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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: WHORM SUBJECT FILES

Archivist: kdb/bcb

File Folder: FI 004 038230

Date 4/19/99

| DOCUMENT NO. AND TYPE | SUBJECT/TITLE | DATE | RESTRICTION |
|-----------------------|-------------------------|--------|---|
| 1. letter | Sarah Parker to RR, 1p. | 6/8/81 | F6, P6 B6 ms 12/13/00 |

RESTRICTION CODES

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

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

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

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

WITHDRAWAL SHEET

Ronald Reagan Library

| DOCUMENT NO. AND TYPE | SUBJECT/TITLE | DATE | RESTRICTION |
|---|---|---------|-----------------------------------|
| 1. schedule proposal (038338) | Max L. Friedersdorf to Gregory J. Newell, re meeting with congressman Jim Jones (partial of p. 1) | 7/25/81 | P-5 N-27 P-13/UC |
| COLLECTION: | | | |
| WHORM: Subject File | | | cas |
| FILE LOCATION: | | | |
| FI 004 Budget - Appropriations (038338) | | | 3/22/94 |

RESTRICTION CODES

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

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
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- C. Closed in accordance with restrictions contained in donor's deed of gift.

ID # 038230

FI004

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

I - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/10/09

Name of Correspondent: Sarah Parker

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Writer has a suggestion to save federal funds by re-evaluating the Senior Citizens Good program

ROUTE TO:

ACTION

DISPOSITION

| Office/Agency (Staff Name) | Action Code | Tracking Date YY/MM/DD | Type of Response | Code | Completion Date YY/MM/DD |
|----------------------------|--------------------------|------------------------|------------------|------|--------------------------|
| CoThom | ORIGINATOR ^{CH} | 8/10/09 | | C | 8/10/09 |
| OMB | R ^{CH} | 8/10/09 | | A | 8/10/09 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments:

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOb).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: L 181 _____

Prime Subject Code: FI 004 Secondary Subject Codes: WE 005 PE 002
PP 010-02 FE 001-02
JL 003-01 _____

PRESIDENTIAL REPLY

| Code | Date | Comment | Form |
|------|-------|-------------|--------------|
| C | _____ | Time: _____ | P- _____ |
| DSP | _____ | Time: _____ | Media: _____ |

SIGNATURE CODES:

- CPn - Presidential Correspondence
 - n - 0 - Unknown
 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie
- CLn - First Lady's Correspondence
 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 - Mrs. Ronald Reagan
- CBn - Presidential & First Lady's Correspondence
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

SEP 15 1981

Mrs. Sarah E. Parker
2904 Marnat Road
Baltimore, MD. 21209

Dear Mrs. Parker:

Thank you for your recent letter to President Reagan suggesting various ways in which savings could be achieved in programs serving the elderly. Your public-spirited concern is truly appreciated.

We will keep your suggestions in mind as we look for ways to eliminate wasteful and unnecessary Federal spending, a key element in the President's economic recovery program. I have taken the liberty of forwarding a copy of your suggestion to the Department of Health and Human Services, which administers Federal programs under the Older Americans Act, including support for senior centers and meals for the elderly.

Sincerely,

/s/ David K. Kleinberg

David K. Kleinberg
Deputy Associate Director for
Health and Income Maintenance

bcc: M. Gene Handelsman
Administration on Aging
Official file--HIM/IM
DO Records
WH Liaison - RM 33 ✓
Mr. Schleede
Mr. Moran
Mr. Kleinberg
IM Chron

HIM/IM:VCochrane:dss 9/10/81
OMB Control #9173 - AD/496
Diskette: DS/Ginni(5) PARKER

81/09/04

SL
Gene
Ginni

OFFICE OF MANAGEMENT AND BUDGET
CORRESPONDENCE CONTROL

OMB CONTROL NO: 9173
CORRESPONDENT : SARAH PARKER
ORGANIZATION :
DATE OF CORR. : 81/06/08

FOR ACTION : **EDM**

INFO :
OTHER REF : 38230

COMMENTS :

INSTRUCTIONS: **ACTION OFFICE SIGNATURE, COPY TO CORRESPONDENCE UNIT
SEND COPY OF RESPONSE AND ORIGINAL INCOMING CORRESPONDENCE
TO WHITE HOUSE LIAISON ROOM 33. PUT THE WHITE HOUSE AND
OMB CONTROL NUMBERS ON ALL COPIES.**

* RESPONSE DUE TO DIRECTOR'S OFFICE *
* BY 81/09/18 *

SUBJECT: AGED FOOD PROGRAM SUGGESTION

REMARKS:

| | | | | | | |
|----------|----------|---------|---------|---------|---------|---------|
| | PREPARED | CLEARED | CLEARED | CLEARED | CLEARED | CLEARED |
| SURNAME | | | | | | |
| AND | | | | | | |
| DIVISION | | | | | | |
| INITIALS | | | | | | |
| AND | | | | | | |
| DATE | | | | | | |

RECEIVED

81 SEP 4 P2:41

THE WHITE HOUSE OFFICE

REFERRAL

SEPTEMBER 4, 1981 UNIT

TO: OFFICE OF MANAGEMENT AND BUDGET

ACTION REQUESTED:
DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 038230

MEDIA: LETTER, DATED JUNE 8, 1981

TO: PRESIDENT REAGAN

FROM: MRS. SARAH E. PARKER
2904 MARNAT ROAD
BALTIMORE MD 21209

SUBJECT: WRITER HAS A SUGGESTION TO SAVE FEDERAL FUNDS
BY RE - EVALUATING THE SENIOR CITIZENS FOOD
PROGRAM

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

Subject: Senior Centers and especially the Eating Together Program

1. No new buildings should be built for Senior Centers with Federal funding. Closed or partially utilized schools, YMCA, YMHA, JCC or libraries or other public buildings, churches, etc. should suffice. No Federal funds should be utilized to pay rent for Senior Centers housed in stores or other private buildings. There are plenty of vacant or partially vacant schools.
2. Tighten up Federal funds (I believe it is Title 3 funds) which apparently is a "free for all." Senior Centers secure these funds for procurement of furniture and equipment (some of which is not essential), and possibly for personnel salaries.
3. The N.W. Senior Center, 6412 Reisterstown Rd., Baltimore city, pays exorbitant rent for a store and just rented an additional store. There are too many paid jobs for Senior Centers, also from City and Counties and their staffs. Inspectors are continually monitoring the Eating Together program, not only 1 inspector but two or three at a time visit one site. The N.W. Senior Center has 9 or 10 salaried employees, one of whom is an 80 year old man. (2 CETA employees were dismissed recently). One glaring area is a program called "Life Support," to which a salaried employee is assigned, who gets a few senior citizen volunteers to go and visit patients in nursing homes once a week or every other week. The paid employee seldom goes to the nursing home, and the senior volunteers visit mostly relatives and friends which they would normally do anyway. This program, if continued, should not have a salaried employee for each Center - plenty of volunteers available. Also many Senior Centers have a salaried employee for "Information and Referral" - I doubt whether there are one or two people a week seeking information. This could be accomplished by the appropriate city or county department or various charitable organizations such as Associated Charities etc. There is an abundance of seniors who can and want to do volunteer work and they are greatly under-utilized in favor of paid employees.
4. The "Eating Together" program should be eliminated completely for the following reasons:
 - (a) Approximately 80% or more of the people are middle class or above (financially speaking, some of whom arrive in expensive new automobiles) and can well afford to buy food and prepare it at home (also many of the stores and caterers offer cooked food for reasonable prices for one or two people and this food only has to be heated). The remaining 20% (or less) of the people can get assistance from the various charities and organizations which they are already doing anyway including food stamps.
 - (b) The meals cost our government well over \$2.00 each. However, the suggested contribution is only 50¢ and some well-to-do people put in only 25¢. And for the month of September 1980, people were told to put in only 1¢ per meal! Also, on Fridays two bags of food (approximate value \$2.00) for the week-end were given out to each person without charge (recently discontinued until winter).

(c) The Contract for the meals was not awarded to the lowest bidder who had provided excellent meals, but to someone else who bid \$40,000 more (article in local newspaper) and most of the meals are poor.

(d) Practically speaking, elderly people do not require these heavy lunches and many are putting on too much weight and getting sick from overeating. In the City sites, second helpings are often given and all the left-over food is thrown out (per orders from headquarters) in the trash. We dislike seeing costly food wasted. The County sites sell the second helpings for 50¢ and I hear that they sell trays to take home possibly for the ill - I'm not sure about this.

5. We are Senior citizens and strongly feel (as do many, many others) that too much Federal funds are being spent for Senior Centers and for salaried jobs within these Centers, (also for City and County levels), as well as for furniture and equipment, and especially for the Eating Together program. We seniors have lived our lives. These funds could be more effectively utilized for training and jobs for young people who need a start in life. This would also serve a two-fold purpose: constructive utilization of young people and eliminate crime.

Dg
Files
4/14/81
7/28/81

THE WHITE HOUSE
WASHINGTON

APPROVE

Date 7/22/81
GJN

for Tuesday

425
038338

1110

F1004

F1010-01

PROOT-01

SCHEDULE PROPOSAL

JULY 25, 1981

TO: GREGORY J. NEWELL, DIRECTOR
PRESIDENTIAL APPOINTMENTS AND SCHEDULING

FROM: MAX L. FRIEDERSDORF *M-6* X

REQUEST: Meeting with Congressman Jim Jones (D-Oklahoma)

PURPOSE: To discuss with Jones the progress of the reconciliation conference and to encourage his continued cooperation. Also, to solicit Jones' views on the Conable-Hance II tax package.

BACKGROUND: Jones is Chairman of the House Budget Committee and is a key to completing the reconciliation conference prior to the August recess. In addition, Jones is one of the most respected Members of the Ways and Means Committee. Conable-Hance II incorporates many provisions that have great appeal to Jones' Congressional District and also contains several key provisions that Jones has previously sponsored and supported.

After defeating Jones several times on major budget votes, this meeting will allow the President to express a willingness to work with Jones. It also might be a chance to neutralize a key Democrat on the upcoming tax fight.

PREVIOUS PARTICIPATION: No previous participation.

DATE: As soon as possible. DURATION: 15 minutes

LOCATION: The Oval Office

PARTICIPANTS: The President
Congressman Jones
Max L. Friedersdorf

OUTLINE OF EVENT: No specific agenda.

REMARKS REQUIRED: Talking Points will be provided.

MEDIA COVERAGE: White House Photographer only.

RECOMMENDED BY: Max L. Friedersdorf

OPPOSED BY: None

PROJECT OFFICER: Kenneth M. Duberstein
M. B. Oglesby

MEMORANDUM

4338

THE WHITE HOUSE

WASHINGTON

July 21, 1981

7/21 to Friedersdorf
1415

038343

1110

FI 004

FG 025

ND 018

FG 013

MEMORANDUM FOR MAX FRIEDERSDORF

FROM:

RICHARD V. ALLEN *RA*

SUBJECT:

DOE Defense Programs Budget

The House Appropriations Subcommittee on Energy and Water Development has reduced the President's budget of \$5 billion for the Department of Energy's (DOE) Defense Programs budget by approximately \$300 million. The major deletions were in two areas

- Capital equipment, construction and restoration - a reduction of about \$100 million
- Production - a reduction of about \$130 million.

The DOE weapon and materials production facilities had been allowed to deteriorate during the 1970's. A six-year restoration plan was strongly recommended by the joint DOE/DOD Long Range Resource Planning Group ("Starbird Study") to assure the continued capability of the U.S. to design and produce nuclear weapons. If the funding is not restored, the restoration will take seven years; the deterioration will continue in the near term with the risk that planned delivery schedules will be imperiled.

The production money cuts will have the greatest effect on the MX warhead, the 155mm artillery fired atomic projectile, and the air, sea and ground launched cruise missile warheads. The proposed funding reductions will delay the delivery of these warheads for at least one year and will jeopardize delivery of other warheads as well. These warhead schedules are consistent with the FY 1981 Nuclear Weapons Stockpile Memorandum approved by President Carter and still in effect. The Department of Energy places a very high priority on the restoration of these funds.

NSC 8104.338

The Senate Appropriations Subcommittee on Energy and Water Development will be marking this week. DOE is appealing these decisions. The DOD supports the DOE position and is sending a letter to Senator Hatfield. We also support restoring the \$300 million to DOE's defense programs budget. Attached at Tab A is a letter that you may wish to send to Senators Hatfield and Tower, expressing our support also. The letter does not address the reductions that were also made by the House Subcommittee to the non-defense programs portion of the DOE's budget.

Attachment

A

Dear Mr. Chairman:

I would like to take this opportunity to express our concern with the recommendation of the House Appropriations Subcommittee on Energy and Water Development to reduce the Department of Energy's (DOE) defense programs budget by approximately \$300 million.

The proposed funding cuts for production will delay delivery of several strategic (MX missile, air-launched cruise missile) and theater/tactical (155mm artillery fired atomic projectile, ground-launched cruise missile) warheads by at least one year. These warhead delivery schedules, if slipped, would seriously impact our national defense posture.

The proposed funding cuts for capital equipment, construction and restoration will delay by at least one year the essential refurbishment and restoration of the DOE's weapons activities and materials production facilities. This six year program, to restore the nuclear weapons facilities which had been allowed to deteriorate during the 1970's, was strongly recommended by the joint DOD/DOE Long Range Resource Planning Group ("Starbird Study") one year ago.

Additionally, the reductions in the stockpile improvement program will delay achieving the necessary safety improvements for the systems involved.

In summary, we request your support for the Defense Program activities of the Department of Energy as contained in the President's budget submission.

Sincerely,

Max Friedersdorf

The Honorable Mark O. Hatfield
Chairman, Subcommittee on Energy and
Water Development
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I would like to take this opportunity to express our concern with the recommendation of the House Appropriations Subcommittee on Energy and Water Development to reduce the Department of Energy's (DOE) defense programs budget by approximately \$300 million.

The proposed funding cuts for production will delay delivery of several strategic (MX missile, air-launched cruise missile) and theater/tactical (155mm artillery fired atomic projectile, ground-launched cruise missile) warheads by at least one year. These warhead delivery schedules, if slipped, would seriously impact our national defense posture.

The proposed funding cuts for capital equipment, construction and restoration will delay by at least one year the essential refurbishment and restoration of the DOE's weapons activities and materials production facilities. This six year program, to restore the nuclear weapons facilities which had been allowed to deteriorate during the 1970's, was strongly recommended by the joint DOD/DOE Long Range Resource Planning Group ("Starbird Study") one year ago.

Additionally, the reductions in the stockpile improvement program will delay achieving the necessary safety improvements for the systems involved.

In summary, we request your support for the Defense Program activities of the Department of Energy as contained in the President's budget submission.

Sincerely,

Max Friedersdorf

The Honorable John G. Tower
Chairman, Committee on Armed Services
United States Senate
Washington, D.C. 20510

NATIONAL SECURITY COUNCIL

ACTION

July 20, 1981

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: ROBERT SCHWEITZER

RLS

FROM: SYDELL GOLD

SUBJECT: Department of Energy's (DOE) Defense Programs Budget

The House Appropriations Subcommittee on Energy and Water Development has reduced the President's budget of \$5 billion for the DOE's defense programs budget by about \$300 million.

The Senate Appropriations Subcommittee on Energy and Water Development will be giving their mark this week. DOE is appealing the House's cuts, and is supported in this by DOD.

At Tab I is a memo from you to Max Friedersdorf explaining the cuts and their consequences, and requesting that he weigh in with our support to restore these funds to DOE. Other DOE non-defense programs were also cut, but are not addressed here. At Tab A is a suggested letter from Friedersdorf to Senators Hatfield and Tower requesting that the Senate subcommittee restore the funds.

RECOMMENDATION

That you sign the memo at Tab I to Friedersdorf.

Approve ✓ 3/2 1/2

Disapprove _____

Attachments

- Tab I Memo from Richard Allen to Max Friedersdorf
- A Draft Letter from Friedersdorf to Senators Hatfield and Tower

#4338

81 11 20 P 8: 15

JANET COLSON

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

KAY

CY TO VP

CY TO MEESE

CY TO BAKER

CY TO DEEVER

CY TO BRADY

ACTION
TAKEN

SHOW CC

SHOW CC

SHOW CC

SHOW CC

SHOW CC

RECEIVED 20 JUL 81 17

TO ALLEN

FROM GOLD

DOCDATE 20 JUL 81

SCHWEITZER

20 JUL 81

KEYWORDS: DEFENSE BUDGET

ENERGY

SUBJECT: DOE DEFENSE BUDGET PROGRAMS

ACTION: FOR SIGNATURE

DUE: 23 JUL 81 STATUS X FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

COMMENTS

REF#

LOG

NSCIFID

(B /)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

C

7/21

*None of memo to
Friedersdorf*

LSL

DISPATCH

etc 7/21 by JCP

W/ATTCH

FILE

WHT (C) 11



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

CH

21 OCT 1981

White House
038436

FI004

A 81/10/21

COMPTROLLER

Honorable Benjamin A. Gilman
House of Representatives
Washington, D.C. 20515

Dear Congressman:

Thank you for your letter of September 1 to President Reagan forwarding suggestions by the House Republican Research Committee on potential areas of savings in the Defense budget. As Max Friedersdorf indicated to you in his letter of September 16, you may be assured that each recommendation will be given our close attention.

I have asked my staff to examine each item and I will furnish you with the results of this evaluation in the near future. Secretary Weinberger, Deputy Secretary Carlucci, and I greatly appreciate all suggestions for ways in which to achieve even more efficiency in the Department of Defense.

Sincerely,

Jack R. Borsting
Assistant Secretary of Defense

INTERIM Reply

September 16, 1981

Dear Ben:

On behalf of the President, I would like to thank you for your September 1 letter regarding the defense budget and the proposals of the House Research Committee's Task Force on Defense.

As you know, the Administration is closely examining the budget in an effort to identify areas which should be trimmed or cut; and we appreciated receiving the timely presentation of your views in this regard. You may be assured that your suggestions have been shared with the appropriate staff members, and that they will be given most careful consideration.

Once more, thank you for your interest in writing and forwarding the report of the Task Force on Defense.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Benjamin A. Gilman
House of Representatives
Washington, D.C. 20515

cc: w/copy of inc to Jonna Lynn Cullen - OMB - FYI
cc: w/copy of inc to Joni Stevens - for DIRECT follow-up
response, if deemed necessary by DOD

WH RECORDS MANAGEMENT HAS RETAINED ORIGINAL

MLF:CMF:KIR:ds--

BENJAMIN A. GILMAN
28TH DISTRICT, NEW YORK

COMMITTEES:
FOREIGN AFFAIRS

SUBCOMMITTEES:
INTERNATIONAL ECONOMIC POLICY
AND TRADE
INTER-AMERICAN AFFAIRS

SELECT COMMITTEE ON
NARCOTICS ABUSE AND
CONTROL

Congress of the United States

House of Representatives

Washington, D.C. 20515

September 1, 1981

COMMITTEES:
POST OFFICE AND CIVIL SERVICE

SUBCOMMITTEES:
POSTAL PERSONNEL AND
MODERNIZATION
HUMAN RESOURCES

USMA BOARD OF VISITORS

008436

The President
The White House
Washington, D.C.

Dear Mr. President:

As you seek to overcome the projected increased budget deficit for 1982, I urge you to consider moderating the size of the defense budget.

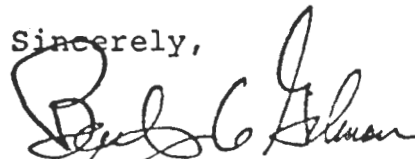
I have joined with a number of my colleagues in calling to the attention of the Secretary of Defense the proposals of the House Republican Research Committee's Task Force on Defense, which suggest that the Pentagon could save as much as \$25 billion by reducing fraud, waste, and abuse, by restructuring the procurement process, and by making selective programmatic reductions and trade-offs. I am enclosing a copy of that report for your information.

While I do support an increased defense effort, I believe that we can do much for our Nation's security by more effectively managing defense spending to bring about greater economies.

Having supported the Reconciliation bill and the Latta-Gramm Budget Resolution, I foresee difficulties in making additional, substantial cuts in domestic programs at this time. With only modest changes in defense spending, we can avoid any impact on our national security and at the same time we can avoid a divisive national conflict over the fate of non-defense programs.

With best wishes,

Sincerely,



BENJAMIN A. GILMAN
Member of Congress

BAG:hw

PLEASE REPLY TO:

WASHINGTON OFFICE:
2160 RAYBURN BUILDING
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-3776

DISTRICT OFFICE:
44 EAST AVENUE
MIDDLETOWN, NEW YORK 10940
TELEPHONE: (914) 343-6666

DISTRICT OFFICE:
NEWBURGH, NEW YORK 12550
TELEPHONE: (914) 565-8400

DISTRICT OFFICE:
223 ROUTE 59
MONSEY, NEW YORK 10952
TELEPHONE: (914) 357-9000



House Republican Research Committee

1616 LHOB, WASHINGTON, D.C. 20515 • TELEPHONE NO. 202/225-0871

EDWARD R. MADIGAN
Chairman

ROBERT H. MICHEL
Minority Leader
Ex-Officio

WILLIAM E. O'CONNOR, JR.
Executive Director

April 7, 1981

TASK FORCE ON DEFENSE

Bob Badham
Chairman

Guy Cook
Director

CAN THE PENTAGON SAVE MONEY?

Executive Summary:

This study was performed in light of the Administration's efforts to search out ways to limit federal spending.

It concludes that there are numerous ways for the Defense Department to reduce expenses, without limiting military muscle.

There are no easy solutions or quick-fixes in the Pentagon's effort to save money, but there are many avenues in which spending cuts should be pursued.

Savings amounting to as much as \$25 billion in Pentagon spending can occur in three main areas:

1. Programmatic Reductions and Trade-Offs;
2. A Reduction in Waste, Fraud and Abuse;
3. A Restructuring of the Procurement Process.

The Defense Department, in order to be fully effective in their waste reduction efforts, should abandon present piecemeal approaches which concentrate on only one aspect of spending at a time. The recommendations contained in this paper outline an effective program to reduce unnecessary expenditures without limiting real military power.

months or years after interest in a particular idea has subsided. The pattern is complete when the same problem is re-examined and identical "new" studies or proposals are sent on their way to be studied again.

GAO recommendations for improving logistics management policies and practices are a good example of this pattern: GAO originally proposed a number of suggestions in 1977 that would have consolidated or streamlined logistics management. In August 1980, GAO again suggested that their recommendations be acted upon after they received stalled or negative responses from DOD on the proposals. Presently (March 1981), DOD is re-examining these logistics suggestions in another attempt to do what should have been done three or four years previously.

The Reagan budget cuts have highlighted the need to examine every Department for fat - including DOD. The fact that the Defense Department can trim expenses is well established. The remainder of this study is designed with this in mind, in order to give both specific and general examples and recommendations where the Defense Department can further its savings program.

I. Programmatic Reductions

Although Secretary Weinberger has identified where some "belt tightening" can take place, opportunities for far more extensive reductions presently exist. These are programs or practices which can be eliminated without affecting military readiness. A few diverse examples of programs or areas which should be examined for cuts are:

- A) The Public Affairs Department, budgeted for over \$25 million, with over 300 people in the Pentagon and another 1,200 throughout the country;
- B) DOD spends over \$410 million on audiovisual production, duplication, equipment and supplies in over 1,070 audiovisual facilities;
- C) Maintenance for golf courses, bowling alleys and other special recreational facilities runs at over \$300 million annually;
- D) The military often retains unneeded personnel after their support functions have been ended or transferred; and
- E) Excess travel expenses are estimated at about \$50 million annually.

These are several examples where a systematic and fair review by DOD could result in millions of dollars of savings. The House Appropriations Committee cited 46 similar examples and this year will produce a new listing. Singular reduction, or elimination of this type of program would result in relatively

The wheels of the 1981 Congressional budget and appropriations process have started to turn, bringing to the forefront of public consciousness several concerns in regards to our national defense: first, there is a growing awareness about the need for America to "rearm itself" and ancillary to this, there is a fear that along with increased funding for military programs comes additional waste and bureaucracy in the Pentagon and branch services.

It should come as no surprise that Congress and the public are interested in ways the Pentagon can cut down on waste. Examples of wasteful defense spending are well documented, and it has been difficult to read a major newspaper in recent months without noticing stories which list ways in which the Department of Defense (DOD) has spent friviously.

The General Accounting Office (GAO), the Congressional Budget Office (CBO), the Defense Auditing Service (DAS), the Defense Contract Audit Agency (DCAA) and the House Appropriations Committee have all published recent reports identifying military programs and practices in need of revision. In many cases DOD has attempted to implement the cost-cutting measures recommended in these reports. In fact, DOD is consistently commended for being "better" than any other government department in the implementation of cost-cutting procedures. Former Comptroller General Elmer Staats recently commented that DOD is "very responsive" to GAO recommendations, more so than other Departments.

Secretary Weinberger has committed himself to cutting fat from the defense budget. He is presently examining and attempting to use 15 cost-reduction measures which Staats says will save "at least \$4 billion over the next four years and more probably \$10 billion". Mr. Staats also stated that savings of \$3.5 billion could be realized in 1982 under his proposals. Secretary Weinberger has already promised \$4.5 billion worth of reductions, with \$3.2 billion marked for fiscal years 1981-1982. These savings are to be made through an upgrading of the procurement process, lower pay raises for civilian personnel, realignment of the logistics structure and termination of programs which are marginal or excessively costly. The Administration is also predicting further reductions (approximately \$2.7 billion) attributed to reduced inflation estimates.

There remains however, a large body of evidence which states that like other parts of the Government bureaucracy, the Defense Department is wasting substantial amounts of money. It is interesting to note that, if the total dollar amount of savings suggested by the GAO, CBO and House Appropriations Committee are compiled, DOD conservatively would be able to cut expenses by at least \$25 billion over the next several years.

Implementation of cost saving measures in any organization as highly structured as the military is not an easy proposition. Often cost cutting recommendations at DOD follow a distressingly similar pattern, which leads to a reduction in the proposal's effectiveness. This pattern involves the initiation of a money-saving proposal - often originating in the legislative branch of government - which is passed on to DOD. The office of the Secretary then directs it to a specific branch or department of the service, where the proposal is studied, or partially implemented. This process can take several years, during which the idea is tested and many times disregarded as unworkable. In that case, the recommendation is shelved, or in some cases resurfaces in Congress

small savings. If a number of cuts were adopted, substantial amounts would be saved.

There are some examples where close scrutiny in politically sensitive areas reveal the need for reform: the reduction of military bases and the consolidation of logistics and transportation activities between the services are two examples. For instance, in March, 1979, DOD examined a proposal to restructure 157 military installations and activities. If these suggestions were pursued (and allowed by Congress), total savings over the next five years are estimated at about \$455 million. Additional interservice research and development (R&D) cooperation would also be beneficial. The JSSAP Program (where R & D for small arms by the different services was combined) is one successful example.

Programs designated for personnel retention should be examined for their effectiveness. Educational programs should be looked at to determine what they contribute to individual retention as well as to the status of the military. For instance, the military pays graduate school education tuition costs for full-time training of military officers to obtain skills "which are already in excess" in the defense establishment. Other civilians are trained unnecessarily when hired for positions where they already have sufficient skill to perform their jobs. Limiting required drill for civilian lawyers, clerks, truck drivers and other personnel whose skills do not demand special military training could amount to as much as \$500 million per annum.

Hundreds of programmatic cost suggestions have been made during the last several years. It is not unreasonable to assume that an application of some of these proposals would result in significant cost reductions or trade-offs. Certainly, in this fiscally conservative administration, programmatic examinations of this sort should take place. General Edward Meyer, Army Chief of Staff, has stated that the DOD is going to have to develop "a more ruthless priority system which will cut programs which are clearly not going to be affordable or which contribute only marginally". Dr. William Perry, Under Secretary of Defense for Research and Development has also supported this rationale, stating, "If we can't afford to do all the programs, then instead of doing them poorly, we should pick out the high priority ones and do them effectively...and just painfully give up the other ones". This line of reasoning also applies to the procurement process as well.

One ramification of better program allocation is that, if unnecessary programs are eliminated, personnel and resources used for these programs are made available. In a military establishment attempting to increase manpower and personnel retention, the advantages of additional personnel, along with an increased cash flow are obvious.

It is essential, however, that a careful review of proposed cuts be undertaken. A quick-fix approach in response to political pressure can result in additional expenditures, or unwanted regulations. For instance, indiscriminate travel cuts could result in deterring essential activities such as training missions to implement the deployment of radar-planes or other equipment to our allies.

II. Fraud, Waste and Abuse

Finding and eliminating "fraud, waste and abuse" from the military complex is not an easy proposition. This is in part because fraud and abuse, by nature, cannot be totally eliminated. "One man's waste", says former Defense Secretary Harold Brown, "is another man's job." Although some waste in an organization as big as the U.S. military seems inevitable, DOD can attempt to hold the level of waste to a minimum.

To actually accomplish this will involve some day-to-day, common-sense decisions by managers who are able to cut waste off at its roots. Economic decisions are made by people at all levels of DOD continually. If cost considerations were made a high priority for these decision makers, savings would result. Decisions of this sort are numerous, and they involve most aspects of military life: Anything from the locations of spare parts to the method of garbage collection can be affected by cost-conscious judgement.

In a military that spends an estimated \$3 billion a year just on moving people from one station to another, there is little doubt that raising the cost-consciousness of personnel will have a significant impact. Individual judgements should be encouraged in relation to the cutting of waste in day-to-day activities. For instance, urging proper care and storage of equipment would result in longer life for material, as well as spending restrictions. An in-depth determination of the usefulness of informational contracts, studies and analyses awarded by DOD could also result in savings due to sensible decision-making (\$125 million is estimated to have been spent in 1979 on "unsolicited and unnecessary" consulting contracts). Finally, a reallocation of paid overtime to civilian employees in areas where regular man hours could be better utilized is another worthwhile, cost-reducing technique, which can be brought about by common-sense decisions.

It is impossible to get precise figures as to how much fraud and abuse exists in the Pentagon. However, experts have estimated that millions, if not billions of dollars are lost each year due to this form of waste. Although efforts are being made to cut this down, losses continue at enormous rates.

Examples of fraud are numerous, as documented by GAO or DOD audit reports. One case involved a single DOD employee who falsified more than 3,300 forms, thus embezzling \$1.8 million in medical funds. Reports of kickbacks and payoffs in the military Exchange Service are also common, often because they are accepted by exchange personnel as being normal.

Efforts to slow fraud in the armed services can be bolstered in several ways: First, present efforts to root out corruption should be increased and cases should be prosecuted. Programs like the Justice Department's Federal Task Force corruption investigation should be furthered and expanded. Inventory controls should be tightened to assure additional accountability. GAO recommends that exchanges "take a more active and systematic approach to combat fraud and to improve the overall system for management procurement". These procedures would undoubtedly make it more difficult for fraud and theft to occur. Second, individuals should be encouraged to report waste and fraud whenever possible. The present fiscal environment, with defense spending on the rise, focuses thoughts on how to spend money. Personnel could be spurred to save with incentives to awaken military fiscal austerity, resulting in a leaner DOD.

III. Procurement and Financial Cost Reductions

The Defense Department's procurement process is a gigantic, complex procedure which is badly in need of revision. Substantial savings can be realized by the implementation of incentives for both DOD and its contractors. These incentives should take the form of carrot and stick which can spur capital investment, better planning and more efficient production.

Secretary Weinberger has directed Deputy Secretary Frank Carlucci to review the military's acquisition process in order to examine and apply some of the fantastic economies which are possible in procurement. A number of suggestions are already being put into effect by the Reagan Administration, including some multi-year contracting and accelerated delivery time goals for hardware and civilian services. The military Departments have estimated that "upwards of \$15 billion can be saved over the next five years by multi-year procurement" and other efficiency oriented measures. These estimates give some idea of the enormous potential for savings which lies in an overhaul of procurement practices.

The problems with the present system are manifold, ranging from program change cost overruns, to long lead-times for materials and finished products. Inflation, lack of production incentives and poor planning all contribute to the skyrocketing costs of weapons design and production. The Pentagon recently stated that the price of 47 major defense procurement programs increased \$47.5 billion in the last quarter of 1980. The cost of the M-1 tank program jumped from \$13 billion to \$19 billion during this period, and the Army's new armored personnel carrier increased from \$7.8 billion to \$13.1 billion.

The LHA amphibious assault ship is a good example of certain deficiencies in the procurement process. According to Admiral E.P. Travers, the LHA "is a class of ships which in their delivered condition required some significant corrections". Over 100 modifications were necessary, including putting in additional air compressors, increasing crew spaces, replacing obsolete non-repairable electronics and the replacement of the automatic propulsion control system. The specifications of the ship at the time the contract was awarded "appeared" to meet the needs of the Navy. After the delivery of the ship, it was found to be non-functional, escalating the total cost from \$836.5 million for nine ships, to \$1.6 billion for five ships. The Navy cancelled four LHAs in 1972, costing the government \$109.7 million. Other examples of waste and mismanagement in procurement programs are numerous, with the Trident submarine becoming the latest on the list.

Problems of this sort are not easily solved. It seems apparent, however, that contractors, managers and purchasers all stand to gain from efficiency inducements, brought about by additional procurement incentives.

Many experts feel that both DOD purchasers and contractors should receive encouragement for improved contracts by way of a restructured contracting system. Such a system might involve:

- A) Removal or raising of the \$5 million cancellation ceiling, presently used to "insure" losses incurred by contractors when the government reneges or cancels on a contract. A \$50 or \$100 million ceiling is much more realistic and would encourage additional contract bidders. This would also foster DOD program stability.

- B. Allowing multi-year contractual arrangements, as well as some full funding for established programs where cost effective.
- C. The implementation of a two-year budget cycle, rather than the present one-year cycle. Aside from reduced administration, this would encourage longer range contractual planning and arrangements in lieu of the present short-run system.
- D. Reduce regulation and complexity of contracts. A review of the dollar clauses and general provisions of the Davis-Bacon Act, Services Contract Act, labor surplus area program, Vincent-Trammel and equal opportunity regulations would yield a reduced amount of paperwork and increase the level of competition for contracts by attracting additional bidders. A review of the DOD program review board's procedures could also prove fruitful. A revision of production specifications could be useful ferreting out unneeded provisions (one shipbuilder estimates that over two-thirds of the price of some Navy ships is due to government specifications, many of which may be unnecessary).
- E. Remove mid-year contract start barriers, allowing DOD to fund new programs as they are approved by the Secretary of Defense.
- F. Make attempts, wherever feasible, to expand competition for contracts. Presently, about 45% of DOD contracts are sole source, causing auditors to state that they are not sure if contractors or subcontractors are collecting excessive profits, or doing work as efficiently as they could. Additional competition should be introduced in proposals for development as well as production. The introduction of competition often reduces procurement costs by 25%. Competition can be increased by additional bidder cost analyses in DOD and through increased advertising of contracts.
- G. Insure that experienced managers are in charge of weapons development and procurement - and give them latitude to operate. Giving managers room to move is vitally important, as it enables them to choose the most cost-effective alternatives for contracts. Managers should be encouraged to establish good working relationships with contractors, which will help avoid misunderstandings and cut off potential trouble spots before they arrive. The tendency to over-correct the process can be partially avoided with an upgrading of management authority.

Another type of cost-cutting incentive is to assign clear-cut responsibilities for a procurement program. Thomas V. Jones, Chairman of Northrop Corp., has stated that if contracts were more binding on both sides, important economies could be achieved. One way to do this is to delineate more managerial responsibility within DOD. Another is to buy insurance from contractors for their workmanship and against overruns. Also, the practice of holding corporations liable for poor workmanship should be further pursued. These measures may initially drive prices up, but longterm expenditures might well be diminished by encouraging higher performance.

DOD negotiators should attempt to tap contractor considerations, besides the standard profit motive when searching for and contracting possible contract bidders. Factors such as a firm's survival, prestige, future commercial application, diversification, research and development and market share are all considered by corporations and can be utilized by negotiators when awarding and pricing contracts. Setting up contract negotiations which appeal to these corporate motivations can attract more bidders and reduce contract costs.

Additional carrots and sticks should be given and applied to auditors and program managers. First, there should be incentives for managers to save money. As it now stands, if a manager cuts expenses on a program, Congress will cut the program budget the following year. This, along with insufficient means for managers to express programmatic difficulties, combine to discourage cost-consciousness.

It is desirable to develop this cost-consciousness not only in the managerial departments of DOD, but throughout the organization. The number of internal and contract auditors should be increased, but only at a cost-effective rate that can be handled by the departments and agencies. (Pouring in large numbers of new auditors would only increase the bureaucratic muddle. An increase of 5 or 10% in the auditing force would be beneficial, given the tremendous return on dollars spent that the auditors provide).

Proposals which might over-consolidate or expand auditing and inspecting should be carefully examined. Adding another "waste killing" layer of bureaucracy to DOD may well cut down on the actual effectiveness of waste cutting mechanisms already in place. Specifically, efforts to create an Inspector General's office and to eliminate the autonomy of the DCAA should be reviewed for effectiveness, before they are pushed into place.

IV. Overall Considerations

There have been a number of recent studies and statements that examine overall problems facing our national defense. These problems often intersect with strategies to cut wasteful spending in the military, and thus should be mentioned.

Consistently, one pervasive thrust of these statements is that strong leadership and guidance in every branch of the government and within the military will reduce wasted DOD spending. This will be a result of more defined goals and military objectives.

General E.C. Meyer has articulated this in no uncertain terms. He stated that the adequacy of the defense budget should revolve around whether it meets the military/foreign policy objectives of the Administration: "It seems a much more logical way for the Secretary of Defense to respond to Congress, the President and, ultimately, the people of the U.S." General Meyers pointed out that in the past, a lack of coherent, clear national policy led to a lack of priorities. This results in unnecessary defense spending.

Former Air Force pilot Franklin C. Spinney, who is now an analyst in the Pentagon's Program Analysis and Evaluation section agrees with this assessment:

"...the establishment of program discipline is fundamentally a leadership challenge. Management gimmicks have been tried and they do not work. Moreover, management gimmicks (e.g., zero-based budgeting, Blue Ribbon Panels, Defense Resources Board, etc.) have the effect of a placebo rather than a cure -- in effect they contribute to the problem by conveying the false impression of a solution. What is required is leadership that can make real national defense take precedence over the component interests involved in defense."

Others in the military feel that money could be saved if the budgeting and appropriations process were changed. Air Force Maj. Gen. John Chain, Director of Operations and Readiness, describes the system as follows:

"Is the Air Force happy with the (budget) cycle? No. Can it be improved? Absolutely! Is it fun to start with a zero-base every year and rack up a hundred billion dollars worth of requirements and then cut them down in half and submit that list and watch it be chopped up, and come back and argue with and fight and go over it all with OSD, then through OMB, and then over to Congress? No! It's a terrible way to have to do business - and the man-hours that it eats up? If you want to save money, eliminate that and let us know how many dollars we're going to have and let us build a program."

Finally it should be noted that waste also occurs in military spending due to parochial pressures and attempts by the government to use the defense acquisition process for the implementation of social and economic policies. Former Secretary of Defense Brown has asserted that "lots of money" is wasted each year because Congress voted funds for unwanted weapons and governors and mayors lobbied for uneconomical projects.

In addition, "Buy American" and balance of payment considerations, along with other social procurement policies tend to raise acquisition prices. Thomas E. Harvey, Former Deputy Assistant Secretary of the Army (Acquisition), states that:

"Throughout this process an intangible cost is incurred in that citizens, unaware of the social policies being furthered through the procurement process, lose respect for the process and for the government as a whole as they observe the government purchasing items at higher than the lowest possible cost for the purpose of furthering these social goals."

Complicated considerations must be taken into account then, as the DOD's search-for ways to save money continues.

In conclusion, there are many ways for the Pentagon to reduce unnecessary disbursements. Limiting these expenses is not an easy matter, but with the utilization of a carefully considered plan, reductions can take place, without affecting military readiness or capabilities. An overall strategy should be developed which considers programmatic reductions; waste, fraud and abuse; and a restructuring of the procurement process. In addition, cooperation with and from the Congress and Administration is necessary for developing a comprehensive spending reduction strategy. If such an effort is successful, the ensuing monetary savings, as much as \$25 billion, will benefit the Pentagon and further the Administration's fiscal austerity plan as well.

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

FI004

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 81109103

Name of Correspondent: Bill Green

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Indicate their encouragement as a result of reports that you are actively reviewing 1982 defense spending and believe a reduction is necessary for your overall economic program to succeed.

ROUTE TO: ACTION DISPOSITION

| Office/Agency | (Staff Name) | Action Code | Tracking Date YY/MM/DD | Type of Response | Code | Completion Date YY/MM/DD |
|---------------|--------------|------------------------|------------------------|------------------|----------|-------------------------------|
| <u>LA</u> | <u>FRIE</u> | <u>ORIGINATOR</u> | <u>81109103</u> | <u>MF</u> | <u>A</u> | <u>81109111</u> ^{CS} |
| <u>SP</u> | <u>STEV</u> | <u>R</u> ^{CS} | <u>81109116</u> | <u>NAN</u> | <u>C</u> | <u>81109118</u> ^{LD} |
| <u>JA</u> | <u>FRIC</u> | <u>H</u> | <u>81109121</u> | <u>NAN</u> | <u>C</u> | <u>81109122</u> ^{TR} |
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| | | | <u>1 1</u> | | | <u>1 1</u> |

ACTION CODES:

- A - Appropriate Action
- C - Comments
- D - Draft Response
- F - Fact Sheet
- I - Info Copy/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

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- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: ^{CS} five (5) acknowledgments

^{TR} DOD determined that no answer is necessary

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Prime Subject Code: FI 004 Secondary Subject Codes: FG 013
DE 004 _____

PRESIDENTIAL REPLY

| Code | Date | Comment | Form |
|------|-------|-------------|--------------|
| C | _____ | Time: _____ | P- _____ |
| DSP | _____ | Time: _____ | Media: _____ |

SIGNATURE CODES:

- CPn - Presidential Correspondence**
 - n - 0 - Unknown
 - n - 1 - Ronald Wilson Reagan
 - n - 2 - Ronald Reagan
 - n - 3 - Ron
 - n - 4 - Dutch
 - n - 5 - Ron Reagan
 - n - 6 - Ronald
 - n - 7 - Ronnie
- CLn - First Lady's Correspondence**
 - n - 1 - Nancy Reagan
 - n - 2 - Nancy
 - n - 3 -
- CBn - Presidential & First Lady's Correspondence**
 - n - 1 - Ronald Reagan - Nancy Reagan
 - n - 2 - Ron - Nancy

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- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

September 11, 1981

Dear Cap:

On behalf of the President, I would like to thank you for your September 2 letter, cosigned by four of your colleagues, regarding the fiscal year 1982 request for defense spending.

As you know, the Administration is closely examining the budget in an effort to identify areas which should be trimmed or cut; and we appreciated receiving your views and offer of support in this regard. You may be assured that your concerns have been shared with the appropriate staff members, and that your suggestions will be given most careful consideration. We look forward to working with you in this important matter.

With cordial regard, I am

Sincerely,

Max L. Friedersdorf
Assistant to the President

The Honorable Harold C. Hollenbeck
House of Representatives
Washington, D.C. 20515

MLF:CMF:KIR:lex(5)

cc: w/copy of inc to Joni Stevens - for DIRECT reply if deemed
necessary by DOD
cc: w/copy of inc to Jonna Lynn Cullen - OMB - FYI

WH RECORDS MANAGEMENT HAS RETAINED ORIGINAL

Congress of the United States

House of Representatives

Washington, D.C. 20515

September 2, 1981

038437

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

Dear Mr. President:

When several of us from the Northeast and Midwest regions met with you prior to the vote on the First Budget Resolution, we stated that transferring funds from the defense function to other areas would be one of our highest priorities. We understand from public statements made by several officials in your Administration that you are actively reviewing 1982 defense spending. We are encouraged by this process and urge that you sharply reduce the fiscal year 1982 request for defense spending.

A reduction will not harm our national defense. Equally important, a reduction is necessary for your overall economic program to succeed, and for maintaining the support of the American taxpayer.

What we look for in working with you on this is simply the application to defense programs of the same vigorous spending controls that were applied to domestic programs this year.

The First Budget Resolution calls for \$226 billion in budget authority for defense in FY82. But cuts of 10% could be made and still result in a significant increase in real defense spending over the \$171 billion in budget authority for FY81.

It has become painfully evident that without such restraints, the large deficit that will occur will cause federal "crowding out" of the private capital markets, with resultant high interest rates which deny us the economic growth your tax program seeks.

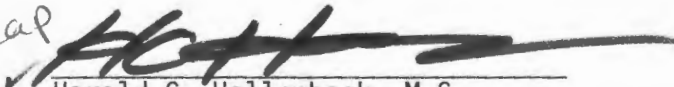
Since, in the final analysis, a sound economy is critical to our national defense, it is essential that we apply the same scrutiny to defense spending that you have applied to other parts of the federal budget. Only military programs that are "truly needed" should be funded; waste and fraud should be weeded out. Only then can we achieve a lower deficit, a stronger economy, and stronger nation.

Weeding out unnecessary programs is also essential for maintaining the American public's support for your military programs. There is certain to be public backlash against a military buildup that worsens the economy, is financed through cuts in vital social programs, and appears to be a reckless spending spree. Americans have registered their discontent over federal inefficiency; they will voice the same opposition to military spending increases unless the Department of Defense makes an effort to get its house in order.

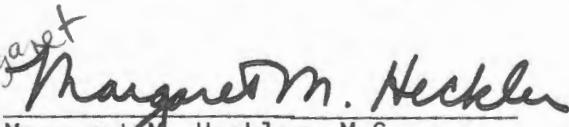
Portions of our strategic forces are examples of programs that are not "truly needed." Though our strategic weaponry is called a "triad," in fact at present we are pursuing at least five different means of strategic nuclear response: manned penetrating bombers, submarine launched ballistic missiles, land based ballistic missiles, submarine launched cruise missiles, and air launched cruise missiles. Surely all five methods cannot be "truly needed"; would not two or three effective means of response to Soviet nuclear attack suffice? Failure to weed out these costly, unnecessary systems may force cuts where increased capability is most crucial: operations and maintenance. Historically, DOD's approach to cost-cutting has been to chip away at operations and maintenance. However, this area is crucial to maintaining military readiness and should not continue to be sacrificed for strategic duplication and procurement cost overruns.

Thank you for this opportunity to share our views. We look forward to working with you on bringing reason to the military budget and furthering the success of your economic program.

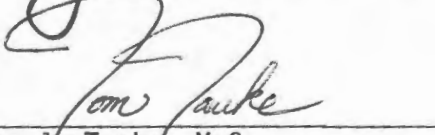
Sincerely,

Cap 
Harold C. Hollenbeck, M.C.

Bill 
Bill Green, M.C.

Margaret 
Margaret M. Heckler, M.C.

Arlen 
Arlen Erdahl, M.C.

Tom 
Thomas J. Tauke, M.C.

Fig

ID # 038580

FI004

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/18/31

CNSTRI

Name of Correspondent: Peggy Stinnett

MI Mail Report User Codes: (A) _____ (B) _____

California

Subject: Budget cuts in Women's Bureau at DOL in San Francisco are threatening the collapse of the work of the Bureau

ROUTE TO: ACTION DISPOSITION

| Office/Agency (Staff Name) | Action Code | Tracking Date YY/MM/DD | Type of Response | Completion Date YY/MM/DD |
|----------------------------|----------------|------------------------|------------------|------------------------------|
| <u>CNSTRI</u> | ORIGINATOR | <u>8/19/2</u> | | <u>C 8/19/23</u> |
| <u>OMB/Ed Harper</u> | Referral Note: | <u>R: CH 8/10/08</u> | | <u>8/10/08</u> ¹⁵ |
| | Referral Note: | | | |
| | Referral Note: | | | |
| | Referral Note: | | | |

ACTION CODES:

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- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
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- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

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Prime Subject Code: FI 004 Secondary Subject Codes: FG 021.04 _____

PRESIDENTIAL REPLY

| Code | Date | Comment | Form |
|------|-------|-------------|--------------|
| C | _____ | Time: _____ | P- _____ |
| DSP | _____ | Time: _____ | Media: _____ |

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- CPn - Presidential Correspondence**
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- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

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- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence**
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- n - 2 - Ron - Nancy

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- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

SEP 19 1981

Ms. Peggy Stinnett
522 Kenmore Avenue
Oakland, California 94610

Dear Ms. Stinnett:

Thank you for your letter to Edwin Neese about the potential plight of the Women's Bureau in San Francisco under the proposed budget cuts.

The Administration shares your desire to continue to improve the welfare and economic status of working women. I appreciate your concern that budget reductions might have a disparate effect on the work of the Women's Bureau in your area. However, the task at hand is to get the economy moving again. Under the President's economic recovery program, of which reducing federal expenditures is a major part, employment is projected to rise significantly over the next several years. It is our expectation that women will fully share in the benefits of this increase in jobs.

Under the Administration's proposals, issues affecting women will continue to be addressed. Even with reduced staff, the Women's Bureau can carry out its program through reallocation of resources and focusing on the most productive activities.

Thank you again for sharing your views with me. I hope you will continue to share your thoughts on the policies of the Administration with me in the months and years ahead.

Sincerely,

/s/ Donald W. Moran

Donald W. Moran
Associate Director for Human
Resources, Veterans and Labor

cc:
✓ WH Liaison #038580
DO Records OMB Control #9190 AD-504
✗ DO Chron
Deputy Director
Mr. Schleede
Mr. Moran
Mr. Martin
Labor Branch file
Labor Branch chron
LVE/L:AQuenneville:br

9-15-81

9190

OMB
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THE WHITE HOUSE OFFICE
81 SEP 8 2 43
REFERRAL

SEPTEMBER 8, 1981
CORRESPONDENCE UNIT

TO: OFFICE OF MANAGEMENT AND BUDGET
ATTN: ED HARPER

ACTION REQUESTED:
DIRECT REPLY; FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 038580
MEDIA: LETTER, DATED AUGUST 22, 1981
TO: EDWIN MEESE
FROM: MS. PEGGY STINNETT
522 KENMORE AVENUE
OAKLAND CA 94610

SUBJECT: BUDGET CUTS IN WOMEN'S BUREAU AT DEPARTMENT
OF LABOR IN SAN FRANCISCO, CALIFORNIA, ARE
THREATENING THE COLLAPSE OF THE WORK OF THE
BUREAU

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 33, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
LESLIE SORG
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

Peggy Stinnett

*522 Kenmore Avenue
Oakland, California 94610*

August 22, 1981

415 - 834-8676

The Honorable Edwin Meese III
Counsellor to The President
The White House
Washington, D.C.

038580

Dear Mr. Meese,

The primary goal of the Women's Bureau, Department of Labor, is to improve the economic status of women. This has been true since the bureau was founded in 1920. This would seem to be a goal worthy of all Americans in these times, as well, in view of the economic uncertainties.

Because I feel confident that you and President Reagan support these goals, I am bringing to your attention a situation in the San Francisco Women's Bureau that threatens to collapse the work of the bureau. If budget cuts are carried out as planned, the Women's Bureau in San Francisco will be virtually shut down.

Here is the situation: The effects of proposed cuts will have a magnified outcome on the bureau because it is staffed by women working on a part-time basis. The irony is that the women voluntarily reduced their former full-time positions to half-time to demonstrate job-sharing. Apparently, due to an oversight, there was no "ceiling" placed on these part-time positions. Let me add, these women are highly qualified career administrators dedicated to getting women off welfare and into the work force so they can be economically independent.

I sincerely hope you will take an interest in this unfortunate situation, a concern of many women in the bay area.

Sincerely,

Peggy
Peggy Stinnett

P.S. Bob sends his regards.