

# WITHDRAWAL SHEET

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**Collection Name** DEAVER, MICHAEL: FILES

**Withdrawer**

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**File Folder** CORRESPONDENCE - OCTOBER 1981 (3)

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DOC NO	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
1	MEMO	FRED FIELDING TO JAMES BAKER AND M. DEAVER RE INQUIRY ABOUT PROPOSED TRAVEL	1	10/20/1981	<i>Be open dlb 2/28/11</i>

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

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

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B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Photo of me  
& 4 children  
sent 10/30/81

Tommi Robinson

October 1978

Dear Mike,

This is a long overdue thank you note to let you know how very much Roger and I appreciate your letters and gift to Brad. Needless to say, you are a most significant and important part in this twelve year old boy's life. Today is his birthday and I think he was hoping his parents might give him another trip to Washington! However, he'll have to wait a bit.

Your friendship with him has brought about some interesting changes in him. He reads the papers and watches the news now so he can keep up with what we're doing. He had to prepare an oral report for history class on an important United States leader and he chose you. He also got an A!

Again, thank you for taking

the time to care. We all are most  
grateful.

Our best to Carolyn and  
the kids.

Jennie

THE WHITE HOUSE

WASHINGTON

October 19, 1981

MEMO TO: Shirley Moore  
FROM: Patricia Gleason  
RE: Condolence Letter

As we discussed, the following is a draft condolence note from Mr. Deaver to Judge Kennedy:

Dear Tony:

Carolyn and I send our heartfelt condolences on the death of your brother, Tim. Although words have little meaning for such a personal loss, we hope that the loving concern of family and friends will work to ease your sorrow. Please know that our prayers are with you at this difficult time.

With deepest sympathy,

S/MD

The Honorable Anthony M. Kennedy  
Judge,  
United States Court of Appeals —  
for the 9th Circuit  
555 Capital Mall  
Suite 1400  
Sacramento, California 95814

THE WHITE HOUSE

WASHINGTON

October 20, 1981

Dear Tony:

Carolyn and I send our heartfelt condolences on the death of your brother, Tim. Although words have little meaning for such a personal loss, we hope that the loving concern of family and friends will work to ease your sorrow. Please know that our prayers are with you at this difficult time.

With deepest sympathy.

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

The Honorable Anthony M. Kennedy  
Judge, United States Court of  
Appeals for the 9th Circuit  
555 Capital Mall  
Suite 1400  
Sacramento, CA 95814

THE WHITE HOUSE

WASHINGTON

October 20, 1981

Dear Mr. Wright:

Thank you for your letter inviting me to address The New York Federal Political Action Committee. Unfortunately, my schedule with President Reagan is too time consuming to accept appointments outside the White House. I do appreciate you inviting me and wish you success with your group.

Again, thank you for your kind invitation.

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Ronald D. Wright  
New York Federal Political Action Committee  
PO Box 3102  
Grand Central Station  
New York, N. Y. 10163

THE WHITE HOUSE

WASHINGTON

October 20, 1981

Dear Ernie:

Thank you for your letter of August 14, 1981, reporting on the formation of the new "Committee of One."

I concur in your view that any Presidential involvement in this project should be considered later, in conjunction with major patriotic events that the Committee may want to sponsor. We will of course be happy to review the possibility of Presidential participation in any particular event that might later be planned.

Again, thank you for your letter and your continuing support.

Sincerely,



Michael K. Deaver  
Assistant to the President  
Deputy Chief of Staff

Mr. Ernest T. Marshall  
Vice President  
Walt Montgomery Associates  
Fairway Office Center, Suite 221B  
4210 Johnson Drive  
Fairway, Kansas 66205

THE WHITE HOUSE  
WASHINGTON

October 20, 1981

Dear Roy:

Thanks for the invitation for the opening weekend at the Grove. It seems to be harder and harder to predict my schedule, and nine months from now is anyone's guess. But if I can make it, I would love to join you for keyboard exercises at your camp.

Thank you again and our best regards to Laurie and your children.

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Roy C. Jacobes  
1069 46th. Street  
Sacramento, CA 95819



*Shirley*  
*Good luck!*

Mark your 1982 calendars now!

June 4 - June 6 - The Spring Jinks

June 19 - The Grove Picnic

→ July 16 - The Grove opens

MIKE - SINCE I AM GIVING YOU 9 MONTHS  
ADVANCE WARNING I WILL NOT ACCEPT  
A "NO" ANSWER. MARK YOUR CALENDAR AND  
START PRACTICING THE PIANO RIGHT NOW!  
ROY

THE WHITE HOUSE

WASHINGTON

October 20, 1981

Dear Mr. Lancaster:

Thank you for your letter of October 15 describing your organization, The Channel City Club.

I would like to pursue this with you. Please provide me, at your convenience, with more information, such as audience size and profile, exact location, time of day, and anticipated media coverage.

Again, thank you for telling us about your program, and I hope we can work together on this in the future.

Sincerely,

Tricia A. Hoffman  
Assistant Director  
Speakers Bureau

Mr. Louis Lancaster  
President  
The Channel City Club  
Post Office Box 540  
Santa Barbara, CA 93102

cc: Michael Deaver ✓

THE WHITE HOUSE

WASHINGTON

October 20, 1981

Dear Ron:

It was so very nice to hear from you. I have thought of you many times.

I really appreciate the kind comments you made about the Administration. We are working very hard and put in many long hours, but it is gratifying work. We really feel we have contributed at the end of a day.

Thanks for catching me up on your family - and congratulations on getting your Masters degree.

Best personal regards.

Sincerely,

MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

Mr. Ron Conklin  
P.O. Box 1673  
Auburn, CA 95603



## Ron L. Conklin, Inc.

Real Estate Broker

(916) 971-9211

Dear Mike:

October 15th, 1981

Just a note to let you know that Sally and I appreciate the work that you and the administration are doing for our country. We are really thankful that things appear to be going so much better so quickly.....keep up the good work.

On a short note..... oldest daughter and son in college and doing great. Youngest daughter a senior in high school, and youngest son eating us out of house and home..... Sally doing great. I finally got my Masters degree ( graduating 3.9 GPA) really something for me to complete. I am now getting nearly fluent in Chinese.... the Mandrine dialect. Taking course at Sac State....very difficult but worthwhile.

Listen my friend, I've wanted to write to you for some time now, just to let you know that we think that you are very special. Keep up the good work. When you have time and the inclination, drop me a line. In the meantime..... God bless.

Best Personal Regards

Ron Conklin —

PO Box 1673

Auburn, Calif 95603



EMBASSY OF THE UNITED STATES OF AMERICA  
LONDON

October 7, 1981

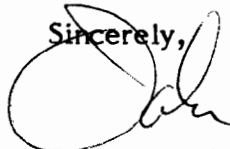
Mr. Michael K. Deaver  
Deputy Chief of Staff  
The White House  
1600 Pennsylvania Avenue N.W.  
Washington, D.C., 20500

Dear Mike:

One of the chores of being an Ambassador is making speeches but one of the pleasures is being able to talk about the Administration's far-reaching economic policies designed to get America on the right road again. I spoke on this subject at a recent meeting of the American Chamber of Commerce in London and I enclose a copy of my remarks on that occasion.

With warm regards.

Sincerely,



John J. Louis, Jr.  
Ambassador

Enclosure: Speech

*We should thank  
I let Deaver do  
this — he won't  
it to see him*

SPEECH  
BY  
AMBASSADOR JOHN J. LOUIS, JR.  
TO  
THE AMERICAN CHAMBER OF COMMERCE  
LONDON

SEPTEMBER 16, 1981

FOR AN AMERICAN AMBASSADOR, WITH A BUSINESS BACKGROUND AND APPOINTED BY A REPUBLICAN PRESIDENT, TO DELIVER A SPEECH TO THE AMERICAN CHAMBER OF COMMERCE WOULD SEEM AS REDUNDANT AS MERRILL TALKING TO LYNCH.

IN THIS DAY AND AGE, HOWEVER, THAT ANALOGY IS WRONG; IT'S WRONG BECAUSE, JUST AS THERE IS NO WORLD CONSENSUS ON ECONOMIC POLICY, THERE IS NO NATIONAL CONSENSUS IN THE UNITED STATES OR, FOR THAT MATTER, ANYWHERE IN THE WEST, ON THE BEST WAY TO MEET OUR ECONOMIC CHALLENGES. THEREFORE, I KNOW THAT IN TALKING TO YOU TODAY I AM NOT PREACHING TO THE CHOIR.

BUT I WANT TO USE THIS OCCASION OF MY FIRST MEETING WITH YOU TO EXPLORE THE ECONOMIC POLICIES OF THE UNITED STATES. I WANT TO LOOK ALSO AT THEIR IMPLICATIONS FOR YOU AS BUSINESSMEN, AND FOR YOU AS INDIVIDUALS, WHETHER YOU BE FELLOW

COUNTRYMEN, BRITISH SUBJECTS, OR HAVE YOUR ROOTS ELSEWHERE.

NATIONAL ORIGINS HAVE BECOME ALMOST IRRELEVANT IN OUR INCREASING INTERDEPENDENCE. WE MUST HANG TOGETHER OR ASSUREDLY WE WILL, AS FRANKLIN SAID, HANG SEPARATELY.

BUT MY SUBJECT FOR TODAY IS NOT DRAWN FROM FRANKLIN. IT COMES FROM THAT INCONOCLAST, THOMAS PAINE, WHO SHOCKED THE 18TH CENTURY. IN THE RIGHTS OF MAN, PAINE SAID, "LAY THEN THE AXE TO THE ROOT AND TEACH GOVERNMENTS HUMANITY." I ESPECIALLY WOULD LIKE YOU TO THINK ABOUT THAT LAST PHRASE, " ... TEACH GOVERNMENTS HUMANITY."

WE ALL HAVE HAD MANY TEACHERS. WE ALL HAVE KNOWN A FEW WHO TAUGHT WELL. WE ALL ARE OLD ENOUGH ALSO TO KNOW THE CONVENTIONAL VIEW THAT YOU CANNOT TEACH GOVERNMENTS ANYTHING.

RONALD REAGAN, HOWEVER, IS NOT CONVENTIONAL. HIS VICTORIES IN



THE CONGRESS ON TAXES AND SPENDING GAVE HIM WHAT HE NEEDED --  
WHICH WAS THE HANDLE FOR HIS AXE: HE IS CUTTING AT THE ROOTS,  
AS THOMAS PAINE SAID, IN THE MOST FUNDAMENTAL SHIFT IN GOVERN-  
MENT ECONOMIC POLICY SINCE THE GREAT DEPRESSION.

BUT WHERE DOES THE HUMANITY COME IN? HOW CAN THE PRESI-  
DENT TEACH THE GOVERNMENT HUMANITY?

I THINK THE ANSWER IS QUITE CLEAR, AND IT NEEDS TO BE  
SAID AGAIN AND AGAIN TO THOSE WHO DOUBT.

THE PRESIDENT AND HIS ADVISERS BELIEVE THAT INDIVIDUAL  
HUMAN BEINGS -- YOU AND I -- CAN THINK, CALCULATE, SPECULATE  
AND RESPOND TO MARKET INCENTIVES.

HIS AIM IS TO CHOP OUT IMPEDIMENTS TO INCENTIVE, TO FREE  
UP THE ROOTS SO THEY CAN FLOURISH ONCE AGAIN.

CONGRESSMAN JACK KEMP HAS SAID THAT IF YOU TAX SOMETHING HEAVILY, YOU GET LESS OF IT. IN AMERICA WE HAVE BEEN OVERTAXING WORK, GROWTH, INVESTMENT, EMPLOYMENT, SAVINGS, AND PRODUCTIVITY. TO CHANGE THAT PATTERN, THE REAGAN GOVERNMENT IS SETTING OUT TO CUT TAXES ON ADDITIONS TO INCOME IN ORDER TO STIMULATE INDIVIDUALS, WHO REACT JUST LIKE YOU AND ME, TO INCREASE THEIR OUTPUT.

HAVING SAID THAT, I SUSPECT SOME OF YOU ARE LESS THAN PERSUADED, CONSIDERING THE RECENT DIVE IN THE DOW-JONES, THE LEVEL OF U. S. INTEREST RATES, AND UNCERTAINTY ABOUT THE OUTLOOK FOR INFLATION. INDEED, STUDENTS OF HISTORY AMONG YOU MAY BE RECALLING TOM PAINES' MORE FAMOUS STATEMENT, "THESE ARE THE TIMES THAT TRY MEN'S SOULS."

AND SO THEY DO. THE CHAIRMAN OF THE PRESIDENT'S COUNCIL OF ECONOMIC ADVISERS SAID SEVERAL WEEKS AGO, "AS FAR AS I CAN SEE, WE ARE THE CLEAN-UP CREW FOLLOWING THE BIG PARTY THE NIGHT BEFORE. ... IN THE SECOND HALF OF 1980, THERE WAS THE BIGGEST BLAST OF MONETARY EASE IN AMERICAN ECONOMIC HISTORY ... WE ARE DEALING WITH THE LEGACY OF INFLATION AND HIGH INTEREST RATES."

MURRAY WEIDENBAUM ADDED THAT THE ADMINISTRATION HAS DEVELOPED A POLICY DESIGNED TO CREATE A HEALTHY, NON-INFLATIONARY PERIOD OF SUSTAINED ECONOMIC GROWTH. HE ALSO WARNED THAT "IT WON'T BE A QUICK FIX, AND WE NEVER SAID IT WOULD BE."

THE ADMINISTRATION'S OBJECTIVES OF CUTTING SPENDING AND TAXES, FIGHTING INFLATION, REDUCING THE BURDEN OF GOVERNMENT,

WHILE ACHIEVING BETTER DEFENSES, ARE NOT MUTUALLY EXCLUSIVE.

IN FACT, IF ALL OF THESE ARE NOT ACHIEVED TOGETHER, THE RESULT  
COULD BE THAT NONE ARE ACHIEVED. ONCE AGAIN WE WOULD BE  
REAPING A SHRIVELLED HARVEST, CHOKED AT THE ROOTS.

WHEN PRESIDENT REAGAN TOOK OFFICE EIGHT MONTHS AGO,  
INDICES OF PROFIT AND PROGRESS WERE POOR. AS HE POINTED OUT,  
THE UNITED STATES WAS IN THE WORST ECONOMIC MESS SINCE THE  
DEPRESSION OF THE 1930's.

-- PRICES WERE GOING UP;

-- UNEMPLOYMENT WAS GOING UP;

-- IT WAS GETTING MORE AND MORE DIFFICULT TO SUPPORT THE  
GOVERNMENT IN THE STYLE TO WHICH IT WAS ACCUSTOMED.

NO ONE -- LEAST OF ALL IN THE BUSINESS COMMUNITY --

NO ONE DOUBTED THAT THE SITUATION REQUIRED BOLD INITIATIVES.

DEEP STRUCTURAL PROBLEMS NEEDED ATTENTION AND PERMANENT AND  
COMPREHENSIVE SOLUTIONS DEMANDED FUNDAMENTAL CHANGES IN THE  
RELATIONSHIPS BETWEEN THE FEDERAL GOVERNMENT AND STATE AND  
LOCAL GOVERNMENTS.

FOR THIS REASON, THE PRESIDENT MOVED QUICKLY AND DE-  
CISIVELY WITH SPECIFIC PROGRAMS DESIGNED:

- To CUT GOVERNMENT SPENDING;
- To CUT TAX RATES;
- To WORK WITH THE INDEPENDENT FEDERAL RESERVE BOARD  
TO DEVELOP A MONETARY POLICY TO CONTROL THE RATE OF GROWTH  
IN THE MONEY SUPPLY;
- To REMOVE THE STICKY WEB OF EXCESSIVE GOVERNMENT  
REGULATIONS;
- To RETURN MORE AUTHORITY TO THE STATES AND CITIES;

-- AND, FINALLY, TO MOVE SURELY AND PREDICTABLY TOWARD  
A BALANCED BUDGET.

WHY IS IT IMPORTANT TO YOU AND TO YOUR BUSINESSES THAT  
ALL ASPECTS OF THE PROGRAM BE ACHIEVED?

LET ME GIVE YOU FOUR REASONS:

-- FIRST, MONETARY AND PRICE STABILITY IN THE UNITED  
STATES CAN GO FAR TOWARD PERMANENTLY RESTORING CONFIDENCE  
IN THE DOLLAR AS AN ESSENTIAL UNDERPINNING FOR INCREASED  
TRADE AND INTERNATIONAL INVESTMENT.

-- SECOND, DOMESTIC AMERICAN MONETARY AND PRICE STABILITY  
CAN CONTRIBUTE TO STABILITY IN INTERNATIONAL, AS WELL AS  
DOMESTIC, FINANCIAL MARKETS BY BRINGING INTEREST RATES DOWN TO  
REASONABLE LEVELS AND PROMOTING MORE CERTAIN AND STABLE  
ECONOMIC GROWTH.

-- THIRD, MORE STABLE DOMESTIC GROWTH RATES IN THE UNITED STATES CAN REDUCE ECONOMIC UNCERTAINTY IN OTHER COUNTRIES.

-- FINALLY, A FLOURISHING, DYNAMIC U. S. ECONOMY WILL HELP OTHER COUNTRIES. IT CAN OPEN THE WAY TO LARGER MARKET OPPORTUNITIES IN THE U. S. FOR FOREIGN AS WELL AS DOMESTIC PRODUCERS. AT THE SAME TIME, MORE SUCCESS IN UNITED STATES INDUSTRIES THAT ARE AFFECTED BY FOREIGN COMPETITION WILL REDUCE PROTECTIONIST PRESSURES AND COUNTER-PRESSURES ABROAD.

NOW ANY KEYNESIANS AMONG YOU (AND I SUPPOSE THERE ARE SOME LEFT) MAY BE THINKING, "WE COULD ACHIEVE THE SAME OBJECTIVES, AND BETTER." PERHAPS; BUT IT HASN'T WORKED OUT THAT WAY IN RECENT YEARS. THE VIEW THAT A PLANNED BUDGET DEFICIT AS AN INSTRUMENT OF GOVERNMENT ECONOMIC POLICY IS

ONLY A DOWN-PAYMENT ON A FUTURE SURPLUS IS PRECISELY WHAT  
BROUGHT US TO THIS SITUATION IN THE FIRST PLACE.

I DON'T WANT TO ENGAGE AT THIS POINT IN A DEBATE ON  
THEORETICAL ECONOMICS. MY APPROACH IS MUCH MORE STRAIGHTFORWARD:  
I'VE BEEN KICKED ONCE BY THE KEYNESIAN MULE, AND I'M NOT GETTING  
BEHIND IT AGAIN. MOREOVER, I THINK THAT MUCH OF THE ANGUISH  
EXPRESSED ABOUT PRESIDENT REAGAN'S POLICIES BY SOME ACADEMICS  
AND PRACTITIONERS AND EVEN BY SOME OF THE FINANCIAL COMMUNITY  
MISSES THE POINT: THE REAGAN BUDGET, THE REAGAN TAX CUTS, AND  
THE REAGAN MONETARY POLICY HAVE TO DO WITH THE ACCEPTANCE OF  
REALITY, WITH THE TOUGH -- VERY TOUGH -- NEED TO MAKE CHOICES,  
WITH ALL THE REAL RISKS THAT ALWAYS IMPLIES. THE PRESIDENT  
IS SHOWING AGAIN THIS WEEK THAT HE KNOWS HOW TO FACE REALITY,



AND HE WILL BE LOOKING TO CONGRESS TO DO ITS SHARE AS IT  
REFINES THE 1982 BUDGET. IT WILL BE A VERY DELICATE PROCESS.  
AS THE ACROBAT SAID ON THE HIGH WIRE, "IT'S NOT THE WIRE  
THAT BOTHERS ME, IT'S ALL THAT AIR AROUND IT."

HIGH PRIORITY IN HIS BASIC PROGRAM HAS BEEN ASSIGNED  
BY THE PRESIDENT TO MONETARY POLICY. HE WANTS TO ACHIEVE A  
STEADY SLOWING IN THE GROWTH OF THE MONEY SUPPLY IN ORDER TO  
ACHIEVE A STEADY, PERMANENT, NON-INFLATIONARY RATE OF MONETARY  
EXPANSION. THE CORE OBJECTIVE IS A RATE OF EXPANSION FAR BELOW  
THAT YOU AND I HAVE COME TO EXPECT OVER YEARS OF CORROSIVE  
INFLATION.

INFLATIONARY EXPECTATIONS, OF COURSE, LIE AT THE HEART  
OF THE HIGH LEVEL OF INTEREST RATES IN FINANCIAL MARKETS.

THE AMERICAN ADMINISTRATION ABHORS HIGH INTEREST RATE LEVELS.

ITS OBJECTIVE IS TO AVOID EXPANSIVE POLICIES WHICH CREATE THEM.

CURRENT HIGH LEVELS, MOREOVER, ARE NOT THE RESULT OF ANTI-

INFLATIONARY POLICY; THEY REFLECT, INSTEAD, THE FAILURE OF

PAST EFFORTS TO TAME INFLATION. BERYL SPRINKEL HAS SAID,

"HIGH INTEREST RATES ARE THE RATIONAL REACTION OF CREDIT

MARKETS TO THE UNLEGISLATED TAX WHICH INFLATION IMPOSES ON

THE LENDING OF MONEY. EVEN A BALANCED BUDGET," HE SAID,

"WOULD HAVE ONLY A SMALL EFFECT ON THIS TAX IN THE FACE OF

INFLATIONARY MONEY GROWTH."

THE PRESIDENT HAS MADE CLEAR HIS FIRM EXPECTATION THAT

INTEREST RATES WILL COME DOWN WHEN INFLATION RATES DECLINE.

I SUSPECT WE WILL NOT TINKER WITH GIMMICKS LIKE FASTER

MONEY GROWTH TO BRING INTEREST RATES DOWN, BECAUSE THE JOY  
WOULD BE SHORT-LIVED AS INTEREST RATES SOARED AGAIN.

THE POLICY ALREADY HAS PAID OFF IN SLOWER MONEY GROWTH IN  
RECENT WEEKS.

WE UNDERSTAND THAT THE EFFECTS OF HIGH INTEREST RATES  
ARE PAINFUL FOR OUR FRIENDS OVERSEAS. BUT THEY ARE ALSO  
PAINFUL FOR A YOUNG COUPLE IN THE UNITED STATES LOOKING FOR  
MONEY TO BORROW TO BUY A HOUSE. YET, AMERICANS GENERALLY  
ARE STANDING BEHIND THE PRESIDENT BECAUSE THEY RECOGNIZE  
THAT HE IS MAKING HARD CHOICES. IT MAY INDEED BE THAT SMART  
INVESTORS HERE AND ELSEWHERE ARE ATTRACTED TO THE U. S.  
FINANCIAL MARKETS, NOT JUST BECAUSE OF THE HIGH INTEREST RATES,  
BUT ALSO BECAUSE THE PRESIDENT IS FACING THE ISSUES HEAD-ON,

HE IS TACKLING SERIOUS STRUCTURAL PROBLEMS.

NOW LET ME TURN TO THE GROWTH GENERATORS: THE ADMINISTRATION'S BUDGETARY, TAX AND REGULATORY MEASURES.

ON THE FISCAL SIDE, THE PRESIDENT PLANS TO CUT THE ANNUAL GROWTH IN FEDERAL EXPENDITURES FROM 13.6% TO 4.7%. IT IS TRUE, OF COURSE, THAT ADVOCATES OF SPECIAL INTERESTS WILL BE MAKING THEIR CASES LOUD AND CLEAR. IN FACT, AS A RESULT OF THE LOBBIES, GETTING CONGRESS TO CUT TAXES IN THE FIRST PLACE PROVED ALMOST AS DIFFICULT AS GETTING KING CANUTE INTO A LIFE JACKET. YET, WHEN THE SMOKE CLEARS, WE EXPECT TO HAVE PRUNED AN AVERAGE OF AT LEAST \$50 BILLION PER YEAR FOR THE NEXT THREE YEARS OFF THE SPENDING PLANS OF THE LAST ADMINISTRATION. EVEN DEEPER CUTS ARE LIKELY AS THE PRESIDENT MOVES THIS WEEK TO KEEP THE 1982 DEFICIT DOWN TO THE PROMISED

LEVEL. AND IF YOU WILL PARDON THE EXPRESSION, WE ARE NOT TALKING ABOUT PEANUTS: THE REAL CUTS IN SPENDING WILL BE WELL OVER 10 PER CENT. FOR SOME GOVERNMENT DEPARTMENTS, IT WILL BE HARD TO STOP THEIR PROFLIGATE WAYS. AS THE OLD MORMON SAID AFTER THE BANNING OF POLYGAMY, "IT'S NOT THE CHOICES THAT WERE KILLING ME."

NOW THERE ARE THOSE WHO DOUBT SPENDING AND BORROWING CAN BE CONTAINED AND WHO BELIEVE THAT 1981-82 SPENDING MAY RUN AS HIGH AS \$25 BILLION OVER CURRENT PLANS. AND IF YOU ASK SOME OF THOSE BUREAUCRATS WHOSE BUDGETS HAVE BEEN CUT IF THEY LIKE IT, THAT WOULD BE LIKE ASKING JONAH IF HE ENJOYED THE MEAL. BUT THE RAGING BUDGET BATTLE ALREADY INDICATES THE SPENDERS ARE UP AGAINST A PRESIDENT WHO PLANS TO MAKE HIS

PROGRAM WORK AND WHO IS IN TUNE WITH THE MAJORITY OF AMERICANS WHO PROVED AT THE POLLS THEY ARE FED UP WITH BIG GOVERNMENT AND FEDERAL PROGRAMS GONE HAYWIRE.

THE OTHER SIDE OF THE BUDGET COIN IS THE TAX BURDEN ON AMERICANS. IT WAS SHAW WHO SAID "A GOVERNMENT THAT ROBS PETER TO PAY PAUL CAN ALWAYS DEPEND ON THE SUPPORT OF PAUL."

HOWEVER, WE MUST REMEMBER THAT IN THIS PROCESS PETER'S ENTHUSIASM ALSO DIMINISHES.

THE PRESIDENT SEES TAX CUTS AS INCREASING INCENTIVES, INCREASING INVESTMENT AND INCREASING TOTAL TAX REVENUES. FROM THE NARROWER PERSPECTIVE OF TAXPAYERS, HOWEVER, THE LEGISLATION WILL:

--- LOWER TAXES ON HUNDREDS OF THOUSANDS OF AMERICANS WORKING ABROAD;

-- HELP HIGH-TECH COMPANIES THROUGH PREFERENTIAL

WRITE-OFFS FOR RESEARCH AND DEVELOPMENT SPENDING;

-- CREATE TAX-FREE SAVINGS ACCOUNTS TO HELP SAVINGS

ASSOCIATIONS AND BANKS;

-- PERMIT "DISTRESSED" INDUSTRIES -- LIKE AIRLINES,

STEEL, AUTOMOBILES, MINING, PAPER AND RAILWAYS --

TO OFFSET CURRENT TAXES WITH INVESTMENT TAX CREDITS

THEY HAVE BEEN UNABLE TO USE IN THE PAST BECAUSE

THEY HAVE HAD NO PROFITS; AND

-- EASE TAXES ON BUSINESSES GENERALLY.

By 1984, THE BUDGET -- IF IT WORKS OUT AS MR. REAGAN

PLANS IT -- WILL BE JUST ABOUT THE SAME SIZE IN RELATION TO

THE NATIONAL ECONOMY AS IN THE EARLY 1970'S. DEFENSE SPEND-

ING, DESPITE THE IMPORTANT REAGAN INCREASES, WOULD BE MUCH

LOWER, IN RELATION BOTH TO THE REST OF THE BUDGET AND TO THE ECONOMY, THAN IT WAS UNDER PRESIDENT KENNEDY. I FIND THAT ASTONISHING.

THE IMPACT OF ALL THIS ON PRIVATE CAPITAL MARKETS AND ECONOMIC GROWTH COULD BE SUBSTANTIAL. FOR INSTANCE, IF THE SAVINGS RATE GOES UP ONLY TWO PERCENTAGE POINTS, AN ADDITIONAL \$42 BILLION OF SAVINGS WILL BE AVAILABLE ANNUALLY AT CURRENT INCOME LEVELS. AS FOR THE SUPPLY-SIDE EFFECTS, IF WORKERS ARE READY TO WORK OVERTIME EVERY WEEK FOR ONLY A HALF AN HOUR, THAT COMES TO \$25 BILLION IN ADDITIONAL OUTPUT OR GNP. IF ABSENTEEISM DROPS BY ONLY ONE-HALF A PERCENTAGE POINT, WE ARE TALKING ABOUT \$10 BILLION IN GROSS NATIONAL PRODUCT.

THE ADMINISTRATION ALSO IS DETERMINED TO GET GOVERNMENT



OFF INDUSTRY'S BACK. THE AIM IS TO SPUR COMPETITION BY ELIMINATING REGULATIONS THAT STAND IN THE MARKET'S WAY. IT HAS BEEN REPORTED THAT IN HIS FIRST DAYS IN OFFICE, THE PRESIDENT ORDERED NO FURTHER REGULATORY DIRECTIONS TO BE ISSUED PENDING FURTHER REVIEW. IN A CLASSIC CASE OF "CATCH 22," THE PRESIDENT RELENTED WHEN IT WAS POINTED OUT TO HIM THAT MANY OF THE DIRECTIVES HE STOPPED ACTUALLY WERE DIRECTIVES THAT CALLED FOR CANCELLATION OF PREVIOUS DIRECTIVES.

ALL OF US WHO HAVE FOUGHT LIKE TARZAN IN THE BUREAUCRATIC JUNGLES, WILL WELCOME THE NEWS THAT IN THE FIRST 100 DAYS OF THE ADMINISTRATION, 104 REGULATORY RELIEF MEASURES WERE ENACTED.

FINALLY, THE ADMINISTRATION IS PLEDGED TO RETURN TO THE STATES OF THE FEDERAL UNION MORE AUTHORITY FOR PROGRAMS IN

THE STATES AND MORE RESPONSIBILITY FOR FUNDING AND GUIDING  
THEM. THIS IS PART AND PARCEL OF THE EFFORT TO RESTORE THE  
BALANCE BETWEEN THE CENTRAL AND LOCAL GOVERNMENTS, WITH THE  
AIM, ONCE AGAIN, OF RESPONDING BETTER TO THE ASPIRATIONS AND  
NEEDS OF PEOPLE.

MR. CHAIRMAN, MARK TWAIN REMINDED US THAT "WE SHOULD  
NOT GO AROUND SAYING THE WORLD OWED US A LIVING, FOR THE

WORLD OWES US NOTHING; IT WAS HERE FIRST." A HUNDRED YEARS OR SO LATER, LORD CLARK SAID, "WE CAN DESTROY OURSELVES BY CYNICISM AND DISILLUSION, JUST AS EFFECTIVELY AS WITH BOMBS." BOTH WERE RIGHT AND BOTH, AT HEART, SPOKE AGAINST PASSIVITY AND FOR CREATIVITY IN THE BROADEST SENSE.

RONALD REAGAN'S PROGRAMS HAVE BEEN ENACTED WITH THE OVERWHELMING ENDORSEMENT OF OUR CONGRESS. THIS, ALONE, DOES NOT MAKE THEM RIGHT. BUT IT DOES SUGGEST THAT AMERICANS ARE READY FOR A BOLD CREATIVE NEW PHASE IN THEIR NATIONAL LIFE THAT ENTAILS OVERTURNING SOME OF THE DOGMA OF RECENT DECADES THAT STANDS IN THE WAY OF NATIONAL RENEWAL.

YOU AND I KNOW THAT BECAUSE OF THE DECLINE IN OUR STOCK MARKET AVERAGES, BECAUSE OF OUR HIGH INTEREST RATES, AND BECAUSE OF OUR PLANNED DEEP CUTS IN SPENDING FOR SOCIAL

PROGRAMS, PROPHETS OF DOOM ARE TEARING UP THE REAGAN ECONOMIC

PROGRAM. THEY ARGUE THAT THE PROGRAM ISN'T WORKING.

THAT'S LIKE SUGGESTING YOU OR I MIGHT BOARD THE NOON TRAIN

FOR BLACKPOOL AN HOUR EARLY AND THEN COMPLAIN AFTER FIVE

MINUTES IT ISN'T MOVING.

I WOULD REMIND YOU THE VERY FIRST MEAGER MARGINAL TAX

RATE REDUCTIONS AND PUBLIC SPENDING CUTS DON'T EVEN TAKE

EFFECT FOR A FEW MONTHS, AND THE MAJOR ONES DO NOT COME INTO

PLAY FOR NEARLY A YEAR.

GENTLEMEN, MR. REAGAN'S PROGRAM OFFERS A SOUND ALTERNA-

TIVE TO ALL THOSE PROGRAMS WHICH HAVE GONE BEFORE -- AND

WHICH HAVE PROVED THAT WE CANNOT AND MUST NOT TRY AGAIN TO

SPEND OURSELVES INTO PROSPERITY.

BY CHOPPING AT THE ROOTS, PRESIDENT REAGAN AIMS FOR A  
HIGHER YIELD. HE SEEKS NOTHING LESS THAN NATIONAL RENEWAL.  
HE IS DETERMINED TO SUCCEED.

AFTER YEARS OF DECLINING PRODUCTIVITY, AMERICA IS READY,  
PRESIDENT REAGAN BELIEVES, TO GET BACK TO WORK, IN A STABLE  
ECONOMIC CLIMATE WHERE INDIVIDUAL INDUSTRY IS BETTER REWARDED  
AND WHERE ENTERPRISE CAN FLOURISH.

AS THE PRESIDENT SAID LAST WEEK:

"CAN ANYONE HERE SAY THAT IF WE CAN'T DO IT, SOMEONE  
DOWN THE ROAD CAN DO IT? AND IF NO ONE DOES IT, WHAT HAPPENS  
TO THE COUNTRY? ALL OF US HERE KNOW THE ECONOMY WOULD FACE  
AN EVENTUAL COLLAPSE. I KNOW IT'S A HELL OF A CHALLENGE,  
BUT ASK YOURSELVES: IF NOT US, WHO? IF NOT NOW, WHEN?"

THE WHITE HOUSE  
WASHINGTON

October 20, 1981

Dear Alice:

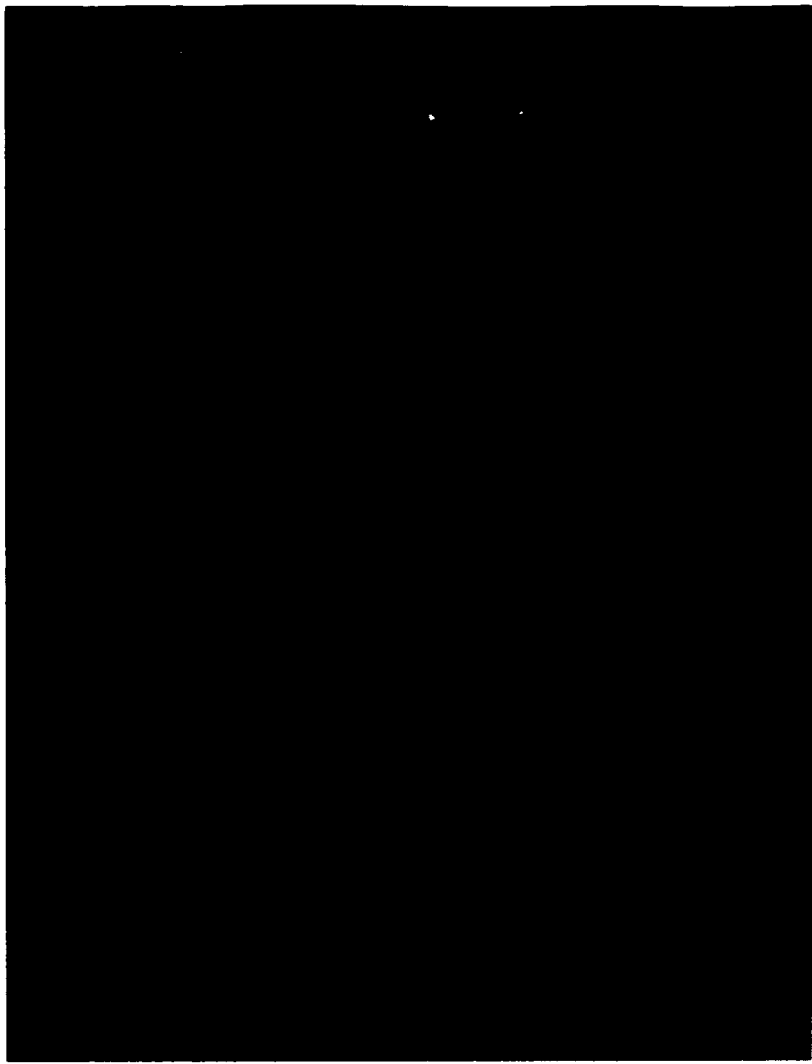
How thoughtful of you to send along the records of the Howard University Chapel Choir. We are enjoying them and appreciate you thinking of us.

Hope we can get together soon.

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

Mrs. Alice Green Burnette  
Director of Development  
Department of Development  
Howard University  
Washington, D.C. 20008



# HOWARD UNIVERSITY

WASHINGTON, D.C. 20008

## DEPARTMENT OF DEVELOPMENT

October 8, 1981

Mr. and Mrs. Michael Deaver  
4521 Dexter Street, N.W.  
Washington, D.C. 20007

Dear Mike and Carolyn:

I hope you will enjoy the enclosed albums, and make them a part of your personal collection. Warmest regards to both of you. Hope we can get together soon.

Sincerely yours,



Alice Green Burnette  
Director of Development

Enclosures

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THE WHITE HOUSE

WASHINGTON

October 20, 1981

Dear John:

Thanks for sending along the speech. It was a good one, and I've shared it with the members of our staff.

I appreciate your thoughtfulness.

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

The Honorable John J. Louis, Jr.  
Embassy of the United States of America  
London, England



# WORLD AFFAIRS COUNCIL OF PHILADELPHIA

October 20, 1981

Honorable Michael Deaver  
Deputy Chief of Staff  
to the President  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Re: Visit to Philadelphia, 1982

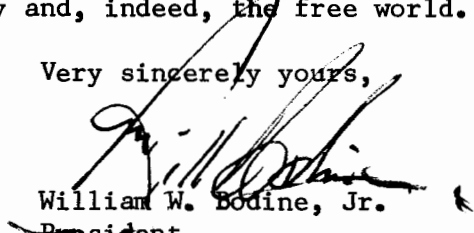
Dear Michael,

I do want to record a bit more formally the great pleasure of our World Affairs Council in having you lunch with us last Thursday when President Reagan honored this Birthplace of our Nation with his visit to Philadelphia.

Assuming that the time will come when you may desire an appropriate platform and a knowledgeable audience before which to speak, I do want to have on the record our cordial invitation to welcome you back as our Guest of Honor whenever it is timely and convenient for you to return to Philadelphia. We can either turn out on your behalf a large audience similar to that of last Thursday (without the interrupters, for whom I have apologized to the President), or - which I imagine would be more to your liking - a small group of acknowledged internationalists comprising our Circle membership who meet at a private home on Sunday afternoons for "Cocktails and Conversation." That group of CEO's and senior opinion leaders from throughout the Southeastern Pennsylvania-Southern New Jersey-Delaware area is accustomed to abiding by our ground rule that following the meeting, no discussion takes place relative to the opinions or the information divulged by our Discussion Leader. All of your predecessors have utilized this mechanism over the years and we very much hope that sometime in 1982, you will do the same.

It was great having you with us and we look forward to an early return. This comes with renewed appreciation for the splendid public service you are furnishing our country and, indeed, the free world.

Very sincerely yours,

  
William W. Bodine, Jr.  
President

NAN

WWB Jr:r

ALL POINTS RELOCATION



525 N. SHERMAN AVENUE  
MADISON, WISCONSIN 53704  
PHONE 241-5500

October 20, 1981

Mr. Michael Deaver  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D. C. 20500

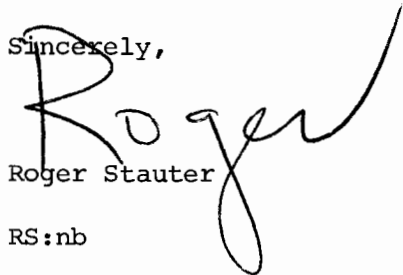
Dear Mike:

I am writing to express my congratulations on the splendid accomplishments of the Reagan administration and to urge steadfast adherence to your basic policy positions.

I am persuaded that this nation has been ill-served by the pitifully inadequate time horizons of major political and economic institutions - the media, members of Congress, Wall Street. They seem to reject or lose interest in policies which fail to provide gratification within a few weeks or a few months. These institutions seem to lack a psychological orientation toward providing for the future.

I believe the future-oriented ideals of this administration can be implemented only through steadfastness and perseverance. You have my support and best wishes.

Sincerely,

  
Roger Stauter

RS:nb

NAN

THE WHITE HOUSE

WASHINGTON

October 20, 1981

*fill*

MEMORANDUM FOR JAMES A. BAKER III  
MICHAEL K. DEEVER

FROM: FRED F. FIELDING *[Signature]*  
SUBJECT: Dinner Invitation - Kissingers

In response to the inquiry from your staffs, I do not see how attending a social dinner in New York hosted by the Kissingers, to which you and your wives are invited to dine with the Kirklands, could be appropriately characterized as official travel. A meeting between you both and Kissinger and Kirkland to discuss official business matters may justify your travel being official -- that is a call you would have to make. However, your wives' expenses would have to be personal expenses, in any event.