

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Beal, Richard: Files
Folder Title: Evaluation-Memorandum, Phase 3
July 13, 1981
Box: CFOA 465

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

TO: Richard Beal
Charles Smith

FROM: Ralph Bledsoe *Ralph*

SUBJECT: Phase III Actions

DATE: June 10, 1981

*Rich -
This was my
earlier
memo.
RCB*

An important activity that must be reflected in Phase III of the Strategic Plan is the implementation, monitoring, and general management of the Economic Recovery Program. During or shortly after Phase II, there will be a budget reconciliation, complete with legislative changes; and, there will be a tax rate reduction of some size. The burden will then shift to the departments and agencies for implementation.

Problem: My general impression is that many departments and agencies will not have attained the necessary readiness for implementations of the Economic Recovery Program. There are several reasons for this:

1. The scope and magnitude of the changes are fairly drastic. Thus, Federal managers are going to have to make some major adjustments.
2. OMB and the White House Staff have thus far carried the bulk of the decision making and negotiation responsibilities. Planning, budgets, legislative affairs and other offices in the departments and agencies have been only slightly involved.
3. Many career Federal employees may feel a bit left out so far and could interpret this as mistrust. Thus, when the Administration does turn to them, some initial getting-to-know-each-other problems may arise. Some of these will be normal, while others will be exacerbated by strength of feelings.
4. The implications of some of the decisions now being made are unknown and some of the agreements may not be very clear even to those close to the negotiations.

Solution: Given acceptance of the above, it will be sound, both politically and managerially, to have an implementation plan ready to move forward. The key ingredients of the plan should be:

- A. Clear, articulate statements should be transmitted by the White House to the departments and agencies on what are the new laws/changes. This should be an organized process in which the White House communicates the policies, OMB communicates the budget guidelines, and OPM communicates the personnel guidelines. (This should be discussed.)
- B. Early interactions should take place between the Executive Office and the departments and agencies, most likely through the Cabinet Councils, to ensure that policy and resource strategies are understood.

A scenario might include:

1. A master plan is prepared which ensures that each policy area, reflecting all legislative issues is assigned to one or more Cabinet Councils. All Executive Branch departments and agencies are assigned to meet with one or more of the Cabinet Councils.
 2. Cabinet Councils meet with their assigned agencies, in various sizes and types of meetings, to ensure communication and understanding of the policies and resources (financial and personnel) guidelines. Agency attendance should include appointed and career executives.
 3. Departments and agencies should prepare implementation plans and communicate these to the Cabinet Council(s) with which they have met. White House and OMB staff should review and comment on the plans, which, when approved by the Cabinet Council(s) becomes(s) the department and agency authority to proceed. (The law is actually the authority, but approval by the CC represents executive authority and blessing.)
- C. Implementation and management of programs by departments and agencies should follow.
- D. Cabinet Councils should monitor and review department and agency performance as required.

As a side observation, one of the means by which OMB has gained authority is that it has usually communicated the major guidelines that agencies receive from the Executive Office. A more coordinated approach would involve simultaneous communication of:

- Presidential Policies as interpretations of laws
- Accompanying budget guidelines
- Accompanying personnel guidelines
- Any public strategy
- Other directives or White House requirements.
- Reporting and Evaluation criteria

You can see that this would take a coordinated effort between EOP units (a good thing, image-wise), and should also result in better White House-agency relationships. I realize that this may call for an expanded role for Cabinet Councils, but if we are going to be able to point to a successful Economic Recovery Program, effective management, and good relationships with Federal employees, this might be an answer.

We should discuss this as an item that might properly be proposed to the Long Range Planning Group or the Communications Group.

The Reagan report card: high marks on most tests

Heart of President's strength lies in his broad, 'hard core' support

By Godfrey Sperling Jr.
Staff correspondent of The Christian Science Monitor

Washington

President Reagan is still getting high marks for his performance as he approaches the halfway point of his first year in office.

The national polls, together with assessments from both key politicians and political observers, provide these ratings of how Mr. Reagan is doing so far:

- Political judgment: excellent.
- Handling of his job: very good.
- Communication with the public: excellent.
- Handling of domestic affairs: excellent.
- Handling of foreign affairs: fair to good.
- Communication with Congress: excellent.
- Persuasiveness with blacks and Hispanics: fair to poor.
- Ability to hold the constituency that voted for him last fall: excellent.
- Communication with the press: fair.
- Communication with the business community: very good.
- Communication with organized labor: good.

The polls show that about 59 percent of Americans think the President is doing a good job, down almost 10 points from where he was a few weeks back — down to about where he was before the assassination attempt.

Mr. Reagan's standing in the polls is roughly the same as President Carter's was at a similar point in the Carter administration.

What gives Reagan more lasting strength than Mr. Carter is the large amount of hard-core support he has garnered, estimated as high as 40 to 45 percent of Americans by expert analyzers of the polls.

Carter's support at first appeared to contain a hard core of Southerners and blacks. But this backing, particularly among those in the South, was fleeting. It started disappearing right after the 1976 election.

And the blacks were more anti-Republican than pro-Carter, it seems. They had little difficulty in choosing Sen. Edward M. Kennedy of Massachusetts over Carter during the 1980 Democratic primaries.

The staunch Reagan support comes
★ Please turn to Page 10

Energy-rich states by severance

Has Supreme Court for a 'United America'

By Julia Malon
Staff correspondent of The Christian Science Monitor

Arabs are not the only ones getting richer from producing American states. And a Supreme Court these states to continue cashing in on their good fortune.

The high court ruled that Montana may charge a tax of 90 percent of that coal goes out of state. The tax, the court said, is a fair one. The 6-to-3 majority.

The long-awaited decision makes it clear that the cavalry to save the more than 36 other states that a renewed pressure on Congress to limit state severance taxes. The West and Northeast are painting a gloomy picture of the Montana ruling.

The picture looks like this: Montana, Wyoming, and Alaska. Most of the taxes on fossil fuels, most of which will go to other states. With proceeds from the fuel, these exporting states

The Royal Wedding



Lady Diana and Prince Charles

Bandphoto

The meaning of the monarchy to Britain and the modern world
Special Section Page B1

Ratings are in: investors switch channel to pay-TV, inc

By Thomas Watterson
Business and financial writer of
The Christian Science Monitor

Until four or five years ago, says Ben Murillo, people who invested in one of the "big three" television networks were putting their money into a growth industry.

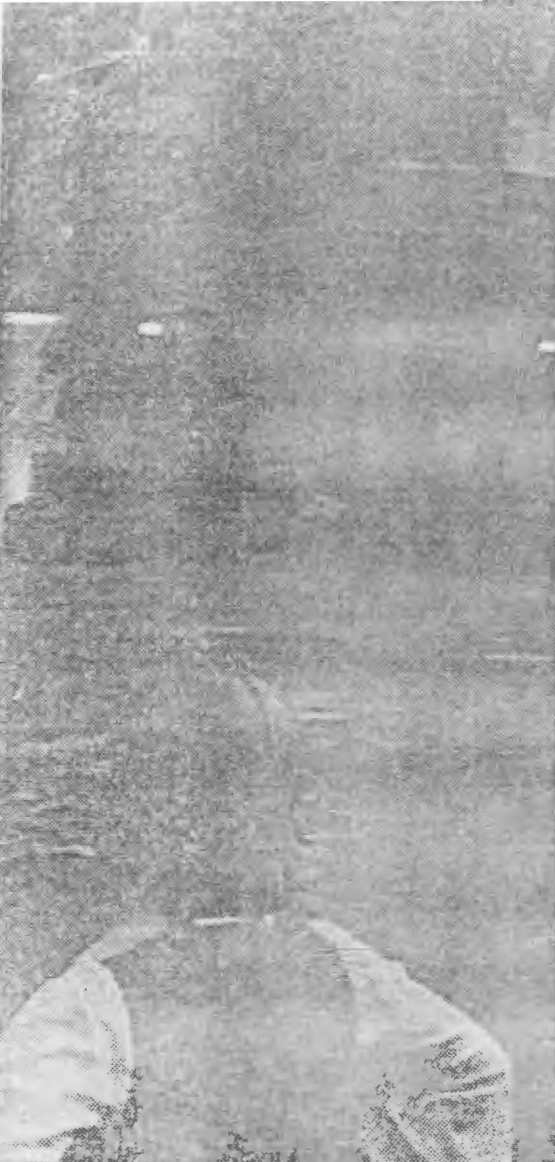
Not any more. Instead of NBC, CBS, and ABC, much of investors' attention is being shifted to pay-TV.

statement of unequivocal support" from Thornton Bradshaw, who began as chairman of NBC's parent company, RCA, on July 1, Mr. Silverman at least temporarily ended what had been one of the most avidly watched TV careers — a career that took him near or to the top of all three networks.

But while Mr. Silverman was trying to rescue NBC from its distant third position, the broadcast industry he had ridden so fast to the top

have going for them is that they're free. But then vital if they don't.

Eventually, he says some commercials on stations. There might be two three-hour commercial breaks. It's not clear that anything has been done to reduce the cost of pay TV.



By R. Norman Matheny, staff photographer

ates' energy profits chugging away

ided by tax ruling

and states of the Northeast and Midwest, says the report.

So far Congress has taken no action to limit the state fees. Two bills, one in the House and one in the Senate, would limit severance taxes under certain circumstances to 12.5 percent. Similar bills failed to reach the floor last term, but the Supreme Court ruling on Montana could spur more interest.

While the Supreme Court gave no help to the energy have-nots in Montana, earlier this term it gave 30 importing states comfort in a natural gas tax dispute. In that case, Louisiana charged a "first use" tax on natural gas that was taken from offshore sites in the Gulf of Mexico and piped through the state. The court ruled that the gas was already in interstate commerce and thus not taxable by a state.

face of stiffened competition from CBS. Next year could be more of the same, and revenues — \$1.88 billion — are projected to increase only 6-7 percent, the lowest among the Big Three.

From page 1

Investors switch to pay-TV, independents

another 5 to 10 percent. And in areas of the country that are fully penetrated by cable, the three networks' share could end up as low as 55 percent.

This does not mean the networks are fading to black as business enterprises. "They're going to continue to grow," says William P. Suter, vice-president at Merrill Lynch, Pierce, Fenner & Smith Inc. "They may not grow as fast, but they're going to keep growing." While the networks will have to share more of their audience in the future, there will be more of an audience to share.

By 1985, there will be 10 percent more homes with TV sets than there are today; or some 90 million households, says John Reidy, an analyst with Drexel Burnham Lambert Inc.

Much of this increased audience, however, will be tuning in to cable. About 21 million households are wired for cable TV today, Mr. Reidy says. "By 1985, there could be 35 million homes with cable. That's a significant jump."

It is this audience that keeps investors and other observers watching the industry with as much fascination as a bunch of preschool children in front of the Saturday morning cartoons.

At Founders Fund, which has long had holdings in broadcast stocks, Mr. Murillo says, "We haven't owned any stock in any of the three networks for at least two years. And

the last one we held was CBS."

Instead, Mr. Murillo and his counterparts are buying the stock of pay-TV companies, independent networks and stations, and their suppliers. The stock of one such company, Metromedia, which has no cable outlets but owns and supplies programming to independent stations, was selling for \$32 a share in 1978, a spokesman says. Today, it is selling for about \$150.

"Anything that is in the software end — the product — will go up in value," Mr. Murillo said. This includes firms that supply syndicated versions of old network series, movies, individual games, programming for two-way cable systems, and cassettes and video discs.

Video discs are selling surprisingly well and seem likely to overtake the erasable cassettes, says Robert G. Pekurny, assistant professor in the radio and television studies department at Northwestern University.

"Instead of erasing the movies and putting something else on the tape, people want to build archival libraries of old movies and the better new ones," he said.

But "the cutting edge" in broadcasting, Dr. Pekurny believes, will be in two-way cable. "Interactive cable and home computer terminals will grow very fast," he says. "Also play-cable, where you and the guy down the street or in another city can play Space Invaders using your TV and the phone."

From page 1

Reagan report card: high marks on most tests

basically from those who have long embraced his conservatism on domestic issues and his hard line in dealing with the Soviet Union.

It is estimated that with Southern conservative Democrats joining Northern conservative Republicans, this group of loyalists may come to nearly 45 percent of US voters.

John Sears, a longtime GOP political strategist and analyst who had a falling out with Reagan during the last campaign, says that "what makes and breaks it for you as president is how much hard support there is for you."

Mr. Sears sees such support for Reagan, in the neighborhood of 40 percent of voters.

When asked about President Nixon's enduring support, Sears, who has worked for

both Nixon and President Ford in the White House, told a group of reporters over breakfast recently:

"Nixon's hard-core support was never that high — perhaps it got to 25 percent."

What also keeps Reagan high in public favor is what is so often called the "personal factor" by both pollsters and reporters.

A large percentage of the public, well above his current 59 percent rating, finds the President to be a most likable individual.

This public warmth for Reagan, as measured statistically, moved up well into the 70 percent area right after the assassination attempt. It appears to be staying there, or close to it, even with the dip in his rating for overall performance.

Consumer group says big oil spends little on exploration

By United Press International

Washington

A consumer group says major oil companies are putting only "a tiny percentage" of their new wealth into the search for more domestic oil and gas. Instead, it says, the industry giants are buying up competing firms

or investing in nonpetroleum businesses.

In a 97-page report entitled "Where Have All the Dollars Gone?" the Energy Action Educational Foundation said profits of the 16 top oil firms soared by \$23 billion — 117 percent — between 1978 and 1980, but the companies invested only \$5 billion in domestic petroleum exploration and production.

Reagan's Cabinet Councils May Have Less Influence Than Meets the Eye

Their role is to develop issues for the President's decision. But after that, the final shape of the decisions may depend on Jim Baker's team of political tacticians.

BY DICK KIRSCHTEN

In horse racing, trainers, grooms and exercise riders spend months and even years readying a contender for competition. But on the day of the race, the outcome is largely determined by the split-second decisions of a jockey who may spend only a few minutes with the horse.

To a degree, presidential decision making works the same way. Many thoughtful people dedicate a lot of time and effort to developing an issue for the President's decision. But even after the policy call has been made, the outcome may still depend upon a smaller group of tacticians who advise the President on policy implementation.

That may account for the somewhat divergent impressions that have emerged of decision making in the Reagan Administration.

Presidential counselor Edwin Meese III argues that all policies are developed in an orderly and systematic process in which the Reagan Cabinet, meeting as a body or in the subgroups called Cabinet councils, plays a major role. These high-level meetings, chaired by President Reagan, "are the forum for the final arguing or discussion of issues and policy positions," Meese said in a June 29 interview.

But another White House aide, who asked not to be identified, insisted that lots of "back-of-the-envelope" decision making goes on outside the Cabinet council system. "There is one good channel," the source said, "the Baker channel," referring to White House chief of staff James A. Baker III.

Meese flatly denies that White House aides override the Cabinet decision process. "Once the Cabinet council has considered a matter with the President, he may continue it over for further discussion or new information," Meese

said. "But he doesn't retire and consult other advisers."

There is, however, an ad hoc White House brain trust known as the legislative strategy group, in which both Baker and Meese play dominant roles. "It's not another channel," Meese said, "it's a natural follow-up once a major policy decision or a series of decisions have been made. It's strictly implementation, to guide the [Administration's] activities on Capitol Hill."

The distinction between policy decisions and implementation may be clear to Meese, who is known to be a stickler for organizational charts and procedural details. In fact, however, policies are often significantly reshaped by those who are charged with carrying them out.

Presidential decisions on social security reforms and the sale of military aircraft to Saudi Arabia, for example, cruised smoothly through the Cabinet-level advisory processes. Both now face the prospect of further refinement and renegotiation by the White House strategy group.

Reagan's decisions to sell more grain to the Soviet Union but apparently not to sell the Soviets surplus butter skirted the Cabinet council on food and agriculture and are widely seen as something less than decisions reached by "Cabinet government."

After five months in office, Reagan—despite time out to recover from an assassination attempt—has elevated his Cabinet to a prominent advisory role. He has presided over 19 meetings of the full Cabinet, a half-dozen sessions of the five Cabinet councils and 14 meetings of the Cabinet-level National Security Council.

The President, according to Meese, would rather hear issues debated among Cabinet members with differing views than invite them to come to him individually to plead their cases. "He gets most

of his information out of Cabinet council meetings themselves or full Cabinet meetings," Meese explained. "He sees the same papers that the Cabinet officers see." In addition, Reagan gets briefing memos prior to each meeting that are processed through the Office of Cabinet Administration, which Meese supervises.

Despite their high degree of participation in policy discussions, members of the Reagan Cabinet—with a few exceptions—have largely been seen as the "grooms" who get the policy issues onto the track. The perception, thus far, is that the larger measure of influence is wielded by the "jockeys" who whip the presidential decisions toward the finish line of legislative enactment.

GROOMING THE ISSUES

As Reagan's chief of staff in California, Meese was familiar with his boss's desire to work closely with his Cabinet officers. The task in Washington, however, was to design a "flexible vehicle" that would suit a larger and much more diverse Cabinet—18 members, including Meese—without forcing busy officials to waste time on issues they have no interest in.

Meese has divided the Cabinet into five councils: commerce and trade; economic affairs; food and agriculture; human resources; and natural resources and environment. Some critics see the councils as overlapping in jurisdictions, but Meese said the number is "about right" and hinted that he might even add one or two more, including a council on legal and justice issues.

The function of the council system is to sort out and refine issues that involve more than one agency. Before the President is confronted with the policy options, an issue may be "staffed out" at several levels. It is likely to be assigned first to the staff secretariat of the appropriate

Cabinet council, which in turn will probably farm it out to a small interagency working group. At that level, information is gathered, disagreements over pertinent facts and statistics may be resolved and preliminary policy options are framed.

The problem next rises to a second tier, a Cabinet-level planning session, presided over by the Cabinet officer who is the chairman pro tem of the council. The Commerce, Treasury, Agriculture, Health and Human Services and Interior Secretaries are the chairmen pro tem of the five councils. (*For the council rosters, see box, pp. 1244-1245.*)

If a presidential determination is required, the issue is placed on the agenda of a formal Cabinet council meeting, at which Reagan presides. Many issues can be resolved at lower levels, while the most important may be bucked up to a meeting of the full Cabinet.

Meese, assisted by his Office of Cabinet Administration staff, acts as the traffic cop who gives the "stop" and "go" directions for the many issues that compete for White House attention. The purpose, Meese explained, "is to accomplish decisions in a timely manner and at the same time save the energy of both the President and the various Cabinet members."

In the White House hierarchy that he largely designed, Meese is directly in charge of Reagan's principal policy advisers and their staffs—Martin Anderson in the domestic area and Richard V. Allen for national security affairs. Anderson's policy development staff provides the executive secretaries of the five Cabinet councils, while Allen and his staff support the National Security Council, which essentially functions as a sixth Cabinet-level forum for presidential decision making.

THE JOCKEYS

While the Meese chain of command controls the traffic flow of presidential issues, Baker and his deputies run a tracking operation of their own. The Baker side of the White House is charged with implementation: broadcasting the President's policies to the press and to various interest groups and, perhaps most

important, selling those policies on Capitol Hill.

The Baker staff, in close alliance with a pair of fast-moving Cabinet members—Office of Management and Budget (OMB) director Dave Stockman and Treasury Secretary Donald T. Regan—have emerged as the Administration's jockeys. They are the riders in the brightly colored silks who have attracted most of the attention. In the opinion of many, they also have greatly influenced the shape of the Administration's policies.

Meese himself identified Baker, Stockman and Regan, along with such Baker lieutenants as congressional lobbyist Max L. Friedersdorf, public liaison chief Elizabeth H. Dole, communications specialist David R. Gergen and policy manager

nity to voice its policy concerns about various courses of action while they are still under consideration. One of the major virtues of Meese's system is that it encourages widespread participation in the policy-making process.

Political decisions seldom flow smoothly along the paths laid out on organizational charts, however. Some Reagan decisions, such as social security and the proposed sale of aircraft to the Saudis, have moved with a momentum of their own, forcing the Baker staff into a "damage control" mode. But neither are political decisions cast in concrete. There are always details to be negotiated: new approaches to social security reform, specific conditions for the Saudi aircraft sale.

The Administration's major legislative



Richard G. Darman, as key members of the White House legislative strategy team.

Significantly, Friedersdorf, Dole, Gergen, Darman and another top Baker deputy, Frank Hodsoll, all served apprenticeships in a variety of policy-sensitive posts during the Nixon and Ford Administrations. Most of them crossed paths with Baker when he served from 1975-76 as Commerce undersecretary. They know each other and they know their way around the Washington racecourse.

Darman now occupies an office in the West Wing basement adjacent to that of Craig L. Fuller, director of Meese's Cabinet Administration Office. From that vantage, Darman monitors the paperwork and meetings of the Cabinet councils and other activities on the policy development side of the White House.

In theory at least, this keeps the Baker side of the staff abreast of forthcoming policy decisions and gives it an opportu-

The Cabinet council on economic affairs is one of the five subdivisions of the Reagan Cabinet that sorts out and refines issues that involve more than one agency.

initatives, the budget cuts and tax reductions of the economic recovery program, have similarly been subjects of shrewd negotiations and horse trading after the process of broad policy enunciation. Some of the refinements of the economic package have been worked out within the Cabinet council on economic affairs. But there have been even more decisions made on an ad hoc basis—"on the backs of envelopes"—observers of the process report.

Meese and Baker, who meet frequently with the President, clearly are the agents for gaining Reagan's approval of such policy shifts and adjustments. The fact that Baker is perceived as the more influential of the two in this process

The Makeup of President Reagan's Cabinet Councils . . .

In keeping with his desire to rely heavily upon his Cabinet for advice, President Reagan has formed five Cabinet councils to coordinate the formulation of policy decisions that affect more than one agency. Each council is supported by a staff secretariat made up of representatives of the departments that sit on the council. The White House Office of Policy Development provides an executive secretary to play the lead role in the staff activities of each council. That official represents the interest of the President and is assigned to play the role of "honest broker" in seeing to it that competing viewpoints receive a fair hearing.

The President is nominally the chairman of each of the councils. But each also has a Cabinet officer who serves as chairman pro tem and presides over the bulk of the group's meetings. Vice President George Bush, presidential counselor Edwin Meese III and White House chief of staff James A. Baker III are ex officio members of all five of the councils.

COUNCIL ON COMMERCE AND TRADE

Commerce Secretary, chairman pro tem
Secretary of State
Treasury Secretary
Attorney General
Agriculture Secretary
Labor Secretary
Transportation Secretary
U.S. Trade Representative
Chairman, Council of Economic Advisers

Dennis M. Kass, executive secretary of the commerce and trade council, deals with the largest of the Cabinet panels. Because all nine members seldom have equal interests in a given issue, it is Kass's task to know which officials and which agencies to involve in the policy deliberation.

In an interview, Kass, whose background is in commercial banking, said the council staff has formed working groups to explore several problems that have come before the group or are likely to, including development of a trade policy statement, a variety of East-West trade issues, the issue of enterprise zones to revitalize declining urban neighborhoods and the general area of maritime policy.

The council is also undertaking a broad review of telecommunications policy and has become the forum for a somewhat acrimonious debate over whether

the Administration should drop the government's long-standing antitrust suit against the American Telephone & Telegraph Co. Justice Department officials oppose dropping the suit, but other Administration officials have argued before the council that the litigation is adversely affecting the growth and development of the telecommunications industry.



Dennis M. Kass

COUNCIL ON ECONOMIC AFFAIRS

Treasury Secretary, chairman pro tem
Secretary of State
Commerce Secretary
Labor Secretary
Transportation Secretary
Office of Management and Budget director
U.S. Trade Representative
Chairman, Council of Economic Advisers

Roger B. Porter, executive secretary of the economic affairs council, is a seasoned hand at the game of coordinating Cabinet-level policy deliberations. During the Ford Administration, he was executive secretary of the Economic Policy Board headed by Treasury Secretary William E. Simon.

In addition to his White House policy staff assignment, Porter has a Treasury Department appointment as an aide to Secretary Donald T. Regan. He spends roughly 25 per cent of his time at Treasury.

The council has been by far the busiest of the five Cabinet subdivisions. Its membership includes both Regan and Office of Management and Budget director Dave Stockman, the two officials who have been at the forefront of the drive to implement the

President's economic recovery program.

Porter, in an interview, said the council has dealt with a wide range of issues, including financing of oil purchases for the strategic petroleum reserve, renegotiation of Poland's debts to the United States and development of "a unified Administration position" on domestic monetary policy. The council also has been involved in preparations for the July 19-21 Ottawa economic summit and has been in the thick of Administration policy adjustments during the congressional debate over budget reconciliation, Porter said.



Roger B. Porter

COUNCIL ON FOOD AND AGRICULTURE

Agriculture Secretary, chairman pro tem
Secretary of State
Interior Secretary
Commerce Secretary
Transportation Secretary
U.S. Trade Representative

John T. McClaghry, executive secretary of the food and agriculture council, is quick to concede that the two most important policy decisions in his area were made before the council was geared up to handle them. The President's decision on the embargo of wheat sales to the Soviet Union was placed on the agenda of the full Cabinet in the first weeks of the Administration. Similarly, the Administration position on the 1981 farm bill was hammered out between

... And Those Who Play a Leading Role in Their Activities



John T. McClaughry

once for organizational purposes and twice to wrestle with issues that resulted in solutions that did not require presidential involvement. Both decisions dealt with the articulation of U.S. policy on international grain reserves and the conditions under which such reserves would be released for humanitarian purposes.

McClaughry said the council expects to take up the problem of loss of farmland through conversion to other uses but noted that more and better information needs to be developed before that issue can be intelligently debated. In the meantime, the council mechanism stands idle. "I'm not one to run a machine just to prove that it runs," McClaughry said.

COUNCIL ON HUMAN RESOURCES

Health and Human Services Secretary, chairman pro tem
Attorney General
Agriculture Secretary
Labor Secretary
Housing and Urban Development Secretary
Education Secretary

Robert B. Carleson, executive secretary of the human resources council, is a former city manager who has championed Reagan's campaigns to cut welfare costs in California and now in Washington. He also is a leading advocate of the President's commitment to shifting power from the federal government to the states and localities.

Carleson convenes the executive secretariat of his council weekly to discuss issues working their way up through the agencies. In an interview, he noted that most of Reagan's policy initiatives in the human resources area are already in the Administration's budget proposals. Accordingly, the council has met only three times.



Robert B. Carleson

Agriculture Secretary John R. Block and budget director Stockman before the council came into being. Most observers, incidentally, believe that Reagan's decision to lift the grain embargo was driven largely by the need to win congressional support for the farm bill.

In an interview, McClaughry said the council has met three times,

He was involved in the working group that developed the Administration's controversial social security proposals and noted that much effort had been devoted to ensuring that the changes would fall most heavily on future recipients. "We took pains to make that point clear when we announced the proposals," he continued, "but that isn't the way they were presented in the headlines. As a result, we were bombarded with criticisms from present social security beneficiaries who thought they would be affected."

COUNCIL ON NATURAL RESOURCES AND ENVIRONMENT

Interior Secretary, chairman pro tem
Attorney General
Agriculture Secretary
Transportation Secretary
Housing and Urban Development Secretary
Energy Secretary
Chairman, Council of Economic Advisers
Chairman, Council on Environmental Quality

Danny J. Boggs, executive secretary of the natural resources and environment council, has held energy-related jobs at the old Federal Power Commission, on Capitol Hill and in private law practice. As a result, he is well acquainted with some of the principals with whom he now works. Interior Secretary James G. Watt, the council's chairman pro tem, for example, was a member of the power commission when Boggs was assistant to the commission's chairman.

In an interview, Boggs expressed concern over the failure of the Washington press to recognize how open the Cabinet council process is. "Every time an issue is assigned to the council, it isn't a Jim Watt takeover," Boggs protested. He added that Watt, although "forceful in expressing his views," sees to it that "everyone gets his say."

He noted that the Reagan presidency has largely been free of the internal bickering of previous Administrations. "We've had policy disagreements where people come down on different sides because of their institutional concerns," Boggs said. "But we haven't had differences over guiding principles. Maybe that is why [the White House domestic policy staff under Martin Anderson] can run with less than half the people that [President Carter's domestic adviser Stuart E.] Eizenstat had. Stu built up his staff as a counterforce to the agencies."



Danny J. Boggs

probably has a lot to do with the experience and credentials of the staff he has put together.

By contrast, Meese—whom many expect to end up at some point with a Reagan appointment to the Supreme Court—has surrounded himself for the most part with Reagan loyalists who are more experienced in the ways of California than of Washington. Anderson and Allen both held posts in the Nixon Administration, but neither thrived in those surroundings and both quickly departed.

Beyond that, the presidential counselor's staff is relatively thin on federal experience. Meese's deputy, Robert M. Garrick, and his Cabinet administration director, Fuller, both come from public relations firms and have little government experience of any sort. Anderson's policy development staff, by the same token, draws heavily upon veterans of the California statehouse under Reagan. Allen's national security staff is much less parochial in its makeup, but even it has been slow to emerge as a recognized force in the Reagan policy apparatus.

UNEVEN PERFORMANCE

In fairness to the policy side of the White House—and particularly to the Cabinet council system—it should be noted that many of Reagan's major policy initiatives have been incorporated into the economic recovery package that was rushed onto the legislative track in the first 30 days of the new Administration.

Credit for the authorship of the economic package largely and deservedly went to Stockman and OMB. That does not mean, however, that there weren't important contributions in the areas of social programs and federal-state relations from the White House policy development staff. The development of the budget proposals also involved a process, albeit a hasty one, of Cabinet-level consultations.

Nonetheless, by Feb. 26, when Meese issued the memorandum establishing the Cabinet councils, the Administration already was committed to major changes in both defense and domestic policies.

The emphasis on the economy accounts for the fact that the activity of the councils has been extremely uneven. Through the end of June, roughly 50 meetings of the Cabinet subgroups had been held, 27 of them by Reagan's council on economic affairs.

Trailing far behind with just three meetings apiece were the human resources council headed by Health and Human Services Secretary Richard S. Schweiker and the food and agriculture council led by Agriculture Secretary John R. Block. In the middle, Commerce

Secretary Malcolm Baldrige's council on commerce and trade and Interior Secretary James G. Watt's council on natural resources and environment had held about eight meetings each.

Most of the council sessions have dealt with issues at the sub-presidential level, with meetings conducted by the Cabinet chairmen. Reagan himself has chaired only a half-dozen council meetings and Vice President George Bush chaired another in Reagan's stead shortly after the March 30 shooting incident.

A random look at some of the issues that have been brought to Reagan's attention via the Cabinet councils gives an idea of what Meese means when he describes the system as flexible. "Many of these are fluid issues, not static," Meese said. "Every situation has its own surrounding circumstances. On most decisions, you have the time to work out the political, congressional, public relations types of ramifications. But not always."

On May 11, for example, Reagan chaired a meeting of the human resources council at which 15 recommended changes in the structure of social security benefits were presented to him for the first time. Those recommendations had not been developed through the three tiers of the Cabinet council structure but instead had been worked out by a high-powered, ad hoc group that included Schweiker and other officials of the Health and Human Services Department, budget director Stockman and White House policy adviser Anderson.

The working group had been formed independently of the Cabinet council

system, and the options papers that it developed had been closely held rather than circulated through the normal networks presided over by Fuller and Darman.

The working group, greatly influenced by Stockman's concern about finding budget cuts over the next two or three years, did not decide on the recommendations until late on Friday, May 8. The intention was to use the Cabinet council meeting the following Monday as a forum for presenting the proposals to Reagan. The final recommendations were not explained to White House aides until Saturday, and cleanly typed copies were not available until a day later.

The political side of the President's staff was essentially caught off guard, with insufficient time to assess the probable reaction to the proposals before Reagan heard them at the Cabinet council meeting on the morning of May 11. Reagan did reject two of the proposals—one to cut off survivors' benefits to children after they reach the age of 12 and another to require new federal employees to participate in the social security program. But though he had been warned of the likelihood of controversy, he made his decision to approve the rest of the proposed changes just a few hours after they had been presented to him.

Baker and his aides at that point were left with little recourse other than to insist that the proposals be announced by—and appear to come from—Schweiker and his department. Congressional anger over the proposals was immediate and so intense that the Administration had to declare quickly that it was still open to other proposals.

Meese noted that the decision was driven by the Administration's desire to meet a May 12 commitment to present testimony to Congress. "There was not a lot of time for pre-explanations," he noted, "and you had a volatile topic on which almost anything you say is going to produce an adverse reaction." (For more on the controversy, see *NJ*, 6/13/81, p. 1052.)

The Administration also has been burned by adverse congressional reaction to its announced intention to sell airborne warning and control system (AWACS) planes to Saudi Arabia, a decision that arose out of the National Security Council process.

Once again, according to Meese, White House timing was off. "On the sale of air materiel to the Saudi Arabi-

White House chief of staff James A. Baker III plays an influential role at the periphery of the Cabinet decision-making process.



ans, it was a case where a lot of information was made public before the Administration was ready to proceed. . . . The decision was in the process of being made as to what we were going to do, but the information [got out] before the implementing plan had been made." He added that sensitive and complex negotiations on the conditions of use attached to the sale of the aircraft are still being worked out in consultation with Congress. (*See NJ, 5/16/81, p. 871.*)

Meese has assigned certain contentious issues, especially those that involve both domestic and national security concerns, directly to the full Cabinet. All Cabinet members are kept abreast of issues on the agendas of all five councils and are entitled to take part in policy discussions whether or not they are members of the council hearing a particular issue. That is not the case, however, with the agenda of the National Security Council.

The issues of grain and butter sales to the Soviet Union are examples of the sort of cross-cutting issues that have been sent to the full Cabinet for discussion. In the case of the partial embargo on grain sales to the Soviets, Reagan considered the issue for many weeks before announcing a decision that bore the marks of his White House political advisers rather than his Cabinet advisory process. Reports that word of the decision to lift the embargo reached Congress before it arrived at the State Department are taken as further evidence that White House legislative strategists were in the thick of the discussion.

While the Agriculture Department and farming interests on the Hill were the winners on the grain decision, the State Department appears to be the victor in blocking the sale of surplus butter to the Soviet Union. According to Meese, the President is still seeking additional options on the butter question. But a spokesman for the food and agriculture Cabinet council expressed regret that the butter sale issue had never been fully staffed out in the prescribed manner before that panel.

Jurisdictional problems appeared to pose an early threat to the commerce and trade council. A White House aide has described it as "insane" to have such a council in addition to a council on economic affairs, "especially when you have [U.S. Trade Representative] Bill Brock charging hard with the Trade Policy Committee," still another statutory Cabinet-level policy forum that Brock chairs.

After something of a rough start when the Trade Policy Committee and the commerce and trade council appeared to be competing, an accommodation appears to have been reached. The Cabinet council is a forum for presenting issues to

the President, while the policy committee is not. The two groups can work in concert, however, as they did on Reagan's June 30 decision to lift import quotas on shoes from Taiwan and South Korea.

The Trade Policy Committee functioned as the working group that developed the issue for presidential consideration. The matter was then brought before the Cabinet council, with Reagan presiding, to present the final arguments leading to the decision.

It is not, in every case, absolutely clear which Cabinet council helped the most to forge a given policy. On the question of how to finance the filling of the strategic petroleum reserve, the natural resources and environment council wrestled with the issue, as did the economic affairs council. Regan and Stockman, the two



strongest members of the latter panel, ultimately joined forces with Energy Secretary James B. Edwards to present a unified front on Capitol Hill in favor of off-budget financing.

The outcome, according to a participant, "was a policy that all the relevant parties could live with. It was successfully sold up on the Hill in such a way that it didn't appear to be the Administration's policy, but rather a Hill position that the Administration was responding to. And, in the process, we foreclosed a whole series of schemes that would have been much worse." (*See NJ, 5/16/81, p. 897.*)

OUTLOOK

The key to analyzing the Administration's experiment in Cabinet-level policy making may well be to take Ed Meese at his word when he describes his system as flexible.

As the executive secretary of one of the

Cabinet councils explained in an interview, "If you try to look for too much order or rigidity in the system, it won't look like it is working very well." He added, however, that each of the councils has had to seek its own operating mode, and "that is as it should be."

Whatever the operating modes, Reagan Cabinet officers have indeed become active participants in White House policy discussions. As an aide to Meese put it, "The intangible evidence is in just seeing them coming and going."

Among the group of council executive secretaries, there are some predictable and recurrent petty complaints. Some resentment has been expressed toward the Office of Cabinet Administration for "grabbing off" issues scheduled for presidential consideration at a council meeting

Presidential counselor Edwin Meese III says that the Cabinet council meetings "are the forum for the final arguing or discussion of issues and policy positions."

and adding them, instead, to the agenda of a full Cabinet meeting. There is also the perennial complaint that as briefing papers work their way toward the President, the cover sheets are changed, allowing others to claim credit for what has been written.

Gripes such as these are eternal in paper-shuffling bureaucracies, and they occur in the White House just as they do in more mundane settings. They also may reflect a touch of frustration over the fact that those who groom a policy and ready it for the President's decision labor largely in anonymity.

The visibility goes to those who ride forth and cut the deals necessary to bring those policies to the finish line. □

• Notes to Ralph Bledsoe 6/13/81
12

'Tuesday' 6/14/81

(UNCLASSIFIED/SENSITIVE)

STRATEGIC PLAN:
ANALYSIS OF CABINET COUNCIL ACTIVITY
JULY 10, 1981

- o Since their inception, Cabinet Councils have met 53 times:

Economic Affairs	28	-	53%
Commerce and Trade	7	-	13%
Human Resources	3	-	6%
Natural Resources and Environment	12	-	23%
Food and Agriculture	3		6%

- o The Councils have covered 53 different topics:

Economic Affairs	28	-	44%
Commerce and Trade	7	-	11%
Human Resources	5	-	8%
Natural Resources and Environment	15	-	24%
Food and Agriculture	8		13%

- o The 53 topics have resulted in 95 agenda items (some have been discussed several times). Dispositions, according to the minutes were as follows:

Directed Further Study	43	-	33%
Decided a Strategy	24	-	18%
Decided a Cabinet Council Policy	11	-	8%
Decided a Presidential Policy	3	-	2%
Reviewed or Discussed Only	38	-	29%
Postponed/Did Not Discuss	13		10%

- o Of importance is that only 2% of the discussions resulted in Presidential policy, and only 8% resulted in a Cabinet Council policy.
- o A bit less than one-third of the time issues are only reviewed or discussed, and about one-third of the time further study is directed.

(UNCLASSIFIED/SENSITIVE)

STRATEGIC PLAN:
ANALYSIS OF CABINET COUNCIL ACTIVITY
(Percentages Read Horizontally)

July 10, 1981

Council	Topics on Agenda	Reviewed/ Discussed	Directed Further Study	Decided			Postponed Did Not Discuss
				Strategy	Cabinet Policy	Presidential Policy	
ECONOMIC AFFAIRS	4 * (29)	27% (21)	39% (31)	17% (13)	12% (9)	- (0)	5% (4)
(28 meetings; average attendance - 20)							
COMMERCE AND TRADE	1 * (7)	40% (6)	26% (4)	14% (2)	9% (1)	7% (1)	7% (1)
(7 meetings)							
HUMAN RESOURCES	0 * (5)	20% (1)	20% (1)	20% (1)		40% (2) **	
(3 meetings)							
NATURAL RESOURCES AND ENVIRONMENT	2 * (15)	28% (8)	21% (6)	28% (8)	3% (1)		21% (6)
(12 meetings)							
FOOD AND AGRICULTURE	1 * (5)	33% (2)	17% (1)	17% (1)			33% (2)
(3 meetings)							
<hr/>							
	8 * (53)	(27)	(33)	(18)	(3)	(1) **	(13)

The information was obtained from agendas and minutes of Cabinet Council meetings. Information from Secretariat or other work group meetings is not reflected.

* Presidential Priority Agenda Items

** Policy Actually Decided By President Within a Few Hours Following the Council Meeting

Cabinet Councils

Statement by the White House Press Secretary on the Formation of the Five Councils. February 26, 1981

The membership of each Cabinet Council has been finalized. The Cabinet Councils are designed to operate as subgroups of the full Cabinet, with the President presiding. Full Cabinet meetings will continue to focus on broad issues affecting the entire Government and on overall budgetary and fiscal matters.

Cabinet Council procedures have been developed and endorsed by the President. The procedures are intended to create an orderly process for reviewing issues requiring a decision by the President.

The Cabinet Council procedures are:

—Each Cabinet Council will be chaired by the President.

—Each Cabinet Council has a designated Chairman pro tempore who will guide the direction of the Council and will serve as the chairman of working sessions in which the President is not in attendance.

—An Executive Secretary will be appointed for each Cabinet Council from the Office of Policy Development. This individual, working with the Office of Cabinet Administration, will coordinate the activities of each Cabinet Council, including the preparation and distribution of agendas and meeting summaries. This activity will be supplemented by a secretariat for each Cabinet Council, composed of the Executive Secretary, representatives of the member departments, and other personnel as needed, to prepare background materials, refine policy options and recommendations, and otherwise assist the Cabinet Council.

—Issues will be sent to Cabinet Councils by the Office of Cabinet Administration. Notification of such assignments will be communicated immediately to all Cabinet members to assure full opportunity to participate in consideration of each issue.

—Presidential decisions, made in or after Cabinet Council meetings, will follow full discussion by any Cabinet member who wishes to participate. Council meetings are open to any member of the Cabinet. Decisions will be reported to the full Cabinet as they occur. When full Cabinet review is required, the matter will be set for a meeting of the full Cabinet.

Cabinet Council on Economic Affairs

SECRETARY OF THE TREASURY, Chairman pro tempore
SECRETARY OF STATE
SECRETARY OF COMMERCE
SECRETARY OF LABOR
SECRETARY OF TRANSPORTATION
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
U.S. TRADE REPRESENTATIVE
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
*THE VICE PRESIDENT
*COUNSELLOR TO THE PRESIDENT
*CHIEF OF STAFF

Cabinet Council on Natural Resources and Environment

SECRETARY OF THE INTERIOR, Chairman pro tempore
ATTORNEY GENERAL
SECRETARY OF AGRICULTURE
SECRETARY OF TRANSPORTATION
SECRETARY OF HOUSING AND URBAN DEVELOPMENT
SECRETARY OF ENERGY
*THE VICE PRESIDENT
*COUNSELLOR TO THE PRESIDENT
*CHIEF OF STAFF

Cabinet Council on Commerce and Trade

SECRETARY OF COMMERCE, Chairman pro tempore
SECRETARY OF STATE
SECRETARY OF THE TREASURY
ATTORNEY GENERAL
SECRETARY OF AGRICULTURE
SECRETARY OF LABOR
SECRETARY OF TRANSPORTATION
U.S. TRADE REPRESENTATIVE
CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS
*THE VICE PRESIDENT
*COUNSELLOR TO THE PRESIDENT
*CHIEF OF STAFF

Cabinet Council on Human Resources

SECRETARY OF HEALTH AND HUMAN SERVICES, Chairman pro tempore
ATTORNEY GENERAL
SECRETARY OF AGRICULTURE
SECRETARY OF LABOR
SECRETARY OF HOUSING AND URBAN DEVELOPMENT
SECRETARY OF EDUCATION
*THE VICE PRESIDENT
*COUNSELLOR TO THE PRESIDENT
*CHIEF OF STAFF

Cabinet Council on Food and Agriculture

SECRETARY OF AGRICULTURE, Chairman pro tempore
SECRETARY OF STATE
SECRETARY OF THE INTERIOR
SECRETARY OF COMMERCE
SECRETARY OF TRANSPORTATION
U.S. TRADE REPRESENTATIVE
*THE VICE PRESIDENT
*COUNSELLOR TO THE PRESIDENT
*CHIEF OF STAFF

*Ex officio member

Circles Within Circles

A modern President can't possibly master the details of all the complex problems that come to the Oval Office for resolution. Decisions inevitably are influenced by the men and women who determine what information the President should see, offer their interpretation of the facts and frame the options for action.

There is never a shortage of highly placed presidential advisers. Ronald Reagan's inner circle, for example, includes 18 advisers of Cabinet rank and about an equal number of senior White House staffers, all of whom have little reason for being other than to try to shape the course of presidential decision making. And that's just the tip of the iceberg.

Obviously, the President cannot listen to 30 or more competing voices at once, and some sort of organizational structure must be imposed upon his advisory network. Ideally, such a system gives all the key performers a fair opportunity to have their say, yet boils all the discussion down to essentials that the President can grasp.

The Reagan White House has devised a scheme for formulating policy advice that builds boldly upon the genius of Ringling Brothers, with an assist from Ballantine beer. Beneath the Reagan Big Top, a presentation entitled "Cabinet government" will unfold as a six-ring policy-making circus with each of the six rings composed of three interlocking circles.

The geometric symmetry of the White House plan to forge policy through the work of Cabinet councils is largely the work of presidential counselor Edwin Meese III, with help from chief of staff James A. Baker III. Not surprisingly, Meese and Baker emerge as the ringmasters who will direct the action in the five Cabinet subgroups that have been established to parallel the existing National Security Council.

"Broad issues affecting the entire government and . . . over-all budgetary and fiscal matters" will be reviewed at meetings of the full Cabinet, Meese wrote in a Feb. 26 memorandum. Other issues that cross agency lines will be aired, as appropriate, before the National Security Council or one of the five Cabinet councils on economic affairs, commerce and trade, human resources, natural resources and environment and food and agriculture.

The Cabinet councils will have three operating modes. At the highest level, their meetings will be chaired by the President. At working sessions, which are likely to occur more frequently, the lead Cabinet member on each council will preside as chairman. The Treasury, Commerce, Health and Human Services, Interior and Agriculture Secretaries are the designated "chairmen pro tempore" of the five councils. Within the National Security Council, which the President chairs by statute, working groups will be variously headed by the Secretaries of State and Defense and the director of the Central Intelligence Agency.

The third level of Cabinet council meetings will involve a staff secretariat made up of representatives of each of

the council members but headed by an executive secretary who will be an employee of Martin Anderson's White House Office of Policy Development. The Office of Management and Budget also will have a representative on the secretariat of each council, and other members of the White House staff will participate when appropriate, according to Craig L. Fuller, the director of Cabinet administration, who reports to Meese.

Despite the conspicuous roles carved out for Cabinet members, therefore, the real control over policy discussions—the power to set agendas and call meetings—rests firmly in the White House. "We will function as a Rules Committee," Fuller said in a recent interview. He explained that Meese and Baker would settle all jurisdictional questions by deciding which councils should handle which issues.

As issues develop, he explained, Baker, working through staff secretary Richard G. Darman, will sound out key White House aides for their views and alert them to the likelihood of an imminent presidential decision. Fuller, acting on Meese's behalf, will similarly seek the views of the Cabinet. When the interests of all the key participants are known, Baker and Meese will decide which council should develop the issue for the President.

Once assigned to a council, issues should percolate upward through the system. Initially, the staff secretariat, meeting in the Old Executive Office Building, will attempt to develop an options paper incorporating competing departmental views and, where possible, reaching agreements on pertinent facts and the definition of issues. Next, the scene might shift to the Roosevelt Room in the West Wing of the White House for a Cabinet-level working session.

Finally, when the issue has been refined to the point where presidential participation is necessary, the council session would switch to the Cabinet Room. In particularly controversial situations, an issue might ultimately come to the full Cabinet before the President reaches his final decision.

The point is to involve Reagan's department heads and White House aides in a cooperative, rather than a combative, process of policy development. As the plan evolved, concessions were made to both sides. In Meese's initial memorandum proposing the councils on Feb. 13, each group was limited to no more than six members plus Meese, Baker and Vice President George Bush as ex-officio members of all the councils. After review by the Cabinet, some of the councils were expanded by as many as three members.

The economic affairs council, which is expected to have a particularly full agenda, may end up with a somewhat different staffing arrangement. It may have a full-time executive secretary who will wear two hats—sharing allegiance to Treasury Secretary Donald T. Regan and the White House policy development staff that reports to Meese.

That might be the slight exception that proves the rule. For no matter how many performers in the six-ring policy circus, it's the White House that will crack the whip. □

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 26, 1981

STATEMENT BY THE PRESS SECRETARY

The membership of each Cabinet Council has been finalized. The Cabinet Councils are designed to operate as subgroups of the full Cabinet, with the President presiding. Full Cabinet meetings will continue to focus on broad issues affecting the entire government and on overall budgetary and fiscal matters.

Cabinet Council procedures have been developed and endorsed by the President. The procedures are intended to create an orderly process for reviewing issues requiring a decision by the President.

The Cabinet Council procedures are:

- * Each Cabinet Council will be chaired by the President.
- * Each Cabinet Council has a designated chairman pro tempore who will guide the direction of the Council and will serve as the chairman of working sessions in which the President is not in attendance.
- * An executive secretary will be appointed for each Cabinet Council from the Office of Policy Development. This individual, working with the Office of Cabinet Administration, will coordinate the activities of each Cabinet Council including the preparation and distribution of agendas and meeting summaries. This activity will be supplemented by a secretariat for each Cabinet Council, composed of the executive secretary, representatives of the member departments, and other personnel as needed, to prepare background materials, refine policy options and recommendations, and otherwise assist the Cabinet Council.
- * Issues will be sent to Cabinet Councils by the Office of Cabinet Administration. Notification of such assignments will be communicated immediately to all Cabinet members to assure full opportunity to participate in consideration of each issue.
- * Presidential decisions, made in or after Cabinet Council meetings, will follow full discussion by any Cabinet member who wishes to participate. Council meetings are open to any member of the Cabinet. Decisions will be reported to the full Cabinet as they occur. When full Cabinet review is required, the matter will be set for a meeting of the full Cabinet.

CABINET COUNCIL ON COMMERCE AND TRADE

Secretary of Commerce, Chairman Pro Tempore

Secretary of State

Secretary of the Treasury

Attorney General

Secretary of Agriculture

Secretary of Labor

Secretary of Transportation

U.S. Trade Representative

Chairman, Council of Economic Advisers

- * The Vice President
- * Counsellor to the President
- * Chief of Staff

CABINET COUNCIL ON HUMAN RESOURCES

Secretary of Health and Human Services, Chairman Pro Tempore

Attorney General

Secretary of Agriculture

Secretary of Labor

Secretary of Housing and Urban Development

Secretary of Education

- * The Vice President
- * Counsellor to the President
- * Chief of Staff

CABINET COUNCIL ON ECONOMIC AFFAIRS

Secretary of the Treasury, Chairman Pro Tempore

Secretary of State

Secretary of Commerce

Secretary of Labor

Secretary of Transportation

Director, Office of Management and Budget

U.S. Trade Representative

Chairman, Council of Economic Advisers

- * The Vice President
- * Counsellor to the President
- * Chief of Staff

CABINET COUNCIL ON NATURAL RESOURCES AND ENVIRONMENT

Secretary of the Interior, Chairman Pro Tempore

Attorney General

Secretary of Agriculture

Secretary of Transportation

Secretary of Housing and Urban Development

Secretary of Energy

- * The Vice President
- * Counsellor to the President
- * Chief of Staff

CABINET COUNCIL ON FOOD AND AGRICULTURE

Secretary of Agriculture, Chairman Pro Tempore

Secretary of State

Secretary of the Interior

Secretary of Commerce

Secretary of Transportation

U.S. Trade Representative

- * The Vice President
- * Counsellor to the President
- * Chief of Staff

* Ex officio member

SUMMARY OF CABINET COUNCIL ACTIVITY
ON STRATEGIC PLAN POLICY AREAS
July 10, 1981

ECONOMIC AFFAIRS	Reviewed/ Discussed	Directed Further Study	Decided		Postponed/ Did Not Discuss
			Strategy	Cabinet Policy	
Longshoremen's Compensation Act		28			
Regulatory Reforms		22			
Ottawa Trip		19,26		27	
Economic outlook*	1,16,24	8	5		
Budget Reduction*	1,15,25	11,16			
President's Canada Trip		1,2	2		
Council Procedures	1,5				
Thrift Industry	1,3,22	6,13,15,27	9	20	2
Polish Debt		11,19	3,5,11	20	2
Youth Differential					
Minimum Wage		1,4			
Tax Program *	28	4,11	5		
Cost of Living					
Adjustments		6,23	5		4
Coal Miner's Strike	5				
Targeted Jobs Tax					
Credit		6	7		
Conrail	7	6			
Strategic Petroleum					
Reserve		12	7,12	14,18	
Gold Study Commission					7
IRS Federal Debt					
Collection	17	10			
Monetary Policy*		13			
Developments in					
Financial Markets	19,24,28	13			
Northeast Rail Service		8			
Tax Refund Offset			10		
Accelerated Cost Recovery	17	14		21	
Federal Credit Applicants			10		
Defaulted Federal Loans				10	
Executive Agency					
Discretionary Actions				18	
Savings Rate	27	21,28			
Davis-Bacon				25	
Air controller's					
Negotiations	23				

(Meeting Dates - See Next Page)

			<u>Meeting Dates</u>					
1.	March 6, 1981	(19)	10.	April 16, 1981	(20)	19.	May 26, 1981	(22)
2.	March 9, 1981	(22)	11.	April 24, 1981	(22)	20.	May 29, 1981	(25)
3.	March 18, 1981	(16)	12.	April 28, 1981	(23)	21.	June 2, 1981	(22)
4.	March 20, 1981	(16)	13.	April 30, 1981	(21)	22.	June 4, 1981	(22)
5.	March 23, 1981	(28)	14.	May 5, 1981	(26)	23.	June 10, 1981	(19)
6.	March 26, 1981	(16)	15.	May 7, 1981	(19)	24.	June 16, 1981	(20)
7.	March 31, 1981	(22)	16.	May 12, 1981	(26)	25.	June 18, 1981	(24)
8.	April 7, 1981	(17)	17.	May 14, 1981	**	26.	June 23, 1981	(24)
9.	April 9, 1981	(21)	18.	May 21, 1981	(24)	27.	June 30, 1981	(23)
						28.	July 7, 1981	(25)

(Number of attendees in parentheses)

Note: This information was obtained from agendas and minutes of Cabinet Council meetings. Information from Secretariat or other work group meetings is not reflected.

* Strategic Plan Presidential Priorities

** No meeting minutes received

SUMMARY OF CABINET COUNCIL ACTIVITY
ON STRATEGIC PLAN POLICY AREAS

July 10, 1981

COMMERCE AND TRADE	Reviewed/ Discussed	Directed Further Study	Decided			Postponed Did Not Discuss
			Strategy	Cabinet Policy	Presidential Policy	
Enterprise Zones*	2	1	4			
Exports to Eastern Bloc		1				2
Council Procedures	1					
Coal Export Policy		3		4		
Ottawa Summit		3				
Trade Relations-Mexico	4		6	7		
U.S. Trade Policy	4				2	

Meeting Dates

1. March 19, 1981
2. April 2, 1981
3. April 15, 1981
4. May 6, 1981
5. May 20, 1981 **
6. May 29, 1981
7. June 23, 1981 ***

NOTE: This information was obtained from agendas and minutes of Cabinet Council meetings. Information from Secretariat or other work group meetings is not reflected.

- * Strategic Plan Presidential Priorities
- ** No meeting minutes received
- *** No agenda received

SUMMARY OF CABINET COUNCIL ACTIVITY
ON STRATEGIC PLAN POLICY AREAS

July 10, 1981

HUMAN RESOURCES	Reviewed/ Discussed	Directed Further Study	Decided		Postponed Did Not Discuss
			Cabinet Policy	Presidential Policy	
Role/Procedures	1				
Issues Types		1			
Meeting Schedule			1		
Social Security				2	
Vietnam Veterans				3	

Meeting Dates

1. March 16, 1981
2. May 11, 1981
3. June 9, 1981

Note: This information was obtained from agendas and minutes of Cabinet Council meetings. Information from Secretariat or other work group meetings is not reflected.

SUMMARY OF CABINET COUNCIL ACTIVITY
ON STRATEGIC PLAN POLICY AREAS

July 10, 1981

NATURAL RESOURCES AND ENVIRONMENT	Reviewed/ Discussed/ Paper	Directed Further Study	Decided		Postponed Did Not Discuss
			Strategy	Cabinet Policy	
Clean Air Act*	5,8	1	9,10		3
Water Policy	4				1
Strategic Minerals		5			1
Energy Development	12				1
Oil Exploration/OCS	5		2,7		
Fuel Use Act			7		3
Strategic Petroleum Reserve		5			
Meeting Agendas			3		
Natural Gas Decontrol*	3,4				
Animal Damage (Predator) Control		5			
National Parks	5				
Oil Lease Revenues		5			
Nuclear Power				7	
Power Marketing Organizations		11			
Alaskan Gas Transport Act			12		

Meeting Dates

- | | | |
|---------------------|------|---------------------|
| 1. March 13, 1981 | (12) | 7. June 8, 1981 |
| 2. April 3, 1981 | (17) | 8. June 10, 1981 |
| 3. April 22, 1981 | | 9. June 16, 1981 |
| 4. April 29, 1981** | | 10. June 19, 1981 |
| 5. May 13, 1981 | | 11. June 24, 1981 |
| 6. May 28, 1981 | | 12. July 1, 1981 ** |

Note: This information was obtained from agendas and minutes of Cabinet Council meetings. Information from Secretariat or other work group meetings is not reflected.

- * Strategic Plan Presidential Priorities
- ** No meeting minutes received

SUMMARY OF CABINET COUNCIL ACTIVITY
ON STRATEGIC PLAN POLICY AREAS

July 10, 1981

FOOD AND AGRICULTURE	Reviewed/ Discussed	Directed Further Study	Decided		Postponed Did Not Discuss
			Strategy	Cabinet Policy	
Farm Bill*	2	1			
Humanitarian					
Wheat Reserve			2		
International					
Wheat Council	4				
Dairy					
Commodity Loans					
Grain Embargo					
Third World Agriculture					2
Farmland Conversion					2

Meeting Dates

1. March 16, 1981 (15)
2. May 5, 1981 (11)
3. May 20, 1981 **

Note: This information was obtained from agendas and minutes of Cabinet Council meetings. Information from Secretariat or other work group meetings is not reflected

* Strategic Plan Presidential Priority

** No meeting minutes received

(UNCLASSIFIED/SENSITIVE)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

TO: Richard S. Beal
FROM: Charles P. Smith *CPS*
SUBJECT: Phase III Questions
DATE: July 10, 1981

The following questions relating to the Phase III plan could be asked in interviews of Senior White House or agency individuals:

1. What are the major principles under which this Administration should operate?
2. What are the major policy areas about which the Administration should be concerned during the next six months?
3. What are the desired goals within each policy area?
4. What are the major issues associated with each goal?
5. What are the major activities (e.g., schedules, task forces, legislation) associated with each goal?
6. What are some strategies the President could use in achieving desired goals?
7. What are some disruptive factors that the President should take into consideration for action?
8. What are some evaluation criteria that could be used to assess progress in achieving each goal?
9. What are the financial implications of the proposed approach to each goal?
10. What are some Presidential events that could be associated with each goal?
11. Who should be assigned responsibility for achieving this goal?
12. If you had one message you could give to the President, what would it be? What message should he next communicate to the public?
13. How is the Cabinet Council process working?
14. Where is the President failing to live up to campaign promises?

CPS:lmh

(UNCLASSIFIED/SENSITIVE)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

TO: Richard S. Beal
FROM: Charles P. Smith *CS*
SUBJECT: Possible Changes to Volume I and II
of the Strategic Plan
DATE: July 10, 1981

The following thoughts are provided on the possible changes needed in Volumes I and II of the strategic plan to reflect the new Phase III format and content.

Volume I

1. Introduction: Revise to reflect new format and content.
2. Objectives: Revise to reflect the goals for each policy area; add a new section on strategies.
3. Presidential priority policy areas: Revise to include the new Phase III Presidential priorities in a form similar to Pages 10-11 of the July 8, 1981, memo on Phase III policy issues; add new priority rankings; prepare new annotations; revise the analysis of priority distribution; review the cross-impact analysis of Presidential policy areas.
4. Cabinet Council Priority Activity: Revise to reflect the issues and activities generally as contained on Pages 2-9 of the July 8, 1981, memo with each issue phrased as a question - and including relevant legislation or activities in parenthesis after the issue; add new priority rankings; revise inventory to reflect any items that don't yet seem to belong in the Cabinet Council list; update analysis of Cabinet Council activity; update analysis of priority distributions; update the list of policy areas that may need transfer.
5. Disruptive Factors: Revise to reflect the new format and content as needed; update the priority distribution; update the cross-impact analysis.
6. Schedule: Include a copy of new "policy calendars"; include "listing" of possible Presidential events; include updated Presidential schedule.
7. Alert Lists: Revise to reflect new format and content; merge alert list on disruptive factors with alert list on policy areas; consider merger of alert lists and disruptive factor list.

Volume II

1. Revise to include new Presidential priority policy areas and goals for Phase III.
2. Revise format of each description to be similar to Presidential Decision memorandum and include:
 - o issue title
 - o annotated description
 - o objectives
 - o evaluation criteria
 - o financial implications
 - o strategies
 - o Presidential events
 - o assignment of responsibility

CPS:lmh

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

DRAFT

TO: Richard Beal
Charles Smith

FROM: Ralph Bledsoe

SUBJECT: Proposed Evaluation Strategy

DATE: July 10, 1981

As a part of the shift in emphasis to Phase III, we should evaluate the results and activities of Phases I and II. These data will be helpful in detailed planning and actions needed prior to Phase III, and should help us assess the readiness of various White House units and senior staff for Phase III, obtain their views on the problems in Phases I and II, and generally document what we have done, and how well we have done it, before the records fade and memories lapse. In keeping with our earlier discussions, evaluation should follow the Strategic Plan formats to the extent possible.

With this in mind, the following are recommended:

1. We should survey the White House (Senior) Staff and Cabinet Council members to determine their views.
2. We should inject questions that are variations of the internal evaluation questions into special surveys commissioned to sample selected audiences nationwide.
3. We should use the results to reassess each of the policy areas and its status in Phase III. This may help in deciding on downgrading or upgrading priority of each policy area.
4. We should point out to those surveyed that this represents a structured responsive communication to the President from his immediate senior staff and line managers, something that occurs frequently in major organizations.
5. We should use the results to correct process problems or to initiate special efforts if, say, most feel that public support is low, clarity is low, or consistency is low.

A possible instrument is attached.

INSTRUCTIONS

On the following page is a list of Presidential Priority Policy Areas contained in the Strategic Plan that has been in effect since the President took office. You are asked to express your opinion on several aspects related to each Policy Area:

- . How relevant is the policy area to what the President has promised?
- . How clear and understandable is the policy area?
- . How much public support for the policy area is evident?
- . How consistent have been the Administration's actions in the policy area?
- . What level of priority has the Administration given the policy area?
- . How important to the rest of the world is the policy area?
- . How feasible is it that the Administration can successfully achieve the goals of the policy area?

For the above, you should rank each Policy Area using a 1 to 5 scale, in which:

- 1 = Very Low
- 2 = Moderately Low
- 3 = Moderate
- 4 = Moderately High
- 5 = Very High

If you have no opinion, please leave the item blank.

POLICY AREA	Relevancy	Clarity	Public Support	Consistency	Priority Given	World Importance	Feasibility To Achieve
Defense Capabilities							
Intelligence, Information and Foreign Assistance Programs							
Crisis Planning							
Alliance Relations and Consultations							
Middle East Regional Security							
East-West Discussions							
Arms Reduction Process							
Caribbean and Central America Regional Security							
Presidential Diplomacy and Summitry							
Hostage Return							
U.S. Credibility in World Affairs							
African Relations							
Major Foreign Policy Statements on U.S.-Soviet Relations, Defense Strategy							
Personnel Appointments, Orientation and Utilization							
General Services Administration							
White House Decision-Making Processes							
Presidential Leadership							
White House/Congressional Relations							
Court Role in Policy Making							

POLICY AREA	Relevancy	Clarity	Public Support	Consistency	Priority Given	World Importance	Feasibility To Achieve
Public Liaison							
Communications							
Political Affairs							
Intergovernmental Affairs							
Press Relations							
Scheduling							

Key: 1 - Very Low
2 - Moderately Low
3 - Moderate
4 - Moderately High
5 - Very High
Leave blank if you have no opinion

STRATEGIC PLAN: EVALUATION CONCEPTS AND EXAMPLES

<u>CONCEPT</u>	<u>EXAMPLES</u>	
	<u>POSITIVE</u>	<u>NEGATIVE</u>
A- <u>Agenda Control</u>	1. Our successful handling to date of the budget adjustment proposal	1. Possible loss of tax proposals since this was not put forth as a required part of the budget adjustment
B- <u>Policy Consistency</u>	1. Our successful integration of foreign and domestic policy to date	1. Difficulties in announcing contradictory policy positions before they become Administration policy (e.g., auto imports)
C- <u>Prioritization of policies</u>	1. Our suggested priorities in the Strategic Plan	1. Difficulties when policies are announced when they have not been through thorough policy development process (e.g., Social Security; El Salvador)
D- <u>Adherence to Presidential promises</u>	1. Our adherence generally to principles of deregulation, devolution, and free enterprise	1. Concern among those at both radical ends of the political continuum over our progress (e.g., right-to-life, minority assistance)

CONCEPT

EXAMPLES
POSITIVE NEGATIVE

E. Maintenance of public support

1. President has made good speeches, effective public contact and has handled himself well in assassination attempt

1. Need to improve substance of press contacts

F. Feasibility of policies

1. Focus on a limited number of high priority policy areas provides for greater likelihood of their success

1. Reaction to some agenda items not in plan could jeopardize plan success

G. Importance of policies to world

1. U.S. has quickly reestablished its capability and intent as a world power

1. Excessive concentration on U.S. - Soviet relations might omit some issues that need attention (e.g. development of Third World independence)

H. Policy Development and Implementation Relationships

1. Cabinet Council process has initiated some good policy development and implementation relationships.

1. Budget process is too influential in establishing policy.

EXAMPLES

CONCEPT

POSITIVE

NEGATIVE

I- Relationship of policy development and announcement

1- Some new policies have been well integrated into presidential speeches (e.g., economic recovery proposals)

1- Some policies have been announced prematurely (e.g., gasoline decontrol)

EVALUATION OF EXECUTIVE OFFICE

DECISION PROCESSES

We now have approximately six months of experience in managing the Executive Office of the President, and we should evaluate what we have designed and what patterns of decision-making we have adopted. The purposes of such an evaluation are as follows:

1. In instances where we are not satisfied with accomplishments, we should improve/change the decision processes, and
2. In instances where we are satisfied with accomplishments, we should ensure that the decision processes continue.

The following is an outline of the areas of EOP decision-making that will be studied, and the key questions that should be answered.

The President's Time

- o Since this is the most precious resource in the nation, how have we utilized the President's time? Which uses of his time have the highest payoff to him? to the country? and to management of the Executive Office?
- o Which uses of his time have had the lowest payoffs?

Senior Staff Decision-Making

- o Which patterns of senior staff decision-making seem to work best? Large groups? Small groups? And, for what types of decisions?
- o What role does individual communication and interaction between staff members have in helping or hindering good decision-making.
- o Is there too much or not enough "top-down" communication? "Bottom-up" communication? For what issues do these apply?
- o Is the senior staff properly managed so as to enhance decision-making? Are they being motivated? How or why not?

Use of White House Staff

- o Are White House Staff members being employed effectively in contributing to important decisions?

- o What are the attitudes that may impact on EOP decision-making?

"Turf"

- o Is the organization structure of the EOP helping/hindering decision-making?
- o Are there conflicts over areas of responsibility or power that seem to hinder decision-making?

Cabinet Council Decision-Making

- o How do most feel about the decisions and decision processes of Cabinet Councils?
- o What seem to be the most effective or ineffective characteristics of Cabinet Councils?

Foreign Policy

- o How well is NSC decision-making being served by the present structure and behavior of staff?
- o What are the strong and weak points in support of foreign policy decision making?

Budget Decisions

- o Are budget decisions being properly staffed and made?
- o How well did the budget reconciliation process work? What improvements are possible, given the likely improvement in Congressional processes next year?
- o Is policy decision-making driving budget decision-making or vice versa? Does it make a difference?

Press Releases and Conferences

- o Are press releases and conferences based on sound decisions staffed and made beforehand?
- o Is a lack of decisions or decision-making affecting the ability of the Press office to function well?

Congressional Relations

- o What processes have worked best/poorly as we have made decisions on how to relate to Congress?
- o What is likely to change in our relations with Congress that should cause us to modify our techniques for deciding how to interact with individuals and congressional groups?

Administrative Support to the EOP

- o Is the Executive Office administrative decision apparatus working?
- o Is administrative support provided all EOP units on a timely and quality basis?
- o What improvements, if any, are needed in administrative support?

Use of Survey Data

- o Are survey data being used effectively in decision making?
- o Which polls seems to provide the most/least useful data? Why?

Image and Future

- o Is the internal/external image of decision-making by the Executive Office positive/negative?
- o Will the current decision-making processes hold up as we move into implementation and management of our policies, programs, and decisions made during Phases I and II?

7/3/81
C/A

STRATEGIC PLAN: EVALUATION CONCEPTS AND EXAMPLES

CONCEPT	EXAMPLES	
	POSITIVE	NEGATIVE
A. Agenda Control	1. Our successful handling to date of the budget adjustment proposal	1. Possible loss of tax proposals since this was not put forth as a required part of the budget adjustment
B. Policy Consistency <i>with conservative philosophy adherence to promises;</i>	1. Our successful integration of foreign and domestic policy to date	1. Difficulties in announcing contradictory policy positions before they become Administration policy (e.g., auto imports)
C. Prioritization of policies	1. Our suggested priorities in the Strategic Plan	1. Difficulties when policies are announced when they have not been through thorough policy development process (e.g., Social Security)
D. Adherence to Presidential promise	1. Our adherence generally to principles of deregulation, devolution, and free enterprise	1. Concern among those at both radical ends of the political continuum over our progress (e.g., right-to-life, minority assistance)