

Regan Removed by President; Baker Will Head White House Staff

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WASHINGTON, Feb. 27 — President Reagan moved dramatically today to revive his troubled Presidency by replacing Donald T. Regan with former Senator Howard H. Baker Jr. as the White House chief of staff.

Mr. Reagan made the announcement of the major staff change a day after a special Presidential review commission harshly criticized his detached style of management and blamed Mr. Regan for "chaos" in the White House after disclosures of the secret Iran policy.

Mr. Reagan included a pointed statement in the announcement: He vowed to reorganize the White House staff so it could move aggressively during the remainder of his Presidency.

Favorable Response in Congress

The appointment of Mr. Baker, a former Senate majority leader, drew a quick and bipartisan favorable response from Congress, where legislators saw it as an indication that the President would take the necessary action to address the panel's criticism.

Mr. Regan, a blunt former Wall Street executive who had been the center of persistent attacks through his White House tenure, had hoped to wait until Monday before resigning. But at the President's insistence, he offered his resignation in a brief statement that apparently reflected irritation with the decision to announce the move today.

'I Herely Resign'

The statement, on White House stationery and issued late today by the White House, said:

"Dear Mr. President:

"I hereby resign as chief of staff to the President of the United States.

"Respectfully yours, Donald T. Regan."

The President said that he had accepted the resignation with "regret" and that Mr. Baker was a man of "unquestioned integrity and ability."

"I am enormously pleased that he is willing to take on this responsibility and to help me organize the White House staff for an aggressive two years of work," the President said.

Mr. Regan, leaving the White House

this afternoon before the announcement was made, looked somber. A senior White House official said he was disillusioned and saddened by the actions of "some people" inside and outside the White House who had conducted concerted campaigns to oust him.

The official said Mr. Regan could not understand why so many people thought the "quick fix" to the White House problems was to have him resign immediately. He was also saddened by criticism that he had sought to hold on to the position even though his staying hurt the President.

But Nancy Reagan, who had led a three-month private effort to oust Mr. Regan that had become increasingly acrimonious, said she was pleased about the replacement.

"I am delighted he will be with us," she said of Mr. Baker.

2 Other Candidates Reluctant

The President had sounded out at least two other candidates before selecting Mr. Baker. The two, Paul Laxalt, a former Republican Senator from Nevada, and Drew Lewis, the chief operating officer of Union Pacific Company who has served as President Reagan's Secretary of Transportation, had both expressed reluctance.

The choice of Mr. Baker was regarded by White House aides as an attempt by the President to appoint a longtime Washington hand who is widely respected in Congress and regarded as having keen political instincts.

The staff moves came as Mr. Reagan began a series of meetings, to stretch into the weekend, on how to combat the most serious crisis of his Presidency. In a highly detailed report issued Thursday by the special review board examining the Iran-contra affair, the President was portrayed as confused and his style of detached management came under criticism.

In another staff development today, Senator Bob Dole of Kansas, the Senate Republican leader, said the nomination of Robert M. Gates, the President's choice to be Director of Central Intelligence, was in trouble in the Senate. "I think if there is an early vote, he's in trouble," Mr. Dole said.

Mr. Gates's nomination has come under increasing criticism. The commission report Thursday raised more questions when it suggested that the Central Intelligence Agency might have let political considerations influence its analysis of the situation in Iran.

When asked if the nomination should be withdrawn, Mr. Dole said "I don't think so." But he said he would review the situation over the weekend and added, "I'll be back to you on Monday."

Opportunity for Fresh Start

Mr. Baker's appointment was widely regarded in the White House and Congress as an opportunity for the President to make a fresh start at a time when he must convince the public that he is in charge of his Administration.

"Today's pick is a clear signal that the President is moving quickly to put his house in order," said Senator Dole, who met with the President today.

One of Mr. Baker's first tasks will be to shepherd Mr. Reagan through a nationally broadcast speech next week, in which the President is expected offer his response to the report.

White House officials and others close to the President said Mr. Baker's selection had come after Mr. Reagan met Thursday with Mr. Laxalt in the living quarters of the White House. Mr. Laxalt said he had told the President that he could not accept the position because he was considering seeking the Republican Presidential nomination in 1988.

"I told him it would create a credibility problem," Mr. Laxalt said, adding that Mr. Reagan did not make a formal offer.

Talked With Lewis by Phone

Mr. Reagan had also discussed by telephone the possibility of Mr. Lewis's becoming chief of staff, but Mr. Lewis told him that he could do so only on a temporary basis, a source said.

"He's not in a position to come on board," the source said.

The source said it was Mr. Laxalt who first mentioned Mr. Baker to the President as a possible choice. But Mr. Laxalt said the former Senator would accept the position only if asked directly by the President, and not by Mr. Regan.

Some aides to Mr. Baker have said Mr. Regan misrepresented Mr. Baker's position to the President on whether he was willing to accept an appointment as Director of Central Intelligence before Mr. Reagan chose Mr. Gates earlier this month.

According to one source, Mr. Reagan

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The White House Staff: New Figures

The resignation yesterday of Donald T. Regan is the latest in a flurry of staff changes at the White House. These are the some of the changes since the beginning of the year.

Chief of staff Howard H. Baker Jr., the former Senate majority leader, to replace Mr. Regan, who resigned today.

Press spokesman Marlin Fitzwater replaced Larry Speakes on Feb. 1; Mr. Speakes joined Merrill Lynch & Company.

Communications director John O. Koehler due to replace Patrick J. Buchanan on March 1.

Assistant to the President for national security affairs Frank C. Carlucci replaced Vice Adm. John M. Poindexter, who resigned Nov. 25 after the Iran-contra scandal came to light.

Deputy assistant to the President for national security affairs Colin L. Powell replaced Alton G. Keel Jr., who was appointed delegate to the North Atlantic Treaty Organization in December.

Cabinet secretary Nancy J. Risque replaced Alfred H. Kingon, who has been nominated as delegate to the European Communities.

Assistant to the President for domestic policy Gary L. Bauer replaced John A. Svahn, who left the White House in September.

Assistant to the President for political and intergovernmental affairs Frank J. Donatelli due on March 1 to replace Mitchell E. Daniels Jr., who is leaving to become chief operating officer of the Hudson Institute.

Deputy assistant to the President and director of the drug abuse policy office Donald Ian Macdonald replaced Carlton E. Turner, who resigned Dec. 31 and is now president and chief executive officer of Psychiatric Diagnostic Laboratories of America.

reached Mr. Baker Thursday at a zoo in Florida where he had taken a grandchild. Returning to Washington today, he met with the President and accepted the position.

Viewed as Republican Moderate

Mr. Baker, viewed as a Republican moderate, had challenged the President in the 1980 Republican primary, but they developed a close working relationship once Mr. Reagan was elected. Mr. Baker was Senate majority leader from 1980 to 1984.

The appointment, which is expected to move Mr. Baker out of active contention for the 1988 Presidential race, gives Mr. Reagan his third chief of staff since his first election in 1980. Coming at a time in which a new national security adviser, his fifth, is also in place, it is expected to alter the Reagan White House dramatically in its last two years.

White House officials said that they expected Mr. Baker to make several important staff changes and that some of the remaining senior aides loyal to Mr. Regan would leave. They are expected to include W. Dennis Thomas, a Presidential assistant; Peter J. Wallison, the White House counselor, and possibly William Ball, the chief legislative strategist.

Discussed Quitting in November

Mr. Regan had told the aides recently that he would resign but that he did not believe they had reason to worry about keeping their White House positions.

An official said Mr. Regan had broached the possibility of resigning in

November, saying two years in the demanding position had been enough. But the chief of staff reportedly told Mr. Reagan that he would remain to assist him in handling the Iran affair once the clandestine operation was disclosed in that month.

That decision became a matter of intense controversy as some Reagan loyalists and Nancy Reagan argued that Mr. Regan had failed the President by not preventing the affair from becoming a scandal and that he should resign to allow the President to make a fresh start.

The official said that as pressure mounted on Mr. Regan to leave, he became determined to resist in the short term and equally certain that he would leave once the special review board issued the report. According to the official, Mr. Regan had told the President he would leave 10 days ago and had repeated that intention before and after the commission's report was issued.

Mr. Reagan supported that version today, saying in the statement that Mr. Regan had expressed an interest in returning to private life several months ago and that he had agreed to remain until the report was issued.

The commission, which was headed by former Senator John G. Tower, was highly critical of Mr. Regan, saying that he should have insisted that an "orderly process be observed" in terms of the Iran policy initiative and that he "must bear responsibility for the chaos that descended upon the White House when such disclosures did occur."

Thought Himself 'Vindicated'

But the official said the former chief of staff believed he had been "vindicated" because the report only criticized his management style and did not implicate him in wrongdoing.

Mr. Regan had been noticeably absent from recent strategy meetings held by the President on how to recover from the Iran affair. White House officials said it was clear from his demeanor in recent days that he would leave.

Officials said Mr. Regan, a millionaire from his work on Wall Street, would probably retire to private life and might write a book.

The President is expected to meet over the weekend with a number of Congressional leaders and long-time advisers to plan other steps to show that his Presidency is back on track.

Among the group of close Reagan advisers are Michael K. Deaver, his former chief of staff; William P. Clark, a former national security adviser, and Kenneth Duberstein, a former chief legislative strategist.