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WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

- ☐ X - MEDIA
- ☐ H - INTERNAL

Subject Codes:

Name of Document: BRIEFING PAPERS FOR
PRESIDENT'S SCHEDULED APPOINTMENTS FOR JUN 01 82

PR 007.01

1) Subject: Live satellite interview with four
European Correspondents:
Gerard Saint-Paul
Sergio Telmon
Martin Bell
Dieter Kronmacker

PR 016.
UT 001.
CO 001.05
TR 039.
CO 051.
CO 167.
CO 054.02
CO 075.

2) Meeting with selected members of the
House of Representatives to
discuss the budget.

LE
FG 032.
FI 004.
PL 005.04

ROUTE TO:

ACTION

DISPOSITION

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

Referral Note: _____

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (15 min)	National Security Briefing (Clark)	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>	Oval Office
10:00 am (90 min)	<u>Pre-Europe Briefing</u> 10:05- (Clark)	Cabinet Room
11:30 am (30 min)	<u>Personal Staff Time</u>	Oval Office
12:00 m (60 min)	<u>Issues Briefing Lunch</u> (Darman/Fuller)	Cabinet Room (DISTRIBUTED SEPARATELY)
12:30 pm - 1:30 WFC		
1:30 pm (90 min)	<u>Pre-Europe Briefing</u> (Clark)	Cabinet Room
3:00 pm (20 min)	<u>Pre-Interview Briefing</u> (Gergen/Speakes) MOST ALL R.N. D. V. K. J. M. J.	Oval Office
3:20 pm (30 min)	<u>Interview with European TV Networks</u> (Gergen/Speakes) (TAB A)	Library
4:00 pm (30 min) 60	<u>Interview with Wire Services</u> (Gergen/Speakes) CONGRESSIONAL TIME	Oval Office
4:30 pm (30 min)	<u>Haircut</u>	West Basement
5:00 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office

THE WHITE HOUSE

WASHINGTON

June 1, 1982

MEETING WITH SELECTED MEMBERS OF THE HOUSE
OF REPRESENTATIVES TO DISCUSS
THE BUDGET

DATE: Tuesday, June 1, 1982

LOCATION: The Cabinet Room

TIME: 4:00 P.M. (45 minutes)

FROM: Kenneth M. Duberstein *Ker D.*

I. PURPOSE

To discuss with selected House Republicans the legislative strategy for consideration of the budget. The meeting will also provide an opportunity for certain Republicans opposed to high deficits to discuss their "freeze concept."

II. BACKGROUND

House Budget Committee Chairman Jim Jones (D-Oklahoma) is attempting to have the House consider new budget resolutions this week. He recognizes that Republicans and conservative Democrats came closer to passing a budget than any other group and acknowledges that GOP support is essential for passage of a budget. Jones has offered to split the difference between his proposal and the Latta Substitute. The Committee also discussed reporting out separate liberal and conservative alternatives for an up or down vote.

Bob Michel (R-Illinois) and the Republican leadership were able to come very close to lining up the needed votes for the Latta Substitute but they were whipsawed by "Gypsy Moths" who backed away from additional cuts and the conservative Republicans who weren't willing to support a Budget Resolution reflecting a \$100 billion deficit. Recognizing that bigger tax increases and defense cuts are unacceptable, these conservative Republicans are calling for a freeze on everything except defense - but including Social Security and other entitlement programs. They are also attacking the underlying economic assumptions used by OMB and the House Budget Committee.

Many of these conservatives favor no budget to a budget with unacceptably high deficits. They prefer the politics of voting against a budget rather than supporting passage of a Budget Resolution that is difficult to defend. They express disappointment that the Administration "sold out" to get Gypsy Moth support and claim that the Rousselot "balanced budget" would have passed with the President's support. They express dismay about the Administration's apparent willingness to accept a \$100 billion deficit.

It will be almost impossible to get unified Republican support for any Budget Resolution unless the conservatives are willing to swallow the large deficits in order to help get a budget in place.

III. PARTICIPANTS

See Attachment A.

IV. PRESS PLAN

White House Photograpoher only.

V. SEQUENCE OF EVENTS

See Agenda, Attachment B.

Attachment A: Participants
Attachment B: Agenda
Attachment C: Talking Points
Attachment B: Talking Points to be used following discussion.

PARTICIPANTS

The President
Secretary of the Treasury, Donald Regan
OMB Director, David Stockman
CEA Chairman, Murray Weidenbaum

Regrets: The Vice President - in Oklahoma

Members of Congress

Bob Michel (R-Illinois)
Trent Lott (R-Mississippi)
Jack Kemp (R-New York)
Dick Cheney (R-Wyoming)
Guy VanderJagt (R-Michigan)
Del Latta (R-Ohio)
Barber Conable (R-New York)
Bill Archer (R-Texas)
Jim Martin (R-North Carolina)
Sil Conte (R-Massachusetts)
Tom Hartnett (R-South Carolina)
Newt Gingrich (R-Georgia)
Ed Bethune (R-Arkansas)
Mickey Edwards (R-Oklahoma)

Regrets: Carl Pursell (R-Michigan)
John Rousselot (R-California)

Staff

Ed Meese
Jim Baker
Mike Deaver
William Clark
Dave Gergen
Dick Darman
Ed Rollins
Ken Duberstein
Bob Thompson
M.B. Oglesby, Jr.
J.L. Cullen
John Dressendorfer
Nancy Risque
John Scruggs
David Wright
Dennis Thomas, Assistant Secretary for Legislative Affairs,
Department of the Treasury

ATTACHMENT B

AGENDA

The President opens the meeting and makes remarks.

The President calls on Bob Michel (R-Illinois) and Del Latta (R-Ohio) to report on the status of the budget in the House.

The meeting is opened for general discussion, with Bill Archer (R-Texas) and Jim Martin (R-North Carolina) outlining their views on a "freeze concept."

Participants are asked to comment.

The President concludes the meeting.

THE WHITE HOUSE
~~WASHINGTON~~

May 31, 1982

MR. PRESIDENT:

It is my understanding that the 4:00 p.m. meeting with Wire Services is likely to be dropped. It is possible that a meeting with selected House Republicans will take its place. The meeting would be on the Budget Resolution. Further details will be available in the morning.

A handwritten signature in dark ink, appearing to read "Dick", with a stylized flourish at the end.

Richard G. Darman

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE
Tuesday, June 1, 1982

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5:00 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office

A

THE WHITE HOUSE

WASHINGTON

May 29, 1982

LIVE SATELLITE INTERVIEW WITH FOUR
EUROPEAN CORRESPONDENTS

DATE: June 1, 1982

LOCATION: Library

TIME: 3:20 PM

FROM: Mark Goode

I. PURPOSE

To conduct an interview with the four European correspondents from the countries you will be visiting.

II. BACKGROUND

This interview will be satellite live to the four countries participating and offered to other countries of interest including the United States.

III. PARTICIPANTS

The President

Gerard Saint-Paul - French Correspondent from FR-1 television
Sergio Telmon - Italian Correspondent from RAI television
Martin Bell - British Correspondent from BBC television
Dieter Kronzucker - German Correspondent from ZDF television

IV. PRESS PLAN

none

V. SEQUENCE OF EVENTS

The interview will begin at 3:20 thru duration (approximately 30 minutes). Each correspondent will ask one question; (first question from Saint-Paul, then Telmon, Bell and Kronzucker), then another round with the same sequence so that all correspondents will have time for 2 questions.


Attachments: Briefing material will be submitted by Mort Allin

THE WHITE HOUSE

WASHINGTON

May 31, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: DAVE GERGEN 
SUBJECT: Interview with European Television

Attached are briefing materials for your European interview Tuesday.

Your recent interview with four European print journalists was considered a great success -- you handled the issues smoothly and won many points with your emphasis upon allied unity and your peace-making efforts.

Over the weekend, an interesting article appeared by the economics editor of Le Figaro in Paris arguing that the budgetary process in the U.S. is very messy compared to Europe. I'm attaching brief excerpts.

Mort Allin has taken the lead in preparing the briefing materials here.

"LE BUDGET"

"Behind the puzzlement of a visiting European watching the current debate lies a completely different concept of what a budget is all about. In Britain, in France, in West Germany, the budget is a text produced by the Government (which Americans would probably call the executive) embodying an overall economic policy -- rhetoric and figures. The legislature can effect minor changes in the details of the proposals, but it cannot alter its basic thrust.

"The British and French budgetary procedures are such that there is hardly any public discussion of the main issues either during the preparatory phase or at the parliamentary stage. It goes without saying that such practices do not promote a healthy democratic process.

"It is a fact of American politics that the budget is a result of a joint effort of the President and the Congress. And, given the framework of the American Constitution, it should probably not be otherwise.

"But, if there is any merit in the idea that an economic policy must be coherent for it to have any hope of working, surely the annual budget must embody this coherence and not be the result of endless haggling."

--Excerpt from article in New York Times, 5/30/82 by Yves Guihannec, economics editor of Le Figaro in Paris.

BRIEFING MATERIALS ON TV INTERVIEW

Background

The interview will be roughly divided between economic and security questions, opening up on Versailles and expectations there, the conditions of the U.S. economy and its impact (interest rates, unemployment, exchange rates) on the other participants, East-West credits, and then turning to NATO, linkage, arms talks, and possible summit.

The BBC will ask about the Falklands and the Italian is interested in the Mideast, though his colleagues have expressed doubt about that issue's relevance to the discussion.

Weekend stories raise the possibility of questions on the trip's purpose -- bringing RR's message to Europe via TV -- and nuclear war preparations -- is limited nuclear war possible? winnable? -- as outlined in a DOD staff paper.

We will know the subjects, if not the specific questions, for certain by Tuesday noon.

PURPOSES OF EUROPEAN TRIP

General

- Strengthen allied unity; enhance prospects for peace and economic progress.
- Acknowledge serious problems, particularly in economic area, but also note progress in Alliance and determination to achieve lasting recovery.
- Cite any differences and demonstrations as examples of vitality of alliance and our democratic societies.
- Point to over 30 years of peace as a result of NATO and policy of restraint (defense capabilities) and dialogue (MBFR, INF, START) with Soviets.
- Deepen personal relationship with leaders, many of whom RR has met several times, to enhance mutual ability to deal with common problems (economic, Poland, security, arms reductions).

More Specific

Economic

- Recognize seriousness of economic situation, particularly unemployment, and allied concerns over U.S. interest rates, deficits, and dollar exchange rates. (Unemployment up since last summit).

- Strengthen cooperation to reduce inflation, control deficits, and increase market incentives as best route to new investment, employment and growth.
- Strengthen international economic institutions in trade, investment and monetary areas (GATT, IMF).
- Further Western consensus in E-W economic relations, especially credits.

WHAT HAPPENED TO U.S. RECOVERY PROMISED IN OTTAWA?

- Remember, major part program didn't go into effect until last quarter of last year. Since then, unprecedented progress on some fronts. Inflation down in one year from double-digit to 3.2% over past 6 months. Interest rates well below peak of 21% in January 1981 (down 25% in fact) and some indicators now evident for the recovery we expect in second half.
- Clearly there are still serious problems, especially interest rates and high unemployment.
 - First step is reduce inflation as we have done. (Now among lowest in industrialized world.)
 - Next is to reduce the deficit. Deeply disappointed by last week's failure to pass budget in House, but hopeful such a bipartisan compromise will soon occur. (Senate acted very responsibly.)
 - Finally, we're encouraging stable and moderate monetary growth.
- When U.S. interest rates come down, may not be panacea. Inflation and hence interest rates in some countries may remain high.
- Unemployment is too high in all of our countries. In fact it's averaged almost 7% here since 1976. Consequence in U.S. of slow growth in private economy and too much growth in government.
- Quick fixes don't work -- present problems are price paid for such past mistakes.

AWARENESS OF U.S. ECONOMIC IMPACT ON THE ALLIES

- U.S. has always demonstrated a real and serious concern for well-being of international economic and political system. Proud of the major post-war initiatives by U.S. to establish the economic and political institutions that reflect Western interdependence.
- Because of keen awareness of our economy's influence on economies of our sister democracies, first objective last year was to put U.S. economy on a sound footing. Putting our own house in order is the best thing we can do for ourselves and our friends.
- At Summit will propose closer economic policy coordination to help all stay on course toward lowering inflation and achieving real gains in new jobs and productivity.

- With 20% of U.S. output involved in international trade -- double that of 10 years ago -- there is no doubt that our economic future is interdependent with Europe and Japan.
- Because the dollar is world's most important currency for trade and finance, its good health is the prerequisite for a stable and strong Western economy. Its value today may partly reflect high U.S. interest rates, but it also reflects the basic strength of our economy and our determination to keep inflation low.

EXPECTATIONS FOR VERSAILLES

- Let's be honest. It is a time of economic difficulty for the West. Serious problems but must not panic and repeat past mistakes, turning nervously to short-term solutions providing only momentary relief.
- Need to unite in determination to cure cancer of inflation as essential step toward increase in real output and employment. Recent OECD and IMF meetings confirmed this goal as step toward new growth. Also heartened by French government's commitment to dealing with inflation. (PM Mauroy last week made strong statement on need to curb inflation -- now at 14% in France.)
- Short-run stimulus programs will only increase inflation and interest rates, perpetuating low growth, high inflation, and leading to further unemployment. Must break that cycle.
- Must reaffirm the policies and international institutions responsible for so much progress and success in the past.
 - Continued pursuit of free trade and strengthening of the key international economic institutions, GATT, World Bank, and IMF.
 - For first time in 9 years, GATT holds a Ministerial in November which will chart the course for trade discussions in the 1980s.
 - Versailles must set goals for this decade so GATT has something to aim at.
 - Need to do better to encourage and facilitate private capital flows in the international system, particularly private investment, and consider new international rules for investment, similar to those for trade.
 - Can strengthen cooperation within IMF by ensuring that long-term economic policies of key countries are moving in same direction.
- Need to ensure economic ties to the East do not undermine security interests.

SECURITY

- Further prospects for continued peace through strong NATO, commitment to deterrence, and major arms reduction initiatives.
- Broaden European support for RR's defense policies and negotiations on INF, START and MBFR which reflect determination to pursue dialogue while keeping NATO strong.
- Enhance moral and material cohesion of transatlantic ties through Spanish accession to NATO.
- Balance firm calls for Soviet restraint with prospects of improved relations if such restraint is forthcoming.
- Renew commitment to help Poland's economy once martial law is lifted, detainees released and dialogue renewed.

ARMS REDUCTIONS

- RR's INF and START proposals fulfill deeply-felt campaign pledges to seek deep cuts in nuclear systems. (START begins on June 29 in Geneva.)
- These sincere, carefully-developed and widely-supported proposals for significant reductions at equal and verifiable levels should be eloquent testimony to the fact that NATO's elected governments are leading a peace movement committed to protecting Western interests and keeping the peace.
- For Italy, as well as Germany, the U.S., Belgium and the Netherlands, deployment preparations must go on at the same time as negotiations in Geneva. We must be fully prepared to deploy the NATO INF weapons if negotiations are unsuccessful.
- But, nothing would bring us greater satisfaction and peace of mind than foregoing those deployments if the Soviets will simply remove their SS-20s, the most threatening and destabilizing weapon to Europe's peace and security. That would be real equality. Hope the INF talks, just resumed, can make rapid progress.

LINKAGE

- Linkage is not a doctrine, but a political fact of life.
- Soviet behavior in other areas cannot help but affect our dealings in the arms control area and elsewhere.
- While there shouldn't be a rigid connection between events that precludes us from reaching mutually-beneficial agreements, it is a fact that at the Madrid CSCE meetings, the West couldn't move forward with the Conference on Disarmament in Europe (CDE) because of Poland and Soviet unwillingness to abide by commitments it accepted in Helsinki.

GLOBAL NEGOTIATIONS/TIES WITH DEVELOPING COUNTRIES

- At Ottawa and Cancun, we presented a fresh and comprehensive approach to problem of development by recognizing that growth and development have many sources. Official aid is one and necessary for the poorest countries. But aid is only the beginning.
- Key for development: Opportunities for trade, private investment, commercial financial flows, and proper domestic economic policies to encourage production and savings.
- U.S. has promoted development at bilateral, regional and global levels:
 - At global, emphasized the specialized institutions, GATT, World Bank, and IMF, that have unprecedented record of performance.
 - At regional level, have the CBI integrating trade, aid and investment.
 - And bilaterally, have established new emphasis on agriculture and local private sector's role. Now sending (to Peru, Thailand, Egypt) agricultural task forces.
- Remain ready -- as said at Cancun -- to participate in Global Negotiations if there were certain common understandings to ensure success of such talks and protect the specialized institutions that have done so much. (GATT, IMF)
- Hope others at Versailles fully understand the absolute priority of our concern about respect by Global Negotiations for the specialized agencies.
- Ready to explore possible North-South round of trade negotiations under GATT.

MITTERAND TECHNOLOGY REPORT

- Welcome needed attention on technology. A hopeful and appropriate focus. Different ways (government, government-business, mostly business) to address it, but this report should help us all give the subject closer attention. U.S. goal to create better environment for business, reducing impediments, improving economic climate, helping small business.

PIPELINE AND EAST-WEST CREDITS

- At Ottawa, RR called for prudent approach to conduct of East-West economic relations. Matter of sound economic practice plus security considerations.

- Essential to control export of strategic materials and equipment to Soviets that are related to their military programs. A high-level meeting of COCOM, the alliance organization (NATO plus Japan) that controls such exports, was held in January after our call for it in Ottawa -- it was highly successful and that effort should be sustained.
- As we have done reasonably well on Poland -- thanks to extension consultations -- we sometimes must respond to Soviet aggression by economic means -- prudent and measured steps in a nuclear world to demonstrate dissatisfaction with Soviet behavior.
- Also been discussing dangers of excessive vulnerability to dependence upon Soviets for essential raw materials such as natural gas -- that's why we opposed pipeline -- or for repayment of large accumulated debts, default on which would cause serious financial problems for the West.
- Continue to feel pipeline is unwise but recognize Europe's counter argument and accept that it's their decision.
- Partly in response to allied concern, however, we have directed attention towards problem of officially-supported credit for the Soviets -- potentially a problem of far greater magnitude than the pipeline. Soviet debt of \$20 billion could double or triple in next five years. Credit restraints should govern grain as well as industrial products -- we provide no official credits for grain sales.
- Is it prudent to continue to subsidize the flow of such credit creating exposure of Western banks and governments that could give Soviets considerable leverage?
- Don't want economic warfare with Soviets, but we are also opposed to economic welfare for them.

POLAND

- Meeting of foreign ministers this January produced an alliance consensus; several other allies have followed our application of sanctions.
- Continue to closely watch developments -- the police tactics in May do not give much cause for hope. Prepared to take further actions as necessary.
- West is prepared to help Poland straighten out her economy -- once martial law is ended, detainees released, dialogue renewed.

NATO ALLIANCE

- Close consultations over past year have helped strengthen NATO. Consensus evident in NATO ministerial last year at Ottawa Summit and again at NATO ministerial two weeks ago. Also commitment to act on this consensus evident in alliance reaction to Poland.
- Emphasis at summit will be on political will for all of us to do what's necessary, not on price tags and percentages. In fact, there is no single measure of burden sharing -- some have more personnel in uniform; some put more money in defense budget; others contribute with key troop deployments or qualitative training improvements.
- All of us must do more, in view of the relentless Soviet buildup, and we are confident the allies will do their share. We appreciate effort allies made in 70s when U.S. was lax.
- Spain's free choice to join NATO -- and the members' free choice to accept her -- speaks volumes about the nature of our alliance compared to the coercive nature of Warsaw Pact. Look forward to official welcoming for Spain in Bonn.
- Understand and recognize concerns of demonstrators -- we share their desire for peace. Question is over the means to best assure that goal. As they ask leaders to hear them, we ask them to stop and look at what we and their elected governments are doing -- and have done -- to maintain peace with freedom and security for almost four decades.

RR ACHIEVEMENTS

- In practice, have demonstrated American form of government -- with separation of powers -- can still work. After repeated stalemates between Congress and the President -- particularly in predecessor's term -- many doubted this.

- RR working with Congress -- successfully last year and we hope successfully this year -- to change the course of public policy in U.S. toward less government and a more vigorous private sector. Have set agenda for Hill and nation -- don't hear the old cries for new spending and public works programs.
- In practice, Presidents can achieve little alone. Working with Congress and people at home, with allies abroad, a President can achieve much more provided those he works with agree on fundamentals and shared values.
- Have strengthened relations with our friends and given adversaries better understanding of our will and determination to protect our freedoms while seeking peace. Particularly pleased with close ties developed with neighbors (Canada, Mexico), friends and allies (Europe, Japan, Latin America, Asia.)
- U.S. enters INF and START talks with carefully developed positions and with improved defense posture that provides necessary incentives for Soviets to negotiate seriously.
- U.S. quest for peace evident in efforts undertaken in Mideast, and southern Africa (Namibia), and the South Atlantic.
- Ottawa and Cancun demonstrated U.S. leadership as has our handling of Poland, contributions to refugees, and the Caribbean Basin Initiative.
- Helped stimulate revived public spirit -- despite economic problems, many Americans believe things will get better in contrast with pessimism two years ago.