of housing and urban development. However, I hesitated for a

long time before deciding to appear before your subcommittee today because it is most difficult for me to testify before a body whose chairman is so lacking in quality and dignity and is so unskilled in the use of the English language that he had to resort to vile, abusive, and racist language in order to attack me.

"The fact that we disagree on many issues and certainly on political philosophy cannot justify your vicious personal racist attack on me. Nevertheless, I am here today and would like to present the following statement for the record on issues which you and other members of the subcommittee have an interest in."

All of the members of the subcommittee in attendance, both Republicans and Democrats, quickly followed with comments disassociating themselves from their chairman's remarks about the Secretary.

The Secretary has not been hurt among black groups because of the comment made by Rep. Gonzalez. In fact, the Secretary was given strong support by the leadership of the NAACP, National Urban League, and other organizations who sharply criticized Rep. Gonzalez in the press and in their own publications.

16. "Last year, newspaper columnist Carl Rowan tried unsuccessfully to get the HUD secretary to appear on an hour-long television program about the prolonged housing slump. Mr. Pierce refused, and Commerce Secretary Malcolm Baldrige appeared instead on behalf of the Administration. Afterward, Mr. Pierce sharply attacked the program even though he hadn't seen it."

This revives distortions and misinterpretations which we thought had been set straight long ago.

The Secretary did indeed decline to appear on the Rowan housing program -- because of the way the show was to be structured. As Secretary Pierce said, shortly after the program aired last August: "I declined to appear on that program because I was certain Mr. Rowan had no intention of presenting a balanced report and that my comments would be tailored and edited to fit his particular biases. The show which was telecast Monday night showed how right I was." At the same time, the Secretary expressed his strong interest in discussing the housing picture in a one-on-one interview with Mr. Rowan -- a format in which his comments could not be distorted through imaginative editing. But Mr. Rowan never gave him the opportunity for such a dialogue.

As for the contention that Secretary Pierce attacked the program without having seen it -- and presumably without any knowledge of its contents -- the Secretary had this to say in a letter which appeared in the Washington Post on September 29, 1982:

"I want to make it clear that I never said I saw the show when it was first televised. Indeed, I did not. I was out of the city.

However, the tone and content of the show were reported to me by three members of my staff on the same night it was aired, and one of them audio-taped the program. On the basis of their reports and the audio tape I heard, I decided to issue a press statement.

"I telephoned my staff from San Francisco and again discussed the press statement I wished to issue. After making a number of changes in the draft, I ordered it released."

17. "After returning (from a trip to China last summer), he did call a news conference to tell of his accomplishments. He seemed happiest about an agreement to compile a Chinese-English glossary of building terms."

Mr. Schellhardt attended the news conference at which the Secretary reported on his trip to the Orient. His emphasis on the glossary, which the Secretary mentioned as a relatively minor item, must raise questions either about his competency as a reporter or his motives in putting together his story. Surely the effect is to make the Far East trip appear trivial, and the Secretary look vacuous.

In fact, the mission had a number of extremely important aspects, which Secretary Pierce discussed in detail at his press conference of September 8.

The Secretary went to China as the head of a delegation which included top executives of five major companies in construction and housing-related industries, the prime purpose being to discuss with senior Chinese officials future cooperative activities between the two countries.

One of the more promising aspects of the visit, as the Secretary reported on his return, was the prospect of expanding business ties with China so as to improve U. S. sales there. And, the Secretary noted, the two sides also talked about possible joint ventures in other countries.

Nor was the value of the Secretary's trip limited to the China segment.

First on a stopover in Hawaii and again in Tokyo, he met with Japanese businessmen for preliminary discussions of a possible arrangement for Japanese investment in mortgages and mortgage-based securities in the United States. That plan, if it comes to fruition, could greatly benefit the housing industry and homeowners in the United States.

The Secretary also had extensive discussions in Egypt with key officials including Housing Minister el Kafrawi, touching on such matters as U. S. technical assistance. While in Egypt, he met with President Hosni Mubarak, who used the occasion to convey a personal message to President Reagan. Discussions with President Mubarak and Prime Minister Fouad Mohieddin ranged far beyond the Secretary's statutory areas of housing and urban development.

There is a real irony involved in Secretary Pierce's becoming the target of what must be described as Mr. Schellhardt's hatchet job.

It was back in 1964 that Samuel Pierce, acting at the request of Martin Luther King, Jr., took on the libel case of New York Times v. Sullivan, and argued it before the United States Supreme Court. The result of the successful court effort was that the law of libel in this country was effectively changed: Public officials, to prove libel, must now establish not only the falsity of the charges made, but malicious intent on the part of the author.

Thus, to some extent, the Secretary has made it easier for a writer like Mr. Schellhardt to take his shots with relative impunity.

Secretary Pierce still believes in the position he argued in 1964, which imposes a tough test for proving that libel has been committed against a public official.

But it is important that news media and their reporters act responsibly in exercising the great degree of freedom they enjoy, and at least check the accuracy of potentially damaging assertions they use as fact.

As you see, Mr. Schellhardt fell well short of that standard in his loaded, inaccurate article of last week.

Attachment

HUD Chief Pierce Gets Reputation For Reclusiveness, Lack of Interest

By TIMOTHY D. SCHELLHARDT
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—A Seattle radio station recently asked 10 of its listeners to identify the secretary of housing and urban development. Even a clue, that the official was the only black in President Reagan's cabinet, didn't help. No one could name him.

Two years after joining the Reagan administration, Samuel Pierce still hasn't lost his "Silent Sam" moniker. But what may disturb the HUD chief, and the White House as well, is that among some constituent groups he is acquiring another nickname: the dud at HUD.

Increasingly, from Capitol Hill to city halls and even in the White House, officials wonder why Mr. Pierce remains at HUD. The stories about the reclusive cabinet member, whom Mr. Reagan once called "Mr. Mayor" by mistake, are becoming legion.

A big-city mayor says that when he asked the visiting HUD secretary to tour a neighborhood or talk to some community leaders, Mr. Pierce replied that he would rather stay in his hotel room. Rep. Parren Mitchell (D., Md.), a prominent member of the congressional black caucus, says he has yet to attend a meeting with the secretary. Public-housing administrators from some of the nation's largest cities, including New York, and representatives of the savings industry also say that, unlike his predecessors, Mr. Pierce hasn't invited them in to chat.

'The Lowest Pulse Rate'

"He's aloof and somewhat judicial," says Jack Carlson, executive director of the National Association of Realtors, discussing the former judge of the New York Court of General Sessions. And when some groups meet with Mr. Pierce, they come away surprised at his lack of interest in their concerns. "He's got the lowest pulse rate I've ever seen," says a mortgage-banking executive after a meeting with the HUD secretary.

On Capitol Hill, Mr. Pierce has lately been less silent, instead becoming combative and testy at congressional hearings. Recently, he told Rep. Mike Lowry (D., Wash.) to "stop playing like a little boy" in response to a question, and he interrupted Connecticut Democrat Bruce Morrison with "You just don't know what you're talking about."

But critics say it is Mr. Pierce who doesn't always know what he's talking about. He recently surprised members of his own staff as well as housing-industry officials when he told the Senate Banking Committee that mortgage rates would soon fall from the 12%-to-13% range to the 9%-to-9.5% area, a drop no one else is predicting. He told the panel that a top HUD priority was helping first-time home buyers, but he couldn't adequately explain what his department was doing for them.

Friends and critics agree that Mr. Pierce, a millionaire New York lawyer whose cabinet salary is \$80,100, feels uncomfortable in a job for which he had little background or preparation. Andrew Brimmer, former Federal Reserve Board member and now a Washington consultant, said he recommended that Mr. Reagan name Mr. Pierce to an important post, but not to head HUD. "He's more suited to be labor secretary or, better yet, chairman of the National Labor Relations Board. He's a labor lawyer, not an urban specialist."

Secretary Pierce acknowledges that his first two years at HUD "have been rough, there's no doubt about it." He thinks he has made enemies because administration policies have hurt many housing-industry groups, "and that's caused trouble." As for



Samuel Pierce

congressional attacks on him, he contends they simply reflect partisan politics. "The election is coming, and politics is coming into this more than the first two years," he reasons.

At any rate, Mr. Pierce says he has no plans for leaving his HUD post.

The HUD secretary has been a loyal soldier for President Reagan. In step with the administration's aim of shrinking the government, the department's full-time work force has been cut by 11%, to 13,412 employees, in the past year. The rent-subsidy program for lower-income families has been reduced, and Mr. Pierce has all but ended construction of government-subsidized low-rent apartments.

The secretary proudly calls that phase-out his finest achievement; he feels a system of rental vouchers is a better way to help the needy. He is also pleased at being able to collect more than \$1.6 billion in delinquent housing-rehabilitation loans and mortgage payments.

The HUD secretary notes that he succeeded, over Budget Director David Stock-

man's pleas, in retaining two urban-aid grant programs dear to mayors. But he has lost several budget battles and some housing-industry officials maintain that Mr. Stockman has more power than the HUD chief over urban policy.

Some presidential aides complain that Mr. Pierce doesn't fight very hard to win influence. A White House official urged him last summer to "get out front" on an urban-policy package the administration was studying. But a cabinet council that he doesn't head has gained control over urban issues. "I've given up defending Sam," says a presidential assistant.

And now groups such as the National League of Cities have stopped inviting him to attend their annual conventions. "He rarely has anything to say," explains Randy Arndt, a spokesman for the league.

Glossary of Building Terms

The HUD secretary is increasing his contacts with the black community, but his overtures frequently are limited to black Republicans. Some black leaders criticize Mr. Pierce for failing to propose a tougher fair-housing law that he promised more than a year ago. He says he is "in the process of drafting" such legislation.

Among black groups, Mr. Pierce has been hurt by a much-publicized characterization of him by Henry Gonzalez (D., Texas), chairman of the Housing Banking Subcommittee on Housing. Last September, Rep. Gonzalez, upset by administration efforts to reduce public-housing aid, called Mr. Pierce a "Stepln Fetchit," a derogatory term taken from the name of an actor who played a subservient black in 1930s movies. Mr. Pierce angrily denied the remark, but the damage was done, say black leaders.

At times, the secretary seems to go out of his way to make trouble for himself. Last year, newspaper columnist Carl Rowan tried unsuccessfully to get the HUD secretary to appear on an hour-long television program about the prolonged housing slump. Mr. Pierce refused, and Commerce Secretary Malcolm Baldrige appeared instead on behalf of the administration. Afterward, Mr. Pierce sharply attacked the program even though he hadn't seen it.

The secretary's low-profile approach perhaps was best illustrated last summer when he made a trip to China. Although he was the first HUD chief to visit that country, the department didn't announce his trip until it was almost over. So the visit received little press attention.

After returning, he did call a news conference to tell of his accomplishments. He seemed happiest about an agreement to compile a Chinese-English glossary of building terms. "There is a definite need for such a glossary," he insisted. "We found that although we used many of the same words, they didn't necessarily mean the same thing."