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WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

TR

☐ X–MEDIA

☐ H–INTERNAL

Name of Document: BRIEFING PAPERS FOR PRESIDENT'S SCHEDULED APPOINTMENTS FOR J U L 2 0 8 3

Subject Codes:

PR 007-01
CO 001-09
CO 114-
HU 002-
HU 004-
BE 004-
FG 368-
FG 114-
WE 009-
LA 002-03

1) **Subject:** Meeting with White House Outreach Working Group on Central America (~~Eighth weekly gathering~~) to highlight the Sandinistas opposition to political and religious freedom.

2) Meeting with the President's Economic Policy Advisory Board to discuss ~~the~~ overall economic policy and managing the recovery.

3) Ceremony to present Marion Barry, District of Columbia mayor, with a check ~~to~~ to fund additional jobs as part of the Summer youth employment program.

ROUTE TO:	ACTION		DISPOSITION		
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMHENL	RSZ			C	

Referral Note:

THE SCHEDULE OF
PRESIDENT RONALD REAGAN

The President has seen____

Wednesday, July 20, 1983

9:00 am (30 min)	Staff Time (Baker, Meese)		Oval Office
9:30 am (15 min)	National Security Briefing (Clark)		Oval Office
9:45 am (15 min)	Senior Staff Time		Oval Office
10:00 am (45 min)	Personal Staff Time		Oval Office
10:45 am (15 min)	Dropby Meeting of Central American Outreach Group (Whittlesey)	(TAB A) (draft remarks attached)	450 EOB
11:00 am (60 min)	PEPAB Meeting (Harper)	(TAB B)	Roosevelt Room
12:00 m (60 min)	Lunch		Oval Office
1:00 pm (45 min)	Congressional Meeting (Duberstein)	(available in a.m.)	Cabinet Room
1:45 pm (15 min)	Summer Youth Employment Announcement (Coyne)	(TAB C)	Rose Garden
2:00 pm (60 min)	NSPG Meeting (Clark)		Situation Room
3:00 pm	Personal Staff Time Remainder of Afternoon		Oval Office/ Residence

UNP 7/19/83
4:00 pm

THE SCHEDULE OF
PRESIDENT RONALD REAGAN

Wednesday, July 20, 1983

9:00 am (30 min)	Staff Time (Baker, Meese)	Oval Office
9:30 am (15 min)	National Security Briefing (Clark) Geof Kemp, Phil Dur	Oval Office
9:45 am (15 min)	Senior Staff Time	Oval Office
10:00 am (45 min)	Personal Staff Time	Oval Office
10:45 am (15 min)	Dropby Meeting of Central American Outreach Group (Whittlesey) (TAB A) (draft remarks attached)	450 EOB
11:00 am (60 min)	PEPAB Meeting (Harper) (TAB B)	Roosevelt Room
12:00 m (60 min)	Lunch	Oval Office
1:00 pm (45 min)	Congressional Meeting - phone calls (Duberstein) (available in a.m.)	~~Cabinet~~ Room
1:45 pm (15 min)	Summer Youth Employment Announcement (Coyne) (TAB C)	Rose Garden
2:00 pm (60 min)	NSPG Meeting (Clark)	Situation Room
3:00 pm	Personal Staff Time Remainder of Afternoon	Oval Office/ Residence
3:00	ABC Interview - Frank Reynolds	

UNP 7/19/83
4:00 pm

THE SCHEDULE OF PRESIDENT RONALD REAGAN

DCF

Wednesday, July 20, 1983

9:04 OVAL

9:00 am (30 min)	Staff Time 9:06 – (Baker, Meese)	Oval Office
9:30 am (15 min)	National Security Briefing 9:25 – 9:43 (Clark), BUSH, EM, JB, MCFARLANE, JACK KEMP, PHIL DUR	Oval Office
9:45 am (15 min)	Senior Staff Time EM, JB, DARMAN, DUBERSTEIN, FIELDING 9:51 - 10:35	Oval Office
10:00 am (45 min)	Personal Staff Time 10:35 –	Oval Office
10:45 am (15 min)	Dropby Meeting of Central American Outreach Group (Whittlesey) (TAB A) (draft remarks attached)	450 EOB
11:00 am (60 min)	PEPAB Meeting 11:07 – 12:10 (Harper) (TAB B)	Roosevelt Room
12:00 m (60 min)	Lunch 12:11	Oval Office
1:00 pm (45 min)	Congressional Meeting PHONE CALLS (Duberstein) (available in a.m.)	Cabinet Room
1:45 pm (15 min)	Summer Youth Employment Announcement (Coyne) 1:49 – (TAB C)	Rose Garden
2:00 pm (60 min)	NSPG Meeting 2:10 – 3:15 (Clark) INTERVIEW WITH SAM DONALDSEN – COLONADE PATIO	Situation Room
3:00 pm	Personal Staff Time Remainder of Afternoon	Oval Office/ Residence

UNP 7/19/83
4:00 pm

THE WHITE HOUSE

WASHINGTON

July 19, 1983

MEETING WITH WHITE HOUSE OUTREACH WORKING GROUP ON CENTRAL AMERICA AND GUESTS

DATE	July 20, 1983
LOCATION	Room 450
TIME	10:45 A.M.

FROM: Faith Ryan Whittlesey FRW

I. PURPOSE

To highlight anti-semitic activity of Marxist revolutionaries in Central America.

II. BACKGROUND

This meeting is the eighth weekly gathering of outside group leaders organized by the White House Outreach Working Group on Central America. Present this time, in addition to the usualy groups are special invitees from the American Jewish community, human rights groups, and the White House Press Corps. The truth about the militantly anti-Jewish and anti-Israel activities of the Sandinista government is virtually unknown. The facts covered in your remarks are documented in a "White House Digest" paper we have prepared for distribution at this event.

III. PARTICIPANTS

Attached list of invitees plus thirty(30) leaders of national Jewish organizations

IV. PRESS PLAN

Full White House press corps

V. SEQUENCE OF EVENTS

10:45 A.M.	You arrive
10:46 A.M.	You deliver prepared remarks
10:51 A.M.	You take a few questions
10:56 A.M.	You depart

(Parvin/AB)
July 19, 1983
5:00 p.m. -> RR

PRESIDENTIAL REMARKS: BRIEFING FOR CENTRAL AMERICA OUTREACH GROUP
JULY 19, 1983

Welcome to the White House. I wish the occasion for your visit today was a more enjoyable one, but we all know you're here for a serious purpose. This audience understands the dangers of a violent minority seeking to impose its will by terrorism. In the Middle East, the PLO is committed to the destruction of Israel and the democracy it represents. In Central America, communist guerrillas seek the destruction of El Salvador and its budding democracy.

But more than a similarity of terrorist methods links events in the Middle East with those in Central America. The common element is the Palestine Liberation Organization. For make no mistake, just as the PLO deals in terrorism and subversion in the Middle East, it is also an active ally of communist revolutionaries throughout Central America.

The strong tie between the PLO and Nicaragua's Sandinista government is particularly revealing. Sandinista soldiers fought beside their PLO comrades in the Middle East as early as 1970 and many have been trained by the PLO. In 1978 the two groups issued a joint declaration of war against Israel. The PLO has provided the Sandinistas with material, advisors and training in terror. They espouse the same principles and the same hate. As one Sandinista spokesman has said, "There is a long standing blood unity between us and the Palestinians."

We know the Sandinistas seek to intimidate all religions, not simply the Jewish. Catholic and Protestant clerics have been persecuted and expelled for speaking out against the crimes of the revolution. During his visit to Nicaragua, the Pope's sermon and mass were interrupted by organized Sandinista groups chanting pro-revolutionary slogans. Last August, the Catholic Church's official radio spokesman was marched naked through the streets in an orchestrated attempt to embarrass the church.

As soon as the Sandinistas and their PLO brethren were established in Managua, the same brotherhood of terror was directed toward El Salvador. And when the world fully understands the intentions and consequences of communist rule in Central America, I believe it will appreciate U.S. efforts there. Our goal is nothing less than to protect human liberty and dignity.

The United States stands for religious freedom; in fact, that is why our Pilgrim forefathers first set foot here. Our belief in religious freedom is one more reason we must give assistance to those in Central America who are fighting totalitarian, anti-religious forces.

So I hope when you leave here today you will discuss what you've heard with others. Please share with them the truth -- that communism in Central America means not only the loss of political freedom, but religious freedom as well. You have a vital message to deliver -- one that concerns free men and women everywhere and one that must be told. Now, I believe you have some questions.

THE WHITE HOUSE

WASHINGTON

July 19, 1983

MEETING WITH THE PRESIDENT'S ECONOMIC POLICY ADVISORY BOARD

July 20, 1983
11:00 a.m.
Roosevelt Room
(60 minutes)

From: Edwin L. Harper

I. PURPOSE

To review our overall economic policy and various aspects of how well we are managing the recovery.

II. BACKGROUND

This is the tenth meeting of your Economic Policy Advisory Board.

The Board last met on April 20, 1983. The meeting will commence at 9:00 a.m. Walter Wriston, chairman of the Board, has prepared and circulated a paper entitled "Managing the Recovery" to serve as the basis for the Board's discussion. A copy is attached at Tab B.

In the three months since the Board last met, the new economic data has shown that the recovery is much stronger than expected. The Administration has twice revised its real growth estimates upward for 1983. The general theme of the Board's deliberations will be on how well we are managing the recovery. Specifically, the discussion will focus on the following aspects of our macroeconomic policy:

1. Monetary policy including what is likely to happen to the velocity of money (which has been down) and to Federal Reserve actions and interest rates;

2. Keeping inflation and inflationary expectations dampened as the economy recovers;

3. The relationship between deficits and interest rates and to what extent large prospective deficits pose a threat to the recovery;

4. The likelihood of a strong dollar persisting over the next two years and the influence this would have on the recovery;

5. The implications for less developed countries of an aborted recovery and the extent to which global considerations should guide U.S. policy.

III. PARTICIPANTS

A list of participants is attached at Tab A.

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

When you enter the Roosevelt Room at 11:00 a.m., the members of the Advisory Board will have been meeting since 9:00 a.m. As in past meetings, you should sit opposite Walter Wriston, the Advisory Board Chairman. Walter Wriston will briefly summarize the Board's morning discussion before a more general exchange involving all Board members.

SUGGESTED TALKING POINTS FOR MEETING WITH THE ECONOMIC POLICY ADVISORY BOARD

- I always enjoy meeting with this group and receiving the benefit of your advice.

- Since our last meeting in April — and some might suggest as a result of that meeting — we have seen the recovery really take hold and expand beyond the housing and auto sectors of the economy. This is good news, particularly for unemployed workers whose chances to move back into productive jobs in the weeks ahead are increasing daily. As the recovery spreads, it will relieve pressures on the international economy built up in recent years.

- To go along with these reports of increased production, consumer confidence has been increasing steadily in recent months. With producers and consumers displaying increased confidence in the economy, it is not surprising that the flash GNP growth figure for the second quarter was 6.6 percent.

- I have seen Walter Wriston's paper, and while I have viewed the recovery's development as a great event for our economy and for the world economy, I am mindful of our promise to win the battle on inflation. I would appreciate your views on where the recovery is going and the prospects for inflation as well as a report on the other topics you have discussed this morning.

PARTICIPANTS

Members:	Walter B. Wriston, Chairman Martin C. Anderson Arthur F. Burns Rita Ricardo-Campbell Peter M. Flanigan Milton Friedman Alan Greenspan Arthur B. Laffer James T. Lynn Paul A. McCracken Herbert Stein
Administration Officials:	Vice President Bush Donald T. Regan Edwin Meese Edwin L. Harper Martin Feldstein Richard G. Darman Craig L. Fuller Roger B. Porter Joseph R. Wright Lee Verstandig David R. Gergen William A. Niskanen William Poole Karna Small

MANAGING THE RECOVERY

July 20 meeting of the
President's Economic Policy Advisory Board

In the last quarter of 1982 when the President's economic advisors, notably Martin Feldstein, were putting together economic strategy assumptions for 1983-84, they expected a moderate recovery.

The advantage of the moderate recovery was that it was neither too strong to reawaken any serious inflationary expectations, yet it was strong enough to be convincing and produce a reduction in the unemployment rate. Thus far, the CEA has twice revised real growth estimates for 1983. The recovery is no longer as moderate as expected. The financial markets have begun to snarl at the Fed. The overshooting of the monetary targets for the fourth quarter of last year to the fourth quaeter of this year is no longer confortable because of the surprising strength shown in real economic growth.

The nominal economy has been running well below the rate implied by the rather high money growth (M1) of the past ten months even after allowing for interest-bearing deposits. This, as you know, is due to the decline in velocity. But in recent months it appears that the economy is beginning to come back towards a rate of expansion which would be expected when looking at the rate of money growth. If this continues, it means we have the possibility of not just a good recovery, i.e., stronger than moderate, but it could become a booming economy with the attendant problems of inflation expectations. Managing the recovery has clearly become much more challenging than it was under the assumed moderate growth rate.

I would suggest the following component parts in dealing with the question of managing the recovery.

(1) MONETARY POLICY

I suggest splitting this into two parts.

(a) Velocity.

The decline in velocity during the past year has been unusual, but it has also provided some comfort to the monetary policymakers because they could be very expansionary while inflationary expectations continued to diminish. It also created significant debate among economists. There are some who believe that velocity will at least stop declining but show very little increase. Others think that it will come back to the normal secular trend of 3-4% but will not compensate for last year's decline. The behavior of velocity is critical to the strength of the recovery given the ongoing monetary expansion. The combination of no significant throttling back in money growth coupled with a return to secular trend in velocity that could give us a boom and risk reawaken inflation even before excess capacity is used up.

(b) Monetary policy and interest rates.

Interest rates have moved higher in the past couple of months. We seem to be going back to the old syndrome whereby traders drop their bids when a money number comes out on Friday which implies that the Fed may have to tighten in the next few weeks. In any event, the question of the Federal Reserve hitting its targets this year must be called into question. If it doesn't, what happens to its credibility? If it does what happens to the economy? And finally, should it consider abandoning fourth-quarter to fourth-quarter money targets and say going to two-year nominal GNP targeting? That should give the Fed ample time in which to move around a longer term trend towards lower inflation.

(2) RECOVERY AND INFLATION

Most people in the business and financial markets have a deeply rooted cyclical view of how the economy is managed. They say that inflation declined with the recession and inflation will increase with the recovery. How do you overcome that expectation? Must we expect inflation to accelerate? Are there any potential supply bottlenecks arising out of the shutdowns that have taken place and the termination of training programs? How will regulation hinder or enhance recovery?

(3) FEDERAL DEFICITS

The deficits are estimated to be extraordinarily high on a structural basis. That is, even with full employment, we would have big deficits. What does this mean from the standpoint of managing the recovery? Will the stronger-than-expected recovery be helpful or will higher interest rates offset the benefits of larger-than-expected revenues?

Interest rates peaked in the spring and summer of 1981 shortly after the Reagan Administration took office, and they declined until this past winter in spite of the growing concern and attention placed on the deficits. Last year interest rates dropped sharply between August and December, the time when the Treasury came into the market to finance the first part of its large deficits. Do the deficits determine interest rates? How would the deficits interfere with recovery?

(4) THE EXCHANGE RATE FOR THE DOLLAR

The continued overvalued dollar is producing a rising deficit in both the merchandise trade account and the current account. The dollar's strength has been attributed to relatively high U.S. interest rates. In turn these have been in large part blamed on the large Federal deficits. Should we expect the strong dollar to persist through the next two years? How will this influence the recovery? How should economic policy respond?

(5) ECONOMIC RECOVERY IN THE GLOBAL SCENE

It is important to manage the recovery without igniting inflation once again, but it is clearly important to avoid aborting the recovery since recovery in the U.S. is important in the global sense of providing in time a better economic environment for the LDCs. To what extent should the management of the recovery be determined by the global implications?

(6) TIMING OF POLICY SHIFTS

The Full Committee should be prepared to respond to this important question. Should monetary policy move more rapidly to slow down money growth with the accompanying risk that the recovery is still tentative and velocity still low? Or should restraint be delayed pending more information on third quarter results with the risk that a boom could develop which may be difficult to reign in before the middle of next year.

THE WHITE HOUSE

WASHINGTON

July 19, 1983

DISTRICT OF COLUMBIA SUMMER YOUTH EMPLOYMENT PROGRAM

DATE: 20 July 1983
LOCATION: Rose Garden
TIME: 1:45 P.M.

FROM: JAMES K. COYNE, SPECIAL ASSISTANT
PRIVATE SECTOR INITIATIVES

I. PURPOSE

To present Washington D.C. Mayor Barry with a check for $800,000 for additional summer jobs for D.C. youth.

II. BACKGROUND

The funds are being provided by the Department of Labor and are in addition to the $8 million already provided to the District. The funds will enable D.C. to employ up to 1500 youth who would have been unemployed otherwise. The ages range from 14 to 21. The program is operated by the local government and the students will work for the city and non-profit agencies, being paid the minimum wage.

III. PARTICIPANTS

The Secretary of Labor, Mayor Barry, locally employed students and representatives of private sector summer job programs.

IV. PRESS PLAN

Open press coverage

V. SEQUENCE OF EVENTS

-- President enters Rose Garden
-- Secretary Donovan gives brief remarks
-- President gives brief remarks and presents check to Mayor Barry
-- Mayor Barry thanks President and gives brief remarks
-- President departs Rose Garden