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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: KHACHIGIAN, KEN: Files

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File Folder: Cabinet Meetings (2 of 3) Box 4689
{Notes} (Jan 81) (2 of 2)
Box 1

Date: *5/13/97* *redo*
10/24/06

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Notes	handwritten notes by Ken Khachigian re Cabinet Meetings (3 pp)	2/13/81	P5
2. Notes	handwritten notes by Ken Khachigian re Cabinet Meetings (7 pp.)	2/4/81	P5, P1 B1
3. Memo	from L. Paul Bremer to Craig Fuller re Burden of Proof for Statutory Validity of Regulations (2 pp.)	2/3/81	P5
4. Memo	from James Edwards to Craig Fuller re Burden of Proof for Statutory Validity of Regulations (1p)	2/3/81	P5
<i>3.</i> 5. Notes <i>3.</i>	handwritten notes by Ken Khachigian re Cabinet Meeting (4 pp.)	1/26/81	P5, P1 B1
<i>2.</i> 6. Notes <i>2.</i>	handwritten notes by Ken Khachigian re Cabinet Meeting (7 pp.)	1/24/81	P5, P1 B1
<i>1.</i> 7. Notes <i>1.</i>	handwritten notes by Ken Khachigian re Cabinet Meeting (7 pp.)	1/23/81	P5
8. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (12 pp) <i>partial p. 10</i>	1/22/81	P5 B6 <i>CCB 11/29/00</i>

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].
- C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
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- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

WITHDRAWAL SHEET

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Collection: KHACHIGIAN, KEN: Files

Archivist: gge *dlh*
redo

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(2 of 3) Box 4689
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Date: *5/13/97* *10/24/03*

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Friday, 1-23-81 - Cabinet Meeting

Full Cabinet

10:54 meeting
commenced

Given
by City
of Los Angeles

Even larger glass jar of jelly beans
on center of Cab. table 12-14" high
10-11" diameter - full of J. S's!

In days of B + W moves, Jack Warner
wouldn't let anyone wear striped
ties. He said "We want them to
look at your face not your tie."
"So I solved the problem by
just buying black ties"

Strohman:

Super Fuels Corp -
off-budget & beyond
annual control of Congress. Thus,
~~its~~ its 5 members are very
important.

J.C.'s 5 appointees ~~must~~
be replaced by people who
do w/ R.R. wants.

They should mobilize
private projects + provide
only modest loan guarantees
or purchase price support.

Let's get 5 appointees quickly.
Shall we accept the resignations
of J.C.'s people?

Cap: Yes accept resignations,
but then abolish the board.

Issue: 2 options

- 1.) Withdrawal of Bd.
- 2.) Interim appointments

It's all in place - recommendation
is to appoint board & then
let new Bd. members recommend
to P. that Board be abolished

Brook: Maybe not entirely eliminate
function of Synfuels.

Cap: Windfall profits tax - to
subsidize much of energy
work. The longer keep the
board, the longer you keep the
windfall tax - Get rid of
Synfuels Corp. & get a right
get rid of ~~synfuels~~ tax.

Strohman: We appoint sen people
to Bd. & come up w/ elimination
w/o costing a cent.

Eg. I have a project - have private
people put up large sums of money & U.S.
guarantee for rest.

Spend too much political capital
trying to abolish. Just put people in

Here to get rid of it.

Try to solve problem administratively
 & not spend pol. capital.

Jim Edwards:

We have to determine the cost
 of producing barrel of oil from coal &
 oil shale. That's when we
 can figure out when we no longer need
 foreign crude.

need to accept resignation &
 get time to decide whether we need
 windfall funds.

Somewhere have to R & D operation
 to cap off price of crude.

P's decision: yes - accept
 resignation & get new BO.
 members

Subject: Uniform Indexing of Fed. Programs
 (Stoohman) Eq. Retirement, Food stamps etc.
 We need uniform practices amongst
 entitlement programs. Some are once a
 year & others twice a year.
 Need to make a decision on this
 policy.

Schweiker: This will raise an upside,
but we must do it to show
we're fair.

A big battle b/c of Fed. ee's
unions. Must get civil service cutback.

Cap: This is one of the few big
savings you can get if you want
to make the big budget cut.

Do you also want to put a cap
on the indexing - not go up all
the way up?

Stock: Ted Stephens suggest a way to do
this. Older retirees could be enticed -
ie. impose larger burden of the
change on the newer retirees, + less on
the older ones.

Can do this + still achieve large
savings - about \$1 billion.

f: Civil servants are supposed to be
paid comparable to private sector.
But they are really paid more
than private sector.

p:
"Well, as JB Stuart said: hide to the sound of
the guns."

Regan: Have to tackle the issue of
whether mortgages should be in CPI

P. 4a

Thus CPI is not precise -

Cap: And yet it's killing us. It's
not an accurate index in
any way.

Baldoff: Use average wage increase
in county as your measurement.

Stock: Get rid of McCormack
syndrome - His pension was
almost a \$100,000 a year at death.
We'll come up w/ precise levels.

P: Approves in principle of
one a year - begin study
process.

Termination of CDWPS

Stock: Move immediately to get
rid of CDWPS - b/c we
want fiscal & monetary means to do it.

237 positions - costs
about \$10 million a year.

like hiring freeze -

107 in slots now -
only 20 or 25 are doing
constructive work

P. 5

- 1.) eliminate COW PS slots
- 2.) give them 30 days to leave.
- 3.) retain those useful people in OMB
- 4.) Turn back money to the govt. w/ a reversion notice to Cong.

RR.: "Let's do it fast. Being a child of the Reagan, it has always been very hard for me to fire anyone, all right go ahead."

P.: "Our goal is to reduce the Fed Register to the size of a pamphlet."

Regulations

Spork.: Outlined a proposal to give V-P's task force a little teeth

Requires each agency to submit a regulatory impact analysis -

~~cost~~ cost/benefits analysis

and that it's looked at other ways to do this

allows us to spot every new bad regulation + to re-do if necessary.

P. 6

Do an order that has teeth.

Also propose that all existing regulations would be withdrawn & re-promulgated

also have OMB pick out most costly, burdensome & least effective regs. & get handle on them.

Messie: Bring this back next week after we look at it.

P.: Throw something out for consideration
Can't create bureaucracy to get rid of bureaucracy - Can't we get some volunteers from outside as task force to do this - do a lot of this work for us. Like we did w/ welfare reform in Calif.

Brook: private sector is living w/ this.

Cabinet meeting - Saturday 10:00 - 11:00
{ to Craig Fuller, COB Tuesday
re: RR'S SOTU

P.: on SOTU - Cong. wants to leave on Feb. 5. That affects our date re: appearing before Cong.

THE WHITE HOUSE

WASHINGTON

CABINET MEETING AGENDA

January 23, 1981 -- 10:30 a.m.

Economic Policy Group

1. Potential Budget Reductions

David Stockman

- a. Strategic Petroleum Reserve
- b. Synthetic Fuels Subsidies
- c. Uniform Indexing of Federal Programs
- d. Export-Import Bank
- e. Early Termination of Council on
Wage and Price Stability
- f. Proposed Executive Order on
Regulatory Management

CABINET MEETING PARTICIPANTS

January 23, 1981 -- 10:30 a.m.

James Edwards
David Stockman
Malcolm Baldrige
John Block
Donald Regan
Edwin Meese
Other Cabinet members optional

Jim Baker
Mike Deaver
Richard Allen
Martin Anderson
Max Friedersdorf
James Brady
Richard Darman
Craig Fuller
David Gergen
Dan Murphy

FOR PRESENTATIONS

Ed Harper
Glenn Schleede
Don Moran
Jim Miller
Ray Romatowski

Distribution to All Participants

Additional Distribution

David Fischer
Helene von Damm
Pen James
Nell Yates

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 65 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

Cabinet Meeting

1-27-81

10:03 -

Before
meeting
Grip to
Hail

"Cap's missing... there must be a war."

Ed Hughes: get budget cuts in for
next week's speech.

Jim Edwards: Decentralization of Crude Oil
prices

"Didn't know about it until
I got back into town."

Jane Kirbypatrick: Should not treat
our allies w/ contempt - just
then 24 hours notice.

P: et al: Agree to delay it
one day for consultation purposes

Pete McPherson: Impeachment General Revised
Worked out fine - Reaction
relatively mild.

Schwicker: re: Regulations

Burden of proof on regs is on
citizen to show that govt. has ~~not~~
usurped its powers - not on the
govt.

Get Exec. order to ensure that regs.
comply w/ law.

9.2

fed. civil service people write
these & that's the problem
now, w/ Pres. order - can force
them to comply w/ a plan to ensure
that resp. have been thought through

P: "I can't wait - I'd like to
sign that."

P: "S/g I don't understand. If
you murder someone, you are considered
innocent until proven guilty. But if you are
charged w/ violating a law, you are guilty as charged
& you must prove you are innocent &
you must take your case before
the ones who ^{with the defendants} are judge, jury &
executions."

John Block: re: Brain Embargo -
Should it be a decision of
Natl. Sec. Council, but a large
group. NSC made the bad decisions
in the first place

A: "My whole approach ~~to~~ on this
is one of mixed emotions. I know it
hurts families, but don't want to give to Soviets. From
now on, I want policy that anytime we give, we get."

John Block: will get us off on
wrong foot to leave the embargo
on.

3
Bell: Bilingual -

Excessive + burdensome regulations.
Insulting to educators to give
them too many instructions.

Good example of Fed. control &
direction of S/S why should be
local. We have ~~no~~ ^{no}
business being involved ~~in~~ this.

Recommend we move quickly
to get this done

P: "Go to it full speed ahead."

"The job is mainly bilingual
education is to find the child
who doesn't understand the
lesson & help him - but make
sure it's not just a problem w/
intelligence."

P: "Go to it - more power to you."

Don Regan:

The new left ceiling would be
\$985 not \$990.

P: "I know this is a little unfair -
you have gigantic debts & big
-burdens. But it will take

4
find to learn - Bureaucrats can give you wrong advice.

If we're going to get gov't. back w/ its revenues, we need greater savings. There will be greater savings when you know more about it - programmatic changes - when you can overcome old ways of ~~doing~~ doing things. "People create jobs to insure their own longevity."

"We did a thing in Calif - that cal. bring in budget they need to have - but also bring in a budget that would be your last word if that was a 20% cut. And that was a good exercise. - Gets down to absolute necessities."

"Read Lombro's book - layers & layers of fat in Fed. Gov't which can be cut w/o cutting any muscle fibers. That's what we were elected to do. That's the end of my little sermon."

P: More Fed. Res in the state of Calif. than there are state Res.

THE WHITE HOUSE

WASHINGTON

CABINET MEETING AGENDA

January 27, 1981 -- 11:00 AM

- | | |
|---|--------------------|
| 1. Cabinet Procedures | Edwin A. Meese III |
| 2. Budget Working Groups | David Stockman |
| 3. Decontrol of Crude Oil Prices | James Edwards |
| 4. Debt Ceiling | Donald Regan |
| 5. Inspectors General Update | Peter McPherson |
| 6. Recision of Bilingual
Education Regulations | Terrel Bell |
| 7. Schedule of Cabinet Meetings | Edwin A. Meese III |

CABINET MEETING PARTICIPANTS

January 27, 1981 -- 11:00 AM

The Cabinet -- All Members

James A. Baker III
Michael K. Deaver
Richard V. Allen
Martin Anderson
Max Friedersdorf
James S. Brady
Richard Darman
Craig Fuller
David Gergen
Admiral Daniel Murphy
Ken Khachigian

Ed Harper
Glenn Schleede

Raymond Romatowski

R. Tim McNamar

FACT SHEET ON BILINGUAL EDUCATION
REGULATIONS -- DEPARTMENT OF EDUCATION

- o On August 5, 1980 regulations were published in the Federal Register by former Secretary Shirley Hufstedler.
- o These regulations relate to the U.S. Supreme Court case (Lau vs. Nichols) which found that school districts were in violation of Title VI (of the 1964 Civil Rights Act) if such districts failed to provide programs of instruction to students of limited English proficiency that would help such students overcome their language barriers to learning. (...students who do not understand English are effectively foreclosed from any meaningful learning.") The Lau decision requires that student needs be met but does not prescribe a method.
- o There are 3.5 million students in the United States who have language barriers to learning. The Department of Education makes grants totalling about \$184 million per year to assist schools in meeting these needs.
- o The published regulations go far beyond the requirements of law. Not only is teaching method prescribed, but the regulations go into great detail in identifying and teaching students on the size of classes and on records that must be kept. This is a classic example of law making by bureaucratic fiat.
- o If our system is to work, the bureaucracy should stop expanding and adding to the law through abuse of its rule making process.

PROPOSAL

The Secretary of Education should withdraw the regulations and call attention to the excessive requirements and prescription of teaching method. The responsibility of the State and local education agencies for general control and supervision of education should be emphasized, and this Administration should reaffirm its commitment to return control of education back to the State and local levels. We should emphasize that this action is just the first of a number of steps to be taken to cut back and to cancel regulations that are both costly and unnecessary.

ANTICIPATED OPPOSITION

Some leaders in the hispanic community will likely respond by expressing strong criticism that the Department is turning its back on the rights of students with language barriers to learning.

SUBJECT: Standards for Factual and Legal Conclusions Supporting Proposed Regulations for Possible Inclusion in Executive Order on Regulations

BACKGROUND

One of the issues included in prior regulatory reform debates has been the applicable standards for factual and legal determinations underlying regulations. This has usually been framed in the context of standards for judicial review of regulations. Under existing law and judicial precedents, agency legal interpretations are given an assumption of validity, in effect giving the challenger the burden of proof that the regulations exceed the agency's legal authority. Also, agency factual conclusions (such as regarding the nature of the problem addressed by the regulations) are generally accepted without much scrutiny of the evidence submitted. Higher judicial review standards to scrutinize both the agency's legal authority and its factual conclusions have been proposed, such as in the Bumpers Amendment (passed by the Senate in 1980) and in a new Bumpers/Laxalt bill this year.

POSSIBLE STANDARD FOR INCLUSION IN EXECUTIVE ORDER

Before approving any proposed regulation, the Department or agency head must:

- (1) make a specific finding, supported by a memorandum of law, that the regulation is clearly within the authority delegated by law and consistent with Congressional intent; and
- (2) make a specific finding that factual conclusions upon which the regulation is based are supported by substantial evidence in the agency record taken as a whole, including comments submitted by the public, particularly members of the public required to comply with the regulations.

THE WHITE HOUSE

WASHINGTON

January 27, 1981

MEMORANDUM FOR: ALL CABINET MEMBERS

FROM: Craig L. Fuller, Director
Office of Cabinet Administration

SUBJECT: Cabinet Procedures

A set of procedures is being introduced to facilitate effective Cabinet deliberations.

Your review of the procedures and format for presenting information in Cabinet meetings would be appreciated. Questions or concerns can be raised directly with me.

We would like to utilize the system at next week's Cabinet meetings, with modifications being made as required.

Cabinet Matters

The system is designed to identify every item or issue directed to the Cabinet as a Cabinet Matter. Since a computer will be utilized, each Cabinet Matter (CM) will be given a "CM" number when it "enters" the system. A Cabinet Matter may be a major policy issue or a request for information.

"CM" Format

Items submitted to the Cabinet should be presented to the Office of Cabinet Administration in a standard format. A sample format is attached. It consists of seven parts:

- I Subject
- II Originator
- III Action Forcing Event
- IV Statement of the Issue
- V Analysis
- VI Recommendation
- VII Decision

Circulation for Views

Once the Office of Cabinet Administration receives a Cabinet Matter, it will be circulated for views. All other Cabinet members and members of the Senior White House Staff will receive the item with a request for initial views. Views

will be returned to Cabinet Administration for preparation of the Cabinet Meeting binders.

Cabinet Meeting Binders

Each Cabinet member will have a binder prepared at least one day prior to every Cabinet meeting. Items not received in time for inclusion in the binder will not be placed on the written agenda.

The binders will consist of the meeting's agenda and an issue summary for each Cabinet Matter. A one page summary of all initial views will also be included. Backup materials will follow these two initial one page summaries.

Cabinet Matter Tracking

A major objective of the Cabinet Matter System is to accurately record and easily retrieve important information about Cabinet Matters. A computer assisted tracking system has been developed which will allow us to ask the computer for complete information about any Cabinet Matter by any one of the following identifiers:

- 1) CM number
- 2) issue
- 3) originator
- 4) where action is
- 5) due date
- 6) date set for Cabinet
- 7) actual date in Cabinet
- 8) who has final action
- 9) date report is due
- 10) Special Planning and Evaluation Code

Time Frame

This system requires some advance notice on Cabinet issues. It is anticipated that items will by necessity need to be rushed. National Security matters will have limited exposure for views.

The time frame for processing Cabinet Matters reflects the normal handling of an issue requiring prompt (but not immediate) attention:

<u>Activity</u>	<u>Days before Cabinet meeting</u>
1. Cabinet Matter sent to OCA	3
2. Sent out of OCA for views	3
3. Views developed	2

<u>(Activity)</u>	<u>(Days before Cabinet meeting)</u>
4. Returned to OCA	1
5. Sent by OCA to Cabinet members and attendees	1
6. Cabinet meeting	0

Your reactions to this program are welcome. We are hopeful that it will provide more complete and more advance information to each Cabinet member prior to meetings of the full Cabinet.

1981
CABINET MATTER _____

I SUBJECT _____

II ORIGINATOR _____

III ACTION FORCING EVENT _____

IV STATEMENT OF THE ISSUE

V ANALYSIS: Outline history, current status, possible actions
and impacts--financial, constituent or other public
policy considerations.

VI RECOMMENDATION: Indicate single recommendation or list options.

VII DECISION

____ approve ____ approve as amended ____ reject ____ no action

If options are contained in the recommendation, indicate option(s)
referred to above by placing the appropriate number(s) in the spaces
above.

CM _____

INITIAL VIEWS:

Department of Commerce

Department of Energy

Department of Treasury

Office of Intergovernmental Relations

Office of Legislative Relations

Office of Public Liaison

US Chamber of Commerce

National Manufacturers Association

Additional background material is on the following pages.

