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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: Sara Fritz Papers
OA/Box: Box 2
File Folder: White House Notes – March 1982 (1/2)

Archivist: jsn
FOIA ID:
Date: 4/2/2018

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. transcript	Meese off the record comment (2 pp partial)	3/4/82	C
2. transcript	James Baker and Craig Fuller off the record comments (2 pp partial)	3/4/82	C
3. transcript	Off the record interview with Ursula Meese (2 pp)	3/10/82	C

RESTRICTIONS

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STORY:WHU3
MA:60 FMT:

QUEUE:SJF-SJF
EJ:

MSG:
INI:

OPR:SJF ;03/03,18:10

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

From: sjf

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

* The Caribbean Basin Initiative legislation will be sent to Congress next week. Missing from the package will be the request for more military aid, which will be delayed until ``later in the Spring.''

* In El Salvador, the administration is saying it will support the results of ``fair and free'' elections. What is a fair and free election? ``One that we win.''

* The President's budget strategy: Sit tight and let the GCP leadership find a compromise. One is expected before Easter. The White House is signaling that the President will accept deeper cuts in entitlements.

* Cabinet members have been told that they can no longer make overseas trips without the President's permission.

* White House officials are furious about ``an intermural policy struggle'' between State and Defense over U.S. policy toward the Soviet^{gas} pipeline. In talks with allies, Buckley will offer to back off on the pipeline if they agree^d to a coordinated squeeze on credits to the East.

* The Libyan oil boycott will be announced Thursday or Friday.

* An overall foreign policy speech by the President is once against ``an active possibility,' 'possibly coming in

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late Spring.

* CIA Director Casey touched on a "hot issue" at the White House when he ~~said~~ ^{told U.S. News} the Cubans were in violation of the 1926 agreement. White House officials have been trying to tiptoe around that issue.

El Salvador. The legislative strategy group met today to finalize the Caribbean legislative package. The trade and investment components are expected to pass without much trouble, economic assistance will be harder to get through. Timing of the military aid plan will depend on the outcome of the election in El Salvador.

The leftists will hurt themselves in American public opinion if they boycott the elections. The outcome likely will provide no clear-cut winner. But "if the Christian Democrats win with less than a majority, they could put together a credible government."

Budget. While they wait for a compromise proposal from the Hill, White House officials will not talk compromise. "We're going to keep pounding away at our message," says Gergen. "For the President, it's more than a strategy. He doesn't want to budge."

Pipeline. "There's some irritation here about it," Gergen says of the State vs. Pentagon dispute over pipeline strategy. He says State is selling the story that the U.S. is backing away from a freeze on technology. But the Pentagon is trying to sell the story that the freeze applies not only to American companies, but their

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subsidiaries as well. (This is not true.) The issue was discussed at the NSC meeting last Friday and Reagan decided over the weekend to defer the freeze.

James Buckley will be departing soon for talks with leaders in Italy, Germany, France and England. His message: "We are not going to do business as usual with the Russians." Haig has been telling the White House that the U.S. has more leverage over the Soviets by withholding credits. Buckley will tell our allies that we will back down on the pipeline issue if they go along with us on a coordinated strategy on credits. "If we had clamped down on the pipeline now," says Gergen, "a lot of these countries wouldn't even have talked to us."

Libya. About 180 Americans are left in Libya. The boycott will be imposed as soon as White House officials have finished consultations on Capitol Hill. The announcement is intended to "tighten the screws" on the Libyans. It is not the result of any recent provocation. This is also a place where the administration "could act more decisively" than it has in other parts of the world.

Cabinet Travel. Gergen says the crackdown on Cabinet travel was developed by Clark. It was not directed entirely at Weinberger. Gergen quotes Bob Dole as saying that "Cap the Knife and turned into Cap the Suitcase."

Foreign Policy speech. This idea has been revived because White House officials realized that Reagan's three previous foreign policy speeches have won him praise. There's a

(MORE)

feeling it will draw attention away from the economy.

Reagan's Image. Gergen acknowledges that Reagan has a serious public relations problem as a result of his factual mistakes and his anecdote-telling. ``We've got to make sure ^ttha^e the next press conference or two goes smoothly," he says. Gergen blames it on the recession. ``You lose a few and people start finding chinks in you armor.''

(END)

March 4, 1982

FROM: RAK - Los Angeles

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

RE: The budget, federalism and other notes

Meese's views. Aboard Air Force One ^{EN} ~~in~~ route to Los Angeles ^{FROM} ~~to~~ Albuquerque, Ed Meese came to the back of the plane to chat informally with reporters. His remarks should be regarded as background only.

Although the President had spent the day declaring in speeches that he is not about to compromise on the substance of ^{HIS} ~~the~~ '83 budget, Meese left the clear impression that the White House is leaving plenty of room for negotiation with Congress.

He offered a "hypothetical" budget that the President might sign: It would contain up to 15 billion dollars less in defense spending, smaller cuts in entitlement programs, would not alter the 1981 tax cut significantly, and project an '83 deficit that would be perhaps 5 ^L ^A billion dollars or so less than Reagan's. Meese conceded, however, that he does not expect Congress to come up with such a budget proposal in the immediate weeks ahead. Mid-May, when the administration will have to ask Congress to increase the debt ceiling, is the time to expect a deal to be worked out, Meese said. The White House is in no hurry to give in now. Meese repeated his view that the President is more likely to accept some defense cuts than he is to go along with any change in his tax cut.

It should be noted, however, that White House aides

(In Albuquerque, he diverged from his text to tell the audience: ``These young people who are here today, there isn't any one of us who is anticipating the day or thinking in terms that they should some day be called upon to bleed their lives into some battlefield somewhere in the world as other young people have before them. No, if we have the proper defense strength, no young Americans will have to bleed their lives into a battlefield. The cutback in defense would be a cutback in our chance of peace and security.'' Meese, on the other hand, described the administration's budget as a ``good starting point'' for negotiation.

fall.

[illegible]

There also were a number of pro-Reagan sign carriers.

(Reagan's) anti-Washington refrain is a return of the rhetoric of his 1980 campaign, but on this trip there was a new wrinkle: Very open criticism of the press, a theme that is also popular in the West. After the Cheyenne audience gave Reagan a prolonged ovation, he responded, ``Thank you very much for those kind words. Why doesn't the Washington Post write like that?'' In Albuquerque, he told the crowd,

“In Washington you wake up to the local news there and you’re not always as enthused as you are here.” When we asked Meese about this on “Air Force One,” he said: “He [the President] feels the [Washington] Post and the [New York] Times, particularly, go out of their way to be negative.”

Meese cited the story in the “Outlook” section of Sunday’s Post, exploring the possibility of a depression, as an example of negative journalism.

(L. A. speech. The President’s remarks to the Los Angeles County board of supervisors Thursday centered mostly on federalism, but he also warned Congress about tampering with the tax cut. Said Reagan: [“]A tax increase now might well stall recovery further] suppressing tax revenues and insuring permanently high budget deficits.”

(After talking this morning by phone with Senator Howard Baker to retreat from any perceived criticism of Republicans generated by his trip, Reagan deleted from the speech a line that read: “We have begun to hear a chorus of ad hoc alternatives to our economic-recovery program from both sides of the aisle . . .”

(On the lighter side, Reagan told the L. A. crowd why he has always admired Calvin Coolidge. “He has horses on the White House lawn,” said Reagan.

(Libya. An announcement of a U.S. boycott of Libyan oil is likely this week. The announcement may be made in Washington instead of in California. I will keep track on

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this end.

(END FILE - ^{Ckm}~~RAK~~)

STORY:WHU1
MA:60 FMT:

QUEUE:SJF-SJF
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MSG:
INI:

OPR:SJF ;03/04,15:39

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

From: sjf

The following material comes from a series of background interviews with top White House officials on the subject of White House decision-making and the role of Cabinet Government.

From Richard Darman: "Cabinet government is an always has been a myth." Although Reagan claims to have run California with Cabinet government, that's not true. His Sacramento Cabinet was "more like a White House staff." It included the chief of staff (Clark and later Meese) and the finance director (comparable to the OMB director).

Cabinet councils "never meant anything." All the truly "consequential" programs have been developed outside the Cabinet council system. These include: The budget, the tax program, new federalism, private sector initiatives.

"Cabinet council provide Cabinet members with a sense of participation in the administration. I'm not sure it's dawned on them yet that they have been cut out of the decision-making process. They do have advisory responsibility. But that's are not decision-making."

He notes that a Cabinet council labored for eight to 10 months on a proposal favoring accelerated deregulation of natural gas. Their proposal was ignored. Meeting over lunch with White House aides last Monday, Reagan decided to do nothing about natural gas deregulation. The councils also are manipulated by the White House staff. "As long as they

are fighting among themselves and we don't want to do anything on a given issue, we leave them fighting," he says. But when it comes to an important issue: "If they can't reach a consensus, we blast through it." He adds: "Cabinet councils do the staff work on many issues. But they are not always dealing with the real issues." Reagan looks upon thier recommendations as one source of advice.

Cabinet meetings are "show and tell" sessions. These sessions reached a new low recently when Ed Meese arranged for the Cabinet to hear a presentation on the FEMA, the Federal Emergency Management Agency. They also heard a long presentation on the President's private sector program.

The "conventional wisdom" is that an issue bubbles up through the Cabinet council system to the President and that White House people get a chance participate in the council meetings. "The conventional wisdom is completely wrong," he says. "Even for Eisenhower, it always came back to a core of people in the White House."

To illustrate the Cabinet councils' minor role, he estimates that Meese has attended no more than three council meetings that did not involve the President. He thinks Baker may have been to more than two and Deaver has never attended one.

Yet the White House does not try to control all decision-making either. "There is plenty of room to maneuver in a Cabinet department," he says. "There are a large number of issues that are handled by Cabinet members without

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involvement from the White House." Weinberger makes many decisions without White House involvement.

Darman thinks the decision-making process in the White House is "very good," even though some things--such as Social Security and tax exemptions for schools that discriminate--have fallen through the cracks.

Decisions are made by the President in consultation with a "collegial" group of White House aides including the Big Three, Bill Clark, Craig Fuller and Dick Darman. (It should be noted that Darman probably exaggerates the role of Darman and Fuller.) "The real decision-making process is a group of people," says Darman.

But Darman cautions that this group is not a "Palace Guard" or a "little clique that's running things." He says the President's aides still "act to present a range of views." He adds: "We are not advocates. All of us devote considerable attention to fairness."

The tax exemption decision fell through the cracks because it was handled by Meese and Fielding, both of whom have a "blind spot" on sensitive social issues. "If you were measuring Ed Meese and Fred Fielding for political savvy, you'd need a very sophisticated measuring device," says Darman. He thinks they might have been trying to "keep it away from the President" to protect him from the political fallout.

Darman thinks Clark will eventually become a member of the Big Four. He could do so now, if he wanted. He has as much

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stature as the Big Three. But for the time being, until he gets control of the foreign policy apparatus, Clark is steering clear of politics, scheduling and domestic policy.

In the view of Darman, he and Fuller have become more than just paper-shufflers or ``process-controllers.'' Darman is the only White House person who sees all paper. Fuller sees all paper except that involving the NSC.

According to Darman, the President sometimes seeks the advice of Darman and Fuller. In addition, he says, they have an impact on policy because they edit all the option papers that go to the President. ``We deal in conflict resolution and issue clarification,'' he says. ``We also do some option development and some analysis of our own.''

Fuller and Darman also identify the issues that will be considered at the White House. These come from Cabinet departments, staff meetings, newspapers, mail and maybe a ``bright idea'' somebody had on the way to work.

The Big Three never see a large percentage of the material that Darman sends to the President. These are items requiring presidential action that Darman views as ``non-consequential.'' Examples: A letter from an African leader seeking U.S. funds for a conference, judgeships, minor legislation and CAB and ITC rulings that must be ratified or rejected.

Policy is set in a number of forums at the White House, most of which do not include members of the Cabinet. Here is Darman's list of policy groups in order of importance:

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Big Three. The job descriptions of the Big Three are breaking down. All three are involved in advising the President on all policy issues. "Meese, Baker and Deaver are powerful, but not because of the job that's written down for them. The conventional wisdom--that one is in charge of policy, another politics and another 'the body' is not true. These things are inextricably combined."

"Ad-Hoc pre-decision groups"--Darman's title for meetings of White House staffers with the President prior to a decision. These include the Big Three plus others--usually Darman, Fuller and Clark. Darman, Fuller or Clark are usually the people pushing for a decision.

NSC-NSPG. The most powerful "Cabinet council."

Legislative Strategy Group. This group, including Baker, Meese, Deaver, Darman, Fuller, Duberstein and occasionally Stockman and Regan, meets almost daily during a crisis. Meetings rarely take place before 5:30 p.m. It has been gaining power by leaps and bounds. It was established last November. It got a "big boost" as a result of the Social Security debacle. "This is an important policy-making group," says Darman. "We don't accept substitutes. We don't schedule a meeting unless everyone can come." The new federalism plan was developed in this group.

Economic Program Review--Budget Review Board. These groups, including the Big Three, Darman, Fuller, Stockman, Harper and Weidenbaum, are nearly identical. They both were born last November. The President sometimes attends. The

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Economic Review group watches economic problems. The budget group hears appeals from Cabinet members on budget cuts and deals with budget-busting requests.

Weekly Update Lunch. This is Reagan's regular Monday lunch with staff including the Big Three, Darman, Fuller, Clark, Gergen, Speakes, Duberstein, Harper and the Vice President. They discuss what's going to happen over the coming week with a strong emphasis on press relations. It was at this week's lunch that Reagan made his decision against accelerated deregulation of natural gas.

The Deaver Group. Also known as the "Blair House group" and the "Camp David group," this meeting is convened by Deaver every Friday over lunch. It includes Darman, Fuller, Gergen, Jenkins. When the group had a retreat to Camp David recently, Meese and Baker joined them. This group develops long-range communications plans.

Senior Staff Meeting. Held daily at 8 a.m. Senior staff meeting is "not a serious meeting." The purpose is to bring everyone up to speed on what's happening that day and identify any problems. It's a "clearing house."

Scheduling. The scheduling group meets weekly. It includes Deaver, Fuller, Darman and Scheduling chief Greg Newell. The President's schedule is set and a White House person is assigned to be in charge of each event.

Cabinet Councils. "Any group with 30 people, including substitutes, is not important," declares Darman. But he concedes that these groups perform one function: "Staff

(MORE)

work." They develop papers which lay out all the possible options before the president on any given issue. These options are refined into a standard one-page options paper by Fuller. Even the thunder of the Cabinet council on economic policy has been stolen by the legislative strategy group, says Darman. The council meets solely to review the state of the economy or special topics such as the state of the thrift industry.

Cabinet meetings. Show and tell sessions.

Although Darman thinks the decision-making process works well, he says the White House is weak on analytical skills. "Our store of intellectual capital is low," he says.

Both NSC staff and the domestic policy staff are being beefed up in an effort to solve this problem. Up until now, the White House has relied heavily on Stockman for their domestic policy analysis and the SIG system for foreign policy analysis. Darman thinks Stockman's analysis of domestic policy is first-rate. "I'm a believer in genius," says Darman, also a friend of the OMB director. But the SIG system provides "negotiated analysis, which is bureaucratic mush." The Council of Economic Advisers also is weak with "obvious flaws"--meaning Weidenbaum.

Cabinet councils have been helpful in providing the White House with analysis of issues that was not was not available from the White House staff. But as they strengthen the staff, these councils will become less important.

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Regan is the favorite Cabinet member at the White House because he's got a ``good personality and good political judgment.'' Weinberger and Haig are respected, despite recent problems. Lewis is not entirely trusted because he is viewed as ``an operator.'''

From James A. Baker. He blames the tax exemption foul-up on the President. Reagan apparently wrote ``let's do this'' on the margin of a memo. (Darman says it was written on the margin of Reagan's daily summary. He contends such notations are only for guidance. They do not represent presidential decisions.) But Baker thinks that the President has the political savy to know when something is touchy. ``The President is supposed to be sensitive to politics.'' The decision was made during the Christmas holidays when many people were away. Yet the administration has a ``damn good record'' for decision-making. ``We've heightened the political antenna of everybody around here. When something is moving through the system, it's talked about in the senior staff meeting to make sure there aren't any problems.''

Of the Cabinet itself, Baker says: ``Cabinet officers have become advocates for their constituency. They always do.''

But the Cabinet council system ``works very well. It's much better than having a Cabinet meeting. There are very few issues that interest all members of the Cabinet.'' A lot of staff work for the councils is done in departments.

Baker now discloses that he was the one who killed

(MORE)

Meese's original idea of a "supercabinet" that would have included the President, Meese, the Vice President and the secretaries of State, Defense, Justice and Treasury.

Baker has the most influence on policy in the legislative strategy group and in the Oval Office when the President "is bouncing ideas off of us." He claims he never tries to engineer the outcome of a policy debate among aides or Cabinet members, but he says some White House officials have been able to bend the President their way of thinking by "laying on meetings for the President with certain groups." Example: The Chamber of Commerce meeting that convinced Reagan to abandon his exise tax increase. Martin Anderson arranged it.

Baker insists that the only time he argues for or against a particular policy recommendation is when it would have adverse political consequences. For example, Baker argued against the accelerated decontrol of natural gas. "It would have been a terrible mistake," he says. Otherwise: "I don't have an ideological view of taxes versus no taxes."

[illegible]

From Craig Fuller: Fuller, who oversees the Cabinet councils, is not as critical of that system as Darman. But he concedes that White House people have amore more influence on the President than the Cabinet.

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But often months will go by before Fuller receives the decision memo back from the President. At this point in the process, says Fuller, "the decision-making process becomes a little bit fuzzy." (This is where Darman's analysis begins.) "This is the great grey area. What happens at this point varies with the issue. I realize that this argues against Cabinet Government." Decisions are made

against Cabinet Government." Decisions are made

(Darman) and I will ususually go in and find out if he needs more information. He reviews it with us, with others and sometimes will even telephones a friend. We've resisted for the most part the temptation to restrict who he talks to."

On natural gas, for example, the Cabinet council recommended accelerated deregulation. But a memo was received from the political shop saying that the favored option was risky. An option paper has been sitting on his desk since the middle of last year. No deicison was made. The issue then was ignored. Finally, interested groups began demanding to know what the President intended to do. Darman and Fuller discussed it with Meese and Baker. As a result, the President decided on Monday to do nothing.

Until recently, Fuller says, he and Darman often were the only people in the White House pressing for a decision on many matters. "It's usually left to us to make sure that we don't lose an issue. This is where Meese is getting involved now. He's devoting more time to it now."

Although Cabinet meetings have become less valuable, members of the Cabinet recently "reaffirmed" that they want weekly meetings if possible.

(END)

STORY: BUDGET
MA: 60 EMT:

QUEUE: BEQ-BEQ
HJ:

MSG:
INI:

OPR: RAK ; 03/09, 17:01

TO: MIS, IT, JF, DR, BFP, JG, GP, DCB, LXB, LH, JWM, SJF,
FA, PGB, SXM, BK

FROM: RAK

RE: Reagan on Capitol Hill

The President's luncheon meeting with Republican senators on their turf today did little to advance the search for a budget compromise. On the contrary, the White House used the occasion to announce that Reagan is "seriously considering" going on TV in an effort to sell his case to the people. The implication is that, despite what his aides are hinting about his willingness to compromise, the President is digging in his heels and trying to build public support for his budget instead of reaching an accommodation with lawmakers. In public remarks to the senators, Reagan restated his willingness to "consider any comprehensive congressional plan," but he still stood firm against reducing defense spending or deferring the tax cut.

After Reagan returned to the White House, spokesman David Gergen said that a number of Senate committee chairmen had urged the President to go on television to explain why the defense buildup is necessary and why the tax cut should not be altered. (Jesse Helms was the only senator Gergen identified by name as advocating a television address.) No date has yet been set for a television speech, which probably would be delivered from the Oval Office in the same manner as Reagan's February 1981 economic message.

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THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 83 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

STORY:GERGEN
MA:60 FMT:

QUEUE:BEQ-BEQ
HJ:

MSG:
INI:

OPR:RAK ;03/11,17:41

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

FROM: RAK

RE: Background-only ivu with David Gergen

Nicaragua. Gergen claims, on the one hand, that the story of the 19-million-dollar covert plan that appeared in the Washington Post this week was not a leak planted by the administration. On the other hand, Gergen says the CIA is operating under the premise that making the covert plan public puts more pressure on the Nicaraguan junta than would carrying out the plan in true covert fashion.

Gergen refuses to confirm or deny whether the Post account is accurate, but he says the leak ``is not causing a firestorm'' of protest within the White House. At today's daily briefing, Gergen was let off the hook easily by reporters demanding to know whether the administration is trying to topple the Nicaraguan government. ``It's not the policy of this government to topple other governments,'' Gergen proudly proclaimed. In private, he points out that the aim of the covert plan that he refuses to confirm the existence of is to halt the arms shipments from Nicaragua to the El Salvador guerrillas--not to topple the government in Managua.

The White House is working on ways to release more evidence confirming the role of Nicaragua in the Salvadoran civil war. This week's photographs and other evidence

"probably was not the last shot," says Gergen. The administration hopes to release more information--most likely photographs--that will focus exclusively on the arms shipments from Nicaragua to the guerrillas. This week's release centered more on military training facilities in Nicaragua.

Gergen on Wednesday attended a special briefing for senior advisers outlining the evidence the CIA has accumulated.

"There's no doubt the evidence is persuasive. It leaves no doubt in your mind about what's going on." The new evidence probably would be released by Deputy CIA Directory Bobby Inman, who "is getting very high marks around here for his performance on Nicaragua," says Gergen.

It is unlikely that Reagan will give a major defense speech anytime soon, although the State Department is still pushing for a state-of-the-world speech.

The economy. While some Americans are worried that El Salvador will become another Vietnam, the conflict "is not at the top of the list of people's concerns. The economy is the only issue people are really worried about."

Therefore, a major Oval Office address on the economy is to be expected. The speech would not come before late next week and is more likely not to come for another three or four weeks.

Gergen appears worried that solid signs of economic recovery may come later rather than sooner. He says Murray Weidenbaum, always the optimist, is one of the few

administration advisers who believe there will be sure signs of recovery by the end of the second quarter.

The budget. The President is irritated by his top aides' talk about possible compromises. "He has made it clear that he doesn't want any more talk of compromise." Gergen says he is annoyed by the talk, too, because he fears the President will suspect his aides of trying to win the tax increases and other changes that he rejected before sending his budget to Capitol Hill. "We had our day in court and now we have to support his decisions."

Gergen confirms, however, that nearly every senior White House aide is more flexible on the budget than is Reagan. Gergen fears the President is digging in his heels and will get more stubborn in the weeks ahead. "I'm not sure what he's going to do. It's all very uncertain." Gergen would like to see an early budget compromise because he believes that would calm the jitters of the financial markets. But Reagan appears to be holding out for all he can get.

Taxes. Changes in the "leasing" provisions of the 1981 tax cut are certainly open to compromise, according to Gergen. But the best argument against changing it is that the auto industry is the biggest beneficiary of leasing tax breaks. Gergen does not believe Reagan will agree to defer indexing. "That's very close to his heart."

Voting Rights Act. Gergen reports that the President told a group of black leaders in an Oval Office meeting this afternoon that he will sign any version of the Voting

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Fights Act that reaches his desk. Reagan still has reservations about the House-passed bill but now concedes that it would be ``very difficult`` to get the changes he wants, particularly since 65 senators are co-sponsors of the House version.

(END)

STCFY:2SJF
MA:64 FMT:

QUEUE:FILES-WFD MSG:
HJ: 2 PP INI:

OPR:JNM ;03/12,15:08

FROM: SJF - White House

TO: MLS, LT, JF, BFP, SXM, JWM, GP, DR, JG, DCP, LE,
SJF, RAK, PA, PGH

RE: Reagan meets Mitterrand

The meeting between President Reagan and French President Mitterrand on Friday was obviously a frosty one, particularly when it came to the subject of Central America. A scheduled briefing by Haig and the French Foreign Minister was canceled without explanation after Mitterrand departed from the White House. It's very unusual for a foreign head of state to meet with Reagan without some sort of follow-up briefing for reporters.

In their departing remarks, Reagan said the discussion of Central America was "particularly candid and thorough." He said that Mitterrand was leaving with what he described as "a better understanding of U.S. policy in the area." He said he and Mitterrand share the view that democracy must be promoted in Central America.

But Mitterrand was less conciliatory in his departing remarks. "Our first duty is to fight against poverty and exploitation of human beings and the domination on the part of bloody dictatorships," Mitterrand said. "We should do everything that can enable the democratic powers of the West to achieve a better understanding and be able to give more assistance to the people who are rebelling against their fate.

"We must work in order to find a way to further -- and

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that is not always an easy part to discover -- to further the cause of democratic government. There is something we have in common. That leads to a meeting of the minds between us."

Mitterrand described Reagan's new Caribbean Basin ~~plan~~ as a "step in the right direction." He added: "It is clear that what is needed is more aid and consistency."

Footnote. There may be a briefing later in the afternoon at the State Department on the meeting between Reagan and President Mitterrand.

(END FILE - JNM)

(END)

March 16, 1982

✓
FROM: SJF - Oklahoma City

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

RE: Reagan and Brezhnev

President Reagan is clearly being drawn into a knotty propaganda war with Brezhnev over the deployment of nuclear missiles in Europe.

In response to Brezhnev's announced freeze on Tuesday morning, the White House issued a statement saying that the United States still intends to proceed with the deployment of Pershing 2 and ground-launched cruise missiles in Europe. Reaction in Europe is likely to go against the United States on this one. Brezhnev once again will be portrayed as the peacemaker, and Reagan the warmonger.

Probably the only way that Reagan could get the upper hand in this current round is to reverse his position and accept Brezhnev's offer, subject to on-site verifications - something the Soviets would then reject. But Reagan shows no signs of changing his current position that the Soviet Union must surrender its current superiority in Europe.

As it turns out, the White House was expecting Brezhnev to make the statement that he issued on Tuesday. This is why the President inserted into his remarks on Monday night a statement on the subject of the Soviet nuclear buildup in Europe. He was trying to anticipate Brezhnev's proposal. On Tuesday, he responded to Brezhnev at the start of a speech to the Oklahoma legislature.

``Those who are serious about peace, those who truly

abhor the potential for nuclear destruction must begin an undertaking for real arms reduction," President Reagan said. "President Brezhnev has proposed a unilateral moratorium on further deployment of S-20 missiles in Western Europe. I say today as I said yesterday, and as I made clear on November 18, a freeze simply isn't good enough because it doesn't go far enough. We must go beyond a freeze. And if President Brezhnev is serious about real arms control, and I hope he is, he will join in real arms reduction."

Reagan's remarks were confusing because he referred to Western Europe when he obviously meant to say west of the Ural mountains.

^{But} Reagan himself did not say specifically that the United States intends to proceed with deployment of Pershing 2s and ground-launched cruise missiles in Europe. Instead, he left it to Larry Speakes to issue a statement that made that point. The statement was prepared by the National Security Council's staff. In the past, such a statement would have been prepared at the State Department.

"We regret the Soviet Union apparently prefers propaganda gestures to concentrating on serious negotiations in Geneva," Speakes said in his statement. "For its part the United States with the full support of its allies will continue to implement both tracks of the December 1979 decision (by NATO) on the deployment of new

systems to Europe, and the pursuit of genuine arms control which we hope will make those deployments unnecessary.

"President Brezhnev's offer is neither evidence of Soviet restraint, nor is it designed to foster an arms-control agreement. Like previous such Soviet freeze proposals, this one seeks to legitimize Soviet superiority, to leave the Soviet Union free to continue its buildup, to divide the NATO alliance, to stop U.S. deployments, and thus to secure for the Soviet Union unchallenged hegemony over Europe.

"Brezhnev's freeze proposal is designed, like Soviet statements over the past three years, to direct attention away from the enormous growth of the Soviet capability that has already taken place, and the enormous preponderance that the Soviet Union has thereby acquired."

Speakes' statement dealt primarily with Brezhnev's announcement of a moratorium. It ignored Brezhnev's offer to begin reducing some medium-range missiles in the near future. It noted that under the terms of Brezhnev's announcement, the Soviet Union would be free to continue its buildup of SS-20s east of the Ural mountains. Speakes also described Brezhnev's proposal limiting operations of missile submarines as "self-serving."

[``]Having made a large fraction of our land-based ICBM force vulnerable through their large ICBM buildup, the Soviets in this proposal are attempting to reduce the

confidence we have in the sea-based leg of our deterrent,"
he said.

Footnote: On his return trip from Oklahoma City,
President Reagan decided to make a stop in Fort Wayne,
Ind., to visit flood victims. Thus, our arrival back in
Washington will be delayed several hours.

(END FILE - CKM)

March 16, 1982

FROM: ✓ SJF - Oklahoma City

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

RE: Reagan's sun-belt swing

Reagan's speeches to state legislatures in Alabama, Tennessee and Oklahoma this week lacked the ``put up or shut up'' combativeness of his remarks during earlier trips. His criticism of Congress was especially muted.

Instead, Reagan used these speeches as an opportunity to defend himself on issues where the polls show he is the weakest -- issues such as racism, nuclear arms, deficits and federalism. He studiously avoided only one touchy subject: El Salvador.

His only criticism of Congress was implied in this remark: ``I have little time for parade-walkers who march out to denounce the projected deficit on television, but then slip back behind closed doors to bust the budget in their committees.''

Speakes said the President was referring to various budget proposals for fiscal 1982 which have come out of congressional subcommittees much higher than expected. He said already these subcommittees have added at least 50 billion dollars to current spending levels. The administration wants to cut it to 29 billion dollars over current levels.

However, Speakes added that Reagan decided not to criticize Congress on this trip because he is ready to compromise on a budget package for fiscal 1983. ``We are

trying to be conciliatory," he said. Here is how Reagan answered his critics on a number of topics:

- o To those who blame Reagan for the recession: "We are coming out of a long night of government mismanagement and blundering, which caused this recession...I cannot accept the idea that a program which is just beginning and which in fact began after the recession was already under way, is somehow responsible for that recession.[""]

- o To business leaders who are criticizing Reagan for high deficits: "To the members of the business and financial community, let me say: I have a weapon of my own, the ~~Presidential~~ veto, which I will not hesitate to use."

(It's likely that this theme will be repeated again later this week when the President speaks to the National Association of Manufacturers in Washington.)

- o To those who want more cuts in the defense budget: "If we eliminated all of the major weapons programs which are scheduled in this budget, we would reduce next year's giant deficit by only 6.5 billion dollars in our 3-trillion-dollar economy."

- o To proponents of a freeze on nuclear weapons: "A nuclear freeze at this time would legitimize the position of greater advantage for the Soviets."

- o To those who accused him of abandoning his promise to balance the budget: "One justifiable concern is the deficit...I haven't given up on a balanced budget...Lord

knows, I want to erase the red ink from the bottom line of the budget, but not by taking more money from working people in order to do it. We must not raise taxes on men and women who already are taking pay cuts just to keep their jobs.[""]

o To those who say Reagan is callous about unemployment:
""I grew up in the Depression. I watched one Christmas Eve when my father opened what he thought was a greeting from his employer only to find out that it was a pink slip, and there he no longer had a job. I know the humiliation that every family feels when the head of the household can't find work, and I know there are times when only government can help.""

o To those who expected him to eliminate the windfall profits tax: ""Political reality prevented its elimination, but let me point out that our tax-reform package... did eliminate this tax for a great many royalty owners and independent producers.""

o To those who say that federalism will hurt blacks:
""Reapportionment and the Voting Rights Act have eradicated once and for all the most glaring inequities in state representation. In fact, today, black Americans are better represented in state and local governments than they are in the national Congress.""

o To those who say that federalism will mean higher property taxes: ""There will be no need for net tax

increases on citizens at the local level. Also, our proposal will not cause needy Americans to migrate to states with high welfare benefits. People migrate for jobs -- not a handout, but a hand-up."

o To those who question how states can handle the new federalism: "Others who oppose a transfer of authority back to the states claim the states are unable or unwilling to handle the responsibility. But isn't this just a nice way of saying the state governments are filled with heartless incompetents? Those who sincerely doubt that the states have the capability to reassume their rightful role often point to incidents of mistakes or corruption uncovered at the state level. I suggest that such disclosures and subsequent corrections are evidence that the system is working. When all you're hearing is good news, that's the time you should start to wonder."

(END FILE - CKM)

STORY:WBU1
11:00 INT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

CPR:SJF ;03/17,13:51

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

From: sjf

Reagan's Image-building.

The trip to Fort Wayne last night was a spur-of-the-moment attempt by Reagan's image-makers to combat a growing public feeling that he is a detached, unfeeling President.

The clear purpose of the trip was to get Reagan's picture taken in the act of helping flood victims. On that score, it was reasonably successful. Although it occurred too late to make the television evening news, the picture did appear on the front pages of many newspapers.

The idea was hatched by Reagan and Deaver after they saw flood pictures on television Tuesday morning. Deaver flew to Fort Wayne Tuesday morning with a couple of advance men to set it up. The original plan called for stops in Indiana and Ohio, but the Ohio stop was eliminated because it would have taken too much time. Instead, Ohio Governor James Rhodes came to Indiana to be photographed with Reagan.

The idea was not well executed, however. Somebody should have found a pair of blue jeans for the President to wear. He looked foolish hauling sandbags in his black silk suit with white shirt and handkerchief in the breast pocket.

The whole event was so staged that many reporters felt uncomfortable covering it in a serious way. The sandbag operation that Reagan joined was apparently organized for the benefit of the picture. It began when reporters showed up and ended when they left. Nor did the flood itself seem

serious enough to warrant a presidential visit. Only a few streets were under water. The Red Cross shelter that Reagan visited had fewer than 25 people in it.

The scene on the banks of the St. Marys River was actually funny. After Reagan arrived, he stayed inside his limousine for about 15 minutes waiting for the bus carrying the television crews to show up. Their bus got lost. The sandbagging halted during this period. As soon as the bus showed up, the sandbagging resumed and Reagan jumped out of his car. At least 50 photographers and television technicians then converged on the muddy scene, all of them pushing and shoving to get a good picture. The struggle became so rough that a number of reporters and photographers ended up on their backs in the mud. Everyone was standing ankle-deep in mud.

At the shelter, Reagan climbed up on a table to address the crowd, and was reminded of the many times he addressed General Electric workers standing on a table. This prompted him to tell a typical Reagan anecdote. He recalled that 25 years earlier he had visited a factory in Kentucky that employed 4,800 young women. When he told them he was going the following week to a plant in Pittsfield, Mass., that employed 15,000 men, a young woman with a soft voice spoke up: "You stay here and we'll go to Pittsfield."

Even employees of Reagan's White House press office seemed cynical about the trip to Fort Wayne. As the press plane departed, one of them announced over the loudspeaker: "The

(MORE)

STORY: WEU1

PAGE: 3

President just heard about a drizzle in Pittsburgh, so
we're going there too."

(END)

March 18, 1982

FROM: RK - White House

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

RE: Reagan and the press

In his speech this afternoon to the National Association of Manufacturers, the President offered what amounted to an apology to news reporters for the complaints he has lodged against them in recent interviews and speeches.

Reagan departed from the original speech text to tell the businessmen: ``Some people think there's a storm brewing between me and the news media. That simply isn't true...''

After saying he agrees with Thomas Jefferson's view that newspapers without government would be better than a government without newspapers, Reagan added: ``Of course, he also said, `Perhaps the editor might divide his paper into four chapters, heading the first, truth; second, *THE* probabilities; third, possibilities; fourth, lies.'... [But] my real point is this. Presidents, even Thomas Jefferson, have their moods just like everyone else, including members of the press. Some of the things we say and do regarding each other may cause a little momentary frustration or misunderstanding, but that's all it is.

✓ So, I hope I didn't touch a raw nerve with any of the press... [a few days ago, because I think that most of the time the overwhelming majority of them are doing a fine job, and as a former reporter, columnist, and commentator myself, I know just how tough their job can be.]

(END FILE - AR)

STORY:WHEU2
-MA:6Z FMT:

CUEUF:SJF-SJF
HJ:

MSG:
INI:

OPP:SJF ;03/18,11:28

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

From: sjf

The following items come from a background interview with
Levie Gergen:

* The administration will soon announce a ``timetable`` for opening strategic arms reduction talks with the Soviet Union.

* After last Friday's embarrassing incident involving the young Nicaraguan soldier, the administration has abandoned its campaign to focus public attention on outside help being provided to guerrillas in El Salvador.

* Reagan has been toning down his speeches lately to keep from creating a confrontation with Congress.

* Some ``in-house moderates and non-Reaganites`` at the White House are lobbying to bring Alan Greenspan into the administration, perhaps to replace Weidenbaum.

* White House officials view the outcome of Jim Watt's acount fight with Congress as a draw.

Brezhnev's announcement. As a result of Brezhnev's announcement earlier this week, Reagan administration officials feel it is important to speed up the opening of strategic arms reduction talks. A ``timetable`` will be announced shortly, perhaps before the end of the week. Gergen refused to discuss details on this.

The President's chief concern has been ``not to overdramatize`` the implications of Brezhnev's proposal.

There was never any consideration by administration

officials of altering the President's basic position on arms control. "Our only debate was over how harsh should our statements be," says Gergen. "We decided to be moderate in tone, but hard on our position."

Central America. According to Gergen, White House officials were not told in advance about the State Department's press conference with the Nicaraguan soldier. When it went sour, State Department officials called the White House to say "sorry--it didn't work out."

"People here didn't know whether to laugh or cry," says Gergen, suggesting that White House reaction was emotional.

White House officials then decided that the best way to handle the incident was simply to drop the subject entirely. The Nicaraguan soldier, who "probably decided to be a martyr," was shipped back to his native land on a 3 a.m. flight Saturday.

Officials will continue to "quietly brief" members of Congress on whatever evidence it has of outside help for guerrillas in El Salvador, but the public campaign is over.

Gergen now says he was wrong last week when he told RAK that people are the White House were not upset about leaks involving covert activity in Central America. He hints that an investigation is underway to find the source.

In talking with Mexico about negotiations to end the fighting in Central America, Gergen says the administration has two objectives: (1) To keep all options open prior to the election and (2) to remain friends with Mexico.

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Gergen refuses to discuss what administration officials will do if the election results are not favorable. The U.S. response will depend upon how the election results are viewed in other countries. Gergen says they expect a horde of reporters to converge on El Salvador for the election.

Speeches. Although Reagan has been softening his speeches lately to avoid "scapegoating" of Congress, his address to the National Association of Manufacturers on Thursday was redrafted at the last minute to include some "chiding" of business leaders who have criticized the economic program. Reagan's message to the business community will be: "Stick with us. This President has done alot for the business community. You owe me a little loyalty." Gergen describes these business defectors as "fair-weather friends."

Economic advisers. Gergen includes himself among the "in-house moderates and non-Reaganites" who are talking to Greenspan about joining the administration. But Greenspan is resisting and chances are slim that he will make a move.

Weidenbaum meanwhile is uncomfortable defending the supply-side program. He apparently made a speech yesterday backing away from supply-side theory. The speech contained a quote about Robin Hood and medieval.

Watt and Congress. On this subject, Gergen says: "We rushed pretty hard for a compromise and got one. We think they gave more than we did." But he admits that administration officials went for a compromise because they

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were afraid they would lose on an up or down vote.

Jim Baker. Reports that Jim Baker is ready to leave are wrong, says Gergen. He does not expect Baker to leave until 1983.

(END)

STORY:MEESE
MA:60 FMT:

QUEUE:BEQ-BEQ
HJ:

MSG:
INI:

OPR:ALC ;03/18,17:44

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

FROM: RAK

RE: Background-only_ivu_with_Ed_Meese

Balanced budget. The President is getting ready to endorse the drive for a constitutional amendment requiring a balanced budget. Reagan has made no final decision yet, but the matter was discussed at a cabinet meeting this morning and Reagan showed his enthusiasm for an amendment. Meese says that some "technical" points are being checked out before Reagan jumps into the fray on this issue.

His endorsement would obviously give a big boost to the efforts now gathering momentum on the Hill. It also would help restore Reagan's image as a budget balancer and perhaps neutralize some of the criticism he is getting for his record deficits. As Meese sees it, ratification of a constitutional amendment would not occur for several years--by which time Reagan would expect to have the budget balanced. Or, it could be written into the amendment that the budget would not have to be balanced until say, the late 1980s. "If we had this [the amendment] over the years, you see, you wouldn't have been able to get these entitlement programs up the way they are," Meese declares, showing his own enthusiasm for the idea.

Arms negotiations. Fearful of winding up on the short end of the stick in the Brezhnev-Reagan propaganda battle, the

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White House is accelerating preparations for the Strategic Arms Reduction Talks. No starting date has been set, nor has the location of the talks been agreed to, but much work is now being done to get ready. The preparations should be completed ``in the next few weeks.'' Meese read to us from a statement he had prepared for himself by the State Department: ``We have entered the final phase of intensive preparations for START negotiations...We will proceed with negotiations when conditions permit. We're looking for negotiations that are realistic, that will produce a verifiable and equitable reduction of strategic nuclear arms.'' Meese does not intend to actually announce his statement, but he will read it to any individual reporters who ask him about START.

Reagan and Brezhnev have not communicated with each other privately about the arms talks. Is a summit between the two leaders still in sight? ``There's nothing definite about a summit but that possibility continues to be one of the options,'' says Meese.

El Salvador. The administration is not softening its opposition to negotiations with the rebels. Meese left the impression that Secretary of State Haig's overtures to the Mexicans are not regarded by the White House as a likely way to end the bloodshed, but rather something that should be explored on the off chance that it might produce something. Mexican Foreign Minister Castaneda overstated Mexico's role, says Meese, stressing that the ``importation

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of subversion into the country'' still must be stopped. ``We felt it necessary and desirable for Al Haig to explore fully with our neighbors and friends, the Mexican government, how negotiations might proceed, and whether they would be available. But that's all we've been doing....If it produces something, fine...It's not something you could fail to explore.``

Haig back in the doghouse. Meese was perturbed by the State Department's screw-up of the Nicaraguan who changed his story about having been a guerrilla fighter in El Salvador. He noted that it was the third recent calamity by the State Department regarding Central America. (The other two were the captured soldier who escaped into the Mexican embassy in El Salvador and the Le Figaro incident.) Together, these events ``tended to give a Keystone Cops aura'' to the State Department's handling of things, says Meese, specifically asking us not to attribute his comments to the administration. The worst thing about the State Department's foul-ups is that they ``detracted from the very solid evidence about Nicaragua that Bobby Inman and others were giving,`` says Meese.

Soviet gas pipeline. The White House is backing off Reagan's desire to try to block the pipeline. Meese notes that the Soviets are having plenty of troubles with the pipeline, anyway. There are technical and equipment problems and, of course, financing difficulties for the Soviets. He adds, ``It's a matter of balancing the very

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desirable objective of delaying or stopping the pipeline...and the competing value of maintaining good relationships with our allies, who have a different view...We're somewhat limited in what we can do without jeopardizing other interests."

Mitterrand talks. Meese was not present at the talks between Reagan and Mitterrand last week--he was out giving a speech--but he argues that the discussions were not frosty. "It was a very fruitful meeting...Mitterrand really likes the President and wants to improve his position with the United States." Meese claims the two stressed the importance of not allowing their differences of view on Central America to overshadow their agreement on other issues, such as how to deal with Moscow.

Flow charts. Meese's passion for flow charts was much in evidence today as he presented us with some elaborate schematic drawings depicting the flow of ideas and paperwork through the White House. The charts are of no particular importance except to show that Meese is still trying to improve his operation and efficiency.

(END)

STORY:WHUG
PA:60 FMT:

QUEUE:SJF-SJF
HJ:

MSG:
INI:

CPR:SJF ;03/22,18:38

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

From: sjf

The following items come from a background session with
Mike Deaver (This interview was the result of a request I
put in many weeks ago for the ``Report from the White
House`` that I've already written.)

* President Reagan is concerned about all the intermural
ticking in his administration. Nofziger has told Reagan
that it's worse than in any other White House.

* In the current budget negotiations as in most other
matters, Reagan always ``keeps his cards very close to his
chest.'' It's not unusual for aides to leave meetings
asking each other: ``Where is he?''

* Reagan will not decide about a second term until late
1983. When he does, he'll call in six or eight of his
closest advisers and go around the room seekin advice.

* Reagan, who's very sensitive to the charge of racism,
often recalls that his parents were so opposed to racial
bigotry they refused to let him see ``Birth of a Nation.''

* Reagan's own criticism of the CBS show ``People Like
Us''--it was too ``staged.'' He noted that at one point CBS
filmed both sides of a single telephone conversation.

Compromise. Question: Does the President's reluctance to
compromise on the budget suggest that he is a tough
negotiator or a stubborn ideologue? Answer: ``Both.''

In situations like this one, says Deaver, even Reagan's
closest aides do not know what he will do. ``He keeps his

cards very close to his chest," says Deaver. "There are times when we walk out of there after talking with him about something and say to each other 'Where is he?'"

Reagan often just feels his way through difficult situations, then acts when he senses the time is right. "He has an excellent sense of timing in every sense of the word," says Deaver. He likes to sit back and "watch how something is working" before he acts.

Split personality. Does the President have a hidden personality? "What you see is what you get," says Deaver. "He's a totally honest man. It's constitutionally impossible for him to lie."

Reagan's mission. The President's two basic goals are to revive the economy and beef up the nation's defenses. All else is secondary.

Asked about Reagan's remark to Cardinal Cooke that "whatever time I have left is His (God's)," Deaver suggests that Reagan may have gotten carried away with the moment. He recalls that Cooke visited Reagan on Good Friday, shortly after the shooting. He says that Cooke tends to bring out the "spiritual" side of people.

Deaver seemed to be trying to counter the impression that Reagan thinks he is anointed by God. But he added: "He's (Reagan) is a deeply, privately religious person. He also believes in fate." After they lost the Republican nomination in 1976, Deaver recalls that he said to Reagan. "I'm sorry" and he responded: "Don't be sorry. There's a

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reason. There's a purpose. It just wasn't the right time."

Also on the subject of religion, Deaver says that Reagan "catches himself swearing" and regrets it because "you should not take the Lord's name in vain."

Reagan views being President as his "duty." Reagan once illustrated his view of the presidency by referring to a movie he's seen, according to Deaver. Indians were surrounding a fort, the captain was wounded, he turned to the lieutenant and said "you take over." The lieutenant replied, "I can't." The captain told him, "but you must, it's your duty." Deaver adds: "He sees it as his duty to his country." (I'm not making this stuff up, honestly.)

Age also plays a part in Reagan's view of his mission as President. "He's at an age in his life where he's not going to do something just to win in 1984. He could lose and go back to the ranch a happy man. He would not brood like Richard Nixon or Jimmy Carter. He's a man who understands himself. He is the last President we'll ever have who's lived through two world wars and a depression. It will never happen again."

Deaver also recalled that Eugene McCarthy told him that the "real reason" he endorsed Reagan in 1980 was this: "He's the first guy who isn't going to confuse the job with the man."

Criticism-Frustration. Reagan seldom takes criticism personally, although "sometimes he has." No examples. Usually Reagan responds to criticism by asking: "How the

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hell can they say that? Fellas, we're not telling our story well enough." He also takes the polls in stride. "He understands that they go up and down."

The charge of racism is one thing that gets under Reagan's skin. "Conservatism is equated with bigotry," says Deaver. "He is frustrated that he can't get that image changed. He takes a lot of pride in the fact that his mother and father were leaders in their community in the fight against bigotry." Reagan often tells two stories to illustrate that he's not a racist. The first is that his father refused to let him see "Birth of a Nation." The second story is about a black player on his high school football team who was denied a hotel room on a trip and Reagan found the guy someplace to sleep.

Three other things frustrate Reagan: (1) watching the evening news, (2) dealing with Congress and (3) trying to get policy "down through the bureaucracy."

But he always retains his optimism. "He's the most optimistic man in the world."

Second term. Deaver claims he has "no idea" whether Reagan will seek another term. "Maybe he and Nancy have said to themselves, 'Gee, do we really want to go through this again.'" But it's "not natural" for Reagan to talk about it this soon. Deaver predicts that Reagan will call in his closest aides in late 1983 to help him decide.

Flickering. Intermural bickering "bothers the President." Deaver admits that he (Deaver) has summoned

his own staff into his office several times to warn them against bickering in public. But he notes that he cannot control people who do not serve him directly. ``We can't muzzle people,`` he says.

(END)

STORY:GERGEN
MA:60 FMT:

QUEUE:BEQ-BEQ
HJ:

MSG:
INI:

OPR:DML ;03/24,17:59

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

FROM: RAK

RE: Background-only-live-with-David-Gergen

Nicaragua. Gergen reports that ``there is a possibility'' of face-to-face talks between U.S. officials and Nicaraguan leaders over the war in El Salvador. But any discussions would not be held until after the election and the U.S. would not go into the discussions in a direct effort to halt the flow of arms to the Salvadoran guerrillas.

``It would be more a question of each side listening to the other side's views,'' says Gergen. He sought to ~~emphasize~~ play the importance of any talks with Nicaragua as part of a wider effort to negotiate a settlement in El Salvador after Sunday's election, but that certainly is a possibility. Gergen complains that the Mexican Foreign Minister Castaneda has repeatedly overstated his role as a mediator for the U.S. ``We want to work with Mexico,'' says Gergen. ``They can be very helpful in opening doors but they're not going to be substituting for U.S. diplomats.''

Overture to Democrats. Gergen warns against making too much of Jim Baker's phone call to Speaker O'Neil about a budget compromise. The administration has no four-part program for a budget deal with the Democrats, as has been reported. No date for the meeting between Baker and the House Democrats (including Jim Jones and Danny

(MORE)

Fostenkowski) has been set. The phone call was suggested to Baker by Minority Leader Michel. Baker checked with Reagan first, then followed through on Michel's suggestion. "It's important not to overplay that...It's just to keep the lines of communication open...Michel was afraid that the Democrats would jump off on their own tangent and then we'd have a real stalemate." There are no signs of an imminent compromise on the budget.

RE's polls. Gergen is very creative in explaining away the various polls that show public support for Reagan's programs slipping away.

On El Salvador: "The El Salvador polls have been bad...But the public has not really focused on the issue yet...It's not an issue of high salience...The public is still open to persuasion." To back up his claim, Gergen cites a recent LA Times poll in which 59 percent were unable to identify which side the U.S. is supporting in El Salvador.

On the economy and support for delaying the tax cut and trimming defense spending to reduce the deficit: "A lot of that is frustration with the recession...People do not hold the President responsible for the recession but they are looking to him for leadership to get us out of it...[But] the longer the recession goes on, the more the frustration will set in." Many Americans are willing to give up the last installment on the tax cut, says Gergen, because the first 5 percent cut was so small that they didn't really

(MORE)

notice it in their paychecks, anyway.

Press conference. There is serious consideration of scheduling Reagan's Monday press conference in the evening. Gergen seems to favor an evening press conference--it would be Reagan's first prime-time session--because it would give him ``an opportunity to speak directly with the people, without the filters and interpretation'' of reporters covering the event. In Gergen's view, Reagan does not come across all that badly in a press conference--it's just the stories and network reports that portray him in a negative light.

Jerry's toothache. While in Washington today on some sort of business, former President Ford suffered an ``emergency tooth problem.'' So, says Gergen, Ford rushed over to the White House to have a dentist there work on his tooth.

(Some perk!) Since Ford was in the building, a very brief meeting with Reagan was arranged. The meeting was so brief, though, that Ford was not even invited into the Oval Office. Reagan came out to his outer office, shook Ford's hand, then sent him on his way. The two men have never been close, anyway--except for their mutual loathing of Jimmy Carter.

London speech. The White House is clearly embarrassed by Britain's announcement today that Reagan in June will address Parliament in the Royal Gallery instead of in hallowed Westminster Hall, as Mike Deaver announced he would. Gergen believes Labor Party members simply refused

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to go along with Prime Minister Thatcher's plan after Deaver let the word out prematurely. Gergen complains that "about 15 different people" asked Deaver whether Reagan would want to speak in Westminster Hall. Deaver thought the location was a fait accompli; he never realized that opposition leaders had a say in the matter.

Gun control. Gergen does not know whether the administration will oppose the McClure bill easing controls on the sale of guns. "It really isn't resolved yet." But Gergen thinks the White House will not go along completely with the bill in its present form. Attorney General Smith strongly opposes it. He will be talking to Senator McClure and others on the Hill next week in an effort to find a compromise that the administration would support. Gergen notes that the issue is ripe with political implications.

The Republican platform in 1980 called for an end to federal "harrassment" of gun owners, which is the objective of the McClure bill, at least in the eyes of the National Rifle Association. Reagan himself also has opposed "abuse of power" by federal agents who regulate gun sales. There are no plans now for Reagan to address the NRA convention next week in Philadelphia.

Stockman. Contrary to latest rumor, the budget director is still in good graces at the White House and will not be leaving any time soon, says Gergen, rolling his eyes to the ceiling at having to answer this question again.

Photo. Gergen objected, of course, to our use of a photo

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of him with his three-screen TV to illustrate JSL's story on perks. He posed for the photo but only on condition that I alert him in advance if we decide to use it with the perks story. In that event, he would ``talk to your editors'' about what he regards as the inappropriateness of using the photo. ``That's not a perk--that's my job,'' says Gergen. It makes little sense to alienate Gergen by using the photo with the perks story. This is particularly true in light of his promise today to talk with Bill Clark in an attempt to arrange for us a background ivu for our upcoming piece on Clark and his role in shaping foreign policy.

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