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DOC NO	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
1	MEMO	FRED FIELDING TO M. DEAVER RE PROPOSED BOOK	1	3/30/1983	B6
2	MEMO	FIELDING TO FIRST LADY RE PROPOSED BOOK	3	5/26/1982	B6

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vide FYI

THE WHITE HOUSE
WASHINGTON

April 26, 1983

thanks
Thanked K.S.
5-3-83

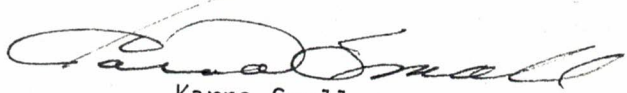
Dear Ms. Johnson:

Michael Deaver has asked me to respond to your invitation for President Reagan to appear on the KNBC News Conference.

Unfortunately, the tremendous demand on the President's schedule makes it impossible for us to schedule an appearance on your show at this time. However, we will be pleased to keep your request on file in the event time becomes available at a later date.

Your interest is greatly appreciated.

Sincerely,



Karna Small
Director, Media Relations
and Planning

Ms. Helen M. Johnson
Producer, News Conference
KNBC-TV
3000 West Alameda Avenue
Burbank, California 91523

THE WHITE HOUSE
WASHINGTON

TO:

Dave Lingen

FROM:

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

Information

Action

?

need 3-16
JB / Mary



KNBC 4

NBC Television Stations Division
National Broadcasting Company, Inc.

3000 West Alameda Avenue
Burbank, CA 91523 213-840-4444

J. Jensen

March 8, 1983

Mr. Michael K. Deaver
Assistant to the President
The White House
1600 Pennsylvania Avenue N.W.
Washington, DC 20500

Dear Mike:

This is to follow up on our brief conversation at the Queen's press reception aboard the Britannia in San Diego.

We would like very much to have the President appear on the KNBC News Conference sometime in the coming months. As you know, this is the program on which Mr. Reagan appeared many times when he was Governor.

Both President Ford and President Carter appeared on this program while they were in office.

We customarily do the program live at 6:30pm on Sundays, but would, of course, meet the President's convenience if a tape-time were preferred. Our political editor, Saul Halpert, moderates the program. He is joined in the questioning by a top print reporter from this area.

We reach a viewing audience of 440,000, usually doubling or tripling the viewership in this area of network programs of like kind, and I'm sure our regular audience would be greatly enhanced if the President were to appear.

I hope there is a possibility we may do something on this.

Yours very truly,

Helen M. Johnson

Helen M. Johnson
Producer, News Conference

HMJ:rb

3/16 - Karna for handling

VIEWERS IN THE LOS ANGELES MARKET

JANUARY 1983 NIELSEN

<u>PROGRAM</u>		<u>RATING</u>	<u>SHARE</u>	<u>HOMES</u>	<u>VIEWERS</u>	<u>ADULTS</u>
<u>NEWS CONFERENCE</u>						
KNBC	Sun. 6:30PM	6	10	241,000	444,000	414,000
<u>NEWSMAKERS</u>						
KNXT	Sun. (Various)	3	8	149,000	184,000	178,000
<u>MEET THE PRESS</u>						
KNBC	Sun. 9:30-10:00AM	2	8	105,000	146,000	141,000
<u>FACE THE NATION</u>						
KNXT	Sun. 9:30-10:00AM	5	14	202,000	255,000	245,000
<u>DAVID BRINKLEY</u>						
KABC	Sun. 11:30AM	3	7	129,000	194,000	185,000

Helen M. Johnson, Producer
KNBC NEWS CONFERENCE
3000 West Alameda Avenue
Burbank, California 91523
Phone: 213/840-3425

BUILDER

THE MAGAZINE OF THE NATIONAL ASSOCIATION OF HOME BUILDERS
INCORPORATING HOUSING

April 28, 1983

Mr. Michael K. Deaver
Assistant to the President
Deputy Chief of Staff
The White House
Washington, D.C. 20515

Dear Mike:

Here's the issue of BUILDER with your letter (page 10).
The other letters refer to a column we ran stating the
case for the other side. As you can see, the letters,
like the poll, are with you: 2-to-1.

Best,



Michael M. Wood

MMW:daj

Michael M. Wood, Publisher

National Housing Center
15th & M Streets, N.W., Washington, D.C. 20005
(202) 822-0390

MAIL

WRONG AGAIN

Did the title of Frank Anton's March editorial, "Wrong Again," apply to the builders who voted or to him? Most of the builders in the U.S. would rather do business without government intervention. We want to reward success, not failure. We want to stop giving special handouts to anyone.

President Reagan's policies are the only policies that square with the ideas of "work to earn and be proud."

Yes, Mr. Anton, you were wrong again in your guess about the poll and in your article, which shows that you don't understand the problems of the home builders and that you are unwilling to accept their opinions.

Robert E. Stewart
Terrain Enterprises, Inc.
Brandon, Miss.

Your editorial was a whining pain in the butt. Didn't your Mommie ever say no to you?

Ray Lehmkuhl
Ray Lehmkuhl Co.
Lafayette, Calif.

I agree with you. Our leadership nationally does not represent the heart of our industry. We as leaders must remember that fact.

Hank Riffe
Riffe Construction Co.
Kansas City, Mo.

I am not so sure that you are wrong. My problem with those who take the anti-government stand is their tendency to think "healthy private economy" excludes the role government plays constitutionally without which chaos would reign. Government is the only instrument we have through which the general welfare functions.

It was not the federal government that fell flat on its face in 1929, but the private economy, without government interference. Nor did the private economy put the pieces back together without government assistance.

Clifford I. Hooper, Sr., housing rehabilitation specialist
Central Area Public Development Authority
Seattle

LETTER FROM THE WHITE HOUSE

A BUILDER poll at the NAHB convention in January showed that builders overwhelmingly support Reaganomics. BUILDER publisher Michael M. Wood wrote the White House with this news. He received the following reply.

Thank you for your good letter of February 15 as well as for the encouraging NAHB poll. We were very pleased to know that two-thirds of your membership voted to "stay the course."

Despite recent difficult economic conditions in the home building industry, your membership understands that defeating inflation and reducing the increasingly dangerous rate of federal spending is the key to economic recovery. Throughout the difficult months of 1981 and 1982 your membership continued their courageous stand behind the President's program.

It is now clear that their sacrifices have not been in vain, and that the President's course of action on spending, taxes and regulation has been vindicated. The economic recovery now underway is clearly going to be enjoyed by NAHB members.

Our task now is to finish the job of keeping the recovery on course. Your continued support will be necessary to achieve that end.

On behalf of the President, please accept our heartfelt gratitude and appreciation to your readers. The President is heartened because he knows he can count on them.

Michael K. Deaver
Assistant to the President
Deputy Chief of Staff

Congratulations, Mr. Reagan. Nobody else could rally that many supporters in such hard times. More power to you. Let's just hope that the future will prove you and the voting majority right.

Konrad Rieger
KR Design
Long Beach, Calif.

Let's not fight the President. Let's join with him to open up the supply of land, our major cost in construction.

Jim Carpenito
Vancouver, Wash.

HERE'S HOW

It's hard to become a combatant unless you know war has been declared ("Warranty war begins in the Sunbelt," March). Naturally we expected competition in the warranty business, but so far we are not sure any has emerged except small, local copies basing their programs on price.

This concerns us. We feel that any insured warranty program based solely on price poses a serious threat to the builder and to the consumer. By contrast:

- HOW has developed actuarial tables based on experience.
- HOW's rate structure is stabilized because HOW is self-insuring.
- HOW's future is guaranteed; our current assets are \$21 million.
- HOW provides builder services such as field inspections, staff training, underwriting assistance.
- HOW has a national underwriting network that controls losses rather than paying for them.
- HOW's insured warranty program is the only one endorsed by NAHB.

David P. Madigan, executive vice president
Home Owners Warranty Corporation
Washington, D.C.

You state that the new Home Builder's Warranty of Denver is underwritten by Employers of Warsaw Insurance Company. Who are they? Some Polish outfit? Thanks, but no thanks. If HBW were underwritten by some solid insurance company like Employers of Wausau I might be interested.

Charles G. Felder
Clayton, Johnston, Quincey, Ireland, Felder & Gadd
Gainesville, Fla.

*Proszę nam wybaczyć.
We meant Employers of Wausau.*

BUILDER welcomes letters from its readers. Write: Letters to the Editor, BUILDER Magazine, National Housing Center, 15th and M Streets, N.W., Washington, D.C. 20005. Letters may be edited for publication.

Old ties can't bind the Reagan

men

(This is the second of two articles on dissension in Reagan's inner circle.)

By Jeremiah O'Leary
WASHINGTON TIMES STAFF

At first blush, the unlikeliest of White House staff allies would seem to be Chief of Staff James A. Baker III and President Reagan's personal assistant, Michael K. Deaver.

It is much easier to comprehend the rapport on the other side in the current strife swirling around the president, National Security Adviser William P. Clark and counselor Edwin Meese III.

Clark, Meese and Deaver hitched their wagons to the Reagan star long ago in the Sacramento days, in that order of seniority, while Baker is a johnny-come-lately who switched to Reagan in 1980 after running Vice President George Bush's unsuccessful bid for the Republican presidential nomination.

No one questions the loyalty of all four to Reagan, although their motivations are far from the same. Clark and Meese are cut from the same conservative California cloth. It is more complicated with Baker and Deaver.

But several White House officials, who declined to be identified, described the Baker-Deaver rapport in these terms:

Baker is the quintessential urbane and wealthy Houston lawyer, a product of the right schools (Hill School, Princeton and the University of Texas law school). He is a

Deaver, they say in the White House, is a middle-class product of Bakersfield, Calif., who is deeply fascinated by the world leaders he meets as equerry to Ronald and Nancy Reagan.

The walls of his office are abloom with pictures of Deaver with the captains and the kings he has come to know as the president's advance man on foreign trips and as near-dictator of the president's schedule for receiving visitors.

The 43-year-old Deaver, like Clark and Meese, is not independently wealthy, and it costs him money to work within the federal government pay scale. Those who know Deaver say he has nearly exhausted his savings since coming to Washington and lives for the day when he returns to the public-relations field for the six-figure salaries he can command.

The Deaver affinity for Baker is best explained by the contrast. Baker projects the image of what Deaver would like to be.

Deaver acquaintances say he tends to form admiring attachments for people who are successful, financially secure and at ease with the great and the near-great. He would like to see the Reagans treated with dignity, as if they were royalty, and is vociferously resentful when the press persists in shouting questions at the president or when TV equipment litters the White House lawn.

Deaver has no abiding interest in policy but is totally devoted to the president and the first lady. It is recalled at the White House that Deaver was a mere "go-fer" when

There have been reports that Deaver and Baker wanted to reduce Meese's role even further but were blocked by Clark. Since none of the four wants to talk about the situation, it cannot be verified.

It is true beyond doubt that Clark and Meese are on the same wavelength, and neither is inclined to be either pragmatic or compromising when it comes to Reagan policies.

Clark has taken the most severe buffets in the internecine struggle, because other sources in the White House have gotten him depicted in Time and Newsweek as a man without an agenda and a disastrous policy-maker. A self-effacing man who shuns the spotlight and gives few interviews on any terms, Clark is the son of a rancher and so devoted a Catholic that he has apologized to his staffers for the few times he has used the mildest of expletives.

The former California judge also was wounded after Reagan called him to Washington to be deputy secretary of state and to keep a weather eye on the volatile, self-styled "vicar of foreign policy," former Secretary of State Alexander Haig.

At his Senate confirmation hearing, Clark was unable to answer some questions that few Washingtonians could handle, and this intensified the belief that Clark's foreign policy expertise was low indeed.

Later, when national security adviser Richard V. Allen had to walk the plank for receiving \$1,000 and two watches from Japanese acquaintances, Reagan brought Clark into the White House to run

former marine officer who exudes soft-spoken self-confidence and is utterly comfortable with the power he wields.

Baker is lean, athletic and well-tailored, although it is startling to note that he chews tobacco with zest in leisure moments.

The chief of staff is especially adept at steering Reagan administration bills through Congress, but his willingness to compromise with Capitol Hill in the face of imminent legislative defeat has made him anathema to the dogmatists of the right wing. Baker is far and away the most articulate of the "Big Four" and probably the most intelligent.

He is in the White House today because of his political skills, although he has never won an election. He failed in a try for election as attorney general of Texas and, after Bush dropped out of the 1980 presidential race, Baker came aboard the Reagan entourage in time only to negotiate the terms of the Reagan-Carter debate.

Of the four, Baker is far and away the best gut-fighter in the bureaucratic wars and the only one who is independently wealthy. He also is considered to be the one who not only accepts reality but also can persuade Reagan, sometimes, to accept it.

A case in point is the policy switch in 1982 by which Reagan came around to accepting a tax increase that Baker advocated for the usual reason, pragmatism. In short, Baker has the ability to talk Reagan into bending to avoid heavier losses.

For the future, Baker wants to direct Reagan's expected run for a second term in the White House in 1984, and there is probably no limit to his personal goals after that.

He joined the Sacramento group as a subordinate to both Clark and Meese when Reagan was governor of California.

He is, they say at the White House, "the best chief of protocol any president ever had."

Meese is a jolly-looking, even-tempered man who looks like everybody's favorite uncle and is a consummate law-and-order man. A Yale graduate and former Army intelligence officer, he probably would rather spend his evenings riding in police patrol cars than attending posh embassy receptions. He was a prosecutor in Alameda County courts before becoming Reagan's chief of staff in his second gubernatorial term.

He had expected to be chief of staff in the White House but the arrival of Baker reduced him to the cabinet rank of counselor. Some say he lost the top staff spot because his management skills do not match his absolute loyalty to Reagan and the conservative political point of view they share. It is also said that he drives Deaver up the wall with his ways of dealing with the essential paperwork that inundates every White House office.

Unquestionably, Meese has lost ground in the pecking order since the transition and inauguration of Ronald Reagan in 1981. But he is secure in Reagan's estimation, even though the days of the "troika" of Meese-Baker-Deaver are over.

One insider put it this way: "Clark is like the president's brother. Deaver is the dutiful son. Meese is like a very close cousin. And Baker is the ranch foreman who makes it all work."

Whatever the roles are today, they are not what they once were. As one of the figures said, "It's a terrible thing after 15 years to be barely speaking."

the NSC.

He may have offended the sitting triumvirate on Day One by declining an invitation to come to the daily breakfast Deaver and Meese used to have at Baker's desk. He said that when he had presidential business he would discuss it with the president.

To this day, Clark is probably the most secure of Reagan's inner circle, with total access as needed, because he is an absolute Reagan loyalist. He also is the worst infighter because he declines to defend himself against the slings and arrows that appear or are planted in the press.

Even with the abrasive Haig, Clark remained the last supporter Haig had in the White House. Clark finally lost patience with Haig when the latter harangued him for more than an hour on the telephone in Jamaica, insisting that he obtain an airplane with windows for a flight to London.

That brought in Secretary of State George P. Shultz, the antithesis of Haig. Clark treats Shultz with the same deference he gave Haig, and his reasoning is that he does not wish to get out in front of the secretary of state.

He also heeds the counsel of Weinberger in defense matters, construing his role as that of the judge he once was. He coordinates foreign policy and national security but does not attempt to establish it.

He feels as Reagan does on nearly every subject and, without being an expert, presents the president with concepts that he knows the president believes in. Clark reflects Reagan's views on everything from El Salvador to the MX missile, but he does not attempt to change the president's mind as Baker will do for pragmatic reasons.

David Gergen, White House communications chief, said, "I have no knowledge of any attempt by Judge Clark to oust me." It is true that Clark is outraged at security leaks such as the publication of the top secret NSC directive on Central America recently. The day will never come when Clark will brief the press on a foreign policy matter, as was done routinely by predecessors Henry Kissinger, Zbigniew Brzezinski and Allen.

It is arguable whether his support for Kenneth Adelman, for the full 10 percent increase in defense spending or for the "star wars" missile defense system was wise or unwise. Clark's friends say a man in his position does not have to know every detail of the national security spectrum if he has experts on hand who do.

Adelman, they say, received an indiscreet letter from Gen. Edward Rowny, he didn't write one. They say you have to ask for 10 percent in order to get 7 percent, and Reagan's negotiators need chips for the Geneva bargaining table with the Russians.

Clark will remain with Reagan for two years or six, as long as the president wants him. The current bickering will not drive him out of office.

If he has an ambition beyond leading a more normal life at his ranch with his family it is to serve Reagan. And that is where his strength lies, in the bureaucratic shootout on Pennsylvania Avenue.

Breakfast

LYN NOFZIGER

March 23, 1983

*Sunday
April 17
Monday
8:30*

File?

MEMORANDUM

TO: Mike Deaver

FROM: Lyn Nofziger

LN

SUBJECT: California Journal article on
Jess Unruh

If you haven't seen this it's worth reading. I am told, by the way, that Jess would look with favor on a high-level position in a Reagan Administration. Going into 1984 that might not be a bad idea.

*Shirley discuss with StC -
Call this office and
confirm our meeting
in April - get time
and place*

California Journal

The Monthly Analysis of State Government and Politics

FEBRUARY 1983/\$2.50

SPECIAL SECTION
'83 Roster and Guide



Jess Unruh: in power again

Mayor Feinstein: San Francisco's 'Queen Bee'

New power for an 'old statesman:' Unruh's \$3 billion lending machine

By ROBERT FAIRBANKS

A newly powerful figure has arisen in state government, but he wears an old familiar face: that of Jesse Marvin Unruh. Most people, including Unruh, thought he had retired from serious politics back in 1974 when he got himself elected state treasurer. As keeper of state securities and administrator of bond auctions, the treasurer had about as much political clout as the director of a local mosquito abatement district.

But radical changes have occurred since then, giving the treasurer's office powers undreamed of by treasurer's past. And Unruh, the "Big Daddy" Assembly speaker of two decades ago, is on top once more.

Some of Unruh's new preeminence is the work of Unruh himself. Only a forceful person could have made the treasurer's office as powerful as it is today. And, if nothing else, Unruh is forceful. He is a big man (5 feet 11 inches and about 220 pounds) who at age 60 shows relatively little sag and flab. (He works out at a gym thrice weekly, he says.) But more importantly, he retains the urge to impose order and regularity over the areas about him, the "take-charge" behavior that has always marked his political career. Even as the director of a mosquito abatement district, Unruh would be impressive.

But even so, the treasurer's office lacked the institutional power needed to give Unruh the statewide reach and authority he enjoys today. However, the continuing climb of interest rates over recent years has caused a fundamental change. Because of the run-ups, a variety of private interests have marched on government seeking relief. As a result, there now exists a surprisingly unnoted series of programs run by state and local governments to furnish low-interest loans. Much of the money goes to selected corporations and business groups, but many ordinary citizens benefit as well. At the moment, the loans are pouring forth at an estimated rate of nearly \$3 billion a year. State Controller Ken Cory, who keeps an eye on the state's fiscal affairs, called the lending programs one of California's major growth industries. And Unruh is at the center of it all.

How they work

Unruh's power over the lending programs may have been missed by many because the programs have been created piecemeal over the years. Also, they are rarely discussed for what they are: a means for handing out low-interest loans. If they are discussed at all, they are described in terms of "tax-exempt revenue bonds," a phrase guaranteed to deaden the interest of even the most conscientious citizen. But a lot of money is involved, and this is how a major program works:

A land developer wants to put 100 homes on a piece of property but knows he cannot sell them at today's high mortgage-interest rates. Thus, he searches for below-market financing. A group of investors would like to lend him money, but the group members are all in the 50 percent bracket, meaning that half of whatever interest payments

they receive will be taken by income taxes. Thus, they will not lend at below-market rates. But if the interest payments were exempt from taxation, the investors could keep all the money they received. Consequently, they would lend at lower rates and the developer would have the below-market financing that he needed.

But how do you get money to developers and declare tax exemptions at the same time? The answer is that you run the transactions through a government entity whose payouts, by law, are tax-exempt. And so in 1975 Governor Edmund G. Brown Jr. and the Legislature created the California Housing Finance Agency. Limited to financing low- and moderate-income housing, the agency borrows from investors by selling them bonds and then distributes the bond funds to selected bankers and other property developers. In effect, the developers use the money to erect the structures and take their profits. Now the homes are sold at below-market mortgage rates to low- and moderate-income persons, whose mortgage payments repay the bond buyers. If the repayment process should break down, the bond buyers bear the loss. Although a state agency sold the bonds, it does not back them.

Housing programs account for about half the low-interest loan money that has flowed from state agencies in recent years. Most of the rest goes to corporations or institutions that receive the money and repay it themselves.

Deferring to Unruh

Specifically, there are nine state programs now that provide low-interest loans to private interests of one sort or another through the sale of tax-exempt revenue bonds. (They are called "revenue bonds" because they are repaid from a specific revenue source, such as mortgage money from a housing project. The other bond type is "general obligation." These are debts against the government itself and must be repaid with whatever revenues are available.)

Three of the programs benefit housing; a fourth helps students and educational institutions, including trade schools, by financing low-interest student loans. The others provide loans for installation of industrial pollution controls, college and university expansions, hospital construction, alternative energy developments and the building of high-speed rail lines.

The treasurer dominates the programs because the Legislature has made him chairman of seven of the nine ruling groups (commissions, committees and so on) that effectively run them. The groups are small (mostly three, four or five members) and generally include with Unruh state officials who have major duties outside the area of bonds. Knowing less about bonds than the treasurer, they tend to defer to Unruh's judgments. Also, Unruh has a reputation for being quick and shrewd with fiscal details — "a good numbers person," in the words of state Controller Cory, who serves with Unruh on many of the panels. Cory, who was an Unruh protégé as a young assemblyman 20 years ago, also notes that many of the panel members additionally defer to Unruh in the crucial business of hiring the staff aides who shape the programs by handling day-to-day

operations of the various commissions.

The two programs that Unruh does not directly dominate provide low-interest home loans to veterans (outside the traditional Cal Vet program) and provide similar low-interest loans as an inducement to join the California National Guard. Both are run by the State Department of Veterans' Affairs, but the bonds must be sold through Unruh's office. Outside state government, among the bankers and bond salesmen, Unruh is clearly regarded as the man in charge. "From my perspective, he's the most powerful man in the state. He's got his hand on the money," says one.

The Legislature gave Unruh power over the lending program in large part because the treasurer's office traditionally has handled all state bond sales. Indeed, two of the private interest bond programs — pollution controls and college expansions — had already been created, with the treasurer as chairman, when Unruh was elected in 1974. (They were approved in 1972 and 1973, respectively.)

But there were no guarantees that the precedent would continue. In fact, when the Legislature created the Housing Finance Agency in 1975, Unruh had to lobby hard for a place on its 11-member governing board. (Once included, however, he became chairman of a powerful five-member committee that has the final say over which housing bonds may be sold.) Thus, as Unruh pointed out during a recent interview, much of the power he holds results from his having gone to the Legislature (usually in person) and asked for it.

The most recent example of how it all works occurred last August when the Legislature — under pressure from the governor's office and elsewhere — was rushing to enact the controversial bullet-train bill. (See following story). The measure, opening the way for a private corporation to build a bullet-train line between Los Angeles and San Diego, included provisions for a \$1.25 billion revenue bond issue to help finance the project. Seeing that the bill could not be stopped, Unruh said, he lobbied the Legislature to get what he called "solid control" over the bonds. As a result, California's new bullet-train law also creates a four-member commission, headed by Unruh, that must assure the project's fiscal feasibility before bonds can be sold. But should the treasurer have such life-or-death power over the bullet-train plan? "Would you like the alternative to have been that Larry Gilson (president of the bullet-train corporation) had the authority to issue \$1.25 billion worth of revenue bonds?" Unruh asks.

But Unruh's power goes beyond deciding whose private project may or may not be helped by the sale of tax-exempt

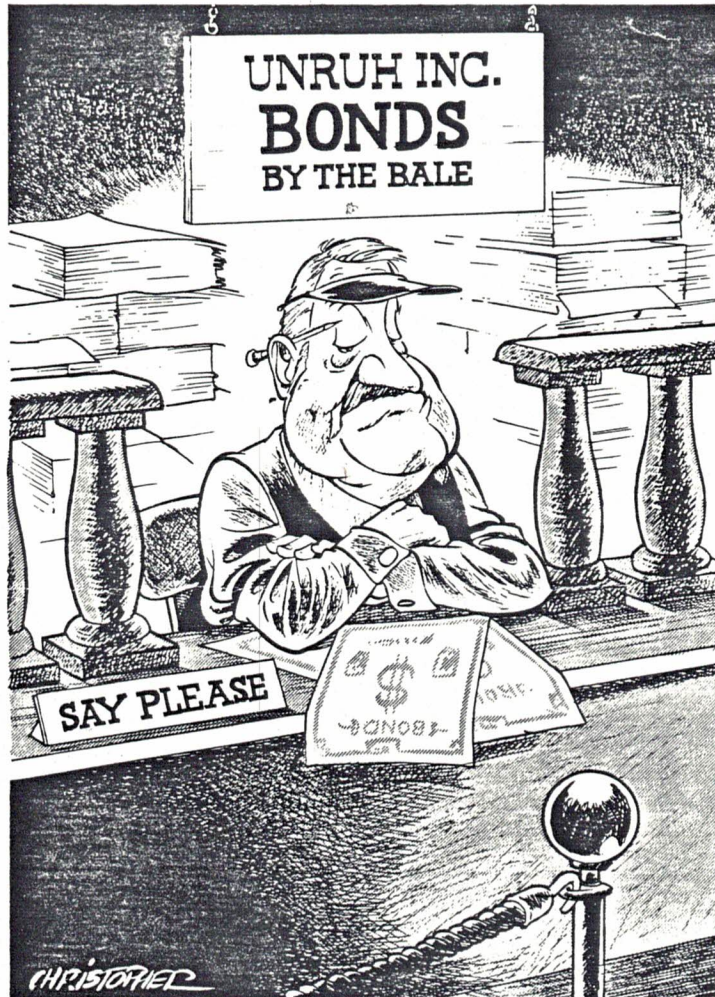
bonds. There is another dimension to a bond sale, one that is as important and potentially lucrative to those involved as is the project to be financed by the bond itself. That is the business of buying the bonds from the state and selling them to private investors. The process is called "underwriting," and the firms that do it include virtually every major bank and brokerage house in the nation, from Bank of America to Merrill Lynch Pierce Fenner and Smith, Incorporated. Generally speaking, underwriters get from 1.5 to 3 percent of the face value of whatever bonds they handle. For example, if the bullet-train project should fly, so to speak, the underwriter would make up to \$37.5 million on the \$1.25 billion issue. And the person most likely to choose the underwriter would be Unruh.

Until recent years, the business of selecting an underwriter was largely a mechanical function within the treasurer's office. This was so because underwriting firms bid against each other for the resale right to state bonds. The treasurer simply opened the envelopes and chose the firm that offered the most to the state. But underwriters contend that bidding works only when the bonds involved are to be issued and repaid by a known quantity, like the state of California. In that case, with all background factors known, the cost of preparing a bid is small. But the revenue bonds that have been proliferating in recent years through the private interest programs, although issued by state agencies, are to be repaid by unknowns, like a housing project. In such cases, the cost of gathering information and preparing a bid is large. As a result, the underwriter cannot do so unless guaranteed in advance that he will get at

least a share of the bond-selling business. The solution has been a virtual end to bidding in the state's low-interest loan programs.

Instead, Unruh's office negotiates with the underwriters and selects the firms that will market each agency's bonds. As mentioned earlier, two of the bond programs are run by the Department of Veterans' Affairs. But even there, Unruh's influence is important. Don Backstrom, the department official in charge of the programs, says that when it comes to selecting underwriters, "Jesse Unruh works so close with us, we pretty much rely on his advice."

According to interviews with various officials in several underwriting firms, Unruh's underwriting selections have been fair and reasonable. But there is a belief that it could be dangerous to cross him. Much of that stems from Unruh's punishment last August of underwriter Dean Witter Reynolds Incorporated and an associated law firm for selling \$60 million worth of local government housing bonds



without approval from the treasurer's office. Unruh barred the two firms from participation in several later bond issues. Dean Witter officials said they acted properly, but Unruh said they violated the spirit of a housing bond allocation law.

Although the incident is closed, the memory remains. None of the underwriting officials would speak for the record, but all seem to agree with one who said he was "concerned" by Unruh's new power. In response, Unruh is phi-

losophical: "We would all kind of like to have a kind of controlled anarchy. We'd like to have the situation where we are under no one's control but the society is still controlled. A particular underwriter, obviously he would prefer to be in a position where he could get all of the business and charge whatever he can get away with . . . Nobody likes to have anybody with any input."

Unruh's words also apply, he says, to the officials in California city and county government who, like the under-

The Treasurer's Role

Bonding or Control Agencies	Provides Financing For	Date of Creation and Bonding Limit	Membership
California Pollution Control Financing Authority	Water, air or land anti-pollution projects.	1972; no limit.	Treasurer (chairman), controller, Finance director.
California Educational Facilities Authority	Construction or expansion of private non-profit educational facilities.	1974; no limit.	Treasurer (chairman), controller, Finance director and two public members appointed by the governor.
California Housing Finance Agency	Apartment units and single-family homes.	1975; \$1.85 billion.	Six gubernatorial appointees, one of whom is chairman; director of Housing and Community Development; secretary of the Business, Transportation and Housing Agency; one appointee by Assembly speaker; one by Senate Rules Committee and the treasurer.
Housing Bond Credit Committee	Finances nothing itself but must approve bonds before they can be sold by Housing Finance Agency.	1975	Treasurer (chairman), controller, Finance director, executive director of the agency.
California Health Facilities Authority	Non-profit health facilities construction and remodeling.	1979; \$1.534 billion.	Treasurer (chairman), controller, Finance director.
California Student Loan Authority	Repurchases federally insured student loans from lending institutions so that lenders will make new loans.	1980; \$150 million.	Treasurer (chairman), controller, Finance director.
California Alternative Energy Source Financing Authority	Industrial facilities using new energy sources and technologies.	1980; \$200 million.	Treasurer (chairman), Finance director, controller, Energy Commission chairman, president of Public Utilities Commission.
California Industrial Development Financing Advisory Commission	Issues no bonds itself but reviews local government industrial development projects.	1980	Treasurer (chairman), controller, Finance director, Economic and Business Development director, Corporations director.
California Debt Advisory Commission	Issues no bonds, but monitors bond sales by all other government agencies.	1981	Treasurer (chairman), governor, Finance director, controller, two local government finance officers, two Assembly members, two senators.
Mortgage Bond Allocation Committee	Issues no bonds but sets housing bond quotas for other state agencies under federal rules and allocates housing bond quotas to other state and local agencies.	1981	Treasurer (chairman), controller, governor or Finance director.
California Passenger Rail Financing Commission	Rapid rail transit system projects.	1982; \$1.25 billion.	Treasurer (chairman), and three appointees, one each by governor, Assembly speaker and Senate Rules Committee.



writers, have been fidgety in the face of the treasurer's new powers. Their fear is that Unruh will erase local governments' right to use bond financing for whatever projects they please. Perish such radical thoughts, says Unruh; the locals resent him because of the purely minimal restraints on their bonding that have been imposed.

Basically, the situation is this: Local governments, like the state, have been responding to run-ups in interest rates by issuing revenue bonds to furnish land developers and others with low-interest loans. Additionally, the locals have been using revenue-bond funding programs to replace the general obligation bond issues that were effectively wiped out by the 1978 passage of Proposition 13.

Generally speaking, Unruh has been suspicious of the local level bonds, largely because there is so little control over what an obscure irrigation district, for instance, might be doing with its tax-exempt privilege. Unruh himself didn't mention it, but one of his deputies pointed to the case of a small special district in Southern California that sold a pol-

lution-control revenue bond to finance construction of a private golf course and condominiums.

Consequently, Unruh opposed for many years legislation that would create industrial development bond programs, through which local governments would furnish low-interest loans to businesses for plant expansions and the like. However, he said, he lost the fight in 1981 to the business and labor groups that wanted the program. The best he could get into the bill, he continued, was a five-member advisory commission, headed by himself, that reviews the local proposals but can stop only "the worst" of them.

What's the worst? Unruh cited the case of a company that wanted a low-interest loan to finance its move from one California community to another. In testimony before a congressional committee last April, Unruh also complained that many local governments remain outside the advisory committee's jurisdiction, and he indicated that really bad things may be happening there. "Quite frankly," he said, "I don't think we should be in the business of financing with

Curriculum Vitae

Unruh was born September 30th, 1922, in rural Kansas and was raised in poverty on the Texas panhandle. He served in the Navy during World War II, was graduated from the University of Southern California in 1948 and was first elected to the Assembly in 1954. Tough and shrewd in the often grimy business of legislative politics, Unruh served as Assembly speaker from 1961 to 1969, longer than any other.

In 1970 Unruh was the Democratic candidate for governor against incumbent Ronald Reagan. After that loss, he ran for mayor of Los Angeles in 1973 and lost again, this time to Tom Bradley. Having taken the defeats personally, Unruh seemed to glow a bit in 1974 when voters elected him treasurer, giving him his first statewide victory with a comforting 600,000-vote margin.

Unruh's Assembly colleagues gave him the "Big Daddy" nickname 25 years ago when he weighed 300 pounds, voraciously indulged all his appetites and dis-

daind those who believed that noble ideals could win elections. "Money is the mother's milk of politics," he told them. Unruh deeply resents the nickname today and says that it should not be uttered without at least mentioning some of his other works from those years: the landmark legislation in the areas of civil rights, tax reform, education, consumer credit and legislative ethics.

Through the years, Unruh has kept up friendships with many members of the Legislature, particularly in the Assembly. To many lawmakers, he is a political resource, a place to go for solace and advice. He once told an interviewer that he tells them, "I can't tell you what to do, but since I've made every mistake it's possible to make, I can tell you what *not* to do."

Unruh takes credit for having helped pass Proposition 13 in 1978 by pointing to the huge surplus that existed in the state treasury then and calling it "obscene." In 1979, at Unruh's urging, lawmakers created the Commission on State Finance to provide regular reports on the state's fiscal condition, whether surplus or deficit. Unruh, of course, was made chairman.

tax-exempt bonds such projects as national retail stores, motels, golf and tennis facilities, massage parlors, pizza parlors and the renovation of sports stadiums."

Even though Unruh complains about the looseness of industrial development bonds, he has been given by the Legislature a device for some control over them. In 1981 lawmakers approved, at Unruh's urging, a bill to create the "California Debt Advisory Commission," a nine-member panel with Unruh as chairman. The law required that every bond-issuing agency in the state, from the lowliest special district to state government itself, submit its bond program to the commission for review at least 10 days before issuance. The commission cannot veto an issue, but it might raise a hue and cry that could accomplish the same result.

Unruh called the commission a "traffic cop," but added that "it might even be regarded as a fiscal Paul Revere, sounding the alarm whenever questionable bond schemes are being hatched or outrageous interest rates are being contemplated." The commission began operations in 1982 but has sounded no alarms so far. However, an Unruh deputy said that it may have already prevented questionable issues from being sold because the backers did not wish to risk a commission review.


But Kenneth Emanuels, a lobbyist for the League of California Cities, says that many city officials remain unsatisfied. They agree that some special districts have caused "problems" because of their bond issues, but deny that cities have been involved and therefore need a state review. Also, he says, despite Unruh's denials, many city officials believe that it won't be long before the commission is empowered to reverse a city council's judgment by prohibiting particular bond issues from being sold.

Emanuels also makes the point that much of Unruh's power results from his continuing good relationship with members of the Legislature. "I see him in the Capitol build-

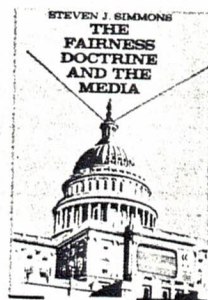
ing; I see him at Frank Fat's (a favorite legislative restaurant); I see him with them all the time," he says.

Unruh's new power is also apparent in all the standard state Capitol measurements. Since his first year in office, the treasurer's staff has increased by 63 percent and the office budget has risen by 180 percent. Also, Unruh is doing exceedingly well in raising campaign contributions. He collected more than \$500,000 for last year's campaign, about five times the \$110,000 he raised for 1978. Much of last year's money came from the underwriting firms that need his approval to sell the state's private interest bonds. Dear Witter Reynolds Incorporated, the firm that Unruh punished last August, perhaps saw the need to return to his good graces and came up with a healthy \$15,000. Shell Oil Company gave \$4,000, up from \$400 in 1978. A company spokesman said the increase had nothing to do with the \$70 million anti-pollution loan that Shell received from one of Unruh's lending authorities last fiscal year.

When asked about his contributions, Unruh said that he doesn't like the system and has supported public financing of elections for about 25 years. "They don't have to contribute," he said of the firms that give him money. "All they have to do is get a public financing bill passed."

Unruh ended his last campaign with a \$300,000 surplus. Might the money be the nucleus for another Unruh effort to become governor, a job that he still wants? Unruh said he has no plans for a race and detests the fund raising that would be required. "When I think of the indignities, the humiliations, that you've got to go through, as Tom Bradley did to get \$9 million. And then of all the things people expect of you, and I don't mean governmental actions. But you've got to go and stroke this old duffer here and that elderly lady there, not because you want to but simply because they've got money. That's bad enough for a young striver, but it's not becoming for an older statesman like me." 

THREE SUPER BOOK BARGAINS



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The Fairness Doctrine and the Media by Steven J. Simmons. Describes and analyzes the "fairness doctrine" which regulates radio and television programming about controversial issues. Simmons concludes that no one has been well served by what is actually an "unfairness doctrine." Hardcover, 285 pages, 1978. List price: \$18.95.

Organized Civil Servants: Public Employer-Employee Relations in California by Winston W. Crouch. Written by one of the leading scholars of California government, this book analyzes the history of the state's public employee relations policies and the efforts made to reconcile collective bargaining with the concepts and procedures of merit civil service. Hardcover, 302 pages, 1978. List price: \$27.50.

You can buy the above books for only \$8.95 each including tax and shipping. **Prepaid orders only.** Send check or MasterCard or Visa number to *California Journal*, 1714 Capitol Ave., Sacramento, CA 95814. To make ordering even easier and quicker, you may call in your order: (916) 444-2840. Have your credit card number ready.

The Reagan Corollary

21 APR 1983

MT

By William Safire

WASHINGTON, April 20 — President Reagan has decided to use a joint session of Congress as his forum to address the American people on the defense of this hemisphere. It's about time.

Isolationists have mired us in squabbles about how secret our defense should be, whether we help or hinder the anti-Communist forces with our aid, and whether we are going to be drawn into another Vietnam. The President has a duty to lift the nation's eyes to the essential debate:

In the face of an undeniable penetration of Central America by forces beholden to a foreign power, does the United States have the will to organize and supply the resistance — and the skill to enable the local anti-Communists to win their own battles? Are we so transfixed by our Vietnam defeat that we cannot help mount a defense of our own continent?

Ah, but the questions are not so simple, the isolationists say. The internal shortcomings of our allies, and not Soviet-Cuban agitation, may be the cause of the fighting. Why should we care which totalitarian regime wins?

The unselfish answer is that we should care on the basis of human rights, because we have seen that no modern government inflicts police-state brutality as thoroughly as a Communist government; the selfish answer is that the United States must care on the basis of its own defense.

Assuming that Mr. Reagan will make the case for rising to responsibilities, here are notes for his yellow pad:

1. *Don't waste much time proving again that Castroites and Sandinists are supplied by Moscow; that's a given. Point to the four Libyan planes turned back by the Brazilians: their cargo was labeled "ambulances, hospital equipment and medical supplies"; that's what they call Soviet guns, rockets and ammunition for Nicaragua's army. Make the point and move on.*

2. *Show how this region is central to U.S. defense. Nearly half our foreign trade tonnage and imported crude oil passes through the Caribbean; access to the Panama Canal is vital. The Communist conquest and use of Central America would pose a direct strategic danger.*

3. *Expose the hypocrisy of isolationist "compassion". Ten percent of the population of El Salvador — a half-million people — have fled to the U.S., just as 30 percent of Afghanistan's population has fled Communist op-*

pression; these refugees are not running from phantoms.

4. *Tell Americans what the fine-sounding "negotiated settlement" means in El Salvador. It means upsetting the results of a democratic election and forcing the Government to share power with gunmen; leading to salami-tactic takeovers. We are not going to force our ally to do that.*

5. *Explain the purpose of our not-so-secret war in Nicaragua. The Carter Administration tried bribing the Sandinists with twice the foreign aid and multilateral loans in two years that was provided the Somoza regime in 20 years; appeasement did not stop Nicaragua from gagging its press and subverting its neighbor. Since the Sandinists would not stop pouring arms into El Salvador, we decided to help the anti-Sandinists make life hard for the troublemakers in Nicaragua.*

6. *Does this mean we are breaking the curious law passed to guarantee Nicaraguan Communists that our aid would not be used to overthrow them? No; arming 5,000 anti-Sandinists is hardly likely to lead to the overthrow of a regime backed by a 75,000-man army. Obviously we are helping to make life miserable for the junta by supplying its opponents; this is called "applying pressure." A painful tax on the export of revolution will be more effective in getting Nicaragua to stop subverting El Salvador than the millions spent on appeasement.*

7. *Does that mean we will pull the plug on "our" Nicaraguans if the Sandinists pull the plug on "their" guerrillas in El Salvador? The President should refuse to countenance such a deal, which would be like the Shah's betrayal of the Kurds; he should press for free elections in both countries, and let all anti-government factions take their chances at the polls.*

8. *The Reagan Corollary. Needed now is an assertion of U.S. policy to update the Monroe Doctrine. We should pledge our willingness to answer Communist subversion not merely with aid to the victim but with support of clandestine opposition in the subverting countries. Recognizing the war power of the Congress, the President should ask the joint session to appropriate specific "punitive funds" to finance the indigenous harassment of our allies' harassers.*

9. *Peroration. Inxay on the usual soaring rhetoric and spiritual uplift. Get serious, even solemn: Central America is too close to home for isolationism to be an option. We will help our friends defend themselves. Take note, Havana and Tripoli: We will apply the pressure to the source of the trouble.*

D. Jensen

THE WHITE HOUSE
WASHINGTON

cc: 157 Lundy

April 20, 1983

MEMORANDUM FOR: Mike Deaver
VIA: Bill Sittman
FROM: Jann Mahan *JM*
SUBJECT: Discussion with producer of "BOB HOPE 80TH BIRTHDAY TV SPECIAL"

Following is what transpired in discussion with Jim Lipton, producer of the Hope special which airs May 23 8:00 PM - 11:00 PM:

LINCOLN BEDROOM PORTION

It was his understanding that the beginning of the show would be a cold start (before credit runs, etc.) of the President and Bob Hope chatting informally in the Lincoln bedroom where Hope will presumably be staying. It will be staged as the night before the gala at the Kennedy Center and the President has dropped by to check on Hope's well being and to talk for a few minutes. Both men will be seated in chairs ala shirtsleves. Lipton requested 30 minutes of cozy discussion, which will be edited down to 5 minutes. I think 15-20 minutes would be sufficient. At the end of their discussion the President will stand, walk to the door, turn and say, "Oh by the way, on behalf of all Americans, I wanted to say happy birthday." Door closes and smash cut to the Kennedy Center Opera House where The President, Mrs. Reagan and Hope will be seated in the Box.

NOTE: I requested script and suggested talking points be sent to me by Friday. They will be using 3 cameras and will need 1 1/2 hours set-up time.

KENNEDY CENTER PORTION

At the end of the program, the President will proceed to the Opera House stage where he will give brief remarks about Hope's birthday and the USO (suggested remarks are coming to me). Jimmy Stewart will introduce the President, President will give remarks, depart stage and Hope will end the program by singing "Thanks for the Memories".

Sinatra will not be there for the actual performance but will be taping his portion on Thursday, May 19th at 4:00 PM. at the Kennedy Center. Mrs. Reagan was invited to attend. He will be singing 4 songs which Twyla Tharp and Mikal Barishnikov will dance to.

The Director is Don Mischer who also directed the Barbara Walters interview with Mrs. Reagan. He will be in, along with Lipton, on May 16th for a survey in the Lincoln Bedroom.

I requested scripts, discussion agenda and list of celebrities participating which should be here Friday.

Trent Lott: Volcker must go

WASHINGTON — Republican sentiment against reappointment by President Reagan of Paul Volcker as chairman of the Federal Reserve Board has been swelled by the influential House minority whip, Rep. Trent Lott of Mississippi.

Lott, a figure of rising importance in the House who usually reflects the views of junior GOP congressmen, has informed a senior presidential aide that it is politically imperative for the president to have his own man heading the central bank before the 1984 election. The staffer responded that he and his colleagues generally share Lott's view but that no decision had yet been made.

A footnote: The principal advocate inside the administration of getting rid of Volcker is Treasury Secretary Donald T. Regan. That puts him in direct confrontation with Martin Feldstein, chairman of the Council of Economic Advisers, who has pushed hard for Volcker's reappointment.

REAGAN'S CHINA ITCH

Secretary of State George Shultz has quietly ordered a top-to-bottom review of U.S. restrictions on technological exports to China, a certain signal of President Reagan's desire to visit Peking before the 1984 presidential campaign.

That presidential itch for China has not been at all lessened by recent U.S.-Chinese unpleasantness over political asylum granted defecting tennis player Hu Na. White House political strategists believe a Russian trip by Reagan would be more rewarding for his 1984 re-election effort than a Chinese journey, particularly if linked to an arms control treaty. But the president's desire to visit the mysterious East surpasses any yen to see the Kremlin during the next 18 months, something Reagan considers unlikely in any event.

Returning from the April 9-10 weekend with Reagan at Camp David, Shultz ordered a review to consider possible relaxation of present restrictions on export to China of American technology. While less severe than comparable



Rowland
Evans



Robert
Novak

curbs on trade with the Soviet Union, regulations now limit technology transfer in nuclear weapons, anti-submarine warfare, advanced electronics and intelligence collection and processing.

DEAVER VS. WITHHOLDING

Although White House deputy chief of staff Michael K. Deaver is usually regarded by the Right as the villain turning Ronald Reagan into a moderate, he has been a quiet ally of conservatives trying to cool the president's passion for tax withholding on dividend and interest income.

As the supreme pragmatist, Deaver sees no utility in pursuing the widely unpopular withholding scheme. But Reagan, discarding Deaver's counsel, has been a passionate advocate against repealing the new tax method.

FRITZ WITHOUT GARTH

Front-running Democratic presidential candidate Walter F. Mondale is looking beyond Manhattan's famed political consultant, David Garth, to run his 1984 media campaign and may end up with the far less known Roy Spence, who is based in Austin, Texas.

Garth, now listed as an "adviser" to Mondale, was widely expected to get the media assignment from the former vice president. But Mondale campaign manager Robert Beckel worries about Garth's tendency to absorb all major elements of any campaign in which he becomes involved and, therefore, threaten Beckel's control.

The Clarion-Ledger Jackson, Miss. April 18, 1983

R. L. HAGAMAN, JR.
1028 DEVINE STREET
JACKSON, MISSISSIPPI 39202

April 18, 1983

The Hon. Michael K. Deaver
Deputy Chief of Staff
The White House
Washington, D.C. 20500

Dear Mr. Deaver,

Enclosed is a clipping from my
morning paper with a reference
that you are joining the forces to
repeal the with holding taxes on dividends
and interest.

It is my humble opinion that
the withholding tax is a bad, bad
law and I wanted to thank
you for trying to change the
President's mind on this. If it is
not repealed the effect on future
campaigns for the Republican
Party will be disastrous.

Thanks again and keep up your
good work. Respectfully,
R. L. Hagaman, Jr.

INACCURATE

Television's Budget Coverage: Unbalanced, Unfair, Uninformed

4-14-83



Donald Lambro
United Features

that television's coverage, "particularly that of CBS, has regularly emphasized the exotic, the unrepresentative, and the emotional."

And in the process, the effect and magnitude of various programmatic changes have been deeply exaggerated.

Consider these examples cited by Barnes:

✓ On the CBS Evening News on Oct. 2, 1981, Charles Osgood reported that a budget-cutting wind has been "blowing strong enough to uproot some government programs — CETA is gone — and tear the roof off some other ones — food stamps, for example."

In truth, food stamps were hardly touched: \$11.4 billion in coupons was issued to a record 22.4 million persons in 1981. That dipped only slightly to \$11.3 billion in 1982.

What were changed — and not reported — were the program's eligibility requirements. Now, for example, stamps can go to a family of four whose gross income does not exceed 130 percent of the poverty income level, or \$11,000. Previously, families with incomes higher than \$14,000 were eligible.

"It was a significant paring of the

food-stamp program, but not a draconian one," a Princeton Urban Research Center study concluded last year.

✓ In a report from Nashville on April 9, 1982, ABC reporter Richard Threlkeld told viewers that because of school lunch cuts, schools were forced "to raise the price of a hot lunch to \$1.10, too high for some families."

What Threlkeld failed to mention, Barnes says, "was that eligible poor kids still got free lunches" and that the near-poor kids also continued to get lunch at a significant discount.

Threlkeld said that nearly a million "lower-income children" were swept from the program. Yet Barnes says he failed to point out that children "no longer entitled to free or reduced-price lunches came from families that had incomes above 185 percent of the poverty level. To describe them simply as 'lower-income children' is disingenuousness of a high order."

✓ On Feb. 13, 1982, NBC reporter Roger O'Neil told the story of an Illinois day-care center that closed its doors after one CETA-paid worker was dropped. Nothing was said of the extensive waste that permeated the CETA jobs program; instead, O'Neil seemed to blame the program's demise on the CETA cuts. Barnes

showed that "state regulations were the culprit."

Barnes recites an appalling catalog of similar distortions and falsehoods: ✓ Inaccurate facts and figures used by lobbyists and social workers are rarely challenged. ✓ Histories of rampant corruption and fraud are seldom acknowledged.

✓ Budget figures comparing the minor size of the cuts are usually not given.

Moreover, "The conclusion one draws from television accounts is that failed social programs are either rare or nonexistent," Barnes says. There is "little in the way of rigorous, un sentimental assessment of the effectiveness of these programs."

Thus, the network news organizations have uniformly portrayed the Reagan budget cuts as deep and harmful when "the hard evidence suggests the cuts were marginal," says Barnes.

It is relatively easy to stick a camera in front of a person with a sad story and make inaccurate generalizations.

It is far more difficult to show how that story squares with the costly reality of more than \$347 billion a year in federal social-welfare expenditures which continue to

People weekly

TIME INC., M.P.A. BLDG., 888 16TH ST., N.W. WASHINGTON, D.C. 20006 • (202) 293-4300

April 4, 1983

Dear Mike,

Although most of the time I see you I am on assignment for Time, I do lots of stories for People. They have asked me to do the photographs on a story on Milton Pitts, barber of Presidents. What they would like is a picture of Milton with the President taken ^{by me} on one of his visits to the White House. Please don't consider this an out of the ordinary request, as a picture was taken several years ago of President Ford with Milton in the White House barber shop. Would you consider this request and get back to me here at the Time bureau? If you are inclined to turn it down what would you say about a picture of Mike Deaver with Milton in the chair?

Many thanks, and best regards to you.

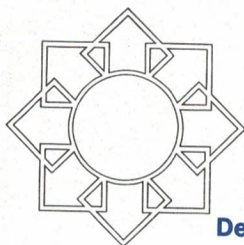
Diana W.

Diana Walker

I called
4-11-83
she will call
4-12-83
w/c

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file

TO: Senator Paul Laxalt
Frank J. Fahrenkopf

FROM: Richard B. Wirthlin

DATE: March 31, 1983 (RNC83-3: 3/21/83)

SUBJECT: **Presidential Radio Addresses**

In order to assess how the American public views President Reagan's radio speeches, D/M/I asked respondents the following question:

As you may know, President Reagan has been addressing the country by radio on Saturdays. Have you personally listened to any of those Saturday radio addresses?

Yes/Favorable	9%
Yes/Unfavorable	4
Yes/No opinion	2
Not heard	85

President Reagan received the same amount of visibility in May, 1982, with 15% of those hearing the President's Speech. Reactions were favorable by more than a 2:1 ratio. Nine percent (9%) reported a favorable impression, while four percent said they had an unfavorable impression and 2% had no opinion.

Visibility is not outstandingly high among any sector of the population with only one-fourth of any subgroup hearing the President's radio addresses.

As expected, subgroup deviations are highest along age, education, party and ideological lines.

Those most likely to have heard the President's radio addresses include: older respondents, highly educated respondents, Republicans, those who are very conservative and owners of small businesses.

make
cc for EM
4-14

LETTERS

The Reagan

The article by Kathy Olmsted (*Daily*, April 6) about our consideration of the Reagan Presidential papers was excellent, and accurate in nearly all respects. It did, however necessarily, leave out some aspects of the history — and it may also leave the wrong impression about what is likely to happen next.

47183

These discussions began in a preliminary way over two years ago. They were reported quite widely in the press, including the *Daily*, during last academic year — when a White House official made the erroneous public assertion that Stanford had “donated land” for a Reagan Presidential Library. In correcting that misimpression, we made it clear that the University was interested in acquiring the presidential papers as a scholarly resource, but that a variety of considerations — including the nature of the building, the site and the relationship between the Library and other academic programs — would have to be considered before a final decision could be reached. There the matter stood until the White House indicated its interest several months ago. The director of the Hoover Institution, Glenn Campbell, who extended the original invitation, has now defined the scope and nature of the program more completely, and we are engaged in the feasibility and site location studies described in yesterday’s *Daily* article.

It is thus not correct that the papers will come here if we provide the site. I expect that the President and his advisers will want to look at a number of aspects of the program we work out here to determine its suitability. It cannot be guaranteed that what we offer will meet their requirements.

Donald Kennedy
University President

The Stanford Daily

ABC News 7 West 66th Street New York, New York 10023 Telephone 212 887-4031

Barbara Walters

March 28, 1983

Mr. Michael Deaver
Deputy Chief of Staff
White House
Washington, DC

file

Dear Mike,

A postscript to our chat last week.

If and when a salute to the President's Men seems like something you all want to do, let me know. As stated in our original intention, it would require an hour interview on each of your parts for a full blaze segment on "20/20." As they say, it couldn't hurt.

And officially, as you look ahead to the fall and the President's calendar, do consider our special one hour Thanksgiving program.

As ever,

Barbara

Kenneth L. Khachigian


Public Affairs Consulting

209 Avenida Del Mar, Suite 203
San Clemente, California 92672
(714) 498-3879

February 2, 1983

JAB
I disagree
with Ken.

MEMORANDUM FOR: MICHAEL DEEVER
JAMES A. BAKER, III
EDWIN MEESE, III

FROM: Ken Khachigian 

I think the President's radio broadcasts, once a useful forum, have turned into a high-profile platform for the President's adversaries. Because I think the President is now being hurt more than helped by these broadcasts, I suggest that they be quietly phased out over the next few weeks.

For many months now, I've been bothered by the fact that no matter what topic the President discusses or how reasonable his tone, his Democratic opponents invariably come back with a tough and vigorous attack on the President and his economic program. The "equal time" given over to the opposition simply grants them a national microphone they could never achieve by themselves.

The counterproductive effects of these broadcasts struck me more fully while listening to top-of-the-hour news coverage of last Saturday's speech. The President's sound bite was followed immediately by an equal one of Congressman Dowdy's harsh criticism.

Here was a Congressman known by almost no one outside his district -- and he was being given stature and credibility equal to the President's. Even though the President's talks are by themselves very effective, they are proving to be sitting ducks for attacks. And in news stories the next day, the President's lead coverage is always followed by sharp rebuttals from the other side, high up in the story. (see enclosed clipping)

While I know the President enjoys these broadcasts, I think you ought to look at them in terms of their effect. And the fact is that the broadcasts are giving opponents visibility they would never otherwise have, making arguments that millions of Americans would never otherwise hear.

The President dominates the news so totally whenever he wants. Why voluntarily share it with his detractors?

January 30, 1983

Los Angeles Times

Says Recession, Defense Buildup Contributed to Red Ink

Deficits Won't Bar Recovery, Reagan Vows

By WILLIAM J. EATON, *Times Staff Writer*

WASHINGTON—President Reagan, defining deficit as a "dirty word" that he had hoped to eliminate from the federal budget's vocabulary by now, said Saturday that he would not allow red-ink spending to rise high enough to sabotage recovery from the recession this year.

Reagan discussed the budget outlook in his weekly radio broadcast as he prepared to send Congress an \$848.5-billion spending plan with a deficit of \$189 billion for the fiscal year starting Oct. 1, following a \$208-billion deficit for the current fiscal year.

Recovery Program Blamed

The President, who originally had promised to have the federal budget balanced by 1984, blamed a combination of reduced inflation, recession, high interest rates and his defense buildup for the "towering" deficits that have occurred instead.

A Democratic critic, however, blamed Reagan's recovery program, including the three-year tax cut of \$750 billion adopted in 1981 at the President's insistence, for creating a crisis in government finance.

"The Democratic Party feels that the best way to reduce the deficit is to put Americans back to work again," Rep. Wayne Dowdy (D-Miss.) said in a nationally broadcast reply to the President's talk. "Unemployment is draining our treasury, as well as our national vitality."

Reagan, although declaring that the long-dormant economy is improving, acknowledged that "much needs to be done for the unemployed," who numbered 12 million in December.

The President said he would seek legislation to extend jobless benefits and provide incentives for employers who hire the long-term unemployed. He gave no details, however.

Democrats and some Republicans in Congress have advocated multibillion-dollar jobs programs that go far beyond what Reagan has supported.

"If we can afford to spend \$240 billion for defense, we can afford \$5 billion to put Americans back to work and get our economy moving again," Dowdy said.

Reagan, however, defended his decision to raise military spending by \$30 billion in his new budget while reducing funds for health care, food stamps, welfare payments and other social programs.

"When peace and freedom are at stake, we cannot afford to gamble," the President said.

In previewing the budget message that will go to Congress on Monday, Reagan said much of the debate will center on the deficit.

"That's a dirty word, which a while back I had hoped might be a thing of the past by now," he said. "But the deficit is going to be large. . . ."

'Bracket Creep' Thwarted

The reduction in inflation, Reagan said, had resulted in lower revenues to the Treasury because taxpayers were not pushed into higher brackets by raises designed to keep them abreast of inflation.

"Lowering inflation has been quite a shock to the system," he said. "Another reason the deficit is so burdensome is because the long recession has temporarily shrunk the number of people paying taxes."

Restoring U.S. military strength, he said, also added to the deficits, along with domestic spending programs that survived Reagan's past cutbacks.

"The result of all this is that deficits have now reached towering levels that cast a pall of uncertainty over the financial markets and threaten to slow and weaken the economic recovery ahead," he said. "Well, I don't intend to let that happen."

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