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# WITHDRAWAL SHEET

## Ronald Reagan Library

Collection: Baker, James: Files

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File Folder: W.H. Staff Memos - Legislative Affairs 7/83 - 12/83 [1 of 3] Date: 11/24/98

*Box 5*

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	Turner to J. Baker et al via Ogelsby re: appointment (1 p)	12/21/83	<i>PS CCB 10/5/00</i>

### RESTRICTION CODES

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

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

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

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

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MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

December 21, 1983

✓  
File

TO: JIM BAKER  
ED MEESE  
JOHN HERRINGTON

THRU: M.B. OGLESBY *tu*

FROM: PAM TURNER *pt*

SUBJECT: GSA Nomination

In an effort to mitigate the controversy surrounding the anticipated nomination of Dan Sawyer to the General Services Administration, I strongly suggest that we arrange a meeting between Sawyer and Senator Mac Mathias (R-Maryland) at some point before the nomination is sent to the Hill. Mathias is a member of the Senate Governmental Affairs Committee, which will have jurisdiction over the GSA nomination, and has been at odds with Sawyer since Sawyer began with the Government Printing Office. To the extent that Mathias's opposition stems from policies and decisions which Sawyer has enforced, our case is certainly defensible since Sawyer has implemented an effective program to reduce waste and mismanagement in the government's printing operations. However, there is also a more personal side to this controversy since Sawyer has criticized Mathias and the Joint Committee on Printing publicly. It is our understanding that Senators Sarbanes, Pell, Ford, Tsongas, and approximately a dozen or so others may also have problems with the Sawyer nomination and that several unions may be opposed. It is doubtful that Sawyer and Mathias will ever agree on our efforts to reduce waste in the printing area, but if we can make headway in burying the personal hatchet between the two, it might make things somewhat easier when this nomination goes to the Hill.

Also, Strom Thurmond called to say that he has tried to reach Ed Meese (he knows Meese returned his calls) to recommend William Clinckscales for this GSA position. Thurmond says that Jerry Carmen recommended Clinckscales and that the President had praised him during the campaign. Thurmond is aware that Sawyer is the leading contender for the job, but thinks that Clinckscales would be better.



TOM LOEFFLER  
21ST DISTRICT, TEXAS

CHIEF DEPUTY WHIP

ALAN M. KRANOWITZ  
ADMINISTRATIVE ASSISTANT

ROOM 1212  
LONGWORTH HOUSE OFFICE BUILDING  
(202) 225-4236

COMMITTEE ON  
APPROPRIATIONS

SUBCOMMITTEES:  
MILITARY CONSTRUCTION  
INTERIOR

COMMITTEE ON  
THE BUDGET

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

November 30, 1983

The Honorable Mark W. White, Jr.  
Governor  
State of Texas  
Austin, Texas 78701

Dear Mark:

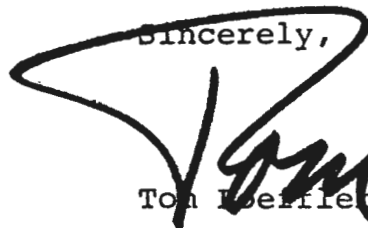
I know you share my great pleasure that President Reagan has signed into law the legislation which contains provisions to release the damaged grain stored in the Panhandle to our Texas ranchers.

Since you and I both agree that time is of the essence, I urge that State Agriculture Commissioner Hightower, who has been such an active voice in this whole process, move immediately to provide free transportation of the grain from the storage depots to the drought-stricken areas. The Federal Government has done its share and I believe it is now time for the State to ante up. //

I look forward to working with you as we achieve a happy conclusion to this long, hard-fought battle to secure necessary drought assistance for West Texas.

With all best wishes.

Sincerely,



Tom Loeffler

TL:akm

THE WHITE HOUSE

WASHINGTON

November 29, 1983

MEMORANDUM FOR KENNETH M. DUBERSTEIN

THRU: M. B. OGLESBY, JR. *for*

FROM: DAVID L. WRIGHT *DW*

SUBJECT: de la Garza (D-Texas) Impact on Dairy Bill

As you know Kika de la Garza (D-Texas) sent the President a telegram requesting a meeting on the dairy bill (H.R. 3385). He currently is attending a dairy convention in San Francisco and is unable to get transportation back to Washington, D.C. in time for the scheduled meeting. However, in conversation he asked that the following points be brought to the President's attention:

1. "Partisan Democratic politics argue for a veto."
2. "But it (H.R. 3385) will save money in dairy and has important tobacco, drought and egg promotion provisions."
3. "Everything we have in there (H.R. 3385) was cleared by Agriculture."
4. "I think we could override--or at least come pretty close to it."
5. "The President should sign the bill."

*Wright*

THE WHITE HOUSE  
WASHINGTON

November 21, 1983

MEMORANDUM FOR ED MEESE  
✓ JIM BAKER  
DAVE STOCKMAN  
JACK BLOCK

FROM: KEN DUBERSTEIN *Ken D.*

Attached is a letter from Howard Baker accompanying a letter from several other Senators urging that the President sign the Dairy/Tobacco bill. Wanted to call it to your immediate attention.





UNITED STATES SENATE  
OFFICE OF THE MAJORITY LEADER  
WASHINGTON, D. C.

HOWARD H. BAKER, JR.  
TENNESSEE

November 17, 1983

Dear Mr. President,

The Conference on the Dairy and Tobacco Adjustment Act of 1983 has been completed and will be considered this session of Congress.

Enclosed is a copy of a letter by Senator Helms in support of this legislation and I urge your signature on this measure.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Baker", written in a cursive style.

The President  
The White House  
Washington, D.C. 20500

JESSE HELMS, N.C., CHAIRMAN

BOB DOLE, KANS.  
RICHARD G. LUGAR, IND.  
THAD COCHRAN, MISS.  
RUDY BOSCHWITZ, MINN.  
ROGER W. JEPSEN, IOWA  
PAULA HAWKINS, FLA.  
MARK ANDREWS, N. DAK.  
PETE WILSON, CALIF.  
ORRIN G. HATCH, UTAH

WALTER D. HUDDLESTON, KY.  
PATRICK J. LEAHY, VT.  
EDWARD ZORINSKY, NEBR.  
JOHN MELCHER, MONT.  
DAVID H. PRYOR, ARK.  
DAVID L. BOREN, OKLA.  
ALAN J. DIXON, ILL.  
HOWELL HEFLIN, ALA.

# United States Senate

COMMITTEE ON  
AGRICULTURE, NUTRITION, AND FORESTRY  
WASHINGTON, D.C. 20510

November 17, 1983

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

Congress is now considering the Conference Report to accompany H.R. 3385, the Dairy and Tobacco Adjustment Act of 1983. This legislation is vital to the interests of America's farmers, taxpayers, and consumers, and we encourage you to approve it without delay.

Congress has worked for more than two years to develop a program which will reduce dairy production while minimizing dislocation in the dairy industry. The dairy provisions in H.R. 3385 represent a bipartisan solution which will address the surplus problem and save consumers and taxpayers money when compared to current law.

Included in the dairy provisions is a 50-cent reduction in the price support level which will occur on December 1 if the bill is enacted this month. It represents the first time that Congress has passed an effective reduction in the price support level since 1949, and we can assure you, Mr. President, that was not an easy thing for Congress to do.

To further induce market orientation in the dairy industry, the bill will stimulate demand for milk through a nationwide dairy promotion program paid for by an assessment on farmers. This legislation will allow dairy farmers to combine resources to provide the funds necessary to promote their product in a very competitive marketplace.

While the legislation does include a temporary paid diversion program, such a program is necessary if we want to quickly reduce milk production, and thus government purchases of surplus dairy products, and minimize government expenditures,

The President  
November 17, 1983  
Page 2

without suddenly pulling the rug out from under farmers. If the diversion program does not succeed in reducing government purchases to certain levels specified in the law, authority is provided for the Administration to make further reductions of up to \$1.00 in the price support level.

In addition to these desirable improvements in overall dairy policy, perhaps the most compelling reason to enact this legislation is that the continuation of present law will prove to be substantially more costly. The compromise program provided for in H.R. 3385 will result in outlays of \$5.1 billion over the next four years, while present law will cost taxpayers \$6.2 billion over the same period. The point is, Mr. President, that this bill saves \$1.1 billion at a time when no opportunity to reduce Federal spending should be neglected.

What's more, savings for consumers are even more substantial with enactment of H.R. 3385. Current law mandates that the Federal milk support price be increased by 95 cents to \$14.05 per hundredweight on October 1, 1984. As a result of this mandated increase, and others provided for in the underlying permanent law scheduled to go into effect on October 1, 1985, consumers would be saddled with what the Office of Management and Budget estimates to be an additional \$3.74 billion in costs for dairy products over the next four years.

Finally, it must be emphasized that dairy farmers are not to blame for the overproduction in their industry. They have simply responded to the strong incentives to produce mandated by the government in 1977 when the dairy price support was increased and tied to a formula keyed to inflation. The onerous \$1.00 assessment provided for in 1982 to offset the high price support level seems more punitive than effective, because the assessments collected to date have not reduced production. In fact, many analysts believe that the assessment has served to increase production as farmers have added to their volume to generate sufficient cash flow to cover the additional costs of the assessment.

In short, H.R. 3385 overcomes dairy policy problems in a way that minimizes the adverse impact on farmers who were simply responding to government incentives to produce. It

The President  
November 17, 1983  
Page 3

restores market sensitivity to the dairy price support program. It provides for additional reductions in the price support if government purchases don't decline, and it will encourage more consumption through the use of promotional advertising paid for by farmers.

The bill is not perfect, by any means. But it gets us to an effective and responsible national dairy policy, and does so in a way that is fair to the taxpayers in that it will cost \$1.1 billion less than current law over the next four years; it is fair to consumers because it reduces their costs by \$3.7 billion over current law during the same period; and, it is fair to farmers because it will allow them 15 months to adjust to the market sensitive conditions that were disrupted by the government in the first place.

We are certain you will find the other provisions of H.R. 3385 acceptable, and urge you to sign it without delay.

Sincerely,

Walter D. Huddell  
Jesse Helms

Bob Dole

Strom Thurmond  
Pete Kastor

Jeremiah Denton

Phil Collins

Butterfield

Paul Hare

Fred Boschwitz

Orl Bar

John P. East

THE WHITE HOUSE

WASHINGTON

November 16, 1983

MEMORANDUM FOR THE PRESIDENT

FROM: KEN DUBERSTEIN *Ken D.*  
SUBJECT: Tuition Tax Credit Vote

The Senate voted earlier today, 59-38, in favor of tabling the tuition tax credit legislation as an amendment to H. J. Res. 290, a minor tariff bill. We supported a "no" vote.

The vote is attached.

cc: ✓ Jim Baker  
Ed Meese

Republicans who voted "no"

Armstrong \*  
D'Amato  
Danforth  
Denton  
Dole  
Durenberger  
East  
Goldwater  
Grassley  
Hatch  
Hawkins  
Hecht  
Helms \*  
Humphrey \*  
Jepsen \*  
Kasten  
Laxalt  
Lugar  
McClure \*  
Murkowski  
Packwood  
Quayle  
Roth  
Stevens \*  
Symms  
Tower  
Trible  
Wallop  
Wilson

---

Total: 29

Democrats who voted "no"

Bradley  
DeConcini  
Dixon  
Huddleston  
Johnston  
Long  
Moynihan  
Proxmire  
Zorinsky

---

Total: 9

\* Re-election efforts in 1984

Republicans voting to table

Abdnor  
Andrews  
Baker  
Boschwitz \*  
Chafee  
Cochran \*  
Cohen \*  
Domenici \*  
Evans  
Garn  
Gorton  
Hatfield \*  
Kassebaum \*  
Mathias  
Mattingly  
Nickles  
Percy \*  
Pressler \*  
Rudman  
Simpson \*  
Specter  
Stafford  
Warner \*  
Weicker

---

Total: 24

Democrats voting to table

Baucus  
Bentsen  
Biden  
Bingaman  
Boren  
Bumpers  
Burdick  
Byrd  
Chiles  
Dodd  
Eagleton  
Exon  
Ford  
Glenn  
Hart  
Heflin  
Hollings  
Inouye  
Kennedy  
Lautenberg  
Leahy  
Levin  
Matsunaga  
Melcher  
Metzenbaum  
Mitchell  
Nunn  
Pell  
Pryor  
Randolph  
Riegle  
Sarbanes  
Sasser  
Stennis  
Tsongas

---

Total: 35

Not voting: Heinz  
Thurmond \*  
Cranston

\* Re-election efforts in 1984

THE WHITE HOUSE

WASHINGTON

November 16, 1983

MEMORANDUM FOR JAMES A. BAKER, III

THRU: KENNETH M. DUBERSTEIN *K.M.D.*  
FROM: M. B. OGLESBY, JR. *for*  
DAVID L. WRIGHT *aw*  
SUBJECT: IMF CALLS

As you know, the Administration has reached an agreement with key Congressional leaders on a combined funding package for the International Monetary Fund, the Export-Import Bank, multinational development banks and domestic housing programs. It is hoped that this package will be added as a Senate amendment to the House-passed Omnibus Supplemental Appropriation bill; and it is anticipated that a vote on the package amendment could occur in the House as early as Thursday, November 17, 1983.

On August 3, 1983 the House passed combined IMF/Export-Import Bank/multinational development bank authorizing legislation by a narrow 217 to 211 vote. Seventy-two of those voting for the bill were Republicans; and we need to ensure that at least as many Republicans vote for the revised package in order to ensure victory. To that end, it is requested that you make the following calls prior to mid-afternoon on Thursday, November 17, 1983:

Dick Cheney is a third term Republican from Wyoming (At Large). He serves on the House Interior Committee and is Chairman of the House Republican Policy Committee. Dick voted for the IMF authorization on August 3, 1983 but presently is opposed to the revised package. He has cited particular concern with (1) the procedure by which the package is to be considered in the House (i.e., a Senate amendment to another bill not itself subject to amendment), and (2) the addition of the housing component (he voted against the HUD Appropriation Conference Report). With Dick it is vital to stress his leadership position and the great importance the President places on the IMF quota increase.

Joe Skeen is a second term Republican from New Mexico's 2nd District (Picacho). He serves on the House Agriculture Committee and the House Science & Technology Committee. Joe voted for the IMF authorization on August 3, 1983 but he is reported to be undecided on the revised package due to the level of Home District criticism he received after casting that vote. Joe also voted against the HUD Appropriation



Conference Report on June 29, 1983, and he is reported to be concerned about the housing component of the revised IMF package. It is felt that a direct expression of Presidential concern will help firm up Joe's position.

THE WHITE HOUSE

WASHINGTON

November 7, 1983

MEMORANDUM FOR JIM BAKER

FROM: KEN DUBERSTEIN *KD*

As you know, Senator and Mrs. Stevens have been scheduled to join the Presidential party to Alaska tomorrow. In light of the DoD appropriations bill being considered on the Senate floor tomorrow, the Senator has had to cancel his plans to travel to Alaska. He was scheduled to introduce the President at Elmendorf AFB.

*① \** I strongly recommend that the President mention in his opening remarks that the Senator was unable to attend because he is managing completion of the DoD appropriations bill -- and that he also mention the good work that the Senator is doing for all of us in Washington.

Thanks.

cc: Dick Darman

*② Talk to RA  
re KD + B. Oglesby  
Dec. 1.  
announce at Leadership  
mtg on 11/16*

Received SS

1983 NOV -1 PM 11: 19

THE WHITE HOUSE  
WASHINGTON

November 1, 1983

*Amen!*  
*R.R.*

MEMORANDUM FOR THE PRESIDENT

FROM: KENNETH M. DUBERSTEIN *Km D.*

I want to call to your attention a letter being circulated by Senator Bill Roth (R-Delaware) in opposition to Bob Dole's deficit-reduction package. In short, Bill argues that the Dole plan contains mostly illusory savings on the spending side and real increases on the tax side. He makes a compelling case.

# United States Senate

WASHINGTON, D. C. 20510

October 29, 1983

## DOLE DEFICIT PACKAGE CONTAINS ILLUSORY SAVINGS

Dear Colleague:

Our colleague, Bob Dole, recently unveiled a plan designed to reduce the federal deficit. Although Senator Dole's motives are commendable, the fact is that his program contains mostly illusory savings on the spending side but very real and permanent increases on the tax side. I hope you will take a very close look at the Dole plan because I am convinced that when you do you will be constrained, as President Reagan and I am, to oppose it.

The package, if enacted, would require \$38.4 billion in mandated tax increases and could go as high as \$53.8 billion in tax increases if the powers given to the President are fully implemented. He attempts to balance this program with \$60.4 billion in supposed spending reductions. A close study of this spending package indicates that the spending savings are substantially less than the real tax increases.

Let me delineate some of the real problems of the Dole proposal:

1. The plan includes \$12.4 billion in directed measures. The fact is, however, that over \$9 billion of this amount has already been recommended by my Governmental Affairs Committee and is not dependent on this package.
2. The proposal uses as its baseline the First Concurrent Budget Resolution, which is fully \$32 billion above the President's budget request. Thus, the \$10.3 billion savings he attributes to enacted or pending measures really isn't a "reduction" at all; rather, we are just slowing the amount of increase proposed by the Congressional Budget Resolution.
3. In this package \$7.9 billion is attributable to cuts in programs, such as AFDC and child nutrition. In the First Budget Resolution Congress already indicated its support for these programs. Yet the plan has the audacity to suggest that "these savings are the Administration's responsibility to veto and sustain..."

Only a magician could pull these savings out of the Congressional hat.

4. An additional \$23.8 billion in savings is attributable to new Temporary Emergency Control Powers given to the President. In order to achieve these savings, the President would have to cut Social Security and military and civilian COLAs 2½ percent in an election year while at the same time scrapping part of his tax indexing program. These savings are further conditioned upon Congress approving such cuts, which is highly doubtful.

5. The \$6 billion savings on debt service is highly speculative. It could only occur if the other savings are made.

Only one thing is for certain in this package -- taxes are going up dramatically.

Depending on the use of emergency powers, between \$25.2 billion and \$34.3 billion in new taxes will fall on the middle class, including \$6.2 billion in taxes on personal savings. At least 11 of the tax provisions directly hit the middle class. In addition, at least \$16.5 billion in new taxes fall on business.

One final but very important note -- the proposal substantially modifies the impoundment and rescission powers of the Congress by allowing the President to withhold appropriated funds. These issues are beyond the jurisdiction of the Finance Committee, and should be properly referred to other Senate Committees that have the appropriate jurisdiction. If this legislation is allowed to proceed, we will be well on the road to a serious breach of Committee responsibility.

In summary, the Dole plan lures us through doubtful spending changes into adopting a massive tax increase bill. In 1982, we were promised that for every dollar of taxes raised, we would cut spending by three dollars. Instead, we have raised spending by as much as \$1.14 for every dollar of taxes raised.

Let's not make the same mistake twice.

Sincerely,



William V. Roth, Jr.  
U. S. Senate

# Roll Call Vote

Legislative  
~~Executive~~

NO.

330

+ Baker  
Drew

SUBJECT

H.J. RES. 308

YEAS		NAYS
	Abd. or.....	
	Andrews.....	
	Armstrong.....	1
	Baker.....	
	Baucus.....	
	Bentsen.....	
	Biden.....	
	Bingaman.....	
	Boren.....	2
	Boschwitz.....	
	Bradley.....	
	Bumpers.....	
	Burdick.....	3
3	Byrd.....	
	Chafee.....	
4	Chiles.....	
5	Cochran.....	
	Cohen.....	
	Cranston.....	
	D'Amato.....	
	Danforth.....	
	DeConcini.....	4
	Denton.....	
	Dixon.....	5
	Dodd.....	
6	Dole.....	
	Domenici.....	
	Durenberger.....	
	Eagleton.....	
	East.....	
7	Evans.....	
	Exon.....	
	Ford.....	
	Garn.....	
	Glenn.....	
	Goldwater.....	6
8	Gorton.....	

	Johnston	16	
10	Kasten		
	Kennedy		
	Lautenberg		
	Laxalt		
	Leahy		
	Levin		
	Long		
	Lugar		
11	Matthias		
	Manningly	17	
	McClure		
	Melcher	18	
	Metzenbaum	19	
	Mitchell		
	Moynihan		
	Murkowski		
	Nickles		
	Nunn	20	
	Packwood		
	Pell		
	Percy		
	Pressler	21	
	Proxmire	22	
	Pryor	23	
	Quayle	24	?
	Randolph		
	Riegle	25	
12	Roth		
	Rudman	26	
	Sarbanes		
	Sasser		
	Simpson		
	Specter		
	Stafford		
13	Stennis		
	Stevens		
	Symms	27	
14	Thurmond		
	Tower	28	
	Trible	29	
	Tsongas		
	Wallop	30	out
	Warner	31	
	Weicker		+

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

November 1, 1983

TO: JIM BAKER  
THRU: KEN DUBERSTEIN *Ken D.*  
FROM: PAM TURNER *P*  
SUBJECT: Senate Vote on Debt Limit Bill

Per your conversation with Howard Baker, attached is the roll call on the Debt Limit in the Senate. I have circled the Republicans who voted against passage.

For easier reading, I have attached a copy of the same roll call vote as it appeared in the Congressional Record.



**SEVERAL SENATORS. Vote. Vote.**

Mr. BAKER. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I urge Senators not to leave until this vote is over. This is perhaps the last vote.

Mr. BYRD. Mr. President, I hope that the clerk will repeat the vote that is cast and the name of the person who casts it.

The PRESIDING OFFICER. The Chair suggests that, for a change, Senators take their seats during the vote. It might help to facilitate things. Please.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from Connecticut (Mr. WEICKER), are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HART), and the Senator from South Carolina (Mr. HOLLINGS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 56, as follows:

**[Rollcall Vote No. 330 Leg.]****YEAS—39**

Abdnor	Evans	Moynihan
Andrews	Garn	Packwood
Bingaman	Glenn	Pell
Bradley	Gorton	Percy
Chafee	Hatfield	Roth
Cochran	Helms	Simpson
Cohen	Kassebaum	Specter
Danforth	Laxalt	Stafford
Dodd	Levin	Stennis
Dole	Lugar	Stevens
Domenici	Marshall	Thurmond
Durenberger	Matsumaga	Tsongas
Eagleton	McClure	Wallop

**NAYS—56**

Armstrong	Hatch	Murkowski
Baker	Hawkins	Nickles
Baucus	Hecht	Numin
Bentsen	Heflin	Pressler
Biden	Helms	Proxmire
Boren	Huddleston	Pryor
Bumpers	Humphrey	Quayle
Burdick	Inouye	Randolph
Byrd	Jepson	Riegle
Chiles	Johnston	Rudman
D'Amato	Kasten	Sarbanes
DeConcini	Kennedy	Sasser
Denton	Lautenberg	Symms
Dixon	Leahy	Tower
East	Long	Trible
Exon	Mattingly	Warner
Ford	Melcher	Wilson
Goldwater	Metzenbaum	Zorinsky
Grassley	Mitchell	

**NOT VOTING—5**

Boschwitz	Hart	Weicker
Cranston	Hollings	

So the joint resolution (H.J. Res. 308) was not passed.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I enter a motion to reconsider the vote by which House Joint Resolution 308 was defeated.

Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. There is no business pending before the Senate.

**ROUTINE MORNING BUSINESS**

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past the hour of 11:45 p.m. in which Senators may speak.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I want to thank my colleagues; I am not certain what for at this moment.

But I think now, with the motion to reconsider, we may be able to accomplish some of the objectives that some people had as far as some reasonable deficit reduction package, and this may even get the attention of the White House.

Mr. BAKER. Mr. President, I yield to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I thank the majority leader for yielding. I would like to comment briefly on what might happen next, but before I do so I would like to be sure I understand the action of the majority leader. As I understand it, he did not move to reconsider, but entered a motion to reconsider so that he may call up that motion or move to the consideration of a motion to reconsider at some time, but when we come in tomorrow it would not necessarily be the pending business.

Mr. BAKER. The Senator is correct. Mr. ARMSTRONG. Mr. President, then I would like to discuss very quickly, because the hour is late, what may happen.

First, before I do, I want to say that one Member of this body who has served here a long, long time and who has watched this issue be voted on many, many times said that he has seen tonight something that he never really expected to see, and that is the defeat of the debt ceiling bill.

Now, I do not want to exaggerate the importance of what happened, because this is just a way station on the road to the final action and disposition of this measure.

I do not know exactly what is going to happen next, but I will give you three predictions.

First of all, when we get up in the morning, it is not going to be a lot different kind of day than it would have been if we passed this. We are going to discover that all of the dire predictions that the Treasury Department made and others made about the catastrophe that would befall the United

States and the world if we failed to pass this bill by midnight are not going to come true. The processes of Government are not going to grind to a halt; our Army, Navy, and Air Force will continue to defend the country; the bureaucrats will still be on the job; and nothing will expire. As the Senator from Louisiana has pointed out, we simply will not have increased the burden of public debt in this country.

My second prediction is that a lot of Senators who voted against this measure on both sides of the aisle for their own reasons—and we did not all vote that way for the same reason, I recognize that, and every one of us in the Chamber recognizes that—will begin to get telephone calls from persons who are interested in the outcome.

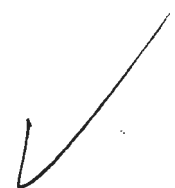
Maybe some of them will be at the other end of Pennsylvania Avenue. I hope that the OMB and others concerned about this matter, our friends at the Treasury Department, will be in touch with us and will be receptive to a discussion of what has transpired. If we play our cards right, let me say to those of us who are interested in the kind of measures of spending restraint and institutional reform that the Senator from Louisiana and others have spoken about, we can get something for our votes.

I have already advertised that my vote is for sale on this issue, that I can be bought on this. My price is very simple: I am prepared, reluctantly, to support an increase in the public debt either upon an amendment which significantly reduces spending or constitutes a measure of institutional reform. All I urge my colleagues as we go home tonight is when you are contacted to find out what it is that it takes to get you on board you will say something of the same kind because if we do by tomorrow, tomorrow afternoon or tomorrow night, or some time very soon, we will get something very worthwhile for our trouble in turning down this bill.

I thank the majority leader for yielding.

Mr. BAKER. Mr. President, I will not take very long. I think what we did tonight was akin to lighting a match to look in the gas tank. I do not think any of us know what will happen next. Maybe it will not happen in the morning or next week, but it will happen sooner or later unless we go to the business of passing a debt limit increase for the orderly functions of the Government to operate. I think, Mr. President, I am aware of the maneuvers going on here. There is nothing appropriate to Members of the Senate if they wish to try to convince the White House or a majority of the Senate that we should use the debt limit bill to try to change the fiscal policy of this Government. But I want to say I will bet you do not succeed. I will bet the only way that is going to happen is if you try to work together

THE WHITE HOUSE  
WASHINGTON



October 29, 1983

MEMORANDUM FOR THE FILE

FROM: KEN DUBERSTEIN *Ken D.*

Thursday afternoon, at Speaker O'Neill's request, Bud McFarlane and I met with Congressman Jack Murtha who had just returned from Beirut. Jack had accompanied P.X. Kelly on his trip to examine security in light of the bombing at the U.S. compound.

Jack had several urgent recommendations:

- 1) Perception that security was adequate at the time of the bombing must be changed promptly. Security wasn't satisfactory and to argue it was is ridiculous and harmful to our overall efforts to keep support in the Congress for continued U.S. participation in the MNF.
- 2) Marines must be allowed to have ammunition in their weapons.
- 3) Rules of engagement too restrictive. ("We're tying the marines' hands behind them and not allowing them even to defend themselves.")
- 4) We must coordinate with Israeli intelligence at ground level.
- 5) Move the marines away from the airport where they are sitting ducks. Make them mobile on the coast, put administrative personnel on the ships, etc., but get as many of the marines as possible out of the airport.
- 6) Let the Israelis, if at all possible, get into the equation.

cc: *✓* Jim Baker  
Dick Darman

THE WHITE HOUSE  
WASHINGTON



October 29, 1983

MEMORANDUM FOR JIM BAKER

FROM: KEN DUBERSTEIN *Ken D.*

I'm told Ken Dam said in testimony this week before the Senate Foreign Relations Committee that it is extremely unlikely that the War Powers Act will become an issue because we don't envision staying in Grenada 60-90 days.

Defense, on the other hand, is now saying we may have to stay there indefinitely (or at least for an extended period) to keep the Cuban forces from reoccupying the Island.

The longer we stay the more opposition will grow in the Congress to our decisions to send in the troops. Right now we're in relatively good shape on the Hill on Grenada but that doesn't mean there's a hell of a lot of support or patience for U.S. troops remaining in Grenada for a lengthy stay.

THE WHITE HOUSE  
WASHINGTON

October 29, 1983

MEMORANDUM FOR JIM BAKER  
ED MEESE  
BUD MC FARLANE  
DICK DARMAN

FROM: KEN DUBERSTEIN *KD.*

Attached, for your information, is a copy of the War Powers Resolution on Grenada that was adopted by the House Foreign Affairs Committee on a vote of 32-2.

*Scheduled for House floor action  
tentatively on Monday.  
We cannot defeat it on  
the House floor.*

~~OCTOBER 26, 1983~~

98TH CONGRESS  
1ST SESSION

H. J. RES. 402

IN THE HOUSE OF REPRESENTATIVES

Mr. ZABLOCKI (for himself \_\_\_\_\_),  
introduced the following joint resolution; which was  
referred to the Committee on \_\_\_\_\_

JOINT RESOLUTION

Declaring that the requirements of section 4(a)(1) of the War Powers Resolution became operative on October 25, 1983, when United States Armed Forces were introduced into Grenada.

- 1 Resolved by the Senate and House of Representatives of
- 2 the United States of America in Congress assembled, That for
- 3 purposes of section 5(b) of the War Powers Resolution, the
- 4 Congress hereby determines that the requirements of section
- 5 4(a)(1) of the War Powers Resolution became operative on
- 6 October 25, 1983, when United States Armed Forces were
- 7 introduced into Grenada.

Show JAB



THE WHITE HOUSE  
WASHINGTON

October 26, 1983

MEMORANDUM FOR JAMES A. BAKER III/MIKE DEEVER

THRU: KEN DUBERSTEIN *K.D.*  
FROM: M. B. OGLESBY, JR. *MB*  
DAVID L. WRIGHT *DW*  
SUBJECT: Congressman Carl Pursell (R-Michigan) St. Lawrence Seaway Proposal

Following up on Carl Pursell's (R-Michigan) September 22 letter to the President, we invited Carl to brief Jack Svahn and Connie Horner (OMB) on October 25 in the Roosevelt Room on his proposal to modernize the St. Lawrence Seaway.

The briefing was productive from our standpoint. While a number of questions were raised regarding the cost and feasibility of the proposal, it clearly offers great appeal to Representatives and Senators in the Mid West. In addition, 1984 marks the 25th anniversary of the Seaway; and a joint British-Canadian-American celebration apparently is in the works.

Without prejudicing our position on Carl's proposal, Jack Svahn offered to pursue the possibility of setting up an Administration working group on the Seaway. We see alot of merit in the working group or task force approach; and we think careful thought should be given to possible Presidential participation in next year's festivities. Our only cautions are that (1) Gulf state and Eastern seaboard Congressmen and Senators may have reservations about further development of the Seaway on the basis of concerns regarding their competitive access to foreign markets; and (2) we need to be certain that the American economy would benefit equitably with respect to the Canadian economy under any proposal we might eventually endorse.

cc: Jack Svahn  
Connie Horner

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

JAB  
FYI  
Ken D.

October 24, 1983

TO: KEN DUBERSTEIN

FROM: NANCY KENNEDY *NK* *KMD*

SUBJECT: Commission on the Bicentennial of the Constitution

Due to confusion here in the East Wing, and in Personnel, Lynne Cheney was on the list as a potential appointee to the Commission on the Bicentennial of the Constitution.

After talking to Dick Cheney, I advised Personnel that she wants a fulltime staff position. The file has been so noted.

The actual Commission membership will not go to the President until a ruling is received from Counsel's office on Members of the House and Senate serving, and the lists of recommendations received from the Speaker and Thurmond or Baker. B advises the House list will be here shortly, and I have a call into Hildenbrand. After sign-off, the full field FBI must be done. I'm assuming we will not be ready to announce the Commission membership until the first of the year. At such time, staff selections will be made. I will keep in touch with Personnel on Lynne.

cc: B Oglesby  
Barbara McQuown  
Katherine Bidell

THE WHITE HOUSE

WASHINGTON

October 22, 1983

MEMORANDUM FOR JIM BAKER  
MIKE DEEVER

FROM: KEN DUBERSTEIN *K.D.*

SUBJECT: President's Stop in Alaska  
November 8, 1983

To supplement my earlier memo of October 20 requesting seats for Senator and Mrs. Stevens on Air Force I from Washington to Alaska, I now need to request -- if at all possible -- four additional seats for Senator and Mrs. Murkowski and Congressman and Mrs. Young.

It would really be useful to us if this request could be accommodated, though I realize that space is very tight.

Thanks.



THE WHITE HOUSE  
WASHINGTON

October 21, 1983

MEMORANDUM TO JAMES A. BAKER III  
THRU: KEN DUBERSTEIN *Ken D.*  
FROM: M. B. OGLESBY, JR. *MB*  
SUBJECT: CONGRESSMAN MICKEY EDWARDS (R-OKLAHOMA)

Congressman Mickey Edwards (R-Oklahoma) called regarding the Washington Times "Baker for Kirkpatrick at UN" story. Mickey, who favored Kirkpatrick for NSC, was pleased when I told him the story was without foundation.

Mickey said it would be a tragic mistake for you to leave as Chief of Staff.

THE WHITE HOUSE

WASHINGTON

October 20, 1983



MEMORANDUM FOR JIM BAKER  
MIKE DEEVER

FROM: KEN DUBERSTEIN *K.D.*

SUBJECT: President's Stop in Alaska  
November 8, 1983

I recognize that space on Air Force I will be very tight for the trip to the Far East but, nevertheless, would like to request seats for Senator and Mrs. Stevens for the leg of the trip from Washington, D.C. to Alaska. It would mean a great deal to the Senator to travel with the President and I would greatly appreciate if the Senator's request could be accomodated.

Thanks.

THE WHITE HOUSE  
WASHINGTON

October 20, 1983

MEMORANDUM FOR JIM BAKER  
ED MEESE

FROM: KEN DUBERSTEIN *Ken D.*

Thought you'd want to see what the Democratic Congressional Campaign Committee and the Democratic National Committee are putting out these days on (1) Medicare/Medicaid and (2) children. Also attached is an RNC analysis and rebuttal of the DNC "children" letter.

cc: Dave Gergen  
Dick Darman  
Jack Svahn  
M. B. Oglesby, Jr.  
Pam Turner  
Nancy Risque

Thomas P. O'Neill, Jr.  
Speaker of the House

Dear Friend,

Hardly an American could have missed the enormous battle waged here in Washington earlier this year to save the Social Security system. And when Congress placed this all-important program on a sound financial foundation for future generations, headlines and TV reports proclaimed "Social Security Saved!"

Well, sad to say, the battle is not yet over.

What millions of Americans do not realize is that our battle to ensure the health and economic security of older Americans is only half-won. Because without adequate health care insurance, the economic protection that Social Security provides to millions of elderly people is hollow and meaningless.

And right this moment, my Democratic colleagues and I are in the midst of a crucial fight to block the Reagan Administration and New Right Republicans from callously slashing the benefits and services of what is literally the life's blood of our elderly -- Medicare and Medicaid.

We are vehemently opposed to their vicious proposed cuts. And I am personally appealing to you to enlist your immediate help in preventing Medicare and Medicaid from being gutted. Just as the Democratic-controlled House prevented the Reagan Administration from destroying Social Security, we must now save Medicare and Medicaid. And I urge you to help us right now, by making a contribution to the Democratic Congressional Campaign Committee's CAMPAIGN TO SAVE MEDICARE/MEDICAID.

If you could see some of the letters I receive from older Americans throughout the country, I am sure you would be as appalled as I am with the stories all too many of them tell.

Here are honest, upstanding citizens, who have worked hard -- many even fought hard in our nation's wars -- to keep America strong. They have given this great country their entire lives. Their only crime is that they have gotten old and sick.

(over, please)

Democratic Congressional Campaign Committee  
400 North Capitol Street, N.W., Washington, D.C. 20001

Not printed or mailed at government expense.

Some letters cry out how, even under current Medicare and Medicaid programs, critical health needs go untreated ... an 80-year-old woman needs eyeglasses, but the fuel bill is overdue ... a grandfather needs a heart operation, but cannot have the operation and pay his rent.

And with over 30 million people in this country without any medical insurance, the frequency of such tragedies is all too common.

In spite of this, Ronald Reagan and the New Right Republicans advocate a utopian kind of self-responsibility. In their country-club mentality, they seem to think that every American can somehow find the money to pay for enormous medical bills, hospitalization, and physicians' services. And in their ruthless attempt to cut to the bare bones domestic services, they totally ignore the real facts. The average American over age 65 has a total gross yearly income of only \$9,700! The Republicans could not care less that low-income, elderly Americans are already spending at least 16% of their annual income on medical care!

If passed, the Republican plan would substantially increase the financial burden of medical care for older citizens. Reagan has proposed over \$1.9 billion in cuts to Medicare in the 1984 budget. More than 50% would come out of the pockets of the elderly.

I, for one, am not going to stand by silently and let the Republicans add intolerable medical expenses to the budgets of millions of older Americans already struggling just to get by. And I don't think you will stand by either.

That's why I'm writing to ask you to join with me and the Democrats in our CAMPAIGN TO SAVE MEDICARE/MEDICAID.

MEDICARE was first instituted under Democrat Lyndon Johnson in 1967. Medicare fulfilled the earlier commitment of Franklin Delano Roosevelt, who founded Social Security, to provide the security of guaranteed medical health care. Tens of thousands of senior citizens are alive today thanks to advanced medical technologies, such as kidney dialysis, provided through Medicare. But the opportunity for a longer, healthier, and more satisfying life is being denied to many other older Americans because of Reagan's "get tough" attitude toward older citizens.

As soon as Ronald Reagan took office, he attacked Medicare by cutting millions of dollars in funding and by asking low-income elderly citizens to pick up the burden of even heavier medical expenses.

(next page, please)

If Reagan gets his way, hospital costs alone for the aver. older American would increase more than 80% in just one year!

MEDICAID was first proposed when Democrat John F. Kennedy president and later passed into law by Democrat Lyndon B. Johns Medicaid took an enormous burden from families who were faced w the need to provide long-term residential care for elderly pare

But once again, President Reagan and his New Right politic. allies have taken the budget axe to Medicaid during the last two years.

Reagan's 1984 budget proposes over \$250 million in cuts to Medicaid. Over three-quarters of these cuts would have to be pa for out of the pockets of all Medicaid recipients.

These Republican budget cuts would be as catastrophic to ou: nation's elderly as the original Reagan proposals to gut Social Security. And just as we fought off those attacks together, we must now save Medicare/Medicaid.

Over the years it has been the Democratic Party that has guarded Social Security, Medicare, Medicaid, and other critically needed programs.

With the health and economic security of millions of older Americans under attack by the Reagan Administration, we Democrats have set as our number one priority the goal of saving Medicaid and Medicare.

And believe me, there's a lot at stake for all of us. Medi- care and Medicaid together account for over \$80 billion a year in federal health care expenditures.

Members of your family have probably already benefited great from these two programs which pay for a large part of their hospi- zation, their physicians' fees, and medical necessities, such as prescription glasses and wheelchairs.

With so much at stake for all of us, here's our battle plan for our CAMPAIGN TO SAVE MEDICARE/MEDICAID.

1. First, the political staff of the Democratic Congressional Campaign Committee has started working up strategies to guarantee the election of a Democratic House in 1984 that wil stand for, work for, and fight for strong and improved progra in both Medicare and Medicaid.

(over, please)

2. Next, Democratic leaders in the House are scheduling a series of hearings on the future of Medicare and Medicaid. But we are also going to appear on radio and TV talk shows and write editorials for the newspapers. We intend to make the survival and improvement of Medicare and Medicaid a top political issue in the 1984 elections.
3. Third, we must bring our battle to save Medicare/Medicaid into the homes of millions more Americans like you -- people who need care; people who will not turn their backs on the nation's elderly.

We must seek their help through letters like this one asking for their personal support in making our CAMPAIGN TO SAVE MEDICARE/MEDICAID one of the very top issues of the coming campaign. And we must also urge their financial support to make sure Democrats are victorious.

Believe me, the ballot box is the most important weapon we have against those who would destroy or weaken health care services for older Americans.

But to elect and reelect candidates who will champion the defense of Medicare and Medicaid will not be easy. Nor will it be cheap.

In the 1982 midterm elections, the three Republican campaign committees outspent the Democratic committees by nearly 8 to 1. Their spending, in fact, was the largest in the annals of American politics. And their immense financial influence threatens to destroy our two-party system of government.

Of course I know we Democrats can never match them dollar for dollar. The Republican Party has always been and will always remain the party of wealth and privilege.

But to defend the future of Medicare and Medicaid on which so many older Americans critically depend, you and I must close the money gap. Next November we must be able to send to Washington more Democrats who will stand up and fight for health care services for older Americans.

But we face heavy opposition. The Republicans, now in control of both the Senate and the White House, will spend lavishly to gain control of the House ... the last remaining governmental opponent of their cruelly indifferent public policy for our older citizens.

You and I must not turn our backs on millions of older Americans who have planned their retirement and their monthly budgets on their trust in the good faith and commitment of our federal government.

(next page, please)

Just as Americans have a legitimate right to expect their monthly Social Security checks, so they have an equally legitimate right to expect that their government will continue to protect them against the high costs of hospitalization, surgery, and the long-term care required after a devastating illness.

Growing old and getting sick is a natural part of life. Citizens should not be penalized and burdened with medical bills beyond their ability to pay.

But unless we act now, the Republicans following President Reagan's lead will penalize and burden older Americans for the natural and inevitable results of aging and illness.

The only way you and I can make sure that insensitive politicians do not undermine or dismantle Medicare and Medicaid is to elect Democrats who will stand for, work for, and fight for a strong, secure health program for older Americans.

We need Democrats in the House of Representatives who will place Medicare and Medicaid at the top of their list of priorities -- not at the bottom.

As Speaker of the House, I know from firsthand experience that the threats to Medicare and Medicaid are real and imminent!

I urge your help in our CAMPAIGN TO SAVE MEDICARE/MEDICAID.

Your emergency membership contribution today of \$15, \$20, \$25 or more will help us launch this campaign and win this fight.

I am doing all I can every day to protect the health needs of older Americans. But more help is urgently needed now. Please let me know that the Democrats in the House of Representatives can count on your help in this battle to save and improve Medicare and Medicaid services and benefits.

Age and illness befall every one of us. And that's why the stakes are so enormously high for every one of us.

Sincerely, ..



Thomas P. O'Neill, Jr.  
Speaker  
U.S. House of Representatives



RUSH: CAMPAIGN TO SAVE  
MEDICARE/MEDICAID

Business Reply Mail  
First Class Permit No. 11372. Washington, D.C.

Postage will be paid by addressee.

Speaker Thomas P. O'Neill, Jr.  
Democratic Congressional Campaign Committee  
P.O. Box 57090  
Washington, D.C. 20037

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## Campaign to Save Medicare/Medicaid

---

I want to help stop the Republicans from gutting critically needed health assistance programs for millions of older Americans . . .

 Not printed or mailed at government expense.

Only the Democratic majority in the House of Representatives was able to protect and save Social Security from Republican attacks. Now it's time for the same Democratic majority to stop the Republicans from taking their budget axes to Medicare and Medicaid.

That's why I'm making my emergency membership contribution to the Democratic Congressional Campaign Committee. Put my gift to work now to elect a strong Democratic majority to the House who will stand up and fight for adequate health care services.

My membership contribution is enclosed for:

\$15     \$20     \$25     \$35     \$50     \$75     \$100     Other \$ \_\_\_\_\_

Please make your check payable to the DCCC and mail with this form to P.O. Box 57090, Washington, D.C. 20037

---

Charles I. Manatt  
Chairman

August 16, 1983

Miss Beatrice Foster  
604 7th St Southwest  
Washington Dc 20024

LET'S TELL  
RONALD REAGAN  
TO PICK ON  
SOMEONE  
HIS SIZE!

Dear Miss Foster:

I want you to know how very important your monthly gifts are. Your support will help us let this country know how much damage Ronald Reagan is doing.

For instance, Mr. Reagan has written off the future of more than 10 million American children. And kids like Joey have no way to defend themselves.

Last August, Joey was found alone on an elevator in a Philadelphia office building. He was clean and seemed well cared for, and carried only a hand-lettered sign saying: "14th floor -- DPW."

He knew how old he was -- three. And he knew his first name, but not his last. He didn't know where he lived. He had been abandoned, and he was scared.

It took more than a week for local police to locate Joey's mother. A frightened, despondent victim of President Reagan's economic policies, she had no place to live and no money to care for Joey. In her desperation, she took him to the one place she felt he would be warm and cared for.

The Protective Services workers were able to place Joey in a foster home and are helping his mother find a place to stay. They also are trying to deal with a 50-percent increase in abandonment cases over the last year -- dozens of new children each month, who suffer from the hopelessness and despair that the Reagan administration has laid on their tiny shoulders.

Miss Foster, I can't begin to tell you how much damage the present administration is doing to our most precious resource -- the children who represent our future.

Try to imagine the heartache of a single mother who has no alternative but to leave her two children, ages three and four, in a parking lot, while she works

(over, please)

for money to feed them. And try to imagine the fear and hopelessness that is sown each day in the hearts of those two children. What are they learning about "life, liberty and the pursuit of happiness?"

My friend, the future of our country depends upon the future of our children -- a future that the Republican policies are rapidly destroying. Time is not on the side of these children. Will you vote to save them?

We need bold new national political leadership to repair the damage President Reagan and his people have done to the youngest American generation. So it is urgent that I ask you to help AMERICANS TOGETHER NOW.

One of Reagan's many promises when he was running for President was that he was concerned for individuals, above all, for the people who have fallen on hard times. He said that no unfortunate person would ever be allowed to slip through his "social safety net."

Recently, I looked at the record to see how Ronald Reagan has kept his promises to some of the most important people in our society -- our children.

What I found shocked, saddened, and angered me, and made me fear for the future of this country:

- o More than 10 million children live in poverty in America today -- in households scraping by on \$7,500 or less a year.
- o More than two million youngsters have been plunged into poverty since Reagan took office.
- o Some nine million American kids are growing up today without any medical care. And 30 to 50 percent of all preschool children have never had any inoculation against disease.
- o About two million mentally disturbed children do not get any therapy to help their problem.
- o Another two million handicapped children are not getting an adequate education.

President Reagan knows all this. Yet he has proposed that, over the next four years, the already minimal programs to help poor children be cut even more -- by 21 percent!

During this same period, the Reagan administration's military spending is slated to rise 63 percent -- to \$12 trillion, or \$44 million an hour!

There is one thing about Ronald Reagan -- he's not subtle. He has given us a clear choice. Either we go along with his plans and suffer the consequences, or we begin to turn this country around -- starting now.

President Reagan does not care to help people. He

(next page)

claims he cuts especially when he's running for office -- but his record says something different.

In this richest country in the world, 11,000 youngsters a year still die from the results of poverty. Yet he has kicked 1.5 million children off of public assistance!

In a land where five million people depend upon food stamps to eat, he has trimmed the stamps for four million -- and cut them off altogether for another one million.

He has also cut school lunches for over a million schoolchildren -- for many of them, the only hot meal of the day they get to eat.

So far, the Reaganites have taken \$10 billion from the poor, and want to take \$3.5 billion more. Instead, they want to give that money to the rich and powerful, who are the real Reagan constituency.

With that amount of money, we could supply adequate medical care for every needy pregnant woman in America. We could educate hundreds of thousands of poverty-stricken kids. We could increase the number of school lunches for millions of hungry children, and provide day-care for those with working mothers.

However, all this won't happen until we have a President with a different set of priorities.

Reaganomics does not work:

- o Reagan promised that investments would make American industry a world leader again. But industry has stagnated.
- o He said that business would boom. Yet today's business profits are static.
- o He told us that unemployment would vanish. But almost 11 million people are out of work.
- o Reagan promised a balanced national budget. Yet the federal deficit has now reached a record \$203.1 billion, and is still growing.
- o Reagan said that his economic program would be good for poor people, that profits of an expanding economy would "trickle down." America's children are still waiting.

Time is running out for America. That is why AMERICANS TOGETHER NOW urgently needs your support in the drive to help save our country's impoverished 10 million children, while there is still time.

Unless we succeed now, these youngest Americans

(over, please)

will emerge from a wasted childhood as physically, intellectually, and emotionally impaired adults.

We believe these children have a right to the pursuit of happiness -- a right that is being denied by Reagan's policies.

Miss Foster, we need your help now to replace Ronald Reagan and his people with elected men and women who share our concern and sense of responsibility for America.

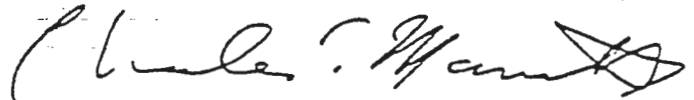
Please, give us the resources to support winning candidates in the crucial 1984 elections -- citizens committed to the well-being of all Americans.

The candidates we propose will not confuse strong national defense with billions spent on questionable military hardware. They will demand equally shared taxes. They will offer plans to get the economy of the country moving again. They will help the children.

To win, America and its children need your vote -- and your help. So please send your monthly gift of \$10 today, to AMERICANS TOGETHER NOW.

Thank you for standing with us.

Sincerely,



Charles T. Manatt

YES, I'll vote to help America's poor children, who can't vote themselves.

(Please complete information requested below.)

Here is my August pledge gift of \$10'.

Here is a special gift of \$\_\_\_\_\_.

I wish to pay by:

Check to AMERICANS TOGETHER NOW

VISA  MasterCard

Number: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

We will accept the reply envelope provided today!

H203C9 00121533

Miss Beatrice Foster  
604 7th St Southwest  
Washington Dc 20024

AMERICANS TOGETHER NOW  
P.O. Box 1800  
Washington, DC 20013

NOV 1984



Republican  
National  
Committee

October 12, 1983

TO: WILLIAM I. GREENER, III  
Director of Communications

THROUGH: PHILIP KAWIOR *PK*  
Director of Research

FROM: S. ANNA KONDRATAS *SK*  
Deputy Director of Research

SUBJECT: "AMERICANS TOGETHER NOW" LETTER

This fund-raising letter from the DNC, over the signature of Chuck Manatt, is a scurrilous and emotionally charged attack which continues the Democratic campaign of trying to smear the Reagan Administration with the pro-rich, anti-poor label. It is probably only one of many such letters to come. Newspaper reports indicate there is already or soon will be a DNC fund-raising letter on hunger. It is fairly clear that the "fairness" issue is the economic issue of last resort for the Democrats, and that we will see much of this type of thing in 1984.

The letter not only grossly distorts facts, but is an ad hominem attack on Ronald Reagan. It is one thing to claim someone's policies hurt children; it is quite another to imply that this is done willfully and with malicious intent.

And, of course, "to help save our country's impoverished 10 million children, while there is still time," the recipient of the letter is requested to send money to the DNC. To the DNC, the "facts" are plain: Ronald Reagan is an evil child-hater, a Simon Legree. The DNC, meanwhile, is practically a charitable organization, on the verge of setting up an orphanage or opening a soup kitchen.

In an address at Liberty Baptist College, Ted Kennedy recently said, "We sorely test our ability to live together if we too readily question each other's integrity." He should have given the lecture at the DNC:

Here are some of the charges the Democrats made in this one letter, and facts to counter them:

CLAIM:

"Recently, I looked at the record...More than 10 million children live in poverty in America today - in households scraping by on \$7,500 or less a year."

FACTS:

Poor Chuck Manatt. He can't even rely on his own research staff. The figures he "recently" looked at date from 1979! By 1980, there were 11.1 million kids in poverty, and the poverty line for a family of four was \$8,414. By 1982, there were 13.1 million poor kids, with a poverty line of \$9,862 for a family of four.

In other words, the Democrats bequeathed this Administration with 11.1 million poor children even after decades of generous social spending. And note that the rate of increase in poverty was not greater under Reagan than in Carter's last years. Since 1979, approximately a million children a year have been added to the poverty population. The cause is not budget cuts, but economic stagnation. Moreover, cuts of in-kind services could not possibly affect the poverty figures because poverty is officially defined on the basis of cash income only!

CLAIM:

"Some nine million American kids are growing up today without any medical care. And 30 to 50 percent of all preschool children have never had any inoculation against disease."

FACTS:

Is this because of poverty? By parental choice? We don't know. The facts are: Medicaid provides health benefits for over 10 million needy children, serving 1 in 6 American children. The 1984 budget provides \$2.8 billion for Medicaid, close to \$1 billion more than in 1980, to serve some 10.5 million children.

And immunization rates are up. In 1980, as few as 91% of kids entering school were immunized. In 1984, an estimated 95-97% will be immunized.

CLAIM:

"...two million handicapped children are getting an inadequate education."

FACTS:

Well, according to President Reagan, most of our school children may be getting an inadequate education, and he is committed to raising educational quality for all. This is not necessarily correlated, however, with how much money is thrown at the problem. The fact is that the states will serve 40,000 more handicapped children in 1984 than in 1983.

CLAIM:

Over the next four years, programs to help poor children will be cut 21%.

FACTS:

Spending in the FY 1984 budget for 10 key programs for needy children is 25% more than 1980 levels - up from \$17.4 billion to \$21.7 billion.

CLAIM:

Over the next four years, military spending will rise 63% - to \$12 trillion, or \$44 million per hour.

FACTS:

In the FY 1984 budget, military authorizations are slated to rise from \$274.1 billion to \$425.2 billion, or 55%, from 1984-88 (which is 5 years, not 4). Outlays are slated to rise from \$238.6 billion to \$377.0 billion, or 58%, over the 5-year 1984-88 period. This amounts to total spending of \$1.8 trillion over 5 years. And this is what the President is requesting, not necessarily what he'll get.

These growth figures are not adjusted for inflation. When adjusted for inflation, defense spending growth will average 6.9% annually over the 1984-88 period.

\$12 trillion??!! In one year? Even if it was spread over what the DNC thinks is four years, that would amount to over \$342 million an hour, not \$44 million, as they claim. (They not only can't do research at the DNC, they also can't do simple arithmetic.)

CLAIM:

1.5 million children were "kicked off of" (sic) public assistance.

FACTS:

AFDC serves 1 in 8 American children. In June, 1980, the AFDC caseload was 3,642,000 cases. In June, 1983, the AFDC caseload was 3,656,000 cases.

1981 changes in AFDC eligibility resulted in 325,000 cases being deemed ineligible for aid. (To total 1.5 million children, each recipient would have to have, on average, 4.6 children). Ineligibility resulted if recipients had an income of more than 150% of the state standard for need. (Each state sets its own need standards.) By removing those on the welfare rolls who could make it on their own, more money was made available for those whose need was greater. As the figures above show, more children are now being served than in 1980.

CLAIM:

"11,000 youngsters a year still die from the results of poverty."

FACTS:

How does one determine with any accuracy a poverty-related cause of death? The Division of Vital Statistics at the National Center for Health Statistics was unable to provide any data to substantiate a claim of that nature.

They did, however, have some other interesting statistics. Infant mortality was 1,260.3 per 100,000 live births in 1980, and was down to 1,124.5 per 100,000 in 1982. Child mortality (ages 1-14) was 39.5 per 100,000 in 1980, and was down to 35.8 in 1982.

The number of deaths of children 1-14 which listed nutritional deficiencies as a cause of death was 12 in 1980. Final figures are not in for 1982, but based on a 10% sample, there were no such deaths in 1982.



**CLAIM:**

Five million depend on food stamps to eat. Four million had their benefits trimmed, and 1 million were cut altogether.

**FACTS:**

Food stamps are available to all families with income below 130% of the poverty line. The number of people receiving food stamps has grown nearly 14 percent since 1980. Twenty-two million people received food stamps in 1983 - the largest number ever. Some 875,000 were made ineligible because they had income above the guidelines mandated by Congress, but this was part of necessary reform to make sure funds are directed where they are most needed.

The amount of federal funds dedicated to Food Stamps has increased about 45% since 1980, rising from \$8.3 billion to \$11.8 billion. Food assistance programs sponsored by the Department of Agriculture cost more than \$18.6 billion, up about 27% since this Administration took office.

From December, 1981, through last spring, DOA distributed an average 19 million pounds of cheese per month. In April, Secretary John Block announced that cheese distributions would be stabilized from 25 to 35 million pounds per month. In addition to cheese, DOA distributes nonfat dry milk, butter, corn meal, rice, flour and honey.

If, as the DNC claims, only 5 million depend on food stamps to eat, why are we giving them to the other 17 million?

**CLAIM:**

School lunches were cut for over a million kids, and this was "the only hot meal for many of them."

**FACTS:**

All children with incomes below 130% of the poverty line continue to receive free school lunches. Reductions were made primarily in subsidies to middle- and upper-income children. According to David Stockman, "When eligibility levels were lowered, the number of reduced-price beneficiaries declined to 1.6 million - but the number of lowest-income children rose to 9.9 million. As a result, there was no overall change in program participation levels for the free and reduced lunch program combined."

About 23 million children are receiving subsidized school lunches. Accusations that lunches were cut for anyone that depended on them for their "only hot meal" are preposterous.

**ADDITIONAL FACTS:**

The Census Bureau reported that one out of every six households in America received benefits under one or more of the following programs in 1981: Medicaid, school lunches, food stamps and public housing. Outlays on these programs far outstrip traditional cash welfare programs, yet none of these benefits are computed in determining the poverty level. Even so, only 47% of the households receiving non-cash benefits in 1981 were below the poverty level. The number of beneficiary households in 1981 was about 30,000 more than in 1980.

Appended to this memo is an excerpt from David Stockman's testimony before the Joint Economic Committee on May 4, 1983, regarding the "fairness" issue and budget cuts which Lyn Nofziger may also find useful, as well as a "Food, Inflation and Fairness" fact sheet. Finally, since the DNC letter also attacks President Reagan's economic policies, I have added some economic talking points.

EXCERPT, DAVID STOCKMAN TESTIMONY, JOINT ECONOMIC COMMITTEE, MAY 4, 1983.

*Whence "unfairness"?*

Why, then, is it asserted that the budget policies of the last twenty-eight months are somehow "unfair?" In my view, Mr. Chairman, there are two main reasons for this misperception.

*The inherent unfairness of the status quo ante*

The first reason is that a widely held premise about low-income programs is strikingly wrong. That premise is that nearly all of the benefits from the better-known programs designated for the poor—food stamps, assisted housing, AFDC and medicaid—go to those at or near the poverty line.

Starting from this premise, it is easy to prove that budget cuts are unfair in syllogistic fashion. If all the funds are going to families in poverty, then any amount less than a full inflation hold-harmless for the program as a whole implies real service and benefit reductions for the poverty population.

However, the plain fact is that, in 1981, fully 42 percent of all dollars expended on low-income benefits went to households which, when that aid was included, had incomes above 150 percent of the poverty level. In the case of housing aid and medicaid, over half of the benefits went to recipients in households with annual incomes at that level or above.

Let me underscore that 150 percent of the poverty level for a family of four in that year was \$13,390—an income at 92 percent of the median annual income of employed workers in 1981.

I am not intending to suggest, Mr. Chairman, that a family of four with a \$14,000 annual income is living in affluent fashion. Rather, the essential point is that, in that

year, there were literally millions of families with that level of income in the United States that received no government assistance whatsoever. Yet through the operation of the income transfer system and its labyrinthine eligibility standards, a significant subset of the working population was singled out to receive government largess.

The most common case was a working mother who, because of prior welfare eligibility when unemployed, continued to receive cash benefits and medical assistance due to the generous income disregards then prevailing under AFDC. In some States, those with incomes well in excess of the minimum wage could continue to qualify for aid provided that they had previously qualified for aid. As a result, two working mothers stationed side-by-side at the same office could have substantially different living standards.

Prior law Food Stamp rules also created anomalies of this sort. Because eligibility was based on income net of deductions for items such as shelter costs, families who lived in better quality housing, and hence had higher shelter costs, qualified for more in Food Stamps than those who lived in lesser-quality housing.

Moreover, the operations of these system features in combination often produced families with median-level incomes who nevertheless received substantial aid. For example, while Section 8 rental contribution rules counted AFDC payments as income, they did not count the value of other aid such as Food Stamps. Similarly, the value of rental assistance and the value of energy payments were not counted as income for Food Stamp purposes. Hence, in the higher-benefit States, the full basket of cash and in-kind benefits could carry imputed values in the \$15,000-20,000 annual range.

The argument for altering the structure of this system, Mr. Chairman, was that the system itself was unfair, and bred quite understandable resentment among the American people. The all too common problem of families with \$14,000 incomes working and paying taxes to \$15,000 benefit packages for non-working families represented a fundamental strain on the Nation's social fabric which was threatening to destroy the ethical underpinnings of whatever social progress had been achieved over the preceding 50 years. Building the income support safety net. The sort of changes we have enacted and proposed to address these problems, far from being unfair, were in fact designed to restore fairness to a system that had been distorted over the years into an unintended windfall for an unconsciously-chosen subset of the low-income population.

It is not my purpose today, Mr. Chairman, to suggest that there is no hardship in the nation, or that our recent economic dislocation have not in some instances been translated into personal economic tragedy for non-working Americans. My purpose is to point out that we must distinguish between the suffering caused by economic hardship and the changes wrought by bringing our bloated income transfer system back into balance. Once this distinction is made, I believe the vast majority of the American people would conclude that the sort of changes we have worked together to enact in the income support system are in fact just, fair and essential to the legitimacy of the social safety net.

## FOOD, INFLATION, & FAIRNESS

A LOT OF CONSUMERS SAY THAT THEY DON'T SEE THE BENEFITS OF LOWER INFLATION. WE FORGET HOW OUT OF CONTROL THINGS WERE IN 1979 AND 1980. BUT LOOK AT WHAT'S HAPPENED TO THE WEEKLY GROCERY BILL.

THE CHART BELOW SHOWS THE WEEKLY GROCERY BILL FOR A FAMILY OF FOUR (2 ADULTS, 2 CHILDREN, AGES 6-8 AND 9-11). IT SHOWS THAT THE INCREASE IN GROCERY BILLS HAS BEEN DRASTICALLY SLOWED DOWN FOR ALL INCOME GROUPS UNDER THE REPUBLICANS.

### WEEKLY FOOD BILL

	POOR FAMILY	LOW INCOME FAMILY	LOW-MIDDLE INCOME FAMILY	MIDDLE INCOME FAMILY
JANUARY 77.....	38	50	63	75
JANUARY 81.....	55	71	89	106
JULY 83.....	59	75	94	113
<b>CHANGE</b>				
1/77-1/81.....	+17	+21	+26	+31
1/81-7/83.....	+4	+4	+5	+7

### FOOD, INFLATION, & FAIRNESS — Continued

WHAT HAS THIS SLOWDOWN IN INFLATION MEANT TO FAMILIES? IF THE CARTER-MONDALE FOOD INFLATION HAD CONTINUED, GROCERY BILLS WOULD HAVE BEEN \$10-19 A WEEK HIGHER, OR FROM \$520-990 A YEAR HIGHER. INFLATION HURTS EVERYONE, BUT IS CRUELEST TO THE POOR. REPUBLICAN GAINS AGAINST INFLATION HAVE HELPED ALL FAMILIES, BUT PARTICULARLY THE POOR AND WORKING POOR.

	POOR FAMILY	LOW INCOME FAMILY	LOW-MIDDLE INCOME FAMILY	MIDDLE INCOME FAMILY
JULY 1983:				
ACTUAL.....	59	75	94	113
JULY 1983:				
CARTER-MONDALE.....	69	88	111	132
WEEKLY IMPROVEMENT..	+10	+13	+17	+19
ANNUAL IMPROVEMENT.	520	680	880	990

(SOURCE: USDA)

## ECONOMIC TALKING POINTS

October 1 marked the second anniversary of the symbolic beginning of President Reagan's economic program - the effective date of the first installment of his tax cuts.

When President Reagan took office, he inherited the worst economic mess this country has seen since the Great Depression. Two years of back-to-back double-digit inflation, skyrocketing interest rates, economic stagnation, declining productivity, unemployment that wouldn't go down even during a cyclical recovery - these were the problems that had to be solved.

The President never promised an overnight miracle. In his Inaugural Address, he said: "The economic ills we suffer have come upon us over several decades. They will not go away in days, weeks, or months, but they will go away...In the days ahead I will propose removing the roadblocks that have slowed our economy and reduced productivity...Progress may be slow, measured in inches and feet, not miles, but we will progress."

The President's economic program included the following goals:

1. to slow the rate of growth of federal spending to make more of the nation's output available for private investment;
2. to reduce tax rates for individuals and businesses to increase incentives to work, save and invest;
3. to reduce excessive and unnecessary regulation of businesses to lower production costs and improve efficiency; and
4. to gradually reduce money supply growth to reduce inflation and provide a healthy financial climate for economic growth.

The painful recession of 1981-82 was not brought on by the President's economic program. It would be difficult to explain how the above policy mix could cause a recession. As a matter of fact, most of the President's critics claimed the tax cuts would be inflationary. The recession was the legacy of the economic conditions of the Carter years. It is difficult to turn an economy around smoothly, but somebody had to try.

Two years into the President's program, what progress have we made? How many "inches and feet" have we come?

Economic recovery began in November, 1982, approximately a year after President Reagan's recovery program was put into place. It is now humming along, and it looks like it will be a good deal stronger than initially predicted.

Output of goods and services grew 9.7% in the second quarter of this year. The first estimates for the third quarter indicate healthy growth of 7%. These figures indicate real growth, after adjustment for inflation.

Most experts now agree the recovery will last. One well-known survey of 44 top economists and forecasting firms - the Blue Chip survey - reported expectations of above-average growth in 1984.

We have Ronald Reagan to thank for that. The Blue Chip survey showed economists most frequently mentioned curbed inflation, the tax cuts, and the resultant increase in consumer wealth as the most important factors for the strength of the recovery - clearly a direct relationship between the President's policies and the strong recovery!

The President's tax program helped to maintain real disposable income so individuals were in a position to fuel the recovery. And there is evidence that the changes in business depreciation rules contained in the Economic Recovery Tax Act of 1981 helped sustain investment at levels higher than previous recessions.

More and more, Americans recognize the new climate prevailing in Washington under Ronald Reagan. They finally see some of the leadership this country has been so sadly lacking. According to national polling by the Institute for Social Research at the University of Michigan, this year Americans expressed increased confidence in their government for the first time in nearly two decades.

Consumer optimism is also higher than ever. One well known measure of consumer confidence (the Conference Board's index), recently rose to its highest level in more than four years, when the Carter "stagflation" began. This survey also showed that more Americans anticipate better times ahead than ever in the 15-year history of the survey! A University of Michigan study reported in August that consumer confidence in the economy is the highest since 1972. Business confidence, meanwhile, reached a seven-year high last summer.

Are we better off now than we were when President Reagan took office? The following figures speak for themselves.

THEN:

Inflation reached as high as 17% under Jimmy Carter, and averaged 12.9% annually over the last two years of his administration.

NOW:

In the 12 months ended in August, 1983, consumer prices rose only 2.6%. Food, clothing and the other necessities of life are more affordable for people on fixed incomes and everyone else who has to stretch his budget to make ends meet.

THEN:

The prime rate reached 21.5% in January, 1981, a barometer of all the other interest rates, making it difficult for businesses and individuals to borrow. Mortgage rates averaged 15.07% on January 30, 1981, closing thousands of potential first-time homeowners out of the market.

NOW:

The prime rate is 11%, a drop of nearly 50%. Mortgage rates have been edging downward, with an uptick last summer, but the effective average mortgage rate of last June was still only 12.7%, a big improvement over recent years. Lower rates made it possible for thousands of Americans to buy a home who previously could not afford it, and prompted the current housing recovery.

THEN:

The housing industry collapsed. Housing activity fell from over 2 million starts in 1978 to 1.3 million in 1980. The collapse had wide ripple effects throughout the economy. Not only were families unable to buy homes, but tens of thousands of workers in the construction, lumber and related industries lost their jobs.

NOW:

It took a while to turn the housing industry around. But during the second quarter of this year, housing activity surged at a 79% rate, after inflation! The third quarter is showing solid and more sustainable increases of 25%. Housing starts in August rose to a level of 1.94 million units, approaching the high of the 1978 boom. This is the best monthly figure in over 4 1/2 years.

THEN:

Industrial production slumped in 1980, falling 3.6% that year alone. That same year, manufacturing jobs began disappearing as the economy slowed down and industries operated at only 78% of capacity, compared to 83% the previous year.

NOW:

Industrial production has risen 11.7% in the first 9 months of the recovery, making up 80% of the decline in production during the recession. Capacity utilization is on the rise again, paving the way for restoring jobs previously lost and creating new ones.

THEN:

The auto industry was operating at only 54 percent of capacity in January, 1981, leading to massive layoffs and a slump that seemed to have no end.

NOW:

The auto industry is operating at 79 percent capacity. Indefinite layoffs have decreased by 132,000 since the recession low, meaning that nearly half of those workers on indefinite layoff in January have been called back. Auto production in August was up 37% from a year ago, the best for the month since 1978.

THEN:

Unemployment averaged 7.5% in the second half of 1980, unusually high for what was then considered "recovery." 99.3 million American civilians held jobs in 1980, and 7.6 million were jobless.

NOW:

The unemployment rate has been steadily declining in 1983, a significant achievement considering a rapidly growing labor force. Civilian employment was a record 101.6 million in August, and 2.5 million Americans have been able to find jobs this year. The unemployment rate in August was 9.5%, a 1.3% improvement over last December's high. We still have a long way to go to make sure that economic growth is sustained to enable every American who wants a job to get one. But we are finally progressing in the right direction.

As we evaluate the President's economic program and consider what economic conditions were like in 1980, let us be grateful for the progress we have already made, for the "inches and feet" we have already come in restoring our economic system.

In the words of Manuel Johnson, Assistant Secretary of Treasury for Economic Policy, "The four major points that comprise President Reagan's economic program are more valid today than they were at the beginning of 1981. This country, now more than ever, needs less federal spending; strong incentives for work effort, saving and investment; less regulation; and a stable monetary policy."

This will enable us to continue on the road to progress.