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D

THE WHITE HOUSE

WASHINGTON

August 9, 1982

MEETING WITH MEMBERS OF THE CORE GROUP

DATE: Tuesday, August 10, 1982
LOCATION: Roosevelt Room
TIME: 1:00 P.M. (45 Minutes)

FROM: Kenneth M. Duberstein Ken D.

I. PURPOSE

To relay strong Presidential support for the adoption of the tax and spending reconciliation package now in conference.

II. BACKGROUND

Organized and led by Tom Evans of Delaware, the Core Group is composed of fourteen House Members who endorsed your candidacy early and who aggressively campaigned for your nomination and ultimate election. These Members considered themselves your personal advisory and special advocacy group.

You last met with the Core Group on December 7, 1981 to receive their collective ideas and counsel for the second session of the 97th Congress. Two of the members, Jack Kemp (R-NY) and Bob Walker (R-PA), are unalterably opposed to the pending tax proposals and are not being included in this meeting. Several others, Trent Lott (R-MS), Dick Schulze (R-PA), John Rousselot (R-CA), Chip Pashayan (R-CA), and Bob Badham (R-CA) were among different groups that met with you on the tax bill last week. This group is important to our efforts to obtain many Republicans and most of them are, at this time, opposed to the tax bill.

This meeting will give them the opportunity to discuss with you their reservations/opposition to the tax proposals and it is an opportunity for them to get a better understanding of the need to pass the conference report.

III. PARTICIPANTS

See attached list.

IV. PRESS PLAN

White House Photographer only.

V. SEQUENCE OF EVENTS

Presidential remarks followed by remarks by Secretary Regan. Open discussion with Members will follow. President should begin with Tom Evans.

Attachments: Participants (A)
Talking Points (B)

ATTACHMENT A

PARTICIPANTS

The President
The Vice President
Secretary of Treasury Donald Regan
OMB Director David Stockman

Members of the Core Group

Congressman Tom Evans (R-DE)
Congressman Trent Lott (R-MS)
Congressman Paul Trible (R-VA)
Congressman Richard Schulze (R-PA)
Congressman John Rousselot (R-CA)
Congressman Tom Hagedorn (R-MN)
Congressman Mickey Edwards (R-OK)
Congressman Henry Hyde (R-IL)
Congressman Gerald Solomon (R-NY)
Congressman Carroll Campbell (R-SC)
Congressman Charles "Chip" Pashayan (R-CA)

STAFF

Edwin Meese III
James Baker III
Michael Deaver
Lyn Nofziger
Ed Rollins
Ken Duberstein
Lee Atwater
M. B. Oglesby, Jr.

ATTACHMENT B

SUGGESTED TALKING POINTS FOR MEETING WITH THE CORE GROUP

-- I'm glad you guys are here today.

-- You have been with me a long time. Your support was vital to my election. Your support has been vital to obtaining positive results on both domestic and international issues pending before the Congress.

-- Your support and assistance with the economic recovery program has been very important to me and I want you to understand what's at stake here because I believe that failure to enact a conference report will likely completely abort our efforts, and gains--albeit slow ones--towards economic recovery.

-- There should be no misunderstanding about my support for the Senate-passed tax bill and spending reductions. We can improve this bill in conference, and I believe that it is imperative that we then pass it.

-- Passing this conference report will help bring down interest rates, thus helping the real estate, auto and construction industries; and, most importantly, small businesses. These lower interest rates are the key to stimulating business recovery.

-- Rather than imposing new taxes on working people, this bill tries to insure that everyone pays a fair share of the tax burden. More than three-fourths of the revenue raised comes from increased taxpayer compliance and the closing of tax loopholes.

-- Passage of the conference report preserves the economic incentives of last year's tax bill and assures retention of the third year of the tax cut as well as the retention of indexing.

-- I assure you that I will continue to aggressively pursue spending reductions. (Talk about vetoing <u>all</u> bills that don't meet reduction targets.)

-- It is an election year and I intend to do all I can to help this fall. But, lower interest rates and an improving economy will be the best political tonic possible.

-- Call on Tom Evans to begin the discussion.

E

THE WHITE HOUSE

WASHINGTON

August 9, 1982

MEETING WITH SENATOR JESSE HELMS (R-NORTH CAROLINA)
DATE: Tuesday, August 10, 1982
LOCATION: The Oval Office
TIME: 1:45 p.m. (15 minutes)

FROM: Kenneth M. Duberstein Ken D.

I. PURPOSE

To seek Senator Helms' support for the tax increase/spending reduction conference report.

II. BACKGROUND

H.R. 4961, the tax increase/spending reduction measure, passed the Senate on July 22, and is presently in conference between the House and the Senate. The Senate vote on this measure was 50-47, with all Democrats but Harry Byrd voting against the bill. Three Republicans also opposed the bill. Once the conference is completed, the House is scheduled to act first, and a rough battle is anticipated. At the same time, it is apparent that we are also losing some ground among our Republican supporters in the Senate, and it is imperative that we keep these members on board in order to ensure favorable Senate action.

Senator Jesse Helms voted for passage of the tax bill, but did so reluctantly. Helms has a problem with the provisions of the legislation which affect tobacco. Specifically, the bill increases the present excise tax on cigarettes from 8 cents to 16 cents per pack. This increase would sunset on September 30, 1985. At the beginning of the conference, Senator Dole had indicated some willingness to modify this provision, but thus far no specific action has been taken with respect to tobacco. You should discuss Helms' concern regarding tobacco, but encourage him to stick with the bill on final passage.

III. PARTICIPANTS

The President
The Vice President
Secretary of the Treasury Donald Regan
OMB Director David Stockman
Senator Jesse Helms (R-North Carolina)

Participants (continued)

Staff

James A. Baker III
Edwin Meese III
Michael Deaver
Kenneth M. Duberstein

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

Senator Helms to arrive Northwest Gate, enter the West Lobby, and be escorted to the Oval Office for a 15-minute meeting with the President.

Attachment: Talking Points

SUGGESTED TALKING POINTS FOR MEETING WITH
SENATOR JESSE HELMS (R-NORTH CAROLINA)

-- Remind Senator Helms of your personal support for the Senate passed tax bill. Tell Helms we can improve this measure in conference and stress your belief that it is imperative that we pass this legislation.

-- Stress the fact that lower interest rates are the key to stimulating our economic recovery. Passage of this conference report will help lower interest rates, thus helping the real estate, auto, and construction industries and most importantly, small businesses.

-- Senator Helms has a problem with the tobacco portions of this bill. Mention this to him and let him explain his concerns. Secretary Regan can comment on the tobacco provisions technically and the potential for any changes in that language.

-- Tell Senator Helms that you must have his help on this important piece of legislation. Ask him if you can count on him.

F

THE WHITE HOUSE

WASHINGTON

BRIEFING PAPER FOR THE PRESIDENT

MEETING WITH THE CABINET

DATE: AUGUST 10, 1982
TIME: 2:00 P.M. (30 MINUTES)
LOCATION: CABINET ROOM

FROM: CRAIG L. FULLER CF

I. PURPOSE/BACKGROUND

The Cabinet meeting has been scheduled for the purpose of briefing the members of the Cabinet on the present Congressional situation with respect to the tax bill and budget matters. Don Regan and Dave Stockman will provide the briefings. The Cabinet will also be briefed on a communications plan. (You need only to stay for the first portion of the meeting.)

You may wish to open the meeting with a few comments and reactions to what you have been encountering in your meetings with the members of Congress. You should also reaffirm your strong support for the tax bill and spending cuts designed to reduce the deficit and bring down interest rates.

II. PARTICIPANTS

A list will be attached to the agenda.

III. PRESS PLAN

White House photographer only.

IV. SEQUENCE

Open with reactions to recent Congressional meetings and turn the briefing over to Don Regan.

G

THE WHITE HOUSE

WASHINGTON

Meeting with Selected Republican Members of the House of Representatives

Date: Tuesday, August 10, 1982
Location: The Roosevelt Room
Time: 3:00 p.m. (45 minutes)
From: Kenneth M. Duberstein Ken D.

I. PURPOSE

To indicate strong Presidential interest in the House/Senate tax bill conference and to ask for these Members to help support passage of the conference report.

II. BACKGROUND

House Republicans are very reluctant to support a tax bill. Only 44 Republicans voted to send the Senate passed bill to conference and that unexpected procedure aggravated the House Republican Members at large because they had been generally excluded from any substantive legislative input.

In addition to special interest opposition, certain conservative Republicans have mobilized opposition to <u>any</u> tax hike. Other Republicans have indicated that they will not support any tax increase until the House enacts the spending reductions called for in the budget reconciliation instructions.

A major portion of the reconciliation spending reductions are also in the conference with the tax bill. If the conferees meet the reconciliation targets, passage of the conference report could reduce the deficit approximately $115 billion over the next three years. However, Republican Members are very nervous about the political consequences of raising taxes, and need to be reassured that the Administration has no intention of raising taxes to pay for more spending programs.

BACKGROUND Continued

We will need to gain substantial support from this group for the revenue bill. This meeting will give them an opportunity to air their views and to get a better understanding of the need for passage of the conference report.

III. PARTICIPANTS

List Attached

IV. PRESS PLAN

White House photographer only

V. SEQUENCE OF EVENTS

Presidential remarks followed by remarks by Secretary Regan. Open discussion with Congressional participants will follow the Secretary's remarks.

Attachment A: Participants List
Attachment B: Talking Points

ATTACHMENT A

PARTICIPANTS

The President
The Vice President
Secretary of the Treasury, Donald Regan
OMB Director, David Stockman

Members of Congress

Bob Michel, Republican Leader (R-Illinois)
Trent Lott, Republican Whip (R-Mississippi)
Del Latta (R-Ohio)
Bill Stanton (R-Ohio)
Bill Broomfield (R-Michigan)
Carl Pursell (R-Michigan)
Bob Davis (R-Michigan)
Robert McClory (R-Illinois)
Chalmers Wylie (R-Ohio)
Mike Oxley (R-Ohio)
John Erlenborn (R-Illinois)
John Porter (R-Illinois)
Caldwell Butler (R-Virginia)
Ken Robinson (R-Virginia)
Bill Wampler (R-Virginia)
Harold Sawyer (R-Michigan)
Floyd Spence (R-South Carolina)
Bill Dickinson (R-Alabama)
James Quillen (R-Tennessee)
Hal Daub (R-Nebraska)
Frank Horton (R-New York)

Staff

Edwin Meese
James A. Baker
Michael Deaver
Richard Darman
Kenneth M. Duberstein
M. B. Oglesby, Jr.
John Dressendorfer
John Scruggs
Nancy Risque
David Wright
Dennis Thomas
Lyn Nofziger

ATTACHMENT B

SUGGESTED TALKING POINTS FOR MEETING
WITH SELECTED MEMBERS OF THE HOUSE OF REPRESENTATIVES

-- I wanted to make sure that there was no misunderstanding about my support for the Senate-passed tax bill and spending reductions. We can improve this bill in conference, and I believe that it is imperative that we then pass it.

-- Passing this conference report will help bring down interest rates, thus helping the real estate, auto and construction industries; and, most importantly, small businesses. These lower interest rates are the key to stimulating business recovery.

-- Rather than imposing new taxes on working people, this bill tries to insure that everyone pays a fair share of the tax burden. More than three-fourths of the revenue raised comes from increased taxpayer compliance and the closing of tax loopholes.

-- Passage of the conference report preserves the economic incentives of last year's tax bill and assures retention of the third year of the tax cut as well as the retention of indexing.

-- I intend to do all I can to help you this fall, but you need to help me by passing this conference report. Lower interest rates and an improving economy will be the best political tonic possible. Can I count on your support?

THE WHITE HOUSE

WASHINGTON

August 10, 1982

MEETING WITH SENATOR WILLIAM ROTH (R-DELAWARE)
DATE: Tuesday, August 10, 1982
LOCATION: The Oval Office
TIME: 3:45 p.m. (10 minutes)

FROM: Kenneth M. Duberstein for D.

I. PURPOSE

To discuss with Senator Roth his support for the tax increase/spending reduction conference report.

II. BACKGROUND

H.R. 4961, the tax increase/spending reduction measure, passed the Senate on July 22, and is presently in conference between the House and the Senate. The Senate vote on this measure was 50-47, with all Democrats but Harry Byrd voting against the bill. Three Republicans also opposed the bill. Once the conference is completed, the House is scheduled to act first, and a rough battle is anticipated. At the same time, it is apparent that we are also losing some ground among our Republican supporters in the Senate, and it is imperative that we keep these members on board in order to ensure favorable Senate action.

Senator Roth voted both in the Senate Finance Committee and on the Senate floor for passage of the tax bill. Senator Roth was one of the principal Congressional leaders in the fight for reductions in marginal tax rates. He has consistently expressed his opposition to the repeal or delay of any aspect of last years individual income tax cuts. Senator Roth is a member of the Conference Committee now considering the tax increase/spending reduction legislation.

Senator Roth has indicated to White House staff his interest in publicly supporting the conference report. This meeting should serve to confirm Senator Roth's strong public support for the tax bill.

III. PARTICIPANTS

The President
The Vice President
Senator William Roth (R-Delaware)

Participants (continued)

Staff

James A. Baker III
Edwin Meese III
Michael Deaver
Lyn Nofziger
Kenneth M. Duberstein

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

Senator Roth to arrive Northwest Gate, enter the West Lobby, and be escorted to the Oval Office for a 15-minute meeting with the President.

Attachment: Talking Points

SUGGESTED TALKING POINTS FOR MEETING WITH
SENATOR WILLIAM ROTH (R-DELAWARE)

-- Express to Senator Roth your personal appreciation for his strong support for the tax bill both in the Senate Finance Committee and on the Senate floor.

-- Indicate your continued appreciation for his strong advocacy last year of the individual income tax reductions and for his continued commitment to this fundamental element of supply side economics.

-- Indicate to Senator Roth that you would hope that he would continue to make public statements strongly in support of the conference report which you understand will be completed tomorrow evening, August 11.

H

THE WHITE HOUSE

WASHINGTON

Meeting with Selected Republican Members of the House of Representatives

Date: Tuesday, August 10, 1982
Location: The Cabinet Room
Time: 4:00 p.m. (45 minutes)
From: Kenneth M. Duberstein Ken D.

I. PURPOSE

To indicate strong Presidential interest in the House/Senate tax bill conference and to ask for these Members to help support passage of the conference report.

II. BACKGROUND

House Republicans are very reluctant to support a tax bill. Only 44 Republicans voted to send the Senate passed bill to conference and that unexpected procedure aggravated the House Republican Members at large because they had been generally excluded from any substantive legislative input.

In addition to special interest opposition, certain conservative Republicans have mobilized opposition to <u>any</u> tax hike. Other Republicans have indicated that they will not support any tax increase until the House enacts the spending reductions called for in the budget reconciliation instructions.

A major portion of the reconciliation spending reductions are also in the conference with the tax bill. If the conferees meet the reconciliation targets, passage of the conference report could reduce the deficit approximately $115 billion over the next three years. However, Republican Members are very nervous about the political consequences of raising taxes, and need to be reassured that the Administration has no intention of raising taxes to pay for more spending programs.

BACKGROUND continued

We will need to gain substantial support from this group for the revenue bill. This meeting will give them an opportunity to air their views and to get a better understanding of the need for passage of the conference report.

III. PARTICIPANTS

List attached

IV. PRESS PLAN

White House photographer only

V. SEQUENCE OF EVENTS

Presidential remarks followed by remarks by Secretary Regan. Open discussion with Congressional participants will follow the Secretary's remarks.

Attachment A: Participants List
Attachment B: Talking Points

ATTACHMENT A

PARTICIPANTS

The President
The Vice President
Secretary of the Treasury, Donald Regan
OMB Director, David Stockman

Members of Congress

Bob Michel, Republican Leader (R-Illinois)
Trent Lott, Republican Whip (R-Mississippi)
Guy VanderJagt (R-Michigan)
Olympia Snowe (R-Maine)
Dave Emery (R-Maine)
Stewart McKinney (R-Connecticut)
Tom Tauke (R-Iowa)
Bill Frenzel (R-Minnesota)
Don Ritter (R-Pennsylvania)
Vin Weber (R-Minnesota)
Doug Bereuter (R-Nebraska)
Matthew Rinaldo (R-New Jersey)
Marge Roukema (R-New Jersey)
Ed Derwinski (R-Illinois)
Tom Railsback (R-Illinois)
Joseph McDade (R-Pennsylvania)
Bill Clinger (R-Pennsylvania)
Elwood Hillis (R-Indiana)
John Hiler (R-Indiana)
Bud Shuster (R-Pennsylvania)
Bob Whittaker (R-Kansas)
Claudine Schneider (R-Rhode Island)

Staff

Edwin Meese
James A. Baker
Michael Deaver
Richard Darman
Kenneth M. Duberstein
M. B. Oglesby, Jr.
John Dressendorfer
John Scruggs
Nancy Risque
David Wright
Dennis Thomas
Lyn Nofziger

ATTACHMENT B

SUGGESTED TALKING POINTS FOR MEETING
WITH SELECTED MEMBERS OF THE HOUSE OF REPRESENTATIVES

-- I wanted to make sure that there was no misunderstanding about my support for the Senate-passed tax bill and spending reductions. We can improve this bill in conference, and I believe that it is imperative that we then pass it.

-- Passing this conference report will help bring down interest rates, thus helping the real estate, auto and construction industries; and, most importantly, small businesses. These lower interest rates are the key to stimulating business recovery.

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-- Passage of the conference report preserves the economic incentives of last year's tax bill and assures retention of the third year of the tax cut as well as the retention of indexing.

-- I intend to do all I can to help you this fall, but you need to help me by passing this conference report. Lower interest rates and an improving economy will be the best political tonic possible. Can I count on your support?