

Ronald Reagan Presidential Library
Digital Library Collections

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

Collection: President, Office of the: Presidential
Briefing Papers: Records, 1981-1989

Folder Title: 12/18/1981 (Case File: 051427)

Box: 11

To see more digitized collections visit:

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

To see all Ronald Reagan Presidential Library
inventories visit:

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

Contact a reference archivist at:

reagan.library@nara.gov

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

WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

- X - MEDIA
- H - INTERNAL

Name of Document: BRIEFING PAPERS FOR
PRESIDENT'S SCHEDULED
APPOINTMENTS FOR DEC 18 81

Subject Codes:

1. Subject: Briefing memo re review of Department of Defense budget appeal
2. Meeting with certain ranking Republican Congressmen regarding 1983 budget and 1982 economic legislation
3. Meeting with William Bright, President of Campus Crusade for Christ.
4. Meeting ^{and luncheon} with The American Auto Manufacturers representatives re automotive industry
5. Presidential handwritten notes re meeting
6. Memo to the President re automotive industry from Secretary of Commerce Baldrige.
7. Meeting with Richard Wirthlin re survey results

- PR 007.01
- FG 013
- FI 004
- PL 005.04
- LE
- BE 004
- FG 033
- FG 032
- RM
- BE 004.04
- CM 016
- BE 003.15
- FG 020

continued

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
RMMATT	RSZ	8210122		C 8210122

Referral Note: _____

WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

- X - MEDIA
- H - INTERNAL

Name of Document: BRIEFING PAPERS FOR
PRESIDENT'S SCHEDULED
APPOINTMENTS FOR DEC 18 81

Subject Codes:
PR 007.01

- 8 Meeting with Senators Howard Baker and Paul Rieker regarding 1983 budget and 1982 economic legislation. FG 035
- 9 Meeting with certain ranking Republican Senators regarding 1983 budget and 1982 economic legislation. FG 036
- 10 List of invitees/attendees at National Security Council meeting. FG 006.12
- 11 List of invitees at meeting with Saudi Arabian officials:
Ambassador Sheikh Faisal Alhegelan
Minister Ahmad Zaki Yamani CO 134

ROUTE TO:		ACTION		DISPOSITION	
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
RMMATT		RSZ	82.01.22		C 82.01.22

Referral Note: _____

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
Friday, December 18, 1981

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (30 min)	<u>Meeting with Lane Kirkland, President, AFL-CIO</u> James W. Nance (distributed separately)	Oval Office
10:00 am (60 min)	<u>Budget Meeting</u> (Richard Darman/Craig Fuller) (TAB A) (book distributed separately)	Cabinet Room
11:15 am (30 min)	<u>Meeting with Selected House Republican Leaders</u> (Max Friedersdorf) (TAB B)	Cabinet Room
11:45 am (10 min)	<u>Brief Meeting with Dr. William Bright, Campus Crusade for Christ</u> (Lyn Nofziger) (TAB C)	Oval Office
12:15 pm (75 min)	<u>Lunch with Auto Industry Leaders</u> (Craig Fuller) (TAB D)	Cabinet Room
1:45 pm (30 min)	<u>National Security Council Meeting</u> (James W. Nance) (distributed separately)	Cabinet Room
2:30 pm (30 min)	<u>The President and Mrs. Reagan drop by at Christmas Party for Residence Staff</u> (Muffie Brandon)	Residence
3:00 pm (30 min)	<u>Meeting with Sheik Ahmad Zaki Yamani, et al of Saudi Arabia</u> (James W. Nance) (distributed separately)	Oval Office
3:30 pm (30 min)	<u>Meeting with Richard Wirthlin</u> (Lyn Nofziger) (TAB E)	Oval Office
4:00 pm (30 min)	<u>Meeting with Senators Baker and Laxalt</u> (Max Friedersdorf) (TAB F)	Oval Office
4:30 pm (30 min)	<u>Meeting with Senators Baker, Laxalt, Domenici, Dole and Hatfield</u> (Max Friedersdorf) (TAB G)	Oval Office
5:00 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
5:30 pm	<u>To the Residence</u>	Residence

THE WHITE HOUSE

WASHINGTON

BRIEFING MEMORANDUM FOR THE PRESIDENT

SUBJECT: BUDGET REVIEW RE DEPARTMENT OF DEFENSE

Friday, December 18, 1981
10:00 a.m. (1 hour)
The Cabinet Room

FROM: RICHARD G. DARMAN *RD*
CRAIG L. FULLER *CF*

I. PURPOSE

This is the fourth Presidential budget appeal session. It deals exclusively with appeals involving the Department of Defense.

II. AGENDA/SEQUENCE

You should ask Cap Weinberger to lead off. Dave Stockman will follow. The green issue book has been distributed separately.

III. PARTICIPANTS

The President
Secretary Regan
Edwin Meese III
David A. Stockman
James A. Baker III
Michael K. Deaver
Martin Anderson
Richard G. Darman
Elizabeth Dole
Max L. Friedersdorf
Craig L. Fuller
David R. Gergen
Edwin Harper
Daniel J. Murphy
James W. Nance
Edward J. Rollins
Murray L. Weidenbaum
Richard S. Williamson

For DoD

Secretary Weinberger
Frank Carlucci

B

THE WHITE HOUSE

WASHINGTON

MEETING WITH THE HOUSE MINORITY LEADER AND CERTAIN RANKING MINORITY COMMITTEE MEMBERS

DATE: Friday, December 19, 1981
LOCATION: The Oval Office
TIME: 11:15 - 11:45 p.m. (30 minutes)

FROM: Max L. Friedersdorf

I. PURPOSE

To consult with and seek the advise of the leadership and ranking minority members of principal committees dealing with economic issues in the House of Representatives on the 1983 budget and economic plans for 1982.

II. BACKGROUND

In an effort to develop a consensus from these members of the House in preparing for legislative initiatives during the second session of the 97th Congress on the 1983 budget and economic plans for 1982, this meeting has been arranged with the President.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and will be escorted to the Oval Office for the 30-minute meeting with the President.

PARTICIPANTS

The President
Secretary of the Treasury, Donald Regan
Director of OMB, David Stockman

Congressman Bob Michel, Republican Leader
*Congressman Trent Lott, Republican Whip
Congressman Barber Conable, Ranking Republican, Ways & Means Committee
Congressman Del Latta, Ranking Republican, Budget Committee
*Congressman Silvio Conte, Ranking Republican, Appropriations Committee
Congressman Jack Kemp, Chairman of the Republican Conference
Congressman Dick Cheney, Chairman of the Republican Policy Committee
Congressman Jack Edwards, Vice Chairman of the Republican Conference

Ed Meese, Jim Baker, Max Friedersdorf, Ken Duberstein, Dick Darman

*Late regrets

c

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 17, 1981

COURTESY CALL FROM THE PRESIDENT OF
CAMPUS CRUSADE FOR CHRIST INTERNATIONAL

DATE: December 18, 1981
LOCATION: Oval Office
TIME: 11:45am (10 minutes)

FROM: Lyn Nofziger

I. PURPOSE

Dr. William Bright, President of Campus Crusade for Christ, International, would like to meet with the President.

II. BACKGROUND

A meeting with the President and Dr. Bright and Leon Jaworski was originally requested by Jimmy Lyon (Texas) and scheduled but was cancelled because of the Sadat assassination.

Campus Crusade is an interdenominational Christian organization with approximately 14,500 full-time and associate staff members serving in 150 countries and protectorates around the world. The organization was founded by Dr. Bright and his wife and is celebrating its 30th anniversary this year. Its headquarters are located in San Bernardino, California.

III. PARTICIPANTS

Dr. William Bright and A. Morgan Mason, White House Political Affairs office and Morton Blackwell of the White House Public Liaison office.

IV. PRESS PLAN

V. SEQUENCE OF EVENTS

-- Greet Dr. Bright in the Oval Office.

-- Brief conversation and photo op.

-- Dr. Bright departs.

D

THE WHITE HOUSE

WASHINGTON

DECEMBER 17, 1981

MEETING WITH THE AMERICAN AUTO MANUFACTURERS
LOCATION: THE CABINET ROOM
TIME: 12:15 PM
DATE: DECEMBER 18, 1981
FROM: CRAIG L. FULLER *CSF*

I. PURPOSE

The American automobile manufacturers are scheduled for a working lunch with you and several members of your administration to discuss the serious situation confronting the industry. The meeting should be viewed as an opportunity to listen to the concerns expressed by the industry leaders. Early next year additional meetings can be scheduled with these and other industry leaders to search for ways to ease some of the burdens affecting the industry.

II. BACKGROUND

Secretary Baldrige has provided a background memorandum on the conditions within the auto industry. It does a good job of identifying the principal problems confronting the industry and it highlights some of the proposals the industry has raised in recent meetings with Congressional leaders.

Also attached is a listing of the "tentative issues" developed by the industry and provided to Elizabeth Dole. The auto manufacturers will meet prior to your lunch to review this agenda.

You should know that Douglas Fraser was invited to attend the luncheon meeting; however, he is traveling abroad and was unable to return to Washington D.C. for the meeting. He will be invited to future meetings with the industry. There will be no representative from the United Auto Workers at this meeting.

III. PARTICIPANTS

Ed Meese	Malcolm Baldrige
Jim Baker	Drew Lewis
Martin Anderson	Bill Brock
Elizabeth Dole	
Craig Fuller	
Larry Speakes	
Murray Weidenbaum	

Roger Smith, General Motors
Philip Caldwell, Ford Motor Company
Lee Iacocca, Chrysler
Gerald Meyers, American Motors
James McLernon, Volkswagen

IV. PRESS PLAN

White House photographer and a photo opportunity at the beginning.

V. SEQUENCE

You ought to indicate that you understand and have read about the difficult situation facing the auto industry. This lunch is designed to give the administration an opportunity to learn more about the nature of the problems and maybe something about possible solutions.

You may wish to thank the industry for the help they have given the administration all year long in supporting the Economic Recovery Program and in working hard to help us with important legislative matters such as the Clean Air Act.

Roger Smith heads the industry organization and will lead off the discussion for the automakers.



DEC 16 1981

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting with Auto Industry Leaders

On Friday, December 18 you are scheduled to meet with auto industry leaders to discuss the problems of the industry. This memo summarizes the industry's current situation, the principal concerns of industry management and labor, and the major proposals that they have recently put forward to help remedy the industry's problems. It is intended solely to acquaint you with industry's point of view.

INDUSTRY'S CURRENT SITUATION

Domestic new car sales have declined for three years in a row. For 1981 they will be 8.6 million units, down 23 percent from 1978, the last peak sales year. Of the total, 6.3 million will be domestic-made cars and 2.3 million will be imports. Of all the imports 1.8 million will be from Japan. During 1981 imports will account for about 27 percent of all passenger car sales. In 1978 the figure was 18 percent.

Domestic truck sales have also declined for three years in a row. For 1981 they will be 2.3 million units, down 44 percent from the 1978 peak. Of the total, about 1.8 million will be domestic made and .5 million will be imports. Practically all truck imports come from Japan.

Domestic production in 1981 of cars will be 6.3 million units. Not since 1961 have domestic companies made so few cars. Domestic production in 1981 of trucks will be 1.7 million units, a slight gain over 1980 but still less than in any other year since 1967.

Despite repeated production cutbacks, dealers' inventories of new domestic made cars climbed to an 83 days supply on December 1, a new high for that date and far above the norm of 50-60 days supply.

As of the week of December 7, indefinite layoffs of auto production workers stood at 211,000. The recent peak for this figure was in August 1980, when indefinite layoffs reached 250,000. As a rule of thumb, unemployment in the auto supplier industry runs about 50 percent more than that for the auto manufacturers.

Including fringe benefits, average earnings of production workers at the major auto companies, other than Chrysler, are now around \$19 per hour. Excluding fringes, auto workers' earnings per hour are 35 percent above the level for all manufacturing workers.

Combined, the domestic auto companies last made a profit in 1979. In 1980 they had a loss of \$4.2 billion. Estimates of their combined loss for all of 1981 run between \$1.4 and \$2.0 billion.

Losses plus large investment outlays have seriously eroded the financial strength of the auto companies. At yearend 1978 their combined working capital was \$13 billion; by the end of the third quarter of 1981 it was down to \$300 million.

Multiple reasons account for the problems of the industry. The current economic downturn is depressing auto sales. International competition has become more intense. Domestic companies are not cost competitive with Japanese producers, and many American consumers believe imports offer more quality. The industry has been over-regulated. Beyond these factors the long-run growth in demand for autos is also slowing down. The slowdown results from a decline in the growth rate of the driving age population, sluggish growth in consumers' purchasing power, and the rapid increase in the costs of owning and operating a car.

Economic recovery will correct a number of these problems. There is a large pent-up demand for cars. Total car sales are expected to increase by 6 percent in 1982 and even more in 1983 and 1984. Still, there is some question whether sales over the next several years will return to levels consistent with sustained profitability.

CRITICAL ISSUES FROM INDUSTRY POINT OF VIEW

International competition. The industry is concerned about the Japanese auto export restraint program, whether the Japanese will honor their commitments under the program, whether the Japanese will try to manipulate the program to push up their exports to the United States, and whether the program will give the industry adequate relief.

U.S. auto parts manufacturers are concerned that the Japanese, despite promises and U.S. government efforts, have not significantly opened up their home market to U.S. exports of auto parts and have not purchased substantial quantities of auto parts from U.S. manufacturers for use in servicing Japanese cars sold in the United States.

U.S. auto manufacturers maintain that they operate at a tax disadvantage relative to Japanese producers, and more broadly, at a general competitive disadvantage relative to the Japanese because of the pervasive support provided industry by the Japanese government and its tradition of restricting imports of manufactured goods.

The industry is concerned that any reduction in the present 25 percent duty on imported light trucks could jeopardize their recent substantial investment in light truck manufacturing capacity.

The UAW is concerned about Mexican Government requirements that have the effect of expanding Mexican auto component exports to the United States.

Industry labor believes the general solution lies in enacting local content legislation, which, for example, might require that all cars and trucks sold in the United States contain 75 percent North American content.

Regulatory relief. In this area the industry's top priority is the rollback of auto emission standards. The industry wants proposed changes in the Clean Air Act to be enacted as quickly as possible so that the industry can plan for its 1983 model year cars. Also, the industry wants an easing of bumper standards. This is now under review by NHTSA. While the auto manufacturers want a lower standard, the auto insurance companies want the current standard. The industry further wants a number of other technical regulatory changes, but many of these are now being implemented by the regulatory agencies under your April 6 program for the auto industry.

Economic policy. The industry argues that high interest rates are severely hurting sales. Some industry leaders have been calling for an easing of monetary policy to bring down interest rates. Some, but not all, industry management and labor are calling for some type of Federal credit allocation.

Wages. Management argues that the U.S. auto workers will have to reduce wage demands, citing recent studies showing that Japanese auto worker wages are from \$7.80 to \$8.60 per hour lower than those in the United States. Chrysler workers have accepted a freeze on wages and changes in work rules. The industry's labor contract expires September 1982. This week the UAW voted to permit its locals to reopen the current contract and begin early bargaining, a move said to be directed at aiding American Motors and International Harvester. Some accommodation on wages will be essential for the industry to regain international competitiveness.

Worker Assistance. Industry labor is concerned about cutbacks in trade adjustment assistance benefits for unemployed auto workers. It would like to see more liberal unemployment compensation benefits and more funding for retraining and relocation programs.

INDUSTRY'S PROPOSED SOLUTIONS

Among the auto companies, managements have not so far been in total accord about what should be done. (Note: on the management side preparation for the Friday meeting is being coordinated by the Motor Vehicles Manufacturers Association. Industry management may speak with a more common voice than it has in the past.) Various proposals that have been advocated by one or another of the companies or by the UAW include:

Steps to stimulate domestic car sales:

- o authorize an income tax credit for individuals who purchase a new car, provided the car contains some specified proportion of North American local content.
- o impose a tax or surcharge on gasoline or imported oil to induce consumers to turn in older fuel inefficient cars.
- o adopt a less restrictive monetary policy to bring down auto financing interest rates.

Steps to restrict imports:

- o pressure the Japanese to tighten up their auto export restraint program.
- o enact North American local content legislation.
- o impose countervailing duties on Japanese imports to offset Japanese cost advantages attributable to Japanese government policy.
- o impose quotas on imports, for example, some variation on Senator Danforth's earlier bill to set the annual limit at 1.2 million imports.
- o maintain 25 percent duty on light truck imports.

Steps to accelerate regulatory reform:

- o enact amendments to the Clean Air Act to roll back emission standards without waiting for total reauthorization of the Clean Air Act.
- o accelerate NHTSA's review and decision on bumper standards.

Steps to improve cost competitiveness:

- o In this area, management may look for some sort of signal from the Administration that it will be supportive of management's intent to press for wage accommodations from the UAW. Labor may press for some sort of expression of support for a tripartite (business/labor/government) approach to solving the industry's problems or an indication that the Administration expects concessions on both sides.



Secretary of Commerce

TENTATIVE ISSUES

December 18, 1981 Meeting With The President

1. Department of Commerce Issues

(issues which DOC assumes the companies would raise)

- o Clean Air Act Amendments
- o High Interest Rates
- o Economic Recovery Program
- o Tax Incentives for the Purchase of Domestic Cars
- o Import Restrictions

2. Chrysler Issues

- o Tax Credits for the Purchase of Domestic Cars and New Homes to be Funded by Federal Gasoline Tax Increase
- o Renew White House Attention to Small Business Administration Loan Guarantee Program for Dealers - Program has become routine, resulting in delays in processing dealer applications.
- o Federal Preemption of State Usury Rates
- o Action on EPA and NHTSA Regulations Identified in "Actions to Help the U.S. Auto Industry"

3. Ford Issues

- o Underscore the Economic Impact and Significance of the Problems Caused by the Cost Differential Between U.S. and Japanese Manufacturers

4. General Motors Issues

- o Clean Air Act Amendments
- o Action on EPA and NHTSA Regulations Identified in "Actions to Help the U.S. Auto Industry"
- o Regulatory Reform Legislation

- Bumpers Amendment
 - Change Clean Air Act venue provisions to permit judicial review of EPA Regulations in the Court of Appeals for the Circuit in which petitioner resides or has its principal place of business
- o Continued Budget And Monetary Restraints

FED. RESERVE & LABOR DEPT.

~~\$~~ 100 SVNGS. " 1960 WTH.
COMPOUND INT. ADDED ONLY
HD. " PURCHASING POWER " \$83 " 1980

DEPT. OF LABOR

~~TR. HOME PAY~~ - A VRG. WEEKLY
EARNINGS ... WORKR ... 3 DEPENDNG
~~AND~~ AFTER S.S. & INC. TXs.

DEDUCTD 1960 \$ 73.

1970 \$ 80

1980 \$ 74

RECEIVED AND FILED
FEDERAL RESERVE BANK

E

MEMORANDUM

THE WHITE HOUSE

WASHINGTON


December 17, 1981

MEETING WITH RICHARD WIRTHLIN

DATE: December 18, 1981

LOCATION: Oval Office

TIME: 3:30pm (30 minutes)

FROM: Lyn Nofziger 

I. PURPOSE

Richard Wirthlin would like to review with the President the complete survey results from Decision Making Information's latest phase of tracking.

II. BACKGROUND

This has been an ongoing process and Dr. Wirthlin presents the results to the President from time to time.

III. PARTICIPANTS

Richard Wirthlin and Lyn Nofziger.

IV. PRESS PLAN

No press.

V. SEQUENCE OF EVENTS

Standard meeting.

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATORS HOWARD BAKER AND PAUL LAXALT

DATE: Friday, October 19, 1981

LOCATION: The Oval Office

TIME: 4:00 p.m. (30 minutes)

FROM: Max L. Friedersdorf

M.L.F.

I. PURPOSE

To consult with Senators Howard Baker and Paul Laxalt prior to a meeting to follow with the chairmen of the Senate Budget, Appropriations and Finance Committees in which the 1983 budget and economic plans for 1982 will be the major topic of discussion.

II. BACKGROUND

Jim Baker and Senator Baker have concurred that a meeting at this time with the President and chairmen of principal committees dealing with economic issues would be beneficial in preparing for legislative initiatives during the second session of the 97th Congress.

III. PARTICIPANTS

The President

Senator Howard Baker

Senator Paul Laxalt

Ed Meese

Jim Baker

Max Friedersdorf

Ken Duberstein

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and be escorted to the Oval Office for a 30-minute discussion with the President.

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATE REPUBLICAN LEADER
AND CERTAIN SENATE COMMITTEE CHAIRMEN

DATE: Friday, December 19, 1981

LOCATION: The Oval Office

TIME: 4:30 p.m. (30 minutes)

FROM: Max L. Friedersdorf

m.b.

I. PURPOSE

To consult with and seek the advise of these Senators with regard to the 1983 budget and economic plans for 1982.

II. BACKGROUND

Jim Baker has consulted with Senator Howard Baker on the timeliness and benefits of a meeting at this time with the President to receive the wisdom of the Senate on the 1983 budget and economic policies for 1982.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and will be escorted to the Oval Office to join Senators Howard Baker and Paul Laxalt who will already be with the President.

PARTICIPANTS

The President
The Director of OMB, Dave Stockman
Secretary of the Treasury, Donald Regan

Howard Baker, Majority Leader of the Senate
Paul Laxalt
Bob Dole, Chairman of the Finance Committee
Mark Hatfield, Chairman of the Appropriations Committee
Pete Domenici, Chairman of the Budget Committee

Staff

Jim Baker
Ed Meese
Dick Darman
Max Friedersdorf
Ken Duberstein

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATE REPUBLICAN LEADER
AND CERTAIN SENATE COMMITTEE CHAIRMEN

DATE: Friday, December 19, 1981

LOCATION: The Oval Office

TIME: 4:30 p.m. (30 minutes)

FROM: Max L. Friedersdorf *mb*

I. PURPOSE

To consult with and seek the advise of these Senators with regard to the 1983 budget and economic plans for 1982.

II. BACKGROUND

Jim Baker has consulted with Senator Howard Baker on the timeliness and benefits of a meeting at this time with the President to receive the wisdom of the Senate on the 1983 budget and economic policies for 1982.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and will be escorted to the Oval Office to join Senators Howard Baker and Paul Laxalt who will already be with the President.

PARTICIPANTS

The President
The Director of OMB, Dave Stockman
Secretary of the Treasury, Donald Regan

Howard Baker, Majority Leader of the Senate
Paul Laxalt
Bob Dole, Chairman of the Finance Committee
Mark Hatfield, Chairman of the Appropriations Committee
Pete Domenici, Chairman of the Budget Committee

Staff

Jim Baker
Ed Meese
Dick Darman
Max Friedersdorf
Ken Duberstein

JCF

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
Friday, December 18, 1981

8:58 OVAL

9:00 am (30 min)	<u>Staff Time 9:02 - 9:33</u> (Baker, Meese, Deaver) <i>9:33 Hatig, Em, JB, MKO, BERGER, SPEAKERS</i>	Oval Office
9:30 am (30 min)	<u>Meeting with Lane Kirkland, President, AFL-CIO 9:35 -</u> James W. Nance <i>PHOTO opp.</i>	Oval Office
10:00 am (60 min)	<u>Budget Meeting 10:08 - 11:03</u> (Richard Darman/Craig Fuller)	Cabinet Room
11:15 am 11:15 am (30 min)	<i>11:12 MKO</i> <u>Meeting with Selected House Republican Leaders 11:13 - 11:15</u> <i>11:17 - 12:05</i> (Max Friedersdorf)	Cabinet Room
11:45 am (10 min)	<u>Brief Meeting with Dr. William Bright, Campus Crusade for Christ 12:06 - 12:17</u> (Lyn Nofziger) <i>12:17 - 12:30 JB, Em, SPEAKERS, JCF</i>	Oval Office
12:15 pm 12:15 pm (75 min)	<u>Lunch with Auto Industry Leaders 12:32 - 1:46</u> (Craig Fuller) <i>PHOTO opp</i>	Cabinet Room
1:45 pm 1:45 pm (30 min)	<u>National Security Council Meeting</u> (James W. Nance) <i>1:55 - 2:35</i> _____	Cabinet Room
2:30 pm 2:30 pm (30 min)	<u>The President and Mrs. Reagan drop by at Christmas Party for Residence Staff</u> (Muffie Brandon) <i>2:37 - 2:53</i> <i>2:55 Hatig (PHOTO IN NEWSPAPER - JOHN FAGUENO 2:58 - 3:00)</i> <i>(John Ficara)</i>	Residence
3:00 pm (30 min)	<u>Meeting with Sheik Ahmad Zaki Yamani, et al of Saudi Arabia 3:02 - 3:12</u> (James W. Nance)	Oval Office
3:30 pm (30 min)	<u>Meeting with Richard Wirthlin 3:38 - 4:06</u> (Lyn Nofziger)	Oval Office
4:00 pm (30 min)	<u>Meeting with Senators Baker and Laxalt 4:08 - 4:34</u> (Max Friedersdorf)	Oval Office
4:30 pm (30 min)	<u>Meeting with Senators Baker, Laxalt, Domenici, Dole and Hatfield 4:35 - 5:54</u> (Max Friedersdorf)	Oval Office
5:00 pm (30 min)	_____ (Baker, Meese, Deaver)	Oval Office
6:00 pm	<u>To the Residence</u>	Residence

cc: Fischer
Yates

REQUEST FOR APPOINTMENTS

To: Officer-in-charge
Appointments Center
Room 060, OEOB

FRIDAY, December 18, 1981

Please admit the following appointments on _____, 19____

for _____ of _____:
(NAME OF PERSON TO BE VISITED) (AGENCY)

9:30 a.m. Lane KIRKLAND
President, AFL-CIO

State - Secretary Haig
WH - James W. Nance

EM
JB
MKD

WH PHOTOG.

MEETING LOCATION

Building White House

Requested by Mary Wengrzynek

Room No. Oval Office

Room No. 374 Telephone 3440

Time of Meeting 9:30am

Date of request December 17, 1981

Additions and/or changes made by telephone should be limited to three (3) names or less.

APPOINTMENTS CENTER: SIG/OEOB - 395-6046 or WHITE HOUSE - 456-6742

THE WHITE HOUSE

WASHINGTON

BRIEFING MEMORANDUM FOR THE PRESIDENT

SUBJECT: BUDGET REVIEW RE DEPARTMENT OF DEFENSE

Friday, December 18, 1981
10:00 a.m. (1 hour)
The Cabinet Room

10:08

FROM: RICHARD G. DARMAN *RGD*
CRAIG L. FULLER *CF*

I. PURPOSE

This is the fourth Presidential budget appeal session. It deals exclusively with appeals involving the Department of Defense.

II. AGENDA/SEQUENCE

You should ask Cap Weinberger to lead off. Dave Stockman will follow. The green issue book has been distributed separately.

III. PARTICIPANTS

- The President
- Secretary Regan
- Edwin Meese III
- David A. Stockman
- James A. Baker III
~~Michael K. Deaver~~
- Martin Anderson
- Richard G. Darman
Elizabeth Dole
~~Max L. Friedersdorf~~
- Craig L. Fuller
~~David R. Gergen~~
- Edwin Harper
- Daniel J. Murphy
- James W. Nance
- Edward J. Rollins
- Murray L. Weidenbaum
- Richard S. Williamson

For DoD

- Secretary Weinberger
- Frank Carlucci

KW DUBROSTEIN

- SNEIDER - OMB

THE WHITE HOUSE

WASHINGTON

MEETING WITH THE HOUSE MINORITY LEADER
AND CERTAIN RANKING MINORITY COMMITTEE MEMBERS

DATE: Friday, December 19, 1981
LOCATION: The Oval Office
TIME: 11:15 - 11:45 p.m. (30 minutes)
FROM: Max L. Friedersdorf

I. PURPOSE

To consult with and seek the advise of the leadership and ranking minority members of principal committees dealing with economic issues in the House of Representatives on the 1983 budget and economic plans for 1982.

II. BACKGROUND

In an effort to develop a consensus from these members of the House in preparing for legislative initiatives during the second session of the 97th Congress on the 1983 budget and economic plans for 1982, this meeting has been arranged with the President.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and will be escorted to the Oval Office for the 30-minute meeting with the President.

PARTICIPANTS

- ~~—~~The President
- ~~—~~Secretary of the Treasury, Donald Regan
- ~~—~~Director of OMB, David Stockman

Congressman Bob Michel, Republican Leader

*~~Congressman Trent Lott~~, Republican Whip

Congressman Barber Conable, Ranking Republican, Ways & Means Committee

Congressman Del Latta, Ranking Republican, Budget Committee

*~~Congressman Silvio Conte~~, Ranking Republican, Appropriations Committee

Congressman Jack Kemp, Chairman of the Republican Conference

Congressman Dick Cheney, Chairman of the Republican Policy Committee

Congressman Jack Edwards, Vice Chairman of the Republican Conference

Ed Meese, Jim Baker, Max Friedersdorf, Ken Duberstein, Dick Darman

~~DAVID STOCKMAN~~

SPEAKERS


*Late regrets

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 17, 1981

COURTESY CALL FROM THE PRESIDENT OF
CAMPUS CRUSADE FOR CHRIST INTERNATIONAL

DATE: December 18, 1981
LOCATION: Oval Office
TIME: 11:45am (10 minutes)
FROM: Lyn Nofziger 

I. PURPOSE

Dr. William Bright, President of Campus Crusade for Christ, International, would like to meet with the President.


II. BACKGROUND

A meeting with the President and Dr. Bright and Leon Jaworski was originally requested by Jimmy Lyon (Texas) and scheduled but was cancelled because of the Sadat assassination.

Campus Crusade is an interdenominational Christian organization with approximately 14,500 full-time and associate staff members serving in 150 countries and protectorates around the world. The organization was founded by Dr. Bright and his wife and is celebrating its 30th anniversary this year. Its headquarters are located in San Bernardino, California.

III. PARTICIPANTS

Dr. William Bright and A. Morgan Mason, White House Political Affairs office and Morton Blackwell of the White House Public Liaison office.

IV. PRESS PLAN 

V. SEQUENCE OF EVENTS

-- Greet Dr. Bright in the Oval Office.

-- Brief conversation and photo op.

-- Dr. Bright departs

THE WHITE HOUSE

WASHINGTON

DECEMBER 17, 1981

MEETING WITH THE AMERICAN AUTO MANUFACTURERS

LOCATION: THE CABINET ROOM

TIME: 12:15 PM

DATE: DECEMBER 18, 1981

FROM: CRAIG L. FULLER *CLF*

I. PURPOSE

The American automobile manufacturers are scheduled for a working lunch with you and several members of your administration to discuss the serious situation confronting the industry. The meeting should be viewed as an opportunity to listen to the concerns expressed by the industry leaders. Early next year additional meetings can be scheduled with these and other industry leaders to search for ways to ease some of the burdens affecting the industry.

II. BACKGROUND

Secretary Baldrige has provided a background memorandum on the conditions within the auto industry. It does a good job of identifying the principal problems confronting the industry and it highlights some of the proposals the industry has raised in recent meetings with Congressional leaders.

Also attached is a listing of the "tentative issues" developed by the industry and provided to Elizabeth Dole. The auto manufacturers will meet prior to your lunch to review this agenda.

You should know that Douglas Fraser was invited to attend the luncheon meeting; however, he is traveling abroad and was unable to return to Washington D.C. for the meeting. He will be invited to future meetings with the industry. There will be no representative from the United Auto Workers at this meeting.

III. PARTICIPANTS

- Ed Meese
- Jim Baker
- Martin Anderson
- Elizabeth Dole
- Craig Fuller
- Larry Speakes
- Murray Weidenbaum
- Malcolm Baldrige
- Drew Lewis
- Bill Brock

- Roger Smith, General Motors
- Philip Caldwell, Ford Motor Company
- Lee Iacocca, Chrysler (Chmn + CEO) *Chairman of Chrysler*
- Gerald Meyers, American Motors Corp. *Chmn. American Motors*
- James McLernon, Volkswagen *Chmn. Volkswagen of America Inc.*

IV. PRESS PLAN

White House photographer and a photo opportunity at the beginning.

V. SEQUENCE

You ought to indicate that you understand and have read about the difficult situation facing the auto industry. This lunch is designed to give the administration an opportunity to learn more about the nature of the problems and maybe something about possible solutions.

You may wish to thank the industry for the help they have given the administration all year long in supporting the Economic Recovery Program and in working hard to help us with important legislative matters such as the Clean Air Act.

Roger Smith heads the industry organization and will lead off the discussion for the automakers.

REQUEST FOR APPOINTMENTS

To: Officer-in-charge
Appointments Center
Room 060, OEOB

NSC Meeting

Please admit the following appointments on December 18, 19 81

for The President of White House:
(NAME OF PERSON TO BE VISITED) (AGENCY)

State:

Secretary Alexander M. Haig, Jr. ✓
Dep Sec William P. Clark ✓

White House:

Mr. Edwin Meese III ✓
Mr. James A. Baker III ✓
Mr. Michael K. Deaver ✓
Adm James W. Nance ✓
Ms. Janet Colson ✓
Adm John Poindexter ✓

OSD:

Secretary Caspar W. Weinberger ✓
Dep Sec Frank C. Carlucci ✓
Mr. Lawrence J. Korb ✓

The Vice President's Office:

Adm Daniel J. Murphy ✓

Justice:

Dep Attorney General Edward Schmultz ✓

CIA:

Mr. William J. Casey ✓

NSC:

Col Al Myer ✓

OMB:

Mr. William Schneider ✓

Jim Jenkins

USUN:

Amb Jeane J. Kirkpatrick ✓

JCS:

Admiral Thomas B. Hayward ✓
~~Lt General Paul F. Gorman~~

CEA:

Mr. Murray Weidenbaum ✓

Selective Service:

General Thomas Turnage ✓

MEETING LOCATION

Building West Wing White House

Requested by Carol Cleveland

Room No. Cabinet Room

Room No. 376A Telephone 3044

Time of Meeting 1:45 p.m.

Date of request Dec 18, 1981

Additions and/or changes made by telephone should be limited to three (3) names or less.

APPOINTMENTS CENTER: SIG/OEOB - 395-6046 or WHITE HOUSE - 456-6742

REQUEST FOR APPOINTMENTS

12/17 cc: Fischer
Yates

To: Officer-in-charge
Appointments Center
Room 060, OEOB

Please admit the following appointments on December 18, 19 81

for The President of The White House
(NAME OF PERSON TO BE VISITED) (AGENCY)

Secretary Alexander M. Haig A. *Near Eastern + S. Asian*
Assistant Secretary Nicholas Veliotes, State
Ambassador Richard Murphy, U.S. Amb. to Saudi Arabia
w.

YAMANI, Ahmad Zaki, Saudi Arabia
Minister of Petroleum and Mineral Resources

ALHEGELAN, Sheikh Faisal
Saudi Ambassador to the U.S.

Kingdom of Saudi Arabia

WHITE HOUSE

E. Meese
James W. Nance
Geoffrey Kemp

MEETING LOCATION

Building The White House Requested by Raymond Tanter/Jennie D'Amico
Room No. The Oval Office Room No. 351 Telephone 395-5697
Time of Meeting 3:00 p.m. Date of request December 17, 1981

Additions and/or changes made by telephone should be limited to three (3) names or less.

APPOINTMENTS CENTER: SIG/OEOB - 395-6000 WHITE HOUSE - 456-6742

MEMORANDUM

THE WHITE HOUSE

WASHINGTON


December 17, 1981

MEETING WITH RICHARD WIRTHLIN

DATE: December 18, 1981

LOCATION: Oval Office

TIME: 3:30pm (30 minutes)

FROM: Lyn Nofziger 

I. PURPOSE

Richard Wirthlin would like to review with the President the complete survey results from Decision Making Information's latest phase of tracking.

II. BACKGROUND

This has been an ongoing process and Dr. Wirthlin presents the results to the President from time to time.

III. PARTICIPANTS

Richard Wirthlin and Lyn Nofziger. *JB, MKD, GERGEN*
ED ROLLINS

IV. PRESS PLAN

No press.

V. SEQUENCE OF EVENTS

Standard meeting.

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATORS HOWARD BAKER AND PAUL LAXALT

DATE: Friday, October 19, 1981

LOCATION: The Oval Office

TIME: 4:00 p.m. (30 minutes)

FROM: Max L. Friedersdorf

M.L.F.

I. PURPOSE

To consult with Senators Howard Baker and Paul Laxalt prior to a meeting to follow with the chairmen of the Senate Budget, Appropriations and Finance Committees in which the 1983 budget and economic plans for 1982 will be the major topic of discussion.

II. BACKGROUND

Jim Baker and Senator Baker have concurred that a meeting at this time with the President and chairmen of principal committees dealing with economic issues would be beneficial in preparing for legislative initiatives during the second the second session of the 97th Congress.

III. PARTICIPANTS

- The President
- Senator Howard Baker
- Senator Paul Laxalt
- ~~Ed Meese~~ *ED MEES*
- Jim Baker
- Max Friedersdorf
- Ken Duberstein
- *MKD*

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and be escorted to the Oval Office for a 30-minute discussion with the President.

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATE REPUBLICAN LEADER
AND CERTAIN SENATE COMMITTEE CHAIRMEN

DATE: Friday, December 19, 1981

LOCATICN: The Oval Office

TIME: 4:30 p.m. (30 minutes)

FROM: Max L. Friedersdorf

m.b.

I. PURPOSE

To consult with and seek the advise of these Senators with regard to the 1983 budget and economic plans for 1982.

II. BACKGROUND

Jim Baker has consulted with Senator Howard Baker on the timeliness and benefits of a meeting at this time with the President to receive the wisdom of the Senate on the 1983 budget and economic policies for 1982.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and will be escorted to the Oval Office to join Senators Howard Baker and Paul Laxalt who will already be with the President.

PARTICIPANTS

- The President
The Director of OMB, Dave Stockman
- ✓ Secretary of the Treasury, Donald Regan

- ✓ Howard Baker, Majority Leader of the Senate
- Paul Laxalt
- Bob Dole, Chairman of the Finance Committee
- Mark Hatfield, Chairman of the Appropriations Committee
- ✓ Pete Domenici, Chairman of the Budget Committee

Staff

- Jim Baker
- Ed Meese *DEANER*
- ✓ Dick Darman
- Max Friedersdorf
- ✓ Ken Duberstein

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
Friday, December 18, 1981

9:00 am (30 min)	<u>Staff Time</u> (Eaker, Meese, Deaver)	Oval Office
9:30 am (30 min) 9:40 is ok out	Meeting with Lane Kirkland, President, <u>AFL-CIO</u> James W. Nance	Oval Office (distributed separately)
10:00 am (60 min)	<u>Budget Meeting</u> (Richard Darman/Craig Fuller)	Cabinet Room (TAB A) (book distributed separately)
11:15 am (30 min)	Meeting with Selected House Republican <u>Leaders</u> (Max Friedersdorf)	Cabinet Room (TAB B)
11:45 am (10 min)	✓ <u>Brief Meeting with Dr. William Bright, Campus Crusade for Christ</u> (Lyn Nofziger)	Oval Office (TAB C)
12:15 pm (75 min) 12:15	<u>Lunch with Auto Industry Leaders</u> (Craig Fuller)	Cabinet Room (TAB D)
1:45 pm (30 min)	<u>National Security Council Meeting</u> (James W. Nance)	Cabinet Room (distributed separately)
2:30 pm (30 min)	The President and Mrs. Reagan drop by at <u>Christmas Party for Residence Staff</u> (Muffie Brandon)	Residence
3:00 pm (30 min)	Meeting with Sheik Ahmad Zaki Yamani, et al <u>of Saudi Arabia</u> (James W. Nance)	Oval Office (distributed separately)
3:30 pm (30 min)	<u>Meeting with Richard Wirthlin</u> (Lyn Nofziger)	Oval Office (TAB E)
4:00 pm (30 min)	<u>Meeting with Senators Baker and Laxalt</u> (Max Friedersdorf)	Oval Office (TAB F)
4:30 pm (30 min)	Meeting with Senators Baker, Laxalt, <u>Domenici, Dole and Hatfield</u> (Max Friedersdorf)	Oval Office (TAB G)
5:00 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
5:30 pm	<u>To the Residence</u>	Residence

B

THE WHITE HOUSE

WASHINGTON

MEETING WITH THE HOUSE MINORITY LEADER
AND CERTAIN RANKING MINORITY COMMITTEE MEMBERS

DATE: Friday, December 19, 1981
LOCATION: The Oval Office
TIME: 11:15 - 11:45 p.m. (30 minutes)

FROM: Max L. Friedersdorf

I. PURPOSE

To consult with and seek the advise of the leadership and ranking minority members of principal committees dealing with economic issues in the House of Representatives on the 1983 budget and economic plans for 1982.

II. BACKGROUND

In an effort to develop a consensus from these members of the House in preparing for legislative initiatives during the second session of the 97th Congress on the 1983 budget and economic plans for 1982, this meeting has been arranged with the President.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and will be escorted to the Oval Office for the 30-minute meeting with the President.

PARTICIPANTS

The President
Secretary of the Treasury, Donald Regan
Director of OMB, David Stockman

Congressman Bob Michel, Republican Leader
*Congressman Trent Lott, Republican Whip
Congressman Barber Conable, Ranking Republican, Ways & Means Committee
Congressman Del Latta, Ranking Republican, Budget Committee
*Congressman Silvio Conte, Ranking Republican, Appropriations Committee
Congressman Jack Kemp, Chairman of the Republican Conference
Congressman Dick Cheney, Chairman of the Republican Policy Committee
Congressman Jack Edwards, Vice Chairman of the Republican Conference

Ed Meese, Jim Baker, Max Friedersdorf, Ken Duberstein, Dick Darman

*Late regrets

C

MEMORANDUM


THE WHITE HOUSE

WASHINGTON

December 17, 1981

COURTESY CALL FROM THE PRESIDENT OF
CAMPUS CRUSADE FOR CHRIST INTERNATIONAL

DATE: December 18, 1981
LOCATION: Oval Office
TIME: 11:45am (10 minutes)

FROM: Lyn Nofziger 

I. PURPOSE

Dr. William Bright, President of Campus Crusade for Christ, International, would like to meet with the President.

II. BACKGROUND

A meeting with the President and Dr. Bright and Leon Jaworski was originally requested by Jimmy Lyon (Texas) and scheduled but was cancelled because of the Sadat assassination.

Campus Crusade is an interdenominational Christian organization with approximately 14,500 full-time and associate staff members serving in 150 countries and protectorates around the world. The organization was founded by Dr. Bright and his wife and is celebrating its 30th anniversary this year. Its headquarters are located in San Bernardino, California.

III. PARTICIPANTS

Dr. William Bright and A. Morgan Mason, White House Political Affairs office and Morton Blackwell of the White House Public Liaison office.

IV. PRESS PLAN

V. SEQUENCE OF EVENTS

-- Greet Dr. Bright in the Oval Office.

-- Brief conversation and photo op.

-- Dr. Bright departs

D



DEC 16 1981

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Meeting with Auto Industry Leaders

On Friday, December 18 you are scheduled to meet with auto industry leaders to discuss the problems of the industry. This memo summarizes the industry's current situation, the principal concerns of industry management and labor, and the major proposals that they have recently put forward to help remedy the industry's problems. It is intended solely to acquaint you with industry's point of view.

INDUSTRY'S CURRENT SITUATION

Domestic new car sales have declined for three years in a row. For 1981 they will be 8.6 million units, down 23 percent from 1978, the last peak sales year. Of the total, 6.3 million will be domestic-made cars and 2.3 million will be imports. Of all the imports 1.8 million will be from Japan. During 1981 imports will account for about 27 percent of all passenger car sales. In 1978 the figure was 18 percent.

Domestic truck sales have also declined for three years in a row. For 1981 they will be 2.3 million units, down 44 percent from the 1978 peak. Of the total, about 1.8 million will be domestic made and .5 million will be imports. Practically all truck imports come from Japan.

Domestic production in 1981 of cars will be 6.3 million units. Not since 1961 have domestic companies made so few cars. Domestic production in 1981 of trucks will be 1.7 million units, a slight gain over 1980 but still less than in any other year since 1967.

Despite repeated production cutbacks, dealers' inventories of new domestic made cars climbed to an 83 days supply on December 1, a new high for that date and far above the norm of 50-60 days supply.

As of the week of December 7, indefinite layoffs of auto production workers stood at 211,000. The recent peak for this figure was in August 1980, when indefinite layoffs reached 250,000. As a rule of thumb, unemployment in the auto supplier industry runs about 50 percent more than that for the auto manufacturers.

Including fringe benefits, average earnings of production workers at the major auto companies, other than Chrysler, are now around \$19 per hour. Excluding fringes, auto workers' earnings per hour are 35 percent above the level for all manufacturing workers.

Combined, the domestic auto companies last make a profit in 1979. In 1980 they had a loss of \$4.2 billion. Estimates of their combined loss for all of 1981 run between \$1.4 and \$2.0 billion.

Losses plus large investment outlays have seriously eroded the financial strength of the auto companies. At yearend 1978 their combined working capital was \$13 billion; by the end of the third quarter of 1981 it was down to \$300 million.

Multiple reasons account for the problems of the industry. The current economic downturn is depressing auto sales. International competition has become more intense. Domestic companies are not cost competitive with Japanese producers, and many American consumers believe imports offer more quality. The industry has been over-regulated. Beyond these factors the long-run growth in demand for autos is also slowing down. The slowdown results from a decline in the growth rate of the driving age population, sluggish growth in consumers' purchasing power, and the rapid increase in the costs of owning and operating a car.

Economic recovery will correct a number of these problems. There is a large pent-up demand for cars. Total car sales are expected to increase by 6 percent in 1982 and even more in 1983 and 1984. Still, there is some question whether sales over the next several years will return to levels consistent with sustained profitability.

CRITICAL ISSUES FROM INDUSTRY POINT OF VIEW

International competition. The industry is concerned about the Japanese auto export restraint program, whether the Japanese will honor their commitments under the program, whether the Japanese will try to manipulate the program to push up their exports to the United States, and whether the program will give the industry adequate relief.

U.S. auto parts manufacturers are concerned that the Japanese, despite promises and U.S. government efforts, have not significantly opened up their home market to U.S. exports of auto parts and have not purchased substantial quantities of auto parts from U.S. manufacturers for use in servicing Japanese cars sold in the United States.

U.S. auto manufacturers maintain that they operate at a tax disadvantage relative to Japanese producers, and more broadly, at a general competitive disadvantage relative to the Japanese because of the pervasive support provided industry by the Japanese government and its tradition of restricting imports of manufactured goods.

The industry is concerned that any reduction in the present 25 percent duty on imported light trucks could jeopardize their recent substantial investment in light truck manufacturing capacity.

The UAW is concerned about Mexican Government requirements that have the effect of expanding Mexican auto component exports to the United States.

Industry labor believes the general solution lies in enacting local content legislation, which, for example, might require that all cars and trucks sold in the United States contain 75 percent North American content.

Regulatory relief. In this area the industry's top priority is the rollback of auto emission standards. The industry wants proposed changes in the Clean Air Act to be enacted as quickly as possible so that the industry can plan for its 1983 model year cars. Also, the industry wants an easing of bumper standards. This is now under review by NHTSA. While the auto manufacturers want a lower standard, the auto insurance companies want the current standard. The industry further wants a number of other technical regulatory changes, but many of these are now being implemented by the regulatory agencies under your April 6 program for the auto industry.

Economic policy. The industry argues that high interest rates are severely hurting sales. Some industry leaders have been calling for an easing of monetary policy to bring down interest rates. Some, but not all, industry management and labor are calling for some type of Federal credit allocation.

Wages. Management argues that the U.S. auto workers will have to reduce wage demands, citing recent studies showing that Japanese auto worker wages are from \$7.80 to \$8.60 per hour lower than those in the United States. Chrysler workers have accepted a freeze on wages and changes in work rules. The industry's labor contract expires September 1982. This week the UAW voted to permit its locals to reopen the current contract and begin early bargaining, a move said to be directed at aiding American Motors and International Harvester. Some accommodation on wages will be essential for the industry to regain international competitiveness.

Worker Assistance. Industry labor is concerned about cutbacks in trade adjustment assistance benefits for unemployed auto workers. It would like to see more liberal unemployment compensation benefits and more funding for retraining and relocation programs.

INDUSTRY'S PROPOSED SOLUTIONS

Among the auto companies, managements have not so far been in total accord about what should be done. (Note: on the management side preparation for the Friday meeting is being coordinated by the Motor Vehicles Manufacturers Association. Industry management may speak with a more common voice than it has in the past.) Various proposals that have been advocated by one or another of the companies or by the UAW include:

Steps to stimulate domestic car sales:

- o authorize an income tax credit for individuals who purchase a new car, provided the car contains some specified proportion of North American local content.
- o impose a tax or surcharge on gasoline or imported oil to induce consumers to turn in older fuel inefficient cars.
- o adopt a less restrictive monetary policy to bring down auto financing interest rates.

Steps to restrict imports:

- o pressure the Japanese to tighten up their auto export restraint program.
- o enact North American local content legislation.
- o impose countervailing duties on Japanese imports to offset Japanese cost advantages attributable to Japanese government policy.
- o impose quotas on imports, for example, some variation on Senator Danforth's earlier bill to set the annual limit at 1.2 million imports.
- o maintain 25 percent duty on light truck imports.

Steps to accelerate regulatory reform:

- o enact amendments to the Clean Air Act to roll back emission standards without waiting for total reauthorization of the Clean Air Act.
- o accelerate NHTSA's review and decision on bumper standards.

Steps to improve cost competitiveness:

- o In this area, management may look for some sort of signal from the Administration that it will be supportive of management's intent to press for wage accommodations from the UAW. Labor may press for some sort of expression of support for a tripartite (business/labor/government) approach to solving the industry's problems or an indication that the Administration expects concessions on both sides.



Secretary of Commerce

TENTATIVE ISSUES

December 18, 1981 Meeting With The President

1. Department of Commerce Issues

(issues which DOC assumes the companies would raise)

- o Clean Air Act Amendments
- o High Interest Rates
- o Economic Recovery Program
- o Tax Incentives for the Purchase of Domestic Cars
- o Import Restrictions

2. Chrysler Issues

- o Tax Credits for the Purchase of Domestic Cars and New Homes to be Funded by Federal Gasoline Tax Increase
- o Renew White House Attention to Small Business Administration Loan Guarantee Program for Dealers - Program has become routine, resulting in delays in processing dealer applications.
- o Federal Preemption of State Usury Rates
- o Action on EPA and NHTSA Regulations Identified in "Actions to Help the U.S. Auto Industry"

3. Ford Issues

- o Underscore the Economic Impact and Significance of the Problems Caused by the Cost Differential Between U.S. and Japanese Manufacturers

4. General Motors Issues

- o Clean Air Act Amendments
- o Action on EPA and NHTSA Regulations Identified in "Actions to Help the U.S. Auto Industry"
- o Regulatory Reform Legislation

- Bumpers Amendment
 - Change Clean Air Act venue provisions to permit judicial review of EPA Regulations in the Court of Appeals for the Circuit in which petitioner resides or has its principal place of business
- o Continued Budget And Monetary Restraints

E

MEMORANDUM

THE WHITE HOUSE

WASHINGTON


December 17, 1981

MEETING WITH RICHARD WIRTHLIN

DATE: December 18, 1981

LOCATION: Oval Office

TIME: 3:30pm (30 minutes)

FROM: Lyn Nofziger 

I. PURPOSE

Richard Wirthlin would like to review with the President the complete survey results from Decision Making Information's latest phase of tracking.

II. BACKGROUND

This has been an ongoing process and Dr. Wirthlin presents the results to the President from time to time.

III. PARTICIPANTS

Richard Wirthlin and Lyn Nofziger.

IV. PRESS PLAN

No press.

V. SEQUENCE OF EVENTS

Standard meeting.

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATORS HOWARD BAKER AND PAUL LAXALT

DATE: Friday, October 19, 1981

LOCATION: The Oval Office

TIME: 4:00 p.m. (30 minutes)

FROM: Max L. Friedersdorf

M.L.F.

I. PURPOSE

To consult with Senators Howard Baker and Paul Laxalt prior to a meeting to follow with the chairmen of the Senate Budget, Appropriations and Finance Committees in which the 1983 budget and economic plans for 1982 will be the major topic of discussion.

II. BACKGROUND

Jim Baker and Senator Baker have concurred that a meeting at this time with the President and chairmen of principal committees dealing with economic issues would be beneficial in preparing for legislative initiatives during the second session of the 97th Congress.

III. PARTICIPANTS

The President

Senator Howard Baker

Senator Paul Laxalt

Ed Meese

Jim Baker

Max Friedersdorf

Ken Duberstein

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and be escorted to the Oval Office for a 30-minute discussion with the President.

THE WHITE HOUSE
WASHINGTON

MEETING WITH SENATE REPUBLICAN LEADER
AND CERTAIN SENATE COMMITTEE CHAIRMEN

DATE: Friday, December 19, 1981

LOCATION: The Oval Office

TIME: 4:30 p.m. (30 minutes)

FROM: Max L. Friedersdorf

M.L.F.

I. PURPOSE

To consult with and seek the advise of these Senators with regard to the 1983 budget and economic plans for 1982.

II. BACKGROUND

Jim Baker has consulted with Senator Howard Baker on the timeliness and benefits of a meeting at this time with the President to receive the wisdom of the Senate on the 1983 budget and economic policies for 1982.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

The members will enter through the Southwest Gate to the Diplomatic Room and will be escorted to the Oval Office to join Senators Howard Baker and Paul Laxalt who will already be with the President.

PARTICIPANTS

The President
The Director of OMB, Dave Stockman
Secretary of the Treasury, Donald Regan

Howard Baker, Majority Leader of the Senate
Paul Laxalt
Bob Dole, Chairman of the Finance Committee
Mark Hatfield, Chairman of the Appropriations Committee
Pete Domenici, Chairman of the Budget Committee

Staff

Jim Baker
Ed Meese
Dick Darman
Max Friedersdorf
Ken Duberstein