1980

Anderson is a senior policy adviser to the presidential campaign of Ronald Reagan. During the transition she serves as Associate Director of the Office of Presidential Personnel. As Associate Director, Anderson works during the transition on staffing the Departments of Treasury, Transportation, and Commerce. (Annelise Anderson Webpage, http://andrsn.stanford.edu/andrsn.html, 11/26/2002)

November

The Reagan transition office announces Anderson’s appointment to the Office of Presidential Personnel as Associate Director for Economic Affairs. The Office of Presidential Personnel will be led by Pendleton James. (The Washington Post, 11/21/1980)

December

On the 11th, President-elect Reagan selects Congressman David Stockman (R-MI) to head the Office of Management and Budget (OMB). (The Washington Post, 12/12/1980)

OMB Director-designate Stockman and Rep. Jack Kemp (R-NY) offer a detailed economic plan for the first 100 days of the Reagan administration entitled “Avoiding a GOP Economic Dunkirk.” The plan calls for quick policy moves to avoid a “double-dip recession in early 1981” including: ending oil price controls, reducing Federal spending, tax relief, and blocking the implementation of new regulations on business. (The New York Times, 12/14/1980)

The Carter administration rejects requests made by Stockman for immediate access to budget analysts and for a look at the 1982 budget being drafted by the administration. (The New York Times, 12/19/1980)

1981

January

Economic policymakers in the Reagan administration set February 3 as the tentative date when the President will give Congress proposals for far-reaching reductions in Federal taxes, spending and regulation of business. (The New York Times, 01/04/1981)

Reagan, in his inaugural address, highlights the country’s economic troubles arguing that “government is not the solution to our problem; government is the problem.” (President Reagan’s First Inaugural Address, 01/20/1981)

In a surprise move on the 21st, President Reagan fires all federal inspectors general. (The New York Times, 01/23/1981)
Anderson is named an Associate Director of the OMB. As Associate Director, she will be responsible for the budgets of five cabinet departments (Treasury, Justice, Commerce, Transportation, and HUD) as well as 40 other agencies. (*The Washington Post*, 01/24/1981)

President Reagan makes the federal hiring freeze, announced on his first day in office, retroactive to November 5th. Exemptions to the policy, to be administered by OMB, are limited to jobs that “protect life and property, and for medical, hospital and other health care operations.” (*The New York Times*, 01/24/1981)

On the 26th, OMB director-designate David Stockman states that the administration is compiling an array of proposals to Congress for permanent cuts in such benefits as Medicaid and dairy price supports. (*The New York Times*, 01/27/1981)

On the 28th, the administration releases a budget proposal to reduce by one-fourth the federal food stamp assistance program. Reductions of about $3.8 billion over the next two years are recommended in the proposal. (*The Washington Post*, 01/28/1981)

The Office of Management and Budget proposes large cutbacks in foreign aid. The proposal slashes $2.6 billion from the foreign aid budget submitted by former President Carter. The plan calls for cuts in direct bilateral assistance, contributions to multilateral development banks, international organizations such as U.N. agencies, the Food for Peace program and the Peace Corps. Media reports see this as a test of strength between Secretary of State Alexander M. Haig Jr. and more conservative budget officials. The eventual White House budget recommendation reduces the levels of cuts proposed by OMB. (*The Washington Post*, 01/29/1981, 02/01/1981)

In the first legal challenge to President Reagan’s policies, the National Treasury Employees Union files suit on the 28th to block the administration’s move to make its federal hiring freeze retroactive. The class action suit asks a Federal District Court to declare the act unconstitutional. The case is dismissed with prejudice in September 1981. (*The New York Times*, 01/29/1981)

*February*

The Administration informs Congress it is targeting reductions of $40 billion to $50 billion in the Federal budget for the 1982 fiscal year. The preliminary proposal, prepared by OMB, includes cuts to most major Federal programs except the military. Controversial cuts include 50 percent reductions in the budgets of the National Endowments for the Arts and the Humanities and a $17 billion reduction in various social service programs. (*The Washington Post*, 02/05/1981; *The New York Times*, 01/05/1981, 02/07/1981)

Administration officials announce that upcoming budget cuts will spare programs that assist the “truly needy.” Seven safe programs are to be fully funded. The programs include Social Security, summer youth employment programs,
veterans benefits, free school lunch and breakfast programs, and Operation Head Start. (The Washington Post, 02/11/1981)

The Office of Management and Budget announces its decision to eliminate antitrust enforcement by the Federal Trade Commission by cutting off funding for the agency’s Bureau of Competition. Media sources say the move indicates the administration’s intention to shape regulatory policy through OMB’s central control over Federal spending. (The Washington Post, 02/13/1981)

President Reagan announces a plan to form six Cabinet Councils to take over much of Administration’s policy-planning. The economic affairs group is be chaired by the Treasury secretary and include the secretaries of Commerce and State, the chairman of the Council of Economic Advisers and the Director of the Office of Management and Budget. (The Washington Post, 02/16/1983)

On the 18th, President Reagan submits his budget to Congress in a document entitled “America’s New Beginning: A Program for Economic Recovery.” The budget includes proposed changes in 83 programs, spanning the full range of government activities, that if adopted, would reduce spending to $695.5 billion, or $41.4 billion below the “current base.” (The New York Times, 02/19/1981)

President Reagan signs an executive order relaxing government regulations on business. The order requires federal agencies to list regulation alternatives, provide cost and benefit analysis, as well as allow for public comment. The agencies, under the supervision of OMB, are required to pick the least costly option for achieving the regulatory objective. (The New York Times, 02/18/1981)

President Reagan disavows a statement by Stockman that the administration is considering increasing the gasoline tax by two cents a gallon. A White House official says that President Reagan was “surprised to learn” of the proposal. (The New York Times, 02/24/1981)

The administration defends “block grant” proposals included in President Reagan’s new budget. In a press conference at OMB, Secretary of Education T.H. Bell and Secretary of Health and Human Services Richard Schweiker defend the new block grant program. (The Washington Post, 02/25/1981)

On the 27th, President Reagan threatens to veto his tax bill if it is rewritten by House Democrats. The administration expresses the need for a “clean bill” that is neither “tilted to favor the poor over the rich or loaded with special tax benefits.” (The Washington Post, 02/28/1981)

On the 27th, a group comprised of trade unions, civil rights groups, religious organizations and social welfare agencies announce the formation of a national coalition opposed to the Administration’s proposed budget. They argue that cuts, if made, “could wreak great damage to the fabric of this nation.” It is reported that many of the 157 coalition members, especially the substantial number of

**March**

The Administration approves a second round of budget cuts, totaling nearly $10 billion. Cuts are made to a number of politically sensitive areas, including veterans benefits, child nutrition, job training for the poor and minorities, and water projects. The cuts are made necessary by the discovery the previous week that the administration had underestimated Federal spending by $3.1 billion. (*The Washington Post*, 03/01/1981)

According to a report released by OMB, the government is owed more than $25 billion in delinquent loans, unpaid taxes and other overdue debts. (*The New York Times*, 03/06/1981)

The administration announces the end of its federal hiring freeze. The freeze is replaced by a new federal employment ceiling that will reduce the government’s non-defense payroll by 33,000 personnel in fiscal year 1981 and 63,100 in fiscal year 1982. According to OMB, most of the reductions will occur through attrition. (*The Washington Post*, 03/07/1981)

On the 11th, the administration acknowledges that one of every six families on welfare would be forced off the rolls or have its benefits reduced under proposed budget cuts and rules changes. The administration argues that the cuts will not hurt the truly needy. (*The Washington Post*, 03/12/1981)

**April**

House Democratic leaders propose an alternative to President Reagan’s economic program. Their plan embraces the bulk of Reagan’s proposed spending cuts but restores more than $7 billion to social programs, the arts and veterans’ benefits. Social service programs including education, nutrition, and job training would also be given larger budgets under the Democratic proposal. The plan also calls for a reduction in the Administration’s proposed tax cut. Stockman labeled the plan “unacceptable.” (*The Washington Post*, 04/07/1981)

On the 6th, Stockman defends President Reagan’s budget before the House Select Committee on Aging. Congressional Democrats charge that the budget constitutes “a blueprint for disaster” for “millions of low-income elderly people.” (*The New York Times*, 04/07/1981)

The administration places the recently opened National Consumer Cooperative Bank (NCCB) on its budget-cutting list. “It’s not really a viable organization,” argues Anderson. “The problem is that nobody would buy it.” The administration believes that no one will invest in the NCCB, which is intended to provide federal seed money to lend to consumer cooperatives. (*The Washington Post*, 04/26/1981)

On the 28th, in a televised address to a joint session of Congress, Reagan asks for support for his economic recovery program. (*President Reagan’s Address to a Joint Session of Congress*, 04/28/1981)
May

On the 2\textsuperscript{nd}, Senate Minority Leader Robert C. Byrd, (D-WV) states that he will vote for the Reagan budget. His remarks indicate that there will be little serious opposition from Democratic leaders once the bill reaches the Senate. The Democratic-controlled House, however, continues to debate the issue with the White House predicting the House vote will be “very, very close”. (\textit{The New York Times}, 05/03/1981)

On the 7\textsuperscript{th}, the House votes 253 to 176 to adopt Reagan’s $688.8 billion budget. Sixty-three Democrats join a unanimous Republican caucus. (\textit{The Washington Post}, 05/08/1981)

On the 12\textsuperscript{th}, by a vote of 78 to 20, the Senate passes the administration’s budget with only slight modifications. Changes to the House version restore $7.9 billion cut from Social Security and other federal retirement programs, and $1.7 billion to allow military and civil service retirees to receive cost-of-living increases in their pensions. (\textit{The Washington Post}, 05/13/1981)

June

The Office of Management and Budget announces new spending cuts totaling $361 million. The additional cuts become necessary to achieve the administration’s target of keeping the 1981 budget deficit under $54.5 billion. This target had been announced by the administration in February. (\textit{The Washington Post}, 06/10/1981)

The Office of Management and Budget notifies Congress of its intention to cut off funds for the Federal Trade Commission’s (FTC) antitrust case against the nation’s three leading makers of ready-to-eat cereals: Kellogg Co., General Mills Inc., and General Foods Corp. The move would prohibit the FTC from issuing an initial decision in the nine-year-old suit until Congress reviews the antitrust issues raised by the matter. (\textit{The Washington Post}, 06/13/1981)

On the 19\textsuperscript{th}, the administration recommends an additional $20 billion in spending cuts over the next three years. House Democrats respond by threatening to force piecemeal votes, whereby members would have to vote separately on each category of cuts. The GOP plan, developed jointly by House Republicans and OMB Director David A. Stockman, includes a modified version of a previous proposal for consolidating nearly 100 separate federal programs into no-strings block grants to the states, which was previously rejected by the House. (\textit{The Washington Post}, 06/20/1981)

On the 25\textsuperscript{th}, the House rejects an attempt by Democrats to force a piecemeal vote on the Reagan budget cuts. The vote is 217 to 210 as conservative Democrats once again join Republicans in voting against the initiative. Democratic leaders had hoped to force members to vote separately on each major category of cuts without the protective cover of voting for Reagan’s program as a whole. It is reported that the outcome surprises Republicans as well as Democrats and demonstrates that effective control of the House lies in the hands
of the Republicans and their conservative Democratic allies. *(The Washington Post, 06/26/1981)*

**August**

President Reagan announces the formation of the Budget Review Board, which must approve any executive branch decision to spend money not considered specifically during budget preparations. Key members include Counselor to the President Edwin Meese III, White House Chief of Staff James Baker III, and David A. Stockman. *(The Washington Post, 08/06/1981)*

On the 13th, President Reagan signs the tax and budget-cutting bills at the core of his economic program. At the signing ceremony he concedes that budget deficits in the near future may be larger than predicted but that the bills represent a historic turnaround for the United States. *(The Washington Post, 08/14/1981)*

**November**


**December**

The media reports that several senior White House advisers and administration budget officials plan to ask President Reagan to approve a total of $45 billion in new taxes that would take effect over the next two fiscal years. According to reports, the proposal is based on new economic forecasts supported by the Treasury Department, the Office of Management and Budget, the Council of Economic Advisers and the White House Office of Policy Development. *(The New York Times, 12/21/1981)*

**1982**

**January**

The media reports that Stockman has told federal agencies to finance at least half of a scheduled pay increase for federal workers out of general funds. The move would allow Stockman to keep the 1982 budget deficit below $100 billion. However, a spokesman for OMB in response to a question on the move admits that “the whole thing may not work.” Later, the move is challenged in a legal ruling by the General Accounting Office. *(The New York Times, 01/01/1982)*

The media reports that the President’s economic advisers have reached a consensus to increase “consumption taxes,” including those on alcohol, tobacco and gasoline, as part of a strategy to shrink budget deficits in the next few years. According to reports, after weeks of equivocating, Treasury Secretary Donald T. Regan has formed a coalition in favor of selective tax increases with OMB director Stockman, and Chairman Murray L. Weidenbaum, of the Council of Economic Advisers. Speaking on NBC’s *Today Show*, Regan says, “I think there will be some new tax increases [in 1983 and 1984] . . . .[W]e’re not going to have
deficits in the hundred-billion-dollar area. They’ll be much lower than that.” (The New York Times, 01/07/1982)

In his first State of the Union address, Reagan calls for “a single, bold stroke” to make government more responsive to the people by stripping an array of more than 40 programs out of federal control and turning them over to the states. President Reagan, in calling for a massive realignment of government responsibilities between Washington and the states says he will not raise taxes this year because his economic program will bring federal deficits down and restore prosperity. Calling the plan the “New Federalism,” the president states, “Our citizens feel they have lost control of even the most basic decisions made about the essential services of government, such as schools, welfare, roads, and even garbage collection. They are right.” (The Washington Post, 01/27/1982)

February

Martin Anderson announces his decision to leave the Reagan administration, where he had been serving as Director of the White House Office of Policy Development. Annelise Anderson will continue to serve in the administration in her current position as an Associate Director at OMB. Martin Anderson is replaced by OMB deputy director Edwin Harper. (The Washington Post, 02/04/1982)

The administration releases its $757.6 billion budget proposal for 1983. The budget projects a deficit of $91.5 billion for the next fiscal year, and includes sharp increases in military expenditures and deep cuts in social programs. OMB director Stockman tells reporters that “the whole thing will be difficult” in comparison to the administration’s sweeping political successes the previous year. Stockman acknowledges, “We’re facing severe deficits, it’s going to be a matter of weighing the choices available.” (The News York Times, 02/06/1982)

The media reports that the Reagan administration has included in its budget a proposal to cut drastically the legal fees it pays private lawyers, particularly “public interest” lawyers, who successfully sue the government. The proposal is designed to save money and cut off what Reagan aides consider another subsidy of liberal social causes. Critics of the proposal state that its primary impact would be to deter lawsuits in such areas as job discrimination, pollution, mine safety and freedom of information. “It could cut the legs off private enforcement,” states John Shattuck, Washington lobbyist for the American Civil Liberties Union. In response, an OMB official who asked not to be named argues, “these people have a remarkable capacity to equate the nation’s commitment to justice with the extent to which the taxpayers subsidize them personally.” (The Washington Post, 02/10/1982)

President Reagan creates a high-level task force on housing, consisting of Cabinet members and top White House officials. The task-force is given the mandate to come up with new ideas by March 31st to help the devastated housing industry. According to media reports, Housing Secretary Samuel R. Pierce will chair the task force, which will include Treasury Secretary Donald Regan, Labor Secretary Raymond Donovan, Agriculture Secretary John Block, Commerce
Secretary Malcolm Baldrige, Stockman, Meese, and Baker. Asked how the group differs from the cabinet council that deals with housing issues, an administration official states that the task force will be “very concentrated” and will deal with housing on a “one-shot basis.” It is scheduled to disband March 31st. *(The Washington Post, 02/18/1982)*

**March**

The administration’s chief economist, Council of Economic Advisers Chairman Murray L. Weidenbaum, states that persistently high interest rates have jeopardized the prospects for a business recovery starting this spring and continuing through 1983 and beyond. “These interest rates are affecting the timing, speed, strength and duration of the recovery.” His comments appear to increase the possibility that the Administration will scale down its forecast in the revised budgetary outlook that the President must by law send to Congress in April. The almost certain implication of such a downward revision would be lower projected revenues for the fiscal year 1983, which starts October 1st, creating a larger deficit. *(The New York Times, 03/16/1982)*

**April**

According to media reports, administration officials tell Congressional leaders privately that even if President Reagan’s budget is adopted the administration expects the 1983 deficit to reach $124 billion. This would be $32 billion more than the Administration estimated eight weeks ago. Sources also said that if none of the present programs were cut and if no taxes were increased, the deficit would run about $180 billion next year, $220 billion in the fiscal year 1984 and $240 billion in 1985, according to informal estimates from the Office of Management and Budget. *(The New York Times, 04/03/1982)*

President Reagan states that he would be “willing to look at additional revenue sources” as well as some cuts in military spending in an effort to lower the deficit. Hours after Reagan’s statement, budget negotiators for Congress and the White House say they have abandoned discussions on any reduction in the 7.4 percent cost-of-living increase for Social Security recipients that is scheduled for July 1st. *(The Washington Post, 04/27/1982)*

**May**

Speaking for President Reagan, Stockman endorses the proposed constitutional amendment to require balanced federal budgets. However, he suggests changing the language to permit suspension of the requirement in a national emergency. The proposed amendment currently includes a provision authorizing Congress to waive the budget-balancing requirement in time of war. Stockman, in testimony to a House Judiciary Committee subcommittee, suggests that the wording be revised to allow fiscal flexibility in the event of “an imminent threat to national security.” The “amendment ought to reflect modern practice,” and the way foreign policy is conducted, states Stockman, referring to the Korean and Vietnam Wars, neither of which was formally declared by Congress. During a May 1 radio address, President Reagan expresses his support of the measure. *(The New York Times, 05/20/1982)*
August

Anderson states that the administration strongly opposes elements of the recently passed Simpson-Mazzoli immigration bill. Of particular concern is a section of the bill that requires development of an identification system to screen out illegal aliens. Any such requirement, is “typical of totalitarian societies,” says Anderson. (The New York Times, 08/27/1982)

1983

Anderson leaves the administration and joins the Hoover Institution at Stanford University as a Senior Research Fellow.

1984

February

According to media reports, some White House officials are backing Anderson to succeed Nancy Teeters as one of the seven members of the Federal Reserve Board. It is reported that Anderson has the support of officials at the Treasury and the White House budget offices. Her appointment, however, is challenged by the fact that she does not reside in a Federal Reserve district not already represented on the Board. Senator Jake Garn (R-UT.), Chairman of the Senate Banking Committee, expresses an unwillingness to bend the rule that no two governors may be selected from the same district. The administration later nominates Martha Seger to fill the position. (The New York Times, 02/27/1984; The Washington Post 03/03/1984)

1988

May

Anderson is one of six national advisers and three governors who spend the day with Vice President George H.W. Bush in Kennebunkport, Maine discussing domestic issues in preparation for the upcoming presidential campaign. Others attending the seminar include Martin Anderson, Richard Darman, Bonnie Guiton, Carla Hills, and William Rusher. The three governors in attendance were John McKernan of Maine, John Sununu of New Hampshire and James Thompson of Illinois. (The Boston Globe, 05/28/1988)
Annelise Anderson Suggested Topics
Prepared by Duane Adamson
Miller Center of Public Affairs, University of Virginia, 12/2/2002

Origins of Relationship with Reagan
- Discuss the origins of your relationship with Ronald Reagan.
- Discuss the importance of Reagan’s 1964 televised speech endorsing Senator Goldwater to your own decision to support Reagan.
- Were you involved in Reagan’s 1976 presidential bid?

1980 Campaign and Transition
- How did you come to join the 1980 Reagan presidential campaign? Describe your role and responsibilities during the campaign.
- What do you consider the major challenges faced by the 1980 campaign team? Discuss the campaign personnel changes following the 1980 New Hampshire primary. How did the changes affect the campaign’s tone and strategy?
- Discuss your involvement with Reagan’s 1978 meeting with George Shultz at your home. How important was this meeting in securing Shultz’ support for Reagan? Describe your relationship with Shultz.
- What were your role and responsibilities during the transition period? Discuss the recruitment and selection of the cabinet and White House staff. What attributes did Reagan consider most important for his staff and cabinet officers to posses?
- Discuss David Stockman and Jack Kemp’s “Avoiding a GOP Economic Dunkirk” plan. Did this document later shape economic policy in the OMB or elsewhere in the administration?
- What were the circumstances surrounding your decision to join the administration?

Office of Management and Budget
- Discuss your role and responsibilities as Associate Director of the Office of Management and Budget. What issues and activities most occupied your time?
- Characterize your relationship with OMB Director David Stockman. How effective was Stockman as Director of OMB? Discuss Stockman’s relationships with others in the administration. What was the reaction in OMB and the administration to the Atlantic Monthly article? What is the legacy of the Stockman OMB?
- Discuss your relationship with Edwin Harper and the other Associate Directors at OMB.
- With whom in the White House did you work most closely? Describe your relationships with others in the administration: Baker, Meese, Haig, Allen, Clark, Weinberger, Deaver, etc.
- It has been said that OMB shifted from “analyst to negotiator” during the Reagan administration. Do you agree with this characterization? Describe OMB’s relationship with other key economic policymakers (Treasury, Council of Economic Advisors, etc.).
- Describe the budget process in the Reagan administration. How were decisions regarding the various budget cuts made? What were the President’s budget priorities?
- How would you characterize Reagan’s management style? What type of advice and information did he seek from staff? How involved was the President in OMB operations?
- Discuss your decision to leave the administration.
Reagan Presidency in Retrospect

• Discuss your personal observations of President Reagan. How effective was Reagan as a public leader, a legislative leader and a policy leader?
• What were the strengths and weaknesses of the Reagan administration?
• What features of the Reagan presidency were missed or misunderstood by the press?
• How should the Reagan presidency be viewed in history?
TIMELINES


SELECTED WRITINGS AND PUBLIC STATEMENTS BY ANNELISE ANDERSON


• Annelise Anderson, “Statement on the Balanced Budget Amendment,” Testimony before the House Budget Committee, United States House of Representatives, One Hundred and Fifth Congress, 02/05/1997.


