

THE WHITE HOUSE
WASHINGTON

April 5, 1982

MEMORANDUM FOR ED MEESE

FROM: Jim Cicconi 
SUBJECT: McClure-Volkmer Bill

Attached are copies of letters the President signed during the campaign on the subject of firearms control. Kathy Camalier managed to obtain them from the Hoover Institution.

I thought they might be of help since the NRA has referred to them in our discussions on the McClure-Volkmer bill.

cc: Elizabeth Dole
Ken Duberstein
Craig Fuller
Ed Harper
Ed Rollins

HOOVER INSTITUTION

ON WAR, REVOLUTION AND PEACE

Stanford, California 94305
(415) 497-3563



April 2, 1982

Kathy Camalier
West Wing
White House
Washington, D. C. 20500

Dear Ms. Camalier:

Please find enclosed copies of letters from President Reagan on firearms control, dated September 5, 11, and 17, 1980.

With best wishes,

Sincerely yours,

Charles G. Palm
Deputy Archivist

RONALD REAGAN

September 11, 1980

Mr. Harlon B. Carter
National Rifle Assn.
1600 Rhode Island Avenue
Washington, D.C. 20036

Dear Mr. Carter:

With a deep awareness of the responsibility I bear as the Republican Party's nominee for the office of President of the United States, I am writing to ask for your support of our effort to restore the faith of the American people in their government.

More than anything I want to bring back thoughtful, responsible leadership and direction to our country. I want to restore to our federal government the capacity to do the people's work without dominating their lives. America needs a government that will not only work well, but wisely; its ability to act tempered by common sense; and its willingness to do good balanced by the knowledge that much that government does in its attempt to help can also be harmful.

With inflation and interest rates having reached 20%, increasing dependence on foreign sources of energy, and national defense and foreign policies in disarray, we as a nation perhaps have never before faced as many challenges as we do this year and into the 1980's.

American sportsmen have been saddled by ill-advised Carter Administration policies on the use of land for recreation and on the legitimate use of firearms. The situation is particularly distressing.

The answer to these problems and to getting our nation heading in the right direction again is leadership. For nearly four years in the White House and many more in the Congress, our nation and the American people have suffered from a lack of strong, responsible leadership.

The pro-government, rather than the pro-people, policies of the Carter Administration have smothered the promotion and enjoyment of outdoor recreation by all sportsmen with too much regulation and interference, and too little common sense and understanding.

There are several specific steps I favor to restore enjoyment to the recreational pursuits of this country's sportsmen. These include:

- o promote the multiple use of public lands where it's compatible with good land and wildlife management;
- o support traditional authority of state agencies to manage fish, wildlife, and habitat on federal lands within state boundaries;

901 South Highland Street, Arlington, Virginia 22204

Paid for by Reagan Bush Committee, United States Senator Paul Laxalt, Chairman; Bay Buchanan, Treasurer

- o support for a responsible policy on water that includes all requirements across the spectrum of water use and does not destroy traditional state supremacy in water law.
- o set aside the proposed Carter Department of Energy restriction on the use of recreational vehicles.
- o oppose federal restrictions on the use of firearms, and recognize that mandatory sentences for the commission of armed felonies are the most effective means to deter abuse of this right;
- o support Congressional initiatives to remove those provisions of the Gun Control Act of 1968 that do not significantly impact on crime but serve rather to restrain the law-abiding citizen in the legitimate use of firearms.
- o support the Federal Firearms Reform Act which would curtail the most glowing abuses of civil liberties currently practiced by the Bureau of Alcohol, Tobacco and Firearms;
- o support the Civilian Marksmanship Program.

As President I will be committed to making these policies a reality.

The opportunity in 1980 gives America the chance to move ahead to make a better world. We can no longer afford mediocre leadership that drifts from one crisis to the next, eroding our national will and purpose. The current appeals made by the Carter Administration are full of election-year rhetoric and broken promises.

The time is now to recapture our destiny. To do this it will take many of us, working together. I ask you to join with me to volunteer your help in this cause so that we can have a nation, a government and a future of which we and our children can be proud.

The time is now to unite, to renew our commitment to basic American values and to rekindle the American spirit, of which there is no equal on this earth, to tackle and overcome the tough challenges that face our nation in the 1980's.

United in spirit and purpose, let us go forward to make 1980 a year of victory - for the people of the United States of America and the cause of freedom and the quality of life we so dearly cherish.

Sincerely,

RONALD REAGAN

Reagan Bush Committee

901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

September 5, 1980

Mr. Ken Howell, Editor
Rifle-Handloader
P.O. Box 30-30
Prescott, Arizona 86300

Dear Ken,

With a deep awareness of the responsibility I bear as the Republican Party's nominee for the office of President of the United States, I am writing to ask for your support of our effort to restore the faith of the American people in their government.

More than anything I want to bring back thoughtful, responsible leadership and direction to our country. I want to restore to our federal government the capacity to do the people's work without dominating their lives. America needs a government that will not only work well, but wisely; its ability to act tempered by common sense; and its willingness to do good balanced by the knowledge that much that government does in its attempt to help can also be harmful.

American sportsmen have been saddled by ill-advised Carter Administration policies on the use of land for recreation and on the legitimate use of firearms. The situation has become deplorable.

The answer to these problems and to getting our nation heading in the right direction again is leadership. For nearly four years in the White House and many years more in the Congress, our nation and the American people have suffered from a lack of strong, responsible leadership.

The pro-government, rather than the pro-people, policies of the Carter Administration have smothered the promotion and enjoyment of outdoor recreation by all sportsmen with too much regulation and interference, and too little common sense and understanding.

Mr. Ken Howell
September 5, 1980
Page 2

There are several specific steps I favor to restore enjoyment to the recreational pursuits of this country's sportsmen. These include:

- * promotion of the multiple use of public lands compatible with good land and wildlife management,
- * support for the traditional authority of state agencies to manage fish, wildlife, and habitat on federal lands within state boundaries,
- * support for a responsible policy on water that includes all requirements across the spectrum of water use and does not destroy traditional state supremacy in water law,
- * set aside the proposed Carter Department of Energy restriction on the use of recreational vehicles,
- * oppose federal registration of firearms, and recognize that mandatory sentences for the commission of armed felonies are the most effective means to deter abuse of the right to bear arms,
- * support Congressional initiatives to remove those provisions of the Gun Control Act of 1968 that do not significantly impact on crime but serve rather to restrain the law-abiding citizen in the legitimate use of firearms,
- * support the Federal Firearms Reform Act which would curtail the most glaring abuses of civil liberties currently practiced by the Bureau of Alcohol, Tobacco and Firearms,
- * support of the 77-year-old Civilian Marksmanship Program.

As President, I will be committed to making these policies a reality. United in spirit and purpose, let us go forward to make 1980 a year of victory--for the people of the United States of America and the cause of freedom and the quality of life we so dearly cherish.

Sincerely,

RONALD REAGAN

Reagan & Bush

Sportsmen and Conservationists for Reagan Bush

901 South Highland Street, Arlington, Virginia 22204 (703) 685-3400

National Chairwoman
Tanya K. Metaksa

National Chairman
Ray Scott

Advisory Committee
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Val Forget

Brig. Gen. Joe Foss, Retired

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Tom Krause

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Ray Moon

Paul Ott

Jack Powers

Ted Rowe

William B. Ruger, Sr.

Jack Sampson

W.H. "Bill" Talley

Ben Wallis

Richard Winter

September 17, 1980

Dear Friend,

As a life member of the National Rifle Association I am very proud to send you the enclosed letter from fellow NRA member, Governor Ronald Reagan.

For the first time in recent Presidential campaign history the sportsmen, hunters, fishermen and gun owners are represented within this campaign effort. Governor Reagan, Ambassador Bush and the entire Sportsmen and Conservationists for Reagan Bush Advisory Committee are committed to working with you and the millions of Americans who care about outdoor recreation and firearms ownership.

I am also enclosing a sample cover letter that can serve as a draft for your letter so that you may send a copy of Governor Reagan's letter to your friends, relatives and neighbors.

One of the most important things we can do is to get these letters moving on an ever-expanding basis. We must try not to break the chain of ever-increasing letters to other sportsmen. The costs for each individual is minimal, but the results can be overwhelming.

Time is of the essence and the faster we get the chain moving, the more likelihood Governor Reagan's message will be brought home on a personal basis by November 4 and lead to his victory.

Kindest personal regards,



Tanya K. Metaksa
National Chairwoman

Sportsmen and Conservationists
for Reagan & Bush

ENC.

RONALD REAGAN

September 17, 1980

Dear Fellow NRA Member:

With a deep awareness of the responsibility I bear as the Republican Party's nominee for the office of President of the United States, I am writing to ask for your support of our effort to restore the faith of the American people in their government.

More than anything I want to bring back thoughtful, responsible leadership and direction to our country. I want to restore to our federal government the capacity to do the people's work without dominating their lives. America needs a government that will not only work well, but wisely; its ability to act tempered by common sense; and its willingness to do good balanced by the knowledge that much that government does in its attempt to help can also be harmful.

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Sincerely,


RONALD REAGAN

THE WHITE HOUSE
WASHINGTON

April 5, 1982

MEMORANDUM FOR RICH WILLIAMSON

FROM: Jim Cicconi 
SUBJECT: Letter from Governor Clements

Attached is a copy of a letter sent to me by Governor Bill Clements. It concerns embarrassing remarks made by a regional employee of DOL.

The added remark at the bottom of the page indicates the Governor's level of anger on the subject.

cc: Craig Fuller
Ed Rollins

~~Handwritten scribble~~
JC memos



OFFICE OF THE GOVERNOR
STATE CAPITOL
AUSTIN, TEXAS 78711

WILLIAM P. CLEMENTS, JR.
GOVERNOR

March 31, 1982

The Honorable Raymond Donovan
Secretary of Labor
Washington, D.C.

Dear Secretary Donovan:

On March 26, 1982, Jack Nelson, Deputy Associate Regional Administrator for C.E.T.A. Programs Support, spoke to my Private Industry Council in Rio Grande City, Texas. The Texas Balance of State Private Industry Council had asked Floyd Edwards, the Regional Administrator, to speak to its members concerning pending legislation that will impact Title VII funds. Mr. Nelson addressed the members when Mr. Edwards could not attend.

Throughout his presentation on pending legislation, Jack Nelson continually expressed a lack of satisfaction for the Administration's proposals in Title VII funding. Although I did not expect you to send a cheerleader to create enthusiasm for the Administration's budget proposals, the last thing I expected was a bureaucrat who was perfectly satisfied with the status quo and who questioned the sincerity of the Reagan Administration's commitment to America's unemployed and disadvantaged citizens. Having one of your "bureaucrats" show his total disloyalty to the Reagan Administration's policy negates much of the progress that has been made by both President Reagan and me in the Hispanic community.

We did not win the election in 1980 with this idea of business as usual and yet these "civil service" employees continue to emphasize the negative rather than endorse the positive accomplishments that can be made through the Administration's proposals. This is not the type of rhetoric we need during this formative stage where we define the reduced role the federal government should play in the lives of our citizens. Mr. Secretary, I am most concerned about this incident.

Sincerely,


William P. Clements, Jr.
Governor of Texas

*you should fire him or at least
transfer him to Washington DC!*

bcc: Jim Ciconni

Not printed at state expense.

JSC memos

THE WHITE HOUSE

WASHINGTON

April 7, 1982

MEMORANDUM FOR RICHARD G. DARMAN

FROM: Jim Cicconi 

SUBJECT: Comments on Lawsuit and Press Release Regarding
Washington State Initiative No. 394

DOE Draft Press Release

1. I do not feel the DOE draft release is as acceptable as the Justice draft.
2. I question the accuracy, or at least the clarity, of the last paragraph in the draft since the complaint asks that the Initiative be declared unconstitutional only as it applies to WPPSS Nuclear Projects 1, 2, and 3.
3. I also question the need for DOE to issue its own release supporting the lawsuit. A release from Justice would make clear that DOJ is representing Bonneville; DOE can then respond to questions if asked. Two releases are probably unnecessary when our political aim is to limit damage.
4. I agree with the fact that neither release uses the word "nuclear", since that issue is irrelevant to the lawsuit.

DOJ Draft Press Release

1. I consider this draft more appropriately phrased to treat the issue.
2. I suggest it be amended to reference the obligations imposed by the 1980 Pacific Northwest Power Planning & Conservation Act (mentioned in the DOE release).
3. I also suggest the DOJ draft include language similar to, or perhaps quoting directly from, paragraph #38 of the complaint. That paragraph highlights the most politically advantageous argument for filing the lawsuit, namely to protect the rights of ratepayers in other states.
4. It is my understanding that we are only challenging the application of the Initiative to existing contracts, not to future contracts. If accurate, I suggest we specifically mention that fact in the release.

cc: Richard Hauser

fjc memos

THE WHITE HOUSE

WASHINGTON

April 7, 1982

MEMORANDUM FOR ELIZABETH DOLE
ED ROLLINS
LEE ATWATER
RED CAVANEY

FROM: Jim Cicconi 
SUBJECT: Points of Agreement from Today's Meeting

My notes indicate the following points were agreed on in today's discussion regarding various Administration problems with the minority community:

1. There is a need for a high-level black appointee in the Justice Department who can key into major issues of minority concern as they arise. Such a person should probably report directly to the Attorney General.
2. There is a definite need to increase the number of minority appointments. It was pointed out that Republican success with minority voters in recent years has depended on this, especially since our policy options are more limited than those of the Democrats. Improvement in the number of minority appointments is contingent on modification of the "Reaganite" requirement informally imposed by Personnel.

In addition to the above points of agreement, which we will add to in subsequent discussions, the following actions will be taken, by consensus, as soon as possible:

1. Rollins will arrange for Ed Brooke and William Coleman to meet with JAB and discuss both the Administration's problems with minorities and ways to address them. Cicconi will obtain JAB approval for the meeting.
2. Atwater will have an informal discussion on the subject with Mel Bradley and Thelma Duggin, and will then report at our next meeting.
3. We will meet with Art Fletcher and, separately, with Bob Brown to discuss the Administration's problems with the black community. Dole will arrange the Fletcher meeting, and Rollins will arrange the meeting with Brown.
4. Dole will arrange our next meeting as a group.

THE WHITE HOUSE
WASHINGTON

April 13, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *Jim*
SUBJECT: Update on Cabinet Council Issues

4/15 ✓
JC: Good paper, Jim.
as Jim said before
these summaries are
most helpful.
Jim

The following is a summary of certain issues discussed recently in the Cabinet Council system. Additional information is available on particular items mentioned.

1. Surplus Dairy Stocks: CCFA met with the President today and decided to develop a comprehensive package within 10 days that would (a) provide for domestic giveaways; (b) remove legal impediments to foreign sales; and (c) include changes in current price support laws. Rollins emphasized the positive political aspects of making use of the surplus to feed the poor both in our country and overseas.
2. Budget Deficit: In CCEA yesterday several Cabinet officers expressed concern that (a) they did not know the real story on the deficits, and (b) that there is now a credibility problem with the figures we are using (e.g., some figures are contingent on Congress passing legislative changes by mid-summer when "everyone knows nothing of the kind will happen"). In response, Regan decided to ask Stockman to brief CCEA members on status of the budget and deficit.
3. Gold Commission Report: There were several conclusions and recommendations. The main ones include (a) gold coins should be issued that would not be legal tender but would be exempt from capital gains and sales taxes; (b) exchange rates should remain flexible; (c) opposition to Treasury issuance of gold-backed notes and bonds; (d) study revaluing our gold stock nearer market prices; and (e) study the merits of a possible rule that would specify "money supply growth be maintained at a steady rate."
4. International Monetary Fund: CCEA recommended that the U.S. support Hungary's application to join the IMF. The main rationale was to encourage more liberalized economies in Eastern Europe by "rewarding" such steps as have been taken by Hungary. U.S. support has subsequently been conveyed.

There was talk in the Council (in Weinberger's absence) of how DOD was pushing a policy of "all-out economic warfare" against the Soviet Bloc. Baldrige pointed out that the President has not decided to follow such a policy, and that the Administration should not conduct itself in that fashion (such as on the Hungarian application) absent a clear decision.

5. Airline Industry: Due to current economic conditions, some bankruptcies--perhaps as many as four--are possible.
6. Balanced Budget Amendment: CCEA now agrees that there should be asymmetry between the provisions allowing an increase in taxes and permitting a deficit. The Council agrees that a line item veto for the President is desirable, but they are divided on whether asking for it in our proposal is good tactics (I think not). Discussion on the subject will continue.
7. Safe Harbor Leasing: Regan presented a preliminary report on the leasing provisions that indicated (a) 85% of benefits go to lessees; (b) leasing helps "distressed" industries; (c) leasing helps small companies (about 60% of transactions); and (d) Treasury's original estimates of revenue loss were largely accurate. Treasury will present more complete data to CCEA soon, probably with some suggested modifications in the leasing program intended to "save" it from both internal and congressional pressure for major change.

cc: Richard Darman

f JC

THE WHITE HOUSE
WASHINGTON

✓
—

April 13, 1982

TO: JAB III

FYI---

After I arranged for Tom Melady to go on the Chicago trip (re tuition tax credits), he called Steve Studdert to see if he could take along his special assistant.

When Steve asked me I told him "no way."

JE

One other piece of news:
State Rep Bob Davis decided not to file for re-election.

JE

THE WHITE HOUSE
WASHINGTON

April 14, 1982

MEMORANDUM FOR DAVID STOCKMAN

FROM: James A. Baker, III *JAB*
SUBJECT: Letter from Jesse Helms

I would appreciate it if you would review the attached letter from Jesse Helms. I have assured him we would look into the matter.

Thank you.

*Rest of material filed under
Helms/gc.*

THE WHITE HOUSE
WASHINGTON

JC memo

package filed under
JC → gc "Harter, Hirschel"

April 14, 1982

MEMORANDUM FOR CHRIS DEMUTH

FROM: Jim Cicconi 
SUBJECT: Proposed Kidney Dialysis Regulations

Attached are comments sent to me (though I have no idea why) concerning the proposed ESRD regulations on kidney dialysis. I would appreciate it if you would take a quick look at them, and then pass them on to the appropriate person at HHS.

These proposals have, as you know, generated a certain amount of controversy, with allegations that the new reimbursement rates will force many (especially those serving the poor) out of dialysis services. These particular comments also argue that the proposed rates are based on data that is now out-of-date.

I raise this with you only to point out that, if we go forward with the regulations (as seems likely), there will be public criticism. Such criticism will probably focus on the impact on the poor of closings attributed to the new regulations, etc. To counter such allegations, we will need to be sure that our base data is reliable and that our cost and anticipated impact projections are defensible.

cc: Craig Fuller

✓

THE WHITE HOUSE
WASHINGTON

April 16, 1982

TO: JAB III

RE: Judges

At Judicial meeting yesterday I did not feel it necessary to come and get you.

There are 2 vacancies on the 5th Circuit, and the 2 leading candidates are from Texas. Charles Alan Wright has asked to think about it over the weekend and will call back Monday. Pat Higginbotham is now a District Judge in Dallas-- I know him and think well of him. He also is Tower's candidate as of today.

Both are on hold pending some checks.

Also, we received word yesterday that Judge Woodrow Seals of Houston has resigned effective at the end of the year. Do you have some suggestions?

Paul Harris. already

seen Tower.

JC

- Conveyed to FF

JC 4-19-82

BKFAST

LYN - Mon P.m.

Somebody else in also?

DM - Eco Club?

JC memo

THE WHITE HOUSE
WASHINGTON

JC
Thanks. Good
file
JH

April 19, 1982

TO: JAB III

RE: Cigarette Warning Labels

Bottom line here is that the worst of our problems have been defused on this issue.

I drafted a response for the President to Dr. Hutter, head of the American Cancer Society (who had criticized us in the Post). It spelled out our position in a conciliatory fashion. The letter has already been circulated and will go out this week. - ~~has gone~~ - attached.

I asked that Elizabeth meet with Hutter and his people to discuss the issue and their concerns. She did so last week, along with Dr. Brandt of HHS, and said it went very well.

Our real problem was not our position, but the fact that not many people knew what it was-- the Stckman letter to Congress had not been made public.

By the way, I added a phrase ^{highlighted} in the President's letter that will keep the tobacco people happy if the letter is publicized by Hutter (as seems likely).

JC *JH*

THE WHITE HOUSE

WASHINGTON

Dear Dr. Hutter:

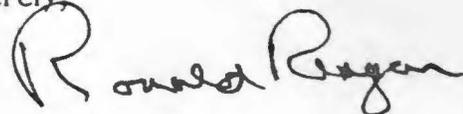
Thank you for your letter of March 18 regarding our policy on cigarette warning labels. I am afraid there have been some recent misunderstandings about this subject and I welcome the opportunity to provide some clarification.

This Administration is deeply concerned by the compelling evidence linking cigarette smoking to a variety of major illnesses. We have endorsed the recently released findings of the Surgeon General on the conclusive link between smoking and several diseases, including cancer — findings I cited again on April 3 in proclaiming this Cancer Control Month. We believe, and have recently restated to the Congress, that warning labels alerting the public to the serious health hazards posed by cigarette smoking are entirely appropriate and could, in fact, be strengthened without overstating those dangers.

As you know, Congress is now considering a number of alternative labeling proposals for cigarette packages. Since there is little evidence on the effectiveness of such approaches, we have decided not to take a position on them at this time. We trust that Congress will study this question thoroughly, giving great weight to the need to adequately inform the public of health hazards, while avoiding approaches that impose burdens bearing no real relation to the overriding goal of warning labels.

I appreciate the fine work of the American Cancer Society on this and other issues, and hope this letter will clarify any misunderstandings that may have arisen. I look forward to working with you in the future.

Sincerely,



Robert V.P. Hutter, M.D.
President
American Cancer Society, Inc.
777 Third Avenue
New York, New York 10017

THE WHITE HOUSE
WASHINGTON

April 20, 1982

MEMORANDUM FOR ~~FAYE IUDICELLO~~ → ~~HHS~~ Room 5208
FROM: Jim Cicconi *JC*
SUBJECT: Attached Letter

I would appreciate your handling an appropriate response to the attached letter on proposed ESRD regulations. ~~Chris DeMuth~~ gave me your name as the HHS contact on this matter.

Thank you for your assistance.

4-22-82

Forwarded to:

Health Care Financing Administration
Regulation Staff/Bureau of Program Policy
Room 188, East Highrise
6325 Security Boulevard
Baltimore, Maryland 21207
ATTN: Marc Thomas

(An Jerri Gordon at HHS - 245-7225)

THE WHITE HOUSE

WASHINGTON

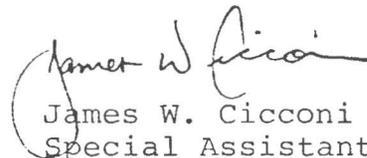
April 20, 1982

Dear Dr. Pohlman:

Thank you for your comments on the proposed ESRD regulations.

I have forwarded them to the Department of Health and Human Services, and am certain they will receive every consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "James W. Cicconi".

James W. Cicconi
Special Assistant to the
President

Dr. Thomas Pohlman
The Jewish Hospital of
St. Louis
Post Office Box 14109
St. Louis, Missouri 63178

SCHOOL OF MEDICINE
ST. LOUIS, MISSOURI 63110

April 12, 1982

RENAL DIVISION
DEPARTMENT OF INTERNAL MEDICINE
JEWISH HOSPITAL OF ST. LOUIS
216 SOUTH KINGSHIGHWAY
P.O. BOX 14109
ST. LOUIS, MISSOURI 63178Mr. James W. Cicconi
Special Assistant to the President
Special Assistant to the Chief of Staff
White House
Washington, D.C. 20500

Dear Mr. Cicconi :

I am the Medical Director of the dialysis unit at The Jewish Hospital of St. Louis. We are a non-for-profit hospital based unit affiliated with Washington University Medical Center. We are active in professional education both in regards to M.D.s, R.N.s, and other allied health professionals. In addition, we are an active home dialysis unit. Our current census includes 45-55% home dialysis patients made up of a CAPD program and a home hemodialysis program with remaining patients in center on hemodialysis.

Concerning the proposed regulations on end stage renal disease (i.e. the composite rate), I feel the proposals fall short in several ways of the desired goals, of providing support for patients requiring treatment for end stage renal disease and promoting home dialysis. Our unit has a long history of successful home hemodialysis. The current proposed regulations will require us to decrease our home dialysis population rather than increase it. This problem will arise as a result of the removal of reimbursement for capital equipment for such items as hemodialysis machines and water treatment equipment. This is a program we have utilized since its conception and its loss will increase the cost of home dialysis significantly. Although it has been pointed out that this option has not been widely used throughout the United States, it must also be pointed out that nationally home hemodialysis has not been widely used. We on the other hand, have practiced both, i.e. encouraging home hemodialysis as well as obtaining machines for our patients through the federal reimbursement plan. This equipment cost of \$6000-10,000 is required for each home hemodialysis patient but can be dispersed over 4-6 in-center patients, thus for a unit of our size and with a large home dialysis population, it will greatly increase our expense.

Secondly, we have been active in providing paid dialysis aides for our patients at home that have no family member available to assist their dialysis. The proposed regulations dictate that the salary for such aides will be paid from the composite rate. We are currently practicing under a similar provision in the Target Reimbursement Rate. However because the current proposals mandate that home dialysis programs no longer be separate

Page 2
April 12, 1982

but rather be profitable enough to maintain the associated center dialysis programs which will become financial liabilities, those patients who we in the past have sent home with paid aides will no longer be able to go home.

Though I agree whole heartedly with the concept of increased home dialysis, I feel that current regulations do not promoted home dialysis but in fact retract from its use.

It is our feeling that home dialysis should be encouraged and can be practiced without difficlty on a minimum 50% and perhaps more of the dialysis population. However the current proposal does not provide for this stimulus.

Finally the proposed composite rate for hospitals is far below the actual cost for a unit with a strong commitment to teaching both patient and professional as our unit is. It is stipulated that exceptions will be granted only in rae exceptions and education is not one of these exceptions in the current proposals. Such units are absolutely necessary if progress is to be made in the treatment of renal disease and personnel to provide these services are to be properly trained.

For these reasons, I feel the current proposals are deleterious to the goals of the end stage renal disease program, will decrease home hemodialysis, and compromise general patient care.

I will be available and willing to discuss these issues at any time.

Yours truly,


Thomas Pohlman, M.D.
Medical Director, Hemodialysis Unit
The Jewish Hospital of St. Louis

TP:kf

THE WHITE HOUSE
WASHINGTON

April 23, 1982

TO: JAB III

RE: Dairy Program and Sugar

Two key issues will be raised on Monday during the CCFA meeting with the President:

1. Block will present a proposal to address the problems with the dairy price support program. This will include both administrative and legislative steps designed to reduce (thru distribution at home and abroad) current stockpiles, prevent over-accumulations in the future, and gain some control over costs (by giving the Secretary some discretion in setting the support level). This is clearly necessary, but also will be controversial from a political standpoint.
2. Block will also present a nearly unanimous CCFA recommendation that sugar quotas be set to put a lid on support outlays that will balloon because of the drop in world sugar prices. This obviously runs contrary to our free trade philosophy, but to do nothing might lead to added outlays of up to \$1B in FY 83 for sugar purchases. An issue where there is disagreement is whether the CBI countries should get a preferential quota.

JC *JW*

THE WHITE HOUSE
WASHINGTON

April 26, 1982

TO: JAB III

RE: Economy

A report to CCEA last week by Larry Kudlow stated the following:

1. Leading indicators are still falling, which could indicate we have not hit bottom yet.
2. The level of real output indicates the 2d half recovery will not be particularly strong, and will be a "recovery only the economists will recognize."

Beryl Sprinkel countered that the indicators cited by Kudlow have a short lead time concerning "turns" in the economy-- only 1 to 3 months. He further questioned their reliability even within that time frame.

JC

cc: Dick Darman

THE WHITE HOUSE
WASHINGTON

May 5, 1982

TO: JAB III

RE: Maritime Policy

As you know, the President made a number of campaign statements about protecting and revitalizing the US maritime industry.

Drew Lewis is sensitive to the fact that we have done very little to back up those statements aside from the naval buildup. He has come up with a long list of options for discussion in order to force some action. Though he concedes Murray Weidenbaum's point that past policies and subsidies have had a major hand in our problems, he argues that we must nevertheless operate from the present situation and try to be constructive.

DECISIONS: within the next 2-3 weeks, DOT will cull those steps that could be taken quickly, and with minimal controversy. At the same time, an interagency working group will work on the more major (and thus controversial) suggestions. The latter will take quite a while longer.

cc: Dick Darman

JC

f J memos



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM

May 11, 1982

To: Joe Wright
Craig Fuller

From: Mike Horowitz **MH**

Subject: Attorney General Letter

I have a copy of the Attorney General's letter of May 7 suggesting submission of a memo from the President regarding legal review of Executive orders and proclamations.

In connection with that proposal, you should know that expedited Justice Department review has been sought only in response to demands from the White House for expedited submissions to the President.

Citation of the sugar proclamations is indicative of the fact that the Justice Department draft memo may be misaddressed. The Presidential decision regarding the proclamations was made May 4th and there was urgent need for them to be signed at the earliest possible moment — this to avoid massive pre-proclamation imports. Justice knew of this and of White House interest in expedited sign-off. There is not a thing which the draft memo would or should have done to change the sign-off schedule.

cc: Ken Cribb
Jim Cicconi ✓

Craig:

It may not matter that we are again in a finger-pointing exercise between OMB and Justice, but the above contains statements that I have some trouble with. The fault (if it is that) lies w/ both, and, as you said in your letter, perhaps w/ WH as well. Two hours to review a complicated issue like sugar quotas ~~is~~ was probably not reasonable. I don't think we would have drowned in sugar if we'd given Justice till close of business. Second, the person who talked w/ OLC would have heard the complaints about inadequate time for reliable legal review, and should have raised the problem here. If OLC did not convey their concern

H... H... hear - more "blame" than they assumed (over)

For the above reasons (and the confusion of who was "responsible" between OMB and DOJ), I agree completely w/ the memo proposed by the AG. The last sentence is especially helpful because it places the burden squarely on Justice to say "no" if they've had insufficient time to satisfy themselves on legality.

Thanks.

Jim Cicconi
5-12-82

cc: Dick Darman

f JE memos

THE WHITE HOUSE
WASHINGTON



May 11, 1982

MEMORANDUM FOR CRAIG FULLER

FROM: Jim Cicconi 
SUBJECT: Haitians 

In the course of a weekend conversation with Stan Morris of DOJ, we discussed the Haitian situation. He said they were very aware of WH concerns and indicated that improvement of living conditions in the detention facilities has been a high priority with INS. As a result, such conditions have been improved dramatically in the past several months. Stan went on to say they were confident that inspection by a team from the International Human Rights Commission would raise no serious problems regarding living conditions.

As for the legal questions, including detention of many of the Haitians for over a year, Stan says the issue will probably come to a head within the next few weeks. They are confident of a favorable appellate decision that will allow them to deport the bulk of the Haitian refugees.

cc: Rich Williamson
Ken Cribb

f
-22

THE WHITE HOUSE
WASHINGTON

May 11, 1982

TO: JAB III

For your information...

I set up Jack Fields, Trent Lott, and John Breaux to talk with Bud McFarlane about our next step on Law of the Sea. Jack says thanks for helping.

By the way, I checked with Duberstein first, and he agreed that we should do.

Fields will be in for lunch with me next Wednesday. If you're in do you want me to bring him in for a 2 minute "hello" before-hand?

Yes

JC

f —————

THE WHITE HOUSE
WASHINGTON

May 12, 1982

TO: JAB III

RE: Deputy Director of SBA

I talked with Chase re possible Hispanics for the job at SBA. His first thought was to mention Rafael Capo, who is Boyden Gray's deputy. He says Capo is getting fairly bored in his present job and would probably be good at SBA.

The only problem that I see up front is that Capo is Puerto Rican, not Mexican-American. The Hispanics have been complaining that most of our appointees have been Puerto Rican and not MA. Worth considering or not?

If "yes", I will note to raise at next Personnel meeting.

[Chase said he would also check with Luis Terrazas for any other Texas possibles.

JC
Dotter - Tracy

JAB

JC

fjc memo

THE WHITE HOUSE
WASHINGTON ✓

May 12, 1982

TO: JAB III

RE: Clean Water Act

Very soon CCNRE will present the subject of amendments to the Clean Water Act in a meeting with the President.

Most of the changes are, I feel, quite reasonable from a legal and technical standpoint. It should be recognized, though, that any proposed changes at all will draw anguished cries from the Democrats and the environmental coalition. Such over-reaction is now unfortunately standard due to the extreme suspicions engendered by Watt and Gorsuch.

The major point of disagreement is over one issue: whether EPA should have the power to grant waivers on a case-by-case basis from certain pollution control steps (if they've found a cheaper way to do the job, etc.). EPA first suggested this, but has backed off because they got negative political reactions from Congress. There is some sentiment (Watt) to go ahead anyway with the proposal. The President will decide.

JC

f SE memos

THE WHITE HOUSE
WASHINGTON

May 13, 1982

MEMORANDUM FOR FRED FIELDING

FROM: Jim Cicconi 
SUBJECT: Budget Review Board Directive of March 29, 1982

At JAB request, would you please review the attached letter and, in consultation with OMB,

- a) advise whether the conclusion drawn by NRC is legally correct (or defensible); and
- b) draft an appropriate response for JAB signature.

Due to hearings on the Hill, it would help if we could get an answer drafted soon. If you return it through me, I will handle next steps.

Thanks.

Fielding answered
by separate memo.
JWC



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

April 27, 1982

Mr. James A. Baker, III
The Budget Review Board
The White House
Washington, D.C. 20500

Dear Mr. Baker:

This is in response to the memorandum of the Budget Review Board, dated March 29, 1982, which directs agencies not to respond to Congressional Committee requests on how funds in excess of the President's budget might be spent. While the memorandum apparently was intended to apply to this Commission, we have concluded, on the basis of advice of counsel, that we cannot comply with it. Section 303 of the Atomic Energy Act requires the Commission to keep appropriate Congressional Committees "fully and currently informed" about its activities and further provides that the Commission "shall furnish any information requested" by an appropriate committee. Thus, while we understand the considerations which prompted the memorandum, it appears that our implementation of it would violate the Atomic Energy Act.

It should also be noted that, in the case of this Commission and other collegial bodies, much of the budgetary information in question will already be public by virtue of the recent holding of the Court of Appeals for the District of Columbia Circuit in Common Cause v. NRC. Although the Commission sought to appeal that case in order to preserve the confidentiality of its and the President's budget deliberations, to our disappointment that request was denied by the Solicitor General and in fact was not supported by the Office of Management and Budget.

Sincerely,

Nunzio J. Palladino

THE WHITE HOUSE

WASHINGTON

May 20, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *JC*
SUBJECT: 50 States Project

As you know, the departure of Judy Peachee has left the 50 States Project unstaffed. With the possibility that the Women's Equity Task Force will discover very few areas of inequity or discrimination in federal laws and regulations, the 50 States Project takes on added importance.

Rich Williamson feels the project, designed as a response to concerns of women's groups, is not entirely consistent with the thrust of his office's activities. He would prefer that it be transferred.

I asked Elizabeth Dole for her views on whether the project should be transferred to the Office of Public Liaison or to some other WH office. She indicated today that she had given thought to the matter, discussed it with Judy Peachee, and concluded that the 50 States Project should be located within OPL. She added, though, that she felt the project was a full-time job in itself and could not be added to the women's liaison function; she recommended that OPL be given an additional personnel slot if the project is transferred.

Decisions

1. Should the 50 States Project be transferred to the Office of Public Liaison?

YES *JAB* NO _____ DISCUSS FURTHER _____

2. If "yes," should OPL be given an additional personnel slot to staff the project?

YES *JAB* NO _____ DISCUSS FURTHER _____

THE WHITE HOUSE
WASHINGTON

May 21, 1982

TO: JAB III

RE: CCEA Meeting

One of the points made in yesterday's meeting was the very serious economic situation in Mexico. They are having severe problems in making the payments on interest and principal due on their external debt. They are also having problems relating to the most recent devaluation of the peso.

The Cabinet Council will make the President aware of these problems since a meeting with Mexican officials during the California trip is being discussed.

You are already aware of the similar, though more severe, problems in Argentina.

cc: Richard Darman


JC

THE WHITE HOUSE

WASHINGTON

May 24, 1982

MEMORANDUM FOR THE RECORD

FROM: Jim Cicconi
SUBJECT: Dr. Bob Billings

Today I called Dr. Bob Billings concerning a copy of the attached letter to Kent Lloyd. I cautioned Billings concerning letters of primarily political content being written on department letterhead. I also raised a question concerning use of the title "White House Political Liaison."

Billings responded that the agency counsel had cleared the initial letter, i.e., when Lloyd was intending to run for a non-partisan office. However, he neglected to double-check when Lloyd decided to run for State Treasurer. Regarding his job title, Billings replied that his job was political liaison with the WH on Schedule C appointments and other matters, and that his office in the department was, in fact, named the "White House Political Liaison Office."



UNITED STATES DEPARTMENT OF EDUCATION
WASHINGTON, D.C. 20202

OFFICE OF THE SECRETARY

March 22, 1982

Dr. Kent Lloyd
Deputy Under Secretary, Management
Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202

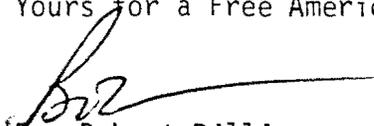
Dear Kent:

I know that you have given serious consideration to running for the State Treasurer in California. I applaud your dedication to this worthy cause. May I extend to you a few words of advice and encouragement?

This Administration faces a serious threat from the left in the upcoming 1982 elections. It is extremely important for the Party that every candidate for every position be a "vote getter." Candidates must be strongly committed to the cause we have been espousing for many years. I believe that you are such a candidate. I also believe, Kent, that you will be a "vote getter." With your name on the ballot in California, you will bring in hundreds of thousands of voters who will pull lever for Republican Party candidates. This cannot help but strengthen the Party ticket for the senatorial, gubernatorial and congressional races. I strongly believe that someone of your caliber must be on the ticket if we are to see any success of the Republican Party in California this year. With the many problems facing this Administration, the help you can give for Republican races will certainly lighten the load for the President.

Having worked with you over the past year, I believe you will be a good representative of this Administration. I certainly want to commit to you my own willingness to help in any way I can. You have my serious prayers for a successful race.

Yours for a Free America!


Dr. Robert Billings
Director
White House Political Liaison

RJB/dg
cc: Jim Baker ✓

Official at Education Department

Bob Billings: Christian Right's Inside Man

By Charles R. Babcock
Washington Post Staff Writer

When Bob Billings, the Moral Majority's first executive director, joined the Department of Education, he coveted the job as head of the private school office.

But he backed off in the face of heavy opposition and, instead, took a slot running the department's 10 regional offices. He still considers himself a contact point for the religious right, though, and his recent travel schedule bears this out.

In recent weeks, he has attended a convention of the conservative Council for National Policy in Dallas and a meeting of the Delaware Association of Christian Schools teachers, and has spoken at a church school, Heritage University, in Ohio.

He also tried unsuccessfully to arrange a flight to London at government expense to attend a meeting of the conservative Council for National Policy, whose education committee he chairs.

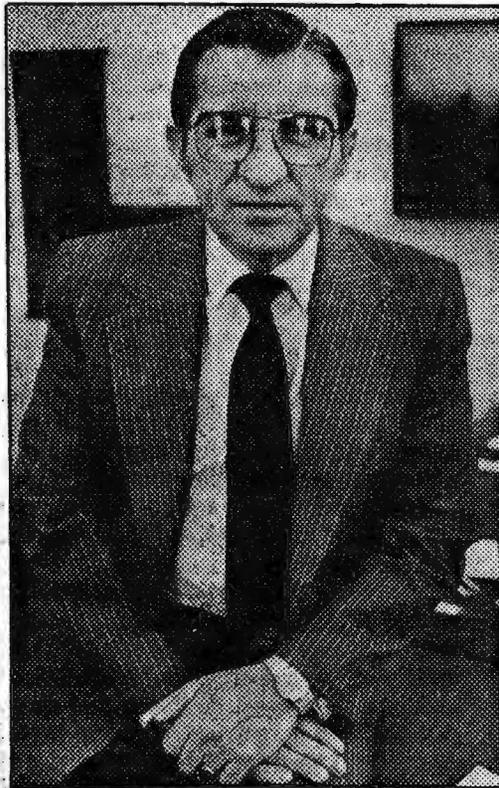
"Is there any way that I could make this an official visit for the Department of Education?" he asked Secretary Terrel H. Bell in a March 1 memo. "Recently I read a memo from the president who suggested that such trips were in the best interests of our government."

The trip was vetoed after a reporter asked about it. Billings said in an interview the other day that he couldn't find the presidential memo he was referring to. The London jaunt, he added, "was a bad move. I didn't know any better. Being new I thought it was something legitimate. I found out in a hurry that it wasn't legitimate."

But the other trips were official business, he said. At the Dallas convention, he was courting members of the New Right to support the administration's plan for turning the department into a sub-cabinet foundation, he said. The Delaware and Ohio trips were authorized because he spoke on educational issues, he added. He said he travels only about three days a month, although he has visited each of his 10 regional offices at least twice.

Billings ("a youthful 55," he says with a smile) is a graduate of Bob Jones University and a Baptist preacher who still heads for the pulpit on many weekends. He led the Christian right's fight against Internal Revenue Service regulation of private schools, and helped start the Moral Majority before getting his first taste of government life after Reagan's election.

Private school groups opposed his first choice of jobs. Robert L. Smith, executive director of the Council for American Private Education, said "We fought tooth and nail to keep him out of that position." The council's member groups were con-



By Joel Richardson—The Washington Post

Bob Billings says U.S. post gives him "better platform."

cerned about what Smith delicately called "the ambivalent image" on discrimination that Billings' background displayed.

Because of his ties to Bob Jones University, the Greenville, S.C., school that is challenging the IRS's denial of its tax-exemption before the Supreme Court, Billings was reluctant to comment on the administration's tortured handling of the issue. "It's one of those things you have to live with," he said of the administration's on-again, off-again support for his alma mater.

The IRS lifted the school's exemption several years ago because of its policy barring interracial dating and marriage. The administration has taken the position that the IRS doesn't have the authority to deny such exemptions because the law doesn't mention race.

After a public outcry, Reagan officials backtracked and offered legislation to ban such tax exemptions retroactively. That infuriated the religious right, including Billings' son Bill, who heads the National Christian Action Coalition.

"I don't think any of us are supporters of segregated academics," the elder Billings said. "I feel

the issue is really a religious issue, not a race issue That's why we're so glad the Supreme Court is going to look at it."

Besides the regional offices, Billings said he's now in charge of the department's Administrative Processing Unit, which looks at political appointments. He also signs some memos as "director, White House political liaison."

He explained that since December, he's also been in charge of the department's 99 "Schedule C" political appointees. On St. Patrick's Day, for instance, he invited them to a midday hour of entertainment and refreshments including Irish songs by John Longbottom and a talk by ABC-TV correspondent Susan King on "how to get along with the media."

In between trips, Billings said he's seen enough of the civil service to find "my opinion of bureaucrats has taken almost a 180-degree turn." When he was on the outside, his view was "always negative," he said. He thought government workers were "lazy, after people's money, trying to control everyone, having their own agenda, not caring." Now, Billings said, he thinks most are "dedicated public servants."

Billings said he can't be as "out front" on the issues as he was in private life, but that he hasn't compromised his principles. "Maybe my tactics have changed. My principles certainly have not. I have a better platform on which to speak on the issues with my position in the department."

Bill Billings said his father still can help the religious right by taking its case to members of Congress. "He has a platform that's not open to us. What he can't do is give them the business, put the pressure on, or give them the ax."

Paul Weyrich, head of the conservative Committee for the Survival of a Free Congress, said Billings remains on his Free Congress Foundation board, but he declined to assess his effectiveness on the inside. Connie Marshner, another New Right activist, said she wondered whether the administration gave Billings a meaningless position.

When asked about politics, Billings said he feels the president will keep his promises on the social issues highlighted during the campaign. "I try very hard to defend the administration," he said. "I explain why things are not moving as fast as some of them [conservatives] think we ought to go."

"I like to think I'm some kind of liaison between the administration and the 'Right,' especially the evangelical/fundamentalist community," he said. "I know them well. That's my crowd. I'm one of them. I speak their language."

"I'm very happy here," he said of his post. "I like this more than any job I ever had."

THE WHITE HOUSE
WASHINGTON

May 24, 1982

MEMORANDUM FOR PEN JAMES

FROM: Jim Cicconi

I thought you would like to keep a copy of this in your files with some sort of designation that this is only a one-year term and that we'd sure like to get one of our people in the slot next year.

I appreciate your checking it out for me. I'm only sorry I did not get the information to you in time.

What may be the highest paying patronage job available through the United States Government will be selected on May 10, 1982. Last year the job paid \$113,400 and was held by Laurance Ochs, former Special Counsel to Secretary of Transportation Brock Adams in the Carter Administration. Since the job is only part time, that's not bad.

The situation arises as follows: The United States owns approximately 24 percent of the outstanding common stock of Central Jersey Industries, Inc., which is a publicly traded company. Central Jersey formerly was in the railroad business and through a very tangled history and bankruptcy proceeding in which the United States had a creditor interest, the United States ended up with a 24 percent common stock shareholding, and is by far the largest single shareholder. The certificate for the shares held by the United States is physically being held by the Department of Justice which has responsibility for the bankruptcy proceedings. Ochs was elected to the Board of the Company to represent the United States on April 18, 1980, was re-elected at the annual meeting in 1981 and is up for election again at the annual meeting on May 10, 1982.

The Treasury Department has ultimate authority to dispose of the stock interest held by the United States and Treasury apparently is now considering what to do with the stock. Pending any decision on disposal of the stock, however, the Justice Department is responsible for protecting the shareholder interest of the United States and so far as can be determined is prepared to vote for the re-election of Mr. Ochs as a Director at the

annual meeting. Since there is a dispute whether the company has cumulative voting, the situation is rather tangled concerning the replacement of Mr. Ochs and substitution of another Director to represent the United States. Suffice is it to say, however, that since the United States is by far the largest single shareholder and since the shareholders by a large majority, including the United States, passed a resolution adopting cumulative voting two years ago, there would appear to be no great difficulty in the Government replacing Mr. Ochs with a Director of its own choosing.

A copy of the Notice of Annual Meeting is attached.



CENTRAL JERSEY INDUSTRIES, INC.

NEWARK, NEW JERSEY

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

MAY 10, 1982

To the Holders of Common Stock of
CENTRAL JERSEY INDUSTRIES, INC.

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of CENTRAL JERSEY INDUSTRIES, INC. (the "Company") will be held at the Essex Room, Hilton Gateway, Gateway Center, Raymond Boulevard, Newark, New Jersey 07102, on Monday, May 10, 1982 at 10:00 o'clock A.M., for the following purposes:

1. To elect five (5) directors of the Company to hold office until the 1983 Annual Meeting of Stockholders and until their successors shall have been duly elected and qualified;
2. To consider and act upon the following proposal which is described in the Accompanying Proxy Statement.

STOCKHOLDER PROPOSAL:

Creation of a Nominating Committee of the Board of Directors

3. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business of March 12, 1982 as the record date for the determination of the holders of Common Stock entitled to notice of and to vote at the Meeting.

If you cannot be present in person, your Board of Directors would greatly appreciate your filling in, signing and returning the enclosed Proxy in the envelope provided for that purpose as soon as possible.

By Order of the Board of Directors

John A. Grady
Secretary

CENTRAL JERSEY INDUSTRIES, INC.

PROXY STATEMENT

Annual Meeting of Stockholders

May 10, 1982

This statement is furnished in connection with the solicitation of proxies by the Board of Directors of CENTRAL JERSEY INDUSTRIES, INC., Suite 501, Gateway I, Newark, New Jersey, 07102, for use at the 1982 Annual Meeting of the Stockholders to be held on May 10, 1982, and at any and all adjournments thereof and was mailed to security holders on March 31, 1982. The Board of Directors has selected the close of business on March 12, 1982 as the record date for purposes of determining stockholders entitled to notice of, and entitled to vote at, the Annual Meeting. On the record date, there were 2,005,000 shares of \$1.00 par value Common Stock of the Company issued and outstanding. Each share, except for 98,083 shares held in the name of Manufacturers Hanover Trust Company for exchange for Central Railroad Company of New Jersey 3¼% General Mortgage Bonds, is entitled to one vote on any matter to be voted on at the meeting.

If the enclosed form of proxy is properly executed and returned in time to be voted at the meeting, the shares represented thereby will be voted as specified. Any proxy can be revoked prior to its exercise, but the attendance at the meeting by any stockholder who has previously given a proxy will not have the effect of revoking the proxy unless such stockholder delivers written notice of revocation to the Secretary of the meeting prior to the exercise of the proxy.

ELECTION OF DIRECTORS

At the meeting five (5) directors are to be elected to hold office until the 1983 Annual Meeting of Stockholders, and until their successors shall have been duly elected and qualified. It is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby for the election of the following nominees as directors of the Company. All of the nominees are now members of the Board of Directors of the Company, and were elected at the Annual Meeting of Stockholders held May 11, 1981, with the exception of Julian B. Grow who was appointed by the Board to fill the vacancy created by the resignation of Roger A. Snerson on August 21, 1981. Should any of these nominees be unable or unwilling to accept nomination or election for any presently unknown reason, it is the intention of the persons named in this proxy to vote for such other person as the Board of Directors of the Company may nominate.

<u>Name and Age</u>	<u>Principal Occupation for Past Five Years</u>	<u>Years in which Nominee has Served as Director of This Company</u>	<u>Shares of Common Stock of the Company Beneficially Owned as of March 12, 1982</u>
Murray M. Salzberg, 67..	<i>Director, Chairman of the Board of Directors since September 14, 1979. For more than five years Chief Executive Officer of H. E. Salzberg Co., Inc., a privately owned corporation active in the transit industry</i>	Sept. 14, 1979 to date	301,439
R. D. Timpany, 62	<i>Director, President and Chief Executive Officer since September 14, 1979. Prior thereto, Trustee of The Central Railroad Company of New Jersey for more than five years</i>	Sept. 14, 1979 to date	5,000
David E. Schwab II, 50	<i>Director since December 13, 1979. For more than five years a member of the law firm of Schwab Goldberg Price & Dannay, New York, N. Y., or its predecessors. During 1981, such firm performed legal services for H. E. Salzberg Co., Inc. and affiliated companies which amounted to more than 1% of the gross revenues of such firm.</i>	Dec. 13, 1979 to date	200
Laurance J. Ochs, 37	<i>Director since April 18, 1980. Counsel to the law firm of Lamb & Lamb, Washington, D.C., prior thereto was Special Counsel to the Secretary of Transportation (1979), Assistant General Counsel to the United States Railway Association (1978-1979), and prior thereto, member of the firm of Friedman, Medalie & Ochs (1975-1978)</i>	April 18, 1980 to date	100
Julian B. Grow, 39	<i>Director since August 21, 1981. Vice-President of H. E. Salzberg Co., Inc. since 1979. Prior thereto Mr. Grow, a C.P.A., was associated with Touche Ross & Co. and predecessor firms for 16 years.</i>	August 21, 1981 to date	200

The Company has no audit, nominating or compensation committees nor any other committees performing those functions. During 1981, the Board met 15 times. No director attended less than 93% of such meetings and all directors, as a group, attended an aggregate of 99% of the meetings of the Board.

ACCOUNTANTS

The Company has engaged Touche Ross & Co., independent certified public accountants, to perform the annual audit and to perform other professional services as requested. Representatives of Touche Ross will be present at the Annual Meeting to answer questions from stockholders.

STOCKHOLDER PROPOSAL

Lewis D. Gilbert and John J. Gilbert, 1165 Park Avenue, New York, New York 10028 holders of or representing family members holding 211 shares of Common Stock have notified the Board of Directors of their intention to present the following proposal to the Annual Meeting:

RESOLVED: That the stockholders of Central Jersey Industries, Inc., assembled in annual meeting in person and by proxy, hereby request the Board of Directors to take the steps necessary to provide for the formation of a nominating committee, at least the majority of which should be composed of outside directors.

REASONS

The last proxy statement of the corporation disclosed, that we do not have a nominating committee for election to the Board, which is standard in more and more companies.

We believe this policy should be followed at Central Jersey Industries.

Among the latest companies to adopt this practice are: Southern Pacific, R. Hoe, Facet Inc. and Alleghany Corporation.

If you agree, please mark your proxy for this resolution; otherwise it is automatically cast against it, unless you have marked to abstain.

The Board of Directors recommends a vote AGAINST this proposal:

At present the Board of Directors of the Company is comprised of only five members so that any committee formed would almost necessarily include a majority of the Board of Directors. In view of this fact, it appears more appropriate for the entire Board to participate in the nominating process.

OTHER MATTERS

The Board of Directors of the Company knows of no other matters which may be presented at the meeting. However, if any matter not now known should come before the meeting, it is intended that the persons named in the enclosed form of proxy, or their substitutes, will vote the shares represented by them in accordance with their judgment on such matter.

COST OF SOLICITATION

The cost of preparing, assembling and mailing the proxy statement, the proxy forms and related material to be furnished to the stockholders in connection with the solicitation of proxies for the above-mentioned meeting, and any cost of proxy solicitation, will be borne by the Company. The Board of Directors has made no arrangement to solicit proxies for this meeting other than by use of the mails, but further proxy solicitation may be made, in the case of some stockholders, by telegraph or telephone or by personal calls by regular employees or other representatives of the Company. In addition to solicitation by mail, arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy material to their principals, and the Company may reimburse them for their expense in so doing. It is estimated that such expense will be nominal.

DEADLINE FOR STOCKHOLDER PROPOSALS

Stockholders planning to submit proposals at the 1983 Annual Meeting of Stockholders must submit such proposals to the Company by February 11, 1983 in order for such to be considered for inclusion in the Company's proxy materials with respect to such meeting.

ADDITIONAL INFORMATION

In response to the request of stockholders at the last Annual Meeting we are including the following additional information.

Since the record date for the last Annual Meeting an additional 45,867 shares have been issued pursuant to the Reorganization Plan in exchange for Central Railroad of New Jersey 3¼% bonds.

The Board of Directors during the past year again considered the question of whether cumulative voting should be instituted and concluded that no change in the voting rights of the Company's stock should be made at this time.

There has been no change in the Company's By-Laws since the May 11, 1981 Annual Meeting.

CENTRAL JERSEY INDUSTRIES, INC.

THE WHITE HOUSE

WASHINGTON

May 24, 1982

MEMORANDUM FOR ROGER PORTER

FROM: Jim Cicconi

SUBJECT: Product Liability

Attached is a copy of a letter to JAB from Nancy Clark Reynolds of Bendix Corporation on the subject of product liability.

He would like to see OPD look at this issue in depth (if it has not already done so). He also asked if we have reviewed the Kasten bill on product liability, which is mentioned in the letter.

Thanks for your help.

THE WHITE HOUSE
WASHINGTON

May 24, 1982

Dear Nancy:

I appreciate your letter of April 16, 1982, on product liability. The points you made and your analysis of recent developments were both interesting and helpful.

We hope to take a closer look at this area in general and the Kasten proposal in particular. In the meantime, thank you for following up on our conversation.

Sincerely,

James A. Baker, III
Chief of Staff and
Assistant to the President

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April 16, 1982

The Honorable James A. Baker III
Assistant to the President and
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The White House
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Dear Jim:

I valued your time spent with me last Tuesday talking about the topic of product liability. As I indicated at the time, uncertainties and imbalances in product liability law have created major problems for product sellers in interstate commerce.

I have had an opportunity to look into the matter a bit further and wanted to share some interesting information with you. First, the Federal government's involvement in product liability stems back to April 23, 1976 when the Executive Committee of the Ford Administration's Economic Policy Board (EPB) directed the Commerce Department to establish an Interagency Task Force on Product Liability. That direction was given to you in a memorandum from Bill Seidman when you were serving as Undersecretary of Commerce. The Final Report of the Task Force was published in late 1977 and found two basic causes of the product liability problem: overly subjective insurance rate-making practices and uncertainties in the tort system.

The problem of overly subjective insurance rate-making practices was addressed through the Risk Retention Act which was signed by the President on September 25th of last year. That act makes it easier for businesses to form self-insurance groups, and helps assure that commercial insurance rates will be set on a competitive basis.

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With respect to uncertainties in the tort system, the Carter Administration directed that a uniform product liability act be developed as a "model" for state enactment. That Administration believed that, because tort law had traditionally been a state matter, states should have the opportunity to address the problem of uncertainty in the law. Unfortunately, this state-by-state approach has not worked. As I have indicated in a brief memo (Attachment A), about 28 states have adopted statutes, but each of them differ. None of the statutes provides clear guidelines to consumers, product sellers, or insurers about when liability will be imposed for a product-related harm.

In many states, such as Kansas, product liability legislation has been blocked because individual states cannot address the problem of uncertainty in the law. The argument has merit, because most goods are shipped out-of-state. (See Attachment B). As a result, state legislation may limit the rights of its consumers without providing any benefit or certainty to product sellers.

In some cases, judges, acting as legislatures have decided a case on policy grounds which have no basis in traditional tort law. Thus, state laws continue to differ on fundamental matters regarding product design and warnings. For example, some states require warnings about obvious hazards and other states do not. A few states permit the use of evidence of a product improvement against a product seller in cases involving one of the seller's older products, made before the improvement was conceived or implemented. All of this creates a chaotic situation in interstate commerce and extensive costs which do not go into the production of goods.

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In light of the effects of the current situation, Senator Robert Kasten decided to develop a uniform Federal product liability law. Senator Kasten was well aware of the Administration's efforts with respect to new Federalism. Therefore, he designed a Staff Draft that creates no Federal bureaucracy or expenditure of Federal funds. On October 15, 1982 he issued his Staff Draft for public comment, and, in a remarkably short period of time, received over 2,000 pages of suggestions from all interest groups. His staff, taking into account both consumer and product seller commentary, revised the proposal and produced a second draft. This draft will soon be introduced in the Senate.

Apparently some members of the Administration have viewed the Kasten effort as being contrary to new Federalism, but it really is not. There is no Federal regulation of products. There is no Federal program. Kasten's proposal is simply a series of rules indicating when a product seller must pay for harms caused by its products. Without this kind of legislation, product sellers must operate in the status quo, which impedes new product development, burdens competition with foreign products, and gives absolutely no guidance as to when product sellers will be responsible for harms caused by their products.

As you know, I fully concur with the Administration's view that most domestic matters should be handled by the states. Unfortunately, this is one of those unusual areas which cannot be resolved at the state level. Even the insurance community appreciates this and supports the Kasten effort.

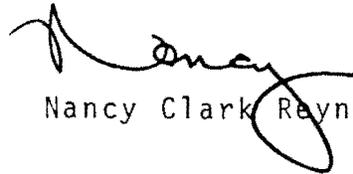
Frankly, the only group that benefits from the current situation are lawyers who are now getting about \$7.00 for every \$6.00 a consumer receives. In that regard, it is not surprising that the plaintiff and defense bar groups, as well as the American Bar Association, are saying "leave the matter to the states."

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I think the Kasten effort can result in fair and balanced legislation. However, this effort can suffer irreparable damage if it is opposed by the Administration, treated as a "regulatory" matter, or as one that "calls for further study". Naturally, I would be delighted to provide you with more information about this subject if you desire.

I deeply appreciate your attention to this matter. It may seem minor and perhaps a bit obscure, but it is of great practical importance to the entire business community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Nancy", written in dark ink.

Nancy Clark Reynolds

NCR:p1

Attachments (2)

SUMMARY OF STATE PRODUCT LIABILITY TORT LEGISLATION*

<u>State</u>	<u>Standard of Mfgs' Liability</u>	<u>State of Repose</u>	<u>Alteration & Modification-- Defense or Evidence of</u>	<u>State of Art or Industry Standards-- Defense</u>	<u>Original Package Defense</u>	<u>Contributory/ Comparative Responsibility</u>	<u>Government Standards-- Defense or Evidence of</u>
Arizona	X	X	X	X	-	-	-
Arkansas	X	-	X	X	-	-	X
California	-	-	-	-	-	-	-
Colorado	-	X	-	X	-	X	X
Connecticut	X	X	X	-	-	X	-
Florida	-	X	-	-	-	-	-
Georgia	X	-	X	-	-	-	-
Idaho	-	X	X	X	X	X	-
Illinois	-	X	-	-	-	-	-
Indiana	X	X	X	X	-	X	-
Kansas	X	X	-	-	-	-	X
Kentucky	-	X	X	X	X	X	-
Maine	X	-	-	-	-	-	-
Michigan	-	-	X	X	-	X	X
Minnesota	-	X	-	-	-	X	-
Nebraska	-	X	-	X	-	X	-
New Hampshire	-	X	X	X	-	-	X
North Carolina	-	X	X	-	X	-	-
North Dakota	-	X	X	-	-	-	X
Oregon	X	X	X	-	-	X	-
Rhode Island	-	X	X	-	-	-	-
South Carolina	X	-	-	-	-	-	-
South Dakota	-	X	X	-	X	-	-
Tennessee	-	X	X	X	X	-	X
Utah	-	X	X	-	-	-	X
Washington	X	X	X	-	-	X	-

* Based upon statutes reprinted at 5 L. Prumer & M. Friedman, Products Liability, at app. II (1981) and on statutes summarized in American Bar Ass'n. Report [Accompanying Product Liability Resolution], at 4-5 (1981).

PERCENTAGE OF MANUFACTURED GOODS
CONSUMED IN MANUFACTURING STATE

<u>State</u>	<u>Total \$ Mfg. (Millions)</u>	<u>Total \$ Consumed in State</u>	<u>% of Mfged. Goods Consumed in State</u>
<u>New England</u>			
Maine	4,988	824	16.5
New Hampshire	3,905	309	7.9
Vermont	1,989	186	9.5
Massachusetts	29,442	6,999	23.7
Rhode Island	5,294	772	14.6
Connecticut	19,229	3,822	19.9
<u>Middle Atlantic</u>			
New York	85,615	25,876	30.2
New Jersey	51,168	10,470	20.4
Pennsylvania	78,339	19,780	25.2
<u>East North Central</u>			
Ohio	94,460	26,598	28.2
Indiana	51,479	9,029	17.5
Illinois	92,153	26,097	28.3
Michigan	92,674	33,800	36.5
Wisconsin	38,556	9,869	25.6
<u>West North Central</u>			
Minnesota	22,726	6,768	29.1
Iowa	23,396	2,941	12.6
Missouri	32,841	5,454	16.6
North Dakota	1,295	186	14.4
South Dakota	1,745	154	8.8
Nebraska	8,669	1,420	16.4
Kansas	15,894	2,551	16.1
<u>South Atlantic</u>			
Delaware	5,191	318	6.1
Maryland	15,801	3,288	20.8
Virginia	23,763	5,560	23.4
West Virginia	8,650	1,150	13.3
North Carolina	40,813	12,264	30.0
South Carolina	18,873	4,577	24.3
Georgia	32,767	8,858	27.0
Florida	20,532	8,914	43.4
<u>East South Central</u>			
Kentucky	22,829	5,170	22.6
Tennessee	28,408	6,338	22.3
Alabama	20,708	4,511	21.8
Mississippi	12,746	1,688	13.2
<u>West South Central</u>			
Arkansas	12,163	2,062	17.0
Louisiana	29,339	11,350	38.7
Oklahoma	12,537	3,094	24.7
Texas	92,084	44,656	48.5
<u>Mountain</u>			
Montana	2,781	1,494	53.7
Idaho	3,544	698	19.7
Wyoming	1,288	347	26.9
Colorado	9,958	2,601	26.1
New Mexico	2,011	974	48.9
Arizona	6,698	2,136	31.9
Utah	5,013	1,846	36.8
Nevada	936	133	14.2
<u>Pacific</u>			
Washington	21,389	7,946	37.1
Oregon	14,313	5,005	35.0
California	118,166	66,770	56.5
Alaska	1,090	438	40.2
Hawaii	1,943	1,051	54.1
Total	1,342,191	409,969	30.5

Figures based on Commodity Transportation Survey, U.S. Dept. of Commerce, Bureau of the Census, Table 1, pages 1 through 77 (1977).