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WHITE HOUSE OFFICE OF RECORDS MANAGEMENT WORKSHEET

☐ X - MEDIA☐ H - INTERNAL

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

Subject Codes:

PR 007.01

1. Subject: Meeting with Republican
Congressional Leaders to discuss
The Economic recovery program

FG 031.

LE

PL 005.04

FI 004.

FI 010.

BE 004.

2. Meeting with the Legislative
Strategy Group

3. Meeting with 19 Governors
regarding Block Grant legislation

ST

FA

ROUTE TO:

ACTION

DISPOSITION

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

Referral Note:

THE WHITE HOUSE
WASHINGTON

REVISED
UNPUBLISHED
May 11, 1981
6:00 pm

THE PRESIDENT'S SCHEDULE
Tuesday, May 12, 1981

9:02 OVAL - EM, JB, MKO
9:07 - 10:02
9:00 am Meeting with GOP Congressional Leaders Cabinet Room
(60 min) (Max Friedersdorf) (TAB A)
Press Photo Opportunity at Beginning
10:04 - OVAL - EM, JB - 10:20
10:00 am Staff Time Oval Office
(30 min) (Baker, Meese, Deaver)
10:20 - PRIVATE TIME - OVAL
~~10:30 am Senate Labor Human Resources STAFF TIME Cabinet Room~~
~~(30 min) Committee Meeting~~
~~(Max Friedersdorf) (to be distributed in the morning)~~
✓ 11:00 am - 11:55 Legislative Strategy Meeting with Secretary Oval Office
(30 min) Regan and David Stockman
(Richard Darman) (TAB B)
11:30 am Personal Staff Time Oval Office
(30 min)
✓ Noon Meeting with Governors - Executive Committee Cabinet Room
(30 min) and Standing Committee Chairmen of the
National Governors' Association (TAB C)
(Richard W. Williamson)
Press Photo when President Enters Meeting
12:37
12:30 pm Haircut W. Basement
(30 min)
1:00 pm Return to Residence


✓ 1:15 RESID.

EISENHOWER QUELLE SPEECH? 1970?

THE WHITE HOUSE

WASHINGTON

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERS

DATE: Tuesday, May 12, 1981
LOCATION: The Cabinet Room
TIME: 9:00 a.m. (one hour)
FROM: MAX L. FRIEDERSDORF 

I. PURPOSE

To discuss the status and future action on the President's Economic Recovery Program with the Republican Congressional Leaders.

II. BACKGROUND

The House passed the Fiscal 1982 Budget Resolution last week, the Gramm-Latta substitute passing by 253-176. The Senate is debating the 1982 Budget Resolution and may conclude action today.

The next big hurdle in passing the President's program is the tax reduction bill. The House has postponed mark-up until late this month or early June. The Senate Finance Committee plans to start hearings tomorrow.

III. PARTICIPANTS

See Attachment "A"

IV. PRESS PLAN

White House photo, press opportunity at beginning

V. SEQUENCE OF EVENTS

The Republican Leaders enter the Northwest gate and proceed to the West Lobby before joining the President in the Cabinet Room.

Talking Points: See Attachment "B"

ATTACHMENT A

PARTICIPANTS

The President
The Vice President
Secretary of Treasury, Donald Regan
Director of the OMB, David Stockman
Deputy Secretary of Defense, Frank Carlucci
Chairman of the CEA, Murray Weidenbaum

SECRETARY OF HHS - DICK SCHWEIKER

SENATE

Howard Baker, Majority Leader
Ted Stevens, Majority Whip
James McClure, Chairman of Republican Conference
Jake Garn, Secretary of Republican Conference
John Tower, Chairman of Republican Policy Committee
Paul Laxalt
~~Strom Thurmond, President Pro Tempore of Senate~~
Mark Hatfield, Chairman of Appropriations Committee
Pete Domenici, Chairman of Budget Committee
Bob Dole, Chairman of Finance Committee

HOUSE

Bob Michel, Minority Leader of the House
Trent Lott, Minority Whip of the House
Jack Kemp, Chairman of Republican Conference
Dick Cheney, Chairman of Republican Policy Conference
Jack Edwards, Chairman of Republican Conference
Clair Burgener, Vice Chairman of Republican Conference
Edward Madigan, Chairman of Republican Research Committee
Thomas Evans, Vice Chairman National Republican Congressional Committee
John Rhodes, Dean of House Republicans
Delbert Latta, Ranking Republican Member, Budget Committee
Silvio Conte, Ranking Republican Member, Appropriations Committee
Barber Conable, Ranking Republican Member, Ways & Means Committee
Bill Dickinson, Ranking Republican Member, Armed Services Committee

STAFF

Jim Baker, Ed Meese, ~~Mike Deaver~~, Marty Anderson, Richard Allen,
Lyn Nofziger, Dick Darman, Max Friedersdorf, Dave Gergen, Powell
Moore, Ken Duberstein, Jonna Lynn Cullen, Bob Thompson.

REGRETS

Dick Richards, Chairman of the RNC
Guy Vander Jagt - in Michigan
James Quillen - in Tennessee

Attachment B

SUGGESTED TALKING POINTS FOR MEETING WITH
REPUBLICAN CONGRESSIONAL LEADERS

- Congratulate and thank the full Republican Leadership for the marvelous job they did in passing the '82 Budget Resolution (Gramm-Latta) with unanimous Republican support (190 House Republicans).
- Single out for particular accolades Bob Michel, House Republican Leader; Trent Lott, House Republican Whip; and Del Latta, Ranking Member of the House Budget Committee.
- Stress the necessity now of maintaining the integrity of the Budget Resolution through the reconciliation, appropriation and authorization process.
- Restate your determination and commitment for passage of your Tax reduction package to provide incentive, capital and savings for investment.
- Stress to the Leader that the same kind of effort will be required to attain the tax package--a tough job, but possible with an all-out effort.
- Call on Senator Howard Baker and Bob Michel for their reports, and ask them to call on the Senate Chairmen and House Ranking Members for their reports and comment.
- Howard will you give us your report, and then Bob....

AGENDA

9:00 a.m. (5 minutes)	President opens meeting
9:05 a.m. (15 minutes)	President calls on Senator Baker for Senate report, and Senator Baker calls on other Senate Republican Leaders and Chairmen
9:20 a.m. (15 minutes)	President calls on Congressman Michel for House report and Congressman Michel calls on other House Republican Leaders
9:35 a.m. (25 minutes)	President opens meeting to general discussion and questions
10:00 a.m.	President concludes meeting

THE WHITE HOUSE

WASHINGTON

MEETING OF LEGISLATIVE STRATEGY GROUP

Tuesday, May 12, 1981

The Oval Office

11:00 a.m. (30 minutes)

From: Richard G. Darman

R.G.D.

I. PURPOSE

The purposes of the meeting are:

- to review with you the tax program's current Congressional situation and prospects;
- to acquaint you with both strategic and substantive options being considered by the Legislative Strategy Group; and
- to get your reactions and guidance -- before proceeding with next steps in the effort to gain a tax package victory.

II. PARTICIPANTS

The Legislative Strategy Group has been meeting about 3 times per week to coordinate the development of legislative strategy. Its regular White House members are: Messrs. Baker, Moose, Moose, Friedersdorf, Darman, Fuller, and Gergen. It is joined by others as the situation and agenda require. In addition to the regular White House participants, this meeting will include Secretary Regan, Dave Stockman, and Marty Anderson.

III. BACKGROUND

The following is a summary of relevant background considerations:

- Legislative calendar. Don Regan is scheduled to lead off the Senate Finance Committee hearings on Wednesday, May 13. The House Ways and Means Committee has, as you know, postponed tax mark-up. Mark-up is now estimated for either May 27 or June 1. The Committee has a target of June 15 for its report.
- Congressional attitudes. As you know, it is thought likely to be somewhat tougher to put together the necessary tax cut coalition than it was the budget coalition. Many Congressman who voted or campaigned against "Kemp-Roth" want something other than 10/10/10 -- in some cases for reasons of substance, in others for reasons of symbolism. Several House Ways and Means Republicans are less than solid -- worried about being asked to hold firm, only to have the rug pulled by a subsequent compromise. Several of the conservative Democratic members are worried about excessive revenue

losses and deficits. And the tax-writing leadership has an interest in avoiding multi-year cuts -- in order to save their chance to act in subsequent years.

On the other hand, the House Conservative Democratic Forum (CDF) has already (informally) shown serious signs of moving substantially toward us. Congressmen Hance and Gramm have developed an approach that they will be discussing with the CDF on Wednesday. (We will discuss this with you.) And Congressman Rostenkowski has shown some signs of concern about the possibility of a floor defeat in this his first time out as Chairman of Ways and Means. On Sunday, he suggested he could perhaps accept a two-year tax cut. There would appear to be -- either with Rostenkowski, or CDF, or both -- the possibility of another bi-partisan coalition.

- Substantive considerations. As you know from your telephone conversations, the question of prospective deficits is one of the most important issues for many key Congressmen. The problem here is compounded by doubts and uncertainties about: our economic assumptions; our ability to control defense expenditures; and our political capacity to achieve the large "additional savings" we have promised but not yet fully specified.

Our current proposal entails estimated revenue losses (relative to current law) of:

<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>
\$(55.0) billion	(102.8)	(151.5)

Naturally, the issue arises as to whether we can achieve the desired stimulus for savings and investment at a somewhat lower level of revenue loss. The Treasury Department has been working on this question and will be prepared to discuss it with you.

IV. ISSUES

In this context there is a need to address two basic issues:

Issue (1): What basic set of tax cuts will: (a) provide the necessary stimulus for economic recovery; (b) allow you legitimately to claim victory if they are achieved; and (c) be within the politically feasible range?

The Legislative Strategy Group has been leaning toward an answer to this question that looks roughly like this -- a combination of:

- individual rate cuts totalling 25% over three years (with options as to different permutations and different effective dates):
- a cut in the top rate on unearned income from 70% to 50%, effective January 1, 1982 (with the possible addition of a cut in the bottom rate, as well); and
- the Accelerated Cost Recovery System ("ACRS" or "10/5/3") as proposed by the administration (with the possibility of certain technical -- not basic -- modifications).

This would result in a lesser revenue loss than our current position would. (In one variation the revenue loss would be about \$27 billion lower in FY 82, about \$27 billion lower in '83, and about \$16 billion lower in '84.) The difference could go to a combination of deficit reduction and acceptance of selected other tax reduction proposals necessary to achieve a political majority.

The group will be prepared to discuss this issue -- and related options -- in greater detail.

Issue (2): With whom in the Congress should negotiations be conducted, and when?

The Legislative Strategy Group has been leaning toward an answer to this question that:

- presumes that Congressman Conable and Senator Dole (and soon, Senator Long) must participate heavily with the Administration in both the formulation and execution of strategy; and
- presumes that it would be desirable to execute a "quick strike" -- while your perceived power is high -- working out a satisfactory agreement with the leaders of House and Senate coalitions within the next 2-3 weeks.

There is, however, considerable uncertainty as to whether the coalition in the House should be built through negotiations with Rostenkowski, or the CDF, or both.

The Group will be prepared to discuss with you in greater detail this issue of tactics.

V. SEQUENCE OF EVENTS

Jim Baker chairs the Legislative Strategy Group, and will lead off.

IV. PRESS PLAN

White House photographer only.

THE WHITE HOUSE

WASHINGTON

May 11, 1981

MEETING WITH 19 GOVERNORS

DATE: May 12, 1981

LOCATION: Cabinet Room

TIME: 11:30 a.m. - 12:30 p.m.

(You will join the meeting at 12 noon)

FROM: Richard S. Williamson *Rich*

I. PURPOSE

This is an opportunity to review objectives shared by the Governors and the Administration with regard to the Block Grant proposals and suggest common strategies to win their enactment. It is important to reiterate the Administration's strong commitment to Block Grants.

II. BACKGROUND

The Governors are in Washington, D.C. for a meeting of the National Governors' Association (NGA) Executive Committee and Standing Committee Chairmen. After meeting with you, they will proceed to Capitol Hill for discussions with the House and Senate leadership and with members of Congress on the Block Grant issues. (See attachment 4 - NCA Agenda.)

III. PARTICIPANTS

19 Governors (see attachment 1)
Secretary Richard Schweiker

James Baker, ~~Edwin Meese~~ and Richard Williamson will also attend.

IV. PRESS PLAN

Group photo opportunity after your arrival (prior to your remarks.)

Selected Governors will proceed to the Press Room after the meeting.

V.

SEQUENCE OF EVENTS

11:30 a.m. - 12 noon

Rich Williamson will welcome the Governors and call on Secretary Schweiker.

Secretary Schweiker will make brief remarks on HHS Block Grant proposals.

Q and A.

12 noon

You will arrive.
(Group photo opportunity.)

12:05 - 12:10 p.m.

You will make brief remarks (talking points attached) and call on Governor Busbee.

12:10 - 12:15 p.m.

Governor Busbee will make brief remarks. (See attachment 3 and 4

12:15 - 12:30 p.m.

Q and A.

Attachments:

- (1) List of Governors attending.
- (2) Talking Points.
- (3) Supportive letter from Governor Busbee requesting this meeting.
- (4) NGA Agenda.

Attendees

Executive Committee

Governor Busbee (D-Georgia), NGA Chairman
Governor Lamm (D-Colorado)
Governor Thompson (R-Illinois)
Governor Evans (D-Idaho)
Governor Ray (R-Iowa)
Governor Milliken (R-Michigan)
Governor Dreyfus (R-Wisconsin)

Standing Committee Chairmen

Governor Carlin (D-Kansas)
Governor Thornburgh (R-Pennsylvania)
Governor List (R-Nevada)
Governor Snelling (R-Vermont)
Governor Byrne (D-New Jersey)
Governor Rockefeller (D-West Virginia)
Governor Hughes (D-Maryland)

White House NGA Liaison

Governor Alexander (R-Tennessee)

Subcommittee Chairmen

Governor Brennan (D-Maine)
Governor Graham (D-Florida)
Governor Matheson (D-Utah)

Governor Coleman (R-American Samoa)

SUGGESTED TALKING POINTS

- I understand that the purpose of your meeting in Washington is to discuss the Administration's Block Grant proposals.
- This is a particularly opportune time for your meeting. Last week, we were successful on step one of our program for economic recovery. The passage in the House of the Budget resolution is a major step forward in placing controls on federal spending.
- Now that those Budget cuts are in place, the passage of the Block Grant proposals is an absolute necessity if you are to have the flexibility to administer the programs affected by those cuts.
- I cannot stress more emphatically my personal commitment to the Block Grants.
- Along with the tax cut legislation and regulatory relief, Block Grants are a major priority of this Administration.
- George, (Governor Busbee) in your letter requesting this meeting, you stated that the Governors share my commitment to Block Grants and that you are eager to join forces in a determined and united effort to seek their passage. Nothing would please me more.

- I understand you have been discussing some of the proposals with Secretary Schweiker. Let me encourage you to contact any member of the Cabinet while we are seeking passage of these measures.

- I know that Max Friedersdorf is following the Block Grant legislation closely. Rich Williamson is prepared to coordinate an effort by all the elected state and local officials who are supportive.

- I think you'll see a well-coordinated and effective effort on this legislation.

- I understand that you had a chance to meet earlier today and Governor Busbee would like to express some of the comments raised at that meeting.

(Call on Governor Busbee.)



National Governors' Association

George Busbee
Governor of Georgia
Chairman

April 14, 1981

Stephen B. Farber
Executive Director

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

Dear Mr. President:

I am delighted with the news of your return to the White House and resumption of your duties. The strength and character which you have shown throughout this ordeal have won the respect and admiration of all Americans. On behalf of the nation's Governors, I want to wish you a continued speedy recovery.

On Tuesday, May 12 the NGA Executive Committee and Standing Committee chairmen will convene in Washington, and if your schedule permits we would like to review with you some of our common objectives. In our own meeting on that day from 10:00 a.m. until 1:00 p.m., we will focus particular attention on block grant and "sorting out" proposals. We would like to discuss these issues with you from 2:00 p.m. to 3:00 p.m., if possible, and then to proceed to Capitol Hill to impress on the leadership and key Committee chairmen the importance of rapid implementation of these concepts.

The Governors share your commitment to block grants, and we consider the flexibility they provide essential to ease the impact of budget cuts. We are concerned, however, that although the block grants are scheduled to become effective on October 1, a number of the bills have not yet been introduced. Moreover, consultation with the Governors on the details of the block grants has not yet been as extensive as we would hope. We would appreciate the opportunity to comment on remaining block grant bills prior to their submission to Congress. Passage of the block grants this year will require a determined and united effort by the Administration and the Governors, and we are eager to join forces effectively with you in this effort.

Once again, Mr. President, welcome home! I hope to see you on May 12.

With warm personal regards, I am

Sincerely,



George Busbee



National Governors' Association

George Busbee
Governor of Georgia
Chairman

Stephen B. Farber
Executive Director

POINTS FOR DISCUSSION WITH THE PRESIDENT AND THE CONGRESSIONAL LEADERSHIP

Points for the Governors' May 12 discussion at the White House with the President and senior Administration officials, and on Capitol Hill with the House and Senate majority and minority leadership, include the following:

1. Increased flexibility in state-federal programs is absolutely essential in order to alleviate to some degree the impact of budget cuts and to direct reduced funds to the needs of people rather than to overhead costs. If Congress delivers budget cuts without flexibility, or delivers the cuts and the flexibility too late in state fiscal and legislative years, the states will not be able to make rational and humane adjustments.
2. Block grants are a key element of flexibility. The Administration has proposed six block grants in health (2), education, social services, emergency assistance, and community development, and the response to date by Congressional committees has been mixed. Effective block grants will be adopted this year only if the Administration and block grant supporters in Congress are prepared to place the highest priority on their passage.
3. Block grants in highways, airport development, and energy should also be adopted. In addition, the Federal Assistance Improvement Act (S.807), which creates a streamlined procedure for Congressional consideration of Presidential grant consolidation proposals, should be passed.
4. Responsible review of federal regulations is another key element of flexibility. The Governors' "Green Book" entitled Eliminating Roadblocks to Efficient State Government will be completed shortly and transmitted to the Vice President's Task Force on Regulatory Relief.
5. In the Medicaid program increased flexibility for states to act as prudent purchasers of medical services and supplies is essential. The statutory changes proposed by the Governors in February to achieve this flexibility are now receiving substantial support from the Administration and Congress. The other two components of the Governors' alternative to the proposed 5% Medicaid cap -- an interim 10% cap on the rate of increase in Medicare reimbursement rates and a 7% cap on the long-term care portion of Medicaid -- would save more than the Medicaid cap. They deserve support by the Administration and Congress.
6. The budget cuts reinforce the primary state-local role in education, law enforcement, transportation, and community development. But states cannot absorb these new responsibilities simultaneously with increased burdens in welfare and Medicaid. Sorting out the roles of government remains a top priority for the Governors, and negotiations with the Administration and Congress are in order.
7. On a longer range basis, options for returning revenue resources, as well as responsibilities, to the states, as the President has urged, should be explored.