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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 FEB 1982

Subject Codes:

PR 007.01

1 Subject: Meeting with Lyn NOFZIGER

2 Meeting with David PROSPER

3 Meeting with KATHY DAVIS, formerly
Secretary to Governor Reagan,
1966 to 1968.

4 Luncheon and remarks ^{out-of town} to editors
and broadcasters.

5 Meeting with Big Brothers/Big
Sisters of America.

6 List of invites / attendees at
National Security Council meeting.

PR 016.

50003

WE 009.

WE 001.

EG 006.12

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
HENL RMMATT	RSZ	1 / 1			1 / 1

Referral Note:

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
Friday, February 19, 1982

9:02 OVAL

9:00 am (30 min)	<u>Staff Time</u> 9:04 - (Baker and Meese)	Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> 9:26 - 10:08 (William P. Clark), <u>McKILLAND</u> , JB, EM	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u> 10:10 - 10:40 EM, JB FULLER, OBERGYN, SPEAKES, DUBENSTEIN	Oval Office
10:00 am (45 min)	<u>Personal Staff Time</u>	Oval Office
10:45 am (15 min)	<u>Meeting with Lyn Nofziger</u> 10:45 - 11:00 (Gregory Newell)	Oval Office
11:15 am (30 min)	<u>Meeting with Pendleton James</u> , EM, <u>HELENE VON DAMM</u> 11:15 - 11:45	Oval Office
11:50 am (5 min)	<u>Photo with David Prosperi</u> ✓ (Larry Speakes)	Oval Office
11:55 am (5 min)	<u>Photo with Kathy Davis</u> ✓ (Helene von Damm)	Oval Office
12:00 m (75 min)	<u>Lunch with Editors and News Directors of TV and Radio Stations in the Northeast</u> (Muffie Brandon/Karna Small) 12:10 - 1:27	State Dining Room
1:20 pm (5 min)	<u>Photo with Representatives of the Big Brothers/Big Sisters</u> 1:30 - 1:32 (Elizabeth Dole) 1:32 - 1:37 Clark, JB	Oval Office
1:30 pm (60-90min)	<u>National Security Council Meeting</u> (William P. Clark) 1:37 - 2:00	Cabinet Room
3:00 pm 3:41	<u>To Private Quarters for remainder of the day</u>	Residence

REQUEST FOR APPOINTMENTS

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

Please admit the following appointments on Friday, February 19, 19 82

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

The Vice President

State

Under Secretary Lawrence S. Eagleburger
Assistant Secretary Thomas O. Enders

Treasury

Assistant Secretary Marc Leland

OSD

Secretary Caspar W. Weinberger
Under Secretary Fred C. Ikle

Agriculture

Secretary John R. Block

Commerce

Under Secretary Lionel Olmer

OMB

Mr. William Schneider

Ed Handen
DAVE STOCKMAN

CIA

Mr. William J. Casey

USUN

~~Ambassador Jeane J. Kirkpatrick~~

USTR

Ambassador William Emerson Brock III

JCS

General David C. Jones
Lt Gen Paul F. Gorman

AID

Peter McPherson, Administrator
~~Otto Reich, Assistant Administrator~~

White House

Mr. Edwin Meese III
Mr. James A. Baker III
Judge William P. Clark
Mr. Robert C. McFarlane
Mr. Martin C. Anderson
Mr. Ken Duberstein
Mr. Craig Fuller
Mr. David Gergen
Mr. Lewis R. Cavaney
Mr. Richard Williamson

NSC

Colonel Michael O. Wheeler
Mr. Roger Fontaine
Mr. Henry Nau

BAGATSIAN - SPEECHWRITER

MEETING LOCATION

Building White House

Requested by Kathy McGraw

Room No. Cabinet Room

Room No. 376A Telephone 3044

Time of Meeting 1:30-3:00 p.m.

Date of request February 19, 1982

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

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

THE WHITE HOUSE
WASHINGTON

MEETING WITH LYN NOFZIGER

DATE: FRIDAY, FEBRUARY 19, 1982
LOCATION: OVAL OFFICE
TIME: 10:45 A.M. (15 MINUTES)
FROM: GREGORY *G.* NEWELL

I. PURPOSE

Lyn Nofziger wants to come meet with you.

II. BACKGROUND

This will be his first meeting with you since he left the staff.

III. PARTICIPANTS

The President
Lyn Nofziger

IV. PRESS PLAN

White House Photographer

V. SEQUENCE OF EVENTS

10:45 a.m. Mr. Nofziger enters Oval Office; White House photographer takes photo before meeting begins.

11:00 a.m. After meeting with you, Mr. Nofziger departs.

*Bragg + Nofziger
Communication Consultants
Wash., DC.*

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT'S SCHEDULE
Friday, February 19, 1982

8:00 am (30 min)	<u>Staff Time</u> (Baker and Meese)		Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> (William P. Clark)		Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>		Oval Office
10:00 am (45 min)	<i>Senior Staff Time</i> <u>Personal Staff Time</u>		Oval Office
10:45 am (15 min)	<u>Meeting with Lyn Nofziger</u> (Gregory Newell)	(TAB A)	Oval Office
11:15 am (30 min)	<u>Meeting with Pendleton James</u>		Oval Office
11:50 am (5 min)	<u>Photo with David Prosperi</u> (Larry Speakes)	(TAB B)	Oval Office
11:55 am (5 min)	<u>Photo with Kathy Davis</u> (Helene von Damm)	(TAB C)	Oval Office
12:00 m (75 min)	<u>Lunch with Editors and News Directors of TV and Radio Stations in the Northeast</u> (Muffie Brandon/Karna Small)	(TAB D) (draft remarks attached)	State Dining Room
1:20 pm (5 min)	<u>Photo with Representatives of the Big Brothers/Big Sisters</u> (Elizabeth Dole)	(TAB E)	Oval Office
1:30 pm (60-90min)	<u>National Security Council Meeting</u> (William P. Clark)	(distributed separately)	Cabinet Room
3:00 pm	<u>To Private Quarters for remainder of the day</u>		Residence

February 18, 1982
5:00 pm

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT'S SCHEDULE
Friday, February 19, 1982

9:00 am (30 min)	<u>Staff Time</u> (Baker and Meese)		Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> (William P. Clark)		Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>		Oval Office
10:00 am (45 min)	<u>Personal Staff Time</u>		Oval Office
10:45 am (15 min)	<u>Meeting with Lyn Nofziger</u> (Gregory Newell)	(TAB A)	Oval Office
11:15 am (30 min)	<u>Meeting with Pendleton James</u>		Oval Office
11:50 am (5 min)	<u>Photo with David Prosperi</u> (Larry Speakes)	(TAB B)	Oval Office
11:55 am (5 min)	<u>Photo with Kathy Davis</u> (Helene von Damm)	(TAB C)	Oval Office
12:00 m (75 min)	<u>Lunch with Editors and News Directors of</u> <u>TV and Radio Stations in the Northeast</u> (Muffie Brandon/Karna Small)	(TAB D) (draft remarks attached)	State Dining Room
1:20 pm (5 min)	<u>Photo with Representatives of the Big</u> <u>Brothers/Big Sisters</u> (Elizabeth Dole)	(TAB E)	Oval Office
1:30 pm (60-90min)	<u>National Security Council Meeting</u> (William P. Clark)	(distributed separately)	Cabinet Room
3:00 pm	<u>To Private Quarters for remainder</u> <u>of the day</u>		Residence

A

THE WHITE HOUSE
WASHINGTON

059228
PR 007-01
Briefing Papers for
President's Scheduled
Appointments for
February 19, 1982

MEETING WITH LYN NOFZIGER

DATE: FRIDAY, FEBRUARY 19, 1982
LOCATION: OVAL OFFICE
TIME: 10:45 A.M. (15 MINUTES)
FROM: GREGORY *G.* NEWELL

I. PURPOSE

Lyn Nofziger wants to come meet with you.

II. BACKGROUND

This will be his first meeting with you since he left the staff.

III. PARTICIPANTS

The President
Lyn Nofziger

IV. PRESS PLAN

White House Photographer

V. SEQUENCE OF EVENTS

10:45 a.m. Mr. Nofziger enters Oval Office; White House photographer takes photo before meeting begins.

11:00 a.m. After meeting with you, Mr. Nofziger departs.

*2 copies of this document
were provided to Peter Keisler
4/27/87*

(Refile this copy with the original)

THE WHITE HOUSE

WASHINGTON

MEETING WITH LYN NOFZIGER

DATE: FRIDAY, FEBRUARY 19, 1982
LOCATION: OVAL OFFICE
TIME: 10:45 A.M. (15 MINUTES)
FROM: GREGORY *J.* NEWELL

I. PURPOSE

Lyn Nofziger wants to come meet with you.

II. BACKGROUND

This will be his first meeting with you since he left the staff.

III. PARTICIPANTS

The President
Lyn Nofziger

IV. PRESS PLAN

White House Photographer

V. SEQUENCE OF EVENTS

10:45 a.m. Mr. Nofziger enters Oval Office; White House photographer takes photo before meeting begins.

11:00 a.m. After meeting with you, Mr. Nofziger departs.

B

THE WHITE HOUSE

WASHINGTON

February 18, 1982

MEETING WITH DAVID PROSPERI

DATE: Friday, February 19
LOCATION: Oval Office
TIME: 11:50 am
FROM: Larry Speakes 

I. PURPOSE

To thank David Prospero for his service on the White House staff and to wish him well in the private sector

II. BACKGROUND

David Prospero started working for the Reagan campaign in 1979. He served in the White House as Assistant Press Secretary from January, 1981 until the present and is leaving today to take a position in the private sector. He will remain in Washington. David informed the President and Mrs. Reagan of his decision at Camp David this past weekend.

III. PARTICIPANTS

The President
David Prospero

IV. PRESS PLAN

White House photographer only

V. SEQUENCE OF EVENTS

Brief greeting and photos at the President's desk

C

THE WHITE HOUSE

WASHINGTON

COURTESY VISIT WITH KATHY DAVIS

DATE: February 19, 1982
LOCATION: Oval Office
TIME: 11:55 am (5 minutes)

FROM: Helene von Damm

I. PURPOSE

Kathy Davis would like to say hello to you during her visit to Washington.

II. BACKGROUND

Kathy Davis served as your secretary from 1966 to 1968. She has since been in private industry and has recently formed her own company which plans and organizes meetings, conventions, conferences, etc. for individual companies. She is divorced and has two children; Dana, a freshman at Pomona College and Julie, the first baby of your first term as Governor, who just turned 15.

III. PARTICIPANTS

Kathy Davis
Helene von Damm

IV. PRESS PLAN

White House Photographer Only

V. SEQUENCE OF EVENTS

--Greeting and Photo
--Brief Visit

D

THE WHITE HOUSE

WASHINGTON

February 18, 1982

LUNCHEON AND REMARKS TO EDITORS & BROADCASTERS

DATE: Friday, February 19, 1982
LOCATION: State Dining Room
TIME: 12:00 - 1:15 p.m.
FROM: Karna Small

I. PURPOSE:

This will be the first of several briefings for out-of-town editors and broadcasters that will center on the budget and other initiatives in your State of the Union address. This group will spend the morning in briefings with David Stockman, Secretary Weinberger, Secretary Bell, Murray Weidenbaum and Rich Williamson. The highlight of their visit will be lunch with you in the State Dining Room.

II. BACKGROUND:

This group is from the Northeast - many have not visited the White House during your Administration, especially television reporters. Some of the editors have been here to previous briefings.

III. PARTICIPANTS:

The President
68 editors and broadcasters from Northeastern states (Tab A)
Selected staff will host each table

IV. PRESS PLAN:

At least half dozen TV crews will set up at the back of the State Dining Room just before your remarks. They are all from the local stations, but since every network plus the independent stations are all covered by the local crews, we would like to avoid any type of network pool, which would take up valuable space and create concern among local stations who paid large amounts to send their people here from great distances. (Local crews all agree to share their tape with the networks if requested).

V. SEQUENCE OF EVENTS:

You will join the head table for lunch and at 1:00, you will walk to the lectern and deliver your remarks and then take a few questions.

VI. REMARKS:

Submitted separately by speechwriters

BRIEFING FOR OUT-OF-TOWN MEDIA

February 19, 1982

Attendees

CONNECTICUT

Richard F. Ahles
WFSB Radio
Hartford, Connecticut

Alan Terzi
WTNH-TV
New Haven, Connecticut

Thomas P. Lydon
Stamford Advocate
Stamford, Connecticut

Charles W. Weaver
WWCO Radio
Waterbury, Connecticut

DELAWARE

Ronald H. Stevens
Delaware State News
Dover, Delaware

MASSACHUSETTS

H.D.S. Greenway
Boston Globe
Boston, Massachusetts

Charlotte Saikowski
Christian Science Monitor
Boston, Massachusetts

Mark I. Coleman
WERS Radio
Boston, Massachusetts

Patricia A. Merry
WQTV
Boston, Massachusetts

MASSACHUSETTS (continued)

Michael M. Kramer
Brockton Enterprise
Brockton, Massachusetts

William J. Breisky
The Cape Cod Times
Cape Cod, Massachusetts

Edward J. Thompson
WMRC Radio
Milford, Massachusetts

Peter Knapp
The Patriot Ledger
Quincy, Massachusetts

James R. Stommen
Salem Evening News
Salem, Massachusetts

Robert C. Achorn
Worcester Telegram & Gazette
Worcester, Massachusetts

NEW HAMPSHIRE

Joseph W. McQuaid
Union Leader
Manchester, New Hampshire

NEW JERSEY

E. Donald Lass
Asbury Park Press
Asbury Park, New Jersey

NEW JERSEY (continued)

Charles C. Reynolds
The Atlantic City Press
Atlantic City, New Jersey

Robert Kravitz
The Record
Hackensack, New Jersey

Watson S. Sims
The Home News
New Brunswick, New Jersey

Elizabeth Fitzgerald
Star-Ledger
Newark, New Jersey

Edward J. Mullin
The Herald-News
Passaic, New Jersey

Arthur Z. Kamin
The Daily Register
Shrewsbury, New Jersey

Emil Sliboda
Trentonian
Trenton, New Jersey

Frank D. Cipolla
WCRV Radio
Washington, New Jersey

Charles Paolino
The News Tribune
Woodbridge, New Jersey

Joseph K. Diemer
Gloucester County Times
Woodbury, New Jersey

NEW YORK

Paul Gibbons
The Times Union
Albany, New York

NEW YORK (continued)

Philip Spencer
WCSS Radio
Amsterdam, New York

Richard D. McCarthy
Buffalo Evening News
Buffalo, New York

Donald R. Postles
WKBW-TV
Buffalo, New York

Gabriel O. Wells
WVBR Radio
Ithaca, New York

Anthony Marro
Newsday
Long Island, New York

Robert J. Morton
News World
New York, New York

Roger Grimsby
WABC-TV
New York, New York

William Ryan
WMCA Radio
New York, New York

Charles B. Scarborough III
WNBC-TV
New York, New York

John G. Roland
WNEW-TV
New York, New York

Richard N. Hughes
WPIX-TV
New York, New York

Lester R. Trautmann
Staten Island Advance
Staten Island, New York

NEW YORK (continued)

Joseph Fazzary
WGMF Radio
Watkins Glen, New York

Jerome Gillman
WDST Radio
Woodstock, New York

PENNSYLVANIA

Michael L. Shoop
WJET-TV
Erie, Pennsylvania

Robert L. Marchio
The Evening Sun
Hanover, Pennsylvania

Saul Kohler
Harrisburg Patriot
Harrisburg, Pennsylvania

Milton W. Minarcin
WHP-TV
Harrisburg, Pennsylvania

William H. Cody
Intelligencer
Lancaster, Pennsylvania

John H. Brubaker
Lancaster New Era
Lancaster, Pennsylvania

Joseph A. Byrne
The Daily News
Lebanon, Pennsylvania

Thomas D. Mansfield
The Daily News
McKeesport, Pennsylvania

Larry Kane
WCAU-TV
Philadelphia, Pennsylvania

Stanley T. Major
WWDB Radio
Philadelphia, Pennsylvania

PENNSYLVANIA (continued)

Pat N. Crosby
KDKA-TV
Pittsburgh, Pennsylvania

Jeffery D. Gilbert
WEPP/WDSY Radio
Pittsburgh, Pennsylvania

Robert A. Kopler
WTAE Radio
Pittsburgh, Pennsylvania

Edward A. Taggart
The Reading Times
Reading, Pennsylvania

Charles J. Adams III
WEEU Radio
Reading, Pennsylvania

William Cullen
Scranton Times
Scranton, Pennsylvania

Thomas J. Casey
Scranton Tribune
Scranton, Pennsylvania

Thomas F. Powell
WDAU-TV
Scranton, Pennsylvania

Robert E. Lauf
The Daily Item
Sunbury, Pennsylvania

John S. Wyda
Citizens Voice
Wilkes Barre, Pennsylvania

Allison Walzer
Times Leader
Wilkes Barre, Pennsylvania

RHODE ISLAND

Cornelia D. Dean
Providence Journal
Providence, Rhode Island

Frank E. Howe
Woonsocket Call
Woonsocket, Rhode Island

VERMONT

Michael T. Harding
WNNE-TV
Hartford, Vermont

E

THE WHITE HOUSE

WASHINGTON

February 18, 1982

MEETING WITH BIG BROTHERS/BIG
SISTERS OF AMERICA

DATE: February 19, 1982
LOCATION: Oval Office
TIME: 1:15 - 1:20 p.m.
FROM: ELIZABETH H. DOLE 

I. PURPOSE

Photo opportunity with representatives from Big Brothers/Big Sisters of America.

II. BACKGROUND

The week of February 14-20 is Big Brothers/Big Sisters Appreciation Week. This national federation, chartered by Congress, has been in existence since 1903 and presently comprises over 420 agencies which help 100,000 boys and girls, mostly from single-parent homes. You have been a financial donor to the organization since 1961, and a member of its advisory council since 1972. The federation's philosophy of helping children on a one-to-one basis is an outstanding example of voluntarism in America.

III. PARTICIPANTS

See attached list.

IV. PRESS PLAN

Official White House photo only.

V. SEQUENCE OF EVENTS

1:15 p.m. Your guests will join you in the Oval Office. You greet your guests and have a photo taken with the Big Sister and Big Brother of the Year and their little sister and brother, one member of the National Advisory Committee, and the National President of BB/BSA.

After the photo, you shake hands with the other guests.

1:20 p.m. You thank your guests and they depart.

ATTACHMENTS: Talking Points
Participants

SUGGESTED TALKING POINTS FOR MEETING WITH
BIG BROTHERS/BIG SISTERS OF AMERICA

- I take a special interest in your group, not only because I am part of its advisory council, but because you represent what I think is one of the greatest attributes of the American character: the spirit of voluntarism.
- Big Brothers and Big Sisters give something that can't be measured, that can't be paid for and that is most precious to everyone's life, young or old -- they give care.
- In the name of the American people, I thank you for your commitment. I encourage you to continue strengthening your relationships and to spread that spirit of giving that you represent so well.

PARTICIPANTS

William G. Mashaw, National President, Big Brothers/Big Sisters of America

Berger Charles Hallum, National Advisory Committee, Big Brother/Big Sisters of America, President Independent Order of Foresters

Nancy Rose, Staff Representative from Big Brothers of Greater Los Angeles

Samuel S. Freeman, 1981 Big Brother of the Year, from Cincinnati, Ohio

Alex Dvoretzky, Samuel Freeman's little brother

Sylvia Freeman, wife of Samuel Freeman

Cindy Newton Forbes, 1981 Big Sister of the Year, from Greenfield, Massachusetts

Diana Muniz, Cindy Forbes' little sister

Richard Kline, Big Brother from Los Angeles

Theo Burkhardt, Richard Kline's little brother

Doris Collins, Big Sister from Maryland

Lisa Brown, Doris Collins' little sister

THE WHITE HOUSE

WASHINGTON

February 18, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: ARAM BAKSHIAN, JR. 
Director, Presidential Speechwriting

SUBJECT: Remarks for Luncheon with Editors & News Directors

With assistance from Treasury, Ben Elliott has prepared three charts to be put on easels just before your luncheon remarks to out-of-town editors and news directors tomorrow.

We have enclosed copies of the three charts together with texts and tables which will be distributed to the guests.

Should you prefer not to use the charts, we can easily adjust the text Friday morning and delete references to them.

(Elliott/AB)
February 18, 1982
6:30 p.m.

LUNCH WITH EDITORS & NEWS DIRECTORS FROM THE NORTHEAST
FEBRUARY 19, 1982

We want to welcome you to the White House and we're pleased you could all come. Someone said I must be a glutton for punishment, asking the press in two days in a row. I said no, there's a difference. Yesterday, they just threw me to the lions like raw meat. Today, they promised to throw in some soup and dessert, too -- so I'm hoping you'll let me get away in one piece.

If I may, I'd just like to emphasize a few points on the economy. All we want is a fair shake against those who believe the wilder their charges against us, the more newsworthy they are to you.

For the record, the safety net will remain in place. Social programs are still, by far, the largest part of the budget. Spending on entitlement programs will still increase. The only difference is, it will increase at a level we can start to pay for with the growth of our economy.

We can't afford the kind of yearly increases of 15 percent we had before. That's a blueprint for bankruptcy and economic collapse, and anyone who pretends otherwise is misleading the public.

Our goal is an overall increase of about 6 percent a year, not counting Social Security which won't be touched. We'll still be spending almost as much on the elderly as we do on defense. And what we spend on the elderly is double what we spent just 5 years ago.

We will still be providing 95 million meals a day -- 1 out of every 7 -- and almost 19 million Americans will still be receiving food stamps.

The example of CETA that I cited yesterday: Yes, we cut the \$3.2 billion CETA program that was spending only \$592 million for job training. In its place we'll have a \$1.8 billion program of which \$1.35 billion will go for training. That's a net increase of nearly three-fourths of a billion dollars for job training.

On defense, if we eliminated all the big ticket weapons systems we would save only \$6.5 billion in the 1983 budget. Manpower maintenance readiness is the biggest part of the budget.

I'm reminded of something that George Washington said -- which I didn't hear, but read -- during the Constitutional Convention. They were discussing the power of the Congress to raise an army and one delegate moved that the standing army must be restricted to 5,000 men at any time. Washington, who was chairman, was amused. He suggested they had better amend that motion to provide that no foreign army could invade the United States with more than 3,000 troops at any time.

Keep in mind that the defense spending we plan will be 6.3 percent of our G.N.P. And that's after the massive Soviet build-up of more than a decade. In the decade of the fifties, before the Soviet build-up, we spent 9 percent of our G.N.P. on defense.

Now let me get to the heart of the argument -- the current tempest about deficits and economic recovery. Someone once said it's better to know nothing than to know what ain't so. A lot of people in Washington know something about deficits that ain't so.

What they're determined to make you believe is that deficits are caused by tax rate reductions and the way to reduce deficits is to increase taxes on the people.

There's only one problem -- history proves the opposite. When personal tax rates were cut under Coolidge, under Kennedy, and more recently when capital gains taxes were cut, revenues to the Government increased. But for more than a decade, we've been chasing budget deficits by increasing taxes. The policy is penny-wise, pound foolish. It has only discouraged savings, investment and risk-taking which create jobs and fuel the growth we need to provide more revenues to Government.

That's why we've had only one balanced budget in 20 years and have seen deficits zoom and growth sputter. The first installment of our own tax reduction was delayed 9 months, then cut in half to calm fears about the deficit. Despite all the rhetoric about tax cuts, the American people had a net tax increase in 1981, and so far in 1982.

Draw a rough analogy with those of you in the broadcasting industry. Your revenues are influenced by your ratings. Imagine the worst -- your programs are over budget, unpopular, and your ratings turn sour. Would you begin immediately to streamline spending and invest in a better product? Or, as Government has done, would you simply turn to your sponsors and say -- sorry, you'll just have to cough up more money. See my point?

Getting rid of the deficit means streamlining spending not once, but permanently, and sticking to our commitment to provide incentives to produce, to save and to invest so our economy can grow again. That's our plan, we're determined to get deficits

down. If you'll take a look at this chart on my right -- your left -- I think you'll see what I mean.

The deficits we project are high in dollar levels but they have been inflated just like everything else we measure these days. A better measurement is deficits as a percentage of our G.N.P. Do this and they are not unusual in the period following a recession. As you see, this year's deficit is projected to be 3.8 percent of G.N.P., smaller than the deficit of 1976. And the important thing is, as the economy grows, the deficits' share of G.N.P. will decline steadily to less than 1½ percent of G.N.P.

Now, it's also very important to know the ability of the economy to finance these deficits and still be able to fund private investment, too. We can do this by comparing projected Federal borrowing to the total size of the Nation's savings pool -- which we call gross private savings. It's this chart in the middle; you see the savings are in green, Federal borrowing is in red.

We believe the net additions to private savings from the incentives in our tax bill to both business and individuals will be much larger than the temporary rise in the deficit. Then, as savings continue to expand, the deficit will be falling. We believe the savings pool will expand from just under \$480 billion a year to \$740 billion in 1984 -- an increase of more than \$260 billion.

We think this is a conservative estimate, because the reports we're getting are very encouraging. I draw your attention to yesterday's Wall Street Journal which reported people are flocking to open I.R.A. accounts at mutual funds,

thrifts, and other I.R.A. sponsors. This is one of the best ways Americans can help themselves and help the country at the same time. It's also a compelling reason why the tax reduction program must not be tampered with. People are making new commitments to save based on expectations for higher future earnings. The Congress must not pull the rug out from under them.

The last chart on my left -- your right -- shows what we're shooting for. We want to get Federal spending as a percentage of G.N.P. down from 23.5 percent in 1982 to 20.9 percent in 1985. If we are successful, a family earning \$20,000 in 1982 will see its after-tax income increase by more than \$1,400 by 1985 in a growing economy.

I can't stress strongly enough that success depends on following through with spending restraint and holding the line against tax increases. To those who say it is dangerous to push ahead with these dramatic reforms in a time of crisis, let me just say it is more dangerous not to. We will always have a crisis. We may not always have an opportunity.

I'm afraid I don't have much time, but I'll try to take one or two questions if you have any.

DEFICIT AS A PERCENTAGE OF GNP CHART

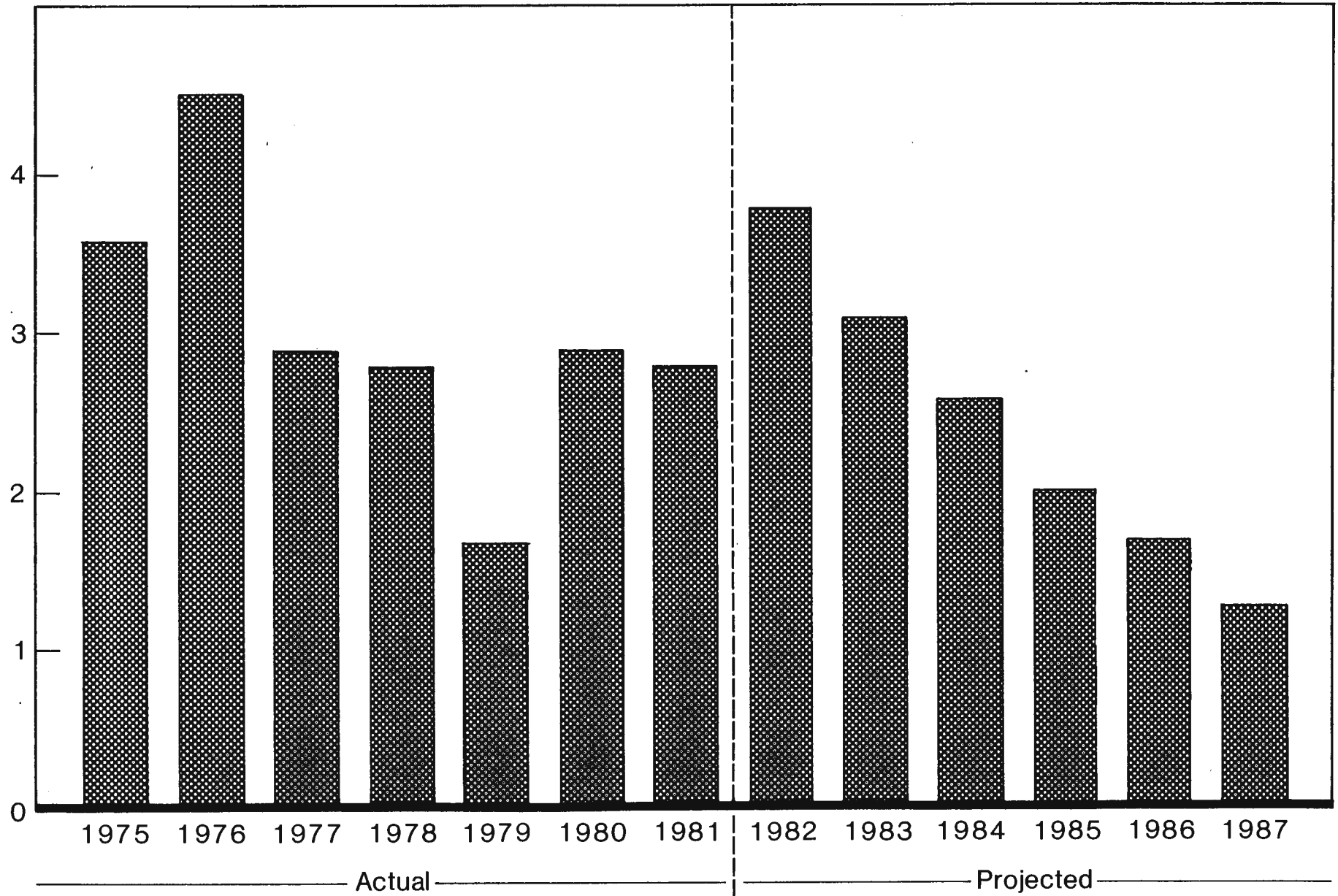
The projected deficits, though some of them are at record dollar levels, are not unusual following a recession when measured as a percentage of GNP. The chart shows deficits as a percentage of GNP since 1975.

On- and off-budget deficits were 3.6 and 4.5 percent of GNP in Fiscal Years 1975 and 1976, due largely to the 1974-1975 recession. Deficits are projected to be 3.8 percent and 3.1 percent of GNP in Fiscal Years 1982 and 1983, largely as a result of the current recession. Due to the high growth policy now in place, the recession will be ending shortly, and deficits will be declining as a percentage of GNP.

1982 will be the most difficult year. The budget I have submitted for 1983 will bring spending down sufficiently to reduce the deficit to 3.1 percent of GNP, substantially lower than in 1975, 1976, and 1982, and not markedly higher than in 1977, 1978, 1980, or 1981.

Budget Deficits in Relation to GNP

Percent



<u>Fiscal Year</u>	<u>Budget Deficits as a Percent of GNP</u>
1975	3.6
1976	4.5
1977	2.9
1978	2.8
1979	1.7
1980	2.9
1981 actual	2.8
1982 projected	3.8
1983	3.1
1984	2.6
1985	2.0
1986	1.7
1987	1.3

Includes off-budget entities.

2/17/82

SAVINGS CHART

The deficits will be manageable because of the growth of private sector saving, as shown in the next chart. Private sector saving is personal saving plus retained earnings of corporations and capital consumption allowances (depreciation set-asides) of businesses. This pool of savings (plus surpluses of states and localities and their pension funds) is available to finance business investment and Federal deficits.

Private saving resulting from normal year-over-year growth and the Economic Recovery Tax Act will be substantially greater than the total borrowing requirement of the Federal Government in 1983 and 1984 and thereafter.

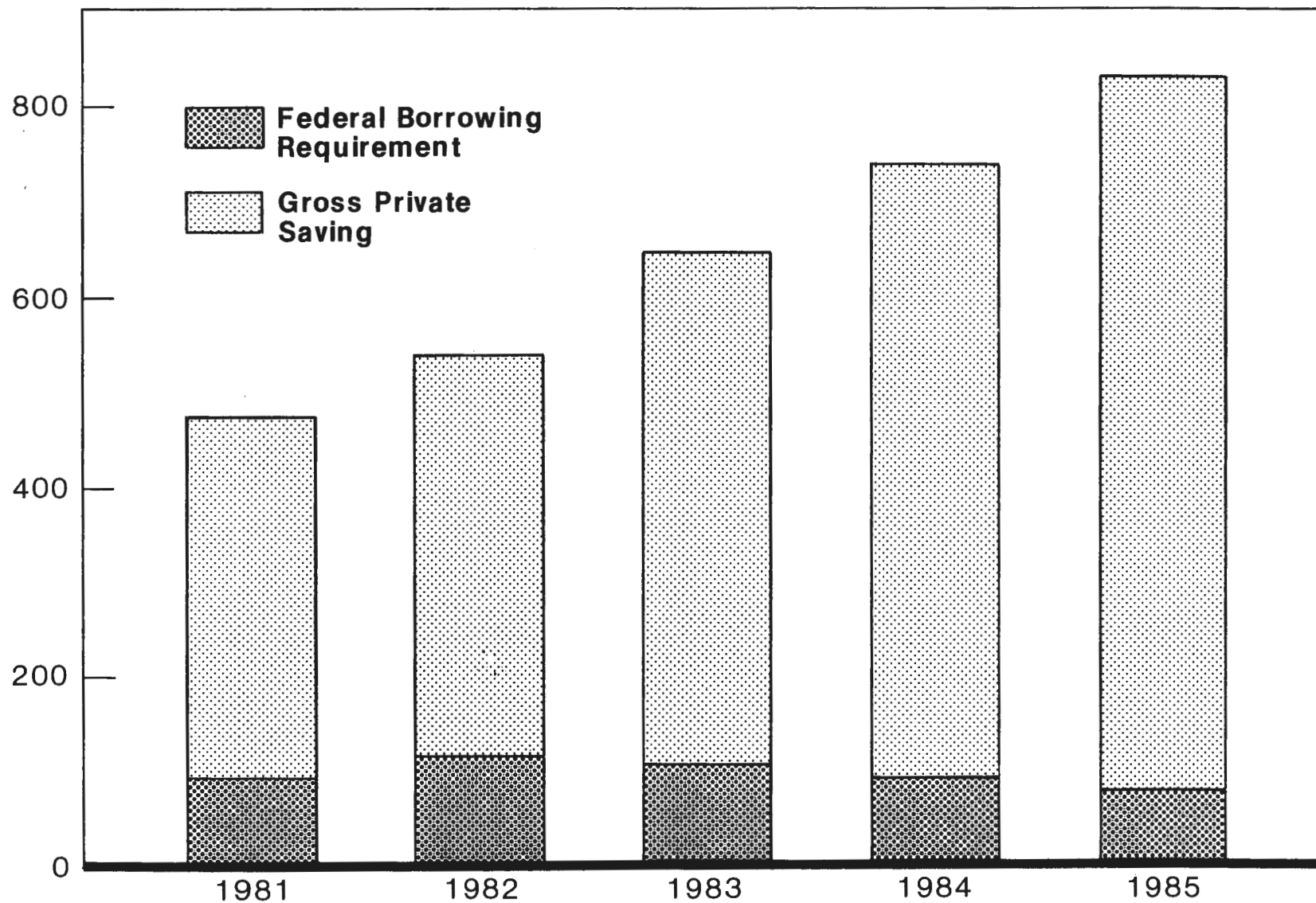
Most important, saving will be rising sharply, while the deficit will rise by less than savings, and then fall. The net additions to total private saving are far larger than the temporary rise in the deficit and off-budget borrowing. They will produce "crowding in" rather than "crowding out." This extra shot in the arm of capital markets will put downward pressure on interest rates. Even after financing the Federal deficit, there will be billions of additional dollars each year for private investment.

Normal year-to-year increases in saving exceed \$40 billion each year. This will be supplemented by the additional personal savings and additional business retained earnings induced by the tax cuts, both of which will be substantial. Business tax cuts are direct increases in retained earnings. Individual tax rate reductions historically have promoted saving. After the Kennedy tax cut, the personal savings rate went from 5.4 percent of take-home pay in 1964 to 8.1 percent by 1967. We have assumed an average savings rate of just over 6.5 percent for the next 3 years, very low by historical standards. That rate averaged 7.6 percent from 1965 through 1975.

Compared to 1981, private saving will be more than \$60 billion higher in 1982, more than \$170 billion higher in 1983, and more than \$260 billion higher in 1984. Private saving was just under \$480 billion in 1981. It will rise to more than \$740 billion in 1984.

Projected Borrowing Versus Saving

Billions of
Dollars



PROJECTED BORROWING REQUIREMENT IN RELATION TO GROSS PRIVATE SAVING

<u>Calendar Year</u>	<u>Gross Private Saving</u>	<u>Federal Borrowing Requirement*</u>
(----billions of dollars----)		
1981 actual	478	95
1982	542	116
1983	651	105
1984	742	94
1985	825 - 845	81

* Total calendar year budget deficit including off-budget borrowing. Calendar year deficits interpolated from fiscal year numbers.

2/8/82

OUTLAYS/GNP AND AFTER-TAX FAMILY INCOME CHART

The last chart shows the real bottom line of the budget and the Economic Recovery Program -- the restoration of prosperity to the American family.

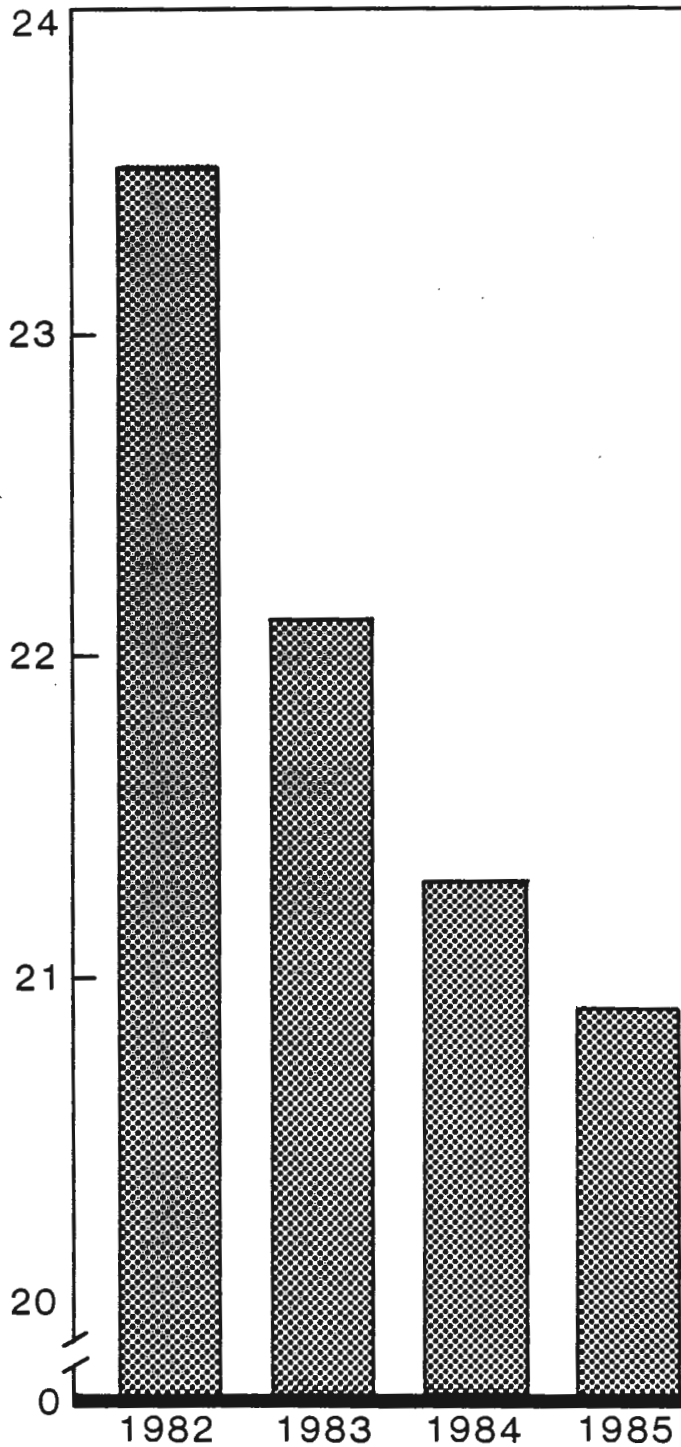
We propose to reduce Federal spending as a percentage of a rising GNP from 23.5 percent in 1982 to 20.9 percent in 1985. We intend to restore incentives and return resources to the private sector through both tax and spending reduction. It is our goal to reverse our productivity slump, increase real wages, and increase the disposable incomes available to families.

If we are successful, a family earning \$20,000 in 1982 will experience a substantial rise in its real after-tax income -- an increase of more than \$1,400 -- by 1985. Rising productivity and real wage increases of roughly 2 percent per year and a reduced tax burden, will let American families move forward again.

This is our major goal. It is the purpose behind our economic program and the budget suggestions we are making here today. We are determined to restore prosperity to American families at all income levels, so they may live more productive and rewarding lives. They, and we, will settle for nothing less.

Government Budget

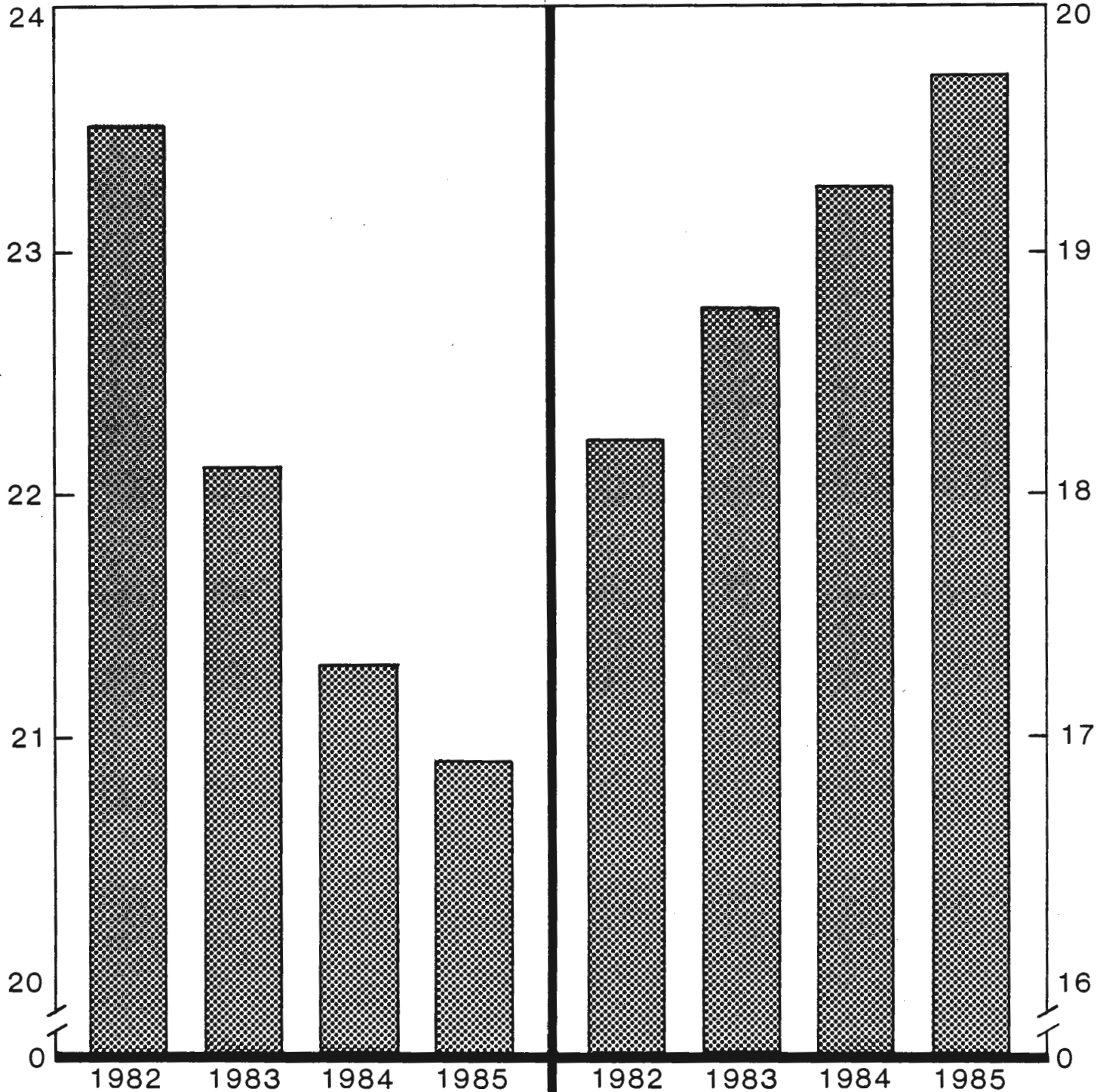
Percent



Federal Outlays as a percent of GNP

Family Budget

Thousands of 1982 dollars



After-tax real income for family of four with \$20,000 wage income in 1982 growing with productivity

Government Budget

Federal outlays as
a percent of GNP

1982	23.5
1983	22.1
1984	21.3
1985	20.9

Family Budget

After-tax real income for family of four
with \$20,000 wage income in 1982 growing
with productivity

\$18,215
18,731
19,219
19,633

2/8/82

SCHEDULE OF EVENTS
Tea for the American Legion
Auxiliary
Friday, February 19

FROM: Muffie Brandon

muffie Brandon

- 2:55 p.m. First bus arrives the East Gate and guests are led by members of the Tour Detail through the lower floor, up the Grand Staircase, through the State Dining Room and Color Rooms and eventually to the East Room. As the ladies complete their walk-through tour, they will be served refreshments in the East Room.
- The buses will arrive at five-minute intervals until all buses have arrived.
- 3:35 p.m. All ladies should be encouraged to enter the East Room, and members of the Tour Detail will form an aisle for the First Lady to walk down to the platform.
- 3:45 p.m. MRS. REAGAN arrives the State Floor via the elevator and is announced into the East Room. She proceeds to the platform and makes brief, welcoming remarks. Mrs. Romaine Roethel, National President of the American Legion Auxiliary, will present to MRS. REAGAN as a gift to her a framed crystal plate. She will then present to MRS. REAGAN as a gift to the PRESIDENT a Democracy in Action Award.
- After thanking Mrs. Roethel and the American Legion Auxiliary, MRS. REAGAN mixes and mingles briefly with the guests as she works her way out of the East Room. She then proceeds to the Residence via the elevator.
- 4:15 p.m. All guests depart the exit onto the First Ladies Garden and board their buses parked nearby.