

# WITHDRAWAL SHEET

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	Ed Rollins to James Baker Re: personnel, 1p	3/17/82	<del>P5, R6</del> /F6
2. Memo	John Rogers to James Baker, Richard Darman Re: OMB, 4p	2/27/82	<del>P5, R6</del> /F6

### 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].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- 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].

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE  
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# RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 2 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.



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

February 23, 1982

MEMORANDUM FOR: Linda Smith

FROM:

*for* Edwin Harper *by E. Rich*

SUBJECT: OMB's Personnel Management Needs

In response to your February 8 memorandum on this subject, I spoke with John Rogers. Rogers indicated that he would shortly be appointing a new Director of OA Personnel who was very experienced in Federal personnel management. He also indicated his dedication to make sure that OMB was properly served. Along these lines, he indicated that if, after sixty days or so, the approach he is implementing was not found to be satisfactory, he would be glad to discuss it further with you.

cc: John Rogers ✓

4  
THE WHITE HOUSE  
WASHINGTON

January 15, 1982

MEMORANDUM FOR EDWIN L. HARPER

FROM: Jim Cicconi   
SUBJECT: Letter from Derek Bok  
and William Bowen

JAB asked that OMB take a look at the attached letter on student financial aid and, if you would, draft a response to the points it lays out.

An interim response has been sent.

The draft would be for Baker's signature, and if it is routed back to me I'll take care of getting it out.

Thank you for your help.

# HARVARD UNIVERSITY

OFFICE OF THE PRESIDENT

MASSACHUSETTS HALL  
CAMBRIDGE, MASSACHUSETTS 02138

December 14, 1981

Dear Mr. Baker:

Thank you so much for being willing to talk with us at such a busy time. Because of the demands on your schedule, we thought that it might be helpful to leave with you this letter summarizing our concerns over the proposed FY 83 reductions in student aid, as reported in the public press. In our view, these proposals go far beyond what one might expect from short-term austerity measures and threaten to have serious long-term consequences for students, for educational institutions, and for the nation as a whole.

In assisting some 3.5 million young people every year, federal student aid programs serve two important public purposes. First, at a time when the costs of undergraduate education average \$4,500 a year for four-year public institutions and \$7,000 to \$9,000 for private colleges and universities, federal grants and loans have made it possible for millions of poor and middle-class students to have access to higher education and thus to prepare themselves for careers and opportunities commensurate with their abilities. Second, by providing such opportunities, the government has done much to develop the productive talents of all young people and to provide the country with the new ideas, trained personnel, and educated leadership that our society requires.

The reported FY 83 proposals would have effects on student assistance that can only be described as extremely severe. Apart from their substantial impact on the guaranteed student loan program, these new proposals in conjunction with budget measures already taken or proposed for FY 82 would bring student assistance (other than guaranteed student loans) more than 60 percent below the level of the summer reconciliation bill. Moreover, these reductions would come on top of an earlier decision to eliminate \$2 billion per year in social security benefits for education (affecting 750,000 students).

The proposed reductions for FY 83 would have the following effects:

1. Undergraduate education. The current proposals would not merely reduce federal expenditures but would effectively dismantle a bipartisan federal program built up over the past decade to make educational opportunities available to deserving young

Americans. Today, basic opportunity grants plus guaranteed loans make it possible for poor students to secure a college education. At the same time, supplemental opportunity grants, work-study programs, and federally guaranteed loans allow students from low and moderate income families to choose among various institutions and select the college best suited to their particular needs and talents.

Under the new proposals, we understand that basic grants will be cut from \$2.3 billion to \$1 billion; supplemental grants and National Direct Student Loans will be completely eliminated; and interest rates on Guaranteed Student Loans will rise to market levels within two years after graduation. If these measures are enacted, an estimated 1.9 million students will lose their basic opportunity grants; 600,000 students will be deprived of supplemental grants; and 300,000 students will no longer receive National Direct Student Loans. We also estimate that a quarter-million students will be eliminated from work-study programs and that approximately 2 million students will face increases of more than 30 percent at current market rates in the annual cost of repaying federally guaranteed loans.

If these proposals are adopted, many students (probably in the hundreds of thousands) will no longer be able to afford to continue their undergraduate education. Many more will have to interrupt their college careers and transfer to lower-cost institutions. Large numbers of poor and moderate income students will find repayment costs on student loans so high as to cause them to forgo plans for graduate and professional education, especially in less remunerative fields, such as teaching, nursing, and the ministry, and in careers, such as medicine and research, that require extended periods of training.

These effects are not likely to be temporary but will cause a long-term loss of able people for a number of important occupations and professions. As you know, the country already faces serious shortages of talented individuals willing to enter careers in engineering and scientific research. Other important callings are likewise experiencing difficulty in attracting able people; for example, students seeking careers in public school teaching now have college board scores substantially below the national median. The proposed reductions will seriously aggravate these problems while also creating serious budgetary problems for a great many state-supported institutions and threatening the survival of scores of independent colleges that are already hard-pressed financially.

2. Graduate and Professional Education. Beyond the college level, the proposed reductions would severely damage the loan

programs that currently support approximately 700,000 graduate students (70 percent of all graduate students) in preparing themselves for careers in science, medicine, teaching, and other important professions. At present, the principal form of assistance for these students is the federally guaranteed loan program that permits banks to offer each borrower up to \$3,000 per year, repayable after graduation at an interest charge of nine percent. Under the current proposals, these guaranteed loans would no longer be offered to graduate students. Instead, the only federal assistance available to such students would be a \$3,000 loan program (intended mainly for parents) at an interest rate of 14 percent with no deferral of repayment while the student remains in school.

The financial effects of this proposal will be twofold. First, annual repayment charges for the parent loans will be approximately 25 percent above the charges under the current guaranteed student loans, and students will face repayment obligations while still in school. Second, in the absence of federal guarantees, most banks will be unwilling to extend loans to graduate students to cover annual expenses beyond the \$3,000 maximum parent loan. Few, if any, universities have the resources to replace these losses in bank credit. Even if the \$3,000 limit were increased, it is unlikely that graduate students could afford to borrow substantially increased amounts under the terms of the parent loan program.

The human consequences are clear. First, many students from poor families will be unable to pursue graduate education at all, thus depriving the nation of many talented individuals who might otherwise pursue careers in important fields that require advanced training. Moreover, many middle-income students will be forced to avoid careers in fields that provide relatively low compensation or that require many years of preparation. Finally, many of the nation's most talented students will no longer be able to afford the best available training but will be forced instead to settle for the least expensive.

Here again, the results will not be temporary; talented students who cannot afford to become scientists, school teachers, or engineers in their youth are not likely to enter those professions in later life. To forestall such consequences, any federal program must provide, at a minimum, access to guaranteed loan funds sufficient to insure enough bank credit to cover education costs plus provisions to allow students to defer interest payments until they graduate and enter productive employment.

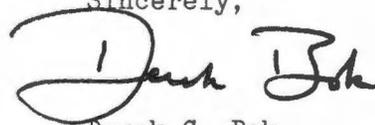
In conclusion, the current budget proposals will not merely reduce expenditures; they will profoundly alter an entire

December 14, 1981

structure of student aid that has been built up over many years and will not be easily reconstructed once it has been disassembled. The effect of this action will be to endanger many institutions and disrupt the education of hundreds of thousands of young people. Most important, the proposed reductions will have adverse effects for the country by keeping many talented students from entering occupations that are important to the nation's welfare while preventing many more from obtaining the best possible preparation for demanding careers. In our judgment, these consequences would be destructive of values that most Americans support and would be clearly out of proportion to any fiscal benefits that such drastic actions may provide.

Again, thank you very much for meeting with us,

Sincerely,



Derek C. Bok  
President  
Harvard University



William G. Bowen  
President  
Princeton University

Mr. James A. Baker III  
The White House  
1600 Pennsylvania Avenue, N. W.  
Washington, D.C. 20500

Effect = (1) many will not go  
(2) really hurt private:  
would drop out &  
GSL at Grad level go to public colleges

Check on where this  
is --

talking about a subst'l  
downgrading of edu  
quality & availability

↓ base GSL prog  
only on need

now can get \$3,000 if  
below \$30,000.

cannot cut 50-60%

charges for loans OK

reductions in Pell, etc have  
already been subst'l

CR off 20% from '81 ?

put on  
Thurs. schedule  
12/11

Pres. - Wm. Bowen -

Pres. - DEREK BOK -

~~8:30 AM Tues.~~

MDT:

Bob Durkee from Princeton University called you. He is trying to set up a meeting between Mr. Bowen (president of PU) and JAB.

He will be in his office in the a.m. tomorrow and asked that you please call:

609/924-8699 (H)  
609/452-6428 (O)

fundng for higher education -  
rep. Am. Council on Education  
Pres. Chairman of  
Bend -

KC

P.S. Darman told MG that if the presidents of Princeton or Harvard (I think) called, that JAB should talk to them. He did not give any detail, so you might want to check with Darman if you don't know what this is about.

THE WHITE HOUSE  
WASHINGTON

January 13, 1982

MEMORANDUM FOR CRAIG FULLER

FROM: Jim Cicconi *Jim*  
SUBJECT: "Take-Over" Loans

In a letter to Jim Baker, Paul Volcker mentioned the concern in Congress about "take-over" loans (roughly, loans used by large firms to acquire small firms). Volcker enclosed a list (attached) of legislation introduced to limit such loans, and said he expects the subject to be a "continuing problem."

I spoke with Roger Porter, and he indicated that the subject has only been discussed peripherally in the Cabinet Council, although he feels that Don Regan may have discussed it with Volcker. Roger offered to check out this latter point.

JAB's question is whether the subject should perhaps be put on the CCEA agenda.

Legislation to Limit Loans for Speculative or Unproductive Purposes

- Chiles Amendment to Tax Bill - It is the sense of the Senate that "the Board of Governors of the Federal Reserve System should exercise its regulatory powers to require that loans be made for productive economic purposes, rather than to enable large firms to acquire smaller firms."
- Passed Senate 100-0  
July 28, 1981  
Dropped in Conference Committee
- Chiles Resolution later turned into an Amendment to Export Administration Bill--35 Democratic Co-Sponsors - To require the President "to limit the diversion of credit to non-productive uses, such as conglomerate mergers and corporate takeovers" and "to assure an adequate flow of credit to small borrowers at affordable prices . . . such actions shall include voluntary guidelines appropriate to regions of the country and types of borrowers."
- Rejected when a harmless substitute was approved 50-35 on Nov. 12, 1981
- Kennedy Amendment to Export Administration Bill - "The President shall take appropriate actions to encourage banking or other financial institutions to exercise on a voluntary basis restraint in extending credit for the purpose of unproductive large scale corporate takeovers. Such action shall include consultation and cooperation with the Board of Governors of the Federal Reserve System."
- Passed Senate 77-12  
Nov. 12, 1981
- Bentsen Resolution (Many Co-Sponsors, 20 or so) - Calling on the Federal Reserve to undertake an aggressive campaign to encourage banks to stop providing loans for unproductive and speculative purposes, and to increase loans for productive purposes.
- (Also has been introduced by several House members including Pickle and Rinaldo)
- Introduced Sept. 1981  
No action.
- Sasser Resolution - "It is the sense of Congress that policies to prevent additional increases in interest rates and also to restrain nonessential credit growth are necessary." Required that a study be done to, among other things, investigate "the feasibility of implementing a dual prime rate to channel credit to those sectors of the economy that have suffered from chronic credit shortages."
- Defeated 57-37  
May 13, 1981

- Chiles Resolution -  
S.J. Res. 112  
Introduced Sept. 1981  
Co-sponsored by Boren,  
Nunn, Johnston and  
Pryor.  
No action.
- Cong. Jeffords Resolu- -  
tion H. Res. 227  
Introduced Sept. 1981  
13 Co-sponsors--7 of  
them Republicans
- Reuss, St Germain, -  
Fauntroy Resolution  
Introduced Nov. 20, 1981  
Hearings scheduled  
Dec. 9, 1981
- H. Con. Res. 160 -  
Sponsored by Reuss,  
St Germain and  
Fauntroy  
Passed House 403-17  
July 27, 1981
- To create a Committee on Interest Rates and the Availability of Credit: (1) to publish voluntary guidelines to limit the large scale diversion of credit to nonproductive uses such as conglomerate takeovers and mergers, and (2) to publish voluntary guidelines to assure an adequate flow of credit to small borrowers at affordable prices.
- That the Federal Reserve "shall take prompt and effective action to discourage, during periods of high interest rates, the establishment of large lines of credit which may be used by large corporations for purposes of acquiring other corporations."
- That the President and the Federal Reserve shall immediately undertake "an aggressive campaign designed to encourage banks to cease providing loans on lines of credit for unproductive takeovers and speculative purposes, so as to increase the supply of credit available for productive uses."
- Among other things, said that "the Administration and Congress should encourage the banking system to concentrate available credit on those uses which contribute most to long-term productivity, improvement and inflation fighting."



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

PAUL A. VOLCKER  
CHAIRMAN

November 25, 1981

*12/11 How handle?*

Dear Jim:

I am attaching a description of desirable characteristics for the next Fed Governor from our point of view, as we discussed.

I am also enclosing a listing of legislative initiatives in the Congress relative to the appointment. There is another list that reflects the concern in the Congress about take-over loans. I must have dozens of letters from Senators on the latter subject, and I suspect it is going to be a continuing problem. The "Kennedy amendment" on the list will be in conference between the House and Senate shortly, and as you will note it is directed to the "President" taking appropriate action.

Sincerely,

*Paul*

*12/15/81*

*J.C.*

*Should the matter of take over loans be put on a Cab. Council agenda?*

The Honorable James A. Baker, III  
Chief of Staff and  
Assistant to the President  
The White House  
Washington, D. C. 20500

Attachments

*JAB*

*MG - Klein do then mail to Cecconi*

*12/14 1107*

*M.D.T. - The attachment re characteristics of the Fed. selection we have to make should go to Sec. JAB*

*12/14/81 DONE me*

November 25, 1981

Desirable Characteristics of Federal Reserve Vice Chairman

Apart from presiding at Board meetings in the absence of the Chairman (but not the Open Market Committee meetings, for which there is a Committee-elected Vice Chairman), the Vice Chairman of the Federal Reserve Board has no specific responsibilities other than those designated by the Chairman or full Board. In fact, the role has varied widely, depending upon the inclination of the incumbent. But the Board will function best with at least one member -- and most obviously the Vice Chairman -- who can comfortably speak for and represent the Board in public, with the press, with the management and directors of the 12 Federal Reserve Banks, and in Congressional contacts as a substitute for the Chairman.

Beyond that special consideration in the choice of a Vice Chairman, there are strong reasons -- internal, external, and "political" -- that overlap and coincide in looking to certain qualifications for the next Board appointment. These assume particular importance in the light of the backgrounds of current Board Members -- all essentially professional economists and largely drawn from the Boston-New York-Washington axis.

1. In conducting both monetary and regulatory policy, the perspective of a person who has been on the financial firing line is highly desirable. A banker, a businessman with financial understanding, or a financial executive fit the bill.
2. In terms of "external" relations, the person should be able to communicate well with affected constituencies -- not just bankers, but other financial institutions, homebuilders, small businessmen, farmers, etc. This points to practical experience as well.

3. Internally, a person with some administrative experience or bent is highly desirable -- we have to manage a big professional staff in Washington and supervise 12 semi-autonomous Federal Reserve Banks.
4. We need, and the Congress may insist on, geographical dispersion -- the West, Southwest, or possibly South (where Fred Schultz is from).
5. Consistent with the above, some education and certainly continuing interest in economics and economic policy, even though a "professional" economist is not needed. Governmental and/or political experience is a definite plus.

The Senate Banking Committee, and particularly Senator Garn, reluctantly accepted the last economist appointment, and made the point that the next appointment should be sensitive to the requirements in the Federal Reserve Act for geographic and occupational density. There are resolutions in both the House and Senate (Jepsen-Garn with 22 co-sponsors). Robert Byrd and others would more specifically require a "small businessman," and some trade associations are pressing the same line. President Reagan, in his first appointment, may well be able to achieve confirmation of anyone he wants, but you should be aware of Congressional resistance and a possible fight over a pure economist, particularly if not from the West or Southwest.

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Legislation to Require Certain Types of  
Representation on the Board of Governors

Senate

Jepsen & Garn Resolution  
S. Res. 209 (22 cosponsors)

-- That the President and the Senate should assure that the specific provisions of the Federal Reserve Act are followed providing for agricultural, commercial (including small business), and broad regional representation on the Board.

Burdick Resolution

-- That the President should fill the next vacancy on the Board with a person of substantial small business or farming experience.

Pressler Bill  
(3 cosponsors)

-- Requiring that at least one member of the Board have demonstrable experience in agriculture and one in small business; that two members of Congress be added to the Board, one by the Speaker of the House, the other by the President of the Senate.

Byrd Bill--S. 1787  
(At least 13 cosponsors)

-- That the deficit will not exceed \$43 billion in 1982, \$22.9 in 1983, be balanced in 1984 and that the next vacancy on the Board will be filled by a person representing small business.

Weicker Resolution  
S. Res. 247 (Introduced 11/23)

-- "That the next vacancy on the Board should be filled by an individual who has substantial small business experience."

Hawkins-Metzenbaum Bill  
(Introduced October 1981)

-- Among other things, increases the size of the Board from seven members to nine "to make it possible for representatives from many different economic sectors to participate in decisions."

House

H.J. Res. 365 by  
St Germain, Reuss, Fauntroy,  
& D'Amours (Hearings scheduled  
Dec. 9)

-- Among other things, resolves that "the President shall select individuals for nomination to vacancies on the Board in accordance with Section 10 of the Federal Reserve Act so that this nation's agricultural and commercial interests, including housing and small business, will no longer be underrepresented on the Board."

Watkins Bill--H.R. 2333

-- To require that no less than 3 members of the Board shall come from "the agricultural sector, the industrial sector, the commercial sector or financial institutions with assets of less than \$150 million."

Skelton Resolution  
H. Con. Res. 217  
(Introduced November 1981)

-- That the President should nominate for appointment to the Board "an individual who fulfills the requirement of Sec. 10 of the Federal Reserve Act which requires that agricultural and commercial communities of the U.S. including farms and small businesses be fairly represented on the Board."

D'Amours Resolution  
H. Con. Res. 196  
(Introduced October 1981)

-- That the President "should appoint one individual with extensive background and experience in housing and one individual with extensive background and experience in small business to the first two vacancies on the Board."

Dorgan Resolution  
H. Con. Res. 195  
(Introduced October 1981)

-- That the President "should fill the 1982 vacancy on the Board with a person of substantial small business or farming experience who can genuinely represent the interests and needs of independent businesses and producers . . ."

Jim Wright, Majority Leader

-- In speech called for appointment of one small businessman to the Board.



The Conservative Caucus, Inc.



National Headquarters 450 Maple Avenue East, Vienna, Virginia 22180 • (703) 893-1550  
Project Office 47 West Street, Boston, Massachusetts 02111 • (617) 426-7188  
Administrative Office 7777 Leesburg Pike, Falls Church, Virginia 22043 • (703) 893-1550

January 6, 1982

Hon. James A. Baker, III  
Assistant to the President  
Chief of Staff  
The White House 20500

1/16 Cicconi? yes

he is handling  
for SAB  
rec'd from  
KC 1-25  
J

Dear Jim:

I believe it would be a great mistake for the President to recommend the substitution of an independent national education foundation for the Department of Education.

Both the Legal Services Corporation and the Corporation for Public Broadcasting are examples of the liberal ideal of insulating Federal decision making from politics. That is a nice way of disguising the insulation of Federal policy setting from accountability to the voters and taxpayers whom the government is established to serve.

Jenkins will  
ask MA to  
draft response  
for distribution  
thru me.

The President was right the first time when he proposed eliminating categorical educational programs at the Federal level. The block grant approach provides a reasonable transition.

2-2  
JC

Instead of conceding an important public policy question to the liberals, insist on what is right and achieve it by the exercise of the veto over appropriations and authorizations in conflict with your proposal.

Many thanks for your consideration.

With personal best wishes, I am

Sincerely,

Howard Phillips  
National Director

HP:kas

<b>Board of Directors</b> Howard Phillips, Chairman Peter J. Thomas, Secretary Lawrence J. Straw, Jr., Treasurer Richard Derham J. Alan MacKay	<b>National Director</b> Howard Phillips	<b>National Field Director</b> Peter J. Thomas	<b>Presidential Policy Project</b> Brig. Gen. Albion Knight, USA (Ret) Director Dwight Bratcher Assistant Director	<b>Publications</b> Senate Issues Yearbook Senate Report Grass Roots Member's Report
	<b>Executive Director</b> F. Andy Messing, Jr.	<b>Director of Field Coordination</b> Eric Bleicken	<b>Media Director/Special Projects</b> Larry A. Woldt	
	<b>Administrative Vice Chairman</b> Charles Orndorff	<b>Director of Research and Publications</b> Susan E. Phillips		

THE WHITE HOUSE  
WASHINGTON

January 19, 1982

TO: Michael Horowitz, OMB

RE: Legal Services Corporation

The attached is typical of JAB's discussions with Howard Phillips on the issue of Legal Services Corporation.

We have talked to Phillips in the interim and told him we were looking into the matter and would respond to him in more detail after the Holidays.

If you could expedite a draft response for JAB signature (as we discussed), I'd appreciate it.



Jim Cicconi

---

THE WHITE HOUSE  
WASHINGTON

Pending  
at  
OMB





The  
Conservative  
Caucus, Inc.

Mike U.  
Fielding  
Ellings  
OMB



**National Headquarters** 422 Maple Avenue East, Vienna, Virginia 22180 (703) 893-1550  
**Project Office** 47 West Street, Boston, Massachusetts 02111 • (617) 426-7188  
**Administrative Office** 7777 Leesburg Pike, Falls Church, Virginia 22043 • (703) 893-1550

November 25, 1981

12/1 How handle?  
To Rich W. or Morton Blackwell  
for draft?

CICCONE PLEASE  
DRAFT RESPONSE  
FOR JAB Sij.  
12/8  
MDT

Hon. James A. Baker  
Chief of Staff and  
Assistant to the President  
The White House  
Washington, D.C. 20500

Dear Jim:

Thank you very much for taking the time to meet yesterday with me, Ron Godwin, Richard Viguerie, and Paul Weyrich.

If I could summarize in a sentence my message, it would be: "Decide what is needed, not what is politically possible, and fight for what is needed, recognizing that a) the President can govern by veto with one third of either branch of Congress, and b) that, even if he is overridden or defeated in Congress, by setting forth what needs to be done, he can give the voters the opportunity to judge by that standard in November of 1982."

The issue of number one importance to the 400,000 supporters of The Conservative Caucus, and most of the organizations with which we work, is the elimination of the Legal Services Corporation. It is entirely up to President Reagan whether the Legal Services Corporation shall continue. If he makes clear that he will approve no authorization, appropriation, or continuing resolution which extends Legal Services beyond a date certain for its elimination, that will be the end of it.

On the other hand, if he fails to stake out a firm position, the program will continue well beyond his Presidency. It is not enough to name Reaganites to the

**Board of Directors**  
Howard Phillips, Chairman  
Peter J. Thomas, Secretary  
Lawrence J. Straw, Jr., Treasurer  
Richard Derham  
J. Alan MacKay

**National Director**  
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Susan E. Phillips

**Presidential Policy Project**  
Brig. Gen. Albion Knight, USA (Ret.)  
Director  
Dwight Bratcher  
Assistant Director

**Media Director/Special Projects**  
Larry A. Woldt

**Publications**  
Senate Issues Yearbook  
Senate Report  
Grass Roots  
Member's Report

Page 2

Board of the Corporation. Federal funding and authority for it must be completely eliminated.

It is my solemn prayer that you and your colleagues will act courageously and decisively on this issue between now and the expiration of the continuing resolution on December 15.

Once again I am grateful to you for your consideration.

Sincerely,

  
Howard Phillips  
National Director

HP:kas

P.S. I am also grateful for the fact that David Stockman continues in office as Director of OMB. While I have not agreed with all of Dave's positions on the issues, no one has done more to bind conservatives to this Administration than Dave Stockman. His courage in fighting for spending cuts is something we deeply appreciate.

2/10 JC:  
4.M. again

Ask Craig Fuller to discuss implementation  
w/ E.M. Thanks.  
JAB

P.S. Give EM a copy of this.  
Done 2/11 JC

JAB  
Decision memo  
2/2/82  
MDT

THE WHITE HOUSE  
WASHINGTON

JC  
FOR BREAKFAST  
2/8. Thank  
JAB

February 2, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Haitian Refugees

The seriousness of the problem surrounding detention of Haitian refugees has already been discussed in senior staff and other meetings. You had suggested that the problem should probably be the first with which the new Ad Hoc Group on Minorities and Women grapples.

In the meantime, though, I think it important that we lay the groundwork (i.e., that we have a written report to consider in the ~~Council~~ <sup>Executive</sup>). Thus, I suggest that DOJ be asked to prepare a paper on refugee policy in general, and our Haitian (or "economic refugee") policy in particular. This would be more comprehensive than the shorter, more specific paper I have suggested on Cuban stowaway policy.

Among other points they consider relevant, DOJ could be asked for a statement of facts on:

1. current refugee policy;
2. long-term intentions/goals of that policy;
3. policy standards currently applied to Haitian refugees; and
4. short and long-term intentions regarding Haitians currently being detained, including circumstances of detention and timetable for resolution of lawsuits.

Decision: If you agree with the above, suggest you pass this on to Ed Meese at breakfast in the form of a suggestion.

AGREE AND WILL PASS ON JAB

DISAGREE \_\_\_\_\_

SEE ME \_\_\_\_\_

THE VICE PRESIDENT  
WASHINGTON

Chase:

Pete McCloskey gave me this.

He wants to head off a confrontation such as envisaged in page 2 of this letter.

→ ( Please write it up for JAB III and give to Cicconi.

GB 2-7-82

JAB III  
M-2-2-82  
Ken Cribb  
to check if  
DOI will  
go back on  
it.

DRAFT

February 2, 1982

The Honorable Ronald Reagan  
The White House  
Washington, D. C. 20500

*File been with him  
over said*

Dear Mr. President:

We want to make you aware of a serious confrontation which is developing between the Executive Branch and Congress as a result of Secretary Watt's position on a relatively-minor matter, the acquisition of roughly 1,060 acres on Sweeney Ridge, California, surrounding the Portola Discovery Site of San Francisco Bay.

In the Fiscal 1982 Appropriations Act signed by you into law on December 23, 1981 (P.L.-97100), \$107.7 million is specifically earmarked for "Land Acquisition and State Assistance;" and the committee report language (House Appropriations Committee Report 97-163) specifically sets \$10 million aside for the purchase of Sweeney Ridge.

This amount was subsequently reduced, in accordance with your request for an across-the-board four-percent cut, to \$9.6 million.

The Trust for Public Land, a private, non-profit corporation, has obtained an option for the purchase of Sweeney Ridge in the sum of \$9.6 million; but such option expires on February 14, 1982,

at which time the Trust can renew the option, but only for an additional \$2 million, which will put the option price over the \$9.6 million appropriated figure.

Secretary Watt, upon the recommendation of the National Park Service, has stated flatly and unequivocally that he will refuse to purchase Sweeney Ridge and instead will ask that the \$9.6 million be re-programmed to apply to some \$46 million in deficiencies on other properties in the process of being acquired by the Service.

We can assure you that Congress does not intend to approve such re-programming. We have authorized and appropriated the \$9.6 million specifically for Sweeney Ridge and believe that you should direct Secretary Watt to acquire the property on or before the February 14 deadline.

To fail to do this ~~will~~<sup>could</sup> bring on the first confrontation since the Nixon years involving the refusal of the Executive Branch to carry out a specific Act of Congress, signed and approved by the President.

In view of the cooperation which you have requested of the Congress in the many issues which face us, we hope you will overrule Secretary Watt in this matter where we earnestly solicit your cooperation in executing the Act of Congress which you have signed into law.

Respectfully,

PNMcC

THE WHITE HOUSE  
WASHINGTON

2-16-82

TO: ELIZABETH DOLE

The attached is forwarded to  
you per Jim Baker's request  
(please see JAB note on cover  
page).

Thank you.

Jim Cicconi

# MEMORANDUM

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

P E R S O N A L

TO : Mr. James A. Baker, III  
Chief of Staff

DATE: FEB 7 1982

FROM : Thomas P. Melady  
Assistant Secretary for Postsecondary Education

SUBJECT: Formal Expression of Support for the Nation's  
Women's Colleges

1. The attached proposal will be very well received by the women's colleges -- over half are Catholic connected. These institutions are particularly important to ethnics and families of first generation college students.
2. The leadership of the women's colleges is predominantly mainstream America and centrist in their philosophy. In my opinion, the political aspects of this proposal would be extremely positive.

KE- JAB READING FILE  
2/2/82  
MOT

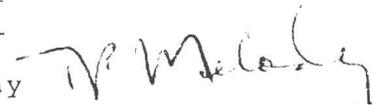
2/15 JC  
Pls pass to E. Doh.  
Would this be worthwhile? Fed's  
discuss at her convenience.  
Thank.  
JAB III

# MEMORANDUM

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

TO : The Secretary  
THROUGH: US \_\_\_\_\_  
ES \_\_\_\_\_

DATE: JAN 28 1982

FROM : Thomas P. Melady   
Assistant Secretary for Postsecondary Education

SUBJECT: Follow-up to my Memorandum of January 11, 1982, "Formal Expression of Support for the Nation's Women's Colleges"

With your concurrence and assistance, I would like to propose to the President that he invite the Executive Committee of the Women's College Coalition to the White House. On this occasion we would encourage him to issue a Presidential Memorandum congratulating them on behalf of their member colleges, for outstanding achievements and supporting the 114 undergraduate colleges for women in the United States.

Late Spring would be an opportune time since most institutions' commencements occur at this time of year. Hopefully the First Lady, a graduate of a women's college, and Mrs. Bush, who attended a women's college, would be in attendance.

Partial rationale for my proposal is the following:

1. Women's colleges are a significant part of the diversity of American higher education. They account for 7% of all private colleges and are an important part of what must be tenaciously preserved if American higher education is to retain the richness and quality that is so important to the Nation.
2. Women's colleges are consistent with this Administration's commitment to voluntarism, and to private sector initiatives. Founded mostly in the 19th Century, today they have the best record in higher education on the issues that are critical to women's advancement - the numbers of women in teaching and administrative posts, women majors in mathematics, economics, etc. Importantly, these colleges have done all this voluntarily, without regulatory pressures, without the infusion of Federal demonstration funds.

3. Women's colleges bring quality education to an important diverse group of women undergraduates. In addition to the extraordinary role of the "Seven Sisters" other nationally known women's colleges have played a significant role, particularly those connected with the Catholic Church. These women's colleges have raised the expectation of countless first generation and ethnic background students. In recent years these colleges have extended their opportunities to include older women not only "traditional aged."
4. Graduates of women's colleges include, Nancy Reagan, Nancy Reynolds and Muffie Brandon. Margaret Mead, Pearl Buck, Helen Keller, Barbara Walters, Leslie Stahl, Elizabeth Drew, Mary Wells Lawrence, Katherine Hepburn, Meryl Streep, Tammy Grimes, Barbara Tuckman, Edna St. Vincent Millay and seven of the current 20 women members of Congress are women's college graduates.
5. Women's colleges are prime examples of men and women working together on behalf of women. Two-thirds of the presidents are female. Faculty and Boards of Trustees are about 50-50 male and female.

See attached background on the Women's College Coalition which includes membership and the current members of the Executive Committee.

Attachment

## WOMEN'S COLLEGE COALITION

Suite 1003 1725 K Street, N.W., Washington, D.C. 20006 (202) 466-5430

### BACKGROUND ON THE WOMEN'S COLLEGE COALITION

The Women's College Coalition is a voluntary organization of 70 women's colleges nationwide. Members come from 24 states and the District of Columbia, and include public and private, independent and Church-related, and two and four-year colleges.

They also represent an extraordinary diversity of institutions -- from Smith, Wellesley, Mount Holyoke, and the other Seven Sister institutions for women; to west coast Mills and southern Sweet Briar; to Texas Woman's University, a public institution and the largest university for women in the world; to traditionally Catholic colleges like the College of New Rochelle, Saint Mary-of-the-Woods College, and the College of Saint Catherine, which have done so much to make quality undergraduate education available to first-generation, often ethnic, young women; to Spelman College in Georgia, an institution primarily for black women; to the two-year Bay Path Junior College.

The Women's College Coalition exists as a spokesperson and information resource for women's colleges. It collects data and materials on the particular contribution of these colleges to the personal and professional development of women students; maintains liaison with the higher education community and with women's organizations; sponsors conferences on educational issues of concern to women; and works in all of its activities to generate media and other attention highlighting the importance of the single-sex colleges for women.

The Coalition does not function as a policy making body, and does not take public policy stands. It does, however, seek to maintain relationships with education officials in the public sector, and with other leaders who play a significant role in shaping educational programs. Representatives of the Coalition met, in 1979, with then-Secretary of the Department of Health, Education and Welfare Joseph A. Califano, and women's college presidents subsequently participated in a conference convened by HEW Secretary Patricia Roberts Harris in September 1979, "The Secretary's Conference on Women's Colleges."

In April 1981, representatives of the Coalition had the opportunity to continue their conversations with education officials through a meeting with Department of Education Secretary Terrel Bell.

The Women's College Coalition was founded in 1972, as a project of the Association of American Colleges. Its work is still done in cooperation with the AAC, a higher education association with a national membership of approximately 600 colleges and universities. The Coalition is funded through the contributions of the member colleges, and governed by a nine-member executive committee of member presidents. Those currently on the Executive Committee are:

Sister Dorothy Ann Kelly, (Chair), President, College of New Rochelle (NY)

Alberta Arthurs, President, Chatham College (PA)

John Chandler, President, Scripps College (CA)

Alice Emerson, President, Wheaton College (MA)

Sister Therese Higgins, President, Regis College (MA)

Elizabeth Kennan, President, Mount Holyoke College (MA)

Sister Catherine McNamee, President, College of Saint Catherine (MN)

Mary Patterson McPherson, President, Bryn Mawr College (PA)

Robert Spivey, President, Randolph-Macon Woman's College (VA)

The Coalition's offices are in Washington; Marcia K. Sharp is the Executive Director.

WOMEN'S COLLEGE DIRECTORY

List of Women's Colleges

CALIFORNIA

Mills College  
Mount St. Mary's College  
Scripps College

COLORADO

Colorado Women's College

CONNECTICUT

Albertus Magnus College  
Saint Joseph College

DISTRICT OF COLUMBIA

Mount Vernon College  
Trinity College

GEORGIA

Agnes Scott College  
Spelman College

ILLINOIS

Earat College  
Mundelein College

INDIANA

Saint Mary-of-the-Woods College  
Saint Mary's College

KANSAS

Saint Mary College

LOUISIANA

Newcomb College, Tulane Univ.

MARYLAND

College of Notre Dame of Maryland  
Coucher College  
Hood College

MASSACHUSETTS

Bay Path Junior College  
College of Our Lady of the Elm  
Emmanuel College  
Mount Holyoke College  
Pine Manor College  
Radcliffe College  
Regis College  
Simmons College  
Smith College  
Wellesley College  
Wheaton College

MINNESOTA

College of St. Benedict  
College of St. Catherine  
College of St. Teresa

MISSISSIPPI

Mississippi University for Women

MISSOURI

Wentworth College

NEW HAMPSHIRE

Dartmouth College  
River College

NEW JERSEY

Talbot College  
College of Saint Elizabeth  
Douglass College, Rutgers Univ.  
Georgian Court College

NEW YORK

Barnard College, Columbia Univ.  
College of New Rochelle  
Kenia College  
Maria Regina College  
Marymount College  
Marymount Manhattan College  
Molloy College  
Russell Sage College  
Wells College  
William Smith College

NORTH CAROLINA

Salon College

OHIO

College of Mount St. Joseph on the  
Ohio

PENNSYLVANIA

Bryn Mawr College  
Carlow College  
Cedar Crest College  
Chatham College  
Moore College of Art  
Rosemont College  
Villa Maria College  
Wilson College

SOUTH CAROLINA

Converse College

TEXAS

Texas Woman's University

VERMONT

Trinity College

VIRGINIA

Hollins College  
Mary Baldwin College  
Marymount College of Virginia  
Randolph-Macon Women's College  
Sweet Briar College

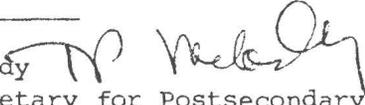
WISCONSIN

Alverno College

U.S. DEPARTMENT OF EDUCATION  
**MEMORANDUM**

TO : The Secretary  
Through: U \_\_\_\_\_  
ES \_\_\_\_\_

DATE: January 11, 1982

FROM : Thomas P. Melady   
Assistant Secretary for Postsecondary Education

SUBJECT: Formal Expression of Support for the Nations Women's Colleges

As an expression of support for the achievements of the Nations women's colleges, it would seem appropriate and justified to note the contributions of these institutions to the Nation. It would also be reinforcing to these institutions in their efforts to remain single sex, solvent, and viable educationally if they were to receive a public expression of the important role they play in the higher education enterprise. The continued existence of these women's colleges is a positive example of this Nation's and this Administration's commitment to pluralism and independence.

I would encourage the President to make a positive statement in support of women's colleges. An Executive Memorandum may be the appropriate vehicle.

The following supporting facts were gleaned from a study by the Women's College Coalition entitled, Profile II, A Second Profile of Women Colleges, determined that:

- o There are 116 women's colleges in the United States.
- o In 1979-80, total enrollment was approximately 125,000.
- o Sixty-seven percent of all women's college presidents are women. Compared to 8% nationally.
- o Freshmen at women's colleges tend to have higher educational aspirations than freshmen in general.
- o Women's colleges comprise approximately 4% of all reported institutions of higher education and educate 2% of the Nation's female undergraduates. Their leadership is predominantly female.
- o Women support their institutions with the highest percentage of giving that exists anywhere in higher education.
- o Women are present in significant proportions throughout the power, reward, and prestige systems of women's colleges -- accounting, for example, for 60% of undergraduate headcount faculty, 50% of tenured faculty, 48% of board members, 71% of all presidents and more than 50% of all distinguished lecturers, honorary degree recipients, and commencement speakers over the last five years at women's colleges.

Page 2 - The Secretary

- o These colleges, of which approximately half were founded before 1900, and slightly more than 10% have been founded since World War II. It is estimated that the total living alumnae of these 116 institutions number roughly one million.
- o These colleges provide a supportive atmosphere for women, encouraging women to take leadership roles, develop self-confidence and self-respect, and fight stereotypes.

Dole

THE WHITE HOUSE

WASHINGTON

February 16, 1982

MEMORANDUM FOR JAMES A. BAKER III  
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING 

I recommend for your consideration that we review the pros and cons of dedicating an "unknown" for the Vietnam conflict to add to the crypts at Arlington Cemetery. We should get the views of DOD, VA, Veteran's groups, Congress, private groups, etc., so we have developed a position when this issue is raised or if it appears to be a worthwhile initiative.

Fuller? →  
EM have problem?  
check w/ him. If study zidea OK, then check by Dole.

THE WHITE HOUSE  
WASHINGTON

March 18, 1982

TO: CRAIG FULLER

RE: Honoring Unknown Soldier from the  
Vietnam War

Attached is a memo from Fred Fielding suggesting that we add an unknown soldier from the Vietnam War to the crypts at Arlington Cemetery.

Also attached is a memo I prepared with a suggested implementation process (to speed things along). Yesterday I received word that it was okay with EM to proceed on this.

Could you take a look at #1 on the memo (highlighted) and see if you agree that it is the next appropriate step?

Thanks.

  
Jim Cicconi

THE WHITE HOUSE  
WASHINGTON

19 FEB 1982

February 19, 1982

MEMORANDUM FOR KENNETH CRIBB

FROM: Jim Cicconi *JC*  
SUBJECT: Honoring an Unknown Soldier from the Vietnam War

*OK w/ EM  
to proceed*  
Per our conversation, and at JAB's request, would you please see if Meese has any problem with further exploring the attached idea.

If okay, would suggest you return to me for preliminary check with Elizabeth Dole. After that, I would suggest the following sequence of actions for EM comment:

1. Craig Fuller would request a detailed proposal and comments from DOD; then the proposal would be circulated for comment to VA and other affected agencies.
2. If reaction is positive from the agencies, Elizabeth Dole should then consult with veterans and other private groups.
3. Proposal would then be circulated to WH staff for comment; at the same time, Ken Duberstein would consult with the appropriate congressional figures.
4. Decision on proposal.

If reaction to the proposal is positive, and a decision is made to go forward, suggest that Memorial Day, May 30, might be an appropriate date for announcement.

Dole

THE WHITE HOUSE  
WASHINGTON

February 16, 1982

MEMORANDUM FOR JAMES A. BAKER III  
ASSISTANT TO THE PRESIDENT

FROM: FRED F. FIELDING 

I recommend for your consideration that we review the pros and cons of dedicating an "unknown" for the Vietnam conflict to add to the crypts at Arlington Cemetery. We should get the views of DOD, VA, Veteran's groups, Congress, private groups, etc., so we have developed a position when this issue is raised or if it appears to be a worthwhile initiative.

Fuller?

EMI have  
problem?

check w/  
him. If study ideas  
OK, then check w/  
Dole.

THE WHITE HOUSE  
WASHINGTON

March 24, 1982

TO: BUD MCFARLANE

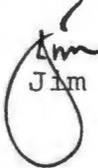
RE: Radio Marti

Attached letter from Congressman Jim Leach was sent to President with copy to JAB and Judge Clark (among others).

Could you please check the points he raises thru USICA to see if they were considered? The point he raises about station WHO in Des Moines may be of psrticular interest to the President.

JAB would appreciate it if you could let him know (or let me know, if you prefer) both your thoughts and USICA's on the merits of his arguments.

Thanks.

  
Jim Cicconi



JIM LEACH  
MEMBER OF CONGRESS

March 9, 1982

COMMITTEE  
ON KING, FINANCE AND URBAN AFFAIRS  
FOREIGN AFFAIRS

Dear Jim,

I'd appreciate your giving this  
issue your personal attention. It  
has the potential of embarrassing the  
President rather severely in Iowa  
and surrounding states.

Best,  
J

Marti and

sincerely hope that the reservations expressed by some in Congress  
regarding the desirability of broadcasting the truth directly to  
Cuba will not stand in the way of this important initiative.

I did want to bring to your attention, however, important technical  
problems that could arise if the project goes ahead as currently  
planned. The frequency chosen for Radio Marti is 1040 Kilohertz -  
precisely the channel used by WHO of Des Moines for its clear-channel  
broadcasts which reach much of the nation during evening hours. I  
understand that this frequency was chosen because the signals emitted  
by Radio Marti itself would cause relatively little interference with  
private broadcasting in the United States. It is my understanding,  
however, that the Government survey that led to this conclusion did  
not take into account the effects of likely Cuba jamming to prevent  
Radio Marti from reaching its audience in Cuba.

Fidel Castro's threat to jam Radio Marti with a 500 kilowatt transmitter  
beamed at the United States from Cuba should not be taken lightly.  
If this threat were carried out, the effect on WHO, as well as on a  
host of other stations in the United States, would be devastating. The  
effective nighttime range of WHO, which now sends a clear signal from  
Minnesota to Louisiana and from Wyoming to Pennsylvania, would be  
reduced to about a thirty-mile radius around Des Moines.



CONGRESS OF THE UNITED STATES

March 8, 1982

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

Dear Mr. President:

I am a strong supporter of the establishment of Radio Marti and sincerely hope that the reservations expressed by some in Congress regarding the desirability of broadcasting the truth directly to Cuba will not stand in the way of this important initiative.

I did want to bring to your attention, however, important technical problems that could arise if the project goes ahead as currently planned. The frequency chosen for Radio Marti is 1040 Kilohertz - precisely the channel used by WHO of Des Moines for its clear-channel broadcasts which reach much of the nation during evening hours. I understand that this frequency was chosen because the signals emitted by Radio Marti itself would cause relatively little interference with private broadcasting in the United States. It is my understanding, however, that the Government survey that led to this conclusion did not take into account the effects of likely Cuba jamming to prevent Radio Marti from reaching its audience in Cuba.

Fidel Castro's threat to jam Radio Marti with a 500 kilowatt transmitter beamed at the United States from Cuba should not be taken lightly. If this threat were carried out, the effect on WHO, as well as on a host of other stations in the United States, would be devastating. The effective nighttime range of WHO, which now sends a clear signal from Minnesota to Louisiana and from Wyoming to Pennsylvania, would be reduced to about a thirty-mile radius around Des Moines.

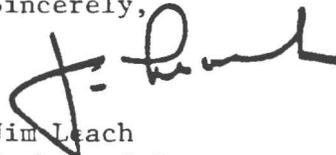
Given the very real danger that Castro will seek to jam Radio Marti, I urge that careful consideration be given to alternatives to the use of the 1040 frequency for AM broadcasting. At least four alternatives have come to my attention, all of which would appear preferable to current plans:

- A. Use of the facility already owned by Voice of America at Marathon, Florida. This would permit Radio Marti to be in operation almost immediately and would eliminate any necessity to create an entirely new facility. I understand that Radio Marathon, which broadcasts at 1180 KHz, is presently used only a few hours a day. While I recognize that Voice of America and Radio Marti will have entirely different purposes, would it not be preferable to use a facility already owned by the U.S. government than to create an entirely new one on an important frequency that is likely to be jammed. Radio Marathon's facilities could be leased to Radio Marti with control over all programming and operations retained by Radio Marti.
- B. Use of Mexican clear-channel frequency. This option might require Mexican permission under the terms of the Rio Agreement, but I understand that some frequencies currently allocated to Mexico are unused.
- C. Use of 1200 Kilohertz. This clear-channel frequency is currently used by a station in San Antonio. I am told, however, that interference from Cuban jamming would be less severe on this frequency, in part because higher frequencies are less affected by atmosphere interference.
- D. The use of a flexible FM signal. In the view of many broadcasting experts, a primitive system has been chosen for Radio Marti, whereas a more sophisticated system would have greater chances of reaching the intended audience without risking interference with domestic signals in the United States. Specifically, they suggest that an FM signal which would switch daily along a range of frequencies would be far harder to jam than a fixed-frequency AM signal.

Other possibilities worth considering include broadcasting from a ship at sea or, conceivably, from an aircraft using the FM service.

As I stated at the outset, I have no desire to complicate the establishment of Radio Marti, but I would hope that more sophisticated arrangements can be made to ensure that this important project does not result in severe damage to American broadcasting. As an alumnus of WHO, no one could be more aware than you of the important role that WHO plays in American life. Known as the "Voice of the Midwest," WHO might better be characterized as the "Voice of Rural America." It would be tragic if our very worthy effort to convey the truth to the Cuban public should rob the American farmer of one of his most important sources of information. I respectfully urge you to consider all possible alternatives before going ahead with current plans for Radio Marti.

Sincerely,



Jim Leach  
Member of Congress

cc: FCC Chairman Mark Fowler  
Mr. Kenneth R. Giddens  
Honorable Charles Wick  
Mr. James B. Conkling  
Mr. F. Clifton White  
Honorable Thomas O. Enders  
Honorable James Baker III ✓  
Honorable Edwin Meese III  
Honorable Michael K. Deaver  
Honorable Lee Atwater  
Mr. Bill Clark  
Mr. Robert Harter  
Mr. Michael McCarthy

JL:tha

THE WHITE HOUSE  
WASHINGTON

March 19, 1982

MEMORANDUM FOR JAMES A. BAKER I.  
EDWIN MEESE III

FROM: FRED F. FIELDING

SUBJECT: Lord v. Local 20  
Supreme Court No

*Pending*  
FF will notify  
re DOJ decision.  
JAB can then call  
Symms & Nickles.  
JC 3/24

The Supreme Court has asked the United States to file an amicus brief on the Petition for Certiorari in the above-captioned case, which presents the question of whether a state's right-to-work law is applicable to federal enclaves over which the United States has exclusive jurisdiction. A brief analysis of the issues is set forth in the attached memorandum.

The Department of Defense and the Federal Labor Relations Authority have expressed the view that state right-to-work laws should not apply, and therefore have recommended that the government express opposition to Supreme Court granting certiorari in this case. The Department of Labor has taken no position. We are advised that the Solicitor General plans to meet with the "right-to-work" side next week before making his final recommendation as to the Government's position.

As this is a controversial issue, please let me know if you would like additional information or further follow-up with the Department of Justice.

/Attachment

3/20  
Low key  
appmt.  
JC followup.  
JAB  
FF → EM then  
FF → ~~Re~~ AG  
4/90  
JAB call  
Symms, Nickles

MEMORANDUM

Robert B. Lord, et al. v. Local Union No. 2088, IBEW, et al.  
(S.Ct. No. 81-806)

This case, pending before the Supreme Court on petition for writ of certiorari, presents the question whether a state's right-to-work law is applicable to federal enclaves over which the United States has exclusive jurisdiction. The Supreme Court has asked the United States to file a brief expressing its view as to whether or not the Court should review the case.

Suit was brought by employees of RCA International Service Corporation against RCA and the International Brotherhood of Electrical Workers local which represents them for labor-management relations purposes. The employees' work sites are Patrick Air Force Base, Florida, and Cape Canaveral Air Force Station, Florida. Exclusive legislative jurisdiction over both of these installations was ceded by Florida to the United States and accepted by it. Jurisdiction over Patrick was ceded and accepted prior to the time Florida had a right-to-work law, and jurisdiction over Canaveral was ceded and accepted after Florida enacted a right-to-work law.

In March, 1979, RCA and the Union agreed to an agency shop provision in their collective bargaining agreement which required the plaintiffs, as a condition of their continued employment, to join the Union or to pay the equivalent monthly dues to the Union. Following implementation of the agreement, plaintiffs brought suit in the U.S. District Court for the Middle District of Florida alleging that the agreement is prohibited by Florida's right-to-work laws.

The district court held that state law applies on a federal enclave unless that law was not in existence at the time of cession or unless the law is inconsistent with federal law or policy. Since Patrick was ceded before the Florida right-to-work law was enacted, the district court determined that that law could not be applied on Patrick. However, the court found no conflict between the Florida right-to-work law and federal law and therefore held that the Florida statute was applicable to Canaveral.

A divided Fifth Circuit panel affirmed the district court with regard to the law applicable at Patrick, but reversed as to the law applicable at Canaveral. The court

of appeals agreed with the general principles of law applied by the district court, but held that there is a conflict between Florida's right-to-work law and federal labor law and that nothing in the National Labor Relations Act grants power to the State of Florida to enact a right-to-work law that is applicable within a federal enclave. Judge Roney, dissenting in part, would have affirmed the district court in all respects.

In their petition for writ of certiorari, the employees argue that the plain language of Section 14(b) of the National Labor Relations Act grants the states the power to pass right-to-work laws which are effective at any place within the states' geographic borders, including federal enclaves. That statute provides:

Nothing in this subchapter shall be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law. (emphasis supplied)

The employees also argue that even if the lower courts were correct in holding that Florida's right-to-work law was not applicable at Patrick, the law should be applied at Canaveral because it cannot be said to conflict with federal law which, in Section 14(b), explicitly permits states to enact right-to-work laws.

The Union and RCA have filed briefs supporting the court of appeals' decision and its rationale. The court of appeals noted that several Supreme Court decisions (Retail Clerks Local 1625 v. Schermerhorn, 375 U.S. 96, 103 (1963) and Oil Chemical and Atomic Workers v. Mobil Oil Corp., 426 U.S. 407, 417 (1976)) have stated that right-to-work laws conflict with Section 8(a)(3) of the National Labor Relations Act which expressly permits union security provisions (such as agency shop provisions). Under these decisions, Section 14(b) is construed as a provision which simply removes the preemptive effect on state law which Section 8(a)(3) might otherwise be interpreted to have. The court of appeals reasoned that a provision which merely removes the preemptive effect of another provision in the same law cannot be construed as an expression of congressional intent to extend state law into a federal enclave. See United States v. State Tax Commission, 412 U.S. 363 (1973) (respecting the effect of state liquor laws on federal enclaves). Therefore the court of appeals rejected the employees' argument that the existence of the enclave within state boundaries subjects the enclave to state law.

ORRIN G. HATCH, UTAH, CHAIRMAN  
ROBERT T. STAFFORD, VT.  
DAN QUAYLE, IND.  
PAULA HAWKINS, FLA.  
EDN NICKLEP, OKLA.  
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DONALD W. RIEGLE, JR., MICH.  
HOWARD M. METZENBAUM, OHIO

# United States Senate

COMMITTEE ON LABOR AND  
HUMAN RESOURCES  
WASHINGTON, D.C. 20510

GEORGE W. PRITTS, JR., CHIEF COUNSEL  
RENN M. PATCH, STAFF DIRECTOR AND GENERAL COUNSEL  
LAWRENCE C. HOROWITZ, M.D., MINORITY STAFF DIRECTOR

March 4, 1982

The Honorable Raymond Donovan  
Secretary of Labor  
200 Constitution Avenue N. W.  
Washington, D.C. 20210

Dear Mr. Secretary:

The Solicitor General of the United States recently asked the Department of Labor to give its views on whether the Supreme Court of the United States should grant certiorari in Lord v. IBEW. Therein, the Fifth Circuit Court of Appeals has held that Florida's Right to Work Law does not preclude compulsory union dues provisions in collective bargaining agreements covering employees working at a federal enclave. The Supreme Court has asked the Solicitor General to file an amicus curiae brief expressing the position of the Administration on this issue. We urge you to advise the Solicitor General to seek reversal of the Court of Appeals by supporting the petition for certiorari.

Collective bargaining agreements that compel the payment of union dues as a condition of employment cannot be reconciled with basic and fundamental First Amendment principles of free association. Like any other private organization, membership in a union should be based upon the voluntary decision of the individual member. Individuals should not be forced by federal law to pay union dues against their wishes. Recent judicial determinations indicate that union dues are primarily used for purposes not directly related to negotiating contracts and processing grievances. Large portions of coerced dues are used to support political candidates and causes that many employees would not voluntarily support. Given these circumstances, the Administration should advocate a position consistent with its more general policy in support of voluntarism.

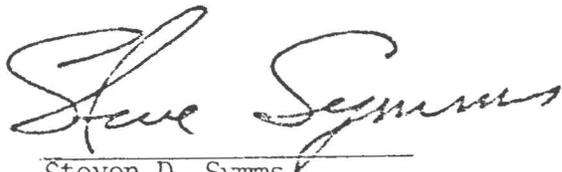
A logical reading of Sections 8(a)(3) and 14(b) of the National Labor Relations Act necessarily leads to the conclusion that the NLRA is at a minimum neutral on compulsory dues arrangements. States have been given the authority by federal law to ban private sector compulsory dues provisions within their territorial boundaries. It would be anomalous for employees to lose freedoms guaranteed by their state's Right to Work Law solely because they were technically employed on a federal enclave.

Compulsory dues provisions are prohibited by the Civil Service Reform Act of 1978. Federal government employees thus cannot be compelled to financially support union activities. If the Court of Appeals decision is affirmed, petitioners will be denied basic freedoms available not only to those private sector

See —  
Fielding memo  
←

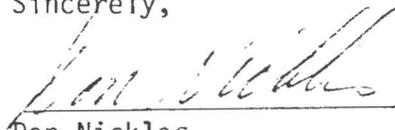
employees employed elsewhere in Florida, but also to those federal employees employed on the federal enclave in question. In the face of this double-anomaly, common sense dictates that the protection of a state's Right to Work Law should be available to all private sector employees within that state, including those employed on federal enclaves.

Despite the fact that the legislatures of our respective states have chosen not to enact Right to Work legislation, we believe that Section 14(b) of the NLRA is a vital ingredient to the success of any new Federalism plan. Reversal of the Court of Appeals in Lord will result in significant progress towards restoring legitimate state sovereignty and renewing a more balanced federalism.



Steven D. Symms  
U.S. Senator

Sincerely,



Don Nickles  
Chairman  
Subcommittee on Labor

cc: Honorable William French Smith  
Edwin Meese, III  
James A. Baker, III  
Michael K. Deaver

Handwritten marks: a large 'f' on the left, a checkmark, and a vertical line.

To JAB memo R.F.

3/31 -> JC - NS

JAB

If you agree w/ Rich's last paragraph, we need to ask that Fred convey our concern to the AG.

MEMORANDUM FOR JAMES EDWIN  
FROM: RICHARD  
SUBJECT: UNITARY

Handwritten notes: 'JC', '4/29 JC: Dague. I think we already noted this on another copy of this memo. JAB'

On March 3, 1982, the Cabinet Council on Economic Affairs determined that the Administration would not take a position on legislation relating to the unitary tax until it had completed further study of the issue and undertaken extensive consultations with interested parties.

Earlier this year, at the request of the Department of the Treasury, the Department of Justice filed an Amicus Curiae brief in the Chicago Bridge and Iron Company Case pending before the U.S. Supreme Court. The Solicitor General's Office petitioned the Supreme Court for an opportunity to make an oral argument in this case. Oral argument has been tentatively approved for April 19, 1982.

As a result of the Cabinet Council decision mentioned above, Assistant Secretary John Chapoton contacted the Solicitor General's Office to suggest they not make an oral argument in the Chicago Bridge and Iron Company Case. Chapoton has not received a response to his request.

White House Intergovernmental Affairs received a substantial number of critical comments from the National Governors' Association, and Republican Governors in particular, at the time the Department of Justice originally filed the Amicus Curiae brief. The Governors argued that it was inconsistent with the President's New Federalism for the Federal government, through the Justice Department, to be arguing against a state's right to impose the unitary tax on corporations doing business within that state.

It is my information the Solicitor General's Office has indicated to Treasury that to withdraw the request for oral argument would be an embarrassment to the Solicitor General's Office. I suggest that to proceed with oral argument, prior to an Administration decision being made by the Cabinet Council on Economic Affairs, will undercut the Administration's credibility both on the unitary tax issue and on the Federalism Initiative. I believe the Solicitor General's Office should be made aware of this situation.

cc: Fred Fielding  
Richard G. Darman  
Craig L. Fuller

Handwritten notes: '5/4 Jim Medlam will call back Done mike Lottig will report to me 5/5 JC'

THE WHITE HOUSE  
WASHINGTON

**CABINET AFFAIRS STAFFING MEMORANDUM**

DATE: March 4, 1982      NUMBER: 050174CA      DUE BY: -----  
 SUBJECT: CABINET COUNCIL ON ECONOMIC AFFAIRS -- Minutes

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Baker</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Darman <i>(For WH Staffing)</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>	Mike Wheeler	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>	Larry Kudlow	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Kass	<input type="checkbox"/>	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/McClaghry	<input type="checkbox"/>	<input type="checkbox"/>
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_____	<input type="checkbox"/>	<input type="checkbox"/>			

REMARKS: Attached for your information are the minutes of the February 23, March 1, and March 3 meetings of the Cabinet Council on Economic Affairs.

RETURN TO: Craig L. Fuller  
 Assistant to the President  
 for Cabinet Affairs  
 456-2823

MINUTES  
CABINET COUNCIL ON ECONOMIC AFFAIRS

February 23, 1982  
8:45 a.m.  
Roosevelt Room

Attendees: The Vice President, Messrs. Regan, Block, Donovan, Weidenbaum, Brock, Porter, Darman, Wright, Sprinkel, Savas, Gray, Jordan, Mehle, Dederick, Beech, Childs, Cicconi, Garrett, Hopkins, Hudson, Kudlow, Stanley, Applegarth, Bledsoe, Hemel, Ms. Constable, Ms. Small, and Ms. McLaughlin.

1. Report of the Working Group on the Commodity Futures Trading Commission.

The Council considered a paper, prepared by the Working Group on the Commodity Futures Trading Commission, including their recommendations concerning reauthorization of the CFTC.

Mr. Mehle reviewed the Cabinet Council's discussion of the CFTC at its February 11 meeting and four issues requiring the Cabinet Council's decision: (1) whether to support reauthorizing the CFTC indefinitely or for a specified number of years; (2) whether the administration should support modifying the Commodity Futures Trading Commission Act to replace the commission form of governance with a single administrator; (3) whether the industry should be required to pay user fees to both the CFTC and the National Futures Association, a self-regulatory body registered by the CFTC; and (4) the appropriate role of state regulatory agencies vis-a-vis the CFTC.

The Council's discussion focused on the recent GAO report on the CFTC, the value of sunset provisions for regulatory agencies, the relative state and federal roles with regard to commodities pools regulation, the Federal Reserve Board's authority to set margin requirements on commodity futures transactions, and the user fee proposal in the CFTC's proposed legislation and its consistency with the administrations' user fee proposals in the FY 1983 budget.

Decisions

The Council approved supporting extending the reauthorization of the Commodity Futures Trading Commission for a fixed period of at least four years.

The Council supported maintaining the present structure of commission governance.

The Council endorsed the CFTC approach of fees to offset the costs of both the CFTC and the National Futures Association (NFA).

The Council approved supporting the CFTC bill retaining to the CFTC exclusive regulatory jurisdiction over national exchange trading and the operations of pool operators. The bill would also allow the CFTC to share information with state authorities in connection with legal actions or investigations conducted by states.

## 2. Financial Market Developments

The Council reviewed a series of charts, prepared by the Department of the Treasury, illustrating recent developments in financial markets.

Mr. Sprinkel's presentation focused on trends in long and short-term interest rates, the differences between actual growth in M-1 during the last year and the Federal Reserve's monetary targets, quarterly rates of growth of the monetary base and the money supply, the relationship between monetary growth and growth in the Gross National Product (GNP), and the relationship between M-1 growth and changes in yields on three-month certificates of deposits.

Mr. Sprinkel also discussed the surge in M-1 growth between last October and January, discussions with the Federal Reserve Board on measures to reduce volatility, and the threat that high interest rates pose to the success of the President's economic recovery program.

The Council's discussion of financial market developments centered on the effects of week-to-week M-1 changes on interest rates, the effect of Eurodollar shifts on interest rates and the money supply in the U.S., and the impact on interest rates from OPEC's shift from a net surplus to a net deficit position.

The Council also discussed congressional developments regarding the administration's fiscal year 1983 budget proposals, the likely effect of the upcoming debt extension legislation on budget related issues, and the relative impacts of fiscal and monetary policies on current interest rates.

MINUTES  
CABINET COUNCIL ON ECONOMIC AFFAIRS

March 3, 1982  
10:00 a.m.  
Roosevelt Room

Attendees: The Vice President, Messrs. Regan, Lewis, Weidenbaum, Harper, Porter, Williamson, MacDonald, Lyng, Khedouri, Shasteen, Dederick, Leshner, Chapoton, Garrett, Gray, Hemel, Anderson, Balabanis, Medas, Johnston, Cribb, Cicconi, Baroody, and Ms. McLaughlin.

1. Agricultural Commodity Options

The Council reviewed a report from the Working Group on Agricultural Commodity Options. Mr. Leshner's presentation focused on the origins of the 1936 ban on trading in agricultural commodity options, the present impetus for removing the ban, and the arguments for and against it.

The discussion centered on the effects of removing the ban: whether prices would be more volatile, to what extent an options market would reduce the volume of futures contracts, whether or not the Commodity Futures Trading Commission (CFTC) could adequately regulate trading in agricultural commodity options, and what impact repeal of the ban would have on the government's commodity price support programs.

The Council also considered the Working Group's recommendation that the ban on options trading in agricultural commodities be lifted subject to the understanding that trading in these contracts would not start until after the CFTC and the commodity exchanges have completed a pilot program with option trading in a few selected commodities.

Decision

The Council agreed to recommend that the Department of Agriculture testify in support of lifting the ban on options trading in agricultural commodities.

2. Unitary Taxation

The Council reviewed a paper prepared by the Department of the Treasury on the subject of unitary taxation by the states. Mr. Chapoton's presentation centered on the concept of unitary

Minutes  
Cabinet Council on Economic Affairs  
March 3, 1982  
Page Two

taxation, the extent of its use by the states, the arguments of proponents and opponents of unitary taxation, the Treasury Department's on-going study of the issue, and current judicial and legislative activities that are the focus of the present debate.

The discussion focused on the importance of unitary taxation as a revenue source to the states, its relationship to the President's New Federalism initiatives, its impact on foreign commercial relationships, its effect on the efficiency of international capital markets, its bearing on the federal government's ability to negotiate international tax treaties, and its impact on corporations.

#### Decision

The Council agreed that unitary taxation was a complex issue involving a difficult choice between competing values and determined that the administration would not take a position on legislation relating to the unitary tax until it has completed further study of the issue and undertaken extensive consultations with interested parties.

RBP

MINUTES  
CABINET COUNCIL ON ECONOMIC AFFAIRS

March 1, 1982  
10:30 a.m.  
Roosevelt Room

Attendees: The Vice President, Messrs. Regan, Baldrige, Stockman, Brock, Weidenbaum, Harper, Porter, Darman, Duberstein, Rollins, Trent, Pratt, Mehle, Jenkins, Cicconi, Cribb, Gray, Bailey, and Ms. McLaughlin.

1. Conditions in the Thrift Industry

Mr. Richard Pratt, Chairman of the Federal Home Loan Bank Board, briefed the Council on his view of the financial condition and projected outlook for the savings and loan industry.

He noted that during 1981 the savings and loan industry lost nearly \$5 billion, or about 15 percent of its net worth, and that during the fourth quarter of the year losses were at a \$9 billion annualized rate. As in other industries, there are wide variations in the health of individual institutions. He reported the FHLBB's projections for the number of institutions that will exhaust their capital within the next two years.

He also reviewed savings flows in commercial banks and thrift institutions during the past year relative to other non regulated savings alternatives as well as the ability of the savings and loan industry to compete effectively with commercial banks for retail deposits.

He reported on the estimates of FSLIC expenditures for 1982 through 1986 under three interest rate alternative scenarios, the rate of failures thus far in 1982, and reviewed alternative ways of addressing the short-term difficulties of the industry.

The Council's discussion focused on the 25 basis point differential between savings and loan institutions and commercial banks on small savers certificates and its effect on the flow of savings, the reasons why finding merger partners for failing institutions may be more difficult in 1982 than last year, the need for a definitive study of the sources of the growth in money market funds, and the FSLIC's ability to successfully conserve their funds.

The Council also discussed alternative actions designed to maintain public confidence in the financial stability of thrift institutions and the range of proposals currently

being advanced including additional legislation relating to guarantees for FSLIC-insured accounts, transaction/sweep accounts, the thrift institutions restructuring act, the home mortgage capital stability act (St. Germain Bill), and mortgage warehousing plans.

Much of the discussion focused on the fundamental objectives of government actions relating to the thrift industry: protecting depositors with minimum cost to the budget and minimum disruption to the nation's financial structure.

There was general agreement that there was no certain way to quickly reduce and keep interest rates down and that there was a need to promptly review a series of measures to address the industry's short-term and long-term problems.

#### Decisions

The Council requested that the Thrift Industry Working Group work closely with representatives of the FHLBB in analyzing alternative ways of: (1) maintaining and enhancing public confidence in the thrift industry; (2) increasing the flow of savings to thrift institutions; and (3) providing the flexibility needed to facilitate mergers and acquisitions. The Council also requested the Working Group to evaluate the range of initiatives being advanced by thrift industry representatives and groups.