

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection:** CICCONI, JAMES: Files

**Archivist:** ggc/rfw

**File Folder:** Senior Staff Meetings *Action Items Aug 1981 - Sep 1981*  
~~Aug 81 - Sep 81 (Action Items)~~

**Date:** 2/3/99

[2 of 2] Box ~~9109~~ / 6

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	Frank Hodson to Mike Deaver, Bill Clark Re: appointments, 1p	7/27/81	<i>P5 (05)</i> <i>10/18/00</i>

### RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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THE VICE PRESIDENT  
WASHINGTON

Margaret

THE VICE PRESIDENT'S SCHEDULE -- (UNPUBLISHED)

Thursday, September 10, 1981

7:25 a.m.	The Vice President arrives West Wing Office	
7:30 a.m. (15-minutes)	C.I.A. Briefing	(WW Office)
7:55 a.m.	Depart West Executive Avenue for Capitol Hilton Hotel	
8:00 a.m. (20-minutes)	Address the National Association of Towns and Townships Annual Conference	(Presidential Ballroom)
8:25 a.m.	Arrive West Wing Office	
8:30 a.m. (15-minutes)	The Vice President's Senior Staff Meeting	(WW Office)
9:15 a.m. (45-minutes)	<u>Expanded Breakfast meeting with President and Prime Minister Begin</u> (Richard V. Allen)	(Cabinet Room)
10:30 a.m. (60-minutes)	Meeting with Prime Minister Begin	(Blair House)
11:45 a.m. (15-minutes)	Meet with Lionel Hampton	(WW Office)
12:00 noon (90-minutes)	<u>Cabinet Luncheon Meeting</u> (Craig Fuller)	(Cabinet Room)
1:30 p.m. (2 hours)	Join the President's Economic Policy Advisory Board Meeting	(Roosevelt Room)
3:30 p.m. (30-minutes)	Interview with Bernard Krisher --- Asia Magazine	(WW Office)
4:15 p.m. (15-minutes)	Meet with Nicholas F. Brady	(WW Office)
5:15 p.m. (65-minutes)	Concert and Reception in honor of Lionel Hampton	(South Lawn)
6:20 p.m.	Depart for Vice President's Residence	

SENIOR STAFF MEETING ACTION ITEMS (9/9/81)

<u>ITEMS</u>	<u>ACTION</u>
1. <u>Obligation to Provide Education to Illegal Alien Children</u> : Federal Court in Texas had ruled there was obligation; Carter supported court; case now before Supreme Court; Justice will not take position.	Anderson
2. <u>Tuition Tax Credits</u> : Administration remains for these, although there may not be enough money in the budget.	Anderson
3. <u>Black Colleges Initiative</u> : Would like to arrange for this before Solidarity Day.	Deaver/Dole
4. <u>Voting Rights</u> : Paper should be in today; to be brought to Cabinet meeting Thursday, 9/17. We would hope for Cabinet review and announcement next week.	Anderson
5. <u>International Parliamentary Union Conference Havana</u> : We will not provide Air Force plane for Congressional delegation; Stafford claims wants to show flag.	Friedersdorf
6. <u>Federal Personnel Ceilings</u> : OPM press release showing increases erroneous (included part-time personnel). Full time permanent personnel have decreased a net of 5,000 (civilian down 18,000; military up 13,000).	
7. <u>Fraud Waste Case</u> : Fielding and Harper to get together on this.	Fielding/Harper
8. <u>Leadership Meeting 9/15</u> : Agenda to include AWACS and budget only.	Friedersdorf
9. <u>Legislative Strategy</u> : Farm bill today; AWACS tomorrow.	Darman
10. <u>Guidance on Report that GOP Thinking of Wage and Price Controls</u> : Some GOP Congressmen thinking of this; not Administration.	Small
11. <u>Prosecution of Those Not Registering for Military Service</u> : Need to find out what Justice doing on this in light of press stories.	Fuller

SENIOR STAFF MEETING ACTION ITEMS (9/8/81)

<u>ITEMS</u>	<u>ACTION</u>
1. <u>Today's Schedule</u> : Baker, Michel and Laxalt will come down for general discussion with President at 1:45 p.m.	Friedersdorf
2. <u>AWACS</u> : To be discussed at tomorrow's Legislative Strategy meeting. AWACS will also be first item at Leadership meeting 9/15.	Allen/Darman
3. <u>Guidance on Economy</u> : Administration officials should not be reactive; we are following through on achieving our goals; don't talk too much about interest rates.	
4. <u>Economic Advisers with President</u> : 10:30 a.m. tomorrow.	
5. <u>Defense Budget Planning Group Meeting</u> : 3:00 p.m. tomorrow.	
6. <u>Thursday (9/10) Schedule</u> : -- 10:30 a.m. Stockman to go over budget initiatives for Fall with President. -- 11:15 a.m. President drop-by outside economic advisers meeting. -- 12:00 noon Cabinet meeting to receive overview of Fall offensive (budget initiative). (NOTE: This will be followed by detailed OMB presentation on Monday (9/14), and Thursday (9/17) follow-up.)	
7. <u>CBO Testimony</u> : Thursday, 9/10; expected that numbers will be different from ours. Lower inflation assumptions produce bigger deficit in out years; economic growth assumptions will also be lower.	
8. <u>O'Neill/Michel Lunch with President</u> : Friday, 9/11.	Friedersdorf
9. <u>Judicial Reception</u> : Currently scheduled for 9/23, need to firm up date.	Deaver
10. <u>Response to Criticism on Budget</u> : OMB producing paper which will show how minimal the cuts are (basically cutting growth in spending); this will be ready before Solidarity Day march 9/19.	Harper

<u>ITEMS</u>	<u>ACTION</u>
11. <u>Solidarity Day</u> : Dole to be project officer.	Dole
12. <u>Voting Rights</u> : Paper will be coming over to White House this week.	Meese
13. <u>Begin Visit Backgrounder</u> : To be done at 9:00 a.m. today.	Allen

MEESE/DEAVER BREAKFAST AND SENIOR STAFF MEETING (9/9/81)

File  
Book

DEAN Burch WANTS TO SEE E. MEESE  
ON TELEPHONES ETC. -

A. Breakfast

1. Speakes' request to be in White House policy meetings (memo attached). *Handled w/ LS + DG*
2. Proposed Executive Order on Legal Equity for Women (Cavaney memo attached). *OK -*
3. Boston Herald American request for interview with President (letter attached). *Not now*
4. Response to newspaper articles on White House personnel -- you mentioned announcements this week.
5. White House Fellows meeting with President -- to receive certificates and shake hands (memo attached). *OK to schedule*
6. *Spin's suggestion re no press conf. (See attached)*
7. *Items left from yesterday*

B. Senior Staff Meeting

1. Go over schedule (attached).
- ✓ *Justim tax ends not out of ques.*
- ✓ 2. Any remaining arrangements for Begin visit -- Allen/Darman?
- ✓ 3. Economic Advisory Board Meeting Thursday arrangements -- Anderson.
- ✓ 4. Speech preparation for International Association of Police Chiefs -- Gergen.
- ✓ 5. *Justim - alien education case in Tex*

RR: Marty Anderson memo  
Jim Watt memo

See Quarta - Sept 16??

✓ ① M.B.D. Solidarity - more articles coming. (Schram + Jescage) 9/5  
 I won't talk with)  
 ② Timing of def. cuts - (aug 7 lunch - still not done) Got to show will take care of deficits!! Saw prob. coming.  
 EM - you still on 308? EM telling me one thing + lap another

③ Schedule for mtgs. + swap RR - COPIES IN FOLDER FOR EM + MD. THE WHITE HOUSE  
 also - H. Baker, B. Michel + Farrell. WASHINGTON

④ Haig vs Postow? (Clipping in folder) ✓ ⑥ Go with Darman soon. (Fuller?) - 2 who  
 ✓ ⑦ Use of phrase: "For the Pres." (Memos in folder) - "no" EM  
 ✓ ⑧ Meeting briefing paper - non-advocacy  
 JAB ⑤ Personnel Changes Announced for Wed 3 PM mtg - by  
 Darman + Fuller.  
 ATTACHED BREAKFAST ITEMS FOR EM & MD WEDNESDAY 7:00 A.M.

1. Memo on Office of Science and Technology Policy  
 ⑨ Press conf. on Mon. for Fall offensive? Will require prep. of RR in Sat. + Sun.
2. Letter from Trent Lott
3. Chairmen of National Committees of GOP - various fund raising activities requests
4. Private Sector Initiatives Program - Deaver memo  
 ✓ ⑩ M.D. will talk to Fielding | ⑪ Chg. sched. of reception for fed. judiciary (See Fielding memo saying should go forward.)
5. Budget Review Process - memo from Williamson  
 ⑫ "Management" by a Pres. who knows where he's going - part of
6. Voting Rights Act before Solaridarty Day - Justice says ready orig goal - Not reactive to int. rates. Stop
7. Crime Package ready - Bill Smith wants to see RR (JAB on RR Tues. Schedule for 30 min.) this week to make a point if crime is high profile inactive then be prepared to commit necessary resources \$500 million. talking int. rates!
8. Ed Harper memo on Unnecessary Foreign Travel by Administration and White House personnel  
 \* Dick Allen memo attached on same subject ✓ ⑬ Cancun - Developing speech Nations Policy. (World Bank inty. last wk in Sept.) - NSE
9. Deaver notes to you on letter from Bob Barrett on RR doing interview with Kansai State Broadcasting of Japan. + Fran. have paper.
10. Deaver memo to you on memo from Mel Bradley on Black Americans proposal

SENIOR STAFF MEETING ACTION ITEMS (8/7/81)

<u>ITEMS</u>	<u>ACTION</u>
1. <u>Unemployment</u> : BLS statistics will show unemployment down from 7.3 to 7.0%	
2. <u>Telecommunications</u> : New memo in from DOJ will be circulated. White House staff should not get involved in telecommunications issue; noted that OPD staff had visited AT&T installation. Hauser should provide memo to White House and EOP staff on AT&T case.	Fuller/Hauser
3. <u>Education Reorganization Plan Guidance</u> : Under review; no decision.	Fuller
4. <u>Federal Employment Compensation Act</u> : OK to go forward with bill on this (which includes compensation for disability provisions).	Harper
5. <u>Black Lung Legislation</u> : Hold up on this; while economically wrong, black lung disease politically sensitive. Need analytical paper showing pros and cons.	Harper
6. <u>Recess Appointments</u> : Need to be sure that these are cleared with Howard Baker.	James/ Friedersdorf
7. <u>Major Announcements (e.g., MX and B-1) During August</u> : Should include advance notification of Hill; noted we expect no such announcements (other than Davis-Bacon) before 8/16.	Darman/ Friedersdorf
8. <u>Davis-Bacon</u> : Need to get regs into Federal Register by 8/11.	
9. <u>Federal Affirmative Action Grants</u> : These must be either withdrawn or amended by 8/26.	
10. <u>Justice Position on Busing and Desegregation</u> : Meeting slated for 11:00 a.m.	Fuller
11. <u>Next Senior Staff Meeting</u> : September 3.	Hodsoll

SENIOR STAFF MEETING ACTION ITEMS (8/6/81)

<u>ITEMS</u>	<u>ACTION</u>
1. <u>PATCO</u> : Termination letters went out yesterday; employees have seven days to respond. 480 more than expected returned to work yesterday; expect 1,000 back today. Currently operating at 80% capacity. Lewis says 21 months to return to 100% operational capacity; need to clarify this.	Fuller
2. <u>Labor Day Speech</u> : Need to coordinate on this.	Anderson/ Nofziger & others
3. <u>General Labor Day Plans</u> : Planning 5 day build-up to Labor Day speech (including speech in Chicago, radio speech, backyard picnic with blue collar families (from friendly unions)). May wish to market Labor Day proclamation; if so, this needs to be drafted two weeks in advance.	Deaver
4. <u>Synfuels Contracts</u> : President's decision announced yesterday by Edwards.	
5. <u>Bills Signing</u> : Number of bills are coming down from Congress which need Presidential signature by 8/17. Darman will circulate list to relevant parties. Need Senior Staff/OMB views on short turn around.	Darman/Harper
6. <u>Productivity Commission</u> : Need to have Labor representation on this (AFL-CIO and Teamsters). Anderson/James have latest list of names. Should probably announce 2-3 weeks down the road after air controller action has abated.	Anderson/James/ Darman
7. <u>Justice Task Force on Discrimination Against Women</u> : Need Cabinet recommendations on membership. Should try to move this as soon as possible.	Dole
-- Need statement on what tax bill does for women; good points here.	
8. <u>Meeting Today</u> : Meese/Baker/Weinberger/Haig/Allen/Friedersdorf/Gergen/Fuller or Darman.	
9. <u>PLO Guidance Re Style Page Article on Sadat Visit</u> : Allen to get together with others to provide guidance. No change in U.S. position on PLO; distinguish Palestinians from PLO; as long as PLO a terrorist organization insisting Israel has no right to exist, U.S. will have no relations with PLO.	Allen

ITEMS	ACTION
10. <u>Natural Gas Guidance</u> : President asked at Cabinet Council meeting for more discussion and information on effects of decontrol; no decision reached.	Gergen
11. <u>Clean Air Act</u> : Gorsuch statement playing well.	Gergen
12. <u>Thank You Letters to Administration Officials</u> : Need to develop policy as to when President will sign such letters.	Darman

8/6/81  
Rousseau

Book

MEESE/DEAVER BREAKFAST AND SENIOR STAFF MEETINGS (8/6/81)

A. Breakfast and RR

FK: ~~clerk~~  
+ Portugal

FK: This  
is being done

1. Old letter to foreign leader being held by Darman.
2. Ambassadorship to Dominican Republic for Guinot; need to, do, if possible, while President in California.
3. Recess appointments to NLRB (memo attached).
4. FOR RR: Defense budget increases above Campaign and 7% path (chart attached).
5. FOR RR: DeWalch telegram.
6. FOR RR: Photo signing.

7/19/80 vs 4.8%  
increase

20 hrs per wk  
actually spend  
in screen.

B. Senior Staff

- ✓ 1. Go over Presidnet's and VP's schedules (attached).
- ✓ 2. Labor Day follow-up (memo attached).
- ✓ 3. August schedule & Darman memo on arrangements -- any questions?
4. Computer problem with OMB-- Darman?
5. Guidance on reported Bell position that he will have options for dismantling Education Department by Labor Day (education group opposition).

Meeting w/ Haig - Darman  
Fuller  
Allen, Berger, Marx, E.M., Cap (Public Affs from Def. + State)

MEESE/DEAVER BREAKFAST AND SENIOR STAFF MEETINGS (8/5/81)

FOR BREAKFAST  
+ RR on  
THURS -  
Imperial  
need to bring def.  
budget into line  
5-7% (not 9.4)  
Have to bring  
budget into bal.

A. Breakfast

- ✓ 1. Gambia
- ✓ 2. Guidance for Speakes and Gergen
- 3. Darman requests re old letter to foreign leader being held by Darman.
- ✓ 4. New Zealand butter (memo attached).
- 5. Ambassadorship to Dominican Republic for Guinot; need to do, if possible, while President in California.

B. Senior Staff

- 1. Go over President's and VP's schedules (attached).
  - Sadat visit
  - Cabinet Council Natural Resources agenda -- Fuller.
- ✓ 2. Clean Air Act -- call on Hodsoll to brief where we are.
- 3. Computer problem with OMB -- Darman?
- 4. Guidance on reported Bell position that he will have options for dismantling Education Department by Labor Day (education group opposition).

③ Max:  
Coord. w/  
Def. +  
consult on  
Hill.

Gergen

RR: ① Statement in connection with picture of Kirkup + sponsor of tax + budget bills (see for 2:30 today)

✓ ② Sign at Ranch next Wed. [Chalove]

③ Press guidance re ERW [No announcement until lead.]  
(see State Dept. cables) (We are going forward w/ manuf. + stockpiling in U.S. -- no deploy.)

④ BUTTER Decision was made some time ago. K. will be signed today at Ag. Dept.

DB:

LS:

We're already making all the component parts.

THE WHITE HOUSE

WASHINGTON

UNPUBLISHED  
August 4, 1981  
5:00 pm

THE PRESIDENT'S SCHEDULE  
Wednesday, August 5, 1981

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (15 min)	<u>Senior Staff Time</u>	Oval Office
9:50 am (5 min)	<u>Ceremony Briefing</u> (David Fischer)	Oval Office
10:00 am (30 min)	Arrival Ceremony for H. E. Anwar el-Sadat, President of the Arab Republic of Egypt and Mrs. Sadat <u>Open Press Coverage</u>	South Grounds
10:50 am (40 min)	<u>Meeting with President Sadat, et al</u> (Richard V. Allen) Writing Pool and Photo Coverage at Beginning	Oval Office
11:30 am (60 min)	<u>Expanded Meeting with President Sadat</u> (Richard V. Allen) No Press Coverage	Cabinet Room
12:30 pm (60 min)	<u>Lunch alone</u>	Oval Office
1:30 pm (60 min)	<u>Meeting with Cabinet Council on Natural Resources</u> (Craig Fuller)	Cabinet Room
2:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
3:00 pm (60 min)	<del><u>National Security Council Meeting</u></del> (Richard V. Allen)	<del>Cabinet Room</del>
4:15 pm (30 min)	<u>Taping Session</u> (Frank Ursomarso)	Residence Library
5:00 pm	<u>To Residence</u>	
7:30 pm	<u>State Dinner for President and Mrs. Sadat</u> BUSINESS SUIT	Residence

Mgt. Tutwiler



THE VICE PRESIDENT  
WASHINGTON

THE VICE PRESIDENT'S SCHEDULE -- (UNPUBLISHED)

Wednesday, August 5, 1981

7:30 a.m.	The Vice President arrives the OEOB Office	
8:00 a.m. (10-minutes)	Photograph with Lt. Col. John Matheny	(OEOB Office)
8:15 a.m. (15-minutes)	C. I. A. Briefing	(OEOB Office)
8:50 a.m. (20-minutes)	Vice President's Senior Staff Meeting	(OEOB Office)
10:00 a.m. (30-minutes)	Arrival Ceremony for H. E. Anwar El-Sadat, the President of the Arab Republic of Egypt and Mrs. Sadat	(South Grounds)
11:30 a.m. (60-minutes)	<u>Expanded Meeting with the President and H. E. Anwar El-Sadat</u> (Richard V. Allen)	(Green Room)
12:30 p.m. (60-minutes)	Lunch with Dave Stockman	(OEOB Office)
1:30 p.m. (60-minutes)	<u>Meeting with Cabinet Council on Natural Resources</u> (Craig Fuller)	(Cabinet Room)
3:00 p.m. (60-minutes)	<u>National Security Council Meeting</u> (Richard V. Allen)	(Cabinet Room)
5:00 p.m. (60-minutes)	Meet with H. E. Anwar El-Sadat	(Blair House)
6:00 p.m.	Depart Blair House for Vice President's Residence	
7:30 p.m.	<u>State Dinner for President and Mrs. Sadat</u> BUSINESS SUIT	(White House)

SENIOR STAFF MEETING ACTION ITEMS (8/4/81)

<u>ITEMS</u>	<u>ACTION</u>
1. <u>Schedule</u> : AID presentation at 3 p.m. after Cabinet meeting (presentation of check on how AID saved USG \$28 million).	Fuller
2. <u>Davis-Bacon</u> : Announcement will be made on or before 8/15. Meese to review decision memo.	Fuller
3. <u>Cabinet Meeting Today</u> : Will consider Clean Air Act, fraud and waste and debt collection.	Fuller
4. <u>Controllers Strike</u> : Decision will be made today as to whether at least 50% of controllers will come back to work; with 50% on job plus supervisory personnel and military, can operate at 100% capacity. We are prepared to prosecute and fire those who do not come back to work Wednesday.	Fuller
5. <u>Reconciliation and Tax Bill Signing Ceremony</u> : Reconciliation Bill will be passed today; question on tax; ceremony slated for tomorrow. Signing statement will be circulated to relevant Senior Staff by noon; this should include "didn't get into mess overnight -- won't get out of it overnight." The significance of indexation should also be noted.	Friedersdorf/ Canzeri
6. <u>September Thank You Event</u> : Event for those who helped on Tax and Reconciliation Bills will be slated for 9/14-15. Lists of potential invitees should be provided to Canzeri.	Canzeri
7. <u>Leslie Gelb Story on NSC</u> : Gelb meeting with White House staff and others on NSC process; Meese will try to see him; has met with Murphy and Hodsoll.	Meese/Gergen/ Allen
8. <u>Telecommunications Policy</u> : This sensitive; DOC and Justice should take lead.	Fuller
9. <u>Continental/Texas International Airline Merger</u> : White House staff should not talk about this; refer inquiries to Fielding.	Fielding
10. <u>Budget Problem Re Appropriation Bills Coming In Over Reconciliation</u> : Need to get on top of this. OMB to prepare memo; also need talking points for President. Should be put on Legislative Strategy Meeting before end of week.	Harper/Darman

ITEMS

ACTION

- |     |  |  |
|-----|--|--|
| 11. | <u>Base Closings</u> : List circulating since 7/6; announcements held up pending completion of Tax Bill. Friedersdorf to review as to when to go; Hodsoll to review for possible immigration/refugee detention center sites. | Meese/Baker/<br>Friedersdorf/<br>Hodsoll |
| 12. | <u>President's STAR Lunch</u> : Any items should be provided to Gergen.  | Gergen                                   |
| 13. | <u>Domestic Economic Summit</u> : We will deal with this after the recess by having a meeting between the five Senators and Anderson/Weidenbaum and perhaps others.  | Friedersdorf/<br>Anderson                |
| 14. | <u>Formulation of Begin Government</u> : Need to get message to Begin.   | Allen                                    |

Meese/Deaver Breakfast and Senior Staff Meeting (8/4/81)

A. Breakfast

- ✓ 1. Davis-Bacon announcements (8/15)?
- 2. Need to get Ambassadorship to Dominican Republic for Luis Guinot; Ferre telcon to FH. Need to put this on next Ambassador Group meeting and try to secure. This important to Puerto Rico (memo attached). Guinot a good man; has VP's support.

3. New Zealand Batter (Dole)  
See attached

✓ RRF to Gambia - All call to RRF no prior notice to us or to Def. and VPs

B. Senior Staff

- ✓ 1. Go over President's schedule (attached).
- ✓ 2. Davis-Bacon announcements. - on or before Aug. 15
- ✓ 3. Latest on PATCO situation.

4. Photo ops -- keep from turning into press conference -- Gergen/Speakes/Deaver.

5. Computer problem with OMB -- Darman.

6. Guidance on reported Bell position that he will have options for dismantling Education Department by Labor Day (education group opposition).

✓ 7. Domestic Economic Summit (for Democratic Senators). Yesterday's Senior Staff requested Anderson to check into -- Anderson.

Final after run  
Legis. w/ Pres  
Volker  
the Dem. involved  
Need to  
strategy  
LEGIS.  
STRATEGY  
MTO.

Have we supported any approp. bills over the reconciliation amounts?

8. Budget problem: Some appropriations bills coming in above reconciliation bill; question of process; need report on how many we will have to veto -- Harper?

✓ 9. Preparations for Tax and Reconciliation Bill signings -- Canzeri? (Wed or Thurs.) Final call / Pat today.

✓ 10. Preparations for Sadat visit -- Allen?

See Justice Gelb

✓ 11. Clean Air Act - Pub. Mtg.

RR - All call - Troops?  
Get Ban Closings list from M.F. - notify from Def. Do doing recess.

12. Voting R.L. Act (If extend - do it before Sept 19 - rally day. Labor

THE WHITE HOUSE  
WASHINGTON  
THE PRESIDENT'S SCHEDULE  
Tuesday, August 4, 1981

UNPUBLISHED  
August 3, 1981  
3:30 pm

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (15 min)	<u>Senior Staff Time</u>	Oval Office
9:45 am (45 min)	<u>Personal Staff Time</u>	Oval Office
10:30 am (75 min)	<u>Briefing for Luncheon Meeting</u> (David Gergen)	Cabinet Room
11:45 am (5 min)	<u>Photo with Lt. Col. John Matheny</u> (Gregory J. Newell) White House Photographer	Colonnade
11:50 am	<u>Depart for The Washington Star</u>	
Noon	<u>Luncheon with Editorial Board</u> (Larry Speakes/Stephen Studdert)	The Washington Star
1:40 pm	<u>Return to White House</u>	
2:00 pm (60 min)	<u>Cabinet Meeting</u> (Craig Fuller)	Cabinet Room
3:00 pm (30 min)	<u>Personal Staff Time</u> <i>AID - Rose Gaudin</i>	Oval Office
3:30 pm (2 hrs)	<u>Briefing for Sadat Visit</u> <i>(Shorten)</i> (Richard V. Allen)	Cabinet Room
5:30 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
6:00 pm	<u>Return to Residence</u>	

THE WHITE HOUSE

WASHINGTON

July 27, 1981

MEMORANDUM FOR MIKE DEEVER  
BILL CLARK

FROM: FRANK HODSOLL *Frank*

SUBJECT: Puerto Rican Appointments

As you may be aware, Puerto Rico did the Administration an important favor last week when it agreed to removing its opposition to use of Ft. Allen as a detention center (for Haitians). While the deal was cut with Governor Romero, our Republican friends in Puerto Rico (Mayor Padilla and Luis Ferre) were instrumental in assisting the process. Padilla and Ferre would like to see a number of individuals appointed to positions in the Administration (memo attached).

Of those listed in the memorandum, the most important are General Llenza and Luis Guinot. While I understand Llenza's military past poses some problems to his being named an Ambassador to one of the South or Central American countries, I gather Guinot is now the number one candidate for the Dominican Republic Ambassadorship.

Guinot was personally instrumental in securing the Ft. Allen deal. He worked with my office, the Governor and the Mayor and travelled to Puerto Rico with our team to this end. Based on my knowledge of Guinot during these discussions with the Puerto Ricans and my knowledge of a variety of Ambassadors, I think he would be a first class representative of this country in the Dominican Republic.

RECOMMENDATION

1. Barring any derogatory information of which I am unaware, we move forward at the next Ambassador Selection Committee meeting to propose to the President Guinot's nomination as Ambassador to the Dominican Republic.
2. We find some suitable international job for General Llenza.

It would be helpful if we could announce at least the Guinot position soon, coordinating with Padilla and Ferre.

CC: James A. Baker, III      Ambassador Terra  
Richard V. Allen          John Herrington  
E. Pendleton James      Wendy Boraherdt  
Rich Williamson

## THE WHITE HOUSE

WASHINGTON

July 17, 1981

MEMORANDUM FOR RICH WILLIAMSON

FROM:

RICK NEAL *Ru*

SUBJECT:

PRESIDENTIAL APPOINTMENTS FOR PUERTO RICO

---

Mayor Hernan Padilla and Luis Ferre seek to have the following individuals appointed to positions in the Reagan Administration:

- \* Gen. Orlando Llenza - Ambassador to a latin country *< Bill Clark*
- \* Luis Guinot - Ambassador to the Dominican Republic *< Bill Clark*
- \* Edward Mercado - Director of Equal Opportunity Commission
- \* Alex Vallecillo - Export / Import Bank
- \* Antonio Santiago Vasquez

I am informed by Mayor Padilla's office that Presidential Personnel has each of these individuals in their files. I have contacted Presidential Personnel and requested a status check on each name.



To  
FRANK

Mgt. - Tucker

THE VICE PRESIDENT  
WASHINGTON

THE VICE PRESIDENT'S SCHEDULE -- (UNPUBLISHED)

Tuesday, August 4, 1981

7:25 a.m.	The Vice President arrives the OEOB Office	
7:30 a.m. (15-minutes)	<u>Meet with Group of Republican State Legislators from Oregon</u>	(OEOB Office)
7:45 a.m. (15-minutes)	C. I. A. Briefing	(OEOB Office)
8:00 a.m. (30-minutes)	<u>Meet with Michael Cardenas, Administrator, Small Business Administration</u> (Thadd Garrett)	(OEOB Office)
8:45 a.m. (60-minutes)	<u>Cabinet Council on Economic Affairs</u> (Roger Porter)	(Roosevelt Room)
12:50 p.m. (60-minutes)	<u>Lunch with Task Force on Regulatory Relief</u> (Boyden Gray)	(Roosevelt Room)
2:00 p.m. (60-minutes)	<u>Cabinet Meeting</u> (Craig Fuller)	(Cabinet Room)
3:30 p.m. (2 Hours)	<u>Briefing for Sadat Visit</u> (Richard V. Allen)	(Cabinet Room)
5:30 p.m.	Depart for the Vice President's Residence	
6:30 p.m.	Reception for the staff of the Republican National Committee	(Vice President's Residence)

SENIOR STAFF MEETING ACTION ITEMS (8/3/81)

<u>ITEMS</u>	<u>ACTION</u>
1. <u>Economic Briefing with Senators:</u> Need to put on Senior Staff agenda tomorrow following check with legislative liaison. (This involves interest rate reductions.)	Friedersdorf
2. <u>Signing Ceremony for Tax and Reconciliation Bills:</u> This scheduled for Wednesday; invitations to entire Congress, but not private sector groups. Will need to have separate event for them.	Canzeri/ Friedersdorf
3. <u>Task Force on Private Sector Initiatives:</u> AEI to come up with ideas.	Deaver
4. <u>Ft. Chaffee:</u> Expect team from Glasgow to go down towards end of week; Governor White satisfied for the moment.	Hodsoll/ Williamson
5. <u>Congressional Amendments:</u>	Harper
-- East - no position.	
-- Ashbrook - in accord.	
-- Busing Amendment - can support since language not operative.	

8/3  
F.H.: Breakfast & Senior Staff tomorrow -

MEESE/DEAVER BREAKFAST AND SENIOR STAFF MEETINGS (8/3/81)

Davis -  
Personnel announcements?  
(Aug. 15)  
J.H.

A. Breakfast

DD + JR  
10% reduction in Personnel + \$??

- ✓ 1. Newt Gingrich proposal to have event 9/15/81 to show how Administration has met pledges on Capitol Steps 1 year previous, to set the stage for 1982 (letter and notes attached).
- 2. ~~Washington Star press luncheon Tuesday?~~
- ✓ 3. Telephone calls to President (e.g., Friday late afternoon - Sen. Baker - Camp David)?

9:45 - Down Davis & Meet w/ Bill Smith & Pres.

B. Senior Staff

- ✓ 1. Go over President's schedule (attached).
- 2. Latest on Patco situation (Note: AG said on "Meet the Press": if strike, will prosecute and won't negotiate further).
- 3. ~~Manned bomber/MX decision -- when?~~
- 4. Photo ops -- keep from turning into press conference -- Gergen/Speakes/Deaver.
- 5. Computer problem with OMB -- Darman?
- 6. Guidance on reported Bell position that he will have options for dismantling Education Department by Labor Day (education group opposition).
- 7. ~~Press Conference 8/4?~~ *French Tomorrow w/ Star (Briefing books) DG.*
- 8. Preparations for Sadat visit: briefings Tuesday; are materials ready?
- 9. Cabinet mtg Tuesday/agenda items -- Fuller?  
and Wednesday
- 10. Preparation August schedule -- Darman?
- ✓ 11. Signing Ceremony - Wed.
- ✓ 12. Domestic Env. Summit  
(if Dom. Section - Party will have a communication at tomorrow staff mtg.)

EM  
JHB  
Waste & Fraud  
Self Collection  
Clean Air

Call from  
RR: H. Baker - French Trust dinner?  
✓ (2) Statement re Patco.  
✓ (3) Budget prob. - working lunch

THE WHITE HOUSE  
WASHINGTON  
THE PRESIDENT'S SCHEDULE  
Monday, August 3, 1981

UNPUBLISHED  
July 31, 1981  
5:00 pm

:00 am 30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
:30 am 15 min)	<u>Senior Staff Time</u>	Oval Office
:45 am 30 min)	<u>Personal Staff Time</u>	Oval Office
0:15 am (10 min)	<u>Courtesy Visit with Sen. John C. Stennis (D-Miss)</u> (Max Friedersdorf) White House Photographer	Oval Office
10:25 am (5 min)	<u>Courtesy Visit with Rod Beaton, UPI</u> (Larry Speakes) White House Photographer	Oval Office
10:30 am (10 min)	<u>Courtesy Visit with Senator Malcolm</u> Wallop (R-Wyoming) (Max Friedersdorf) White House Photographer	Oval Office
10:45 am (15 min)	<u>Personal Staff Time</u>	Oval Office
11:00 am (10 min)	<u>Press Announcement</u> (Richard V. Allen/Larry Speakes) Open Press Coverage	Oval Office
11:10 am (25 min)	<u>Personal Staff Time</u>	Oval Office
11:35 am (5 min)	Photos with: 1. Lisa Archer, Tom Hickey and Kimberly Timmons 2. <u>Todd Blodgett, et al</u> (Gregory J. Newell) White House Photographer	Colonnade
11:40 am (10 min)	<u>Dropby at Briefing for State Legislators and</u> Elected Local Officials from 13 Western States (Richard Williamson) No Press Coverage	East Room
Noon (90 min)	<u>Working Lunch with David Stockman, et al</u> (Craig Fuller)	Cabinet Room
1:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
2:00 pm (60 min)	<u>National Security Council Meeting</u> (Richard V. Allen)	Cabinet Room
3:00 pm (2 hrs)	<u>Personal Staff Time</u>	Oval Office
5:00 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
5:00 pm	To Residence	

8/1/81

Mr. Baker asked that the following be done. When setting up meeting on '82 elections call Congressman Newt Gingrich.

Assuming this is done on Monday, Tuesday or Wednesday.

MG

7/31

MDT:

I can leave this in his reading file, but I thought that if Gingrich is coming in tomorrow, he might want to look it over in case he mentions anything. I can pull a copy of the response that went out under his sig.

The bottom line of the response was that JAB saw it as an interesting thought, but wanted to discuss it some more with the appropriate members of the WH staff and would be back in touch after the tax bill, etc., died down.

KC

8/1/81  
11:57am  
Brook, Mr Baker  
would like this  
to be a breakfast  
item for <sup>this</sup> Monday a.m.  
mgj

NEWT GINGRICH  
SIXTH DISTRICT, GEORGIA

COMMITTEES:  
PUBLIC WORKS AND  
TRANSPORTATION  
HOUSE ADMINISTRATION

WASHINGTON OFFICE:  
1005 LONGWORTH HOUSE OFFICE BLDG.  
WASHINGTON, D.C. 20515  
(202) 225-4501



Congress of the United States  
House of Representatives

July 20, 1981

James Baker  
The White House  
Washington, D.C. 20500

Dear Jim:

Last September 15, the Republican Party began to change American politics.

We started to get across the idea that "team government" can work, and that parties are responsible for the way the country is governed.

We did this by getting our candidates to meet on the Capitol steps: Ronald Reagan, George Bush, and over 230 incumbents and challengers from both the House and the Senate.

On those steps we pledged to do five things. (I'm including the Republican National Committee pamphlet on those pledges which includes articles on each pledge.) We didn't say so specifically, but we implied we'd work for all five pledges in our first year.

By Sept. 15, 1981, we should be able to meet again as a party, and show how we've fulfilled those pledges. (And this will spotlight the Democrats' failure to cut spending in the House of Representatives.)

I'd like to suggest we have an event that day to set the stage for 1982, and point out that our party behaves responsibly. Republicans do what we say we'll do.

If you're interested in this idea, or have questions, please call me or my Administrative Assistant, David Warnick, at 225-4501, or 225-0844.

Sincerely,

*[Handwritten signature]*  
Newt Gingrich

NG:ah

*Acknowledged  
DONE KC*

SUITE 9, PHOENIX CENTER  
1635 PHOENIX BOULEVARD  
COLLEGE PARK, GEORGIA 30117  
(404) 221-3854  
POST OFFICE BOX 848  
GRIFFIN FEDERAL BUILDING  
GRIFFIN, GEORGIA 30224  
(404) 228-0389  
CARROLL COUNTY COURTHOUSE  
CARROLLTON, GEORGIA 30117  
(404) 834-6398  
COUNTY OFFICE BUILDING  
22 EAST BROAD STREET  
NEWNAN, GEORGIA 30263  
(404) 253-8355

*JMB made file in case he  
could be done with 11/10  
Bec. for Rep. 1/10  
not a brief. He is for  
int. in house - 7/23*

# GOVERNING TEAM DAY

## Why These Pledges Are Needed, And What They Mean

**Pledge #1: A Republican Congress will substantially cut the amount of money Congress spends on itself, so that the Legislative branch can set an example in belt-tightening for the rest of the government.**

*by Rep. Tom Evans, Jr. (R.-Del.)*

Many Americans will say, "Why does this item top the list of the Republican pledges? Is it really that important?"

My answer would be: Pledge #1 is vital because it will do more than any other single act to restore public confidence in, and the credibility of, the Congress. It is also the easiest of the pledges for Congress to make good on—if we have a Congress that believes what it says about keeping costs down and setting the right example.

Apathy and cynicism on the part of the people will rise when the credibility of the government falls. And government hypocrisy is the root cause of its inability to be believed. Consider these two crystal clear examples:

1. Alfred Kahn, the administration's chief "inflation-fighter," told us on July 10, 1979: "The American people have got to sit still for a decline in real income, or stagnation." He was speaking for a White House and Congressional team that is allowing federal spending to increase a whopping 72 percent from fiscal years 1977 through 1981.

2. President Carter told us last March: "The whole American family—government and society—must learn to live within its means." This is from a man whose policy of hyper-inflation and deliberate recession is producing right at this moment the biggest one-year budget deficit in the history of the United States. (The President says the fiscal 1980 deficit will be \$60.9 billion. Add to that \$16.1 billion in off-budget spending, and the total deficit is \$77 billion—an all-time record).

But the American people must go beyond the hypocrisy of White House officials. They must look to Congress, which has been under the domination of the same party for 25 years, and which controls the nation's budget and its own budget. The sad truth is that the Democratic majority has been living high on the hog while preaching restraint and sacrifice to working people. Here are the facts, as compiled by GOP congressional candidate Jim Bradshaw (12th District-Texas):

"Prior to 1960, no trips were paid for a congressman except in emergency situations, for funerals, etc. In 1963, a member was allowed 2 trips per year. In 1977, a congressman was allowed 12

trips per year, staff one. By 1979, congressmen voted themselves 26 trips per year, staff six."

"Since 1974 the House has added 27 subcommittees, which has caused committee staffs to grow by almost 75 percent and committee payroll costs to jump 181 percent."

"Since 1974 the number of bureaucrats working on congressmen's personal staffs has increased from 6,313 to 6,952, while the payroll for these employees has jumped from \$70 million to \$118 million a year."

"In 25 years from 1954 to 1979, congressmen raised their salary 360 percent, or an average of 14.4 percent each year. The total office account of a congressman has increased from \$41,750 annually in 1954 to \$590,500 per year in 1979."

Republican members of Congress have not sat idly by while this was going on. On June 13, 1979, Rep. John Erlenborn offered an amendment to cut the appropriations for House members' official expenses by 5 percent. Erlenborn's amendment was narrowly beaten, 213 to 204.

Republicans split 132 to 21 in favor. Democrats split 192 to 72 against. That was a pretty clear example of which party wanted to live up to its speeches and which party preferred business-as-usual.

Some people have the gall to argue that this explosion in the cost of Congress has resulted in better government. I doubt that the typical working American feels he is getting better government for his money than he was 10 or 20 years ago. He's not getting better government, just more government. And he's learning not to believe what his governing institutions tell him about sacrifice, discipline, and all the rest.

This trend of cynicism must be reversed, and the first step in that direction is to reverse the extravagant course of the Democratic majority in Congress—an extravagance they display most obviously on themselves. A Republican Congress will cut the amount of money it spends on itself to demonstrate to Americans that we mean what our speeches say, and that discipline begins at home.

**Pledge #2: A Republican President and Congress will make selective cuts in non-defense spending to reduce waste, fraud and abuse to a minimum, in order to dampen the fires of inflation while protecting those in need.**

*by Rep. Newt Gingrich (R.-Ga.)*

In Jimmy Carter's first TV address to the nation as President, he said, "I took office a couple of weeks ago in the middle of the worst economic slowdown of the last forty years." The Democratic Platform of 1980 echoes that line: "In 1977, we inherited a severe recession from the Republicans."

The first statement was a wild exaggeration. The second statement is a flat-out lie. The last year the Republicans had anything to do with the U.S. economy was 1976. Real growth was 5.9 percent, the best performance of the seventies. Average unemployment declined almost one percent, and the inflation rate dropped over two percent. The last recession had ended in April of 1975.

President Carter in fact inherited an economy in pretty good shape. The trends were moving in the right direction. Working with his Democratic team, he proceeded to turn them around. In early 1977, the President and his Congress launched policies that are directly responsible for the economic calamity we have today.

Today we have an economy in horrible shape. A case can be made that we are in an inflationary depression, with double-digit core rates of inflation and a level of unemployment that, unless present policies are altered, may never again get below 7 percent. The President and his Congressional leadership look at this and say it's not bad. But they looked at an economy in early 1977 that was in much better shape and said it was the "worst in forty

years." The result was an imaginary cure for an imaginary disease, a cure which bred the real diseases we face today.

The pattern for Democratic mismanagement of the American economy was set in early 1977: they laid down a bad policy and followed it erratically. They passed a \$21 billion "stimulus" program consisting of public works, CETA spending, and countercyclical aid to states and cities. Warnings from Republicans and economists that this was a dangerously inflationary program went unheeded.

On top of that, the President was pushing his now legendary rebate scheme: Every taxpayer would get \$50 for himself and each of his dependants, as would retired nontaxpayers. In commenting on this plan in the March 7, 1977, issue of *U.S. News & World Report*, Prof. Milton Friedman explained what was wrong then—and what is still wrong today—with Mr. Carter's approach to matters of taxation:

"I'm in favor of tax reduction under any and all circumstances as the only effective way to put a lid on total government spending. But this particular form of tax reduction. . . is undesirable. It proposes to give rebates on a basis that has no relation to current activity. If we're going to reduce taxes, we should reduce them in a way that will give people an incentive to save more and to work harder, not simply drop checks out of airplanes. We ought to

make it a permanent reduction in taxes."

President Carter told skeptical Senate Democrats his rebates would create 250,000 jobs and add \$15 billion to the GNP by the end of 1977, but few believed this. Then, on April 13, Carter said he was scrapping his rebate scheme. Budget Committee Chairman Muskie, a Democratic Senator, looked at this opening-act Carter chaos and said the new President was creating a "crisis of confidence" in the budget process. "If economic conditions in April justify this abandonment of the course we set two months ago, Congress has a right to know why those conditions were misjudged in February when the program was proposed."

As would be the case in every policy flip-flop for the next four years, the President said it was circumstances that had changed, all the while he had remained consistent. But he still had his \$21 billion spending package, which he signed even as inflationary indicators were picking up speed. The spending spree and the tax shenanigans convinced observers that Carter and the Congress were not serious about fighting inflation. As Senator Howard Baker has often said: "President Ford put the genie of inflation back in the bottle, and President Carter let him out again."

President Carter has sometimes been called a different kind of Democrat, one who is careful about budgets. But the economic crises of today, along with the pain they mean for working Americans, are not a myth or a partisan diatribe. The facts don't lie:

### The Economic Record of the Democratic Team

#### Federal outlays/revenues/deficit

FY 1977	\$402.7b	\$357.8b	\$45.0b
FY 1978	\$450.8b	\$402.0b	\$48.8b
FY 1979	\$493.7b	\$465.9b	\$27.8b
FY 1980	\$578.8b	\$517.9b	\$60.9b
FY 1981	\$633.8b	\$604.0b	\$29.8b

	real GNP growth	avg. unemp.	avg. inflation
1977	5.3%	7.0%	6.5%
1978	4.4%	6.0%	7.7%
1979	2.3%	5.8%	11.4%
1980	-3.1%	7.6%	13.4%
1981	2.6%	8.5%	9.7%

(1977-79 figures are final; estimates for 1980 and 1981 come from the President's Council of Economic Advisers report of July 21, 1980;

Inflation figures represent the 4th quarter CPI level increase over the level of the previous 4th quarter).

These numbers should be looked at as the report card of the Democratic team. The President and the Congress have had total charge of the 1978, 1979, 1980 and 1981 budgets. As for the 1977 budget, they amended it midway through, as I've indicated earlier. Certain things stand out in this unfortunate display of billions and percentages, such as:

- Federal spending, under the Democratic plan, will have risen a stunning 72 percent over four fiscal years;
- Federal spending shot up 17.6 percent in FY 1980 alone, which had a lot to do with the 18 percent inflation we were experiencing last winter.
- Endless deficits may be the only consistent element in the Democratic record: \$212 billion in red ink over five fiscal years.
- The biggest one-year tax increase in U.S. history will come with the fiscal year beginning in October—\$86 billion more will be taken in by Washington in fiscal 1981. That is an average of \$886 in higher taxes for every job-holding American in the civilian labor force.
- Unemployment, which as of a year ago was the only relatively bright spot in the Democratic record, is projected to be higher in 1981 than it was in 1976, when Candidate Jimmy Carter was denouncing President Ford for heartlessness concerning unemployed Americans.

This is a four-year record of mismanagement of the economy that is an absolute disgrace. The nation has seen nothing like it since the days of Herbert Hoover. Convincing the nation that the

Democratic team should be held accountable for the state of the nation's economy is the first task of the Republican team. The second task is to explain to the people what a GOP Majority Government will do to straighten out the mess.

The Republican economic program has been represented in the alternative federal budgets House and Senate Republicans have offered in response to Democratic budgets. Without exception, these alternative budgets have mandated tax rate reduction and spending restraint.

Ronald Reagan is in full accord with this approach. In an important policy speech on Sept. 9, he outlined his economic objectives:

- fight inflation by restraining the growth of government spending, beginning with a 2 percent reduction in the outlay estimates of the FY 1981 federal budget,
- reduce personal income tax rates to increase incentives, productivity, and economic growth, with an initial 10 percent cut in tax rates in 1981,
- simplify depreciation schedules to promote industrial modernization,
- get rid of counterproductive government paperwork and red tape,
- have a stable, sound, predictable monetary policy,
- be consistent and credible in economic management.

Said Mr. Reagan: "Waste, extravagance, abuse and outright fraud in federal agencies and programs must be stopped. Billions of the taxpayers' dollars are wasted every year throughout hundreds of federal programs, and it will take a major, sustained effort to effectively counter this."

"Federal spending is now projected to increase to over \$900 billion a year by FY 1985. But through a comprehensive assault on waste and inefficiency, I am confident we can squeeze and trim 2 percent out of the federal budget in fiscal year 1981, and that we will be able to increase this gradually to 7 percent of what otherwise would have been spent in FY 1985."

The Reagan-GOP program would stunt the growth of federal spending. Reagan's economic advisors project a Republican federal budget of \$856 billion in FY 1985—\$90 billion less than the Carter Administration's projected \$946 billion. The federal revenue take would, under Reagan and the Republicans, be \$949 billion in FY 1985—as opposed to Carter's estimated \$1,053 billion.

Congressional Republicans, as well as GOP candidates for the House and Senate, share Reagan's objectives and will work with him as President to chop the needed 2 percent out of the 1981 budget (a cut amounting to approximately \$13 billion). House and Senate Republicans have also affirmed as party policy a 10 percent cut in individual income tax rates for 1981, an idea that Reagan specifically endorsed in his September 9 speech. **It is clear to everyone that a Republican Majority Government will have as its top priorities tax rate reduction and spending restraint, and that is the essence of Pledges #2 and #3.**

One final component in this discussion must be the matter of waste in government. Is there that much waste? Can it be reduced or ended? Since the Republican program stipulates that existing social programs—especially Social Security—will not face budget cuts, and since it is also a Republican goal to boost defense spending at least 5 percent per annum until 1985, the burden on the GOP to prove that waste and fraud in the budget are substantial and can be cut is pronounced.

On September 5, the Republican Study Committee released a special report entitled "Waste, Fraud, Abuse and Mismanagement in the Federal Government." The RSC report details \$34 billion in such spending, some of it in annual amounts, some of it in one-shot mistakes, and some over a multi-year period. The sources are GAO reports or the Inspectors General of the affected government agencies. (For a copy of this report, please contact the Republican Study Committee, at 433 Cannon H.O.B. in Washington, D.C. 20515; phone 202/225-0587).

So there is no doubt that much of the government's spending is questionable or downright useless. But a reasonably skeptical person might ask, "Everybody's against waste in government. So why do we have it?" Put simply, we have it because some people are more against waste than are other people. If you are a working American whose job depends on a robust private sector, you are probably 100 percent against government waste. If, on the other hand, you are a federal bureaucrat, a government contractor, or a

consultant to the Energy Department, you may get skittish about that word "waste." After all, by some definitions it could mean you or your friends.

We are left with the paradox of those who have the most to lose from government waste and fraud—millions of working Americans—being able to do almost nothing about it, while those who could control federal waste—bureaucrats, consultants, policy-makers, and those deeply familiar with government—have no compelling reason to do so. And when the party of government, which is what Sen. Daniel Patrick Moynihan said his party is, controls the entire government, you end up with a less than effective campaign against waste. That is why documented waste,

fraud and abuse in government is at an all-time high.

A Reagan administration with a GOP-controlled Congress would be different. We would be a new team. We would owe the bureaucracy nothing and the taxpayers who elected us everything. Governor Reagan has promised to set up citizens' task forces to "cut, squeeze and trim" federal spending. Since the Republicans in Congress have been trying as a minority to do this for years, we will be at home with a like-minded President Reagan. In a Republican Majority Government, waste, fraud, abuse and mismanagement will be sharply cut, facilitating spending restraint and the tax rate cut we need to promote economic growth, create jobs, and balance the federal budget.

### **Pledge #3: A Republican President and Congress will pass an across-the-board individual income tax cut and increase incentives for saving, investment, and capital recovery, which will put this country back on the road to prosperity.**

*by Rep. Dave Stockman (R.-Mich.)*

A key element in our economic problems has been the unprecedented drag upon investment and productivity generated by the misguided policies of the Carter Administration and the Democratic Congress. Although the Democrats have bemoaned these problems lately, they are in reality the direct consequence of their unprecedented expansion of the public sector at the expense of private investment, innovation and initiative.

Since the Carter Administration has taken over the reins of economic policy, the federal tax share of the Gross National Product has risen from 17.8 percent to 21.2 percent in FY 1981. Investment in the private sector on the other hand, has lagged badly. From the beginning of Fiscal Year 1976, the last Fiscal Year under a Republican Administration, through 1979, the share of personal income devoted to private savings has fallen from 7.7 percent to below 3.3 percent. It's little wonder that annual rates of growth in private sector productivity have fallen from a 3.5 percent annual increase in 1976 to **0.9 percent decline** in the four quarters of 1979.

These statistics on national aggregates can tell only part of the story. The responsibility of the Carter Administration's policies for private sector deterioration is best demonstrated at the level of its impact on individual working Americans and individual businesses.

Over the last three-and-one-half years, the Carter Administration has allowed the interaction of our progressive income tax code and its wildly inflationary policies to force the American people into unprecedented rates of confiscatory taxation.

In 1976, a family of four with an income of \$18,650 filing the standard deduction paid \$3,344 in personal income and Social Security taxes, or 17.9 percent of its income. Today, the same family would have to earn \$25,000 annually just for its gross income to keep pace with inflation. Due to the Carter Administration's policy of accepting ever-greater shares of family income in taxes however, its tax bill would rise far faster than inflation, climbing to \$5,030, or 20.1 percent of gross income today. The result is that while the cost-of-living has increased 34.1 percent during the period, the family's **take-home pay** will have risen only 30.5 percent. Far from creating an environment in which the American people can devote their productive energies to getting ahead, the Carter Administration has for three-and-a-half years condoned an environment in which it is difficult for the American people to **break even**.

The Carter Administration's policy of spiralling tax burdens has repercussions beyond the way it saps the productive energies of individual Americans. High marginal tax rates on middle-and-upper income Americans strongly distort the flow of resources in our economy away from productive, jobs-producing type business investments toward tax-exempt municipal bonds, real estate tax shelters, and other unproductive sinkholes of wealth.

Tax rates high enough to induce individuals to accept lower yields on tax-exempt bonds actually **reduce** federal revenues, and only finance further gold-plating of the public sector at the expense of private jobs and growth. Tax rates high enough to induce individuals into investing for paper losses in the real estate market

serve only to pump the price of housing beyond the ability of the great majority of middle-income Americans to afford a home on their own. In all, high tax rates on middle-to-high incomes don't "soak the rich." Instead, they soak the low-to-middle income American family by offering them fewer job opportunities, higher housing costs and general economic stagnation.

What does the Carter Administration propose to alleviate the stagnation produced by its public sector gold-plating policies? **Only more of the same.** Its "Economic Program for the Eighties," unveiled August 28, despite being labelled as a "tax reduction" package, calls instead for an unprecedented increase in the size and weight of the Federal Government over the next four years. Based on realistic assumptions about inflation rates, and the Administration's announced tax policies, federal tax collections are likely to rise from \$517.8 billion in FY 1980, to over **\$1.02 trillion** by 1985, an increase of 97 percent under the Carter regime.

The economy's current woes—unprecedented inflation and rising unemployment—are the direct product of just this sort of ever-expanding public sector consumption of needed private resources. The Carter Administration's proposal to expand the federal share of Gross National Product to nearly **24 percent** by 1985 would be a **more advanced stage of the same disease**, not a desperately-needed cure. The American economy simply can't afford four more years of the present Administration, aided and abetted by a Democratic Congress, constantly ratcheting up government at the expense of private investment and initiative.

#### **The Reagan/Republican Alternative**

The Republican Party, under the leadership of Ronald Reagan, offers the American people a responsible, and sorely needed, alternative to "four more years" of Jimmy Carter's dismal economic legacy. Our platform calls for, and Governor Reagan has spelled out, the following program for redirection of our nation's economic fortunes:

—A ten percent reduction in personal income tax rates in 1981, to be followed by additional 10 percent reductions in 1982 and 1983. Thereafter, income tax rates would be indexed to prevent inflation from undoing these needed tax rate cuts.

—Simplification and acceleration of business depreciation schedules. This long-overdue move would go some ways toward eliminating the present stifling practice of taxing "paper profits" that accrue solely because the Internal Revenue Code fails to reflect the impact that inflation has on the value of inventories and

capital investments.

—Responsible efforts to hold government spending to a more reasonable rate of growth to prevent necessary tax rate reductions from adding undue pressure on credit markets due to reduced government revenues.

In all, the Reagan/Republican agenda calls for a major shift from the Carter Administration's policies of public sector aggrandizement toward a long-overdue emphasis on private sector economic growth. Combin-

#### **Pledge #4: A Republican President and Congress will make all-out efforts to encourage more private investment and more permanent jobs, especially in our central cities.**

*By Rep. Jack Kemp (R.-N.Y.)*

Almost every American city today has some area which is totally deteriorated, lacking in jobs, services, and even population. Within these areas unemployment is well over twice the national average. For Blacks and Hispanics it is now three times the national average, and for minority teenagers the unemployment rate is nearing 50 percent, more than seven times the average national rate. The people of our inner cities, as Vernon Jordan said in his "State of Black America" address this January, are America's "boat people without boats, cut adrift" from this nation's economic opportunities.

We are told that Washington's "best and brightest" have already attacked the problem. Since the 1960's Democratic Congresses have legislated an array of programs for the inner city. But, while a few achieved acceptable results, most of these programs became part of the problem. Who can forget Urban Renewal, which bulldozed gaping holes in our urban areas? What about "model cities" and "new towns"—ghost towns today?

The fact is, while social welfare spending has increased every year and while nearly one-quarter of the non-defense budget was spent in the central cities in FY 1979, inner city poverty remains intractable. We may keep the poor from starving, but we have failed to deal with the root causes of inner city poverty and to meet the needs of people groping for help and a chance to make it on their own.

In 1978 President Carter said: "I am convinced it is in our national interest to save our cities. I intend to provide that leadership." But only a few months following his announcement of a new urban policy, Mr. Carter's grandiose promise to rebuild the South Bronx "brick by brick and block by block" was exposed as tokenism. It's easy to understand why. The Administration was offering just more of the same—more bureaucracy for the inner city resident, more programs that had already failed, and more disincentives for the individual.

We don't need more of the same. What we need is a program based on an understanding of what makes people—rich and poor—tick economically, and what motivates them in the marketplace.

If we clear away the federal underbrush surrounding our inner city, we recognize that the root cause of its decline is the lack of one element—economic growth. Our inner cities lack growth because they take the last place in innovation and economic risk-taking, and because their residents face a system which frustrates human nature by weakening the link between effort and reward, and trapping them in a cycle of welfare dependence and poverty.

Republicans believe that when it comes to his or her own personal welfare, every individual is an entrepreneur. Everyone makes economic calculations. Our inner city residents who stay on relatively high-paying welfare instead of taking tax-paying jobs make an economic calculation. What we need is a fair program that encourages a change in that calculation. People want to work, want to save, want to be productive. Our economic policies just aren't giving them that chance.

Likewise, experienced entrepreneurs who leave the city for the suburbs are also making calculations about what is best for themselves and their families. Yet when they leave, and potential entrepreneurs who remain are discouraged from taking risks, innovation and enterprise dry up. And so do the jobs they would otherwise create.

ed with the sort of stable, non-expansionary monetary policy that a Reagan Administration promises to pursue, the Reagan/Republican tax proposals are a key element in getting our economy moving again toward sustained employment growth without inflation.

The 1980 Republican candidates, under the leadership of Governor Reagan, pledge to the American people that they will relentlessly pursue these policies and these goals.

Studies by the Massachusetts Institute of Technology and the Commerce Department show that new life can be restored to the inner cities by encouraging small, often technically-oriented companies to start up in the inner cities. These companies would offer new employment opportunities to inner city workers, and a base for revitalizing existing retail and service industries.

Government will not create jobs. Entrepreneurs will. This is why Republicans want to move beyond the old, failed urban policies of the Carter Administration, and propose a bold new concept: Enterprise Zones.

The Urban Jobs and Enterprise Zone Act, introduced by Rep. Robert Garcia (a Democrat from the South Bronx) and myself is designed to "greenline" the inner city. This proposal would establish Enterprise Zones voluntarily in areas with very high levels of unemployment and poverty. Within these zones the federal government would provide major tax incentives for employment and economic growth. These incentives include reduced payroll, capital gains, and business income taxes, accelerated depreciation, cash accounting, and an extended loss carryforward provision. The bill would also make it easier to establish foreign free trade zones in Enterprise Zones.

Unlike previous urban programs, Enterprise Zones would not come at a high cost to the taxpayer. Government loses not a dime, after all, by dramatically lowering the tax rate on the unemployed Black or Hispanic teenager. He or she is producing no taxable income for the government to lose. Neither does it lose by lowering small business tax rates in burned-out areas of the city. Almost all small enterprises have already left these areas. Unless Congress changes this situation with new policies, the Treasury loses potential revenue it could gain from a vibrant inner city economy.

The Enterprise Zone idea has met with an overwhelmingly favorable reception. The Kemp-Garcia bill now has 45 cosponsors, including a number of Democrats and members of the Congressional Black Caucus. Newspapers across the country have endorsed the idea—including the *Detroit Free Press* and *Detroit News*, the *Washington Star*, the *Wall Street Journal*, the *Cincinnati Enquirer*, and the *Columbus Dispatch*.

Best of all, it has captured the imagination of millions of Americans who, in the words of Black columnist William Raspberry, "are beginning to question the assumption, implicit in many of our social welfare programs, that poor people are essentially beyond salvation and that the only humane thing to do is to take better care of them." Republicans understand that America's poor are no special class of people, to be written off as somehow different from the rest of us. That is why we promise to offer them more than just government support, but opportunity as well.

Enterprise Zones are part of the Republican Party's commitment to new ideas for creating jobs and growth throughout America. This commitment is not based on one specific bill, but on the entire concept of restoring incentives in areas where they have all but been destroyed. While the Kemp-Garcia bill may be revised and refined, it nevertheless signals a break with the failed policies of the past, and a new strategy that offers hope to Americans who are trapped in a cycle of poverty and despair. The Republican Party, and our Republican presidential candidate, Ronald Reagan, have committed themselves to creating Enterprise Zones. Only a new President, and a new Congress, can make this idea a reality.

## **Pledge #5: A Republican President and Congress will restore the margin of safety that will make our foreign policy credible and assure peace and stability in the world.**

*By Rep. Trent Lott (R.-Miss.)*

The purpose of our defense policy is to assure peace and stability in the world and to make our foreign policy credible. The margin of safety that the United States enjoyed in the generation after the Second World War has deteriorated. No longer are we the strongest nation in the world as we were at the time of the Berlin blockade or the Cuban missile crisis. Republicans believe we must increase our defense spending and target that spending to fulfill specific military objectives.

Our military strength has suffered in the 70's, first at the hands of the Democratic Congress, and recently through President Carter's proposals which, with the help of the Democratic Congress, have reduced President Ford's efforts to rebuild our defenses. Carter campaigned in 1976 on a pledge to cut defense by \$5 to \$7 billion. In his first year in office, Carter reduced Ford's defense proposal for FY 1978 by \$5 billion. In Carter's first three years, every single Carter defense budget has been below Ford's proposals. Meanwhile, we have fallen behind the Russians in a wide number of conventional weapons categories; nuclear-powered attack submarines, major surface combatants, and amphibious ships. In a number of other categories the Soviets are out-producing the United States: tactical aircraft, helicopters, and combat vehicles.

Secretary of Defense Harold Brown has acknowledged in the past month that the Soviets may now have the capacity to destroy our intercontinental ballistic missiles in a first strike. In addition, President Carter has taken actions, backed by the Democratic Congress, to exacerbate the problem. The new manned bomber, the B-1, was cancelled, the Minuteman III production line was halted, the Trident submarine building rate was cut by one-third, the neutron warhead was abandoned, cruise missile development was slowed down, and development of the MX missile was delayed four years.

President Carter campaigns as a Commander-in-Chief who has strengthened the U.S. military. He protests that he has set into motion a "gradual, steady, slow and determined growth" in defense spending. This is a fantasy. In fact, as a percent of GNP, defense spending is at its lowest point since just before Pearl Harbor.

The undeniable truth of President Carter's stewardship of America's defenses is that there has been no new major weapons initiative during the Carter Presidency.

The President insists that his newest budget proposals are now adequate. But his own military chiefs do not agree. Army Chief of Staff General Edward C. Meyer said, "We have a hollow Army right now. I don't believe the current budget responds to the Army's needs for the 1980's." In response to Congressional questioning, Marine Corps Commandant General Robert Barrow declared: "In a word, no," the Carter budget is not adequate. Air Force Chief of Staff, General Lewis Allen said, "Increased defense spending is required to meet the increased danger." Speaking for the Chief of Naval Operations, Adm. James Watkins observed that the 1981 Carter military budget "fell short of Navy requirements."

Examining specifically several areas of the Carter/Democratic Congress defense budget even more clearly demonstrates the need for an improved margin of safety. The "Nifty Nugget" Defense Department exercises to test our ability to mobilize showed that the army would run out of military shells and tank ammunition in less than 30 days if the Soviets attacked in Europe.

President Carter's 1981 budget proposals underfund Army minimum ammunition reserves by \$600 million. Current Army air defense systems are in need of a least \$100 million worth of immediate upgrades to improve combat readiness. But the story doesn't end there. Even though many of our military aircraft are not mission-capable about one-half of the time, the spare parts required to support peacetime operations are underfunded by \$300 million. Aircraft maintenance has an unfunded backlog in the hundreds of millions of dollars. Spares to support aircraft combat in the event of war are over eighty percent short of minimum requirements for the Air Force. Military aircraft procurement, par-

ticularly for the Navy, is not even enough to meet annual attrition and retirement losses. The Chief of Naval Operations minimum recommendation for new ships to maintain a thin margin of naval superiority was underfunded about \$2 billion. Recently, studies have been released which show that six out of ten U.S. based Army divisions are not combat capable.

Our goal is to increase readiness, to make sure that our troops and weapons are combat-capable if we need them. The Carter Administration has failed in this minimum effort.

At the end of last year, both President Carter and Secretary Brown pledged that they would carry out his "born again" FY 1981 defense program "fully and completely" and adjust funding if inflation exceeds projections. President Carter failed to mention that his new defense budget required \$1.2 billion, or forty percent of a woefully inadequate military pay raise that did not even keep pace with inflation, to come out of other defense programs. Moreover, three months later, Carter and Brown reneged on their pledge to carry out their programs, by requiring that \$1.6 billion in reductions be made to offset inflation and to fund Indian Ocean operations. This reduction was compounded by the Administration's failure to provide another \$1.4 billion in unbudgeted fuel cost growth.

This brings us to the most immediate and severe military weakness: military pay and benefits, especially for experienced soldiers and specialists. President Carter opposed a bipartisan effort to increase pay 11.7 percent, required simply to keep pace with inflation. When it became clear Congress would overwhelmingly endorse this initiative, the President flew to the aircraft carrier NIMITZ and attempted to take credit for the pay raise. Senator Fritz Hollings (D-SC), Chairman of the Senate Budget Committee, has accurately characterized the President's actions as hypocritical. Carter repeated this spectacle only last week when he signed the bill into law without so much as breathing a mention of his flip-flop. Nothing has been done to make up for the pay and benefits lost by our experienced military men to inflation over the last decade. Things are so bad for some of our military families that they now qualify for food stamps. One Republican initiative that has much support is the National Defense Compensation Act.

With this deplorable record on defense, the White House authorized the leaking of top secret information on the "stealth" aircraft to try to cloud their true record.

Least credible of President Carter's charges is that Republicans will start an arms race. Even the President's own Secretary of Defense has stated that the ongoing Soviet buildup has "been substantially insensitive to changes in the magnitude of U.S. and allied programs for more than a decade....As our defense budgets have risen, the Soviets have increased their defense budgets. As our defense budgets have gone down, their defense budgets have increased again."

The current Soviet effort is acknowledged by Secretary Brown to be 50 percent greater than our own. He remarked that "Soviet ground and tactical air forces in Eastern Europe are excessively large and much too offensively oriented to serve primarily as a counterweight to NATO capabilities, let alone as occupation troops." As this implies our effort will be to catch-up, not start "a massive arms race."

One year ago, President Carter was challenged with his own Cuban crisis. He branded Soviet troops in Cuba "unacceptable." Those Soviet troops still practice maneuvers in Cuba today. Compare this to what past Presidents have done in a crisis with our now squandered margin of safety.

In the generation after World War II, the United States had undeniable military superiority. We did not abuse it. When faced with the Soviet blockade of Berlin in 1948, we sent the supplies needed to keep West Berlin free. When faced with the Cuban missile crisis in 1962, we forced the Soviets to withdraw their missiles. The use of military superiority to provide a margin of safety is clear. Its purpose and result would be peace, stability and a credible foreign policy.