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I. SUBJECT: _____

II. ORIGINATOR: _____ DATE: _____

III. ACTION FORCING EVENT: _____ (The nature of the event requiring
or suggesting action -- and the degree of flexibility
associated therewith) _____

IV. ANALYSIS: (Outline history, current status, possible options
and impacts -- financial, constituent or other
public policy considerations.)

V. RECOMMENDATION: (Indicate single recommendation or list
options.)

VI. DECISION:

___ approve ___ approve as amended ___ reject ___ no action

(If options are contained in the recommendation, indicate
option(s) referred to above by placing the appropriate
number(s) in the spaces above.)

NOTE: Where necessary, tabs may be attached to Decision Memoranda.
However, as in the case of other written materials directed
to the President, brevity is important. Seldom should a
Decision Memorandum be longer than one or two pages, and
tabs, whenever possible, should be limited to five or less.

STRATEGIC PLAN MILESTONE CHARTS: BRIEFING NOTESINTRODUCTIONPurpose

To provide a strategic planning and management tool which will improve the executive leadership capability of the President.

To present - in condensed and understandable form - a large and complex set of facts, events, processes, projections, and the relationships between those elements, that are important in developing and implementing Administration objectives and policies.

Format

Each chart covers a calendar year.

Each of 12 months indicated, reading from left to right across top and bottom of chart.

Information in chart is aligned under appropriate month.

Content and Levels of Detail

Many levels of detail are possible.

These Overview charts are general - cover highlights of four broad categories:

- Budget
- Policy
- Political
- Other Events

Higher level of detail - could be presented in charts devoted to one of the categories listed above: e.g., a Policy chart or a Political chart.

Finally, even greater detail could be presented in charts devoted to each of the four principal policy areas:

- Economic Recovery
- National Security
- Social Renewal
- National Resources Enhancement

CONTENT OF OVERVIEW CHARTS FOR 1981 and 1982

Budget Milestones

Subdivided to show key phases and milestones in the Federal budget process for both the "budget year" and the "planning year."

The budget year refers to the year for which Congress is acting on a budget. In calendar year 1981, Congress is acting on the FY 1982 budget - i.e., the budget covering the time period from October 1, 1981 - September 30, 1982.

The planning year refers to the year for which the Executive Branch is planning a budget. In calendar year 1981, OMB and Executive departments and agencies are preparing budgets for FY 1983 - i.e., the budget covering the time period October 1, 1982 - September 30, 1983.

The chart demonstrates the cyclical nature of the budget process. For example, the FY 83 budget is displayed in the bottom half of the budget portion of the 1981 Overview chart, and continues in the top half of the budget portion of the 1982 Overview chart.

The chart also demonstrates the need for advance planning and coordination of policy and planning activities with budget decision-making. For example, budget decisions that are being made this summer and fall will affect Federal programs and functions that will be implemented in the last quarter of calendar year 1982 and the first three quarters of calendar year 1983.

Policy Milestones

Information under this category is organized as follows:

By phases of the Strategic Plan (reading horizontally across the bar).

By four major policy tracks: Economic Recovery, National Security, Social Renewal, and National Resources Enhancement (reading vertically within the bar).

The key goals, events, and accomplishments of each phase are highlighted.

Individual policy actions and events shown under Phases I and II (e.g., social security) could be merged under the appropriate policy track in Phase III (e.g. Social Renewal).

Some major policy issues are organized as follows:

- When a policy was or should be announced;
- When legislation or other action was or should be taken; and
- When actions were or should be reviewed.

Key milestones for the following areas were selected for inclusion in the chart to illustrate the diversity of issues challenging the Administration. This is, of course, not a complete list:

- Regulatory relief
- Terrorism and violence
- Immigration and refugee policy
- Freeze on Federal civilian employment
- Cabinet Council structure announced
- Aid to Atlanta
- Grain embargo rescission
- Federalism
- Auto imports/auto industry deregulation
- Housing
- Social Security
- Crisis management

Certain key foreign policy/national security items are also shown:

- El Salvador
- AWACS sale to Saudi Arabia
- Habib mission to the Middle East
- Haig mission to China
- Israeli attack on the Iraqi nuclear reactor
- Ottawa economic summit

Expiration of key legislation is catalogued.

Political Milestones

This bar has been subdivided as follows:

Reapportionment & Coalitions

1. Records accomplished redistricting in every State. A plus or minus analysis is given for each State where the results are known.
2. The redistricting outlook in key States could be added.
3. Tentative reapportionment schedules could be added to allow WH staff to focus on key States.

4. Summaries of overall results could be added.
5. Shows key votes with coalition participation.
6. Allows for future planning of key votes.
7. Makes easier to track possible realignments and shifts in the voting coalition.

Political Events and Analysis

1. Records major political events involving the President or the Administration.
2. Spotlights key controversies which help shape policy and public opinion.
3. Provides record of special election results.
4. Includes schedule of upcoming elections with particular focus on next year's primaries as well as the off-year gubernatorial elections of 1981.

Public Opinion

1. Depicts the public's approval rating of the President as measured by the Gallup Poll.
2. Brief analysis of poll results could be added.
3. Can serve as predictor of public opinion trends, particularly if certain goals are developed by the White House.

Events Milestones

Provides record of major "external" events, both domestic and foreign.

Can be used to integrate the President's schedule with political and policy events.


As a holiday calendar, it encourages Presidential focus well in advance to particular aspects of American history and culture.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

STRATEGIC PLANNING MEMORANDUM #1

TO: Edwin Meese
FROM: Richard S. Beal 
SUBJECT: Phase III Policy Focus
DATE: July 16, 1981

A. PHASE I & II OVERVIEW

The strategic policy planning process of the Reagan Administration has been useful in establishing and maintaining the President's desired policy direction. The Strategic Plan includes a short list of high priority items for Presidential focus during Phases I and II which are arrayed and sequenced to achieve the President's policy objectives. The purpose of the Strategic Plan is to give a sense of direction to the Administration and in turn to the country, and project an image of governance that leadership from the President makes a difference. The plan is also intended to be a governing statement to avoid the dissipation of the President's time and resources.

The Initial Action Project for Phase I contained two major objectives: (1) domestic economic recovery and (2) strengthening the image of the U.S. as a world power. It also delineated strategies designed to articulate and foster the short- and long-term success of the President's two major policy objectives. In essence, the Phase I strategies called for strong Presidential leadership by restricting the focus to a short-list of objectives, being consistent, guarding against foolish errors, undertaking the difficult early, and demonstrating that the President is in charge. It was essential to begin the President's term by relying on his skills as communicator-in-chief to explain the central policy thrust of the new Administration.

To restore the working relationship between the President and Congress, the strategy was to initiate a bold economic recovery program, and to use the budget reconciliation process to show that the new President would fulfill his Constitutional responsibilities. He would stand firm to his principles, but negotiate as needed with the Congress in working out the best possible new beginning for the country.

The Phase II plan continued the focus on the two major objectives of Phase I, but shifted the emphasis from the articulation of the economic recovery program to the legislative adoption of the President's proposals. Strategies that were initiated in Phase II included:

- o Establish a legislative strategy group to plan and coordinate the content and process of budget reconciliation.
- o Improve the decision-making processes in the White House for policy development and crisis management.

(UNCLASSIFIED/SENSITIVE)

- o Recognize the existence of multiple and frequently competing agenda, and minimize the possible negative impact on Presidential priorities.
- o Improve the quality of Federal government general services and personnel management.
- o Recognize that national security requires a strong economy and develop a foreign policy around President Reagan's commitments to peace through strength and good relations with our hemispheric and Western Allies.

It is generally felt that Phases I and II have proceeded according to the Plan, with only a few areas not receiving the intended attention.

B. PHASE III PLANNING GUIDELINES

Phase III is the period between October 1, 1981 and January 15, 1982 -- a period which coincides with important executive, legislative and budgeting dates. During Phase III, the Administration's emphasis will be on:

- o Implementing and managing the FY 1982 programs and budgets outlined for economic recovery and national security.
- o Assessing the impact of Phases I and II on other issues and policy areas, and developing policies to respond effectively to the needs in these areas.
- o Initiating the policy planning process for Phase IV and beyond.

Consistent with the communications strategy of Phase I, the President's policies, goals and priorities should be announced and described by the President. It should be made clear that these policy goals and priorities are the President's proactive agenda -- policy areas of the President's own design and control. Policy areas and issues on the proactive agenda are governed by the President's basic principles, timetable and subject to his strategies of articulation, communication, adoption, implementation and management. The proactive agenda is of the President's initiation, and not a reaction to the demands of special interests. The decision process controlling the proactive agenda is of a wholly different character than the one invoked for the reactive agenda items. The principal difference is that items on the reactive agenda are manipulated by individuals or institutions other than the Presidency.

The following policy planning guidelines should discipline the development of the proactive agenda for Phase III:

- o Policy areas, goals and priorities for Phase III should be consistent with the President's achievements and actions in Phases I and II.
- o A few major goals and priorities that are truly the responsibility of the Federal government should be set and tenaciously pursued.

(UNCLASSIFIED/SENSITIVE)

- o The short list of policy goals should be attainable and require a modest level of government financing consistent with the economic recovery program.
- o The impact of the economic recovery program on each policy area, especially budgetary projections for FY 1982-1986, will be assessed.
- o Organizational responsibilities for achieving policy goals must be assigned through the Cabinet Council structure.
- o Specific actions for implementation during FY 1982 and FY 1983 will be identified.
- o The job in 1982 and beyond becomes one of managing the President's policies effectively and adjusting to changing domestic and world conditions.

C. PHASE III PRINCIPLES AND POLICY AREAS

1. Principles

In Phase III, to ensure continuity with what President Reagan has been stating for many years, policy areas, goals and priorities should be based upon the following principles:

- o Place maximum responsibility possible on private individuals, organizations and the free enterprise system to meet personal, social and economic objectives.
- o Expend the minimum amount of dollars with the maximum level of innovation possible to fulfill priority policy goals.
- o Encourage a feeling of confidence and security among all Americans.
- o Reduce the involvement of the Federal government in the lives of all Americans.
- o Make Presidential decisions on the basis of what is good for the country, rather than on the basis of election expediency.
- o Do not raise expectations beyond what is reasonably achievable.
- o Do not permit long-term policy objectives to be foreclosed by short-term interests or events.
- o Be guided by the fact that the power to govern rests with the support of a majority of the people.

- o Trust the values of American society.
- o Treat America's leaders as accountable stewards.

2. Policy Areas

Consistent with the above principles and guidelines, and based on an assessment of the President's achievements in Phases I and II, the Administration must unfold a few carefully selected initiatives in Phase III. They should complement economic recovery, but must also have separate goals and meet specific needs not emphasized to date by the Administration. Thus, the President's policy areas and goals would be:

- a. Economic Recovery - The economic recovery theme emphasized in Phases I and II is primarily an effort to reduce the involvement of government in people's lives. Each of the following goals were designed to accomplish some aspect of this:

- o Reduce the growth of the Federal budget
- o Reduce regulatory burdens
- o Reduce tax rates
- o Stabilize monetary supply
- o Reduce Federal waste and fraud

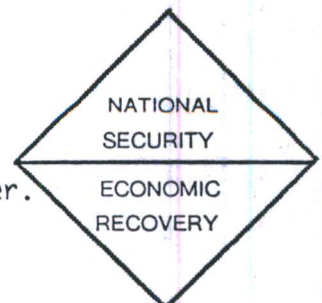


In Phase III, we must continue focusing on these goals, but we must move from stress on simply achieving specific reduced budgets and tax levels to new policies that drive the formulation of the budget and tax rates. The theme of these policies must enable people to feel that government is being brought closer and made more responsive to them individually. The emphasis on national security, block grants, and trade decisions that sometimes alternate between protectionism and free market approaches are examples of Administration policies that must be developed and clearly described in this context.

- b. National Security - The strengthening of national security is a basic Constitutional responsibility of the Federal government. And, national security policy should be shown to be complementary to economic recovery. Thus, national security and its specific goals will continue as a major Administration focus.

These goals are:

- o Strengthen military defense
- o Establish a consistent foreign policy
- o Strengthen domestic defenses against disorder and disaster.



In this policy area, we must make a concerted effort to establish that we are properly managing and controlling the tax monies dedicated to national security, and that these expenditures are, in fact, increasing our security.

The agreement and clear acceptance of Presidential focus for Phases I and II contributed significantly to our successes. The task now before us is to determine Presidential focus for Phase III. The financial and organizational dimensions of many Phase I and Phase II policies are enormous and their implications must be addressed in Phase III as logical extensions of the two previous phases. In addition, basic policy and budget decisions will be made during Phase III that cover the entire remainder of the first term of the Administration and beyond. Thus, the decisions made and the policy areas selected for focus by the President will represent key elements of the President's agenda through Fiscal Year 1986.

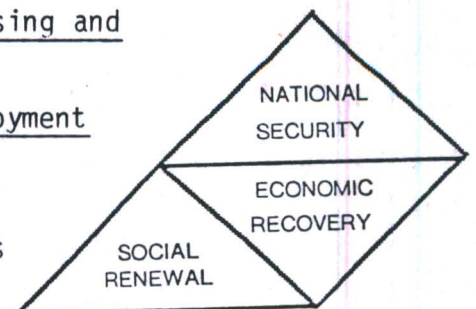
It is suggested, therefore, that the policy focus for Phase III be:

- o Reform the financing of large social programs
- o Recognize the careful financial planning and programming necessary for sound development and use of national resources to sustain economic recovery
- o Include a means for effectively managing the government.

Two policy areas appear to be appropriate for detailed design and development during Phase III. The areas are social renewal and national resources enhancement.

- c. Social Renewal - Social policies appear to demand the most immediate attention since such issues have a direct impact on all Americans and on the budget of the Federal government. Further, the Administration runs the risk of increasing its image of insensitivity to social concerns unless some actions are taken. The social renewal goals which seem appropriate (and which link to the President's campaign and recent pledges) are:

- o Reduce financial problems of Social Security, housing and health care.
- o Develop innovative approaches for reducing unemployment and welfare dependency.
- o Encourage State/local government and volunteer efforts by individuals, families and organizations to solve community problems.



- o Improve the quality of life through the reduction of fears over personal safety and by raising the confidence level of the American people in their future.
- o Provide for appropriate leadership on the values of American society.

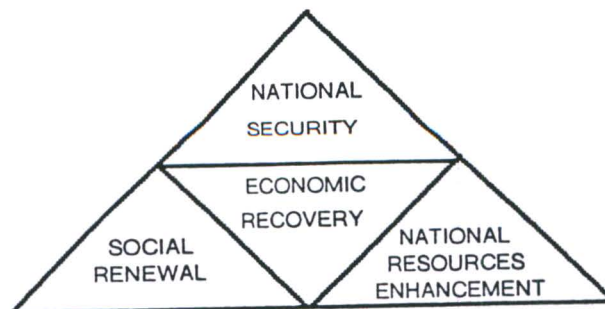
In Phase III, we must ensure that the policies and goals adopted and implemented are stressed as being the right things for the greatest number of people, and not as "give-backs" to special and single-issue interest groups. We should also look closely at the concept of "entitlements" and "income transfers."

- d. National Resources - The success of economic recovery, national security and social renewal depends on America's national resources -- the work force, natural resources, business and industry, and government. Thus, during Phase III, the President needs to propose a cohesive positive approach to the management of these national resources.

National Resources Enhancement policies should consist of the following goals:

- o Improve the capabilities, opportunities and productivity of the work force.
- o Increase the availability of reasonably priced food, energy and other natural resources.
- o Modernize business and industrial capabilities.
- o Improve government management.

There is a degree of overlap and interdependence in all of these policy areas. Taken together, these four policy areas will form the core of the Reagan Administration's Strategic Plan for Phases I through IV. Specific policies and programs must be developed through the White House decision process and by the different departments and agencies.



D. Phase III Strategic Considerations

1. Content and Credibility of the President's Economic Recovery Program

Once the budget reductions and tax bill have completed the legislative process, it will be essential for the President to explain to the public the content of the economic package in relation to:

- o What the President wanted and received;
- o What he wanted and did not receive; and
- o What he did not want, yet was included in the legislation.

The President and other high ranking Administration officials will be needed to establish the credibility of the program in light of the condition of the economy and the commitment to a balanced budget in Fiscal Year 1984. Despite the extraordinary efforts made during the reconciliation process, the budget is not balanced; the more difficult and painful process is still ahead for the Administration to plan the Fiscal Year 1983-1986 budgets. In a word, the task of reducing the size and role of the federal government by budgetary restraints remains "undone."

The statement should be made as follows:

- o When: August 4, 1981 (if budget and tax bills have been adopted).
- o Where: From Oval Office
- o Form: National TV address.
- o Policy Area and Goal(s): Economic Recovery; Reduce the growth of the Federal budget and reduce tax rates.

2. Management of the Economic Recovery Program

We cannot afford to think narrowly about the transformation of the federal government caused by the President's Economic Recovery Program and future budget reductions. Hence, the President must demonstrate that the Administration has not only the ability to design a new role for the federal government, but that it can manage that new role as well.

The critical Phase III management issues are:

- o Implement the economic recovery at all levels of government, especially through strategies such as block grants and revenue source shifts.
- o Target, monitor and control the defense expenditures.

(UNCLASSIFIED/SENSITIVE)

- o Integrate the career executives into the President's program. The scope and magnitude of the changes in the federal role are fairly drastic; federal executives will, therefore, be required to make some major adjustments. The long-term success of the President's program depends on the short-term steps he takes to obtain the assistance of senior civil servants into this massive governmental reform.

In order to implement this policy, the President should:

- o Establish a President's Council on Policy Planning and Management. Membership should include the President, Vice President, Secretary of State, Secretary of Defense, Secretary of Treasury, Secretary of Health and Human Services, Attorney General, Counsellor to the President, Chief of Staff and Director of the Office of Management and Budget.
- o Make a policy statement, as follows:
 - o When: October 12, 1981 (Columbus Day - to symbolize "new opportunity and responsibility").
 - o Where: At Columbus Day event in New York City.
 - o Form: Short speech with press coverage.
 - o Policy Area and Goal(s): Economic Recovery; Reduce growth of federal budget and reduce tax rates. National Resources Enhancement; Improve government management.

3. Excellence in Education

The focus of Phases I and II was designed to allow the President to concentrate on the most salient problems facing the country and to do the difficult early. The agenda control strategy for Phases I and II was to retain a critical mass trained against the country's economic and national security problems, and defer as many issues as possible until the basic problems were addressed. As Phase II closes, however, and the initial budget reduction and tax bills are finalized, the President will be pressured from all quarters of society to extend his focus to include those deferred issues.

The most perplexing, politically sensitive and pressure packed of the issue areas that is likely to peak in Phase III is the social cluster, which includes busing, school prayer, family and community values.

To exert control over the emergence of the educational element of the social agenda in Phase III, the following should guide the President's actions:

- o The President has taken firm, public stands on virtually all of these issues over the years. It is, therefore, not so much a question of where does the President stand, but which social issue(s) he wants to advance during Phase III.

(UNCLASSIFIED/SENSITIVE)

- o Every effort possible should be made to build on the relevant values the President articulated in his acceptance speech--family, individual responsibility, work ethics, equality of opportunity, religious freedom and liberty--as the context.
- o Make a major policy statement on the need for excellence in education in the family and in the community. It is possible within the context of the excellence in education theme for the President to reaffirm his positions on school prayer, busing, Jeffersonian themes (e.g., good citizenship based on education of the masses, value of private education).

The policy statement should be made as follows:

- o When: On or around the beginning of school, Fall 1981.
- o Where: At an appropriate educational setting or at the dedication of the Ford Museum in Grand Rapids.
- o Form: Major speech with TV coverage.
- o Policy Area and Goal: Social Renewal; Encourage State/local government and voluntary efforts to solve community problems.

4. Reforming the Social Security and Medicare System

Social Security reached the forefront of public debate following the May 12, 1981, announcement of the financial problems and the Reagan Administration's proposed solutions. The Administration has, consequently, already taken the initiative on this serious problem and advanced the public debate. Several high ranking officials, other than the President, have presented the Administration's policy with varying degrees of success.

In Phase II, the Administration received considerable criticism for its Social Security proposals. In the main, the President did not take an active role in the public debate. But given the problems facing the Social Security fund and that the Administration has already absorbed the first volley of criticism, it will be necessary for the President to exert his personal leadership to ensure the viability of the Social Security system and make the necessary changes in the financing and benefits of the fund. In addition, the similar problems of Medicare financing must be dealt with.

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This should be done following a review by the President of the FY 1983-1986 budget estimates to be presented in January, 1982. The status of the legislation can be reviewed in December, and any changes needed in strategy incorporated in the January State-of-the-Union address.

The policy statement should be made as follows:

- o When: Late October.
- o Where: From Oval Office.
- o Form: National TV address.
- o Policy Area and Goal: Social Renewal; Reduce financial problems of Social Security and health care.

5. Importance of Personal Safety

Early in Phase III, the Administration should show its interest in the personal safety of Americans through several actions:

- o The President should make a major policy statement to a national organization in which he (a) describes the extent of the serious crime problems, (b) points out that the solution of the problem is principally the responsibility of state and local government, with some assistance from the Federal government, (c) reports on the results of the Presidential Violent Crime Task Force, and (d) suggests the need to utilize the block grant process. This statement should be made as follows:
 - o When: September 28, 1981.
 - o Where: National convention of the International Association of Chiefs of Police (New Orleans).
 - o Form: Speech, with national TV coverage.
 - o Policy Area and Goal: Social Renewal; Improve quality of life by reduction in fears over personal safety.
- o The President should ask OMB to identify ways in the budget process to make Federal law enforcement and criminal justice activities more efficient and effective (e.g., consolidate drug abuse control activities, consolidate research and statistics activities, improve education and training assistance).
- o The President should initiate the appointment of members of the Federal judiciary who are competent and who subscribe to the general view of the President on the role of the court.

6. Ideal American Values

By the fall of 1981, the Reagan revolution of governance and social change will have already taken shape and the initial stages of implementation will have begun. There is every reason to hope that a sense of optimism will overlay the public's reserve of concern about what is happening to America. Thanksgiving week would be an excellent time for the President to make a major statement on American values.

As a followup to the acceptance speech and the indicated desires of the electorate, the President should describe what he believes are the ideal values for America that can serve as a framework for greater independence, opportunity and responsibility.

In order to symbolize the need for a return to some traditional ethics, the President could make such a policy statement as follows:

- o When: Thanksgiving Week, 1981.
- o Where: From Camp David or Plymouth Rock.
- o Form: Comments to an intimate gathering of citizens or family, with TV coverage.
- o Policy Area and Goal: Social Renewal; Provide leadership on values of American society.

7. Workforce Improvement

As a core of the national resources enhancement program, the President should make a major policy statement on the need to improve workforce productivity, capability and opportunity. If possible, results of productivity commission or specific legislative proposals could be announced.

This policy statement should be made as follows:

- o When: Labor Day, 1981.
- o Where: From a labor group family picnic in the mid-West.
- o Form: Speech.
- o Policy Area and Goal: National Resources Enhancement; Improve workforce.

8. National Resource Enhancement

Phases I-III continue the largely unidimensional focus of the economic recovery program and its national security component. Within these phases several important national resource enhancement decisions have been made (e.g., gas decontrol, synfuels) and others will continue to be made. There is, however, an opportunity for the President to make a major statement about national resources at his State-of-the-Union address in January, 1982. A precursor theme and media event which would come in Phase III would be the airing of a 30 minute television program of President Reagan at his ranch "mending fences."

The theme of this television interview is to have the President concretize his hopes for America by the sustained enhancement of the country's key resources--its people, creativity, natural resources and capacity to use widely its energies.

The Santa Barbara Ranch would be a marvelous backdrop: The President's own enthusiasm for the setting, and the possibility of making a positive natural environment statement are principal reasons for arguing in favor of taping it and showing it in late December.

The policy statement should be given as follows:

- o When: Christmas Week, 1981.
- o Where: From Santa Barbara ranch.
- o Form: Interview taped for TV.
- o Policy Area and Goal: National Resources Enhancement; Increase availability of natural resources, improve workforce.

9. Economic Recovery Program Progress and Plans

As a transition into the second year (and fourth phase) of his Administration, the President should make a State-of-the-Union speech describing the progress of his economic recovery program to date, and his proposal for the FY 1983 budget.

The policy statement should be given as follows:

- o When: Mid-January, 1982.
- o Where: To Joint Session of Congress.
- o Form: Nationally televised speech.
- o Policy Area and Goals: Economic Recovery; Reduce growth of Federal Budget; reduce tax rates and stabilize monetary supply.

10. Hold-Out Against Clamour for Foreign Policy Speeches While Quietly Conducting the New Diplomacy

The press corps is clamouring for a foreign policy statement when, curiously enough, they have not been able to read the text of President Reagan's actions. The President's own public response to the criticism that he has not delivered a major foreign policy address was that it did not seem necessary to spell out either the details or formula guiding our foreign policy moves (June 22, 1981 press conference in Washington, and the July 7, 1981 fund raising speech in Chicago). The President has asserted that we have a foreign policy and no one should be in doubt about his basic views.

For many reasons, the President is probably correct that it is unnecessary to state what should be obvious to most. There will come a time when a major statement is appropriate--more so because the President is the leader of the free world than that an articulation of U.S. foreign policy is required.

The proposed Phase III focus on foreign affairs is to continue to act to change the parameters of our foreign relations, but do so without the fanfare of Presidential speeches asserting the principles or specific changes.

Early statements on foreign policy by some Presidents have created expectations that the reality of international affairs demonstrates to be naive. The result is an unnecessary decline in Presidential credibility. Let our friends and foes alike read the actual behavior of the new Administration and, at least for the moment, determine the thrust of our foreign policy from the actions taken, rather than the pronouncements made.

Already in Phases I and II, the Administration has set in motion the initial parameters of U.S. foreign policy, and there are many hard decisions facing us in Phase III. The strategy during this difficult period should be to have the Secretaries of State and Defense explain policy on a case by case basis as the need arises.

E. SUMMARY

Economic recovery and the strengthening of national security have begun. If social renewal and national resource enhancement are carefully designed and introduced in the President's State-of-the-Union address in January, 1982, it will represent significant leadership effort by the President in his first year. The remaining years should be devoted to implementing and managing the Federal government's activities on these four fronts, responding to changing domestic and world situations as they might affect the goals and priorities of the Administration, and the continued development of the nation.

The following pages contain a summary of the Administration's Phase III policy areas and goals; a list of issues or activities within each Phase III policy area; and the relationship of the Phase III policy areas, goals and Cabinet Councils to those for Phases I and II.

THE ADMINISTRATION'S POLICY AREAS AND GOALS

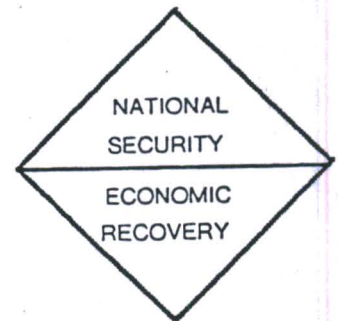
I. ECONOMIC RECOVERY

- Reduce the growth of the Federal *budget*
- Reduce *regulatory* burdens
- Reduce *tax rates*
- Stabilize *monetary supply*
- Reduce Federal *waste and fraud*



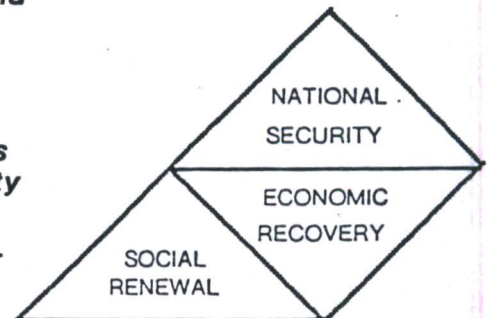
II. NATIONAL SECURITY

- Strengthen *military* manpower and weapons systems
- Establish a consistent *foreign policy*
- Strengthen *domestic defenses* against disorder and disaster



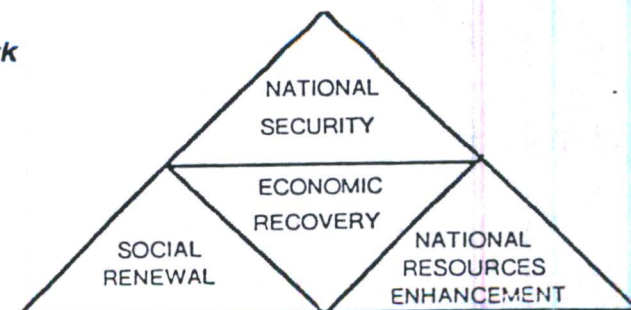
III. SOCIAL RENEWAL

- Reduce *financial problems of social security, housing and health care*
- Develop *innovative approaches for reducing unemployment and welfare dependency*
- Encourage *State/local government and volunteer efforts* by individuals, families, and organizations to *solve community problems*.
- Improve the *quality of life* through the reduction of fears over personal safety and by raising confidence levels of American people in their future
- Provide appropriate leadership on the *values* of American society



IV. NATIONAL RESOURCES ENHANCEMENT

- Improve capabilities, opportunities and productivity of the *work force*
- Increase the availability of reasonably priced food, energy and other *natural resources*
- Modernize *business and industrial capabilities*
- Improve *government management*



(UNCLASSIFIED/SENSITIVE)

Proposed issues or activities for each policy area during Phase III are:

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
I. ECONOMIC RECOVERY	A. Reduce the growth of the Federal <u>budget</u>	1. FY 1982 budget implementation 2. FY 1983 budget announcement 3. FY 1983-1986 budget planning 4. Balanced budget and spending limitation 5. Integration of policy development and budget process 6. Annualized cost-of-living increases 7. Private financing of government activities 8. Surplus property disposal 9. Local reimbursement to F.B.I. for some services
	B. Reduce <u>regulatory</u> burdens	1. Free trade 2. Telecommunications 3. Natural gas 4. Environmental quality (air, water) 5. Prevailing wage payments (Davis-Bacon Act) 6. Defense contract profit limits (Vinson-Trammell Act) 7. Minority enterprise/Expanded ownership 8. Multi-fiber agreement 9. Trucking 10. Ships (e.g., Ship American, Construction Differential) 11. Cotton dust 12. International commodity markets 13. Coal exports 14. Mine inspections

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POLICY AREA	GOALS	ISSUES OR ACTIVITIES	
I. ECONOMIC RECOVERY (Continued)	C. Reduce <u>tax rates</u>	<ol style="list-style-type: none">1. Individual rate reduction2. Accelerated cost recovery3. Research and development tax credit4. Investment tax credits5. Marriage Penalty6. Retirement accounts7. Savings Certificate Exemptions8. Foreign earned income9. Estate and gift taxes10. Windfall profits11. Commodity straddles12. Fringe benefit taxation13. Refund offset14. Tuition tax credits15. Farm taxes16. Targeted job credits17. WIN tax credits18. Underground economy19. Economic Bill of Rights20. Home mortgage exemptions21. Payment in lieu of taxes	
	D. Stabilize <u>monetary supply</u>	<ol style="list-style-type: none">1. Interest rates2. Exchange rates3. Limits on national debt4. Federal Credit policy (e.g., subsidies, collection methods)5. Currency standard6. Foreign investment in U.S.7. Thrift industry stability8. Olympic Coins9. Balance of payments10. Export-import bank11. International banking	
		E. Reduce Federal <u>waste and fraud</u>	<ol style="list-style-type: none">1. Federal building lease or purchase2. DOD/DOJ concern over Inspector General roles3. Committee on Economy and Integrity4. Special Prosecutor utilization5. Procurement procedures6. Personnel ceilings/hiring freezes7. Travel procedures8. Public relations limitations9. Role of whistleblowers

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POLICY AREA	GOALS	ISSUES OR ACTIVITIES
NATIONAL SECURITY	A. Strengthen <u>military</u> defense	<ol style="list-style-type: none">1. Strategic Nuclear capability: M-X Bomber, Trident D-52. Survivability of government: telecommunications, civilian population (civil defense)3. General Purpose Forces: modernization and force expansion, readiness, Southwest Asia, mobility4. NATO - revitalize the alliance: redress conventional/theater nuclear forces imbalance (LRTNF, Binary CW weapons, Enhanced Radiation Weapons), political leadership5. Southwest Asia: Extensive US Commitment, oil reliance, threat of USSR, Rapid Deployment Force - separate unified command6. Northeast Asia: credible strategic defense, Japan, Korea7. South America and Caribbean Basin economic assistance, security support, resist rising Cuban/Soviet aggression8. Africa: mineral war, protect US/Western interests in Africa, protect continent's mineral resources vital to US defense9. Sustainability: Industrial Base, mobilization, manpower (1984 manpower shortages, esp. high skill and middle grade NCO)10. Security Assistance - dependable Allies: cash sales, FMS credits, grant aid, training, Turkey, Pakistan, Egypt, Israel, Portugal, Korea, Saudi Arabia, Caribbean Basin: El Salvador, Honduras, Guatemala

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
NATIONAL SECURITY (Continued)	B. Establish consistent <u>foreign policy</u>	<ol style="list-style-type: none">1. Poland: concern over Soviet response-favor political evolution and assist with Poland's economic problems2. Persian Gulf and Southwest Asia: AWACS; military forces and infrastructure; RDF3. Arab/Israel: peace treaty Egypt and Israel, Lebanon crisis, autonomy negotiations on status of Gaza Strip and West Bank, Habib mission4. Afghanistan/Pakistan/India: Pakistan military build-up, non-nuclear military strength, India relations, Soviet withdraw of Afghanistan5. Eastern Europe: internal liberalization, foreign policy autonomy6. East-West contacts: policy of differentiation - Poland, Hungary, Yugoslavia (liberal); Romania (independent); GDR, Bulgaria, Czechoslovakia (Moscow-aligned, rigid)7. Europe: Quasi-neutralist, pacifist sentiment8. China/Taiwan-balance: Taiwan - arms, trade Peking - exchanges, strategic consultations, licensing dual-technology transfer9. Soviet Union: succession, new leadership, arms reductions, expansion - Afghanistan10. African 'Z' States: Soviet destabilization of Zaire, Zambia, Zimbabwe11. South Africa/Namibia (independence)12. Cuba-subversion, RFC13. Nicaragua: going wholly Communist14. El Salvador: war, Guatemala, Honduras15. Latin America: giants - Mexico, Columbia, Brazil, Argentina, Venezuela, trade, security, non-proliferation, Quadrapartite meeting Nassau16. Vietnam/Cambodia/Thailand/ASEAN: Vietnamese threat; solution to occupation, refugees

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
NATIONAL SECURITY (Continued)	B. Establish consistent <u>foreign policy</u> (Continued)	<ul style="list-style-type: none">17. International Economic:<ul style="list-style-type: none">. Polish Economy - debt. Siberian gas pipeline. International trade: rising tide of protectionism export credits. East-West trade: trade restrictions with Soviets. International Debt - external debt; LDC beyond capacity. North-South: traditional bilateral trade ineffective. Energy - assurance of adequate oil supply - preoccupation for American foreign policy. Exchange Policy - exchange stability policy of non-intervention in exchange markets. International Financial Institutions - leaner, more efficient18. Global Issues:<ul style="list-style-type: none">. Non-Proliferation. Human Rights. Law of the Sea. International Communications VOA, RFE, RFL. Terrorism19. Intelligence:<ul style="list-style-type: none">. re-establish role. relationship between policy making and intelligence. budget. integrated national-level counter intelligence

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POLICY AREA	GOALS	ISSUES OR ACTIVITIES
II. NATIONAL SECURITY (Continued)	C. Strengthen <u>domestic</u> <u>defenses</u>	1. Survivability of government 2. Crisis management procedures 3. Civil disorder 4. Disaster assistance

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
III. SOCIAL RENEWAL	A. Reduce financial problems of <u>Social Security, housing and health care</u>	1. Social Security financing 2. Medicare/Medicaid financing and health policy 3. Housing financing, subsidies, weatherization
	B. Develop innovative approaches for reducing <u>unemployment and welfare dependency</u>	1. Unemployment eligibility/placement 2. AFDC eligibility/workfare/day care 3. Youth minimum wage 4. Enterprise Zones 5. Child nutrition 6. Native Americans 7. Food stamp eligibility 8. Immigration 9. Veterans benefits (e.g., Agent Orange, G.I. Bill) 10. Pension policy
	C. Encourage <u>State/local government and voluntary efforts to solve community problems</u>	1. Block grant implementation 2. Volunteerism 3. Aging 4. Child development 5. Handicapped 6. Defederalization of airports 7. Clarification of Federal role in education, (e.g., enhancement, impact aid, land grant colleges) 8. Disaster loans
	D. Improve the <u>quality of life by improving personal safety and raising confidence of people in the future</u>	1. Violent crime reduction 2. Drug/alcohol abuse reduction 3. Prison construction 4. Traffic safety 5. Hazardous material use 6. Juvenile justice 7. Victims rights 8. Exclusionary rule 9. Federal payment of legal fees 10. Death penalty

(UNCLASSIFIED/SENSITIVE)

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
III. SOCIAL RENEWAL (Continued)	E. Provide leadership on the <u>values</u> of American society	1. Family 2. Individual responsibility 3. Work ethics 4. Equality of opportunity 5. Religious freedom 6. Liberty 7. Privacy 8. Specific issues: a. voting rights b. abortion c. busing to achieve integration d. school prayer e. bi-lingual education f. equal access to justice g. Family Protection Act h. gun control

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
IV. NATIONAL RESOURCES MANAGEMENT	A. Improve <u>workforce</u>	1. Productivity 2. Labor relations 3. Employee stock ownership 4. Pre- and Post-employment education and training 5. Employment placement
	B. Increase availability of <u>natural resources</u>	1. Farm bill 2. Energy development (e.g., oil leases, nuclear use) 3. Insecticides, fungicides, and rodenticides 4. Land conservation 5. Strategic minerals and strategic petroleum reserve 6. Water quality/marketing subsidies 7. Tobacco price supports 8. Waste disposal/recycling 9. Space exploration 10. Tourism 11. Timber harvest 12. National parks 13. Wildlife conservation 14. Power marketing 15. Emergency preparedness 16. Ocean resources 17. User fees 18. Forest service receipts 19. Agricultural extension services 20. Brucellosis eradication 21. Crop insurance 22. Weather services 23. Superfund management 24. Wilderness programs 25. Barrier Islands

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
IV. NATURAL RESOURCES MANAGEMENT (Continued)	C. <u>Modernize business and industrial capabilities</u>	<ol style="list-style-type: none"> 1. Assistance to ailing industries 2. Small business assistance 3. Growth industries 4. Science and technology transfer 5. Anti-trust policy 6. Industrial homework 7. Transportation services (e.g., mass transit, Conrail/Amtrak) 8. Patent/copyright practices 9. Trade agreements 10. Trade in services 11. Arts Task Force 12. Puerto Rican development 13. Native Hawaiian Claims Commission 14. Louisiana Exposition 15. Role of National Bureau of Standards 16. Industrial revenue bonds 17. Trade adjustment assistance
	D. <u>Improve government management</u>	<ol style="list-style-type: none"> 1. Career service utilization, pay and R.I.F. 2. Key official protection 3. Executive decision making process 4. Postal services 5. Public service strikes 6. Citizens' Task Forces 7. Policy orientation for executive personnel 8. Public corporations 9. Presidential and legislative veto methods 10. Presidential Library 11. Consultant use 12. Agency reorganizations (e.g., abolition of Department of Education, consolidate some DEA/Customs/INS functions) 13. General Services Administration 14. Regional office restructuring 15. Freedom of information 16. New Hoover Commission 17. Election law reform 18. International control of public spending 19. Utilization of research and development results

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The policy areas proposed for Phase III have the following relationship to Phase I and II policy areas and priorities for Cabinet Councils:

A. DOMESTIC POLICY	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
1. <u>Economic Affairs</u>	/-----	Budget-----	/-----
	/-----	Regulations-----	/-----
	/-----	Tax Rates-----	/-----
	/-----	Monetary Policy-----	/-----
	/-----	Waste and Fraud-----	/-----
2. <u>Commerce and Trade</u>	/-----	Community -----	---
		Self-Renewal	
	Automobile Indus-	---	Business/Industry
	try/Imports		Modernization
	---	---	Improve Workforce
3. <u>Human Resources</u>	/-----	Reagan Federalism	) Federalism;
	---	Volunteerism	) Volunteerism
	---	Violent Crime	) Quality of Life
	---	Immigration) ---
	---	Drug Abuse Educa-) ---
	---	tion/Interdiction) ---
	---	Housing Financing	) Social Security,
	---	Health Care	) Housing, Health
	---	Social Security	) Care Financing
	---	---	) Unemployment,
	---	---	) Welfare Innova-
	---	---	) tions
	---	---	) Values
4. <u>Natural Resources</u>	Synfuels	---	) Energy and
and Environment	/-----	Natural Gas-----	) Natural Resource
	/-----	Decontrol	) Availability
	/-----	Clean Air-----)
5. <u>Food and Agriculture</u>	Dairy Price	---	) Food Availability
	Supports)
	---	Farm Price Supports))
	Grain Embargo	---)
	---	---) Government
) Management
) Improvement

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	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
B. <u>NATIONAL SECURITY</u>	/-----	Defense Capabilities) Military
	/-----	Intelligence, Infor- mation and Foreign Assistance Programs	) Manpower, Weapons Systems and Intelligence
	/-----	Crisis Planning)
	/-----	Alliance Relations and Consultations	) Consistent Foreign Policy
	/-----	Middle East Regional Security)
	/-----	East-West Discussions)
	/-----	Arms Reduction Process)
	/-----	Caribbean and Central America Regional Security)
	/-----	Presidential Diplomacy and Summitry)
	/-----	U.S. Credibility in World Affairs)
	/-----	African Relations)
	/-----	Major Foreign Policy)
	/-----	Statements on U.S. - Soviet Relations, Defense Strategy)
	---	---) Domestic Defenses

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

STRATEGIC PLANNING MEMORANDUM #1

TO: Edwin Meese
FROM: Richard S. Beal
SUBJECT: Phase III Policy Focus
DATE: July 16, 1981

A. PHASE I & II OVERVIEW

The strategic policy planning process of the Reagan Administration has been useful in establishing and maintaining the President's desired policy direction. The Strategic Plan includes a short list of high priority items for Presidential focus during Phases I and II which are arrayed and sequenced to achieve the President's policy objectives. The purpose of the Strategic Plan is to give a sense of direction to the Administration and in turn to the country, and project an image of governance that leadership from the President makes a difference. The plan is also intended to be a governing statement to avoid the dissipation of the President's time and resources.

The Initial Action Project for Phase I contained two major objectives: (1) domestic economic recovery and (2) strengthening the image of the U.S. as a world power. It also delineated strategies designed to articulate and foster the short- and long-term success of the President's two major policy objectives. In essence, the Phase I strategies called for strong Presidential leadership by restricting the focus to a short-list of objectives, being consistent, guarding against foolish errors, undertaking the difficult early, and demonstrating that the President is in charge. It was essential to begin the President's term by relying on his skills as communicator-in-chief to explain the central policy thrust of the new Administration.

To restore the working relationship between the President and Congress, the strategy was to initiate a bold economic recovery program, and to use the budget reconciliation process to show that the new President would fulfill his Constitutional responsibilities. He would stand firm to his principles, but negotiate as needed with the Congress in working out the best possible new beginning for the country.

The Phase II plan continued the focus on the two major objectives of Phase I, but shifted the emphasis from the articulation of the economic recovery program to the legislative adoption of the President's proposals. Strategies that were initiated in Phase II included:

- o Establish a legislative strategy group to plan and coordinate the content and process of budget reconciliation.
- o Improve the decision-making processes in the White House for policy development and crisis management.

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- o Recognize the existence of multiple and frequently competing agenda, and minimize the possible negative impact on Presidential priorities.
- o Improve the quality of Federal government general services and personnel management.
- o Recognize that national security requires a strong economy and develop a foreign policy around President Reagan's commitments to peace through strength and good relations with our hemispheric and Western Allies.

It is generally felt that Phases I and II have proceeded according to the Plan, with only a few areas not receiving the intended attention.

B. PHASE III PLANNING GUIDELINES

Phase III is the period between October 1, 1981 and January 15, 1982 -- a period which coincides with important executive, legislative and budgeting dates. During Phase III, the Administration's emphasis will be on:

- o Implementing and managing the FY 1982 programs and budgets outlined for economic recovery and national security.
- o Assessing the impact of Phases I and II on other issues and policy areas, and developing policies to respond effectively to the needs in these areas.
- o Initiating the policy planning process for Phase IV and beyond.

Consistent with the communications strategy of Phase I, the President's policies, goals and priorities should be announced and described by the President. It should be made clear that these policy goals and priorities are the President's proactive agenda -- policy areas of the President's own design and control. Policy areas and issues on the proactive agenda are governed by the President's basic principles, timetable and subject to his strategies of articulation, communication, adoption, implementation and management. The proactive agenda is of the President's initiation, and not a reaction to the demands of special interests. The decision process controlling the proactive agenda is of a wholly different character than the one invoked for the reactive agenda items. The principal difference is that items on the reactive agenda are manipulated by individuals or institutions other than the Presidency.

The following policy planning guidelines should discipline the development of the proactive agenda for Phase III:

- o Policy areas, goals and priorities for Phase III should be consistent with the President's achievements and actions in Phases I and II.
- o A few major goals and priorities that are truly the responsibility of the Federal government should be set and tenaciously pursued.

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- o The short list of policy goals should be attainable and require a modest level of government financing consistent with the economic recovery program.
- o The impact of the economic recovery program on each policy area, especially budgetary projections for FY 1982-1986, will be assessed.
- o Organizational responsibilities for achieving policy goals must be assigned through the Cabinet Council structure.
- o Specific actions for implementation during FY 1982 and FY 1983 will be identified.
- o The job in 1982 and beyond becomes one of managing the President's policies effectively and adjusting to changing domestic and world conditions.

C. PHASE III PRINCIPLES AND POLICY AREAS

1. Principles

In Phase III, to ensure continuity with what President Reagan has been stating for many years, policy areas, goals and priorities should be based upon the following principles:

- o Place maximum responsibility possible on private individuals, organizations and the free enterprise system to meet personal, social and economic objectives.
- o Expend the minimum amount of dollars with the maximum level of innovation possible to fulfill priority policy goals.
- o Encourage a feeling of confidence and security among all Americans.
- o Reduce the involvement of the Federal government in the lives of all Americans.
- o Make Presidential decisions on the basis of what is good for the country, rather than on the basis of election expediency.
- o Do not raise expectations beyond what is reasonably achievable.
- o Do not permit long-term policy objectives to be foreclosed by short-term interests or events.
- o Be guided by the fact that the power to govern rests with the support of a majority of the people.

- o Trust the values of American society.
- o Treat America's leaders as accountable stewards.

2. Policy Areas

Consistent with the above principles and guidelines, and based on an assessment of the President's achievements in Phases I and II, the Administration must unfold a few carefully selected initiatives in Phase III. They should complement economic recovery, but must also have separate goals and meet specific needs not emphasized to date by the Administration. Thus, the President's policy areas and goals would be:

- a. Economic Recovery - The economic recovery theme emphasized in Phases I and II is primarily an effort to reduce the involvement of government in people's lives. Each of the following goals were designed to accomplish some aspect of this:

- o Reduce the growth of the Federal budget
- o Reduce regulatory burdens
- o Reduce tax rates
- o Stabilize monetary supply
- o Reduce Federal waste and fraud



In Phase III, we must continue focusing on these goals, but we must move from stress on simply achieving specific reduced budgets and tax levels to new policies that drive the formulation of the budget and tax rates. The theme of these policies must enable people to feel that government is being brought closer and made more responsive to them individually. The emphasis on national security, block grants, and trade decisions that sometimes alternate between protectionism and free market approaches are examples of Administration policies that must be developed and clearly described in this context.

- b. National Security - The strengthening of national security is a basic Constitutional responsibility of the Federal government. And, national security policy should be shown to be complementary to economic recovery. Thus, national security and its specific goals will continue as a major Administration focus.

These goals are:

- o Strengthen military defense
- o Establish a consistent foreign policy
- o Strengthen domestic defenses against disorder and disaster.



In this policy area, we must make a concerted effort to establish that we are properly managing and controlling the tax monies dedicated to national security, and that these expenditures are, in fact, increasing our security.

The agreement and clear acceptance of Presidential focus for Phases I and II contributed significantly to our successes. The task now before us is to determine Presidential focus for Phase III. The financial and organizational dimensions of many Phase I and Phase II policies are enormous and their implications must be addressed in Phase III as logical extensions of the two previous phases. In addition, basic policy and budget decisions will be made during Phase III that cover the entire remainder of the first term of the Administration and beyond. Thus, the decisions made and the policy areas selected for focus by the President will represent key elements of the President's agenda through Fiscal Year 1986.

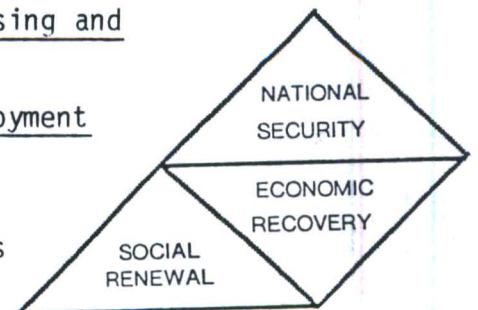
It is suggested, therefore, that the policy focus for Phase III be:

- o Reform the financing of large social programs
- o Recognize the careful financial planning and programming necessary for sound development and use of national resources to sustain economic recovery
- o Include a means for effectively managing the government.

Two policy areas appear to be appropriate for detailed design and development during Phase III. The areas are social renewal and national resources enhancement.

- c. Social Renewal - Social policies appear to demand the most immediate attention since such issues have a direct impact on all Americans and on the budget of the Federal government. Further, the Administration runs the risk of increasing its image of insensitivity to social concerns unless some actions are taken. The social renewal goals which seem appropriate (and which link to the President's campaign and recent pledges) are:

- o Reduce financial problems of Social Security, housing and health care.
- o Develop innovative approaches for reducing unemployment and welfare dependency.
- o Encourage State/local government and volunteer efforts by individuals, families and organizations to solve community problems.



- o Improve the quality of life through the reduction of fears over personal safety and by raising the confidence level of the American people in their future.
- o Provide for appropriate leadership on the values of American society.

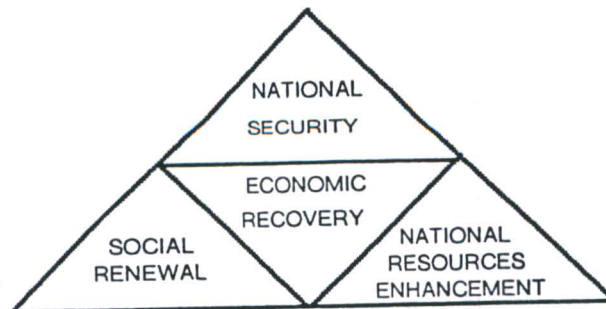
In Phase III, we must ensure that the policies and goals adopted and implemented are stressed as being the right things for the greatest number of people, and not as "give-backs" to special and single-issue interest groups. We should also look closely at the concept of "entitlements" and "income transfers."

- d. National Resources - The success of economic recovery, national security and social renewal depends on America's national resources -- the work force, natural resources, business and industry, and government. Thus, during Phase III, the President needs to propose a cohesive positive approach to the management of these national resources.

National Resources Enhancement policies should consist of the following goals:

- o Improve the capabilities, opportunities and productivity of the work force.
- o Increase the availability of reasonably priced food, energy and other natural resources.
- o Modernize business and industrial capabilities.
- o Improve government management.

There is a degree of overlap and interdependence in all of these policy areas. Taken together, these four policy areas will form the core of the Reagan Administration's Strategic Plan for Phases I through IV. Specific policies and programs must be developed through the White House decision process and by the different departments and agencies.



D. Phase III Strategic Considerations

1. Content and Credibility of the President's Economic Recovery Program

Once the budget reductions and tax bill have completed the legislative process, it will be essential for the President to explain to the public the content of the economic package in relation to:

- o What the President wanted and received;
- o What he wanted and did not receive; and
- o What he did not want, yet was included in the legislation.

The President and other high ranking Administration officials will be needed to establish the credibility of the program in light of the condition of the economy and the commitment to a balanced budget in Fiscal Year 1984. Despite the extraordinary efforts made during the reconciliation process, the budget is not balanced; the more difficult and painful process is still ahead for the Administration to plan the Fiscal Year 1983-1986 budgets. In a word, the task of reducing the size and role of the federal government by budgetary restraints remains "undone."

The statement should be made as follows:

- o When: August 4, 1981 (if budget and tax bills have been adopted).
- o Where: From Oval Office
- o Form: National TV address.
- o Policy Area and Goal(s): Economic Recovery; Reduce the growth of the Federal budget and reduce tax rates.

2. Management of the Economic Recovery Program

We cannot afford to think narrowly about the transformation of the federal government caused by the President's Economic Recovery Program and future budget reductions. Hence, the President must demonstrate that the Administration has not only the ability to design a new role for the federal government, but that it can manage that new role as well.

The critical Phase III management issues are:

- o Implement the economic recovery at all levels of government, especially through strategies such as block grants and revenue source shifts.
- o Target, monitor and control the defense expenditures.

- o Integrate the career executives into the President's program. The scope and magnitude of the changes in the federal role are fairly drastic; federal executives will, therefore, be required to make some major adjustments. The long-term success of the President's program depends on the short-term steps he takes to obtain the assistance of senior civil servants into this massive governmental reform.

In order to implement this policy, the President should:

- o Establish a President's Council on Policy Planning and Management. Membership should include the President, Vice President, Secretary of State, Secretary of Defense, Secretary of Treasury, Secretary of Health and Human Services, Attorney General, Counsellor to the President, Chief of Staff and Director of the Office of Management and Budget.
- o Make a policy statement, as follows:
 - o When: October 12, 1981 (Columbus Day - to symbolize "new opportunity and responsibility").
 - o Where: At Columbus Day event in New York City.
 - o Form: Short speech with press coverage.
 - o Policy Area and Goal(s): Economic Recovery; Reduce growth of federal budget and reduce tax rates. National Resources Enhancement; Improve government management.

3. Excellence in Education

The focus of Phases I and II was designed to allow the President to concentrate on the most salient problems facing the country and to do the difficult early. The agenda control strategy for Phases I and II was to retain a critical mass trained against the country's economic and national security problems, and defer as many issues as possible until the basic problems were addressed. As Phase II closes, however, and the initial budget reduction and tax bills are finalized, the President will be pressured from all quarters of society to extend his focus to include those deferred issues.

The most perplexing, politically sensitive and pressure packed of the issue areas that is likely to peak in Phase III is the social cluster, which includes busing, school prayer, family and community values.

To exert control over the emergence of the educational element of the social agenda in Phase III, the following should guide the President's actions:

- o The President has taken firm, public stands on virtually all of these issues over the years. It is, therefore, not so much a question of where does the President stand, but which social issue(s) he wants to advance during Phase III.

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- o Every effort possible should be made to build on the relevant values the President articulated in his acceptance speech--family, individual responsibility, work ethics, equality of opportunity, religious freedom and liberty--as the context.
- o Make a major policy statement on the need for excellence in education in the family and in the community. It is possible within the context of the excellence in education theme for the President to reaffirm his positions on school prayer, busing, Jeffersonian themes (e.g., good citizenship based on education of the masses, value of private education).

The policy statement should be made as follows:

- o When: On or around the beginning of school, Fall 1981.
- o Where: At an appropriate educational setting or at the dedication of the Ford Museum in Grand Rapids.
- o Form: Major speech with TV coverage.
- o Policy Area and Goal: Social Renewal; Encourage State/local government and voluntary efforts to solve community problems.

4. Reforming the Social Security and Medicare System

Social Security reached the forefront of public debate following the May 12, 1981, announcement of the financial problems and the Reagan Administration's proposed solutions. The Administration has, consequently, already taken the initiative on this serious problem and advanced the public debate. Several high ranking officials, other than the President, have presented the Administration's policy with varying degrees of success.

In Phase II, the Administration received considerable criticism for its Social Security proposals. In the main, the President did not take an active role in the public debate. But given the problems facing the Social Security fund and that the Administration has already absorbed the first volley of criticism, it will be necessary for the President to exert his personal leadership to ensure the viability of the Social Security system and make the necessary changes in the financing and benefits of the fund. In addition, the similar problems of Medicare financing must be dealt with.

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This should be done following a review by the President of the FY 1983-1986 budget estimates to be presented in January, 1982. The status of the legislation can be reviewed in December, and any changes needed in strategy incorporated in the January State-of-the-Union address.

The policy statement should be made as follows:

- o When: Late October.
- o Where: From Oval Office.
- o Form: National TV address.
- o Policy Area and Goal: Social Renewal; Reduce financial problems of Social Security and health care.

5. Importance of Personal Safety

Early in Phase III, the Administration should show its interest in the personal safety of Americans through several actions:

- o The President should make a major policy statement to a national organization in which he (a) describes the extent of the serious crime problems, (b) points out that the solution of the problem is principally the responsibility of state and local government, with some assistance from the Federal government, (c) reports on the results of the Presidential Violent Crime Task Force, and (d) suggests the need to utilize the block grant process. This statement should be made as follows:
 - o When: September 28, 1981.
 - o Where: National convention of the International Association of Chiefs of Police (New Orleans).
 - o Form: Speech, with national TV coverage.
 - o Policy Area and Goal: Social Renewal; Improve quality of life by reduction in fears over personal safety.
- o The President should ask OMB to identify ways in the budget process to make Federal law enforcement and criminal justice activities more efficient and effective (e.g., consolidate drug abuse control activities, consolidate research and statistics activities, improve education and training assistance).
- o The President should initiate the appointment of members of the Federal judiciary who are competent and who subscribe to the general view of the President on the role of the court.

6. Ideal American Values

By the fall of 1981, the Reagan revolution of governance and social change will have already taken shape and the initial stages of implementation will have begun. There is every reason to hope that a sense of optimism will overlay the public's reserve of concern about what is happening to America. Thanksgiving week would be an excellent time for the President to make a major statement on American values.

As a followup to the acceptance speech and the indicated desires of the electorate, the President should describe what he believes are the ideal values for America that can serve as a framework for greater independence, opportunity and responsibility.

In order to symbolize the need for a return to some traditional ethics, the President could make such a policy statement as follows:

- o When: Thanksgiving Week, 1981.
- o Where: From Camp David or Plymouth Rock.
- o Form: Comments to an intimate gathering of citizens or family, with TV coverage.
- o Policy Area and Goal: Social Renewal; Provide leadership on values of American society.

7. Workforce Improvement

As a core of the national resources enhancement program, the President should make a major policy statement on the need to improve workforce productivity, capability and opportunity. If possible, results of productivity commission or specific legislative proposals could be announced.

This policy statement should be made as follows:

- o When: Labor Day, 1981.
- o Where: From a labor group family picnic in the mid-West.
- o Form: Speech.
- o Policy Area and Goal: National Resources Enhancement; Improve workforce.

8. National Resource Enhancement

Phases I-III continue the largely unidimensional focus of the economic recovery program and its national security component. Within these phases several important national resource enhancement decisions have been made (e.g., gas decontrol, synfuels) and others will continue to be made. There is, however, an opportunity for the President to make a major statement about national resources at his State-of-the-Union address in January, 1982. A precursor theme and media event which would come in Phase III would be the airing of a 30 minute television program of President Reagan at his ranch "mending fences."

The theme of this television interview is to have the President concretize his hopes for America by the sustained enhancement of the country's key resources--its people, creativity, natural resources and capacity to use widely its energies.

The Santa Barbara Ranch would be a marvelous backdrop: The President's own enthusiasm for the setting, and the possibility of making a positive natural environment statement are principal reasons for arguing in favor of taping it and showing it in late December.

The policy statement should be given as follows:

- o When: Christmas Week, 1981.
- o Where: From Santa Barbara ranch.
- o Form: Interview taped for TV.
- o Policy Area and Goal: National Resources Enhancement; Increase availability of natural resources, improve workforce.

9. Economic Recovery Program Progress and Plans

As a transition into the second year (and fourth phase) of his Administration, the President should make a State-of-the-Union speech describing the progress of his economic recovery program to date, and his proposal for the FY 1983 budget.

The policy statement should be given as follows:

- o When: Mid-January, 1982.
- o Where: To Joint Session of Congress.
- o Form: Nationally televised speech.
- o Policy Area and Goals: Economic Recovery; Reduce growth of Federal Budget; reduce tax rates and stabilize monetary supply.

10. Hold-Out Against Clamour for Foreign Policy Speeches While Quietly Conducting the New Diplomacy

The press corps is clamouring for a foreign policy statement when, curiously enough, they have not been able to read the text of President Reagan's actions. The President's own public response to the criticism that he has not delivered a major foreign policy address was that it did not seem necessary to spell out either the details or formula guiding our foreign policy moves (June 22, 1981 press conference in Washington, and the July 7, 1981 fund raising speech in Chicago). The President has asserted that we have a foreign policy and no one should be in doubt about his basic views.

For many reasons, the President is probably correct that it is unnecessary to state what should be obvious to most. There will come a time when a major statement is appropriate--more so because the President is the leader of the free world than that an articulation of U.S. foreign policy is required.

The proposed Phase III focus on foreign affairs is to continue to act to change the parameters of our foreign relations, but do so without the fanfare of Presidential speeches asserting the principles or specific changes.

Early statements on foreign policy by some Presidents have created expectations that the reality of international affairs demonstrates to be naive. The result is an unnecessary decline in Presidential credibility. Let our friends and foes alike read the actual behavior of the new Administration and, at least for the moment, determine the thrust of our foreign policy from the actions taken, rather than the pronouncements made.

Already in Phases I and II, the Administration has set in motion the initial parameters of U.S. foreign policy, and there are many hard decisions facing us in Phase III. The strategy during this difficult period should be to have the Secretaries of State and Defense explain policy on a case by case basis as the need arises.

E. SUMMARY

Economic recovery and the strengthening of national security have begun. If social renewal and national resource enhancement are carefully designed and introduced in the President's State-of-the-Union address in January, 1982, it will represent significant leadership effort by the President in his first year. The remaining years should be devoted to implementing and managing the Federal government's activities on these four fronts, responding to changing domestic and world situations as they might affect the goals and priorities of the Administration, and the continued development of the nation.

The following pages contain a summary of the Administration's Phase III policy areas and goals; a list of issues or activities within each Phase III policy area; and the relationship of the Phase III policy areas, goals and Cabinet Councils to those for Phases I and II.

THE ADMINISTRATION'S POLICY AREAS AND GOALS

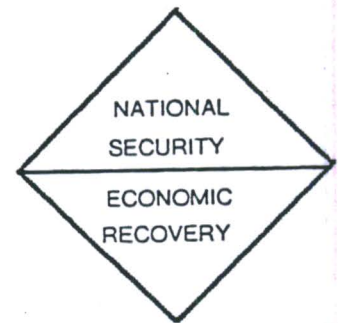
I. ECONOMIC RECOVERY

- Reduce the growth of the Federal *budget*
- Reduce *regulatory* burdens
- Reduce *tax rates*
- Stabilize *monetary supply*
- Reduce Federal *waste and fraud*



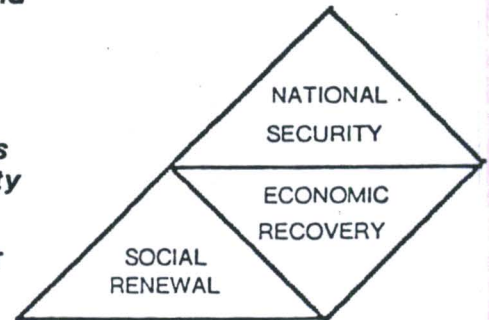
II. NATIONAL SECURITY

- Strengthen *military* manpower and weapons systems
- Establish a consistent *foreign policy*
- Strengthen *domestic defenses* against disorder and disaster



III. SOCIAL RENEWAL

- Reduce *financial problems of social security, housing and health care*
- Develop *innovative approaches for reducing unemployment and welfare dependency*
- Encourage *State/local government and volunteer efforts* by individuals, families, and organizations to *solve community problems*.
- Improve the *quality of life* through the reduction of fears over personal safety and by raising confidence levels of American people in their future
- • Provide appropriate leadership on the values of American society



IV. NATIONAL RESOURCES ENHANCEMENT

- Improve capabilities, opportunities and productivity of the *work force*
- Increase the availability of reasonably priced food, energy and other *natural resources*
- Modernize *business and industrial capabilities*
- Improve *government management*



(UNCLASSIFIED/SENSITIVE)

Proposed issues or activities for each policy area during Phase III are:

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
I. ECONOMIC RECOVERY	A. Reduce the growth of the Federal <u>budget</u>	<ol style="list-style-type: none">1. FY 1982 budget implementation2. FY 1983 budget announcement3. FY 1983-1986 budget planning4. Balanced budget and spending limitation5. Integration of policy development and budget process6. Annualized cost-of-living increases7. Private financing of government activities8. Surplus property disposal9. Local reimbursement to F.B.I. for some services
	B. Reduce <u>regulatory</u> burdens	<ol style="list-style-type: none">1. Free trade2. Telecommunications3. Natural gas4. Environmental quality (air, water)5. Prevailing wage payments (Davis-Bacon Act)6. Defense contract profit limits (Vinson-Trammell Act)7. Minority enterprise/Expanded ownership8. Multi-fiber agreement9. Trucking10. Ships (e.g., Ship American, Construction Differential)11. Cotton dust12. International commodity markets13. Coal exports14. Mine inspections

(UNCLASSIFIED/SENSITIVE)

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
I. ECONOMIC RECOVERY (Continued)	C. Reduce <u>tax rates</u>	<ol style="list-style-type: none">1. Individual rate reduction2. Accelerated cost recovery3. Research and development tax credit4. Investment tax credits5. Marriage Penalty6. Retirement accounts7. Savings Certificate Exemptions8. Foreign earned income9. Estate and gift taxes10. Windfall profits11. Commodity straddles12. Fringe benefit taxation13. Refund offset14. Tuition tax credits15. Farm taxes16. Targeted job credits17. WIN tax credits18. Underground economy19. Economic Bill of Rights20. Home mortgage exemptions21. Payment in lieu of taxes
	D. Stabilize <u>monetary supply</u>	<ol style="list-style-type: none">1. Interest rates2. Exchange rates3. Limits on national debt4. Federal Credit policy (e.g., subsidies, collection methods)5. Currency standard6. Foreign investment in U.S.7. Thrift industry stability8. Olympic Coins9. Balance of payments10. Export-import bank11. International banking
	E. Reduce Federal <u>waste and fraud</u>	<ol style="list-style-type: none">1. Federal building lease or purchase2. DOD/DOJ concern over Inspector General roles3. Committee on Economy and Integrity4. Special Prosecutor utilization5. Procurement procedures6. Personnel ceilings/hiring freezes7. Travel procedures8. Public relations limitations9. Role of whistleblowers

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
NATIONAL SECURITY	A. Strengthen <u>military</u> defense	<ol style="list-style-type: none">1. Strategic Nuclear capability: M-X Bomber, Trident D-52. Survivability of government: telecommunications, civilian population (civil defense)3. General Purpose Forces: modernization and force expansion, readiness, Southwest Asia, mobility4. NATO - revitalize the alliance: redress conventional/theater nuclear forces imbalance (LRTNF, Binary CW weapons, Enhanced Radiation Weapons), political leadership5. Southwest Asia: Extensive US Commitment, oil reliance, threat of USSR, Rapid Deployment Force - separate unified command6. Northeast Asia: credible strategic defense, Japan, Korea7. South America and Caribbean Basin economic assistance, security support, resist rising Cuban/Soviet aggression8. Africa: mineral war, protect US/Western interests in Africa, protect continent's mineral resources vital to US defense9. Sustainability: Industrial Base, mobilization, manpower (1984 manpower shortages, esp. high skill and middle grade NCO)10. Security Assistance - dependable Allies: cash sales, FMS credits, grant aid, training, Turkey, Pakistan, Egypt, Israel, Portugal, Korea, Saudi Arabia, Caribbean Basin: El Salvador, Honduras, Guatemala

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
NATIONAL SECURITY (Continued)	B. Establish consistent <u>foreign policy</u>	<ol style="list-style-type: none">1. Poland: concern over Soviet response-favor political evolution and assist with Poland's economic problems2. Persian Gulf and Southwest Asia: AWACS; military forces and infrastructure; RDF3. Arab/Israel: peace treaty Egypt and Israel, Lebanon crisis, autonomy negotiations on status of Gaza Strip and West Bank, Habib mission4. Afghanistan/Pakistan/India: Pakistan military build-up, non-nuclear military strength, India relations, Soviet withdraw of Afghanistan5. Eastern Europe: internal liberalization, foreign policy autonomy6. East-West contacts: policy of differentiation - Poland, Hungary, Yugoslavia (liberal); Romania (independent); GDR, Bulgaria, Czechoslovakia (Moscow-aligned, rigid)7. Europe: Quasi-neutralist, pacifist sentiment8. China/Taiwan-balance: Taiwan - arms, trade Peking - exchanges, strategic consultations, licensing dual-technology transfer9. Soviet Union: succession, new leadership, arms reductions, expansion - Afghanistan10. African 'Z' States: Soviet destabilization of Zaire, Zambia, Zimbabwe11. South Africa/Namibia (independence)12. Cuba-subversion, RFC13. Nicaragua: going wholly Communist14. El Salvador: war, Guatemala, Honduras15. Latin America: giants - Mexico, Columbia, Brazil, Argentina, Venezuela, trade, security, non-proliferation, Quadrapartite meeting Nassau16. Vietnam/Cambodia/Thailand/ASEAN: Vietnamese threat; solution to occupation, refugees

(UNCLASSIFIED/SENSITIVE)

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
NATIONAL SECURITY (Continued)	B. Establish consistent <u>foreign policy</u> (Continued)	17. International Economic: <ul style="list-style-type: none">. Polish Economy - debt. Siberian gas pipeline. International trade: rising tide of protectionism export credits. East-West trade: trade restrictions with Soviets. International Debt - external debt; LDC beyond capacity. North-South: traditional bilateral trade ineffective. Energy - assurance of adequate oil supply - preoccupation for American foreign policy. Exchange Policy - exchange stability policy of non-intervention in exchange markets. International Financial Institutions - leaner, more efficient 18. Global Issues: <ul style="list-style-type: none">. Non-Proliferation. Human Rights. Law of the Sea. International Communications VOA, RFE, RFL. Terrorism 19. Intelligence: <ul style="list-style-type: none">. re-establish role. relationship between policy making and intelligence. budget. integrated national-level counter intelligence

(UNCLASSIFIED/SENSITIVE)

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
II. NATIONAL SECURITY (Continued)	C. Strengthen <u>domestic</u> <u>defenses</u>	<ol style="list-style-type: none">1. Survivability of government2. Crisis management procedures3. Civil disorder4. Disaster assistance

(UNCLASSIFIED/SENSITIVE)

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
III. SOCIAL RENEWAL	A. Reduce financial problems of <u>Social Security, housing and health care</u>	1. Social Security financing 2. Medicare/Medicaid financing and health policy 3. Housing financing, subsidies, weatherization
	B. Develop innovative approaches for reducing <u>unemployment and welfare dependency</u>	1. Unemployment eligibility/placement 2. AFDC eligibility/workfare/day care 3. Youth minimum wage 4. Enterprise Zones 5. Child nutrition 6. Native Americans 7. Food stamp eligibility 8. Immigration 9. Veterans benefits (e.g., Agent Orange, G.I. Bill) 10. Pension policy
	C. Encourage <u>State/local government and voluntary efforts to solve</u> community problems	1. Block grant implementation 2. Volunteerism 3. Aging 4. Child development 5. Handicapped 6. Defederalization of airports 7. Clarification of Federal role in education, (e.g., enhancement, impact aid, land grant colleges) 8. Disaster loans
	D. Improve the <u>quality of life by improving</u> personal safety and raising confidence of people in the future	1. Violent crime reduction 2. Drug/alcohol abuse reduction 3. Prison construction 4. Traffic safety 5. Hazardous material use 6. Juvenile justice 7. Victims rights 8. Exclusionary rule 9. Federal payment of legal fees 10. Death penalty

(UNCLASSIFIED/SENSITIVE)

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
III. SOCIAL RENEWAL (Continued)	E. Provide leadership on the <u>values</u> of American society	1. Family 2. Individual responsibility 3. Work ethics 4. Equality of opportunity 5. Religious freedom 6. Liberty 7. Privacy 8. Specific issues: a. voting rights b. abortion c. busing to achieve integration d. school prayer e. bi-lingual education f. equal access to justice g. Family Protection Act h. gun control

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
IV. NATIONAL RESOURCES MANAGEMENT	A. Improve <u>workforce</u>	1. Productivity 2. Labor relations 3. Employee stock ownership 4. Pre- and Post-employment education and training 5. Employment placement
	B. Increase availability of <u>natural resources</u>	1. Farm bill 2. Energy development (e.g., oil leases, nuclear use) 3. Insecticides, fungicides, and rodenticides 4. Land conservation 5. Strategic minerals and strategic petroleum reserve 6. Water quality/marketing subsidies 7. Tobacco price supports 8. Waste disposal/recycling 9. Space exploration 10. Tourism 11. Timber harvest 12. National parks 13. Wildlife conservation 14. Power marketing 15. Emergency preparedness 16. Ocean resources 17. User fees 18. Forest service receipts 19. Agricultural extension services 20. Brucellosis eradication 21. Crop insurance 22. Weather services 23. Superfund management 24. Wilderness programs 25. Barrier Islands

POLICY AREA	GOALS	ISSUES OR ACTIVITIES
IV. NATURAL RESOURCES MANAGEMENT (Continued)	C. <u>Modernize business and industrial capabilities</u>	<ol style="list-style-type: none">1. Assistance to ailing industries2. Small business assistance3. Growth industries4. Science and technology transfer5. Anti-trust policy6. Industrial homework7. Transportation services (e.g., mass transit, Conrail/Amtrak)8. Patent/copyright practices9. Trade agreements10. Trade in services11. Arts Task Force12. Puerto Rican development13. Native Hawaiian Claims Commission14. Louisiana Exposition15. Role of National Bureau of Standards16. Industrial revenue bonds17. Trade adjustment assistance
	D. <u>Improve government management</u>	<ol style="list-style-type: none">1. Career service utilization, pay and R.I.F.2. Key official protection3. Executive decision making process4. Postal services5. Public service strikes6. Citizens' Task Forces7. Policy orientation for executive personnel8. Public corporations9. Presidential and legislative veto methods10. Presidential Library11. Consultant use12. Agency reorganizations (e.g., abolition of Department of Education, consolidate some DEA/Customs/INS functions)13. General Services Administration14. Regional office restructuring15. Freedom of information16. New Hoover Commission17. Election law reform18. International control of public spending19. Utilization of research and development results

(UNCLASSIFIED/SENSITIVE)

The policy areas proposed for Phase III have the following relationship to Phase I and II policy areas and priorities for Cabinet Councils:

A. DOMESTIC POLICY	<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
1. <u>Economic Affairs</u>	/-----	Budget-----	/
	/-----	Regulations-----	/
	/-----	Tax Rates-----	/
	/-----	Monetary Policy-----	/
	/-----	Waste and Fraud-----	/
2. <u>Commerce and Trade</u>	/-----	Community -----	---
		Self-Renewal	
	Automobile Indus-	---	Business/Industry
	try/Imports		Modernization
	---	---	Improve Workforce
3. <u>Human Resources</u>	/-----	Reagan Federalism)	Federalism;
	---	Volunteerism)	Volunteerism
	---	Violent Crime)	Quality of Life
	---	Immigration)	---
	---	Drug Abuse Educa-	
		tion/Interdiction)	---
	---	Housing Financing)	Social Security,
	---	Health Care)	Housing, Health
	---	Social Security)	Care Financing
	---	---	Unemployment,
			Welfare Innova-
	---	---	tions
			Values
4. <u>Natural Resources</u>	Synfuels	---	) Energy and
<u>and Environment</u>	/-----	Natural Gas-----	) Natural Resource
		Decontrol	) Availability
	/-----	Clean Air-----	/
5. <u>Food and Agriculture</u>	Dairy Price	---	) Food Availability
	Supports)
	---	Farm Price Supports)	
	Grain Embargo	---)
	---	---	Government
			Management
			Improvement

(UNCLASSIFIED/SENSITIVE)

<u>Phase I</u>	<u>Phase II</u>	<u>Phase III</u>
B. <u>NATIONAL SECURITY</u>	/-----Defense Capabilities	) Military
	/-----Intelligence, Informa- tion and Foreign	) Manpower,
	Assistance Programs	) Weapons Systems
	/-----Crisis Planning	) and Intelligence
	/-----Alliance Relations)
	and Consultations	) Consistent
	/-----Middle East Regional	) Foreign Policy
	Security)
	/-----East-West Discussions)
	/-----Arms Reduction Process)
	/-----Caribbean and Central)
	America Regional)
	Security)
	/-----Presidential Diplomacy)
	and Summitry)
	/-----U.S. Credibility in)
	World Affairs)
	/-----African Relations)
	/-----Major Foreign Policy)
	/-----Statements on U.S. -)
	Soviet Relations,)
	Defense Strategy)
---	---	) Domestic
		Defenses

Public Attitude Toward Immigration:

Illegal-Mexican/New Refugees

1. Respect for the law. Clarify in the law - attitude toward employment of people who have entered U.S. illegally 76% should be against law to hire illegal aliens.
 - a. secure borders - increase enforcement-
91% - Attorney General
2. Action with limits/do something now - Campaign issues legalization year of jubilee.
 - a. change in status--permanent resident.
 - b. creative solutions--temporary status
guest workers
general public
 - c. sensitive national identification card
employment documentation
3. Qualifiers
 - a. influences--less negativism
 - b. significant regional differences;
significant variations politically
 - c. wording of polls
4. Polls--not measure hidden political consequence--goes without saying

MEMORANDUM

(UNCLASSIFIED/SENSITIVE)

THE WHITE HOUSE

WASHINGTON

TO: Edwin Meese
FROM: Richard S. Beal
SUBJECT: Strategic Memoranda Series
DATE: July 16, 1981

To ensure effective control over the complex elements of the Strategic Plan and our internal evaluation efforts, the following series of memoranda are proposed:

- Strategic Planning Memoranda (SPM) - This series of memoranda will communicate 1) important items of information, and 2) major recommendations pertaining to current and future Phases of the Strategic Plan.
- Strategic Evaluation Memoranda (SEM) - This series of memoranda will convey 1) activity summaries and assessments, 2) external and internal surveys, 3) policy audits, and 4) evaluations and analyses pertaining to the Strategic Plan and to events of major importance to the President.
- Strategic Decision Memoranda (SDM) - This vital series of memoranda will ensure the relevance and proper direction of activity within the Executive Office by including 1) approval memoranda from the President on major Phases and elements in the Strategic Plan, and 2) related tasking memoranda from the Counsellor and/or the Chief of Staff to various offices for specific planning and evaluation actions.

The establishment and use of these strategic memoranda series should help ensure initiation and completion of the many actions that are on our agenda, and prevent us from being overtaken by the agenda of special interest groups, the press, Congress and others. We are rapidly approaching this latter condition, and will be there by Fall without this or a similar internal management mechanism.

D R A F T

7/17/81

TO: President Reagan

FROM: Edwin Meese III

SUBJECT: Strategic Planning Memoranda #1:
Phase III Policy Focus (SPM #1)

DATE: July 17, 1981

ACTION FORCING EVENT: Lead time to prepare policy options for Phase III, possible legislation, legislative strategy, scheduling and communications plans.

ANALYSIS: Strategic Planning Memorandum #1: Phase III Policy Focus, outlines the policy focus for Phase III and groups the policy issues in accordance with the President's goals.

RECOMMENDATION: SPM #1 outlines the policy focus for Phase III (September - mid-January). The issues, activities and policies are grouped according to the Administration's goals and priorities. SPM #1 identifies four policy areas--economic recovery, national security, social renewal and national resources enhancement--and suggests the issues that should be highlights in Phase III. A _____ number of strategic sondierations are presented and should stimulate thoughts by others on how to best advance your agenda.

DECISION: Approve the basic policy focus of SPM #1 and instruct the Counsellor and Chief of Staff to assign tasks to senior officials to develop the details of Phase III.

_____ approve _____ approve as amended _____ reject _____ no action

Decision Memorandum.

I. SUBJECT: Strategic Planning Memoranda #1: Phase III Policy Focus (SPM#1)

II. ORIGINATOR: Edwin Meese III DATE: July 17, 1981

III. ACTION FORCING EVENT: (The nature of the event requiring or suggesting action -- and the degree of flexibility associated therewith)
legislative strategies, Lead Time to Prepare Policy Options for Phase III, possible Legislation, and Communication Plans.

IV. ANALYSIS: (Outline history, current status, possible options and impacts -- financial, constituent or other public policy considerations.)

Phase III Policy Focus. Strategic Planning Memorandum #1: Policy Focus. Outlines the policy focus for Phase III and groups the policy issues in accordance with the President's goals

V. RECOMMENDATION: (Indicate single recommendation or list options.) ~~BA~~

VI. DECISION:

approve approve as amended reject no action

(If options are contained in the recommendation, indicate option(s) referred to above by placing the appropriate number(s) in the spaces above.)

NOTE: Where necessary, tabs may be attached to Decision Memoranda. However, as in the case of other written materials directed to the President, brevity is important. Seldom should a Decision Memorandum be longer than one or two pages, and tabs, whenever possible, should be limited to five or less.

6/16/81

THE WHITE HOUSE
WASHINGTON

SPM#1 outlines the policy focus for Phase III (Sept - mid January). The memo policy issues, activities and policies are grouped in according to ~~the~~ your goals the Administration's goals and priorities. SPM#1 ~~only attempts to~~ ~~not~~ suggest the ~~new~~ policy ~~due~~ to SPM#1 identifies four policy areas -- economic recovery, national security, social renewal and national resources enhancement -- and suggests the ~~policy~~ issues and that should be highlighted in Phase III. A limited number of strategic considerations are presented and should stimulate thoughts ~~for~~ by others on how to best advance the ~~your~~ ~~the~~ ^{your} end agenda. ~~The~~ SPM#1

~~direct~~

the basic policy ~~focus~~ ^{strategic focus of} SPM#1 and instruct the Cancellor and Chief of Staff to assign tasks ~~to various~~ to ~~Administrative~~ senior officials to develop the details of Phase III.