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THE WHITE HOUSE

WASHINGTON

Strategic Evaluation Memorandum #8

TO: Edwin Meese  
James Baker  
Mike Deaver

FROM: Richard S. Beal 

SUBJECT: Economic Indicators and the 1982 Elections

DATE: November 19, 1981

INTRODUCTION

Statisticians and political scientists have conducted research to determine the nature and extent of the political impact or influence of economic phenomena. Much of this research has focused on mid-term Congressional elections and deals with such factors as unemployment, inflation, change in real disposable income, Presidential popularity and total votes cast for House races. Preliminary evaluation of the studies indicates that some of the economic indicators that have the most impact also have a cumulative and lagged effect. Therefore, we want to draw your immediate attention to several factors that need to be thought about now.

FINDINGS

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EVALUATION

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  - b. By lagged influence it is meant that a single period of inflation can be remembered and reflected in terms of Presidential popularity over time, for up to 11 months after the initial increase or decrease in prices has occurred.

SCENARIOS

The party which occupies the White House traditionally loses House seats in a mid-term election. This loss is directly related to a loss in popular vote for Congressmen from the preceding Presidential election. Our analysis shows that for every one percent the GOP loses in votes between 1980 and 1982 it will lose about 7.5 seats in 1982.

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(UNCLASSIFIED/SENSITIVE)

Given the accuracy of the model, we can then make certain assumptions about change in real disposable income and presidential popularity and project into November, 1982. Below are some simulated scenarios. GA = Gallup Approval; RDI = Change in Real Disposable Income over last year.

| <u>Assumptions</u>        | <u>Predicted GOP Vote</u> | <u>Change in House Seats</u> |
|---------------------------|---------------------------|------------------------------|
| * 1. GA = 56<br>RDI = 1.4 | 43.1                      | - 41                         |
| 2. GA = 58<br>RDI = 5.0   | 46.3                      | - 17                         |
| 3. GA = 53<br>RDI = 3.0   | 44.4                      | - 31                         |
| 4. GA = 48<br>RDI = 1.0   | 42.5                      | - 46                         |
| ** 5. NA                  | 47.0                      | - 12                         |

\* Scenario 1 reflects what would have happened had the election been held in November, 1981.

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The figures are sobering. Even the best cases (Scenario 2 and Gallup's projections in Scenario 5) show losses that would be harmful to the President's ability to get programs through Congress. The expected scenario (#3) shows unacceptable losses.

CONCLUSION

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RECOMMENDATION

The President needs to maintain his current economic policy aimed at reducing inflation and increasing real income. The more positive results registered between January and May, 1982, the better for the GOP in November.


MEMORANDUM

(UNCLASSIFIED/SENSITIVE)

THE WHITE HOUSE

WASHINGTON

Strategic Evaluation Memorandum #8

TO: Edwin Meese  
FROM: Richard S. Beal   
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DATE: November 19, 1981

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| % Change in Real Disposable Income | 1.4 |                                     |  |
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MEMORANDUM

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STRATEGIC EVALUATION MEMORANDUM #9

TO: Edwin Meese  
James Baker  
Michael Deaver

FROM: Richard S. Beal *RSB*

SUBJECT: Reagan Federalism

DATE: January 18, 1982

The timing is right to present and explain Reagan Federalism to the American people. This memorandum provides a set of principles and an overall strategy to guide the campaign for Reagan Federalism during Phase 4.

Public opinion polls show that a large majority of the people favor the transfer of authority and funding for nationally-run programs to state and local governments. State and local governments are viewed as more efficient, effective, and accountable than the national government. A typical American today is saying:

It's a good time to do it. Right now people are taking a closer look at government and what is happening with their tax dollars. It boils down to what did government do with what we gave it. So, let's bring it down to the local level where it is less complicated.

Governor Lamar Alexander of Tennessee, vice chairman of the Advisory Commission on Intergovernmental Relations, recently echoed this sentiment:

The time is ripe,...there is the political need to find a little happiness to spread over the budget-cutting misery. Power back to the people can be a joyful song.

At the same time, the President and his Administration must be alert to the dilemmas and pitfalls that surround the federalism theme. The history of American federalism, including its underlying Constitutional principles, evolution, and role in politics, is not widely known and understood. Consequently, many different - even conflicting - views and activities have been advanced under its guise.

The Reagan Administration is perceived to be hovering dangerously close to some of these problems. For example, David B. Walker, Assistant Director of the Advisory Commission on Intergovernmental Relations and one of the nation's leading experts on federalism, has made this comment:

From a broad historical perspective, Reagan Federalism appears to be a radical response to a radical development with a rather mindless withdrawal from all manner of federal and federal intergovernmental endeavors serving as the basic corrective to a rather mindless earlier involvement of the federal government in practically every variety of state, local, and private sector concern. What was missing in the years stretching from 1964 to 1980 was a reliable, feasible -- not simply politically determined -- concept of the national interest and of the proper federal role. That concept is still missing.

Besides the expected criticisms from Democrats and the liberal press, pointed criticisms about the Reagan program also have been made recently by prominent GOP state and local office-holders, such as Governor Snelling of Vermont and Mayor Hudnut of Indianapolis.

With both these encouraging and cautionary thoughts in mind, this memorandum presents a philosophical and historical perspective on federalism; administrative and political targets for the Administration, consistent with this perspective; and the key aspects of federalism that need to be understood and managed if Reagan Federalism is to succeed.

The purpose is to maximize the opportunities and minimize the dangers associated with the federalism theme. To do this Reagan Federalism must: (1) clearly articulate the underlying principle of American federalism; (2) provide a framework that is consistent with that original principle and reflects an understanding of the evolution of the federalism theme in American politics; and (3) integrate many different kinds of governmental reform related to federalism in a manner that has conceptual consistency, administrative practicality, and political viability.

#### Liberty and Free Government:

##### The Core Principle of American Federalism

The concept of federalism that was fashioned at the Constitutional Convention was unique in the history of political thought. The Framers met to seek a solution to two fundamentally opposite (in their minds) demands: the advantages of a national system and the retention of liberty and free government. Experience under the Articles of Confederation had led to a demand for these benefits of a national system:

- an undivided political community for trade purposes,
- a stable currency (i.e., a national currency),
- a uniform protection of rights (particularly property rights),
- a system for the development of the West, and
- a recognition of the legitimacy of each state's legal proceedings.

Many Americans at that time believed, however, that the recently obtained independence for the people and free government for the states could not survive in such a national union. This was viewed by some of the Framers as too heavy a price to pay for national union.

James Madison broke this deadlock in the debate over federalism and nationalism. He introduced a radically new perspective, permitting a synthesis of these seemingly opposite demands. He successfully argued that liberty was not necessarily secure in a small polity. Indeed, he turned the idea upside down and argued that there was a greater chance of people losing their liberty in a small polity than in a large one. Once Madison's position gained acceptance there was room for compromise, and the American form of federalism - including such elements as the Senate, enumeration of national powers, and checks and balances - was established in the Constitution.

Thus, American federalism was designed as a means to an end, the liberty and free government of the people. There was no real debate at the Constitutional Convention about the nature of the union, of nation-state relations, and of national versus state sovereignty. Only in subsequent American history did that debate emerge as the perennial point of political and constitutional controversy.

President Reagan must focus on federalism's underlying principle: liberty and free government. This principle must set the tone for his views on the nature of the union, of nation-state relations, and of sovereignty.

#### Historical Perspective For Reagan Federalism

Since the ratification of the Constitution 200 years ago, the nature of American federalism has been evolving to meet the changing demands of society. These demands have forced a constant reappraisal of the nature of federalism as it relates to the liberty of the people, the powers of the states, and their relationship to the union. As Woodrow Wilson pointed out:

The question of the relation of the states to the federal government is the cardinal question of our Constitutional system. It cannot be settled by the opinion of any one generation, because it is a question of growth, and each successive stage of our political



and economic development gives it a new aspect, makes it a new question.

A key element of our national political history has been the constant debate over the appropriate structure of American federalism. In general, major phases in the evolution of that structure can be found in the period preceding the Civil War; following that war until the Great Depression; and from the New Deal until 1960. Since then, there have been federalism components of every president's activities with the exception of Ford (Johnson: Creative Federalism; Nixon: New Federalism; and Carter: New Partnership -- eclectic as it was) as well as what scholars have called Congressional federalism. (This is a major point and will be addressed below.)

Thus, the Reagan Administration is not unique in displaying concern with the federalist structure of American government. It must, however, set the debate over form, mechanics, funding, and other issues in the context of the clear, underlying American values of liberty and free government - not in the context of a return to a previous system. The President should talk about getting the nation back on track, moving forward within the spirit of what the Founding Fathers wanted and what is in the Constitution, and the continuing relevance of those values to the American people in today's world. This would be far more effective than appearing to press for a "return" to a previous structure or set of relationships.

#### Administrative and Political Targets

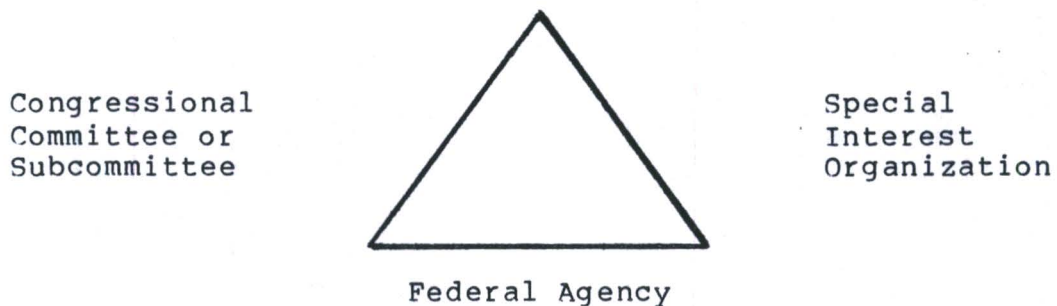
Since the issue is what is the appropriate form of federalism given today's problems, it is important to understand what has happened to the federalism structure in the last two decades, why it has happened, and where it has gone wrong. Once this is understood, it will become clear what changes need to occur and who the targets of these changes are.

Reagan Federalism must have targets to focus and discipline its attacks on the current structure. As the Administration's federalism programs are advanced on all fronts (administrative, legislative, judicial, and political) clear targets will permit the discussions to be bound within a consistent, practical and viable framework, to maintain the proper political orientation, and to keep the arguments moving in the right direction.

Samuel Beer has succinctly identified what has happened to the federalism structure, why it has happened, where it is wrong, and who is responsible, and hence, the targets for the Reagan Federalism effort. He notes:

It is not so much the consumers of public goods, the voters, but rather the producers of public goods, influencing government from within the public sector itself,

that are the force behind the federalism structure over the previous 20 years. More specifically, Beer identifies the professional bureaucratic complex, the iron triangles resulting from functional specialization within the modern state of core officials with specialized training, interested legislators, and interest group spokesmen, as those who have gained power at the national level of our federal system and are excessively driving government policies and programs.



Beer makes this telling point:

The intellectual history of federal domestic programs since the days of the Great Society is deeply marked by the influence of such complexes of professional expertise. I do not mean to exclude the continuing influence of more familiar political agents, such as an activist president responsive to problems and to the suggestions of problems. But I would remark how rarely additions to the public sector have been initiated by the demands of voters or of the advocacy of pressure groups or the platforms of political parties. On the contrary, in the fields of health, housing, urban renewal, transportation, welfare, education, poverty, and energy, it has been, in very great measure, people in government services, or closely associated with it, acting on the basis of their specialized and technical knowledge, who first perceived the problem, conceived the program, initially urged it on president and Congress, went on to help lobby it through to enactment, and then saw to its administration.

This expansion of the public sector was accomplished by an unprecedented, and one could probably say, incorrect, use of the federal structure. So, the major target for the President, at the national level, should be these professional bureaucratic complexes.

There is a secondary, but nonetheless important target. A countervailing power to the technocrats has emerged at the state

and local levels. Beer calls this group the intergovernmental lobby. It is made up of governors, mayors, county supervisors, and other office holders, usually elective, who exercise general executive responsibilities in state and local governments. Their main function has become the continual, almost day-to-day activity of offering advice and pressing requests before the federal government, particularly members of the iron triangles. Several things are important to note here. First, the activities of those in the iron triangles have produced a decentralized group. Second, members of the intergovernmental lobby, while mostly elected, generally represent only the executive branch of state and local governments. State legislatures have been left out of this current federalist structure. Third, this intergovernmental lobby has been formed as a result of action from the national government and not necessarily from the demands of the people. Fourth, it has adopted a non-official function, that of lobbying. Fifth, the major demand this group makes of the national government is to give more with fewer strings attached. Hence, it contributes to the maintenance of the currently warped federalism structure.

Understanding this helps focus the Reagan Federalism campaign. The tendencies of the federal structure that have emerged over the last twenty years may have met the demands of the national government under modern circumstances, but they have done so at the expense of liberty and free government. Hence:

- State and local governments are not free because they are so reliant on national money and constrained by national regulations and controls.
- Local and state officials are more concerned about getting a piece of the national pie lest someone else gets it first, than in spending what they do get wisely.
- The people do not view federal money as theirs. They do not worry about being accountable for it when receiving it or administering programs funded by it and they do not hold others accountable for it; i.e., the people have no sense of stewardship.
- Special interests have power unrelated to their particular representative base in the nation because they can focus on one level of government in one specific location.
- The people are not interested enough to participate in state and local government; there is little incentive for them to do so, because they do not trust or respect the competency of their state and local officials.
- State legislatures have a reduced role in representing people and determining what, how, when, and for how much things will be done.

- The Congress is non-competitive because people have not been able to control it in its liaison with specialized bureaucrats and special interests.

These are the conditions that Reagan Federalism will seek to change.

#### The Focus of the Reagan Federalism Campaign

The President can best focus his attack on the iron triangles and the intergovernmental lobby by:

1. Requesting that his officials monitor bureaucratic activity so that these bureaucrats are not independently identifying problems and proposing solutions to Congress outside of the framework established by the President.
2. Appealing to the people for the elimination of the Democratic majority in the House which has contributed significantly to the current state of affairs, and by targeting specific Democrats for defeat.
3. Asking the people to realize that the effort to restore liberty and free government requires them to focus on their state and local officeholders, and to eliminate those who have been part of the intergovernmental lobby who feed on the system and create the constant demands of it that contribute to its growth.
4. Speaking out on the need to expand the role of the state legislatures, the real losers in the federalism trends of the past two decades, so that these bodies may contribute more to the debate on what needs to be done, how it should be done, who pays for it, and how it is paid for. (This is one major reason that the Phase 4 Plan in Strategic Planning Memorandum #4 called for the President to make significant speeches on federalism to state legislatures).
5. Instructing members of his Administration to examine their specific proposals for restructuring federalism in light of each proposal's ability to end the iron triangle intergovernmental lobby stranglehold on government.

The ultimate goal will be to put the people back in the driver's seat at all three levels of government: federal, state, and local, by having them become more active in monitoring and electing their public officeholders at all levels and by removing the non-elected officials from major decision-making functions.

## Other Aspects of Federalism and the Reagan Federalism Campaign

In carrying out this campaign, certain aspects about the process of American federalism must be understood so that the President and his officials will not make misleading statements that would divert attention from his real purpose. These aspects are as follows:

1. The states rights theory, as a constitutional theory elevating state sovereignty above national sovereignty, is theoretically weak, and more importantly, it has lost every major battle in our political history. Furthermore, any linkage of Reagan Federalism to anything that can be construed as related to states rights will raise a red herring and divert attention from the real issue.

While the President claimed in his Inaugural Address that it was the states who made the union, this idea is not theoretically sound. If the states made the union, then they could dissolve it; this has been rejected politically, legally, and on the battlefield. It was the sovereign people who made the union.

The Preamble of the Constitution refers to "We the people," indicating a fundamental principle held by the Founding Fathers that the people are supreme and hold the sovereignty for any political union they create. Also, the Constitution was ratified by delegates of the people in each state, not by the state legislatures who were generally opposed to it.

The real argument has been one of the balance of power between the state and national governments for the benefit of the people. The argument that should be made is that under the current structure the power within each level of government is out of balance and that a balance needs to be achieved at each level.

By taking this position, Reagan Federalism would be able to stand up to criticism about wanting to return to a previous, already rejected system. At the same time, it would permit a perfectly legitimate federalism argument to be made: the current structure has not only upset the balance of power between levels of government, but it also had upset the balance of power within each level.

2. Congress is the source of most of the regulatory proliferation and federalism centralization in the past two decades, not the national executive branch. Through its links in the iron triangles, Congress has advanced most of the components of legislation that have burdened

the American people, many times without, and sometimes in spite of, presidential desires.

This was especially true during the Republican administrations of Nixon and Ford. Congress has been particularly anti-presidential and felt it could decide what was best, because Republican appointees could not. So it has built regulations, categories, and conditions into the legislation, making, in essence, many administrators mere functionaries, even administrative agents for Congress. It has coalesced the executive function in many areas of government.

Congress has played the role of chief executive - not to mention state legislature, city council, and school board - besides its rightful one as national legislature. It must be a prime target in the Reagan Federalism campaign, especially because it has direct links to the people to whom Reagan must appeal.

This is consistent with the Phase 4 Plan to keep the pressure on Congress. The President can show that Congress is the one who has produced this mess over the past two decades. This also gives Republican candidates ammunition with which to attack Democrats in the general election campaign.

3. The liberal expansion of federal programs over the last 20 years (over 900% dollar increase in program outlays) has not been met with an equally liberal expansion in the national bureaucracy (just over 19% increase in the number of federal employees). Rather, the acts that have been passed by Congress have forced bureaucratic growth on the state and local governments (more than doubling their employees since 1960), keeping them from freely deciding the direction in which they want to go.

Therefore, the size of the federal bureaucracy is not the only issue. More important is the impact that the federal bureaucracy has had through the iron triangles. Reducing the bureaucracy, while good, especially for public relations and political impact, will not necessarily eliminate the problem. It is the activities of those within the government that have been the most damaging. In order to avoid criticism about missing the boat with mere budget cuts and employee layoffs, the President must articulate this theme. How the bureaucracy acts, and with whom, are more important issues than its size.

Another way of looking at this point is that Reagan Federalism will combat "bigness" in government through understanding that, while bigness is not necessarily a characteristic that will lead to the loss of liberty and

free government, bigness easily does lead to the loss of these things if the power elements within the national government are not properly controlled. The controls set up in the Constitution were the federalism structure. This structure has been circumvented and, so, the bigness of government represented by taxes, programs, regulations, etc. has led to a loss of liberty and free government. Therefore, the big national government has taken over our freedoms because the very things built into the Constitution to control it have been avoided. Therefore, there is the need to reinstitute the necessary controls.

4. State and local governments have not necessarily become weaker during the past two decades. They have strengthened themselves. The number and proliferation of the members of the intergovernmental lobby are indicators of this. Many states and local governments have undertaken government reform and reorganization, creating new constitutions, changing the form of the executive government as well as its power, bringing about employee reforms and also initiating legislative reforms to give them the means to cope with the federalist structure that emerged under the drive of the iron triangles. Further, the states have increased their revenue base significantly through fiscal reform and tax increases. They also have improved operationally by hiring more and better managers and administrators.

Therefore, the real issue is not the overall weakness of state and local governments, but where these governments are weak; the representative link with the people through the state legislatures has been weakened. An intricate relationship currently exists between the state and local executive branches of governments on one hand, and the iron triangles on the other. What is lacking is a strong relationship with the people. This problem should be addressed. The non-democratic iron triangle-intergovernmental lobby relationship needs to be attacked because it has weakened the accountability of state and local governments to the people. Further, it has weakened the role and influence of state legislatures.

5. There are some decentralized components in the current federalism structure and, hence, arguments dealing with decentralization need to carefully articulate how and why decentralization in Reagan Federalism will differ from what now exists. The decentralization that currently exists comes from two sources. The first is really a national source. The national government, under Nixon, began to see the need to decentralize the federalism structure, but instead of shifting power

(responsibility and authority) back to the states and local government, it created its own regional system at the multi-state and even some substate levels. Hence, while administration was to some extent decentralized, it was still driven by the national government.

The second source of decentralization is the intergovernmental lobby. While many centers of influence exist away from Washington, these centers are responding to the driving force of the national government, particularly the iron triangles, and are not establishing the parameters for their own governmental activities.

So, the decentralization that has occurred has not helped to keep the people informed and involved in their own government; hence they are not at liberty, nor is their government free. The goal of Reagan Federalism is to produce a decentralized system that will provide for participation at the state and local level. The way to do this is to restore the incentive for the people to participate at this level. The incentive is to make sure that these governments have real authority and responsibility. There has been little need for the people to become involved at the state and local level because the state legislatures have not debated the use of public funds, and the state and local executives all do one thing, the same thing: they request more national government money with fewer strings.

Reagan Federalism must articulate how to do away with the dysfunctional decentralization that has been spawned by the national government. Centralized, or decentralized, the national government is not the appropriate government to handle many issues. Second, the program must restore incentive to participation in state and local politics by restoring to that level certain key elements of politics, namely: accountability, a sense of stewardship, and a proximity view of tax monies so that citizens and officials sense that they are dealing with their own monies.

6. The multifaceted nature of federalism must be kept in mind when dealing with any single issue relating to it. This includes: money matters (increases in allocations, recipients, and reliance on federal money by state and local entities), programs (old ones expanded unnecessarily and new ones enacted illegitimately), federal controls (sanctions, regulations, and categoricals), quasi-government entities (regional, multistate and substate units), Congress, and the judiciary.



The principles of liberty, free government, appropriate government, and participatory democracy will permit the President to examine any one of these areas. He will not be bound by some narrow structural concept of federalism, but his criticism and advocacy can be guided by what will be best for liberty and free government.

7. The national government's role of being responsible for the Constitutional rights of the people must be constantly articulated as a part of Reagan Federalism. There have been legitimate arguments put forward against Reagan Federalism as it has been articulated to date. Most damaging is the criticism that the national government has a proper responsibility to see that the people do not suffer from injustices and from poverty and that some of Reagan's specific comments, if put into action, would appear to abdicate this responsibility.

This is a politically sensitive area because of the recent battles to help minorities overcome injustices at the state and local levels. Further, opinion polls show that while state and local governments are considered more efficient than the national government in many areas, they are also more prone to discrimination. The people legitimately look to Washington for protection in this area.

8. Little has been said, in particular, about the special interest lobbyists. The point about them is they simply lose power when Congressional power shifts and when the focal point of decision-making moves from the national to the state and local levels. First, their links to power are destroyed if the make up of Congress is changed. Second, their task is immensely more difficult if they cannot focus on one government, the national one, but must convince state and local entities of the value of their respective positions. While they are not denied participation in the system, a restructuring of the system begins to relegate their influence to a more appropriate status.

#### Summary and Conclusion

Federalism has been a perennial theme in American politics. Its development in the past two decades has led to the centralization of power among two groups that are not representative of nor responsible to, in any great extent, the people.

The lack of focus on the underlying principle of federalism has contributed to the current problem. More seriously, Reagan Federalism has not been articulated in a sufficiently comprehensive and consistent manner to drive any real change in the current federal structure.

The principle of liberty and free government which caused the Framers to come up with the political concept of American federalism is put forward as the underlying standard of judgement that the President should articulate as fundamental to his federalism activities. Further, he should focus on the source of the current problem, the iron triangles and the intergovernmental lobby in the national, state, and local governments. This combination of value theme and target provides the President with a consistent focus for presenting his views, and it provides his Administration with a means to judge their own programs and activities in changing the thrust of federalism in America today.

This position recognizes the many facets of federalism as well as its theoretical, operational, and political implications. It permits a concerted attack on the Democrats (remember, members of iron triangles and the intergovernmental lobby have been and are Democrats) as well as provides a means to keep pressure on Congress.

Furthermore, the position argued is totally pro-active in that it takes away positions from which the President's opponents can criticize him. They have had, in the past, legitimate reasons (within the tradition of federalism) to question the value of the President's positions on this issue.

Finally, the explanation and presentation of this position is practical to implement, fits the demands of the Phase 4 Plan, and does not cause considerable deviation from the President's current position or past statements.


MEMORANDUM

THE WHITE HOUSE

WASHINGTON

STRATEGIC EVALUATION MEMORANDUM #10

TO: Edwin Meese  
James Baker  
Michael Deaver

FROM: Richard S. Beale 

SUBJECT: Women Constituency Support

DATE: January 13, 1982

It has been generally understood that women are significantly less likely than men to approve of President Reagan's handling of his job. Table 1 presents data confirming this point. Only in June, 1980 was Reagan's male and female support about equal. Since then, the female support has constantly lagged behind that of males.

Three basic propositions have been put forth as to the cause of this lag. Some contend that Reagan's image as one who might be reckless with war and peace causes the lower support among women. Some others argue that Reagan's opposition to such feminist causes as abortion and the equal rights amendment cost him support. Still others say that the President's economic and social policies, particularly his Social Security ideas, scare women more than men. We have put together some data in an effort to address these various contentions.

Table 2 gives an overview of the President's job approval ratings by his female constituency (DMI, November, 1981 - Eagle IV data). Several things emerge from these data:

- o Older women are more supportive than younger women.
- o Support for all women is lowest for the President's foreign affairs policies.
- o The lowest levels of support are found among poorly educated women.
- o A core of post-graduate women are strong in opposition to Reagan, particularly on foreign affairs.

These data tend to support the "war-peace" cause for the low levels of female support for Reagan. Tables 3 and 4 give more information on these matters. Table 3 presents data on how well women think Reagan can be described as effective and a strong leader. Again, young women are more negative than older women. Non-working women and those who are poorly educated are also more critical of the President on these two characteristics.

Table 4 examines 3 negative traits: starting an unnecessary war, showing business favoritism, and not caring about old people. First, it should be noted that women are not as negative as others about Reagan's business favoritism. This shows that women are discriminating in their appraisal of Reagan; that is, they are not necessarily the most negative across the board.

Women respond similarly to everyone else on the war issue, until subsets are examined. Clearly younger women and those with a post-graduate education are most likely to describe Reagan as likely to start an unnecessary war.

Women are more likely than others to believe Reagan does not care about old people. The differentiation between female subgroups is not as great on this issue as on some of the others, though the pattern holds where younger women, the poorly educated ones and those with the best education are the most critical. So, while on the war issue, opposition to Reagan is centered in specific subgroups, female criticism of Reagan's lack of concern for old people transcends all subgroups of women.

Table 5 presents data from three different polls (NBC, ABC/Washington Post, and Los Angeles Times) on women's rights issues. In all cases presented, women are less vocal than men in supporting so called women's rights issues. Further, women are no more likely than men to say Reagan is unsympathetic to women's rights. One can infer from these data that there does not seem to be a strong enough group of women committed to the so called women's rights issues to cause the lag in female support for the president on these issues alone.

Table 6 provides data from a Market Opinion Research study on abortion. The greatest variation in responses seems to be based on geographic location. Within each locale, a basic pattern emerges where women feel slightly stronger than men about abortion prohibition (though all are in the substantial majority). Also, working women are less likely to favor abortion than non-working women. The positions reverse on the matter of making abortion legal in all cases. Again, there seems to be no reason (with the exception of working women in Seattle/Tacoma) to believe that positions are so polarized here that it would, in and of itself, contribute to the female lag in Presidential approval.

Based on these data, it appears that we can discount to a certain extent one of the hypothesis and part of another about the causes for the lower Reagan support among women than men. Reagan's position on feminist causes do not seem to hurt him among women. Also, his general position on the economy does not show any major shift in female support from his overall evaluation by women. However, Reagan's perceived lack of concern for old people is a strong negative trait for many women. While this relates somewhat to his economic programs, it is not his economic

policies that turn women off. Rather it is his demonstrated lack of concern for people that these policies indicate.

This point connects with the foreign affairs or war-peace issue. Some women are critical of Reagan here, too, probably not because of something they see wrong with his policy or his leadership in the field, but because they fear his own personal lack of concern for what his efforts might cause to happen to others. It probably comes down to compassion. The President will have to get the message across that he does truly care for how his actions may affect others and that this care is long-ranged in that he is trying to act for people's long-range benefits.

An important point in these data is that female opposition to the president centers in women under 45, the poorly educated female, and women with advanced education (though this is a small part of this population). These are groups for whom it will take longer to change their positions about Reagan because of their inexperience and poor education, in most cases. They are not as equipped to shift their thinking away from the more personal and emotional issues (war, old people) to arguments on a more rational plane as are older and better educated women.

TABLE 1  
Reagan Support By Sex

|                             | <u>Male Vote</u><br><u>or Approval</u><br>% | <u>Female Vote</u><br><u>or Approval</u><br>% | <u>Difference</u><br>% |
|-----------------------------|---|---|------------------------|
| June, 1980 (DMI)            | 37  | 35  | - 2                    |
| August, 1980 (DMI)          | 44  | 39  | - 5                    |
| November, 1980 (Times/CBS)  | 55  | 47  | - 8                    |
| January, 1981 (DMI)         | 41  | 32  | - 9                    |
| September, 1981 (Times/CBS) | 61  | 46  | -15                    |
| October, 1981 (NBC News)    | 57  | 47  | -10                    |
| November, 1981 (DMI)        | 65  | 59  | - 6                    |
| December, 1981 (ABC News)   | 60  | 47  | -13                    |

TABLE 2

Reagan Job Approval Ratings  
By Female Constituency

|                             | <u>Job Approval</u> |                 | <u>Economy Approval</u> |                 | <u>Foreign Affairs</u> |                 |
|-----------------------------|---------------------|-----------------|-------------------------|-----------------|------------------------|-----------------|
|                             | <u>Strong</u>       | <u>Somewhat</u> | <u>Strong</u>           | <u>Somewhat</u> | <u>Strong</u>          | <u>Somewhat</u> |
|                             | %                   | %               | %                       | %               | %                      | %               |
| All Respondents             | 31                  | 30              | 26                      | 32              | 23                     | 36              |
| All Women                   | 27                  | 32              | 24                      | 31              | 17                     | 35              |
| <u>Age</u>                  |                     |                 |                         |                 |                        |                 |
| 18-44                       | 23                  | 35              | 21                      | 31              | 14                     | 37              |
| 45 and over                 | 31                  | 28              | 26                      | 32              | 21                     | 33              |
| <u>Working Outside Home</u> |                     |                 |                         |                 |                        |                 |
| Yes                         | 26                  | 34              | 25                      | 34              | 17                     | 38              |
| No                          | 27                  | 29              | 23                      | 28              | 17                     | 31              |
| <u>Education</u>            |                     |                 |                         |                 |                        |                 |
| Less than high School       |                     |                 |                         |                 |                        |                 |
| Graduate                    | 16                  | 32              | 14                      | 34              | 8                      | 33              |
| High School Graduate        |                     |                 |                         |                 |                        |                 |
| through College Graduate    | 29                  | 32              | 26                      | 31              | 19                     | 36              |
| Post Graduate*              | 23                  | 26              | 19                      | 26              | 23                     | 23              |

\*35% of the women who have some post graduate education strongly disapprove of Reagan's handling of foreign affairs. This is the highest negative rating the President receives among any group of men or women.

TABLE 3

Reagan Image (Positive)  
By Female Constituency

How well do these characteristics describe  
President Reagan . . .

|  | <u>Effective/Gets<br/>Things Done</u><br>% - Fair/Poor | <u>Strong<br/>Leadership</u><br>% - Fair/Poor |
|--|--|---|
| All Respondents                                  | 25   | 31  |
| All Women  | 28   | 35  |
| <u>Age</u>                                       |  |   |
| 18-24  | 32   | 37  |
| 45 and over                                      | 24   | 31  |
| <u>Working Outside Home</u>                      |  |   |
| Yes  | 26   | 31  |
| No   | 30   | 37  |
| <u>Education</u>                                 |  |   |
| Less than High School Graduate                   | 41   | 44  |
| High School Graduate<br>through College Graduate | 26   | 32  |
| Post Graduate                                    | 16   | 29  |



TABLE 4

Reagan Image (Negative)  
By Female Constituency

How wdl1 do these characteristics describe  
President Reagan . . .

|                              | <u>Start Unnecessary<br/>War</u><br>%-Excellent/Good | <u>Show Business<br/>Favoritism</u><br>%-Excellent/Good | <u>Doesn't Care<br/>About Old People</u><br>%-Excellent/Good |
|------------------------------|--|---|--|
| All Respondents              | 29   | 48  | 41   |
| All Women                    | 29   | 46  | 46   |
| <u>Age</u>                   |  |   |  |
| 18-44                        | 37   | 45  | 47   |
| 45 and over                  | 20   | 46  | 44   |
| <u>Working Outside Home</u>  |  |   |  |
| Yes                          | 29   | 44  | 47   |
| No                           | 29   | 49  | 45   |
| <u>Education</u>             |  |   |  |
| Less than High School        |  |   |  |
| Graduate                     | 30   | 53  | 51   |
| High School Graduate through |  |   |  |
| College Graduate             | 29   | 44  | 44   |
| Post Graduate                | 36   | 42  | 48   |

TABLE 5

## WOMEN'S RIGHTS ISSUES

|  | <u>All</u><br><u>Respondents</u><br>% | <u>Men</u><br>% | <u>Women</u><br>% |
|--|---------------------------------------|-----------------|-------------------|
| Those Favoring:  |                                       |                 |                   |
| ERA  | 61                                    | 65              | 57                |
| Pro-choice   | 46                                    | 50              | 42                |
| Unlimited abortion   | 40                                    | 45              | 36                |
| Reagan on Women's Rights                                     |                                       |                 |                   |
| Is Sympathetic   | 38                                    | 38              | 37                |
| Is Not Sympathetic   | 44                                    | 44              | 45                |
| Not Sure   | 18                                    | 18              | 18                |
| Approve or Disapprove of<br>Allowing Women to Have Abortions |                                       |                 |                   |
| Approve  | 51                                    | 56              | 48                |
| Disapprove   | 40                                    | 36              | 44                |
| No Opinion   | 9                                     | 8               | 8                 |

TABLE 6

## ABORTION

|                                     | <u>Favor Amendment<br/>Prohibiting</u><br>% | <u>Favor Amendment<br/>Congress/States Control</u><br>% | <u>Abortions Legal<br/>All Circumstances</u><br>% |
|-------------------------------------|---|---|---|
| <u>Springfield, Mass</u>            |   |   |   |
| All                                 | 26  | 45  | 27  |
| Male                                | 23  | 50  | 28  |
| Female                              | 28  | 41  | 27  |
| Female Employed Full Time           | 30  | 39  | 29  |
| Female Employed Part Time           | 30  | 42  | 32  |
| Female Not Employed<br>Outside Home | 26  | 42  | 24  |
| <u>Des Moines, Iowa</u>             |   |   |   |
| All                                 | 21  | 36  | 25  |
| Male                                | 21  | 41  | 26  |
| Female                              | 22  | 30  | 25  |
| Female Employed Full Time           | 18  | 33  | 33  |
| Female Employed Part time           | 28  | 30  | 26  |
| Female Not Employed<br>Outside Home | 23  | 29  | 17  |
| <u>Seattle/Tacoma, Washington</u>   |   |   |   |
| All                                 | 17  | 26  | 38  |
| Male                                | 15  | 35  | 32  |
| Female                              | 19  | 18  | 45  |
| Female Employed Full Time           | 11  | 11  | 56  |
| Female Employed Part Time           | 24  | 24  | 41  |
| Female Not Employed<br>Outside Home | 22  | 19  | 41  |

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

STRATEGIC EVALUATION MEMORANDUM #11  
(Phase 4 Supplemental)

TO: Edwin Meese  
James Baker  
Michael Deaver  
William Clark

FROM: Richard S. Beal 

SUBJECT: International Crises in the Queue

DATE: January 25, 1982

World affairs in 1981, by many standards, were very benign. The international crises which did threaten were the middle level variety and did not escalate into serious conflicts. Though many of the potential crises never breached the overt violence thresholds where the United States would be pressed to act, the basic conflicts remain unresolved and pose threats the Reagan Administration will be confronted with in its second year in office. Hence, all of the potential for conflict that existed last year persists. The most pressing threat situations in 1982 remain in the queue; like large deficits, they are carried over into 1982.

Poland (p. 1), the Middle East (p. 6), Iran-Iraq (p. 8), China-Taiwan (p. 10), South Africa (p. 12), Namibia-Angola (p. 12), and El Salvador (p. 14), the hot spots described in this SEM, will demand attention and drive of U.S. foreign relations in 1982, a year likely to be more conflict ridden than 1981. U.S. policy options are identified where they seem plausible, but are omitted where compelling diplomatic and security interests elude a judicious and pragmatic set of defineable alternatives. As with any analysis of foreign affairs, these observations and accompanying analysis have a short half life.

Much of the 1980 campaign rhetoric on foreign policy dealt with the charge that the Carter Administration had not defined a foreign policy that could be followed consistently. It was anticipated by many that the Reagan Administration would be able to define its terms of policy reference in the first year and then pursue the policy in the next three. What is disconcerting about the analysis of these ten "carried over crises" is that there is still no meaningful policy structure under which the analysis can be made and implemented. And from all appearances, one does not appear to be forthcoming in the near term.

Is it possible to conduct crises management without some structure to U.S. foreign affairs? The awful and startling answer is categorically "yes!" In fact, international affairs are normally and historically conducted in the most haphazard and capricious manner. It is, in fact, the normal modus vivendi despite the fact that the outcomes are consistently costly and destructive. This mode of conducting foreign relations inevitably means conflicts and tension have a tendency to escalate to increasingly dangerous levels, and hence crisis management consistently flirts with the prospect that the system will rupture and more universal conflict break-out. A well-developed foreign policy structure does not guarantee that such an unthinkable prospect will occur; it only purports to mitigate against the natural escalation of conflicts.

### Poland

- I. Within the next three months, the Administration will face a crucial decision regarding Poland. It will have to decide either to maintain pressure on Poland's Military Council of National Salvation and the Soviet Union to return to the status quo before martial law, or accept military rule indefinitely. To make the latter decision requires offering credible incentives to soften military rule and to induce the Jaruzelski regime to reduce its dependence on Moscow.

For the U.S., Poland is a "no-win" situation because:

- a. The country's geopolitical position and the entire course of post-World War II history strongly favor the Soviet Union in a test of strength and influence with the U.S.; and
  - b. The Polish regime is in a position to avert damaging joint U.S.-West European sanctions by offering timely cosmetic concessions. Illustrative concessions might be to make overdue payments on debts and interest to forestall Western banks and governments from declaring Poland in default; hint at an intent to end martial law in the near future; or, suggest that Lech Walesa will soon be released or placed in Church custody and given a prominent role in future trade union activities.
- II. Short-term prospects (1 to 3 months): Passive resistance to the martial law regime will continue to paralyze the economy, ruling out any significant progress toward overcoming fundamental political and economic problems. This stalemate will carry constant risks of spontaneous outbreaks of violence that can only result in harsher repression.

Mid-term prospects (6 months): This situation will generate increasing differences within the Military Council and the party Politburo between hard-line advocates of uncompromising repression and "moderate nationalists" (including Gen. Jaruzelski) who contend that it is essential to work out some accommodations with the Catholic Church and a "reformed" Solidarity shorn of its "antisocialist" leaders.

Long-term prospects (6 to 12 months): The longer term prospect is an indefinite perpetuation of military rule after the pro forma termination of martial law (within one to three months). The Military Council may be formally abolished, but the party will have no more than limited success in reconstituting itself as a disciplined "Leninist" party capable of again playing the "leading role" in Poland. Internal differences in the regime over power and policy, aggravated by constant Soviet manipulation, will make it difficult, if not impossible, to pursue coherent policies and may well trigger attempts to oust Jaruzelski and other senior military and party leaders. Jaruzelski has no more than an even chance of remaining in power over the next 6 to 12 months. Disarray in the regime, particularly if Jaruzelski is overthrown, will alienate some military leaders and place the reliability of the conscript Army in serious question.

### III. Implications for U.S. Policy:

- A. In the next three months, Jaruzelski and his supporters will be inclined, primarily for economic reasons, to offer limited accommodations to Western and Church demands for an end to martial law, release of detainees, and a restoration of some form of "dialogue" with a truncated Solidarity and the Church. Jaruzelski's freedom of maneuver, however, will be constrained by counter-pressures from hardliners in the military, the party, and from the Soviets.
- B. If the West does not offer incentives for "moderation" in the form of new credits, debt extension, food, and vital raw materials to revive Polish industry, Jaruzelski probably will be unable to pursue his preferred course or win essential support within the military-party leadership for even cosmetic concessions. If his requests for Western financial and economic assistance are rebuffed, his chances of remaining in power until the end of 1982 would decline sharply.
- C. The central issue for U.S. policy decision is whether Jaruzelski's survival would favor or impair U.S. interests in Poland, U.S. relations with the NATO allies (particularly with West Germany), and the U.S.

position in dealing with the USSR and other members of the Warsaw Pact.

- D. In assessing U.S. options, three central assumptions are crucial:
1. Military rule in Poland, however disguised or diluted, will continue for the foreseeable future. This basic reality will preclude the restoration of Solidarity to a role even remotely resembling its position prior to the imposition of martial law.
  2. Political and power realities will rule out the kind of "dialogue" between the regime, a revived and independent Solidarity, and the Church that the U.S. and Western Europe have urged.
  3. If Jaruzelski is discredited and ousted, his replacement almost certainly will be a military or party hardliner, not a "moderate nationalist" willing to promote "reform and renewal." Any post-Jaruzelski leadership, moreover, would be much more dependent on Soviet favor and support and, consequently, more amenable to Soviet pressure and policy guidance.

#### IV. U. S. Policy Choices:

What are the fundamental objectives that the U.S. can pursue in dealing with the Polish crisis? They are (1) to capitalize on the failure of Communist rule as a means of embarrassing and discrediting the Soviet Union, or (2) to try to create conditions that would enable the U.S. and Western Europe to increase their influence in Poland and to draw the country gradually into new and expanded relationships that would erode its ties with and dependence on the Soviet Union, thereby reducing its "reliability" as a key member of the Warsaw pact.

If the realities and prospects described in Sections II and III above are reasonably accurate, the Administration's present course of limited sanctions is likely to encounter growing pressures (from the inherent dynamics in the Polish situation and from vocal Polish-American groups, American labor unions, and their Congressional supporters) to expand sanctions against both Poland and the Soviet Union. Tougher sanctions will oblige Jaruzelski, or his successor, to adopt an even more defiant stance and deepen his reliance on Soviet support. A tougher U.S. policy, of course, would also revive and aggravate differences with some of our NATO allies.

As for the Soviet dimension, Brezhnev and company interpret the Administration's policy to date as an invitation to a

test of strength and influence that Moscow is bound to win. The Soviets, moreover, are confident that their fore-ordained success will tighten Poland's dependence on the USSR and strengthen their campaign to exploit U.S.-West European differences over policies toward Poland and the Soviet Union, as well as over sensitive arms control issues. Soviet calculations rest to a great extent on the assumption that West European banks and governments will be unwilling to press the Poles to the wall--to the point that Warsaw would formally default on its huge debts, thereby creating a dangerous threat to the international financial system. (Newspapers in Western Europe on the day after martial law was declared quoted European bankers as expressing relief at the crackdown in the hope that the Poles would now be pressed to improve their work habits, produce more, and pay off their debts to the West.) Moscow is confident that a U.S. policy of political warfare and sanctions against the Polish regime and the Soviet Union will lead to growing U.S. isolation, and that this outcome will reinforce the already strong tendencies in Western Europe toward greater independence from U.S. guidance.

Moscow's outlook was reflected in an authoritative Pravda article on January 10: "The White House figures would like to see in Poland a kind of rallying point in order to attempt to introduce a split in the socialist world and, at the same time, to shake the whole existing system of international relations....U.S. political demands (on Poland) are being foisted urgently upon other states, primarily West European states. The NATO allies have to fall into one rank in line with Washington. The rejection not only of their own opinions but also of their national interests is being foisted upon them....Washington's most 'severe sanction' in connection with the latest events in Poland is not so much aimed against the USSR as in the final analysis against Western Europe. The U.S. has made several attempts to wreck economic ties between West and East, ties which are mutually advantageous. Now, evidently, certain people in Washington are, not without malicious delight, rubbing their hands in the belief that even if a great deal could not be done in this area, then at least some difficulties have been created for the economies of their competitors."

V. U.S. Options:

The option of focusing on Poland's internal political and economic order, supporting Solidarity's claims as an independent union, and demanding Polish and Soviet respect for the Helsinki Accords is incompatible with the geopolitical option of encouraging greater Polish independence from Moscow and drawing Poland into broader relationships with the West. Thus, the Administration faces a choice. It can adopt a strategy that would subordinate Polish realities to the broader objective of



waging political warfare against the Soviet Union and its imperial pretensions in Eastern Europe. Or, it can strive to capitalize on the Polish crisis in ways that would have a fair chance of enabling Jaruzelski and his supporters to work toward domestic accommodation and eventually greater independence from Moscow. The Polish drama has given the U.S. a rare but limited opportunity -- limited in both time and available policy instruments -- to alter the European balance of power by making it possible for Poland to move cautiously into a more ambiguous position between Moscow and the West. The Poles do not have the luxury of dismantling the Communist polity, withdrawing from the Warsaw pact, or abrogating their alliance with the Soviet Union. But an adroit and long term U.S./NATO strategy, employing the West's superior economic and political resources, would offer some prospect of attenuating both Poland's dependence on Moscow and its vulnerability to Soviet pressure. Even a modest shift in this direction would yield major strategic advantages for the West because it would help to neutralize Poland as the keystone of Moscow's political-military imperial system in Eastern Europe.

A policy of rising pressures, centered on graduated economic and political sanctions and ideological warfare, would have limited short-term advantages in complicating life for the Polish military regime. These advantages, however, would be at the expense of foreclosing the longer-range geopolitical option. A policy of rising pressure would reduce, if not destroy, Jaruzelski's freedom of maneuver and strengthen hard-line advocates of a return to bankrupt political and economic policies based on the revival of a monopoly of power by a Soviet-style party apparatus. The fundamental realities of the Polish crisis since the summer of 1980 would doom this hard-line prescription to failure, and intransigent defiance of these realities would eventually plunge the country into a state of virtual anarchy that would make massive Soviet military intervention inevitable.

### Israel-Egypt-Arab States

- I. In the three months leading up to the scheduled final Israeli withdrawal from Sinai by April 25, the U. S. will come under increasing pressure from Israeli demands that the Administration remain exclusively committed to the Camp David "peace process," and from "moderate" Arab governments seeking a new negotiating framework for a broader Middle East settlement. The Begin government is anxious to conclude an anodyne agreement with Egypt centering on a formula for electing a Palestinian council in the West Bank and Gaza that would exercise limited administrative authority, but the Egyptians want to avoid a deadline

(April 25 or a later date) for fear of being pressured into a meaningless "fig-leaf" agreement that would be clearly unacceptable to the Palestinians. President Mubarak probably has not yet ruled out a pro forma agreement before April 25, but time is working against Egyptian willingness to accept the consequences in the Arab world of a pro forma agreement.

- II. The Israelis are pleased with Secretary Haig's reference in Tel Aviv on January 15 to an urgent need to reach an autonomy agreement as soon as possible, without setting any deadlines, and by his leaving the door open for either the appointment of a special U.S. envoy to the autonomy talks or for his own participation. In contrast, the Egyptians seem to be increasingly pessimistic about prospects for even a limited agreement, and they probably are examining alternative negotiating scenarios to replace the autonomy talks after April 25.

#### Implications for U. S. Policy:

The Administration will soon face a decision. Should it remain aligned with Israel's position and commit U.S. prestige to a more active and higher level effort to conclude an autonomy accord? Or, should it avoid unqualified support for Israel, refrain from pressing for an Israeli-Egyptian agreement before April 25, and preserve the option of moving on to a new negotiating scenario?

The Begin government's interest in concluding an early agreement arises in part from its desire to bind the U.S. firmly to the Camp David process. The Israelis are seriously concerned that the Administration eventually will yield to pressure from the Saudis and other Arab moderates to support the Saudi 8-point proposal as the centerpiece of a new framework for negotiating a Middle East settlement. Defense Minister Sharon declared on December 25 that the annexation of the Golan Heights was necessary because of an "American plan" to force Israel to return to its pre-1967 borders. On December 26, shortly before his arrival in Washington as Israel's new Ambassador to the U.S., Moshe Arens, asserted that the U.S. "in effect has decided to adopt the Saudi Arabian position on Middle East issues" and that the U.S. is prepared to apply pressure on Israel to accept these positions.

- III. While Israel escalates pressure on Washington to forestall any deviation from Camp David, the Saudis, Syrians, and Jordanians are exploring ways to promote a new negotiating framework. This was the main purpose of President Assad's recent visit to Saudi Arabia and of his foreign minister's trip to Moscow on January 15. Abdul Halim Khaddam stated on Soviet TV that he and his Soviet hosts had discussed "measures to counter" Israel's annexation of the Golan

Heights. On January 2, Prince Fahd made favorable remarks about the prospects of Saudi relations with the Soviet Union, saying that Saudi Arabia recognizes the important role Moscow plays in the Arab-Israeli conflict and that his government will give expression to its friendship toward the Soviet Union in the future. Translated into the present context, Fahd probably intended his remarks not only to warn Washington that the time has come to move beyond Camp David, but also to encourage Moscow to renew its long-standing proposal for an international conference to negotiate a general Arab-Israeli settlement. Apart from Camp David, this Soviet plan is the only definite initiative on the table, and in the absence of some new U.S./European Community initiative to move beyond Camp David, it is likely to become more attractive to Saudi Arabia, Syria, Jordan, and perhaps even Egypt. Some Egyptian officials see advantages in reinvolving the Soviets in the peace process and have expressed guarded interest in the Soviet plan. If President Mubarak cannot negotiate an acceptable autonomy agreement with Israel, he will come under growing pressure to support the Soviet scenario.

- IV. If Begin concludes in the next three months that Egypt will not accept his terms for a limited agreement on the West Bank and Gaza, he will reflexively fall back on tactics aimed at deepening the polarization in the Arab world between moderates and "rejectionists" as a means of forestalling any U.S. or Egyptian moves toward a new framework. A shift in Begin's policy in this direction probably would include moves to provoke a confrontation with Syria and the PLO in southern Lebanon and the West Bank. He would renew his demands for the withdrawal of Syrian surface-to-air missiles and armored forces from the Bekaa Valley and of Palestinian forces from southern Lebanon. Begin probably decided in early December that Ambassador Habib's failure to make progress on the SAM issue ruled out any prospect of a diplomatic settlement. Consequently, his decision to annex the Golan Heights at that time probably was intended in part to lay the groundwork for a showdown with Syria and the PLO. The Israelis are genuinely concerned that the ceasefire with the PLO last July has actually worked to protect Syria's military presence in the Bekaa Valley -- a situation completely unacceptable to Begin. A showdown with Syria and the PLO in Lebanon might well be accompanied by an Israeli move to annex the West Bank and Gaza.
- V. In sum, the long-standing U.S. dilemma in dealing with irreconcilable Israeli and Arab terms for a general settlement will be aggravated to the point of explosion in the next three months or so. U.S. adherence to the Camp David process will increasingly encounter opposition outside Israel because of the almost universal judgment by

Arab and West European governments that this process will have exhausted the last possibility of agreement after the final Israeli withdrawal from Sinai.

- VI. The principal short-term imponderables are: (a) whether the "rejectionist" Arab states, the PLO and the Soviet Union will take diplomatic and military initiatives before April 25 in an attempt to disrupt both the Israeli withdrawal schedule and Israeli-Egyptian relations; (b) whether Begin will come to believe that unilateral Israeli actions are necessary before late April to forestall what he sees as a dangerous drift away from Camp David in U.S. policy; (c) or whether both the Arabs and Israelis will elect to withhold major new initiatives until the Egyptians recover the final segment of the Sinai.

### Iran - Iraq

- I. Trends in the border war since September have favored Iran. A critical turning point could appear in the next three to six months that would trigger mutinies in Iraq's demoralized Shiite army, the overthrow of President Saddam Hussein, and Iranian military reprisals to settle accounts with the Gulf states that have supported Iraq: Kuwait, the United Arab Emirates, Bahrain, and Saudi Arabia. Faced with the prospect of further defeats and possible overthrow, Saddam Hussein might unleash his superior air force against Iran's remaining oil facilities. Such strikes would draw Iranian counterattacks. Mutual escalation would probably bring Gulf shipping to a halt. To date, Iraq has deliberately held back. Iraqi air strikes against Iran's Kharg Island oil terminal and Iranian bombing of Iraq's three oil pipelines to ports in Turkey, Syria, and Lebanon would remove virtually the entire oil production of both countries from the world market.
- II. In addition to posing a potentially fatal threat to Saddam Hussein's position, military escalation could precipitate an abrupt change in the political balance in Iran in favor of the Revolutionary Guards, which have spearheaded Iran's recent ground offensives along the Iraqi border. Such a change would favor the most militant and xenophobic clerics in Iran's ruling Islamic Republic Party.
- III. Implications for U. S. Policy:

The Administration may face the following policy decision. Should it maintain a posture of noninvolvement, allowing the outcome of military escalation to shape the future geopolitical balance in the Gulf? Or should it take the lead in a Western diplomatic intervention in an effort to arrange a ceasefire that would avert a disruption of Gulf

shipping, loss of Iranian and Iraqi oil in the world market, serious threats to the oil production and political stability of Arab states on the western shore of the Gulf, and, potentially, a preponderance of Iranian military and political power in the Gulf region?

- IV. In view of Iran's enhanced military prospects and confidence, U.S. diplomatic intervention would have to cope with the Khomeini regime's adamant insistence on complete acceptance of its demands for ending the war: the complete and unconditional withdrawal of Iraqi forces from Iranian territory, Iranian control of the vital Shatt-al-Arab waterway, identification of Iraq as the aggressor by an international commission, and Iraqi reparations for the damage and casualties caused by aggression. There would be no assurance that the Khomeini regime would accept a U.S.-led mediation. If soundings on this question should prove negative, the U.S. could encourage a revival of the defunct mediation committee of the Islamic Conference led by Pakistan.
- V. Any U.S.-led intervention would also encounter Soviet counter-initiatives aimed at defeating the Western move and enhancing Moscow's influence in Tehran. The Soviets almost certainly would counter with a proposal for a general international conference that would address not only the immediate issue of a ceasefire but also the broader questions of international security in the Gulf and the Indian Ocean. The Soviets presumably would revive their proposal for the "neutralization" or "demilitarization" of the Gulf, the Arabian Sea, and the Indian Ocean.
- VI. In sum, U.S. diplomatic intervention would unavoidably open a can of worms. The alternative of allowing the war to escalate, however, would carry even greater risks: a disruption of Gulf shipping, denial of Iranian, Iraqi, and perhaps some Gulf oil to the world market, the overthrow of Saddam Hussein, with unpredictable consequences for the future of Iraq, Iranian reprisal air strikes against the Arab states on the western shore of the Gulf, and the eventual emergence of revolutionary Iran as the predominant power in the Gulf, aided and supported by the Soviet Union.

#### China - U.S. - Taiwan

- I. Chinese leaders have locked themselves into a position which almost requires them to try to force the Administration's hand on Taiwan. Their resolve to bring the issue of U.S. arms sales to Taiwan to a head in the near future and to press their claim to sovereignty over the island should not be underestimated.

- II. Peking's response to the Administration's recent decision on arms transfers to Taiwan has committed the Chinese to an unyielding policy of pressing for either a suspension of the U.S. decision or, at a minimum, firm limits on the duration and quantities of future U.S. arms sales. The Chinese almost certainly believe their "success" in blocking the sale of more advanced fighter aircraft will provide a strong basis for pursuing their basic objective of a complete termination of arms transfers. People's Daily on December 31 declared that Peking would be "reasonable" in settling the issue as long as the U.S. accepts the "fundamental principle" of no arms sales to Taiwan. China contends that the Taiwan Relations Act contradicts the principles laid down in the December 1978 agreement on the normalization of U.S.-PRC diplomatic relations and that, in any case, the Act is not binding on China, "nor can it be a legal basis for not honoring a commitment made to another country."
- III. China, moreover, has made it clear that it is unwilling to allow the U.S. to treat arms sales to Taiwan as a routine counterpart of the sale of U.S. weapons and military technology to China. The Chinese are determined to demonstrate that their conflict with the Soviets will not make them more amenable to U.S. policy toward Taiwan. China's defense policies, in fact, reflect neither an urgent concern about Soviet military intentions nor a desire to ensure that the U.S. will remain a reliable source of modern weapons. China has reduced its defense budget twice in the last two years, most recently by an estimated 22 percent. The People's Liberation Army is also being reduced by some 800,000 men, and the Chinese are converting a substantial segment of their defense industry to civilian production.
- IV. China's Options:
- By calling attention to the "unilateral" nature of the U.S. decision on arms transfers to Taiwan made at a time when "bilateral talks are going on" (the Holdridge mission), Peking has laid the groundwork for demanding a suspension of the U.S. decision until U.S.-PRC negotiations are concluded. The Chinese probably would be willing to agree to a continuation of limited U.S. arms sales for a short period (perhaps one to three years), but only if the U.S. accepts the "principle" that the sales are incompatible with China's sovereignty over Taiwan and with the agreement to establish diplomatic relations.
- V. If the U.S. refuses to suspend its decision or to accept China's terms for a "solution," Peking will be prepared to escalate its pressure, perhaps by setting a specific time limit on future negotiations. China's news agency declared on January 14 that "the problem has reached a point calling

for an immediate solution," and it warned that a settlement depends on U.S. willingness to "overcome interference by the politically blind and make a wise choice showing respect for China's sovereignty." In a rather implausible attempt to dramatize the gravity of the issue, Vice Chairman Li Xiannian told Japanese journalists on December 24, that if Peking should make concessions regarding Taiwan, "all leaders, including Premier Zhao Ziyang, would have to resign."

- VI. The Chinese have thus dug themselves into a position that affords them very little flexibility. They almost certainly are not bluffing. If further soundings convince them that the U.S. will not agree to suspend the arms transfer decision or place limits on the duration of sales and quantities of weapons, the Chinese probably will make good on their threat to downgrade diplomatic relations with the U.S. from the ambassadorial to the charge level, either after Congress approves the initial part of the six-part sales package for 1982, or after the first deliveries reach Taiwan.
- VII. In addition to a general cooling in U.S.-PRC relations and a sharp reduction in deals with American business firms, the Chinese before the end of 1982 may be prepared to apply more direct pressure in the form of a military buildup in the provinces bordering the Taiwan Strait and harassment of Chinese Nationalist air and naval patrols in the Strait. Such tactics would mark a sharp departure from the patient course China has pursued in the past three years under Deng Xiao-ping's leadership. Deng, however, cannot ignore an influential faction in the leadership that has been urging a much stronger line in dealing with the U.S. on the Taiwan issue. Ever since the Shanghai Communique following President Nixon's visit in 1972, these leaders have argued that the U.S. has been toying with China and that its real purpose is to perpetuate a "two Chinas" solution. These pressures were reflected in Deng's warning in mid-December that if the U.S. proceeds with military sales to Taiwan, "we shall react sharply." He said, "China will not swallow this. This is interference in our internal affairs."
- VIII. The Chinese leaders believe that they have given adequate warning to Washington that it must either alter course on Taiwan or face the consequences of Chinese reprisals. An authoritative People's Daily article on December 31 reminded the U.S. that the PRC government, at the time of the agreement to establish full diplomatic relations in December 1978, had formally served notice that, "We resolutely do not agree" to allow the U.S. to continue arms sales to Taiwan. This statement explicitly warned that "We hold that, after the normalization of relations, it is incompatible with the principles of the normalization of relations between the two countries for the U.S. to sell

arms to Taiwan. Such an act does not help to bring about a peaceful solution of the Taiwan problem, and it will also have an unfavorable effect on security and stability in the Asia-Pacific region."

- IX. In view of the consistent record of China's statecraft since the revolution in 1949, the repetition of this 1978 warning clearly was intended as China's final word before proceeding with diplomatic, economic, and perhaps even limited military sanctions. The Chinese leaders pride themselves on making good on explicit warnings, going back to their unequivocal warning to the U.S. a few weeks before Chinese "volunteers" intervened in the Korean War in November 1950. Taiwan is a matter of the utmost importance to them because they believe their revolution will remain incomplete until the island is reunified with the mainland. If the U.S. refuses to negotiate a settlement acceptable to Peking and proceeds with the arms transfers to Taiwan, China almost certainly will take reprisals in the next six to twelve months.

#### South Africa - Namibia - Angola

- I. South Africa's decision to play the "Cuban card" in the contest over Namibia strongly suggests that Prime Minister Botha's government has sharply downgraded its assessment of the chances for an acceptable agreement on Namibia and that it may now move within the next six months toward a unilateral declaration of Namibian independence under the control of Pretoria's client Democratic Turnhalle alliance. On January 5, the acting commander of South African forces in Namibia announced that his forces had clashed with Cuban troops for the first time in nearly seven years. He claimed that the Cubans had interfered with South African and Namibian troops engaged in a "follow-up operation" against SWAPO insurgents in the "operational area straddling the (Namibia-Angola) border." The Angolan Defense Ministry promptly denied this claim and asserted that South African forces had attacked Cuban and Angolan units 190 miles north of the border deep in the interior of Angola.
- II. The significance of South Africa's claim resides in the fact that it is now contending that the clash with the Cubans confirms that Soviet-directed Cuban forces are taking over the Namibian insurgency from SWAPO guerrillas, thus "internationalizing" the conflict. South African media have directly linked the incident to the negotiations on a Namibian settlement and have emphasized that the South African public will not support a settlement unless Cuban troops are withdrawn from Angola. The South African government has long made it clear that there can be no real



progress on Namibia unless the U.S. delivers a satisfactory Cuban withdrawal from Angola.

III. South Africa's decision to play the "Cuban" and "American" cards at this time almost certainly reflects an intention to stall the negotiations and blame any breakdown on the Cubans and Soviets and on the U.S.' failure to secure the departure of Cuban forces. The timing of Botha's decision probably was strongly influenced by his perception of the significance of the Administration's decision to hold high level talks in the State Department with UNITA leader Jonas Savimbi in late December, and the State Department's announcement that "This Administration has stated that the U.S. considers UNITA to be a legitimate political force in Angola which must be taken into account." The Department also said it did not believe Savimbi's visit would set back any movement toward a Namibian settlement but would underscore the Administration's determination not to exclude Savimbi's movement from an eventual settlement in the region.

IV. Implications for U.S. Policy:

Botha appears to have interpreted this statement as meaning that the Administration now endorses South Africa's view that the Namibian problem cannot be settled in isolation from a broader regional settlement, i.e., the question of a Cuban withdrawal from Angola and an internal political settlement in Angola itself. If South Africa now intends to make a Namibian agreement conditional on an Angolan settlement, this will obviously stalemate indefinitely the efforts of the five-power Western "contact group" to implement the U.N. Security Council's resolution calling for independence for Namibia in 1982. It will also open the way to a South African unilateral declaration of independence for Namibia, probably before the end of the year. This outcome would precipitate an expansion of the conflict in southern Africa and confront the U.S. with an array of problems that would far overshadow the stakes in the immediate Namibian problem.

El Salvador

I. The leaders of the Farabundo Marti National Liberation movement and of the Democratic Revolutionary Front seem to be reexamining their future tactics in light of the shift in the Administration's emphasis since early December away from implied threats of unilateral U.S. military action and toward greater attention to collective political and economic action by the OAS. Guerrilla leaders and their Cuban and Nicaraguan supporters apparently are pondering the significance of Secretary Haig's position at the OAS conference in St. Lucia, Haig's reported meeting with Cuban

Vice President Rodriguez in Mexico City in late November, and the State Department's talks with two leaders of the Democratic Revolutionary Front on December 15.

- II. Washington's shift in emphasis could cut two ways: (a) Castro and the Salvadoran guerrilla leaders may decide to withhold major military initiatives while playing for time in which to assess possible changes in the U.S. attitude toward a negotiated settlement; (b) on the other hand, the Cubans and Salvadorans may conclude that the Administration's earlier threatening tone was in fact a bluff, and that the guerrilla forces are now free to proceed with major offensive actions aimed at disrupting President Duarte's plans for elections to a constituent assembly in March, without fear of provoking U.S. military intervention.
- III. The Salvadoran insurgents have strengthened their logistics capabilities and their weapons holdings in the past six months and have been gradually expanding their territorial bases. They are now in a position to launch a fairly sustained offensive in the next three months which could be accompanied by the declaration of a number of "liberated zones" and perhaps the creation of a "democratic revolutionary government" on Salvadoran territory. The guerrilla leaders would then renew their offer to the Salvadoran junta of "unconditional negotiations" for the establishment of a coalition government, "restructuring" of the Army to include guerrilla forces, and social, political and economic reforms.
- IV. Implications for U.S. Policy:

If a guerrilla offensive makes substantial gains which appear to be turning the tide against Duarte's junta, the Administration would have to choose between maintaining support for the junta and its terms for a settlement, on the one hand, or reducing the commitment of U.S. prestige to the junta's survival and initiating efforts -- through third parties such as Mexico, Venezuela, Canada and the OAS -- to bring about a mediated ceasefire and a reconstruction of the Salvadoran government, on the other.

### Conclusion

Each of these crises is threatening in its own right, and taken collectively, seriously burden the international system and challenge the foreign policy of this country. Nevertheless, the foreign relations focus proposed in SPM #4 remains valid. The President should concentrate his energies on Poland, the Middle East and Central America. The agenda control strategy is to highlight these issues, not allow the other admittedly pressing

issues to divert the President's attention and continue to delegate authority and responsibility to other officials to keep Presidential (e.g., Strategic) focus highly concentrated.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

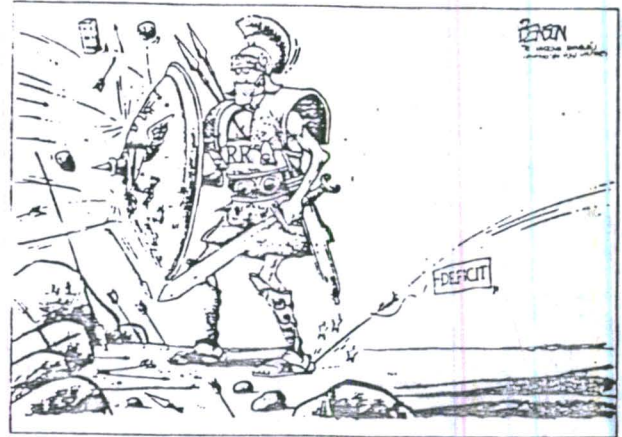
Strategic Evaluation Memorandum #12  
(Phase 4 Supplemental)

TO: Edwin Meese  
James Baker  
Michael Deaver

FROM: Richard S. Beal 

SUBJECT: Presidential Political and Economic Confidence  
Builders

DATE: February 25, 1982



1982 STRATEGY FOR BALANCING THE BUDGET  
(Budgets, budgets everywhere, but not one balanced sheet.)

The Dilemma

President Reagan has done more in a year to bring federal spending under control than any president in modern times. Yet special interests, segments of the public, certain elites, Congress, and ideologues are "outraged" by the President's FY83 Budget proposal.

Why?

Simply, it is the size of the deficit. The projected deficit creates a political as well as economic barrier that compounds the problems that the President must deal with, namely: the apparent contradiction between defense and domestic spending, confidence in the President's economic assumptions, unemployment, high interest rates, and confidence that the President's Economic Recovery Program (1981) will bring economic growth sometime in the near future.

Hence, a curious irony surrounds the President's defense of the FY83 Budget since he has fought against deficit spending for over 20 years. The current situation has forced the President into a reactive mode despite the steps that he has taken to make the federal government fiscally responsible. He is caught between the proverbial "rock" and a "hard place;" he stands both against raising taxes and deficit spending, but because the FY83 deficit is so large and he is unwilling to increase taxes to offset it, the Democrats have seized the initiative, and many Republicans have distanced themselves from him on this issue.

The question then, is: In light of the large deficit, the magnitude of the budget cuts, the tax cut already in effect, the increases in defense and the reduction in domestic spending, will the President remain firm to the overall tenets of his Economic Recovery Program? The answer has to be a resounding "yes." President Reagan is personally and political bound to his already announced economic program.

Will the President compromise?

Yes, of course, on the specifics, as he has already demonstrated. The basic principles of economic recovery--reduction in federal spending, regulation, waste and fraud, taxes, federalism and stable money supply--will not, however, be compromised.

Therefore, the President must come up with a strategy that permits him to continue on his charted course while relieving him of the political dilemma caused by the deficit. This strategy must, since he will remain committed to the essential principles of his Economic Recovery Program, bolster confidence in the essential tenets of his economic/budgetary proposals. Second, since the problems of reducing federal spending are enormous (while the tax cut can go into effect quickly, the budget reductions are slow and painful to implement even when you get approval), the President must build political and economic confidence bridges between the conditions and time we find ourselves in now and the time when the economy will have had a chance to improve under the President's Economic Recovery Program.

### The Solution

What can we do? How do we get there from here?

Bold, imaginative and innovative leadership brought the President to the White House in the first place. The same kind of leadership sustained him through the first year. If the President, as he seems committed to do, decides to stay with the principles laid out in the Economic Recovery Program and the FY82 and FY83 budgets, then it is essential that bold, imaginative leadership be taken to give confidence in the essential features of the President's program. The President needs to seize again the initiative by doing the unexpected; he needs to present the American people with a plan to institutionalize a balanced federal budget.

Such a move would turn the dilemma facing the President upside down. It would take advantage of the Democrats who, for the first time in recent political history, have reversed themselves on deficit spending. They would be hard put to resist a Republican President's efforts to eliminate a policy of deficit spending. It would, at the same time, realign the President with Republicans in Congress and his political constituency among the

electorate. With this move, the President could retake the political and economic initiative and resolve his dilemma without compromising his principles.

### The Action

In an address to the nation, the President should take the opportunity presented by the pending need to raise the ceiling on the national debt to remind the people that he does not favor deficit spending, and that it is now time to stop this mockery of fiscal responsibility. He should indicate that deficit spending has forced on him by the way the government has handled its financial affairs over the past decades. Further, he should tell the people that to reverse the trend in deficit spending and make it so that future presidents will not be faced, as he is now faced, with compromising on principles, he will do the following:

1. Propose that Congress recommend to the states a constitutional amendment to balance the budget starting in some specific year in the near future.
2. Ask Congress to target budget reductions in FY82 and every year until the year the budget will have to be balanced to bring the budget under control and lay the foundation so that it can remain balanced.
3. Commit the executive branch to raise the revenues necessary to balance the budget at that time, but gradually, so that individuals and businesses can plan their economic choices with the knowledge of how the government will behave.
4. Establish the safety nets for national defense, welfare, and social security so that Congress has some guidelines about the spending reforms and cuts that can be made in these areas. The President should make it clear that social security reform must be integrated with the proposal to balance the budget, because social security payments comprise such a large portion of the federal budget.
5. Announce a series of policies and actions to go into effect immediately to complement his economic recovery program. Such policies and actions could include:
  - a. A clear statement that it is the administration's position that the Federal Reserve Board work to reach the upper end of its current M1-B target, about 5% growth in the money supply.
  - b. A program that the Property Review Board recommend for sale, at current market value, government land that the government no longer needs. The proceeds will go toward reducing the national debt.

- c. A plan to investigate the feasibility of issuing commodity-backed bonds to restore confidence in the credit market.
- d. A challenge to enlist the good will of Americans and American industry to sacrifice for the good of the country by making voluntary contributions to reduce the national debt. These contributions would be tax deductible.
- e. A proposal that the Presidential Private Sector Survey on Cost Control in the Federal Government create a special committee with appropriate clearance to monitor defense procurements in light of the inflationary pressures that the increase in defense spending will bring.
- f. A request that the tax on the inflation premium in interest rates be reduced or eliminated to spur savings and investment (i.e. reduce the tax on interest income, treat it the same as earned income).

Such action by the President will allow him to regain some agenda control. It will resynchronize the President's programs with his principles, reestablishing presidential vision and direction to current government activities. It will align the President with the general public, who largely favor a balanced budget. It will demonstrate that the President is serious about disciplining government involvement in the American economy, which should restore some of the confidence that the financial community needs to lower interest rates. It will give the people what they need to approach their Congressmen to do something with long term implications for the economy, instead of the economic quick fixes upon which Congress has relied in past election years.

In short, such bold action by the President will dismantle the political and economic barrier created by the deficit in the FY83 budget and build the confidence bridges necessary to permit the economic recovery program to take effect.

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DRAFT; CPSmith; 3/22/82  
Comments RSBent 3/30/82

OUTLINE  
SEM #13: PRESIDENTIAL MANAGEMENT STYLE

EXECUTIVE SUMMARY

- I. INTRODUCTION
- II. PRESIDENTIAL MANAGERIAL RESPONSIBILITIES
- III. PRESIDENT'S PRINCIPLES, VALUES, PHILOSOPHY
- IV. PRESIDENT'S PERSONAL CHARACTERISTICS
- V. PRESIDENT'S MANAGEMENT STEPS
- VI. EXAMPLES OF PRESIDENTIAL ACTIONS IN RELATION TO RESPONSIBILITIES AND MANAGEMENT STEPS
- VII. THE PRESIDENT'S MANAGEMENT AGENDA
- VIII. APPENDICES



DRAFT; CPSmith; 1/29/82

RRMS: MANAGERIAL RESPONSIBILITIES

1. Sets objectives for nation (e.g., values, agenda, attitude).
2. Head of political party and leader of required coalition.
3. America's representative with foreign governments; leader of the free world
4. Chief Executive Officer of Federal executive branch, including civilian and military.

RRMS: PRINCIPLES, VALUES OR PHILOSOPHY

1. Place maximum responsibility on individuals, the private sector, local governments, and the free enterprise system to meet personal, social and economic objectives
2. Expend minimum dollars in achieving high priority objectives
3. Respect God, law, country and family
4. Make decisions on the basis of what is best for all concerned in the long-term
5. Be guided by the fact that the power to govern rests with the support of a majority of the people
6. Seek to solve problems in a constructive manner
7. Be honest; respect justice
8. Peace is achieved through strength
9. Equality of opportunity
10. Individuals should have freedom of choice, but must bear responsibility for their decisions
11. Work is the principle means to an end
12. Respect life and property of others
13. Goals are best achieved by a collective effort of all involved

RRMS: PERSONAL CHARACTERISTICS

1. Principled
2. Consistent; loyal
3. Strong; willing to take risk
4. Initiative
5. Honest; candid
6. Positive
7. Sense of humor
8. Humble
9. Humane
10. Adaptive when really necessary; ability to negotiate
11. Confident; willing to delegate
12. Communicative
13. Quick study
14. Leadership; ability to motivate
15. Calm
16. Persistent
17. Independent
18. Dignified
19. Initiative
20. Responsible
21. Tolerant
22. Handles stress well; able to relax

RRMS: STEPS IN MANAGEMENT

GENERAL

RR STYLE

A. ORGANIZING

1. select competent and loyal persons
2. establish structure
3. establish decision process
4. provide for support services
5. train personnel

B. PLANNING

1. announce principles
2. focus on high priority objectives
3. adopt strategies
4. identify activities

C. COMMUNICATING

1. announce intent to public
2. interact with special interests in small groups
3. interact with press individually
4. relate to staff through senior advisers
5. seeks information and opinion from wide range
6. seeks simplicity

D. CONTROLLING

1. delegate authority and responsibility
2. makes significant decisions
3. observes progress
4. adjust plans, policies, or organization if needed

RIRMS: PRESIDENTIAL ACTIONS, RESPONSIBILITIES AND MANAGEMENT STEPS

THRETTENING 1/29/82  
CPS

MANAGEMENT STEPS

NATIONAL LEADER

WORLD LEADER

CHIEF EXECUTIVE OFFICE

ORGANIZING

- NSC/SIGS
- Crisis Management Group
- Situation Group

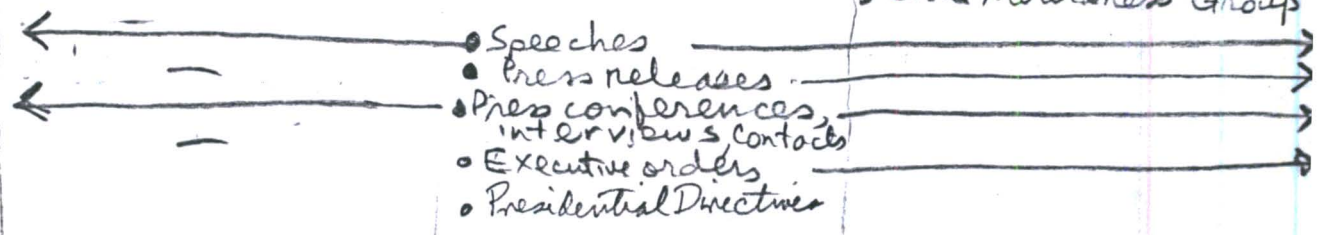
- Informal advisors
- White House staff
- Cabinet
- Cabinet Councils
- Working Groups/Task Force
- Advisory Groups

PLANNING

- Assets and Priorities Group

- Legislative Strategy Group
- Long-Range Planning Group

COMMUNICATING



CONTROLLING

- Budget Review Group
- IG