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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 AUG 10 82

Subject Codes:
PR 007.01

1) Subject: List of invitees/attendees at
meeting with SHIRON PERES, leader
of the labor party of Israel

CO 074

2) Meeting with Republican Congressional
leaders to discuss the House /
Senate tax bill conference
report and other matters.

LE
PL 005.04
FI 004
FI 010
BE 004

3) Meeting with Lee Iococca,
to discuss tax legislation.

BE 003.15

4) Meeting with Paul Thayer, of the
U.S. Chamber of Commerce, to
discuss tax legislation.

5) Meeting with members of the Core
Group, a group of Congressmen
who have been long time Reagan
supporters, to discuss tax
legislation.

PR 003
FG 032

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	1 1			1 1

Referral Note: _____

WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

- X - MEDIA
- H - INTERNAL

Subject Codes:

PR 007.01

Name of Document: BRIEFING PAPERS FOR
PRESIDENT'S SCHEDULED
APPOINTMENTS FOR AUG 10 82

6) Subject: Meeting with Senator Jesse
Helms to discuss tax
legislation

7) Meeting with the Cabinet to discuss
tax legislation and budget
matters

FG 010.01

8) Meeting with selected Republican
members of the House to discuss
tax legislation

9) Meeting with Senator William
Roth to discuss tax legislation

10) Meeting with another group
of Republican members of the
House to discuss tax
legislation.

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	1 / 1		1 / 1

Referral Note:

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT'S SCHEDULE
Tuesday, August 10, 1982

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (60 min)	<u>Meeting with GOP Congressional Leaders</u> (Duberstein) (TAB A)	Cabinet Room
10:30 am (15 min)	<u>Personal Staff Time</u>	Oval Office
10:45 am (15 min)	<u>Meeting with Lee Iacocca</u> (Fuller) (TAB B)	Oval Office
11:00 am (15 min)	<u>Meeting with Paul Thayer</u> (Fuller) (TAB C)	Oval Office
11:15 am (15 min)	<u>National Security Briefing</u> (Clark)	Oval Office
11:30 am (15 min)	<u>Meeting with Shimon Peres, Israeli Labor Party Leader</u> (Clark) (distributed separately)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u>	Oval Office
1:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB D)	Roosevelt Room
1:45 pm (15 min)	<u>Meeting with Senator Jesse Helms</u> (Duberstein) (TAB E)	Oval Office
2:00 pm (30 min)	<u>Cabinet Meeting</u> (Fuller) (TAB F)	Cabinet Room
2:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
3:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB G)	Roosevelt Room
3:45 pm (15 min)	Meeting with Senator Barry Goldwater (Duberstein)	Oval Office
4:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB H)	Cabinet Room
4:55 -	<i>Photo Oliver Norton Johnson</i>	
5:00 pm (30 min)	<u>Haircut</u>	West Basement
5:30 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT'S SCHEDULE
Tuesday, August 10, 1982

Time	Activity	Location
9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (60 min)	<u>Meeting with GOP Congressional Leaders</u> (Dubenstein)	Cabinet Room
10:30 am (15 min)	<u>Personal Staff Time</u>	Oval Office
10:55 10:45 am (15 min)	<u>Meeting with Lee Iacocca</u> (Fuller) <i>EM, JAB, MILO, CF, G. BUSH</i>	Oval Office
11:10 11:00 am (15 min)	<u>Meeting with Paul Thayer</u> (Fuller) <i>JAB</i>	Oval Office
11:25 11:15 am (15 min)	<u>National Security Briefing</u> (Clark) <i>A. MYER, SEPT. SHULTZ, B. MCFARLAND, GREGG KEMIS, A. MRS. VELUTAS</i>	Oval Office
11:37 11:35 11:30 am (15 min)	<u>Meeting with Shimon Peres, Israeli Labor Party Leader</u> (Clark)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u> <i>B. CHADAYON, D. REGAN, D. DARMAN, K. DUBENSTEIN, V.P., EM, JAB, LYNN UOZIGER</i>	CAB. ROOM Oval Office
1:14 1:00 pm (45 min)	<u>Congressional Meeting</u> (Dubenstein)	Roosevelt Room
1:45 pm (15 min)	<u>Meeting with Senator Jesse Helms</u> (Dubenstein)	Oval Office
2:10 2:00 pm (30 min)	<u>Cabinet Meeting</u> (Fuller)	Cabinet Room
2:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
3:00 pm (45 min)	<u>Congressional Meeting</u> (Dubenstein)	Roosevelt Room
3:47-4:03 3:45 pm (25 min)	<i>conclusion</i> <u>Meeting with Senator Barry Goldwater</u> (Dubenstein) <i>Wm. ROTH</i>	Oval Office
4:05-5:02 4:00 pm (45 min)	<u>Congressional Meeting</u> (Dubenstein)	Cabinet Room
4:55 PM	<i>OLIVIA NEWTON-JOHNS PHOTO</i>	OVAL OFFICE
5:00 pm-5:10 (30 min)	<u>Haircut</u> TRENT LOTT, KEN DUBST., JAB.	West Basement
5:15 -	<i>HAIRCUT</i>	
5:30 pm (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT'S SCHEDULE
Tuesday, August 10, 1982

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (60 min)	<u>Meeting with GOP Congressional Leaders</u> (Duberstein) (TAB A)	Cabinet Room
10:30 am (15 min)	<u>Personal Staff Time</u>	Oval Office
10:45 am (15 min)	<u>Meeting with Lee Iacocca</u> (Fuller) EM, SAB, MKO, CF, G BUSH (TAB B)	Oval Office
11:00 am (15 min)	<u>Meeting with Paul Thayer</u> (Fuller) (TAB C)	Oval Office
11:15 am (15 min)	<u>National Security Briefing</u> (Clark) AITAN MAREN, SECY SHULTZ BUD MCARLANO, GEORGE KENNEDY, DANIEL GUS.	Oval Office
11:30 am (15 min)	<u>Meeting with Shimon Peres, Israeli Labor Party Leader</u> (Clark) W.N., PHOTOS MANAGED (distributed separately)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u> B. CHAPOTON, D. REBAN, D. DARMAN, C. DUBERSTEIN D. STECKMAN, D. PILES, EM, SAB, RA, GYN NEPFLER	Oval Office
1:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB D)	Roosevelt R
1:45 pm (15 min)	<u>Meeting with Senator Jesse Helms</u> (Duberstein) (TAB E)	Oval Office
2:00 pm (30 min)	<u>Cabinet Meeting</u> (Fuller) (SABINE (ON CALL)) (TAB F)	Cabinet Room
2:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
3:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB G)	Roosevelt R
3:45 pm (15 min)	<u>Meeting with Senator Barry Goldwater</u> (Duberstein) PEAS STAFF TIME mtg. w/ Bill ROTH	Oval Office
4:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) - PHOTO (TAB H)	Cabinet Room
4:55 pm (30 min)	<u>Haircut</u> OLIVIA NEWTON JOHN - PHOTOS OP	OVAL West Baseme
5:30 pm	<u>Staff Time</u>	Oval Office

MEETING WITH ISRAELI LABOR PARTY LEADER SHIMON PERES
Tuesday, August 10, 1982 -- 11:30 a.m. (fifteen minutes)

11:15 a.m. -- Briefing

✓ The President
✓ Secretary Shultz
✓ Assistant Secretary Veliotos
Robert C. McFarlane
Geoffrey Kemp

11:30 a.m. -- Meeting

United States

The President
The Vice President
Secretary Shultz
Robert C. McFarlane
Assistant Secretary Veliotos
Geoffrey Kemp, NSC
Howard J. Teicher, NSC

Israel

Israeli Labor Party Leader Shimon Peres
Ambassador Moshe Arens

+2

THE WHITE HOUSE
WASHINGTON
THE PRESIDENT'S SCHEDULE
Tuesday, August 10, 1982

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (60 min)	<u>Meeting with GOP Congressional Leaders</u> (Duberstein) (TAB A)	Cabinet Room
10:30 am (15 min)	<u>Personal Staff Time</u>	Oval Office
10:45 am (15 min)	<u>Meeting with Lee Iacocca</u> (Fuller) (TAB B)	Oval Office
11:00 am (15 min)	<u>Meeting with Paul Thayer</u> (Fuller) (TAB C)	Oval Office
11:15 am (15 min)	<u>National Security Briefing</u> (Clark) <i>ALLAN MYER, SECTY SHULTZ GEORGE SCENI, AMB. GALISTOS</i>	Oval Office
11:30 am (15 min)	<u>Meeting with Shimon Peres, Israeli Labor Party Leader</u> (Clark) (distributed separately)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u> (Duberstein) 10 people	Oval Office Cabinet Room
1:14 - 2:05 1:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB D)	Roosevelt R
1:45 pm (15 min)	<u>Meeting with Senator Jesse Helms</u> (Duberstein) (TAB E)	Oval Office
2:10 - 2:27 2:00 pm (30 min)	<u>Cabinet Meeting</u> (Fuller) (TAB F)	Cabinet Room
2:30 pm (30 min)	<u>Personal Staff Time</u>	Oval Office
3:00 pm (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB G)	Roosevelt R
3:45 - 4:03 4:15 pm (15 min)	MTG WITH SEN B. H. ROTH <u>Meeting with Senator Barry Goldwater</u> (Duberstein)	Oval Office
4:05 - 5:02 4:00 pm (45 min)	<u>Congressional Meeting</u> Combined w 3:00 MTG. (Duberstein) (TAB H)	Cabinet Room
4:55 5:00 pm (30 min)	PHOTO OLIVIA NEWTON-John (OTR) - CANCEL. <u>Haircut</u>	Oval Office West Basem
5:30 pm	<u>Staff Time</u>	Oval Office

THE WHITE HOUSE

WASHINGTON

August 10, 1982

MEMORANDUM FOR DAVE FISCHER

FROM: M. B. OGLESBY, *MB*

SUBJECT: Attendance at Presidential Meeting

The following individuals were in attendance at the 4:15 meeting today with the President in the Cabinet Room (combined meeting of 3:00 and 4:00 meetings originally scheduled):

Secretary Regan
Dave Stockman

Members of Congress

Doug Bereuter	Bob Michel
Bill Clinger	Bill Stanton
Dave Emery	Mike Oxley
Bill Frenzel	Hal Sawyer
Elwood Hillis	Hal Daub
John Hiler	Joe Skeen
Joseph McDade	John Porter
Stewart McKinney	Caldwell Butler
Don Ritter	Trent Lott
Marge Roukema	
Claudine Schneider	
Vin Weber	
Bob Whittaker	

Staff

Dick Darman	John Dressendorfer
Ken Duberstein	Nancy Risque
Larry Speakes	Dennis Thomas
M. B. Oglesby, Jr.	Lyn Nofziger
Bob Thompson	

THE WHITE HOUSE

WASHINGTON

August 10, 1982

MEMORANDUM FOR DAVE FISCHER

FROM:

M. B. OGLESBY *Bo*

SUBJECT:

ATTENDEES AT MEETING WITH PRESIDENT

The following attended a meeting today at 1:00 with the President in the Roosevelt Room:

Congressman Tom Evans
Congressman Paul Trible
Congressman Richard Schulze
Congressman Tom Hagedorn
Congressman Mickey Edwards
Congressman Henry Hyde
Congressman Carroll Campbell
Congressman Charles "Chip" Pashayan

Vice President Bush
Secretary Donald Regan
OMB Director Dave Stockman

Staff:

Ed Meese
Jim Baker
Lyn Nofziger
Ed Rollins
Ken Duberstein
Lee Atwater
M.B. Oglesby, Jr.
Bob Thompson
John Chapoton (Treasury Dept.)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 10, 1982

TO: DAVE FISCHER
FROM: PAM TURNER *pt*
SUBJECT: Senators in Attendance at August 10, 1982
GOP Leadership Meeting

The following individuals were in attendance at the meeting with the President in the Cabinet Room at 9:30 a.m. on Tuesday, August 10, 1982:

The Vice President
Treasury Secretary Donald Regan
OMB Director David Stockman
RNC Chairman Richard Richards

Senate

Howard Baker
James McClure
John Tower
Paul Laxalt
Strom Thurmond
Robert Dole
Pete Domenici
Mark Hatfield

Regret: Jake Garn
Ted Stevens
Bob Packwood

House

list provided by House Legislative Affairs

Staff

Ed Meese
Jim Baker
Mike Deaver
Ken Duberstein
Craig Fuller

Dick Darman
Ed Rollins
Larry Speakes
M.B. Oglesby
Pam Turner


J.L. Cullen
Susan Alvarado
Bob Thompson
Lyn Nofziger
Ed Harper
REGRET: Dennis Thomas

THE WHITE HOUSE

WASHINGTON

August 26, 1982

MEMORANDUM FOR DAVE FISCHER

FROM: M. B. OGLESBY, JR. 

SUBJECT: Attendance at August 10 GOP Leadership Meeting - House of Representatives

The following Members of the House of Representatives attended the August 10th GOP Leadership meeting with the President in the Cabinet Room:

- Bob Michel (R-Illinois)
- Trent Lott (R-Mississippi)
- Jack Kemp (R-New York)
- Jack Edwards (R-Alabama)
- Clair Burgener (R-California)
- Dick Cheney (R-Wyoming)
- Ed Madigan (R-Illinois)
- Guy Vander Jagt (R-Michigan)
- Tom Evans (R-Delaware)
- Sil Conte (R-Massachusetts)
- Del Latta (R-Ohio)
- Barber Conable (R-New York)

THE WHITE HOUSE

WASHINGTON

CABINET MEETING AGENDA

August 10, 1982 -- 2:00 p.m.

1. Update on Tax Bill Consultations The President

2. Tax Bill Communications Plan Lyn Nofziger

3. Current Status of the Tax Bill Donald Regan

4. Related Legislative Activity David Stockman

For Dave Fischer

Pres. (left early)
VP.
Shultz
Regan
Weinberger
(Giuliani)
(Hodel)
Block
Baldridge
Donovan
Schweiker
(Hovde)
(Trent)
Edwards
Bell
Meese
Stockman
(Macdonald)

CABINET MEETING PARTICIPANTS

Tuesday, August 10, 1982 -- 2:00 p.m.

The Cabinet -- All Members *

- * ✓ Rudolph W. Giuliani, Acting Attorney General, for the Attorney General
- * ✓ Donald P. Hodel, Under Secretary of the Interior, for Secretary Watt
- * ✓ Donald I. Hovde, Under Secretary of Housing and Urban Development, for Secretary Pierce
- * ✓ Darrell M. Trent, Deputy Secretary of Transportation, for Secretary Lewis
- * ✓ David Macdonald, Deputy Trade Representative, for Ambassador Brock
- * ✓ Director Casey will not attend
- * ✓ Ambassador Kirkpatrick will not attend.

- ✓ ~~James A. Baker, III~~ arrived late
 - ✓ ~~Michael K. Deaver~~
 - ✓ ~~Richard C. Dorman~~ arrived late
 - ✓ Elizabeth Dole
 - ✓ ~~Kenneth Duberstein~~
 - ✓ Craig L. Fuller
 - ✓ Edwin L. Harper
 - ✓ ~~James E. Jenkins~~
 - ✓ Edward Rollins
 - ✓ Murray Weidenbaum
 - ✓ ~~Rich Williamson~~
 - ✓ Kenneth Cribb
 - ✓ ~~Larry Speakes~~
 - ✓ Jim Cicconi
 - ✓ ~~Daniel Murphy~~
 - ✓ Karen Hart
 - ✓ Al Holmer
 - ✓ Ed Gray
- For Presentations:

✓ Lyn Nofziger

THE WHITE HOUSE

WASHINGTON

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERSHIP

DATE: Tuesday, August 10, 1982

LOCATION: The Cabinet Room

TIME: 9:30 a.m. (1 hour)

FROM: KENNETH M. DUBERSTEIN *K. D.*

I. PURPOSE

To reemphasize the importance of the tax bill conference report to your overall economic recovery program and to review other major items on the congressional agenda prior to the recess scheduled for August 20.

II. BACKGROUND

At the most recent meeting of the Republican Leadership last Wednesday, many of the leaders, with the exception of Jack Kemp, strongly endorsed your decision to support the passage of a tax bill conference report containing spending cuts and \$99 billion in new revenue.

The conference committee is still meeting but is likely to conclude later this week. A vote on the House floor on the conference report could come as early as next Tuesday, followed then by a vote by the Senate.

Several other major items are being considered by the Congress at this time:

- The House has passed and the Senate is considering the Supplemental Appropriations bill. Although the Senate version contains your \$355 million request for the Caribbean Basin Initiative, it also adds \$640 million in unwarranted and unrequested spending for Fiscal Year 1982. The House bill which does not include CBI funding is approximately \$800 million over in domestic spending. The Administration is urging that these unnecessary funds be deleted from the bill.
- The Defense Authorization bill is in conference and the Administration is pushing for restoration of funding for the MX basing mode, which is not included in the Senate passed version.
- The reconciliation spending bill will be in conference later this week and the Administration will be supporting the Senate passed version which contains a 4% cap on federal retirement benefits (a savings of \$5 billion).

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer

V. SEQUENCE OF EVENTS

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

Attachments: Participants - Attachment A
Agenda - Attachment B
Talking Points - Attachment C

ATTACHMENT B

AGENDA

- | | |
|------------------------------|---|
| 9:30 - 9:40
(10 minutes) | The President makes opening remarks |
| 9:40 - 9:45
(5 minutes) | The President turns to Congressmsn Bob Michel for a report on the House |
| 9:45 - 9:50
(5 minutes) | The President asks Senator Howard Baker for a report on the Senate. |
| 9:50 - 10:30
(40 minutes) | General discussion |
| - 10:30 - | President adjourns meeting |

PARTICIPANTS

The President
The Vice President
Secretary of the Treasury, Donald Regan
Director of OMB, David Stockman
Republican National Committee Chairman, Richard Richards

Senate

Howard Baker, Majority Leader of the Senate
Ted Stevens, Assistant Majority Leader of the Senate
James McClure, Chairman of Republican Conference
John Tower, Chairman of the Republican Policy Committee
Paul Laxalt
Bob Packwood, Chairman of National Republican Senatorial Committee
Strom Thurmond, President Pro Tempore of Senate
Robert Dole, Chairman of Finance Committee
Pete Domenici, Chairman of Budget Committee
Mark Hatfield, Chairman of Appropriations Committee

Regret: Jack Garn, Secretary of Republican Conference

House

Bob Michel, Republican Leader of the House
Trent Lott, Republican Whip of the House
Jack Kemp, Chairman of Republican Conference
Jack Edwards, Vice Chairman of Republican Conference
Clair Burgener, Secretary of Republican Conference
Dick Cheney, Chairman of Republican Policy Committee
Edward Madigan, Chairman of Republican Research Committee
Guy Vander Jagt, Chairman of National Republican Congressional Committee
Tom Evans, Vice Chairman of National Republican Congressional Committee
Silvio Conte, Ranking Republican Member, Appropriations Committee
Del Latta, Ranking Republican Member, Budget Committee
Barber Conable, Ranking Republican Member, Ways and Means Committee
John Rhodes, Dean of House Republicans

Regret: James Quillen, Ranking Republican Member, Rules Committee

Staff

Ed Meese, Jim Baker, Mike Deaver, Ken Duberstein, Craig Fuller,
Dick Darman, Ed Rollins, Ed Harper, Larry Speakes, M.B. Oglesby,
Pam Turner, J.L. Cullen, Dennis Thomas, Susan Alvarado, Bob Thompson,
Lyn Nofziger

TALKING POINTS

--- Want to discuss several items that are on the Congressional agenda between now and the August 20 recess.

TAX BILL

--- First, following our leadership meeting last week, I have been meeting with groups of House Republicans to discuss supporting the tax bill.

--- As our fellow Republicans get the information, they are beginning to understand that passing the conference report will continue to bring down interest rates, lower the deficit and increase employment, thus helping the real estate, auto, constructions and related industries and small business.

--- I'm heartened by their initial response but know that we have much work to do as a team. That's why I cancelled my vacation---I'll be meeting with many more Congressmen and Senators to encourage them to support the conference report.

RECONCILIATION SPENDING BILL

--- Second, the Senate approved a version saving \$12 billion and I know the House is doing its best but coming in far below what's required by the Congressioanl Budget Resolution.

--- When the bills go to conference later this week, we'll be strongly supporting the Senate version which contains a 4% cap on federal retirement benefits (a savings of \$5 billion).

--- Just want to stress that I'm going to hold the line on unwarranted spending and will use the veto when necessary.

SUPPLEMENTAL APPROPRIATIONS BILL

--- In that connection, I'm concerned that the House passed a bill with \$800 million more than we requested.

--- Understand the Senate version, while containing my spending request for the Caribbean Basin Initiative, includes \$640 million in unrequested domestic spending. Almost half of that figure is for items contained in the urgent supplemental which I vetoed.

--- We simply must curtail unnecessary spending and reduce prospective budget deficits.

ARMS CONTROL
and BALANCED BUDGET CONSTITUTIONAL AMENDMENT

--- Finally, I want to salute the House---Bob and Trent especially for their leadership---for passing the Broomfield-Carney-Stratton arms control resolution 204-202. Watched it on TV.

--- And salute the Senate---Howard and Strom especially for their leadership---on the passage of the balanced budget constitutional amendment, 69-31.

--- Understand there are 184 signatures on the discharge petition to get a vote on it in the House.

--- Hope we'll make every effort to get 218 this week.

--- Now, Bob, you first this week.

B

THE WHITE HOUSE

WASHINGTON

August 9, 1982

BRIEFING PAPER FOR THE PRESIDENT

MEETING WITH LEE IACOCCA

DATE: AUGUST 10, 1982
TIME: 10:45 A.M. (15 min.)
LOCATION: OVAL OFFICE

FROM: CRAIG L. FULLER 

I. PURPOSE/BACKGROUND

Lee Iacocca has periodically suggested ways to reduce interest rates. In this week's issue of Newsweek, Lee Iacocca has written a "My Turn" column on lowering interest rates. A copy of the article is attached.

I have been advised that Lee Iacocca is willing to support your efforts to pass the tax bill as a way to bring down interest rates. I thought you might like to refer to the article in asking Lee for his assistance.

He reportedly will contact Congressman, appear on news programs and speak out in support of the tax bill provided you ask him for his support.

You should know that his one area of concern is the Safe Harbor Leasing provision of the tax bill. Treasury is presently attempting to work out a solution to this issue. Congressman Conable has developed an alternative that is attractive, but may not be satisfactory with Senator Dole.

II. PARTICIPANTS

The President
James Baker
Ed Meese
Craig Fuller
Lee Iacocca

III. PRESS PLAN

The press will meet Lee Iacocca after he leaves the West Lobby for informal questions.



How to Cut Interest Rates

MY TURN/LEE A. IACOCCA

We are fast approaching the third anniversary of that day of infamy—Oct. 6, 1979—when Paul Volcker and the Federal Reserve Board let the prime rate float. The tidal wave of economic destruction set off by that decision has been awesome.

First it hit Detroit, setting off the longest car-sales depression in 50 years. Then it hit the housing industry, collapsing that market. Now it's swamping everybody. And almost everybody has begun to see that the Fed has to be tamed and the deficit cut. Where have they all been? The economy has been sputtering like a wet fuse since 1979.

Before then the United States had seen prime interest rates as high as 12 percent only once—during the Civil War. In 1979 the rate shot up over 20 percent and since then has not been as "low" as 15 percent until last week.

But not only are the interest rates too high, they are too volatile. Since the Fed decided to let the rate float, the prime rate has changed 80 times! That's once every 14 days! Like a yo-yo on a short string, the prime has been jerked around so many times that no one can plan for the future.

Twelve thousand businesses have gone belly up this year—the worst rate of failure since 1933. In June we had a business failure every 20 minutes around the clock. There have been 140,000 homes foreclosed in the first quarter of 1982, the highest number since they began keeping records. The steel industry is operating at 43 percent of capacity.

The worst of this interest-rate madness is the human pain it is causing. Officially, 10.8 million people—9.8 percent of the work force—are now unemployed. That's the largest number since 1938 and the highest rate since 1941!

Frustrated: But the official government numbers don't include the 1.5 million people who have stopped looking for jobs, nor the 6 million who are employed in part-time work. That's 18 million people who are angry, desperate and frustrated. And they are scaring another 18 million who think they'll be fired next. People that insecure don't make purchases that create jobs.

Part of the problem is the premium we are paying for uncertainty—that's the difference between the prime rate and the inflation rate. It used to be that the prime rate

was 2 to 4 points higher than the inflation rate. Now it's 8 to 12 points higher.

As a result, a lot of people are diverting a lot of money into short-term securities. On top of that, the federal government will use up 56 percent of all the credit available to finance its deficit.

But guess what! Those guys who have diverted all that credit upstream have not created one additional job! They're all making money on money. And those of us who *do* create jobs, who *do* make investments in productivity and who want to expand and pay taxes, end up downstream waiting for a few measly drops of credit to get through so we can put a few people back to work.

Well, back in the Old West when some-

Let's forget about finding scapegoats and develop a bipartisan plan to save America.

body upstream diverted all the water away, the guys downstream got together and formed a posse. They rode upstream and had a little showdown with the people who were taking all the water. I'm not advocating violence. But something has got to give!

You can't have a supply-side fiscal policy and a demand-side monetary policy at the same time. It just won't work. Part of the problem is that the Fed, which decides our monetary policy, is accountable to nobody. Paul Volcker has become a central banker who is usurping the power of the commander in chief. That's got to change. Everybody—the administration, the Federal Reserve and the Congress—has got to get on one team and carry out one game plan.

The administration says that all of these problems are the result of 40 years of profligate spending by the Democrats. But for 17 of those 40 years, the Republicans ran the executive branch and all its agencies. So let's admit that it was a bipartisan screw-up. Let's forget about finding scapegoats and develop a bipartisan plan to save America.

What needs to be done is simple. We have

to bring down interest rates—and fast. And there is one good way to do that: cut the federal deficit in half and get the government out of the money market. That will show the money brokers that our government is serious about fiscal reform.

But how do you cut the deficit in half? You take 5 percent out of the defense budget and 5 percent out of social programs. That saves \$15 billion out of the hide of the administration and a matching \$15 billion out of the hide of the Democrats.

At the same time, let's recommit ourselves to energy independence. Raise \$15 billion with a surtax on imported oil that equals the difference between the OPEC price and the world spot price for crude oil. Add another 15 cents to the tax on gas at the pump and you get another \$15 billion.

Add all these measures together and you get \$60 billion. You cut the federal deficit in half. The prime rate comes down by 4 points overnight. You begin to sell cars, houses, steel and lumber—the things that keep this country going and people working.

Tragedies: Let's stop the talk that we're hearing from Washington that maybe a couple of big bankruptcies would be good for the country. Big bankruptcies lead to big tragedies for little people. Instead let's hear Washington talk about jobs for people and a working economy for the nation. That's where America's strength is.

In June, at budget-writing time, the Congress and the administration had the chance to cut the deficit and send a clear signal to the money markets of America that they were serious about lowering interest rates. They failed.

In September, at appropriations time, they will have one last chance to send that signal. Time is running out. The economy has two wheels over the cliff. I hope all Americans will write their president, their senators and their representatives to tell them to stop this economic nonsense and get interest rates down to where consenting adults can engage in commerce again.

Americans can get their leaders to make the system work again. We have done it in every crisis America has ever faced. And we can do it now.

Iacocca is chairman of the board of the Chrysler Corp.

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THE WHITE HOUSE

WASHINGTON

August 9, 1982

MEETING WITH PAUL THAYER

DATE: AUGUST 10, 1982
TIME: 11:00 A.M. (15 MINUTES)
LOCATION: OVAL OFFICE

FROM: ELIZABETH DOLE
CRAIG L. FULLER 

I. PURPOSE/BACKGROUND

Paul Thayer continues to be extraordinarily helpful with respect to supporting you and the Administration's position on the tax bill. He has been speaking out in support of your efforts to pass the tax bill and argued strongly with the U.S. Chamber of Commerce executive committee that the Chamber should support you in an effort to pass the tax bill.

Having lost the vote at the Chamber's executive committee, Paul has polled the Chamber's Board of Directors and has responses back indicating that the Board supports the position Paul Thayer has taken by almost a 2 to 1 margin.

During the meeting, you should thank Paul for his support. Indicate that you are committed to reducing deficits and lowering interest rates by working to pass the tax bill. Thank Paul for his continued support and ask him to do whatever he can do to assist us in passing the tax bill.

I believe Paul is willing to author an op-ed piece in several leading newspapers, he will be meeting with members of Congress during his visit to Washington and he will continue to speak in our behalf around the country.

II. PARTICIPANTS

The President
James Baker
Paul Thayer

III. PRESS PLAN

A White House photographer only in the Oval Office. Following the meeting with the President, Paul Thayer will take reporters questions outside the West Lobby.

IV. SEQUENCE

Welcome Paul Thayer and discuss the effort on the tax bill.