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White House Shake-Up Sought

Reagan Confidants Pursue Ouster of Shultz, Regan, Poindexter

By David Hoffman and Lou Cannon Washington Post Staff Writers

A group of longtime California supporters of President Reagan, responding to what one of them called "the worst hour in the president's political career," is seeking a Cabinet and White House staff shake-up in the aftermath of the administration's secret arms dealings with Iran, sources said yesterday.

The sources said the group of longtime influential friends is working with the encouragement of First Lady Nancy Reagan, who has privately been highly critical of White House chief of staff Donald T. Regan and Secretary of State George P. Shultz.

The goal of the group, which includes Californians inside and outside the administration, is to replace Shultz, Regan and national security adviser John M. Poindexter, the sources said. The group is pushing for Secretary of Defense Caspar W. Weinberger to replace Shultz, and Drew Lewis, the former transportation secretary who is president and chief operating officer of Union Pacific Corp., to replace Regan.

Sources said several members of the group, including Attorney General Edwin Meese III and former secretary of the interior William P. Clark, have contacted Lewis in recent days to ask if he would be willing to become chief of staff.

Former U.N. ambassador Jeane J. Kirkpatrick has been suggested by some members of the group as a possible replacement for Poindexter.

One source said it was not certain whether the group would have any success persuading the president to make staff changes, which he has been reluctant to do in the past. But, the source said, the effort was highly significant as an indication of how seriously Reagan's intimates view the damage caused by the revelation of the secret Iran operation.

At his news conference Wednesday, Reagan said he was "not firing anybody" as a result of the Iran con-

troversy. He has refused to call the Iran arms shipments a mistake and said last week it was a worthwhile "high-risk gamble." Reagan repeatedly erred at the news conference when commenting on a crucial aspect of the Iran operation—the involvement of third countries.

Nancy Reagan was particularly upset with what she believed was sloppy preparation for Reagan's Wednesday news conference, the sources said.

Since the Iran arms shipments were first disclosed, Reagan's public approval rating has dropped 10 points from its September levels, according to an ABC News poll.

The Californians have been calling themselves "the friends of Ronald Reagan," the name they used 20 years ago when they first organized behind Reagan's gubernatorial candidacy. They include Holmes Tuttle, one of the earliest Reagan backers; former attorney general William French Smith; tormer White House political director Lyn Nofziger; California industrialist Jacqueline Hume; Meese and Clark.

Sources said retiring Sen. Paul Laxalt (R-Nev.) has also been sympathetic to the effort. Central Intelligence Agency Director William J. Casey is also seeking changes, in particular, the replacement of Shultz with Wemberger, the sources said.

"The consensus of the friends is that there need to be some changes," said one member of the group. "The concern is that too many members of the present team are more interested in protecting their own hindsight than in protecting the president."

Another source familiar with the effort said the group felt the final two years of Reagan's presidency are at stake. "It's headed South—fast," the source said. "Nancy saw the loss of the Senate, and that really shook her. And now all of this happening."

A source close to the president said Reagan has been privately critical of Shultz despite giving the secretary a vote of confidence in last week's news conference. The source said Reagan saw Shultz's ap-

pearance on CBS News "Face the Nation" Nov. 16, in which the secretary tried to distance himself from the Iran operation.

"The president saw what Shultz did to him on television last week," the source said. "He takes very seriously what he sees on television."

Since then, Shultz has said he took part in two "fullscale discussions" leading to the clandestine shipment of weapons to Iran.

The Californians have been sharply critical of Regan, whom they believe has failed to defend the president adequately. One called Regan "totally incompetent." Another complained that "Regan hasn't let others in the loop," preventing outside advice from reaching the president. This source also said the group was unsettled by Regan's high-profile role in such events as the Reykjavik summit, crowding out others. "If he was a genius he could do it all—but he's not," the source said.

Poindexter's loyalty to Reagan has not been questioned, but, as one member of the group put it, "You could hardly ask Shultz and Regan to leave and keep the architect of the policy." An administration official familiar with the effort said, "There is a consensus among everyone that Poindexter has to go." He added that if Kirkpatrick was the choice, this would prompt Shultz to leave because he has made it clear in the past he opposes her in that post.

Several members of the group said it would be wrong to make Poindexter, Regan or Shultz a "scapegoat" for the Iran arms shipments.

"The idea here is not to say that any single person is to blame but to give the president an opportunity to put this policy behind him and focus on the agenda of the next two years," said one member of the group.

Sources said this is not the first time the Californians have attempted to remove Regan, and they are aware that Regan has rapport with the president.

The sources said Weinberger would accept the post of secretary of state if asked by the president. Weinberger could not be reached for comment.

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Other sources said members of the group, including Clark and Meese, had telephoned Lewis and asked if he would be interested in the chief of staff position. Lewis could not be reached for comment. The sources said Lewis was not part of the group advocating Regan's replacement.

The sources said Lewis would be reluctant to accept the post, unless strongly urged to by the president. Sources said Lewis thinks that if Regan leaves, the next chief of staff should seek a commitment for an active final two years on such issues as the deficit and arms control.

Weinberger, like Shultz, originally opposed the Iran arms shipments, but since the disclosure, he has defended the president. Shultz, however, has sought to publicly distance himself from the decision. At the same time, the secretary has attempted to persuade the White House to give him a public grant of authority over the future of the Iran policy—which Reagan has so far not agreed to do.

The Californians have, in the past, been instrumental in persuading Reagan to make staff changes, such as the 1980 firing of campaign manager John Sears on the night of the New Hampshire primary. However, members of the group said it may be much more difficult—and take more time—to get the president to make changes now.

Members of the group said their effort was being made out of what one called "intense hand-wringing" over the damage Reagan has suffered. An ABC News poll showed that a majority of Americans did not believe the president's claim that he did not trade arms for hostages.

Meanwhile, the Democratic National Committee's executive committee yesterday adopted a resolution expressing its "outrage" at the administration's Iran dealings. "Our position in the world has been weakened, our credibility on the issue of terrorism is now virtually nonexistent and other American lives have been put at risk," the resolution said.