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**Folder Title: Cabinet Meetings**

**[Notes] (February 1981)**

**Box: 1**

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# WITHDRAWAL SHEET

## Ronald Reagan Library

Collection: KHACHIGIAN, KEN: Files

Archivist: ~~ggc~~ *dlb*

*[Notes] (February 1981)*  
*Box 1*

File Folder: Cabinet Meetings (2 of 3) Box 4689

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

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
<i>4</i> <del>2</del> . Notes	handwritten notes by Ken Khachigian re Cabinet Meetings (3 pp)	2/13/81	<del>P5</del>
<i>1</i> <del>2</del> . Notes	handwritten notes by Ken Khachigian re Cabinet Meetings (7 pp.)	2/4/81	<del>P5, P1</del> <i>B1</i>
<i>2</i> <del>3</del> . Memo	from L. Paul Bremer to Craig Fuller re Burden of Proof for Statutory Validity of Regulations (2 pp.)	2/3/81	<del>P5</del>
<i>3</i> 4. Memo	from James Edwards to Craig Fuller re Burden of Proof for Statutory Validity of Regulations (1p)	2/3/81	<del>P5</del>
5. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (4 pp.)	1/26/81	<del>P5, P1</del> <i>B1</i>
6. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (7 pp.)	1/24/81	<del>P5, P1</del> <i>B1</i>
7. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (7 pp.)	1/23/81	<del>P5</del>
8. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (12 pp) <i>partial p. 10 B.</i>	1/22/81	<del>P5 B6</del> <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].
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C. Closed in accordance with restrictions contained in donor's deed of gift.

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# WITHDRAWAL SHEET

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*(Notes) (February 1981)*  
 File Folder: Cabinet Meetings (1 of 3) ~~Box 4689~~  
*Box 1*

Archivist: *ggc dlb*  
*redo*  
 Date: *5/13/97*  
*10/24/04*

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1. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (8 pp.)	4/24/81	<del>P5</del>
2. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (2 pp.)	4/16/81	<del>P5</del>
3. Notes	handwritten notes by Ken Khachigian re Cabinet Meetings (4 pp.)	4/2/81	<del>P5, PT B1</del>
4. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (5 pp.) <i>(p. 4 partial; p. 5, A11)</i>	3/19/81	<del>P5</del> <i>B6</i>
5. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (2 pp.)	3/13/81	<del>P5</del>
6. Notes	handwritten notes by Ken Khachigian re Cabinet Meeting (4 pp.)	3/5/81	<del>P5</del>
<del>7. Notes</del> <i>5</i>	handwritten notes by Ken Khachigian re Cabinet Meeting (4 pp.)	2/26/81	<del>P5</del> <i>(G) 4/29/00</i>

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*redo*

File Folder: Cabinet Meetings <sup>[Notes] (February 1981)</sup>  
~~(2 of 3) Box 4689~~  
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THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE WHITE HOUSE

WASHINGTON

February 4, 1981

MEMORANDUM FOR: CABINET MEETING PARTICIPANTS  
February 4, 1981 Meeting

FROM: CRAIG L. FULLER   
DIRECTOR  
OFFICE OF CABINET ADMINISTRATION

SUBJECT: Supplemental Views on Burden of Proof  
for Statutory Validity of Regulations

The attached views pertain to Agenda Item #2 but were received too late to be included in the binders.

Attachment



## DEPARTMENT OF STATE

Washington, D.C. 20520

February 3, 1981

MEMORANDUM

TO: Mr. Craig L. Fuller  
Director  
Office of Cabinet Administration

FROM: S/S - L. Paul Bremer, III <sup>24</sup>

SUBJECT: Burden of Proof for Statutory Validity of  
Regulations

Secretary Schweiker has proposed that a new Executive Order on regulations include provisions to shift to the government the burden of proof that regulations are authorized by statute and justified by the facts.

The Department of State is not greatly affected by this proposal as it establishes relatively few regulations binding on the public, notably passport and munitions control regulations. We offer, therefore, only a few brief observations:

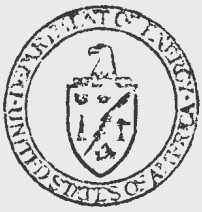
- (1) The Department supports efforts to make agencies more responsive to the public and to discourage the proliferation of regulations.
- (2) We have doubts, however, about techniques that rely on challenges to agency actions in the courts as an instrument of reform. Our experience with the Freedom of Information Act, the Privacy Act and the National Environmental Policy Act demonstrates that private rights of action can be an impediment to prompt an effective implementation of important government policies.
- (3) We see merit in requiring an agency that proposes to issue regulations to publish a legal opinion and a factual justification for the regulation when it publishes the regulation for public comment.



(4) We could not support a proposal that would require the Department of State to adopt a procedure of rule-making on a record instead of notice and comment and informal rule-making. Foreign policy matters do not lend themselves to elaborate administrative procedures.

(5) Finally, we suggest that any new procedural requirements not be so rigid as to preclude immediate action when necessary. Flexibility could be assured by providing for the same exemptions as exist by law for notice and comment rule-making. These include, in particular, matters involving a military or foreign affairs function and matters for which the agency for good cause finds that this procedure is impracticable, unnecessary, or contrary to the public interest.

Attachment:  
as stated



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

February 3, 1981

MEMORANDUM FOR Craig L. Fuller  
Director  
Office of Cabinet Administration

FROM: James B. Edwards *JBE*

SUBJECT: CABINET MATTER MEMORANDUM: Burden of Proof  
for Statutory Validity of Regulations

I recommend that this suggestion not be included in the Executive Order on regulations but rather that it be further studied for possible support of the Bumpers bill, The Administrative Procedure Act Amendments of 1981, S. 67.

In the future, the Department of Energy (DOE) will likely be promulgating regulations that revoke, postpone, or lessen regulatory requirements. In so doing, we will be interpreting the statutory mandates for various programs. It is also likely that our interpretations of statutory mandates will be challenged in courts by environmentalists, no-growth advocates, and the like. If the burden of proof rests on DOE, rather than these litigants, it is entirely possible that our attempts to lessen regulatory constraints will be voided by the courts.

Moreover, most of the worst regulations will have already been adopted during the last Administration. Because the Executive Order, as opposed to the Bumpers bill, will have to be prospective in effect, it will not be able to affect the burden of proof for these earlier regulations. Thus, it is possible that we would, by adopting this suggestion, actually make it more difficult to undo the regulatory constraints imposed by the former Administration.

Finally, I believe each Cabinet officer is committed to the goal of lessening regulatory constraints and will do whatever is necessary to assure that this goal is achieved. It would be ironic if, by giving the courts greater flexibility to overturn new regulations, the effect would be to stymie attempts to reverse the directions of the previous Administration. I would add that my recommendation, in this regard, is based on discussions with my most trusted associates.

# Cabinet Meeting

2-13-81

1:45 p.m.

Tax package:

Individual tax cuts across  
the Bd. on marginal rates  
beginning on July 1 - July to  
July each year is 10%.

Final cut in standard 1984

Capital recovery plan

10-5-3 (excludes  
utilities)

accelerated - including

R & D.

Capital gains etc.

M: Make sure bureaucracy can't end-run  
us.

P: "Or we'll bodily - trap their  
swivel chairs!"

Structure: In order to achieve  
goals by '82 - ~~we~~ we still  
need to find \$9 billion - to  
make total of \$51 billion

we hope: '82 deficit below \$40 billion

he  
joked

P. 12

D.S.: have to hang together on these cuts. Keep the pressure back.

FY 1982 \$790 billion in outlays  
despite savings

FY 1982 \$58 billion - Social Security

FY 1982 \$10 billion - other things

FY 1982 \$83 " national debt

only \$300 billion left  
of which to obtain \$51 billion  
in savings - need a  
17% cut to achieve  
reduction from the center budget

If we lose ground on some  
cuts, then have to reach into  
more critical programs

"We're going to make history in  
that no government has before voluntarily  
reduced itself in size."

73

7/81 664 — this year

7/82 739 — Carter budget submitted — so we cut about \$50 billion still an increase of \$ — billion dollars over '81 budget

Thanking Dave Stocking for all the work he did in for doing such a good job: "I proud of you."

R.R. said

"We won't leave you out there alone, Dave. We'll come to the hanging!"



Feb. 25<sup>th</sup> — announcement Medal of Honor — Vietnam War.

# Cabinet Meeting 2-26-81

Began

Chrysler Guarantee loan -  
Got loans at just under 16% -

Signing will be tomorrow.

Leaves \$300 million left on the  
Guarantee.

Next \$300 million is our decision.  
This one is past administration's

Block 1981  
Farm Bill

Market orientation is the  
Butz - ag. takes smaller  
portion of budget than before.

Program to move us toward market  
orientation.

Dairy program: Big grinding cut -  
must be acted on soon so as not  
to miss April 1 deadline.

Wants the elimination of deficiency  
payments - these are right  
out of the treasury w/ no return.  
Loans are usually repaid.

Stohman: Must cut Fed. outlay  
even more.

Shouldn't raise support  
levels of all these commodities.

P-2

Loan rates won't be written into the program - wants Sec of Agriculture to have discretion to set loan rates.

Cong. hearings begin next week generally on the new Farm Bill.

- 1.) Delay hearings
- 2.) Study it - get comments
- 3.) Put on next agenda
- 4.) Put to back on agenda.

RR: Economic Recovery

Hatchery said she made the mistake of trying to get her program piece by piece - should have tried to get her whole package at one time.

higher ~~in~~ Every time the budget comes up ~~in~~ in each dept - then we're going to get cuts wh/ are precisely commensurate w/ the shortfall.

Don Regan: Hill will delay where they can to see if they can hold off RR's program.

We must keep the initiative  
They will try to nibble/dime us to death



9-3  
PK: Tip O'Neill said it might  
take until August. Bushy  
told T.P. if you do, you won't be  
Speaker before there will be GOP conf.  
P. I am now T.P. expanded: "He bit the end off his  
cigar."

We have to keep pushing; all  
of it.

Some well under static from  
committees  
"I'll back you if you say  
to the chairman. I won't  
sit there & take that."

"You all know story of 2 young  
brothers who tipped outhouse into  
gully - Father ask who  
did it. Told them about G.  
Washington who didn't whip.

Then they told him & he  
whipped both. They said  
that you told us that like  
G.W. if we told you you  
wouldn't whip us.

Father said: "See Washington's  
father wasn't in the cherry  
tree when he cut it!"



P. 4

Taxing Social Security:

P: "No! They paid a tax on it when they paid the money in."

THE WHITE HOUSE

WASHINGTON

CABINET MEETING AGENDA

February 26, 1981 -- 3:00 PM

1. Chrysler guaranteed note issue      Donald Regan
2. 1981 Farm Bill                              John Block
3. Program for Economic Recovery      Donald Regan  
David Stockman
4. Cabinet Councils                              Ed Meese

CABINET MEETING PARTICIPANTS

February 26, 1981 -- 3:00 PM

The Cabinet -- All members

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

For Presentations:

Ed Harper  
Glenn Schieede  
Roger Mehle  
(Assistant Secretary for Domestic Finance,  
Treasury)

February 27, 1981

SUBJECT: The 1981 Farm Bill

ORIGINATION: John Block, Secretary of Agriculture

ACTION FORCING EVENT: The Food and Agricultural Act of 1977, which authorizes all of the major commodity programs, rural development and agricultural research programs, the P.L. 480 program and the food stamp program, expires September 30, 1981.

STATEMENT OF ISSUE: The 1981 Farm Bill will authorize, for an additional four years, a variety of commodity and food programs which fall under the jurisdiction of the Department of Agriculture. It is my goal to make market orientation and growth the cornerstone of the 1981 Farm Bill. This bill should help create an environment within which agriculture can once again be made profitable, with minimum government involvement.

The four sections of the bill which will attract the greatest attention will be: the dairy program, commodity price supports, the food stamp program, and the authorization levels for the P.L. 480 program.

ANALYSIS:

- (1) Dairy Program - A variety of options are being considered which will adjust the current dairy program in order to bring the supply and demand for dairy products back into balance.
- (2) Commodity Price Supports - The bill will eliminate deficiency payments (i.e. direct payments to farmers which represent nonrecoverable outlays) for the following commodities: wheat, feed grains, rice and cotton. In their place, the bill will include moderate increases in the price support levels for these commodities (which represent recoverable outlays).
- (3) Food Stamps - The bill will incorporate the \$1.8 billion in savings for FY 1982 proposed in the President's Economic Recovery Program. These program changes will lead to savings of \$11.7 billion over next five years (FY 1982-86).
- (4) P.L. 480 Program - The current authorization for the program expires December 31, 1981. This program provides humanitarian food aid as well as long-term financing for developing countries to buy U.S. agricultural commodities.

PUBLIC POLICY CONSIDERATION: The most sensitive area in the bill will be the dairy program. The interests of the various dairy organizations must be balanced with those of the consumers in order to achieve a program which will operate effectively within our current budget constraints.

CABINET MEETING PARTICIPANTS

February 26, 1981 -- 3:00 PM

The Cabinet -- All members

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

For Presentations:

Ed Harper  
Glenn Schleede  
Roger Mehle  
(Assistant Secretary for Domestic Finance,  
Treasury)

## THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE CABINET

FROM: ED MEESE *EM*

SUBJECT: Cabinet Councils

The membership of each Cabinet Council has been finalized after the views were received from those of you who wished to comment. A listing of each Council and its members is attached.

The Cabinet Councils are designed to operate as subgroups of the full Cabinet, with the President presiding. Full Cabinet meetings will continue to focus on broad issues affecting the entire government and on overall budgetary and fiscal matters.

Cabinet Council procedures have been developed and endorsed by the President. The procedures are intended to create an orderly process for reviewing issues requiring a decision by the President.

The Cabinet Council procedures are outlined below. A more detailed set of procedures will be distributed in the next few days by the Office of Cabinet Administration.

### Outline of Procedures

1. Each Cabinet Council will be chaired by the President.
2. Each Cabinet Council has a designated chairman pro tempore who will guide the direction of the Council and will serve as the chairman of working sessions in which the President is not in attendance.
3. An executive secretary will be appointed for each Cabinet Council from the Office of Policy Development. This individual, working with the Office of Cabinet Administration, will coordinate the activities of each Cabinet Council including the preparation and distribution of agendas and meeting summaries. This activity will be supplemented by a secretariat for each Cabinet Council, composed of the executive secretary, representatives of the member departments, and other personnel as needed, to prepare background materials, refine policy options and recommendations, and otherwise assist the Cabinet Council.

4. Issues will be sent to Cabinet Councils by the Office of Cabinet Administration. Notification of such assignments will be communicated immediately to all Cabinet members to assure full opportunity to participate in consideration of each issue.
5. Presidential decisions, made in or after Cabinet Council meetings, will follow full discussion by any Cabinet member who wishes to participate. Council meetings are open to any member of the Cabinet. Decisions will be reported to the full Cabinet as they occur. When full Cabinet review is required, the matter will be set for a meeting of the full Cabinet.

CABINET COUNCIL ON COMMERCE AND TRADE

Secretary of Commerce, Chairman Pro Tempore

Secretary of State

Secretary of the Treasury

Attorney General

Secretary of Agriculture

Secretary of Labor

Secretary of Transportation

U.S. Trade Representative

Chairman, Council of Economic Advisers

- \* The Vice President
- \* Counsellor to the President
- \* Chief of Staff

\* Ex officio member



CABINET COUNCIL ON HUMAN RESOURCES

Secretary of Health and Human Services, Chairman Pro Tempore

Attorney General

Secretary of Agriculture

Secretary of Labor

Secretary of Housing and Urban Development

Secretary of Education

- \* The Vice President
- \* Counsellor to the President
- \* Chief of Staff

\* Ex officio member

CABINET COUNCIL ON ECONOMIC AFFAIRS

Secretary of the Treasury, Chairman Pro Tempore

Secretary of State

Secretary of Commerce

Secretary of Labor

Secretary of Transportation

Director, Office of Management and Budget

U.S. Trade Representative

Chairman, Council of Economic Advisers

- \* The Vice President
- \* Counsellor to the President
- \* Chief of Staff

\* Ex officio member

CABINET COUNCIL ON NATURAL RESOURCES AND ENVIRONMENT

Secretary of the Interior, Chairman Pro Tempore

Attorney General

Secretary of Agriculture

Secretary of Transportation

Secretary of Housing and Urban Development

Secretary of Energy

- \* The Vice President
- \* Counsellor to the President
- \* Chief of Staff

- \* Ex officio member

CABINET COUNCIL ON FOOD AND AGRICULTURE

Secretary of Agriculture, Chairman Pro Tempore

Secretary of State

Secretary of the Interior

Secretary of Commerce

Secretary of Transportation

U.S. Trade Representative

- \* The Vice President
- \* Counsellor to the President
- \* Chief of Staff

\* Ex officio member

ISSUE: Proposed \$400 million Chrysler government  
guaranteed note issue

ORIGINATOR: Donald T. Regan

CABINET MATTER: \_\_\_\_\_

I SUBJECT Proposed \$400 million Chrysler government guaranteed note issueII ORIGINATOR Donald T. Regan

III ACTION FORCING EVENT None (Information only)

IV STATEMENT OF THE ISSUE

On February 27, a meeting of the Chrysler Loan Guarantee Board is scheduled so that the closing of the proposed \$400 million Chrysler government guaranteed note issue can take place.

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

- . On January 19, 1981, the Chrysler Loan Guarantee Board (then comprising former Treasury Secretary Miller (as Chairman), Federal Reserve Board Chairman Volcker and Comptroller General Staats as voting members, and former Labor Secretary Marshall and former Transportation Secretary Goldschmidt as non-voting members) found that Chrysler Corporation was eligible for an additional \$400 million in note guarantees, subject to the fulfillment of certain conditions before the guaranteed notes might be offered to the public and issued. (\$800 million are already outstanding, having been authorized and issued in 1980.)
- . Since January 19, Chrysler has been seeking the fulfillment of the conditions and, a few problems having been resolved, it is now expected that they will all be fulfilled.
- . A Chrysler Loan Guarantee Board meeting has been scheduled for February 27, at which time the Board, upon a determination that the conditions have been met, will consider affirmation of the eligibility finding made at the January 19 meeting. (The Board members are the same as on January 19 except that Secretaries Regan, Lewis and Donovan occupy the positions of their predecessors.) Assuming such affirmation, the note issue will be closed with underwriters and Chrysler will receive net proceeds of approximately \$400 million from the note issue.
- . Chrysler is in serious need of these funds. Although its near term prospects are showing improvement, should the subject transaction not be consummated for whatever reason, the company would probably fail. Chrysler's long-term well-being will depend upon a capital infusion through a merger or other business combination, which the Administration should encourage.

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VI RECOMMENDATION: Indicate single recommendation or list options.

None required.

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VII DECISION

\_\_\_\_\_ approve \_\_\_\_\_ approve as amended \_\_\_\_\_ reject  X  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.