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Domestic Policy Council 1987 Review & 1988 Plans [binder] [1]

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II. MEMBERSHIP, ATTENDEES AND STAFF

Domestic Policy Council Membership

President Ronald W. Reagan, Chairman
Secretary of the Interior Donald P. Hodel, Chairman Pro Tempore
Attorney General Richard Thornburgh
Secretary of Health and Human Services Otis R. Bowen
Secretary of Housing and Urban Development Samuel R. Pierce, Jr.
Secretary of Energy John S. Herrington
Secretary of Education Lauro F. Cavazos
Office of Management and Budget Director James C. Miller III
Environmental Protection Agency Administrator Lee M. Thomas

Ex-officio members are the Vice President and the Chief of Staff.

Attendees

The Assistant to the President and Cabinet Secretary, the Assistant to the President for Domestic Affairs and the Assistant to the President for Policy Development also participate.

All Cabinet members are welcome to attend any meeting in which they have an interest. Agency heads are invited to participate whenever matters affecting their organizations are on the agenda. Senior White House advisors to the President are also invited and, when appropriate, participate in discussions.

Domestic Policy Council Staff

The staff of the Domestic Policy Council are White House staff in the Office of Cabinet Affairs:

Ralph C. Bledsoe, Special Assistant to the President
and Executive Secretary
Mary Beth Riordan, Staff Assistant
Fran Seidl, Secretary
Robert W. Sweet, Jr., Deputy Executive Secretary
Mary M. Tsivgoulis, Secretary
Mark Readinger, White House Fellow (for environmental issues)

TABLE 9.

Adhocracy, centralized management, and multiple advocacy: differentiating characteristics

	Continuity*	Operational responsibility	Role of departments, agencies, and White House–based staff
Adhocracy	Relatively little emphasis on continuity. Reliance on ad hoc arrangements	Can operate under the direction of either honest brokers or advocates. If under honest brokers, approximates the results of multiple advocacy, except for continuity. In practice, generally directed by advocates.	Degree of departmental participation depends heavily on the individual responsible for organizing the advice for the President. Varies widely from issue to issue.
Centralized Management	Emphasizes continuity through reliance on a single White House–based staff responsible for overall coordination and issue management.	Head of a central management staff is likely to be a personal adviser to the President and assume an advocacy role. Lack of reliance on departments and agencies reduces the need for the role of honest broker.	Designed to reduce dependence on departments and agencies and to emphasize role of White House and Executive Office staff in developing policy alternatives.
Multiple Advocacy	Emphasizes continuity through reliance on a single high-level interdepartmental mechanism responsible for overall coordination and management of issues for a broad policy area (e.g., national security, economic policy, social policy).	Notion of an honest broker exercising operational control of the process is essential to its successful functioning. If operational responsibility is exercised by an advocate, the other participants must view him as an honest broker.	Designed to maximize the use of departmental resources and expertise and to minimize reliance on substantive expertise from White House staff. Departments perceive themselves as included.

*Continuity refers to the pattern of a relatively fixed group of individuals responsible for advising the President on a broad range of problems; a continuity of individuals, not policy.

THE WHITE HOUSE

WASHINGTON

March 4, 1988

MEMORANDUM FOR EDWIN MEESE III

FROM: RALPH C. BLEDSOE Ralph Bledsoe

SUBJECT: Domestic Policy Council 1987 Review and 1988 Plans

This report contains a summary of activities and accomplishments of the Domestic Policy Council (DPC) in 1987, and plans for 1988. Please let me know if you have any comments on this report.

1987 Activities

Meetings - Thirty-four meetings were held in 1987, eight chaired by the President. (See Tab 1.)

Issues - The Council discussed 19 different policy issues, in the following areas. (See Tab 2.)

- Energy - 2
- Environment - 4
- Federalism - 1
- Government Operations and Management - 3
- Health and Human Services - 7
- Justice and Legal - 1
- Science - 1

Presidential Decisions - The President issued 17 decisions on issues presented to him by the Council. (See Tab 3.)

Working Groups - Sixteen Council working groups were active during the year. Thirteen presented reports to the Council. (See Tab 4.)

Council Membership

President Ronald W. Reagan, Chairman
Attorney General Edwin Meese III, Chairman Pro Tempore
Secretary of the Interior Donald P. Hodel
Secretary of Health and Human Services Otis R. Bowen
Secretary of Housing and Urban Development Samuel R. Pierce, Jr.
Secretary of Energy John S. Herrington
Secretary of Education William J. Bennett
Office of Management and Budget Director James C. Miller III
Environmental Protection Agency Administrator Lee M. Thomas

Ex-officio members are the Vice President, the Chief of Staff and the Assistant to the President for Policy Development. With participation of the Assistant to the President for Domestic Affairs and the Assistant to the President and Cabinet Secretary.

Council Staff

Ralph C. Bledsoe, Special Assistant to the President
and Executive Secretary
Robert Johnson, White House Fellow
Mary Beth Riordan, Staff Assistant
Fran Seidl, Secretary
Robert W. Sweet, Jr., Deputy Executive Secretary
Mary M. Tsivgoulis, Secretary

1988 Plans

During 1988, the Council will focus on major policy issues and areas stressed in the President's State of the Union Message and Legislative Message, in addition to ongoing policy issues that require monitoring. (See Tab 5 for 1988 plans.)

1987 DPC MEETINGS
SUMMARY

*-With The President
**-Cabinet Meeting

January 13, 21, *29

February *3, 4, 17

March 4, 9, *10, 18, 20, **24

April 1, 8, 14, *29-Joint DPC/EPC Meeting

May *4, 12, 20, 27, *28

June 11, *18

July 13, 29

August 5

September 16, 21, 22, 30

November 5, 19, 24

December 2

1987 DPC MEETINGS AND AGENDA ITEMS

(*-With The President)

Meeting #	Meeting Date	Agenda Items
74	January 13, 1987	- AIDS Education
75	January 21, 1987	- AIDS Education
*76	January 29, 1987	- Superconducting Super Collider (SSC)
*77	February 3, 1987	- Catastrophic Illness Insurance
78	February 4, 1987	- Small Appliance Standards
79	February 17, 1987	- Drug Abuse Policy
80	March 4, 1987	- Acid Rain
81	March 9, 1987	- Acid Rain
*82	March 10, 1987	- Acid Rain
83	March 18, 1987	- Privatization - Tort Policy - Welfare Policy
84	March 20, 1987 JOINT DPC/EPC MEETING	- Energy Security
**	March 24, 1987 CABINET MEETING	- Management Goals

85	April 1, 1987	- Welfare Reform - AIDS
86	April 8, 1987	- AIDS
87	April 14, 1987 JOINT DPC/EPC MEETING	- Energy Security
*88	April 29, 1987 JOINT DPC/EPC MEETING	- Energy Security
*89	May 4, 1987	- AIDS
90	May 12, 1987	- Emergency Management
91	May 20, 1987	- Stratospheric Ozone
92	May 27, 1987	- AIDS Testing
*93	May 28, 1987	- AIDS Testing
94	June 11, 1987	- Stratospheric Ozone
*95	June 18, 1987	- Stratospheric Ozone
96	July 13, 1987	- President's Commission on Americans Outdoors
97	July 29, 1987	- Management Improvement
98	August 5, 1987	- Acid Rain
99	September 16, 1987	- AIDS Policies - Executive Order on the Family

100	September 21, 1987	- Stratospheric Ozone - AIDS - Executive Order on the Family - Federalism
101	September 22, 1987	- NAPAP Report
102	September 30, 1987	- Adoption - Low Income Opportunity
103	November 5, 1987	- Emergency Management - Adoption - Agent Orange
104	November 19, 1987	- Adoption
105	November 24, 1987	- Marine Debris - Outdoor Recreation Resources
106	December 2, 1987	- AIDS (HHS Report on AIDS Incidence and Prevalence)

ISSUES ADDRESSED BY DPC IN 1987
(*-With The President)

	ISSUE	DATE
o	Acid Rain	3/4, 3/9, *3/10, 8/5, 9/22
o	Acquired Immune Deficiency Syndrome (AIDS)	1/13, 1/21, 4/1, 4/8, *5/4, 5/27, *5/28, 9/16, 9/21, 12/2
o	Adoption	9/30, 11/5, 11/19
o	Agent Orange	11/5
o	Catastrophic Illness Insurance	*2/3
o	Drug Abuse Policy	2/17
o	Emergency Management	5/12, 11/5
o	Energy Security	3/20, 4/14, *4/29 (Joint DPC/EPC Meetings)
o	Family	9/16, 9/21
o	Federalism	9/21
o	Low Income Opportunity	3/18, 4/1, 9/30
o	Management Improvement	*3/24 (Cabinet Meeting), 7/29
o	Marine Debris	11/24
o	Outdoor Recreation Resources and Opportunities	7/13, 11/24
o	Privatization	3/18
o	Small Appliance Standards	2/4
o	Stratospheric Ozone	5/20, 6/11, *6/18, 9/21
o	Superconducting Super Collider (SSC)	*1/29
o	Tort Policy	3/18

1987 DPC ISSUES

- Acid Rain. Administration acid rain policy includes the study and control of chemicals that may result in acidic deposition that affects humans, bodies of water, forests, crops and materials. The Council met three times in March to discuss preparations for the President's April meetings with Prime Minister Mulroney in Canada. The Council discussed options for developing and demonstrating control technologies, and for reviewing future regulations and legislation. In August and September, the Council discussed the National Acid Precipitation Assessment Program (NAPAP) and an EPA study of sulfur dioxide (SO_2) and nitrogen oxide (NOx) emissions reduction. The Energy, Natural Resources and Environment Working Group is responsible for acid rain policy development.

- Acquired Immune Deficiency Syndrome (AIDS). Administration AIDS policy includes steps the Federal government is taking to combat the spread of AIDS and HIV, the virus that causes AIDS. In February, the Council developed principles to guide the Federal government's educational efforts. In May, the Council discussed an epidemiological study proposed by the Public Health Service to determine the prevalence and incidence of HIV. Also considered were policy proposals for testing federal prisoners; placing HIV on the dangerous contagious diseases list so that immigrants and aliens must be tested before being admitted to the U.S.; reviewing expanded routine testing potential in other areas of the Federal government, including the VA; and encouraging states to increase routine testing in hospitals, STD and drug abuse clinics, for marriage licenses and in State and local prisons. The Council's Health Policy Working Group is responsible for coordinating policy development and making recommendations on AIDS and HIV testing, research, prevention, and education.

- Adoption. The President announced the formation of the Interagency Task Force on Adoption on August 24, 1987. He asked the Task Force to report to him, through the Domestic Policy Council, by November 22, with recommendations on how adoption could be encouraged, and what steps can be taken at State and local government levels to remove barriers to adoption. The Task Force interacted with more than 80 organizations, State and local government agencies, judges, caseworkers, attorneys and major adoption advocacy groups regarding concerns and proposals about adoption, and presented its report to the Council on November 19. The President received the report on November 23. The Task Force will have its report printed in the spring of 1988.

- Agent Orange. Administration Agent Orange policy includes ensuring that the government examines the possible impact on Vietnam veterans of exposure to this chemical. An Agent Orange Working Group monitors studies being conducted, and reported results to the Council in November. Several other studies are to be completed during 1988-89.

- Catastrophic Health Insurance. In his 1987 State of the Union message, the President announced that legislation would be introduced to provide catastrophic health care for Medicare participants, and that the private sector would be encouraged to increase catastrophic insurance coverage for all citizens. In February, the Council discussed specific features of legislation, which was later introduced and is pending before Congress. The Health Policy Working Group oversees policy development in this area.

- Drug Abuse Policy. The Administration's drug abuse policy is to achieve a drug-free America. In February the Council's Working Group on Drug Abuse Policy completed its efforts, and the Council approved publication of working papers on implementation of the President's initiatives. The National Drug Enforcement Policy Board now coordinates the Administration's drug abuse policies.

- Emergency Management. In 1987, the Council considered how to ensure coordination of responses by federal agencies in the event of extreme domestic emergencies. The Working Group on Management and Administration, in conjunction with the Federal Emergency Management Agency (FEMA) developed a national system for emergency coordination, which was discussed by the Council in May and November, and presented to the President in December. The President approved the system in January 1988.

- Energy Security. The Council met with the Economic Policy Council in March and April to discuss a study of the effects of oil imports on national security. In April, the Councils' presented options and proposals to the President, covering tax incentives, Federal lands, and the Strategic Petroleum Reserve. The Energy, Natural Resources and Environment Working Group oversees policy development on this issue.

- Family Policy. In December 1986, the President approved the Family Working Group report and ordered development of an Executive Order. In 1987 the Executive Order was issued, requiring federal agencies to review the impact of current programs, legislative proposals, grants and contracts on family formation and maintenance. The Council met in September to discuss implementation of the Order.

- Federalism. In December 1986, the President approved development of an Executive Order on Federalism. The Council's Federalism Working Group met throughout the spring and early summer to develop such an Order, receiving comments from State and local government officials. The Council met in September to discuss major sections of the Order, including policymaking criteria, requirements for preemption of State laws, requirements for legislative proposals, agency implementation, government-wide coordination and review, and judicial review. The President issued the Order on October 26.

- Low Income Opportunity. In January 1987, the President approved implementation of a national strategy for immediate action to meet the financial, educational, social and safety concerns of poor families..." Legislation was introduced and is pending in Congress. The Council discussed progress at meetings in March, April and September. In July, an Executive Order was issued establishing a Low Income Opportunity Advisory Board to work with States in encouraging demonstration programs.

- Management Improvement. In March, OMB briefed the Council on the President's Management Improvement Program and the 1988 Management Report, including efforts of the President's Council on Integrity and Efficiency (PCIE), and the President's Council on Management Improvement (PCMI). The Council asked OMB to prepare goals, and to develop indicators for measuring department and agency management performance. These were presented to the Council in July, and will be reflected in the President's 1989 Management Report.

- Marine Debris. The Council established a Task Force in June to examine problems associated with plastic marine debris, including aesthetic and human health implications, entanglement and ingestion by fish and wildlife species, and violation of statutes that govern disposal of solid wastes in coastal waters. In November, the Task Force presented recommendations to the Council. They included developing a public awareness campaign, assuring that adequate shore facilities exist, enforcement of existing and anticipated regulations, research on degradable plastics, and requirements for marking fishing equipment. The Task Force will present its final report to the Council in the spring of 1988.

- Outdoor Recreation Resources and Opportunities. The Council met in July to discuss the President's Commission on Americans Outdoors report. A Task Force on Outdoor Recreation Resources and Opportunities was formed to review the Commission's recommendations from a cost and policy perspective and to

build on its findings. A status report was discussed with the Council in November. The Energy, Natural Resources and Environment Working Group interacts with the Task Force.

- o Privatization. This policy issue deals with how to make the economy and the government more efficient by putting selected government assets and operations into private hands. The Council's Working Group on Privatization studied the sale and contracting-out of selected federal operations and services, and presented recommendations to the Council in March. In July, privatization proposals were announced as part of the President's Economic Bill of Rights, and a Presidential Privatization Commission was established.

- o Small Appliance Standards. The Council discussed options for responding to unfavorable legislative proposals on small appliance standards at a meeting in February. The President had vetoed a previous bill. The Council agreed that the Administration should attempt to delay consideration of new bills by the Senate and send a veto signal to encourage the drafting of favorable amendments. This was achieved. No further action is anticipated on this issue.

- o Stratospheric Ozone. The Council met in May and June to consider the U.S. position for the negotiations of a protocol to control chemicals found to be depleting the stratospheric ozone layer. The President affirmed U.S. support of an effective international protocol to control such chemicals, and gave the U.S. delegation instructions on how to pursue this objective. The Council was briefed on the protocol, which was signed on September 16.

- o Superconducting Super Collider (SSC). In January, the Council completed discussions of a proposal by the Energy Department to develop a high-energy physics research program leading to construction of a superconducting super collider. The President approved proceeding with the SSC.

- o Tort Reform Policy. In March, the Working Group on Tort Policy briefed the Council on how the Administration's efforts to reform liability statutes has encouraged changes in state laws, consistent with principles developed by the Working Group. The Council will receive progress reports in 1988.

1987 PRESIDENTIAL DECISIONS
Summary

Acid Rain

Acquired Immune Deficiency Syndrome (AIDS)

Adoption

Catastrophic Illness Insurance

Energy Security

Family

Federalism

Low Income Opportunity

Management Improvement

Stratospheric Ozone

Superconducting Super Collider

1987 PRESIDENTIAL DECISIONS

o Acid Rain - The President, following discussion of options presented at a Council meeting on March 10:

- approved seeking an appropriation of $2.5 billion over a five year period to fund a demonstration-based innovative control technologies program (ICTP).

- directed the Secretary of Energy to establish an advisory panel that would oversee a research demonstration program and select projects to be co-funded by the Federal government.

- directed his Task Force on Regulatory Relief to review Federal and state economic and regulatory incentives and disincentives to deployment of new technologies.

On November 25, the President provided Secretary Shultz with instructions that the U.S. Section of the Bilateral Advisory and Consultative Group should convey that portions of the Canadian accord proposal made in May were unacceptable. They were also to convey the following policy principles:

- the U.S. will build on the Special Envoys' recommendations and measures underway to reduce emissions, and allow sufficient time for the ICTP to be deployed;

- we will consider the state of the science, including the findings of the NAPAP interim assessment;

- we will not target emissions reductions at specific geographic areas; and,

- we require reciprocal commitments from Canada.

o Acquired Immune Deficiency Syndrome (AIDS) - Following a Council meeting on January 21, the President approved five principles presented to him to guide the Federal government in providing information to the public about AIDS. Also, the President, following discussions at a Council meeting on May 4, approved formation of a Presidential Commission on AIDS. Following a Council meeting on May 28, the President:

- directed HHS to carry out a comprehensive program to determine the nationwide incidence of the HIV virus and to predict the future of its occurrence.

- directed that following a 60-day comment period, AIDS be added to the list of dangerous contagious diseases for which immigrants and aliens seeking permanent residence in the U.S. could be denied entry.

- directed the Department of Justice to submit a plan for expanded testing of Federal prisoners for the AIDS virus.

- directed the Domestic Policy Council to review other Federal program areas where AIDS testing might be done and make recommendations for his consideration.

- directed that the Federal Government encourage States to offer routine testing for the AIDS virus, while recognizing individual rights, where a medical examination or blood testing occurs, in Sexually Transmitted Disease clinics and drug abuse clinics, before a marriage license is issued, and in State and local prison facilities.

Following the Council meeting on September 21, the President:

- directed that HHS undertake a family of surveys to gather the data necessary to monitor the dynamics of the HIV infection, including the rate of spread.

- directed the Centers for Disease Control to collect and analyze data from current sources and estimate the prevalence of HIV in the U.S. and the rate of spread, based on results from scientific models.

- directed HHS to conduct a nationwide household seroprevalence survey, in which PHS or a designated contractor would request voluntary and anonymous or confidential participation in blood testing for the HIV. This survey would produce a more accurate estimate of how the disease is spreading.

o Adoption - On August 24, the President announced the formation of an interagency task force on adoption, directing that they present recommendations through the Domestic Policy Council on how adoption can be encouraged. On November 13, the President issued a memorandum for heads of executive departments and agencies directing them to encourage National Adoption Week activities to increase Federal employee awareness about the benefits of adoption. The President designated November 22 through 28 as National Adoption Week.

o Catastrophic Illness Insurance - The President, based on Council meetings in December 1986 and on February 3, 1987, approved restructuring Medicare to include catastrophic protection with an actuarially sound additional premium. Following the February 3 Council meeting, the President approved other initiatives to improve catastrophic illness insurance protection for the general population under age 65,

the availability of long-term care for the elderly and catastrophic illness insurance for the elderly, including:

- working with the private sector to educate the public about risks, costs, and financing options available for catastrophic illness insurance and long-term health care.

- working with States on such innovations as employment-related catastrophic insurance coverage, State risk pools, management of State Medicaid programs, and new programs for loan guarantees and requiring catastrophic insurance when registering motor vehicles.

- directing Treasury to study the impact of various tax policy changes, including expanding deductions for sole proprietors or unincorporated businesses, advantages of deductions for incorporated businesses, and mandating employer-provided deductibility to the full lawful extent if catastrophic illness coverage is offered.

- directing Treasury to study means for encouraging personal savings for long-term care and catastrophic illness insurance, including various tax policy changes and replacing Medicare with health care savings accounts for savings used to buy post-retirement health insurance.

- directing Treasury to study development of the private long-term care insurance market through tax incentives.

- encouraging Medicare beneficiaries to enroll in private health plans which offer catastrophic coverage.

o Energy Security - Following an April 29 joint meeting of the DPC and EPC, the President approved sending a letter to Congress on U.S. energy and oil policy supporting increased domestic stockpiles, a strong domestic oil industry, and expanded availability of domestic oil and gas resources. Specific energy security decisions by the President included:

- suggesting to Congress two tax changes: increasing the net income limitation on the percentage depletion allowance from 50 percent to 100 percent per property, and repealing the transfer rule to permit use of percentage depletion for proven properties that have changed ownership.

- a 100,000 barrel per day fill rate for the Strategic Petroleum Reserve, provided that budget offsets are made available to cover the higher costs of this fill rate.

- reducing the minimum bid requirement for Federal offshore leases from $150 per acre to $25 per acre.

- Family - The President, in January, approved pro-family reform proposals contained in a report presented to him at a Council meeting on December 2, 1986. These included:

  - preparing an Executive Order directing Federal departments to examine the impact on the family of new and current programs, legislative proposals, grants and contracts. The President issued the Executive Order on September 2, 1987.

  - ensuring that sex education courses receiving HHS support and/or funds be value-based.

  - developing a plan for nation-wide communication of pro-family themes to the American people.

  - carrying out other executive and legislative actions that foster sensitivity on the importance of the family, require consideration of non-governmental solutions, and limit the role of the Federal government in family matters.

- Federalism - In January, the President approved reform proposals contained in a report "The Status of Federalism in America," presented to him at a Council meeting on November 17, 1986. These included:

  - preparing an Executive Order requiring that federalism implications of agency actions be thoroughly reviewed.

  - urging Congress to require a constitutional authority and federalism assessment for legislation.

  - seeking legislation to require that Congress' intent to preempt State law be explicit, to prohibit agency preemption of State law by rulemaking, and to reform federal court jurisdiction.

  - encouraging States to adopt uniform laws, enter into interstate compacts, and establish a clearinghouse to share information and ideas.

- Low Income Opportunity - In January, the President approved implementation of a national strategy for seeking legislation to begin long-term, State-sponsored, local government approved demonstrations. The strategy was presented to him at a Council meeting on December 12, 1986. On July 20, 1987, the President established the Low Income Opportunity Advisory Board to speed up the granting of waivers of welfare rules and regulations for innovative State demonstration projects.

- Management Improvement - The President, at a March 24 Cabinet meeting, accepted the goals and strategy developed by OMB for accomplishing Administration management improvement initiatives.

- Stratospheric Ozone - On June 24, the President approved instructions to the U.S. delegation for negotiating an international protocol on protection of the stratospheric ozone layer. Policy options were presented to him at a June 18 Council meeting. The President's instructions included:

  - entry into force should occur when a substantial proportion of producing/consuming countries as determined by the U.S. delegation have signed and ratified the protocol.

  - lesser developed nations should be given a limited grace period up to the year 2000.

  - a system of voting that gives due weight to the major producing and consuming countries should be sought.

  - strong provisions for monitoring, reporting and enforcement should be sought to secure the best possible compliance with the protocol.

  - a freeze at 1986 levels on production/consumption of specified ozone-depleting chemicals should take effect one or two years after entry into force. A 20% automatic reduction should occur four years after, and an additional 30% automatic reduction about eight years after entry into force, following a scientific review.

  - the ultimate objective should be protection of the ozone layer by eventual elimination of realistic threats from man-made chemicals.

  - a provision should be sought to protect U.S. industry, by authorizing trade restrictions against countries that do not join or comply with the protocol provisions.

  The President, on June 26, issued a memorandum to Cabinet members apprising them of the above instructions.

- Superconducting Super Collider (SSC) - On January 30, the President decided to commit to build the SSC beginning in FY 1988 using the maximum possible cost-sharing from other countries, private industry, and State and local governments. The issue was discussed at a Council meeting on January 29. The Secretary of Energy was directed to seek Congressional authorization, select a site, obtain cost-sharing commitments and determine construction schedules dependent on budget realities and cost-sharing commitments obtained.

DPC WORKING GROUPS
Summary

Adoption Task Force

Agent Orange

Committee on Life Sciences

Corporate Sentencing

Drug Abuse Policy

Energy, Natural Resources and Environment

Family Policy

Federalism

Health Policy and Economics

Legal and Regulatory Policy

Low Income Opportunity

Management and Administration

Marine Debris

Outdoor Recreation Resources and Opportunities

Privatization

Tort Law Policy

DPC WORKING GROUPS

- Adoption Task Force. The President announced the formation of the Interagency Task Force on Adoption on August 24. He asked the Task Force to report to him, through the Domestic Policy Council, by November 22, with specific recommendations on how adoption could be encouraged, and identify steps which can be taken at local levels to remove barriers to adoption. The Chairwoman of the Task Force is Mary Gall, Counselor to the Director of the Office of Personnel Management. In 1987, Task Force members interacted with over 80 organizations, State and local government agencies, caseworkers, attorneys, judges and major adoption advocacy groups regarding adoption concerns and proposals. The Council received the Task Force report on November 19, and the President received the report on November 23. In 1988, the Task Force will prepare the full report for publication, and further develop initiatives consistent with the Administration's intent to encourage adoption. Periodic reports will be provided to the Council.

- Agent Orange - The Agent Orange Working Group consists of representatives of four agencies - HHS, DOD, VA and OMB, and is responsible for coordinating research and studies of the effects of Agent Orange on Vietnam veterans who were exposed to this chemical. The Chairman is Don Newman, Under Secretary of HHS. This Working Group has coordinated over 155 studies, several of which were completed or terminated in 1987. A status report was presented to the Council on November 5, 1987. In 1988, the Working Group will monitor the dozen or so studies still in progress, and report on them to the Council.

- Committee on Life Sciences. This subcommittee of the Federal Coordinating Committee on Science, Engineering, and Technology (FCCSET) replaced the Biotechnology Working Group, and is responsible for developing biotechnology policy proposals for Council consideration. The Committee is chaired by Beverly Berger of the Office of Science and Technology Policy. The Biotechnology Sciences Coordinating Council (BSCC), also a subcommittee of the FCCSET, and chaired by James Wyngaarden of the National Institutes of Health, remains responsible for coordination and implementation of the biotechnology regulatory framework approved by the President on June 17, 1986.

- Corporate Sentencing - This Working Group was established to assist in the formulation of policies with respect to corporate crimes. It will study applications of federal criminal laws to corporate entities and will draft recommendations for the U.S. Sentencing Commission on fines and penalties to best deter corporations and similar

organizations from violating federal criminal laws. The Chairman is Tom Moore, a Member of the Council of Economic Advisers. The Working Group will report to the Council in February or March, 1988.

- Drug Abuse Policy - The Working Group on Drug Abuse Policy was established in July, 1986. Carlton Turner, Director of the White House Drug Abuse Policy Office was the first Chairman. He was succeeded by Ralph Bledsoe, Executive Secretary of the Domestic Policy Council. The Working Group issued reports in 1986 and 1987, outlining steps being taken to combat illegal drug use, to reduce the demand for drugs and to continue enforcing the laws against drug trafficking. The Working Group completed its efforts in 1987, and was terminated when the Drug Abuse Prevention and Health Coordinating Group was established under the National Drug Enforcement Policy Board.

- Energy, Natural Resources and Environment. This Working Group is responsible for issues affecting domestic energy regulation, production, and use; regulation, protection, and enhancement of our natural environment; regulation, production, and the use of natural resource commodities, including minerals, timber, and industrial feedstocks; selected agricultural policies; and certain international trade and global trends in the above areas. The Chairman is Ralph Bledsoe. During 1987, the Working Group developed policy proposals and options on energy security, stratospheric ozone, acid rain, marine pollution, and outdoor recreation initiatives. The Working Group is currently coordinating policy development for acid rain, outdoor recreation, and an interagency study of plastic debris in the marine environment. Other policy issues that may be considered include global climate and nitrogen oxide (NOx) emissions.

- Family Policy - The Family Working Group was established in March 1986 to develop a report on the condition of the American family; inventory and evaluate public policies, programs and practices; and suggest changes that would enable the Administration to support and strengthen families. The Chairman is Gary Bauer, Assistant to the President for Policy Development. A report was presented to the President in December 1986, and Executive Order 12606 was issued September 2, 1987. In March 1988, the Working Group will report to the Council on department and agency results in implementing the actions called for in the Executive Order. The Working Group will also carry out the President's directive in his 1988 State of the Union message to examine the parental role in education and make recommendations for strengthening parent's rights.

- Federalism - The Federalism Working Group is responsible for an Administration-wide strategy for rooting constitutional federalism principles in federal law and regulations. This includes identifying endeavors which may be devolved to State or local governments; developing opportunities for block grants, regulatory relief, simplified crosscutting requirements, and increased State and local flexibility; developing management improvements for categorical programs; and proposing measures to improve federal responsiveness to State and local concerns. The Chairman is Charles Cooper, Assistant Attorney General, Office of Legal Counsel in the Department of Justice. In its report to the President on "The Status of Federalism in America," the Working Group suggested three kinds of actions: legislative, executive, and development of a constitutional amendment. In 1987, the Working Group developed initiatives to implement these actions. A result was issuance of Executive Order 12612 on October 26, 1987. In 1988, the Working Group will report to the Council on implementation of the Executive Order, and continue development of initiatives contained in its report.

- Health Policy and Economics - This Working Group is responsible for identifying health policy issues and for developing policy options for the Council in such areas as catastrophic health care and AIDS. The Chairman is Gary Bauer, Assistant to the President for Policy Development. In 1988, the Food and Drug Administration will present the Working Group with an update on progress in development of an HIV antigen test, an HIV home testing kit, and HIV drug treatments. The Working Group will continue to monitor the results of the family of surveys and the pilot studies being conducted in major metropolitan areas.

- Legal and Regulatory Policy - This Working Group is to monitor and analyze legal and regulatory matters that have significant policy implications for the Federal government, and to identify relevant issues and options with respect to such matters. The Chairman is Brad Reynolds, Assistant Attorney General for Civil Rights at Justice.

- Low Income Opportunity - This Working Group was established to catalogue and assess the array of government low income assistance programs, and to carry out the President's 1986 State of the Union charge to present "an evaluation of programs and a strategy for immediate action to meet the financial, educational, social, and safety concerns of poor families." In December, 1986, the Working Group issued a report, "Up From Dependency," and presented it to the President, with proposals for a new national strategy for improving the welfare system. Legislation was introduced and is now being discussed in Congress. An Executive Order

was also developed to provide for an advisory board at the White House to work with the States in reforming welfare programs. The Chairman is Charles Hobbs, Assistant to the President for Welfare Policy.

- Management and Administration - This Working Group is responsible for developing and monitoring ways to improve Federal government management. The Working Group works closely with the President's Council on Management Improvement, an inter-departmental committee that coordinates management improvements within the executive branch. The Working Group Chairman is Ralph Bledsoe, Executive Secretary of the Domestic Policy Council.

- Marine Debris - This Task Force was created to examine problems associated with persistent plastic marine debris. The Chairman is Timothy Keeney of the Department of Commerce. The Task Force will assess the scope of the problem, determine the extent of research needed, and identify actions to ensure that problems are addressed in a coordinated manner. It will also investigate the potential for using satellites to target pollutant sources and assist in law enforcement activities. A report is anticipated in the late spring of 1988.

- Outdoor Recreation Resources and Opportunities. This Task Force was created to review the report of the President's Commission on Americans Outdoors and develop policy proposals that build on its recommendations. Jackie Schafer, Member of the Council on Environmental Quality, is Chairwoman of this Task Force. Proposals will be presented in April 1988.

- Privatization - The Privatization Working Group identifies Federal government assets and operations that could be more efficiently managed by the private sector, and recommends strategies for achieving this. The Chairman is Tom Moore, a Member of the Council of Economic Advisors. The Working Group has worked closely with OMB, which identifies privatization initiatives as part of the President's annual budget and legislative messages.

- Tort Law Policy. This Working Group is responsible for monitoring and analyzing legislative and judicial activity in areas relating to tort law, for identifying relevant issues and options, and for making appropriate policy recommendations to the Council. The Chairman is Richard Willard, Assistant Attorney General of the Civil Division at Justice. The Working Group issued a report in February, 1986, on proposed reforms of product liability, government liability, and government contractor liability laws. The Working Group has re-drafted legislative proposals for transmittal to Congress.

1988 PLANS
Summary of Issues

Abortion

Acid Rain

Acquired Immune Deficiency Syndrome (AIDS)

Adoption

Agent Orange

Biotechnology

Catastrophic Illness Insurance

Education Reform

Emergency Management

Environmental Program

Family

Federalism

Fraud, Waste and Abuse

Global Climate

Homelessness

Low Income Opportunity

Management Improvement

Marine Debris

NOx Protocol

Outdoor Recreation Resources and Opportunity

Privatization

Stratospheric Ozone

Superconducting Super Collider (SSC)

Urban Policy

1988 PLANS

In 1988, the Domestic Policy Council will consider the following issues as part of the President's 1988 legislative and administrative agenda. (* - Asterisked topics are of interest, but may not require Council action in 1988.)

Abortion. The President has directed the Surgeon General to issue a comprehensive medical report on physical and emotional effects of abortion on women. The report will be released in August 1988. The Council will review the Surgeon General's report, and present policy recommendations to the President as required.

Acid Rain. The Council has been responsible for Administration acid rain policy development since 1985. In 1988, the Council will monitor negotiation of an acid rain bilateral accord with Canada, and develop new policies as needed.

Acquired Immune Deficiency Syndrome (AIDS). The Council has been active since 1985 in developing policies to halt the spread of the AIDS epidemic. In 1988, the Council will receive quarterly reports on the incidence (spread) and prevalence (current cases) of AIDS and HIV; review the AIDS Commission reports; monitor progress on the education/information plan; and ensure that appropriate Administration policies are developed and sufficient funding is requested to combat the AIDS epidemic.

Adoption. In 1987, the President established and received a report from his Adoption Task Force, through the Council. In 1988, the Task Force will print and distribute its report, and continue work on post-adoption services, corporate/foundation meetings, and public education efforts to promote adoption. The Council will review the efforts of the Task Force and consider policies that may be needed.

Agent Orange. The Council has policy oversight of research into the possible adverse health effects of Agent Orange on Vietnam veterans who were exposed to the chemical. In 1988, the Council will receive reports from its Agent Orange Working Group on studies that are completed or nearing completion.

Biotechnology. In 1987, the Council asked the Office of Science and Technology Policy to propose policies that may be needed in this growing field, with emphasis on international coordination and commercial applications. These may be brought to the Council for consideration in 1988.

Catastrophic Illness Insurance. The Council is responsible for policies that make catastrophic illness insurance available and affordable to more Americans. In 1987, draft legislation for acute care for the elderly was submitted to Congress. In 1988, the Council will consider policies for promoting acute care protection for the general population under age 65, and for long-term health care insurance.

Corporate Sentencing. The Council was asked to develop Administration policies for deterring corporations and other organizations from violating criminal laws. A Working Group has examined this issue and will recommend policies for consideration by the Council and forwarding to the U.S. Sentencing Commission.

Education Reform. The President has directed Secretary Bennett to prepare a follow-up of the landmark report, "A Nation At Risk," which was issued in 1983. The new report will be released in May 1988, and should be reviewed by the Council. Also, the Council will form a Working Group to carry out the President's directive to examine the parental role and make recomendations for strengthening parent's rights in education decision-making.

Emergency Management. In 1987, the Domestic Policy Council completed development of a system to ensure that Federal government responses to extreme domestic emergencies are effectively coordinated. In 1988, the Council will oversee implementation of the system, as required.

Environmental Program. The Council will consider a variety of environmental issues that may arise in 1988. Principles approved by the President in early 1986 will be applied.

Family. In 1987, the President issued an Executive Order requiring agencies to examine the impact of Federal regulations and legislation on family formation and maintenance. A report identifying Federal programs that have a negative impact on the family will be presented to the Council in March 1988.

Federalism. The President issued an Executive Order in 1987, requiring agencies to undertake a "Federalism Assessment" to ensure that regulations and legislative proposals do not preempt the authority of States. In 1988, the Domestic Policy Council will review implementation of the E.O. and address other federalism policy issues that arise.

Fraud, Waste and Abuse. The President's Council on Integrity and Efficiency (PCIE), consisting of department and agency Inspector Generals, focuses on eliminating fraud, waste and abuse in governmental programs. Six-month reports will continue to be made to the President through the Council during 1988.

Global Climate. The Global Climate Protection Act was signed by the President in December 1987. It requires the development of a national policy on global climate change and a U.S. leadership role in working for greater international cooperation in limiting global climate change. In support of these goals, the Council may be asked to take up this issue during 1988.

Homelessness. In 1987, an Interagency Council on the Homeless was established in law to review Federal activities and programs aimed at assisting homeless individuals, to reduce duplication among Federal programs and activities, to recommend improvements to such programs, and to provide professional and technical assistance to States and local governments. In 1988, the Domestic Policy Council will review recommendations by the Interagency Council.

Low Income Opportunity. In 1987 the President approved a national strategy for seeking legislation supporting long-term, State sponsored, local government demonstrations that would lead to true welfare reform. Also in 1987, a Low Income Opportunity Advisory Board was formed by the President to assist States in obtaining waivers of current welfare rules, so as to speed up innovative demonstration projects. In 1988, the Council will receive periodic reports from the Board on the progess of relevant legislation, and results of State demonstrations.

Management Improvement. The Domestic Policy Council has worked with the President's Council on Management Improvement (PCMI) on development and implementation of the President's Management Improvement Program. In 1988, priorities will be improving governmental financial management, increasing sales of loan assets held by the Federal government, implementing agency productivity plans with emphasis on quality, furthering use of technology by Federal agencies, and examining Federal workforce needs for the future. The Domestic Policy Council will receive reports on results and accomplishments.

Marine Debris. In 1987, the Council formed a Task Force to identify current Administration activities, and propose initiatives for eliminating persistent marine debris polluting oceans and waterways. The use of satellites to enforce environmental laws will also be examined. An interim report has been completed, with final recommendations due to the Council in the spring of 1988.

NOx Protocol. In 1987, a U.S. delegation participated in U.N. negotiations of an international protocol to limit emissions of nitrogen oxides. In 1988, the U.S. delegation will require final instructions and authorization to sign a protocol. The Council may be asked to provide Administration policy guidance and instructions for these negotiations.

Outdoor Recreation Resources and Opportunity. In 1987, the Council formed a Task Force to review the report of the President's Commission on Americans Outdoors, and to propose policies for improving outdoor recreational resources and opportunities for Americans in the 1990s and beyond. In 1988, the Council will review the Task Force's specific policy proposals.

Privatization. The Council established a Working Group in 1986 to study privatization of Federal government activities and programs. In 1987, the President established a Privatization Commission to develop additional recommendations. In 1988, the Council will review the Commission's report. Also, comprehensive studies, pilot projects, direct privatization of selected Federal activities, and continued emphasis on contracting-out have been proposed in the President's 1989 Budget.

*Stratospheric Ozone. In 1987, the U.S. signed an international protocol to reduce emissions of chemicals causing a depletion of the stratospheric ozone layer. The protocol was submitted to Congress for ratification, which should occur in 1988. Further Council action on this issue will depend on Congressional and international responses.

*Superconducting Super Collider (SSC). In 1987, the President approved proceeding with the SSC project as proposed by the Department of Energy. Several important decisions are due in 1988, although they will not likely require Council activity.

Urban Policy. The President's National Urban Policy report is submitted to Congress every two years. It describes economic and social conditions of urban areas and the activities of Federal, State, and local government organizations in addressing urban problems. The report will be presented to the Council in mid-1988.

*Other Issues. The Council will discuss other specific domestic issues that may confront the Administration throughout the year.

THE WHITE HOUSE

WASHINGTON

January 23, 1987

MEMORANDUM FOR EDWIN MEESE III
DONALD T. REGAN

FROM: RALPH C. BLEDSOE, Executive Secretary

SUBJECT: Domestic Policy Council 1986 Review and 1987 Plans

This report contains a summary of the activities and accomplishments of the Domestic Policy Council (DPC) in 1986, and current preliminary plans for 1987.

1986 Activities

Meetings - Forty-eight meetings were held in 1986, twelve chaired by the President. (See Tab 1.)

Issues - The Council discussed twenty-eight different policy issues during 1986 in the following areas (See Tab 2.):

- Energy - 2
- Environment - 2
- Federalism and Intergovernmental - 3
- Government Operations and Management - 5
- Health and Human Services - 6
- Justice and Legal - 6
- Science - 2
- Transportation - 2

Presidential Decisions - The President made decisions on 19 of the issues presented to him by the Council. (See Tab 3.)

Working Groups - Eleven Council working groups were active and presented reports to the Council during the year. (See Tab 4.)

1987 Plans

During the first three months of 1987, the Council will focus on major policy issues and areas to be stressed by the President in the State of the Union message, the FY 1988 President's Budget, and the Administration's legislative agenda. These include, but are not limited to Welfare, Catastrophic Illness Insurance, Education, Federalism, and the Family. (See Tab 5.)

copy: Alfred H. Kingon

Tab 1

DPC meetings

1986 DPC MEETINGS AND AGENDA ITEMS

(*-With The President)

Meeting #	Meeting Date	Agenda Items
26	January 22	- Environmental Policy - National Energy Policy Plan (NEPP)
*27	February 5	- Low Income Opportunity
28	February 12	- Acid Rain
*29	February 18	- Acid Rain - National Energy Policy Plan (NEPP)
*30	February 25	- Environmental Policy - Management & FY87 Budget
31	February 26	- Liability Insurance Availability - Federalism
32	March 6	- Tort Policy
33	March 12	- Low Income Opportunity
*34	March 17	- Tort Policy
35	April 2	- Low Income Opportunity - Federal Personnel Issues
*36	April 10	- Drug Enforcement Policy Board Report
37	April 28	- Privatization - Legal Policy Changes
38	May 5	- Safety Belt Use By Federal Employees
39	May 7	- Federal Personnel Issues: Personnel Reduction Policy, Federal Civilian Retirement Plan, Alternative Personnel System
40	May 19	- Strategic Petroleum Reserve

41	May 20	- Organ Transplantation - Biotechnology
42	May 29	- Affirmative Action (Court Cases)
43	June 16	- Strategic Petroleum Reserve
44	June 30	- Management Improvement Legislation
45	July 9	- Low Income Opportunity - Strategic Petroleum Reserve Options
46	July 15	- Drug Abuse Policy
47	July 21	- Strategic Petroleum Reserve
48	July 22	- Drug Abuse Policy
49	July 24	- Speed Limit - Drug Abuse Policy
*50	July 25	- Drug Abuse Policy
51	July 30	- Quiet Title - Drug Abuse Policy
52	July 31	- Drug Abuse Policy
*53	August 4	- Drug Abuse Policy (Full Cabinet)
*54	August 5	- Strategic Petroleum Reserve
55	August 6	- National Urban Policy Report
56	September 8	- Drug Abuse Policy
57	September 10	- Drug Abuse Policy
**	September 11	- Drug Abuse Policy CABINET MEETING
58	October 1	- AIDS
59	October 15	- Drug Abuse Policy - Federalism

60	October 29	- Federalism - Emergency Management
61	November 5	- Federalism - Economic Indicators Legislation
62	November 12	- Family Working Group Report
*63 (A.M.)	November 17	- Federalism
64 (P.M.)	November 17	- Family Working Group Report
65	November 19	- Catastrophic Illness Insurance
*66	December 2	- Family Working Group Report
67	December 3	- Low Income Opportunity - Catastrophic Illness Insurance
*68 (A.M.)	December 12	- Low Income Opportunity
69 (P.M.)	December 12	- Catastrophic Illness Insurance
*70	December 15	- Catastrophic Illness Insurance
71	December 17	- Superconducting Super Collider
72	December 22	- Superconducting Super Collider
*73	December 23	- Catastrophic Illness Insurance

Tab 2

DPC Issues

ISSUES ADDRESSED BY DPC IN 1986

(*-With The President)

	ISSUE	DATE
o	Acid Rain	2/12, *2/18
o	Acquired Immune Deficiency Syndrome (AIDS)	10/1
o	Affirmative Action	5/29
o	Biotechnology	5/20
o	Catastrophic Illness Insurance	11/19, 12/3, 12/12, *12/15, *12/23
o	Drug Abuse Policy	7/15, 7/22, 7/24, *7/25, 7/30, 7/31, *8/4, 9/8, 9/10, *9/11, 10/15
o	Drug Enforcement Policy Board Report	*4/10
o	Economic Indicators Legislation	11/5
o	Emergency Management	10/29
o	Environmental Policy	1/22, *2/25
o	Family Working Group Report	11/12, 11/17, *12/2
o	Federal Personnel Issues	4/2, 5/7
o	Federalism	2/26, 10/15, 10/29, 11/5, *11/17
o	Legal Policy Changes	4/28
o	Liability Insurance Availability	2/26
o	Low Income Opportunity	*2/5, 3/12, 4/2, 7/9, 12/3, *12/12
o	Management & FY87 Budget	*2/25
o	Management Improvement Legislation	6/30

o	National Energy Policy Plan (NEPP)	1/22, *2/18
o	National Urban Policy Report	8/6
o	Organ Transplantation	5/20
o	Privatization	4/28
o	Quiet Title	7/20
o	Safety Belt Use By Federal Employees	5/5
o	Speed Limit	7/24
o	Strategic Petroleum Reserve (SPR)	5/19, 6/16, 7/9, 7/21, *8/5
o	Superconducting Super Collider (SSC)	12/17, 12/22
o	Tort Policy	3/6, *3/17

STATUS OF ISSUES

- Acid Rain. The Domestic Policy Council met twice in 1986 to review the U.S.-Canadian Report of the Special Envoys on Acid Rain. A plan for implementing the report's recommendation was developed and approved by the President in February, 1986, prior to his March, 1986 meeting with Prime Minister Mulroney. U.S. actions for 1987 are now being considered by the Council in preparation for April, 1987 meetings between the President and the Prime Minister. The Council's Working Group on Energy, Natural Resources and Environment is coordinating acid rain policy efforts.

- Acquired Immune Deficiency Syndrome (AIDS). Administration AIDS policy covers steps the Federal government is taking to combat this epidemic disease. The Council's Health Policy Working Group is responsible for coordinating AIDS research and prevention activities and for reporting to the Council. In his 1986 State of the Union message, the President asked the Surgeon General to issue a report to the American people on AIDS. The report was presented to the DPC in October, 1986 and sent to the President. Several hundred thousand copies have since been distributed. The Working Group is considering how to implement other initiatives approved by the President, including: a major education effort to prevent AIDS; encouraging Federal, State, and local authorities to take steps to lessen the risk of the spread of AIDS infection; and generally dealing with AIDS as a major public health problem with particular emphasis on educating the public.

- Affirmative Action. In 1986, the Council discussed the Supreme Court's four decisions dealing with affirmative action programs and concluded that the cases required no change in current government policies. During 1987, the Council will again address the Administration's affirmative action policy after the Supreme Court decides two more cases now under consideration.

- Agent Orange. Administration policy on this issue addresses how to ensure that the government has examined possible impacts of Agent Orange on people who have been exposed to this chemical. The Agent Orange Working Group met several times, but no Council meetings were held on this issue in 1986. Since its inception, the Working Group has coordinated about 155 studies, with another dozen due to be completed by 1988-89. A protocol was developed by HHS in October, 1986, using blood rather than tissue to test 400 military personnel who might have been exposed to Agent Orange. If the results show a positive correlation, a larger group of individuals will be tested.

- Biotechnology. A coordinated framework for the regulation of biotechnology was approved by the President and published in the Federal Register in 1986. Future activities include preparing recommendations for commercialization, intellectual property protection, and technology transfer of biotechnology developments. The Working Group on Biotechnology now serves as a sub group of the Energy, Natural Resources and the Environment Working Group and will report through that group to the Council.

- Catastrophic Health Insurance. In his 1986 State of the Union message, the President directed Secretary Bowen to develop proposals for private sector and government cooperation in providing health insurance to cover the costs of catastrophic illnesses that could wipe out a family's life savings. Responding to the President's charge, Secretary Bowen issued a report in November, 1986, containing several proposals. The Council's Working Group on Health Policy studied the report and prepared additional options. The Council debated the options and presented them to the President in December, 1986. The President will announce his decision in the 1987 State of the Union message.

- Drug Abuse Policy. The Administration's drug abuse policy covers actions to decrease and prevent drug abuse in America. In July, 1986, the Working Group on Drug Abuse Policy was established and after several meetings with the Council, a report was issued containing steps to be taken to combat illegal drug use. The President announced a six-point program in September, 1986, including an Administration bill. Major portions of this bill were adopted by the 99th Congress and are now law. A number of other steps were taken by Executive Agencies to reduce the demand for drugs and to continue enforcing the laws against drug trafficking. The Working Group and the National Drug Enforcement Policy Board will monitor the Administration's efforts to control drug abuse and ensure the implementation of Administration policy in accord with the President's six goals.

- Economic Indicators Legislation. This issue is whether to propose legislation containing criminal penalties for personal speculation and gain from use of Commerce Department statistics prior to their official release. Penalties would also be prescribed for individuals who knowingly accept and use such illegally released information. The Council agreed that Commerce should develop and submit legislative proposals covering these acts. The proposed legislation is currently in the OMB clearance process.

- Emergency Management. The Council actively participated in a national security management exercise in 1986, and discussed how to improve the coordination by federal domestic agencies being major emergencies. The Council's Working Group on Management and Administration is interacting with the Federal

Emergency Management Agency (FEMA) to develop a generic emergency management response model for domestic disasters and national security crises, and to propose needed legislative changes.

- o Environmental Policy. In January, 1986, the Council discussed Environmental Protection Agency (EPA) plans to amend laws and regulations so that they protect the environment and are mindful of economic costs and consequences. This issue was discussed with the President, who encouraged the EPA to continue its policies that further "environmental federalism" by working with states, and to increase the flexibility of environmental regulation. Other regulatory and legislative changes are also being developed.

- o Family Policy. The President asked the Council to establish a working group to report on the condition of American families, and to suggest changes in policies, programs and practices to strengthen families. After eight months of deliberation and study, the Working Group on the Family issued a report in November, 1986, recommending several pro-family policy initiatives. These included issuing a statement of principles, and developing an executive order requiring agencies to judge current programs, legislative proposals, grants and contracts by pro-family criteria. The report was presented to the President in December. In January, 1987, the President approved further development of the recommendations.

- o Federal Personnel Issues. In April, and May, 1986, the Council was briefed on several initiatives to improve government personnel policies. These included measures for allowing more flexible retirement programs, introduction of "pay for performance," and an alternative personnel management system based on the Navy's China Lake experiment. The President approved the alternative personnel proposals containing pay for performance sections, and legislation was introduced but not passed. OPM intends to propose similar legislation in 1987.

- o Federalism. In April, 1986, the President approved a Statement of Principles on Federalism, developed by the Council's Working Group on Federalism. These principles were distributed to all executive agencies, governors, and other Federal and State officials. The Working Group also produced a report on "The Status of Federalism in America," which was presented to the President and released to the public in November. Several specific actions were recommended to ensure that federalism is given greater consideration in the Congressional decision making process, and to ensure that federalism implications of Executive Branch agency actions are thoroughly reviewed. It was also proposed that States be encouraged to adopt uniform laws, enter into interstate compacts, and establish a clearinghouse to share information and ideas. The Council recommended that the President approve

the report and authorize further development of the actions for his subsequent review and approval. In January, 1987, the President approved the report and development of its recommendations.

- o Legal Policy Changes. In April, 1986, the Council discussed development of policies to better handle consent decrees, Special Masters, and presidential signing statements. Consent decrees will be more closely examined in the future because of the constraints they place on executive discretion and jurisdiction. In addition, more authority will be exercised on payment and criteria for selection of Special Masters and when to appoint them, since the experience is that they are becoming a fourth tier of the judiciary, and are performing functions that conflict with the Executive Branch. A process for declaring Presidential intent at the time of signing formal documents will also be developed by a Justice study group, to aid in judicial interpretations of intent. The Justice Department will handle each of these.

- o Liability Insurance Availability. This issue pertains to the growing problem governments, schools, professionals, and manufacturers have in obtaining liability insurance. It was discussed in February, 1986, and resulted in the Council tasking the Tort Policy Working Group to develop specific proposals. This was later discussed in the Working Group report on tort reform.

- o Low Income Opportunity. In his 1986 State of the Union message, the President directed that the Council present "an evaluation of programs and a strategy for immediate action to meet the financial, educational, social and safety concerns of poor families..." In December, 1986, the Council's Low Income Opportunity Working Group issued "Up From Dependency," a report that described federal welfare programs, assessed their successes and failures, and proposed a new national welfare strategy. Legislation would be developed to implement this national strategy. The Council discussed the report's findings in November, 1986 and presented the report to the President in December. In January, 1987, the President approved implementation of the national strategy.

- o Management Improvement Legislation. This issue is how to continue the Administration's record of improving government management. In June, 1986, OMB briefed the Council on management improvements to date, suggesting that all agencies need to do more to achieve the President's objectives. The Council asked OMB to prepare agency goals, and develop indicators to judge management performance in executive departments and agencies. OMB will present these indicators to the Council and the President in early 1987, along with reports on the efforts of the President's Council on Integrity and Efficiency, and the President's Council on Management

Improvement. Additional goals and initiatives will be reflected in the President's 1988 Management Report.

- National Energy Policy Plan. The National Energy Policy Plan was discussed with the President in February, 1986. The Plan was developed by the Department of Energy to indicate major energy developments, and to determine if the U.S. has the proper policies to assure an adequate, long-term supply of energy. Secretary Herrington stressed that energy supplies are currently adequate and they are working to increase the domestic supply of energy by reducing regulations and price controls. The President approved publication of the Plan. He also asked the Energy, Natural Resources and Environment Working Group to do a special study of energy security, which will be discussed by the Council early in 1987.

- National Urban Policy. Secretary Pierce presented the Administration's bienniel report on National Urban Policy to the Council in August, 1986. The report's goal is to promote policies that improve urban life by increasing economic opportunity and self-sufficiency. The President received the report in August, approved it, and transmitted it to Congress. The report will be published early in 1987.

- Organ Transplantation. This issue was whether expenses for heart transplants should be covered under Medicare. Secretary Bowen presented options to the Council in May, 1986. The President approved a policy in which heart transplantations would no longer be considered experimental, and Medicare payments for these transplants would be permitted, provided the institutions where they are performed meet criteria specified by HHS. On October 17, 1986, a notice was published in the Federal Register proposing the specific guidelines for approval of hospitals as transplant centers under Medicare. Approval of the rules from HHS and OMB will be finalized in early 1987.

- Privatization. The issue is how to make both the economy and the government more efficient by putting selected government assets and operations into private hands. A Council working group studied the sale or contracting-out of several federal operations and services, and presented its preliminary findings to the Council in April, 1986. Privatization proposals have been included as part of the President's FY 1988 budget message.

- Quiet Title. This issue was whether to amend the Quiet Title Act to waive the statute of limitations and allow state claims against federal real property beyond 12 years. The Council discussed various options in July, 1986, and the President agreed to support legislation waiving the statute for certain kinds of properties. Congress passed quiet title legislation containing the Administration's preferences late in 1986.

- Safety Belt Use by Federal Employees. This issue was brought to the Council in May, 1986, by Secretary Dole, who asked the Council to address the question of whether an Executive Order should be issued requiring safety belt use by federal employees on official business. The President approved and signed an Executive Order on September 26, 1986, establishing a safety belt use policy for federal employees.

- Speed Limit. In July, 1986, the Council discussed the issue of whether we should seek to repeal the National Maximum Speed Limit Act, which was passed in 1974. Various options were considered, including modifying the law to permit each state to develop their own limits, or to raise the national limit. The Council agreed to prepare arguments and options for the President, to be discussed at a time determined by the President. Further action on the issue has been delayed until Congress passes the federal highway and mass transit bill.

- Strategic Petroleum Reserve. The policy of how much and how fast to fill the U.S. Strategic Petroleum Reserve as insurance against a time of world shortage or crisis, was discussed by the Council several times in 1986. In August, the President reaffirmed the goal of a 750 million barrels reserve, and authorized DOE to fill the SPR at a rate of 35,000 barrels of oil per day, the minimum fill rate mandated by Congress. He also authorized the Secretary of Energy to consider additional purchases if domestic oil prices fall below $12 a barrel.

- Superconducting Super Collider (SSC). This issue is whether the federal government should fund construction of the Superconducting Super Collider, a powerful accelerator for the study of atoms and building blocks of matter. The effort is estimated to cost between $4.5 billion and $6 billion over a ten-year period. The Council was briefed on this project in December, 1986, but could not reach a consensus on a recommendation to the President. The issue will be discussed with the President early in 1987.

- Tort Reform Policy. This issue grew out of the discussion of liability insurance availability. In February, 1986, the Working Group on Tort Policy issued a report containing recommendations for legislation on product liability, government contractor liability, and Federal government liability. The President approved the recommendations in March, 1986, and legislation was introduced but not passed. A number of states have modified their laws consistent with the principles developed by the working group, which should lessen the pressure for federal tort reforms. Legislation will again be proposed in 1987.

Tab 3

Presidential Decisions

PRESIDENTIAL DECISIONS

- Acid Rain - The President approved the U.S. position for his talks with Prime Minister Mulroney, which was to attempt to obtain funding for acid rain research as called for in the report of the special envoys. The options were presented to him in a Council meeting on February 18, 1986.

- Acquired Immune Deficiency Syndrome (AIDS) - In his 1986 State of the Union message, the President directed the Surgeon General to issue a report to the American people on AIDS. This was completed in October, 1986.

- Biotechnology - The President approved the Coordinated Framework for publication in the Federal Register. A decision memorandum was signed on June 11, 1986.

- Catastrophic Illness Insurance - In January, 1987, the President approved proposing legislation and other actions to increase the availability and affordability of catastrophic illness insurance. The options were presented to him in a meeting on December 23, 1986.

- Drug Abuse Policy - The President decided to seek to modify the Mansfield Amendment; include the death penalty for major drug traffickers where a death follows; authorize agencies the discretion to test applicants for all positions; define sensitive posititions as general description only; submit the proposed legislative package to support the Administration's six drug ause policy goals; develop and implement an Executive Order to achieve a drug-free Federal workforce and implement the action steps recommended by the Working Group on Drug Abuse Policy and the National Drug Enforcement Policy Board. These actions were presented to him at a Council meeting on July 25, 1986.

- Drug Enforcement Policy Board Report - The President accepted the report on April 10, 1986.

- Environmental Policy - The President concurred in the new decision making approach of the Environmental Protection Agency, and accepted the report of the Council on Environmental Quality at a Council meeting on February 25, 1986.

- Family - In January, 1987, the President approved development of proposals presented by the Family Working Group at a Council meeting on December 2, 1986. These included drafting a new Executive Order, preparing a nation-wide communications plan, and developing other executive and legislation actions.

- Federal Personnel Management - The President approved supporting legislation to incrementally expand alternative personnel system improvements throughout the Federal workforce in a controlled, measured, and budget-neutral manner. He signed a decision memorandum on April 21, 1986.

- Federalism - In January, 1987, the President approved development of proposals presented by the Federalism Working Group at a Council meeting on November 17, 1986. These included preparing an Executive Order, and developing other legislation and executive actions.

- Low Income Opportunity - In January, 1987, the President approved implementation of a national strategy for seeking legislation to begin long-term, State-sponsored demonstration projects presented at a Council meeting on December 12, 1986.

- Management Improvement - The President signed an Executive Order on Productivity, and an Executive Order revoking outdated Orders at a Council meeting on February 25, 1986.

- National Energy Policy Plan - The President approved issuance of the National Energy Policy Plan presented to him at a Council meeting on February 18, 1986.

- National Urban Policy - The President approved issuance of this report which was sent to him in August, 1986.

- Organ Heart Transplantation - The President approved allowing Medicare payment for heart transplants, in institutions that meet facility criteria established by HHS. A decision memorandum was signed by him on May 29, 1986.

- Quiet Title - The President approved the Administration's position and signed this legislation in October, 1986.

- Safety Belt Use by Federal Employees - The President approved an Executive Order establishing a safety belt use policy for Federal employees on June 9, 1986.

- Strategic Petroleum Reserve (SPR) - The President approved expanding the capacity of the SPR and retaining the fill goal of 750 million barrels. He decided to continue filling at the minimum legal requirement of 35,000 bpd through FY 1987 and reassess in one year. If oil goes below $12 a barrel domestic, the Secretary of Energy is to consider additional purchases. This was decided following a Council meeting on August 5, 1986.

- Tort Policy - The President approved drafting and submitting to Congress legislative proposals for product liability, government contractor liability, and Federal government liability tort reforms, as outlined by a Working Group report discussed with him in a Council meeting on March 14, 1986.

Tab 4

Working Groups

DPC WORKING GROUPS

- Agent Orange - The Agent Orange Working Group is responsible for coordinating research and studies of the effects of Agent Orange on people who were exposed to this chemical. This Working Group consists of representatives of four agencies - HHS, DOD, VA and OMB, and has coordinated over 155 studies. No Working Group reports were made to the Council in 1986. The chairman is Don Newman, Under Secretary of HHS.

- Biotechnology - This interagency group completed its major efforts in 1986, and now reports through the Energy, Natural Resources and Environment Working Group. It is to examine commercialization and technology transfer of developments in the field of biotechnology.

- Drug Abuse Policy - The Administration's Working Group on Drug Abuse Policy was established in July, 1986 to decrease and prevent drug abuse in America. The Working Group issued a report containing steps to be taken to combat illegal drug use. A number of other steps were taken by Executive Agencies to reduce the demand for drugs and to continue enforcing the laws against drug trafficking. The Working Group and the National Drug Enforcement Policy Board will monitor the Administration's efforts to control drug abuse and ensure the implementation of Administration policy in accord with the President's six goals. The Acting Chairman is Ralph Bledsoe, Executive Secretary of the Domestic Policy Council.

- Energy, National Resources and the Environment. This Working Group is responsible for issues affecting domestic energy regulation, production, and use; regulation, protection, and enhancement of our natural environment; regulation, production, and the use of natural resource commodities, including minerals, timber, and industrial feedstocks; selected agricultural policies; and certain international trade and global trends in the above areas. During the year, the Working Group developed a plan for implementation of the report of the Joint Envoys on Acid Rain, drafted legislation to quiet title to certain lands, and prepared a plan for affirmation of our strategic petroleum reserve goals. Each of these were addressed by the President. The Working Group also developed a presentation to the President on environmental protection strategy and accomplishments, and shaped the issues under consideration by the high level Working Group on Energy Security. The Chairman is Ralph Bledsoe, Executive Secretary of the Domestic Policy Council.

- Family Policy - The Working Group on the Family was established in March, 1986, and was directed to develop a report on the condition of the American family; inventory and evaluate public policies, programs and practices; and suggest changes that would enable the Administration to support and strengthen families. A report was presented to the President in December, 1986. The Chairman is Gary Bauer, Under Secretary of Education.

- Federalism - The Working Group on Federalism is responsible for creating a basic, Administration-wide strategy for rooting constitutional federalism principles in federal law and regulations. This includes identifying endeavors which may be privatized or devolved to State or local governments; developing opportunities for block grants, regulatory relief, simplified crosscutting requirements, and increased state and local flexibility; developing management improvements for categorical programs; and proposing measures to improve federal responsiveness to state and local concerns. The Working Group submitted a "Statement of Federalism Principles" which the President signed in April, 1986, and presented a report to the President on "The Status of Federalism in America." The Working Group suggested three kinds of actions: legislative, executive, and development of a constitutional amendment. The Chairman is Charles Cooper, Assistant Attorney General and Legal Council in the Department of Justice.

- Health Policy and Economics - This Working Group is responsible for identifying health policy issues and for developing policy options for the Council in such areas as: the structure and financing of Medicare and Medicaid programs; the adequacy of the health care system to meet the needs of various groups of Americans; the impact of tax policy on health care spending; and relationships between VA and DOD health programs, among others. In 1986, the Working Group studied catastrophic health care and prepared a report with a series of recommendations for the Council. The Working Group also addressed Medicare coverage for heart transplants and discussed facility criteria established by HHS for institutions authorized to perform heart transplants. The Chairman is Bill Roper, Administrator of the Health Care Financing Administration, Department of HHS.

- Low Income Opportunity - This Working Group was established to catalogue and assess the array of government low income assistance programs, and to carry out the President's 1986 State of the Union charge to present "an evaluation of programs and a strategy for immediate action to meet the financial, educational, social, and safety concerns of poor families." In December, the Working Group issued a report, "Up From Dependency," and presented it to the President, with proposals for a new national strategy for improving the welfare system. The Chairman is Charles Hobbs, Acting Assistant to the President for Policy Development.

- Management and Administration - This Working Group is responsible for developing and monitoring ways to improve federal government management. The Working Group works closely with the President's Council on Management Improvement, an inter-departmental committee that coordinates management improvements within the executive branch. The Working Group Chairman is Ralph Bledsoe, Executive Secretary of the Domestic Policy Council.

- Privatization - The Privatization Working Group identifies federal government assets and operations that could be better run in the private sector, and recommends strategies for achieving this. The Working Group has worked closely with OMB, which has also identified candidates for privatization as part of the President's annual budget and legislative messages. The Chairman is Tom Moore, a member Council of Economic Advisors.

- Tort Law Policy. This Working Group oversees policy development activities on toxic torts and compensation, and vaccine supply and liability. It is responsible for monitoring and analyzing legislative and judicial activity in areas relating to tort law, for identifying relevant issues and options, and for making appropriate policy recommendations to the Council. The Working Group issued a report in February, 1986, on proposed reforms of product liability, government liability, and government contractor liability laws. The Working Group drafted legislative proposals which were approved by OMB, and sent to Congress in June of 1986. The Chairman is Richard Willard, Assistant Attorney General at Justice.

Tab 5

1987 Plans

1987 PLANS

During the first three months of 1987, the Domestic Policy Council will concentrate on policy issues and matters arising from the President's 1987 State of the Union Message, actions necessary under the approved FY 1987 budget, initiatives contained in the President's FY 1988 budget, and policy initiatives developed by Council Working Groups. Priorities will be given to:

- promoting policies that recognize the importance of education as the main transmitter of our shared history and values, and as the primary means of escape from poverty for America's poor;

- seeking solutions to reduce the dependency of people on the welfare system, through a national strategy of long term state-sponsored demonstration programs;

- public policies that strengthen the role and bond of families in American life.

- expanding principles of private health plan options, reducing the costs of health care while improving its quality, finding a cure for AIDS, and increasing the availability and affordability of catastrophic illness insurance for all Americans;

- reducing the supply of illegal drugs and supporting actions to achieve a drug-free America through drug abuse prevention, treatment and awareness;

- bringing quality housing and ownership within the reach of all Americans, including poor families;

- developing and implementing executive actions, and proposing legislative actions to strengthen our federalist system;

- restoring a balance between enforcing the rules of a civilized society and sustaining human liberty;

- protecting our environment, as we improve our energy security;

- improving our ability to manage domestic natural disasters and emergency situations;

- modernizing our transportation systems, while making them safer for the traveling public; and other vital issues.

THE PRESIDENT'S DOMESTIC POLICY DEVELOPMENT PROCESS

A Presentation to the
OPM "Administration of Public Policy" Seminar
Denver, Colorado

March 24, 1986

INTRODUCTION

Good Morning! I trust that everyone had a boring weekend and that your're all happy to be "back in school" on Monday morning!

As I looked over the many interesting topics in your program in preparation for this presentation, I thought that maybe I should be on the "listening side" rather than than the "talking side" at this seminar. And now, as I look out over this room and see the wealth of experience assembled here, I'm even more convinced that I may be able to learn more today than I could hope to teach.

I'm sure that many of you have a great interest in our Domestic Policy. This morning I hope to pass along some information on Presidential decision making and to stimulate group discussion on the policy process as well as several domestic issues.

My presentation will be organized into three main parts:

- Presidential Decision Making and the Philosophy of Cabinet Government;
- Developing Domestic Policy; and,
- An Overview of current Domestic Issues.

If we have time, I would also like to focus on one specific domestic issue which should be of interest to all of you:

- Management and the FY87 Budget.

I encourage you to ask questions during the presentation, and I will set aside time for discussion at the end of each topic.

PRESIDENTIAL DECISION MAKING AND CABINET GOVERNMENT

Background

Congressional decision making is often called translucent because of its open nature. (Of course, that's if and when decisions are actually made!) After a few days on the hill, an observer can easily begin to recognize the Congressional system and understand their decision making process. Presidential decision making, on

The other hand, is sometimes viewed much more "mysteriously" - due, in large part, to the "closed door" nature of most Presidential meetings. But I also think that this impression is due to the significantly different approaches which recent Presidents have taken towards policy development. I hope to dispell some of the "mystery" this morning.

The importance of Presidential decision making is probably intuitively obvious to most of you. But it takes on an even greater significance when the President's "center stage" role is considered within our democratic system which is solidly based in the principle of division of power. Although many have said that the President only has the power to persuade, it is essential that he and his advisors recognize the true weight of their influence, understand the factors which impact their decisions, and proceed in a thoughtful, preplanned manner.) ~~I'm reminded of the newly assigned Captain of a battleship.~~

~~(insert battleship joke)~~

~~In all seriousness,~~ Presidents ~~also have to watch for reefs and lighthouses. Their~~ decisions cannot usually be made by starting with a clean slate and a free hand. Decisions are often influenced by:

- Campaign promises;
- The decisions of previous Presidents; or,
- Unforeseen external events.

Decisions must also be made recognizing implementation constraints directly impacting the executive branch such as:

- Congressional use of budget and oversight powers to directly influence the actions of Cabinet Officers;
- The influence of constituencies who feel that they should be represented by Cabinet Departments and major Agencies; and,
- The large, complex executive branch supporting structure which must be called upon to implement policy decisions, i.e. all of us!

In his book Presidential Decision Making, Roger Porter discusses three basic strategies which recent president's have followed to organize the pattern of advice which they receive from their immediate staff and from executive departments and agencies.

(Roger served on the Economic Policy Council during the Ford Administration and until last year was the Director of the Office of Policy Development for President Reagan. I think his book is available in the Center library for those of you who want to pursue this topic a little further.)

Executive Secretary of the Cabinet Council on Econ Affairs and

Although the three basic decision making strategies are not mutually exclusive, they can be categorized as: Adhocracy, Centralized Management, and Multiple Advocacy. Let's briefly look at the characteristics of each of these approaches:

Under Adhocracy, there are very few regular or systematic channels to provide advice to the President. Instead, the President often distributes assignments and selects whom he listens to and when. Different advisors may be given competing assignments to develop an initiative. Random distribution of assignments and responsibilities can often result in "turf" battles. (FDR created considerable internal chaos using this approach; LBJ tried this strategy with mixed results.) Adhocracy often emerges in the early weeks and months of a new administration as the principle officials learn about each other and begin to govern after months of campaigning. As its name implies, Adhocracy relies on ad hoc groups and arrangements, and usually operates under the direction of advocates. The degree of departmental participation depends upon the individual who organizes the information for the President and will vary considerably from issue to issue. Recent examples of policies developed by advocates using this approach are: the Carter energy program developed by James Schlesinger; the welfare reform proposals which Joseph Califano also developed for President Carter; and the Carter tax reform proposals developed by Michael Blumenthal.

Centralized Management emphasizes heavy reliance on the White House staff and the Executive Office of the President. Ideas, proposals, and department recommendations are filtered by these staffs before they are presented to the President. This approach usually grows from a desire for analysis and recommendations from individuals who share the President's perspective. In this system, the President's staff not only closely manages the flow of communications between the departments and the President, but, "in theory", it also provides neutral, objective analysis, and structures policy alternatives to transcend departmental parochialism. This approach began to dominate the Nixon White House, and resulted in reduced reliance upon the Cabinet and considerable staff growth as the President's advisors attempted to duplicate and compete with the analytical depth of the various departments and agencies.

By contrast, Multiple Advocacy is an open system designed to systematically expose the President to competing arguments and viewpoints with well defined policy options. Positions are personnally presented by the advocates themselves. However, chaos is avoided by a well defined process which is managed by an "honest broker" who ensures that all interested parties are represented and that the debate is structured and balanced. This approach emphasizes careful weighing of views, and is based on the philosophy that the best method for developing policy is an orderly, systematic and balanced competition of ideas. The

honest broker and his staff do not serve as biased intermediaries between departmental advocates and the President; but, they are also more than just gatekeepers. They seek to promote a genuine competition of ideas, to broaden the range of options or strengthen inadequately represented viewpoints, and, in short, they work to ensure due process and quality control.

All decision-making approaches have certain advantages and limitations and Presidents have made versitile use of all three from time to time. However, given proper staff behavior and continuity (and sometimes that's asking a lot!), multiple advocacy presents several significant advantages:

- All points of view are represented and alternative courses of action are fully explored;
- Policy is developed within the context of the political forces which will later impact its successful implementation; and,
- The President's influence is strengthened throughout the executive branch by a process that mobilizes resources more systematically than does adhocracy and more completely than does centralized management.

There's no doubt it - Multiple Advocacy requires teamwork! It relies heavily upon a stable core of senior advisors and principle advocates who are willing to share responsibility for collectively providing the President with:

--breadth and depth in his decision making

--over an entire range of issues

--in broad policy areas.

But Multiple Advocacy works! The President's success to date is in no small part due to his basic decision-making philosophy and its supporting structure.

Philosphy

The President's Domestic Policy process was developed around the principles of multiple advocacy and is structured to support Cabinet Government.

- The White House and the Department and Agency staffs are jointly involved in the policy development process;
- Issues which surface from a wide range of sources are properly analyzed, developed, and refined on an interagency basis;

- Divergent viewpoints are expressed and debated internally and issue papers are prepared with competing decision options;
- Policy is set by formal decision after cabinet level discussion; and,
- Policy is implemented by Department and Agency officials who were directly involved in policy development.

The First Term - The Cabinet Council System

(Use viewgraphs to describe the President's previous cabinet council system.)

- The Cabinet Council system, which was utilized during the first term, can be described by the following key points:

- It was a high-level management tool to provide, as the President stated, "... a means for deliberate consideration of major policy issues which affect the interests of more than one department or agency."
- The full Cabinet was consulted for government-wide issues. However, seven Cabinet Councils were established in the key policy areas of: Commerce and Trade; Economic Affairs; Food and Agriculture; Human Resources; Natural Resources and Environment; Legal Policy; and Management and Administration.
- Each Cabinet Council was chaired by the President, had a Chairman Pro Tempore of Cabinet Rank, and included selected Agency Heads and White House Officials.
- The Councils included the Vice President, the Assistant to the President for Policy Development, and the Chief of Staff as Ex Officio members.
- Each Council had an Executive Secretary to manage the process and serve as an "honest broker".
- The Councils allowed the President to function as the "Chief Executive Officer" of a "corporate styled" government.
- New issues and problems were anticipated and "crisis" issues were handled within an established framework with White House and Agency officials operating as a team.

- The Domestic Policy Council generally focuses on current policy development and manages issues which will be ready for discussion and decision within a 90 day planning window. The council staff is headed by an Executive Secretary (my boss - Dr. Ralph Bledsoe) who manages the council process. Most of the information gathering, issue analysis, and development of options is performed within interagency working groups which generally include Assistant Secretaries supported by their respective staffs. Issue papers are physically prepared by the Working Groups and are presented to the DPC for review, discussion and decision.

- The Office of Cabinet Affairs focuses on day-to-day issues and decisions and coordinates all formal communications between the Departments and Agencies and the White House. They provide a single formal point of contact between the White House and Cabinet Staffs.

Summary of Responsibilities

- The Office of Policy Development

  --Articulates the strategic domestic agenda
  --Provides strategic policy development
  --Participates in the DPC decision process

- The Office of Cabinet Affairs

  --Represents the White House Senior Staff
  --Coordinates formal communications
  --Monitors policy development

- The Domestic Policy Council

  --Defines the domestic agenda
  --Formulates national policy

  --Directs issue-oriented Working Groups which:
    --Frame policy issues
    --Analyze supporting information
    --Develop policy proposals and decision options

  --Works with Department and Agency Staffs which:
    --Propose policy issues
    --Staff and support Working Groups
    --Implement Presidential decisions

Policy Development and Implementation

- Once issues are identified as appropriate agenda items for consideration by the DPC, they are usually channeled into one of the topic-oriented standing Working Groups, or a special short-term Working Group may be established to handle an issue in a more specific topic area that requires specialized inter-agency analysis.

The Second Term - The Domestic Policy Council

- On April 11, 1985, the President announced the creation of two cabinet-level bodies to assist him in the formulation and execution of domestic and economic policy.

- The Domestic and Economic Policy Councils replaced the seven Cabinet Councils with the intent of streamlining policy development and decision making.

- The two new councils together with the National Security Council constitute the primary channels for advising the President on policy matters. The budget system also provides a parallel process for addressing issues which are primarily budget driven.

- From the President's perspective, however, the shift did not represent a major change since policy decisions were presented to him in substantially the same manner as under the Cabinet Council system.

- The Domestic Policy Council is chaired by the President and provides him with a single advisory group on domestic and social policy. The Attorney General serves as the Chairman Pro Tempore. Other members are:

  --The Secretary of the Interior
  --The Secretary of Health and Human Services
  --The Secretary of Housing and Urban Development
  --The Secretary of Energy
  --The Secretary of Education
  --The Director of the Office of Management and Budget

  The Vice President, the Chief of Staff, and the Assistant to the President for Policy Development serve as Ex Officio members of the DPC. Other interested Cabinet Officers and Agency Heads attend DPC meetings when they have an interest in specific issues.

- The Council staff is headed by an Executive Secretary who fulfills the role of "honest broker" and reports to the Chief of Staff through the Cabinet Secretary.

- The DPC relies heavily on interagency subcabinet level Working Groups to fully utilize the expertise and resources of the departments and agencies, and to provide a structure through which department initiatives can be fully considered.

THE DOMESTIC POLICY PROCESS

Approach

The strength of cabinet government lies in the full involvement of departments and major agencies in proposing, developing, and implementing the President's policy. Drawbacks, such as additional coordination and time delays, can be minimized by an effective organizational structure and an efficient decision process which is known and understood by all "players".

- The President is very sensitive to the contributions which line officials from the departments and agencies can make in the decision-making process.

- He wants to get advice directly from the people who have a stake in the issue without filtering by White House intermediaries - even if this approach requires competing views to be debated in front of him at council meetings.

→ Key Issue

- In addition to council discussions, the President also likes to review issue papers which outline options and their associated advantages and disadvantages before making a decision.

- A primary objective of the decision making process is to array before the President, in a simple and direct manner, all of the information he needs to make an informed decision. The process ensures that everyone gets his day in court.

- Once the decision-making process is completed and policy is established, the President then expects all officials in his Administration to fully support his final decision.

Structure

- Three principle groups within the White House staff are actively involved in the Domestic Policy Process.

  (Use viewgraph showing organizational elements)

- The Office of Policy Development is a small group of senior analysts and advisors who report to the Assistant to the President for Policy Development. They focus on strategic policy development and generally work on issues or initiatives which will surface several months in the future. Once they have developed a specific proposal, it is input into the Domestic Policy Council process in much the same way as a proposal from a department or agency. Similiarly, OPD staffers participate in analyzing and shaping department and agency proposals as they proceed through the DPC process.

Working Groups will generally meet several times a month, depending upon the urgency of the issue, and will report back to the Council once they have developed specific options and, hopefully, a consensus recommendation. Sometimes Working Groups which are handling more complex issues, schedule a series of presentations to the DPC over the course of several months. Other issues are "finalized" more quickly and Council decisions are obtained within a matter of weeks (or even days in extremely urgent cases).

- In most cases the Chairman Pro Tempore will convene the Council without the President for the initial discussion of an issue. In some cases, where a general consensus exists for a particular course of action, policy can be set by the Council without meeting with the President. This approach is consistent with the Administration's philosophy of making decisions at the lowest responsible level within government.

- If differences exist after thorough analysis and discussion, competing options are framed by the interested parties with their respective pros and cons and presented to the President personally and in a written issue paper. In many cases, alternative implementation strategies and the politics associated with a particular issue are also weighed in the Council before a final decision is made.

- The President's time is a valuable commodity. But, as Chairman of the Council, he is an active participant in DPC decisions. As I indicated earlier, true cabinet government facilitates unconstrained debate between alternative points of view before the final decision is made by the Chief Executive.

- But, the best policy decision in the world is worthless if it cannot be effectively implemented. Once a DPC decision is made, the charge to implement it is handed back to the lead agency which originated the proposal. If they "did their homework", the Council probably supported their position and they should have a "head of steam" to sustain them in initiating the required action. If their proposal was modified, they can feel satisfied that they were active participants in the policy development process, and that they are now charged to implement the sense of the Council and the decision of the President.

- Whether administrative or legislative action is required, the President's decision-making process allows objections within the Executive Branch to be made and hopefully resolved before a decision is made and action is initiated. Although the upfront work may take time and sometimes prove difficult, experience has proven that it is better to work out the problems first, and to then approach implementation with a unified Administration position and the full support of the President.

DOMESTIC ISSUES

America's Agenda for the Future

- The President's message to the Congress following the State of the Union address outlined the key domestic issues facing our government in the months and years ahead.

  (Refer to the fact sheet for any discussion or questions)

- The message had four broad themes:

  --Preparing for a decade of economic growth;

  --Defining our values for a modern age;

  --Advancing the technological era; and,

  --Expanding the family of free nations.

- The major topics included under the two domestic themes were:

  --Education

  --Welfare

  --Health

  --Justice and Public Safety

  --Personal Freedom

  --Environment

  --Federalism

  --Technology

- At this point, I'd like to focus on those issues which are of greatest interest to the group. Perhaps we could start with a few questions and stimulate a more general group discussion. I'll try to focus on facts and process and leave the political debates for those who are "diligently toiling" in Washington.

MANAGEMENT AND THE FY 87 BUDGET

Introduction

- We have some time left, and as I mentioned earlier, I think it would be interesting to talk a little bit about an issue in which the DPC is deeply involved - improving government management.

- President Reagan may be unique among recent Presidents in his personal interest in making government work.

- You may be familiar with his Management Improvement Program - Reform 88 - which was launched four years ago. This management effort continues and is now being expanded.

Budget Decisions

- This year, OMB has taken another major step forward in management improvement by developing the FY 87 budget as an integral part of a government-wide management decision making process. This process is designed to focus on our Federal bottom line - effective government within a balanced budget - in a manner similar to every major corporation in America.

- Management decision rules were used to structure a theme oriented FY 1987 budget which cuts across agency lines. These decision rules can be simply stated by a series of questions:

  "Is this a function that the Federal government should be performing?"

  "If not, by whom should it be accomplished?"

  --"By another level of government through devolution or Federalism?'

  --"By the private sector through asset sales, privatization, or contracting out?"

  --"Or maybe it shouldn't be performed at all - should it be just merely terminated?"

  "If, on the other hand, this function should be accomplished by the Federal government:"

  --"Is it presently being performed at the right level, or should it be expanded, contracted, or frozen?"

  --"Also, can it be accomplished more cost-effectively as a result of reducing waste, fraud, and abuse; productivity improvements; efficiency enhancements; or changes in program delivery?"

- These rules were used to shape this year's budget and they will also be used to develop the FY 88 budget next year. I'm sure that this approach wiil become the subject of many discussions and political debates in the months ahead.

Reform 88

- An expanded Reform 88 effort will also be undertaken in the months ahead to support management's ability to make budget decisions based upon better information and improved teamwork throughout the departments and agencies.

- But looking back, Reform 88 achievements to date are truly noteworthy:

  --$63 billion in cost avoidance was realized by stopping waste, fraud, and abuse.

  --125 million copies/year of publications have been eliminated.

  --Streamlined regulatory processes have saved 500 million hours/year.

  --Cash flow management reforms have reduced costs by $3.2 billion over 6 years.

  --332 accounting systems will be reduced to one per agency by 1990.

  --134 payroll/personnel systems will be reduced to 12 by 1992.

  --And these are just a few examples. There are also many more past and soon to be realized accomplishments.

- The Reform 88 expansion will focus on total management rather than administrative systems. There are thousands of individual projects included in the expanded program. However, three key priorities are: budget/financial accounting reform, credit management, and productivity.

- Budget/financial system reform:

  --Despite the use of "decision rules" and this year's "theme oriented" approach to budget development, the budget still does not adequately reflect program plans across agency lines.

--Our Federal government needs a real financial management system which ties the budget process into the financial accounting system to facilitate programmatic follow-up.

--We also need to introduce a capital budget within our current budget to improve management of our capital investment decisions.

--OMB will be working with the agencies to correct these problems.

- Credit Management:

--The Federal government is the largest financial intermediary in the United States. It is allocating credit, directly or indirectly, worth around a trillion dollars.

--The major needs to be addressed in this area are:

  --Stressing credit management rather than just getting the loans out;

  --Developing an overall credit policy; and

  --Getting proven private sector tools into the hands of agency managers.

(Refer to OMB briefing for questions on specific initiatives)

- The President's Productivity Improvement Program:

--In a July 31, 1985 message to Congress, the President announced a new government-wide program to improve productivity 20% by 1992 in selected high-priority functions. More recently, on February 25th, he signed an Executive Order directing agencies to develop productivity improvement programs.

--The purpose of this initiative is to improve the quality, timeliness and efficiency with which Federal services are delivered to the public by becoming more productive, more cost-conscious and more quality-conscious at all levels of government service.

--Agencies will set their own goals and will <u>focus on results</u> - not process.

--Agencies will be required to establish policies which make it clear that productivity improvement is everyone's job, and that those who contribute and participate in problem-solving will be rewarded.

--Achieving the President's goal will make a substantial contribution to deficit reduction. But, properly achieving this goal will also demonstrate to the American public that while the Federal government is serious about cost cutting and efficiency, we will also maintain high-quality and timely services.

--The Domestic Policy Council will be deeply involved in the numerous policy decisions supporting this program. But, the President's challenge is clear - he is asking all of you, the leaders and managers of our government, to work with him and his top managers to achieve better government.

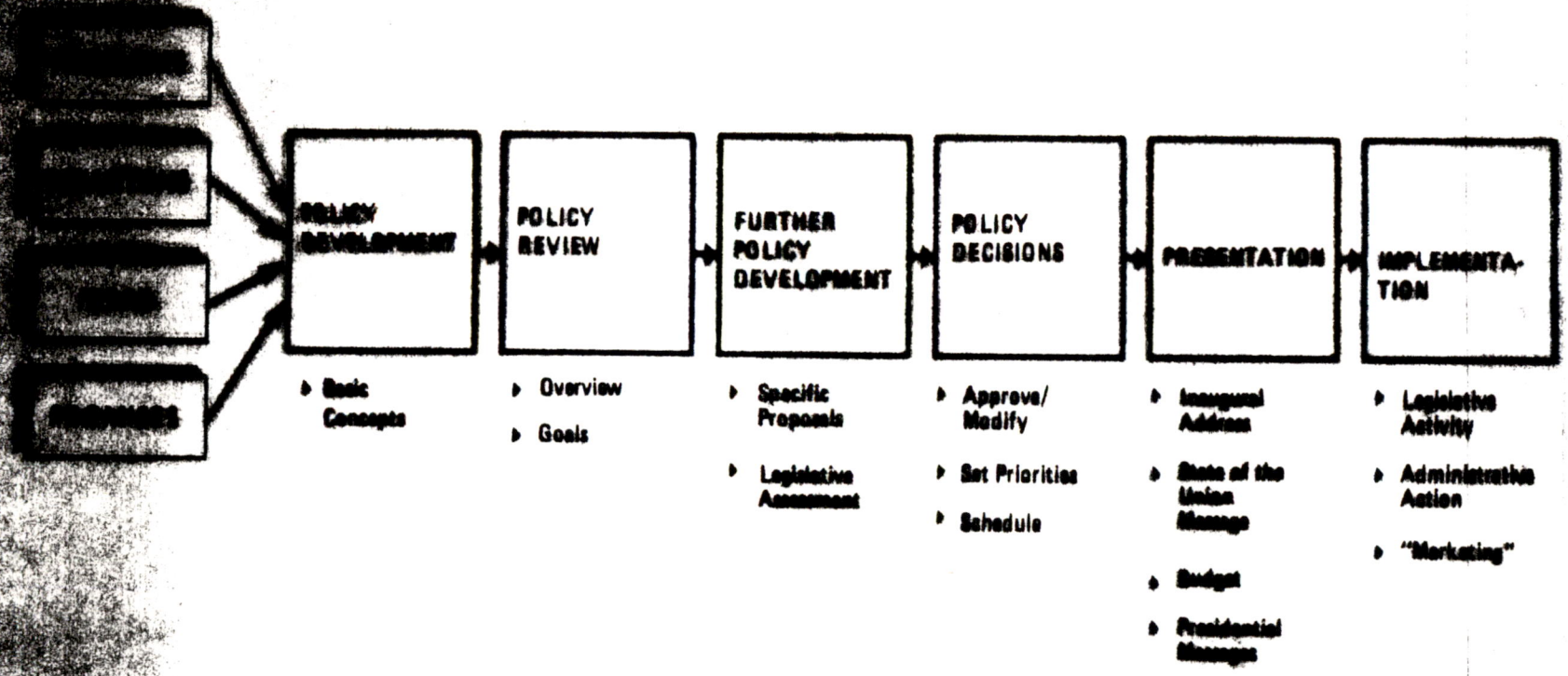
--As the President said in his first inaugural address: "It is not my intention to do away with Government, it is rather to make it work."

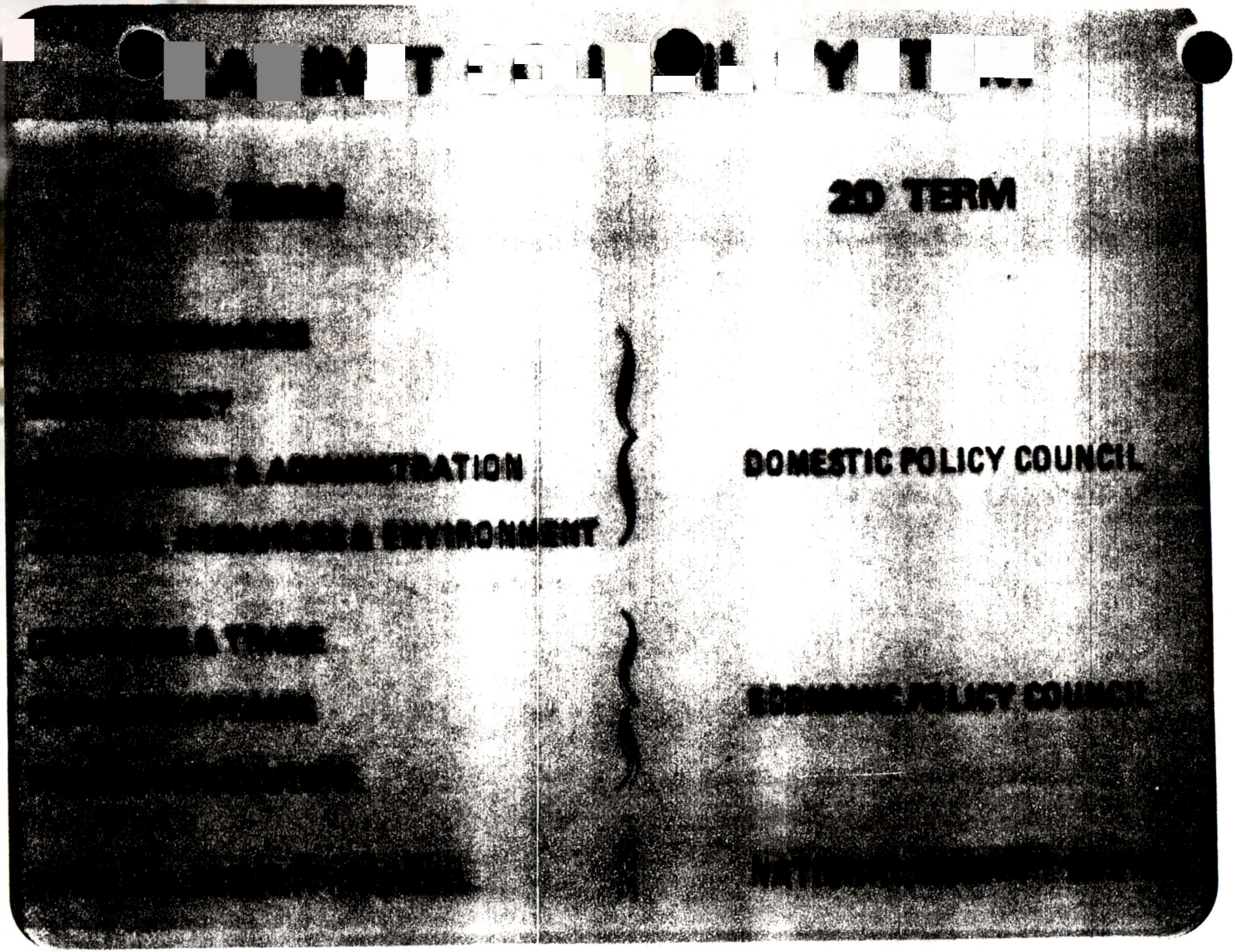
And with that inspiring quote, it's time for me to stop.

I think that we still have time for a few more questions.

I would like to close by thanking all of you for your attention and participation. I would also like to express my appreciation to OPM and the Western Executive Seminar Center for inviting me here to speak today. Good luck to all of you and enjoy the rest of the week.

PLANNING PROCESS




2D TERM
DOMESTIC POLICY COUNCIL

THE WHITE HOUSE

Office of the Press Secretary
(Santa Barbara, California)

For Immediate Release April 11, 1985

STATEMENT BY THE PRESIDENT

Today I am announcing the creation of two cabinet-level bodies -- the Economic Policy Council and the Domestic Policy Council -- to assist me in the formulation and execution of domestic and economic policy. I will chair both Councils. These two Councils will replace the seven existing Cabinet Councils and the Senior Interagency Group-International Economic Policy. The new entities will streamline policy development and decision making. Together with the National Security Council, they will serve as the primary channels for advising me on policy matters.

The Economic Policy Council will be composed of the Secretaries of State, Treasury, Agriculture, Commerce and Labor, the Director of Office of Management and Budget, the United States Trade Representative and the Chairman of the Council of Economic Advisors. It will provide advice to me concerning all aspects of national and international economic policy. The heads of the national security community departments and agencies and the Assistant to the President for National Security Affairs will participate in Council meetings whenever international policy or budget matters are discussed. In my absence, the Secretary of the Treasury will serve as Chairman Pro-Tempore.

The Domestic Policy Council will be composed of the Attorney General, the Secretaries of the Interior, Health and Human Services, Housing and Urban Development, Transportation, Energy and Education, and the Director of Office of Management and Budget. It will provide advice to me on domestic and social policy. In my absence the Attorney General will serve as Chairman Pro Tempore.

The heads of non-member departments and agencies will be invited to participate in either Council's deliberations whenever matters affecting their organizations are on the agenda. The Vice President and Chief of Staff will serve as ex-officio members of both Councils.

The new, streamlined decision making process enhances my commitment to cabinet government. It will provide for added accountability and efficiency in formulating and implementing policy.

# # #

December 1985

INFORMATION SHEET: The President's Domestic Policy Process

Philosophy

- The Domestic Policy process is structured to support Cabinet Government

  --White House and Department/Agency staffs are jointly involved in the policy development process

  --Issues which develop from a wide range of sources are properly analyzed, developed, and refined; divergent viewpoints are expressed in decision options

  --Policy is set by formal decision and action is initiated by Department/Agency personnel who were directly involved in policy development

Structure

- The Domestic Policy Council - Current Policy Development (Focus is within 90 day window)

  --DPC Senior Planning Group

  --DPC Executive Secretariat

  --DPC Working Groups

  --Department/Agency Staffs

- The Office of Cabinet Affairs - Coordinates formal communications between the Departments/Agencies and the White House

- The Office of Policy Development - Strategic Policy Development (Focus is greater than 90 days)

Responsibilities

- The Domestic Policy Council

  --Defines the Domestic Agenda
  --Formulates National Policy

- DPC Senior Planning Group

  --Plans the Domestic Agenda
  --Monitors issue development
  --Manages the Policy decision process

- DPC Executive Secretariat

  --Coordinates Policy proposals
  --Monitors Policy implementation

- DPC Working Groups

  --Frame Policy issues
  --Analyze supporting information
  --Develop Policy proposals and decision options

- Department/Agency Staffs

  --Propose Policy issues
  --Staff and support Working Groups
  --Implement Presidential Policy decisions

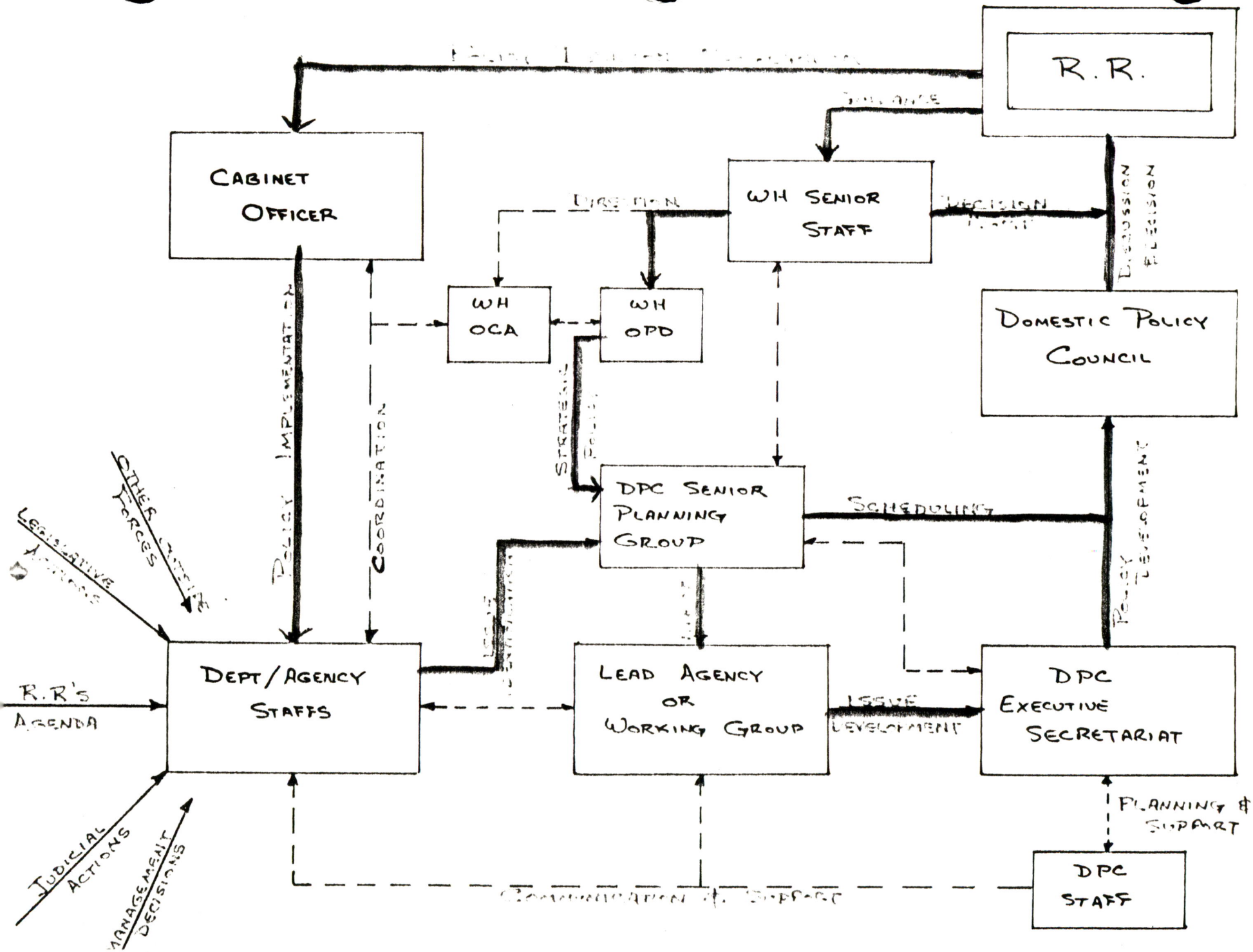
- The Office of Cabinet Affairs

  --Represents White House Senior Staff
  --Coordinates formal communications
  --Monitors Policy Development

- The Office of Policy Development

  --Articulates the Strategic Domestic Agenda
  --Provides Strategic Policy Development
  --Participates in DPC decision process

DOMESTIC POLICY DEVELOPMENT PROCESS



9. Promotion

Where director of Bureau of Hearings and Appeals communicated to former administrative law judge the basis for her nonpromotion was discipline related, director believed that promotion was inconsistent with proposed discipline, director had authority to recommend adverse action for actions of administrative law judge which were deliberate impediments to execution of delegated authority, although director erred in not processing former administrative law judge's promotion or grade increase, former administrative law judge's statutory right to promotion was not so clear that director's withholding of it rose to level of bad faith in violation of former administrative law judge's constitutional and statutory rights. Chocallo v. Bureau of Hearings and Appeals, SSA, D.C.Pa.1982, 548 F.Supp. 1349, affirmed 716 F.2d 889, certiorari denied 104 S.Ct. 426.

10. Discharge

Where appeals council, after strictly following regulations, found that supplemental security income claimant had been denied fair hearing and accordingly vacated and remanded case to another administrative law judge, former administrative law judge was not deprived of any legally protected interest by Secretary of Health, Education and Welfare on grounds that Secretary, through appeals council, was not authorized by statute or regulation to remove case from her. Chocallo v. Bureau of Hearings and Appeals, SSA, D.C.Pa. 1982, 548 F.Supp. 1349, affirmed 716 F.2d 889, certiorari denied 104 S.Ct. 426.

11. Power of Office of Personnel Management

Office of Personnel Management must be free to define and revise criteria to govern eligibility for administrative law judge service. Friedman v. Devine, D.C.D.C.1983, 565 F.Supp. 200, affirmed 711 F.2d 420, 229 U.S.App.D.C. 142.

12. Review

Decisions of Office of Personnel Management finding applicant ineligible to take final examination required for certification of eligibility for appointment as administrative law judge could not be overturned unless they were arbitrary, capricious, or not supported by substantial evidence. Friedman v. Devine, D.C.D.C.1983, 565 F.Supp. 200, affirmed 711 F.2d 420, 229 U.S.App.D.C. 142.

§ 3108. Employment of detective agencies; restrictions

Notes of Decisions

Character of services to be performed 1
Purpose ½
Similar organizations 2
Standing 3

½. Purpose

This section was intended to prohibit employment by the government of detective agency as it was constituted in 1892, and the prohibition does not extend only to government use of detectives during labor disputes. U.S. ex rel. Weinberger v. Equifax, Inc., C.A.Fla.1977, 557 F.2d 456, rehearing denied 561 F.2d 831, certiorari denied 98 S.Ct. 768, 434 U.S. 1035, 54 L.Ed.2d 782, rehearing denied 98 S.Ct. 1477, 435 U.S. 918, 55 L.Ed.2d 511.

2. Similar organizations

An organization is not "similar" to organization referred to in this section unless it offers for hire mercenary, quasi-military forces as strikebreakers and armed guards. U.S. ex rel. Weinberger v. Equifax, Inc., C.A.Fla.1977, 557 F.2d 456, rehearing denied 561 F.2d 831, certiorari denied 98 S.Ct. 768, 434 U.S. 1035, 54 L.Ed.2d 782, rehearing denied 98 S.Ct. 1477, 435 U.S. 918, 55 L.Ed.2d 511.

3. Standing

Plaintiff who alleged no injury in fact lacked standing to seek declaratory judgment that government employment of credit reporting company to provide information on prospective government employees violated this section. U.S. ex rel. Weinberger v. Equifax, Inc., C.A.Fla.1977, 557 F.2d 456, rehearing denied 561 F.2d 831, certiorari denied 98 S.Ct. 768, 434 U.S. 1035, 54 L.Ed.2d 782, rehearing denied 98 S.Ct. 1477, 435 U.S. 918, 55 L.Ed.2d 511.

§ 3109. Employment of experts and consultants; temporary or intermittent

(a) For the purpose of this section—

(1) "agency" has the meaning given it by section 5721 of this title; and

(2) "appropriation" includes funds made available by statute under section 9104 of title 31.

[See main volume for text of (b)]

(c) Positions in the Senior Executive Service may not be filled under the authority of subsection (b) of this section.

(As amended Pub.L. 95–454, Title IV, § 402(b), Oct. 13, 1978, 92 Stat. 1160; Pub.L. 97–258, § 3(a)(4), Sept. 13, 1982, 96 Stat. 1063.)

1982 Amendment. Subsec. (a)(2). Pub.L. 97–258, § 3(a)(4), substituted "9104" for "849".

1978 Amendment. Subsec. (c). Pub.L. 95–454 added subsec. (c).

Effective Date of 1978 Amendment. Amendment by Pub.L. 95–454 effective 9 months after Oct. 13, 1978, and congressional review of provisions of sections 401 through 412 of Pub.L.

95–454, see section 415 of Pub.L. 95–454, set out as a note under section 3131 of this title.

Legislative History. For legislative history and purpose of Pub.L. 95–454, see 1978 U.S. Code Cong. and Adm. News, p. 2723. See, also, Pub.L. 97-258, 1982 U.S. Code Cong. and Adm. News, p. 1895.

Cross References

Procurement of services of experts and consultants by Comptroller General, see section 731 of Title 31, Money and Finance.

Notes of Decisions

1. Temporary legal services

When agency contracts under this section with consultant, such as private law firm, on independent contractor basis, it is required to follow formal contracting procedures and to otherwise comply with applicable provisions governing procurements and recording of obligations. 1981, 61 Comp.Gen. 69.

§ 3110. Employment of relatives; restrictions

[See main volume for text of (a) to (c)]

(d) The Office of Personnel Management may prescribe regulations authorizing the temporary employment, in the event of emergencies resulting from natural disasters or similar unforeseen events or circumstances, of individuals whose employment would otherwise be prohibited by this section.

[See main volume for text of (e)]

(As amended Pub.L. 95–454, Title IX, § 906(a)(2), Oct. 13, 1978, 92 Stat. 1224.)

1978 Amendment. Subsec. (d). Pub.L. 95–454 substituted "Office of Personnel Management" for "Civil Service Commission".

Effective Date of 1978 Amendment. Amendment by Pub.L. 95–454 effective 90 days after Oct. 13, 1978, see section 907 of Pub.L. 95–454, set out as a note under section 1101 of this title.

Legislative History. For legislative history and purpose of Pub.L. 95–454, see 1978 U.S. Code Cong. and Adm. News, p. 2723.

Notes of Decisions

Constitutionality 1
Persons entitled to maintain action 2

2. Persons entitled to maintain action

Only recourse of career civil servant at Federal Communications Commission against her transfer under antinepotism provisions this section was appeal to internal management or to political process; civil servant did not have standing to challenge transfer in federal district court. Cutts v. Fowler, 1982, 692 F.2d 138, 223 U.S.App.D.C. 414.

§ 3111. Acceptance of volunteer service

(a) For the purpose of this section, "student" means an individual who is enrolled, not less than half-time, in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. An individual who is a student is deemed not to have ceased to be a student during an interim between school years if the interim is not more than 5 months and if such individual shows to the satisfaction of the Office of Personnel Management that the individual has a bona fide intention of continuing to pursue a course of study or training in the same or different educational institution during the school semester (or other period into which the school year is divided) immediately after the interim.

(b) Notwithstanding section 1342 of Title 31, the head of an agency may accept, subject to regulations issued by the Office, voluntary service for the United States if the service—

(1) is performed by a student, with the permission of the institution at which the student is enrolled, as part of an agency program established for the purpose of providing educational experiences for the student;

(2) is to be uncompensated; and

(3) will not be used to displace any employee.

(c)(1) Except as provided in paragraph (2), any student who provides voluntary service under subsection (b) of this section shall not be considered a Federal employee for any purpose other than for purposes of chapter 81 of this title (relating to compensation for injury) and sections 2671 through 2680 of title 28 (relating to tort claims).

Cabinet Power

The Reagan Administration is evolving a form of Cabinet government in which great authority is given to the few Cabinet Secretaries with their own activist agendas.

BY RONALD BROWNSTEIN AND DICK KIRSCHTEN

It's a conceit of every incoming President that he will be the first to use his Cabinet for something other than ceremonial photographs. That sort of vague good intention is usually discarded at about the time that the first Cabinet member blunders before a congressional committee and stumbles onto the evening news.

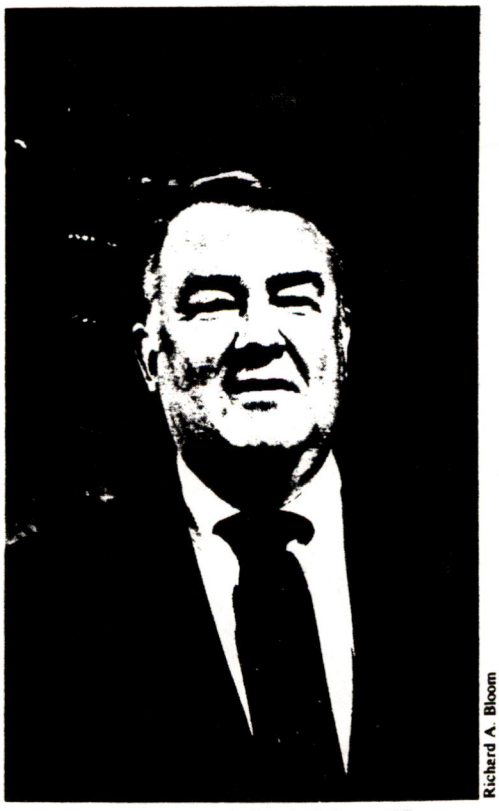
President Reagan has stuck with at least the structures of Cabinet government much more diligently than virtually any of his predecessors. In the first term, Edwin Meese III, then Reagan's counselor, erected an inelegant structure of seven domestic policy Cabinet councils that eventually collapsed under its own weight.

But last spring, when White House chief of staff Donald T. Regan rebuilt the system into two new and streamlined councils—one for economic policy, the other for all other domestic policy—to join the National Security Council, the wheels started turning again. And now, in the sixth year of the Reagan presidency, groups of Cabinet members are still taking agency cars over to the White House about once a week, holding meetings, signing off on papers, debating issues before the President and handling some of the government's routine business.

"The system works because this President likes to delegate, likes to both read papers and hear the issues debated in front of him," said a White House official. "He prefers a fair amount of deliberation in the process and to have things work up to him. That's his style of handling policy."

But power in the Reagan Administration, like those before it, does not flow neatly through the carefully cut channels of debate. The Cabinet councils are a system for making domestic policy, but not the only one or even always the most important one, particularly in the first term.

"Every Cabinet member dealt with the Cabinet council differently," said former Agriculture Secretary John R. Block, now president of the National American Wholesale Grocers' Association. "I used it when I thought it would help me. But when you got into trying to decide specific policy on the council that nobody else [outside of your department] understood or cared about, you were better off clearing it with one or two people at the Office of Management and Budget (OMB)."



Richard A. Bloom

Attorney General Edwin Meese III
He heads the Domestic Policy Council.

This Administration has never established Cabinet government in the textbook sense, where Cabinet members collectively mull and influence important decisions. But in its second term, many observers say, the Administration is evolving another form of Cabinet government in which the White House's role in shaping policy and setting an agenda is receding and in which greater authority is being given to a few Cabinet Secretaries with activist agendas of their own.

"The Administration has moved heavily from being a presidentially controlled government to being more of a Cabinet government in that sense," said a Republican political consultant with close ties to the Administration. "Now the idea is, 'Let's get all of the Cabinet members to control those agencies.' "

What's missing in this arrangement, critics inside and outside the Administration maintain, is a creative approach for adding specific new proposals to the highly generalized "Reagan agenda." White House officials say the agenda flows naturally from Reagan's evident and long-standing interests—reducing government domestic spending, rolling back regulation, spending more on national defense. "There is only one guy here who was elected, and that's Ronald Reagan," said a top White House official.

But to many conservative critics who want the Adminstration to push more aggressively during its final years, that's not enough. Thus many of the same people who railed against the pragmatists in the first term are now

moaning, in the words of a critic, about the "mice" holed up around chief of staff Regan "who don't have an agenda and are suspicious of anybody who does."

THE FIRST SYSTEM

When Reagan took office on Jan. 20, 1981, he promised to use the Cabinet agencies to make decisions, and in Meese he had a lieutenant with the flow chart frame of mind needed to flesh out those impulses. Based on Meese's proposal, Reagan in February established five Cabinet councils: on economic affairs; commerce and trade; human resources; natural resources and the environment; and food and agriculture. The next year, he added councils on legal affairs and government management.

Meese's conception was that policy would bubble up from the councils, through the full Cabinet, if necessary, and to the President for final decision. In Meese's view, the wing of the White House under then-chief of staff James A. Baker III would be responsible for implementing the policy by dealing with the press, Congress and constituency groups.

Several of the Cabinet councils, though, never really got off the ground. Only the economic affairs council met very frequently, and critics in the White House liked to gibe that the council held hundreds of meetings to reach only a handful of important decisions.

On Meese's flow chart, it all looked logical. In practice, the system became very complex for the officials trying to navigate through it. Trade issues swirled through the economic affairs council, chaired by then-Treasury Secretary Regan; the commerce and trade council, headed by Commerce Secretary Malcolm Baldrige; a statutory Trade Policy Committee, chaired by then-U.S. Trade Representative Bill Brock; and a National Security Council (NSC) senior interdepartmental group that Regan also headed. "There were just too many groups involved in trade issues," Baldrige said in an interview.

Not only was the system cumbersome, but over time, many participants came to see it also as irrelevant. In the first regime, the Baker wing of the White House considered the Cabinet council system a sideshow, uninvolved in the actual creation of policy.

In the view of Baker and his deputy, Richard G. Darman, implementation was policy. And in practice, Baker's White House Legislative Strategy Group, together with OMB director Dave Stockman, set virtually all significant domestic policy in the first term. "There were many instances where the Cabinet councils were sitting around discussing things and Stockman couldn't make the meeting because he was on the Hill negotiating a settlement of the exact same issue they were discussing," said a former White House official.



Richard A. Bloom

Treasury Secretary James A. Baker III
He chairs the Economic Policy Council.

It was clear to many participants that the councils lacked decision-making power. "We were aware that neither the Cabinet council nor the Cabinet itself could actually make the decision," said William A. Niskanen Jr., a member of the Council of Economic Advisers (CEA) from 1981 and its acting chairman from July 1984 until he left the Administration the following March. "And at most, when there were votes taken, that was just to represent the views at that particular level.... After the social security fiasco in 1981 [when cuts in benefits were proposed], Baker's distrust of the policy people on both substantive and political grounds grew enormously. That led Baker to assert a much larger role."

First-term officials say it was not unusual for Baker and Darman, together with Stockman, to ignore or overturn Cabinet council decisions. Agriculture Department officials learned that the hard way on the 1985 farm bill. The department had worked through 1984 in the food and agriculture council, building a case for its idea of the right bill. Then in December, OMB came up a bill imposing much sharper cuts in federal commodity price supports.

"Then the Cabinet council system broke down," said agricultural consultant William G. Lesher, who was assistant Agriculture secretary for economics at the time. "Stockman and others had their ideas of what should be a farm bill versus the working group's idea. Much to our chagrin, that persuasion won out."

THE NEW SYSTEM

Meese's somewhat tangled system didn't fit into any of the management theories Donald Regan brought to the White House. In April 1985, Regan rolled the seven councils into two with cleaner lines of authority: an Economic Policy Council, chaired by Baker (who had become Treasury Secretary) to handle all economic policy, and a Domestic Policy Council, chaired by Meese (who had become Attorney General) to handle all other domestic policy.

In the Regan command structure, these councils are seen as playing several valuable functions. The system modulates the pace of routine issues coming into the White House and allows aides to keep a handle on issues that are coming up, even as they keep their distance from most of them.

White House officials also see the Cabinet council meetings as sessions that boost morale, let Cabinet officers get to know the President's staff and make everyone feel that they are on the same team—the way President Eisenhower used Cabinet meetings.

The Cabinet councils also serve as a convenient forum for handling normal interagency conflict. Trade disputes, which occur within the Administration as frequently as between nations, come through the Economic Policy Council, pitting the more protectionist forces at Commerce and the Trade Representative's office against the free traders at the State and Treasury Departments. Several trade issues have come to the President for his decision, however, after the council was deadlocked on split votes.

And the system has been used to prevent things from happening; it's a tool for bottling up issues in interagency study. "It is a funnel to keep to a minimum the decisions coming out of the executive branch," said Paul Light, director of studies for the National Academy of Public Administration.

Government officials can find it as difficult as outsiders to locate issues once they have disappeared into the process. At an early June hearing before the House Science and Technology Sub-

(continued on p. 1588)

(continued from p. 1583)
committee on Natural Resources, Agricultural Research and Environment, David T. Kingsbury, an assistant director of the National Science Foundation, was asked how soon the Domestic Policy Council would approve regulations for testing and licensing genetically engineered products.

Kingsbury, who headed the council working group that developed the proposal, responded: "Unfortunately, to, I think, the frustration of all of us, we are not members of the Domestic Policy Council, and we don't know what that process is.... And so we're as frustrated as you are in terms of expecting its release. We had anticipated its release prior to this hearing." (Reagan approved the new policy two weeks after Kingsbury's testimony.)

But just as in the first term, the system is not always the forum for making policy; it remains very much open to short-circuiting. The issues that come into the process for decisions are supposed to be those that the White House staff believes either require interagency cooperation or are important enough to merit the President's attention.

But some of the second term's most important projects have developed outside of the Cabinet councils. Baker has successfully resisted any council involvement with his pet initiatives: the plan to realign international currency exchange rates, his initiative on international debt and the push for tax reform, which he took over in 1985 from Regan.

Baker has consulted with Secretary of State George P. Shultz (who in the Nixon Administration helped to build the currency regime Baker is trying to dismantle) and with Regan on the international initiatives. When necessary, Regan has set up meetings for Baker and deputy Treasury secretary Darman to brief the President. But Baker has made it clear to others who have expressed interest in discussing the issues in the Economic Policy Council that Treasury doesn't want any help.

That attitude has occasioned "some grumbling," a White House official said. But no one has successfully forced Baker and Darman to loosen their secretive style of operation. "These guys had a system in the White House that worked," said a Republican consultant close to Baker. "They kept things to themselves, they didn't let a lot of people know what's going on. They figured if they could get to the President, wire the Hill, that's enough. At Treasury, they operate the same way."

The debate over affirmative action requirements for federal contractors has also spilled outside of the orderly Cabinet council system. Originally, Meese tried last summer to sell the President directly on his proposal to eliminate numerical requirements, setting off complaints that he had attempted what a White House aide termed an "unconscionable" end run of the process. Then Meese's proposal, staunchly resisted by Brock, the current Labor Secretary, was pushed back into the system and was heatedly debated at a Domestic Policy Council meeting last October that reached no consensus.



Richard A. Bloom

Cabinet affairs chief Alfred H. Kingon
He can influence the councils' agendas.

The usual process after a Cabinet council meeting is for the staff under Cabinet affairs director Alfred H. Kingon to prepare a decision memorandum to the President. This short memo (usually only two or three pages) briefly summarizes the major arguments for and against a proposal, includes the views of relevant White House offices—such as legislative or political affairs—and presents the President with all of the options discussed at the meeting. Once he gets the memo, Reagan can either make the decision based on the paper, ask for more written information (which happens rarely) or call a Cabinet council meeting to hear more debate before deciding.

For months, the Justice Department has been eager to see the affirmative action issue presented to Reagan, confident that his basic opposition to employment quotas would bring him down on their side. But the White House staff decided not to send the President a decision memo. Instead, Regan ordered up a series of private meetings between Meese and Brock, with himself as referee, to try to narrow the gap. Now, a White House official said, the issue is "on hold" while the Administration awaits the Supreme Court's decisions in two major affirmative action cases.

"At some point, either these fellows are going to make enough progress to make a modification of views, or there will remain a divergence and we will just have to hand the paper to the President and let him decide," the official said.

White House officials say that handling of both affirmative action and the Baker initiatives are unusual exceptions to the normal process. But the exceptions may be as important as the rule. What they suggest is that the Administration's skillful bureaucratic players thrive in whatever system is created, using them to achieve goals they would have figured out some other way to reach in a different system. Baker has been able to keep his prize projects out of the hands of potential adversaries, such as Shultz and Council of Economic Advisers chairman Beryl W. Sprinkel. Brock has been able to fend off Meese on the affirmative action hiring guidelines. *(For a report on how the Administration developed a policy on liability insurance, see box, pp. 1586-87.)*

"No matter how the system is physically organized, the facts an individual Cabinet officer or his or her organization can muster and their clarity and persistence have more of an effect on the outcome than the organization itself," Baldrige said.

THE POWER SHIFT

When Baker and Meese were given control of the new Cabinet councils, it was widely expected to elevate them to a "Super Cabinet" status. To some extent, that has happened.

Baker has used his control of the Economic Policy Council to increase his say on trade issues and to play a role in agricultural issues, such as last year's legislation to restructure the ailing Farm Credit System. Meese, who at first was prone to using his Domestic Policy Council for more philosophical discussions, has gotten a shot at the remarkably diverse issues that come through that council, ranging from acid rain to organ transplants. But both Baker and Meese have focused most of their energy on running their own departments.

The simplified system was also ex-

pected to strengthen Regan's direct control over policy, establishing him as a choke point for issues going to the President. White House officials can use several steps in the Cabinet council process to get a handle on issues. Regan and Kingon can pull issues in for Cabinet consideration, control the schedule and ask agencies for more information before sending options on to Reagan. "Don Regan, more than anyone else, has the authority to say this issue has to be dealt with by the Cabinet council," said Becky Norton Dunlop, senior special assistant to Meese for Cabinet affairs. "And he does that on a regular basis."

Most significantly, he also gets in an informal last word on policy with Reagan when he chooses to. "Regan often sits alone with the President and talks quite a bit," a White House official said. "No one knows what he says."

Still, there is a widespread view among those who watch the Administration closely that the White House's direct influence on policy has declined since the first term. The organizational vocabulary assigns White House officials the same role as in the first four years: Regan's aides still distinguish policy from implementation, and still reserve the latter for themselves through the Legislative Strategy Group headed by Regan.

But in the Regan regime, White House officials insist—and other government officials agree—the West Wing staff is less likely to reshuffle policy decisions proposed by the agencies or the Cabinet. That does occur—Regan recently rejected as inadequately justified the recommendation of an NSC group to build a fourth space shuttle. *(See box, pp. 1584-85.)* But that is rare; this White House, which is noticeably light on aides with a strong background or even a keen interest in substantive policy formulation, is more circumspect than its first-term predecessors.

"I think there has been a Cabinet reincarnation," said a top White House official. "And I think it's good. You've got some of your greatest resources [in your Cabinet officers]. Why replicate it?"

More than respect for the Cabinet is involved: The White House has relatively little firepower available on issues. From the time Reagan moved into the Oval Office, no one has ever bothered to turn on the lights at the White House's Office of Policy Development. Martin Anderson, the first domestic policy adviser, had personal influence with the President but only a weak organization to support him and was temperamentally unsuited for bureaucratic infighting. His immediate successors, Edwin L. Harper, and the job's current occupant, John A. Svahn, have played even smaller roles.

"There is really very little domestic policy in this Administration that is not budget-driven," said Stuart E. Eizenstat, who held the policy job in the Carter Administration. "OMB has really taken over the [policy adviser's] function."

Until he left government, Stockman was a prodigious force on domestic policy. But his successor, James C. Miller III, has had difficulty establishing his credibility, particularly on Capitol Hill but elsewhere in the Administration as well. A White House official defended Miller, saying that "OMB has a role, a big role. Jim is different than Stockman; Stockman has this incredible knowledge of the minutiae in the budget. But Jim is much friendlier, much less cantankerous." Some key Administration officials, though, believe that because of OMB's perceived weakness, the initiative on the budget has passed to Congress.

Many conservative critics complain that initiative is something noticeably lacking in Reagan's second term. On paper, the Administration's issue agenda is supposed to rise through the Cabinet council system to the White House. But "the reality is that policy doesn't naturally well up through committees," said presidential scholar Richard E. Neustadt, a professor of public administration at Harvard University's John F. Kennedy School of Government.

In practice, Presidents have invariably found that the White House staff is the only central force that can set an agenda for an Administration. The current White House staff is starting to get cuffed around the ears for allegedy failing to do so. "There is nobody around Regan to set an agenda," said former CEA chairman Niskanen, now chairman of the Cato Institute, a libertarian think tank in Washington.

Pointing to the White House-ordered welfare reform studies percolating through working groups of the Domestic Policy Council and to the catastrophic health insurance plan being studied at the Health and Human Services Department, White House officials reject those characterizations. What they are trying to do, they argue, is to keep the focus on Reagan's basic goals. "What we've got to do is generate ways to implement the policy goals and directions of Ronald Reagan," said an official. "The problem with Jimmy Carter was that he was directional; he wasn't guided by any underlying principle. He would start one way, then go another way, then yet another." But another White House official acknowledged, "The only weak link in the system is generating new ideas here."

To some extent, this was inevitable, given Reagan's predisposition to undoing existing programs rather than launching new ones. After almost six years of struggle with Congress on the budget, and after battles in the regulatory agencies with environmentalists and labor groups, the Administration has probably undone just about everything it can expect to undo.

With the White House less aggressive in setting the Administration's policy tone, many observers say, authority has passed to the few Cabinet Secretaries with aggressive programs of their own. To those observers, Reagan's second term is characterized by a few isolated areas of intense activity—Baker on international economics, Shultz on foreign policy, Meese on some social and legal issues—surrounded by vistas of uninspiring steady-state management.

The result of this subtle power shift is a form of Cabinet government. It is not the kind of Cabinet government usually associated with that term—a regime of interactive discussion, collective influence on major decisions. But it is a style of running the country that for better or worse, gives the Cabinet officers greater leeway to pursue their own agendas, with less aggressive interference by the White House staff. □



Shepard Sherbell/Picture Group

Meese assistant Becky Norton Dunlop
She works with him on Cabinet affairs.



DAVID BURNETT/CONTACT

MR. POWER

Attorney General Meese is Reagan's man to lead the conservative charge.

By John A. Jenkins

IN HIS CORNER OFFICE AT THE JUSTice Department, a private sanctum guarded by Federal Bureau of Investigation agents, Edwin Meese 3d, the 75th Attorney General of the United States, has surrounded himself with symbols of the power he wields: a Border Patrol pistol; a United States marshal's badge; miniature police cars and helicopters. The office says much about the way Meese sees himself, for its motif reflects not so much the lawyer in Meese as it does the hard-nosed lawman: America's top cop.

Just outside his door hang two Herblock drawings, portrayals of Meese as the beady-eyed zealot. "Oh, they're just a couple of funny cartoons," Meese says. Yet it is clear that these two caricatures, and some others like them on the walls of his outer office, mean much more to him — they are a symbol of how he has made his presence felt in 19 months as Attorney General.

If the next two years produce the conservative transformation in judicial precedent that the Ronald Reagan Presidency has promised but so far not delivered, much of the credit must go to the 54-year-old Meese. The most prominent loyalist from the Reagan California days still in the Administration, Meese has taken center stage in an ideological debate that previously lacked a credible point man within the Government. Now it has one: pornography or drug smuggling, abortion or school prayer, the Attorney General's legal agenda is the President's political agenda. "His instincts are Ronald Reagan's instincts," Fred F. Fielding, the White House counsel during the President's first term, says of Meese.

For Meese, the path has been a tortuous one, muddied by infighting at the White House and nearly broken up altogether during his long confirmation hearings by allegations of earlier wrongdoing. But the strength of Ed Meese is perseverance. An iron-willed partisan with a polemical, confrontational style, he is also the quintessential available man, an ambitious loyalist who defines himself through the approbation and acceptance he receives. That combination of loyalty, availability and ambition are essential elements in the rise of Meese, giving him power and access unequaled in the Reagan Administration.

Meese frequently sees the President a couple of times a day, offering counsel on matters ranging far beyond his duties at Justice. "Often, just privately, I'll see him for a few minutes here, or a few minutes there," says Meese. "Sometimes I'll ride in the car with him to someplace."

Besides serving as Attorney General, Meese is chairman pro tem of the President's Domestic Policy Council, comprising the director of the Office of Management and Budget, the chairman of the Council of Economic Advisers and five Cabinet officers in addition to Meese. He also attends meetings of the National Security Planning Group, the handful of top foreign policy and national security advisers that devised last summer's "disinformation" campaign against Libya.

But it is what he has done at the Justice Department that will be his legacy, for Meese has returned the department to a political role it has not played since the Nixon Administration. Prior to him, the post-Watergate Attorneys General — men with names such as Saxbe, Levi, Bell, Civiletti and Smith — offered a subdued leadership. But Meese has quickly steered the department back to the political arena, shaping it into a reflection of how he sees himself — boldly, morally conservative. In the process he has become its most forceful leader since Robert F. Kennedy.

"This department will be fiercely independent in . . . upholding the law," Meese promised at his ceremonial swearing-in in March 1985. "But this is not inconsistent with conscientiously and vigorously implementing the President's philosophy, which is in the mainstream of today's American political thinking."

Since then, Meese has played a key role in judicial nominations and has publicly chided the Supreme Court for decisions he disagrees with. In turn, he has experienced the unprecedented public rebuke of two sitting Justices, William J. Brennan Jr. and John Paul Stevens.

While conceding that Meese "has every right to assert his own perception of what justice is," Burt Neuborne, professor of law at New York University, who until recently was the legal director of the American Civil Liberties Union, calls the Attorney General's views "disastrous."

"He is genuinely committed to the proposition that if a majority of the electorate expresses itself on a particular sub- *(Continued on Page 89)*

John A. Jenkins lives in Washington and has frequently written on legal matters for The New York Times Magazine. His article on Supreme Court Justice William H. Rehnquist appeared in March 1985.



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MEESE

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ject, that majority should not be held in check by the courts," says Neuborne of Meese. "By crippling the courts, he would sacrifice effective protections of individual rights and radically transform society into a majoritarian tyranny.

"The only bright spot in all of this, is that so far he has been able to achieve so little. His rhetoric has far outstripped his effectiveness."

Over the last several months, I had five interviews with Meese, in which he talked about the Supreme Court, about his perception of the roles of judges and the police, and about his efforts to change the Justice Department. He also discussed his confirmation ordeal, his close friendship with Ronald Reagan, and the death of his son — all of which have profoundly affected him.

Because of his blunt, feisty outspokenness, the public perception of the Attorney General is often devoid of the humanizing nuances. But Meese says he is baffled by that image. "I would ask you to go through all the press conferences I've had since I've become Attorney General, and all the interviews I've given," he says. "I would defy you to find statements or collections of statements that would give rise to the kind of caricature that too often is created of me."

In person, the Attorney General exudes genuine warmth. His suite of offices is energized by those waiting to see him — F.B.I. Director William H. Webster leaves as an interviewer enters; a group of law-student interns mill about, photographer in tow, to memorialize their moment with Meese; trusted aide William Bradford Reynolds is in the anteroom. But Meese is not preoccupied. He clearly relishes the interchange with his questioner. His gaze is direct and he speaks with certitude.

I AM NOT BY NATURE an unduly combative person," Meese says. "I believe in persuasion rather than mortal combat. And to the extent that people are trying to use me as a target for attack, possibly the reason is that I have stood very strongly for the objectives and the priorities and the principles and the philosophy of the President. He stands just as strongly as I do. But when you're the President, you're not as vulnerable to attack."

Yet Ed Meese rarely misses an opportunity to tackle head-on those who disagree with him. "To withdraw because there's opposition on the other side," he says, "to back down in the face of that would be cowardice."

When he works hard to see that judges nominated to the Federal bench will share the Administration's philosophy about such matters as abortion, school prayer and federalism, Meese calls it "getting the best people." When someone criticizes an appointee, that is "partisan politics."

"That's the combination of a party being out of power and being enraged by the fact that Ronald Reagan will be selecting as high a percentage of the judiciary as he is," the Attorney General says. "The fact that it's an election year, and the fact that you just have some people who like to politicize things."

Meese calls Jefferson B. Sessions Jr., whose nomination for an appeals-court judgeship was rejected in June by the Senate Judiciary Committee, "a very courageous prosecutor." There was a fierce debate over the attitudes of Sessions, a United States Attorney from Mobile, Ala., toward blacks; Meese says it was "a campaign of ideologues."

Meese believes that Daniel A. Manion, who narrowly won Senate confirmation in July as an appeals-court judge, was also unfairly singled out. "If his name had been Smith or Jones," Meese contends, Manion wouldn't have been opposed. "But he was a lightning rod for these ultraliberals, because his father had been connected in some way with the John Birch Society. Anything in which the John Birch Society was involved in was seized upon by the ultraliberal groups to be a basis for politicization."

But at the suggestion that he has politicized the Justice Department, or that he has favored conservative interests over any others, Meese bristles. "That's an exaggeration," he says. "I've spoken out on some issues which I think need to be aired. But I don't think that there's anything partisan about my comments on the Constitution."

Meese says: "We've tried to find the kinds of judges that should be acceptable to any group. If you look at the judges who have had difficulties, I mean, how can you do better, or get a more acceptable person, than a man who has got 15 years of distinguished service on the Supreme Court to be appointed Chief Justice? How can you get a better person, or a more acceptable person, than a man like Nino Scalia, who has got an impeccable record in a variety of ways: as a practicing lawyer, as a teacher, on the appellate court? I think you can't find two more qualified people in the history of Supreme Court appointments."

MEESE TAKES from a folder on his desk several sheets of paper that together constitute his blueprint for change at the Justice Department. He has drawn up these documents so that he can clearly focus on the task at hand.

In a two-page outline entitled "Policy Goals," he has neatly encapsulated his agenda. There are the usual priorities that any Attorney General would have — controlling narcotics trafficking, terrorism and public corruption — and there are others which are innocent-sounding euphemisms for the conservative political course that the Attorney General has embarked on.

"Total nondiscrimination policy," for instance, stands, among other things, for an end to racial quotas benefiting minority groups, an Administration goal that was directly repudiated by the Supreme Court in its last term. Meese, however, has not given up on it.

"Preservation of constitutional values" encompasses some of the most important issues on the Reagan Administration's social-policy agenda, including leaving to the states the issues of abortion reform and prayer in the schools. "Religious liberty" means going to court, as the department did this summer, to defend the Roman Catholic Church against the loss of its tax-exempt status when another church-related group contended it was engaging in political lobbying and campaigning in opposition to legal abortion — activities the tax exemption does not permit.

Meese believes that even in defeat there is still glory in losing for a good cause. That is why he was willing last spring to use a relatively triv-

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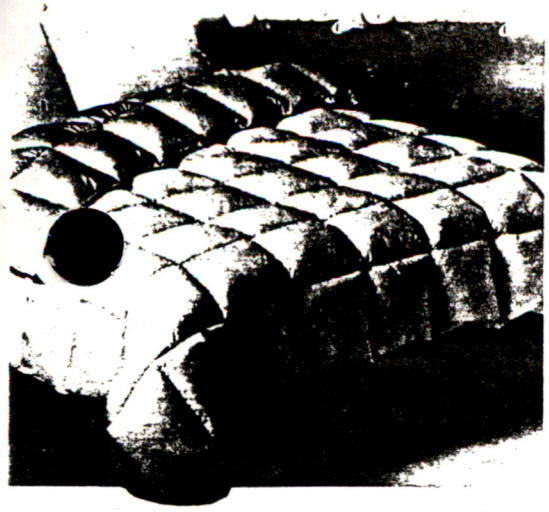
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ial case to ask the Supreme Court to overturn its 1973 Roe v. Wade decision legalizing abortion — even though the constitutionality of Roe hadn't been an issue in the case and even though the High Court had specifically reaffirmed the Roe decision three years earlier. The department lost its case, 5 to 4, but then-Chief Justice Warren E. Burger switched camps, questioning for the first time the wisdom of the Roe decision. "We got one step closer," Meese says.

Similarly, he sees the Justice Department's defeat earlier this year in three affirmative action cases as hinging on a mere technicality. Though conceding that the Court directly repudiated his contention that quotas can be used only to aid specific, identifiable victims of discrimination, Meese says that "even in losing, there was acquiescence by the Court that the point we were making should be the end result, someday. They just said we're not ready to do that yet."

The biggest victory of the term, Meese says, was the Supreme Court's upholding of the Georgia antisodomy law — a case the Justice Department wasn't even involved in. "We don't have to be in a case to get our view across," Meese says. "The point of view that we've been making — that the Court should not supersede its judgment for the judgment of the states — was vindicated in that case."

Another of the Attorney General's innocuous-sounding policy goals is to "promote truth in the courtroom." But what Meese really wants is the total repeal of the Supreme Court's 1966 Miranda v. Arizona decision, which requires the police to inform suspects of their constitutional rights, and its 1961 Mapp v. Ohio decision prohibiting the introduction of evidence obtained without a valid search warrant.

These two rulings have, according to Meese, "inhibited truth in the courtroom." He maintains: "They have cast aside probative evidence for non-truth-finding reasons. Neither Mapp nor Miranda helps any innocent person. They only help guilty people. I think if you look at all the cases, the only evidence that ever's been excluded is evidence of guilt.

"Obviously, in taking public positions, I don't have the time, or the audience, to go into legal subtleties. But I think the average man in the street understands what it means if the truth about criminals is excluded from the courtroom. And when the Mapp and Miranda cases are explained to most people, they understand that they are less safe from criminals. That's not hard to figure out."

According to Meese, "there are better ways" to avoid the police abuses that the two decisions were meant to counteract. One, he says, is, "videotaped confessions, so there will be no possible way that you could have coercion or any intimidation by the police." But he adds, "The best way, frankly, is with well-trained, well-disciplined, well-supervised policemen."

Since his youth — when his father, a clerk at the Oakland police court, would come home and regale him with stories about the cases he'd heard that day — Meese has had a fascination with police work. His sympathies are with the cop on the beat who wants to nab the culprit, and he seems genuinely perplexed by the judicial concern about police misconduct. "Most of the time," he says, "the officer is not acting illegally."

To Meese, lawyers and judges are the ones who argue the technicalities. "I wouldn't want to be a judge," he says; not even the Supreme Court would interest him. "That's the one thing I've absolutely ruled out. For me, the job of being a judge, on whatever bench, would be much too confining for anything I would really enjoy."

Meese is proud of the stand he has taken against judicial activism. A judge's job, he insists, isn't "to decide how the police officer's going to act — his function is to find the facts.

"You may want to argue on what should be the niceties," he says. "But if you take my approach, and the approach of most people in law enforcement, the more evidence you get in, the more likely you're going to find the truth, which ultimately should be the end result of the courtroom process."

TO "IMPROVE THE MANagement" of the 62,500-employee Justice Department, Meese is centralizing policy planning and budgeting under the control of a few trusted deputies. To implement his policy goals, he has organized key executives into small teams whose job it is to focus on Administration priorities. Meese and six top aides, including F.B.I. Director Webster and Assistant Attorney General Reynolds, comprise the "command group" that meets every morning at 8:10 to map strategy. Another group, chaired by Meese's new Deputy Attorney General, Arnold I. Burns, matches the department's budgetary resources to its priorities. A third group, headed by Reynolds, does strategic planning because, Meese explains, "I wanted a group of people who were not involved with the day-to-day issues to look to see where the justice system and the department ought to be five years from now."

Of Meese's aides, the 44-year-old Reynolds is probably the best known. Reynolds retained his position as Assistant Attorney General in charge of the Civil Rights Division after the Senate Judiciary Committee last year refused to confirm him as Meese's new Associate Attorney General. Reynolds has been the Justice Department's most uncompromising foe of racial quotas, and he continues to play a key policy-making role within Meese's inner circle. He has also kept up the attack on the Supreme Court, last month accusing Justice Brennan of possessing "radical" views that threaten individual liberty.

Meese, who says he has not read the speech in which Reynolds made his charges, refused to comment on it. "I don't know any reason why I should particularly read it," he said. "People give speeches all the time in the department here."

T. Kenneth Cribb Jr., 38, is the Attorney General's closest aide, and probably the least-known outside of the department. A one-time national director of the Intercollegiate Studies Institute, the oldest conservative student organization in the country, and a consultant to the Heritage Foundation, Cribb served on Meese's staff at the White House and followed him to the Justice Department. Now, as the Attorney General's counselor, Cribb stays in the background and receives almost no publicity,

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MEESE

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"I am a source of information for the Attorney General about people who want him to entertain their views," Cribb says. "I am sometimes asked to attend meetings to make his views known, and to report back to him."

During Meese's long confirmation battle, Cribb sat behind Meese every day that he testified. One Senate staff member swears they even dressed alike, so that "from behind the dais they just sort of melded together." At the White House, a "principals only" rule was imposed to keep Meese from bringing Cribb into the weekly meetings at which judicial nominees were chosen.

"Ken Cribb is kind of my principal personal assistant," says Meese. "He's an additional set of arms, legs and, particularly, brains."

In Cribb's view, the debate over judicial activism still has many years to run: "The [illegible]iscussion has been [illegible]y this Attorney Gen-[illegible] it takes a generation for day-to-day politics to catch up with ideas that are first expressed in a philosophical context. For example, the politics of the 1960's were the result of philosophical ideas first expressed in the 1930's. So what we're saying now will be important for generations to come."

An inveterate note-taker and maker of charts and diagrams, Meese likens his role at Justice to being atop a well-regimented corporate structure. During his tenure at the White House, however, where his Cabinet-level staff job of counselor to the President gave him responsibility for seeing to it that each department hewed closely to the President's policies, Meese found himself part of an organization beset by jealousies and infighting. The battle among the President's top advisers was frequently waged through the press, and it was Meese's reputation that suffered the most.

"[illegible]as supposed to for-[illegible] policy and James [illegible]he chief of staff, was supposed to make the trains run on time," one White House aide recalls. "But he never really got the policy-development syndrome. You'd go through a meeting thing had been decided, and then absolutely nothing would happen. The uncertainty led to internecine fights, and ultimately the policy development got done elsewhere."

Meese now strongly defends his record at the White House, saying that he "established what is generally looked upon as the strongest Cabinet system of any President in modern time."

He was, however, outflanked by Baker, who took the White House policy-making role for himself. But Baker's credentials were suspect among conservative factions. Baker had been George Bush's Presidential campaign manager. He hadn't even registered as a Republican until 1970. This closet moderate couldn't be the conservatives' friend in the White House. But Meese could.

"It turned out that Baker was the pragmatist, the doer," says a former Reagan Administration official. "But he was also the one the conservatives tended to scream about. They thought he was breaking the faith. And Meese became the person who conservatives turned to. He filled a vacuum. He became, in essence, what other conservatives *thought* he was — what they *made* him into. He became the darling of the conservatives."

Paul D. Kamenar, executive legal director of the conservative Washington Legal Foundation, describes the relationship between the Justice Department and conservative interest groups as "conscious parallelism."

"It helps the department when we come in as an amicus curiae taking a more extreme viewpoint," Kamenar says. "That way *they* can't be called extremist."

ED MEESE WAS born and raised in Oakland, Calif. "I was born in 1931, in the Depression," Meese says. "Our family never had a lot of money. This was never a big thing to my folks, and never a big thing to us." At the age of 10, he and his three younger brothers published their own weekly neighborhood newspaper and put the $6.40 they earned from it toward war bonds. He was valedictorian of his public high school class and the winner of a Lions Club speakers' contest. He notes with pride that all four of the Meese boys went to college. "My folks made a lot of sacrifices so that we could," he says.

He traveled East for the first time in 1949, to attend Yale, where 60 percent of his 1,123 classmates had graduated from elite Eastern preparatory schools. Meese, having been awarded a last-minute scholarship that he now calls "a fluke," was virtually the antithesis of the typical Yale student, but he found a niche for himself with a slew of extracurricular activities: debate team; Political Union; a religious club; freshman crew; manager of the track team; librarian at his residential college.

Among his notable qualities were an abiding loyalty to even casual acquaintances, and his energy and enthusiasm for almost any task. Two of Meese's younger roommates at Yale recalled recently how he took an almost parental interest in them, patiently teaching one to play bridge and helping another to get into a Yale society.

"He was naïve," recalls Maxwell K. Dickinson, a former roommate of Meese's and now a Florida stockbroker. "He didn't look under rocks to see what was bad about everything. He wasn't jaundiced. He never had bitter things to say. I don't remember anything ever disappointing him."

After graduation, Meese returned to California and started law school at Berkeley, finishing in 1958, after a two-year interruption to serve as an artillery officer in the Army. He joined the Oakland District Attorney's office just out of law school, and was still there a few years later, when Sanford H. Kadish, a Berkeley law professor, recruited him to help teach a clinical law program.

"I needed someone who was actually working in the field," Kadish remembers. "Ed was willing. He was very reliable. Always did what he was supposed to do. Genial. Likable. There was a softness and a gentleness to him, no sharp edges to his personality.

"Ed didn't have profound political convictions. He was your average, diligent young fellow from an average Republican background, and he might have continued in just that way, except that his attractiveness led to opportunities. He became an ally of people who had very profound political beliefs, and he assimilated those beliefs."

There is a disarming simplicity to the way Meese characterizes his relationship with the man who has given him, or helped him get, just about every important job he has had during the last two decades.

"Well, I guess the way I'd describe it, we have worked together closely for almost 20 years," Meese says of Ronald Reagan. "We are good friends. And we are people who, by and large, without any real effort on my part to do this, come up with the same viewpoint on most issues, pretty much totally independent of each other."

Privately, White House chief of staff Donald T. Regan has bridled at Meese's easy access to the President. But anyone who has ever attempted to cut Meese off has ended up the loser. Always the President stands by him.

The two first met in Sacramento. Reagan was the newly elected Governor of California, and Meese was a young deputy district attorney from Oakland with a penchant for publicity. Campus turbulence in the 1960's had already given Meese his first big break: he had directed the arrest in 1964 of 761 protesters at the University of California at Berkeley. In 1966, he testified before the House Un-American Activities Committee that the Berkeley organizers of an early antiwar group were giving "aid and comfort to the enemy" and that penalties of $20,000 and 20 years in prison wouldn't be inappropriate if the group carried through with plans to march on an Army induction center.

Meese signed on as the Governor's extradition and clemency secretary but soon transformed the job into that of Reagan's legal-affairs adviser, and within two years was his executive secretary, the highest staff job. He was the capable, loyal aide who reduced complex problems to a few clear choices for his boss to choose from.

When Reagan left office in 1974, Meese moved to the San Diego suburb of La Mesa. After a year with Rohr Industries Inc., a manufacturer of aerospace components, he started a law practice; his main clients were the Reagan precampaign committee called Citizens for the Republic, and the state Chamber of Commerce.

In 1977, Meese began teaching at the law school of the University of San Diego, a small private school. He also became director of the law school's Center for Criminal Justice Policy and Management. During his three-year tenure with the center, which was financed by conservative groups, Meese published three papers, two dealing with police-press relations and a third on child abuse.

The Attorney General n



DAVID BURNETT, CONTACT

MEESE

Continued from Page 96

looks upon his days in San Diego wistfully. "We had a beautiful home," he says. "I had a good job. I had the ability to do three things: teach, direct the criminal justice center, and practice law on the side. And, economically, we were doing very well. So it was an ideal situation. I would have been very happy to stay there."

It is easy to understand how Meese could romanticize his time in San Diego. It had been a charmed existence compared to what awaited him in Washington.

Besides the infighting at the White House, there were financial problems brought on by carrying two big mortgages. Unable to sell his home in La Mesa for 20 months, Meese had nonetheless purchased a new house in McLean, Va. He fell 15 months behind in his payments on the California residence, but two savings and loan officials who oversaw Meese's account looked the other way. Both later got Federal jobs, as did a La Mesa businessman who arranged a $70,000 loan — later forgiven — to a buyer to facilitate the purchase of Meese's house. Questions were also raised, among other things, about Meese's stock trading and whether he obtained special treatment from Government agencies for businesses in which he had an interest.

It was such goings-on that led his predecessor at Justice, William French Smith, to appoint a special prosecutor to investigate Meese. When Meese has occasion to mention Smith now, it is almost never by name. He is "my predecessor" the same way a candidate might refer to "my opponent." The investigation was an election-year liability for Ronald Reagan, but he stuck by his friend as he always had before, and Meese — who denied any wrongdoing — was eventually cleared. In March 1985, 13 months after he was first nominated, he was sworn in as Attorney General.

One of his lieutenants remembers how his boss tried to laugh off the ignominy during one of his first staff meetings. "Not such a bad record," Meese had quipped, "nominated in February, confirmed in March."

Meese does not like to discuss the year he spent in limbo, a period when Justice Department morale sank perceptibly. But it is clear he was deeply affected by it. He calls the confirmation battle "an unfortunate byproduct of the ultrapartisan politics that's practiced by some people here. But I don't think you're ever going to change people. There are just some people who believe in political character assassination, and it's unfortunate that they get elected. It's one of the sad parts about any political system."

Of this time, Meese now says: "You always have days when you wake up and say, 'Why are you doing this?' I told the President that if he at any want to proceed. He insisted just absolutely the opposite. He wanted me to go through with the thing. It was that kind of support. I felt a commitment to him. I wanted to carry out what the President wanted me to do."

In the summer of 1982, Meese's 19-year-old son Scott, the middle of three children and a sophomore at Princeton, was killed in an automobile accident. Meese and his wife, Ursula, were devastated by the tragedy. "It's the worst thing, obviously, that's ever happened to us," he says now, his eyes welling up. "And I think I was just fortunate to have a lot of very good friends who were helpful at that time, including the President, who was extremely helpful and supportive. The President and Nancy Reagan."

Meese holds dear the traditional values that his relationship with the Reagans embodies. In his own mind, the Justice Department is an extension of those values, providing law enforcement that is not just vigorous but, he says, "compassionate" as well. As Meese sees it, that means protecting the average man from crime, from pornography or even his own Government. And he has no doubt that the people who really matter are behind him.

"The law enforcement community has labored for many years being the scapegoat for the increase in crime, while having to take a lot of court decisions which have been inimical to effective law enforcement," he says. "I have gotten a tremendous response from the law enforcement community because I am willing to speak out on issues which are key to protecting the public." ■

Solutions to Last Week's Puzzles

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THE WHITE HOUSE

WASHINGTON

November 5, 1987

The President's Vision of the Spirit, Strength and Wellbeing of the American People

The independence, strength and wellbeing of America's families continues to be a priority for this administration. Strong families are the foundation of our society, and it is the role of government at all levels to defend the integrity of this fundamental unit. It is, after all, in the living rooms and kitchens of America's families that decisions are made on education, health needs, job opportunities, recreation, care for elderly family members and support for those less fortunate in our communities. The federal government has a role to play under our Constitution in supporting the institution of the family, not undermining it, and the policies of this administration are designed to encourage family security, independence and general family wellbeing.

Education:

Assessment of Education Reforms -- In 1983 a landmark report was presented to the American people. "A Nation at Risk" sparked a National Debate on the quality of education, and now -- five years later we are assessing the progress we have made towards greater choice for parents in the education of their children, higher academic standards in the classroom, flexibility in the way our teachers are compensated, reducing the use of drugs in our schools, allowing our children the right to voluntarily pray in the classroom, and transmitting the rich heritage of history and our republican form of government. On March 26, 1987, the President charged Secretary Bennett to develop a follow-up to the landmark report, "A Nation At Risk," issued in May 1983. This new report will be released in May 1988, and will assess what has happened in education reform during the past five years and what further reforms are needed.

Reauthorization of Funding for Disadvantaged Children -- Educational choice is an important Administration objective. Therefore, we will actively promote our reauthorization proposal for the Education Consolidation and Improvement Act, which includes expanded choice for parents of disadvantaged children and more accountability for results by local education agencies.

Health Care

The health of American families is of vital importance to all of us. Catastrophic events have in times past reduced many to poverty levels before help could be made available. Medicare will provide greater protection to those who are faced with unexpected medical disasters, if our legislative proposal is passed by the Congress.

Protection for the General Population Under Age 65

My Administration will work with the private sector to educate the public about the risks, costs, and financing options available for catastrophic illness insurance, as well as the limitations of coverage for such expenses under public insurance programs.

We will work with States to develop the following innovations and initiatives:

-- Require that catastrophic coverage be offered in all employment-related insurance.

-- Form State risk pools to subsidize insurance for those whose medical condition makes it prohibitively expensive or impossible to get insurance.

-- Change Federal regulations to allow States greater flexibility in managing State Medicaid programs.

-- Develop new programs such as loan guarantees and catastrophic insurance requirements for motor vehicle registration.

I have directed Treasury to study the impact on provision of catastrophic illness insurance coverage of the following tax policy changes:

-- Expanding the 25% deduction available to sole proprietors or unincorporated businesses to 100%, if coverage is included for catastrophic illness.

-- Expanding the advantages of the current deduction for incorporated businesses, if coverage is provided for catastrophic illness.

-- Mandating that employer-provided insurance only be deductible to the full extent provided by law if a catastrophic illness coverage option is offered.

A report, on their findings, will be released in 1988.

Long-term care for the elderly

We will work with the private sector to educate the public about the risks, costs, and financing options available for long-term care, as well as the limitations of coverage for such service under Medicare and Medigap supplement insurance.

The Treasury Department is studying ways of encouraging personal savings for long-term care through a tax-favored individual medical account (IMA) combined with insurance, and amending individual retirement account (IRA) provisions to permit tax-advantaged withdrawal of funds for long-term care expenses. That report will be issued in 1988.

The Treasury Department is studying the development of the private long-term care insurance market and will propose legislation that would provide tax incentives for purchase of such care by individuals or employers.

Catastrophic Illness Insurance for the Elderly

The Treasury Department is studying ways to replace Medicare with a program of health care savings accounts for savings used to buy basic post retirement health insurance.

My Administration will move aggressively to encourage Medicare beneficiaries to enroll in private health plans, such as HMOs, many of which offer catastrophic coverage.

AIDS

AIDS is a public health problem that requires our best national efforts to combat the spread of this deadly virus. We will encourage increased routine testing, research to find a cure, and approval of drugs to treat the disease. We are moving rapidly with a series of surveys conducted by the Public Health Service to determine if the virus is spreading to that part of the population that is now considered at low risk. Our educational efforts which are designed to encourage behavioral changes will continue at a vigorous pace.

HHS and the Office of Science and Technology Policy, are developing an integrated, scientific modeling effort to evaluate data on the HIV infection already obtained and ways to guide further data collection to reduce the uncertainties in estimates of prevalence and rates of spread.

The Centers for Disease Control (CDC) will continue to collect and analyze data from current sources from which a November 30, 1987 estimate of the prevalence of HIV in the U.S. was made. In March and June 1988, and each quarter thereafter, an estimate of the incidence of HIV and the rate of spread, based on the data from these sources, will be provided to the Domestic Policy Council.

Abortion

We are developing a solid body of public health information on the effects of abortion on women. Growing numbers of women who have had abortions now say that they have been misled by inaccurate information. Making accurate data on maternal morbidity available to women before an abortion is performed is an essential element of informed consent. I have directed the Surgeon General to issue a comprehensive medical report on the health effects, physical and emotional, of abortion on women. That report will be released in August 1988, with recommendations on what further steps should be taken.

I have submitted legislation that would stop all federal funding for abortion and have asked Congress to act quickly to pass it. This continues to be a top priority, and I will do everything possible to see abortion ended in this nation.

Adoption

Adoption is an important way for families to be strengthened. Many children are waiting for loving homes and the taskforce on adoption has issued a report that points out ways in which barriers to adoption can be removed so that children who need homes can be welcomed to families who want them. A full report will be released by the Task Force in March 1988.

Crime

Reduction in crime continues to be a top priority. The Comprehensive Crime bill submitted to Congress is still awaiting action. It is important that we take action to protect our streets and homes from those who terrorize them. Our law enforcement officials need the tools to further reduce crime in America.

Pornography

In 1985 the Commission on Pornography submitted a report with recommendations on how to stop the $9 billion pornography industry that threatens children and adults alike. Congress has received the Child Protection and Obscenity amendments of 1987 which respond to 95% of the Commission's recommendations. Passage of this legislation is vital, since it means that the pornography industry's days are numbered. I am asking the Congress to pass this legislation by June 1988. I will also issue an Executive Order directing that all obscene material being sold in any federally controlled installation be removed.

Low income opportunity

The independence of those who for reasons beyond their control are temporarily receiving welfare is of continued importance. The Low Income Opportunity Board, established by Executive Order in 1987 is moving forward with the States in order to provide new opportunities for welfare recipients to find jobs and become financially independent.

Greater Opportunities Through Work (GROW) is a new employment and training program in AID to Families with Dependent Children (AFDC) which will prevent and reduce welfare dependency by increasing the focus on activities that assist young recipients and mothers of young children. GROW would lower the current exemption from work activities for mothers with children under six years of age to mothers with children under six months. It will mandate large-scale participation in work activities by welfare beneficiaries in all States. For the first time, uncapped supporting Federal funds for job search and workfare administration, job-related expenses, and child care will be provided at a 50 percent matching rate with the States.

The Job Training Partnership Act (JTPA) Summer Youth Employment Program within the AFDC Youth Training Program will be restructured to permit States to provide year-round intensive services to young men and women in welfare families who face multiple barriers to becoming productive adults. In addition to education, employment and job training activities designed to prepare and place youths in jobs, this new program will fund basic and remedial education; counseling on drug abuse; counseling on pre-natal care and pregnancy prevention; and classes on child care and life skills planning.

The Child Support Enforcement Program will seek increased payments by absent parents in support of the children they brought into the world. This change builds on reforms enacted in 1984, which required States to set guidelines for support award amounts. It requires judges to use these guidelines in almost all cases. We are also recommending that incentive payments go only to those States which are efficient and effective in collecting child support payments on behalf of AFDC families.

Federalism

The appropriate relationship of the national, state and local governments, as defined by the Constitution will be strengthened by the implementation of my Executive Order on Federalism which requirs that all departments and agencies of the federal government to make sure that regulation and legislative proposals do not preempt the authority of the states. This year a major effort is under way to make sure that all departments and agencies implement this Order.

The family

I issued an Executive Order requiring that all federal regulation and legislation be measured by how they impact the family. This is another step toward insuring that government does not undermine family values. A report on federal programs that have a negative impact on the family will be released in March 1988, and recommendations on how to eliminate any negative impact will be presented for my consideration.

Drug abuse

The White House Conference on Drug Abuse will be releasing its findings in the Spring of 1988. Their recommendations will help us in our continued fight against illegal drug use. The Justice Department will continue its efforts to interdict drugs from abroad and apprehend and prosecute those who continue to traffic in drugs in this country.

CDBG Regulations

The Council will receive a recommendation from the Working Group on Legal and Regulatory Policy on how to reconcile the differences between recent Supreme Court decisions and Administration policy regarding federal funding of emergency shelters and staples for homeless people through religious organizations.

Disability Rights

The Council may be asked to review proposed legislation developed by the Working Group on legal and regulatory policy to insure the right of disabled people to participage in the job market on an equal basis as other Americans.

Homelessness

The Council may be asked to consider proposals that address homelessness as proposed by the Interagency Council on the Homeless.

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TAX-RELATED ECONOMIC DEVELOPMENTS

PRESIDENT: REAGAN REDUCES CABINET-LEVEL COUNCILS FROM SEVEN TO TWO MAJOR PANELS

President Reagan announced April 11 that he has reorganized the major policy-making apparatus at the White House by reducing from seven to two the Cabinet-level policy councils responsible for Administration initiatives on a broad range of domestic and international matters.

In a statement issued in California, where he is vacationing, the President said he was restructuring the Cabinet councils at the request of White House Chief of Staff Donald Regan, who will be directly responsible for coordinating the activities of the two new policy panels.

Reagan said that the new Economic Policy Council and the Domestic Policy Council—both of which he formally will chair—"will serve as the primary channels for advising me on [domestic] policy matters."

Besides replacing the existing seven Cabinet councils, the two new policy panels also will absorb the duties of the Senior Interagency Group-International Economic Policy (SIG-IEP).

Created four years ago, the seven Cabinet councils and SIG-IEP have played key roles in shaping the economic and tax policies of the Administration. The most active of these panels, the Cabinet Council on Economic Affairs, has been particularly instrumental in honing the President's budget and tax programs since 1981.

Other Cabinet councils were responsible for areas in commerce and trade; food and agriculture; natural resources and the environment; human resources; management reforms, and legal policy. Headed by Cabinet secretaries, each of these councils had dozens of working groups that would work on specific projects for presentation either to the full Cabinet or directly to the President.

Under the reorganized system announced April 11, the Economic Policy Council will be primarily responsible for economic policy issues, while the Domestic Policy Council will consider issues "not primarily economic in nature," according to White House officials.

One senior presidential assistant pointed out that the new Cabinet council system will help eliminate time lags inherent in having many panels with equal authority reviewing similar issues, as well as "intermural" activities that sometimes would slow policy development among the seven individual Cabinet councils.

"These [two] new entities will streamline policy development and decision making," Reagan noted in his statement. "Together with the National Security Council (NSC), they will serve as the primary channels for advising me on policy matters," his statement read. By statute, the NSC has primary responsibility over intelligence and security affairs, a White House aide said.

White House spokesman Larry Speakes said that, while some internal personnel changes will be made, "there won't be new jobs" added to the President's staff. Rather than create new staffs for the two new councils, the White House Office of Policy Development staff will continue to provide policy expertise, Speakes said, noting, however, there may be "new persons to fill the [existing] slots.

Speakes said that the new Economic Policy Council will be composed of the secretaries of State, Treasury, Agriculture, Commerce and Labor, plus the director of the Office of Management and Budget, the U.S. Trade Representative and the chairman of the Council of Economic Advisers.

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In addition, Speakes said, the heads of the national security community and the assistant to the President for national security affairs will sit in on Council meetings whenever necessary. In the absence of the President, Speakes said, Treasury Secretary James Baker 'll serve as chairman pro-tempore.

The new Domestic Policy Council will be composed of the attorney general, the ecretaries of the Interior, Health and Human Services, Housing and Urban Development, Transportation, Energy and Education, and the director of the Office of Management and Budget, Speakes said. "In my absence, the Attorney General [Edwin Meese] will serve as chairman pro tempore," Reagan said in his statement.

Although the Defense Department is not listed on the official roster of either council, Speakes said that "nothing should be read into" the omission. "Cap Weinberger is a statutory member of the NSC. There are domestic sides of [policy], but I would judge that the secretary of Defense and the director of the CIA [Central Intelligence Agency] will be involved in many meetings on subjects that touch on their areas," Speakes said.

To coordinate the activities of both new councils, Speakes said that each will be headed by an executive secretary who will report directly to Regan, as the single person with ultimate responsibility over all policy-making under the President.

By his position, Regan also will serve as an ex officio member of the Economic and Domestic Policy Councils, Speakes said, as will Vice President Bush.

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U.S. BUDGET: PROPOSED COLA LIMITS WOULD PUT MORE THAN 600,000 BELOW POVERTY LINE, CBO SAYS

The cutbacks in cost-of-living adjustments for non-means-tested entitlement programs proposed in the compromise budget plan agreed to by the White House and Senate GOP leaders ould put more than 600,000 below the poverty line, according to a Congressional Budget ffice study.

CBO simulated the effects of the COLA limits plan on recipients of Social Security, railroad retirement, civil service retirement, and military retirement benefits. Under the proposal, annual COLAs for these programs would be limited for the next three years to the change in the Consumer Price Index minus two percentage points (Report No. 70, LL-2).

Also considered in the CBO analysis was an attendant increase in the federal Supplemental Security Income guarantee level of $10 per month for individuals and $15 for couples. The SSI program is geared to provide additional income for the very poor, largely the low-income aged, the blind and disabled.

In addition, CBO calculated the effects of the compromise plan using both its own inflation assumptions and those endorsed by the Office of Management and Budget.

Under the CBO assumptions the benefit increases would be 2.0 percent, 2.6 percent and 2.2 percent for the next three years, respectively. Recipients would receive 94.6 percent of the benefits they would get under current law.

Using the OMB assumptions, the benefits would rise 2.1 percent, 2.3 percent, and 2.1 percent for the next three years, respectively, and beneficiaries would get 94.3 percent of what they could expect under current law.

Using CBO's inflation assumptions, the reduction in COLAs for non-means-tested program benefits would push 600,000 below the official poverty line. Of these additional poor, 410,000 would be elderly, CBO said. If the COLA reduction is offset by the increases in SSI guarantees, the number of additional poor would be 530,000, of which 360,000 would be lderly, according to the report.

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