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ON PAGE 1

LOS ANGELES TIMES
30 December 1980

Few Bright Spots

CIA 'Mighty Wurlitzer' Is Now Silent

By ROBERT C. TOTH
Times Staff Writer

WASHINGTON—The Soviets knew the schedule of the United States' KH-9 spy satellite to the minute, and when it flew over the Uzbekistan missile center everything was tucked out of sight. But a few hours later, another U.S. satellite the KH-11, passed over the same field and caught an aerospace glider out in plain view—giving this country its first evidence that the Soviets were making a craft similar to the U.S. space shuttle.

In the kind of games modern spymasters play, the Soviets had exposed the secret space glider because they had been tricked into believing the second satellite was electronically "dead." Among other ploys, it was made to seem silent. Instead of transmitting its TV-like pictures down to earth as other satellites do, the KH-11 radioed its pictures up into space—to a communications satellite that relayed them to a U.S. intelligence station halfway around the world. (The deception worked until ex-CIA employee William Kampiles sold the operations manual of the multimillion-dollar KH-11 to the Soviets, for a mere $3,000.)

Supremacy Misleading

Technological cleverness is the pride of U.S. intelligence—no nation is better at it—and that supremacy can be a source of comfort to the American people as U.S. military vulnerability in the early 1980s puts greater reliance on intelligence to avoid dangerous surprises.

But American supremacy in technical intelligence is profoundly misleading. It is not representative of U.S. intelligence capabilities as a whole but stands in stark contrast. For in every other intelligence field—human spies, analysis of data collected and ability to conduct secret operations—the U.S. intelligence community appears to be dangerously deficient.

"Except for technical surveillance of the Soviet Union," said one highly knowledgeable source, "we're in lousy shape throughout the world." Some examples:

—Human intelligence sources have largely dried up because of leaks. "Some potentially cooperative sources say frankly they are afraid they might find their names in our newspapers," one knowledgeable source said, "and I must say for myself that if I were a Libyan or Pakistani, to say nothing of a Soviet, I would not cooperate today with any American intelligence agency."

Firings, Retirements Costly

--Recent waves of firings and early retirements cost the CIA many hundreds of senior personnel with unique language abilities and regional expertise. In 1978, when Iran's Shah Mohammed Reza Pahlavi fell, the agency did not have a single regular employee who could speak Persian. A large percentage of the field officers of its Near East division, which includes Southwest Asia, are former employees recalled to temporary duty, according to an informed source.

—In Africa and Latin America, the United States must rely heavily on information supplied by British, French and West German agencies. But cooperation has slowed signifi-

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dicting Soviet oil production declines," one national security official said, "but they almost missed the Afghanistan invasion, after watching the Soviet buildup for six months, because they focused on reasons Moscow would not move—detente, Salt II, trade.

"They are biased to predict the ordinary, not surprises," he said.

—The CIA's covert action capability, which once undertook everything from propaganda campaigns to secret wars, has been virtually dismantled.

Hostage Raid Cited

The raid to free U.S. hostages in Iran, for example, would have had a better chance if it had been organized and run by the CIA, according to several intelligence officials as well as one military officer who took part in the ad hoc Pentagon effort.

At a less dramatic level, the CIA's ability to aid insurgent groups short of intervention is almost non-existent. "If we wanted to help the Afghan 'freedom fighters' with guns," one source said, "there is no supply of untraceable arms, no experienced gunrunners, no transportation assets available readily. And the Soviets know it."

Political covert action, such as planting newspaper stories and aiding sympathetic officials abroad, never was suspended totally by the CIA, even in the Carter Administration. "But it's on a piddling scale," one official said, "and what's left is rather atrophied."

Carter became angry at Cuba's continued use of its troops in Africa after his initial overture to Fidel Castro in 1977 for more normal relations. He ordered accounts of Castro's activities to be disseminated internationally. But most of the machinery for such propagandizing—the "Mighty Wurlitzer" once boasted by the CIA—has deteriorated into rusty silence.

Even the U.S. Information Agency resisted Carter's orders to play up anti-Castro stories. This particularly incensed the President and led to a minor shake-up within that agency, informants said.

Such is the debris left from the unprecedented campaigns against the intelligence and counterintelligence agencies in the government particularly the CIA.

Brought on Themselves

To a considerable degree, the agencies brought it on themselves with foreign and domestic crimes and excesses in the name of national security. As a result powerful figures in the Carter Administration, including Vice President Walter F. Mondale who served on the Senate committee that publicized CIA abuses, seemed intent initially on punishing the intelligence community.

LONDON DAILY TELEGRAPH
29 DECEMBER 1980

THE INTELLIGENCE W

PUTTING MUSC

IN THE CIA

By ROBERT MOSS

COMPARISONS are already being drawn in Washington between the appointment of Mr William J. Casey as CIA director under the Reagan Administration and the choice of Mr John McCone for the same role under the Kennedy Administration.

Both men are shrewd non-professionals (although Mr Casey served with distinction in the Office of Strategic Services and is remembered with affection by many wartime colleagues in London) whose instinct may prove a surer guide to policy than the conventional wisdoms of the established bureaucracy.

Mr McCone's instinct told him that Khrushchev had secreted missiles in Cuba when CIA analysts were still unconvinced. Similarly, Mr Casey is unlikely to pay overmuch respect to estimates from the analytical side of the CIA — the National Foreign Assessments Centre (NFAC)—suggesting that the motivation for the Soviet military build-up is essentially defensive: his instinct tells him otherwise.

According to sources inside Mr Reagan's CIA transition team, a major overhaul of NFAC is expected to be one of the first consequences of Mr Casey's appointment. The present head of NFAC, Mr Bruce Clark, is expected to be replaced.

One leading contender to take his place is Mr George Carver, a former CIA station chief in Bonn, now based at the Georgetown Centre for Strategic and International Studies, who serves on Mr Reagan's transition team and has made himself a subtle and engaging commentator on intelligence matters.

In a parallel development, the Defence Intelligence Agency (DIA) and the other components of Pentagon Intelligence are likely to be given a larger role in the shaping of national estimates; their predictive record is generally recognised to have been much better than that of NFAC.

Mr Casey and his team are likely to move slowly, avoiding radical staffing changes at Langley; the view in the Reagan camp is that the CIA has already been dangerously demoralised through purges of veteran officers.

However, the new CIA director is likely to want to re-engage the services of some of the senior people who were fired, or pressured into premature retirement, under Admiral Stansfield Turner or his no-less controversial predecessor, Mr William Colby.

In addition to analysis, the other component of CIA activities that is likely to be subjected to most rigorous scrutiny is counter-intelligence.

There is widespread concern that the counter-intelligence (CI) staff was fatally weakened in 1974, when Mr Colby managed to engineer the ouster of Mr James Jesus Angleton, for two decades the agency's CI chief.

The nominal cause of Mr Angelton's removal was the Press leak of his involvement in a programme of domestic mail intercepts. It was not made clear at the time that this programme had been initiated as early as 1953 with full presidential authority, and that it has resulted in the discovery of an important East German "illegal" as well as of contacts between prominent Congressional figures and the Soviet KGB.

Staff cuts

With Mr Angleton's fall, the powers of the centralised CIA staff were radically reduced, and the security of the department's own files—including sensitive studies of allied secret services—was lessened, giving rise to concern that CIA operations, and allied secrets, had become more vulnerable to Soviet detection and penetration.

Counter-intelligence is rarely popular within a secret service, since the CIA role is to play the institutional devil's advocate, questioning, for example, whether a defector or a double agent (whose case-handlers may be intensely proud of their "controlled plant."

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weighed very seriously, not least because of the close relationship of trust that Mr Angleton established in the past with many friendly secret services, including the Israelis.

The whole question of CI organisation is taken up in a valuable collection of papers, edited by Dr Roy Godson, that will be published early next year by the Washington-based Consortium for the Study of Intelligence as part of a series entitled "Intelligence Requirements for the 1980s."

Contributors to the new volume, entitled "Counter-Intelligence," include senior present and former CIA and DIA officials.

Two of the most provocative papers in the book are by Mr Norman L. Smith and Mr Donovan Pratt, who were formerly (respectively) chief of operations and research director on the CIA's counter-intelligence staff.

Mr Smith argues that it is necessary to re-establish a centralised CI staff with a wide purview, not only to ensure the security of the CIA's intelligence-collection and covert action operations, but to undertake its own offensive double-agent and deception activities against the KGB.

He argues the very special qualifications required to make a successful CI specialist—not only in terms of intellectual ability, but in terms of familiarity with hundreds of individual cases, over many years. He rightly observes that the Soviet intelligence services place [illegible] on the kind of historical research for which no computerised data-bank can substitute.

the creation of a fully clandestine service, outside the present CIA structure, to conduct intelligence and CI operations.

The present CIA, largely reduced to analysis, covert action and paramilitary operations (none of which are likely to remain secret indefinitely, or perhaps even for very long) would remain to deflect interest and scandal away from the clandestine service.

This is one of the many current proposals for the restructuring of the U.S. intelligence community that will be reaching Mr Casey's desk.

Within the narrower area of CI itself Mr Casey will be urged by some members of the CIA transition team to re-initiate the review of Soviet deception operations—especially those involving double agents in New York who may have been controlled by the KGB—that was aborted by the 1974 purge.

CONTINUED

YOUNGSTOWN VINDICATOR (OHIO)
28 December 1980

The CIA Under Casey

William J. Casey is not talking about his plans but there is little doubt this country's espionage arm will get expanded authority and new muscle when he is confirmed as director of the Central Intelligence Agency.

While some senators might quarrel about Casey's conduct as Securities and Exchange Commission chief in 1971-72 — he was accused of trying to thwart an SEC inquiry into fugitive financier Robert Vesco — his confirmation appears certain.

And with confirmation behind him, the 67-year-old lawyer, who served as chief of secret intelligence for Europe in the Office of Strategic Services in World War II, will be entrusted with the job of healing the CIA, torn by scandal, congressional probes and low morale.

Casey, described as decisive and blunt-talking, has the credentials. The OSS, forerunner of the CIA, was an efficient network of 150 spies assembled by Casey for work in Nazi Germany.

And he's got the backing. President-elect Reagan's task force is recommending an increase in CIA operations and the creation of a central records system shared by the CIA and domestic law-enforcement agencies.

While the CIA's 15,000-member staff is expected to withhold judgment on Casey, there is no secret that a number of them welcome the departure of the incumbent, Stansfield Turner, President Carter's Annapolis classmate.

Turner's critics claim he compounded demoralization with impersonal management methods and suspicion of clandestine operatives and relied too much on electronic gathering while downplaying the use of agents.

Reagan's advisers are urging revival of the CIA's capacity to conduct secret operations as a means of countering Soviet expansionism.

And Casey, characterized by one bureaucrat as a man who likes to do things for himself, is expected to do just that.

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THE WASHINGTON STAR
27 December 1980

[redacted]

GORD MEYER

How the Public Sees The CIA

Having written a book about a 26-year career in the CIA, this reporter has recently completed a tour, arranged by the publisher, of five major American cities. It's not clear yet how many books were sold as a result, but exposure to searching questions in a myriad of TV interviews and radio talk shows provided a unique insight into the current state of the public's perception of our intelligence services.

While demonstrating a refreshing capacity to think for themselves, the large majority of the questioners seemed convinced that at this stage the U.S. has to have an effective intelligence system capable of providing advance warning of impending trouble abroad. The Soviet military buildup has been accepted as an irrefutable reality and with that goes a wide understanding that the country needs to be better informed than ever before.

But if the long retreat from foreign involvement that began with Vietnam and Watergate has ended, those events have left behind abiding scars. Questioner after questioner probed the issue of how the secrecy essential to intelligence collection can be reconciled with an open society and how official secrecy can be prevented from masking domestic abuse or imprudent foreign entanglement.

On this point, the press has evidently done an inadequate job of explaining the significance of recent far-reaching institutional reform. Very few in this large audience understood that President Carter by signing on Oct. 14 the Intelligence Oversight Act provided for a depth of congressional review over intelligence operations that goes beyond anything previously entrusted to the legislature of any democratic nation.

Now embedded in our law is the right of the Senate and House intelligence committees to be kept currently informed on all intelligence activities to which they demand access. Detailed review of all programs by these committees and their suspensive veto over covert action operatons are the best possible guarantee against the repetition of presidential abuse of secret power.

In reporting on this crucial reform, the press stressed the fact that it reduced from eight to two the number of committees that had to be informed of covert actions but failed to emphasize that these two committees have now been given the legal teeth necessary to become reliable watchdogs over the executive. There is admittedly a security risk in exposing so much sensitive information to the Congress but it is a risk worth taking in view of the deep public concern over the possible misuse of secrecy.

With the basic issue of congressional oversight now definitively resolved, there remains the question of how Ronald Reagan's advisers are responding to the public support for a foreign intelligence service second to none. The current answer is that these advisers are agreed on the need for strengthening American intelligence but seriously divided on how to do it.

Behind the closed doors of Reagan's intelligence transition team, three young Republican Senate staffers have been arguing that the CIA's performance and morale has sunk so low that only radical surgery can save the patient.

Drawing on ideas first surfaced in a report last year of the Republican National Committee, they are proposing to downgrade the role of the CIA by placing an intelligence czar in the White House staff. The operations directorate of the agency would be established as a separate organization and competing centers for producing national estimates would be created.

A majority of wiser heads on the transition team are opposing these plans for radical reorganization. On the basis of a performance record better than its critics concede, the CIA, they claim, needs to be supported rather than dismembered. The final decision will rest with Reagan's newly-chosen director of central intelligence, William Casey, and those who know him best do not believe that he intends to preside over the dismantlement of the agency he has just been appointed to head.

Casey is enough of an old Washington hand to recognize the wisdom of former CIA Director Richard Helms' advice, "To separate the president's principal intelligence adviser from his control of CIA is like removing the head from the body. A disembodied intelligence adviser cannot compete with the other claimants for the president's time and attention."

Another stabilizing factor is the recent selection by Sen. Barry Goldwater of an experienced intelligence veteran, John Blake, to become staff director of the Senate intelligence committee. With years of service in some of the CIA's top jobs, Blake is likely to look with a skeptical eye on drastic reorganization schemes which are partly motivated by the personal ambition of those who aspire to head the newly-created components.

Meanwhile, professional officers at CIA's Langley headquarters are waiting in some suspense for the outcome. They are encouraged by signs of wider public support and understanding of their work and hope that Casey will supply the continuity of competent civilian leadership that has so long been lacking.

NEW YORK TIMES 25 DECEMBER 1980

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ESSAY

The Cabinet Scorecard

By William Safire

WASHINGTON, Dec. 24 — Twice in recent weeks, a group of people have stumbled onstage at transition headquarters — awkward, defensive, blinking in the unaccustomed limelight — and lined up to face a flock of witnesses and potential accusers.

I half-expected one member of the audience to leap to his feet and shout at one man in the lineup: "That's him! There he is! That's the one who promised me a rose garden!"

The dreary, frayed-edge introduction of the Reagan Cabinet — "Hi, I'm the new Secretary of Whatever, and I can't answer any questions yet" — is part of the incoming Administration's post-election slump.

At first, the Cabinet-in-formation was presented the way a tie salesman sells ties: "You like this one? How about this instead?" The Washington landscape was littered with deflated trial balloons.

Later, the transcontinental distance between the President-elect and the men and woman finally selected left the impression that Mr. Reagan was at the receiving end of the decision-making process.

In the end, when the lineup managed to lurch onstage, no rhyme or reason accompanied their introduction. Neither the foreign-defense group nor the economic-issues group presented any thematic approach. As crowds of transitioneers bumped into appointees at the stationhouse, the elected leader seemed to be off on some distant patrol: Car 54, where are you?

At this rate, both Reagan's "hundred days" and his honeymoon are in danger of being over by Inauguration Day, a modern record. That's unfair, of course, but by failing to act as master of his own ceremonies, Mr. Reagan invites others to search his selections for a sense of purpose.

At Defense, Cap Weinberger is a superb choice. If defense budgets are to be increased dramatically, who is better at Defense than an experienced cost-cutter? Weinberger has both a sense of proportion and a sense of humor, and nobody will be closer to President Reagan. His infighting skills were shown in Weinberger's first bureaucratic test: he rejected hard-liner William Van Cleave as Deputy Secretary in favor of deputy C.I.A. chief Frank Carlucci, to the dismay of the "Madison Group," which preferred cleavage.

At State, Al Haig is a question mark. Seeking Democratic help in his Senate confirmation, Haig reached first for lawyer Newton Minow, then hired his Johnson Administration sponsor, Joe Califano; seeking to please the Kissinger faction and diplomatic establishment, Haig abruptly dismissed the right-wing transitionaries who were worrying the striped-pants set. All his attention now is focused on the left, but his long-range battle will be with the hawks. (For his deputy, Haig seeks to circumvent Richard Stone, Fred Ikle and Laurence Silberman with a dark-horse Californian beholden only to him.)

At Treasury, Donald Regan was chosen beause he is neither Alan Greenspan (resented by the supply-side Simonites) nor William Simon (resisted by the traditional Greenspanics). He is a fine manager who may not realize that he is backing into a philosophical buzz saw. We will be better served by Reagan's Regan than Regan's Reagan.

At Justice, the choice of Mr. Reagan's personal lawyer was a mistake. William French Smith would have been a perfectly good White House counsel, but the Attorney General should be neither the President's brother nor his buddy nor his campaign manager nor his former lawyer. Justice has been profoundly politicized in the past four years; we shall see if the job of chief of the Criminal Division goes to someone who combines prosecutorial zeal with judicial temperament, or to Robert Blakey.

To Commerce, Malcolm Baldrige brings the experience of running a tight ship at Scovill Manufacturing; his sister, Tish, is editor of Amy Vanderbilt's "Book of Etiquette," so we can expect the Reagan Cabinet to use the right forks.

As Director of Central Intelligence, William Casey is a natural — World War II master spy, international lawyer, refugee advocate, economic statesman. By treating this appointment as of Cabinet rank, Reagan sends a clear signal that the C.I.A. can stop feeling guilty and start getting results.

Skipping over most of the others, as Reagan probably will, we come to the most inspired appointment: Jeane Kirkpatrick as ambassador to the United Nations. Intellectual, articulate, forceful, this Jackson Democrat will sweep away the guilt-ridden pretensions of the Andy Youngs and bring back memories of Pat Moynihan. With Cabinet rank, she will have direct access to the President if the Secretary of State wavers on policy. At the Coalition for a Democratic Majority, hers was the strongest voice for support of Israel; America will not soon again be embarrassed by the spiteful anti-Israel vote cast by Mr. Carter's man last week.

A good bunch, by and large, bolstered by Richard Allen and Martin Anderson within the White House — certainly a big improvement over the crew sinking from view. The pity is that the "team" has not been presented as a team; the fault for that lies with the man who may have chosen his Cabinet, but failed to give meaning to his choices.

CHATTANOOGA NEWS-FREE PRESS
25 DECEMBER 1980

Edward J. Walsh

Probes By Congress Cause Limping Of U.S. Intelligence

President-elect Reagan's nomination of William Casey for the critical Cabinet job of Director of Central Intelligence looks like a good one. Mr. Casey served as chief of intelligence for Europe in the no-nonsense Office of Strategic Services during World War II. It's a safe guess that he

By EDWARD WALSH

knows how to gather intelligence.

It is no secret that American intelligence capability has deteriorated in recent years, and doubts have already been expressed about Mr. Casey's ability to "reform" and "rebuild" the CIA. There is certainly plenty of rebuilding to do. But efforts at reform have been going on for ten years, and we have seen them go too far.

In November, 1978, President Carter complained that he had been poorly served by the CIA's reporting on the Iranian revolution. But rather than blame the Agency, he should have pointed the finger at Congress: that is where the responsibility for the feebleness of our current foreign intelligence operation lies.

In 1974, in response to evidence of abuses of the civil rights of Americans by intelligence bodies during the Vietnam protest era, Congress passed the Hughes-Ryan Act, the first in a series of bills that had the effect of crippling the nation's intelligence agencies. Hughes-Ryan amounted to a cutoff of funds for any CIA activities other than information collection, unless the President approved such activities and described them to Congress.

Hughes-Ryan locked the President into a cumbersome and potentially embarrassing reporting procedure, and brought clumsily into the public eye the heretofore unspoken recognition that the CIA did, indeed, engage in "covert activities." The effect was the almost total abandonment of such operations, with the foreseeable adverse impact on intelligence gathering.

Shortly after the passage of Hughes-Ryan, both the U.S. Senate and the House of Representatives established Select Committees to investigate the CIA. These were the Church and Pike Committees, named after their chairmen, Sen. Frank Church and Rep. Otis Pike, who hunted wrongdoing by the Agency with vengeance. They found very little.

In June 1978, the Foreign Intelligence Surveillance Act became law. It created nearly insurmountable obstacles to surveillance of foreign visitors to the U.S. The Association of Former Intelligence Officers (ALIO), a dedicated group of men who understand the meaning, and the need for covert activities, testified that the Act would hamstring the intelligence agencies' ability to watch subversives and spies. But the Act still stands.

Today, the Senate stands at the brink of approving a broad charter for intelligence gathering; the bill, S.2525 would set up detailed oversight and disclosure rules for the CIA. The President would be required to reveal to Congress every minuscule detail of routine intelligence operations. Permanent Committees on Intelligence in both Houses of Congress are already in place for that purpose.

The direction of both Intelligence Committees has been that charted by the opponents of clandestine operations who first steered the Church and Pike Committees. The focus has been on Congressional oversight and debatable violations of the civil rights of radicals, rather than intelligence-finding and combating the pervasive Soviet intelligence apparatus in this country.

This is the tide that the new Director of Central Intelligence must swim against. The American intelligence agencies have been hobbled by nearly a decade of anti-intelligence posturing in Congress and the American press. In the silent war with the KGB, they are still limping.

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THE WASHINGTON STAR
25 December 1980

STATINTL

Admiral Inman Likely to Get No. 2 CIA Post

By Jeremiah O'Leary
Washington Star Staff Writer

Vice-Admiral Bobby Ray Inman is expected to be named deputy director of the Central Intelligence Agency by President-elect Ronald Reagan, according to well-informed sources in the transition process.

The 49-year-old naval officer has been director of the super-secret National Security Agency at Fort Meade, Md., since 1977. Transition sources said Inman was at the top of the list for taking over as deputy to director-designate William J. Casey because Inman's talents would complement those of the 67-year-old director.

Casey is a respected political strategist who took over as Reagan's campaign manager on the eve of the New Hampshire primary and had a successful career as an OSS operator during World War II. But Casey is said, even by his friends, to be somewhat disorganized when it comes to details, occasionally forgetful and out of touch with modern intelligence techniques.

In addition, the CIA tradition is that when the director of the agency is a civilian, the deputy's spot goes to a military man. Outgoing director Stansfield Turner is a Navy admiral and his departing deputy, Frank Carlucci, is a civilian.

The Reagan talent hunters have been looking for someone organized, articulate and current in present-day intelligence craft and technology to install as Deputy CIA Director under Casey. While Inman's nomination is not final, several sources consider him to be a runaway leader for the post.

Inman, a native of Rhonesboro, Texas, entered the Navy after graduation from the University of Texas in 1950. Although not a graduate of the Naval Academy, he did graduate from the prestigious National War College here in the 1972 class.

He became an ensign in 1952 and advanced through all the officer ranks until his promotion to Vice Admiral in 1976. In his career, Inman has served as assistant naval attache in Stockholm, Sweden, a key listening post for events in the Soviet Union. He also was assistant chief of staff for intelligence under the commander of the Pacific Fleet from 1973 and 1974.

For the following two years, Inman was director of the Office of Naval Intelligence in Washington. He was vice director of the Defense Intelligence Agency from 1976 to 1977 when he was named head of the NSA.

The National Security Agency has the task of listening in electronically on all world communications and has the major role in U.S. efforts to break other nations' codes.

24 December 1980

STATINTL

Toothless CIA may regain its once powerful bite

By EDWARD I. WALSH
United States Industrial Council

President-elect Reagan's nomination of William Casey for the critical Cabinet job of Director of Central Intelligence looks like a good one. Mr. Casey served as chief of intelligence for Europe in the no-nonsense Office of Strategic Services during World War II. It's a safe guess that he knows how to gather intelligence.

It is no secret that American intelligence capability has deteriorated in recent years, and doubts have already been expressed about Mr. Casey's ability to "reform" and "rebuild" the CIA. There is certainly plenty of rebuilding to do. But efforts at reform have been going on for 10 years, and we have seen them go too far.

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PHILADELPHIA INQUIRER
23 DECEMBER 1980

Waste of time

A 'Super Cabinet' just won't work

By Patrick J. Buchanan

WASHINGTON — The date is Jan. 31, 1981. After a bruising confirmation, Secretary of State Al Haig, preoccupied with the latest warnings of Soviet intervention in Poland, arrives at his first meeting of the "Super Cabinet."

Subject of conversation: a proposal by Office of Management and Budget Director David A. Stockman for a reduction in outlays for food stamps in fiscal year 1981.

Reading over the position paper and backup statistics, Haig's eyes glaze over. He rises, politely announces an important meeting at State over the situation in East Europe, and heads off to do what he ought to be doing. Which is not arguing about food stamps, welfare, forced busing, Kemp-Roth or Conrail.

As envisioned, the Super Cabinet is to consist of the secretaries of State, Defense, Treasury, the attorney general and perhaps one other cabinet officer. It would be the highest policy-making body in the government; it would discuss, as a group, all issues — including those outside the jurisdiction of the cabinet officers themselves.

The Super Cabinet idea is not a super idea; it is a bummer; it will come a cropper — and cost President Ronald Reagan precious months before it collapses.

For it is a waste of the time of the secretary of State and the director of the CIA to be studying up at night on the "social issues." It is a waste of the time of Attorney General William French Smith and Treasury Secretary Donald Regan to be arguing with Al Haig or CIA Director Bill Casey the relative merits of the cruise missile over the Pershing, or about the basing mode of the MX. Of what value the reflections of the secretary of Energy on whether or not to extend the Voting Rights Act of 1965?

Concededly, President Reagan has won the right to structure his cabinet as he deems fit. But, surely, the lessons of the recent past should not be altogether ignored.

Since Richard Nixon, every president has talked about "cabinet government" — to the cheers of the national press. And each president has found himself holding fewer cabinet meetings. The reason: The cabinet cannot be a policy-making body because the secretary of Housing and Urban Development has no need to know how many divisions the Kremlin has, while the secretary of State has no need to know, within five billion, how many dollars HUD will spend this fiscal year.

Instead of resolving the old problem of conflict between the cabinet and White House staff (which arises from personalities and policy, not structure), the Super Cabinet will compound it. There will be an extra layer of bureaucracy between the secretaries of the "social departments" (HUD, Education, Health and Human Services, etc.) and the president. We will have a new elite, and new frictions, inside the cabinet. And while the seating arrangement at the cabinet table already suggests a pecking order, we will now have first-class cabinet officers and steerage class.

Most important, the American people did not vote for that cabinet; they did not vote for committee decision. They did not, in Hodding Carter's words, "buy a pig in a poke." They chose a political figure with a philosophy as familiar as that of Barry Goldwater, the leading champion of the conservative movement for a dozen years, who ran upon the most conservative platform in the lifetime of most Americans.

A managerial class, seated in a Super Cabinet, which does not share the "no pale pastels" philosophy of Ronald Reagan, will bend before the prevailing winds. And the prevailing winds in Washington, approaching gale force, are from the Northeast.

Pundits and pollsters, sifting the returns, are discovering that — lo and behold! — there was no "conservative mandate" in 1980. Actually, says Dr. George Gallup, on social issues like ERA and Right to Life most Americans disagree with Reagan. Actually, adds the good doctor, Reagan's victory was less a mandate for him that it was a rejection of Jimmy Carter.

So, Ronald Reagan is being deluged with counsel, from within and without his inner circle, from those who opposed him, and some who supported him, to move gingerly on tax cuts, to make modest increases in defense, but, above all, to avoid unnecessary controversy by shelving the entire social agenda in the platform on which he campaigned.

If the president-elect does follow that path, he will win six months of indulgent press — and 18 months from now he will be on the road to Carterization.

Appointees to the Cabinet Casey, Stockman, Lewis, Schweiker, Baldrige, Smith, Weinberger and Regan

BRACK—BLACK STAR

STATINTL

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LONDON DAILY TELEGRAPH
22 DECEMBER 1980

THE INTELLIGENCE WAR

REAGAN'S PLAN TO 'RECLAIM' LAND

By ROBERT MOSS

SOURCES close to President-elect Reagan say that he is privately determined to give the fullest possible American support to groups opposing the present regimes in Cuba and Libya, which are both providing surrogate forces for the Soviet Union.

Libyan troops and tanks have just enabled Chad's President Goukouni Queddei to establish his supremacy in a civil war against the followers of the former Defence Minister, Hissene Habre. Chad is of major interest to Libya's dictator, Col Gaddafi, because of its uranium reserves — which he hopes to exploit in his efforts to acquire nuclear weapons.

But Chad may also be a keystone in a broader strategy. Senegal's President Senghor has warned that Col Gaddafi hopes to use a specially-trained (and Soviet-armed) force of 5,000 men to set up an "Islamic Republic of the Sahara" under his control; this puppet republic would embrace areas of Chad, Mali, Niger and Senegal.

Egypt's President Sadat sees a threat of Libyan and Soviet subversion, via Chad, against Sudan, on his southern border. This would be the latest move in Col Gaddafi's long-standing campaign to oust Mr Sadat, in the course of which agents of the Libyan secret service have been sent to Egypt to orchestrate assassination attempts.

Libyan success

Libya's coup in Chad could easily have been averted, according to Western military analysts, had the French been prepared to play an active role. But President Giscard d'Estaing reportedly rejected the advice of his senior intelligence advisers to use French planes to strafe the Libyan columns.

Now the most effective response to Col Gaddafi's foreign adventures may be in direct support for the elements inside Libya who are opposed to his regime.

It is reliably reported that the Carter Administration intervened during a previous crisis to prevent Mr Sadat from moving against Libya; the Reagan Administration, in a dramatic change of policy, is likely to work in close concert with the Egyptians to end Col Gaddafi's career as an international troublemaker.

In the case of Cuba, the prospects for an effective covert action programme to reduce Dr Castro's appetite for foreign wars have been highlighted by evidence of recent successes by the anti-Soviet Unita guerrillas in Angola.

Western military observers confirm that, with the help of three newly-acquired Sam-7s, Unita forces have shot down two Soviet jets that were being used to bomb and strafe civilian villages.

Russians captured

Unita has also captured two Russians, a Mig pilot and an air force engineer, who may be able to provide first-hand testimony to the role that Soviet personnel are playing in the repression of black Africans.

If Unita were to be re-equipped with, say 500 heat-seeking missiles and modern anti-tank weapons, the chances of inflicting a serious humiliation on the Cuban garrisons in Angola would be greatly increased.

Mr Reagan's foreign policy advisers believe that the present world climate presents remarkable opportunities for curbing the process of Soviet expansion that was allowed to go unresisted by the Carter Administration.

While the occupation of Afghanistan lost Moscow friends in the Islamic world, the workers' revolt in Poland has exhibited the vulnerability and fragility of the Soviet empire in the face of internal pressures.

If the Russians invade Poland, they will lose allies and sympathisers throughout the world, and deal a death-blow to "the myth of Eurocommunism" in the run-up to the next French elections.

Soviet debate

For the moment, the Soviet leadership appears to be locked in the same kind of internal debate that preceded the invasion of Czechoslovakia in 1968, when such leading [illegible] Andropov, the Chairman of the KGB, Mr. Boris Ponomarev, the head of the International Department of the Soviet Communist party's Central Committee, and Mr Mikhail Suslov, the Politburo's top ideologist, are all said to have counselled against military action. (This despite—or perhaps because of — the fact that Gen. Andropov, then Ambassador in Budapest, was the main organiser of the suppression of the Hungarian uprising in 1956.)

Divisions in Moscow, and the prevailing uncertainty over President Brezhnev's health and the shape of the succession to him, improve the prospects for a strategy of "land reclamation" under the Reagan Administration.

Another major theatre for this strategy will be Central America. In Nicaragua, the Sandinista leadership—which is now supplying revolutionary "volunteers" for Angola—has alienated much of its early, moderate support, and some analysts believe that it could be overthrown by a coalition of centrist forces, given a minimum of American support; the Carter Administration's policy has been to endorse, and finance, the present Marxist regime.

Some of Mr Reagan's advisers on Latin America are suggesting that he should issue a public statement (perhaps a "Declaration of Miami," because of the large Cuban emigre community there) defining Washington's refusal to tolerate Soviet Bloc activities in the Central American region — a sort of updated Monroe Doctrine.

Saudis face subversion

OVERSHADOWED by the Iran-Iraq war and the hostage problem in Teheran, more evidence has come to light of Soviet-backed efforts to destabilise the monarchy in Saudi Arabia. Three examples:

1 According to Western intelligence services, co-operation between the Iranian and Syrian secret services has resulted in important exchanges of information concerning Saudi Arabia.

The Syrian secret service have close liaison with the KGB and the GRU; and Syrian intelligence officers are sent to Russia for training. One source reports that in a recent meeting between the head of Syrian Air Force intelligence, Gen. Muhammad al-Khouli, and the Iranian secret service chief, Gen. Hussein Fardoust (formerly employed by the Shah), the Syrian official claimed that the Badana air base in north-eastern Saudi Arabia is being used by Soviet Bloc transport aircraft ferrying military supplies to Iraq, and that the Saudis were using their influence to encourage Kuwait and the Gulf emirates to support the Iraqis. Such reports could help to prod the Teheran regime into direct action against the Saudis.

2 The Democratic Front for the Liberation of Palestine (DFLP), an openly Marxist-Leninist group within the PLO that makes no secret of its pro-Soviet loyalties, has been distributing anti-Saudi propaganda materials.

At a recent conference of the Association of Arab-American Graduates in the United States, for example, the DFLP staff was distributing a series of pamphlets produced by Souf al-Taliah (PO Box 27530, San Francisco, Calif. 94127). A representative booklet, entitled "Political Opposition in Saudi Arabia," made a direct appeal to Saudi military personnel to rise up against the regime.

'The Saudi Armed Forces,' the anonymous authors of this publication note, 'are the only institutions in the country possessing the actual means of a revolutionary change.' Such propaganda activities are significant, because they reflect an effort to indoctrinate Saudi officer-cadets who are sent to the United States for training.

3—The most exotic case involves the recent stepping-up of official Soviet interests in the culture and traditions of the Uighur people, who live not only in Soviet Central Asia and China but in tight-knit communities in Saudi Arabia too, where many have made careers in the Armed Forces and the civil administration.

CONTINUED

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U.S. NEWS & WORLD REPORT
22 December 1980

The Team Takes Shape

The President-elect is fleshing out the top echelon of his administration mostly with hardheaded moderates. Their double task: Tackling the country's problems and breathing life back into a weakened institution—the cabinet.

* * * *

■ For director of the Central Intelligence Agency, William Casey, 67, Reagan's campaign manager and a former chairman of the Securities and Exchange Commission.

* * * *

Company men. Regan, Baldrige and other Washington newcomers were chosen for the cabinet because the President-elect pledged during his campaign to bring into government people who have excelled in private industry. But the new men are not expected to have as much influence on the President as his old friends, Smith and Casey.

William Casey
CIA

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ON PAGE 5

U.S. NEWS & WORLD REPORT
22 December 1980

New Boss and New Future for CIA

It will be up to William Casey, one of Ronald Reagan's most trusted advisers, to heal a Central Intelligence Agency battered by six years of scandals, congressional probes and internal turmoil.

The 67-year-old Casey, a New York lawyer and self-made millionaire who served as the President-elect's campaign manager, is no stranger to the world of intelligence. During World War II, he served as chief of secret intelligence for Europe in the Office of Strategic Services, the forerunner of the CIA.

Named to the post of CIA director on December 11, subject to confirmation by the Senate, Casey will take charge on a tide of congressional and popular support for a stronger intelligence arm—a sentiment reflected in new legislation relaxing restrictions that have virtually precluded the agency from covert actions.

Reagan's advisers are urging revival of the CIA's capacity to conduct secret operations as a means of countering Soviet expansionism. Casey likely will give that task a top priority.

Some observers predict that Casey will find his No. 1 problem involves not clandestine operations but the CIA's gathering and analysis of information. That weakness showed up in failures to anticipate such crises as the fall of the Shah of Iran to an anti-American Islamic regime and Iraq's attack on Iran.

So distressed was President Carter with failures of intelligence assessment that he sent a rare handwritten note of complaint to Stansfield Turner, the Annapolis classmate he chose to run the agency.

CIA's Casey: "A man of action."

The CIA's staff of roughly 15,000 is reserving judgment on Casey. But many welcome Turner's departure, claiming that he compounded demoralization with impersonal management methods and suspicion of clandestine operatives.

Casey gained a reputation for being forceful and intelligent while handling such government positions as chairman of the Securities and Exchange Commission and as Richard Nixon's president of the Export-Import Bank.

Yet some associates question whether the new CIA chief has an administrator's temperament. As one intimate put it: "Bill Casey is a complex guy, a man of action. But he's not a bureaucrat. He likes to do things himself." □

TIME
22 DECEMBER 1980

An Idea Man For CIA

Who has no time for detail

As a young spymaster for the U.S. in World War II, he wore Navy blues that were usually spotted with crumbs, peanut butter and cigarette ashes. But behind that disheveled appearance lay a keen and free-wheeling mind that, by war's end, enabled him to put together a network of 150 agents in Nazi Germany. Now, after a highly successful career as tax lawyer, businessman and Government official, William Joseph Casey, 67, still looking rumpled in the best-quality dark blue suit, is returning to his first profession, as director of Central Intelligence.

Casey displayed so much energy as a child in New York City's Borough of Queens that playmates nicknamed him Cyclone. A 1934 graduate of Fordham University, he studied law at St. John's University at night while working as a city home-relief investigator during the day. After the war, he set out to make his fortune by practicing law for a New York firm and by writing a series of how-to books for fellow strivers (sample title: *How to Raise Money to Make Money).*

Though he refers to himself in his still pronounced New York accent as a "card-carrying Republican," Casey counts among his friends Liberal Democratic Historian Arthur Schlesinger Jr., who says of the CIA nominee, "He has firm views and judgments, but his mind is not closed."

Casey ran for Congress from Long Island in 1966, but he lost in the primary.

For Intelligence: William Joseph Casey

He ended up in Washington anyway, in 1969, when Richard Nixon appointed him to the advisory council of the Arms Control and Disarmament Agency. In 1971 Casey became chairman of the Securities and Exchange Commission. During his 21-month tenure, Casey won high marks for simplifying the regulations on issuing and trading stocks; at the same time, he developed a reputation for being a blunt-talking, decisive manager. Friends recall that when Casey arrived in Washington with his wife Sophia and daughter Bernadette, he offered to buy a Massachusetts Avenue mansion from the widow of Chicago Tribune Publisher Robert McCormick. Upon learning that the Japanese embassy had offered more money, he quickly made a yet higher bid and sealed the deal. When the flustered Mrs. McCormick asked what she should tell the Japanese, Casey tersely replied: "Tell them to remember Pearl Harbor."

Casey became Under Secretary of State for Economic Affairs in 1973 and then served as president of the Export-Import Bank from 1974 to 1976, when he joined former Secretary of State William Rogers' New York law firm, Rogers & Wells. Casey barely knew Reagan when he was hired last February to straighten out the campaign organization.

Though some staffers criticized Casey for being disorganized and poorly versed in modern political techniques, such as television advertising and polling, admirers credit him with tightening the campaign's budget and making up for his shortcomings by surrounding himself with seasoned political professionals. As even his friends admit, Casey is not very good on specifics. "He's a great idea man," says one of them. "He can get people started, but then he loses interest. He's no man for detail."

Casey has so far declined to talk about what he plans to do as CIA director except to say: "The U.S. has had the finest information-gathering, analytical and scholarly organizations in the world of this kind. I would hope to maintain it and strengthen it." But he has refused to talk about what CIA weak spots he might attack and has not yet read the Reagan transition task force's report that recommends an increase in covert CIA operations and the creation of a central records system shared by the CIA and domestic law-enforcement agencies.

Most career-agency officials welcome the appointment of the OSS veteran—as long as he selects a capable deputy to take care of the details that he prefers to shun. But first Casey must survive a tough grilling by Senators on accusations of misconduct as SEC chief, including an old charge that he tried to thwart an SEC inquiry of Fugitive Financier Robert Vesco in 1972. Casey, with typical bluntness, professes no concern. Says the CIA nominee: "I've been confirmed by the U.S. Senate four times. I don't think there's any question I'll be confirmed again."

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ON PAGE 12-14

NEWSWEEK
22 December 1980

STATINTL

Reagan's Good, Gray Cabinet

Like the supporting players in a town pageant, the first eight members of Ronald Reagan's government-in-the-making filed onstage in a gilded Washington hotel ballroom last week and—in the awkward absence of the star—introduced themselves to America. They were cast to fit Reagan's vision of himself as chairman and the Cabinet as his board of directors, and, at anti-climactic first glance, they looked the part. They were light on box office and heavy with gray hair, sober suiting, Ivy League diplomas, corporate pedigrees and traditionalist Republican views. "Not much there," shrugged a senior Reagan adviser involved in assembling them—not much, that is, except a shared habit of success and a common bent for solving problems as against enforcing ideological purity.

Men of Affairs: The choices were in fact fresh evidence of Reagan's determination to let his New Right admirers howl (as some did) and to look instead to moderate-right men of affairs for answers to the hard realities he is about to inherit. The Capital, when he paid his second call as President-elect during the week, was caught up in a new wave of jitters about a Russian invasion of Poland (page 48). The prime lending rate was back at its April record high of 20 per cent and headed higher (page 65). Inflation remained at a double-digit boil, the recovery was melting down into a new recession, the stock market had gone from bullish to bearish, and an impassioned transition report from two congressmen warned Reagan that he was in for an "economic Dunkirk" unless he took drastic emergency action in his first 100 days.

In the circumstances, Reagan largely ignored the Moral Majoritarian right and assembled what he called "a balance of experienced hands with fresh faces" in the conventional Republican shopping centers—the boardrooms, the Congress and the rolls of Nixon-Ford alumni. His starting line-up:

■ His economic team is on balance old school, with Donald T. Regan, the spiky-sharp chairman of Merrill Lynch & Co., as Secretary of the Treasury, industrialist Malcolm Baldrige of Connecticut at Commerce and U.S. Rep. David Stockman of Michigan at the Office of Management and Budget. Stockman, 34, is the co-author (with Rep. Jack Kemp) of the economic-Dunkirk paper now on Reagan's desk and is Kemp's brilliant ally in the cause of radical tax cutting to revivify the economy. But Regan, 61, and Baldrige, 58, are men of more traditional conservative stripe. Regan, not Stockman, is counted [illegible] emerge as first among equals—and he insisted from the moment of his introduction last week that tax cuts must be yoked to offsetting cuts in the budget.

■ The national-security command will be more hawk than superhawk, with old Washington hands Caspar W. Weinberger at Defense and William J. Casey at the CIA—and with Gen. Alexander Haig as the resurrected best bet for the flagship position as Secretary of State. Casey, 67, is an old OSS hand and a lifelong espionage buff with no heavy ideological baggage; Weinberger, 63, is a bottom-line management man whose main charge will be to preside over the Pentagon budget—the only one in town ticketed to grow—and to keep its coming flush times as orderly and fat free as possible. The geopolitics in this mix would come principally from Haig, 56, a sometime Nixon-Kissinger protégé whose world view is a more subtly woven version of Reagan's own: rearm America, watch the Russians and keep your powder dry.

■ The start-up domestic-policy group showed a clear predilection for prudence over zeal, for managers over wreckers. Reagan's Attorney General, as widely predicted, will be his friend and personal attorney William French Smith, 63, a patrician Los Angeles labor lawyer of boardroom-conservative bent and cautious temperament. His nominee for Secretary of Transportation was Andrew Lewis, 49, a Pennsylvania management consultant who migrated only slowly to Reagan from the moderate wing of the party and backed Gerald Ford against him last time around. His man for Secretary of Health and Human Services was U.S. Sen. Richard Schweiker, 54, of Pennsylvania, a belatedly converted ex-liberal who helped shape some of the social programs HHS administers and is said to believe in them still; he had been Reagan's choice for Vice President in 1976, and he was the only man on all Reagan's Cabinet lists who came personally recommended by Edward Kennedy.

The selections taken together were precisely what Reagan wanted in his passage from fundamentalist politician to centrist President: a company of good, gray, solid citizens with eight team players and no known prima donnas. The collective profile of his starting eight was white, male, Eastern, Ivied and middle-aged; they average 56 years, and half are over 60. They are at least as outsiderly as Jimmy Carter's government, though rather less pushy about it; only Weinberger has ever sat at a Cabinet table and only Casey brings any [illegible]

ence to his new job. Six come straight from business or business law, and a surprising number carry Reagan's I.O.U.'s for campaign services rendered—Casey as his manager, Lewis as his man at the Republican National Committee, Schweiker as his "running mate" on the nonticket of 1976, Baldrige as Connecticut chairman for George Bush in the 1980 primaries and for the Reagan-Bush ticket thereafter.

If their nominations were well received on the editorial pages, their mass baptism at Washington's Mayflower Hotel played badly as theater; the drum roll had been too long, the leaks too profuse and too accurate, and the casting too bland in the conspicuous absence of the President-elect himself. Reagan, by official account, feared that his presence might upstage his nominees—"It's their show," said press spokesman Jim Brady—and so stayed out of sight in his borrowed quarters in Blair House, granting an audience to two dozen black leaders. The more prevalent guess, shared by some of his own people, was that he preferred not to take questions about the fitful pace of his Cabinet making thus far—and particularly about his off-again-on-again dalliance with Al Haig for State.

Which Way In? Whatever the case, he sent his written sentiments by proxy and left his eight nominees to meet the press without him. For a half hour, they stood in a stiff, dark-suited row under the plaster cupidons in the Mayflower's State Room, vamping nonresponses to questions they were too new or too canny to answer. There were almost no clues as to the direction of public policy beyond Regan's signal on budget cutting and Schweiker's four-square endorsement of jogging. Drew Lewis finessed one question, pleading that he had been too busy filling out his disclosure forms to start thinking transportation; Baldrige ducked another, "inasmuch as I have not found the front door to the Department of Commerce yet." The session maundered on to a mercifully early close, with none of the drama that normally attends the birth of a government. "We needed Reagan to lend some class," one aide said. "It was a pretty lackluster show."

CONTINUED

The New Right counted it something worse than that: the betrayal by Reagan of the support which people had soldiered in his crusades since 1966. "These are Fortune 500 people," stormed Richard Viguerie, the hard-right direct-mail wizard. "We've just been closed out." Some of the new righteous did take heart at having Stockman at Reagan's court, preaching the gospel of the redemptive tax cut, and some were pacified by Schweiker's opposition to abortion and school busing. But Regan particularly was a pink flag for the right, for having contributed to Democratic as well as Republican candidates in the past and for his suspected heresies against pure Kemp-Roth economics now. "His nomination makes no sense to me whatever," said John T. (Terry) Dolan of the National Conservative Political Action Committee. "I don't see how President-elect Reagan can explain the nomination of Secretary-designate Regan."

The New Right and some of its allies in the Senate had tried in fact to light a backfire against Regan once his name leaked out, with the implicit threat that he would be put through some feet-to-the-fire questioning at his confirmation hearings. But Regan had a powerful friend at court in Bill Casey and a strong portfolio of his own as the master builder of Wall Street's biggest securities firm. In the end, he outlasted half a dozen competitors and nailed down the job before the opposition got fully mobilized.

Byrd Hunting: The infighting over Al Haig's probable posting to State was more furious still, but at the weekend, insiders said, only some last "mechanical problems" were left between him and the nomination. There was a measure of risk for Reagan in choosing him—the now near certainty that Democrats would seize on his confirmation hearings to rake up his record as Nixon's chief of staff and principal prop almost to the end of the Watergate crisis. Minority Leader-to-be Robert Byrd reiterated his threat to put Haig to "intense" scrutiny, armed with his strong prosecutorial gifts and his command of the Watergate literature. "The Reagan people don't have any understanding of Congress or what Byrd can do to them," a top-rank Nixon Administration alumnus said. "Bob Byrd doesn't go hunting for rabbit if he thinks he's going to find a bear."

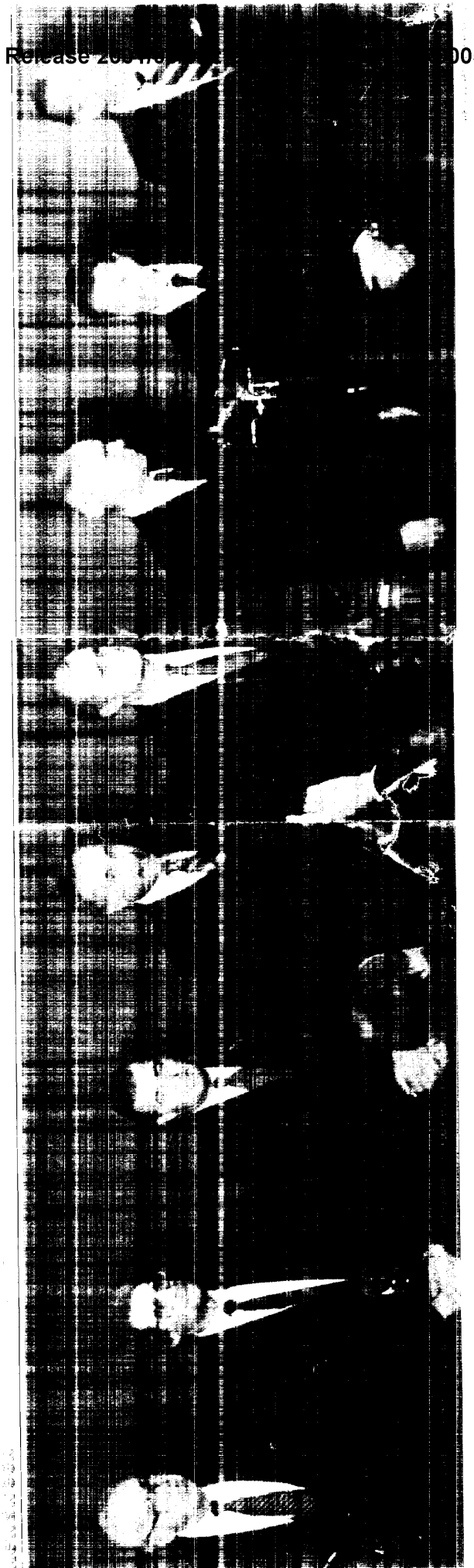
But with his fortunes apparently fading, Haig and his advocates on the Hill—the ultraconservative Sen. Jesse Helms of North Carolina principally among them—mounted a brisk and winning rescue operation. Special Watergate prosecutor Leon Jaworski, who once accused Haig in print of having tried to frustrate his request for the secret White House tapes, suddenly materialized and pronounced the general an "unsung hero" for having helped ease Nixon out of office. Ford told Reagan by phone that, while Henry Kissinger remains his first choice, he could support Haig with no reservations about Watergate or anything else. ("Jerry Ford," quipped Washington political satirist Mark Russell, "just pardoned Alexander Haig.") Helms called Nixon himself to inquire if anything on any tapes as yet unheard might damage the general. "Not a thing," Nixon answered, "and I'm the world's greatest expert on the tapes."

Byrd's whiff-of-grapeshot threats did shake some of Reagan's people—even, by inside account, the indomitably stolid transition chief Ed Meese. But their operatives did what one source called "a second water testing" on the Hill and came back to Reagan's M Street transition headquarters with the word that the storm warnings were overblown—that Haig could be confirmed with minimum damage. "As far as the country is concerned," a Reagan hand concluded, "the Watergate horrors are over." Democrats talked in the cloakroom about pressing on and even inquired as to the availability of Carmine Bellino, a demon investigator who has served three Kennedys in the Senate. But Reagan was said to have settled at last on Haig because he needed somebody with a world view to lead his foreign-policy team and had no one else at hand. "Cap Weinberger is a hell of a manager," a Reagan topsider said, "but he isn't much of a big-picture man. You get that with Haig."

Haig was accordingly thought likely to be nominated as early as this week. But the public seesawing over the choice looked a shade amateurish and dimmed a bit of the glow that had bathed Reagan on his first triumphal tour of the Capital last month. This time, he found himself grumpily obliged to deny that his Cabinet making was running on any longer than the norm. He was beset as well by a spate of unflattering stories on his troubles wrestling down Washington's bigger-is-better imperative in their first microcosmic test of arms. His transition shop was disclosed to have so overloaded its payroll and so overspent its allotted $2 million in Federal funds that it will have to scrape up a half million more from leftover campaign funds and private donations to stay afloat. "It's like a minister going to Las Vegas," a staffer said wryly of the bureaucratic bloat. "To fight sin, you've got to know it."

Decorating: Reagan elected in any case to lower his profile on this trip East, to New York and Washington. He and Nancy ventured out to Beautifully Peopled dinner parties in both cities, but the President-elect otherwise limited himself mostly to his suite in the Waldorf-Astoria and his rooms in Blair House, receiving various supplicants and lunching man-to-man with his newlywed son, Ron. He did fit in a tour of the White House with Nancy and her decorator (box). Her domain was the living quarters. His was the Cabinet Room, and his now plain design was to do it up with a group portrait in corporate Republican gray.

PETER GOLDMAN with ELEANOR CLIFT, THOMAS M. DeFRANK and HOWARD FINEMAN in Washington and MARTIN KASINDORF with Reagan



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For Secretary of the Treasury: Merrill Lynch Chairman Donald Thomas Regan

A Broker for Treasury

Whose economic views are mostly unknown

The ad for the nation's largest brokerage house reads MERRILL LYNCH IS BULLISH ON AMERICA. In naming a Treasury Secretary, Ronald Reagan wanted to send a similar message of confidence to the nation, especially its business community. Who better to carry it than Merrill Lynch's own chairman, Donald Thomas Regan?

The choice came at the eleventh hour, after former Treasury Secretary William Simon and Citicorp Chairman Walter Wriston had been counted out. Some members of Reagan's transition team were surprised and soured by the decision. They felt that the post should have gone to former Treasury Undersecretary Charls Walker or Reagan Economic Adviser Alan Greenspan. The selection of Regan, 61, seems to have been the handiwork of Reagan's campaign chairman, CIA Director-designate William Casey, who got to know the Merrill Lynch chief when Casey was chairman of the Securities and Exchange Commission in the early 1970s.

An English major at Harvard ('40) and avid golfer (he shoots in the low 90s), Regan learned his hard-driving management style as a Marine lieutenant colonel during combat in the Pacific. Says Regan, whose Irish temper flares quickly at subordinates who do not meet his expectations: "I don't like laziness or sloppiness or slovenliness." After World War II, he joined Merrill Lynch, became its president in 1968 and chairman in 1971. Under his leadership, the firm, already biggest in the U.S. securities industry, became a financial supermarket with thriving new lines of business in insurance, real estate and consumer lending. Having accomplished what he set out to do, Regan had begun to think of stepping down. Two years ago he and his wife Ann, who have four grown children, bought a house in Mount Vernon, Va., for their retirement.

Businessmen regard Regan as sensitive to their need to raise new capital to spur investment, industrial growth and productivity—all the things that the "Reaganauts" claim must be done if inflation is to be stemmed and the economy steered along a path of robust recovery. There are, however, some reservations about Regan among career officials at Treasury. As Merrill Lynch's chairman, he rarely expressed thoughts about economic policies beyond stating their impact on the securities industry. For instance, in a speech last month to the senior staff of the New York Stock Exchange, he declared, "Most of us feel that we are moving into the most encouraging environment for a free-enterprise economy in a generation or more. It should spur investment and productivity and growth, all of which should be reflected in vigorous stock markets." Says a private economist in Washington: "None of us has any notion of what his economic philosophy is. He's a conservative Republican and believes in lower taxes, but what else?"

Regan's experience before congressional committees has been largely limited to discussing such Wall Street esoterica as negotiated commissions in the buying and selling of stock. He has publicly favored a proposal to lower capital gains taxes from 28% to 21%, which would chiefly benefit the nation's nearly 30 million shareholders. He also backs tax incentives, such as more rapid depreciation schedules for businessmen, broadening individual tax brackets to offset inflationary bracket creep and individual tax cuts, but only if a statutory limit is put on the growth of federal spending. However, friends are confident that at his confirmation hearing he will amply demonstrate that his views are broader than the special interests of Wall Street and the "thundering herd" of Merrill Lynch. ■

STATINTL

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NEWSWEEK
22 December 1980

Lawyer, Author, Executive—Spy

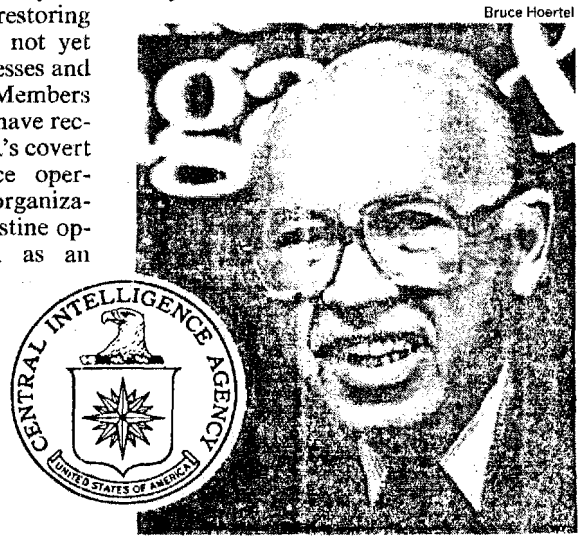
As a poor-sighted Navy lieutenant in World War II, William J. Casey maneuvered a transfer to the U.S. Office of Strategic Services, the nation's fledgling espionage service. By the war's end he was commanding a crash program to send Allied spies into Nazi Germany. Then, there were years of solid—if less dramatic—success as a millionaire tax lawyer, author, chairman of the Securities and Exchange Commission, Under Secretary of State and chairman of the Export-Import Bank. But now Casey is returning to his first love; in the Reagan Administration he will direct the espionage outfit that grew out of the OSS—the Central Intelligence Agency.

Casey faces the challenge of restoring might and morale to an agency not yet recovered from disclosures of excesses and a series of manpower cutbacks. Members of Reagan's CIA transition team have recommended strengthening the CIA's covert activities and counterintelligence operations as well as a wholesale reorganization—perhaps splitting off clandestine operations and leaving the CIA as an analytical unit competing with other intelligence agencies. Such talk has made CIA officials anxious, but they greeted Casey's nomination with relief. That Reagan named his trusted campaign manager to the post—and gave him Cabinet rank—shows that the President-elect "takes the CIA seriously and is not about to reduce the director's authority," guessed one official. And though Casey's own espionage experience is dated, he has served on recent intelligence panels. For his part, Casey concurs with the need to beef up counterintelligence activities but told NEWSWEEK he has no plans for "a drastic reorganization."

Casey could have some problems at his confirmation hearings, although he has been confirmed by the Senate in four previous appointments. As SEC chairman in 1972 he infuriated congressmen investigating campaign contributions from the International Telephone and Telegraph Corp. By giving the SEC's files on ITT to Richard Nixon's Justice Department for possible criminal action, Casey held up the Congressional examination for months. Also that year, he met with an attorney for fugitive financier Robert Vesco, at John Mitchell's request, on the very day that Vesco made a $200,000 contribution to Nixon. Casey says he knew nothing of the contribution then and that the meeting merely facilitated an SEC investigation of Vesco.

Casey: An old hand is welcome at the CIA

Bruce Hoertel



Vigor: Casey's manner belies his broad experience. At 67, he is gruff, shambling and surprisingly inarticulate, but friends say his appearance disguises a razor-sharp mind and a shrewd sense of combat. "Words do not often catch up with the speed at which his mind works," says intelligence expert and friend Leo Cherne. "You think you're dealing with this old has-been and before you know it, he has you in his back pocket," agrees one Reagan aide. An avid reader and author of scores of "desk books" on tax law, Casey surprised critics with his vigor at the SEC. As Reagan's campaign manager this year, he was widely credited with restoring order after John Sears was fired as campaign boss. "He's an instinctive intelligence director, organizer and agent," says friend and oil entrepreneur John Shaheen. "He has a common touch, but he knows how to use muscle."

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U.S. NEWS & WORLD REPORT
22 December 1980

Tomorrow®

A LOOK AHEAD FROM THE NATION'S CAPITAL

At the Central Intelligence Agency, William Casey, Reagan's campaign manager, was an intelligence agent in World War II, has been a lawyer-politician since. Carter named Adm. Stansfield Turner, a career Navy officer.

EXCERPTED

CONGRESSIONAL QUARTERLY
WEEKLY REPORT
20 DECEMBER 1980

William J. Casey:
Central Intelligence Director

President-elect Reagan apparently is getting off on the right foot with the American intelligence establishment by naming 67-year-old lawyer and self-made millionaire William Joseph Casey as director of central intelligence.

Indeed, some prominent former intelligence officials are elated by the choice of Casey, who they say may be just the tonic to fortify anemic morale at the Central Intelligence Agency and in the intelligence community at large.

William E. Colby, a former CIA director who practices law in Washington, said Reagan's choice was "a very good one" because Casey "has a unique background and one very appropriate for the job."

Casey's background includes:

- World War II service in the Office of Strategic Services (OSS), the CIA's wartime predecessor, working to infiltrate U.S. agents into Europe.
- Successful careers as a tax lawyer, teacher, writer and businessman that have earned him a fortune.
- Long and close associations with establishment Republicans that led him to terms in the early 1970s as chairman of the Securities and Exchange Commission, under secretary of state for economic affairs and president of the Export-Import Bank.
- An ardent interest in intelligence matters, demonstrated by active participation in groups such as Veterans of the OSS and the Association of Former Intelligence Officers, plus service on President Ford's Foreign Intelligence Advisory Board.
- A brief but successful stint as Reagan's presidential campaign manager that earned him Reagan's respect and his ear, and got Casey the job he has coveted for years.

Such experience, concludes John Bross, a former OSS and CIA officer who knows Casey, makes the director-designate an "ideal choice for this job."

Mixed Reception

While he is known and generally admired among his intelligence community contemporaries, one active CIA officer said Casey was a stranger to younger officers.

"I can tell you honestly, the reception's going to be mixed [at the CIA]," this officer said. "Nobody knows anything about him. It's really a 'wait and see' attitude."

But Casey has his doubters, including those who wonder whether a man who has done no intelligence work since World War II can run a modern spy agency. Another question is whether Casey, whose rumpled, relaxed manner and wispy white hair make him look every bit his 67 years, has the energy to oversee the CIA and some 10 other intelligence community components.

Lawrence Houston, an OSS veteran and former CIA general counsel, is one skeptic. "People that worked with him seemed to think pretty highly of him," Houston said. "I've always frankly been a little puzzled by Bill. He knows all the right names to call. I've never been particularly impressed by him otherwise."

According to author Joseph Persico, Casey's appearance always has been deceiving. In *Piercing the Reich*, a book about the OSS operation Casey worked in, Persico wrote:

"In Casey, OSS had a man with an analytical mind, tenacious will and a capacity to generate high morale among his staff. He delegated authority easily to trusted subordinates and set a simple standard -- results. He had no patience with the well-born effete who had flocked to OSS, people he dubbed the 'white-shoe boys.'"

The criticism that Casey may be "out of touch" with modern intelligence operations resembles doubts expressed when he became Reagan's campaign manager Feb. 26.

Campaign insiders said Casey did not understand modern media campaigns, the heart of modern political contests. Casey responded at the time: "I'm not supposed to know everything. I'm bringing into the campaign guys who have been there before, who know all these mysterious things I'm not supposed to know."

But a lack of recent intelligence agency experience could prove a political virtue. Casey is untainted by the CIA abuses of the 1960s — such as attempts to overthrow or assassinate foreign leaders — that smudged the agency's image when they were exposed in the 1970s.

Consequently, even an unforgiving CIA critic such as Louis Wolf, editor of a magazine dedicated to exposing CIA operations and publicly identifying U.S. agents, had difficulty criticizing the appointment. "I'm still in the process of looking into his background," Wolf said.

Morton H. Halperin, an equally vigilant but less strident intelligence community critic who is active in the American Civil Liberties Union, said he would "wait and see" about Casey. "I really don't have an opinion," Halperin said. "I don't know enough about his record."

Background, Personality

Born on March 13, 1913, and raised in Elmhurst, Queens, in New York City, Casey was such an energetic child that, by one account, his peers called him "Cyclone."

Casey earned a B.A. degree from Fordham University in 1934 and a law degree from St. John's University Law School in 1937. He began practicing law the following year when he was admitted to the New York State Bar.

He was commissioned a lieutenant in the U.S. Navy when the war began in 1941 but poor eyesight confined him to a desk job in Washington. Through friends in legal circles, Casey connected with Maj. Gen. William J. "Wild Bill" Donovan, the Wall Street lawyer President Franklin D. Roosevelt tapped to form and run the OSS. This led Casey into the OSS.

Casey left the OSS with a reputation as a forceful manager who could make tough decisions with speed and see that they were carried out. He remains supremely confident. When Reagan named some new campaign aides in July, Casey announced with authority: "Everyone reports to me. Every campaign has to have a final arbiter, and that's me."

CONTINUED

Those [illegible] was not in fact the final arbiter on political decisions. But he won praise for taking tough steps that rescued the campaign. He fired 100 campaign aides and refused to pay others for awhile. His tourniquet stopped the financial hemorrhaging.

Career

Casey has been in and out of government ever since World War II. In 1947-48 he was special counsel to the Senate Small Business Committee and later associate general counsel for the Marshall Plan.

He taught tax law at New York University between 1948 and 1962. In this period he wrote and published some [illegible] the titles were *Tax Planning on Excess Profits* and *Tax Sheltered Investments*. Later, he also wrote *How to Raise Money to Make Money* and *How Federal Tax Angles Multiply Real Estate Profits*.

Casey has practiced law throughout his career, and among his partners was Leonard W. Hall, a legend in GOP circles in New York. Casey was active in GOP politics himself. He worked for Thomas Dewey's 1940 and 1948 presidential bids. He ran a foreign policy group in Vice President Richard M. Nixon's 1960 presidential campaign.

In 1966, Casey ran unsuccessfully for the U.S. House. He worked again in 1968 for Nixon, who put him on the Advisory Committee on Arms Control and Disarmament in 1969.

President Nixon named Casey to the Securities Exchange Commission (SEC) on Feb. 2, 1971. After a sometimes stormy tenure as SEC chairman, Casey was named under secretary of state for economic affairs in 1973. However, when Henry A. Kissinger became secretary of state, Casey was moved into the presidency of the government's Export-Import Bank.

Controversy

Casey's publishing ventures led to one dispute that caused him difficulty when he was nominated to the SEC.

The Senate Banking Committee approved Casey's nomination by a 9-3 vote soon after Nixon made it but reopened its hearings after news stories disclosed that Casey had been a defendant in three civil suits between 1962 and 1965.

One suit involved a plagiarism charge against one of Casey's publishing ventures. Another charged that a firm in which Casey was a director and principal stockholder had sold unregistered stock, a violation of securities laws.

The suits were settled out of court, and Casey contended before the Senate committee that he was unaware of the actions of his subordinates. The Banking Committee ultimately reconfirmed Casey to the SEC on March 9.

While he was SEC chairman, some congressional Democrats also charged that Casey had attempted to conceal information about the relationship of the Nixon administration to the International Telephone and Telegraph Corp. (ITT).

A special House subcommittee was investigating reports that ITT had offered to trade a $400,000 campaign contribution to Nixon for settlement of an antitrust suit, and Casey shipped 34 cartons of SEC documents to the Justice Department before the panel could subpoena them. Justice said it would refuse to turn over the documents because they were being used in a criminal investigation.

It was later revealed that some of the documents contained information about conversations between ITT officials and Attorney General John N. Mitchell, Secretary of the Treasury John B. Connally, Vice President Spiro T. Agnew and John D. Erhlichman of the White House staff.

In another case, Casey met in 1972 with a lawyer for Robert L. Vesco about a pending SEC investigation of the financier. The meeting was on the day Vesco secretly gave $200,000 to the Nixon campaign, but Casey has maintained he learned of the donation only later, from news accounts.

There was conflicting testimony in each case, and Casey was never charged or penalized for his role in either. ■

—By Richard Whittle

HUMAN EVENTS
20 December 1980

Human Events
Dec. 20, 1980

Inside Washington

Conservatives Do Doubletake Over Treasury Choice

Conservatives can probably live with most of the President-elect's nominees, but the one name they still seriously question is the choice of Donald Regan for secretary of the treasury.

Clearly, the "right" is less than bullish about the 62-year-old chairman and chief executive of Merrill Lynch & Co. What particularly bothers them about Regan, who was apparently pushed through at the last minute by the governor's choice for CIA, William Casey, is that he has never been much of a conservative supporter, has made few public policy pronouncements of significance and has allowed Merrill Lynch's six-man political action committee—of which he is a member—to back leading liberal Democrats.

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CHRISTIAN SCIENCE MONITOR
19 DECEMBER 1980

Reagan 'supercabinet' to have low profile?

By Godfrey Sperling Jr.
Staff correspondent of
The Christian Science Monitor
Washington

President-elect Ronald Reagan's "supercabinet" concept is undergoing stresses and strains even before it becomes a reality.

There now is a strong possibility that it will be a de facto "supercabinet," not a formal one.

That is, Mr. Reagan intends to have an elite advisory group within the official Cabinet that will counsel him in making decisions on subjects across the board.

But due to objections he is hearing, the President-elect now may put this plan into action quietly — making it part of his government but playing down its existence so as not to antagonize the other Cabinet members.

The Reagan chief of staff-designate, James Baker, is one of those who is pushing for this quiet approach to the adoption of "supergovernment."

"Otherwise," he says, "you are going to downgrade 11 other Cabinet members — and in so doing you irritate their constituencies within their departments."

"Also," said Mr. Baker, "you antagonize the committee chairmen in Congress whose activity is related to the Cabinet members who are left out of the supergovernment."

It is understood that it is Reagan's intention to put together a hard-core advisory unit that would consist of Secretary of State Alexander M. Haig, Secretary of Defense Caspar W. Weinberger, Secretary of Treasury Donald T. Regan, Attorney General William French Smith, and, very likely, CIA director William Casey.

Edwin Meese III, who will be a Cabinet-rank counselor to Reagan, is strongly backing the formal "supercabinet" concept. In fact, it seems that all that now needs to be decided is whether the President-elect will emphasize or play down his move to this kind of government — one which copies his approach as governor of California.

"If we decide to do it [publicly announce a supercabinet]," said Baker, "I'll do what I can to see that it works."

Otherwise, Baker pointed out, he had no doubt that the President would set up this kind of government anyway — that is, he would be meeting with only a select few of his Cabinet most of the time.

Baker made it clear that he could live much more comfortably with a supercabinet of this kind — soft-pedaled so as not to embarrass the other members of the Cabinet.

Who will win out in this early Reagan White House inner struggle?

One observer points out that an answer may lie in the offices Baker and Meese are going to occupy. Baker gets Jack Watson's chief-of-staff office, a choice location.

But the "prime property," now occupied by Zbigniew Brzezinski and earlier by Henry A. Kissinger, goes to Meese.

Meese is extremely close to Reagan and has been for years.

But Baker has won Reagan's admiration and respect in recent months during the campaign — and his "say" is being given a lot of weight by the President-elect.

In the supercabinet concept, Meese would play a central role as coordinator, moderator, and, at times, consultant to the President.

Both Baker and Meese are known for being good natured and easy to get along with. Thus, they are working out how the supercabinet will be implemented in an amicable way that will not threaten to erode their exceptionally good relationship.

[redacted]

THE WASHINGTON STAR (GREEN LINE)
18 December 1980

THE EAR

OVERHEARD AMONG THE REAGANISTES . . . Bill Casey will be the first CIA Chief who won't need a scrambler." . . . "Why's Reagan naming a conservative dentist to head Energy? "Dunno. Drilling Experience?" Heh Heh. They do have a good time. Back tomorrow.

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ON PAGE D-1

PHILADELPHIA INQUIRER
18 December 1980

Nominee for CIA seldom shies away from controversy

By David Hoffman
Knight-Ridder News Service

WASHINGTON — In the early days of the World War II American spy effort, Gen. William (Wild Bill) Donovan, chief of the Office of Strategic Services (OSS), recruited a young New York lawyer to help him spy on Nazi Germany.

The lawyer was William Joseph Casey, a hard-driving, impatient Navy lieutenant who supervised dozens of successful intelligence forays into Hitler Germany.

"Casey has always been an admirer of Donovan," recalls author Joseph E. Persico, who chronicled the wartime spy operations. "It would be the realization of a dream for him to become the General Donovan of his day."

President-elect Ronald Reagan took a step toward making that dream a reality by nominating Casey, 67, to be director of the Central Intelligence Agency (CIA), successor to the old OSS in which Casey once served.

In those hectic World War II days, Casey was the chief of secret intelligence for the European Theater. From his post in London, he sent more than 100 agents behind enemy lines.

When the war was won, he returned to private life, earning a personal fortune over the next 35 years as a high-priced corporate lawyer, a prolific publisher of "how-to" books for lawyers and businessmen on taxes and economic subjects and a successful venture capitalist. He was also a loyal servant in the administration of President Nixon.

Under Nixon, he was chairman of the Securities and Exchange Commission (SEC) in 1971 and 1972, undersecretary of state for economic affairs from 1972 to 1974 and then president and chairman of the Export-Import Bank.

Most reports of his work in government are that Casey was competent, if not always conventional.

Profile

This is one in a series of profiles of top officials in the incoming administration.

William J. Casey

"He'd throw out the book if it didn't work," Persico says. "He is no respecter of sacred cows or traditions if they don't work."

Casey returned to private practice in 1977 and remained there until early in 1980 when Reagan, faced with serious financial problems in his presidential campaign, sought help by naming Casey campaign chairman.

According to friends and transition sources, Reagan had several other reasons for appointing Casey to carry out his campaign pledge to strengthen America's embattled intelligence service.

First, Reagan felt that he needed a trusted adviser who would not obstruct his "window on the world" in terms of intelligence estimates. Casey is the kind of guy who won't be afraid to deliver the bad news," one source says.

More important, however, was the feeling among Reagan's advisers that the intelligence service had been demoralized and shackled by restrictions on covert operations and intelligence-gathering methods imposed by Congress in recent years.

While Casey certainly is not expected to resurrect the abuses that touched off a string of investigations in recent years, the Reagan advisers suggest that his results-oriented outlook could at least sharpen the agency's sense of purpose, the sources say.

Casey's independent style has caused some problems in the past.

In 1971, when the Senate Banking Committee was considering his nomination to head the SEC, Sen. William Proxmire (D-Wis.) charged that Casey "has cut corners when he considered it to be necessary to business profit. He has wheeled and dealed his way into a personal fortune, sometimes at the expense of his clients." Casey was confirmed, but only after a long hearing.

The hearing brought out that Casey had freely gambled millions of dollars from his own fortune on more than two dozen inventions and business proposals just getting off the ground. Most of them involved computers and new communications technology, an interest that Casey retained from his work in the OSS. Casey's temper can run high when he feels that others are questioning his integrity or motives. During a deposition in a plagiarism case, an angry Casey swore at a questioning lawyer and threatened to "kick your ... out of here."

Much like the self-made California industrialists who are personally close to Reagan, Casey came from humble origins in New York.

After graduating from Fordham University in 1934, he worked his way through night law school at St. John's University while earning his living as a New York home-relief investigator. He received his law degree in 1937, during the depths of the Depression, when young lawyers were making $5 a week.

Casey walked into Reagan's 1980 campaign on the night of the New Hampshire primary, when Reagan fired manager John Sears and two other lieutenants. Casey was brought in to stem the financial hemorrhaging in the campaign and presided over the dismissal of 100 aides.

Yet Casey, in his pin-stripe suits, was always something of an anomaly in the Reagan circle. In a group of primarily western conservatives, he [illegible] to eastern, moderate Republicanism.

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THE WASHINGTON STAR (GREEN LINE)
18 December 1980

Planners Have Doubts On 'Super Cabinet'

'Demotions' Feared By Key Reagan Aide

By Jeremiah O'Leary
Washington Star Staff Writer

The incoming Reagan administration is having second thoughts about the idea of having a "super-Cabinet" help the president make major policy decisions, according to a top Reagan aide.

James A. Baker III, who will be chief of staff in the Reagan White House, yesterday told reporters some "red flags" were being raised against the proposal and that it had not yet been decided whether to adopt it.

As set forth by Edwin Meese III, who will be counselor to Reagan in the new administration, the super-Cabinet would include the secretaries of defense, state and treasury and the CIA director.

"If you promote four Cabinet members, you demote 11 others and may make some congressional committee chairmen mad," said Baker. "The arguments for it are that the president needs to reduce the number of people in the decision-making process. The president will always rely on some Cabinet members more than others." Baker said that a decision on whether to set up a super-Cabinet will not be made until next month.

The Reagan transition team had in mind a sort of executive committee of the Cabinet that would sit regularly on matters involving national security and the economy.

Meese's original idea was that the Cabinet members concerned with human problems, resources and development would not be directly affected by national decisions requiring swift policy action.

In practice, the "super-Cabinet" group corresponds almost exactly with the statutory membership in the National Security Council and it may turn out that the NSC will evolve into the smaller group Meese has in mind.

Reagan became accustomed to regular meetings with Meese and his six-member Cabinet in his eight years as governor of California.

The NSC requires attendance of the Joint Chiefs of Staff, and in practice presidents have brought in other Cabinet members for NSC meetings from time to time.

Baker also said the Reagan White House will upgrade the congressional liaison office, to be headed by Max Friedesdorf.

He said the new administration considers the legislative liaison staff so important that it will be moved back into the White House from the Executive Office Building. He said he thought it was a mistake for the Carter administration to move the Congressional Relations office over to the EOB.

The transition team also announced yesterday that longtime Reagan aide and confidant Michael K. Deaver has been appointed assistant to the president and deputy chief of staff. Baker said Deaver, who is now co-partner in the public relations firm of Deaver & Hannaford, will be in charge of Reagan's appointments office, of advance and scheduling for the president, the military office in the White House and the First Lady's East Wing staff.

Baker said the transition team is still searching for a White House press secretary and has interviewed a number of men and women, including some journalists. Jim Brady, spokesman for the Washington transition office, also is under consideration for the job.

Baker, who will be in overall charge of the press operation, said the intention is to have the press secretary report directly to Reagan. "Obviously, the press secretary won't have access going in," said Baker. "But if we get the right person, there will be access to the president."

The chief of staff stopped short of declaring that Martin Anderson will be domestic affairs adviser and that Richard V. Allen will be assistant to the president for national security affairs, but strongly hinted that both men are likely to end up in those jobs. Allen advised Reagan on foreign affairs during the cam-

Baker said Allen's future has not yet been determined, but he added, "Off the top of my head, I think Allen will be appointed, but the scope of the job will have a far lower profile" than under Henry A. Kissinger and Zbigniew Brzezinski.

He said the transition team anticipated both criticism and support for the nomination of retired Gen. Alexander Haig to be Secretary of State. "We expect full, complete hearings," said Baker.

"Republican leaders at Capitol Hill have assured us that the general will be confirmed, but the president-elect gave some consideration to the fact that the hearings could last longer than usual. Some senators, as a result of their staff work, have assured us that there is nothing serious in Haig's record as White House chief of staff in the last months of President Nixon's term."

Baker said that Reagan has made it clear to all nominees for Cabinet rank that they will have a voice in the selection of sub-cabinet assistants but that the White House also will have much to say about the choice of undersecretaries, assistant secretaries and deputies in the various departments.

The new White House will have at least one position that does not exist in the Carter administration. The Reagan team expects to appoint a staff secretary to take charge of the paper flow.

There also will be a staff director and a Cabinet secretary, but Baker said he will rely on the new position of staff secretary to see that information is routed to all sections of the White House staff and government departments.

STATINTL [redacted]

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OFFICE OF CURRENT OPERATIONS

NEWS SERVICE

Date. 18 Dec. 80
Item No. 1
Ref. No.

STATINTL [redacted]

DISTRIBUTION II

(SE 011)

BY PHILIP W. SMITH

NEWHOUSE NEWS SERVICE

WASHINGTON - AS WORLD WAR II WAS WINDING DOWN, WILLIAM J. CASEY ASSISTED IN PREPARING THE INITIAL PLANS FOR THE PEACETIME INTELLIGENCE SERVICE THAT EVENTUALLY BECAME THE CENTRAL INTELLIGENCE AGENCY - THE ORGANIZATION THAT HE WILL DIRECT FOR THE REAGAN ADMINISTRATION IF CONFIRMED BY THE SENATE.

CASEY WAS 31 YEARS OLD AND HEAD OF ALLIED INTELLIGENCE IN EUROPE WHEN HE ASSISTED WITH THOSE PLANS IN 1944 UNDER THE DIRECTION OF WILLIAM "WILD BILL" DONOVAN, COMMANDING GENERAL OF THE OFFICE OF STRATEGIC SERVICES (OSS), THE MILITARY INTELLIGENCE AGENCY. CASEY ALSO DIRECTED THE INFILTRATION OF SECRET AGENTS INTO NAZI GERMANY.

AFTER LEAVING MILITARY SERVICE AND RETURNING TO A NEW YORK LAW PRACTICE THAT EVENTUALLY WOULD MAKE HIM A MILLIONAIRE, CASEY SERVED ON A FIVE-MAN COMMITTEE IN 1947 THAT MADE RECOMMENDATIONS TO PRESIDENT TRUMAN ON THE NEED FOR AND STRUCTURE OF A PERMANENT AMERICAN INTELLIGENCE SERVICE.

THE EXTENT OF HIS EARLIER INVOLVEMENT WITH ORGANIZING PEACETIME INTELLIGENCE WAS REVEALED IN A LETTER HE WROTE IN 1971 TO THE CHAIRMAN OF THE SENATE BANKING COMMITTEE, WHICH WAS HOLDING CONFIRMATION HEARINGS ON HIS CONTROVERSIAL APPOINTMENT TO HEAD THE SECURITIES AND EXCHANGE COMMISSION.

AS BOTH HEAD OF THE CIA AND DIRECTOR OF CENTRAL INTELLIGENCE, CASEY, WHO HAD BEEN REAGAN'S NATIONAL CAMPAIGN MANAGER, WILL TAKE COMMAND OF A VAST HUMAN AND ELECTRONIC SPY NETWORK THAT MANY BELIEVE IS IN DIRE NEED OF A MAJOR OVERHAUL.

WHATEVER THE NEW DIRECTOR CHOOSES TO DO TO REVAMP THE CIA AND OTHER INTELLIGENCE SERVICES IS CERTAIN TO BE CONTROVERSIAL.

THERE ARE MANY PEOPLE, INCLUDING A NUMBER OF TOP REAGAN ADVISERS, WHO BELIEVE RESTRICTIONS PLACED BY CONGRESS ON CLANDESTINE ACTIVITIES DURING THE PAST SIX YEARS HAVE MADE IT IMPOSSIBLE FOR THE INTELLIGENCE COMMUNITY TO DO ITS JOB.

ON THE OTHER HAND, PROPOSALS TO LOOSEN THESE RESTRICTIONS ARE LIKELY TO MEET WELL-ORGANIZED LOBBYING FROM CIVIL LIBERTIES ORGANIZATIONS, WHICH WILL DIRECT THEIR ATTACK AT A CONGRESS THAT MAY BE RELUCTANT TO GIVE UP THE POWER IT HAS ASSUMED OVER INTELLIGENCE OPERATIONS.

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LOS ANGELES TIMES
17 December 1980

Haig Could Do It

Alexander M. Haig Jr. not only has the experience and intelligence to handle the job of secretary of state, but also possesses something else that should prove beneficial—a name recognized in important world capitals.

In Western Europe, Haig's nomination comes as a welcome reassurance to all those who knew him in the four years he served as the commander of the North Atlantic Treaty Organization. They like and respect him, and prefer him over lesser-knowns who could have emerged with the key Cabinet post.

This response among the allies is not necessarily shared by the Soviet Union. Former generals, particularly those who were in command of allied forces in Europe, are not among Moscow's favorite people. And Haig has made it clear that he would not always walk softly when dealing with the Soviet Union, which once called him a "witch doctor."

Given his background, which included controversial service as White House chief of staff in Richard M. Nixon's final days as President, Haig should also help return to the State Department its role as the preeminent force in foreign policy. The department often came in second to the White House-based National Security Council in the days when Henry A. Kissinger and, more recently, Zbigniew Brzezinski threw diplomatic weight around as presidential advisers.

No one in the Cabinet will have the experience of Haig—not the new secretary of defense, Caspar W. Weinberger; not the new director of the Central Intelligence Agency, William J. Casey; not even the man expected to be named as the President's national-security adviser, Richard V. Allen. The result will be a secretary of state with considerable influence, one determined to discourage any attempts to encroach on his domain as the President's foreign-policy chief.

All this ignores some of the questions certain to arise when the Senate begins consideration of the Haig nomination—questions concerning his role in the Nixon White House during the Watergate scandal. There are legitimate issues to be explored here, although President-elect Reagan has satisfied himself that Haig was not guilty of any wrongdoing or bad judgment. Others may feel different, and are obligated to pursue the matter in the coming hearings.

What was his role in the wiretaps of reporters and government officials? Did he specifically bargain with President Ford for a pardon for Nixon? What was his advice on Vietnam policies? Does he, in fact, deserve gratitude, as Kissinger suggests, for keeping the White House running just before Nixon resigned?

If Haig emerges from the congressional hearings unscathed, he may well go on to become a strong and effective secretary of state. He certainly has the knowledge, background and ability to become just that.

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ON PAGE B-4
NEW YORK TIMES
17 DECEMBER 1980

The Region

Margiotta Defense Gets Bipartisan Aid

Some of the most prominent officials in the state have lent their names and money to a legal defense fund for Joseph M. Margiotta, the Nassau Republican chairman who has been indicted on charges that he devised and operated a scheme of kickbacks on public insurance premiums.

More than $30,000 has been raised, and a fund-raiser last night at the Swan Club in Glenwood Landing, L.I., was expected to raise at least $30,000.

Among those listed on a letterhead seeking contributions to the Nassau Republican Legal Defense Fund are such leading Republicans as William J. Casey of Roslyn, L.I., the newly nominated Director of Central Intelligence, and Senator-elect Alfonse M. D'Amato.

The list also includes such prominent Democrats as Assembly Speaker Stanley Fink and Assemblyman Arthur J. Kremer of Long Beach, L.I., chairman of the Ways and Means Committee.

THE WASHINGTON STAR (GREEN LINE)
17 December 1980

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ON PAGE C-1

A Republican Gathering for William Casey

William Casey

By Lois Romano
Washington Star Staff Writer

Republicans, Republicans and more Republicans swarmed into the elite Metropolitan Club last night for yet another opportunity to reunite, reacquaint and celebrate.

While CIA director-designate and Reagan transition team chieftain William Casey was the guest of honor, the object of everyone's attention was a recently released study, "The Staffing of the Presidency." The report was published by the Center for the Study of the Presidency, which hosted the party. Appropriately enough, Casey agrees with most of the report's recommendations.

"The president-elect wants to have a cohesive cabinet that runs the government like a committee so that all the decision-making comes from the top and is not all broken up in the bureaucratic process," said Casey who, most believe, has the greatest policy-making influence on Reagan. "That's the way he ran the government for the state of California and that's the way he'll run the nation."

Casey says he agrees with the concept of creating a "super-Cabinet" comprised of five department heads that would be considered the highest policy-making body and would be responsible for overseeing the entire cabinet. The idea, proposed by Defense Secretary-designate Caspar Weinberger, has reportedly been the source of some disagreement among Reagan advisers.

"President-elect Reagan prefers working with smaller committees," notes Casey, adding matter-of-factly, "after all, everybody can't do everything."

At least 200 Republicans and a few old-guard Democrats stood in a rather long reception line patiently waiting to pump hands with Casey and two of the four authors of the report, Bradley Nash and R. Gordon Hoxie. But no one seemed to mind.

"I think we've already brought a lot of life to Washington in the short time since the election, don't you?" smiled Clifton White, one of the many senior members of the transition team. "I've worn my tux three times in the last week and only wore it twice during the entire four years of this administration."

For some, it was old home week.

"God, you look like an ad for life in California," blurted Elliot Richardson, former Secretary of Everything under Nixon, to Alex Butterfield. "Life must be treating you well."

"Well, you're not looking too bad yourself," responded Butterfield-who was Nixon's Cabinet secretary. "You haven't aged a day."

And back to the report, which also encourages the re-creation and strengthening of the role of Cabinet secretary. "I hate to go on record as disagreeing with Bill Casey, but I served as a Cabinet secretary and I just don't think there's enough there to warrant a full-time job," says Butterfield. "For awhile under Eisenhower, an important part of the job was arranging trips for the first lady on the Sequoia."

The recurring joke of the night revolved around the ever-growing size of the Reagan transition office in Washington. "It's a powerful machine turning out its quota of daily leaks, and one of the greatest paper-makers ever created," joked Casey to the crowd. "We have 72 chiefs of transition teams and all of them are going out and coming back with lots of paper. With only 10 Cabinet posts, it becomes difficult to read all 72 reports."

"Yes, I'm part of the maze they call a transition," laughed foreign affairs adviser Fred Ikle. "The size of it really has gotten out of hand." But Ikle, like his colleagues, doesn't forsee any problems with the Senate confirmation of Gen. Alexander Haig as Secretary of State. "Watergate is a dead issue," he grimaced. "Those guys up there don't even have the material to reject him and if they did, they wouldn't have the courage to do it."

And then there were the handful of Democrats present, always hoping for the best. "This is one the greatest opportunities in American history for Democrats and Republicans to ideologically meet in the middle and work together," said Tommy "The Cork" Corcoran, formerly of the Roosevelt "brain-trust" and perennial political activist. "The Democrats have to do something or there will be no party."

Less philosophical was D.C. Mayor Marion Barry. "I'm doing the best I can with all these new Republican faces I have to learn. But it's great for the city. A lot of new money coming in. Now we just have to get them to spend it."

RADIO TV REPORTS, INC.

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FOR PUBLIC AFFAIRS STAFF

PROGRAM NBC Nightly News STATION WRC TV NBC Network

DATE December 16, 1980 7:00 PM CITY Washington, DC

SUBJECT Experience in Foreign Affairs

JOHN CHANCELLOR: Alexander Haig's nomination would make him one of the most powerful Secretaries of State in American history. Neither Mr. Reagan nor any of his cabinet choices so far, including the men he has chosen to run the Defense Department and the CIA, has any recent experience in foreign affairs. Haig does, and in the cabinet his views on international matters would not be easily challenged.

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ON PAGE A-23
THE NEW YORK TIMES
15 DECEMBER 1980

ESSAY

The Human Element

By William Safire

WASHINGTON — So you think the Reagan advisers and appointees all look alike, mesh their gears in perfect unison and promise four years of boardroom boredom? A quartet of vignettes suggests some human turbulence under the corporate tarpaulin:

Among My Souvenirs

On the morning after the Carter-Reagan televised debate in Cleveland, candidate Reagan met for breakfast with his most high-powered advisers. All were jubilant: their man had made no Ford-like blunders.

Copies of the debate transcript were handed out to all those at the breakfast, and it occurred to one of the participants that an autographed copy would be an historic memento. Reagan gladly signed all the copies, including Henry Kissinger's.

"Now Henry will sign yours, if you like, Governor," said George Shultz puckishly. It was a pretty funny line; nobody laughed.

Praise Silence

Last week, the Interim Foreign Policy Advisory Board convened to make policy recommendations to the President-elect. This is a good idea: outside heavyweights should have regular access to the next President, and the "interim" in the title suggests that this board will be made permanent, along with a reconstituted Foreign Intelligence Advisory Board.

William Casey, the next C.I.A. chief, briskly chaired the group, issued assignments of topics and allocated time. But a dozen or so bigshots sitting around a table do not always listen raptly to each other's presentations.

When George Shultz began to set forth his ideas, Henry Kissinger and Henry Jackson began to engage each other in conversation. Shultz, a man whose quiet voice and steady presence commands attention, stopped speaking and awaited the silence that was his due. That maneuver always worked in labor negotiations, board meetings, and never failed to focus attention in Nixon Cabinet sessions.

But Jackson and Kissinger kept on chatting. Casey chose not to intervene. Shultz shrugged, put on his most impassive look, and went on with his presentation.

Reaganaughty but Nice

In that same series of foreign policy meetings, before the President-elect arrived, and with Al Haig's chair inexplicably empty — presumably, he was off listening to tapes — the long-time rivalry between Richard Allen and Henry Kissinger briefly surfaced.

In his presentation about transition operations, Allen spoke proudly of the people who were carrying out their assignments on behalf of the President-elect in defense and foreign policy. He used the term that he had coined to describe them — "Reaganauts," on the analogy of the Argonauts (intrepid followers of the ancient Greek who sought Senator Proxmire's award).

Henry Kissinger, man of many neologisms, was not amused. He was aware of the growing tension between Allen's chosen operatives (who are in the main anti-Kissinger) and the foreign policy establishment. That subsurface battle broke out into the open last week with an intemperate blast by President Carter's reformist Ambassador in El Salvador, who objected to the opinions of the Reaganaut author of a blunt transition memo which had been obtained by The New York Times.

Kissinger's put-down of Allen consisted of an encomium to those thousands of unappreciated, fine public servants who make up our foreign service. Everyone at the table knew what shadowy jousting was going on between the past and future national security advisers. When it came his turn to speak, Allen — as yet unappointed — chose not to slam back, and genially allowed as how the careerists were cooperating in the main.

When the group later met with Reagan, however, Jeane Kirkpatrick, the political scientist seated at the table between Shultz and Kissinger, spoke up about the Reaganauts. She used the word pointedly, stressing the importance of having men and women with a sense of political purpose, trusted followers of a President with a mandate, who would infuse the bureaucracy with the direction it needed.

Reagan nodded vigorously; Caspar Weinberger, the Secretary of Defense-designate who fully understood the byplay, beamed; Kissinger did not pick up the challenge; the rest of the players at the table kept their poker faces.

Ups and Downs

A group of the same foreign and defense transitioniks were trying to find their way out of the Executive Office Building recently and came to an unmarked elevator.

"I think this is the wrong elevator," warned Seymour Weiss, a former ambassador whose hawkish advice was rejected in the Nixon-Ford years. Nevertheless, they entered, pushed "down," and soon registered that look of pained surprise when the elevator went up.

"The story of my life," sighed Weiss. "Good advice, never take it."

The Making of the Cabinet

At a glittering cocktail party in Los Angeles last week, Ronald Reagan talked about his first scouting trip to Washington as President-elect and how it reminded him of the story of the three men on an island in the path of a killer tidal wave. One of the three, said Reagan, retired to a mountaintop to meditate until the final moment. A second stayed below to cram all the earthly pleasures he could into his last hours. But Reagan identified instead with the third man—the one, he said, smiling wryly, "who surrounded himself with the best advisers that he could possibly find to see if he could learn to live underwater."

Reagan will return to the Capital this week prepared, or so he hoped, to let the world know at last who his advisers will be. He has spent weeks in hermitic retreat putting together a Cabinet of safe, sane and heavily credentialed boardroom conservatives—a hard job made harder by the onerous post-Watergate rules on financial disclosure and divestiture (page 28). By the weekend, Reagan had chosen nominees for twelve of the top fifteen jobs; eight said yes, two said no, two more had yet to be asked, and three slots remained wide open. But guessing the names proved a hazardous business. One media boomlet for Gen. Alexander Haig as Secretary of State began wilting in the face of serious opposition; another for banker Walter Wriston as Secretary of the Treasury fizzled with the inside word that Reagan had settled on someone else.

The suspense as to Reagan's choices helped feed the illusion that America was somehow without a government at all in a time of danger in the Middle East, in Latin America and, most ominous of all, in Poland (page 38). Jimmy Carter, in obvious concert with Reagan's men, warned the Russians in the bluntest diplomatic language against mistaking that illusion for reality and loosing their tanks against the Poles. But a sort of end-of-the-line languor has in fact fallen over the Carter White House in its final days (page 28), and, in Reagan's self-imposed silence at the far rim of the continent, his still-forming government-in-waiting has had an increasingly awkward time trying to keep from speaking with a confusion of voices.

Reagan's hard choices have been made harder by the tough new rules on conflict of interest.

Reagan nevertheless refused to be hurried at finishing his Cabinet—even when the flow of tips and whispers to the media began congealing into a single consensus list of the most likely to succeed. The collective profile of the new crowd, in these speculations, was conservative but not ideological, with a heavy preference for what one head-hunter called "good managers from the private sector who know how to produce on the bottom line." Haig at State and Wriston at Treasury headed most of the published tip sheets for the four front-row jobs, though both were already sliding downhill. Caspar W. Weinberger, 63, once budget director and HEW Secretary in the Nixon-Ford years, was thought secure for an encore—this time as Secretary of Defense. William French Smith, 63, Reagan's patrician friend and private lawyer, remained the runaway best bet for Attorney General.

The consensus names for the second-tier portfolios were similarly worn smooth by repetition, to a point where their formal anointment may be an anti-climax. Rep. David Stockman, 34, the brilliant conservative two-termer from Michigan, seemed locked in for the Office of Management and Budget. William J. Casey, 67, an old Washington hand who managed the Reagan campaign, was thought similarly secure for CIA director. Thomas Sowell, 50, a black UCLA economist of rightward bent, was mentioned for Housing and Urban Development, among other jobs. Several men holding campaign I.O.U.'s from

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Reagan or the Republican Party were said to be slotted for Cabinet work—Richard Schweiker, the retiring U.S. senator from Pennsylvania, at Health and Human Services; Drew Lewis, a Pennsylvania businessman and party leader, at Transportation; Bill Brock, the incumbent GOP chairman, at Commerce or perhaps a sub-Cabinet slot at State.

Hash Marks: But some of the plums so confidently awarded in the inside-dope stories were in fact in serious-to-terminal doubt at the weekend—among them Wriston's supposed posting to Treasury and Haig's to State. Haig, 56, has lately retired to private life as president of United Technologies Corp. with impressive hash marks in military and civilian service. He was blooded in combat in Korea and Vietnam, schooled in Washington realpolitik under Henry Kissinger and Richard Nixon, and burnished brighter by a mostly successful tour as supreme commander of the NATO forces in Europe. His stock for State rose when ex-Secretary of the Treasury George Shultz—once the favorite—indicated that he was happy in private life.

But Reagan held off in the face of storm warnings from the leaders of both parties in the Senate. Haig carries the heavy baggage of having served—and, some say, shielded—Nixon through the worst of the Watergate crisis, for all his well-publicized heroics at easing the President toward resignation in the final days. Haig acted as the middleman in arranging a series of FBI wiretaps of government officials and newsmen; he delivered Nixon's orders to fire Archibald Cox as special Watergate prosecutor; he figured in the resistance to yielding the White House tapes; he saw the then Vice President Gerald Ford near the end and raised the possibility of a pardon for Nixon. Senate Majority Leader-to-be Howard Baker privately warned that Haig could encounter flak in confirmation hearings, and Baker's Democratic counterpart, Robert Byrd, said the general would come under scrutiny so "intense" that his nomination might fail.

Mr. Clean: State thus remained on Reagan's open list. Treasury, by inside account, was not. Wriston, if he ever really did head Reagan's "A" list, had problems of quite a different sort than Haig's—the kind that might confront any man of wealth and corporate power contemplating government service under the new Mr. Clean reform rules. At 61, he is chairman of Citicorp and its subsidiary, Citibank, and has won a considerable reputation as a tough, entrepreneurial conservative with an active social conscience. But his bank, the nation's second largest, is involved in a number of items well up on Treasury's agenda: the New York City bailout, the Chrysler Corp. rescue loans, the contention over Iran's frozen assets. Wriston at last count held 104,499 shares in Citicorp, worth more than $2 million—and with Reagan's operatives erring [illegible]

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Wriston: Were his assets a liability?

James D. Wilson—Newsweek

Best bets: Weinberger (left) and Smith

Curt Gunther—Camera 5

The flak-catchers: The Allens and the Haigs at a black-tie dinner in Washington

John Ficara—Newsweek

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be forced through a painful divestiture to avoid the mere appearance of a conflict.

The delays in naming a Cabinet or even a single, strong press secretary had their cost; a babel of leaked transition papers and middle-echelon policy brainstorms found its way into print and was treated as Reagan writ. The last straw came when Ray Cline, a Reagan adviser from Georgetown University's Center for Strategic and International Studies, suggested during a trip to Asia that the new Administration might reappraise relations with China and upgrade U.S. contacts with Taiwan. In the answering thunder of outrage from Peking, a memo issued forth from Richard V. Allen, the likely national-security adviser in the Reagan White House, urging vows of silence on foreign affairs. "The usual disclaimer of not speaking for the President-elect may not be enough," wrote Allen. "In some cases a meeting 'postponed' may be trouble avoided."

But Reagan held to his better-safe-than-sorry pace, retiring from public view to his home in Pacific Palisades, running the Cabinet search by conference phone and browsing through a book of past Inaugural speeches for inspiration. His people expected him to start naming names in small clusters on his return East this week—a journey that will begin with a visit to New York and end with a walk through the White House with Nancy and her decorator to plan for the no longer distant day they move in.

PETER GOLDMAN with THOMAS M. DeFRANK, ELEANOR CLIFT and HOWARD FINEMAN in Washington and MARTIN KASINDORF in Los Angeles

Photos by John Ficar—Newsweek

Signing the big budget reconciliation bill: The message was, 'I'm still the President'

Jimmy Carter's Final Days

Not too long ago, it was the center of the political universe. But as Jimmy Carter's days in office dwindled to a precious few, an eerie quiet descended on the White House. The phones weren't ringing nearly as much as they used to, the normally crowded press room was deserted, and even the President himself had taken to ducking away for uncharacteristically long weekends at Camp David—ordering up his Marine One helicopter last week for a once unthinkable Friday-morning departure. Most administrations go through just such a lull in their final days. But with major crises on the boil in Poland and Iran—and a series of nascent ones brewing in the Mideast and Latin America—the neither-here-nor-there uncertainty of this interregnum worried some White House aides. "There's a general feeling of anxiety around here," said one, "that foreign adventurers might use this period to do something they wouldn't otherwise do."

Carter thus found himself forced into the embarrassing position of having to remind the world that he was, after all, still President—and would be until Ronald Reagan was sworn in on Jan. 20. He jolted the lame-duck 96th Congress with the announcement that he would veto an essential appropriations bill that carried an amendment aimed at blocking the use of busing for school desegregation. He also laid on what he hoped would be mediagenic cere-

The Watergate Hangup

The daunting heap of paperwork in Fred Fielding's Washington office is a legacy of Watergate—a mountain of conflict-of-interest regulations, consent forms and disclosure requirements. Fielding, himself a Watergate veteran as onetime deputy to White House counsel John Dean, is responsible for explaining it all to would-be Reagan appointees as part of a complex ethical-screening process. "People look at it and say, 'Oh my God'—or worse," says one insider. "There are usually some expletives." As a result, the whole selection process has begun to take much longer than expected. "The laws are very harsh and very inhibiting," says chief Reagan head-hunter Pendleton James. "I agree in principle, but I think they are overreacting to Watergate hysteria."

Chief among the stumbling blocks is the 1978 Ethics in Government Act, which requires officials to make sweeping financial disclosure and prohibits former bureaucrats from contacting their old agencies for one year after leaving the government for jobs in industry—a potentially heavy burden for some Reagan's business-world nominees. And it may take wholesale divestiture, a baby-and-bathwater unloading of investments, for wealthy appointees to avoid conflicts of interest under the new law. "You're no longer able to insulate yourself by setting up a blind trust," a senior Reagan aide complains. There are also security checks, fingerprinting and a host of pointed questions about past and present associates. Says one reviewer, "We're just trying to minimize surprises."

Fielding: Too many hurdles?

All this makes the checking process as delicate as it is cumbersome. "That's not to say it's necessarily good or bad, but there's no question that it really slows down the process," says Reagan adviser Caspar Weinberger. Gone are the days when a Cabinet choice could have a talk with his wife and deliver his answer the following day. Now, says Reagan counselor Edwin Meese, "he has to sit down literally with a lawyer from the transition, his own lawyer, a banker and an accountant to figure out how he can comply with all the terms." And recruiting government officials will get tougher still, Fielding suspects, when the selection process reaches the sub-Cabinet level—where public service largely lacks the incentive of a title that "your

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monies; for the signing of the Alaska lands bill and a precedent-setting budget "reconciliation" package. He had the State Department working overtime to negotiate an end to the hostage crisis, and he personally warned the Soviets to stay out of Poland.

Even so, Carter continued to have trouble getting his I'm-still-in-charge message across. Though he seemed likely to get his way with Congress, the media virtually ignored his bill-signing fete, the Iranians remained as balky as ever—and perhaps most symptomatic of his suddenly diminished status, aides had to phone up reporters to make sure there would be someone in the White House press room to hear press secretary Jody Powell issue the President's statement on Poland.

'Deep Funk': Though Carter himself maintained that he was "reconciled" to impending retirement, White House insiders told a different story. The vicissitudes of lame duckery, they said, had left him dispirited and resigned. Where he once seemed to relish testing himself against the rigors of the Presidency, Carter was now putting off whatever work he could. "In almost every conversation," reported a staffer, "he'll say, 'Well, that'll be a problem for the next Administration'." In part, his newfound passivity followed a gentlemen's agreement with Reagan not to pre-empt the President-elect's hand in any major policy area. But it also reflected his own "very, very subdued mood," as one aide put it. Said a close colleague of the President's: "Rosalynn and Jimmy have been in a deep funk since the election."

The one bright spot in his fading Presidency was his gutsy eleventh-hour battle with Congress last week. The set-to was spurred by the passage of an appropriations bill that included an amendment prohibiting the Federal government from initiating court suits to force busing of students. "I cannot allow a law to be enacted which so impairs the government's ability to enforce our Constitution," Carter had declared—and when Congress sent the bill to him late last week, he said he would veto it. Conservatives on Capitol Hill vowed to include the same anti-busing provisions in the continuing resolution Congress would have to pass to keep the government functioning. But at the weekend, the leadership was trying to work out a compromise. And White House staffers—knowing that Congress couldn't adjourn without a continuing resolution in place—were confident that the President would prevail. "We've got nothing to lose," crowed one. "It's them that can't go home, not us."

For the most part, however, Carter's final days were filled with far more pain than pleasure. What seemed to hurt most was the evident delight with which Washington was preparing to greet his successor. The enthusiasm generated by Reagan's recent tour of Capitol Hill so rankled Carter that he ordered up a lengthy report on *his* transition activities four years ago. (The findings: as President-elect, Carter had met with Congressional leaders no fewer than eight times.) Carter was also infuriated by a spate of newspaper and magazine articles suggesting that the Reagans would restore to the White House a cultural and social grace that had been absent for the past four years. After all, the record showed, Jimmy and Rosalynn had welcomed to the White House such cultural luminaries as cellist Mstislav Rostropovich, pianist Vladimir Horowitz and jazz trumpeter Dizzy Gillespie.

UPI

Leaving for Camp David: A yen for longer weekends

Despite his battered ego, Carter shed no tears in public. At the start of his last scheduled Cabinet meeting, he tried to dispel the gloom. "I thought I'd be the first to know about the outcome of the election," he deadpanned. "We lost." Then Carter served notice that he did not want any "sentimental" or "maudlin" testimonials from his Cabinet officers, but the session quickly turned into a poignant review of the Carter years. Concluded Vice President Walter Mondale: "I am certain that history is going to deal far more generously with the Carter Administration than the voters did this fall." Carter shared Mondale's conviction—and in place of what would have been his final State of the Union address to Congress next month, he planned to deliver a kind of valediction explaining just why.

Caustic Analysis: The President was not the only member of his Administration eager to provide a personal perspective on the last four years. His former chief aide Hamilton Jordan surfaced to give a series of interviews arguing that Carter's defeat at the polls was the price he paid for confronting tough issues. And a fortnight ago, national-security adviser Zbigniew Brzezinski offered his personal assessment of the Administration's foreign-policy record—a caustic analysis that last week provoked a sharp response from former Secretary of State Cyrus Vance. Brzezinski was bitterly critical of what he said was the nation's failure to "compete assertively" with the Soviet Union, and he blamed Democrats burned by the war in Vietnam. His own efforts to increase American military strength, he said, had encountered "a great deal of opposition within the Administration." Retorted Vance: "The charge that ... there was unwillingness to consider the use of force if necessary when our vital interests were concerned is hogwash." Brzezinski, he added, was overly fond of "the use of military power or bluff."

Brzezinski, Vance: The debate goes on

UPI Bruce Hoertel

The spat not only represented the continuation of a long-running debate between the two foreign-policy experts, it also seemed to typify the sort of divisive sniping that had crippled the Carter Administration from the start. But with just five weeks left in his term, Jimmy Carter seemed content to leave the resolution of that old conflict—and most of the other unanswered questions of his Presidency—to history.

ALLAN J. MAYER with
ELEANOR CLIFT and
THOMAS M. DeFRANK
in Washington

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ARTICLE APPEARED
ON PAGE A21

THE WASHINGTON POST
15 December 1980

Rowland Evans and Robert Novak

The Sub-Cabinet May Be the Key

"A really terrific appointment!" gushed a senior aide to President Carter upon hearing that Merrill Lynch's Donald T. Regan would be Ronald Reagan's secretary of the Treasury. Small wonder. Don Regan not only personally contributed the maximum $1,000 to Jimmy Carter's campaign, but supported his administration's economic ventures.

In contrast, he played no part in Ronald Reagan's campaign and did not back his daring tax-reduction program until being named to the Cabinet. Even then, the prospective Treasury chief stumbled; Regan seemed to make tax cuts conditional on budget cuts, which never has been the president-elect's policy.

So peculiar an appointment to the Treasury is no aberration but flows naturally from Reagan Cabinet-making. Instead of seeking men of ideas or just ideological compatibility with Reagan, the president-elect's inner circle stressed managerial skills and status in the establishment.

This results in a Cabinet ill-equipped for the radical reform of economic, social and national security policy intended by Reagan—save for Rep. David Stockman as budget director and, presumably, Gen. Alexander Haig as secretary of state. Consequently, the president-elect now may be forced to impose sub-Cabinet officers on his Cabinet members to carry out those reforms.

Reagan himself is responsible for some peculiar choices. Caspar Weinberger, the secretary of defense-designate who during the campaign resisted Reagan's formula of rebuilding the nation's defense no matter what the cost, is intensely admired by the president-elect. William French Smith, the attorney general-designate who as a University of California regent supported racial quotas found abhorrent by Reagan, is the president-elect's personal lawyer.

But the president-elect did not even know Regan two weeks ago. His name was surfaced by that artfully bubbling backroom maneuverer, William Casey (campaign chairman and now CIA director-designate). Casey is Don Regan's friend and, what's more, his New York law firm receives fat fees from Merrill Lynch. Republican politicians who did not take Regan seriously as a contender for the Treasury underestimated Casey.

For Don Regan to become a senior Cabinet member in a Republican administration amuses Wall Street insiders, who always figured the self-described "lifelong Republican" was angling to give the bipartisan touch to a Democratic Cabinet. The $1,000 personal contribution to Carter's campaign and the extra $1,700 from Regan's Merrill-Lynch political action committee were not the end of his 1980 Democratic dalliances.

He personally contributed to Sens. Russell B. Long of Louisiana and Daniel Patrick Moynihan of New York. Recipients of Merrill-Lynch PAC funds are a liberal Democratic Who's Who: Sen. Alan Cranston (Calif.), Sen.-elect Chris Dodd (Conn.), Sen. Thomas F. Eagleton (Mo.), Sen. Pat Leahy (Vt.), Sen. Gaylord Nelson (Wis.), Rep. Thomas Downey (N.Y.), Rep. Robert Eckhardt (Tex.), Rep. Wyche Fowler (Ga.), Rep. Henry Reuss (Wis.) and many others.

Since Regan and the Merrill Lynch PAC also contributed to many Republicans, this can be dismissed as big-business cynicism playing both sides of the street. More troubling is the esteem for Regan at the Carter White House for supporting the Carter economic policy (including wage-price guidelines) and not supporting Kemp-Roth tax reduction, embraced by the president-elect.

Even after Ronald Reagan's nomination for president, lifelong Republican Don Regan could not endorse the party's tax position in a statement submitted July 25 to the House Ways and Means Committee. That statement and comments following his Cabinet nomination betrayed the need for a cram course in supply-side economics.

Interviewed on the CBS Morning News the day after his unveiling, Regan was asked whether he would still push tax cuts if Congress resisted budget cuts. His reply: "I think the thing has to be done as a package." That confirmed the absolutely unfounded suspicions of the Wall Street smart boys that the president-elect was abandoning tax cuts.

Why was Don Regan preferable to New York City businessman Lewis Lehrman, who is a loyal Republican, a devoted Reaganite and a brilliant student of supply-side economics? Lehrman is too young (42), too unknown, say Reagan insiders. But why not, then, 67-year-old shipping tycoon Peter Grace, who also is loyally Republican, Reaganite and supply-side? Probably because Bill Casey did not back him.

Apprehension about Treasury policy would be eased if Lehrman (who knows, likes and admires Don Regan) were named deputy secretary. Similarly, a defense expert would help Weinberger as deputy at the Pentagon. But Weinberger stunned the defense community when he advised that his tentative choice is Frank Carlucci, a non-ideological civil servant who is now President Carter's deputy CIA director.

The president-elect has promised visitors he will make sure sub-Cabinet officials fit his policies. Since he set no such requirement for Cabinet members, picking the sub-Cabinet could determine what happens to his radical plans for transforming national policy.

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ON PAGE 16-17

TIME
15 December 1980

Who's In? Who's Out?

Reagan struggles to form a Cabinet able—and willing—to serve

* * * *

► CIA Director. William J. Casey, 67, Reagan's blunt-spoken campaign manager, is the clear front runner and almost certain to be appointed—if a Haig dropout does not cause him to be considered for Secretary of State. During World War II, Casey was a crafty and inventive chief of OSS intelligence operations in Europe. As Nixon's Securities and Exchange Commission chairman, he was accused of complicity in some scandals; though the charges never stuck, they may be revived in confirmation hearings. Although a dedicated conservative, Casey is flexible enough to win praise from liberal Democrats, including Historian Arthur M. Schlesinger Jr.: "He'd be a good CIA chief. He's not a frenetic hard-liner."

EXCERPTED

For CIA: William J. Casey?

ARTICLE APPEARED
ON PAGE 16-17

U.S. NEWS & WORLD REPORT
15 December 1980

"It looked easier in the game plan."

The Woes Are Waiting

Ronald Reagan won't take over until January 20, but he's already confronting big decisions on business, global hot spots—with more to come.

Six weeks before the start of Ronald Reagan's Presidency, the problems he will inherit were piling up fast.

As the President-elect prepared to announce his first cabinet appointments, bad news kept bombarding him. Demands grew for tough economic and foreign-policy decisions to be made—or signals given—even before his inauguration on January 20.

At home, signs spread that the economy was dropping back into recession, undercutting chances that Reagan's program for recovery would achieve quick results.

Abroad, these developments were crowding in—

■ A huge Soviet military buildup around Poland raised fears of a Russian invasion that could renew the Cold War.

■ The stability of the Middle East was strained by border clashes between Jordan and Syria. Fighting between Iran and Iraq showed no sign of slackening.

vador stirred renewed concern about a leftist takeover in the Latin American country.

■ Peking issued a shrill warning that U.S. relations with China could be damaged if the new administration decided to appoint an envoy to Taiwan, as one Reagan aide urged publicly.

Despite these difficulties, the President-elect's main concern in early December remained selection of the cabinet that will help him grapple with the country's woes.

For key posts, names flew in all directions. Some aides were promoting ex-Nixon official Caspar Weinberger for Secretary of Defense; the former commander of the North Atlantic Treaty Organization, Gen. Alexander M. Haig, Jr., for State; New York banker Walter B. Wriston or New York stockbroker Donald T. Regan for Treasury and Reagan's lawyer, William French Smith, for Attorney General.

Also, trial balloons were going up for Reagan's campaign chief, William Casey, as director of the Central Intelligence Agency, and for Representative David A. Stockman (R-Mich.) to head the Office of Management and Budget.

Once the cabinet is picked, Reagan's attention will begin shifting back to his campaign promise to lead the nation from its economic doldrums.

A few months ago, it appeared that the economy would be well on the

percent on December 5, inflation was running at 13 percent and unemployment stood at just under 8 percent.

Nor can Reagan count on the economy improving in the near future. A new analysis by the Economic Unit of *U.S. News & World Report* indicates that the real output of the nation's goods and services will drop in the fourth quarter of 1980 and decline further in the first quarter of 1981.

Reagan's basic plan for reviving the economy is to couple big tax cuts with spending reductions—moving toward a balanced federal budget by 1983.

But the worsening economic picture will make it much harder for him to control federal spending. What's more, many Americans appear unsure that they want a tax cut. A Harris Survey released on December 1 showed that a majority of those sampled oppose a reduction in income taxes, fearing that such action would only stoke inflation.

Troubled auto industry. One other piece of bad economic news came from Detroit. The auto makers reported that sales for the final 10 days of November fell nearly 18 percent below the same period in 1979. At the same time, imported cars showed big gains.

Detroit's continued slide could confront Reagan with one of his first difficult decisions—whether to let U.S. auto makers rescue themselves or lend a hand and risk a trade war with Japan

DES MOINES REGISTER (IA)
14 December 1980

Misguided advice

Strange how the folks who want to get the government off the backs of the American people want to put the government on the backs of foreigners. President-elect Ronald Reagan's transition team for the Central Intelligence Agency wants the agency to put more emphasis on "covert action" outside the United States.

The term is a euphemism for meddling in the affairs of other people. At one time, the CIA had hundreds of covert-action projects in scores of countries. The actions included fomenting coups, planning assassinations and conducting paramilitary operations.

The CIA wisely de-emphasized covert action. The Senate Intelligence Committee in 1976 found that "the evidence points toward the failure of paramilitary activity as a technique of covert action," and raised questions about the effectiveness and propriety of covert action generally.

Americans call it "subversion" when foreigners try to undermine their government, and they rightly resent it. They should also resent secret American efforts to subvert foreign powers, including democratically elected governments. Iran's resentment of the United States is a direct consequence of this country's history of covert action in Iran.

Americans are appalled at the Soviet invasion of Afghanistan and the threatened invasion of Poland. Invasion at least is overt, and the Soviets can be held accountable. Covert activity may be just as effective in putting a government under the thumb of a foreign power, but there is no public accountability. Former Secretary of State Henry Kissinger testified that one reason he had the CIA conduct a war in Laos was that it could be done in secret.

An insidious feature of covert action is that Americans may be victimized by their own government. Phony stories planted in the foreign press as part of a covert "black propaganda" operation sometimes are disseminated worldwide and deceive readers in all countries.

Secrecy and covert action go hand in hand. When Reagan's transition team calls for a step-up in covert action, it means it wants more secrecy in the exercise of government power.

That's not the vision Reagan held out during his election campaign. His choice for CIA director, William Casey, should disavow the recommendation for stepped-up covert action.

PHILADELPHIA INQUIRER
14 December 1980

The transition

A cabinet tethered by loose reins

By David Hoffman
Inquirer Washington Bureau

WASHINGTON — President-elect Ronald Reagan had not met personally with Donald T. Regan or Malcolm Baldrige before he nominated them for positions in the powerful cabinet he envisions.

Instead, he talked only by telephone to Regan, his choice for Treasury secretary, and Baldrige, his nominee for commerce secretary.

As he assembled the first half of his cabinet Thursday, Reagan provided yet another clear signal that he plans to delegate authority generously to subordinates, governing from a slight distance rather than at close range.

For example, the president-elect felt no urgency for a get-acquainted meeting with Regan, the New York stock brokerage executive who probably will become Reagan's chief spokesman on his most difficult and pressing problem — the economy.

Instead, Reagan was content to listen to the advice of his most trusted advisers and, particularly, to his chief White House counselor-to-be, Edwin Meese 3d.

In making his appointments, Reagan sought to reinforce the impression that he plans to have his cabinet function as it did he was governor of California — as a working group that will deal frequently, if not daily, with the troubles that confront the president.

"They share my philosophy and my belief in cabinet government," Reagan said of his appointees. "I am more confident than ever that cabinet government can and will work."

To accomplish this, Reagan's first cabinet selections was almost uniformly managers in the corporate tradition. The eight nominees announced Thursday contained no right-wing ideologues but, rather, a cast of decidedly pragmatic executives and politicians.

In some cases, such as CIA director-designate William J. Casey, the nominees were valued for their loyalty to the president-elect. But in others, such as Regan and Baldrige, they were qualified for the cabinet more by their success in managing large corporations.

By Inauguration Day, Jan. 20, aides say that Reagan plans to have in place an inner-circle committee within the cabinet to grapple with urgent matters before the president. This will include the secretaries of defense, Treasury, state and several top White House aides, with Meese overseeing it.

With only half the cabinet named, it already appears some members will be the dominant players in Reagan's White House. If only by virtue of his broad government experience and Reagan's high regard for him, Caspar W. Weinberger, chosen as defense secretary, is one who is likely to set the pace.

In a move that could prove to be an important asset to his administration, Reagan has, from the start, included some astute political figures in the cabinet. Baldrige, a Connecticut industrialist, is a well-regarded Republican Party figure there.

Drew Lewis, Reagan's choice for secretary of transportation, served as deputy Republican national chairman during the campaign and has earned high marks for political expertise.

With those advisers, Reagan could hope to detect any early dissatisfaction with his administration — the kind of political-warning system that seemed to elude the Carter White House during its first 2½ years. Carter later found it necessary to bring in political types, such as Transportation Secretary Neil Goldschmidt.

Just as he did with a small working cabinet in California, Reagan plans to place a large measure of authority in the hands of subordinates.

"It's going to be a delegated government," said Verne Orr, a deputy transition director. Orr was Reagan's finance director in California for five years after Wienberger left to join the Nixon administration.

Speaking to reporters at a breakfast meeting Friday, Orr said the president-elect would give his cabinet members "loose reins" but, at the same time, "they are watched by Mr. Meese for their performance."

"In five years of working for Ronald Reagan, he never called me in and criticized me, and he never called me in and praised me," Orr added. "Meese is the one."

NEW YORK DAILY NEWS STATINTL

It's spy time for Casey

Ron's CIA choice faces intelligence test

By FRANK VAN RIPER

Washington (News Bureau)—To recently nominated CIA Director William J. Casey—lawyer, businessman, author and chief of secret intelligence for Europe during World War II—there always will be a place in his outfit for a good spy. But he doesn't particularly like the word.

"'Spy' is a word that has a lot of connotations," he said in an interview with the Daily News. "I would say there'll always be a place for the 'observer.'"

Casey, a large-framed man with wispy gray hair and a strong New York accent, the result of growing up in Queens, most recently was chairman of the Reagan reelection campaign. He became top man after John Sears was bounced, and Casey faced the task of reorganizing a nearly bankrupt campaign. He emerged from the job with the confidence and respect of those in the Reagan high command—and with his boss victorious by a landslide.

Casey, 67, says, "The best thing I do is run an organization, whether it's a campaign, a commission (he chaired the Securities and Exchange Commission under President Nixon) or an economic portfolio at the State Department.

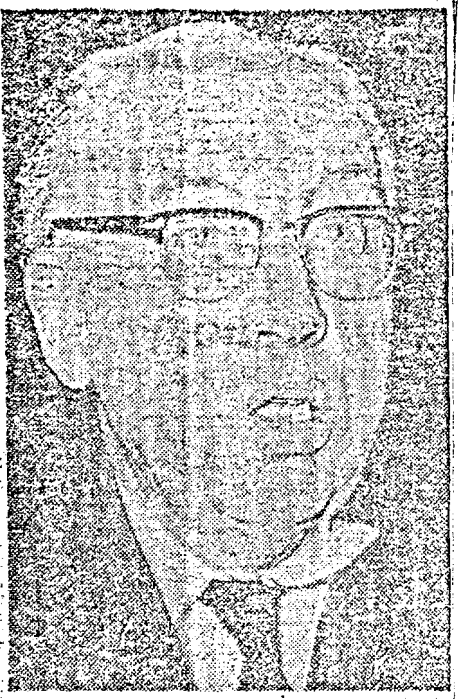
"I'M THE KIND OF guy who can go in, assess morale in an organization and make it go."

How?

"The first thing to do is open the door and let them know you're interested in them and their problems, that you know they want to do a job and you want to help them do it."

As prospective director of central intelligence, Casey is unwilling to criticize his predecessor, Adm. Stansfield Turner. But he notes that "there is almost an infinite degree to which an intelligence operation can be improved. And I hope I will find that Adm. Turner had done that to a considerable degree."

Casey favors reestablishing the President's Foreign Intelligence Advisory Board, a group of nongovernmental experts charged with overseeing the intelligence community. President Carter abolished the board by executive order on March 5, 1977, contending it duplicated the work of other offices. But Casey says, "I think it was a very useful body . . . I think I would recommend that it be revived."



William Casey—heading for CIA.

CASEY ALSO IS eager to confer with congressional leaders on removing what he terms "impediments to collecting intelligence."

"There's legislation up there (on Capitol Hill) that would do that, and I'd be most interested in that." He said he would not elaborate until after meeting with lawmakers.

To Casey, knowing what the other side is up to is paramount to sound policy-making. "Without good intelligence, you're not going to have arms control agreements, you're not going to be able to scale down your arms, you're not going to know what you really need in military strength."

And, he adds, "in an increasingly interdependent economic world, I think it's important to know what forces there are that can jeopardize not only your military security but your prosperity, as well."

CASEY'S MANNER can be abrupt; his answers, noncommittal and blunt. At times, he has the air of a man who has made it and does not suffer subordinates gladly, if at all. But that can change midway into a conversation, and that side, associates say, is the real Bill Casey.

Casey's war experience is his only background in intelligence, but it is formidable. Commissioned in the Navy during the war, he found his eyes too weak for sea duty. He managed to get into the Office of Strategic Services—the precursor of the CIA—and wound up as chief of secret intelligence for Europe. He coordinated the placement of intelligence and sabotage teams on the continent.

The experience left Casey with a profound regard for the "observer" on the ground, be the observer a scholar gathering information from public sources, a businessman gleaning facts on industrial production or an undercover operator—the spy. ■

WASHINGTON STAR
13 DECEMBER 1980

Cabinet Selections Get Nationwide Praise

Businessmen Call Regan Good Choice

Here is a roundup of reaction to President-elect Ronald Reagan's first round of Cabinet selections, compiled by bureaus of the Time-Life News Service.

South

ATLANTA — "They're non-black, non-brown, non-working class and non-female," was the reaction of Dr. Joseph Lowery, president of the Southern Christian Leadership, to the Cabinet nominees of Ronald Reagan. "The brightest thing so far is that they don't seem to represent the far right or even the new right, and I suppose that's a good sign."

Lowery, who joined other civil rights leaders in a meeting with Reagan Thursday, said the president-elect "hedged" when asked about appointing a black Cabinet member.

"I'm a little concerned he may have the dubious distinction of having the first all-white Cabinet in a good while," Lowery added. He said he could not comment more specifically until other Cabinet members were announced.

In Columbia, S.C., attorney Harry Dent, a former aide to Richard Nixon, hailed the selections and commented, "I hope he'll step up to the plate with Haig."

Panama City, Fla., auto dealer Tommy Thomas, who headed Reagan's Florida campaign, approved of the Cabinet choices, but said he was "shocked and disturbed" William Simon was not included. "A tremendous number of conservatives across the country have read Simon's book and believe fervently in him," Thomas said. "The new man may be just as good, but we thought Simon had written a good prescription for getting us out of the dilemma we're in. I really think we needed him."

— Marc Levinson

New England

BOSTON — "Solid." "Moderate." "Experienced." With characteristic reserve, New Englanders have responded positively to President-elect Ronald Reagan's Cabinet choices. Area Republicans declared that these eight men augur well for the Reagan administration.

"So far," enthused Massachusetts state Rep. Andrew Natsios, the state's Republican Party chief, "this is one of the strongest Cabinets in decades."

Singled out for particular praise were Defense Secretary-designate Caspar Weinberger and Treasury Secretary nominee Donald Regan.

Of Regan, economist Otto Eckstein opined, "He's a highly qualified person who understands the financial system. He's been an outstanding leader and executive."

Even the traditionally liberal-minded Boston Globe gave the partial Reagan Cabinet a nod of approval. "There is no reason they cannot perform their function with competence," editorialized the Globe.

While taking obvious pride in the fact that five of the eight are Harvard graduates, observers are concerned that neither women nor minorities have yet found representation on the top echelons of the Reagan administration.

—Joelle Attinger

Midwest

CHICAGO — So far, community leaders here representing areas most likely to be affected by Reagan's initial Cabinet selection are reacting with the same moderation characteristic of the appointees themselves.

The American Medical Association attempted a benign endorsement. "The AMA has had a longstanding and productive relationship with Sen. Richard Schweiker, and we look forward to continuing that relationship," said Toba Cohen, public relations director. And that's all she would say.

The American Hospital Association, however, said a lot more. President Alex McMahon says Schweiker has the knowledge and expertise to tackle tough issues facing the health care field. "Sen. Schweiker is an individual who rejects simplistic solutions."

Continental Bank President John Perkins said of Donald Regan's selection as Treasury secretary: "Regan is a man of great personal integrity. While one may not agree with him on specific points, I'm sure he will examine each issue on an objective basis for this country's best interest."

—Sheila Gribben

Northeast

NEW YORK — From Wall Street to the city halls of the northeastern industrial states of Pennsylvania, New York and New Jersey, there was near unanimous approval of President-elect Ronald Reagan's first eight choices for his Cabinet.

The Wall Street Journal editorialized, "a pretty interesting bunch." The New York Times added, "so far so good . . . Formidable talent."

"Here in Pennsylvania, we're thrilled having two of our own so to speak in the Cabinet," said Mike Krauss, state director of the GOP.

"Donald Regan is an excellent choice. His career is unparalleled in the investment industry," said Harry A. Jacobs Jr., chairman of the Bache Corp., from his Wall Street office.

And another banker, who had worked with William Casey in Europe as an OSS agent during World War II, rendered the opinion: "I'll bet you $10,000, with Bill Casey running the CIA, you won't see the United States getting caught with its pants down as, damn it, we were in Iran."

—Dean Brelis

West

LOS ANGELES — California Republican Chairman Truman Campbell says, "I have heard no negative vibrations although some people say they expected some different names. We have always seen Cap Weinberger as a fiscal personality oriented towards budget and finance and the Defense appointment appears a bit incongruous. There is no question that Weinberger should be in the Cabinet someplace, but the Defense job caught us off guard."

Democrats are not so tolerant. Dennis Desnoo, executive director of the California Democratic Party says, "It is typical thus far. A bunch of white male businessmen. Maybe with the appointment of Haig, we'll have some discussion."

Equally unhappy is Professor Larry Berg, director of the University of Southern California Institute of Politics, who says, "There were some who thought Reagan's conservatism was more moderate. But these appointments show he has no intention of diluting those things he said in the campaign and when he was governor. There is a lot of hoopla about these people being great. Me, I don't see it. We have reversed the process. We have geriatrics in the executive branch and neophytes in the Senate."

— Joseph J. Kane

MEMPHIS PRESS-SCIMITAR (TE)
12 December 1980

Reagan's First Eight

Ronald Reagan took a long time in thinking over his prospective Cabinet, and there were plenty of leaks and public discussion about the candidates. Thus there were no surprises in his first eight choices (and one hopes no clinkers either).

His boldest move was to entrust the powerful Office of Management and Budget to young (34-year-old) Rep. David Stockman. The Michigan Republican is a firm advocate of tax cuts and budget cuts, which may be what the troubled economy needs.

Long before he knew he was going to OMB, Stockman studied the current $632-billion budget and proposed $26 billion in specific cuts. It will be a welcome change to have a budget director who believes government spending can be restrained and doesn't consist only of "uncontrollable" sacred cows.

Stockman should have an ally at the Treasury, where the president-elect will nominate Donald Regan as secretary. Chairman of Merrill Lynch & Co., the nation's largest stockbrokers, Regan lacks government experience. But he knows at first hand the destructive effect of inflation on business and the need to spur saving and investment.

An old pro in government, former Budget Director and Health, Education and Welfare Secretary Caspar Weinberger is going to the Pentagon. Some conservatives grumble that he knows nothing about defense, but "Cap the Knife" knows much about cutting fat out of programs.

If the Defense Department is to make effective use of the additional billions Reagan promised, it will need Weinberger's cold eye when the brass submits its gold-plated wish lists. Otherwise the defense establishment will end up much costlier than, but working no better than, the Post Office.

Reagan seems to have made a solid choice in sending William Casey to head the dispirited CIA. A spy way back in World War II, Casey also has a background in arms control, a field in which the agency must advise the president. Most important, he is a tough old bird, which he'll have to be if the CIA is again to produce first-rate intelligence.

In selecting his close friend and personal lawyer, William French Smith, to be attorney general, Reagan may have erred. A pal at the Justice Department sometimes acts as the president's lawyer and not the nation's top law enforcement officer. And when the president is too close to the attorney general, you can get political justice, which contributed to the downfall of Richard Nixon and John Mitchell. Reagan and Smith will have to be extra careful to avoid conflict-of-interest pitfalls.

In 20 years as a congressman and senator from Pennsylvania, Richard Schweiker showed an interest in health issues. He soon may regret that interest, for it and his Reagan ties are sending him to the Department of Health and Human Resources, whose secretaryship is a thankless, discouraging job. Schweiker says he will reduce fraud and waste. Once inside the door at HHR he won't have far to look.

Reagan also tapped Malcolm Baldrige, a Connecticut industrialist, as secretary of commerce, and Drew Lewis, a Philadelphia area businessman-politician, as secretary of transportation. Since the fate of the republic does not rest on those departments, comments on their problems can be deferred.

The first eight choices for President-elect Ronald Reagan's Cabinet are, left to right, William J. Casey, director of the CIA ; Rep. David A. Stockman, director of the Office of Management and Budget; Drew L. Lewis Jr., Secretary of Transportation, Sen. Richard S. Schweiker, Secretary of Health and Human Services; Malcolm Baldrige, Secretary of Commerce; William French Smith, Attorney General; Caspar W. Weinberger, Secretary of Defense, and Donald Regan, Secretary of the Treasury.

UPI PHOTO

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THE BOSTON GLOBE
12 December 1980
ON PAGE 1

Reagan presents first 8 members of his Cabinet team

Weinberger picked to run Defense

By Rachelle Patterson
Globe Staff

WASHINGTON — President-elect Ronald Reagan, in naming eight of his choices for the Cabinet yesterday, stuck to his pledge to select persons who were successful and "do not want a job in government."

The lineup at yesterday afternoon's unveiling looked like a Wall Street board meeting. For the most part, those selected were Eastern-educated, white businessmen who don't need a job in government.

Chosen for Secretary of the Treasury was Donald T. Regan, 61, chairman of Merrill Lynch & Co., Inc., owner of the country's largest investment firm, Merrill Lynch, Pierce, Fenner and Smith Inc.

Caspar W. Weinberger, 63, vice president of Bechtel Power Corp. and Reagan's finance director when he was governor of California, was named Reagan's choice for Secretary of Defense.

William French Smith, 61, Reagan's personal lawyer and a member of his social circle, was selected for Attorney General.

All three men are expected to form the nucleus of an inner Cabinet that will meet frequently with Reagan to advise him on a range of issues.

Others in the new President's prospective Cabinet include Malcolm Baldrige, 58, of Connecticut, chairman and chief executive officer of Scovill, Inc., designated to be Secretary of Commerce; Drew L. Lewis Jr., 49, Reagan's deputy campaign director and a Philadelphia management consultant, chosen as Secretary of Transportation; and William J. Casey, 67, Reagan's campaign manager and former chairman of the Securities and Exchange Commission, designated to become Director of the Central Intelligence Agency, a post that Reagan has accorded Cabinet status.

Pennsylvania Sen. Richard S. Schweiker, 54, who is retiring after serving in Congress for 20 years, was picked as Secretary of Health and Human Services. Another member of Congress, Rep. David A. Stockman, 34, of Michigan, a conservative who works out economic prescriptions on a computer in his Capitol Hill office, was chosen as Director of the Office of Management and Budget.

The Reagan selections were introduced to reporters by James Brady, transition press secretary, in an ornate room of the Mayflower Hotel, a popular meeting place for the Washington political establishment.

Reagan chose not to appear with his prospective Cabinet members, an unusual move for a President-elect who enjoys being on the stage and has personally introduced many of the people connected with his campaign. His aides said he did not want to steal the limelight from the nominees, but there was also speculation that Reagan did not want to be confronted by reporters about his choice for Secretary of State.

Reagan is said to be ready to move ahead with the announcement of Gen. Alexander Haig for that post despite criticism the nomination is expected to receive from some members of Congress. A friend of former Secretary of State Henry Kissinger, Haig has been criticized for his role in the Vietnam war and for authorizing the wiretapping of former Nixon Administration officials and newsmen.

While yesterday's Cabinet announcements contained no surprises, the homogeneity of those selected prompted some questioning as to whether a black or a woman would be appointed to any of the remaining Cabinet jobs. Brady said he could not answer that, but he said more appointments may be announced either today or this weekend. There are seven more Cabinet positions to be filled.

In a prepared statement, Reagan described his choices as "outstanding individuals" who "combine a balance of experienced hands with fresh faces, new ideas and seasoned perspectives." Reagan said: "They share my philosophy and my belief in Cabinet government and teamwork and with these individuals, and the others I will be nominating, I am more confident than ever that Cabinet government can and will work."

During the televised news conference, Reagan's Cabinet designees were hesitant to offer any insight into what their stewardships might be like. Brady conceded later that he had given the Cabinet appointees a "pep talk" on the dangers of saying anything substantive before their Senate confirmation hearings scheduled between Jan. 5 and 19.

Donald Regan emerged as a candidate for Treasury Secretary after former Treasury Secretary William Simon dropped out of the running. Simon, who had been advising Reagan on economic policy throughout the campaign, was considered a shoo-in for the post only a month ago. But Simon, a

CONTINUED

temperamental, impatient man who is currently a Wall Street investment banker, present for a quick announcement and sole authority over economic matters. Former President Gerald Ford is also reported to have said some negative things about Simon, who served in Ford's Cabinet.

Regan referred twice to an "economic team" who would be defining economic policy in the Reagan Administration, indicating that there would be others pulling at the same string.

Asked whether he would be the "chief economic spokesman" for the Administration, Regan demurred, saying "that was not decided." He avoided any commitment to a specific tax cut, although he said he agreed with one in principle "to stimulate the economy."

Weinberger, who was destined to have a key role in the Administration from the beginning, was known as "Cap the Knife" for his skill at budget-cutting. He was director of the Office of Management and Budget and Secretary of Health, Education and Welfare in the Nixon Administration. Highly intelligent and a bureaucrat who knows his way around, Weinberger is also said to have a big ego and turned down earlier offers to resume his old Office of Management and Budget post. He supports Reagan's plan for tax cuts, federal spending reductions and more money for defense.

Smith had to be talked into taking the job of Attorney General, sources said. He was said to have been concerned that it would look like cronyism. Born in Wilton, N.H., Smith moved to California when he was young but returned to the East to receive his law degree at Harvard in 1942. He is a major figure in the business, academic and cultural communities in California. He headed the group of longtime Reagan friends who drew up a list of potential Cabinet nominees.

During his first national exposure yesterday, Smith twice said he did not "know enough" about the Civil Rights Commission to determine whether he would curtail its role nor would he indicate how he would deal with busing to achieve racial balance in public schools.

Smith is very close to Reagan, dines with him frequently, and is expected to be at his side often. Asked yesterday whether the relationship might pose a problem, Smith said that the "basic integrity of the individuals involved" would preclude any conflict.

Baldrige, a political ally of Vice President-elect George Bush, is regarded as a skilled businessman as well as a good behind-the-scenes political organizer. Politics runs in the family. His sister, Tish, was secretary to Jacqueline Kennedy and is now advising Nancy Reagan on how to staff the White House. The Commerce Department will probably continue to be a nesting place for political patronage.

Schweiker was considering returning to private business last January. But he signed on to help Reagan in the Northeast and it paid off.

A one-time prolabor liberal, Schweiker became one of the Senate's more conservative members during his second term and after he was named Reagan's vice presidential running mate in 1976. In an interview 11 months ago with The Globe, Schweiker said he had "growing concerns" about balancing the budget, inflation and "some of the social programs I had voted for in the past." Schweiker said he had already moved away from the liberal spectrum when approached by Reagan's campaign manager, John Sears, to be Reagan's running mate and failed to understand the "political opportunist" label placed upon him at the time by the media.

Lewis is a longtime friend of Schweiker. He headed up Gerald Ford's election campaign in Pennsylvania in 1976 and is considered a moderate Republican. A businessman as well as a politician, Lewis successfully performed a variety of duties for Reagan during the campaign. Forthright in his manner, Lewis said yesterday he would continue mass transit funding but would review transition team reports before making any further commitments. He was a successful businessman at an early age. At 39, he became president of Simplex Wire and Cable Co. in Boston.

Casey wanted the post of Secretary of State almost from the day he became campaign manager. But that never seemed to materialize. He was not particularly liked by Reagan's California contingent, but the gruff New Yorker was skilled at wielding influence, mainly because he knows a wide variety of people and knows how to play politics. A wealthy lawyer with a variety of interests, Casey is not expected to stay on as CIA director for long. The job, however, is something he is expected to enjoy. He served as chief of secret intelligence under Gen. Dwight D. Eisenhower during World War II.

Stockman is a former aide to Rep. John Anderson and the man who helped prepare Reagan for his first League of Women Voters debate during the election campaign.

Reagan took a personal liking to Stockman, and admired his style, particularly his grasp of economic facts and figures. Stockman was originally pegged for the job of Secretary of Energy, but he declined. He set his sight on the Office of Management and Budget and finally won it.

THE BOSTON GLOBE
12 December 1980

Biographical sketches of Reagan's other Cabinet selections

DEFENSE: Caspar W. Weinberger, 63, was Ronald Reagan's California state finance director before serving as President Richard M. Nixon's Federal Trade Commission chairman, budget director and Secretary of Health, Education and Welfare. He is one of Reagan's closest economic advisers and headed a task force on cutting the federal budget. Nicknamed 'Cap the Knife' because of his tight budget ways under Nixon, Weinberger is a vice president of the Bechtel Group, an international construction and engineering firm with headquarters in San Francisco.

ATTORNEY GENERAL: William French Smith, 63, chairman of a Cabinet-selection group of Reagan advisers and friends, is Reagan's personal lawyer and longtime confidant. A New Hampshire native with a Harvard law degree, Smith set up practice in California in 1942. A wealthy conservative, he is senior partner in the Los Angeles firm of Gibson, Dunn and Crutcher and a director of several California utilities, banks and other corporations. Since 1968, he has been a regent of the University of California, a Reagan gubernatorial appointee.

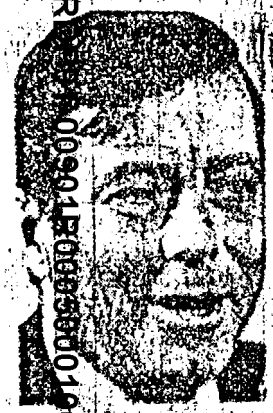
CIA: William J. Casey, 67, another member of Reagan's inner circle, was manager of the President-elect's campaign and chairman of the transition operation. Chief of secret intelligence for Europe during World War II, Casey is a lawyer who served as an undersecretary of state and chairman of the Securities and Exchange Commission under Nixon. He was criticized for an SEC report on Robert Vesco, the fugitive financier, that did not disclose a Vesco contribution of $200,000 to Nixon's re-election campaign.

MANAGEMENT AND BUDGET: Rep. David A. Stockman of Michigan, 34, is considered one of the brightest young congressmen. He is a leading advocate of "supply-side" economics, which calls for dramatic tax cuts to spur investment, raise productivity and employment and reduce inflation. First elected to Congress in 1976, at age 29, Stockman was a sparring partner for Reagan in preparations for his first presidential campaign debate.

COMMERCE: Malcolm Baldrige, 58, a onetime rodeo cowboy who specialized in calf and steer roping, is chairman of Scovill Inc., a diversified consumer-products manufacturer based in Waterbury, Conn. Cochairman of Reagan's Connecticut campaign, Baldrige was born in Omaha, attended an exclusive Connecticut preparatory school and graduated from Yale University.

TRANSPORTATION: Drew Lewis, 49, a Reagan political loyalist, was deputy chairman of the campaign and later was named to the same post at the Republican National Committee. A business consultant from Pennsylvania, Lewis lost a 1974 bid for governor.

HEALTH AND HUMAN SERVICES: Sen. Richard Schweiker, 54, a millionaire Pennsylvania businessman, is retiring from the Senate after two terms. Ranking Republican on the Labor and Human Resources Committee, Schweiker was picked as Reagan's vice presidential running mate in 1976 shortly before the Republican National Convention nominated then-President Gerald R. Ford. Long considered a liberal, Schweiker's voting record was much more conservative after 1976.


LEWIS


SMITH


WEINBERGER


BALDRIGE


CASEY


SCHWEIKER


STOCKMAN

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THE WASHINGTON STAR (GREEN LINE)
12 December 1980

Profiles of the Eight Men Selected for Reagan's Cabinet

William Casey CIA Director

By a Washington Star Staff Writer

On the day of the 1980 New Hampshire primary, Ronald Reagan fired John Sears, his campaign manager, and immediately put William J. Casey in his place.

Casey is credited with reorganizing a campaign that was on the verge of bankruptcy and helping keep it on track through the primaries. He was also instrumental in heading off a conservative cabal to oust Republican National Chairman Bill Brock at a time when Reagan was trying to broaden his appeal.

On the other hand, Casey was faulted for his role in trying to persuade former President Gerald Ford to join the ticket as Reagan's vice presidential running mate, a prime-time mini-debacle at the Republican National Convention. It was also said by some of Casey's critics in the Reagan campaign that he did not understand the new politics of television and polls.

He was never the "final arbiter" of campaign matters that he claimed to be, and most of the important political decisions of the general election campaign were made by other Reagan intimates like Michael Deaver and Edwin Meese, and veteran GOP campaign trooper Stuart Spencer.

When the time came to divide the political spoils, Casey reportedly wanted to be secretary of state or defense, but agreed to take a job for which Reagan convinced him he was particularly suited — director of the CIA.

The 67-year-old Casey is widely considered intelligent, decisive, self-confident, and experienced both in government and politics. He is a successful lawyer with the firm of Rogers and Wells, an entrepreneur who is a self-made millionaire, and the author of a number of books on tax law and one on the American Revolution.

"He's a rare blend of Irish humor, experience and sagacity," is the way he was described by Meese. "He's independent and strong-willed and an amazingly hard worker."

A tall, rumpled, wispy-haired man, Casey grew up in Queens and Long Island and went to undergraduate school at Fordham. He earned a law degree at St. John's University School of Law at night while working as a New York City home relief investigator.

He was commissioned in the Navy in World War II and when his eyes proved too weak for sea duty he wangled an assignment with the Office of Strategic Services, the wartime predecessor to the CIA. He became chief of secret intelligence for Europe and coordinated the placement of intelligence and sabotage teams on the continent.

Casey has remained active in the Veterans of the OSS organization and, along with Dwight Eisenhower, Allen Dulles, John J. McCloy and Sen. Everett M. Dirksen, is a recipient of the Donovan medal for distinguished service to the United States.

Since World War II Casey has lived in Long Island, although during the campaign he and his wife took an apartment in Washington. He has a 30-year-old daughter who is active in the arts in New York.

Casey is an avid golfer and a voracious reader. His personal library reportedly contains 10,000 volumes of history and biography. He is active in community affairs and local politics. He ran unsuccessfully for Congress in 1966.

When he was a member of the Nixon administration, Casey bought the Washington home of the widow of Robert McCormick, the famous publisher of The Chicago Tribune, by outbidding the Japanese Embassy. Asked by Mrs. McCormick what she should tell the Japanese, Casey replied, "Tell them to remember Pearl Harbor."

Politically, Casey is described as a conservative who believes in a strong national defense and the free enterprise system. He also is among those who believe U.S. intelligence agencies have been hampered in their effectiveness by congressional reforms.

He helped incorporate William F. Buckley's conservative magazine, The National Review, and was executor of the late Jim Wick's desire that his estate be arranged to ensure the continued publication of Human Events.

During the Nixon administration Casey served as president of the Export-Import Bank, chairman of the Securities and Exchange Commission and undersecretary of state for economic affairs.

As SEC chairman Casey restored the morale of the agency and pushed through a number of reforms. But in that job, and in some others, Casey faced charges of improper actions that have pursued him through much of his career.

His publishing firm settled a plagiarism suit, claiming no knowledge of the actions of subordinates. He was the defendant in another suit that involved alleged violation of the securities laws and misrepresentation of some stock value, which also was settled.

The Senate Banking Committee delayed his confirmation as SEC chairman while it examined these cases, but ultimately the panel recommended his confirmation on a split vote.

As chairman of the SEC, Casey was touched by two of the major scandals of the Nixon administration.

One was the ITT case, which involved, among other things, a charge that Casey lied to other members of the SEC.

The House Commerce subcommitee that was investigating reports that ITT offered to make a $400,000 campaign contribution to Nixon for settlement of an antitrust case, was about to subpoena 34 cartons of documents that contained information about conversations between ITT officials and Attorney General John Mitchell and other administration officials. Casey shipped the documents to the Justice Department before the subpoena could be issued.

Casey also played a role in the scandal involving fugitive financier Robert L. Vesco, who made a secret $200,000 campaign contribution, in $100 bills, to the Nixon re-election campaign while he was under investigation by the SEC for looting a mutual fund complex.

Casey admitted having been asked by Mitchell to see Vesco's lawyer on the very day, in April 1972, that the lawyer, Harry Sears, delivered the contribution. Casey said he saw Sears immediately, but did not know anything about the contribution until he read about it in the newspa-

United Press International

The eight designated Cabinet members at news conference (from left): William Casey, David Stockman, Drew Lewis, Richard Schweiker, Malcolm Baldrige, William Smith, Caspar Weinberger and Donald Regan.

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THE BALTIMORE SUN
12 December 1980

Reagan's Eastern Tilt

How fascinating that Ronald Reagan's first batch of top government appointees should be so *Eastern* in its background. Of the eight white males named by the president-elect, seven hold degrees from colleges in the Pennsylvania-to-Massachusetts corridor and the other, David Stockman, tagged for budget director, can hardly be called a Far Westerner with his all-Michigan resume. Of course, like a lot of other Californians, Mr. Reagan is a transplant, having reached Hollywood via Illinois and Iowa.

For familiar faces Mr. Reagan can depend on Caspar Weinberger at the Department of Defense and William French Smith at the Department of Justice, both of whom worked closely with him when he was governor of California.

The nation will have to wait until Mr. Reagan completes his cabinet-level appointments before deciding if he delivered the "good mix" he promised. Clearly, he needs female and minority representation, plus in-put from regions that so far have been ignored.

Yet it is not our purpose to quibble with yesterday's choices. They reflect a readiness to tap the traditional wellsprings of Republicanism, where prudent economic policies and enlightened internationalism take precedence over the more extreme approaches of the New Right.

This will hold true, as well, if the president-elect decides to nominate Alexander Haig for secretary of state in the face of intense opposition. Whatever his liabilities in the Watergate episode, Mr. Haig is considered part of the moderate GOP establishment. The Pennsylvanians on the Reagan list—Senator Richard Schweiker, nominated for secretary of Health and Human Services, and Drew Lewis, named for secretary of transportation—were anti-Reagan mainstreamers back in 1976. Mr. Schweiker quickly became a conservative after he was picked as Mr. Reagan's prospective running mate; Mr. Lewis swung over after directing the 1976 Ford campaign in Pennsylvania. They have some sympathy for Kemp-Roth economics with its emphasis on tax cuts, but of the Reagan appointees, only Mr. Stockman, something of a congressional whiz-kid, is a truly supply-side economist.

Donald T. Regan, the Wall Streeter named as secretary of the Treasury, has stated that "we must have budget cuts and tax cuts together." And Mr. Weinberger at the Pentagon brings with him the nickname of "Cap the Knife" in tribute to his previous budget-slashing record. Despite expected budget hikes, Mr. Weinberger will be doing a real service if he cracks down on Pentagon waste. The other appointee with economic responsibilities is Malcolm Baldrige, a Connecticut businessman, selected for secretary of commerce. As director of the Central Intelligence Agency, William J. Casey brings an extensive background, beginning with OSS operations in World War II, service in the Nixon-Ford administrations, and chairmanship of the 1980 Reagan campaign.

Perhaps the key man on the Reagan list is Mr. Smith, the attorney general-designate. He comes closest to being a crony, which could hinder the increasing struggle to free the Justice Department from undue political influence. If Mr. Smith is to be part of a "supercabinet," overseeing the whole government, he may be wise to delegate many functions to subordinates and isolate himself from their decisions.

Overall Mr. Reagan's first cabinet list seems a solid one. It could help get the administration off to a good start. Marylanders will have no objections to the *Eastern-ness* of his early appointees.

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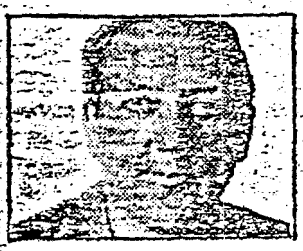
ON PAGE 35

NEW YORK DAILY NEWS
12 DECEMBER 1980

The Reagan Cabinet choices: so far, so-so

WASHINGTON—The overall impression of President-elect Reagan's first batch of Cabinet choices is one of blandness. In an effort to avoid antagonizing either the Republican far right or GOP moderates, Reagan ended up with a politically safe, but colorless lot to fill the first eight Cabinet chairs.



JAMES WIEGHART

There are no controversial figures like the Texas dynamo John Connally in the first group. Nor are there any prominent Democrats like Sen. Henry M. Jackson of Washington. Both Connally and Jackson had been at one time rumored to be high on Reagan's list for secretary of defense.

Instead, Reagan opted for Caspar W. Weinberger for the defense post. A longtime Reagan budget adviser who earned the nickname "Cap the Knife" when he served as budget director and later secretary of health, education and welfare in the Nixon and Ford administrations, Weinberger is now a vice president of the San Francisco-based Bechtel Corp., a multinational construction firm. He has the reputation of an effective, but colorless, administrator.

The Cabinet list also lacks a mover and shaker like former Treasury Secretary William E. Simon, who was said to be Reagan's top choice for that key post. But Simon, a forceful and outspoken conservative who earned a reputation for toughness and abrasiveness by knocking heads as energy czar and Treasury secretary in the Nixon and Ford administrations, apparently ran afoul of moderate Republicans on Capitol Hill and Reagan's own inner circle of California advisers, who felt he might be too hard to handle.

So, after letting Simon twist in the wind of unattributed political sniping from his enemies for several weeks, Reagan apparently was content to let him withdraw his name from consideration.

THE PRESIDENT-elect then turned to Donald T. Regan, a former director of the New York Stock Exchange and now the highly respected chairman of Merrill Lynch & Co., the nation's largest investment brokerage firm.

Regan has first-class credentials for the Treasury post and will undoubtedly be fine. But Simon, who brought the inflation rate down from 12.5% to 4.8% as Ford's Treasury secretary, might have been a more appropriate, if more difficult, choice.

As commerce secretary, Reagan picked Malcolm Baldridge, 58, chairman of Scovill Inc., a Waterbury, Conn., manufacturing firm. Again, a highly respected choice with impeccable Republican credentials (Baldridge ran Vice President-elect Bush's campaign against Reagan in the GOP primary).

But in designating Baldridge, Reagan bypassed Republican National Chairman Bill Brock, who had been angling for the job. Brock, a former senator from Tennessee, is widely credited for the impressive Republican gains in the congressional and state legislative elections. However, Brock was targeted by the GOP's New Right as too left-leaning, so scratch Brock.

The same kind of commentary could be written on each of the Reagan choices thus far. When criticisms were heard from either the far right or from powerful Republicans on Capitol Hill, Reagan chose to avoid a fight. The one exception has been William J. Casey, a well-known New York lawyer and former chairman of the Securities and Exchange Commission who was picked by Reagan to head the CIA.

Casey, who managed Reagan's presidential campaign, was a high-level intelligence operative during World War II for the Office of Strategic Services, the legendary OSS, and he is known as a tough, outspoken and crusty operator.

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THE WALL STREET JOURNAL
12 December 1980

The Reagan Team

Ronald Reagan's first eight Cabinet choices wisely dodged most of the substantive questions chucked at them in their maiden press conference, but it was possible to get some initial inkling of what kind of Cabinet this will be. They think pretty much alike on the need to restore market mechanisms and bring the federal government under better control.

Their soberness was interesting, however. In the past, Cabinet appointees have often looked flushed with excitement when introduced to the press. These men, four of whom are in their 60s, mostly have successful careers behind them and didn't need new laurels for their crowns. It seems probable that all are very much aware of the difficulties that lie before them.

The initial appointments put key figures of Mr. Reagan's economic team in place. The likely team leader, Don Regan at Treasury, was a choice worthy of speculation. Mr. Regan's personal abilities have been demonstrated in his success at Merrill Lynch, where he has shown daring and imagination in taking that old and revered Wall Street house into new ventures and markets. He has directed a great deal of criticism at federal budget management in recent months.

But Mr. Regan could be an apt choice for another reason. He is a man who understands the credit markets, which will be of primary concern when the new administration tries to cope with inflation, yet, he is not, technically at least, a banker.

Indeed, Mr. Regan has spent a great deal of time doing battle with the banks as he has moved Merrill Lynch into areas, such as Cash Management Accounts, that directly compete with banks. If the administration is to be successful in getting the Fed to restrict creation of bank reserves, it may find itself in considerable conflict with the banks.

David Stockman, the young Congressman who will take over the Office of Management and Budget, has developed, along with Congressman Jack Kemp, a lucid game plan for the anti-inflation fight, excerpts of which we print elsewhere on this page today. He has been an important spokesman for supply-side economics, which as the Stockman-Kemp memo suggests, is far from simplistic tax-slashing. Mr. Regan, Mr. Stockman and the President will have a formidable challenge in front of them trying to put an anti-inflation policy into final shape and win congressional support for it. We'll know more about the thrust of the administration's economic policies when we see the crucial second and third level appointments, but the experienced Mr. Regan and keen-witted Mr. Stockman look like the start of a good team.

Another big job filled yesterday was Cap Weinberger for Defense. Mr. Weinberger has survived some very tough government jobs, running HEW and the OMB, for example, with all limbs still attached. As Defense Secretary he will need an almost superhuman ability to sort out priorities and persuade admirals and generals to work together, but Mr. Weinberger seems well-equipped for that.

Former Senator Richard Schweiker, who will take over Health and Human Services, has been ranking minority member of the Senate Health, Manpower and Education Committee and has thus had an opportunity to witness the long evolution of federal health care policy, which has helped fuel the federal drive towards bankruptcy. In the last few years there has been new thinking about ways to bring market restraints to bear on Medicare and Medicaid and we would expect Senator Schweiker to pursue these efforts.

William Casey, who takes charge of the CIA, goes all the way back to intelligence work in World War II. It could be very useful to have a CIA director with this kind of perspective, as well as a much broader experience in law and politics. The CIA needs to find its proper role again in U.S. foreign policy. The choice of Stansfield Turner by President Carter doesn't appear to have been a particularly fortunate one, despite the admiral's obvious abilities.

As to the other two appointees, Malcolm Baldrige to Commerce and Drew Lewis to Transportation, it would be difficult to guess how well they might do. Mr. Lewis, in particular, takes on a particularly difficult job as Secretary of Transportation, mainly because the Carter administration has involved the government so heavily in interfering with auto design and manufacturing and financing railroads and urban transit. If Mr. Lewis has a mandate to dismantle the DOT, we're all for it.

Many important jobs, including Secretary of State, remain to be filled, and no one should underestimate the impact of second and third tier officials. But on the whole, the sober-faced men who stood before the cameras yesterday look like a pretty interesting bunch.

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THE WASHINGTON POST
12 December 1980

Cabinet Making

THERE IS an awful lot we still don't know about Ronald Reagan's prospective Cabinet, such as, for example: where's the rest of it? And even after the president-elect has disclosed his choices for all these jobs, we still won't know either how much of his Cabinet-government innovation he plans to put into effect or how the personal/power chemistry among the top people will work out. This last point is especially important. People are more (and sometimes a lot less) than the sum of the parts of their résumés.

Still, even without the naming as yet of either the whole national security or economic first team, a few facts about the Reagan designations stand out. Of the batch named yesterday, Rep. Dave Stockman, proposed for director of the Office of Management and Budget, is distinctive on several scores, not just his relative youth. This is an audacious designation by Mr. Reagan (who got to know Rep. Stockman, incidentally, when the congressman was impersonating John Anderson and then Jimmy Carter in pre-debate rehearsals with the governor).

Mr. Stockman is a man of great political energy who is strongly identified with a collection of views on how both a federal administration and a national economy should be managed (separately wherever possible, in a nutshell). But alone of yesterday's group he has this kind of powerful association with what you could call one *school* of views on a complex of disputed issues to be addressed by the Reagan government. The others named have, notably, not been at the raging heart of the arguments over the subjects and jurisdictions they are to inherit.

Caspar W. Weinberger, for instance, a skilled and respected administrator, whose previous Cabinet work (OMB, the old Department of Health, Education and Welfare) was very well reviewed in Washington, has certainly not been involved in any serious way in the big contention over defense policy. And Donald T. Regan, who has presided over a successful New York brokerage house, is known for having lived with public policy, in his business, very successfully and even presciently—but not for having *made* such policy. He too does not represent one side or another in the big-tension controversies that have emerged within the prospective Republican government. He is not, to put it as crudely as we can, Bill Simon.

William Casey, named for the CIA directorship, has been around this town plenty before and certainly some of his views on how the agency should be revived are going to be the subject of dispute—they already are. But no more than the others who were designated does he represent the triumph of the "ideological wing" of anything. These are by and large men known for their competence at what they do. Mercifully, Mr. Reagan spared us that traditional presidential palaver about the "extra dimension" of each man or his most-distinguished-in-the-worldness and the rest. Very workmanlike, very businesslike, very low-key, at least as measured against orthodox practice.

We will get around to the more substantive, policy implications of the Cabinet nominees when their names have all been announced. Our first impression is necessarily tentative, provisional. But it is this—that Gov. Reagan may be serious about the Cabinet-government format, but he is clearly not planning to base it on the appointment of superstar or prima donna Cabinet figures. What looks to be emerging is something more collegial, board chairman plus board.

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THE WALL STREET JOURNAL
12 December 1980

Choosing a Cabinet

Reagan Lineup Includes Seasoned Businessmen, Political Allies, No Minority Members or Women

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

WASHINGTON—Ronald Reagan turned to old friends, political allies and experienced businessmen to fill the first half of his Cabinet.

The initial eight cabinet members were announced yesterday, although the President-elect broke with tradition and didn't personally announce them.

There weren't any surprises in the group, nor were there women or members of minorities. Reagan aides say representatives of those politically potent interest groups are expected to be among Mr. Reagan's final choices, likely to be named next week in California.

There weren't any surprises in the group, the long-awaited announcement of Cabinet appointments was made yesterday afternoon in the noisy, crowded ballroom at a downtown hotel here. He left the task to his transition press spokesman, Jim Brady, who read the appointees' names as they paraded before television cameras.

They were:

—Donald Regan, 61 years old, chairman and chief executive officer of Merrill Lynch & Co., to be Treasury Secretary.

—Caspar Weinberger, 63, vice president and general counsel of Bechtel Group, as Defense Secretary.

—Malcolm Baldrige, 58, chairman and chief executive of Scovill Inc., to be Commerce Secretary.

—David Stockman, 34, Republican Congressman from Michigan to be director of the Office of Management and Budget.

—William French Smith, 63, Los Angeles lawyer and Mr. Reagan's personal attorney, to be Attorney General.

—Richard Schweiker, 51, Republican Senator from Pennsylvania, as Secretary of Health and Human Services.

—Drew Lewis, 49, Philadelphia-area management consultant and deputy chairman of the Republican National Committee, to be Transportation Secretary.

—William Casey, 67, New York tax lawyer and former chairman of the Securities and Exchange Commission, to be director of the Central Intelligence Agency.

All of the appointees must be confirmed by the Senate to their $69,630-a-year posts. None of them are likely to face tough confirmation battles, although Mr. Regan's appointment as Treasury Secretary drew strong early criticism yesterday from hard-line Conservatives. Democratic Senators are expected to grill several of the nominees, especially Messrs. Regan, Stockman and Baldrige, on their economic views.

Mr. Reagan's decision against personally disclosing his Cabinet choices was surprising, especially since he repeatedly has said his Cabinet will wield greater independence and authority than previous ones. Indeed, he is expected to designate several Cabinet members, including the Secretaries of Treasury, Defense, and State, as a sort of "super" executive committee to help determine domestic and foreign policy.

Asked to explain Mr. Reagan's absence, Press Spokesman Brady said, "He feels that this is the Cabinet members' day, it's their show and he doesn't want to do anything that will detract from them."

However, other transition officials said privately the reason was that, if he had been there, Mr. Reagan would have been pummeled with questions on the absence of women and minorities in his initial choices and on the controversy surrounding his selection for Secretary of State Alexander Haig, a former Nixon administration official, is viewed as the likely nominee for the State Department post. But he has drawn criticism from some Democratic Senators because of his role as White House Chief of Staff during the final months of the Watergate scandal.

If he had been there, Mr. Reagan would have been among many close friends and allies. Attorney General-designate Smith and Mr. Weinberger are long-time pals of the President-elect. And Messrs. Casey, Lewis, Schweiker and Stockman all played roles in Mr. Reagan's presidential campaign. Mr. Baldrige has close ties to Vice President-elect George Bush and ran Mr. Bush's Connecticut campaign for the Republican presidential nomination. Mr. Regan, perhaps the nation's leading securities executive, is a close friend of Mr. Casey, who is counsel to Merrill Lynch's law firm.

In a statement, Mr. Reagan said his choices "combine a balance of experienced hands with fresh faces; new ideas and seasoned perspectives." As a group, excluding two-term lawmaker Stockman, the initial Cabinet members average almost 60 years in age. Half are Harvard graduates, the other half went to Yale. Mr. Reagan said the men "share my philosophy and my belief in Cabinet government and teamwork."

But several spokesmen for new-right conservative groups questioned that statement. They criticized the appointment of Mr. Regan as Treasury Secretary, contending the economic philosophies of the securities industry executive and the President-elect conflict. Paul Weyrich, director of the Committee for the Survival of a Free Congress, termed the Regan appointment "questionable." He maintained that Mr. Regan "really isn't in accord" with the President-elect's view on the economy. Howard Phillips of the Conservative Caucus, making the same criticism, called the choice "unfortunate."

Mr. Reagan's final Cabinet picks—for Secretaries of State, Housing and Urban Development, Education, Energy, Agriculture and Interior—are expected to include several faces new to government. Sources say that among them are likely to be Raymond Donovan, 50, a New Jersey contractor, as Labor Secretary. Mr. Donovan, whose Secaucus, N.J., construction company is unionized, is known as a fair but hard-nosed union negotiator.

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THE BALTIMORE SUN
12 December 1980

Reagan names 8 to cabinet; most are businessmen

By Gilbert A. Lewthwaite
Washington Bureau of The Sun

Central Intelligence Agency—William J. Casey, New York lawyer and Reagan campaign official.

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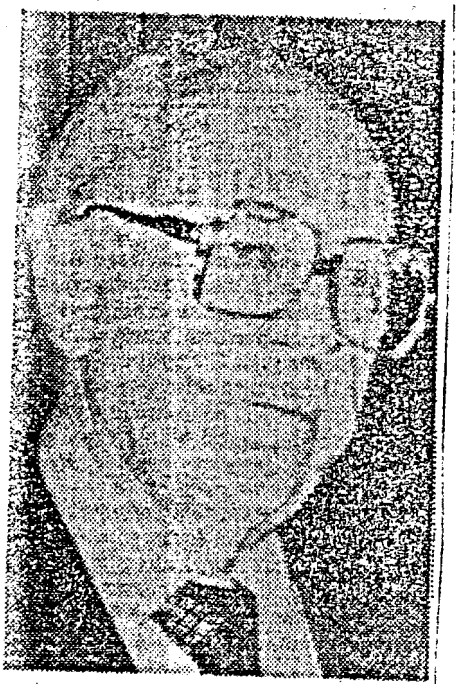

WILLIAM J. CASEY
director of central intelligence

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NEW YORK TIMES
12 DECEMBER 1980

REAGAN DESIGNATES EIGHT TO FILL POSTS AT CABINET LEVEL

SEES A NEW START FOR NATION

Regan, Weinberger, Smith, Lewis, Baldrige, Schweiker, Casey and Stockman Selected

By STEVEN R. WEISMAN
Special to The New York Times

WASHINGTON, Dec. 11 — President-elect Ronald Reagan announced his first eight Cabinet-level appointments today, declaring that together they constituted "the exact combination to create the new beginning the American people expect and deserve."

Those who were chosen were presented this afternoon at an unusual joint news conference, which was not attended by Mr. Reagan. In a statement, the President-elect said that with these selections he was "more confident than ever that Cabinet government can and will work."

Introduced one by one by James Brady, a transition spokesman, the designees lined up before a blue curtain in a packed meeting room of a downtown hotel here, all wearing dark suits and ties. They stood together answering questions for about half an hour and then left quickly.

Designees for Top Posts

Those announced today were:

Director of Central Intelligence: William J. Casey, counsel to the New York law firm Rogers & Wells, former chairman of Mr. Reagan's election campaign.

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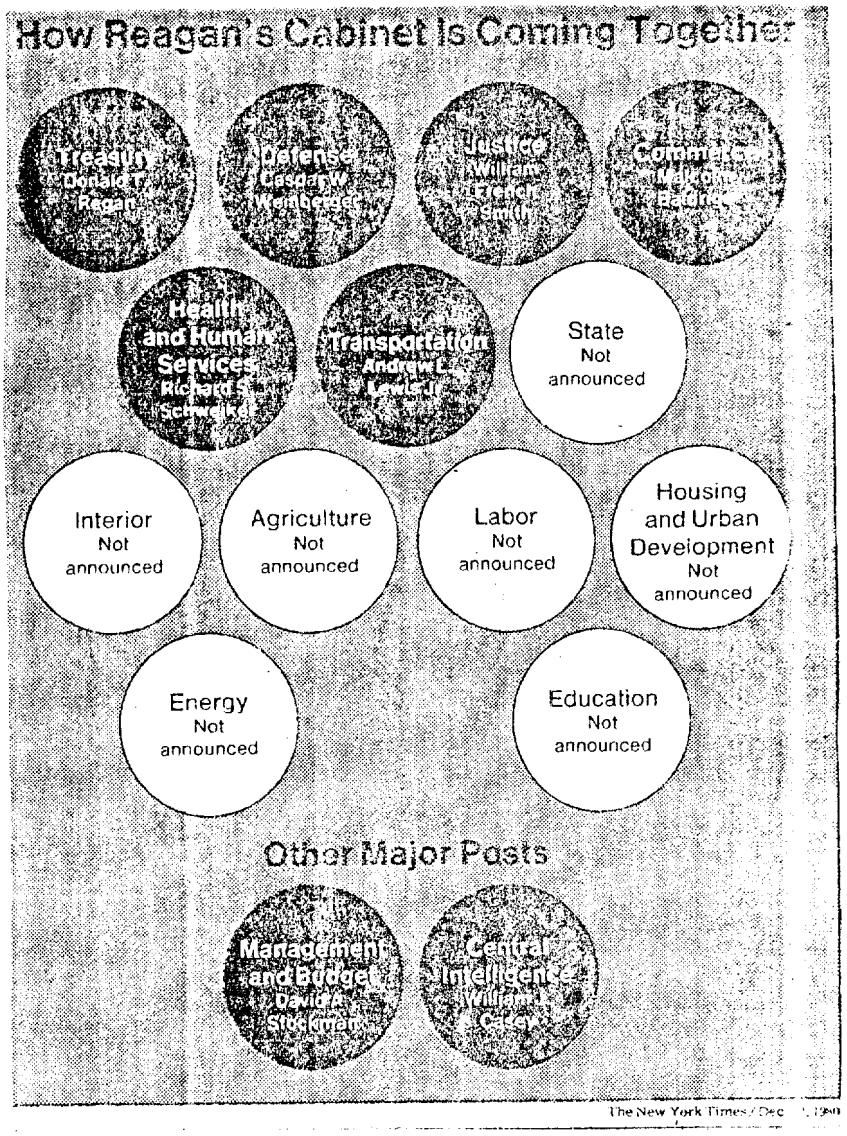

The New York Times / Dec. 1980

William J. Casey, left, was nominated for C.I.A. director.

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THE WASHINGTON STAR (GREEN LINE)
12 December 1980

Reagan Shapes His Team

1st Choices For Cabinet Introduced

By Lisa Myers
Washington Star Staff Writer

* * * *

The nominees were: Donald T. Regan as Treasury secretary; Caspar W. Weinberger as defense secretary; William French Smith as attorney general; Sen. Richard S. Schweiker as secretary of health and human services; Rep. David A. Stockman as budget director; Drew L. Lewis Jr. as transportation secretary; Malcolm Baldrige as commerce secretary; and William J. Casey as CIA director.

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THE WALL STREET JOURNAL
12 December 1980

STATINTL

World-Wide

REAGAN CHOSE Caspar Weinberger for Defense and Donald Regan for Treasury.

Eight Cabinet-level jobs were filled by the President-elect, who tapped personal attorney William French Smith to be Attorney General. Rep. David Stockman (R., Mich.), who favors sharp tax cuts to spur investment and combat inflation, was picked to be Budget Director. Campaign manager William Casey is to head the CIA.

Reagan selected Pennsylvania management specialist Drew Lewis as Transportation Secretary. The Commerce post will go to Malcolm Baldrige, chairman of Scovill Inc. Sen. Richard Schweiker (R., Pa.), will head the Department of Health and Human Services. All appointments are subject to Senate confirmation.

Left unclear during the formal announcement, which Reagan didn't attend, was whether retired Gen. Alexander Haig was due to be named Secretary of State.

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CHICAGO TRIBUNE
12 DECEMBER 1980

Ronald Reagan's nominees

STATINTL

CIA director
William Casey
Manager of Reagan's campaign, chairman of the transition; formerly Nixon's undersecretary of state and chairman of the Securities and Exchange Commission.
Budget and personnel figures not available
Function: To advise the National Security Council on intelligence gathered by various agencies; to correlate, evaluate and disseminate intelligence relating to national security; to collect foreign intelligence.

William J. Casey, 67, President-elect Ronald Reagan's choice to head the CIA, is a Wall Street lawyer who served as Reagan's campaign director. As a campaign strategist, he was said by insiders to be ineffectual, but they note that Casey has considerable experience in the intelligence field. During World War II he was chief of intelligence operations in Europe for the Office of Strategic Services, the precursor of the CIA.

Casey served as undersecretary of state for economic affairs and later as chairman of the Securities and Exchange Commission during the Nixon administration. In his only bid for political office, Casey was defeated in a New York congressional election.

He took over the Reagan campaign after the President-elect fired John Sears last winter. In the general election, though, Casey found himself eclipsed by the wily Stuart Spencer. After the election, Casey served as chief of Reagan's transition committee.

Casy is a graduate of Fordham University and St. John's Law School.

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THE WALL STREET JOURNAL
12 December 1980

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

By Gerald F. Seib
Staff Reporter of The Wall Street Journal

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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THE CHRISTIAN SCIENCE MONITOR
12 December 1980

Changing of the guard at the CIA

In tapping William Casey to head the Central Intelligence Agency, President-elect Reagan is sending a clear signal to Congress, the American public, and overseas governments that US intelligence-gathering will be given increased priority by the new administration. Mr. Casey ran Mr. Reagan's successful election effort and is currently chairman of the transition committee. Moreover, the extent of that renewed mission for the CIA became apparent earlier this week when the GOP intelligence transition team proposed sweeping changes in the organization and operation of intelligence-gathering, including a call for an increase in covert action abroad.

We are not unmindful of the need to strengthen US intelligence capabilities, particularly through ensuring a careful balance between the human side of intelligence gathering and analysis, and the use of gadgetry and technology such as spy satellites and computers. But we would urge the new administration and Congress to be wary of any loosening of restrictions currently applied to covert actions. As Monitor correspondent Daniel Southerland pointed out in a series in these pages earlier this fall, there is a great need for US intelligence work to be fitted once again into a clearer sense of national foreign policy priorities. That means a greater emphasis must be placed on understanding the many cultural and political changes sweeping the world, with a need for recruiting thoughtful, well-educated analysts into intelligence work. The years with a James Bond aura of manipulating governments and plotting assassinations are now behind us.

What must be avoided is a return to the days of going for "quick action" cloak-and-dagger operations. Intelligence work, rather, must be made the handmaiden of a carefully defined US foreign policy.

That should not preclude a greater emphasis on counterintelligence. There is little doubt that terrorism and Soviet espionage are continuing threats to the US.

There is some question, however, whether having a national central records system, as proposed by the transition team, is the proper solution to better counterintelligence. As proposed, the recording system would maintain records not just on presumed overseas agents but also on dealings of those agents with American citizens. To many lawmakers, such a system comes close to a national police dossier on US citizens and would likely pose grave constitutional questions. In fact, we rather suspect that any such system — if ever put into place by the new administration — would quickly become embroiled in litigation from civil liberties groups. And that would defeat the ultimate purpose of having such a system in the first place, namely, increasing intelligence capabilities.

Legislative proposals to establish a separate clandestine agency, as now proposed by some lawmakers close to Mr. Reagan, also strike us as questionable.

Mr. Casey, because of his background as a lawyer, former head of the US Securities and Exchange Commission, and onetime official of the old Office of Strategic Services (OSS), is particularly equipped to pose the careful, long-range policy questions that will be needed during the days ahead as the Reagan administration seeks to define the new direction for the CIA. Although some current CIA officials are reportedly concerned that Mr. Casey's views of intelligence are too rooted in the OSS "night parachute drop" mentality of the 1940s, his tenure as SEC chief indicated caution and deliberation. We would hope that the same qualities will come to the fore during his days at the CIA.

We think Mr. Casey might profitably consider ways of increasing a more competitive system of intelligence analysis, as proposed by the Republican Party transition team. Diversity of ideas and information is as important in intelligence gathering as in any other endeavor. We would also trust that Mr. Casey will continue the pursuit of technological innovation that has been one of the accomplishments of the CIA under its current director, Stansfield Turner.

Whatever else is done, we think a basic need is the strengthening of the entire US educational system. Will intelligence agencies down the road be able to find the cultured personnel they will so badly need in a society that has downplayed foreign languages in schools and shortchanged basic educational skills? The longer-range objectives — and problems — of US intelligence agencies must not be overlooked in any consideration of short-term solutions. Careful deliberation plus regard for the long-range need — these must be the main ingredients in planning for the new CIA.

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THE WASHINGTON POST
12 December 1980

Casey

OSS Veteran Has Reputation as a Pragmatist and Quick Study

By George Lardner Jr.
Washington Post Staff Writer

William J. Casey has had his scrapes with congressional investigators before. He has also, as he pointed out yesterday, "been confirmed by the United States Senate four times."

The shambling, plain-spoken New York lawyer made plain that he has every expectation of being confirmed again, this time as director of the Central Intelligence Agency in the Ronald Reagan administration. Amid calls for more emphasis on covert action abroad and a more prescient intelligence system at home, Casey would be returning to a routine he left behind in World War II.

And the objections that were raised against him nearly 10 years ago — when President Nixon named him chairman of the Securities and Exchange Commission — could, as they did then, prove as much of an asset as an obstacle to speedy Senate approval. Casey was accused by critics then of too-sharp dealings in the business world. His supporters replied that they were impressed by his "energy and toughness."

Born in Elmhurst, N.Y., in 1913, Casey has always had a reputation as a quick study, a pragmatist interested in results. The kids he grew up with called him "Cyclone." Colleagues say he has no patience for perfect solutions. For Bill Casey, workable answers are much better than perfect ones.

A graduate of Fordham and St. John's University law school, Casey joined the Navy after Pearl Harbor, but found himself consigned, because of poor eyesight, to the tedium of procurement contracts. He managed to get close to people who were close to William (Wild Bill) Donovan, head of the Office of Strategic Services, and won a transfer to the OSS.

"As a man who had learned early how power functions," historian Joseph E. Persico has written, "Casey knew that in OSS most power lines led back to the Donovan law partnership in New York."

He was soon sent to London where he became chief of secret intelligence for Europe, with direct responsibility for penetrating Nazi Germany with secret agents in the closing days of the war.

After postwar service in Washington with a Senate committee and in Europe as a Marshall Plan adviser, Casey returned to New York, where he made a fortune practicing tax law and writing specialized and reportedly highly profitable manuals on tax, real estate and investment law and related subjects. Among the titles: "How to Raise Money to Make Money," "How to Build and Preserve Executive Wealth" and "How Federal Tax Angles Multiply Real Estate Profits."

Casey made an unsuccessful run for Congress in 1966, and was quoted as saying: "I've made all the money in business that my family could ever spend . . . I want to do something more meaningful and I'm convinced that with my qualifications, I can make a real contribution in public office."

An active Republican and contributor to conservative causes for years, Casey came in for his first Senate confirmation clash in 1969, when President Nixon named him to the advisory council of the Arms Control and Disarmament Agency. Chairman J.W. Fulbright (D-Ark.) of the Senate Foreign Relations Committee took issue with a controversial advertisement on behalf of the antiballistic missile system that a committee Casey founded had placed in various newspapers. But the committee approved his appointment.

A tougher battle developed in 1971 when Nixon named Casey to the Securities and Exchange Commission. The Senate Banking Committee quickly approved the nomination, but Sen. William Proxmire (D-Wis.) led a fight to reopen the hearings after a variety of lawsuits came to light.

In two of the suits, Casey was accused of violating securities laws. In another, which he eventually settled for $20,500 as part of a post-trial arrangement that included sealing the record, he was sued for plagiarism.

Casey's account of the plagiarism suit was disputed by the trial judge on several key points, fueling doubts about Casey's candor, but the committee stood behind his appointment by a vote of 9 to 3. Proxmire complained in a Senate floor speech that he still did not feel Casey sufficiently "beyond reproach" to be SEC chairman, but no one voted against confirmation.

Casey won high marks for his nearly two-year performance at the SEC, surprising many observers with the vigorous way he dealt with the securities industry. He restructured the stock markets to increase competition and strengthened financial disclosure laws to make them more "realistic."

The performance seemed to validate the predictions of some senators that his "rough-and-tumble background" would prove an asset at the SEC.

In October 1972, however, Casey became embroiled in a protracted and bitter dispute when the SEC turned over to the Justice Department its entire file — 34 cartons — on the International Telephone & Telegraph Corp. ITT had been accused at Senate hearings earlier that year of pledging financial support for the GOP national convention in return for settlement of antitrust disputes with the Justice Department.

House members who had been seeking some of the records for congressional scrutiny called the SEC move an effort to put the documents out of reach until after the 1972 elections. Casey contended that he gave the Justice Department the files because the department had asked for them.

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NEW YORK TIMES
12 DECEMBER 1980

Director of Central Intelligence

William Joseph Casey

By WARREN WEAVER Jr.
Special to The New York Times

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

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

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

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

Lost Congressional Primary

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

At one time, Mr. Casey essayed a political career of his own, but without conspicuous success. In 1966 he challenged Representative Steven B. Derounian, a Goldwater Republican, for renomination in a Long Island Congressional District. This produced reports, now regarded as more amusing than accurate, that the insurgent was a party liberal.

Associated Press

In the 1966 campaign, as in much of his career, he aroused a certain amount of controversy.

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

Named Chairman of S.E.C.

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

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

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

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

Cut Political Spending

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

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

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

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ON PAGE A9

THE WASHINGTON STAR (GREEN LINE)
12 December 1980

STATINTL

Text of Press Session Held by Cabinet Choices

Q: . . . Mr. Casey, could I ask you a two-part question, sir? The transition report on the CIA recommends greater emphasis on counterintelligence and on covert action. Is that to be basically the thrust of your policy at at the CIA?

Casey: The transition report is merely a report about information and ideas collected by the transition team. It will be submitted to me. I haven't read it yet, and when I do I will consider that and consider — have consultations with the appropriate people in the Congress and the people in the organization for determining what the focus of policy will be.

Q: The second part of my question, sir, do you expect any difficulty in your confirmation hearing because of having arranged for — having seen the Vesco lawyer at the behest of Richard Allen when you were chairman of the Securities and Exchange Commission?

Casey: I've been confirmed by the United States Senate four times. My conversation with one of Mr. Vesco's lawyers broke that case open. It was my case. I directed the investigation and the prosecution which brought to light the largest fraud in securities history up to that time. I do not think there's any question about that.

EXEMPT

THE WASHINGTON STAR (GREEN LINE)
12 December 1980

Reagan Stays With Friends In Cabinet Appointments

No Surprises Seen From Eight Picked

By James R. Dickenson
Washington Star Political Writer

William Casey, named to head the CIA, was Reagan's campaign manager and is something of a testament to Reagan's already well-demonstrated loyalty to friends and associates. Some of the people who are closer to Reagan would be just as happy if Casey would return to his New York law practice, but he wants in the administration — he would have preferred State or Defense.

Reagan is grateful to Casey for stepping in and running the campaign during the primaries after he fired John Sears on primary election day in New Hampshire, and reportedly was unwilling to shut him out.

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NEW YORK DAILY NEWS
12 DECEMBER 1980

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STATINTL

RON NAMES 8 TO CABINET

By LAURENCE McQUILLAN and BRUCE DRAKE

Washington (News Bureau)—President-elect Reagan today announced his first eight cabinet-level nominations—including Donald Regan, chairman of Merrill Lynch, as Treasury secretary—and said that all eight "share my philosophy" about running the government.

The first glimpse of who will be the key players on the Reagan team came at a 2 p.m. press conference in the Mayflower Hotel here.

They are:

• New York lawyer William Casey, 67, as director of the Central Intelligence Agency.

William Casey
CIA

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PHILADELPHIA INQUIRER
12 DECEMBER 1980

Reagan Names Half of Cabinet

By Saul Friedman
and David Hoffman
Inquirer Washington Bureau

WASHINGTON — President-elect Ronald Reagan yesterday named half of his cabinet-level nominees — a collection of cautious, conservative, business-oriented men.

The president-elect, unlike his recent predecessors, did not personally introduce his cabinet selections, who included two men from Pennsylvania. But he issued a brief, prepared statement which said in part, "These outstanding individuals combine a balance of experienced hands with fresh faces, new ideas and seasoned perspectives."

The appointees, all of whom are white, appeared to be mainstream, if conservative, Republicans.

Reagan filled all the major cabinet posts except secretary of state, although Alexander Haig still is regarded as the leading candidate for that job.

The positions Reagan did fill, and the men appointed to them — subject to Senate confirmation — were:

• Director of central intelligence — William Casey, 67, of suburban New York City, a former chairman of the Securities and Exchange Commission (SEC), and manager of Reagan's presidential campaign.

The intelligence and budget directors are not members of the cabinet, but they have cabinet-level status and frequently attend cabinet meetings.

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THE WALL STREET JOURNAL
12 December 1980

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

By GERALD F. SEIB
Staff Reporter of THE WALL STREET JOURNAL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ST. LOUIS POST-DISPATCH
12 DECEMBER 1980

editorials

The Reagan Team

President-elect Reagan has announced the names of eight of his 15 Cabinet-level appointees and, by and large, he has made impressive selections. With only a few exceptions they are men with whom he has had long personal associations or close political relationships, so Mr. Reagan is likely to be spared the sort of surprises or problems of loyalty that his predecessor faced with Michael Blumenthal and Joseph Califano. He will have a deeply conservative Cabinet, but that, after all, was the sort of team he was elected to assemble. He will also have a Cabinet, if his other choices resemble these, of highly successful business and professional men, which is to say persons who are more pragmatic in outlook than ideological.

The Senate traditionally — and with justification — has given new presidents the Cabinet officers they have nominated, and there is no reason that Mr. Reagan should not be accorded the same courtesy. But as the Bert Lance affair so vividly demonstrated, there is a difference between being accommodating and in rushing the confirmation process through in so perfunctory a fashion that great chunks of damaging information about a nominee — material highly relevant to the job he is about to assume — are blithely ignored or, indeed, never even looked for. So while we say that the Reagan appointees, in general, appear to be of high caliber, a more definitive judgment on their fitness for high public office must necessarily await a responsible examination by the Senate.

Four of Mr. Reagan's appointees have federal government experience. His Defense Secretary-designate, Caspar W. Weinberger, a secretary of Health, Education and Welfare and budget director in the Nixon Admnistration, is known as an intelligent, dollar-conscious administrator. The Pentagon no doubt will prosper during the Reagan years, but Mr. Weinberger should be a tough-minded force for efficiency. Rep. David Stockman, the new budget chief, has made himself a scholar in the arcana of federal spending and he is a disciple of the voguish supply-side economics, which informs the Reagan tax-cut proposals.

Sen. Richard Schweiker, formerly the most liberal Republican in the Senate, has undergone a sea change in philosophy, which makes him an appropriate choice to head the Department of Health and Human Services. His activist record on health issues suggests, however, that he can be expected to be a responsible advocate for his department.

It is disappointing that for director of central intelligence Mr. Reagan chose his campaign manager, William Casey, a tax lawyer who was chairman of the Securities and Exchange Commission in the Nixon years. His role then in secret campaign contributions from the financier Robert Vesco has never been satisfactorily explained; morever, his background in World War II intelligence suggests that under his leadership the CIA will again be encouraged to engage in covert activities and the black arts.

For attorney general, Mr. Reagan selected his own lawyer and one of his oldest friends, William French Smith, a respected member of West Coast legal circles. He has been reticent about discussing his views on civil rights and busing, but as a University of California regent his support of the school's refusal to admit Allan Bakke suggests that he is not insensitive to minority rights. The head of the Reagan economic team — Treasury Secretary-designate Donald Regan, the innovative chairman of Merrill Lynch, may well be the most impressive of the nominees. His will be the job of quarterbacking the Reagan tax cuts through Congress — and his will be the responsibility of recommending whether the Chrysler bailout should continue or whether the ailing automaker should be allowed to fail.

For Commerce, Mr. Reagan has tapped Malcolm Baldrige, chairman of Scoville Inc., one of George Bush's strongest backers and a man of refreshing candor. One of his chief priorities, as you might expect, is cutting back on government regulations. The new Transportation chief, Andrew L. Lewis a management consultant, has extensive experience with railroad bankruptcies but his views on auto or transit problems are not widely known. But his philosophy will become more apparent under Senate questioning.

Solid is the word we would apply to Mr. Reagan's choices. There is not much flamboyance there; the impression we get is of a competent team in the making. The New Right is upset that the president-elect has neglected high ideology. Feminists and blacks point to the absence of women or minorities among his selections. With seven more spots to fill, Mr. Reagan may yet [illegible] affirmative-action critics. In any case, the country would not be ill served if the next appointments are

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THE WASHINGTON POST
12 December 1980

Says Cabinet Government 'Can Work'

By Lee Lescaze
Washington Post Staff Writer

Ronald Reagan named his first eight Cabinet selections yesterday, including heads of the Treasury, Defense and Justice departments, and said that the men he picked increase his confidence "that Cabinet government can and will work."

The president-elect chose not to appear with the men who will help him govern, but the eight paraded single-file onto a stage in a Mayflower Hotel ballroom to have their names called by spokesman Jim Brady, be photographed and answer reporters' questions.

Reagan did not name anyone to the senior Cabinet post, secretary of state. He reportedly wants Alexander M. Haig Jr. for the post, but the nomination is being held up by fears that Haig's role in the Nixon White House might provoke controversial Senate confirmation hearings damaging to the administration in its first weeks in power.

Sen. Howard H. Baker Jr. (Tenn.), who will be the majority leader in the Republican-controlled Congress that convenes in January, gave Haig's candidacy an apparent boost yesterday. Baker said "Haig did nothing improper" in the Nixon years and could be confirmed. Baker added that he believes Reagan has decided to nominate Haig.

The eight nominees announced yesterday:

- Donald T. Regan, chairman of the brokerage house Merrill Lynch and Co. Inc., to be treasury secretary.
- Caspar W. Weinberger, former secretary of health, education and welfare and director of the Office of Management and Budget, to be defense secretary.
- William French Smith, Reagan's personal lawyer and financial adviser who is a senior partner with the Los Angeles law firm of Gibson, Dunn & Crutcher, to be attorney general.
- Malcolm Baldrige, a Connecticut businessman who is chairman of Scovill Inc, to be secretary of commerce.
- Sen. Richard S. Schweiker (R-Pa.), who had not sought reelection, to be secretary of health and human services.
- Andrew (Drew) L. Lewis Jr., deputy chairman of the Republican National Committee, to be secretary of transportation.
- Rep. David A. Stockman (R-Mich.), a Reagan economics adviser during the campaign, to be director of the Office of Management and Budget.
- William J. Casey, Reagan's 1980 campaign chairman, to be director of the Central Intelligence Agency.

Together they are a mainstream Republican group, a Cabinet nucleus that will not alarm liberal GOP members although it may somewhat disappoint extreme conservatives who hope that a Reagan presidency will be strikingly different from previous Republican administrations.

As the eight white males in dark business suits appeared on the ballroom stage, they looked a little like a singing group without its choirmaster, but Reagan decided that his presence would detract from his nominees' first moment in the spotlight, spokesman Brady said.

"He feels this is their day. It's their show," Brady said.

The nominees did not seem to enjoy the show much. Weinberger was the first to make clear that he thought it inappropriate to give answers of substance to any questions before answering the questions of the Senate committees that will vote on confirming the Cabinet members, but all of the nominees spent much of the question-and-answer session orally ducking.

Smith answered several questions — including ones concerning civil rights and Abscam — by saying that he needed to do a lot of studying. "It's going to take a lot of learning before I can come to any conclusions," said the man who has been one of Reagan's closest political and financial advisers for years.

Smith was confident, however, that his personal relationship with Reagan would not lead to any abuses. "The question is the basic integrity of the individuals involved and, I think, there you will not be disappointed," he told a questioner.

Reagan's first eight nominees are a politically cohesive group. All worked for the Reagan campaign in one way or another.

Their average age is 56 despite the inclusion of the 34-year-old Stockman. Casey, 67, is the oldest; of the others, only Stockman and Lewis, 49, are under 50.

All had been reported as prospective Cabinet choices in speculative press reports that had been surfacing one name or another since shortly after Reagan's Nov. 4 election victory.

Baker has said he would like confirmation hearings to be held between Jan. 5 and Jan. 19 so that the full Senate can be prepared to vote on the nominees as soon as possible after Reagan's Jan. 20 inauguration.

Most of the questions put to the Cabinet nominees yesterday concerned economic policy.

Stockman was asked about cuts in the 1981 budget. He replied that the Reagan planners are "at a very preliminary state," but that there is "no indication we would back off" the 2 percent cut Reagan pledged in his campaign.

"Let's face it, inflation is the No. 1 problem facing the nation today," Regan said. He added that the Reagan team would have to devise an anti-inflation package including budget cuts and tax cuts. Regan ducked a question whether, as treasury secretary, he would be the administration's chief economic spokesman.

Schweiker was asked about controlling health care costs. "As a confirmed two-mile-a-day jogger," he replied, he will emphasize exercise and nutrition as ways to prevent disease.

He added that any budget cuts would be "in the area of fraud and abuse."

"I'm sure we're going to serve the needy people of this country," he said.

One area where Smith was willing to indicate his thinking was on conflict-of-interest laws and regulations. "I think there is much that is required that is unnecessary," he said of the requirements that Reagan advisers have said have delayed and complicated their efforts to form a Cabinet.

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WASHINGTON, Dec 11, Reuter -- William Casey, named today by President-elect Ronald Reagan to be CIA director, will be re-entering the field where he first made his mark.

Mr Casey, 67, a tax lawyer who managed the Reagan campaign in its final eight months, has held various key government posts in the past, including chairman of the Securities and Exchange Commission (SEC).

But his first major public job was with the Office of Strategic Services (OSS), World War II forerunner of the CIA.

Mr Casey was a 32-year-old New York attorney who had already made a fortune writing technical manuals for lawyers when he was chosen in 1944 as OSS Intelligence chief in London.

His principal assignment was one of the most crucial in the war -- to oversee the infiltration of more than 200 Allied agents into Nazi Germany before the final push.

Mr Casey once exulted that he was proud that all but about a dozen agents returned safely at the end of the war.

°°In Casey,'' espionage historian Joseph Persico wrote after the war, °°OSS had a man with an analytical mind, tenacious will, and a capacity to generate high morale among his staff.''

MORE 1433 BC-Reagan-Casey 2 Washington

Raising morale will be one of Mr Casey's chief initial tasks at the CIA. The agency's confidence has been battered by embarrassing revelations about assassination plots against foreign leaders and doubts about its ability to keep secrets.

William Joseph Casey, who was born in New York City on March 13, 1913, is an affable man whose reputation of getting along with people is expected to be an asset at the CIA.

After the war, Mr Casey returned to his lawpractice in New York. In 1971, he was named by President Nixon as chairman of the SEC. He held the position until late 1972, when he became undersecretary of state for economic affairs.

In 1974, he became president and chairman of the Export- Import Bank, an independent government agency which makes loans to promote the sale of U.S. goods abroad.

He also has served as an adviser on arms control before returning to his law practice. Last February, he returned once again into the political limelight as Mr Reagan's campaign manager after long-time Reagan aide John Sears was fired because of disharmony and budget problems in the campaign organization.

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THE WASHINGTON POST
11 December 1980

Cabinet Announcements Start Today

By Lee Lescaze
Washington Post Staff Writer

Ronald Reagan said yesterday that he will announce his first Cabinet nominees today, and there were indications that the initial group will include roughly half of the posts to be filled.

The president-elect, returning for his second familiarization tour of Washington, did not indicate how many of his Cabinet choices, or which ones, will be announced today.

Reagan reportedly has decided to name his personal attorney, William French Smith, attorney general, and Caspar W. Weinberger, former chief of the Office of Management and Budget, secretary of defense.

Gen. Alexander M. Haig Jr. still appears to be Reagan's choice for secretary of state, although some advisers had counseled that Haig, because of his role in the Nixon White House, would be likely to stir controversy in Senate confirmation hearings — too high a price for the fledgling administration to pay.

A document in which former Watergate prosecutor Leon Jaworski hails Haig as an "unsung hero" of Watergate and the "moving force" in persuading Richard M. Nixon to resign has been circulating in Washington, however. In an unpublished interview with the editor of Armed Forces Journal that was made public by United Press International, Jaworski added that Haig might deserve to be president someday.

Other choices reportedly decided are: Sen. Richard Schweiker (R-Pa.), Reagan's 1976 vice presidential choice, for health and human services; William Casey, Reagan's 1980 campaign chairman, to head the Central Intelligence Agency; Drew Lewis, a Reagan supporter on the Republican National Committee, for transportation, Rep. Dave Stockman (R-Mich.) as director of the Office of Management and Budget, and Malcolm Balridge, who led the campaign of Vice President-elect George Bush in Connecticut, as commerce secretary.

EXCERPTED

THE WASHINGTON STAR
11 December 1980

Weinberger, Casey Listed As Choices

Schweiker to Health; Smith for Justice

By Lisa Myers
and Roberta Hornig
Washington Star Staff Writers

President-elect Ronald Reagan, who has wrestled for more than five weeks with the makeup of the Cabinet in which he has vowed to vest unprecedented authority, today will unveil eight of the powers-to-be.

Scheduled to be named today, according to well-informed sources, are:

● Donald T. Regan, 61, as Treasury secretary. Regan is a prominent figure in New York financial circles and chairman of Merrill, Lynch, Pierce, Fenner and Smith, Inc., the nation's largest investment brokerage firm.

● Caspar W. Weinberger, 63, as defense secretary. Nicknamed "Cap the Knife" for his budget-cutting zeal, Weinberger, now vice president of the Bechtel Group, Inc., is a former HEW secretary and budget director who served as Reagan's finance director while he was governor of California.

● William French Smith, 61, as attorney general. Smith is Reagan's personal lawyer and long-time friend and a senior partner in the prestigious Los Angeles law firm of Gibson, Dunn and Crutcher.

● Sen. Richard S. Schweiker, 54, as secretary of health and human services. Schweiker, ranking Republican on the Labor-HEW committee, is retiring after 20 years of representing Pennsylvania in Congress. He was Reagan's vice presidential choice in his unsuccessful 1976 bid for the Republican nomination.

● Rep. David A. Stockman, 34, as budget director. Stockman is a two-term Republican congressman from Michigan who began his political career as an aide to Rep. John Anderson, R-Ill., and has won acclaim from colleagues on both sides of the aisle for his expertise on budget and other complex matters.

● Drew Lewis, 49, as transportation secretary. Lewis, a Philadelphia management and financial consultant, is a former GOP gubernatorial candidate and a seasoned politico who served as Gerald Ford's campaign chairman and Reagan's man as deputy chairman of the Republican National Committee this time around.

● Malcolm Baldrige, 58, as commerce secretary. Baldrige is chairman of Scovill Inc., a manufacturing firm headquartered in Waterbury, Conn., and headed Vice President-elect George Bush's presidential campaign in the state.

● William J. Casey, 67, as CIA director. Casey, a former intelligence agent and well known New York tax lawyer, was director of Reagan's presidential campaign and a former chairman of the Securities and Exchange Commission.

Not on the list to be named today is Gen. Alexander Haig Jr., still the leading candidate for secretary of state. Although the final decision has yet to be made, transition sources said Haig is likely to be nominated in the next few days.

Reagan, who arrived in Washington yesterday for a four-day visit and promised some word on Cabinet selections today, was asked whether Haig still was in the running for the State Department. Reagan replied: "Sure."

A senior transition official called Sen. Jesse Helms, R-N.C., on Saturday and asked him to privately poll his colleagues on the acceptability of Haig, a former NATO commander, as Reagan's senior foreign policy subordinate.

"I am confident, based on the appeal of Haig that I have found among senators, that Mr. Reagan can feel very confident about his nominee," said Helms, an ardent Haig supporter, in an interview yesterday. "That doesn't mean that questions won't be raised at the (confirmation) hearings, but the hearings won't be lengthy."

Helms predicted that Haig, if nominated, would be approved "overwhelmingly if not unanimously" by the Senate Foreign Relations Committee and "promptly" confirmed by the Senate.

After some senators expressed concern over the weekend about whether Watergate tapes might contain something damaging to Haig, who was chief of staff during the final days of Richard Nixon's White House, Helms said he called the former president. Asked whether there might be anything "incriminating about Haig on the tapes, Nixon replied, according to Helms: "Absolutely not. I know more about those tapes than anyone else."

Nixon is among those who have lobbied hard for Haig with the president-elect.

Upon Reagan's arrival yesterday for his second visit since the election, he was hounded by reporters about his Cabinet selections. "We'll have something by tommorrow," he replied.

The president-elect was somewhat defensive about suggestions that it has taken him unusually long to put together the top echelon of his administration. "You all keep pressing me about these announcements," he said. "I don't know of anyone who's ever announced this early."

In 1976, Jimmy Carter unveiled his first Cabinet nominations on Dec. 3 and his last on Dec. 24. In 1960, John Kennedy announced his first selections on Dec. 1 and completed the process on Dec. 16. In 1968, Richard Nixon named his entire Cabinet on Dec. 11.

Sources say Reagan has at least tentatively settled on two other Cabinet selections: Ray Donovan, a New Jersey contractor and state director of Reagan's presidential campaign, as labor secretary; and Jewel Lafontant, a Chicago lawyer and former deputy solicitor general during the Nixon administration, as secretary of housing and urban development.

Reagan flew to Washington from New York yesterday morning. He met with Republican National Committee chairman Bill Brock and had lunch with some of his top aides, including Vice President-elect George Bush, Edwin Meese III, James A. Baker III, Michael Deaver, Drew Lewis and Dan Terra, his campaign finance director.

Reagan then met with black and Hispanic supporters. The black leaders told him that jobs and the economy were their primary concern, and he told the Hispanics that his Latin American policy would be set country by country because of his concern about nations such as Cuba that are under Communist or Marxist domination.

Today Reagan is scheduled to get a national security briefing and to meet with transition officials and national black leaders. Later he is to meet at Blair House, where he is staying, with Democratic Sens. Henry M. Jackson of Washington and John Stennis of Mississippi and Republican Sens. Bob Dole of Kansas and Jesse Helms of North Carolina.

Tonight Reagan attends an American Enterprise Institute dinner in honor of William Baroody Sr. and then has dinner at the home of Katharine Graham, chairman of the Washington Post Co.

Washington Star Political Writer James R. Dickenson contributed to this report.

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ON PAGE A-1

NEW YORK TIMES
11 DECEMBER 1980

Investor Official Believed in Line For Treasury Job

Donald Regan Is Expected to Be Named Today

By STEVEN R. WEISMAN
Special to The New York Times

WASHINGTON, Dec. 10 — President-elect Ronald Reagan plans to announce tomorrow his selection of Donald T. Regan, chairman of Merrill Lynch & Company, the investment concern, as his nominee for Secretary of the Treasury, according to senior transition officials.

The selection of Mr. Regan, a leading figure in the Wall Street financial community, is expected to be announced along with about half a dozen other Cabinet choices, as well as the directorships of the Central Intelligence Agency and the Office of Management an Budget.

Among the other selections expected to be announced tomorrow were William J. Casey, former chairman of the Securities and Exchange Commission, as Director of Central Intelligence; William French Smith, Mr. Reagan's personal attorney, in Los Angeles, as Attorney General; Caspar W. Weinberger, a longtime Reagan aide and former Cabinet member, as Secretary of Defense, and Representative David A. Stockman, a Michigan Republican, as director of the Office of Management and Budget.

Others Reportedly Chosen

Sources close to the Reagan transition said that other announcements would include Senator Richard S. Schweiker, a Pennsylvania Republican, as Secretary of Health and Human Services; Drew Lewis, a Pennsylvania businessman and Republican Party official, as Secretary of Transportation; and Malcolm Baldrige Jr., chairman of the Scovill Manufacturing Company of Waterbury, Conn., as Secretary of Commerce.

Knowledgeable Republicans said that Mr. Reagan had still not settled completely on a choice for Secretary of State, but that Gen. Alexander B. Haig, retired, of the Army, former Commander of the North Atlantic Treaty Organization forces in Europe, was the leading candidate.

This morning, before traveling from New York City to Washington, Mr. Reagan was asked by reporters whether General Haig was being considered. "Sure," he replied.

Support for the general, which had seemed to diminish somewhat last week, has been building in recent days on Capitol Hill, especially since Democrats in Congress suggested that they would use his selection to undertake a scrutiny of his role in the Watergate scandals and the pardon of former President Richard M. Nixon.

Last weekend Robert C. Byrd, Democrat of West Virginia, the Senate majority leader, said that General Haig, a former chief of staff to President Nixon, might be rejected by the Senate if his role in the Watergate was not cleared up sufficiently by a review of the White House tapes that were made at the time. Mr. Byrd's remark was reported today to have built up considerable anger and resentment among General Haig's supporters.

Senator Jesse A. Helms, Republican of North Carolina, said, "I called the No. 1 expert on the tapes — his name is Nixon — and said, 'Tell me if there's anything on the tapes that would embarrass me or Haig.' And he said, 'Absolutely not.'"

Mr. Reagan, making his second visit to the nation's capital since his election, had a low-key day of meetings that contrasted with his exuberant display of courtesy calls and visits to Capitol Hill three weeks ago.

Mr. Reagan, in a private visit with Bill Brock, chairman of the Republican National Committee, has discussed the possibility of choosing him for one of several Cabinet positions, including Deputy Secretary of State. There have been reports that Mr. Reagan wanted to bring Mr. Brock into his administration and then choose his own appointee to run the party organization.

Names Are Discussed

Among the other names being discussed by Republicans today were Ray Donovan, an executive at a New Jersey construction company, as Secretary of Labor, and Thomas Sowell, a black, who is an economist at the University of California at Los Angeles, as Secretary of Labor.

The Reagan transition team has reportedly had difficulty settling on a choice for Agriculture Secretary. Knowledgeable officials said today that Senator Paul Laxalt, Republican of Nevada, a key Reagan adviser, had been told by Mr. Helms and other Republicans in Congress that they wanted the post to go to Richard Lyng, a former Commissioner of Agriculture in California when Mr. Reagan was Governor.

The reported choice of Mr. Regan as Treasury Secretary comes after a series of false starts for that job. At first William E. Simon, a former Treasury Secretary, was said to be certain to get his old job, but Mr. Simon withdrew from consideration after some Republicans in Congress criticized him as uncooperative.

Then Walter B. Wriston, chairman of Citicorp, was thought to be the leading choice, but transition sources said that he had been dropped because of conflict-of-interest problems arising from Citicorp's involvement in various Government activities.

Mr. Regan was said to be the choice of Mr. Casey, who got to know him while Mr. Casey was chairman of the securities commission and Mr. Regan worked in 1969-70 to help save several faltering Wall Street brokerage firms.

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THE WALL STREET JOURNAL
11 December 1980

Initial Cabinet Choices Expected Today; Merrill Lynch's Regan Seen at Treasury

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

WASHINGTON—Ronald Reagan is expected to begin announcing his Cabinet today and tomorrow, with Republican sources saying Merrill Lynch & Co. chairman Donald Regan is in line for Treasury Secretary.

* * * *

Mr. Casey, a 67-year-old New York tax lawyer, has long coveted the CIA post. His experience in the intelligence area came during World War II when he became intelligence chief in Europe for the Office of Special Services, a forerunner of the CIA. During the Nixon and Ford administrations, he was SEC chief, Under Secretary of State for Economic Affairs and chairman of the U.S. Export-Import Bank.

He was director of the Reagan presidential campaign and is chairman of the President-elect's transition team. An unsuccessful congressional candidate in 1966, he has been involved in Republican presidential campaigns since the 1940s. A Reagan confidant, Mr. Casey has been viewed as a candidate for several top Cabinet posts in the new administration.

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WASHINGTON STAR (GREEN LINE)
10 DECEMBER 1980

BETTY BEALE

Special to The Washington Star

Last Friday Bill Casey — reportedly the next CIA director — breezed into the Watergate Hotel to see Al Haig, taking with him 12 men described by an onlooker as Secret Servicemen. But not even the present CIA director is accompanied around town by a guard of 12. So maybe all those guys were Casey assistants or FBI specialists trying to fine-tooth-comb Haig's background for possible deterrents to confirmation by the Senate as secretary of state.

The American Enterprise Institute dinner tomorrow night at the Washington Hilton has a power-stacked list. Besides former President Ford, five U.S. senators, four members of the Reagan advisory or transition team and 19 foreign ambassadors, 47 congressmen and 16 newly elected members of the House have accepted. And the Reagans are scheduled to drop by during cocktails.

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THE WASHINGTON POST
10 December 1980

Haig Once Again Key Candidate to Head State Dept.

By Robert G. Kaiser
Washington Post Staff Writer

Gen. Alexander M. Haig Jr. is once again a leading candidate for the post of secretary of state in the Reagan administration, well-placed sources said yesterday, suggesting anew that the search for a Reagan Cabinet is something of a political roller-coaster ride.

At the end of last week the same knowledgeable sources were talking as though Haig's fortunes were fading fast after Republican leaders in the Senate warned that a messy confirmation fight was possible if Ronald Reagan did nominate the former chief of staff in Richard Nixon's White House.

*****

One factor that helped revive Haig's prospects, sources in the transition team said yesterday, was the paucity of alternatives to him. "Look at the choices," one transition official said after predicting that "Haig is going to get it."

Alternatives mentioned by sources close to Reagan last Friday were George P. Shultz, Caspar W. Weinberger and William J. Casey. Shultz is hotly opposed by many conservatives, Weinberger is in line to be secretary of defense and Casey is set to become director of the Central Intelligence Agency. None of the three has extensive experience in foreign affairs.

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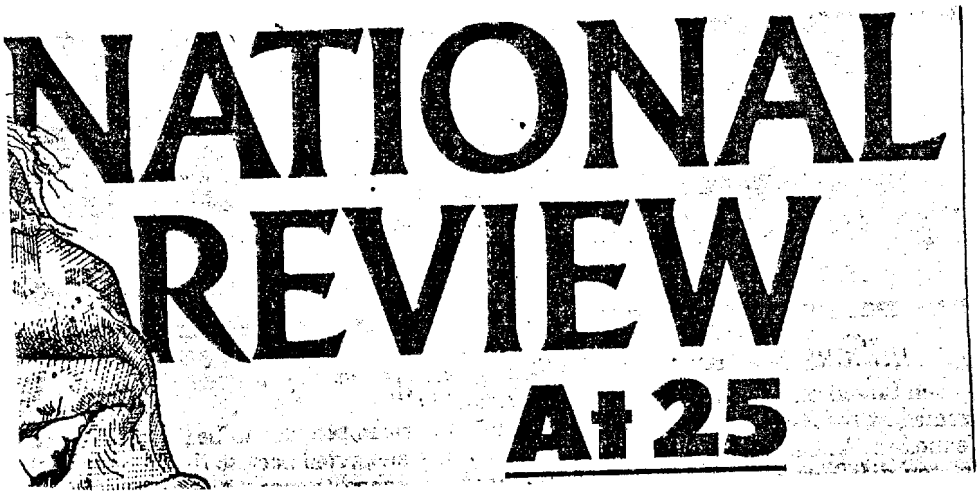
THE WASHINGTON POST
8 December 1980



NATIONAL REVIEW At 25

By Henry Allen

Such a flap! Furor! Brouhaha! Everything askew!

"No!" shouts William F. Buckley Jr. from his vexed sprawl in the conference room of the National Review as the clock ticks toward the magazine's 25th anniversary banquet the next night.

* * * *

Friday night, 600 people—most of whom number themselves among the "we"—gather under the gilded ceilings of the Plaza ballroom. His swivet behind him, Buckley has dining companions who include: Henry Kissinger, Clare Boothe Luce, probable CIA chief William Casey, Senator-elect Alfonse D'Amato, Walter Cronkite, lawyer (and old Joe McCarthy aide) Roy Cohn, futurist Herman Kahn and columnist George Will, who was once the Review's book-review editor and who fills in for the missing Reagan and Goldwater.

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NEW YORK TIMES
8 DECEMBER 1980

STATINTL

Reagan Urged To Reorganize U.S. Intelligence

By JUDITH MILLER
Special to The New York Times

WASHINGTON, Dec. 7 — President-elect Ronald Reagan's transition team for the Central Intelligence Agency has proposed several sweeping changes in the organization and operations of the nation's intelligence programs, including increased emphasis on covert action abroad, according to Mr. Reagan's advisers.

The aides said that a preliminary report on the C.I.A. was completed late last week and is to be submitted to Mr. Reagan's transition headquarters tomorrow. The panel is headed by J. William Middendorf 2d, former Secretary of the Navy, who is president of Financial General Bankshares, a Washington-based bank holding company.

In addition to calling for an enhanced role and increased financing for covert activities, the report recommends greater attention to counterintelligence to combat what is viewed as a growing threat of Soviet espionage and international terrorism.

Central Records System

This could be accomplished, the report is said to suggest, through the creation of a central records system that would be used by both the C.I.A. and domestic law-enforcement agencies, including the Federal Bureau of Investigation. Such a move has been resisted by Government officials in the past on the ground that it could pose a threat to the civil liberties of American citizens.

The report, Mr. Reagan's aides added, also recommends the establishment of a competitive system of intelligence analysis, intended to provoke wider debate on sensitive international issues. Under the proposal, the Central Intelligence Agency would be forced to defend its conclusions against those of other intelligence agencies, such as the Pentagon's Defense Intelligence Agency.

According to several aides, these steps could be taken without legislation. But they added that the proposals, and the transition effort itself, had already prompted deep anxiety and debate within the agencies. Moreover, the wide-ranging debate over the structure of the intelligence bureaus and the quality of intelligence they produce have recently exacerbated long-standing tensions on the Senate Intelligence Committee.

Though Mr. Mittendorf declined to discuss the report, he said in an interview yesterday that he favored a more "aggressive" approach to intelligence and that the report's recommendations were aimed at "increasing the productivity" of the intelligence agencies.

William H. Casey, Mr. Reagan's campaign director, who is a strong prospect for the post of Director of Central Intelligence, is known to hold similar views. However, it is not known whether either Mr. Casey or Mr. Reagan will approve the transition team's recommendations.

The proposals are similar to several contained in a recent report prepared for senior Reagan advisers by the Heritage Foundation, a conservative Washington-based research group. However, the proposals touch on a number of complex issues that have been debated for years by intelligence officials.

Among the most sensitive of the proposals is the call for the competing centers of analysis. Many intelligence experts believe that the idea is good in principle but difficult in practice, as a previous attempt reflects. Four years ago, a group of outside specialists was asked by George Bush, then Director of Central Intelligence and now Vice President-elect, to appraise Soviet military potential and intentions.

Trouble in the Agencies

The group, known as Team B, concluded that the C.I.A. and other agencies had underestimated the Soviet buildup and that Moscow was bent on achieving strategic superiority. The effort sparked an acrimonious debate in intelligence circles and upset C.I.A. analysts when reports of Team B's conclusions appeared in the press.

Reagan aides contend that under its plan, the competing analyses would be provided not by outsiders but by such other intelligence bureaus as the Defense Intelligence Agency. While the Reagan aides believe that this approach would improve the overall quality of American intelligence, C.I.A. officials maintain that the Pentagon intelligence apparatus is not capable of functioning as an effective counterweight.

Moreover, some intelligence experts contend that competing centers of analysis, as once existed, would overemphasize disagreements among intelligence agencies. The President now receives a consensus view from the Director of Central Intelligence in so-called National Inteligence Estimates, in which disagreements among intelligence bureaus are usually noted only in footnotes.

A Longstanding Debate

The report's recommendation that a "central file" be established to enhance coordination of counter-intelligence activities is likely to be opposed by civil liberties groups. The file would contain data collected on the activities of suspected foreign agents, including their dealings with Americans. Such groups as the American Civil Liberties Union have maintained that this information could violate citizens' privacy rights.

Finally, there has for years been a growing debate over the push for a larger

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THE WASHINGTON POST
6 December 1980

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STATINTL

Haig Chance For Cabinet In Jeopardy

Reagan Told Concern About Watergate Role Clouds Appointment

By Robert G. Kaiser
Washington Post Staff Writer

Questions about former general Alexander M. Haig Jr.'s assistance to Richard M. Nixon in the final stages of the Watergate affair have put his appointment as secretary of state in jeopardy, authoritative sources said yesterday.

Sources close to President-elect Ronald Reagan said that the president-elect and his associates were concerned by the warnings they had received from Sen. Howard H. Baker Jr. (R-Tenn.), the future Senate majority leader, that Haig could run into trouble in the Senate. This has put Haig's nomination in jeopardy, these sources said, though many around Reagan still want him for the job.

Haig's cause is also being hurt by the fact that Nixon himself is campaigning avidly for Haig's nomination to be secretary of state, knowledgable sources said.

If Reagan decides he cannot select Haig, sources said, he will turn to George P. Shultz, Caspar W. Weinberger or William J. Casey to fill the State Department job. Shultz has told Reagan he does not want the appointment, but sources close to Reagan hope he might reconsider.

Weinberger is in line to become secretary of defense and Casey director of the Central Intelligence Agency in the Reagan administration. These posts might be rejuggled if Haig is dropped as secretary of state.

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NEW YORK TIMES
5 DECEMBER 1980

Problems Arise With 2 Reagan Choices

By HEDRICK SMITH
Special to The New York Times

WASHINGTON, Dec. 4 — Edwin R. Meese 3d, director of President-elect Ronald Reagan's transition team, said today that Mr. Reagan would be ready to announce some of his Cabinet selections late this week or next week, but well-placed Republican sources said that complications had arisen with two major potential appointments.

At a morning news conference, Mr. Meese warned that the Soviet Union would be making "a grave miscalculation" by thinking that the Presidential transition would place the United States in a weakened military position. He also denied that the Reagan transition team had problems with conflict of interest because some of its members worked for private companies.

Mr. Meese said that the Cabinet selection process was "on schedule" and that Mr. Reagan would announce some of his choices "either at the end of this week or, it looks now, more probably next week." Other transition sources said that roughly a half dozen Cabinet selections were nearing completion of the normal clearance and legal procedures.

Problems With Wriston

But these sources said that some problems had developed in a discussion with Walter B. Wriston, chairman of Citicorp, whom Mr. Reagan had wanted as Secretary of the Treasury. Mr. Wriston had served on Mr. Reagan's economic advisory panel during the campaign but had privately told some associates that he was hesitant about entering the Government.

Well-placed Republican sources said that the complications apparently centered on financial disclosure requirements and arrangements for avoiding conflicts of interest. Citibank, a subsidiary of the holding company that Mr. Wriston heads and holds stock in, has direct interests in New York City loan guarantees and claims against Iranian assets as well as loans to the Chrysler Corporation. The Treasury Department deals with all those issues.

As of last January Mr. Wriston owned 104,499 shares of Citicorp stock, now worth $2.25 million.

With uncertainty now about Mr. Wriston, well-placed Republican sources said that the President-elect and his top advisers were reconsidering the Treasury appointment. Among the new names being mentioned, they said, are Charls E. Walker, formery Deputy Treasury Secretary, and Donald T. Regan, chairman of the board of Merrill Lynch Inc.

Problems With Haig

Republican sources also reported problems in the selection of Gen. Alexander M. Haig Jr., the former NATO commander who is now president of United Technologies Corporation. Two days ago, well-placed Republican sources reported that Mr. Haig was Mr. Reagan's choice for Secretary of State, after George P. Shultz, vice chairman of the Bechtel Corporation and a leading prospect for the post, told Mr. Reagan he did not wish to be considered.

John McCarroll, Mr. Haig's executive assistant, said that as of late this afternoon, Mr. Haig "has had no approaches on a Cabinet position from Reagan or his people."

In the past several days, several newspaper columns have appeared criticizing Mr. Haig's role in the Vietnam War, the Nixon White House and in the wiretapping cases against former Nixon Administration officials and reporters. Well-placed Republican sources reported that some influential Republicans had privately urged Mr. Reagan through intermediaries to reconsider approaching Mr. Shultz once again.

Other Selections

Late today, however, Pendleton James, who heads the Cabinet selection process for Mr. Reagan, said that there had been no change in Mr. Shultz's decision.

Sources said that six other top-level appointments remained on track as previously reported: Caspar W. Weinberger, vice president of Bechtel Corporation, for Secretary of Defense; William French Smith, Mr. Reagan's personal lawyer, for Attorney General; Drew Lewis, a Pennsylvania businessman and vice chairman of the Republican national committee, for Secretary of Transportation; Senator Richard S. Schweiker of Pennsylvania for Secretary of Health and Human Services; William J. Casey, a former intelligence officer and a New York tax lawyer, for Director of Central Intelligence, and Representative Dave Stockman of Michigan, for Director of the Office of Management and Budget.

They also reported that Elizabeth Dole, former member of the Federal Trade Commission, was under consideration for Secretary of Education, but that Clifford Hansen, former governor and senator from Wyoming, who had been the odds-on favorite to become Secretary of the Interior, may have had to withdraw for conflict of interest reasons. Mr. Hanson, who has a ranch in Wyoming, has a Government permit for grazing cattle on public land that he might have to give up to take the Cabinet post.

Mr. Meese and other top Reagan officials were at pains today to check spreading reports about Cabinet appointments, contending that the Reagan team was moving as rapidly as possible given the cumbersome checks needed for financial disclosure and legal arrangements to prevent conflicts of interests. Mr. Meese said the Reagan transition effort wanted these checks completed before Cabinet announcements were made.

Although he mentioned possible announcements late this week, other transition sources said the middle of next week is more likely.

Mr. Meese also went out of his way today to emphasize close cooperation with the Carter Administration on current foreign policy issues, particularly the crisis in Poland.

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THE NEW YORK TIMES
4 December 1980

REAGAN IS PRODDED TO CHOOSE CABINET

Aides Say He Is Forming Plans to Announce Key Selections in the Next Two Weeks

By STEVEN R. WEISMAN
Special to The New York Times

LOS ANGELES, Dec. 3 — President-elect Ronald Reagan worked today on plans to make public the major choices for his Cabinet in a series of announcements to be spaced over the next week or 10 days, officials close to the transition said today.

By all accounts, Mr. Reagan was feeling heavy pressure to end the speculation and unofficial reports of his choices, particularly those coming from Republicans on Capitol Hill. But officials said that delays were being incurred because of the need for security clearances and the need by the prospective nominees to consult with their families, businesses and lawyers.

A top aide close to Mr. Reagan said today that although the President-elect had decided most of his Cabinet members as long ago as Nov. 24 at a meeting with his aides in Los Angeles, he had only begun to call his choices in the last few days. The aide said that some key Cabinet positions are still unfilled and that the inability of the President-elect and his aides to reach a decision also accounted for some of the delays.

'Not Completely Happy'

"We're not completely happy with what we've got so far," said one aide close to the decision-making process.

Nevertheless, knowledgeable officials said again today that the Mr. Reagan had settled on his top cabinet members. Gen. Alexander M. Haig Jr., former Commander of NATO forces, is said to be Mr. Reagan's choice for Secretary of State; Caspar W. Weinberger, a long-time aide and now vice president of the Bechtel Corporation, for Secretary of Defense; Walter B. Wriston, chairman of Citicorp, for Secretary of the Treasury, and William French Smith, Mr. Reagan's personal attorney, for Attorney General.

It was disclosed today that the leading candidate for Secretary of the Interior was Clifford P. Hansen, former Governor and Senator from Wyoming.

Reagan aides cautioned that these and other names, although considered the choices of the President-elect, could be thrown into question if problems arose as a result of security clearances and reservations by the nominees themselves over conflict of interest and other legal problems.

It was reported further today that one possible choice for Secretary of Labor was Ray Donovan, a businessman and construction firm executive who headed Mr. Reagan's campaign in New Jersey. Mr. Donovan was praised by Republicans for helping to get the support of construction workers and other blue-collar groups.

Aides continued to say today that Mr. Reagan had decided to pick Senator Richard S. Schweiker of Pennsylvania to be Secretary of Health and Human Services. Knowledgeable officials also said that Drew Lewis, a Pennsylvania businessman who is now acting as liaison between the transition team and local governments, the business community and the Republican National Committee, would be Secretary of Transportation.

It was also reported that Mr. Reagan had decided to pick William J. Casey, chairman of his election campaign and former chairman of the Securities and Exchange Commission, as Director of Central Intelligence, and Representative David Stockman, a Michigan Republican, as Director of the Office of Management and Budget.

Reagan in Seclusion

Mr. Reagan has been spending the last few days in seclusion at his home in the Pacific Palisades area on the coastal section of this city, except for visits from a few of his aides.

The President-elect has no scheduled plans to make any Cabinet announcements before he leaves for New York City on Monday, but aides said today it was possible that he could make some before then. One aide said Mr. Reagan could make some of the announcements in New York City itself.

The time-consuming process of establishing security clearances and making other checks by both the President-elect and the prospective cabinet nominees was expected to take most of this week.

Meanwhile, it was announced today that Mr. Reagan plans to use next week's trip to the East Coast for the same blend of official business and courtesy calls to both Democrats and Republicans that he adopted two weeks ago.

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CHRISTIAN SCIENCE MONITOR
4 December 1980

Reagan cabinet: tough, pragmatic team shaping up

By Godfrey Sperling Jr.
Staff correspondent of
The Christian Science Monitor
Washington

Ronald Reagan is not reaching out for ideologues as he sifts candidates for his top appointments.

Instead, the common element apparent in likely selections — such as Gen. Alexander M. Haig Jr. (USA, ret.) for secretary of state, Caspar W. Weinberger for secretary of defense, William French Smith as attorney general, and William J. Casey as CIA director — is a hard-nosed ability to operate well in situations where practical, tough judgments must be made.

A source close to the President-elect says of the Reagan selections: "Reagan is not going to have one extreme or the other in his cabinet, those whose passions might cause conflict and make it difficult to get the job done."

There are, in fact, some ideological lines. General Haig is a moderate on domestic matters, a hard-liner on defense.

Mr. Weinberger is somewhere near the middle of the GOP spectrum on domestic issues. But he is a dedicated budget-cutter who wields a sharp knife when it comes to waste.

Mr. Casey's early political ties were with Dwight D. Eisenhower. Also, Casey is a New York Republican, which means he is a little more moderate than Republicans elsewhere.

Walter B. Wriston, chairman of Citicorp, is being mentioned for Treasury. He too is much more a pragmatist than a political ideologue. But, says one Reagan associate, "I don't think he'll get it."

"He [Wriston] is very used to dealing with a lot of Democrats," one observer here says. "He, like Casey, is a New York Republican, certainly somewhere in the Republican middle in his philosophy."

Mr. Smith, Reagan's longtime attorney, is known to be a consistent conservative who has been influential in shaping the President-elect's outlook on politics and issues.

But Smith also is not considered to be on the far right.

Other names of possible Reagan appointees also surfacing include:

- Former US Sen. Clifford P. Hansen of Wyoming for interior secretary.
- Drew Lewis, deputy chairman of the Republican National Committee, for secretary of transportation.
- Thomas Sowell, a University of California economist and a black, for secretary of housing and urban development.
- Ray Donovan, a construction company executive who was in charge of the Reagan campaign in New Jersey, for labor secretary.
- Bill Brock, chairman of the Republican National Committee, for secretary of commerce.

Another being mentioned for labor secretary is Betty Murphy, former chairwoman of the National Labor Relations Board.

No definite ideological thread is apparent in this list of names either, although Mr. Hansen is known to be on the conservative side and the others perhaps more moderate.

But this same source close to Reagan insists that "loyalty, of course, is a test. But competence is of prime importance. And ideology is secondary."

The cabinet selections are being watched closely for what they may disclose about the President-elect's intentions and about his own political philosophy.

Says one Reagan source: "[He] is setting up this cabinet government, where he will be meeting with some four to seven of his cabinet secretaries every day. He wants people he feels comfortable with — people who get along with each other. That's a basic consideration in these appointments."

In this vein, it is understood that William Simon, a favorite candidate of conservatives for secretary of the Treasury, was eliminated from consideration. Some advisers told the President-elect that, while highly competent, Mr. Simon is not a "team player" and that his abrasiveness would be detrimental to the smooth running of the administration.

THE WASHINGTON STAR
4 December 1980

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STATINTL

Reagan Will Name Aides In Batches

Names May Start Coming Next Week

By Jeremiah O'Leary
Washington Star Staff Writer

LOS ANGELES — Ronald Reagan has virtually completed selecting the 13 persons he wants in his Cabinet, and transition officials said yesterday that the president-elect is likely to begin announcing their names early next week.

Transition officials said Reagan is not planning to divulge his Cabinet choices all at once. The officials said Reagan may make the first disclosures after he goes to New York Monday.

There was speculation that if any announcements are made here before the Reagans head east on Monday, the most likely to be presented will be the two Californians who are considered shoo-ins for Cabinet positions. They are Caspar W. Weinberger of San Francisco, reportedly Reagan's choice to be secretary of defense, and William French Smith of San Marino, a front-runner to become attorney general.

Reagan may use the New York forum for unveiling financier Walter Wriston, a New Yorker, who has been most prominently mentioned as the next secretary of the Treasury. William J. Casey, the odds-on favorite for the directorship of the CIA, is a New York tax lawyer and former chairman of the Securities and Exchange Commission and may be named to the post in New York where he has many friends among the New York financial leaders Reagan will be seeing during his stay there.

A West Coast press spokesman for the Reagan transition said the announcements will be made in press conference format with the president-elect introducing his Cabinet choices in person.

The Reagans leave Los Angeles Monday morning and will remain in New York until Wednesday morning when they will fly to Washington. A Reagan spokesman said one reason for the New York visit was for the Reagans to see their son, Ronald, and his bride, Doria. The Reagans also are scheduled to attend a dinner Tuesday at the home of socialite Brooke Astor.

While in New York, Reagan will meet Tuesday with Ralph P. Davidson, chairman of the board of Time Inc. He also is expected to see Mayor Edward Koch.

The Reagans will arrive at Andrews Air Force Base at 10:25 a.m. Wednesday.

THE WASHINGTON POST
4 December 1980

6 Key Nominations By President-Elect Are 'Quite Certain'

By Robert G. Kaiser and David S. Broder
Washington Post Staff Writers

President-elect Ronald Reagan has selected six men for key jobs in his administration, informed sources said yesterday, but he has not yet made a final choice for the posts of secretary of state and secretary of the treasury.

The six nominations that now appear "quite certain," these sources said, are Caspar W. Weinberger to be secretary of defense, William French Smith to be attorney general, Sen. Richard S. Schweiker (R-Pa.) to be secretary of health and human services, Drew Lewis to be secretary of transportation, William J. Casey to be director of the Central Intelligence Agency, and Rep. David Stockman (R-Mich.) as director of the Office of Management and Budget.

Retired general Alexander M. Haig continues to be the leading contender for secretary of state, sources said, but the selection is not final. Press reports that Walter B. Wriston, chairman of Citicorp, will be Reagan's secretary of the treasury are premature, these sources said. Both Reagan and Wriston are still "hesitant" about his selection, according to one source close to the president-elect.

Alan Greenspan, chief of the Council of Economic Advisers in the Ford administration, is still a possibility for the treasury, some sources said, and there may also be others.

Yesterday's round of name-playing brought no big surprises, nor any certain information about when the president-elect would reveal his final selections. According to sources in California, Reagan hopes to introduce his Cabinet choices personally, probably in small groups, but it is not known when this might happen. Next week in Washington seemed possible.

The president-elect has managed to maintain a substantial degree of secrecy about the way he is going about the selection of Cabinet members, even if he has not been able to keep all the names of the candidates confidential. Sources close to Reagan have said the president-elect will talk personally to his selections, but none of the candidates for Cabinet jobs has admitted publicly to a direct contact with Reagan, by phone or otherwise.

Haig said in Hartford, Conn., yesterday that he had not had any word from Reagan. Haig said he had "no idea when or whether" Reagan will offer him a job. He called the State Department job attractive, but declined to say that he would accept it.

The emerging Reagan Cabinet includes a heavy dose of political rewards. Drew Lewis, the apparent choice for secretary of transportation, is a Pennsylvania businessman whom Reagan installed as his representative this fall at the Republican National Committee. The chairman of that committee, Bill Brock, reportedly is under consideration for secretary of commerce, deputy secretary of state or ambassador to the United Nations.

Schweiker, Reagan's reported choice for health and human services, was Reagan's designated running mate in his unsuccessful 1976 bid for the Republican nomination for president. Schweiker voluntarily gave up his Senate seat this year to work for Reagan's election.

Casey, the likely new director of CIA, was Reagan's campaign manager.

Well-informed sources said yesterday that despite the heavy speculation in the news media, the secretaryships of commerce, energy, housing and urban development, interior and labor are still "really open."

Agriculture, while still undecided, is likely to go to John R. Block of Illinois, a successful farmer and that state's top agricultural official, these sources said. The job has become a hotly contested one. Clayton Yeutter, president of the Chicago Mercantile Exchange, is still a possibility for agriculture, the sources said.

Reagan apparently is interested in finding a woman, a black and perhaps a Democrat to serve in his Cabinet, but if that is the case, those members remain to be chosen.

According to informed sources, Reagan is continuing to discuss possible appointees with key advisers by telephone. Most of his principal associates are now in Washington, where the president-elect will be next week.

Staff writers Lou Cannon, Lee Lescaze and Bill Peterson contributed to this report.

CHRISTIAN SCIENCE MONITOR
4 December 1980

'Twas the night before Reagan

'Twas the night before Reagan, when all through the House
And specially in the Senate not even a mouse
Could list the big cheeses in the whole new batch,
Such as Labor Committee chairman Orrin Hatch
Or the next voice you hear when you ring your Don Ameche
For the Budget Committee head, Pete V. Domenici.

So our stockings are hung in hopes they will fill,
Not only with names from Capitol Hill,
But with all who may get a Washington lease
Under presidential counsel Edwin Meese.
And don't forget that transition team all snug in their beds,
While visions of cabinet plums dance in their heads.

It's true that the forecasts remain a little vague
But "sources" keep bringing up Alexander Haig
And other alumni from administrations past
Instead of the expected brand new cast.
But there are some other names the government phone book may be listin'
Such as possible secretary of the treasury Walter B. Wriston
And William French Smith, Mr. Reagan's personal lawyer,
An attorney general who wouldn't be kept waiting in the foyer.
Or there could be a change at the CIA, see?
Maybe campaign chieftain William J. Casey.
And some say the secretary of transportation's shoe is
On the foot of a Pennsylvanian named Drew Lewis.
With Richard Schweiker, who is also from Penn.,
Mentioned for a post, we wonder what then
For William Scranton, a third from Pennsylvania?
His absence from the press's speculation-mania
Is like that of Elliot Richardson and some other GOP voices
Who could hardly be overlooked before the final choices.
But we digress in the age of Bill Brock,
Who may go to Commerce while Agriculture goes to John Block.

As for those who are already home free,
Here are some names we find under the tree.
If not a baker's dozen there's a Baker times two,
Majority leader Howard and James, chief of the White House crew.
And note the Senate committee chairmen to put on the roll,
Such as Environment's Robert Stafford and Finance's Robert Dole.

Just to add to the bubbling Republican broth
Governmental Affairs will have William V. Roth.
Tilling Agriculture's far-flung realms
Will be the man at the tiller, Jesse Helms,
While Energy's Idaho dynamo, as it were,
Comes under the name of James A. McClure,
And Foreign Relations will be at the tender mercy
Of Illinois internationalist Charles H. Percy.
Closing the door of Banking's barn
Before the horses are stolen will be the job of Jake Garn,
And to make Armed Services flourish and flower
Hopes will ride high on John G. Tower.
On Appropriations Mr. Hatfield will sign his Mark,
While Mr. Thurmond will Strom the Judiciary strings from dawn to dark.
In the Commerce Committee any Democratic attack would
Be repelled by Oregon's not Robert but plain Bob Packwood,
And at Veterans Affairs an ex-GI looking for a pal
Will find Alan K. Simpson — "You know me, Al."

The long line of names spirals out of our sight,
So for now, Happy Reagan, and to all a good night!

NEW YORK DAILY NEWS
3 December 1980

GOP sources report:

Reagan set on top jobs

By JAMES WIEGHART and BRUCE DRAKE

Washington (News Bureau)—President-elect Reagan has decided on his administration's top cabinet posts, settling on Alexander Haig as secretary of state, Caspar Weinberger as defense secretary and Citicorp chairman Walter Wriston as treasury secretary, Republican sources said today.

William French Smith, Reagan's longtime personal lawyer, will reportedly become attorney general.

Sources said that Reagan has decided to appoint campaign director William Casey, a prominent New York lawyer and onetime head of the Securities and Exchange Commission, to the top job at the Central Intelligence Agency and University of California economist Thomas Sowell, a black, to the post of secretary of housing and urban development.

* * * * * * * * * *

Casey, 67, the choice to head the CIA, went to night law school at St. John's in New York and during World War II entered the Office of Strategic Services, the forerunner of the CIA, where he became chief of secret intelligence for the European war theater. Casey had also been mentioned as a candidate for secretary of state. ■

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ON PAGE A-7
WASHINGTON STAR (GREEN LINE)
3 DECEMBER 1980

Weinberger Likely to Get Key Position

But Aides to Reagan Say Choices Remain

By Jeremiah O'Leary
Washington Star Staff Writer

LOS ANGELES — Caspar Weinberger will be named to one of the big three positions — state, defense or Treasury — in the Reagan Cabinet, according to Reagan sources here.

"Once Weinberger's slot is known, the rest of the nominations will be easier to figure out," said a source close to President-elect Ronald Reagan.

Weinberger, who got the nickname "Cap the Knife" while working on the budget for the Nixon administration, is serving as Reagan's chief budget-cutter with responsibility for recommending cuts that would hold the fiscal 1981 budget to no more than $620 billion.

Treasury secretary would be the logical position for that work, but there are persistent reports that he will go to state or the Pentagon.

If Weinberger were to become Treasury secretary, the way would be clear for retired Gen. Alexander Haig or Reagan campaign chief William J. Casey to become secretary of state and for either former Texas Gov. John B. Connally or former Defense Secretary Donald Rumsfeld to take over at the Pentagon. Casey also is seen as a front-runner for CIA director.

There also is speculation here that economist Alan Greenspan no longer is in contention for a Cabinet post.

Reagan sources report that a new name has been added to the list of leading contenders for Cabinet nomination: W. Malcolm Baldridge, chairman of Scoville Industries of Waterbury, Conn. He is said to be in good position for a Cabinet post, perhaps secretary of commerce. Baldridge was chairman of the Connecticut Reagan-Bush committee and co-chairman of Connecticut Citizens for Nixon and Agnew. He also is a member of the National Republican Finance Committee.

Reagan sources also say that Rep. David Stockman, R-Mich., is likely to be named either secretary of energy or director of the Office of Management and Budget.

California attorney William French Smith, who headed Reagan's committee to seek talent for the top government posts, probably could be attorney general if he wants the job, Reagan aides say, but some believe the nomination may go to California Superior Court Judge William Clark. These sources believe Smith, who is Reagan's attorney, may wish to stay in California.

Reagan has decided on more than half the Cabinet nominees, but the names are not being made public until after Reagan and his closest aides have conferred with the president-elect's first choices.

It appears that Reagan is not likely to make public any of his Cabinet selections at least until Friday, when transition director Edwin Meese is scheduled to arrive here for discussions on personnel and policy matters.

Three potential Cabinet choices have asked that their names be removed from consideration. They are William E. Simon, George Shultz and Anne Armstrong.

Until the Cabinet offices are chosen, there are not likely to be any final decisions on the subcabinet positions because Reagan wants the new cabinet members to have a voice in choosing the assistants and deputies with whom they will be working.

Reagan is to fly east Monday for several days, first to New York and then to Washington. Reagan advisers believe most of the Cabinet will have been made public by the time Reagan completes his second post-election Washington visit Dec. 13.

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ON PAGE A-1

NEW YORK TIMES
3 DECEMBER 1980

4 REPORTED CHOSEN AS THE INNER CIRCLE OF REAGAN CABINET

Haig at State Dept.; Weinberger at Defense; Wriston at Treasury; Smith, Attorney General

By HEDRICK SMITH
Special to The New York Times

WASHINGTON, Dec. 2 — President-elect Ronald Reagan, drawing on both the Eastern establishment and his West Coast political associates, has decided on the four men he wants to form the inner ring of his Cabinet, well-placed Republican sources said today.

These sources said that Mr. Reagan's choices were Gen. Alexander M. Haig Jr., retired, former Supreme Allied Commander (Europe) of the North Atlantic Treaty Organization, for Secretary of State; Caspar W. Weinberger, Mr. Reagan's long-time adviser and now vice president of the Bechtel Corporation, for Secretary of Defense; Walter B. Wriston, chairman of Citicorp, for Secretary of the Treasury; and William French Smith, the President-elect's personal attorney and friend, for Attorney General.

Although all four men are known as conservatives Republicans, they are regarded as moderates and their selection seems to point toward a trend in Mr. Reagan's policy-making, following his pattern as Governor of California.

Caution on Clearances

The Republican sources cautioned that not all the necessary clearances had been completed and that Mr. Reagan had not formally offered the top Cabinet posts to these men or received their final acceptances.

These sources said that both Mr. Wriston and Mr. Smith had expressed some hesitancy about entering the Federal Government and that if they were to decline to serve it could lead to reshuffling among the top posts.

Associates of Mr. Reagan pointed out that although Mr. Weinberger very much wanted a foreign policy post, he was sufficiently versatile and experienced to shift to the Treasury Department if necessary.

Casey and Stockman Listed

Two other key Cabinet-level positions were also reported decided. Republican sources said that Mr. Reagan had decided to put his campaign director, William J. Casey, a New York tax lawyer, as Director of Central Intelligence, and had signaled his preference for Dave Stockman, a two-term Congressman from Michigan, as director of the Office of Management and Budget.

Although Reagan transition aides said that the President-elect was still working on some of his Cabinet choices, they reported that he had essentially settled on Senator Richard S. Schweiker of Pennsylvania to be Secretary of Health and Human Services and not Secretary of Labor, as previously reported.

They also said he was inclined to choose Drew Lewis, a Pennsylvania businessman who became one of his deputy campaign managers and deputy chairman of the Republican National Committee, as Secretary of Transportation.

In an apparently typical pattern, high-level Reagan aides reported that security clearance procedures had been initiated today on Mr. Stockman, but by late afternoon his friends said that he had not received any call from the President-elect asking him to take the job.

There were indications that the Reagan personnel operation was undertaking preliminary security checks and inquiries about potential conflicts of interests before any formal job offers or announcements were made to spare both Mr. Reagan and potential Cabinet appointees the embarrassment of later disclosures that would force a change in Mr. Reagan's choices.

According to some associates of Mr. Reagan, at least two prominent Republican political figures have been sounded out about Cabinet positions and turned them down. These sources said that John B. Connally, the former Governor of Texas, had rejected a chance to serve as Secretary of Energy and that Pete Wilson, Mayor of San Diego, had declined to be considered as Secretary of Housing and Urban Development.

Bill Brock, the Republican National chairman, has been mentioned as a possible Secretary of Commerce, but Reagan transition sources said that he was also under active consideration for Under Secretary of State. He has expressed an interest in both commerce and foreign affairs.

Possible Agriculture Choice

Although no decision is reported to have been made on the new Secretary of Agriculture, senior Reagan advisers here met today with John R. Block, former Director of Agriculture for Illinois, who is being pushed for the job by farm-state Senators like Bob Dole of Kansas.

The agriculture post could take on more than normal importance because in some preliminary plans prepared by top Reagan advisers, the Agriculture Secretary would sit in as a member of the inner Cabinet that Mr. Reagan intends to make his chief policy-making advisory group.

Because of its importance, the President-elect was reported to have concentrated initially on picking the key members of his Cabinet who would serve in that inner group, mainly the Secretaries of State, Defense and Treasury and the Attorney General.

The choices reported today reflected an evident effort by Mr. Reagan to achieve a balance in that group of Eastern establishment figures like Mr. Wriston and West Coast associates with whom he has long been comfortable, like Mr. Weinberger and Mr. Smith.

Blend of Old and New

The first four choices also reflect a balance of experienced Washington hands and newcomers to government. Mr. Haig, now 55 years old, not only served as commander of the North Atlantic Treaty Organization but also as White House chief of staff to President Nixon and as a deputy to Henry A. Kissinger when he was Mr. Nixon's national security adviser. At that time, Mr. Weinberger, who is now 63 years old, was budget director and later Secretary of Health, Education and Welfare. Previously, he had served as director of finance when Mr. Reagan was Governor of California.

Mr. Wriston, a widely respected New York banker, and Mr. Smith, a Los Angeles lawyer with family roots in Boston, have not served previously in government. Both men are in their early sixties. Mr. Smith is a long-time friend who served with Mr. Reagan on the University of California Board of Regents, and Mr. Wriston joined Mr. Reagan's economic advisory group last summer, in the midst of the Presidential campaign.

3 December 1980

Haig, Weinberger Top Choices in a Narrowing List for Cabinet

Yesterday's list of choices for the Reagan Cabinet focused on by-now-familiar names, including **Alexander Haig** for secretary of state, **Caspar W. Weinberger** for secretary of defense and **William French Smith** for attorney general.

The New York Daily News was farthest out on the limb, saying that President-elect Ronald Reagan had selected six persons — Haig, a former supreme commander of NATO; Weinberger, a longtime Reagan insider; Smith, Reagan's personal lawyer; **Walter Wriston**, chairman of Citicorp., as treasury secretary, **William Casey**, the president-elect's campaign director, as head of the Central Intelligence Agency, and **Thomas Sowell**, a conservative University of California economist and a black, as secretary of housing and urban development.

A top Reagan aide characterized the Daily News list as "50 percent wrong," but wouldn't say which half was right. The Washington Post contacted several of those on the list, who said that if they had been selected, it was news to them.

The Associated Press reported that Reagan had made offers to eight persons, but mentioned only four names as "likely" or "top picks" — Haig, Weinberger, Wriston and Casey — for the same posts the Daily News had listed.

EXCERPT

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ON PAGE 10

TIME
1 December 1980

How to Charm a City

Reagan gives a boffo performance in his first appearance in the capital

* * * * *

Wednesday morning brought one of the more solemn transition rituals: the passing on of intelligence secrets to the President-elect. CIA Director Stansfield Turner arrived at the Jackson Place town house, briefed Reagan for 90 minutes, and left stonefaced and silent; he knows that he will be replaced, probably by William J. Casey, Reagan's transition chairman, who sat in on the meeting. But the ritual had one touch of humor. Hurrying to the briefing, Bush bounded up the steps of 712 Jackson Place and began shaking hands with puzzled secretaries from the Harry S. Truman Scholarship Foundation before he realized he was at the wrong building. Said Bush to newsmen: "You can always tell the new kid on the block."

—By George J. Church.
Reported by Walter Isaacson/Washington

EXCERPTED

ARTICLE APPEARED
ON PAGE 22

U.S. NEWS & WORLD REPORT
1 December 1980

The New Man Hits Town

When Washington and the President-elect came eye to eye, each liked what was seen. The watchword, at least for now: Mutual respect.

Ronald Reagan's five-day, whirlwind visit to Washington in late November served notice that he is determined to avoid the same mistakes that dogged Jimmy Carter's administration.

Leaders of all three branches of government were left with that impression as Reagan flew back to California on November 21 to begin the next phase of preparations for his Presidency: Selecting a cabinet.

As the next President explored the city that will be his home for four years, sizing up its power brokers and letting them take his measure, the names of his possible cabinet choices kept leaking out.

Front-runners for key jobs included Reagan's lawyer, William French Smith, for Attorney General and William E. Simon for Secretary of the Treasury, a post the Wall Streeter held in the Nixon and Ford administrations.

In meetings with Congress, the Supreme Court, the executive branch and local society leaders, Reagan also made headway toward the major objectives of his Presidency—a balanced budget, tax cuts and a stronger defense. He let it be known that as soon as he takes the oath of office on January 20 he will begin implementing the plans now being drawn up by his advisers. As the President-elect put it: "We're going to start grabbing right away."

Reagan made it clear that he was not ignoring world events. He sat down with Central Intelligence Agency officials for briefings and sent word to the South Korean regime that he, like Carter, opposed its plans to execute opposition leader Kim Dae Jung. He met with Helmut Schmidt during the West German Chancellor's November 20 stop in Washington.

On the same day, for the first time since the election, Reagan met with Carter, spending 80 minutes with him in the Oval Office. Carter called the meeting "a delightful experience," during which he talked to his successor about the problems he will inherit.

* * * *

Although the list of potential cabinet appointees was not made public, it was known to include the names of Smith, Simon and a number of others with close ties to Reagan. Smith, 63, a prominent Los Angeles lawyer, was himself a member of the screening committee. Simon was reported to be a unanimous first choice of committee members. Other names on the list included:

* * * *

Director of Central Intelligence: William Casey, a New York lawyer who ran Reagan's campaign committee and previously headed the Securities and Exchange Commission.

By SARA FRITZ

ARTICLE APPEARED
ON PAGE 30-33

NEWSWEEK
1 December 1980

Hail the Conquering Hero

* * * *

The Smart Set: Reagan was at least as assiduous—and as winning—at paying court to Washington's other regnant power elites. His visit to the Supreme Court was, so far as its historians could determine, the first by any President-elect since Monroe; he sipped a glass of *blanc* with Chief Justice Warren Burger and swapped sporting reminiscences with Justice Byron (Whizzer) White, once a football All-American. And, where Carter and the Capital's smart set had held one another in mutual dislike, Reagan reached out for its friendship at a party of his own at the tony F Street Club and a dinner thrown for him by columnist George F. Will. The combined guest lists exposed him to a mix of dozens of BP's and VIP's from politics and business, the arts and the media, the churches and the local pro sports teams. Most were surprised to be asked—the Democrats to the point of guessing the invitations were a joke. They weren't. "There is only one letter separating 'President' from 'resident'," Reagan said, toasting Washington on F Street, "and I intend to be both."

He was pursued on his rounds by gossip as to the make-up of his Cabinet—a guessing game he tried in vain to discourage on the ground that he hadn't chosen anyone yet. The best bet on most tip sheets was his friend and campaign manager William Casey for CIA director. George Shultz was said to be leading for State and William French Smith for Attorney General—if Shultz can tear himself away from his Bechtel Corp. presidency and Smith from his rich Los Angeles law practice. William Simon, much promoted for an encore tour at Treasury, has run into opposition for his prickly personality—the opponents including his former boss Gerald Ford. A boomlet for John Tower as Secretary of Defense encountered static, partly because it might cost the GOP his Senate seat in Texas—and partly because some Reagan men thought he was lusting too openly for the job. Gen. Alexander Haig remained a favored alternative.

Shopping Lists: Reagan shrugged off the stories—the work, he said dryly, of "people who know more about it than I do"—and repaired to California at the weekend to begin making his choices. His Kitchen Cabinet shipped him a list of 78 names, four to eight for each major job, but staffers counted it barely more definitive than the newspaper versions. "It's *a* list, not *the* list," said domestic adviser Martin Anderson. "Reagan has been thinking about this for a long time. He has his own list."

Reagan floated through Washington serenely above the hum of rumor; he owed his success there in part precisely to the fact that he has not yet had to decide anything serious or offend anyone important. A guest at one of his hey-look-me-over dinners last week listened to his tales of how he made Sacramento work and was struck by his innocence—by his resemblance, that is, to all the other fledgling presidents who have blown into town promising to work with Congress, tame the bureaucracy, revivify Cabinet government and change the world. "I'm afraid he's in for some surprises," the guest said. "He doesn't realize what kind of bricks he's going to get hit with." But Reagan could hardly be faulted for believing his notices—or their unanimous verdict that he had conquered the capital he ran so long and hard against.

PETER GOLDMAN with GERALD C. LUBENOW on the Reagan tour, THOMAS M. DeFRANK, ELEANOR CLIFT and GLORIA BORGER in Washington and MARTIN KASINDORF in Los Angeles

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ON PAGE A-19

NEW YORK TIMES
1 DECEMBER 1980

ESSAY

Reading Brezhnev's Mind

By William Safire

I'm hoarse from shouting at Senator Percy. Clever of the Americans to send a man known to be hard of hearing, and who makes a point of his triumph over a physical handicap. I never knew for certain whether or not he had his hearing aid plugged in.

But is Percy plugged in with Reagan, who is also slightly deaf? Arbatov says no. Says that Percy is one of the last of the liberal Republicans, a vanishing breed, considered a softie by the Reagan men. Not a real emissary — the only briefing he was given was to be handed a couple of old speeches and a copy of the Republican platform. Percy speaks for himself, says Arbatov, not for Reagan.

On the other hand, Dobrynin in Washington — who saw Richard Allen, the security adviser with the American accent — sends word that Percy could be significant. Reagan may want to show he is not such a Cold War throwback, and may be using Percy as a signal before he takes power. I wonder which theory is correct?

The Americans are most confusing in their times of transition. Here I have the transcripts of Percy's press briefings in Moscow, telling people back home how tough he was informing us that SALT II is dead and how he warned us to stay out of Poland. But here are the intercepted cables from the U.S. Ambassador Watson to his superiors at State in Washington, reporting how forceful I was with Percy about SALT and showing what a pussycat he was. I like Watson's report.

My problem is this: I must know before February if Percy represents Reagan's view, and if the Americans will be willing to negotiate SALT two-and-a-half right away. In February, the Communist Party Congress meets here in Moscow to lay out the five-year plan. Decisions must be made.

If the Percy assurances are really based on Reagan's policy, then we can give the Americans some cosmetic changes in SALT II — make the new Administration appear to have gotten concessions that Carter failed to get — and ratify our deal. I must have that SALT agreement: it guarantees the superiority the Soviet Union needs to offset our encirclement.

But if the Percy talk of willingness to negotiate immediately is just his start my buildup. We have to double our production of backfire bombers; I promised 30 a year, but the Americans will not know for three years if we produce 60 a year. And I will have to start training our crews now for air-to-air refueling. And if we are to Mirv our SS-18's so they can carry 30 warheads instead of the agreed-upon 10, we must start now producing the plutonium and building the guidance systems.

That's what Ustinov wants, but I cannot afford it. The grain harvest was terrible; Afghanistan has been costing too much; the strikes in Poland are giving some Russians the wrong ideas. I do not need an arms race, I need more food and consumer goods. An arms race would be terrible because the Americans have the industrial capacity to win it. It's vital that they do not learn that we realize that. I need SALT II more than I can let them know.

Could it be that the Reagan advisers are shrewder than either Arbatov or Dobrynin think? Could they have sent Percy over here to lead me to think that new negotiations are possible right away, so that I will put off my February decisions? Could they be raising my hopes, so that I will be obliged to do America's bidding in Afghanistan, in the Persian Gulf, in Poland?

No, Reagan is not that smart. Look at the way Helmut Schmidt made a fool of him last week, enticing him into discussions in Washington so he could tell the Germans he had the new American President in his pocket. Well, Reagan's young.

I know what I must do: publicly interpret the Percy visit as a genuine Reagan opening to détente. That will create a momentum in the U.S. for reopening negotiations quickly that Reagan will not be able to resist without appearing to be a warmonger. The Senate, the newspapers, the beaten Democrats and Chancellor Schmidt will all force him to be "reasonable," and accept my offer of cosmetic changes. In that way, I can take away his leverage immediately.

If Reagan waits, I would have to make negotiations more attractive for him. Jewish emigration is down to 700 a month now — I could ease up on that. On the other hand, if Reagan is captured by the new momentum of détente, I could then insist on an end to America's grain embargo. A great deal depends on who appears more eager to begin negotiations.

The riposte that worries me most is a proposal by Reagan for actual arms reductions — not just limitations — such as Carter suggested in March of 1977. Carter retreated when I became furious at that; Reagan may not.

Maybe it's time to bring Anatoly Dobrynin back to the foreign ministry. According to Arbatov, [illegible] the Secretary of State will be Al Haig, the Defense Secretary will be Caspar Weinberger, the director of Central In-

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HUMAN EVENTS
29 NOVEMBER 1980

Capital Briefs

★ CIA Director Stansfield Turner has failed in a concerted campaign to hold on to his job in the new Administration. Turner, whose rule has shattered morale at the agency, lobbied strenuously to keep his post. But Reagan decided early to bring in a new team at the agency. His reported choice to succeed Turner, campaign chief William Casey, despite his experience in the field, was not the favorite of some intelligence professionals, however. They would have preferred Vice Adm. Bobby R. Inman, head of the National Security Administration, or former Ambassador Laurence Silberman.

ARTICLE APPEARED ON PAGE 29
NEW YORK DAILY NEWS
26 November 1980

Ronnie's millionaire-brand Kitchen Cabinet

WASHINGTON—Ronald Reagan is still said to be working out his Cabinet choices, so the net worth of his official family cannot yet be calculated. But whatever the financial worth of his real Cabinet turns out to be, it can be said right now that the old friends and associates who are assisting Reagan in the selection process—16 millionaires known as Reagan's "Kitchen Cabinet"—would make the Eisenhower administration's famed financial biggies look like a bunch of pikers.

JAMES WIEGHART

The group is formally known as Reagan's transition advisory committee on personnel, and it includes some of the former California governor's political advisers and several persons who will serve on his White House staff—people like longtime aide Edwin Meese 3d, who has already been named presidential counselor; California public relations man Michael Deaver, who is expected to be a top White House adviser; William J. Casey, a wealthy New York lawyer who will probably be named director of the CIA; former Treasury Secretary William Simon, slated for the same post in the Reagan administration, and Sen. Paul Laxalt (R-Nev.), chairman of Reagan's campaign.

But the real power in the Kitchen Cabinet is wielded by a relatively small group of California millionaires who were instrumental in luring Reagan into running for governor of the state against Democrat Edmund G. (Pat) Brown Sr., Jerry Brown's father, in 1966 and who have guided his career ever since.

First among equals in this group is Justin Dart, 73, chairman of Dart & Kraft Inc., a crusty, outspoken dynamo of a businessman who likes to think of the Kitchen Cabinet as a "cross-section" of America.

It was Dart and William French Smith, 62, a highly successful real-estate attorney and Reagan's personal lawyer, and multimillionaire Southern California Ford dealer Holmes Tuttle, 75, who were instrumental in bringing Reagan into the political arena 15 years ago.

Along with the late A.C. (Cy) Rubel, chairman of the board of Union Oil Co., and oilman Henry Salvatori, the group determined that the man who spoke more eloquently and forcefully on behalf of Sen. Barry M. Goldwater and his ill-fated conservative crusade of 1964 was Goldwater himself, simply had to assume the leadership of the Republican Party's conservative wing.

In addition to Smith, Dart, and Tuttle, the current Reagan advisory committee includes, among others, Alfred Bloomingdale, W. Glenn Campbell, head of the Hoover Institute, a conservative think-tank; Earle M. Jorgensen, 82, chairman of Jorgensen Steel; Jack Wrather, 62, head of the Wrather Corp., an oil, entertainment (it owns the rights to "Lassie") and real-estate conglomerate; Theodore E. Cummings, 72, founder of the Food Giant supermarket empire; and Jaquelin Hume of San Francisco, president of Basic Vegetable Products Inc.

Just how important is this Kitchen Cabinet in terms of shaping the Reagan presidency? "Very important," is the cryptic response of a Reagan insider, "not only in picking his top people, but in shaping policies."

When Reagan was elected to his first term as California governor, the original, smaller Kitchen Cabinet led by Smith was charged with conducting an exhaustive talent search to come up with bright, young, conservative managers to fill the top slots in state government. Not only that, but the members also freely advised Reagan on important policy decisions.

Throughout Reagan's first campaign against Pat Brown, California Democrats viewed the powerful group as "mystery men" who would manipulate the politically inexperienced Reagan for their own ultraconservative political ends.

That charge fell flat, however, since none of the inner circle seemed to want anything for themselves. They were all wealthy, powerful persons in their own right who sought neither appointments to high office nor government contracts for their businesses.

The larger, slightly more diverse Kitchen Cabinet has more competition for President-elect Reagan's ear than the initial group. Reagan insiders point out that he must also heed advice from the Republican establishment, particularly former President Gerald Ford and top officials in the Nixon and Ford administrations, and Republican leaders in the Congress.

Yet is is also true that the list of 70 prospective appointees for the 13 Cabinet posts he must fill that Reagan is currently studying on his ranch near Santa Barbara is a list that was compiled by the Kitchen Cabinet.

Reagan insiders, defensive about how big a role the Kitchen Cabinet may have in the Reagan administration, argue that most Presidents have, in the past, relied on advice from longtime friends and associates. After all, FDR had his "Brain Trust," Truman had his "Poker Cabinet," John F. Kennedy had the "Irish Mafia" and Jimmy Carter had his Georgians.

SPRINGFIELD NEWS (MA)
24 NOVEMBER 1980

CIA Returns To Seek Recruits On Campus

By FRANK FAULKNER

AMHERST — The Central Intelligence Agency has been recruiting students at the University of Massachusetts, a major change from the low profile it kept during the decade of anti-war protests and an indication that the agency may be making a public comeback.

CIA recruiters were here Thursday and Friday to attract students interested in "research, analysis and collection of foreign intelligence" and who had UMass training in electrical engineering, computer science, economics and language training in Slavic, Asian or Middle Eastern studies.

Arthur Hilson, the UMass director of placement who schedules recruitment interviews, said the CIA began recruiting here during the 1960s, but bypassed the campus due to student protests.

Bush May Help

U.S. Rep. Edward P. Boland, D-Springfield, chairman of the House Intelligence Committee, which has purse string control over the spy agency, has said that having former CIA director George Bush as the new administration's "point man" may help the agency overcome many of its difficulties with restrictive legislation.

Reagan's transition team has indicated that the new CIA director may be William J. Casey, who helped direct American intelligence operations behind German lines late in World War II.

Boland termed Casey, "an excellent administrator who has a well-qualified background in intelligence." The Congressman said he knew him when Casey was a member [illegible] administrations.

As Reagan's friend and presidential campaign manager, Casey was considered a likely candidate for secretary of state, but George Shultz and Alexander M. Haig, president of United Technologies Corp. in Hartford, Conn., have been named as strong possibilities for the State Department helm.

Haig a Possibility

Haig has also been mentioned for the CIA post, and he is a possible candidate for secretary of defense, but the retired general would require a Congressional waiver from legislation which prevents officers from appointment to the Pentagon post within 10 years of retirement.

United Press International, citing transition sources, has dropped Haig from its list of top choices, which includes and has listed George Shultz as the likely secretary of state and Casey as potential director of the CIA.

Casey is chairman of Reagan's transition team, known as the "kitchen cabinet," which has been advising the president-elect, who is expected to announce his cabinet choices Dec. 1.

World War II Service

During World War II, Casey headed the German intelligence branch in the Office of Strategic Services. According to R. Harris Smith, author of "OSS: the Secret History of America's first Central Intelligence Agency," published in 1972, Casey was chief of the Strategic Intelligence Branch which had control of covert operations in Germany and by the spring of 1945 had parachuted more than 150 agents behind Nazi lines to disrupt rail centers and report on troop movements.

"As an emergency measure, the new SI Branch chief, a wealthy 32-year-old tax lawyer, William Casey, was given overall operational control of German projects," Smith wrote. "He coordinated the effort to send Polish, Belgian, and French agents to the major crossroad cities of Germany. The tactical missions were launched by Army units at the front. The deep penetrations of agents parachuted far behind the lines were flown from, Namur in Belgium or from the OSS detachment at Dijon in eastern France."

In 1969, Casey was chairman of a "National Citizens Committee" which purchased large newspaper advertisments throughout the country supporting the Nixon administrations Vietnam policy.

Chaired SEC

In March, 1971, former President Richard Nixon nominated Casey to the Securities and Exchange Commission and Casey became its chairman.

During the campaign, Casey advocated a more aggressive American intelligence operation and, in combination with Reagan's campaign rhetoric, caused some liberals to fear the new administration would unleash the CIA from some Congressional controls.

Boland said his House Intelligence Committee controls funding for covert operations and he did not expect major changes in the agency.

But the Heritage Foundation, a conservative research group in Washington, released a 97-page intelligence report Thursday advising the Reagan administration to make sweeping changes in the agency.

The report recommended separating clandestine operations from the CIA, hiring more and better trained agents, establishing competing sources of intelligence and altering laws which restrict CIA operations.

ARTICLE APPEARED ON PAGE 37

NEWSWEEK
24 November 1980

[redacted]

PERISCOPE

Reviving a Presidential Panel

The Reagan Administration is expected to revive a White House panel called the President's Foreign Intelligence Advisory Board, created by President Eisenhower but disbanded by Jimmy Carter. The board was usually composed of establishment leaders, and Carter thought they weren't rigorous enough in reviewing CIA operations. William Casey, Ronald Reagan's campaign manager, once served on the PFIAB and so did Washington lawyer Edward Bennett Williams, one of the few Democrats on the Reagan transition team. Vice President-elect George Bush worked closely with the board during his tenure as CIA director under President Ford.

ARTICLE APPEARED
ON PAGE A21

THE WASHINGTON POST
24 November 1980

Rowland Evans and Robert Novak

An Old Gray Cabinet?

"Aren't we a very old team?" Winston Churchill asked Prime Minister Neville Chamberlain on Sept. 2, 1939, surveying Chamberlain's proposed war Cabinet. It is a question President-elect Reagan also should ponder as he begins Cabinet-making in earnest.

In fact, he should broaden the question: Aren't we in danger of becoming a very old, very gray and very establishment team of businessmen with reputations as managers but not as men of ideas? Before Reagan himself has made a single Cabinet decision, the most probable and important selections are arousing anxiety among his supporters.

The antidote happens to be very old himself but is anything but gray, is not establishment, not a businessman, not a manager and is surely filled with ideas: Ronald Wilson Reagan. Just as Reagan is the best hope for radical economic and national security policies, he is also the principal obstacle to an old gray Cabinet.

That Cabinet is taking shape in leaks from senior Reagan aides. New York lawyer William Casey, 67, at CIA and Los Angeles lawyer William French Smith, 63, at the Justice Department are considered all but certain. Those twin executives from the Bechtel Corp., Casper Weinberger, 63, and George Shultz, 60, are prime possibilities to be named somewhere—State Department, Pentagon or Office of Management and Budget.

Adding William Simon, at 54 neither old nor gray, only slightly modifies the gerontocracy of this presumptive Cabinet. Along with Reagan, soon to be 70, its average age is almost 63. That approaches the proposed Chamberlain war Cabinet's average age of 64 ("Only one year short of the old age pension!" the then 65-year-old Churchill exclaimed).

But age is not the most serious problem. Some insiders call it an "embarrassment" to make an attorney general out of Smith, described by one Reagan adviser as "a society lawyer." Reaganites blame him, as Reagan's family lawyer, for Reagan's politically embarrassing zero income tax payments of the past. Whether such criticism is well-founded, nobody has accused Smith of serious thought about government.

Nor does anyone believe that Casey, a brilliant World War II manager of espionage operations, has an agenda for rehabilitating today's CIA. Although Weinberger may return to his Nixon administration post at OMB, his transition paper on the budget is considered by experts to be 10 years out of date.

The widely respected Shultz is so much an establishment conformist that even some of his admirers believe he would be an effective secretary of state only in an administration peppered with younger, more innovative personalities. Otherwise, he might take on the coloration of his older, grayer colleagues.

Why are the names emerging from Reagan's kitchen cabinet so lacking in youth, dynamism and imagination? Because the advisers, elder establishmentarians from the world of business, seek above all managerial ability.

Past Republican administrations, as well as Jimmy Carter's, have been seduced by the notion that managerial ability is the principal governmental skill. Lawyer-banker Laurence H. Silberman, a trenchant Republican analyst of government, has written that ideology and program are far more important. Without ideology, Silberman wrote in 1978, "we see the now familiar picture of President Carter pondering each new question as if it were an isolated ad hoc engineering problem."

That is why the abrasive, controversial Simon is welcome relief to Reagan supporters who worry about an old gray Cabinet. Whatever the complaints about his temperament, Bill Simon lives in the world of ideas. What's more, he is willing to change them, currently showing much more inclination toward radical supply-side economic notions.

Republicans originally attracted to Reagan as a force for change also want at least one young, clearly innovative figure in an important Cabinet post. Rep. David Stockman of Michigan, 34, carries that hope in an intensifying push for him as OMB director. Stockman has informed Reagan transition agents he has no interest in a token position, such as secretary of energy.

The conventional wisdom doubts Reagan would stray far from the advice of his old friends. While insisting on massive tax cuts and massive defense spending against the counsels of caution, it might be too much for Reagan to cast a gimlet eye on eminently-respectable recommendations from his kitchen cabinet.

But unlike those retired business tycoons, Ronald Reagan has never met a payroll. For the last 20 years, he has dealt with ideas—showing startling receptivity to new concepts. He might prefer a few younger colleagues with similar intellectual boldness by his side.

ARTICLE APPEARED
ON PAGE A-27

NEW YORK TIMES
24 NOVEMBER 1980

ESSAY

Haig's Pinch

By William Safire

WASHINGTON — Get out your yellow pad and put yourself in the loafers of the President-elect as he weighs the pros and cons of his choice for Secretary of State.

One name that appears on the final four-name short list is General Alexander M. Haig Jr., former Deputy to National Security Adviser Henry Kissinger, former Army Vice Chief of Staff, former White House Chief of Staff, former NATO commander, former man on slow horseback.

The assets are impressive:

1. *Demonstrated bravery.* The Distinguished Service Cross is not handed out lightly: Al Haig was a genuine hero in the battle of Au Gap, early in the Vietnam War. In addition, he won a battlefield promotion to colonel of an infantry battalion for leading troops in An Loc. Performance in combat — coolness under fire — is an important criterion in judging any man's qualification for a job in the storm center.

2. *Well-regarded by allies.* After arranging for the resignation of Nixon, Haig was assigned by President Ford to the top military post in Europe. As NATO's Supreme Commander, he won the respect of most of our allies for his intelligence, political sagacity and forcefulness. Europeans are familiar with Haig and would be comforted by his appointment.

3. *Firm grasp of the strategic threat.* When he resigned from his NATO job last year to test the political waters back home, Haig recommended that the Senate hold the SALT II treaty in abeyance while its flaws were renegotiated. He was especially critical of an agreement permiting the Soviet backfire bomber and SS-20 missiles to "run free" while limits were placed on our cruise missiles. He was tough on SALT before Afghanistan.

4. *Experienced cultivator of opinion-makers.* Many of the books and articles about the last days in the Nixon White House drew on details supplied — on deep background — by Haig or his assistants; as a result, most accounts gratefully portrayed Haig as the de facto President, saving the country from the potential thrashing-about of a wounded leader. Though Nixon loyalists fumed, practical politicians admired Haig's ability to extricate himself with praise from the key writers.

Liabilities of a Haig appointment are also to be considered.

1. *Sycophancy footwork.* Haig is the only four-star general never to have the sponsorship of Henry Kissinger, who appreciated an efficient order-follower who would coolly tolerate the most demeaning bullying. Like a Gilbert and Sullivan admiral, Haig knew how to polish the top-brass handles of the Oval Office door.

2. *The 17 illegal wiretaps.* Because of a personal interest in the 1969-71 eavesdropping on newsmen and White House aides, I asked William Sullivan of the F.B.I. in 1974 who was the man who transmitted the White House request for the unlawful surveillance, and who reviewed the transcripts. The reply: "Colonel Haig." When asked to say it wasn't so, my former colleague said of the tapping: "It never gave me gas pains." To this date, Al Haig has never been reprimanded for — or shown any remorse for — his intimate role in this perversion of the national-security power. (I have forgiven him, but whenever there is a click on my phone, I cannot help saying "Hi, Al."

3. *Trotting out the tapes.* At confirmation hearings, any embarrassing moments on the Nixon tapes involving Al Haig are sure to be publicly played. A few apple-polishing remarks are already known — "Only you, Mr. President" — but Haig assures friends that no substantive improprieties will be revealed. Before making any decision, Governor Reagan will have to make certain that Haig's recollection is accurate and consider if he wants any Watergate-era associations attached to his Secretary of State. (John Connally also had this problem; Shultz and Weinberger did not.)

4. *Running for President from State.* Al Haig still wants to run for President; as Ronald Reagan must be the first to know, that is not an ignoble ambition. The question is: Does Reagan want a man at State afflicted with the need to factor his political future into his diplomatic recommendations?

Now put down your Haig yellow pad. Pick up similar rundowns on the pros and cons of other panel-recommended "finalists": George Shultz, who has asked that his name be withdrawn but who was told to take that up with Reagan directly; William Casey, who is everybody's choice for C.I.A. chief but is showing late strength in the choice for State; and Casper Weinberger, who is closest of all to Reagan.

Add to that list Henry Jackson, who would contribute that note of unlike-mindedness on domestic affairs so needed among the top handful. At the highest level, good-soldierliness is an overrated virtue; it would be as much of a mistake for Reagan to put a military mind at the head of State as it would be for him to put his personal lawyer at the head of the Justice Department.

Where does a Cabinetmaker come out? In the case of Haig, his assets far outweigh his liabilities — for Chairman of the Joint Chiefs, for chief SALT negotiator, for Ambassador to Peking or Moscow, or to command a military-political operation to provide Iran with a suitable trade for the hostages. Not for

WEST PALM BEACH POST (FL)
23 November 1980

PB Hardly Notices Probable CIA Chief

By Randy Schultz
Post Staff Writer

William Joseph Casey, Ronald Reagan's apparent choice to direct the Central Intelligence Agency, travels to and from his house on Palm Beach so unobtrusively that few people ever know he has come and gone. In fact, many Palm Beachers don't even know that Casey has owned his house on N. Ocean Blvd. — just north of the Kennedy estate — for roughly the length of Jimmy Carter's administration.

His telephone number, unlike those of many Palm Beach socialites, is unlisted. He does not belong to the Palm Beach Civic Association, whose membership is de rigueur for the island's establishment. During the intermittent visits made by him and his wife Sophia they almost never make the social ramble, preferring instead to see a few friends and talk of world and financial affairs. The area is Casey's harbor after 67 stormy years, during which he has been a tax lawyer, high-ranking government official and keeper of the Republican flame.

"Bill and Sophia are quite private when they're here. They're not socially inclined," said Granville Morse, a semi-retired Palm Beach investor who sold Casey his home. "His trips here are relaxation for him. Privacy is what he values most when he's here."

Casey's has been a very public life otherwise, from the time he worked in the office of Strategic Services (OSS) — the mother of the CIA — during World War II through his tenure as president of the Export-Import Bank under Gerald Ford. Over those three decades, he established himself as the prototypic 20th-century Republican: conservative, urbane, successful and wealthy.

"I've made all the money in business that my family could ever spend," he said in 1966. "I can make a real contribution in public office."

His friends say he is known for frankness. Witness the statement: "I was never in a law firm where I wasn't bringing in 75 percent of the business." If that claim is true, his influence at the firm — 14 years a partner in a New York firm that included Leonard Hall, former chairman of the Republican Na-

The path from service as a counsel in Europe to those running the Marshall Plan — under Harry Truman — to possibly the CIA headquarters in Langley, Va., under Ronald Reagan has not been without its roadblocks and blind curves. One State Department official familiar with Casey's career said, "Bill Casey may fall sometimes, but he knows how to land on his feet."

Three times between 1962 and 1965 Casey was sued, once for plagiarism — he has written numerous books on taxation and investment — and twice in connection with his corporate activities. Casey admitted at Senate hearings — after first denying it — that he, not the judge, had moved to seal the record of the plagiarism trial. One of the stock fraud suits was settled out of court. The third eventually was dismissed. All of this appeared not to ruffle Casey, who blithely declared to one reporter that "guys like me are always getting sued." At one point his annual income was estimated to be $250,000.

His Burly-burly background elicited sharp discussion when Casey was nominated by Richard Nixon to become first in 1969 a member of the Advisory Council of the U.S. Arms Control and Disarmament Agency, and, two years later, chairman of the Securities and Exchange Commission (SEC.) At the Disarmament Agency hearings, Senator J. William Fulbright sparred with Casey over a newspaper advertisement promoting the Anti-Ballistic Missile and placed by the Citizens Committee for Peace with Security, which Casey founded. It had been revealed that 55 of 344 people whose signatures appeared on the ad had ties to the defense industry. Despite Fulbright's objections, the Foreign Relations Committee approved Casey's nomination.

In 1971, Sen. William Proxmire (D-Wisc.), chairman of the Senate Banking Committee, argued with Casey over the SEC nominee's description of himself. Casey said he was a "risk capitalist." Proxmire contended Casey was a "wheeler-dealerventure capitalist." In this instance, criticism of Casey from one source became praise from another. Other members of the Banking committee recalled that Casey's background approximated that of the first SEC chairman — Joseph P. Kennedy of New York and Palm Beach. Indeed, Edward Kennedy told Washington's Gridiron Club that "Casey is the second most outrageous appointment in the history of the SEC. The first was my father."

As chairman, Casey was enmeshed in two scandals that brought down other members of the Nixon administration. In 1971, the SEC had sued International Telephone & Telegraph (ITT) for stock fraud during the company's merger with the Hartford Insurance Co. When reports broke alleging collusion between ITT and the Nixon White House, Congress tried to get the SEC's files on its ITT investigation. After a meeting at the White House, Casey sent the files to the Justice Department, which is a member of the Executive Branch. When, two years later, news of that transfer came out, Casey had become Undersecretary of State for Economic Affairs and was traveling abroad. He declined to comment.

At about the same time as the ITT case, the Nixon administration was becoming involved with financier Robert Vesco, who then — as now — was living out of the country to avoid prosecution on fraud charges. Casey, at the request of then Atty. Gen. John Mitchell, met with one of Vesco's attorneys at about the same time Vesco gave a $200,000 contribution to Nixon's 1972 reelection campaign. Later, when Casey testified for the prosecution in the trials of Mitchell and former Commerce Secretary and Nixon fundraiser Maurice Stans, he claimed he could not remember many specifics.

With the defeat of Ford in 1976, Casey's name disappeared from the front pages and popped up only occasionally in the business section. He had returned to the practice of law and Reagan seemed content to have John Sears run his campaign. But early this year, just after Reagan had won the New Hampshire primary, Sears was fired and Casey was named campaign manager. Currently he is director of Reagan's presidential transition team in Washington.

CONTINUED

ARTICLE APPEARED ON PAGE A10
THE WASHINGTON POST
22 November 1980

Reagan Meets With His Foreign Policy Advisory Board

By Michael Getler and Robert G. Kaiser
Washington Post Staff Writers

President-elect Ronald Reagan met for the first time yesterday with his interim foreign policy advisory board, a high-powered, bipartisan group that includes former president Ford and several other national figures. Missing, however, was George Shultz, a former secretary of the treasury who has been prominently mentioned as a possible secretary of state in the Reagan administration.

Shultz is president of the Bechtel Corp. in San Francisco and was unable to attend the Washington meeting because of a company board meeting in California. His absence here, however, was deemed as very significant by one of the participants in the meeting, which went on for most of the day behind closed doors in the Senate and at Reagan headquarters in downtown Washington.

Sen. Howard H. Baker (R-Tenn.), one of the participants, later described the meeting as "a truly extraordinary forum." It included, besides Ford, former Nixon-Ford administration officials Henry A. Kissinger, Alexander Haig, Caspar W. Weinberger and Donald Rumsfeld, Sens. Baker, Henry M. Jackson, (D-Wash.), John Tower (R-Tex.) and Richard Stone (D-Fla.), Texas Gov. William P. Clements, former ambassadors Anne Armstrong and John McCloy, and advisers Jeane Kirkpatrick, Eugene Rostow and Edward Bennett Williams.

Top Carter administration officials, including Secretary of State Edmund Muskie, Defense Secretary Harold Brown and CIA chief Stansfield Turner, took part in portions of the meeting, providing briefings on current defense, foreign policy and intelligence situations for the Reagan group.

Reagan and Vice-President-elect George Bush joined the group for about 10 minutes at the downtown headquarters yesterday morning just before Reagan left for California.

Reagan campaign director William Casey told reporters later that the president-elect stressed his intent to carry on a bipartisan foreign policy.

Casey said the day-long gathering was meant to organize a comprehensive review of the foreign policy problems and opportunities that will face the new administration. The idea, he said, is for the committee to come up with a set of recommendations and evaluations of various situations in a report that can be presented to Reagan shortly before the inauguration in January.

The group, he said, would meet again early in December.

Kissinger said, "Almost every topic you can imagine was discussed." Baker called it "the most substantive meeting" he had ever seen in his 14 years in the Senate.

Asked about his own role, Kissinger reiterated that he would be available for special assignment and advice but that "I don't expect to play a full-time role" in the new administration.

Asked what he thought about reports that his former deputy and ex-NATO commander Haig might become secretary of state, Kissinger said Haig was a "distinguished American and would be an outstanding selection."

Haig and Shultz are the two names most commonly mentioned for the State Department post, though Reagan again said yesterday that no decisions have been made yet on his Cabinet appointments. Shultz reportedly has told friends that he has some doubts about taking the post, if offered, and in an interview with The Boston Globe Thursday, he acknowledged that if he had any differences with Reagan, they probably lie in Middle East policy.

Some participants at yesterday's meeting also said they detected a notable lack of communication between Tower, who would like to be secretary of defense, and Clements, who reportedly would like to see Tower remain as incoming chairman of the powerful Senate Armed Services Committee for the next Congress. It was reported yesterday that Tower's chances of getting the Pentagon post are now not good.

Later in the day, Reagan, aboard his plane en route to California, also seemed to indicate, according to United Press International, that Tower's status in the Senate would work against his being appointed to the defense post.

"I think the consideration with anyone who is in the legislature would have to be whether you would want to reduce" the Republican majority there, he told reporters. Asked if that would apply to Tower, Reagan replied, "Yes." He said he would take the Senate situation into account when making his appointments.

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NEW YORK TIMES
21 NOVEMBER 1980

Report to Reagan Aides Urges Ending Many Restrictions on U.S. Spying

By JUDITH MILLER
Special to The New York Times

WASHINGTON, Nov. 20 — A report prepared for national security advisers to President-elect Ronald Reagan calls for sweeping changes in intelligence practices and the elimination of many restrictions on the intelligence community.

The 97-page report, prepared under the auspices of the Heritage Foundation, a conservative research organization here, concludes that in order to revive the nation's intelligence capabilities, "agencies must be rebuilt through a combination of legislation, executive orders, administrative actions and Presidential leadership." It suggests separating clandestine operations from the Central Intelligence Agency, hiring more and better-trained agents, establishing competing sources of intelligence analysis and changing laws that restrict intelligence activities.

The report characterizes the current intelligence apparatus as being "in the worst condition since before Pearl Harbor" and blames not only President Carter but also three previous Administrations for politicizing intelligence gathering and analysis.

Officials stressed that key Reagan aides had only begun to think about how intelligence should be reshaped, and the report, they said, is only a tentative list of options open to a Reagan administration.

As one indication of the tentative nature of the options, J. William Middendorf, former Secretary of the Navy and acting head of the transition's task force on intelligence, and other members of the task force, met today for the first time with Adm. Stansfield Turner, Director of Central Intelligence.

However, officials close to the Republican transition effort in intelligence said it was likely that several of the proposals in the report would be pursued by a Reagan administration and the new Republican majority in the Senate.

The officials said that Mr. Reagan had not yet chosen a Director of Central Intelligence but that William J. Casey, the Reagan campaign director, was known to be the front-runner. Mr. Casey is known to support a much more aggressive approach to intelligence operations.

Moreover, many of the report's proposals resemble portions of a now-dormant legislative charter, introduced last summer by Republican Senators, that would restructure intelligence agencies and relax restrictions on domestic spying.

Many of the changes advocated in the report are bound to be resisted by civil liberties groups, which have fought for years for the laws and executive orders that now limit intelligence activities and protect individual liberties. Other structural recommendations are bound to be controversial, since they would require an overhaul of the current intelligence scheme. They stem from an assumption that the organizational setup is largely responsible for what the report contends is the poor quality of intelligence.

The report accuses the Carter Administration of weakening American intelligence "through mass dismissals of C.I.A. officials and partial replacement of them by inexperienced employees," a charge that agency officials have denied.

"Presidential leadership must play a role in rebuilding our intelligence services, which have not been so weak since Pearl Harbor, and can instigate not only administrative reforms, but also promote legislation and give the intelligence community the moral and political support necessary to fulfill its mission," the report concludes.

Many of the report's recommendations would not require legislation. For example, it urges the revocation of an executive order that governs intelligence structure and provides operational guidelines and restrictions for the intelligence agencies.

The report recommends that "language training, as well as adequate military and political instruction" should be standard for agents.

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THE WALL STREET JOURNAL
20 November 1980

Reagan Meets With Sen. Tower of Texas As Contenders for Cabinet Posts Emerge

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

WASHINGTON—As Ronald Reagan continued to acquaint himself with the nation's capital, leading contenders emerged for several top Cabinet posts in his administration.

The President-elect held a half-hour meeting yesterday with one of them, Sen. John Tower of Texas, amid reports he may name the 55-year-old conservative Republican as Defense Secretary.

Associates of Mr. Reagan said other front-runners for Cabinet positions include:

—William French Smith, 63, Mr. Reagan's personal lawyer and business trustee, to be Attorney General.

—Former Treasury Secretary William Simon, 52, to occupy the post he held under Presidents Nixon and Ford.

Reagan aides emphasized that the President-elect hasn't made final decisions on any Cabinet appointments. "He hasn't signed off on anybody yet," said one aide. But they said he is close to making decisions on nominees to head the departments of Defense, Treasury and Justice. Others said that former Treasury Secretary George Shultz is the leading contender for Secretary of State.

Mr. Reagan has received a list of recommended Cabinet appointees drawn up by his 19-member "kitchen cabinet," headed by Mr. Smith. That group of close associates is to meet again Saturday in Los Angeles. Mr. Reagan plans to return there tomorrow, and thus will have further opportunity to discuss Cabinet choices with these advisers.

Mr. Reagan's schedule yesterday left little time for Cabinet picking. Besides his session with Sen. Tower, the President-elect received a national security briefing from Carter administration officials, lunched with GOP House and Senate members, paid an unusual courtesy call on the Supreme Court Justices, and held a private meeting with Massachusetts Sen. Edward Kennedy. The liberal Democrat, who unsuccessfully challenged President Carter for their party's presidential nomination, requested the meeting. Last night, Mr. Reagan scheduled a dinner with Republican Senators and their spouses.

While Mr. Reagan spent a second full day wooing official Washington, speculation continued to mount on his Cabinet choices.

Mr. Smith, a trusted Reagan confidant, is considered almost a sure bet as Attorney General. However, his appointment is likely to raise anew the question of whether a President should select a personal and political associate as the top U.S. law enforcement officer. Most recent Presidents have done so, but this sparked a controversy after Richard Nixon's Attorney General, John Mitchell, was convicted for his role in the Watergate scandal.

Mr. Simon, who has worked hard for Mr. Reagan the past couple of years, likely will be tapped to head the Treasury Department. However, the hard-driving, demanding manager irritates some influential Republican advisers to Mr. Reagan. Former President Ford, for instance, favors economist Alan Greenspan over Mr. Simon for Treasury Secretary.

Sen. Tower only recently emerged as the likely choice for Defense Secretary. A proponent of a stronger U.S. military presence, the lawmaker has been expected to take over as chairman of the Senate Armed Services Committee. If Sen. Tower is chosen for the defense post, Texas Gov. William Clements might name former Treasury Secretary John Connally to his Senate seat.

Although Mr. Shultz is the rumored front-runner to head the State Department, the Bechtel Group executive is reported to be reluctant to re-enter government service. Other contenders for Secretary of State include Alexander Haig, former commander of the North Atlantic Treaty Organization, and former Budget Director Caspar Weinberger.

"Likely" or "most likely" appointees to other Cabinet posts are emerging, as well. Illinois Agriculture Director John Block is viewed as a top contender for Agriculture Secretary. Under consideration for Secretary of Health and Human Services is Elizabeth Dole, a former Federal Trade Commission member who is married to Sen. Bob Dole (R., Kan.); for Transportation Secretary, Drew Lewis, prominent Pennsylvania Republican and Reagan aide; for Commerce Secretary, Republican National Chairman Bill Brock; for Interior Secretary, former Wyoming Republican Sen. Clifford Hansen, and for Energy Secretary, Rep. David Stockman (R., Mich.).

Mr. Weinberger, another Bechtel executive, may be asked to be director of the Office of Management and Budget, the post he held under President Nixon. And William Casey, chairman of the Reagan transition office and a former chairman of the Securities and Exchange Commission, is the leading candidate to be director of the Central Intelligence Agency.

Today, Mr. Reagan is to meet with President Carter in the Oval Office at 2 p.m. EST while his wife, Nancy, gets a tour of the White House residence from Rosalynn Carter.

THE WASHINGTON STAR (GREEN LINE)
29 November 1980

Appointment Scoreboard

News reports published today and attributed to authoritative sources say that President-elect Reagan is expected to nominate William J. Casey as director of the CIA. The Washington Star carried similar reports in its Wednesday editions.

According to the reports, including one in The Washington Post, Sen. John Tower of Texas is a leading candidate for secretary of defense. In addition to Tower, other leading contenders for high posts in the Reagan administration, as reported in yesterday's Star, are:

- William E. Simon — Treasury secretary;
- William French Smith — attorney general;
- Rep. David A. Stockman — Energy secretary;
- Caspar Weinberger — director, Office of Management and Budget.
- Among those being considered for secretary of state are Gen. Alexander Haig and George P. Shultz.

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THE WASHINGTON POST
20 November 1980

Casey Is Reported in Line For Directorship of CIA

By Robert G. Kaiser
and Michael Getler
Washington Post Staff Writers

William J. Casey, who helped run American intelligence operations behind enemy lines in World War II, is expected to be nominated to become the next director of the Central Intelligence Agency, authoritative sources said yesterday.

President-elect Ronald Reagan met yesterday with Sen. John Tower (R-Tex.), a leading contender for secretary of defense, but neither would confirm that Tower will be offered the Pentagon job.

Sources close to Tower said last night that the senator's selection as defense secretary was by no means certain. Tower reportedly came away from his meeting with Reagan without any clear signal from the president-elect as to his prospects.

Some sources in the Reagan transition operation referred to Gen. Alexander M. Haig as a strong possibility to become secretary of state, but sources close to Haig said he had heard nothing to this effect from the president-elect or his aides. Haig has had no conversations about the job with anyone representing Reagan, these sources said.

Allocating the job of secretary of state now appears to be the key to Reagan's Cabinet-building efforts. There has been no shortage of candidates. Casey, who now is expected to go to the CIA, wanted it, informed sources said, as do Haig, former Office of Management and Budget director Caspar Weinberger, former Treasury secretary William Simon, former Texas governor John B. Connally and former secretary of state Henry A. Kissinger.

George P. Shultz, former Labor and Treasury secretary, has been mentioned persistently as the leading candidate for secretary of state, but he reportedly has said he does not want the job and that his position on the Middle East as vice chairman of the Bechtel Corp., a multinational construction firm, might preclude his taking it. Shultz has taken a more pro-Arab position than Reagan did during the campaign.)

Sources in the Reagan camp said yesterday that Shultz's statements should be taken seriously, though the sources did not rule him out as the nominee.

Simon apparently has been eliminated by a decision — all but final, sources say — to nominate him for secretary of the Treasury again. Kissinger is fiercely opposed by conservative politicians and groups that were important Reagan backers in the campaign. Connally, according to sources close to him, has apparently been ruled out as a member of the Reagan Cabinet, in part because of concern that he was tainted by his 1975 indictment on charges of taking an illegal gratuity in connection with the raising of milk price supports in the Nixon administration. Connally was acquitted.

Weinberger, long a Reagan confidant and a member of Reagan's gubernatorial administration in Sacramento, still may be in the running for the State Department, though Reagan transition team sources say it is more likely that he will return to the OMB.

However, informed sources say that Weinberger does not want to go back to OMB; he could end up as a counselor to the president with Cabinet rank or in some other role putting him close to Reagan. Rep. David Stockman (R-Mich.) is an active candidate for the OMB job, and is supported by many of Reagan's most ardent conservative supporters. Stockman is also considered a possible secretary of energy, though he has told Reagan transition officials that he would not take that post.

Reagan will meet soon, perhaps this weekend, with the informal advisers known as his "kitchen cabinet" who have been weighing possible Cabinet nominations. This group already has sent the president-elect a list of several possible nominees for each Cabinet post, with a tally of the votes each person on the list received from members of the "kitchen cabinet."

The Reagan camp has promised to announce Cabinet nominees by the first week of December.

Sources close to the Reagan camp said yesterday that William French Smith, the president-elect's personal lawyer, is still the leading candidate to become attorney general, though another source said this prediction would be premature and perhaps inaccurate.

On Capitol Hill, members of Congress interested in the Interior Department said they had heard three names mentioned as possible secretaries: Rep. Manuel Lujan Jr. (R-N.M.), Rep. John J. Rhodes (R-Ariz.) and Gov. Jay Hammond of Alaska. Lujan said last night that he knew his name was being mentioned for the job, but said he had not heard anything from anyone connected with Reagan.

Casey, slated to take over the CIA, served under Presidents Nixon and Ford as chairman of the Securities and Exchange Commission, undersecretary of state for economic affairs and president of the Export-Import Bank. Kissinger forced him out of the State Department job.

Now 67, Casey worked for the Office of Strategic Services (OSS) — the CIA's organizational ancestor — during World War II. He served in London as chief of secret intelligence in Europe, with direct responsibility for penetrating Nazi Germany with secret agents in the waning days of the war.

Casey took overall command of the Reagan campaign in February after the candidate fired campaign manager John Sears the day of the New Hampshire primary.

A senior Reagan aide disclosed yesterday that the new administration will retain William Webster as FBI director. Webster was appointed to his 10-year term by President Carter and career FBI officials reportedly were anxious that he not be removed by the new administration.

The possibility that Tower might become secretary of defense has caused concern among some Texas Republicans, sources said yesterday, because of fears that it would be difficult to keep his Senate seat in the Republican column in the special election that would be required within 90 days of his resignation.

Reports that Gov. William Clements would appoint Connally to Tower's seat were denied yesterday by sources close to the governor and by Connally's friends. Clements was reported as angry at the suggestion that he would participate in a prearranged deal to put

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WASHINGTON STAR (GREEN LINE)
19 NOVEMBER 1980

Reagan Nears Decision on Cabinet Posts

By Jeremiah O'Leary
Washington Star Staff Writer

President-elect Reagan is believed to be close to making final decisions on four key Cabinet positions by naming Sen. John Tower secretary of defense, William E. Simon Treasury secretary, John French Smith attorney general and William Casey director of the CIA.

Sources in the Reagan transition team also said retired Gen. Alexander Haig is fading as a possible choice for secretary of state and that George P. Shultz is now considered to be the front-runner there.

In addition, Reagan sources said Rep. David A. Stockman, R-Mich, is rising rapidly as a candidate for energy secretary and that Caspar Weinberger probably can have the important post of director of the Office of Management and Budget, if he wants it.

Tower is the conservative Republican from Texas who is slated to take over the Senate Armed Services Committee in the new Congress. Simon served as Treasury secretary under President Nixon. Smith is Reagan's personal counsel, and Casey was his campaign director.

Reagan has received the recommendations of the Transition Appointments Committee, headed by Smith. Although he will have little time to study the choices of two or three names for each Cabinet position during his brief Washington visit, Reagan is expected to make the final decisions when he returns to California on Friday. Official announcements are not expected until after Thanksgiving, but people in key positions at transition headquarters here believe some of the nominations have been settled for some time.

"Remember, nothing is final until the governor makes his choice," warned one transition official.

But several officials close to the decision-making process believe the Treasury, defense, justice and CIA posts are fixed in concrete.

Simon and Smith are consensus candidates because Reagan intimates do not believe anyone else was seriously considered for Treasury and justice. In both cases, there are other names on the lists given to Reagan but no one can be found who believed [illegible] chance. Simon, who served on Reagan's Economic Coordinating Committee, reportedly is enthusiastic

Smith is regarded as not ambitious for a Washington job, even the post of attorney general, but he is as trusted and close to Reagan as Charles Kirbo has been to President Carter and can be expected to accept any job the president-elect asks him to take.

There are mixed sentiments at transition headquarters about the decision that might take Tower out of the Senate, where he would be chairman of the Armed Services Committee and put him at the top of the Pentagon. Some Reaganites are enthusiastic about the purported strategy regarding Tower, a former Navy enlisted man with a long interest in defense and national security affairs.

Those who view Tower dimly as secretary of defense do so because they say Reagan has no need to cement his support for increasing the nation's defense capability with the Senate committee. Even Democratic Chairman John Stennis of Mississippi, who loses his job to the ranking Republican on Jan. 20, is on the same wavelength as Reagan when it comes to buttressing national defense. There are some who are expressing concern that aging Sen. Barry Goldwater, R-Ariz., who is in line for the chairmanship, might be an occasional problem for the Reagan administration. But they say they also see a chance that the chairmanship might devolve upon Sen. John Warner, R-Va., an ex-Marine, a good friend of the president-elect and a former secretary of the navy.

The speculation is that the Tower deal was worked out last weekend at Pacific Palisades when Gov. William Clements of Texas visited Reagan there. Reportedly, the game plan would be for Tower to resign in order to accept the nomination to the Defense Department.

Thereupon, Clements would appoint former Gov. John B. Connally to Tower's seat in some certainty that the erstwhile presidential candidate would surely win a special election for a six-year term within the year against any Democrat.

The report that Tower was headed for the Pentagon came first from columnists Rowland Evans and Robert Novak, along with the report that Connally was slated for Tower's seat. In Philadelphia at a conference of GOP governors, Clements said, "That's the nuttiest thing I've ever heard."

But a congressional source told the Associated Press he would vouch for the whole scenario.

Casey, who was an enthusiastic [illegible] the Office of Strategic Services when it was the precursor of the CIA during World War II, has always been the front-runner to succeed Stansfield Turner as CIA director. The only other person under consideration for the CIA post is said to be a former deputy attorney general and ambassador to Yugoslavia, Laurence Silberman. The CIA transition team is headed by Silberman, a man who is forthright to the point of abrasiveness. Some officials believe Silberman might be in line for the all-important post of deputy director of CIA under Casey.

There were some rumors yesterday that Sen. Henry Jackson, D-Wash., might be in the race for secretary of state, mainly because his one-time aide Richard Perle appeared suddenly to be on the transition teams for both defense and state. ater, officials explained that there were undisclosed reasons for moving Perle from the defense team to the state team and that there was no significance to the shift in terms of Jackson.

Shultz reportedly had been the subject of some controversy in the Reagan camp because he does not see eye-to-eye with Reagan's top echelon on Middle East policy. The Reagan insiders are said to be pressing for a tilt toward Israel while Shultz is considered to be closer to the Carter position of extending the hand of friendship almost equally to the Arabs and Israelis.

Former NATO commander Haig, who was White House chief of staff under Nixon in the last days before Nixon resigned, has made it clear that he is willing and eager but his star is not believed to be in the ascendancy.

There have been recurring reports that Rep. Stockman was slated for the OMB job in the White House, but Reagan sources said the 34-year-old Texas-born Stockman is being viewed as a natural for the Department of Energy. This is one of the departments Reagan said he intended to abolish as part of his campaign promise to cut down the cost of government and the weight of governmental controls.

But there are many functions of the Energy Department that would have to continue under another banner and Stockman has been extremely impressive to Reagan's inner circle.

Stockman is a Michigan State graduate who went on to Harvard Divinity School and the Harvard Institute of Politics before becoming an aide to Rep. John Anderson. He is a former executive director of the House Republican Conference and has served in the House since his election in 1976.

Weinberger, a veteran economist and businessman who is associated with Shultz in the Bechtel Corp., [illegible] about the OMB post but can be expected to take on the job if Reagan asks him to do so.

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THE CHRISTIAN SCIENCE MONITOR
18 November 1980

Turner to be replaced at CIA, Reagan said to be sifting five names

Leading contenders: campaign chief Casey, ex-ambassador Silberman?

By Stephen Webbe
Staff correspondent of The Christian Science Monitor
Washington

Convinced that the nation's intelligence capability has sputtered in the last four years, President-elect Reagan will fire CIA director Stansfield Turner and replace him with one of five men, according to a well-placed source here.

The contenders for the nation's No. 1 intelligence hot seat, according to a well-placed source, are: David Abshire, director of the Center for Strategic and International Studies at Georgetown University in Washington; Ray Cline, executive director for world power studies at the Georgetown Center; Laurence Silberman, a former ambassador to Yugoslavia; Richard Pipes, a Harvard professor of Russian history; and William Casey, chairman of the transition executive committee in the office of the President-elect.

Those reached by the Monitor declined to comment on their possible selection for the job that Admiral Turner has held since 1977.

The front-runners, this source asserts, are Dr. Abshire, Mr. Casey, and Mr. Silberman, while Professor Pipes is "a marginal candidate."

Some intelligence community observers regard Silberman as the leading contender for the CIA directorship. A lawyer and banker, he served as deputy attorney general from 1974 to 1975 and as ambassador to Yugoslavia from 1975 to 1977. He is currently coordinating the transition at the Central Intelligence Agency and already has visited the agency.

Other observers believe that Casey is equally likely to be appointed to the post. A lawyer who fashioned Mr. Reagan's successful campaign, he served as chief of intelligence operations in London for the Office of Strategic Services (OSS) in World War II. He has had no intelligence experience since his days with the OSS, the forerunner of the CIA. But one source says he has maintained "extremely close contact" with US intelligence circles. Casey was appointed to head the Securities and Exchange Commission in 1971 and two years later became undersecretary of state for economic affairs.

Although one analyst claims Abshire "is very well qualified on the scholarly end of intelligence," he says he would nonetheless be "very surprised if he were to come in first." This view seems to be prevalent among intelligence community observers. One such observer went so far as to characterize the professor's selection to the CIA post as "out of the question" and "wholly unrealistic."

Abshire, who is director of foreign policy transition for the incoming administration, is co-editor of Washington Quarterly and a former assistant secretary of state for congressional relations.

That Pipes is being considered for the CIA post surprises some, but it is pointed out that in 1976 he headed the so-called "B team" of the Foreign Intelligence Advisory Board, which produced a more somber estimate of Soviet strategic objectives than that produced by the CIA, the so-called "A team."

Although accused of being alarmist, hard-liners Pipes and associates declared that the Soviet Union was not just striving for strategic parity with the United States, but also for nuclear superiority. Pipes, author of "Revolutionary Russia," and "Soviet Strategy in Europe," is a former director of Harvard's Russian Research Center.

In deliberating on a new CIA chief, Reagan and his advisers are expected to give earnest consideration to Dr. Cline, who also spent his war years with the OSS. An author and lecturer, Cline served as deputy director for intelligence at the CIA from 1962 to 1966 and later as the director of the Bureau of Intelligence and Research at the State Department.

He is thought to have been somewhat miffed when the CIA directorship went to Richard Helms in 1966. His contacts with — and interest in — Taiwan, which date from his days as director of the US Naval Auxiliary Communications Center in Taipei, might not sit well with the government of the People's Republic of China in Peking, some feel. Reagan, however, is not expected to defer to the mainland Chinese in the selection of a CIA boss.

Although Turner reportedly wanted to stay at the CIA, there apparently never was much chance that he would be able to extend his tenure there.

"He came in at a bad time in the history of intelligence," says one source. "But instead of improving it, he has let it languish. He has left us with an insufficient capability in intelligence, and I think that's a very widespread feeling. It certainly is in the agency."

This source adds that, to a degree, Turner engineered his own downfall when he fired or retired "practically all the experienced people in the clandestine side of CIA."

Adds another source: "Turner is an extremely smart guy, but his problem was that he had developed his own technique of institutional reform which worked brilliantly at the Naval War College, where he fired all the dead wood. The agency had already been through all its traumas and did not need surgery. It needed tender, loving care. It was a tragic thing, in a way."

NEW YORK DAILY NEWS STATINTL
13 November 1980
PAGE 5

Say Reagan plans to let the ax fall on CIA chief Turner

By LAURENCE McQUILLAN

Washington (News Bureau)—President-elect Reagan plans to inform CIA Director Stansfield Turner next week that he will nominate someone else to direct the nation's intelligence-gathering operations, sources close to the Reagan transition team said today.

Adm. Turner was President Carter's second choice for the CIA post four years ago, after Theodore Sorensen, a former speechwriter for John F. Kennedy, asked that his name be withdrawn from Senate consideration.

Sorensen withdrew amid right-wing anger over alleged "security violations" in his 1965 book on President Kennedy's years in the White House.

Among the possible candidates to replace Turner and his deputy, former Ambassador Frank Carlucci, are Vice Adm. Bobby R. Inman, who now heads the National Security Agency; William Hyland, former deputy director of the National Security Council and former head of the State Department's Bureau of Intelligence and Research during the Kissinger years, and William J. Casey, Reagan's campaign chief who was a top official of the old Office of Strategic Services during World War II.

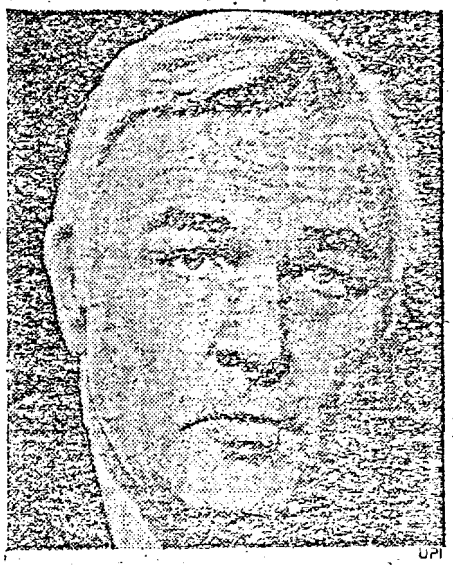
CASEY, HOWEVER, has told friends he does not want the CIA post.

According to CIA sources, Turner has no plans to submit his resignation. There were reports that he planned a low-key but intensive effort to save his job when the President-elect comes to Washington next week.

Unlike a new President's cabinet choices, there has been no clear-cut policy on whether the tenure of a CIA director coincides with that of the President who names him. However, the director does serve "at the pleasure of the President."

After Carter won the 1976 election, there was some talk about keeping on then-CIA Director George Bush, now Reagan's vice president-elect, but it was thought to be merely a gesture of courtesy toward Bush.

As for Turner, "there is no way he'll stay on," one Reagan source said today.



UPI

Stansfield Turner—may be replaced

THE PRESIDENT-ELECT reportedly will deliver the verbal ax next week when he visits CIA headquarters in Langley, Va., for briefings. Turner's only hope of saving his job, in the view of most observers, is to try to convince Reagan that the job should be above politics and the director should not be replaced with every change of administration.

Turner, a Naval Academy classmate of Carter, has been lobbying privately for the past few weeks to keep the job. However, he has little support from two important constituencies—the Pentagon, where his policies have sometimes drawn wrath, and veteran CIA staffers.

In other developments, the Reagan transition headquarters here today released the President-elect's schedule for next week—when he makes his first trip to the capital since winning the election.

HE FLIES FROM Los Angeles Monday night and the next day meets with GOP and Democratic congressional leaders. Reagan and his wife, Nancy, meet with President Carter and his wife, Rosalynn, on Thursday at the White House.

Reagan's first CIA briefing will be on Wednesday, with a follow-up the next day. He returns to California Friday.

RADIO TV REPORTS, INC.

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FOR PUBLIC AFFAIRS STAFF

PROGRAM Independent Network News STATION WDCA TV

DATE November 14, 1980 11:30 PM CITY Washington, DC

SUBJECT Quotes Former Directors of the CIA

BILL JORGENSEN: Now the business of building a new Administration brings the Republican economic brain trust to Los Angeles this weekend. These 14 experts will wrestle with details of the Reagan economic plan, deciding how to make it work.

Reagan says he'll be in Washington for two days next week, and the goal is building bridges with Congress and visiting his new home which, of course, is the White House.

STEVE BOSH: Bill, in those meetings this weekend, the Central Intelligence Agency will be a priority discussion. The recent efforts to tighten congressional controls on the CIA will not be looked upon favorably by the Senate Intelligence Committee's new Chairman, Senator Barry Goldwater.

And former directors are saying the very same thing, as we hear in this report from Ford Rowan.

FORD ROWAN: Several former high officials in the Central Intelligence Agency predict that covert operations will escalate under President Reagan. Covert actions were curtailed several years ago after it was disclosed that the CIA had plotted assassinations, experimented with drugs and spied on Americans.

Sources say that under President Carter's CIA Director, Stansfield Turner, the number of covert missions has been modest. But William Casey, a top Reagan adviser, is expected to push for revitalizing the CIA.

Former CIA Director William Colby said there will not be a recurrence of abuses but he expects covert activities will increase.

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THE WASHINGTON POST
11 November 1980

Reagan Advisers Setting Up Special Teams to Oversee Transition

By Michael Getler
Washington Post Staff Writer

President-elect Ronald Reagan's advisers have divided the government into five broad categories, and are about to name coordinators to oversee the transfer of power in each, aides said yesterday. These coordinators will provide liasion between the Reagan hierarchy and small working teams to be placed in coming days in all departments and agencies in the executive branch.

Sources in the Reagan camp say that Elizabeth Dole, a former Federal Trade commissioner and the wife of Sen. Bob Dole (R-Kan.), will be coordinator for "human resources." Loren Smith, an associate professor of constitutional law at Widner University and the chief house counsel of the Reagan campaign committee, will coordinate teams working on federal legal and regulatory agencies.

Richard M. Fairbanks, a former associate director of the domestic council in the Nixon White House, will be coordinator for resources and development, an area that encompasses the departments of Energy, Agriculture and Interior. Economic affairs, both domestic and international, will be coordinated by Stanton D. Anderson, a Washington lawyer who is a deputy to Reagan political aide William E. Timmons. David Abshire, former assistant secretary of state during the Nixon administration, will coordinate efforts of three teams in the national security area at the departments of State and Defense and the Central Intelligence Agency.

Though a number of the "captains" of the special working teams that will actually move into these departments have not yet been named, sources say that two key appointments in the national security area are firm.

William Van Cleave, a former Pentagon official who served as Reagan's senior defense adviser during the campaign, will head the team moving into the Pentagon.

Robert G. Neumann, former ambassador to Afghanistan and Jordan and currently at Georgetown University's Center for Strategic and International Studies, will head the State Department working team.

Though no captain has been named for the CIA team, sources say Reagan campaign director William J. Casey is certain to play a major role in the working of this group. Casey, who was a European intelligence specialist in the World War II Office of Strategic Services, is also said to be a leading possibility for CIA director in the new administration.

Also in the national security picture as it shapes up is Richard V. Allen. Numerous Reagan advisers say they believe that the longtime senior foreign policy adviser to the president-elect will be named to the key post of national security adviser in the White House, although no final decision has been made. That post is currently held by Zbigniew Brzezinski and was formerly held by Henry A. Kissinger.

Allen resigned in the final days of the campaign after a newspaper article suggested that he had used past government positions for private gain. But Reagan said recently that those allegations had been looked into, by his own staff and other newspapers, and no evidence of wrongdoing had been found. At the same time, Reagan gave a strong vote of confidence to Allen.

Sources say that the official public announcement of the five coordinating positions is expected this week. These officials stress that the five appointments do not mean that those individuals will necessarily wind up with administration positions after the Jan. 20 inauguration.

The role of these coordinators, as explained by Reagan's aides, will basically be to serve as a funnel, through which detailed information developed by the working teams will be passed on to a newly created interim office of executive branch management. That office is to be run by Timmons, who is also deputy director of the top-level transition team named by Reagan on Nov. 6, and it will play the central role in managing the changing of the guard.

In terms of the practical effect on the bureaucracy, however, the key role is apt to be played by the small working teams that go into each department. Aside from a team captain, sources say, each will have specialists on budgetary affairs, policy, personnel and congressional relations.

These teams will not be in a position to implement any changes before the new administration comes into office nor are they meant to develop candidates for top-level jobs in the new administration. Rather, officials say, they will identify positions that need to be filled and perhaps identify people who need to be moved out of existing jobs because of policy differences.

These teams will look at the bureaucratic structure to see what, if anything, can and should be changed. They are supposed to find out what decisions the Carter administration will be making in its final weeks and where various agencies are in the preparation of the next federal budget for fiscal 1982.

Ultimately, officials say, these teams will be drafting position papers that are meant to define issues and problems that the incoming administration may soon be confronted with, to outline the principal policies that have been followed in the departments and to lay out options for future decisions. The idea, if it works properly, is to allow the new administration to "hit the ground running," as Reagan officials describe it.

LONDON DAILY TELEGRAPH
10 November 1980

REAGAN AND THE RUSSIANS

By ROBERT MOSS

THE Reagan landslide in the United States has posed an acute dilemma for the Soviet leadership: how far should they go to take advantage of the lame-duck period of the Carter Administration before the new President is inaugurated on Jan. 20.

Arkadiy Shevchenko, the leading Soviet defector, and a former senior official at the United Nations with whom I spent part of election night in Washington, makes one disturbing prediction.

He believes that the Russians, no longer inhibited by the American elections, are likely to invade Poland in the near future.

By challenging the Communist party's monopoly control of social and political institutions, Poland's independent trade union leaders have posed a threat to the ruling system that is perceived in Moscow as a challenge to the internal security of the entire Soviet bloc.

Mr Shevchenko's analysis is supported by that of senior officials in France and Britain.

Yet the price of a Soviet invasion of Poland is likely to be vastly greater than that of intervention in Czechoslovakia in 1968.

Though Mr Kania, the present Polish leader and a former State security officer who is said by Western intelligence experts to have worked closely with the K G B, would probably be prepared to provide a pseudo-legal pretext for a Soviet invasion by requesting "fraternal assistance," the Polish people—as they have shown in the past—would mount a heroic resistance.

Sweeping sanctions

International protest would range from sympathy Masses in the Vatican and mass demonstrations by Polish-Americans in Chicago to attempts to impose more sweeping economic sanctions against the Soviet Union than have been applied in the past.

President Carter would almost certainly call in Mr Reagan in order to present a united face to the Russians.

Worst of all, from the Soviet viewpoint, a move into Poland in the coming months would be widely felt to justify the demands by Mr Reagan and his advisers for urgent rearmament, broadening still further the vast constituency he is now seen to command in America and encouraging the new Congress—in which the Senate will be under Republican control — to vote dramatic increases in the defence budget.

These are all reasons why some members of the Soviet Politburo may still hope that events in Poland can be contained by methods short of armed occupation until after Jan 20.

Part of that calculation may be that an invasion of Poland, or a similarly provocative move, after the Reagan inauguration might serve to demonstrate that, despite the campaign talk, the new President would be no more capable than the previous one of vetoing Soviet actions.

For the moment, the Russians are seeking to take the measure of Mr Reagan's entourage as much as possible. As early as last spring, senior officials at the Soviet Embassy were cultivating some of Mr Reagan's top foreign policy aides.

Now the veteran ambassador, Anatoli Dobrynin, and Mr Pavel Bessmartmk, his Minister-Counsellor, the high-ranking K G B officer responsible for opening "back channels" to the American leadership, will have their work cut out.

Cubans' move

The Cubans, significantly, are also putting out lines to the Reagan camp.

President Castro is well aware that the period when he was allowed almost a free hand to make revolutionary forays into Central America and Africa is over.

The tough talk coming from Mr Reagan's Latin American advisers, notably Prof. James Theberge and Dr Roger [illegible] that [illegible] should be taken to "contain" Cuba must have prompted fears in Havana that the new American administ[illegible] provide renewed s[illegible] exile groups seekin[illegible] throw of the Cast[illegible] and may consider [illegible] an economic block[illegible]

Informed sources in[illegible] community in Mi[illegible] that Dr Castro is [illegible] circumvent this [illegible] signalling to the Re[illegible] that he may be [illegible] loosen his ties t[illegible] and reduce his s[illegible] guerrilla groups in Central America in return for the opening up of normal diplomatic and economic relations.

The extent to which Dr Castro is able to make any independent overture to the Reagan administration, given his country's economic bondage to the Russians, the role of Soviet advisers (and K G B agents) in Havana, and the presence on his island of a Soviet "combat brigade" that may be used for internal security purposes is debatable.

Stick and carrot

But he will be offering Mr Reagan a stick as well as a carrot: the threat that the dumping of refugees of dubious backgrounds into South Florida this year could be repeated and that the contacts that Cuba has long nourished with militant groups among the black and Hispanic minorities in the United States and Puerto Rico could be used to trigger race riots.

If there should be a chance for a separate deal with Cuba, it may well be that (as in the case of Nixon and China) a conservative American administration will be in a better position than a liberal one to exploit it though secret bilateral contacts.

On a broader front, the management of America's dealings with Moscow will now be moved from a group of advisers (some of them associated with the radical Washington think-tank, the Institute for Policy Studies) who were usually willing to believe the best about the Soviet leadership to a new team of experts who have been notably more accurate in their predictions.

Leading contenders for the critical jobs of National Security Counsellor and Director of Central Intelligence are (respectively):

Prof. Richard Pipes, one of America's leading Sovietologists and a key figure on the so-called "Team-B" that put [illegible] estimates of Soviet military spending and capabilities in 1976 and Mr Bill Casey, head

Another candidate for the post of Security Advisor is Richard Allen.

Senate's backing

The consensus among Intelligence professionals in Washington is that the C I A can only be successfully reorganised—at last—with the support of a sympathetic Senate.

One of the many minefields ahead involves Soviet undercover activities in the United States.

A major security council scandal was brewing up in Washington in the last months before the elections, involving more senior figures than Mr David Barnett, the former C I A officer who was exposed as a Soviet mole.

There have been charges that the Carter administration has sought to inhibit F B I investigations of cases like the possible betrayal of an American agent in Moscow by a source close to the White House.

After Jan. 20, when the administration will be headed by Mr Reagan and the Senate Intelligence and judiciary committees by two prominent Conservatives, Senators Barry Goldwater and Strom Thurmond, the extent of Soviet penetration of American institutions is likely to be subjected to exhaustive review.

Sunday Telegraph
3 Aug 1980

STATINTL

[redacted]

Confidential agent

PRESIDENT CARTER'S dwindling fortunes have given his Republican rival renewed confidence.

Ronald Reagan last week felt euphoric enough to allow his campaign manager, William Casey, to slip away to London for a few days.

Casey, once chief of intelligence for the Office of Strategic Services in Europe, has been attending an Anglo-American conference on the history of the Second World War, held at the Imperial War Museum.

WASHINGTON POST
STATINTL

Reagan's New Campaign Chief:

So Far, So Good

By Lou Cannon
Washington Post Staff Writer

CHICAGO, March 1—They have been telling jokes about William J. Casey behind his back during the first weeks of his managership of the Reagan presidential campaign.

First, Casey misremembered the name of the campaign finance director.

Then, he misplaced the date of a key primary election.

Finally, he canceled a series of airplane charters for Reagan without telling the press about it, leaving three network crews in Atlanta while Reagan campaigned triumphantly in South Carolina and Florida.

But three weeks after Reagan dramatically ousted campaign director John P. Sears during their mutual moment of triumph in the New Hampshire primary, Casey is very much in charge of Ronald Reagan's campaign.

The New York attorney and one-time Securities and Exchange Commission chairman has meshed well with the entourage of Californians surrounding Reagan, as New York Attorney John N. Mitchell once did with the Californians around Richard Nixon.

Presiding over the firing of 100 Reagan aides, and the nonpayment of others, Casey has stemmed the financial hemorrhaging that threatened to drive the former California governor campaign into near-bankruptcy midway through the primaries. In so doing, Casey has won the solid, unqualified support of his candidate.

"In the campaign management business, you have a constituency of one," says a knowledgeable Reaganite. "And Casey has won the confidence of Gov. Reagan."

Casey also has gained the confidence of the Californian who is first among equals in the Reagan circle—fellow lawyer Edwin Meese III. Meese, who didn't see eye-to-eye with Sears, says that Casey is "intelligent, exceptionally decisive and easy to get along with."

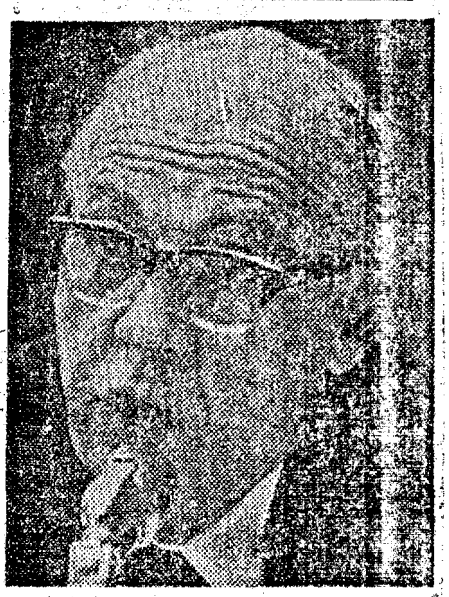
Others have used other words about Casey. During his years as a successful venture capitalist and book publisher, Casey was the target of a variety of lawsuits, including a successful one for plagiarism. Sen. Edward M. Kennedy once quipped that Casey was the "second most outrageous appointment as SEC chairman." The first being the senator's father, Joseph Kennedy.

At 67, Casey is only two years younger than his candidate and he has the wealth, legal experience and high-ranking connections that frequently impress political candidates.

But his origins were humble. After graduating from Fordham, Casey worked his way through night law school at St. John's while earning his living as a New York home-relief investigator. During World War II, Casey entered the Office of Strategic Services, the predecessor to the Central Intelligence Agency, and became chief of secret intelligence for the European theater.

William (Wild Bill) Donovan, the head of OSS, credited Casey with overseeing an important intelligence-gathering mission during the Battle of Bulge and wrote him in a letter: "You took up one of the heaviest loads which any of us had to carry at a time when the going was roughest, and you

"In the campaign management business, you have a constituency of one," says a knowledgeable Reaganite. "And Casey has won the confidence of Gov. Reagan."



WILLIAM J. CASEY

(OVER)

delivered brilliantly, forcefully and in good time."

After the war, Casey became a successful capitalist and a high-priced corporate lawyer. His government service, in addition to the SEC, included terms as undersecretary of state for economic affairs, and president of the Export-Import Bank. He is prominent in support of Catholic charities.

But does any of this experience qualify Casey to run a political campaign? Casey, at least, has no doubts. In a recent interview he emphasized that he would be in charge of the Reagan campaign's political strategy and traced his own experience back to his work for the 1940 Republican presidential campaign of Thomas E. Dewey, who lost the nomination that year to Wendell Willkie.

Certainly, Casey has long displayed an interest in the political process. He ran for Congress in 1966, losing the Republican nomination in a Long Island district. He was a friend and confidant of the late Leonard B. Hall, the legendary Republican chairman, and a member of Hall's New York and Washington law firms. He is given credit for rapid and accurate assembly of an issues book for Nixon's 1968 presidential campaign.

But for all of his high-level skills and friendships, Casey has never been a nuts-and-bolts political person. Some think he shows a lack of appreciation for the sensibilities of the campaign foot soldiers. A few in the press suspect that Casey harbors the pervasive mistrust of media characteristic of Nixon but only rarely of Reagan.

For all this, there are those who say that Casey was exactly what the troubled Reagan campaign needed.

"We needed an outsider to take charge, someone who could make decisions and hadn't been stained by all the infighting," says one Californian who has become a Casey convert. "Casey has imposed an objectivity on this campaign that was lacking before. He has also brought with him an understanding of international economic issues which will help to sharpen the candidate."

In the analysis of one familiar with inner workings of the Reagan operation, the replacement of Sears by Casey improved the campaign's management while diffusing strategic decisions. Political strategy is now largely a state-to-state affair in which heavy reliance is placed on field representatives recruited by Sears and deposed political director Charles Black—such operatives as Roger Stone in New York and Connecticut, Gerald Carmen in Massachusetts and New Hampshire, Donald Totten in Illinois and Michigan and Lee Atwater in South Carolina.

The information and recommendations the field operatives provide are funneled into a strategy team which includes Casey, Meese, field director Andy Carter and pollster Richard Wirthlin.

Right now, everything is going well for Reagan, but there are inevitable moments of crisis ahead, and it is in these times that Casey will be tested.

"If the wisdom of chairman Casey includes an understanding of his own lack of knowledge about politics, this campaign is going to do just fine," says one who has long labored in the Reagan political vineyards. "If not, well, I don't know. In politics, a little knowledge can be awfully dangerous and Bill Casey's knowledge of political campaigns for all his accomplishments, is still on the small side."

NEW YORK TIMES
20 SEPTEMBER 1975

Garrett Leaving S.E.C.; Casey Quits the Eximbank

The New York Times
Ray Garrett Jr.

Associated Press
William J. Casey

By EILEEN SHANAHAN
Special to The New York Times

WASHINGTON, Sept. 19—The resignation of Ray Garrett Jr., the chairman of Securities and Exchange Commission, and of William J. Casey, a former chairman of the S.E.C. who is now the head of the Export-Import Bank, were announced today by the White House.

The fact that both announcements were made on the same day appeared to be only a coincidence.

Mr. Casey, according to associates, was bored at the Export-Import Bank, and disappointed that it had not proved to be a stepping stone to the more important government jobs for which he once hoped, including the post of Secretary of the Army or Director of Central Intelligence.

In his letter of resignation to President Ford, Mr. Casey said he was leaving because he needed to "give some attention at this time to business and financial interests which I have been away from for almost five years."

Mr. Garrett, who had told associates some time ago that he wante to leave the commission before the end of this year, informed the President that he felt the commission had reached a point where his leaving would be "less disruptive to the commission's work" than it might have been at some other time.

The possibility that the Garrett and Casey resignations might be, in some way, connected caused a brief stir in Governmental and financial circles when they were first announced.

The assumption, for which no evidence has been found, was that some old or new scandal involving the S.E.C. might have been the cause of the resignations.

Mr. Garrett was recently accused by Forbes magazine of having blocked an S.E.C. investigation of the Chicago, Milwaukee Corporation, for which he formerly did legal work. A staff investigation of the matter was made, which exonerated Mr. Garrett, and which has apparently been accepted by some members of Congress as exonerating him.

Mr. Garrett became commission chairman, in an attempt to revive the commission's good name, in the wake of scandals involving allegedly improper treatment, by the agency, of individuals and businesses who had found favor with the Nixon Administration.

News ticker accounts of the Casey and Garrett resignations were brought into a meeting of the full Securities and Exchange Commission this morning by the S.E.C.'s public information officer and were read aloud by Mr. Garrett. According to someone who was present, Mr. Garrett was as surprised as anyone else by the announcement of Mr. Casey's resignation.

Mr. Garrett had informed his fellow commissioners earlier this week that he had formally submitted his resignation to the President and that it would be announced at the convenience of the White House.

Mr. Garrett leaves behind him at the commission a record of having brought several major regulatory and legislative matters to a conclusion.

Under his chairmanship, the two-centuries-old practice of price-fixing the sales commissions on stock transactions on the New York Stock Exchange was finally brought to an end.

Also during his term, legislation was finally passed requiring the creation of what is called a "central marketplace" for securities, so that investors could find out who was offering the best price for their stock on the different stock exchanges or even over-the-counter.

Among the major issues of regulation of the securities markets that will remain for Mr. Garrett's successor is whether the commission should stop the New York Stock Exchange from changing the structure of its board to restore exchange insiders to a majority position.

Under Mr. Garrett, the commission expressed some strong doubts about the wisdom of this proposal, but stopped short of saying that it would veto the change, which the S.E.C. has the authority to do.

Another major pending issue is the extent to which the New York Stock Exchange should be required to soften its Rule 394, which restricts trading off the exchange floor of stocks that are listed on the exchange.

The commissioner will also have to decide in the near future what it should do about requiring more disclosures by corporations of such matters as payoffs to officials of foreign governments; what standards should be established for forecasts of company earnings and other key indicators of the health of an company whose stock is publicly owner; and the rules it should impose on municipal bond trading.

WASHINGTON POST
15 DEC 1974

KEEPING POSTED

Spies Who Came to Dinner

By Dorothy McCardle

John M. Shaheen, who plans to start publishing an afternoon newspaper in New York, possibly some time next summer, says The New York Press, as he calls it, will be a $20-million enterprise.

A slight greying man, Shaheen was here as toastmaster at the recent Veterans of OSS dinner at the Washington Hilton. He was chairman of the William J. Donovan Award Committee, which gave the 1974 Donovan award to William J. Casey, president of the Export-Import Bank. Shaheen is, himself, a veteran of the OSS in World War II and so is Casey.

Casey said that American and British counter-intelligence units had the "closest thing to a decisive clandestine impact on the war in Europe. It came not from the hundreds of men and thousands of weapons parachuted into Europe, but from a handful of real German spies captured and turned around in England, and a couple of dozen imaginary spies in an imaginary network carrying out imaginary operations within England."

According to Casey, "The fact is that our side operated the entire German intelligence network in England, writing their reports in London and sending them to the Germans by radio or with letters to Madrid or Lisbon in secret ink or microdot.

"These fictitious reports convinced the German generals and finally Adolf Hitler that the Allied landings would come, not from Normandy, but near Calais, 100 miles to the North."

Casey, who has been chairman of the Securities and Exchange Commission, and Under Secretary of State, said that the Central Intelligence Agency, which grew from the OSS, is far more than a spy operation today.

"The CIA is one of the world's great centers of learning and scholarship, having more Ph.D.s and advanced scientific degrees than you are likely to find any place else," Casey said.

In his speech, Casey set the record straight about that "Wild Bill" nickname given Donovan.

"Donovan's manner was deceptively mild," said Casey, relating how Donovan's soft voice and gentle manner had caused some people to change their opinion of Donovan.

Said Casey: "Donovan came into town as 'Wild Bill' and left as Sweet William."

Organizers of the United Negro College Fund are beginning to feel jinxed.

For the second time in six months, the date for their benefit conflicts with another event. The one scheduled Tuesday night at $50 a couple is intended to draw members of Congress. But Tuesday is the same night President and Mrs. Ford have invited members of Congress to a Christmas ball at the White House.

Last summer, Niles White, area director of the fund, organized a congressional tennis match after George Bush, then chairman of the Republican National Committee, agreed to sponsor the fund-raiser.

Before the match could be held, however, Richard Nixon resigned as President, Congress went home to campaign for re-election and Bush went off to China as head of the U.S. Liaison Mission in Peking.

This time Robert L. Strauss, chairman of the Democratic National Committee, and Mary Louise Smith, head of the Republican National Committee, have agreed to co-host the benefit.

There is one optimistic note: benefit time is set for 6:30 to 8:30 p.m. and the White House ball is not scheduled to begin until 9 p.m. Fund-raiser organizers are hopeful that congressional guests will make it a point to stop by the Capitol Hill Quality Inn (415 New Jersey Ave. NW) on their way to the White House.

5 Dec 74

STATINTL

The Clandestine War in Europe (1942-1945)

Remarks of William J. Casey on receipt of the William J. Donovan Award at Dinner of Veterans of O.S.S., December 5, 1974

Presentation Ceremony, left to right, William P. Rogers, Mrs. William J. Donovan, William J. Casey.

Donovan Award Citation

The Donovan Award must go to an individual ". . .with the spirit. . .and the features which characterized General Donovan's career." William J. Casey amply fits these specifications, as soldier, lawyer, author, diplomat, and banker.

It was in World War II that the O.S.S. first knew him in action. He became Chief of Secret Intelligence for the European Theatre of Operations where his great drive and judgment made their mark. One of his many dramatic hours was his lightning organization of the radio teams he parachuted into Germany to send back intelligence on enemy positions there, from the Battle of the Bulge to Hitler's last redoubt. His many operations gained military objectives, helped to shorten the war, and saved an untold number of lives.

As a public servant, he well fills the mold of William J. Donovan. Like Donovan he has been a consistent student and activist of the strategic position and problems of the United States and of the role of its intelligence and operating agencies as vital tools in foreign policy. On this plane he helped design the Central Intelligence Agency, served on the General Advisory Committee on Arms Control, on the Presidential Task Force on International Development, and is currently a member of the Commission on the Organization of the Government for the Conduct of Foreign Policy.

Recently he has served with distinction as Chairman of the Securities and Exchange Commission, and with notable success as Under Secretary of State for Economic Affairs. Now, as Chairman and President of the Export-Import Bank, he is serving his government with great wisdom.

As a person, he is full of the courage that General Donovan exemplified and loved in others, and that Hemingway called grace under pressure. He has consistently shown his humanity in his work for Catholic Charities, as a Trustee of Fordham, as a Director of the International Rescue Committee, as a distinguished attorney, and as a friend to countless others.

The Clandestine War in Europe
(1942-1945)

How can I adequately express my appreciation for the William J. Donovan Award. This medal has very special meaning for me. There is the great affection and admiration which General Donovan holds in my memory. There is the example and inspiration he provided during the 15 years I was privileged to regard him as leader and friend.

So many of my most cherished friendships were formed in the OSS and for all these years I have been proud of what we were able to do together.

This sentiment extends in a special way to those who have come across the Atlantic for this occasion tonight and to so many others who worked with us throughout Europe. At the time, we may have known them only as numbers or code names, like Caesar for Jean-Pierre Roselli, but strong friendships and bonds have formed and flourished across the Atlantic over these 30 years.

We have visited back and forth and attended each other's reunions. We've even overcome the barriers of language, notably when the French invited us back for the 20th anniversary of their liberation. They took us all over France and everywhere we'd go, there would be an occasion and a speech. I had to respond in my fractured French and I would begin: "Nous sommes tres heureux d'etre ici." This was intended to mean, "We are very happy to be here." After a few such performances, Barbara Shaheen, who had studied French in school, came to me and said: "Bill, you are saying, 'Nous sommes tous heros,' " which means, "We are all heroes." I hope you won't think that's what I'm saying tonight, as I tell you for the first time the full story of OSS.

For us, in the United States, it all began with a New York lawyer who saw his country facing a deadly menace and knew that it was unprepared and uninformed. It's hard for us to realize today that there was a time in 1940 and 1941 when William J. Donovan was a one man CIA for President Roosevelt.

I remember General Donovan bouncing into London, with little or no notice, brimful of new ideas, ready to approve any operation that had half a chance. He'd come tearing in from New Guinea, or wherever the last invasion had been, and go charging off to Anzio, or wherever the next landing was to be.

He really loved the smell of battle but he'd look at you with his cherubic smile and twinkling blue eyes and explain that he had to be at these landings to see, first-hand, the conditions his men had to face.

Donovan's manner was deceptively mild. A few years earlier, running for Governor, he had campaigned through upstate New York. The local politicians, expecting this legendary World War I infantry hero to come roaring and thumping into town, were disappointed by his soft voice and his gentle manner. The saying was: "Donovan came into town as Wild Bill and left as Sweet William"

What was the OSS and what was it all about? It was probably the most diverse aggregation ever assembled of scholars, scientists, bankers and foreign correspondents, tycoons, psychologists and football stars, circus managers and circus freaks, safe-crackers, lock pickers and pickpockets—some of them in this room tonight. You name them, Donovan collected them. What did he do with them? Well, he unleashed them—John Shaheen was unleashed to capture the Italian Fleet or at least an Italian Admiral, Henry Hyde to build an intelligence network in France, Mike Burke to liberate the Vosges—and these and many others delivered magnificently.

Now, General Donovan unleashed this talent in a very intelligent and perceptive way. He knew he had a bunch of rank amateurs going into a very professional game. He knew the British had run an intelligence service for five centuries and had been working for three years to carry out Winston Churchill's dramatic order "to set Europe ablaze." So, Donovan either set up joint operations with the British as he did in sabotage and resistance support and in counter-intelligence or he set up parallel but closely related organizations and arranged for an appropriate degree of British tutelage as he did in intelligence and propaganda work.

Donovan grasped the value of the clandestine side of war as no other American of his time. But, its potential was realized not by his OSS but by the combined effort of British and American clandestine services, of the Allied Governments in exile and the resistance, intelligence and escape organization which sprang up spontaneously all over Europe. OSS, coming into the European war three years late, would not have been able to do very much at all if the British had not taken us in as junior partners and so generously taught us all they knew. For this we are ever grateful to our colleagues in the Special Forces Club which Geoffrey Walford has so graciously come here to represent tonight.

Mrs. Tronstad was close to the first and perhaps the most vital blow inside Europe. Her husband, Lief Tronstad had produced nuclear terror in England in 1942 before we ever heard of the atom bomb. Escaping from Norway, this Norwegian scientist brought intelligence which led the Combined Chiefs of Staff to believe that the secret weapon brand-

ished in Hitler's speeches was an atom bomb based on heavy water. He had learned the Germans had ordered a tripling of production from a plant in central Norway which was the only source of heavy water in Europe. The Combined Chiefs set the highest priority on destroying this plant. Professor Tronstad knew that plant so intimately that he was able to design plastic explosives in a pattern which exactly fitted its critical distilling tubes and pipes. Nine tough Norwegians parachuted in, succeeded in entering the plant, applying the plastic designed by Lief Tronstad and escaping before the plastic explosive destroyed the plant. But several months later, the Germans had the plant back in operation. The Combined Chiefs then sent 155 American flying fortresses over to bomb the plant. This massive air raid killed 21 Norwegian civilians and 22 Allied airmen but did only slight damage to the plant. But this was enough for the Germans to decide to move the plant and its inventory to Germany.

This intelligence got back to England promptly and the Combined Chiefs ordered an air attack on the ship bringing the plant from the seaport in southern Norway across the Baltic Sea to Germany. But the plant never got that far. It had to be taken by rail to a ferryboat which would take it down Lake Tinnjo towards the Baltic seaport. Knute Haukelid, who was here with us when David Bruce received the Donovan Award, was one of the original heavy water sabotage team and had stayed behind in Norway. Singlehandedly, he entered the ferryboat, applied plastic explosive to its hull and got off before it sailed. Halfway across, the innards of the heavy water plant and some 15000 litres of heavy water went to the bottom of the lake and it's still there. This operation may have deprived Hitler of the atom bomb with all that would have meant for our civilization.

General Guerisse, who was to come here from Belgium tonight but couldn't make it because of illness, organized escape lines which ultimately brought Ralph Patten and 4500 American, British and Canadian airmen, shot down over Europe, back to England where they could fly again. Every airman as he set out on his bombing mission knew that if he had to parachute out and could find his way to a church, a school, a convent or a farmhouse, he would probably be sheltered until a guide from one of the escape lines called for him. These guides, many of them teenage girls would take 4 or 5 men speaking only in southern drawls, mid-western twangs or London cockney, move them by night on bicycles or trains, hide them by day in one of thousands of homes between the Rhine and the Pyrenees and, in a few weeks, deliver them to Gibraltar or Lisbon. Thousands of Frenchmen, Dutchmen and Belgians made their homes available knowing that if they were caught their whole family would be tortured and shot or sent to a concentration camp. General Guerisse, who was known in those days as Pat O'Leary, was himself

captured and dragged through several concentration camps finally winding up in Dachau. Even Dachau couldn't keep Pat down and he wound up organizing the prisoners and having taken over the camp when the American forces arrived there.

Jean-Pierre Roselli is here tonight to represent the Amicale Action made up of a thousand local chapters of resistance veterans all over France. France was where we were to land and I recall the flood of information that came over some 200 radio sets and in pouches full of maps and drawings and reports picked up inside France by small planes or small boats.

These Frenchmen put 90 factories out of production with less plastic explosive than could be carried by a single light bomber. I believe the record shows that this kind of a job, when it could be accomplished on the ground by sabotage, was done more effectively and with less cost that it could be done from the air where the cost in planes and the lives of airmen and civilians could run very, very high.

The French resistance made 950 cuts in French rail lines on June 5th, the day before D-Day, and destroyed 600 locomotives in ten weeks during June, July and August of 1944. Our greatest debt to them is for the delays of two weeks or more which they imposed on one panzer division moving north from Toulouse, two from Poland and two from the Russian front as they crossed France to reinforce the Normandy beachhead. We'll never know how many Allied soldiers owe their lives to these brave Frenchmen.

When General Eisenhower failed to destroy the Germans in France, his armies found themselves moving into Germany without the behind-the-lines intelligence which the French had provided so profusely. General Donovan brought in Milton Katz from Italy, Henry Hyde and his team which had worked on France from Algiers, Dick Helms from Washington, Mike Burke from the Vosges, Hans Tofte from the Danish desk, and Bill Grell from the Belgian desk. George Pratt and his Labor desk, including Lazar Teper and his small group of experts on controls and documentation within Germany, were enlisted. New communications, cover and air drop talent were brought in from Washington. Between October 1944 and April 1945, this combination sent some 150 men, mostly Belgians, Dutchmen, Frenchmen and Poles into Germany with identification as foreign workers. They were sent to transportation centers with radio sets or new equipment which enabled them to hold a conversation with an airplane sent out for that purpose. These brave men went into Germany blind and it was remarkable that over 90% of them came out alive. I recall parachuting a young Belgian, Emil Van Dyke, near Munich. He and his partner got jobs in the Gestapo's motor pool in Munich, driving German officers around southern Germany. After our 7th Army took Munich, Van Dyke and his partner turned up and brought me to their sleeping quarters, a cubicle in the

Gestapo garage in Munich. They showed me how they had sawed out a piece of the floor under the bed to create a hiding place for their radio set. When they returned from a trip they would take out the radio and send detailed messages to London on German troop units and their movements. His war over, Van Dyke had only one request. He wanted to meet the girl who handled his radio messages to London. They had gotten to exchange a few extra words every time he radioed in. He must have fallen for her over the air because every extra word sent out of that garage increased the chance that German direction finding equipment would close in and locate him and his radio. As it turned out, she was a corporal in the WACs, we had a fine wedding in London and they settled down in Los Angeles to raise a family.

Fleming Juncker, who is with us tonight, organized the resistance on the Jutland Peninsula in western Denmark. You'll recall that in December of 1944 Hitler gambled everything he had left in the Ardennes offensive aimed at depriving the Allies of the Port of Antwerp. Twelve German divisions in Norway were ordered to go by ship to north Jutland and then by train to join in this last desperate German counter-attack. Three hundred Danes in Jutland, Fleming Juncker's men, supported by the whole population, undertook to bottle up this force of over 200,000 Germans in Denmark. They brought the railway system in Jutland to practically a complete breakdown and it took weeks for some of these German divisions to make a journey that normally takes 12 hours. By the time they arrived at the front the battle of the Bulge had been won.

The Port of Antwerp was a great prize. When Belgium was liberated in September, the Belgian secret army had prevented the Germans from carrying out orders to destroy it. The war would have lasted a good deal longer if we had not been able to use those port facilities in the fall of 1944. Even then, the Germans put it under constant bombardment with V-2 rockets from sites near The Hague. The Dutch resistance, represented here tonight by Dick Groenewald, attacked trains carrying these rockets across Holland from Germany and destroyed a lot of rockets which otherwise would have exploded on Antwerp or London.

All this had a heavy price. As you drive through central France near Limoges, you come to Ordour sur Glane. There, a monument to the cruelties of war, stands a small village still burned to a crisp, as the Germans left it over 30 years ago, its 250 male citizens herded into a barn to be shot, its 400 women and children herded into the church to be burned. Was it worth the life of this community to keep a single German tank division away from the Normandy beachhead for two weeks? I don't know. But I do know that whether those GIs we sent to Normandy were to be swept back into the English Channel was a very, very close thing.

Even that's not the point. The truly important thing is that those Frenchmen and Belgians and Danes and Dutchmen and Norwegians rose to fight and wanted to fight and had to fight because they loved their country and what it meant to them.

Returning to General Donovan, while he loved all this action and the courage it evoked, his real genius and greatness to me was the attention he gave to the more subtle war of the mind. His organization was the only one which embraced all aspects of clandestine and intelligence activity, psychological warfare, deception and research as well as espionage, sabotage, and support of resistance. And he collected playwrights, journalists, novelists, professors of literature, advertising and broadcasting talent to dream up scenarios to manipulate the mind of the enemy through deception and psychological warfare programs.

Donovan created an outfit that was so secret it didn't have a name. We called it X-2. He put Jim Murphy, one of his closest legal associates, in charge and he integrated it with Section 5 of MI-6, the British counter-intelligence unit. They had the closest thing to a decisive clandestine impact on the war in Europe. It came not from the hundreds of men and the thousands of tons of weapons parachuted into Europe but from a handful of real German spies captured and turned around in England and a couple of dozen imaginary spies in an imaginary network carrying out imaginary operations within England. The fact is that our side operated the entire German intelligence network in England, writing their reports in London and sending them to the Germans by radio or with letters to Madrid or Lisbon in secret ink or microdot. These fictitious reports convinced the German generals and finally Adolf Hitler himself that the Allied landings would come not in Normandy but near Calais, 100 odd miles to the north.

This deception program consisted of radio traffic from a huge imaginary army located on the east coast of England opposite Calais, wooden tanks and rubber boats for the cameras carried by German reconnaissance planes, as well as false reports from non-existent spy networks. It had the Germans believing the Allies had over 80 combat divisions in England on D-Day. Actually there were less than 50 of which less than 40 were combat ready. Eight of them were to land in Normandy on D-Day, 5 more on D+1, 4 more by D+3 and 4 more, 21 in all by D+12. Stiff resistance could back up the arrival of these divisions which had to come in over beaches, without a port. The Germans had about 16 divisions sitting in Normandy, a few more in reserve around Paris and by D+2 or so had ordered 5 tank divisions from southern France, Poland and the Russian front.

Yet, for seven decisive weeks, Hitler and his generals kept 19 of the best German divisions 100 miles away from our hard pressed forces on the beachhead, waiting for an army that did not exist to make an assault that was never intended.

The British had broken the German code used in wireless messages between Hitler and his generals. General Eisenhower and his top generals were able to actually read the orders and intelligence appreciations which passed between Hitler and his generals by wireless. Thus, it was possible for Allied strategists not only to know what kind of facts to feed the Germans but to watch them take the bait.

For example, German messages showed that Von Runsted, in command in western France, believed the landings would be launched on the shortest line, across the Straits of Dover from eastern England to the Calais area, while Hitler and Rommel, commanding in Normandy, believed it would come from the south of England to Normandy. As imaginary facts were fed out to support the Von Runsted view, the intercepted messages showed Hitler wavering and hedging. The Allied comand knew the deception program had worked when Hitler refused Rommel's request for four tank divisions to back up the beaches in Normady, but insisted on keeping them under his own control around Paris so they could go either way. Then, on June 8, two days after the landing, Hitler actually ordered five infantry and two tank divisions to move 100 miles south to reinforce the Normandy beachhead. On June 9, the Germans got a long message from London reporting that three fictitious spies believed the Normandy invasion was diversionary and intended to cause the Germans to throw in their reserves so that the massive forces in east England could land in the Calais area. The Germans swallowed this bait immediately. The next day, June 10, the orders sending the seven divisions to Normandy were countermanded and all divisions in northern France and Belgium were put on alert. One has to shudder to think of what could have happened if that force had been thrown into Normandy a few days after the landings.

The deception was so good that when the Normandy invasion plans were stolen by the Germans from the British Ambassador in Turkey and General Eisenhower had to consider changing the whole invasion plan, the decision was to intensify the signals that the invasion would be at Calais and make the Germans think that the plans for Normandy stolen in Turkey had been deliberately leaked to cover up the real landings on the Calais coast.

Later on, on the continent, Hubert Will and other X-2 officers used half a dozen German agents captured in France to feed German headquarters with tactical deception on the plans and movements of General Bradley's forces. Three of these agents were so convincing that the Germans awarded them the Iron Cross.

So you see, intelligence is a very uncertain, fragile and complex commodity:

First, you have to get a report.

Then you have to decide whether it's real or fake.

Then, whether it's true or false as you find out what other intelligence supports or contradicts it.

Then, you fit it into a broad mosaic.

Then, you figure out what it all means.

Then, you have to get the attention of someone who can make a decision, and,

Then you have to get him to act.

Because General Donovan understood all this, he scoured our campuses and mobilized thousands of the finest scholars in America to put together, assess and evaluate, and then analyze the intelligence that came in from all sources. This unprecedented collection of scholars gave Donovan enormous influence. For example, in 1944 there was a fierce struggle between the RAF and the U.S. Air Forces over bombing strategy. Donovan was able to produce a team of outstanding economists: Ed Mason, Walt Rostow, Charlie Hitch, Charlie Kindleberger, Chan Morse, Emile Despres to dissect the German economy and make the case that, by concentrating on oil depots and transportation lines, Allied air power could most effectively prepare the way for the invading armies.

Donovan's grasp of this elusive, multiple and yet crucial nature of intelligence led to the CIA, over which Bill Colby presides so gracefully, becoming not merely a spy outfit but one of the world's great centers of learning and scholarship and having more PhDs and advanced scientific degrees than you're likely to find anywhere else.

Well, we've gone around the room and fought Donovan's war in Europe all over again. I haven't touched the men and ideas Donovan unleashed in Yugoslavia where John Blatnik spent many months organizing resistance forces in Slovenia, or Thailand to which Nick Deak has referred, or Italy where Milton Katz and Mim Doddario were leaders, or Greece where Jim Kellis and Chris Fragos performed nobly, or China and Burma where General Peers distinguished himself or Indo-China, or North Africa. I have neither the time nor the knowledge to do so. It only remains for me to again thank, from the bottom of my heart, the Veterans of the Office of Strategic Services and all of you here tonight for your generosity.

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The Donovan Medal

THE HONORABLE ALLEN W. DULLES
THE HONORABLE JOHN J. McCLOY
LIEUTENANT GENERAL WILLIAM W. QUINN
GENERAL OF THE ARMY DWIGHT D. EISENHOWER
THE EARL MOUNTBATTEN OF BURMA
THE HONORABLE EVERETT MCKINLEY DIRKSEN
J. RUSSELL FORGAN
THE ASTRONAUTS OF APOLLO 11
THE HONORABLE DAVID K. E. BRUCE
WILLIAM J. CASEY

The Veterans of the Office of Strategic Services will award the William J. Donovan medal to an individual who has rendered distinguished service in the interests of the United States and the cause of freedom anywhere.

The purpose of this award is to foster a tradition and spirit of the kind of service to country and the cause of freedom which William J. Donovan rendered in both his private and public capacities. He was the exemplar of the citizen-soldier-diplomat who valiantly served his country and the cause of freedom throughout the world. This award, as a perpetual parallel, will be made to an individual who, in his activities, exemplifies the spirit, the tradition and the distinguishing features which characterized General Donovan's career. These include a continuing concern for the world's security and safety, for the role which the United States must play in the world, and for the rights, freedoms and welfare of individuals in our society. Perhaps the most unique feature of General Donovan's life was the continuing expression of these concerns in his private life and activities as well as in public service.

Specifically, in General Donovan's career these features were expressed, as one of America's leading citizen-soldiers, as ambassador, as intelligence chief, as assistant Attorney General, as lawyer in the courtroom and in the office, as private traveler seeing what he could learn for the benefit of his country.

The recipient of the Donovan medal will be an individual who has, in his own career, outstandingly exemplified these features of Donovan's career. He will be selected by a committee appointed by the President of the Veterans of the O.S.S.

The award will take the form of a medal, carrying a likeness of General Donovan.

7 DECEMBER 1974

[redacted]

STATINTL

Cloak and dagger feats in the early days of the OSS will be recalled tomorrow evening when the veterans of World War II derring-do meet to honor one of their own. In the ballroom of the Washington Hilton, the William J. Donovan Award will be presented to William J. Casey, President of the Export-Import Bank.

In receiving the honor named after the famed general, soldier, diplomat, attorney general, and chief of the intelligence service that preceded the CIA, Casey joins the ranks of such men as David Bruce — the last recipient, the astronauts of Apollo II, Earl Mountbatten, President Eisenhower, Allen Dulles, John J. McCloy, Sen. Everett Dirksen and Lt. Gen. William Quinn.

Casey is 61. He could be a banker, a lawyer, and author, and he has been all three. His name appeared most often in the paper when he was head of the Securities and Exchange Commission which slapped a $224 million fraud suit on Robert Vesco.

But the dinner program tomorrow evening will tell of his "lightning organization of the radio teams he parachuted into Germany to send back intelligence on enemy positions," of his help in designing the CIA and of his personal courage that Hemingway called "grace under pressure."

Coming down for the dinner and to give a party at the George Town Club afterwards is oil man John Shaheen, former OSS member and a man who must have courage. He plans to start a daily evening newspaper in New York — the New York Press — early in 1975.

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Wizards Of OSS

By Margaret Crimmins

Old spies, it seems, never die. They just get bigger and better jobs.

Last night's annual reunion of the most clandestine cloak-and-dagger boys of them all, members of World War II's OSS (Office of Strategic Services), included a special counsel to the President, the SEC chairman, a vice president of International Telephone and Telegraph Corp., the New York Yankee's president, a former circus king, bankers and other financiers.

Ambassador David K. E. Bruce, now chief negotiator at the Paris peace talks, was awarded the OSS William J. Donovan medal, named after the intrigue-loving, Irish organizational genius who in 1941 founded the CIA's forerunner.

"Those were very exciting days," said Ambassador Bruce, who said he came to Washington for the event and saw President Nixon briefly yesterday afternoon.

"Things have been very dull since the OSS days. There were as many in the OSS as there were Americans killed in the Vietnam war," said the 73-year-old ambassador.

Mrs. Bruce, who was with OSS in London, also talked about the "excitement" of those days. She joined her husband in Washington yesterday afternoon. "I had to stay in London for a special ceremony. They named a new rose after me" (an apricot-colored plant named Evangeline Bruce).

There was a certain nostalgia among the approximately 500 in the predominantly Republican (and white-haired) audience at the Statler Hilton Hotel dinner. Nostalgia for the days 30 years ago when a war was popular, when there was a worship of military heroes, and even perhaps when surveillance was a more glamorous and less criticized occupation.

Dinner-chairman Clark MacGregor, former Minnesota congressman and now special consel to President Nixon, reminisced about the days when he was in the China-Burma theater with Earl Mountbatten ('66 winner of the Donovan Medal) and Gen. (Vinegar Joe) Stillwell.

"We were sludging through the jungles in Burma, in the middle of the monsoon, with rain coming down a mile a minute, and all dirty in Army-issue clothes. Mountbatten showed up in dress whites. We threw some K-rations in the mud for him to stand on. He gave a long speech about patriotism. Stillwell turned to me and said, 'That's the goddamnedest story I ever heard,'" related MacGregor.

SEC chairman William J. Casey joked, "OSS stands for Old Soldiers' Society," and added "if you keep quiet you can hear the arteries harden."

M. Preston Goodfellow, 79, who calls himself the "oldest surviving OSS member" and is now president of Overseas Reconstruction, recalled looking for a "Chinaman to do some smuggling in Burma. We used him, and he always said, 'If you ever want anyone bumped off, let me know.' I haven't gotten to that yet."

Henry Ringling North, of circus fame, and New York Yankees' president Michael Burke, were two of the nattiest men there, both in ruffled white shirts.

"Those were the days," said North, who served in Italy. "Derring-do was a great fellow," said the long-haired Yankees' president of OSS founder Donovan.

Some of the most dramatic speeches were made by European Resistance leaders Maj. Gen. Andre Guerisse of Belgium, who founded the International Prisoners' Association while he was imprisoned in Dachau, Germany; Kurt Haukelid, of Norway, who was among paratroopers and skiers who dynamited the Norsk hydroplant, which was the source of power for a German atomic weapons laboratory and Svend Truelsen of Denmark, primarily responsible for moving 8,000 Jews into Sweden over one weekend.

President Nixon sent a special message praising Ambassador Bruce for his "enduring contributions to national security and to world peace."

Other guests included Rep. John Blatnick (D-Minn.), who was OSS intelligence liaison with Tito and Allied forces in Yugoslavia; CIA Director Richard Helms; presidential assistant William Safire; House Minority Leader Gerald Ford (R-Mich.); and Mrs. Donovan, widow of the founder.

The U.S. Army Chorus sang such songs as "The Last Time I Saw Paris" and "Those Were the Days."

Raymond L. Brittenham, senior vice president of ITT, is president of the Veterans of OSS. The Rt. Rev. Edward J. Carney, a former national chaplin of the American Legion, gave a long, emotional invocation, saying about Ambassador Bruce "God knows he needs our prayers," and asking the Almighty to "descend upon us and give us help." He also in his invocation stressed the need for a new organization similar to the OSS to "fight the ravages from within."