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THE WHITE HOUSE

WASHINGTON

February 25, 1983

MEMORANDUM FOR DAVID RAY, SAIC, TSD, USSS

FROM MORTON C. BLACKWELL

SUBJECT: Concerning Securing of Office Space

It is requested that the Morton Blackwell suite (rooms 191 and 193) be locked and that keys be given to the following personnel:

Morton C. Blackwell
Carolyn Sundseth
Maiselle Shortley
Adis Vilas

Any questions concerning this request, please call George Saunders.

*Conservative
Came*

THE WHITE HOUSE
WASHINGTON

February 25, 1983

MEMORANDUM FOR DICK CHILDRESS

FROM MAISELLE SHORTLEY

Per your request Morton Blackwell met with the Coordinating Committee of Cambodian Nationalists this morning in front of the White House.

Attached is the letter the committee presented to him. Morton has asked that I send this letter to you for appropriate action.

Washington, D.C.
February 25, 1983

Dear Mr. President:

Under the pretense of liberating the Cambodian people from the brutal regime of the Communist Khmer Rouge, the Vietnamese communist forces invaded and occupied Cambodia at the end of 1978 in contempt of all international laws and principles.

From that date, our compatriots are subjected to continuous persecutions and are victims of a new form of a very subtle but systematic genocide conducted by the Vietnamese occupying forces, in flagrant violation of any human rights.

In fact, the Vietnamese aggressors are simply replacing the brutal Khmer Rouge by their own forces to proceed to the extermination of the Cambodian race and the colonization of Cambodia to fulfill their criminal age-old dream of a Confederation of Indochina under its rule.

To this, not only the Vietnamese aggressors ignored the Declaration of the International Conference on Kampuchea on July 1981 and the United Nations General Assembly Resolutions on 1979, 1980, 1981 and 1982, the Vietnamese are now arrogantly defying the International Community and the World opinion as well.

Recently, on January 31st, 1983, the Vietnamese colonialists sent their regular forces, well armed and strongly supported by armored vehicles, heavy artillery and ground to ground rockets, to openly attack the defenseless civilian refugees in NONG CHAN, causing several hundreds of deads and wounded among the more than 47,000 inhabitants of the camp. This camp overran by these Vietnamese forces, had been burned down with all its facilities such as hospitals and schools on February 1, 1983.

And at this date, these same Vietnamese forces are preparing to launch more criminal actions against all those civilian refugee settlements along the Thai-Cambodian border.

On behalf of humanity, we, Cambodian Nationalists living in the United States, strongly condemn these barbarous attacks by the Vietnamese regular forces on Cambodian civilian refugees.

Mr. President:
Page 2

For the sake of the Cambodian race, we renew our plea to all peace and justice-loving people of the world and especially to you, Mr. President, to do anything possible to stop the barbarous Vietnamese from using the innocent and defenseless Cambodian people as hostages and to accept the implementation of the I.C.K. Declaration and all the relevant U.N. Resolutions to allow the Cambodian people to live as a free nation and exercise its rights of self-determination.

Mr. President, we strongly believe in your compassion for the oppressed people and we are fully confident in your militant and constant support of the just causes of people fighting to liberate themselves from foreign domination. Most of all we consider you, Mr. President, not only as the leader of the Free World, the hope of the weak and oppressed Nations, but also as the symbol of Liberty.

Mr. President, please help save innocent Cambodian lives. With your help, Cambodia can be freed from communist and Vietnamese domination.

Respectfully yours,

Coordinating Committee
of Cambodian Nationalists
1859 Wilson Blvd. #373
Arlington, Virginia 22201

1. Ry Ngor
 2. Bummachhano
 3. Prieda sek
 4. Nawon Kousoum
 5. SOUTHNA NGUON
 6. Alana
 7. BO UTH
 8. WIL-JEK
 9. TOCH-LORON
 10. CHHITH HAU V
 11. LEANG NGOR
 12. KEAR LAY
 13. IMLAY IENG
 14. PROEUNG JOA
 15. YAU. NUON
 16. Thum Bun Ngor
 17. KEAR LAY
 18. KHY CHHAN
 19. ZOM NGOR
 20. OP EN KIM
 21. HUON MOEUN
 22. HEM SANG
 23. YON BOULB
 24. SAL NHEAN
 25. KHOUN NARY
 26. CHANKHENG
 27. NEA NGAY
 28. NHEK NAKRY
 29. NHEK. SAOUN
 30. HOE Tai ung
 31. SAL NHEAN
 32. MIN SUON
 33. MEN. MOEUN
 34. DAN. SAKHOUN
 35. MAEK. RY
 36. CHEA. PHON
 37. KHUN. SAVANN
 38. THA. SAVANN
 39. PANG. YOEN.
 40. HING SOTH
 41. VAN SENGOUTH
 - 42.
- Handwritten notes:*
- Next to 34: *Sakhoum*
- Next to 35: *is merged*
- Next to 36: *aka*

KHIEV CARIN. Sarim Kheir
Mem. Moum. ~~for~~
ON HAY ~~any~~

TENG SOKHA Sokha
Vmak Khar

Zan ngoe
Kear Lay Kuy

Khy chhan Meoly
MECH-CHENDR ~~change~~

Heur Bue ugr
BEN LIM ~~Sam~~

HEM SANG
CHETH PHAUK Keth
jam Baek

maeung moy
CHAN KHENG
NAEK-SADUN

NAEK NAKRY

BUN THA. CHAN ~~South~~

Kong. LIM ~~67~~
Seng Ward ~~80~~

Lek To

zhhdut SAM
YOM DOS

~~th~~
~~Mon~~

~~2026~~
Hoi Tai Ung

MONGTHOL TEAV

Buena Chhao

Prieda SEK

Lang Huy Thai

Nawon Kousoum

SOVANA NGON

BO UM

~~WOL JOK~~

IMLAY IENG

PROEUNG DOR

YOU. NUON

CHHIT. HAU

LEANG NGOR

MAB. TAN. SON

Dy Ngor

NEANG MAY

KHOVAN NARY

HOCKY 4 su

THE WHITE HOUSE

WASHINGTON

March 1, 1983

MEMORANDUM FOR OPL PORTFOLIO MANAGERS

FROM: RED CAVANEY 
SUBJECT: Support for the President's Budget Freeze

As you're aware, I've requested Wayne Valis to coordinate an effort to gain private sector support for the President's budget freeze proposal.

Wayne noted in his February 18th memorandum that all briefings for constituency groups should be completed by Friday, March 4th. By March 11th, constituency groups should have declared their support for the concept of the freeze.

I will be preparing an evaluation for Faith Whittlesey of where our groups stand on the budget freeze. Would each of you please send Wayne a memorandum by c.o.b. Thursday, March 3rd, detailing your budget activities and the progress which has been made.

Thank you.

J. Burgess
M. Blackwell
B. Bonitati
T. Duggin
M. Gale
D. Jepsen
V. Knauer
M.E. Quint
B. Triplett
W. Valis
A. Vila
H. Zuniga

THE WHITE HOUSE

WASHINGTON

March 2, 1983

MEMORANDUM FOR JACK BURGESS
MORTON BLACKWELL ✓
DEE JEPSEN
VIRGINIA KNAUER
HENRY ZUNIGA

FROM:

RED CAVANEY 

SUBJECT:

Scheduling Suggestions

My deepest thanks for a job well-done on the "brainstorming" of scheduling ideas you submitted on such short notice last week. The Appointments and Scheduling Office was very pleased with the ideas submitted and, through me, wishes to convey their gratitude.

THE WHITE HOUSE

WASHINGTON

March 4, 1983

MEMORANDUM FOR STEVE GALEBACH

FROM: MORTON C. BLACKWELL *MB*
SUBJECT: Federal Election Law

Here is a current article by Eugene McCarthy's associate Mary Meehan which may be helpful to you as you draft the President's response to the inquiry about Federal election law.

The only problem with Mary's article is that it is not strong enough against the FEC.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 3/7/83 ACTION/CONCURRENCE/COMMENT DUE BY: COB - 3/11/83

SUBJECT: Draft proclamation designating April 9, 1983, as

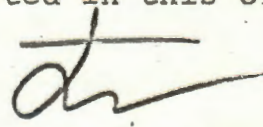
"NATIONAL P.O.W.-M.I.A. RECOGNITION DAY"

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☐	GERGEN	☐	☐
MEESE	☐	☐	HARPER	☒	☐
BAKER	☐	☐	JAMES	☐	☐
DEAVER	☐	☐	JENKINS	☐	☐
STOCKMAN	☐	☐	MURPHY	☐	☐
CLARK	☒	☐	ROLLINS	☒	☐
DARMAN	☐ P	☐ SS	WILLIAMSON	☒	☐
DOLE <i>Whittlesey</i>	☒	☐	WEIDENBAUM	☐	☐
DUBERSTEIN	☒	☐	BRADY/SPEAKES	☐	☐
FIELDING	☒	☐	ROGERS	☐	☐
FULLER	☒	☐		☐	☐

Remarks: Draft proclamation as noted above.

Draft prepared by the Department of Defense and edited in this office.

Please comment as appropriate. Thank you.


 JACK WELLS

 (for) Dodie Livingston (x2941)
 (for) Richard G. Darman
 Assistant to the President

Response:

This is fine.
M. Blackwell 3/9/83
Christie Robinson
225-5311
Rep. Roy Dyson

THE WHITE HOUSE

WASHINGTON

March 10, 1983

MEMORANDUM FOR DEPUTY CHIEF FRED WALZEL

FROM: MORTON C. BLACKWELL *MB*
SUBJECT: Clearance for Video Equipment and
Technicians for Room 450

Monday, March 14, Secretary and Mrs. James Watt are hosting a group in Room 450 at 6:00 p.m. at which they wish to show a video film. They want a large screen instead of a monitor.

We request clearance for two men:

Larry Rubin, Dept. of Labor
Michael Peizer, Prescott Associates

between 1:00 and 1:30 p.m. on Monday March 14.
They have to set up the equipment before another meeting scheduled in that room for the afternoon.

They will have with them:

1 Sony Video Projector Serial # 016416
1 Sony Video Cassette Recorder Serial # 11696

We have cleared this with Lucille Price and Don Stewart the use of the room. If you have any question, please call my assistant, Carolyn Sundseth at 2657.

4-10-83
546-3004

THE WHITE HOUSE

WASHINGTON

March 10, 1983

MEMORANDUM FOR FAITH R. WHITTLESEY

FROM: MORTON C. BLACKWELL

SUBJECT: U. S. Holocaust Memorial Council
Invitation

Secretary and Mrs. Watt, on behalf of the U. S. Holocaust Memorial Council, have invited a group to a reception in the Indian Treaty Room on Monday night, March 14, at 5:30.

The reception is to be followed by a film "To Bear Witness", a documentary about the Holocaust and the liberation.

Mrs. Watt asked us to make arrangements for the rooms, and has asked that we extend an invitation to you.



The Secretary of the Interior and Mrs. James Watt, on behalf of the U.S. Holocaust Memorial Council, are pleased to invite you to a White House screening of "To Bear Witness", a documentary about the Holocaust and the liberation.

We have seen this documentary and have been deeply moved. We believe that it is vital to share with you our interest in the work of the Council and its Congressional mandate to provide Holocaust education and to build a memorial / museum in the Nation's Capital.

Monday evening March 14, 1983

Reception: 5:30 p.m.
Indian Treaty Room

Screening: Promptly at 6:00 p.m.

Old Executive Office Building
17th and Pennsylvania Avenue, N.W.
Washington, D.C.
Please use 17th Street entrance

RSVP by March 9
202-724-0779



UNITED STATES
HOLOCAUST MEMORIAL COUNCIL

SUITE 832
425 13TH STREET, NW
WASHINGTON, DC 20004
202-724-0779

FACT SHEET

The United States Holocaust Memorial Council was established in October 1980 by a unanimous vote of Congress. It is an independent government agency under the administrative aegis of the Department of the Interior set up to create a privately funded national memorial museum to the victims of the Holocaust and to honor their memories in annual Days of Remembrance ceremonies. Professor Elie Wiesel, the distinguished author and Holocaust survivor, is chairman of the 65-member Council. Professor Seymour Siegel is Executive Director.

Chief among the Council's other activities to date has been an International Liberators Conference, which it convened at the State Department in October 1981. The Conference brought together representatives of 14 of the armies that liberated the Nazi concentration and death camps in 1945 and survivors of those camps. They came together for the first time in nearly 40 years to bear witness to what each had experienced and to the memories that haunt them still.

"To Bear Witness," the record of that Conference, is a powerful documentary that the U.S. Holocaust Memorial Council has produced for deposit in the future museum archives. It will be televised on Public Broadcasting System stations this spring.

The spring also inaugurates the Council's capital fund drive for the National Holocaust Museum. Like Wolf Trap Farm Park for the Performing Arts, the Museum will represent a partnership between government and private interests. Underscoring its commitment to the project, the United States Government has agreed to transfer to the Council two historic buildings across from the Washington Monument on the National Mall. In these, the Council will create a National Holocaust Museum.

#

THE WHITE HOUSE

WASHINGTON

March 11, 1983

MEMORANDUM FOR ALL OPL PORTFOLIO MANAGERS

FROM:

FAITH RYAN WHITTLESEY *FRW*

SUBJECT:

Administration/OPL

All travel, speeches and press calls must first be cleared through this office. All personnel matters (hiring of new staff) must also be cleared by this office.

Thank you.

Distribution:

M. Blackwell
B. Bonitati
J. Burgess
T. Duggin
M. Gale
D. Jepsen
V. Knauer
M.E. Quint
W. Valis
A. Vila
H. Zuniga
B. Triplett

THE WHITE HOUSE

WASHINGTON

March 12, 1983

MEMORANDUM FOR ALL EXECUTIVE OFFICE OF THE PRESIDENT STAFF

FROM: JAMES A. BAKER III *JAB III*
CHIEF OF STAFF AND
ASSISTANT TO THE PRESIDENT

SUBJECT: Safeguarding National Security Information

The President has issued the attached National Security Decision Directive entitled "Safeguarding National Security Information," which is concerned with safeguarding against "unlawful disclosures of properly classified information." For the purposes of this Directive, the President has designated me as the "agency head" of the Executive Office of the President with responsibility for implementation of the Directive, including development and enforcement of appropriate policies consistent with its requirements.

Paragraphs 1 through 5 of the Directive require that internal procedures be developed both to safeguard against, and to govern the reporting and investigation of, unauthorized disclosures of classified information. I have directed the Counsel to the President to coordinate the development of such internal procedures for the Executive Office of the President, which shall include appropriate policies with respect to those limited instances in which polygraph testing may be appropriate.

Paragraph 1(d) of the Directive requires that appropriate policies be adopted to govern contacts between media representatives and agency personnel. On January 10, 1983, the attached "Guidelines for Press Coordination" were issued for the White House Staff, with instructions that all other elements of the Executive Office of the President "adopt parallel guidelines in coordination with the White House communications department." Compliance with these guidelines shall be the minimum action necessary to satisfy the Directive's requirements on contacts with media representatives.

Attachments

Safeguarding National Security Information

As stated in Executive Order 12356, only that information whose disclosure would harm the national security interests of the United States may be classified. Every effort should be made to declassify information that no longer requires protection in the interest of national security.

At the same time, however, safeguarding against unlawful disclosures of properly classified information is a matter of grave concern and high priority for this Administration. In addition to the requirements set forth in Executive Order 12356, and based on the recommendations contained in the interdepartmental report forwarded by the Attorney General, I direct the following:

1. Each agency of the Executive Branch that originates or handles classified information shall adopt internal procedures to safeguard against unlawful disclosures of classified information. Such procedures shall at a minimum provide as follows:

- a. All persons with authorized access to classified information shall be required to sign a nondisclosure agreement as a condition of access. This requirement may be implemented prospectively by agencies for which the administrative burden of compliance would otherwise be excessive.

- b. All persons with authorized access to Sensitive Compartmented Information (SCI) shall be required to sign a nondisclosure agreement as a condition of access to SCI and other classified information. All such agreements must include a provision for prepublication review to assure deletion of SCI and other classified information.

- c. All agreements required in paragraphs 1.a. and 1.b. must be in a form determined by the Department of Justice to be enforceable in a civil action brought by the United States. The Director, Information Security Oversight Office (ISOO), shall develop standardized forms that satisfy these requirements.

d. Appropriate policies shall be adopted to govern contacts between media representatives and agency personnel, so as to reduce the opportunity for negligent or deliberate disclosures of classified information. All persons with authorized access to classified information shall be clearly apprised of the agency's policies in this regard.

2. Each agency of the Executive Branch that originates or handles classified information shall adopt internal procedures to govern the reporting and investigation of unauthorized disclosures of such information. Such procedures shall at a minimum provide that:

a. All such disclosures that the agency considers to be seriously damaging to its mission and responsibilities shall be evaluated to ascertain the nature of the information disclosed and the extent to which it had been disseminated.

b. The agency shall conduct a preliminary internal investigation prior to or concurrently with seeking investigative assistance from other agencies.

c. The agency shall maintain records of disclosures so evaluated and investigated.

d. Agencies in the possession of classified information originating with another agency shall cooperate with the originating agency by conducting internal investigations of the unauthorized disclosure of such information.

e. Persons determined by the agency to have knowingly made such disclosures or to have refused cooperation with investigations of such unauthorized disclosures will be denied further access to classified information and subjected to other administrative sanctions as appropriate.

3. Unauthorized disclosures of classified information shall be reported to the Department of Justice and the Information Security Oversight Office, as required by statute and Executive orders. The Department of Justice shall continue to review reported unauthorized disclosures of classified information to determine whether FBI investigation is warranted. Interested departments and agencies shall be consulted in developing criteria for evaluating such matters and in determining which cases should receive investigative priority. The FBI is authorized to investigate such matters as constitute potential violations of Federal criminal law, even though administrative sanctions may be sought instead of criminal prosecution.

4. Nothing in this directive is intended to modify or preclude interagency agreements between FBI and other criminal investigative agencies regarding their responsibility for conducting investigations within their own agencies or departments.

5. The Office of Personnel Management and all departments and agencies with employees having access to classified information are directed to revise existing regulations and policies, as necessary, so that employees may be required to submit to polygraph examinations, when appropriate, in the course of investigations of unauthorized disclosures of classified information. As a minimum, such regulations shall permit an agency to decide that appropriate adverse consequences will follow an employee's refusal to cooperate with a polygraph examination that is limited in scope to the circumstances of the unauthorized disclosure under investigation. Agency regulations may provide that only the head of the agency, or his delegate, is empowered to order an employee to submit to a polygraph examination. Results of polygraph examinations should not be relied upon to the exclusion of other information obtained during investigations.

6. The Attorney General, in consultation with the Director, Office of Personnel Management, is requested to establish an interdepartmental group to study the Federal personnel security program and recommend appropriate revisions in existing Executive orders, regulations, and guidelines.

January 10, 1983

Guidelines for Press Coordination

1. The press office should remain the first stop for White House reporters seeking information about the President's policies and views.
2. In order to maintain an open Presidency, it is essential that members of the senior staff also be willing to meet with reporters on a frequent basis.
3. As the need arises, the communications department will designate key members of the staff who will be available to the press to answer questions on a specific subject. These "designated hitters" will be expected to take either telephone calls or be personally available to members of the press.
4. Requests for interviews or comments from members of the staff who have not been already designated to answer questions should first be referred to the communications department. After receiving a clearance or recommendation from the communications department, the staff member will be expected to make his or her own arrangements for the press interview. This procedure extends to the entire staff practices that are already followed in several departments of the White House.
5. Other departments that are part of the Executive Office of the President but are not formally part of the White House (e.g., NSC, OMB, CEA, Office of the Science Adviser) shall adopt parallel guidelines in coordination with the White House communications department.
6. The communications department will seek to ensure key members of the staff are sufficiently available to the press, especially on major news stories, to provide an open and full flow of information to the press.
7. As in the past, no member of the White House staff and related organizations shall accept a major television interview or large-scale press luncheon and breakfast without prior coordination with the communications department. In addition, it is recommended that all major interviews with groups of reporters inside the complex be held with a White House stenographer present.

8. On-the-record interviews should be recognized as the best way to conduct most interviews with the press.
9. The guidelines outlined here will apply whether the President is in Washington or out of town. They will not apply to strictly social engagements with members of the press.
10. In keeping with the traditions of this Presidency, these guidelines should be carried out in a way that maintains an atmosphere of openness, professionalism and civility in relations with the White House press corps.

THE WHITE HOUSE

WASHINGTON

March 14, 1983

MEMORANDUM FOR KEN DUBERSTEIN

THRU: FAITH WHITTLESEY

FROM: MORTON C. BLACKWELL 

SUBJECT: Attached Letter from Retired
Officers Association

Attached is correspondence I have received from one of our most supportive veterans/military organizations.

It seems they are upset regarding remarks made by Senator Laxalt before the Nevada Legislature.

I would appreciate your passing this matter on to Senator Laxalt and requesting guidance from him as to how I should best answer them.

Thank you for your assistance.

Enclosure

THE WHITE HOUSE

WASHINGTON

March 4, 1983

MEMORANDUM FOR KEN DUBERSTEIN

THRU:

~~RED CAVANEY~~

FAITH WHITTLESEY

FROM:

MORTON C. BLACKWELL

SUBJECT:

Attached Letter from Retired Officers Association

Attached is correspondence I have received from one of the
veterans/military organizations. *our most supportive*

are upset regarding
It seems they ~~have been offended by~~ remarks made by Senator
Laxalt before the Nevada Legislature.

I would appreciate your passing this matter on to Senator
Laxalt and requesting guidance from him as to how I should
best answer them. 1

Thank you for your assistance.

Enclosure



**THE
RETIRED
OFFICERS
ASSOCIATION**

201 N. Washington St., Alexandria, VA 22314 • (703) 549-2311

March 1, 1983

Mr. Morton Blackwell
Special Assistant Member Groups
Office of Public Liaison Office
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Morton:

We were very disturbed when some of our members in Nevada informed us that Senator Laxalt, in a speech to the Nevada Legislature on February 10, 1983, had included remarks critical of the military retiree. They're marked in the enclosed copy of the Nevada Assembly Daily Journal.

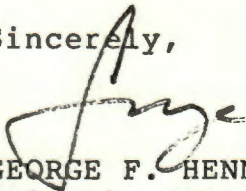
Inasmuch as the senator is a close friend and advisor of the President, it is particularly important that he be better informed. I delivered the enclosed letter to his office yesterday and discussed the matter with Sam Ballenger, his Legislative Assistant. Sam did not know the source of his information but noted that he may have received it from recent Office of Management and Budget briefings. This is even more disturbing, but not surprising. OMB has been the source of other misleading information in the past few months which also militates unfairly against the military careerist. One such instance was the statement: "Personnel costs take up 55-60% of the Defense Budget."

Secretary Weinberger recently stated before the House Armed Services Committee that personnel costs, including military and civilian pay, retired pay, and other related costs, came to 44%. By the way, in the current budget, active duty pay amounts to 18% and retired and survivor benefits amount to 6%.

Our 316,000 members would very much appreciate it if you would, after validating the foregoing, take steps to correct anyone who might be circulating erroneous statistics. Incidentally, this morning, the Defense Actuary advised that there are only 67 retirees whose gross retired pay is higher than their equals in rank on active duty and only eight of this group whose net pay is higher. Such minor aberrations should not be contorted into gross exaggerations which serve neither the administration nor the military retiree.

Please let me know what action you've taken. I'll be happy to discuss this with you at your convenience.

Sincerely,



GEORGE F. HENNRİKUS, JR.
Colonel, USAF, Retired
Director, Legislative Affairs

GFHJr:bj

Encl.

February 28, 1983

The Honorable Paul Laxalt
United States Senate
Washington, D.C. 20510

Dear Senator Laxalt:

In your speech to the Nevada Legislature in Carson City on February 10, 1983, you did a disservice to military retirees. You noted that many military retirees receive more in retirement than those of equal rank on active duty. The fact of the matter is that about 150 retired officers, all of four star rank, presently are in this category. The 1.4 million retirees and survivors receive, on the average, about \$11000/per year.

You should also know that military retirees are probably the most loyal group of citizens in the Country today. They have been asked to assume twice their fair share of the reductions approved in the 97th Congress. Yet they represent only a small fraction of the total population and 3.5% of the entitlement portion of the Budget. If the current budget proposal is accepted by the Congress the future value of retirement at 5% inflation rate will be reduced by 40% by the time a retiree reaches age 62. If any other segment of society was treated in such a fashion you would certainly know about it, and would not be as willing to feature them as a major source of the problem.

From the beginning of the President's campaign to reduce the cost of government and his effort to restore the economy, this organization has told you and your colleagues that our members are willing to assume their fair share of the burden. But beyond the matter of fairness, you and your fellow lawmakers must face the consequences of your actions. Approval of the latest recommendations combined with a revived economy will cause a virtual hemorrhage of career military to the private sector. The

Page 2

most highly qualified will opt for the stability of a normal life and the services will become job training programs, in which young people are constantly rotated through training which will prepare them for jobs in the private sector. The services will be left with those who are unable to find work elsewhere.

Modern technology notwithstanding, people are still the most significant element of the defense equation. Without responsive, responsible people the best weapons are useless.

As a United States Senator, a leader of the majority party in the Senate, and, more important, as a key advisor to the President, I ask that you verify the foregoing and correct the irresponsible statements you have made with regard to military compensation and military people. The enclosed background paper will give you a clear view of what military compensation is all about.

Let me know what actions you plan to take.

Sincerely,

GEORGE F. HENNRIKUS, JR.
Colonel, USAF, Retired
Director, Legislative Affairs

GFHJr:bj
Encl.

NEVADA LEGISLATURE

Sixty-Second Session, 1983

ASSEMBLY DAILY JOURNAL

THE TWENTY-FIFTH DAY

CARSON CITY (Thursday), February 10, 1983

Assembly called to order at 10:23 a.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, The Reverend Kenneth E. Bergmann.

Let us Pray. God, Father of us all, pause now to invoke Your presence with us, among us and most of all for us. Bless our nation, our state and all of those who govern. Grant each of them the courage and wisdom needed for these days and for this day. Lord, in Your mercy, hear our prayer.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Jeffrey moved that further reading of the Journal be dispensed with, and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Mr. Speaker appointed Assemblymen May and Kovacs as a committee to invite the Senate to meet in Joint Session with the Assembly to hear an address by Senator Laxalt.

The President of the Senate, the President pro Tempore of the Senate and Members of the Senate appeared before the bar of the Assembly.

Mr. Speaker invited the President and President pro Tempore of the Senate to the Speaker's rostrum.

Mr. Speaker invited the Members of the Senate to chairs in the Assembly.

IN JOINT SESSION

At 10:34 a.m.

President of the Senate presiding.

The Secretary of the Senate called the Senate roll.

All present.

The Chief Clerk of the Assembly called the Assembly roll.
All present.

The President of the Senate appointed a Committee on Escort consisting of Senator Jacobsen and Assemblyman Brady to wait upon Senator Laxalt and escort him to the Assembly Chamber.

The Committee on Escort in company with The Honorable Paul Laxalt, United States Senator for Nevada, appeared before the bar of the Assembly.

The Committee on Escort escorted the Senator to the rostrum.

The President of the Senate welcomed the Senator and invited him to deliver his message.

The Senator delivered his message as follows:

Mr. President, Mr. Speaker, members of the court, members of the legislature and invited guests; let me say first of all, it is nice to be back. When I was originally scheduling this, I just couldn't believe that two years had passed since I was last here. I guess it just tells us all that we are in a fast moving world. In looking over my notes as to what we talked about here two years ago, essentially this was at the advent of a brand new administration, I attempted at that time to describe to you the problems that this country and this state faced and what we were going to attempt to do about them. We had an inflation rate which was near obscene, we had an interest rate which was obscene, and we had an overall economic and social condition which wasn't all that desirable. Since that time, the new administration and those of us in the Congress have been working to alleviate those conditions. I wish I could stand here as your Senator and tell you as my fellow Nevadans that we got the job done. We didn't. But we had a reasonably healthy start. I don't think that any of us who were back there had any idea of how far this country had drifted in terms of social and economic policy and how difficult it was going to be to redress that. The fact is that two years later I can say with some degree of accuracy that we have set in place some historic changes in direction.

For those that have the political philosophy of most in Nevada, I think those changes are all for the better. We have attacked frontally the inflation problem which, if you recall, two short years ago was the number one priority in this whole country, in all the surveys, in all the lists that were presented by various politicians at all levels, and that has been fairly exciting. We have moved effectively from what was about a 13.5 rate to something now that is probably less than four. Monumental! Very positive! We moved fairly well on the interest rates. They've moved from what was 20, 21.5, in that area, and now they're something a little above ten. Not good enough, but not bad either. In order to accomplish all this, we have attempted in the Congress to work on fiscal austerity programs in order to shape up the overall level of the economy so that the financial markets would respond positively. We frontally attacked the spending programs and, contrary to some of the perceptions created in the country, we didn't move in the area of drastic cuts, certainly not in the social areas. All we did really is attack the increase in the level of spending. We pulled those margins down; pulled those percentages down. We moved very aggressively in the area of tax cuts on the basis of what this country needed in receding, difficult economic conditions. This was not a drag on the economy but rather a stimulus to the economy by way of tax inducements to the business sector and rather substantial individual tax cuts to individuals. We, on the appropriations side, worked very hard in an effort to move on those spending cuts, and we did, I think, fairly well. If you look at the two years, we probably were able to prune out 45 to 50 billion dollars, which even in Washington isn't a small amount of change. But the plain fact of the matter is that when you look back, we are only looking at a portion of the pie. We worked on what we call the discretionary programs. That right now represents perhaps seventeen percent of the total picture. So when you add military, which is almost an untouchable, and then you add the entitlement and transfer programs, we really didn't get at it. That represented, I think, a challenge which really wasn't effectively met, because it you start fooling around with the

entitlement programs back there, as well as here — I don't have to tell you this here, I'm preaching to the choir — you know that you are dealing with a lot of potential political difficulties. Be that as it may, I think the directions were fairly decent in those general areas. The tax cuts weren't as effective to this point because they hadn't had a chance. The first year we wanted a full ten percent. By the time it was enacted late in the year on a full annual year basis, it was probably about a percentage and a half. Last year we went the full ten but it was absorbed by rising social security costs, so that was pretty much a wash. I guess the first real test of all that will come this year.

I must say that in the areas that count we have had positive results. I mean by that fundamentally mindset and attitude towards spending. We have realized at long last on the federal level what has long existed on the state and local level, that you have to exercise some degree of fiscal responsibility in relation to your responsibilities as legislators. This for me was more positive than many, because I can recall going back there a few years ago out of this climate, out of a state which constitutionally mandated a balanced budget, and finding to my chagrin and consternation, that wasn't the way the game was played there. There if you thought in terms of fiscal conservatism in balancing out, you were some kind of neanderthal; you just weren't with it. Pointy-headed conservatives. You certainly didn't get invited to many of the challenging social functions over in the salons of Georgetown, I tell you that. But gradually over a period of time — this didn't really start with the Reagan period. It really started in the hind end of the Carter administration which, in some respects on the fiscal side, was the beginning of a more conservative approach to national fiscal policies. Now in that town, contrary to the old fashion of being earlier to get bright staff people and conceive and implement a very expensive federal program, you go home and tell your people, this is what I brought home to you, millions and millions and sometimes a few billions of the federal larder — and I was able to bring that home to you from Washington. This no longer happens because the plain fact of the matter is the last two years there wasn't one substantial spending program seriously considered in the Halls of Congress. Not one! Now that's progress for you. We had one that was proposed by Dick Luger, if you'll recall, when we were having the difficulties we continue to have in the housing industry, and he proposed a package that was about 5.5 billion mainly in the form of guarantees. In the old days this would have been a throw away item, probably a floor amendment, but it was the subject of extensive debate on the floor and in the committees, and it finally didn't make it even though it was proposed by a rather conservative Republican Senator from Indiana, that had a lot of support. It didn't make it. So what I am telling you is that the attitude and mindset back there is wholly different than it was. I must say that as proof positive of this, as I have told other groups since I have been here, when I see my buddy, Ted Kennedy, in committee and on the floor, preaching fiscal responsibility, I figure we have come a hell of a long way. We realize, coming into this year, that much more had to be done. We have proceeded with our usual budget deliberations in November and December. They aren't essentially different than they are here. A President goes through the same process, the departments come in with their presentations, the President reviews them, they appeal the determinations to him very often, and he has to call those administrative shots. I was privy to the first cut, so to speak. We met after the first of January where we took a look at the budget picture as it existed then, after all the agency presentations and the determinations by the President. This was reportedly a highly confidential meeting held in the White House, in the residence, which isn't all that common for a meeting place. We met there as Republican leaders for the purpose of sitting down and realistically seeing where we really were. Stockman and Reagan were there, and all the financial people on the Senate side. They presented to us, I'll never forget it, the sealed envelopes — top secret, for our eyes only — and I could hardly wait to get out and open it up to see what these great confidential figures were for our eyes only. I opened it up and looked at it, and I'll be darned if those weren't the exact figures I saw in the Washington Post that morning. So much for White House security.

But anyhow, those figures were absolutely frightening. You couldn't believe it! On the basis of no changes, economic, fiscal and tax changes, if you can believe it we were looking at deficits probably around 210 billion dollars for the next fiscal

year. Worse than that, we have this ludicrous system where you have to spread five years where you can't actually predict one year in advance — that is existing law which we are going to have to change, I think — looking out in that fifth year to deficits, there were maybe 300 to 325, can you believe that? Well, we looked at that and I'm telling you everybody's heart sunk around that place, particularly the President of the United States. Isn't it the greatest irony that you have a Ronald Reagan, probably the most conservative fiscal President in the history of this country, sit down after two years of presidency and be looking at these deficit numbers. It is the greatest irony that one can conceive. But upon analysis you find out that what happened here with the gathering together of political economic events over which there wasn't any particular control, because part of that was attributed to the fact that this administration has been far too successful in the battle on inflation. There is no greater beneficiary of high inflation rates than those of us in government, right? Whether you're here or there, you've suffered from that; that's the reason your figures aren't all that hot. Certainly the federal government dealing in the numbers that it does is by far the greatest beneficiary. When you come down from a 13.5 rate to less than four, the result is obvious; you have had a tremendous shrink in revenues. Then you had a recession that was much deeper and longer than anyone expected with the attendant loss of revenues coming out of the economy generally. Then we had interest rates that hung on far longer than any of us would ever estimate. So the combination of those factors, plus throwing in unemployment at a rate that no one believed would go as high as it did, all combined to give you tremendously terrifying deficit numbers. Bear in mind that at the existing rate one point on interest with the debt that we now have probably represents eleven billion dollars. One point! Do you know, at the present level, what one point unemployment costs us as taxpayers in this country presently in terms of lost revenue and the benefits we have to pay out? Thirty billion dollars! Now those numbers are just astronomical, and when you have a recurrent unemployment situation and you have continuing high interest, you very quickly get into very, very serious difficulties and that's essentially where you are. So it was obvious that something had to be done. Where do you move? Well, all of us had an idea that this President could not afford to take that budget as he saw it without drastic policy changes, and that is essentially what came out of that meeting. We had one difficulty, I must say, at that particular meeting in terms of the defense budget. It was big, terribly big, in excess of 250 billion dollars, and whenever you want a target in Washington in terms of cuts, defense is always the favorite baby. This presents a very difficult policy consideration for all of us, because the plain fact of the matter is in the '70s we didn't keep up. In terms of conventional forces and strategic forces we have lagged behind. That's quantitative.

No one will ever tell me that the Soviet has it over us qualitatively, but the fact is that those balances have moved to the point that we were losing leverage in sessions we were having in Geneva, and we were certainly losing leverage in the event of that inevitable summit meeting where Ronald Reagan will hopefully sit down with Andropov and they will do something meaningful about arms control. So you sit down and wonder what to do about a defense budget, recognizing that the political reality aside from all of our other responsibilities of political reality and the Halls of Congress dictate, there is no way you are going to achieve any additional social cuts unless you give a little on defense. This is that very unpleasant package that the President of the United States was left with in the early part of January to be resolved, if you please, by the end of the month. So he came, as all of you know, with what I thought was a rather bold and courageous State of the Union message, and a bold and courageous budget message. What he did essentially is attack the "sacred cows" because we dealt fairly effectively on the discretionary side, as I said, but for all intents and purposes left the entitlement transfer programs untouched. And for all intents and purposes hadn't done all that much in military, so he came frontally, 55 billion off of military over five years, hopefully not reducing us to the point that we are fooling with force structure, and I don't think it will. Then moving frontally on a freeze on federal salaries and on federal programs, freeze almost totally. There are some exemptions but not essentially that. Then providing a reform on the whole entitlement welfare areas, we have a hike in degree of contribution in Medicare. We have different eligibility standards on food stamps which we need, but are out of hand. I remember when we first started food

stamps at about a three or four hundred million dollar level. Everyone thought then that under the worst of conditions, it would cap out at about a billion. What is it now? Thirteen? Fourteen? Out of hand. So you can fool around with all the fixed costs you want but let's get a handle on these entitlement programs. Believe me, that budget is out of sight. So he moved on it.

He also provided, to the consternation of many of the conservatives in our camp for a standby tax. We caught some slack on taxes last year. As conservatives, that's not supposed to happen. You're not supposed to tax people. Wouldn't we all love to have conditions where we never had to tax people. It would be nice to be in this business and constantly declare dividends, but sometimes you have to face reality too. Last September we faced this tax situation. Those numbers were so bad that we had readings from the street — the financial markets in both New York and Los Angeles — that unless we did something about those so called "out years" in terms of additional revenues, those interest rates could reverse on us. So we plugged in 98 billion dollars in additional revenues coming from a conservative Republican President. For all those who say Ron Reagan is inflexible, intransigent, and all the rest of it, that one act alone should serve to indicate that when compelled to do so he will deal with political reality even to the standpoint of coming with additional taxes. In that framework and for the same reasons there was built into this package a standby tax. Why? Number one, again, to allay the concern of the financial markets about those huge deficits in those out years, beauty being in the eyes of the beholder, and a number of our supply-side advocates saying "Hey, these numbers are all too conservative. Instead of a four percent growth, we are going to have six, seven or eight." Fine, if we do, we won't have to trigger in those taxes. That's it, but if this economy doesn't grow to the extent that we all hope it does, then we are going to plug in that additional money which is triggered only in the event that our deficit is a given amount, and it's triggered only if the Congress satisfied certain cut demands. That essentially is the state of the package that was presented and, I must say, received, in great contrast to last year's budget which was almost rejected out of hand, fairly well on both sides.

Now the question remaining to be answered right now is what happens from this point on? Well, obviously the process indicates negotiation and eventual compromise. None of us are so fanciful to think the package as submitted is going to be accepted by the Halls of Congress precisely as Ron Reagan wants it. It doesn't happen that way; it doesn't happen in Washington, D.C., it doesn't happen here in Carson City, at least it didn't during the time I was governor here, and I assume that conditions haven't changed. In any event you are going to find certain items that are nonnegotiable: third year tax cut, nonnegotiable. Now if this Congress sees fit to roll Ron Reagan, he's going to veto it. Simple as that, and we tell our Democrat colleagues, don't fool with it because if you do that, you are going to have a veto back and we are going to have that veto sustained. That's a political fact of life. There will be some concessions made above the 55 billion that Cap Weinburger cut out of defense. I think there will be more. Our own majority leader, Howard Baker, has indicated that we should probably do twice that. The plain political facts are, again when we face those social cuts, that we may have to give more on defense. I hope it isn't to the point that we are going to be fooling around with our national security. I hope that will be the case. I don't think it will come out of force structure. There is a lot of discussion now about an overly heavy commitment to NATO; overly heavy commitments in places like South Korea. Searching questions are now being raised, "Hey listen, we grandmothers and grandfathered this thing for the last forty years, isn't it about time that some of these other countries assume a little more of the share and burden." There is a lot of that discussion coming in so whether that will all come down, I don't know. I would think that some of the defense weapons systems may be in jeopardy. B-one is shakey, and our old buddy MX is really shakey. As you know, most of us have supported the system, the missile itself. In December we considered, under the worst political circumstances you could ever conceive, the basing mode that was recommended, Dense Pack, which had a concentration in a small area based on some exotic theories that if they came with the first impact, the reverberations would be such that they couldn't take out all of our missiles. I sensed pretty quickly that this Dense Pack was in serious difficulties in the Halls of Congress when it finally, after about two weeks, started to be known as "Dunce Pack". All of us

know that once any program, even weapons systems, becomes an object of ridicule, you are in deep trouble. As a result of that, Dense Pack for all intents and purposes may be buried. We are in a commission situation now which was extended yesterday for a month and will have some alternative recommendations.

I hope that they come back with the recommendations that we made a year ago when we recommended to the President that the system recommended for Utah and Nevada simply didn't make any sense. That system had 46 hundred shelters with 200 missiles rotating between them so that if the Soviets came in, hopefully our missiles would be in a shelter they didn't hit. Until we conducted the hearings and based upon our own defense intelligence, most of it classified, we came to the conclusion, which they conceded to within the Pentagon, that the Soviets then a year ago had a capability and had in place 10,000 warheads. As a matter of simple mathematics that even a dumb shepherd from Nevada could understand, if they had 10,000 warheads they could certainly take 46 hundred of those and knock out all of our 46 hundred shelters and it really didn't make any difference where the 200 missiles were. The Pentagon and the President accepted that simple logic and that was the end of MPS and that was the end of a great burden for both of our states.

What will come out of all this now, I don't know. Maybe they'll have smaller missiles. I hope they come back and put MX where we originally contended they should be put, in the existing holes, the minuteman holes. We've got 400 of those that can be retrofitted to take those missiles. It is going to be interesting for all of you to watch the progress of the whole defense posture during the course of this situation. There are cynics in Washington and elsewhere that say nothing will happen this time. This will be a year of confrontation. I don't accept that. Just in talking with leaders on the House side, like Tip O'Neil and Danny Rostenkowski, and knowing what is going on on our side, I really think that we probably now have properly in place a decent attitude of mutual cooperation, so that this year we can act like good Americans rather than hack politicians. I think that is essentially our challenge there. Now some would say that's not going to happen. Well, it came awfully close last year. I participated in a meeting with leaders of the House, the Senate and the White House, and we fashioned together a bi-partisan package doing all these various things on the cut side including defense, pumped in enough revenues and that was acceptable to seventeen leaders. Now we brought that to their attention and held that historic summit meeting with the two Irishmen of the President's Office in the Capitol, and I with great honor participated in that meeting. I went into that meeting thinking this is going to be historic. When you get the President of the United States and the leader of the Democratic party to agree on this compromise in an election year we could do what's required and really solve the basic economic problems. I wish you could have participated in that, because the first half hour or longer was devoted to a discussion on the part of the two Irishmen as to who was accountable for the economic ills of the country. Of course, Tip said it's your lousy supply-side program, (I'm cleaning it up a bit,) and, of course, Mr. Reagan pointed back to forty years of fiscal neglect and all the rest of it. We finally got rid of all the rhetoric and we decided to look at the package. One of us suggested we should first discuss Social Security, and Tip said, "No way, Social Security is not on this table." Well, without Social Security on the table, there was no point in going further, and I sensed that poor Tip felt that if we sat down at that meeting and discussed Social Security, a big trapdoor would open and Tip would be gone forever. We would never see him again. So that took care of that package, and we were able to use a lot of homework later in fashioning some of the work that we did in December. The reason I cite that story to you is that in an election year, the leadership on both sides and the White House literally got to the one-yard line. I sense that here we have the same essential ingredients in place. I also sense that if we can work accommodation in these general areas, we will get a reasonable compromise in all these economic areas. I sense that we are that close.

The biggest problem besetting us now, philosophically more than anything else, obviously is unemployment. What do you do about it? We certainly, many of us, and I think most of the people in Congress would say, we won't go back to the quick-fix days where we pump just billions of dollars of federal money into make-work public service jobs. Everyone who looks at those numbers would concede that

doesn't work. So the obvious and logical thing to do is let the economy proceed now, and it looks very good, in its normal course so that eventually private sector will grow to the point that we absorb these people and take care of them. That's what we want to do. You can be the biggest optimist in town, but that is not going to take care of it short term.

I don't know if any of you saw the program several days ago. I happened to see it on network television, about some 12,000 people in the bitter cold in Minneapolis, up all night long applying for 200 jobs. That wasn't ghetto Los Angeles or Washington or Philadelphia. That was Minneapolis, the heart of the midwest. These are people of the central economic class who want to go to work but can't get jobs. If that type of thing doesn't touch you, I don't know what does. We in government, it seems to me, in those circumstances have some form of short term responsibility. So I suspect that eventually we will work something out. We fashioned together a program of incentives to the employers-voucher plans, tax credits and all the rest of it. Where we are apart essentially now is on public service jobs which Tip O'Neil and the House Democrats want. Maybe we're going to have a falling out over that. Where the area of accommodation will be, it seems to me, is jobs that the federal government requires; construction jobs that will eventually be completed in the private sector. We've got a lot of room there because we've got a lot of jobs, buildings, bridges and all kinds of improvements, that are presently scheduled for 1985-86 and beyond. We just have to accelerate them; that's all. It won't cost us any additional money. Just accelerate them, put them on the boards now, and let those contracts out to bid so we can alleviate that intermediate unemployment concern. I hope that before the next three or four weeks are out, we will be able to fashion together a job's program that makes some sense. So what I am saying to you is that progress has been made. There's a lot more to be done, but I see in place in the Halls of Congress the proper attitudes, the proper mind-sets to get much of this done. But I have noticed also, working very closely as I have, that we in Congress, and perhaps we in government generally, place too much emphasis about our ability as politicians to wave some kind of magic wands and somehow in the process take care of the economic woes in this country. I think very important is that the equation, as I deal with it more and more, is greatly exaggerated. Even Paul Volcker, you know he is supposed to be the High Lama of interest rates, and he just opens that valve or shuts it down and the money supply dictates where the interest rates go. To some extent that's true, but the plain fact of the matter is that those interest rates depend on the law of supply and demand like any other product. If we are in short supply out there in relation to the credit demand, the interest rates are going to go up, or conversely. So we sit there, Volcker and those of us in Congress, and we think we have the keys to the economic kingdom. We don't. What has been ignored in this whole process, it seems to me the last couple of years, is that the real component, the thousands perhaps millions of the small business people out there in the private sector and consumers have not been playing the game. They just haven't. There is all kinds of money in this country. I don't have to tell you that. Right now, even though money markets have come down because the banks have moved into the action, we probably have an excess of 200 billion dollars sitting there alone. We've got billions and billions of dollars in this country which should be in the economy working for us but aren't because millions of people are sitting on the bench, consumers who are work-threatened or who are out of work, many others who are waiting for a better deal or better interest rates. We've got thousands of CEO's. They don't like to hear me say this but I tell it to them whenever I speak to them around this country. They haven't been playing the game. They have been sitting for two years playing short-term interest gain. They go out into the financial markets, they have been putting billions of dollars out at 16 or 17 percent, less lately. They go to their boards at the end of each quarter and tell them what great guys they are because the bottom line looks beautiful, no risk attached; but that does not help the economy. So these CEO's by the thousands around the country have to come to recognize that if we are going to get this job done, they better get in and play the game. I sense now, looking at some of the numbers and some of the things we were seeing in the last few weeks, that they will now because it is not all that advantageous to go into short term at ten or eleven percent. If this can all be brought together, I think the ingredients are finally present. This is so important to you because we're all in partnership here; we don't do

things in isolation in Washington nor do you in Carson City. Whatever one does directly impacts upon the other, but I think we are now very near the place where we can finally put together a stable economy in this country, something we can rely on in terms of future inflation rates and something we can rely on in terms of the future of interest rates. I think the day that this happens the country is going to be all the better for it because we have dealt with a cyclical and an artificial economic climate for a good forty to forty-five years. We are now paying the piper. We realize even in Washington, D.C. having printing presses that we don't have the luxury to constantly run into debt in the fashion that we are. Our national debt presently is well over a trillion dollars, can you believe that? Do you know what the interest alone this year is going to be in this budget? Probably 140 billion dollars for interest alone in the national debt. That is probably 140 times what you are going to be appropriating this time, 140 times, and that is what we have in one single item. I tell you I don't know what's going to happen, and it can't happen until this economy gets going. We are going to have to address that number one "sacred cow" in time. We cannot permit this country to continue accumulating a national debt in these numbers and continue to accumulate those interest numbers. That's going to have to be faced during this decade. But overall, I think with the combinations that are present we have the ingredients for positive economic success. I, as your Senator, feel better than I have ever since I've been back there about the potential for economic success. I think it is all for the better. These have been difficult times for all of us, but I think out of all this difficult exercise there comes some obvious recognitions. Governments have to live within their means. They just have to. They are no different than individuals. The compounding effect where the governments on every level, not only us but you, are getting to the point that they absorb fifty percent of the people's money, you can't do that, because, say what you will about the government, it is not productive. It's simply not productive. It does not generate any goods and services that contribute to that GNP. I think you got that recognition finally that you have to pull in your horns and live within your means. We also have come to a very basic recognition that you cannot constantly take from those who are productive in our society and pay the taxes and shift that burden to the non-productive elements. Can't do it because, the plain fact of the matter is, that it has gone completely out of kilter in the last thirty or forty years. The essential problem in all these transfers is that we have developed the monster in terms of these entitlement programs. We have thousands and thousands of people in this country today who have gone on retirement and make more in retirement doing nothing, if that is what they choose to do, than people on full time jobs. We've got thousands of retired military people sitting out there making more money than the people doing the job out in the field. Can't have that. That's a horrid social situation and an even worse economic situation so we have got to retilt this; we've got to stop being political prostitutes, and pandering all those people who we think are going to vote for us because we are doling out money to them. That ball game has to be over. So I think that is where we are, and as wrenching as it has been for private business, as difficult as it has been for all of us in government, I think we are all going to come out of this better.

We went into this exercise fat and flabby but we're going to come out lean and muscly, and I don't care if that applies to government, it is going to apply to private business because everywhere around this country the people I talk to say "Listen if I get through this with my business, it is going to be a far better, efficient business for it. I am going to have a higher quality product and I am going to come out of it better." I think that is going to apply to the federal government as well. So what I am saying to you is that I think the storm clouds are receding in Washington, D.C., and I hope they are here in Carson City.

I think that we've got an exciting several months together. I look forward to working with you for the betterment of our country and certainly the betterment of this wonderful state. Thank you very much.

Senator Raggio moved that the Senate and Assembly in Joint Session extend a vote of thanks to the Senator for his timely, able and constructive message.

Motion carried.



THE RETIRED OFFICERS ASSOCIATION

201 N. Washington St., Alexandria, VA 22314 • (703) 549-2311

January 1983

BACKGROUND INFORMATION

With 315,000 retired officers of the seven Uniformed Services, plus some active duty members and widows, TROA is the largest military-oriented organization in the Country. For many years, we have increased at the rate of 1000 new members each month and have lost only 2% to non-renewals.

Our legislative program is based on the premise that responsive, dedicated people are the most significant element of the defense equation. Without them, the best weapons in the world are useless.

The Retirement System

The uniformed services retirement system is unique. It is a personnel management tool used to select the right people for the career force and to eliminate those not needed. As a consequence, of every 100 who enter service, only ten attain minimum retirement, or twenty years' service and only five complete thirty or more years. Those who attain retirement receive from 33-64% of their active duty compensation and enjoy continuing medical care and the use of the base exchange, commissary and other military facilities. Retired pay and entitlements are considered by service personnel to be deferred pay earned during active duty.

This system is not a charitable act on the part of the Government. Retirees are subject to recall to active duty at any time and to the Uniformed Code of Military Justice. Most military retirees are forced out by an "up or out" system known as selective retention. All but a very few who attain flag or general officer rank must leave service at their most expensive point. They must then enter a new career in which they have little hope of advancement over others who have been in the field for their entire working lives. Laws restrict by forfeiture of pay or criminal sanction, employment in civil service or in positions in the private sector which deal with Defense matters. Annual retirement pay before taxes for officers averages \$13,000; for enlisted, who make up two thirds of the retired force, it is \$8,000...hardly enough for even a marginal standard of living.

TROA's Legislative Program

The efforts of the 97th Congress to reduce government spending impacted heavily on current and future military retirees. While military retirement

costs represent 3.5% of the entitlement portion of the Budget, covering 1.3 million retirees and survivors, over 6% of the reductions - \$2.7 of \$44 billion - was applied to them. When one further considers the fact that an average 25% is returned in income taxes, applicable to both retirement pay and survivor annuities, this is indeed a disproportionate share of the burden.

These reductions were effected by annualization and delay of the cost of living adjustment and a three year, 50% reduction in future cost of living adjustments for retirees under age 62. In the past ten years, the Congress has taken over 20 actions which have adversely affected the military retirement program. In light of this, our principle legislative objective in the 98th Congress will be to attain a more even-handed compact for the military retiree and his survivors.

Our efforts in the Congress are almost exclusively limited to supporting the current system and refining it to maintain its effectiveness. An example of this is our eight year effort to improve the military Survivor Benefit Plan (SBP) which was enacted in 1972. SBP was adapted directly from a survivor program that had been in effect in the Civil Service since 1948. The basic concept was a cost-sharing system wherein the individual assumed 60% of the cost and the government 40%. When the law was passed in 1972, the Congress decided that, since military people were under the Social Security system and civil servants were not, the military annuity would have to be offset, at the widow's age 62, by 100% of the Social Security payment credited to military service. With the sharp rise in Social Security benefits and taxes, SBP annuities were being effectively eliminated. In many other cases, retirees were paying up to four times the cost of their widow's annuity. We have been attempting for eight years to have this social security offset reduced to 50%. In the process, a number of other improvements have been made to make the plan more attractive, but the key flaw still remains.

Although everything we do impacts on the career force, it was not until the last few years that we have involved ourselves directly in legislation affecting the active career force. After all, we are loyal alumni, and have a wealth of knowledge as to what it takes to find and keep good people. Also, political realities place severe limits on the ability of the Services to communicate their concerns to the Congress.

Working with other military oriented associations, we were successful in having some of our ideas incorporated in legislation dealing with personnel matters. TROA representatives meet, regularly, with representatives of two organizations; the Ad Hoc Committee (veteran and defense oriented) and the Council of Military Organizations (career military personnel oriented). (Rosters attached.) These organizations offer an opportunity to discuss matters of common concern and to coordinate our legislative activities.

In the 98th Congress, we will continue to support the reinstitution of the G.I. Bill. We support a bill that offers educational incentives for those entering service without penalty to those who elect to remain in service.

With respect to the active force, our objective is to slow down the exodus of middle managers - mid-grade officers and non-commissioned officers - and attract higher quality recruits. Before the current recession and higher unemployment rates, the loss of experienced people severely reduced military capability. With the return to prosperity, this will again become a critical problem which must be solved in order to maintain a war-winning capability which is, after all, the best deterrent to war.

THE WHITE HOUSE

WASHINGTON

March 14, 1983

MEMORANDUM FOR FAITH RYAN WHITTLESEY

FROM: MORTON C. BLACKWELL *MB*
SUBJECT: Notes on Defense Budget Strategy Meeting

Per my conversation with John Tiller, I represented you at the Roosevelt Room meeting on Administration strategy for the defense budget at 2:00 p.m. today. The meeting lasted one hour.

The meeting was chaired by Dave Gergen. Attendees were:

Mort Allin, Deputy Press Secretary, White House
Assistant Secretary of Defense for Public
Affairs Harry Catto
Col. Robert O'Brien, DOD Public Affairs
Ron Sable, DOD Legislative Affairs on detail to
White House Legislative Affairs
Allan Meyer, National Security Council
Karna Small, Media Relations, White House
Dave Gergen, Communications, White House
Captain Bob Sims, National Security Council
Public Affairs
Peter Sommer, National Security Council
Legislative Affairs
Joanna Bistany, White House Communications
Mike Baroody, White House Public Affairs
Morton Blackwell, White House Public Liaison

The principal news at the meeting was that public relations expert Bill Rhatican, who is now at Synthetic Fuels Corporation, will coordinate Administration efforts to pass the President's defense budget until the May 16 scheduled vote on the First Concurrent Budget Resolution.

Rhatican is very talented and a good friend of mine. He became an aide to Richard Viguerie when I worked at the Viguerie Company. He got Mary McCrory to write a favorable column about Richard Viguerie!

He was a key tactician in the conservative coalition against President Carter's Panama Canal Treaties. He was lent by Viguerie to Phyllis Schlafly in her successful effort to counter Bella Abzug's extravaganza at the IWY Conference in Houston.

Rhatican will coordinate defense budget activities of the Defense Department, the National Security Council, and other offices at the White House.

The meeting began with a presentation by Navy Captain Bob Sims of the National Security Council. He reviewed Presidential efforts to date, including a Saturday radio broadcast in February and a Presidential letter to Cabinet members saying that the defense budget is our number one priority.

Sims said the two principal ongoing efforts are Congressional briefings in the Family Theater and a series of Blair House dinners for heads of major supportive groups. At each dinner will be Secretary Schultz, Secretary Weinberger, or Secretary Regan. The standard format would be one Cabinet officer, a high ranking aide to another Cabinet officer, and someone highly placed on the White House staff.

Blair House dinners will include from fourteen to forty people, depending upon which parts of Blair House are used. Invitees would be business, labor, and major organization heads. Discussions would be led by the Cabinet officer present.

Rhatican suggested that these meetings should increase from one per week to three per week as we get the format perfected.

A previous proposal for meetings of former Secretaries of Defense and National Security Advisors and a proposal for meeting of armed service heads and former members of Joint Chiefs of Staff have been scrubbed. The recent attack on the President's defense budget by former Secretary McNamara makes it likely that such meetings would be at least partly counterproductive.

Rhatican observed that despite the President's letter to Cabinet officers, support for the defense budget appears uneven within the Administration. His job will be to get everyone fully on board. He asked for the Defense Department, National Security Council, and White House Legislative Affairs office to identify undecided Members of Congress so he can "focus communications strategy" on them.

Department of Defense representatives said they had already briefed at the Pentagon about 200 community and civic leaders, 15 or 20 at a time. They agreed to provide Rhatican with the list of those briefed.

I repeatedly requested the group to define as specifically as possible the form the contest will take. Since we do not have a named legislative vehicle to support or oppose, such

as the "Gramm - Latta Amendment" or "Panama Canal Treaty", it was finally suggested that for the time being the Congress should get the simple message "Support the President's Defense Program".

The briefing of House freshmen last Thursday night was probably counterproductive. The Soviets were shown to have such a lead in most categories that some of the House members were heard to comment that "what we need now is a freeze before they widen their lead."

Colonel Robert O'Brien said that the most frequently asked question at the Defense Department briefings has been "Why do we need more weapons since we have enough bombs now to blow away the Soviets many times". I said I had seen somewhere that the French Army had 40 bullets on hand for every German soldier at the time they surrendered to Hitler. Col. O'Brien's boss, Assistant Secretary of Defense for Public Affairs Harry Catto, liked that and indicated he would try to get the backup for that figure.

Karna Small will work on placing op ed pieces that will be drafted by the Defense Department.

The meeting concluded with an agreement to meet again next Monday at the latest. Meanwhile Rhatican will begin coordinating the day-to-day activities.

I suggest that all portfolio managers at OPL be tasked with providing you a list of influential pro-defense leaders in their portfolio areas who should be invited to the forthcoming Blair House dinners. We should also step up our liaison with the Coalition for Peace through Strength and with pro-defense organizations which may not currently be cooperating with the Coalition for Peace through Strength.

Rhatican is available to coordinate recruitment of briefers for outside meetings.

THE WHITE HOUSE

WASHINGTON

March 15, 1983

MEMORANDUM FOR FAITH RYAN WHITTLESEY

FROM: MORTON C. BLACKWELL *MB*
SUBJECT: Schedule Proposal - DAV and
Auxiliary

I recommend that the President regret but that we send a priority surrogate.

Disabled American Veterans has less interest in defense matters than other veterans organizations but they are generally supportive. I think we should have a high profile Administration official deliver a strong speech on defense and foreign policy at this large gathering.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

MARCH 7, 1983

TO: FAITH WHITTLESEY

FROM: FREDERICK J. RYAN, JR., DIRECTOR
PRESIDENTIAL APPOINTMENTS AND SCHEDULING

SUBJ: REQUEST FOR SCHEDULING RECOMMENDATION

PLEASE PROVIDE YOUR RECOMMENDATION ON THE FOLLOWING
SCHEDULING REQUEST UNDER CONSIDERATION:

EVENT: Address the National Convention of the Disabled
American Veterans and Auxiliary

DATE: July 31-August 4, 1983 (Prefer Joint Opening Session
on July 31, 1983)

LOCATION: Los Angeles, California

BACKGROUND: See attached

YOUR RECOMMENDATION:

Accept ___ Regret ___ Surrogate ___ Message ___ Other ___
Priority ___
Routine ___

IF RECOMMENDATION IS TO ACCEPT, PLEASE CITE REASONS:

RESPONSE DUE 3-14-83 TO Fred Ryan



OFFICE OF THE VICE PRESIDENT
WASHINGTON

March 16, 1983

MEMORANDUM FOR FAITH RYAN WHITTLESEY

FROM: J. STEVEN RHODES *Steve*
Assistant to the Vice President
for Domestic Policy

SUBJECT: YOUNG REPUBLICAN LEADERSHIP CONFERENCE

Each year the Young Republican National Federation hosts a Leadership Conference in the Washington, D.C. area. This conference is a high-quality well-attended learning experience for approximately 1,000 Young Republican leaders from all across the nation.

As we approach the 1984 elections, it is becoming increasingly apparent that we must address the problem of the misperception of the Reagan Administration's treatment of women. The Young Republican membership is comprised of young professionals between the ages of 18 and 36 years old. In addition to being actively involved in politics, many of these young leaders are highly visible participants in civic and business organizations. These enthusiastic supporters of the President can provide a highly energetic means of spreading the good news about the Administration's concern for the problems of women.

Terry Oliver is the coordinator for the Women's Forum for the Young Republican Leadership Conference. She has already secured firm commitments from women in executive positions within the agencies to participate on the panel. In addition, Wilma Goldstein, Director of the political action committee, Campaign Fund for Republican Women, will be participating.

I would greatly appreciate your taking 15 minutes of your time to talk with Terry about the possibility of participating in this worthwhile endeavor.

Your cooperation in this matter is sincerely appreciated.

cc: Morton Blackwell
Thelma Duggin