

Approved

3/11/82
2:00 PM

THE WHITE HOUSE

WASHINGTON

March 9, 1982

JAB:

*To determine whether
to proceed? ...
...
...
...
...*

MEMORANDUM FOR: JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE *EHD*

SUBJECT: Third-Year Personal Tax Cut

*Yes.
I'm not sure now
is the time for (X)
below.*

In an obviously coordinated effort, the Business Roundtable has started to lobby the Chamber of Commerce to drop their support of the President's Third-Year Personal Tax Cut. This morning, at the direction of their respective CEOs, Exxon, Union Pacific and Bethlehem Steel called the Chamber to urge the change.

*also
Dorman -
Fisher should*

From informal staff-level discussions, it would appear as though the Business Roundtable is beginning to feel uncomfortable as the only business group to speak out against a reversal of the Personal Tax Cuts. You may recall that both Charls Walker and Jim Evans of Union Pacific recently testified in this regard.

*assess
whether*

We are investigating as to whether or not the BRT is lobbying the NAM Board, who will be voting on various positions at the upcoming NAM meeting in Washington on March 17-19.

*now is
time to
go with*

The BRT will again testify next Tuesday (3/16), and I strongly urge that we get a small CEO delegation in to hear directly from the President before they get deeply into their testimony preparation.

*Business
grps.
beyond*

As you know, the President invited Cliff Garvin to come in to talk. Would you help me work this out -- hopefully, for Thursday or Friday of this week but not later than Monday?

*keeping
Pres's pledge
to me*

As I mentioned this morning at Senior Staff, to complete the visits of major business coalition sectors with the President, we will need to bring in the NAM and the American Business Conference (ABC). This can be done in one session. How about scheduling this meeting during the period when NAM is in Washington, March 17-19? That invitation should be extended at the same time as Business Roundtable.

JAB

(X)

And finally, I also feel it very important to pull together a brief meeting with you with some of the key professional lobbyists in town, in order to try and develop some common grounds for dealing with the difficulties on the street. Suggested attendees: Charls Walker, Bill Timmons, et al.

THE WHITE HOUSE

WASHINGTON

February 22, 1982

MEMORANDUM FOR:

EDWIN MEESE III
JAMES A. BAKER, III
MICHAEL DEEVER

FROM:

ELIZABETH H. DOLE 

SUBJECT:

FY '83 Budget/Tax Business
Support Matrix

Attached is a support matrix for our business and tax proposals, each of which delineates the current position of our major business organizations and coalitions. This information was provided in confidence and distribution of the attached would embarrass the organizational leaders.

TAB A is the tax matrix and yields the following general observations:

- A. Other than User Fees, there is no general area of consensus in our tax items.
- B. No organization is fully onboard and, therefore, no one can take the lead with our package -- we must resort to floating coalitions on a "by-issue" basis which weakens our hand.
- C. It would appear that we will have to negotiate and sell to a position of strength and consensus, probably by selecting the key tax issues on which to concentrate and allowing market forces to develop the other positions.

TAB B is the budget matrix and displays virtually unanimous support for greater cuts than the President has outlined in entitlements, defense and discretionary spending.

- A. Work is underway to outflank us to the right with several "deeper spending cut" coalitions, which will help moderate our position and increase the likelihood of getting our cuts and then some. These will require some dialogue with key administration officials.

U. S. CHAMBER	Opposes existing proposal; discuss with Rahn.	Chamber has endorsed.	Some members opposed, but not major concern.	Support.	Opposes any major tax.	Opposes (no public opposition or lobbying).
NATIONAL ASSOCIATION OF MANUFACTURERS (Meeting week of 2/22)	Will probably oppose if major.	Will not fight modification; oppose repeal.	Will probably oppose.	Support.	No position.	Support or neutral.
THE BUSINESS ROUNDTABLE (Meeting 3/2)	Will probably oppose; but will offer alternatives (lean to suspend 3rd yr. personal cut)	Neutral.	No position yet but don't like.	Support.	Support.	Oppose as impractical.
AMERICAN BUSINESS CONFERENCE	Could support if moderate.	Will support President	Could support if moderate	Support.	Would Support, don't encourage.	Don't support No publicity.
NATIONAL FEDERATION OF INDEPENDENT BUSINESS	Could support.	Opposed by 3-1.	Support if small contractor is excluded.	Could support.	Moderate opposition.	Opposes.
CONSTRUCTION INDUSTRY COALITION FOR NEW BEGINNING	Could support if moderate.	No position.	Violently opposed	Would support	Strongly favors gasoline tax for highways.	Could support
TAX ACTION GROUP	Waiting for final formula unlikely to support if severe or attacks ACRS.	Majority in favor. Could support modification.	Minority violently opposes. construction is problem.	Group will support.	Group would support.	Growing support for this should increase level.
BUDGET CONTROL WORKING GROUP	No position.	No position.	No position.	No position.	No position.	No position.

B

BUDGET	ENTITLEMENT CUTS	DEFENSE CUTS	DOMESTIC DISCRETIONARY SPENDING
U. S. CHAMBER	Would support deeper cuts than President has proposed (Chamber called for freeze on COLAs)	Wants President's proposed defense budget carefully scrutinized.	Would support deeper cuts than President has proposed (wants EX-IM Bank funded at "appropriate" level).
NATIONAL ASSOCIATION OF MANUFACTURERS	Would support deeper cuts than President has proposed (wants 75% of CPI or wage increases, whichever lower).	75% of members prefer defense to be re-examined.	Can't be cut much more.
THE BUSINESS ROUNDTABLE	Supports more cuts.	Find some savings; defense subject to re-examination.	Would support deeper cuts.
AMERICAN BUSINESS CONFERENCE	Supports more cuts.	Prefer reductions.	Would support deeper cuts.
NATIONAL FEDERATION OF INDEPENDENT BUSINESS	Supports more cuts. wants deficit reduced.	Prefer reductions.	Would support deeper cuts.
CONSTRUCTION INDUSTRY COALITION FOR NEW BEGINNING	Wants deeper cuts than President has proposed.	No position.	Wants deeper cuts than President has proposed.
TAX ACTION GROUP	No position.	No position.	No position.
BUDGET CONTROL WORKING GROUP	Will support President.	Will support President, but prefer less spending.	Will support President.

THE WHITE HOUSE

WASHINGTON

February 18, 1982

MEMORANDUM FOR: JAMES A. BAKER, III

FROM: RED CAVANEY *RC*

SUBJECT: Wilderness

Strongly support Secretary Watt's recommendation.

In item #1, it is felt that the 10-year period is acceptable; however, for purposes of dramatic impact, you may wish to consider using "through the end of this century." It should not be open-ended.

In item #3, inclusion of a release for unsuitable lands to multiple-use management is important, for it provides us with an identifiable mechanism to free some lands tied up in the courts. In the campaign, the President mentioned that he would ask Congress to free for production 47 million acres of government land tied up in lawsuits (WSJ 10/3/80).

In addition to advance Hill consultation, feel it very important that Secretary Watt consult in advance with his key constituents who have been out front with us. There is an explainable rationale, and we need to get it out to preclude "flip-flop" stories, especially from those who have been with us. Some governors are included here, so you may wish to touch base with Rich Williamson also.

We can work the "good news" side of the fence with the environmentalists for press releases, letters, interviews, etc., but suggest our initial focus be on "protecting" our conservative supporters on this issue.

Attachments

*Joe
Cott
+ a
couple
of Western
Govs.*

*Those who
been pushing
dily. in
Wilderness.*

THE WHITE HOUSE
WASHINGTON

Tim Baker

Looks good with 1 exception:
on pt 1, eliminate 10 year expiration.
Fall back position - 20 yrs, but
better if no expiration date.

Udall and other liberal Dems
will not like multiple use release in
pt 3 but our Repubs and several Dems
will cheer.

In Senate, Wallop as Committee
chairman would like package with
no expiration date -- McClure would
lean toward opposing release.

Walt needs to consult with our
Republican folks prior to any announcement.

McClure? + 3 Wyo.
Zuhar

Ken D

①
Apr. 2000
Walt
when studies
to end - 10 yrs?



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

February 16, 1982

MEMORANDUM TO THE PRESIDENT
Attention: James Baker

OK
RR

From: Secretary of the Interior

Subject: Withdrawal of Wilderness

ISSUE: Should the Reagan Administration change its position by supporting a prohibition of entry into Wilderness areas, take the political leadership from the liberals and secure some "good" provisions in Wilderness legislation that will likely pass this year?

RECOMMENDATION: Yes - It is recommended that I be authorized to announce on February 21 on Meet the Press and then on February 22 before the House Interior Committee that the Reagan Administration will ask Congress for legislation that will:

1. Prohibit any leasing or mineral entry in Wilderness areas or Wilderness study areas for 10 years, except in the case of emergency, in which case the President would have to seek approval of Congress for mineral entry or oil and gas development.

2. Require that the Secretary of the Interior report to the Congress every five years the expected or potential minerals, timber, and oil and gas that may be available in the Wilderness areas if required in an emergency.

3. And, most important, that upon conclusion of existing studies of Forest Service and Bureau of Land Management Wilderness study areas, those areas determined to be unsuitable for inclusion in the Wilderness System will be released for multiple-use management.

POLITICS: The House and Senate Republicans would be relieved, and the liberal Democrats stunned at such a Reagan Administration position. It would take a volatile political issue away from the Democrats. Our business friends would be disappointed, but understanding, in that they have not delivered us the votes to do anything other than what I am recommending or some variation thereof. If we do nothing, I fear a total and indefinite lock-up of these vast resources without regard to any knowledge of their potential values for national security or improvement of our quality of life.

and in any event w/in 3 years, RR

FACTS: Eighty million acres of Federal land have been set aside in their natural state as Wilderness. But the 1964 Wilderness Act provided for mining and oil and gas permits and leases in the Wilderness through 1983.

- ° However, no oil and gas lease with occupancy has ever been allowed in the Wilderness even though there is high potential in the Wyoming - Montana overthrust belt areas.
- ° There is no legal reason to deny the granting of the leases that are being sought in Wyoming and Montana.
- ° The political pressures to prohibit leasing or mineral entry have swept the country. There is little, if any support for leasing in the Wilderness at this time. The merits on the matter are totally disregarded. It is an emotional issue that has captured most, if not all, our Republican friends on the Hill. The liberals have been beating us from the very beginning of the issue.
- ° I am required to testify before the House Interior Committee February 22 and this issue will arise.
- ° It is my judgment that legislation will be passed this year, 1982, prohibiting any leasing or mineral entry in the Wilderness areas.

Jim Watt

THE WHITE HOUSE

WASHINGTON

February 17, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE 

SUBJECT: Your meeting with U.S. Chamber

On Thursday, February 18, you will meet with the Board of Directors of the U.S. Chamber. Issues to be discussed will include:

1. Taxes -- and the Chamber's increasing opposition to revenue raisers, especially the minimum corporate tax and withholding on dividends and interest;
2. Budget -- and the Chamber's desire for deeper spending cuts;
3. Defense -- and the Chamber's position of a reduced defense budget increase (Don Kendall is reported to have personally called for a \$10 billion reduction in defense spending).

As you know, the Chamber has increasingly adopted a more "supply-side" approach to the budget than the overall business community. The Business Roundtable, NAM and NFIB all feel that the Chamber's reluctance to support virtually any form of tax increase will make it more difficult to mount the same unified budget offensive of last year. These latter are hopeful the Chamber will "keep their powder dry" to provide an opportunity for the coalition to come together as compromises are developed. The BRT, NAM and NFIB are all working with us and others on trying to develop deeper cuts and more efficient taxes. They feel they just can't live with the high deficit numbers.

Although our relations with the Chamber remain very good and few have worked harder on our behalf, it is important that you emphasize our desire that the Chamber (1) support our budget-tax plans, (2) remain "flexible" and avoid "rigid" positions and (3) continue working with Elizabeth Dole on business coalition efforts.

You may wish to make the point to Don Kendall and Paul Thayer (CEO of LTV and incoming chairman of the Chamber in May) of the importance of working closely with key White House staff to prevent misunderstandings and enhance the working relationships.

✓ f Done memo

2/16 JC:
I want to show
this to Bill Clark
tomorrow at NSC
briefing. Present
JAH
Done
JC

THE WHITE HOUSE

WASHINGTON

February 16, 1982

MEMORANDUM FOR:

JAMES A. BAKER, III

FROM:

RED CAVANEY 

SUBJECT:

Jewish Leader Call-Outs

Of 79 telephone calls regarding advance notification of the President's letter to Prime Minister Begin, 42 were completed by noon to the leaders of the Republican coalition and the major American Jewish organizations. All 79 were immediately mailed a copy of the letter.

The general response toward the text was extremely favorable and virtually all were delighted and pleased by the advance notification. Of note, five Republicans called for the resignation of Secretary Weinberger.

A great deal of goodwill was created by the process. Thanks for the assignment. It was a big success!

file memos

*To Cicconi
1/28
MDI*

THE WHITE HOUSE
WASHINGTON

January 27, 1982

MEMORANDUM FOR DISCUSSION (E. Meese, J. Baker, Fred Fielding)

FROM: ELIZABETH H. DOLE *EH*

SUBJECT: FEDERAL ADVISORY COMMITTEE ACT (5 U.S.C. App. I): THE NEED FOR AMENDMENTS NOW

I. The Problem

A recent court decision (discussed below) underscores the pressing need for amending the Federal Advisory Committee Act (FACA) so that its provisions will no longer impair the freedom of Administration members to meet privately with trade associations, industry and other private sector groups. Literal and indiscriminate application of FACA in its present form would disrupt the operations of my office and other White House offices as well as virtually every agency of the federal government.

II. Background

FACA was enacted in 1972 to reduce the number and cost of advisory committees used by the President and federal agencies, and to impose various "sunshine" requirements on existing "advisory committees." Although the Act was intended to cover only "advisory committees" in the ordinary sense, the statutory definition of "advisory committee" was poorly drafted and has been interpreted by the courts as "very broad" and "imprecise." This has given rise to numerous suits against the federal government, beginning with Ralph Nader's suit against Bill Baroody, Director of President Ford's Office of Public Liaison in 1975, and recently in suits against Ann Gorsuch and Secretary Jim Edwards.

Recent court decisions illustrate how FACA in its present form may inhibit the free interchange of views and the exchange of information between business and government. For example, the district court in NRDC v. Edwards, Civ. No. 81-944 (D.D.C. Sept. 8, 1981) recently held that the Energy Department violated FACA when it failed to notify and invite an environmental group (NRDC) to a private meeting between Department officials and representatives of the nuclear power industry. The meeting was called by Secretary Edwards at the express request of the President "to determine which regulatory barriers are of greatest concern" to industry. The court's opinion read FACA as an open-ended provision that might "require application of FACA to any meeting between a governmental official and more than

one 'non-governmental entity.'" If so, the court advised that "requests for relief must be directed to . . . Congress" (see attached, annotated opinion by Judge Pratt).

Because of this and similar sweeping judicial interpretations of FACA, Ralph Nader's Public Citizen Litigation Group recently notified my office that we might be sued under FACA unless we provided public notice and an opportunity for his organizations to attend any and all of our meetings with industry representatives. EPA and the Energy Department have also been singled out for litigation, which would severely hamper our efforts on Clean Air Act revision, Natural Gas Deregulation, and other major regulatory initiatives. Consequently, there is an urgent need to amend FACA along the lines suggested by the Administrative Conference in 1980.

III. Possible Solution

Guidelines and regulations for FACA were promulgated, but then rescinded by OMB in 1974. Consequently, FACA provides fertile ground for litigation. GSA and OMB are charged with drafting these, and this project should be given a high priority. In addition, legislation amending FACA will also be required. Both amendments and guidelines should define and limit what is meant by "advisory committees" and "meetings". The Administrative Conference of the United States has already provided recommendations and draft language which would accomplish this goal.

IV. Recommendation

Fortunately, an opportunity for early congressional action on FACA will occur next week when the Senate takes up S. 1080, the Regulatory Reform Act sponsored by Senators Laxalt, Roth, Leahy and Eagleton. An amendment to S. 1080, offered by Senator Durenberger, already addresses FACA and could be readily expanded to cure the problem identified in this memorandum.

The parallel House bill (H.R. 746) includes a provision, somewhat narrower in scope than would be desirable, introduced by Representative Kindness that is aimed at this problem and could be expanded in Conference Committee if the Senate bill contains the desired language. With support from the Administration, the prospects are good for Senate adoption of the amendment based on the Administrative Conference recommendation noted above.

I strongly recommend that the Administration support the efforts to amend FACA that will occur next week.

Discussion

The only issue before us is whether the group that met with DOE officials on April 23 was an "advisory committee" as defined by § 3(2) of FACA. That section provides, in pertinent part,

For the purpose of this Act--

(2) The term 'advisory committee' means any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other subgroup thereof. . . which is--

. . . .
(C) established or utilized by one or more agencies, in the interest of obtaining advice or recommendations for the President or one or more agencies or officers of the Federal Government. . . .

5 U.S.C. app. § 3(2) (1976). Because the statutory definition of "advisory committee" is broad and imprecise,^{4/} courts have looked to a combination of factors to determine whether a given group should be subject to FACA. See generally National Nutritional Foods Association v. Califano, 603 F.2d 327 (2d Cir. 1979); Center for Auto Safety v. Cox, 580 F.2d 689 (D.C.Cir. 1978); Consumers Union of United States, Inc. v. Department of Health, Education, and Welfare, 409 F. Supp. 473 (D.D.C. 1976); Nader v. Baroody, 396 F. Supp. 1231 (D.D.C. 1975), vacated as moot, No. 75-1969 (D.C.Cir. Jan. 10, 1977); Food Chemical News, Inc. v. Davis, 378 F. Supp. 1048 (D.D.C. 1974).

Taking into account the particular facts presented here, we find that the balance of factors tips in favor of inclusion within § 3(2)'s definition of "advisory committee." The group was selected and the meeting convened by the Secretary of Energy after a request by the President that DOE "consult with industry to determine which regulatory barriers are of greatest concern to it" and "develop recommendations for [the President's] further review." Appendix A to Complaint. Cf. Consumers Union, supra, at 476-77 (industry group was not advisory committee where it approached agency seeking agency's comments on proposal to be implemented by industry group itself).

^{4/} Nader v. Baroody, 396 F. Supp. 1231, 1232 (D.D.C. 1975), vacated as moot, No. 75-1969 (D.C.Cir. Jan. 10, 1977).

The purpose of the meeting was to discuss with industry representatives the government's stated policy of "encourag[ing] private sector participation in nuclear spent fuel reprocessing at an early time," and a list of issues was specified in advance. Appendix B to Complaint; Exhibit A to Affidavit of Raymond G. Romatowski. See National Nutritional Foods, supra, at 329, 334-36 (ad hoc one-time-only group of five physicians was advisory committee where agency sought its "assist[ance]. . . in selecting the best course of action for 'regulating' [dietary product]"). Cf. Nader, supra, at 1234 (FACA applicable to groups organized "to make recommendations on an identified governmental policy for which specified advice was being sought;" informal groups that met with executive branch officials "to encourage an exchange of views," id. at 1232, on no particular topic was not advisory committee because "not conducted for the purpose of obtaining advice on specific subjects indicated in advance," id. at 1234-35). At the meeting, the industry representatives advised DOE officials that "clear signals in favor of nuclear power" and "continued Government support of reprocessing" would be prerequisites to private investment. M. Lawrence (Acting Director, Office of Nuclear Fuel Cycle, DOE), Minutes of 4/23/81 Meeting on Nuclear Fuel Reprocessing, Defendants' Response to Request to Produce Documents, ¶¶ 13, 15, 20, 23, and 29. The representatives recommended tax credits for nuclear plants, a "COMSAT-type" corporation to provide reprocessing, government purchase of a reprocessing plant at Barnwell, South Carolina, prompt licensing of plants, indemnification against licensing delays, and reduction of regulatory requirements. Id. at ¶¶ 6, 7, 12, 23, 26, 29, and 34.^{5/} These considerations, taken together, place the April 23rd group within the scope of § 3(2) of FACA.^{6/}

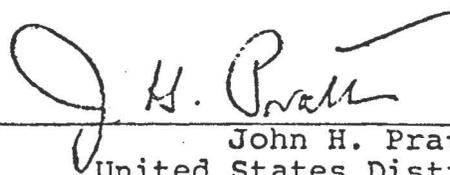
^{5/} The minutes of the meeting clearly reflect that the representatives in attendance provided DOE officials with the views and positions of their companies as well as with specific recommendations for spurring private investment in reprocessing. We therefore cannot accept defendants' characterization of the representatives' contributions as purely "factual data."

^{6/} Defendants' assertion that the group will not be reconvened does not change this result. An advisory committee may meet only once. National Nutritional Foods, supra, at 335-36. When Congress adopted the definition of "advisory committee" for § 3(2) from § (4) of Executive Order 11671 (June 5, 1972), it did not include the Order's provision that the group meet "on a recurring basis." National Nutritional Foods, supra, at 335 n. 7, citing Source Book on FACA, 95th Cong., 2d Sess. at 334.

Defendants assert that acceptance of plaintiff's argument will require application of FACA to any meeting between a governmental official and more than one "non-governmental entity," and have emphasized the extreme hardships that literal compliance with FACA may impose on the effective carrying out of governmental objectives. We are in agreement with defendants' apprehensions but can only point out that requests for relief must be directed to the one body responsible for enacting FACA, i.e., the Congress of the United States. In the meantime, we are bound by the statute as written and construed. On the other hand, we emphasize that our decision is a narrow one, and holds only that where an agency head, acting under the President's direction, calls together industry representatives to gain industry views and recommendations on a specific identified government policy, that group is an "advisory committee" for purposes of FACA.

Since the meeting in dispute has already taken place, and defendants have represented to the court that no further meetings will be held, we need not decide which procedural requirements of FACA are applicable. Cf. Center for Auto Safety, supra, at 694-95. For the same reason, we see no need for an injunction. See National Nutritional Foods, supra, at 336.

An order consistent with the foregoing has been entered this day.


John H. Pratt
United States District Judge

THE WHITE HOUSE

WASHINGTON

January 21, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE *ELH*

SUBJECT: Your 2:35 Meeting with Cubans from Miami

A group of prominent Cuban Republicans from Miami has requested a meeting with you to discuss the recent deportation of a young Cuban stowaway. They would like to underscore the political volatility of this issue and be able to report that concern exists in the White House at the highest level. Their objective is to stem the erosion of Cuban support for the President in Southern Florida as a result of this issue.

Background on the Rodriguez Case

- Andres Rodriguez Hernandez, a 20 year old Cuban stowaway, last week jumped a Panamanian ship on arrival in Miami. Thirty-six hours later, Rodriguez was deported and Havana-bound. Standard INS treatment is to return stowaways as soon as possible.
- Rodriguez's petition for asylum was examined by the State Department's Cuban Desk and the INS District Director in Miami. Both recommended deportation based on the 1980 Statute that persecution had to be proved for asylum. Cuban authorities provided assurance that Rodriguez would not be executed upon his return, although a jail term is certain. The Cuban Interests Section, the unofficial U.S. Representative in Havana, is monitoring the fate of this young man.
- This is the first time a Cuban has ever been deported by the U.S., news of which caused riots in Miami. Five thousand persons demonstrated; some were physically assaulted and 33 were jailed.
- Miami Mayor Maurice Ferre and Florida Democrats are fanning the fires of anti-Administration sentiment. This is being touted as evidence of the President's lack of compassion and concern for those who flee from Communist

oppression. Our Cuban supporters report an unprecedented anti-Reagan sentiment among Cubans in Miami, a community which gave 80 percent of its votes to Ronald Reagan.

- This issue is being kept alive in Miami because of a second case involving somewhat similar circumstances. Clara Nunez, a Cuban stowaway from an Argentine freighter, is facing possible deportation. She is awaiting a hearing before a Federal Court and is now a "cause celebre."

Commentary

The local authorities acted within the letter of the law, but the summary deportation has established a precedent which is very offensive to ardent supporters. It is too late to take action which will affect Rodriguez. Emphasis should be on the fate of Clara Nunez. What is needed, at a minimum, is a gesture from the Administration recognizing the human factors involved and the relevance for the Cuban community. We must, however, ensure that action undertaken does not offend other groups with similar concerns, notably Haitians.

Attachments

- List of Participants
- Talking Points

THE WHITE HOUSE

WASHINGTON

Attendees
Meeting 2:30 January 21, 1982

Carlos Salman

Chairman of the Reagan/Bush Hispanic Committee in Florida-
Businessman from Miami - Appointed to the Overseas
Private Investment Corp. Board.

Alberto Cardenas

Active/well known Republican- Attorney - articulate and
well versed on immigration matters - Appointed to the
National Small Business Advisory Council.

Roberto Cambo

Active Republican - Reagan supporter - recently appointed
to a Presidential Board at Labor.

Roberto Godoy

Attorney- Chairman of the Republican Party of Dade County.

Jorge Mas

Prominent Businessman - recently appointed to the Board of
Radio Free Cuba, only Miami Cuban on this board.

Jose Manuel Casanova

Presidential appointee as the U. S. Director at the Inter-
American Development Bank.

Henry Zuniga

Public Liaison Office

TALKING POINTS

A group spokesman will begin with a brief summary of their concerns.

It is suggested you reply with the following points:

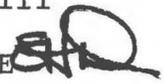
- The President is aware of the Rodriguez incident and its importance to the Cuban community.
- The President would like you to know that the INS Commissioner-designate (Alan Nelson) has temporarily suspended action on the Clara Nunez case, pending a complete review of all the factors. The President wants to ensure her a fair hearing.
- You may also wish to know that the Departments of State and Justice are both reviewing the process involving this asylum issue.
- We will be closely following this matter through Elizabeth and Henry Zuniga. Henry has assured me this will be a top priority matter for him. Please keep him informed and I know he will work with you.
- The President appreciates all your support and wanted me to thank you for your efforts on his behalf.

THE WHITE HOUSE

WASHINGTON

January 18, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE 

SUBJECT: Slow Pay Legislation

Legislation requiring the federal government to pay its debts within 30 days passed the Senate unanimously in December. Hearings will begin in the House in late January/early February. The various House bills have about 160 co-sponsors, the majority of whom are Republicans. The legislation is being promoted by the Slow Pay Coalition (Tab A), which includes 40 trade associations representing most of our strongest allies on the budget and tax battles.

OMB is in strong opposition and Ed Harper will deliver this view at the hearings. I have reviewed his testimony ((Tab B) and agree it contains merit and underscores a number of defects in the proposed slow pay legislation. However, much of the language is unsympathetic to the plight of small businessmen struggling with high interest rates and confronted with delays in government payment.

The OMB testimony should point out the technical and substantive deficiencies in the proposed legislation, but it should also reflect the President's understanding of and empathy for small business. Outright opposition will be another example of this Administration coming out on the wrong end of the "big versus little" issue.

Since Ranking Members (Brooks and Horton) sponsor the legislation, it is likely to get to the floor where it will be overwhelmingly passed. Informal checks indicate it may be difficult to sustain a Presidential veto against small business.

I recommend the following:

1. Redraft OMB testimony in a style more sympathetic with small business concerns.

2. Try one more time to work with the Slow Pay Coalition and the House committee staff to make changes in the bill that would take account of the technical and procedural deficiencies enumerated in OMB's testimony.
3. If we must be in all-out opposition to the bill, I recommend the prior issuance of an executive order or Presidential memorandum addressing the slow pay issue, thus preempting some of the ground on this issue and laying the basis for sustaining a veto.

Attachments

Organizations Which Are Urging the Congress and the Executive Branch to Resolve the Slow Pay Problem

For information, call or write: Kenton Pattie, National Audio-Visual Association
3150 Spring Street, Fairfax, VA 22031 • (703) 273-7200

- National Audio-Visual Association (NAVA)
- National Office Products Association (NOPA)
- National Micrographics Association (NMA)
- National Association of Wholesaler-Distributors (NAW)
- Independent Media Producers Association (IMPA)
- Association of Reproduction Materials Manufacturers (ARMM)
- Coalition for Common Sense in Government Procurement (CCSGP)
- Media Educational Sales Association (MESA)
- National Meat Association (NMA)
- American Logistics Association (ALA)
- Business Products Council Association (BPCA)
- Business and Institutional Furniture Manufacturers Association (BIFMA)
- Association of Editorial Businesses, Inc. (AEB)
- National Association of Manufacturers (NAM)
- American Meat Institute (AMI)
- Association of the Wall & Ceiling Industries – International (AWCII)
- Associated General Contractors (AGC)
- National Broiler Council (NBC)
- Latin American Manufacturers Association (LAMA)
- Automotive Service Industry Association (ASIA)
- Automotive Parts Rebuilders Association (APRA)
- Professional Services Council (PSC)
- United Fresh Fruit & Vegetable Association (UFFVA)
- National Association of Meat Purveyors (NAMP)
- American Association of Nurserymen (AAN)
- National Independent Dairies Association (NIDA)
- Council of Smaller Enterprises (CSE)
- The National Small Business Association (NSBA)
- Smaller Business Association of New England (SBANE)
- Door and Hardware Institute (DHI)
- Small Business United (SBU)
- Mid-Continent Small Business United (MSBU)
- Independent Business Association of Wisconsin (IBAW)
- Chicago Association of Commerce & Industry (CACI)
- National Moving & Storage Association (NMSA)
- National Tooling & Machining Association (NTMA)
- Utah Council of Small Business (UCSB)
- National Association of Small Government Contractors (NASGC)
- American Subcontractors Association (ASA)
- National Association of Plumbing, Heating, Cooling Contractors (NAPHCC)

+ U.S. Chamber of Commerce
+ National Federation of
Independent Business
see complete Coalition
mailing list attached.
- Kenton
Jan. 11, 82

1ST DRAFT

JAN 12 1982
DRAFT



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FOR RELEASE ON DELIVERY
Expected at 10:00 a.m.
Tuesday, January 26, 1982

Statement of Edwin L. Harper
Assistant to the President and Deputy Director
Office of Management and Budget
Before the Committee on Government Operations
U.S. House of Representatives
January 26, 1982

Mr. Chairman and Members of the Committee, I am pleased to be here this morning to discuss H.R. 4709, the Prompt Payment Act. This bill is intended to assure that the Federal Government pays its bills on time. It would do this by requiring interest to be paid on overdue bills.

Mr. Chairman, we oppose H.R. 4709 for the following reasons:

- It would be costly, both in terms of interest payments and administrative costs.
- It would open payment systems up to errors, overpayments, fraud, abuse, and waste.
- It would increase the likelihood of violations of the Antideficiency Act.
- Perhaps most important of all, it would not solve the late payment problem.

Let me emphasize that we are not unsympathetic to the plight of small businesses and others who sometimes have to wait inordinate periods of time for payment on goods delivered. On the contrary, we have recognized the problem, have acted on it, and believe we have it on the run. But eliminating all late payments from among the 30 million invoices processed by the Government each year is going to take hard work, followup, and persistence. There are no quick fixes.

Administration priorities

As you know, this Administration is committed to making Government more efficient. In consultation with this Committee and others, we have established priority issues on which to concentrate our efforts. For example, the Inspector General program has become the backbone of our effort to eliminate fraud, abuse, and waste. In fiscal 1981, our auditors and investigators realized over \$500 million in recoveries and penalties, and brought in almost 1800 indictments and 1250 convictions.

In addition, we have cut \$4.5 billion out of agency budgets that was attributable to waste and mismanagement. Debt collection efforts alone will result in savings of over \$1.5 billion a year. Our regulatory relief actions are expected to yield savings of \$2.8 to \$4.8 billion in capital investment costs and \$1.8 to \$2 billion in annual recurring costs. Cash management improvements result in another \$1 billion a year in savings.

Other important measures that we are pursuing include:

- Tight new systems of internal control designed to prevent wrongdoing before it occurs.
- The "single audit" system for grants to State and local governments that ties together a network of audit and investigative resources at all three levels of government.
- An audit followup system that guarantees that audit reports don't get lost in somebody's in-box. Audit matters must be resolved within six months, or a top department official -- responsible to the President -- finds out why.

Payment issues

Payment of bills is an important Government objective. Business-like cash management is another. Government must emulate the best practice of private industry in cash management: that is, we must pay our bills when due -- not early and not late.

Studies by the General Accounting Office, the Office of Management and Budget, and the Joint Financial Management Improvement Program have shown us that over 80 percent of Government bills are paid early or on time. Recent followup by the Treasury Department showed that of 44 departments and agencies reporting, 30 had late payment problems with less than 2% of their invoices, and 23 of these, less than 1%. We believe this record is better than most private sector organizations.

The most common reasons for delay in payment (in order of prevalence) were

- Lack of receiving report
- Lack of other proper documentation
- Resource constraints -
- Disputed billings
- Misdirected invoices
- Contractor's fault
- Amendments to agreement.

None of these problems would be overcome by forcing the Government to pay interest or late payments. In fact one, resource constraints, would be further exacerbated.

With Treasury interest costs running well over \$100 billion a year, we cannot afford early payment any more than business can afford our late payment. Both objectives -- timely payment and effective cash management -- are good business, and the two must be pursued in proper balance.

Mr. Chairman, we at OMB, our colleagues at Treasury, and the Joint Financial Management Improvement Program often receive inquiries regarding late payment. We follow up informally on these inquiries to try to determine the cause and expedite payment. While it is always dangerous to generalize from limited experience, I have been told that in almost every recent case this followup reveals that at least some of the blame rests with the contractor. Often bills have been sent to the wrong Government office, there is a question about quantity or quality of the goods delivered, or payment has already been made and not properly recorded by the contractor.

Cost of H.R. 4709

It has been argued that H.R. 4709 would cost the taxpayers nothing, since interest payments would have to be made from funds made available for the administration of agency programs. This is Alice in Wonderland accounting. It is like saying that we could increase Government salaries, or pay all bills twice, or hand out money on the streetcorners, and it would cost nothing as long as it came from funds available for some other purpose.

Let me make this clear. This bill would be costly. The Chamber of Commerce has estimated that there are currently \$11 billion in late payments. While we are not at all sure the late payment problem is that extensive, we know it is one that cannot be corrected over night. During any transition period, very heavy interest costs would be borne by Federal agencies. That would be money that would not be available for the purposes intended by the Congress and the President.

In addition, there would be enormous administrative costs. Earlier I listed the major causes for late payment. Each of them involves some element of judgment. Each of those judgments could be challenged by someone having a conflicting financial interest. All these challenges, dispute, and disagreements would have to be resolved; and that would cost money. We estimate that the minimum administrative cost of complying with H.R. 4709 would be \$_____ million a year.

Moreover, Federal interest costs, which are now centralized in Treasury Department accounts, would be diffused into every operations and maintenance account in the Government. Interest costs would occur in thousands and thousands of points around the country and around the world. The accounting cost alone -- to reprogram computers; design new forms and reports; collect, verify, and collate the amount of interest paid; and summarize into the required report to Congress -- would run into millions of dollars.

Errors, overpayments, and fraud

H.R. 4709 would increase errors in payments, result in more overpayments, and open the door to more fraud, abuse and waste of taxpayers money. It would do this by putting inordinate pressure on payment centers to pay bills, regardless of whether proper documentation was available. Let me describe how a typical payment system works, and what could happen if safeguards developed over many years are undermined.

(More from GSA IG)

Antideficiency Act

As you know, the Antideficiency Act (31 U.S.C. 3679) makes it a crime to obligate or expend amounts in excess of those provided by the Congress. By and large, agencies do a very effective job of complying with the law. Each agency must issue regulations, approved by OMB, to assure compliance with the Act.

OMB recently required agencies to update these regulations and submit them to us for reapproval. Thirty-five such systems have been approved by the Director to date. As a result of this program, there has not been a single case reported to us of a major overobligation or overexpenditure by this Administration.

H.R. 4709 could undo all this, because agencies would lose control of amounts that could potentially be charged to their appropriations. It would be impossible when recording obligations initially to determine whether subsequent interest charges would be levied against the Government by suppliers who claimed to be paid late. Numerous small violations of the Antideficiency Act would result in unnecessary reports to the President and to the Congress, further clogging up an appropriations process that is becoming increasingly complex. More importantly, these inadvertent and unavoidable violations of the law would weaken respect for it and undercut what has been one of the most fundamental internal control systems in Government.

Effectiveness of H.R. 4709

H.R. 4709 would not achieve its intended objective. It is not realistic to believe that late payment can be avoided merely by assessing an interest penalty on the American taxpayer. Nor is this what Government contractors want. They just want to be paid on time.

(MORE)

Alternative to legislation-strong administrative action

In September 1981, Director Stockman wrote to the heads of departments and agencies calling for a special effort to improve the Government's bill paying practices. He directed strong

administrative action by each agency to minimize late payments. The memorandum called for the following actions:

- Including specific payment terms in each contract or purchase order, with standard 30-day payment terms to be the norm.
- Designating one individual who will be responsible for payments.
- Including in each contract clear payment instructions and reference to any necessary payment forms.
- Improving compliance with Treasury regulations on payment practices.
- Making timely bill payment a criterion in employee performance appraisals.

The Director asked each agency to report on implementation by December 31, 1981. Agency responses demonstrate that real progress is being made. Most agencies report that about 90% of contractors' invoices are paid on time with the bulk of delayed payments traceable to improperly prepared invoices or other faulty documentation. Attention is being given to the forms of financing and payment such as Progress Payment Request (DD Form 1195) - Material Inspection and Receiving Report; Public Voucher Standard Form 1034 and 1035 and their civilian agency counterparts. Simplification of the forms and instructions for completing such forms are being reviewed. Unessential data and unnecessary copies of payment forms will be eliminated. Contractors will be allowed to use their own commercial-type invoices under certain circumstances.

Our Office of Federal Procurement Policy is following up with the agencies. Pending the special coverage on timely payment in the Federal Acquisition Regulation, P has directed the Defense Acquisition Regulation and the Federal Procurement Regulations to incorporate the changes required by the OMB memorandum of September 14, 1981. These revisions when put in place will facilitate timely payment of invoices in the streamlined financial and contract administration environment.

The use of fast payment procedures as a possible means of curbing delayed payments of FOB/Inspection and Acceptance at Destination contracts will be encouraged and expanded. Defense regulations presently contain fast pay arrangements. The civilian procurement regulations will be amended to include these procedures.

The new Federal Procurement System will propose elimination of certain Government voucher review and certification procedures to expedite payments. Plans providing for cross-servicing for contract administration services, when implemented, are expected to be instrumental in effecting improvement in payments. We must not adversely impact safeguards necessary to preclude incidences of fraud, waste, and abuse.

We are pursuing the extension to all executive branch agencies of an increase in the \$150/300 imprest fund ceiling to \$500. This would result in a greater number of actions being processed on a "Cash on Delivery" basis, instead of vendors being paid at a later date.

We have under consideration the development of an OMB Circular requiring priority handling of small business vouchers and implementation of the prompt payment procedures proposed in the NFPS.

Current Treasury regulations, Section 8000 of the Treasury Fiscal Requirements Manual, lay out for financial managers, strict requirements for reimbursements. We will see that these are followed and reported upon on an annual basis to develop the capability to assess how well the accounting systems are accommodating this requirement. Thirty-day payment is specified as the norm.

THE WHITE HOUSE

WASHINGTON

December 10, 1981

MEMORANDUM FOR JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE 

SUBJECT: FY 1983 Budget Process Observations

It is the responsibility of OPL to provide private sector constituent views, develop consensus, and build coalitions in support of the President. It is obvious to all that most constituencies cannot be served programmatically by the government to the extent they have been in the past. In the transition, those earlier given the most help will tend to be most disappointed. In the FY 1983 budget process, as the debate over dollars progresses, it is also most important that we tackle the intangibles -- symbols that demonstrate that the President cares. Who said that the amount of dollars was the only determinant of the level of caring?

Constituents are going to complain just as loudly if cut 35% rather than 25%. Of course, the lower level of dollars makes a difference, but also important is an understanding that the ultimate goal is to improve individual quality of life. It's not the people who have fallen from favor; rather the ineffective programs and bloated bureaucracy. As we lower systems and programs, we need to raise people -- and point to more efficient ways of helping them!

In plotting a business or private sector strategy, two tracks are followed once a strategic plan has been agreed upon. One track is the "number crunch" effort or budgetary process. On this track the dollars and cents are squeezed and traded to, first, set milestones for guiding the process and, secondly, to be adjusted to reflect strengths and weaknesses in implementing the strategic plan.

The second track is the tactical planning track. This effort monitors progress and provides anticipatory guidance for adjustments to short term variations from the strategic plan. In this Administration, I think one of the key strategic goals we must have is to show the President's compassion, since we need to raise people (provide recognition) as we lower programs.

Our goal for the next three years and beyond should be to spend a great deal of time monitoring that second tract. I believe all of us will admit we can improve on our first year.

While I'm somewhat reticent to suggest additional meetings, I feel we need a tactical planning group -- not so much to argue programs, but to determine how we can more readily demonstrate that the President cares and that his efforts are directed toward helping, not hurting, people.

The upcoming State of the Union address provides us with an excellent focal point to begin a coordinated, not an ad hoc, effort on this second track. We can develop themes and then ensure that our budgetary process, as well as our tactical process, reflects what the President wants to stress.

With the budgetary constraints of the coming year, I see the aforementioned as essential unless we are willing to settle for an increased polarization of constituencies.

I hope the budget process will result in 1982 and 1983 being years which emphasize people as well as numbers.

P.S. 12/11/81 7:00 p.m.

Recent business coalition feedback recommends that the President be sure to take more from business in the next round of budget cuts! Additionally, and most important, in their view, is that the President show compassion and lots of it. The rich guys theme is killing us at the grassroots in the face of such high unemployment. Bryce Harlow summed up the community's view when he said, "If the President doesn't give us good doses of compassion for the wage earner and unemployed, he might find he's digging up rocks instead of gold."

CC: E. Meese
M. Deaver
D. Gergen

*Please file:
Consumer Affairs
JCH*

Paul L...

THE WHITE HOUSE
WASHINGTON

11-9-81

TO: JAB III

RE: Knauer/Dole Meeting on Consumer
Affairs

Attached memo from Virginia Knauer can be summarized as follows:

1. She feels Administration's current consumer activities should be maintained, that they give a good political payoff for minimal budget and staff.
2. || She feels the Office of Consumer Affairs (housed in HHS, budget \$2 million) is important and should not be cut.
3. She wants the Consumer Affairs Council continued.
4. She is concerned that publication of a revised Consumer Resource Handbook may be cancelled. She ties it to voluntarism and says cancellation would be a political embarrassment.

JC

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THE WHITE HOUSE

WASHINGTON

November 9, 1981

MEMORANDUM FOR: JAMES BAKER
THROUGH: ELIZABETH DOLE 
FROM: VIRGINIA KNAUER
SUBJECT: Maintenance of Low Cost But
Effective Consumer Programs

Background

The Administration needs to maintain a visible and prominent consumer program that has credibility with the constituencies concerned and the ability to present the Administration's message and program to the public.

The Administration has been unfairly criticized as being insensitive to human needs because of budget cuts and block grants. The regulatory relief efforts have been attacked in the press as caving in to business interest at the expense of the health, safety and wellbeing of consumers. The groups affected: the aging, disabled, health care organizations and public interest and consumer groups have expressed deep concern. Unfortunately, these people know how to generate Congressional and media attention with their complaints.

Historically, there have been three major waves of militant consumerism fueled by a perceived corporate or government neglect and indifference. While the consumer movement has become more sophisticated in recent years and willing to work with business, a new militancy could explode into a fourth wave if our budgetary and regulatory retrenchment is viewed as threatening. Even now, new militant coalitions are emerging.

Status

The present consumer program is effective, very lean and low cost. It's three main components -- the Special Assistant, the Office of Consumer Affairs, and the Consumer Affairs Council -- all three have been tailored to enhance and support Administration initiatives and to develop important liaisons with groups that might be antagonistic to the Administration.

Special Assistant to the President

As Special Assistant to the President for Public Liaison with responsibilities for consumers, the aging, disabled, health care, and safety, I have met with over 170 constituent groups here in the White House complex, made over 60 speeches and over 100 media interviews in support of the President's economic program, deregulation and voluntarism (see Exhibit A for details). I believe that in view of distortion and misrepresentation of the President's programs by the press and interest groups that as a spokesman for the President, I have made every effort to reach out and explain and promote his positions. This major outreach effort on my part would not be possible if the traditional back-up by the staff of the Office of Consumer Affairs were not available.

As part of Elizabeth's office, I support her activities through background information, in-depth research and constituent correspondence.

The Office of Consumer Affairs

The U.S. Office of Consumer Affairs (housed in HHS) has a total FY 82 budget of \$2 million. It provides the staff support for the Special Assistant to the President for Public Liaison to reach out to interact with the important constituencies of the aged, disabled, consumer, safety and health. Activities include drafting speeches, research and backgrounders, Congressional testimony, joint projects with voluntary and business entities that meet the information and other needs of consumers, and conferences on relevant topics jointly sponsored by outside groups and the Office of Consumer Affairs (For other details, see Summary of Accomplishments -- Exhibit A).

Consumer information and education is the corollary to regulatory relief which is based on the premise that the informed consumer in the competitive marketplace can be the most effective regulator of business behavior. A main priority of the consumer effort internally has been to stimulate and develop the appropriate informational and educational materials for consumers (consistent with the OMB directive) to help business and voluntary groups meet their new responsibilities. Government or jointly funded materials with industry are generally distributed through the Consumer Information Center.

The Consumer Affairs Council

The Consumer Affairs Council has minor budgetary impact but provides a quarterly forum of representatives in the various Executive Departments and independent agencies, who meet with the Special Assistant and receive guidance and direction on presenting the Administration's initiatives and programs in their most favorable light. For the first meeting, discussions involved the OMB publications moratorium (which had been adversely reported in the press) and the goals and progress of the task force on regulatory relief. Upcoming in mid-November is a discussion of Reagonomics for non-economists, the Administration's free trade policy and its implications for consumers, and the voluntarism initiative. The continuation of the Consumer Affairs Council by the Reagan Administration has been well received and favorably reported in and out of the Administration. The minimal manpower and time commitment by departmental representatives prevents allegations that the internal consumer functions have been dismantled.

The Consumer Resource Handbook developed by the Office of Consumer Affairs is the flagship publication of the Federal consumer effort and program and it contains the consumer information contacts of the Federal, state, and local agencies; third-party consumer complaint resolution forums set up by businesses and local governments. (See Exhibit B)

Summary

1. I believe the President's interest would be best served by the maintenance of the Administration's current consumer-related activities. This effort as currently funded and organized requires minimal resources but has a very large political and public payoff. As spokeswoman for the Administration, I am able to generate media attention and develop liaison opportunities that would otherwise be forfeited. The continuing support of OCA is vital to my ability to service this large and active portfolio.
2. The continuation of the Consumer Affairs Council as presently structured and administered is a low-cost mechanism for coordinating internal consumer-related activities to maximize their effectiveness for the President.

3. The Consumer Resource Handbook is a well-known, respected reference manual that complies with the OMB directives and is funded by 15 agencies with FY 81 funds. It complements the Administration's commitment to voluntarism. Its cancellation would be a serious embarrassment to the Administration.

SUMMARY OF ACCOMPLISHMENTS (as of November 1, 1981)

Since her appointment as Special Assistant to the President on March 2, 1981, Virginia H. Knauer has been actively involved in an effort to advance public understanding about the President's Economic Program, provide non-confrontational forums to diffuse public criticism and misunderstandings and gain support for Administration programs, and to launch new initiatives in line with her responsibilities for consumer affairs, aging, disabled, health care, and safety issues.

Presented 63 speeches on Reagan Administration programs and policies to a broad spectrum of constituent groups including the Chicago Better Business Bureau, American Dietetic Association, Direct Mail Marketing Association, Insurance Industry, Consumer Affairs Exchange, Food Marketing Institute, Grocery Manufacturers Association, Daughters of the American Revolution, National Consumers League, Electronic Industry Foundation, National Center and Caucus on the Black Aged, Leadership Council of Aging Organizations, Society of Consumer Affairs Professionals, National Council on the Handicapped, National Funeral Directors Association, American Movers Association, and the National Institute of Building Sciences.

Granted 107 newspaper, magazine, radio and television interviews, including the New York Times, San Francisco Chronical, Chicago Tribune, A.P., U.P.I., U.S. News and World Report, Time Magazine, Changing Times, Business Week, Retail Week, Mutual News Broadcasting, NBC radio, and the CBS TV Special on the first 100 days of the Reagan Administration. Press clippings indicate a total calculated circulation of 36 million readers.

Conducted 171 meetings with representatives of constituency groups to discuss concerns covering: health (32 meetings); aging (24 meetings); disabled (39 meetings); safety (5 meetings); industry (34 meetings); and general consumer issues (37 meetings).

Coordinated eight White House ceremonial functions for President, Vice President, and First Lady to highlight the President's support for aging and disabled voluntary efforts and conducted six White House briefings to explain Administration policies and programs.

Conducted four conferences including a New Independence for Low-Income, Aging and Disabled Consumer Conference promoting volunteer efforts; a Constituent Resource Exposition, attended by 1400 Congressional staff members, and two Congressional Seminars to aid them in responding to constituent complaints

to reduce Executive Branch impact; a Health Care Conference to improve consumer complaint handling in health care delivery systems; and a Local Consumer Agency Conference on fraud affecting the low income and aging. In facilitating these Conferences brought in a wide range of co-sponsoring organizations and agencies including 37 Federal agencies, American Association of Retired Persons, American Coalition of Citizens With Disabilities, Health Insurance Association of America, the American Hospital Association, and the National Association of Consumer Affairs Administrators.

Also prepared the Consumer's Resource Handbook and the Congressional Liaison Handbook for reducing the volume and impact of consumer inquiries and complaints submitted to Executive Agencies. These resources can reduce Executive Agency costs for handling inquiries by referring consumers, Executive Agency staff, and constituent caseworkers to the most appropriate government or private sector sources of assistance.

Represented the consumer interest in international forums and initiatives by: Heading the U.S. delegation to the Paris meeting of the 23-member countries Committee on Consumer Policy of the Organization for Economic Cooperation and Development (OECD) and submitting a report on U.S. consumer policy; working with the Departments of Commerce and a world trade constituency group; submitted Administration briefing papers on the World Health Organization's Code on Infant Formula and the Hazardous Substances Act; and holding formal meetings with governmental officials of Australia, the Phillipines, and West Germany.

As part of the Administration's voluntary effort, conducted meetings to promote voluntary industry-wide programs responsive to consumers in the direct mail, direct selling, food processing, home construction, airline, and funeral industries.

Launched Project Partnership, a White House sponsored demonstration program to provide jobs for the disabled through the voluntary efforts of 40 major corporations and 30 disabled constituency groups in San Francisco, Los Angeles, and New York. Began development of a similar program for the "mentally restored" with Philadelphia business interests.

Began work with an ad hoc group of substantial segments of the food industry (General Foods and Safeway), the advertising industry (Dancer, Sample & Fitzgerald), academia (Society of Nutrition Education), and consumers (Consumer Federation of America) to create a voluntary "Nutrition Education Council."

Reactivated the Consumer Affairs Council to facilitate agency-White House coordination and communication on consumer issues held a formal meeting, and met with small groups of agency designees for in-depth discussions.

Presented five oral and six written formal views to OMB on pending legislative policy issues, such as bus deregulation, banking competition, CAB sunset, Cash Discount Act, Federal Reserve Act Amendments, and Compassionate Drug Availability Act.

Filed regulatory comments with the Interstate Commerce Commission and the Federal Communications Center.

Testified before Congressional Committees on sodium labeling, the Household Goods Transportation and the Motor Carrier Acts, fraud and the elderly, and the history and status of consumer affairs.

Initiated on-going meetings with members of the medical profession, such as the American College of Physicians, American Medical Association, American College of Cardiology, American College of Surgeons, and the American Psychiatric Association, among others, to brief them, learn of their concerns, and gain support for Administration policies and programs.

Participated in the President's Task Force on Regulatory Relief by summarizing consumer comments and suggesting criteria for "hit listing".

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THE WHITE HOUSE

WASHINGTON

October 15, 1981

Dear Elizabeth:

I was very distressed to learn that there is a high-level "hold" on the publication of the revision of the Consumer Resource Handbook. There seems to be some confusion as to its contents and purpose. In my view, the importance and function of this directory is well understood in Congress as well as outside business and consumer groups. It has been lauded by those responsible for citizen and constituent services at all levels of government, business, and the public it serves.

You may recall that the publication of the Directory was initiated by our Office of Consumer Affairs in 1973 as the Directory of Federal, State, County and City Government Consumer Offices. It has been refined and perfected over the years through various revisions. The new edition will include all of the "800" hotlines in government and industry, a listing of all third-party complaint and redress organizations, as well as a listing of industry consumer offices in addition to the governmental offices at all levels.

The "textual" content has been streamlined and the militant tone of Esther Peterson's edition has been eliminated. It is now mainly a "directory" of contacts to help solve citizen problems that is used by Congress, other Federal agencies, and private and volunteer groups providing "information and referral" services. Our publication has received high praise from the Congress, the media, and outside groups that use it and the new edition has been promoted in my presentations for the last seven or more months including Congressional budget testimony, so that its absence will be very conspicuous. Fifteen agencies (list attached) have contributed to a funding pool for its publication, funds that we used care to see were allocated from FY 81 funds so as not to compete with other projects in the reduced FY 82 budgets. They expect to distribute about one million copies over the next three years.

We have maintained close liaison with the OMB staff responsible for the publication moratorium over the entire revision period and no objection to our plans has been voiced on that basis. OMB has praised this publication as a cost-effective method of informing the public as to government and business resources.

The whole point of the Directory is to get complaints and questions directed to the appropriate office and level of government or industry and save the time and money of multiple referrals that are costly in dollars and time and frustrating to citizens. In our own case, we have been able to eliminate virtually all of the 50,000 or so annual consumer complaint letters that OCA used to handle by having them directed to the appropriate office initially.

I strongly believe that this Directory should be published and that it will continue to receive the favorable comments for the Administration for usefulness from virtually all sectors concerned with handling consumer complaints and inquiries. In addition, it is designed to complement the President's policy of having the private, volunteer, and lower governmental sectors be the primary sources of assistance to reverse the heavy reliance that exists on the Federal establishment to handle consumer complaints and inquiries.

Attached is a listing of additional important points that I believe support our request to have the "hold" lifted. I would appreciate your help in getting the matter resolved favorably as quickly as possible.

Attachments

Agencies Funding the Consumer's Resource Handbook

(Fiscal Year 1981 Funds)

- 1) Consumer Product Safety Commission
- 2) U.S. Department of Agriculture
- 3) Department of Defense
- 4) Department of Justice
- 5) Department of Labor
- 6) Environmental Protection Agency
- 7) Federal Deposit Insurance Corporation
- 8) Federal Trade Commission
- 9) General Services Administration
- 10) National Credit Union Administration
- 11) Pension Benefit Guaranty Corporation
- 12) Postal Rate Commission
- 13) United States Postal Service
- 14) United States Office of Consumer Affairs
- 15) Veterans Administration

FACT SHEET

CONSUMER'S RESOURCE HANDBOOK

- o The only publication of its kind (free, modest length, encompassing Federal, state, local government and business) directing consumer inquiries to the most appropriate source of assistance.
- o This is a reprint - 2.3 million copies distributed in FY 1980 and 1981. Widely acclaimed - individual Congressmen requested thousands of copies to personally distribute. Almost non-existent criticism - far less than one would expect from any publication distributed in this volume.
- o Can reduce the number of misdirected inquiries to Federal agencies (costs \$10 or more to handle misdirected letter).
- o Emphasis on private sector resolution of problems.
- o Useful staff reference for accurately referring inquiries.
- o Publication of the Handbook can help promote public feeling that the Administration and Federal agencies are concerned that consumers have the information and assistance they need to get their questions answered and problems resolved within both the government and private sector.

- o The Handbook is a cost-effective tool which can help Federal agencies reduce the cost of handling and referring citizens inquiries.
- o Meets OMB approval under publications moratorium Circular 81-6.
- o 15 agencies have already committed FY 1981 funds for reprint.
- o Significant advance publication - consumer groups and citizens anxiously awaiting. Advertising committed in Women's Day magazine.

~~for legs~~ ~~meeting~~ ~~4:00~~
file ~~clean~~
Publ Liaison memo

To Jim Cicconi
11/10
MPT

THE WHITE HOUSE
WASHINGTON

November 5, 1981

MEMORANDUM FOR JAMES BAKER, III

FROM: ELIZABETH H. DOLE

SUBJECT: Clean Air Update

At a Carlton Club meeting today, an emergency plea was set forth by the leadership of the Clean Air coalition. Today's Senate mark-up session on the Clean Air Bill produced additional delays as a result of the Democrats' strategy, which is spearheaded by Moynihan, Hart, Baucus, and Randolph. Republican Senators on the committee are not adamant in their support for Clean Air legislation this year, thus making the Democrats' plan likely to succeed. Their strategy calls for delaying tactics until immediately before the December recess, at which time they will present a "take-it or leave-it" bill which will include acid rain. This inclusion will be unacceptable to the Stationary Standards Group, and they will fight the Mobile Standards Group, which is likely to kill the bill for this year.

This course of action will pit much of the core of our remaining business strength against one another at a time when we are attempting to rally them in support of the President's economic program. Industry has too much at stake to drop the Clean Air fight at this time.

Rumors are afoot on the Hill that the President's interest in Clean Air is a charade and opponents are using this to carry the day. The business coalition urgently needs some public demonstration of Presidential support. This might manifest itself in Clean Air being the major topic at a Bipartisan Leadership or GOP Leadership meeting with the President. It might also be a series of Presential telephone calls to the Leadership and to House and Senate committee leaders, urging a Clean Air bill by year end. Such activity will allow the coalition to flood the grass roots and Hill for a last-minute push with the President's blessing.

only
Need
letter from
Pres.

Panel Argues Fruitlessly Over Rewriting Air Law

By Joanne Omang
—Washington Post Staff Writer

Prospects for a Clean Air Act rewrite this year dimmed further yesterday as the Senate Environment Committee slogged through a stiff argument over just about everything—including another version of the Reagan administration views, which surfaced in a manner not likely to win Democratic converts.

The committee managed to agree that so-called Class One areas of pristine air ought to retain a maximum amount of protection, but the members found no common ground on ways to calculate that protection or what degree of coverage ought to extend to the rest of the country.

Sen. Pete V. Domenici (R-N.M.) got a laugh when he suggested that "an exciting criteria" for new ways to prevent significant deterioration of air quality would require the senators to sign an oath that they understood what they were voting for.

Sen. Robert T. Stafford (R-Vt.), chairman of the committee, got a bigger laugh when he voiced hope that Domenici's Budget Committee would follow suit. It was like that all morning.

The senators apparently gave up on reaching agreement over automobile emissions, which were hastily dropped in an earlier session this week amid storms of impassioned rhetoric. They did not raise the issue again. Sen. Daniel Patrick Moynihan (D-N.Y.) vowed to filibuster any measure similar to one pending in the House that would double the amount of two pollutants allowed from new cars.

Sen. Gary Hart (D-Colo.) de-

manded to know the status of a 12-page document listing 38 "proposed changes" in the law that was given to his staff last Tuesday by Thomas Jones, a lobbyist for the Environmental Protection Agency. Since the document has no heading, letter of transmittal or other identifying mark, Hart said sarcastically, "I take it this is the view of the president of the United States, the White House and the EPA."

Kathleen Bennett, EPA's assistant administrator for air, noise and radiation, said from the audience that Jones "has officially made available an unofficial document," prompting another roar of laughter from the jam-packed audience.

Hart said he had never heard of such a thing. Moynihan then announced that EPA Administrator Anne M. Gorsuch had personally given him the same document Tuesday afternoon. Sen. George Mitchell (D-Maine) said he had received one too, but none of the Republicans had. Hart obligingly passed out copies.

The 38 points included a new proposal for interstate negotiation to control emissions causing acid rain. They otherwise reiterated the administration's desire to include "significant risk" evaluation in setting pollution standards and to eliminate EPA's power to cut off federal aid to states that disobey the law.

David Hawkins of the Natural Resources Defense Council, who had Bennett's job under President Carter, and Leslie Dach of the Audubon Society said the administration was "touting the positions of polluting industry up and down the line."

THE WHITE HOUSE
WASHINGTON

November 9, 1981

TO: JIM CICCONI

FROM: RED CAVANEY 

In the context of the recent
demands on the President's
schedule, this is not a
critical event.

*decided against
File*

THE WHITE HOUSE

WASHINGTON

November 9, 1981

MEMORANDUM FOR: JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE 

SUBJECT: NATIONAL FAMILY WEEK
November 22-28, 1981

National Family Week (11/22-28) coincides with the Thanksgiving holiday period and might provide the President and Mrs. Reagan with an excellent chance to highlight a patriotic family/home luncheon on Sunday, November 22.

With the Scheduling Office in the lead, Lyn's and my office have been working to develop a proposal for the President and Mrs. Reagan to host a Sunday luncheon on their return from that Sunday's church service.

The guest list could include a number of the pro-family leaders and children, some components of the senior citizen community and its extended family concept, and a few patriotic citizens (like Norman Vincent Peale, etc.). This could provide an excellent forum for a strong family and home statement by the President, immediately prior to the holiday and the White House Conference on Aging. It also enables the President to spend time with his pro-family support without having to get into specific issue discussions.

file: PUBLIC LIAISON

THE WHITE HOUSE

WASHINGTON

November 3, 1981

MEMORANDUM FOR JAMES BAKER, III

FROM: ELIZABETH H. DOLE *EHD*

SUBJECT: Agenda Items

- ✓ 1. Hosea Williams
 - November 2, 1981 memoranda
 - JAB Meeting on 11/4 or 11/5 with Hosea re Presidential letter.

Discuss tomorrow

- 2. AFL-CIO Centennial Convention in New York (11/16-19/81)
 - October 26, 1981 memoranda
 - Open Door/VP Residence Reception/White House meeting after convention/Quarterly meeting.

Turn the other check.

Divide labor.

Show your door.

→ Exec. Comm.

- 3. Jewish Community
 - October 28, 1981 memoranda
 - Two-track strategy (organizational leadership and new coalition meeting)
 - a. Considering period of 11/2-11/10 for consultation and week of 11/16 for two meetings, including the President - one each for organizational leadership and the other for GOP/new coalition).

Talk w/ EHM re Stein one

- ✓ 4. White House Conference on aging
 - Meeting with Chairman Richards this afternoon.

Postpone

- 5. OCA/Consumer's Resource Handbook
 - September 28, 1981 memoranda killed HHS for subject book, however that is only 20% of total FY 1981 already collected from throughout government -- book is now in galley proof.

Don't close Office of Consumer Affairs at HHS.

Don't kill this book or just admit we have no consumer prog.

- 6. Task Force on Legal and Economic Equity for Women
 - Additional conservative organization consultations this week.
 - Currently leaning toward low-profile implementation.

Calm Phyllis Schlafly down.

Neutralize adversariness

7. Fall Economic Offensive

- Our business and conservative allies feel we are adrift without a rudder and badly need to do something.
- Small Business coalition dying of high interest rates and corporate merger hoardings of cash: cut/cut/cut.

THE WHITE HOUSE

WASHINGTON

November 2, 1981

MEMORANDUM FOR JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE 

SUBJECT: Reverend Hosea Williams

Reverend Williams has again contacted my office by telegram requesting a letter from the President to Prime Minister Suzuki of Japan on behalf of his Japanese/Afro-American business venture plans. If he cannot obtain such a letter, he is asking for a meeting on November 4 to discuss this matter personally with the President.

As you know, this issue has lingered for months and continues to be a source of frustration for Reverend Williams and consternation for members of the White House staff. While I, among others, originally supported Hosea in his Japanese/Afro-American efforts, this support was tendered for the conceptual phase. I now believe that the project, as it is evolving, may prove to be a source of potential embarrassment to the President. Recent information made available to this office indicates that Williams' Japanese plan is severely hampered by poor business planning, untrained staff, conflicting objectives and premature publicity.

It is my opinion that the time has come to take a firm position with Reverend Williams to eliminate White House involvement in his Japanese plans. While Reverend Williams does deserve recognition because of his support for the President during the campaign, we must now explore alternative means to accomplish this end.

At this point, I have become somewhat of a "middleman" between Hosea, the President and yourself. My ability to sit down with Hosea for a "How the cow ate the cabbage" meeting is limited by the fact that he insists your promise of a Presidential letter is still valid. It is evident that Hosea must hear the final White House position from you, personally, in order for him to understand and accept. He needs to be convinced that we can proceed no further on this path but do want to help in another area of interest to Hosea.

Since the events have become somewhat complicated, I have summarized the major milestones below and attached relevant documents for background.

- a. In February, Reverend Williams requested a direct response from the President regarding the concept of developing a Japanese/Afro-American business venture. A general letter was drafted, cleared through Don Gregg of NSC and sent to Hosea on April 27, 1981. (Tab A)
- b. After a brief period of time, Hosea requested a letter of introduction from the President to Prime Minister Suzuki. He felt that such a letter would be necessary to overcome Japanese stereotypes and misgivings about Afro-American business capabilities. Martin Anderson endorsed this approach, and we concurred.
 1. In a conversation with Hosea on July 1, 1981, you indicated that a Presidential letter would be forthcoming. Based on that commitment, Williams notified the Japanese and dispatched a delegation to Japan to organize his itinerary.
 2. During draft preparation, Dick Allen raised reservations about such a letter, and suggested that a cable be sent under his own signature to Ambassador Mansfield. A cable was sent (Tab B), but was never viewed as an acceptable alternative to a Presidential letter, either by Williams or by the Japanese (Tab C).
- c. At Reverend Williams' request, the Department of Commerce sent Arthur Bailey, a marketing specialist, to work with Reverend Williams for one week. His trip report, which is now on file at Commerce and subject to the provisions of the Freedom of Information Act, points to the many pitfalls associated with the project and to its minimal chance of success given its current path. (Tab D)
- d. Williams' latest telegram, dated October 30 (Tab E), asks for a Presidential letter or a meeting with the President. Williams has also asked the Department of Commerce to make a staff person available to him on a full-time basis to assist him in the development of this project.

It is clear we cannot keep this matter unresolved any longer without risking a rupture with Hosea. We need to convince him that we have gone the extra mile on his Japanese/Afro-American

venture and cannot go forward with a Presidential letter. We should stress that we want to help and be of service, but in an area where we can help make the difference.

Will you be willing to meet with Hosea when he is in town on November 4 and 5 to resolve this matter?

Yes _____ No _____

Attachment # 7

TAB A

THE WHITE HOUSE
WASHINGTON

April 27, 1981

Dear Reverend Williams:

I have read with great interest your proposed economic development ventures. Your plans to advance Black business opportunities in Japan is truly an innovative idea.

As you know, the national economic revitalization is my top priority. If your proposed ventures with Japan become a reality, they could play a significant role in enhancing the economic growth and stability of Black America.

Thank you for sharing your plans with me. They sound very exciting and I applaud your efforts.

Sincerely,

Ronald Reagan

Reverend Hosea Williams
8 East Lake Drive, N.E.
Atlanta, Georgia 30317

710 B

THE WHITE HOUSE

WASHINGTON

Dear Mr. Ambassador:

The President has asked that I write to you concerning the upcoming visit of Reverend Hosea Williams to Japan. Reverend Williams will be visiting Japan as a private citizen in conjunction with plans of joint interest to the International House of Japan. He is hopeful the trip will provide him with the opportunity to explore the potential of his Japanese/Afro-American economic development partnership plans with Japanese officials and with representatives of the private sector.

We would appreciate very much any assistance which the Embassy can provide Reverend Williams in connection with his important project. In this connection, contacts should be made with the appropriate Ministries, and I would think the Prime Minister's office should also be informed of Reverend Williams' visit.

With my best wishes,

Sincerely,



Richard V. Allen
Assistant to the President
for National Security Affairs

The Honorable
Michael J. Mansfield
American Ambassador
Tokyo

TAB C



TELEGRAM

KOKUSAI DENSHIN DENWA CO., LTD. 国際電報発信紙 国際電信電話株式会社

番号	送信時刻	送信者	CUSTOMER'S NO 利用者コード	交付者	点検者
パイロット・ライン		科目コード	記事コード		

B-0108

発信局	語数	交付日付時刻	局用記事
TOKYO	158w.	12:05p.m., July 24	

SERVICE INDICATION 取扱指定	TO 宛て名	CHARGES 料金
LT	REV. HOSEA WILLIAMS AFRO-AMERICAN INTERNATIONAL ENTERPRISES 1959 BOULEVARD DRIVE, S.E. ATLANTA, GEORGIA 30317 U. S. A.	¥9,322

TEXT 本文

THANK YOU FOR LETTER OF JULY 11. YOUR SUCCESS OF PROPOSED TRIP TO JAPAN DEPENDS ABSOLUTELY ON PRESIDENT REAGAN'S PERSONAL SUPPORT. THEREFORE WE URGE YOU TO MEET PRESIDENT REAGAN REQUESTING TO WRITE LETTER INTRODUCING PREMIER SUZUKI. IF PRESIDENT REAGAN CAN NOT WRITE A LETTER TO JAPANESE PREMIER DIRECTLY INTRODUCING HOSEA WILLIAMS, OUR ALTERNATIVE WILL BEST BE THAT PRESIDENT REAGAN CABLE TO AMBASSADOR MANSFIELD TO THE EFFECT THAT PRESIDENT STRONGLY SUPPORTS THE FUTURE ECONOMIC CO-OPERATION BETWEEN JAPANESE AND AFRO-AMERICANS, PARTICULARLY KEENLY INTERESTED IN HOSEA WILLIAMS TRIP TO JAPAN, AND THAT PRESIDENT EAGERLY REQUEST AMERICAN AMBASSADOR TO INTRODUCE WILLIAMS TO PREMIER SUZUKI AND TO SEVERAL BIG SHOTS IN JAPANESE BUSINESS CIRCLE AND FINALLY THAT PRESIDENT HOPES THAT JAPANESE BUSINESS LEADERS WILL TRY TO COOPERATE WITH THE BLACKS. CONFIDENTIALLY DROP COPY TO DAN SMITH, EXECUTIVE OFFICE.

MATSUMOTO & TAJIRI

SENDER'S NAME AND ADDRESS (NOT TRANSMITTED)	発信人居所氏名 (伝送されません)	TEL.NO. 電話番号
--	-------------------	--------------

※ Please fill in columns in the thick frame only

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RECEIVED

TRIP REPORT
(Prepared by Arthur J. Bailey)

Subject:

Trip to Atlanta, Georgia, September 8-11 and 15-18, 1981

Purpose:

To assist State Representative Hosea Williams prepare for discussions with Japanese investors scheduled for November 11-17, 1981.

Background:

In a letter dated December 29, 1980, Seiho Tajiri invited Representative Williams to visit Japan to discuss possible joint ventures between Japanese investors and Black Americans. Mr. Tajiri is a naturalized American and founder of the Chicago based Japanese - Afro American Friendship Society. The purpose of the organization, which is philanthropic in nature, is to foster closer ties between the people of Japan and American Blacks. During its 20 year history, the Society has had few accomplishments owing to fear by Mr. Tajiri that any overt initiatives with Blacks would produce negative white American reactions against Japanese interests in the United States.

Therefore, the initial invitation to Representative Williams requested that he travel to Japan alone, that his trip focus on acquainting the Japanese people with the history and present condition of Black Americans, and that the trip be seen as a precursor to more substantive investment talks to take place at a later time. The clear intent of Mr. Tajiri was to gradually build public acceptance for future investment initiatives in both Japan and the United States.

However, upon receipt of the invitation Representative Williams offered to obtain a letter of introduction to Prime Minister Suzuki from President Reagan. A request for such a letter was communicated to Elizabeth Dole at the White House. Representative Williams subsequently received a phone call from White House Chief of Staff James Baker confirming that the letter would be forthcoming. Based on this confirmation, Representative Williams encouraged Mr. Tajiri to prepare for his audience with Prime Minister Suzuki.

Shortly thereafter, Richard Allen, Chairman of the National Security Council, vetoed the letter. Don Smith, also on the White House Staff, initiated discussions with Mr. Tajiri in which he explained that the requested letter of introduction was counter to U. S. policy. Copies of a document in which this policy is expressed have been forwarded to Representative Williams by Edwin Meese, III. As a result, Representative Williams has had to confirm to Mr. Tajiri that the letter from President Reagan may not be forthcoming. The response of Mr. Tajiri has been to shift the sponsorship of Representative Williams' visit from the International House of Japan to "certain media" organizations.

After two (2) previous postponements, the visit to Tokyo is now scheduled for November 11-17, 1981.

Present Status:

Representative Williams is now preparing for his November trip to Japan. These preparations are encountering numerous difficulties owing to:

1. premature and excessive media involvement;
2. inadequate staff support;
3. conflicting advice from competing interest groups; and
4. inexperience in the area of trade on the part of Representative Williams.

Each of these problems are briefly discussed below:

Media involvement began in the Winter of 1980 and continued through the Summer of 1981. That involvement was encouraged by the public circulation of copies of all the correspondence between Representative Williams and Mr. Tajiri. Articles have been published in daily newspapers in Atlanta, Chicago and New York prematurely extolling the benefits of the talks in which Representative Williams is involved. This press coverage produced a rash of solicitations and offers of cooperation which Representative Williams was not equipped to utilize. This fact, together with two consecutive postponements of the trip to Japan, has resulted in disappointment and cynicism by those who expected Representative Williams to produce quick results.

The total absence of staff of any type to assist Representative Williams prepare for his trip and to offer useful advice has been problematic. For example, most of the solicitations and offers of cooperation received pursuant to the press coverage have not been answered. This fact has produced unnecessary bitterness and has inhibited Representative Williams' ability to build public support for his initiative.

The absence of staff support has also left Representative Williams dependent for support on "volunteers" whose interests diverge dramatically. For example, among the persons introduced as colleagues of Representative Williams on this project was a minister, a consultant who claimed ties to Eastern Europe, a local finance company executive sponsored by Arab investors and several persons associated with civil rights groups. The minister argued for a moral focus. The consultant insisted that he and Representative Williams organize a consulting business and "broker their combined influence" for Japanese contracts. The finance company representative wants to accompany Representative Williams to Tokyo to insure that his firm receives a "part of the business." Also present at the meetings was a representative to the Foreign Agriculture Service who advised Representative Williams to press the White House for an Ambassadorship.

Since Representative Williams has no experience in international trade and investment, he remains unsure which route to take. This uncertainty is compounded by his inability to obtain the letter of introduction and by the change in his trips' sponsorship.

3.

Accomplishments of Trip:

Because of the high level of confusion surrounding Representative Williams during the visit to Atlanta, it was decided to concentrate on advising the group of what could reasonably be expected to result from the visit to Tokyo. In this regard a briefing was given on the Japanese trade regime and negotiating style. For example, it was pointed out that many of the ventures proposed in Mr. Tajiri's December 29 letter were not legally possible given Japan obligations under the General Agreement on Tariffs and Trade (GATT). This presentation helped to reduce the expectation of immediate profits among some participants in the meetings. In fact, the consultant and the finance company executive choose not to attend any meetings after the first day.

Once he realized that several major institutional problems would have to be solved before the investment initiatives could be undertaken, Representative Williams agreed to take a more deliberate approach to his trip to Japan. He now views the visit as "exploratory", and says he will concentrate his efforts on building cooperation among business and civic groups in the U.S. In that regard, a letter of introduction from President Reagan is now less a priority than before.

Evaluation:

The exercise in which Representative Williams is involved with Japanese interests is instructive in many ways. These lessons essentially point out pitfalls that should be avoided when initiating contacts with prospective foreign investors.

1. Unnecessary ceremonial commitments, such as the offer to obtain a letter to Prime Minister Suzuki, should be avoided. Even had the letter been provided its major contribution would have been to further raise expectations prematurely. The effect of not obtaining the letter was to weaken Representative Williams' credibility.
2. The confirmation from James Baker, III, should have been delayed until a consensus was developed among all relevant White House advisors.
3. Involvement of the media should be avoided until substantive agreements are to be announced. Media involvement at other times should only be considered as part of a general strategy to move a negotiating opponent toward a particular compromise.
4. Detailed study should be undertaken of the feasibility of a project before agreeing to become involved.
5. Advisors should be carefully selected.
6. Projects should be rejected at the outset if adequate resources (such as staff) are not available to see them to conclusion.

Representative Williams can probably salvage some benefits from this initiative if he continues to focus on the long-term requirements of the proposed project.

THE WHITE HOUSE

WASHINGTON

October 26, 1981

MEMORANDUM FOR:

JAMES A. BAKER, III

FROM:

ELIZABETH H. DOLE 

SUBJECT:

A Labor Offensive

The AFL-CIO will conduct its Centennial Convention in New York City from November 16 through November 19.

With the current disposition of the news media to focus on the "rift between labor and the Administration", that period of time should produce the same kind of negative media play that we experienced around Labor Day and Solidarity Day. The opportunities for negative media will be heightened by the fact that the AFL-CIO has decided to not invite the President to address their Convention. Not inviting an incumbent President is a considerable break with years of tradition. (See attached)

Rather than being on the defensive during this period, I would suggest that we seize the media initiative and implement an offensive program designed to portray the Administration as reaching out to listen to the concerns and interests of organized labor.

In planning such an offensive we have taken into consideration several factors:

1. Lane Kirkland is receiving increasing internal criticism from union leaders for his continued anti-Administration style and rhetoric.
2. There is a growing sentiment within the AFL-CIO to cease the hostilities and to try to "get along with the Administration". Such people as United Steelworkers President, Lloyd McBride; Service Employees Union President, John Sweeney; Building & Construction Trades President, Bob Georgine; Plumbers President, Marty Ward, all want to reduce the adversary relationship and begin to cooperate.
3. A number of business leaders and key members of Congress believe that the Administration has to take some initiative in trying to make peace with organized labor. They feel that many of our policy decisions have only served to antagonize labor and that the party and the country can ill afford further hostilities.

October 26, 1981

By PHIL ROURA and TOM POSTER

Walesa to address AFL-CIO meeting here, then tour

Lech Walesa, the head of Poland's Solidarity union, will make his first trip to the United States next month to address the centennial convention of the AFL-CIO at the Sheraton Centre, it was learned yesterday. It is also the first time since 1963 that the convention has been held in the Big Apple.

Because of the controversy surrounding the Polish union leader, security at the convention site will be heavy. That will continue when Walesa moves on to Chicago and Detroit to visit the Polish communities in those cities.

The convention opens Monday, Nov. 16, and runs through Nov. 19, with Walesa scheduled to speak on Tuesday, Nov. 17. "Yes, we have invited Walesa and, barring unforeseen problems in Poland, Walesa will be with us," Tom Donahue, secretary-treasurer of the AFL-CIO, told the People-Page. "He will receive the first George Meany Human Rights Award on behalf of Solidarity."

Also attending the convention will be two Democrats who figure to be in the thick of the 1984 nomination for the presidency: Walter Mondale and Ted Kennedy. Mondale will address the unionists on opening day; Kennedy will have to wait until Wednesday, Nov. 18, before getting in his licks.

But most notable among the missing is President Reagan. "He is not being invited," said Donahue. Other sources told us why: The Prez still is being given an extremely cold shoulder that was first shown him on Labor Day when he was excluded from the big parade here. One top labor source said: "The President is not being invited because of his actions in the air traffic controllers' strike."

P.S. Because of the PATCO strike, Walesa will not fly while in the United States. Plans call for him to jet to Montreal from Warsaw and then drive down to New York. Newsweek magazine says that some Reagan administration officials are worried that the Soviet Union will view Walesa's U.S. visit as "a provocation." But they have decided not to oppose a visa. That would really get U.S. labor angrier than they already are at the President.

INSIDE LABOR

RELEASE ON RECEIPT/DISPATCHED 10/26/81

BY VICTOR RIESEL

Labor Chief Launches '84 Drive

With Public Snub of President Reagan

WASHINGTON -- To kick off the 1984 presidential campaign, labor's chief of chiefs, Lane Kirkland, kicked President Ronald Reagan off the list of those invited to speak at the AFL-CIO's most ballyhooed national convention, a national gathering in New York next month.

Snubbing the president of the U.S. by withholding from him even a perfunctory traditional invitation is an open declaration of political war. This sets a precedent since this is the first time such public insult has been heaved at a president in many generations.

In 1971, though Kirkland's predecessor had been scoring Richard Nixon with "goose eggs," the late George Meany invited the incumbent president to address the national AFL-CIO convention in Bal Harbour, Fla.

I got into the middle of that one and vouch for Meany's sulphurous anger when Nixon chose his time on the convention schedule. Meany yielded, shuffled the proceedings and let him speak, albeit without the trumpeting of "Hail to the Chief."

But Kirkland has been breaking with Meany's tradition. Kirkland has just about completed remaking the AFL-CIO high command. He has moved the "movement" into the Democratic Party -- right on top. There never was any doubt that Sen. Ed Kennedy and former vice president Walter Mondale would speak to the convention in New York's Sheraton Centre.

But with President Reagan the ploy was the thing. Kirkland himself said the invitation would be extended. Constantly the official spokespeople said the president would be invited -- the letter would go out late, but it would be dispatched.

Constantly the White House scheduling office reported there wasn't any invitation. Finally, on Oct. 26 the AFL-CIO's second-in-command, Secretary-Treasurer Thomas Donahue, said that Reagan "isn't being invited."

Ostensible reason was Reagan's handling of the air controllers strike. Privately, the Federation's headquarters "insiders" were saying, well, there might be demonstrations or booing. But last month at the Carpenters' centennial convention in Chicago over 2,000 rank-and-file delegates held their boos because their president, William Konyha, asked them to. "Hail to the Chief" was sounded.

National AFL-CIO conventions are smaller gatherings -- with about a thousand delegates. Virtually all are national union presidents and ranking officials or officers of state and city central labor councils. They could discipline themselves.

But that would mean giving the president a standing reception and polite applause. Kirkland and many of his 35-member Executive Council don't want that. Any sign of respect for Reagan the president would be politically damaging to the Democratic Party and labor's concentrated drive to retake the White House and the Senate.

So the play was to toss the "hard cop" act to Donahue. But neutralists in labor's high command were told privately there's still a "10 percent chance" that Kirkland might issue the invitation. But since there wasn't anything in the White House as late as the evening of Oct. 26 presidential acceptance of a speaking date only three weeks later would be a sign of political panhandling. That would be the touch the anti-Reagan labor chiefs would go for.

To add insult to insult the word from inside the AFL-CIO was that "we never gave any thought to inviting (secretary of labor) Ray Donovan." A caller asked, wouldn't there be any representation of the national administration at a convention of delegates from unions with millions of members who had voted for Reagan?

Yes. "There was an invitation for Secretary of State Haig," was the reply.

Some AFL-CIO chiefs were furious over the open warfare and the effort to denigrate the president. Many unions would be injured by such a vendetta with the Oval Office. The signal for this conflict had come from the national AFL-CIO chief. Cabinet officers and their secondary echelons do read: Their line would be a public open insult to the president is an insult to all. There are many fronts on which some unions couldn't function without steady and daily cooperation from federal bureaus.

There is the Building and Construction Trades Department, which during its own national convention earlier this month invited Donovan and applauded a message from Reagan. Hardhat officials must deal regularly with federal contracts worth scores of billions of dollars.

There are unions which must depend on trade ambassador Bill Brock to negotiate with the Japanese, force them to cut dumping vehicles into the U.S. and convince them to buy more American products.

There are U.S. bureaus, rarely in the news, which are essential to labor. There is Secretary of Transportation Drew Lewis, who still can save some air controllers' jobs.

And there's Kirkland himself. Just the other day he called for a "new partnership" of labor, business and government to "... revitalize the nation's economy through a program of reindustrialization of the country's ailing industries and decaying communities." Kirkland asked for creation of a "tripartite National Reindustrialization Board."

That's an invitation Reagan isn't likely to rush to accept. He might decide against picking his partners from amongst those who are in a hurry to destroy him politically.

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FIELD NEWSPAPER SYNDICATE am

INSIDE LABOR
RELEASE MONDAY, NOV. 2, 1981
BY VICTOR RIESEL
Kirkland Unleashes Final Political
War on President Reagan

WASHINGTON -- If Ronald Reagan's advisers reach out for any big labor support this next political season they'll be using the New York Yankees as their tactical model. White House officials who'll be scouting the national political scene in a fortnight, certainly will note that what they watched was the real 1984 Democratic presidential nominating convention -- and the naming of the full ticket.

The decision to turn the AFL-CIO's centennial convention into a political rally was made by the Federation's Executive Council during an afternoon session Sept. 18. There wasn't any fire and brimstone, as was widely reported. Fact is there were guffaws and mocking of President Reagan and all the president's men.

One council member asked AFL-CIO chief Lane Kirkland if "the president of the U.S. was automatically invited to each biennial convention." Kirkland grinned: "No."

Then the questioner retorted amid laughter from the 35-member high command: "Then don't invite him (Reagan) on my account." There was virtually unanimous sentiment to cut off big labor from the White House and the Republican Party. The labor "movement's" chiefs and the Democratic Party were now one fraternity.

Just drive out the GOP. But with whom? Guest speakers were suggested. Kirkland listed former vice president Fritz Mondale and Sen. Ted Kennedy. Other voices chimed in . . . but what of the other hopefuls? What of Reubin Askew, the 53-year-old former Florida governor? And Ohio's Sen. Glenn? And utility man Robert Strauss? Kirkland observed that the Mondale-Kennedy records made them sufficient without the others. To some insiders this sounded like "the ticket."

One council member inquired about some representation from the administration. The high command wanted none. Bipartisanship was as dead as a Yankee base runner. The war against President Reagan had started. The show would be put on the road at the New York convention as the crusade of the century. There was lots of kibitzing. But a few Council members were disturbed. It was easy to declare war, to denigrate Reagan in labor circles and to fight the Republican Party right down the line.

Point is -- how do the labor chiefs battle the president and his administration with which labor will have to live for more than three years -- and maybe seven?

Both sides believe Kirkland is making this a personal as well as a political and industrial feud with the president. Kirkland hits Reagan on almost every issue. It is personal as well as tactical. The two men don't talk to each other.

One high White House source reacted to the AFL-CIO's refusal to invite Reagan -- which hasn't happened to a president in generations -- as "Kirkland's conditioned reflex."

"Reagan and (House speaker) Tip O'Neill disagree," said the fellow who is close to the Oval Office, "but they talk, jest and later sound off. Nothing personal. But Kirkland is making it a high-noon feud with the president."

Actually, insiders believe that this is Kirkland's make-or-break offensive to prove that the big labor federation and not the Democratic Party, the Republicans, or their president is the central power in the land. If he smashes Reagan and takes the Democratic Party from its current command, he'll have it made for the movement -- and himself.

If he makes big labor the central political power it becomes the nation's industrial power as they race into the next century. If, however, his strategy fails, he and the movement as we know it today will be scrambled on all fronts.

It's a tough political gamble for the 59-year-old Kirkland. He has to make it by 1984. If he does he's in until 2001 -- with American presidents actually belonging to a national labor party known today as the AFL-CIO.

But it's a rough season coming up. There are critical labor-management negotiations ranging right through 1983 and beginning the cycle again in 1984. Until this administration, labor always had had the president of the U.S. on its side -- as far back as Calvin Coolidge's day anyway. Dick Nixon helped settle a steel crisis by phone from Air Force One. Lyndon Johnson brought steelworkers into the White House to show the industrial world where he stood. Jack Kennedy called businessmen "s.o.b's."

Jimmy Carter's people gave away the store, made possible huge gains by miners, Teamsters, autoworkers, steel workers and all the rest.

But now all the president's men will stay out of labor-management bargaining. The union chiefs are on their own. They can call some of their acquaintances in the administration. But it's hardly Ronald Reagan's nature to forget that last week labor gave him a public drubbing only a few days after he dispatched a message to the AFL-CIO construction trades convention in Atlantic City praising collective bargaining.

His secretary of labor, Ray Donovan, was invited to speak at that hardhat convention. The presidential message was read by Oval Office labor liaison man Bob Bonitati. But Kirkland and company snub him -- don't even ask for a message, or representative to the national convention.

The political war is on along a wide front.

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FIELD NEWSPAPER SYNDICATE dla

THE WHITE HOUSE

WASHINGTON

October 28, 1981

MEMORANDUM FOR:

JAMES A. BAKER, III

FROM:

ELIZABETH H. DOLE *ED*

SUBJECT:

Jewish Community Meeting

I urge you most strongly to delay discussion of a meeting between the President and Jewish community leaders until Friday when you and I can discuss the matter privately.

I am en route to North Dakota and feel it important that I provide you some insight upon my return and before a final decision is made.

Additionally, I am concerned that discussion of such a matter in Thursday's Senior Staff meeting would result in leaks to the press which are sure to exacerbate an already difficult situation.

018867CA

29 SEP 1981

THE WHITE HOUSE
WASHINGTON

September 28, 1981

MEMORANDUM FOR EDWIN MEESE, III

THROUGH CRAIG FULLER *CS*

FROM: Kenneth Cribb, Jr. *TKCA*

SUBJECT: Publication of Virginia Knauer Consumer Directory

Bill McQuade of OMB advises me that the Virginia Knauer's proposed consumer directory does not fall within the moratorium on new publications, since it is merely a new edition of a preexisting publication. He further advises me that all "consumerist" editorializing has been deleted from the proposed new edition, resulting in a mere listing of offices dealing with consumer affairs. In order to kill this publication, HHS would have to withdraw funding.

Given this additional information, please indicate below how you wish to proceed.

Ask Secretary Schweiker to kill the "cleaned-up" publication. *Done 10/7/81 - H.H.S. will provide no funds*

Allow plans to publish the "cleaned-up" publication to proceed.

Title *Consumer's Resource Handbook*