

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection:** Cicconi, James W.: Files

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**File Folder:** [~~Cicconi~~ Memos, Jul - Dec 1982] [3 of 7]  
*Cicconi* ~~DA 10793~~ Box 1

**Date:** 2/18/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	JW Cicconi to James A. Baker, III re Unemployment Figures, 2p.	10/4/82	<i>PS OPEN</i>
2. memo	JW Cicconi to JAB III re Viquerie Letter on Ohio Judgeship, 1p.	10/13/82	<i>PS B6</i> <i>CCB 10/19/00</i>

### RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].
- C. Closed in accordance with restrictions contained in donor's deed of gift.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
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- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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THE WHITE HOUSE

WASHINGTON

September 21, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Flat Rate Tax

At the CCEA meeting today, the subject of a flat rate tax was discussed in anticipation of testimony on the subject by Buck Chapoton.

All seemed to agree that the flat tax is an extremely complex idea that poses enough problems to make it undesirable. However, the potency of the flat tax as an election issue was acknowledged, requiring that we deal with it cautiously. Buck will try to confine his testimony to facts and figures assembled by his office (which highlight many of the problems), while avoiding any statement of policy. He will also restate the Administration's commitment to improve savings, investment, and capital formation. While Buck will try to walk a tightrope, it seems clear that his testimony will be taken as a large "go slow" signal from the Administration and will probably be criticized by the most enthusiastic "flat taxers."

On the subject itself, Niskanen argued that the flat tax would greatly broaden the tax base, thus raising much more revenue and leading to more government. Feldstein said he felt the danger was that we would broaden the tax base, but then the political impulse to raise rates at the "high" end would prove irresistible over time.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

September 21, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *[Signature]*  
SUBJECT: Regulatory Developments

There are a couple regulatory developments I thought you should be aware of:

1. Lead Content in Gasoline: By November 1, EPA will issue final regulations to further reduce the amount of lead in gasoline, largely by tightening exceptions. You may recall that EPA had earlier sought to loosen the regulations, but was met with strong opposition, including a new study about the harmful effects of lead poisoning on children.
2. "Bubble Concept": This policy implemented by EPA last October has been struck down by the D. C. Circuit. The regulation was designed to allow more flexibility in determining whether a plant met clean air standards. Under the regulation, a plant's various emission sources were considered together rather than individually, allowing a plant to expand, thereby creating new emissions, provided it compensated by reducing emissions a like amount from other sources. The change would have saved billions in industrial costs.

At this point, the Justice Department is considering whether there are grounds for appeal to the Supreme Court. EPA, of course, wants to appeal, but as I understand it, the Solicitor General's office has some reservations. This regulation was an important attempt to make clean air standards more flexible in application. This is also the third instance this summer in which the D. C. Circuit overturned major regulatory decisions of this Administration. The Solicitor General's decision on whether to appeal this case thus merits very careful consideration.

Steel Stretchout: U. S. Steel became the first major steel firm to qualify for stretchout, giving them an extra three years to meet clean air regulations. OMB says this will save the company \$90M, which will be spent

*CC: P's keep me posted. are we letting Justice know? W.H. position?*

Memorandum for James A. Baker, III  
September 21, 1982  
Page 2 of 2

on modernization. Other steel companies will have much more difficulty in meeting the terms for stretchout. Justice and EPA are now negotiating with Jones and Laughlin.

4. School Lunches: The "offer versus serve" option, which allows students to decline one or two items on a five-item school lunch menu, is now being implemented in elementary and high schools. This issue has largely been defused in a way that will still allow cost savings.

cc: Richard Darman

THE WHITE HOUSE  
WASHINGTON

21 Sept 1982

TO: FRED FIELDING

RE: Supreme Court Justices

The attached is per our discussion some time back. It is the only copy.

According to DOJ, though it is WH policy to see that justices are invited to all WH social occasions, this does not occur in practice. If there is some problem, it may be that the Social Office invites justices only to state dinners, not to luncheons (such as for the Irish PM) and the like. This may at least merit a conversation with Muffie.

If there are any items you'd like me to follow-up on, please let me know. I've already spoken with John Rogers re Christmas cards, etc.

  
Jim Cicconi

THE WHITE HOUSE  
WASHINGTON

22 Sept 1982

TO: JAB III

RE: Child Care Tax Credit

More information:

Treasury estimates that including the child care tax credit on Form 1040-A would cost \$250 million in revenue each year.

By the way, I think it is good to point out that Treasury originally suggested, as one of the options it offered, that we make the change in 1983 tax year. Joe Wright confirmed this.



THE WHITE HOUSE  
WASHINGTON

22 Sept 1982

TO: JAB III

RE: Civil Rights Briefing

Elizabeth just submitted a schedule proposal to brief the President on civil rights enforcement.

It would be for 30 minutes, open date. and include AG, Reynolds, Pendleton, EEOC, and Ted Bell.

This is in follow-up to the idea you mentioned in senior staff last week. I'll let you know if problems arise in scheduling it.



THE WHITE HOUSE  
WASHINGTON

September 22, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi ✓  
SUBJECT: EPA's "Bubble Concept"

As I mentioned to you in a recent memo, the D. C. Circuit had overturned EPA's "bubble concept" regulation, which allowed industry more flexibility in meeting clean air standards.

The latest word is that Justice will move for a rehearing by the D. C. Circuit en banc. While chances of prevailing are not good, the tilt against us on the Circuit is probably only 6-5 now that Scalia has been confirmed. The motion will be filed this week.

If the motion is denied, then, of course, Justice will assess whether to appeal to the Supreme Court. Both EPA and Carol Dinkins would strongly favor such an appeal, and I believe DOJ has a clear understanding of the White House's policy views on the issue.

cc: Ken Cribb  
Fred Fielding

THE WHITE HOUSE  
WASHINGTON

23 Sept 1982

JAB,

Re the child care tax credit, I wanted to clarify that Treasury presented the idea of putting it on the form in 1983 as an option. This is not something they were enthusiastic about, and I don't think Regan would term what they said as an "endorsement"; it was probably more of a suggestion to avoid making the change in 1982.

...did not want there to be any misunderstanding since you and Regan will probably be talking about this again.

*Jin*

→ We can legitimately say that Treasury originated the idea, though.

THE WHITE HOUSE

WASHINGTON

September 23, 1982

MEMORANDUM TO: JIM CICCONE  
FROM: LYNN ROSS WOOD *hfw*  
SUBJECT: BENJAMIN FRANK

Helene von Damm forwarded your September 17 memo to me for follow-up.

We do not have Mr. Frank's resume in Presidential Personnel; therefore, when you receive same from him would you please send it to my attention.

cc: Helene von Damm

THE WHITE HOUSE  
WASHINGTON

September 27, 1982

MEMORANDUM FOR KARNA SMALL

FROM: Jim Cicconi

SUBJECT: Ed Sims

Attached is a memorandum from Ken Cribb concerning Ed Sims.

In light of Carroll Campbell's involvement, it might help if someone in your office gave Mr. Sims a call and perhaps arranged for him to be invited to one of the briefings you sponsor for out-of-town press.

Thanks.

THE WHITE HOUSE

WASHINGTON

24 September 1982

MEMORANDUM FOR JIM CICCONI

FROM: KENNETH CRIBB

SUBJECT: Ed Sims

At the request of Rep. Carroll Campbell, I met with Ed Sims, publisher of Editor's Copy, yesterday. He indicates that, despite a meeting with Jim Baker and Dave Gergen, he has never been invited to a press briefing.

His editorials are run in about 300 papers. In 1980, he endorsed Ronald Reagan, and his editorials continue to be supportive. I think he wants a little attention. What do you suggest?

By the way, he claims he has been invited to dinner by the last several Presidents, but not by President Reagan, who was the only one that he endorsed.

THE WHITE HOUSE  
WASHINGTON

September 27, 1982

MEMORANDUM FOR WILLIAM P. CLARK

FROM: James A. Baker, III   
SUBJECT: Arms Control Information Campaign

I agree with the thoughts and suggestions expressed in your memorandum of September 25.

I have been in touch with the RNC to ask that they continue to distribute information nationally on the President's arms control initiatives. They have already sent information packets to our candidates and have written about the subject earlier in First Monday. However, the deadline for the October issue of First Monday is already past.

I have also asked Dave Gergen to handle the scheduling of a radio talk by the President on arms control around October 2nd or 9th, if possible. In addition, I passed a copy of your memo on to Dave so that he can begin giving some thought to the idea of a post-election speech on the subject.

cc: Michael Deaver  
Dave Gergen

THE WHITE HOUSE  
WASHINGTON

7 Sept 1982

MEMORANDUM FOR DAVE GERGEN

FROM: Jim Cicconi   
SUBJECT: Arms Control/  
Nuclear Freeze

Please see the attached memo from Bill Clark to JAB.

Per JAB, he'd appreciate it if you would handle trying to schedule a radio talk on arms control around the time suggested by Clark.

As you probably know, JAB sent Clark a memo on September 8 suggesting that the proposed info campaign on nuclear freeze resolutions be refocused into a more positive push of the President's arms control initiatives. Clark agreed, and sent the attached memo in reply.

Thanks.

## MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 25, 1982

MEMORANDUM FOR JAMES A. BAKER III *JB*FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Nuclear Freeze Information Campaign

Interagency work on this effort continues, and I appreciate your indication of full backing. At the latest formal meeting, the Information Group was tasked by Bud McFarlane to continue with their campaign to communicate the President's positive approach to arms reductions and control.

*Yes* | The Group's strategy during the next weeks, prior to the November 2 freeze resolution voting, is to emphasize the President's shared concern with those who are interested in the freeze issue, and to avoid the appearance of a campaign specifically counter to state and city freeze resolutions. In this regard, it would be particularly helpful if the RNC could continue to distribute information on the President's arms control initiatives through its national channels.

*Yes!* | As to the President's role, I am of the opinion that he should devote a radio talk to his arms control initiatives on either October 2 or 9, the Saturdays that bracket the resumption of START talks in Geneva. I also think a Presidential speech on arms control would be useful, preferably in late October--although we may want to defer that until after the November voting. A post-election speech could help regain ground we are almost certain to lose to the freeze movement on November 2, and forestall renewed Congressional attention to the freeze, now an even more immediate possibility with the prospects of a lame-duck session.

*RBD*  
            
*Copy of my memo?*

1. What about the level of inflation?

Inflation: progress in reducing it has been dramatic.  
CPI went from 13.3% in 1979 to 5.0% in 1982 so far.

Prospects for low inflation in 1983 are also good, thereby lowering inflationary expectations which had been keeping interest rates high, etc.

2. Claim last year was that the tax cuts would stimulate production, yet in August industrial production was down for the \_\_\_th month in a row. Have the tax cuts failed to do what you intended?

The tax cuts were designed to lay the groundwork for a solid long-term recovery. We believe they are doing this and that there are indications of it. We had a rise in GNP last quarter, and we expect that trend will continue thru next year. I think it's also safe to say that the overall outlook for the economy next year would not be as good if the tax cuts had not taken place.

3. Unemployment is high and may even break 10%. What are you doing to bring down unemployment?

Jobs training legislation proposed by the President came out of conference this week, and we feel that will be of some help. As you know, however, unemployment always lags a recovery and, unfortunately, the outlook thru the rest of this year is not good as a result of that. The way to address the unemployment problem is thru a steady period of growth in the economy, and we feel we are laying the foundation for that.

It should also be remembered that the weaknesses in the economy that have led to this high level of unemployment were a result of many years of Democratic policies that took money away from productivity and investment, policies that caused a surge of inflation that had interest rates over 20% when Ronald Reagan took office..... etc.

4. How are you going to control deficits even in the near-term? Aren't you going to have to retrench again next year (just as you had to this year) by either raising taxes again, reducing the third year of the tax cut, reducing defense spending, or perhaps all three?

First, the President has no plans to seek another tax increase. Second, we feel the steps we've already taken will bring those deficits down coupled with more spending cuts. The President has demonstrated a commitment to getting deficits under control, and the markets, which had been jittery, have responded. For the long-term, of course, the President has proposed a constitutional amendment to require a balanced budget; right now that's bottled up in the House but we intend to make every effort to get it out.

THE WHITE HOUSE  
WASHINGTON

September 28, 1982

MEMORANDUM FOR RICHARD DARMAN

FROM: Jim Cicconi   
SUBJECT: Attached Letter

In a phone conversation with Representative Sam Hall, JAB agreed to personally show the attached letter to the President. He briefly did so this morning, and then asked that it be forwarded to you to go through your staffing process. JAB indicated that the letter could then go back in to the President through normal channels.

Thanks.

SAM B. HALL, JR.  
FIRST DISTRICT  
STATE OF TEXAS

COMMITTEES:

JUDICIARY

SUBCOMMITTEES:

CRIMINAL JUSTICE  
IMMIGRATION, REFUGEES, AND  
INTERNATIONAL LAW  
CRIME

VETERANS' AFFAIRS

SUBCOMMITTEES:

CHAIRMAN, COMPENSATION,  
PENSION AND INSURANCE  
OVERSIGHT AND INVESTIGATIONS

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

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ROOM 210—PARIS, TEXAS 75460  
TELEPHONE: (214) 785-0723

U.S. POST OFFICE AND FEDERAL BUILDING  
ROOM 401—TEXARKANA, TEXAS 75501  
TELEPHONE: (214) 793-6728

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

A virtual shutdown of operations at Lone Star Steel Company in Morris County, Texas, recently will have an adverse economic impact, not only in Northeast Texas, but throughout the country.

This is the case because Lone Star Steel was the last major American steel company producing oilfield country tubular goods (OCTG) to substantially reduce its operation.

At a time when the United States is searching for ways to achieve energy independence, it is incumbent that the technology and actual equipment used in energy exploration, development and delivery be domestically produced. Yet, while domestic shipments declined 31 percent the first six months of the year, there has been a 51 percent increase in OCTG imports.

It is our belief that unfair competition from foreign producers is largely responsible for the layoff of some 4,000 employees representing 70 percent of the workforce at Lone Star Steel as well as comparable situations at other domestic steel manufacturing companies producing OCTG and other steel products.

Of course, such unfair competition takes the form of tremendous subsidies to foreign companies by their respective governments. Examples of these blatant attempts to crash the U.S. market were recently brought to the front by the U.S. Commerce Department.

If a plant like Lone Star, which has established a tremendous reputation as an efficient, well-organized competitor, can be forced to curtail most of its operations, it becomes even more obvious that American trade negotiators must assume a strong, unequivocal position on foreign subsidization and anti-dumping procedures during future trade talks.

It is not a question of free trade, it is the reality of uneven and unfair trade. We ask that this Administration give its highest priority to impressing upon our trading partners that these practices will no longer be tolerated. If adequate relief cannot be obtained by negotiation, then the only alternative is through the legislative process.

Respectfully yours,

Sam Wheeler

Charles Starnes

Max Fink

G. Kaye

Marvin Heath

Bill Y

Jack Fields

Richard C. White

Floyd Christensen

Peter Patman

Louise B. Slaughter

Mike Nick

Ralph M. Hall

Charles Wilson

Tom Hume

D. D. Diddle

Al Holt

Bill Tucker

Don Tamm

John Tower

Tom Broderick

W. D. Payne

James M. Collins

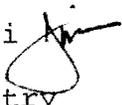
Jim Mattay

THE WHITE HOUSE

WASHINGTON

September 30, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Auto Industry

Yesterday, CCCT conducted an overview of the automobile industry:

1. Local Content Legislation: It was stressed that the Administration still opposes this bill and has testified against it. It was also pointed out that GM and Ford have testified against such legislation.

Strategy during this session of Congress is to keep it off the House floor before recess; tie it up with speeches and amendments if it reaches the floor; and, if a vote is necessary, show sufficient strength in the House to impact Senate consideration.

2. Financial Condition: It is expected that sales will continue to fall through the rest of the year, while import sales remain constant. It was noted that the Japanese now account for 80% of all imports sold in the U.S. Since the supply of cars in the 4th quarter is still high, rebates and other sales incentives will probably be used. This supply situation could also imply production cuts.

Overall, the industry is break-even in terms of operation. However, nearly all of its profit (about \$700M net so far this year) is from non-traditional sources, such as sales of assets. Various cost cutting measures have not yet led to profitability.

The forecast for 1983 is for (a) a 20% sales increase, (b) a 25% production increase if exports stay at the same level, and (c) a 10% increase in employment.

It was reported that capital spending in the industry will probably be \$2.5B less next year due to financial conditions.

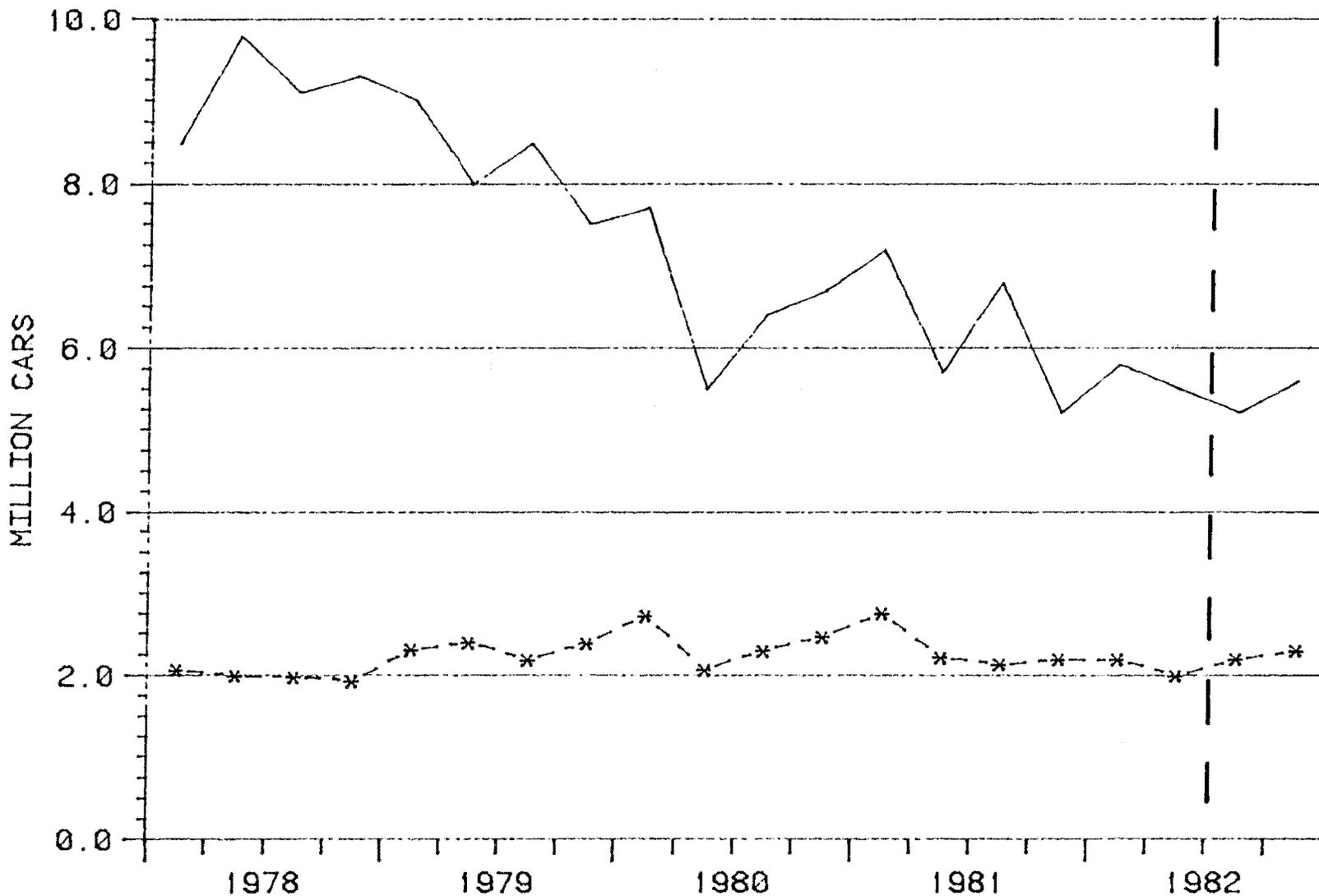
Memorandum for James A. Baker, III  
September 30, 1982  
Page 2 of 2

3. Miscellaneous: Apparently GM will discontinue its Chevette model. As a substitute, GM is negotiating a joint venture with Toyota and Isuzu to produce a small car to be assembled in California. If consummated, such a deal would combine Japanese cost advantages with GM's distribution network. The implications of such a move would, of course, be severe for Ford and Chrysler.

Attached is a chart which places the recent small increase in auto sales within the context of sales over the past five years. Please note the steady decline in sales of domestic cars over that period while, at the same time, import sales remained constant.

cc: Richard Darman

SALES OF DOMESTIC AND IMPORTED CARS  
 QUARTERLY: HISTORY 1978 I - 1982 II, FORECAST 1982 III - 1982 IV  
 SEASONALLY ADJUSTED ANNUAL RATES



Sources: Ward's Automotive Reports  
 and Commerce estimates

——— DOMESTIC CARS  
 \*--\*--\* IMPORTED CARS

*5/20/82*

*✓*

THE WHITE HOUSE  
WASHINGTON

30 Sept 1982

TO: JAB III

RE: Unemployment

One thing that may have gone unnoticed  
in today's report of leading indicators:

Unemployment claims reached a new high  
of 703,000 in the week ending Sept 18.

Naturally this does not bode well for  
the Oct 8 unemployment figures.

*Jim*

THE WHITE HOUSE  
WASHINGTON

30 Sept 1982

TO: JAB III

RE: Handicapped Regulations

You asked about this in senior staff this morning.

It is accurate that the Dept of Education did not drop all of its proposals regarding education of handicapped. However, they did drop the most significant changes, including those that were drawing the most heat.

Sec. Bell told a congressional committee that he was dropping them largely because of "the eloquent testimony of parents."

There are about 4.2 million handicapped kids attending public schools under the regs-- a sizable bloc when considered in terms of voting parents.

If you want more details on what the dropped regs would have done, let me know.

A handwritten signature, possibly "Jim", written in dark ink.

THE WHITE HOUSE  
WASHINGTON

30 Sept 1982

TO: JAB III

RE: Arms Control Radio Speech

For your information:

Tentative date for radio talk on arms control is October 16. NSC knows and has agreed.

They originally wanted either October 2 or 9, but they understand that we'll have to discuss unemployment on the 9th due to new numbers coming out the day prior.

A handwritten signature, possibly "Jim", written in dark ink.

THE WHITE HOUSE  
WASHINGTON



30 Sept 1982

TO: JAB III

RE: Sex Discrimination (Title IX)

Elizabeth sent the attached memo to you. It raises the fact that DOJ is now considering what to file in a case very similar to the City of Richmond case.

Elizabeth says she feels Justice will file on Monday asking for the same narrow interpretation of Title IX. However, as you know, Justice probably reflects WH feeling on this issue.

ED simply wanted to alert everyone to the issue, but does not feel a meeting would do anything more than ratify a position she'd rather not see us take (my interpretation).

I sent Fred a copy of the info packet I got on this, and asked that he check with Brad Reynolds concerning their plans on the case. I'll let you know.

*Jim*

THE WHITE HOUSE  
WASHINGTON

30 Sept 1982

TO: FRED FIELDING

FROM: JIM CICCONI 

Attached is the material regarding  
the Title IX case I mentioned to you.

Suggest you might contact Brad  
Reynolds regarding their plans since  
this is a pending case.

I told Elizabeth I was sending you a  
copy. She has no plans to seek a  
WH meeting on this. I think all we  
really need is some forewarning of  
what Justice will file.

Thanks.

THE WHITE HOUSE

WASHINGTON

September 30, 1982

50  
Ciccioni FYI  
9/30  
MDT

MEMORANDUM FOR EDWIN MEESE III  
JAMES A. BAKER, III ✓  
MICHAEL K. DEEVER

FROM: ELIZABETH H. DOLE *EHD*

SUBJECT: Pending Title IX Case: Iron Arrow Honor Society v. Schweiker

Since the failure of the ERA ratification effort, women's organizations have been focusing on economic and educational equity issues. A major priority is the enforcement of Title IX of the 1972 Education Amendments. The Iron Arrow case is being watched carefully by groups who believe we are retreating on Title IX enforcement. In view of recent stepped-up attacks on our record of civil rights enforcement, our actions concerning Iron Arrow take on added importance. Civil rights groups argue that retreat on Title IX enforcement will directly affect the ability to enforce Title IV of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973.

Our action forcing event is the requirement that the government file a brief by Monday, October 4, 1982 in the Iron Arrow case. The case was previously decided in favor of HEW, and was remanded back to the appellate court by the U.S. Supreme Court for further consideration in light of the North Haven v. Bell decision.

The fundamental issue of this case is whether the Department of Education is authorized under Title IX to investigate a program or activity of an educational institution if the specific program or activity does not receive federal funds. The Grove City and University of Richmond are two Title IX cases where the courts gave conflicting decisions on this issue.

Background materials on the case, including Title IX fact sheets, have been distributed to members of the Coordinating Council on Women with a copy to Brad Reynolds.

THE WHITE HOUSE  
WASHINGTON

October 1, 1982

MEMORANDUM FOR FRED FIELDING

FROM: Jim Cicconi

SUBJECT: Attached Memorandum on Pending FERC Decision

The attached memorandum was handed to me by Richard Rosenbaum during our recent trip to New York City. He asked that I bring it to Jim Baker's attention. When I realized that it concerned both an energy matter and a decision pending with a regulatory agency, I informed Rosenbaum that I could not show it to Baker and would instead forward it to the appropriate policy staff.

I am forwarding this to your office in order to have a record of how the matter was handled. No response to Rosenbaum or Mr. George is necessary in my view.

Thanks.

MEMO/ Dick George

---

Dick →

If you are still planning to see Jim Baker, this is the matter of serious concern about which I talked with you.

Give me a call if you have any questions concerning it.

Dick

9/27/82

The Federal Energy Regulatory Commission is expected to issue a decision shortly in Municipal Electric Utilities Association v. Power Authority of the State of New York, Doc. No. EL78-24. This case deals with the allocation of inexpensive hydropower being generated at the Power Authority of the State of New York's plant located at Niagara Falls, New York. The Niagara project has a firm capacity of 1880 megawatts ("MW").

For this power, the Niagara Redevelopment Act ("NRA") provides a unique preference clause, a compromise between advocates of the strict federal-type language (an absolute preference to the power for municipal bodies) and advocates of no preference. The preference clause provides, for 50 percent of the power, a primary preference to "domestic and rural consumers" and a secondary, marketing preference to "public bodies and non-profit cooperatives." [See copy of statute, attached.]

At the time of NRA passage it was known that those municipal and cooperative utilities within economic transmission distance of the Niagara project could use only a small fraction of the preference power. To make the project financially viable the NRA permitted PASNY to sell the preference power to private utilities through contracts providing for withdrawal of enough power to meet the "reasonably foreseeable needs of the preference customers".

In 1961 PASNY entered into 30-year contracts with Niagara Mohawk Power Corporation, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation, then the only private utilities within economic transmission distance of the Niagara project. The contracts sold 600 MW to these utilities on a firm basis and sold 250 MW subject to withdrawal to meet the future needs of preference customers.<sup>\*/</sup> All of the latter now has been withdrawn. Through guaranteeing the purchase of a major portion of the project's power, these contracts guaranteed the economic viability of the project. All savings that the three private utilities realize from the purchase of this inexpensive power are passed through to their rural and domestic consumers.

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<sup>\*/</sup> Niagara Mohawk also distributes replacement (450 MW) and expansion power (235 MW) to industrial users designated by the Niagara Redevelopment Act (16 U.S.C. § 836) or the Power Authority. In addition, NYSEG distributes a small amount of expansion power (15 MW).

Although New York State municipal systems serve only 2 percent of the state's rural and domestic consumers, they now receive over 400 MW of Niagara preference power (as well as almost 100 MW of identically-priced power from the Power Authority's St. Lawrence project). Until 1979, all of the needs of these systems were met with hydropower from the Power Authority's two projects. The customers of these systems enjoy the lowest power rates in the country, with these rates being one-third to one-seventh of the rates of customers served by the state's private utilities. In contravention of the mandate of the preference clause to primarily benefit rural and domestic consumers, these systems on average serve industrial loads composing about 60 percent of their total loads. These systems, in effect, have become conduits for industry.

Despite having a disproportionate share of the Niagara power already, the municipal systems initiated the above case to break the long-term-contracts with the private utilities and obtain access to more inexpensive Niagara preference power. The expected FERC decision is incorrect as a matter of law and public power.

The decision will give municipal systems a carte blanche to take preference power from the bulk of upstate New York's residential consumers (those being served by private utilities), and give this power to their expanding industrial loads. In so doing, FERC will be ignoring the explicit language of Niagara Redevelopment Act requiring that the preference power primarily benefit rural and domestic consumers. The decision will place no resale restrictions on municipal sale of preference power until all this power is exhausted (50 percent of the project).

Contrary to public policy, the decision will (1) cause a significant rise in the power rates of the bulk of upstate residential consumers; (2) permit industry to benefit from low cost power earmarked by Congress for residential consumers; (3) exacerbate the present disproportionate allocation of the benefits of a public resource to a privileged few (who already enjoy the lowest power rates in the country); and (4) interfere with longstanding power contracts.



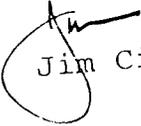
THE WHITE HOUSE  
WASHINGTON

1 Oct 1982

TO: JOHN POINDEXTER

The attached is returned  
for your files. JAB has  
spoken with the Judge about  
it.

Thanks.

  
Jim Cicconi

National Security Council  
The White House

562

RECEIVED

Package # 6777

09 SEP 29 P 3: 26

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[initials]</u>	
Bud McFarlane	<u>2</u>	<u>m</u>	
Jacque Hill	<u>3</u>	<u>[initials]</u>	
Judge Clark	<u>4</u>	<u>[initials]</u>	<u>I</u>
John Poindexter			
Staff Secretary			
Sit Room			

I-Information

A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other \_\_\_\_\_

COMMENTS

Judge should read before  
4:15 Thursday. [signature]

WFO HAS BEEN

MEMORANDUM

## NATIONAL SECURITY COUNCIL

September 29, 1982

MEMORANDUM FOR WILLIAM P. CLARK

FROM: PETER R. SOMMER *Peter*

SUBJECT: Radio Marti

While the Senate Foreign Relations Committee has reported out the authorization on Radio Marti, the authorization, either through neglect or oversight, did not contain the budget waiver required to permit floor consideration of the authorization bill.

With State in the lead, we are currently trying to push a waiver through the Budget Committee. Grassley, who as you know has had problems with Radio Marti, reportedly is insisting on Budget Committee hearings as a delaying tactic. Powell Moore thought he had struck a deal with Grassley and is desperately trying to find out what has happened. There are also reports that Nancy Kassebaum is using the budget waiver as a delaying tactic. But Powell believes he can get her to fall off.

We have emphasized to Powell, and to Duberstein's staff, your and the President's personal interest in Radio Marti and urged State to push through the budget waiver. We have also reiterated our willingness to mobilize further direct White House involvement in this effort. The press of business in the rush toward recess is not, however, playing in our favor.

Moreover, should we obtain the budget waiver, it is unlikely that Congress before it recesses will pass the authorization or agree to amend the Continuing Resolution to include appropriations for Radio Marti. We will thus have to develop a strategy for early and successful action in November-December.

cc: Bob Kimmitt  
Carey Lord

THE WHITE HOUSE  
WASHINGTON

October 1, 1982

MEMORANDUM FOR BUD MCFARLANE

FROM: Jim Cicconi   
SUBJECT: Wilson Center Events

Attached is a calendar of October events at the Wilson Center. Since there are quite a few dealing with foreign policy matters, I thought some of the people on your staff might be interested. In particular, I would call your attention to the October 5 "Evening Dialogue" on transborder data flows (a topic the New York Times featured on page 1 today).

If any of your staff would like to attend, they should contact Aileen Anderson (2174), who will make the necessary arrangements.

# Calendar of events

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS  
*Smithsonian Institution Building Washington D.C. 20560*

OCTOBER 1981

---

Noon Discussion  
Friday  
October 1

Introducing four new Fellows and Guest Scholars  
of The Wilson Center:

Eleanor H. Jordan, Mary Donlon Alger Professor of  
Linguistics, Cornell University. Sociolinguistics  
and language pedagogy: methodological applications  
for Japanese.

Isidore Oghenerhuele Okpewho, Nigeria. Senior  
Lecturer in English, University of Ibadan. Orality  
and literacy in Africa: a study in comparative  
poetics and culture.

Gerd Schmuckle, Federal Republic of Germany. General,  
Bundeswehr (Retired). Crisis management in an  
alliance of sovereign states.

Edelberto Torres-Rivas, Guatemala. Professor of  
Sociology, Confederacion Universitaria Centroamericana  
(CSUCA), San Jose, Costa Rica. Politics and economy  
in Central American society, 1950-1980.

---

Colloquium  
Friday  
October 1  
4-6 pm

"The Soldiers' Plebiscite: Soviet Power and the Committee  
Revolution at the Front, October-November 1917"

Allan Wildman, Fellow, The Wilson Center; Professor of  
History, The Ohio State University

Commentators: Cyril Black, Fellow, The Wilson Center; Director, Center  
for International Studies, Princeton University

Kurt Lang, Professor of Sociology and Political Science,  
State University of New York at Stony Brook

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Noon Discussion  
Monday  
October 4

"A Program for Achieving Peace in the Middle East"

Mattityahu Peled, Chairman, Israeli Council for  
Israeli-Palestinian Peace

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Noon Discussion  
Tuesday  
October 5

Introducing four new Fellows of The Wilson Center:

Mordechai Abir, Israel. Professor of Islamic and African History, Hebrew University of Jerusalem. Socioeconomic dynamics in Saudi Arabia and the Middle East peace.

Mohamed I. Hakki, Egypt. Chairman, Egyptian State Information Service. Domestic determinants of Egypt's foreign policy.

Josef Joffe, Federal Republic of Germany. Senior Editor, Die Zeit. Europe and America: the enduring crisis.

Leopold Unger, Belgium. Journalist, Le Soir. The Polish schism: its significance for establishing a perspective on major transformations in East-West relations.

---

Evening Dialogue\*  
Tuesday  
October 5

"Transborder Data Flows: What is the Appropriate Strategy for the United States?"

Matthew Nimitz, Partner, Paul, Weiss, Rifkind, Wharton & Garrison; former Under Secretary of State for Security Assistance, Science and Technology

William C. Salmon, Acting Coordinator, International Communication and Information Policy, Department of State

---

Noon Discussion  
Wednesday  
October 6

Poetry Reading and Discussion

Joseph Brodsky, poet

NOTE: Discussion to be held in the Hirshhorn Museum Auditorium.

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Noon Discussion  
Tuesday  
October 12

"The 13th Century Mongol Fleet: Japanese Underwater Archeological Discoveries"

Torao Mozai, Lecturer in Fine Arts, Tokai University, Japan

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Seminar  
Tuesday  
October 12  
4-6 pm

"A Correspondent's Experience in the U.S.S.R.: Donetsk"

Kevin Klose, former foreign correspondent and Bureau Chief, Washington Post, Moscow, 1977-1981

Robert Kaiser, Associate Editor, Washington Post

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Seminar  
Wednesday  
October 13  
5-7 pm

"Franco-American Relations in the Middle East"

Dominique Moisi, Associate Director of French Institute of International Relations; former Guest Scholar, The Wilson Center

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Reception\*  
Friday  
October 15

Reception for participants in the Fourteenth Annual Convention of the American Association for the Advancement of Slavic Studies

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Conference\*  
Friday & Saturday  
October 15 & 16

"Inter-American Dialogue"

Discussion of key issues in United States-Latin American relations among a group of specially invited participants.

Chaired by Sol M. Linowitz, the Wilson Council; and Galo Plaza, former Secretary General of the Organization of American States and former President of Ecuador.

---

Noon Discussion  
Tuesday  
October 19

Introducing four new Fellows of The Wilson Center:

Ivan Berend, Hungary. Chairman, Department of Economic History, Karl Marx University of Economics, Budapest. A socioeconomic and cultural history of interwar East-Central Europe.

Arnold Kramish, consultant, Washington, D.C. The nuclear motive: an historical perspective for present choices.

Frank Henderson Stewart, United Kingdom. Research Fellow, Trinity College, Oxford University. The traditional law of the Sinai Bedouin.

Maria Turlejska, Poland. Professor Emeritus of History, University of Warsaw. Political developments in Poland in 1956 with a retrospective and prospective view.

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Seminar  
Tuesday  
October 19  
4-6 pm

"Military Lessons of the Wars in the Falklands and Lebanon"

Josef Joffe, Fellow, The Wilson Center

Commentator: Mordechai Abir, Fellow, The Wilson Center

---

Noon Discussion  
Wednesday  
October 20

"The Significance of Russian Philosophy for Contemporary Thoughts"

Mihajlo Mihajlov, Visiting Professor of Slavic Languages and Literatures, University of Virginia

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Conference\*  
Saturday & Sunday  
October 23 & 24

"The Role of the State in Recent American History"

Otis Graham, Professor of History, University of North Carolina, "Society and the State since the New Deal: Questions and Controversies"

Hugh Heclo, Professor of Government, Harvard University, "The State and America's Higher Civil Service"

Morton Keller, Professor of History, Brandeis University, "Politics and the State in American History: Reflections and Observations"

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Colloquium  
Tuesday  
October 26  
4-6 pm

"Planning and Freedom: A Polish Dilemma"

Tadeusz Kowalik, Poland. Fellow, The Wilson Center; Associate Professor, Institute of the History of Science, Education, and Technology, Polish Academy of Science, Warsaw.

Commentators: Ivan Berend, Hungary. Fellow, The Wilson Center; Chairman, Department of Economic History, Karl Marx University of Economics, Budapest.

Włodzimierz Brus, Fellow, Wolfson College, Oxford, England

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Noon Discussion  
Wednesday  
October 27

"Soviet Economic Policies in Western Europe"

John Hardt, Senior Specialist, Congressional Research Service, Library of Congress

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Colloquium  
Wednesday  
October 27  
4-6 pm

"Alliance Politics and the Security Dilemma"

Glenn H. Snyder, Professor of Political Science, State  
University of New York at Buffalo; former Fellow,  
The Wilson Center

Commentators: Robert J. Art, Dean of Graduate School, Brandeis  
University; former Guest Scholar, The Wilson Center

Robert E. Osgood, Professor of American Foreign Policy,  
School of Advanced International Studies, The Johns  
Hopkins University

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\*By invitation

It is suggested that events be confirmed on the day of the event by telephoning  
Louise Platt or Cynthia Ely, 357-2115.

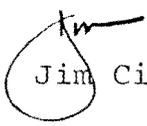
THE WHITE HOUSE  
WASHINGTON

1 Oct 1982

TO: DICK DARMAN

Tom Coleman handed the  
attached letter to JAB  
last night. Please put  
it into the system.

Thanks.

  
Jim Cicconi



HOUSE OF REPRESENTATIVES  
WASHINGTON, D. C. 20515

TOM COLEMAN  
6TH DISTRICT, MISSOURI

September 30, 1982

Dear Mr. President:

The unemployment rate was 7.4% when you took office last year. If it hits 10% next week, I would like to suggest a response to the following effect:

"This Administration was presented with a 7.4% rate of unemployment when we took office. We were not responsible for that. We will, however, take responsibility for the additional 2.6% during our term of office. So, to be fair, please don't attribute 7.4% of the current unemployment rate to us, but rather to the previous administration."

I have also compiled some interesting statistics regarding unemployment during FDR's first term. He inherited an unemployment rate of 23.6%. His first year in office it went up to 24.9%. Not until after his second year in office did unemployment on an annual basis begin to drop. In 1934 it was 21.7% and in 1935 it was 20.1%. And, not until 1941 did unemployment fall below 10%. It was 9.9% that year.

Many believe that FDR's programs immediately stemmed the tide of unemployment. But, as these statistics show, even sweeping social programs can't turn unemployment figures around over night. It took two full years before there was any downturn in annual unemployment statistics at all.

I hope this information is of some assistance to you in responding to the questions that will surely come if current unemployment figures hit the 10% mark.

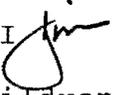
Sincerely,

A handwritten signature in cursive script that reads "Tom Coleman".

E. THOMAS COLEMAN  
Member of Congress

THE WHITE HOUSE  
WASHINGTON

4 October 1982

TO: BOB THOMPSON  
FROM: JIM CICONI   
RE: Missing Children Act

As follow-up to our conversation on this, Sen. Hawkins (who's now in Florida) asked her aide to call me and inquire about the possibility of a signing ceremony. He said the Senator would probably be calling Ken to request one, too. Her staffer mentioned that 20/20 and 60 Minutes are both planning features on this subject in the near future.

I said we could not make any promises since we had to look at how many bills we'd have to sign, how much time we had, etc.

For what it's worth, this bill is probably a good one to lump with a few other anti-crime bills in an "omnibus" signing, though there's not much news in it if it goes by itself.

f JC  
memos

THE WHITE HOUSE  
WASHINGTON

4 Oct 1982

TO: JAB III

RE: Texas Supreme Court

As I hear it, Chief Justice Joe Greenhill plans to submit his resignation today, effective within a month or so.

This will, of course, allow Clements to appoint a new Chief Justice until the next general election in 1984. At that time, the speculation is that John Hill will run for the job.

Greenhill and Clements have gotten along well, and I'm certain Greenhill wanted Clements to have the chance to appoint his successor regardless of how the election goes on Nov. 2.

*Jin*

THE WHITE HOUSE  
WASHINGTON

4 October 1982

TO: JAB III

RE: Cabinet Council on Management  
and Administration

The CCMA, chaired by Ed Meese, had its first meeting today. Ralph Bledsoe is moving from Rich Beal's office to be the executive secretary.

Meese said the CCMA will try to coordinate the various management activities and task forces of the agencies, especially Reform 88. He also mentioned that they would be closely following the work of Peter Grace's group.

Next meeting they'll discuss saving money by reducing the amount of space used by government agencies.



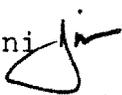
cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

October 4, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi  ✓

SUBJECT: Unemployment Figures

You asked for my thoughts on the best short response we can give regarding the current unemployment situation. It would be as follows:

1. Unemployment too high; matter of serious concern; deplore it; working hard to reduce it.
2. Largely due to policies of the past, which have caused our current economic situation.
3. Best way to deal with unemployment is to get the economy moving again.
4. Reduction in inflation has helped those in difficult economic situations by increasing their spending power about \$1,500 for an average family. Tax cuts have helped, too.
5. We have extended unemployment benefits to help provide some income security for those most hurt. Only second time benefits have been extended this long.
6. President has proposed and pushed a Jobs Training Bill that will train (a million?) workers for real jobs in the private sector-- not temporary make-work jobs.
7. President has supported the Exports Trading Bill, which will create 350,000 new jobs.

It has been suggested that we take issue with the composition of the overall unemployment figure by, for example, pointing out how many women and teenagers (second incomes) are included in it. I feel this would be a mistake and would be viewed as dissembling. Franklin Roosevelt was able to survive high unemployment in large part because he demonstrated concern, and that he was doing everything possible to address the problem (including its human aspects). If we are to expect the American people to have patience to "stay the course", we must give them confidence that we are doing everything

Memorandum for James A. Baker, III  
October 4, 1982  
Page 2

we can to mitigate present difficulties and stem human suffering.

BKFA SI  
No action until  
BAB approves!

THE WHITE HOUSE  
WASHINGTON

October 5, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *Jim*

SUBJECT: Organized Crime and Narcotics Proposal

This week the President and CCLP will meet for final discussion of an eight-point plan to fight organized crime and drug trafficking. The proposed steps, which partly build on experience with the South Florida Task Force, are:

*Thought we wanted to stop these. We have a Comm.!*

1. Establishment of regional task forces of investigators and prosecutors to supplement existing efforts;
2. Legislative reforms to attack the problems;
3. A WH Conference on Organized Crime to be chaired by the Vice President;
4. A Presidential Commission on Organized Crime which would hold public hearings and make recommendations to improve enforcement;
5. Federal training programs for state and local police;
6. A Cabinet level committee to handle interagency coordination;
7. Encouragement of each state to set up its own program to fight organized crime and drugs; and
8. An annual report by the Attorney General to the President and Congress on organized crime.

*Has this been discussed w/ VP?*

The Justice Department estimates the entire program would cost \$200 million. OMB is preparing its own analysis of the cost, which will probably be discussed in a Budget Review Board meeting this week.

Regarding the proposals, two things should be mentioned. First, though the WH Conference is designed to pave the way for the Commission's work, the two are somewhat redundant since they would both make recommendations for administrative and legislative changes (presumably in addition to changes envisioned in point 2). Second, the Commission on Organized Crime seems designed mainly for ongoing publicity (it serves a 3-year term), and it might come to resemble some previous congressional investigations which became media festivals.

On the whole, though, the plan would be a good way to focus some attention in advance of the election (and thereafter) on the crime problem and the President's commitment to combat it. It follows, of course, that it would be desirable to announce the initiative as soon as possible and in a high profile manner.

cc: Richard Darman

THE WHITE HOUSE  
WASHINGTON

5 Oct 1982

TO: JAB III

RE: FTC/AMA Issue

Regarding this, it is confirmed that the one year moratorium provision against FTC enforcement powers over professionals was dropped from the Continuing Resolution.

The dispute between the AMA bill, which would bar any FTC enforcement over doctors and other professions, and the Broyhill bill (which we've supported) is still up on the Hill.

Legislative Affairs feels the chances of Broyhill winning in the lame duck are good.

*je*

THE WHITE HOUSE  
WASHINGTON



5 Oct 1982

JAB,

For your information:

Ed Meese is meeting today with Frank Donatelli to see if he's interested in serving as an interim appointee to the Board of the Legal Services Corporation.

The idea of interim appointees originated with EM as a means of assuring Reagan control of the board till we get our people confirmed and new people named. Frank would take an open slot, if he agreed to do it.

When Cribb and I met on this subject a while back, I mentioned Frank as a possibility.

A handwritten signature, possibly "JAB", is written at the bottom center of the page.

THE WHITE HOUSE  
WASHINGTON

October 5, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi   
SUBJECT: Veterans' Administration

As you know, veterans were very supportive of the President in 1980, and remain an important constituency for this Administration. Over the past 21 months, though, veterans have become somewhat estranged from us. This is partly due to a perception of insensitivity to veterans' concerns and problems on the part of the VA.

Our selection of a new administrator will probably be the most important step we will take regarding the veterans constituency in the near future. Depending on our selection, we will either demonstrate a "new" sensitivity or fuel perceptions of insensitivity, however unjust they may be.

I would suggest the new administrator be selected not only on the basis of management experience, but also on that person's credibility with, and ability to appeal to, the veterans' constituency. A Vietnam veteran would, of course, be very desirable. Regardless, though, it is imperative that whoever we select be able to serve as both an effective, credible spokesman for the President's programs among veterans, and also be trusted by veterans to represent their major concerns to the President when appropriate.

cc: Helene von Damm  
Elizabeth Dole  
Ed Rollins

THE WHITE HOUSE  
WASHINGTON

October 6, 1982

TO: Dick Darman  
Craig Fuller

The attached guidance was provided by Chris DeMuth, at JAB's request, to counter a story by Robert Pear in today's New York Times (attached).

Chris verbally briefed the press office on this subject right before the 12:30 briefing, and Larry was subsequently questioned on it.

Jim Cicconi



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

→ Jim Cicconi

lic brief  
Pete R.

CO.  
12:15.

MEMORANDUM TO JIM BAKER

FROM:

CHRIS DEMUTH *CD*

SUBJECT:

New York Times Article on Proposed Food Stamp Cuts

The article in today's New York Times describes options and recommendations from "confidential budget documents" prepared by the Food and Nutrition Service (FNS). The cuts described are listed below, followed by my comments.

- Eliminating residential institutions (like homes for orphans and retarded children) from the school lunch program;
- Requiring states to pay 12% of food stamp benefits; and
- Subtracting three percent from the food inflation rate to determine the adjustments in food stamp benefits (currently they are adjusted at the same level as the inflation rate).

These "proposals" come from internal FNS options memos. They were rejected either at the the agency or Department level, and are not included in the budget submission currently under consideration.

- Changing the definition of "elderly" from age 60 to age 65, reducing benefits for those between 60 and 64;
- Indexing the maximum charge for a reduced-price school lunch, permitting it to rise with food costs; and
- Eliminating the summer food service program, which provides meals to children when school is not in session.

These proposals were accepted by the Department and are included in the budget submission now under review at OMB. The article is incorrect in claiming that the summer food service program would be eliminated. The budget submission includes funding for that program in a block grant which would include a number of other child nutrition programs.

The article is based on a leak of outdated internal memoranda which were circulated for discussion within FNS. The "proposals" do not reflect administration policy, and those which are not in the budget proposal do not even reflect Department policy. We have given USDA no indication of OMB's views on the Department's budget submission, and we will be asking for further information on the specific proposals.

# U.S. AGENCY URGES FOOD STAMP CUTS

Elderly Would Be Affected —  
Plan One of Savings Ideas  
Put to Administration

By ROBERT PEAR  
Special to The New York Times

WASHINGTON, Oct. 5 — The Federal Food and Nutrition Service, in an effort to control the costs of the food stamp program, has recommended a change that would reduce benefits for people who are 60 to 64 years old.

In addition, the Reagan Administration is considering a proposal to eliminate meal subsidies for orphanages, homes for mentally retarded children and other residential institutions for child care. That would save \$60.5 million in the coming year, according to estimates by the Agriculture Department.

These proposals are among many described in detail in confidential budget documents, and there is no guarantee that President Reagan will include the proposals in the budget he submits to Congress in January. However, the documents show the options now receiving most serious consideration.

Under one such proposal, states would have to pay as much as 12 percent of the cost of food stamp benefits. The benefits have been financed entirely by the Federal Government since the start of the food stamp program in the early 1960's.

### Scope of Food Stamp Program

Of the 20.4 million food stamp recipients, approximately 400,000 are 60 to 64 years old, according to the Agriculture Department. Under the proposal by the Food and Nutrition Service, the average food stamp allotment for such households, now \$46 a month, would be reduced by \$14.40, or 31 percent, because they would no longer be considered elderly.

Under the proposal, an elderly person would be defined as one who is 65 years old or older. Under current law, an elderly person is one 60 or older. Congressional action would be needed to change the definition.

Samuel J. Cornelius, administrator of the Food and Nutrition Service, was asked in an interview Monday whether the proposal might be perceived as "anti-elderly."

"I'm sure it would be," he said. "Nobody in their right mind is anti-elderly. The question is what we can pay for. There are some people between 60 and 65 who are millionaires."

The budget documents show that the Reagan Administration is determined to reduce not only the growth, but also the actual cost of food and nutrition programs in the fiscal year 1984, which begins on Oct. 1, 1983. The Food and Nutrition Service, a unit of the Agriculture Department, has requested \$9.8 billion for the food stamp program, a reduction of \$1.1 billion, or 10 percent,

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Each fine quality mattress has an individually selected steel coil innerspring to give you your kind of firmness. Each is upholstered with compressed cotton felt and quilted to Marvelux® foam surfaces for that floating-on-a-cloud feeling. The Super Firm Plus mattress adds a Coirtex® Firming Pad for sure support. And matching Weight-Balanced® box springs with steel grid tops are the perfect complement to each mattress firmness.

### Firm mattress or box spring

	Reg.	Now
33x75" each	100.00	69.00
Twin 39" each	100.00	69.00
Long twin 39x80" each	120.00	79.00
48x75" each	150.00	119.00
Full 54" each	150.00	119.00
Long full 54x80" each	170.00	129.00
Queen 60x80" 2-pc. set	370.00	299.00
King 77x80" 3-pc. set	480.00	399.00

### Extra Firm mattress or box spring

	Reg.	Now
33x75" each	140.00	99.00
Twin 39" each	140.00	99.00
Long twin 39x80" each	160.00	109.00
48x75" each	190.00	149.00
Full 54" each	190.00	149.00
Long full 54x80" each	210.00	159.00
Queen 60x80" 2-pc. set	475.00	379.00
King 77x80" 3-pc. set	610.00	499.00

### Super Firm Plus mattress or box spring

	Reg.	Now
33x75" each	175.00	129.00
Twin 39" each	175.00	129.00
Long twin 39x80" each	195.00	139.00
48x75" each	225.00	179.00
Full 54" each	225.00	179.00
Long full 54x80" each	245.00	189.00
Queen 60x80" 2-pc. set	555.00	449.00
King 77x80" 3-pc. set	700.00	599.00

Save 250.00 on Stearns & Foster

Full (shown)  
Queen  
Love seat

Pick the one that fits your style, up to the grade you want, with three seat cushions that open to give you extra firm innerspring. And every one has arm covers, tilt-up headrest covers shown. Or a special group of same sale prices, delivery. You can get matching stationery for 100.00 less than regular price.

A. Traditional style and skirted, with roll arms. As shown in white mini dots on China blue cotton.

B. Transitional style trim. With track armrests, square cushions, square skirted base. As shown in tone-on-tone natural linen-look plein.

Off our regular New York price through October 10.



reduction of \$1.1 billion, or 10 percent, from the 1983 budget. It seeks \$2.9 billion for child nutrition programs, a reduction of \$238 million, or 7.5 percent.

#### Tide of Expansion 'Stemmed'

In his written budget request, Mr. Cornelius said that changes enacted last year have "apparently stemmed the tide of expansion in the food stamp caseload." In addition, he said, the monthly allotment for the average food stamp household declined by 6 percent in the last year, to \$105. Those figures do not reflect an 8 percent increase in food stamp benefits that took effect last Friday. It was the first such inflation adjustment in 20 months.

In his budget request, Mr. Cornelius recommended that future adjustments in food stamp benefits be limited to the food inflation rate minus 3 percentage points. Until now, food stamp benefits have been increased to reflect the full increase in food costs, although the adjustments have sometimes been delayed by Congress.

Food costs are expected to rise by five-tenths of 1 percent a month, or approximately 6 percent a year, in the coming year. So the proposal would cut the cost-of-living adjustment roughly in half. The Agriculture Department estimated that this restriction would save the Federal Government \$453 million in the fiscal year 1984.

The redefinition of elderly status was expected to save \$38 million in the fiscal year 1984 and \$174 million over the next four years. The eligibility criteria are more liberal for elderly people. The elderly also qualify for special shelter and medical deductions.

The proposal to eliminate meal subsidies for residential child-care institutions was "likely to run into opposition," according to a written analysis by the Agriculture Department. The main beneficiaries, it notes, are orphans and other children who are poor, "handicapped, retarded, abandoned or placed by court order." Thus, it says, "the department may be portrayed as mistreating these unfortunate children."

#### School Lunch Program

The Food and Nutrition Service has also proposed indexing the maximum charge for a reduced-price meal served in the national school lunch program. That would permit the charge to rise with food costs.

Last year Congress set a statutory limit of 40 cents for the reduced-price lunch, served to children from families with income from 130 percent to 185 percent of the official poverty level of \$9,300 a year for a family of four. The Food and Nutrition Service said its new proposal "makes near-poor children bear a fair share of inflation." As recently as December 1980, most schools were charging 10 cents for the reduced-price lunch, according to a spokesman for the Food and Nutrition Service.

The agency has again proposed eliminating the summer food service program, which provides lunches to 900,000 children in June, July and August. "These children," according to the Food and Nutrition Service, "tend to be from urban areas and tend to be from poor or near-poor households."

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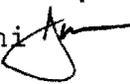
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THE WHITE HOUSE

WASHINGTON

October 7, 1982

MEMORANDUM FOR SENIOR STAFF

FROM: Jim Cicconi   
SUBJECT: Senior Staff Meetings

There will be no senior staff meeting on Monday, October 11, due to the holiday.

Please note that there will be a senior staff meeting tomorrow, October 8, which will be chaired by Ed Meese.

Thank you.

THE WHITE HOUSE  
WASHINGTON



8 October 1982

TO: JAB III

RE: Texas Congressional Race  
(El Paso)

For your information:

Pat Haggerty seems now to have a good chance of pulling an upset in his race against Ron Coleman to represent El Paso in Congress.

This would, of course, be a big plus for the Party because it is an area where the GOP has not traditionally shown strength.

A handwritten signature is located at the bottom center of the page.

THE WHITE HOUSE

WASHINGTON

October 12, 1982

MEMORANDUM FOR DAVE GERGEN  
ELIZABETH DOLE

FROM: Jim Cicconi

SUBJECT: Attached

The attached is for your information.

You will recall that this subject was raised  
at last Friday's senior staff meeting.

THE WHITE HOUSE

WASHINGTON

October 8, 1982

MEMORANDUM FOR JIM CICCONI

FROM: RICHARD A. HAUSER *RH*

SUBJECT: Charleston School Desegregation Case

As mentioned at this morning's meeting, the Justice Department has opposed the NAACP's motion to intervene, which is based on the grounds that the government isn't adequately representing the public interest.

This suit was commenced during the Carter Administration, and upon review by this Administration was found to have merit. The Justice Department has been negotiating with local officials to obtain a consent decree in an effort to avoid forced busing as a remedy. The Justice Department has indicated that it may not oppose the NAACP's intervention at a later stage, but that to allow them to enter the case at this time would complicate the ongoing negotiations.

Please let me know if you would like additional information.

*Remm*

—

✓

THE WHITE HOUSE  
WASHINGTON

12 October 1982

TO: JAB III

RE: Virginia Poll

Last night's TV news had the results of the Virginia Poll. One of the questions was:

Who do you blame for the current state of the economy?

Answers:

Reagan	18%
Previous Admin.	58%

*Jin*

THE WHITE HOUSE  
WASHINGTON

13 Oct 1982

TO: JAB III

RE: Iron Arrow Case

This is another Title IX sex discrimination case that I informed you about earlier. The fear was that we would have to repeat the position we took earlier in the City of Richmond case (which drew some heat) right before the election.

After talking with Red, I spoke with Fred Fielding. He had someone call to ask the status of our filing.

Bottom line is that I got a call to inform us that Justice had asked for, and been granted, an extension of time to file a brief. This means we won't be filing anything till after the election.



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