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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection:** Sara Fritz Papers  
**OA/Box:** Box 2  
**File Folder:** White House Notes – January 1982

**Archivist:** jsn  
**FOIA ID:**  
**Date:** 3/30/2018

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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1. transcript	Meese off the record comment (1 pg partial)	1/28/82	C
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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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STORY:MEESE  
MA:60 FMT:

QUEUE:PAKX-RAK  
HJ:

MSG:  
INI:

OPR:RAK ;01/14,14:04

TO: MLS, LT, JF, DR, BFP, JG, GP, DCB, DXB, LH, JWM, SJF,  
PA, PGB, SXM, EK, JDN, JSL

FROM: RAK

RE: Background-only ivu with Ed Meese

Meese's comments are for background only, but if we want to quote him directly, we simply need to clear it with him. (He revealed no state secrets.)

Leaks. Meese claims that this week's presidential directive was in no way intended to plug leaks other than those related to national security. But he generally concedes that the directive might stop a few unrelated leaks, particularly since Reagan made his unhappiness very plain to the entire cabinet at a cabinet meeting.

Meese defines classified information very broadly: ``A classified matter is anything that would hurt the national interest.'' Under this definition any information that compromises the administration's objectives would be considered classified.

The new directive was triggered, Meese says off the record, by Time magazine's disclosure of Reagan's decision on jet fighters to Taiwan. The leak was disturbing because the mission of the State Department official who was en route to Peking was to seek Chinese concurrence with the compromise decision--not to present the matter to the Chinese as the fait accompli that it actually was.

[Whisper?] ``There's just been an awful lot of loose talk



about things that are extremely sensitive about our dealings with other countries," Meese adds.

He was hard pressed to come up with other examples of leaks that have caused national-security problems, except a vague mention of "some matters dealing with Israel."

Inaccurate leaks, Meese complains, have created "some real hazards by generating unnecessary public concern...Rarely is a leak productive, in my opinion--even as a trial balloon."

State of the Union. Reagan has been going over various speech drafts and is a long way from coming up with a final product. The President still has not made the "macro" decisions that will determine the final mix of spending cuts and tax hikes and determine the size of the deficit. Much "spade work" still is to be done. "I think it's going to be very late in the game before he makes up his mind." Meese also carefully observed the "lid" that the White House has placed on speculation about Reagan's tax and spending decisions.

While refusing to discuss specifics, he hinted, though, that a gasoline tax is likely. [Whisper?] He pointedly noted that Jimmy Carter's proposed gasoline tax, which Reagan as a candidate vociferously opposed, was a bad idea because it was designed to force conservation, not to balance the budget. A Reagan gas tax presumably would be beneficial to the country because it would help balance the budget. Again, however, Meese says Reagan has made no final

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decision on a gas tax.

IRS and race discrimination. Meese defensively asserts that the ``political people and the media people``--meaning Jim Baker and David Gergen--were fully informed in advance and concurred with the change in IRS policy toward private schools that discriminate.

Meese seems to point a finger at Baker for allowing the White House to get into this fix, and he candidly admits that the political warning bells were not heard as they should have been. ``I don't think anyone anticipated the intensity of the reaction...Everybody knew there was going to be a heated reaction, but I don't know of anyone who objected [to the change in IRS policy], because these are things that Ronald Reagan has been saying for 10 years, in his radio commentaries and as a candidate.'' But once the decision was announced, ``our antennae picked up pretty quickly the concerns of a lot of people.''

The administration will have its anti-discrimination bill ready to introduce on the day that Congress returns to town (January 25). Meese claims the White House has ``received bipartisan assurances`` that the bill will get prompt treatment and be kept ``clean``--free of amendments relating to other social issues such as school busing.

(END)



STORY:SPEAKES  
MA:60 FMT:

QUEUE:SRR-SRR  
HJ:

MSG:  
INI:

OPR:RAK ;01/21,09:38

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

FROM: RAK

RE: Background-only\_ivu\_with\_Larry\_Speakes

War. The news from Speakes is that the infighting among the Big Three is much more serious than most people realize: ``There is fairly serious warfare going on...I get the feeling that there's going to be a real campaign against Meese...It's pretty serious...I think there's a little more to it than we've seen so far.''

Speakes goes so far as to suggest that Baker is attempting to shove Meese out of the picture entirely. Baker and Teaver share the same view of Meese: ``They don't think Meese is very efficient and that he is not doing too well...[They think] Meese is in over his head.''

The furor over tax exemptions for private schools is, of course, the catalyst for the feud. Baker was particularly ``resentful'' when Meese told a reporter this week that it was Baker who took to the President the initial recommendation to reverse the 12-year-old IRS policy. In fact, Meese was the man who handled the IRS matter. Deaver blamed Meese totally for embarrassing the President. That is why Deaver publicly criticized Meese to the Washington Post. Yet at Wednesday's briefing, Speakes admitted that Reagan himself started the ball rolling on the IRS action after receiving a letter from Representative Trent Lott (R-

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Miss.). The President instructed Treasury Secretary Regan to look into the matter.

Speakes predicts a ``steady drumbeat`` of leaks to reporters by Baker, Deaver and their subordinates in an effort to portray Meese in a bad light. (But Speakes does not think Baker was the source of Wednesday's Washington Post story criticizing Meese for promoting the Heritage Foundation on White House stationery.)

Speakes stresses, however, that he does not think the President ever could be persuaded to get rid of Meese--and Baker and Deaver are not trying to influence Reagan directly. Their aim would be to provide sufficient incentive for Meese to leave on his own--perhaps to become attorney general, says Speakes. (When Baker told us recently that he wouldn't mind becoming AG himself, it was in response to a question about whether Meese ever would accept such a post. Baker left me with the impression that he was trying to assert that becoming AG would be an honor for Meese.) ``Meese is here as long as he wants to be,`` says Speakes. ``It would have to be a case of him going to the President and saying, `I want to be attorney general.````

This scenario may seem a little farfetched, but Meese does strike me as being particularly glum these days. He has clearly been put on the defensive by the IRS debacle and the NSC shakeup. It is possible that he could be prodded into leaving if a face-saving exit were found. On the other

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hand, Meese and Reagan are close kindred spirits. Baker and Reagan are not. In the past Meese has surprised many by his tenaciousness--which is not always apparent, because of his wild-manered nature. For example, Meese last summer outmaneuvered Baker on the issue of defense cuts by slipping Weinberger into a private meeting with Reagan after Baker thought he had won the battle. Similarly, Meese slipped William French Smith into the Oval Office late last year as a back-door way of influencing Reagan's decision on the Voting Rights Act--a move that angered Baker at the time. Speakes today mentioned the Voting Rights Act as one of Meese's infractions.

Volcker. The President would, in fact, like to see Volcker resign as Fed chairman, Speakes says. But the White House has been reluctant to criticize Volcker ``because when you criticize him, he digs his heels in. It's like being on the Supreme Court--if you make him mad, he can hurt you and there's nothing you can do about it.'' Why is Reagan unhappy with Volcker? ``We haven't been satisfied with Volcker's cooperation or his ability to control the money supply.'' Reagan was peeved that the money supply spurted recently, sending the ``wrong signal'' to investors who fear higher inflation when the money supply grows too quickly. The White House blames the spurt on poor management by the Fed.

Congress. Speakes claims that Reagan's state-of-the-union message will be a blockbuster that will surprise many. He

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refuses to elaborate, but says that Reagan's new federalism initiatives will be revolutionary and are the key to the administration's plans for selling budget cuts and tax hikes to Congress. ``We're going to be dealing with a different ball game'' on Capitol Hill because of the federalism proposals. Governors and mayors will be on the the administration's side and will play a larger indirect role in lobbying for passage of Reagan's program, Speakes says.

In Congress, Republicans will remain a cohesive group because returning more control to the states ``will be good Republican philosophy.'' The White House hopes to keep the House boll weevils in line by emphasizing a lower deficit through spending cuts and tax hikes. The ``deficit threat'' is the one issue that holds the boll weevils together, Speakes says.

No presidential speaking tours now are planned to drum up support around the country. Reagan will be more prone to exercise the veto, especially on spending bills, as a club over lawmakers. And he will, of course, continue the personal lobbying in the Oval Office, at Camp David and any other place that will impress senators and congressmen. Speakes notes that there ``will be a slower startup process'' in the legislative battles in 1982 than there was last year. The White House will not be able to ``force things to one big vote fairly quickly'' the way it did in 1981. In other words, Reagan's battles with Congress will

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be more protracted this year.

Charity. The White House is clamming up on the subject of Reagan's alleged contributions to help out individuals. After several reporters hounded Speakes for some answers, he asked the President in private about his gifts. Reagan volunteered very little. Speakes recommended that the White House release general information, but no names, about the beneficiaries of Reagan's private largesse but Deaver rejected the suggestion out of hand. Reagan probably has given very little, if at all, to individuals since he took office. Speakes cannot say whether Reagan has, in fact, given to charity since becoming President. But each week he does see a selection of letters from average Americans who write to the White House with their problems. It is probable, says Speakes, that Reagan gave some of his own money to help out some of these people, but the White House isn't saying one way or the other.

Over the years Reagan has given privately to individuals who wrote to him for help when he was governor. Speakes does not know for certain that Reagan still contributes to help these people with whom he has had a ``pen-pal`` relationship for some time. Nor can Speakes confirm the New York Times report that Reagan has been helping a retarded child.

Racism. Reagan always has been sensitive to charges that he is a racist. Deaver also bristles at any suggestion that the boss is not fair minded. Reagan himself insisted on

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calling William Raspberry to respond to Raspberry's column.

``Whenever he thinks he's unfairly branded, he does something about it.'' Speakes says that a year ago after Reagan released his 1980 income tax return, Mary McGrory wrote a column criticizing him for giving so little to charity. ``That had been under his skin for a year.'' After the press conference, Reagan claimed he was glad he had called on McGrory and had had a chance to set the record straight.

Speakes says Reagan's response to the abortion question was predictable because ``he doesn't like to involve his family in public matters.''

Allen's pay raise. Speakes concedes that as a private consultant for the President's Foreign Intelligence Advisory Board, Richard Allen could easily be paid more than he was as national security adviser. [Whisper?] It will all depend Consultants on how long Allen works as a government consultant. Consultants are paid ``\$100 to \$200 a day,'' Speakes says.

FDR's birthday. The White House is planning a luncheon next week to honor FDR's descendants. Speakes has recommended that the desk and microphone used by FDR for his fireside chats be moved to the White House from the Smithsonian so that RR can pose with them.

Leaks. Senior aides are depressed over the harsh public reaction that greeted Reagan's new plan to plug leaks. The plan was announced at the wrong time and has generated ill

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will among reporters. ``It cost us immeasurably,`` says  
Speakes.

(END)



STORY:DEAVER  
MA:62 FMT:

QUEUE:SRR-SRR  
HJ:

MSG:  
INI:

OPR:SRR ;01/21,17:09

TC: MLS, LT, JF, DR, BFP, JG, GP, ICB, LXB, LH, JWM, SJF,  
PA, PGH, SXM, LJJ

FROM: RAK

RE: Mike Leaver on Reagan's charitable contributions

Leaver claims that the President refuses to discuss his private charitable gifts with anyone--including Deaver. "I have gone at him six times and he just won't talk about it...He considers it private."

The President does give money to his children, to his church and to Eureka College, according to Deaver. He believes the Bel Air Presbyterian Church was the recipient of most of the \$3,085 in charitable gifts reported on Reagan's 1980 income-tax return. He also says that Reagan over the years has, in fact, "tithed"--given one-tenth of his after-tax earnings "for good works," including the church and needy individuals. "Some years it was a tenth and some years it was more," says Deaver. This conflicts what Larry Speakes has said publicly: That Reagan should not be taken literally when he says he tithed.

Leaver says he believes--but he does not know for sure--that Reagan as President has continued the practice of giving money or other gifts to the needy. "Hell, I used to come into the Capitol [in Sacramento] and he would be writing out checks to people who had written to him." In Sacramento, Reagan once gave away an old suit and a rocking chair to people who had written to him. He also

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occasionally helped people whose plight he read about in the newspaper. I doubt that Reagan has continued that practice in the White House, despite Leaver's views to the contrary. Leaver said Reagan told him that he would, in the future, have to tell people whom he helps that there is a chance their names could become public. (Reporters have not been asking for names, only examples of the kind of people Reagan has helped--or claimed to have helped.)

(END)



STORY:GERGEN  
MA:60 FMT:

QUEUE:RAKX-RAK  
HJ:

MSG:  
INI:

OPR:RAK ;01/21,18:13

TO: MLS, LT, JF, DR, BFP, JG, GP, DCB, DXB, LH, JWM, SJF,  
PA, FGH, SXM

FROM: RAK

RE: Background-only ivu with David Gergen

Big Three. Gergen is trying to shoot down stories about dissension among Meese, Baker and Deaver. But he says, ``I won't deny there are strains...I just don't think they are deep seated.``

Showing a good deal of irritation, Gergen complains that the strains are exacerbated by newspaper stories quoting anonymous White House aides criticizing Meese or Baker. Gergen was particularly incensed by a Gannett story this week quoting aides saying Meese is in over his head. ``If lower-level and mid-level aides would shut the hell up, a lot of these suspicions and dark thoughts among them [the Big Three] would disappear.`` For example, when Meese sees a White House aide quoted criticizing him, he assumes the quote was planted by Baker. Meese is especially defensive right now. Gergen has put out the word that any White House staff member caught ``taking a shot`` at Meese, Baker or Deaver to a reporter ``will be fired.`` Meese has told Baker that he never told a reporter that it was Baker who took the ill-fated IRS policy recommendation to the President. (I doubt that Baker believed Meese's explanation.)

Gergen blames the feuding over the IRS mistake on the fact

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that the Big Three were separated over the Christmas holidays when some of the key decisions were made. Gergen reminds that the squabbling between Baker and Meese last summer over the issue of cuts in the defense budget was caused by the Big Three being apart for a few weeks. (This explanation really doesn't wash, in my view.)

Would Baker like to get rid of Meese? "I can only say that Jim is extremely sensitive to the fact that Ed and the President go back a long way...and sensitive to how The Right[wing] regards Ed...He has never expressed to me the desire for Ed to leave."

Clark quickly has become a "steady" influence in the White House. Thus far he has attended only meetings dealing with foreign policy, but Gergen expects Clark to begin taking part in other kinds of deliberations. "He's a good man to bounce all kinds of ideas off of. He knows instinctively what the President wants...He's close to Deaver." Gergen believes it is inevitable that a man of Clark's "caliber" in the eyes of the President will be called on for advice on matters unrelated to the NSC.

Meese originally was "somewhat sensitive" about Clark's appointment but now accepts him, says Gergen.

The conservatives. Gergen concedes that the New Right's criticism of Reagan has never been more intense. "It's really boiling over right now." The most bitter bone of contention, says Gergen, is personnel--the "Bushification" of the administration. Conservatives are especially unhappy

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that the ``Haig-Kissinger axis`` is now in charge at the State Department and the National Security Council (with the appointment of Robert McFarlane as Clark's deputy). Gergen's solution to the problem: ``I personally believe we'd be better off with one or two more conservatives in the White House [Whisper?]. . . . Nofziger's leaving will really hurt us with conservatives.``

Congress. It is likely Reagan will hit the road twice in February to address state legislatures to drum up support for his tax hikes and spending cuts. The White House also will again ``go the reconciliation route`` and put pressure on Congress early to ``nail down the reconciliation bill by the spring.`` Reagan is counting on the support of governors and mayors to pressure Congress. Gergen believes it will be tougher to win approval of the tax hikes than to win the spending cuts. In addition, Gergen believes that ``the lower the deficit, the easier it is to sell`` Reagan's package to Congress. Without a declining deficit as the goal, Congress will never go along with higher taxes.

Volcker. To demonstrate how unsuccessful the Federal Reserve has been, Gergen showed me a chart prepared by Treasury Secretary Regan for the President showing how erratic the money supply has been in the past year. The chart had a lot of sharp ups and downs, and much of the time the money supply was either above or below the Fed's target range. This is the crux of Reagan's unhappiness with

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Volcker--the Fed's inability to keep the money supply within its own targets. The President did not call Volcker after Tuesday's press conference, because he wanted the message to get through that the White House believes the Fed is suffering from mismanagement.

OPI cap on federal pensions. Gergen claimed not to know anything about the proposal to limit pensions for civilian and military personnel. He did not rule it out--he only said he didn't know anything about it.

(END)



January 22, 1982

FROM: RAK - White House

TO: MLS, LT, JF, BFP, SXM, JWM, GP, DR, JG, DCB, LH, SJF, RAK, PA, PGH,  
LJL

RE: Lyn Nofziger's Farewell Press Conference

Nofziger said his biggest disappointment of the past year is that the Reagan administration includes too many appointees who "don't really agree with the President's philosophy . . . The President clearly would like to see us with an administration where people, once a decision has been made, fall in line behind that decision, which hasn't always been the case."

Nofziger complained indirectly that too few conservatives have been given jobs in the administration. "Probably more people on the outside who support the President would be happier if more people on the inside would support the President," Nofziger said. Nofziger also complained that too few "good people" -- conservatives -- have received administration jobs.

Asked whether he considers the dissatisfaction expressed by conservatives as a serious problem, Nofziger said: "I don't consider it serious at all . . . their complaints, if you will, are being made in a vacuum" because there is no opposing candidate now challenging Reagan. When there is a challenger in 1984, "I'm positive that they will wholeheartedly be supporting Reagan . . . I hope they [conservatives] will continue their criticisms as long as they are constructive criticisms." Nofziger said. He



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stressed, however, that the President has made no decision about whether to seek re-election.

Nofziger said he never expects to return to a job in government, but said he would be eager to help on a part-time basis in any future Reagan re-election drive.

On another subject, Nofziger said in response to a question about whether the Justice Department's Abscam operation was entrapment: "'Speaking for myself, I thought it was entrapment, too.'"

(END FILE - JNM)



STORY:PERKS  
MA:60 FMT:

QUEUE:RAKX-RAK  
HJ:

MSG:  
INI:

OPR:RAK ;01/26,12:16

TO: JSL (MLS, LT, DR, GP, SJF, PA)

FROM: RAK

RE: White House perks

The following comes from John Rogers, special assistant to the President for administration:

Limousines. The Reagan administration has doubled the number of autos available to shuttle White House staff around town. At the end of the Carter administration, there were only 14 cars; Rogers increased the fleet to 28. Carter aides had to use taxicabs to get around much of the time. Carter's cutback on limousines, says Rogers, "was clearly one area that we thought was pointless symbolism...It was inefficient and downright ridiculous...We felt [aides] had more important things to do with their time than wait around for cabs."

Sixty-eight aides are entitled to have a car and driver for official business. An elite few of these 68 are on a "priority list," which entitles them to a car ahead of others who may also need one at the same time. (Rogers bristles at the use of the word "limousines." The cars are leased Chryslers, for which the White House pays only \$1,035 a year each. Apparently Chrysler offers a cut rate for promotional purposes.)

Reagan has not, however, increased the number of aides who get daily door-to-door chauffeur service. Despite much grumbling among the senior staff, only four aides qualify



for this perk--the Big Three plus William Clark.

The\_mess. The Reagan team reinstituted the ``executive mess`` in addition to the regular mess. Rogers complained that the Carter crowd tackily permitted almost anyone to eat in the mess, with no area set aside for the biggies! Under Reagan, only 145 aides (special assistants or equivalent rank and above) have mess privileges. Of this number, 35 senior aides qualify for the executive mess--a separate, exclusive dining room on the other side of the kitchen. Meals in the White House mess are priced at cost--no one makes a profit but the meals are not subsidized.

Fitness\_room. This perk in the Old EOB was built during the Nixon administration. Carter, in his tacky egalitarian way, allowed all White House aides to use it. As a result, claims Rogers, ``through the [heavy] usage it was totally destroyed...It was in bad shape.'' So, Reagan spent \$30,000 renovating the place and restricted its use to deputy assistants to the President and above. This is a very small number of aides, not more than a couple of dozen. It includes only two women: Elizabeth Dole and Karna Small, both of whom say they don't care to use the fitness room. Thus, the place is an all-male preserve.

The refurbishing included new floor tiles, a new coat of paint and a new wooden interior in the sauna. Rogers is quick to point out that the renovation money was left over from a 1980 appropriation of \$125,000 that Carter never got around to spending. The fitness room is furnished with a

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weight machine, rowing machine, treadmill and stationary bicycle. Under Reagan this equipment was donated by the National Association of Sporting Goods Manufacturers.

In the White House residence there is another fitness room that is for the use of only the President and Mrs. Reagan. Reagan works out in this room virtually every day after leaving the Oval Office. Nancy also uses it. The Reagans, of course, have spruced the place up since the Carters moved out. The room is equipped with a treadmill and a stationary bike, also courtesy of the sporting-goods lobby.

Medical unit. The White House medical unit is staffed by three physicians who provide minor medical treatment to White House aides, in addition to looking after the health of the President, the Vice President and their spouses. The doctors sometimes prescribe drugs for aides but do not give free physical exams as commonly believed, Rogers says.

Televisions. The Reagan administration brought back most of the office TVs that the Carter people got rid of, and in addition, purchased about 20 new ones. Rogers says that most of the hundreds of sets removed from the White House during the Carter years were simply stored in a warehouse. Others were distributed elsewhere in the government. Rogers complains that the Carter administration actions were ``just symbolism that produced no real savings. `` The Reagan crowd returned to the White House any TVs that were still left in storage. The sets were given to White House aides ``on the basis of need,`` says Rogers. But Larry

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Speakes adds, on background: ``Most anybody gets a TV who wants it.'' [Rogers has promised to provide specific figures on the number of TVs added to the White House since RR took office.]

Camp David. The only Reagan improvement at Camp David was the addition of stables to keep the President's horses. The press office estimates the cost at \$12,000. The horses are provided by the National Park Service. One interesting tidbit: I recall Jim Brady early last year telling me how much time Reagan spent choosing the horses that he and Nancy would ride from information supplied by the Park Service. The written information included such facts as the color, size and sex of the beasts. Contrary to popular gossip, Reagan rides on trails already within the compound. He did not have the asphalt paths (added by Nixon for his golf cart) removed to facilitate horseback riding.

Reagan also rides regularly--Wednesday afternoons, weather permitting--at Quantico Marine Base in Virginia. At Quantico he rides horses supplied by the Marine Corps.

The ranch. Rogers says that the only money spent at the ranch was for security. A few buildings were built to house SS agents, the communications people, etc. RR has complained mightily and often that the support personnel are ruining the rustic solitude of the Santa Barbara spread. Last summer, says Rogers, Reagan was furious to find Jeep tracks covering much of his ranch. The Jeeps were used by the SS agents to keep track of the President.

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Barber shop. The barber shop in the White House basement is open two days a week, when Milton Pitts is on hand to cut aides' hair. The charge is \$15, so it is a convenience but not cheap. On two other days of the week, the shop is open to do women's hair.

Newspapers and mags. The Reagan folks have increased the number of newspaper and magazine subscriptions--repealing another Hugh Carter innovation--but Rogers says that aides with adjoining offices share them as much as possible to keep the number of paid subscriptions to a minimum. He claims, with a straight face, that he did an ``analysis`` to determine how many subscriptions were needed. It is worth noting that many magazines contribute free copies to the White House, but no newspaper subscriptions are free. [Rogers also has promised specific figures on newspaper and magazine subscriptions.]

This and other cost-saving steps are necessary, says Rogers, because, ``The White House certainly is on an austerity budget now.`` The '82 budget for the White House office is 18.78 million, compared to an '81 budget of 21.27 million.

Expense account. In addition to his \$200,000 salary, Reagan last year spent most of the \$50,000 expense account provided to Presidents for entertaining, etc. About \$10,000 was returned to the treasury. Congress now requires, however, that any leftover money be returned.

Nancy's money. It may be worth noting that the Oval

(MORE)



STORY: PERKS

Office, the Roosevelt Room and the hallways in the White House recently were repainted and new carpeting was installed in the Executive Lobby and some corridors. These improvements were financed by what was left from the more than 1 million dollars that Nancy raised in private donations. Maybe this is a Whisper if it's not generally known. It came as news to me.

(END)



STORY:MEESE  
MA:60 FMT:

QUEUE:RAKX-RAK  
HJ:

MSG:  
INI:

OPR:RAK ;01/27,17:58

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

FROM: RAK and SJF

RE: Background-only ivu with Ed Meese

State of the union. Meese now claims that there never was a ``cabal`` of White House aides who unanimously urged the President to increase excise taxes. ``All of us had mixed feelings right from the start`` over the prospect of higher taxes, says Meese, who, in fact, may have been less enthusiastic about tax increases than were Jim Baker, David Stockman and others.

In the middle of last week Reagan decided ``that maybe we should take a look at excise taxes.`` Then, says Meese, the President ``literally slept on it`` and began to change his mind. On the next day he met with the U.S. Chamber of Commerce group, which strongly reinforced his philosophic opposition to increasing taxes. By the time he left for Camp David at noon on Friday, Reagan ``was very disinclined to raise taxes...The President generally was not comfortable with tax increases at any time.``

Reagan's decision not to boost taxes was swayed by this economic argument: The higher deficits this year and next can be financed with the recent increase in savings by Americans instead of by printing more money to pay for the debt. ``There has been an amazing increase in savings in the fourth quarter [of '81].`` Meese volunteered that in

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Japan large government deficits are common and are not inflationary, because the Japanese save more of their incomes. (This hardly sounds like Reagan's often-expressed belief that deficit spending is the prime cause of inflation.) In addition, ``a lot of companies have cash [available] for expansion and modernization.'' Therefore, the recovery will not be delayed by high interest rates. Reagan, moreover, ``felt [that] consistency and staying the course was a better sign to the business community'' than attacking the deficit by raising taxes.

Federalism. Meese is confident that governors and mayors will buy the swap of medicaid for food stamps and AFDC. The proposal ``was the product of our years of consultation'' with local officials. While the states don't want to pay for food stamps and AFDC, they want even less to pay the rapidly rising costs of medicaid. Meese clearly was irritated by some negative reaction he apparently heard on TV or radio from Atlanta Mayor Andrew Young. ``What can you expect from Andrew Young?'' Meese asked not to be quoted on this point because of fear that his criticism would be interpreted as a racial slur, then he added, ``It's not a racial thing. It's a stupidity thing. Andrew Young epitomizes the worst of the Carter administration.''

On federalism, Meese adds, ``I think the public is ready for it. There is increasing skepticism of what Washington can do.''

Selling the initiatives. Reagan plans to hit the road in

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Februrary and March to address state legislatures and ``local government groups`` to build support for his program. Meese would not say how many trips are planned. The National Governors Association's annual conference will be held in Washington in a few weeks and Reagan may address the governors. Dozens of governors and mayors will be brought to the White House to be charmed by the President and then sent to Capitol Hill to lobby for Reagan's plan. ``There will be hot and cold governors and mayors running through here for the next few months.``

RR's decision-making. Meese stressed Reagan's independent way of making up his mind on tough questions regardless of what his advisers recommend. When Reagan is facing a difficult decision, says Meese, ``I tell him, 'Go with your own instincts.' `` (Meese realizes, of course, that Reagan's ``own instincts`` are always very conservative, as are Meese's.) Meese, who is noted for being able to read Reagan's mind, says he is surprised by about one out of every 25 decisions Reagan makes. While Reagan insists on hearing all sides of issues, once a decision is made there are no ``winners or losers`` among aides in his eyes. ``I'll bet he couldn't tell you now who was on what side of raising taxes, because to him it doesn't matter.`` Meese complains that White House aides who try to predict Reagan's decisions in advance usually are simply trying to put out their own opinions as Reagan's policy.

Personnel. Meese flatly refused to rate the cabinet in any

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way. But he did offer the opinion that turnover in the Reagan administration will be higher than in past administration because Reagan appointees for the most part have successful careers pulling them back from Washington. Meese believes the turnover rate in the cabinet and the White House also will be higher than average. ``I think you will see changes all throughout the administration'' this year.

Defense budget. Meese is worried that efforts in Congress to cut defense spending will be tough to beat. ``That may be a source where we're really going to have to exert some influence.''

Cuba. He down plays the prospect of Reagan taking action soon against Cuba as has been hinted. He says only that ``we're keeping a close eye on Cuba.''. There have been hints from the press office this week that the White House is preparing to make Cuba an issue.

Humor. The counselor to the President seemed more relaxed today than he generally has been in recent weeks. He chuckled mightily in telling us this James Watt joke: Watt has stopped chopping down giant redwoods in the forest. Instead, he just leaves a chain saw nearby and prays that the trees will do the right thing.

(END)



STORY: JENKINS  
MA: 60 FMT:

QUEUE: SRR-SRR  
HJ:

MSG:  
INI:

OPR: RAK ; 01/28, 10:34

TO: MLS, IT, JF, DR, BFP, JG, GP, DCB, DXB, LH, JWM, SJE,  
FA, FGH, SXM

FROM: RAK

RE: Background-only ivu with Jim Jenkins. Ed Meese's top  
deputy

Federalism. Jenkins, who was Reagan's secretary of health and welfare in Sacramento, says the White House devised the swap of food stamps and AFDC to the states for medicaid in a manner that will slow the growth of medicaid costs. It would work this way: Because AFDC eligibility is determined by the states, the eligibility rules are likely to be tightened when the states assume the full cost of AFDC instead of paying only half of the cost as they now do; because eligibility rules for medicaid are identical to eligibility for AFDC, the federal government will enjoy the benefits of the tightened eligibility, thereby gaining better control over medicaid costs.

Fig. Three. Jenkins is very distressed by published reports of quarreling among Meese, Baker and Leaver. "I see them every day and can't detect the slightest problem," he says. He also complained that "everybody"--presumably White House aides, too--"is saying that Baker is taking over." That is not the case, says Jenkins. The roles of Meese and Baker remain the same: "Meese makes the policy and Baker sells it...The relative prominence of the two has not changed." Jenkins asserts that it is natural for Meese

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to ``recede`` once the policy decisions have been made and allow Baker to take over the job of selling Reagan's program to Congress.

Lenny Skutnik. Jenkins takes credit for suggesting that the President invite Skutnik to the state-of-the-union address. Leaver was skeptical of the idea, says Jenkins, but after the speech he agreed that it was a shrewd move.

Selling federal land. Meese apparently is very enthusiastic about the idea of selling off huge chunks of federal land to ranchers and mineral companies to raise revenues. The proposal is now entering the cabinet council system for active consideration. How much money can be raised? ``The potential is in the billions,`` says Jenkins.

(END)



STORY:WHU1  
MA:60 FMT:

QUEUE:SJF-SJF  
HJ:

MSG:  
INI:

OPR:SJF ;01/28,11:14

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

From: sjf

The following items come from dinner chit-chat with Howard Baker and Jim Wright last night at the Washington Press Club party.

\* Taxes. Baker predicts that President Reagan will try to raise taxes next year, once the economy has had time to recover from its current slump. He cautions that this is ``just a guess,`` but it comes from his discussions of taxes with Reagan.

\* Unemployment Compensation. Wright says that the Office of Management and Budget has just asked for a supplemental to fund the increased costs of unemployment insurance caused by the recession. The Democrats will try to use this as a vehicle to restore some programs being cut by the President. One Democratic rider will seek to reopen some U.S. Employment Service offices. The Democrats also will use the occasion to call attention to the high unemployment rates and blame them on Reagan.

\* Interest Rates. Baker predicts the Federal Reserve Board will soon tighten the screws so hard that interest rates will hit 25 percent. Baker clearly dislikes Paul Voelker, whom he accuses of trying to ``run the country.``

Daughter. Baker predicts that his daughter will be elected to Congress next November. She's 25 years old, just old enough to run. Her opponent is 28. Both candidates come from political families, so she's not vulnerable to

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``political dynasty`` charges. She did not consult her father before she agreed to run.

\* Federalism. Baker is very skeptical of Reagan's new federalism. He says it will only move the problems from one place to another. Baker and Wright note that state legislatures are much more bound by lobbying pressures than the Congress.

\* Big Three. Baker says that he sees no signs of tension between Baker, Deaver and Meese. Wright speculates that Jim Baker might run for governor of Texas in a few years.

(END)



STORY:TRAVEL  
MA:60 FMT:

QUEUE:RAKX-RAK  
HJ:

MSG:  
INI:

OPR:RAK ;01/28,15:07

TO: AOK (MLS, LT, DR, GP, SJF) ✓

FROM: RAK

RE: White House travel

As expected, Jim Baker has decided not to release the White House travel vouchers which we requested. The unofficial explanation is that travel vouchers never have been made public before by the White House and Baker is not going to be the man to initiate the practice. David Gergen is to supply an official explanation for the record.

John Rogers, special assistant to the President for administration, offers the following general information about travel by the President and White House staff:

The administration intends to reduce travel costs in fiscal '82 by 25 percent. The amounts appropriated by Congress for White House travel in '82 are: \$100,000 for presidential travel and \$300,000 for staff travel. But the White House is budgeted to spend only \$300,000 of the total \$400,000 appropriated.

The \$300,000 in White House travel costs anticipated for this year is \$75,000 below the amount actually spent in 1981. Last year, the White spent \$100,000 for presidential travel and \$275,000 for staff travel.

It is worth noting that the amount budgeted for presidential travel does not include the cost of Air Force One or any other presidential aircraft. That expense is borne by the Air Force. Earlier this year it was estimated

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that Air Force One costs \$5,200 an hour to fly.

Rogers claims the White House has imposed more stringent controls over travel costs by requiring a more detailed travel authorization form and by using a computer system that records travel vouchers by serial number for close monitoring. Each month Rogers sends reports to heads of departments detailing how much of their travel budgets has been spent.

Meese's response. Off the record, Meese said

His on-the-record reaction: "It's obviously necessary for officials of the administration to travel in order to stay in touch with people and groups around the country. We are scrupulously careful to make sure that political travel is not paid for by the government. We regularly review these matters [travel] and if there are any abuses, we take corrective action." Meese could cite no occasion when corrective action was ever taken.

On his personal travel, Meese said that he was out of town only 12 working days in six months; that he turns down 10 speaking invitations for every one he accepts; that about half of his travel is political in nature and therefore not paid for by the government.

(END)



STORY:SPEAKES  
MA:60 FMT:

QUEUE:RAKX-RAK  
HJ:

MSG:  
INI:

OPR:RAK ;01/28,18:32

TO: MLS, LT, JF, DR, BFP, JG, GP, DCB, DXB, LH, JWM, SJF,  
PA, PGH, SXM, LJJ

FROM: RAK

RE: Background-only ivu with Larry Speakes

Rebuttal. The White House is hopping mad over the Democratic ``campaign documentary`` aired by all three networks after Reagan's state-of-the-union speech. Speakes complains that the Democratic rebuttal was not a rebuttal at all, because it was not a response to Reagan's speech. It was filmed days in advance and was ``a slick Madison Avenue production.`` Speakes adds, ``It was unbelievable that all three networks would buy something like that.``

The Reagan crowd is smarting over the fact that the rebuttal was shown immediately after the speech. In the past, rebuttals usually were shown three or four days later-- and at a very late hour when no one was watching. Speakes complains that during the Carter administration the Republicans were forced by the networks to have ``talking heads`` responding specifically to what Carter had said earlier. And never before have all three networks broadcast the rebuttal simultaneously. Speakes showed me the next of a letter that RNC chairman Dick Richards sent to the networks asking them not to air the Democrats' show. Needless to say, the networks did not heed Richards' appeal.

Selling federalism. This is a tentative schedule of three

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trips the President will make to address state legislatures and other groups of local officials to boost his federalism program: In early February, Reagan will go to Minneapolis, Des Moines and Indianapolis; on March 2 he will speak in Wyoming and Albuquerque; on March 15 there is a swing through the South with stops in Alabama, Tennessee and Oklahoma. These times and places are subject to change, but provide a general idea of what Reagan will be doing.

On these trips, Reagan will do a lot of local TV interviews and meet with the editorial boards of newspapers, Speakes says.

While he is in Washington, Reagan will see scores of governors, mayors and county officials in the Oval Office. In addition, the White House is counting on lobbying help from those members of Congress who are former governors and mayors. These members will be brought into the lengthy consultation process in an effort to win their support.

Cuba. Reagan's advisers are considering a ``series`` of presidential speeches in which Reagan would call attention to the buildup of Soviet weapons in Cuba. Haig and Gromyko discussed Cuba at length this week in Geneva, Speakes reports.

Teleprompter. To prepare for his speech to Congress, Reagan rehearsed with the Teleprompter in the Map Room in the White House basement. At these sessions, Mike Deaver and the speechwriter are usually present. For speeches from the Oval Office, Reagan usually does a ``read through``

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while sitting at his desk 30 minutes or so before he is to give the speech. This makes it fresh in his mind. The machine itself is operated manually by a man who feeds it a text of the address printed in large speech type.

Deaver. Speakes says that Deaver ``is wearing his feelings on his sleeve`` these days. He would not speculate on the source of Deaver's frustration. Deaver got very upset, Speakes adds, at the way Dan Rather interviewed the President for CBS on Wednesday.

(END)



STORY:WHU2  
MA:6Z FMT:

QUEUE:SJF-SJF  
HJ:

MSG:  
INI:

OPR:SJF ;01/29,15:07

To: mls lt jf dr tff jg gp dcb dxb lh jwm pa rgh sxm bk

From: sjf

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

\* White House officials fear the Federal Reserve Board is about to tighten up much harder on the money supply in the next few months. In an effort to stop it, they may arrange a heart-to-heart talk soon between Reagan and Voelker.

\* The administration's proposed supplemental to fund unemployment compensation will be less than 1 billion dollars. White House officials expect Democrats will try to make extended benefits more generous.

\* The President's three upcoming domestic trips have a dual purpose: (1) to sell the economic program, and (2) to help cure the President's cabin fever. The President is getting restless being cooped up in the White House.

\* Some Reagan advisers who favor a tax increase are not giving up. They will try to sell it again later this year.

\* The Big Three is quickly becoming a Big Four with the addition of William Clark. One sign cited by Gergen: Four White House wives were invited to the State of the Union-- Mrs. Meese, Mrs. Baker, Mrs. Deaver, Mrs. Clark.

White House officials have concluded that the press is "hostile" toward President Reagan. This is one reason behind the recent clampdown on interviews and leaks.

\* President Reagan will visit the Pope at the Vatican next June between the economic summit and a NATO meeting.



\* At least four people at the White House, including the President, seem to be claiming credit for the idea of mentioning Lenny Skutnik in the State of the Union.

\* White House ratings of the Cabinet haven't changed much since we did our cover story. Still on top: Regan, Stockman and Lewis.

Additional details:

Economy. In his remarks about interest rates, unemployment comp, the Federal Reserve and tax increases, Gergen was simply confirming what Senator Baker said on Wednesday night. He said the Cabinet council on economic policy met Thursday to discuss issues related to unemployment. The supplemental request will be less than 1 billion dollars, but the White House is preparing to fight against Democratic riders.

Skutnik. When asked about the Skutnik matter, Gergen named three people who have taken credit for it: Reagan, Deaver and Liddy Dole. Jim Jenkins also took credit for it in an interview with RAK earlier this week.

Cabinet Ratings. Even though Stockman's ``star has diminished somewhat,`` he still ranks in Gergen's top three cabinet members list. Regan is still tops.

Weinberger is No. 4. Gergen says Weinberger may not look too smooth to outsiders, but he is good at ``winning arguments.`` (The presumably refers to disagreements over defense spending.)

Note that Gergen did not put Haig in the top four, even



though Haig's troubles have diminished since Allen left.

Smith often gets ``a bum rap.'' White House officials  
rcted with interest that Watt got the biggest round of  
applause during a meeting of senior administration  
executives on January 20.

(END)