

Bunton, Lucius

THE WHITE HOUSE
WASHINGTON

February 25, 1982

Dear Lucius:

I am delighted to hear you finally took the big leap into private practice. I am sure you are already discovering one advantage, namely, that you no longer have to represent state agencies!

Please accept my best wishes for success. I also hope you will call on me if business brings you to Washington.

Sincerely,


James W. Cicconi
Special Assistant to the
President

Mr. Lucius D. Bunton
Bunton, Nolan & Ode
511 West Seventh
Austin, Texas 78701

Lucius D. Bunton,
Peter A. Nolan
&

Connie Odé,
Former Assistant Attorneys General of Texas,
announce the formation
of their partnership
for the
general practice of law.

Bunton, Nolan & Odé
511 West Seventh
Austin, Texas 78701
(512) 480-8227

THE WHITE HOUSE
WASHINGTON

February 25, 1982

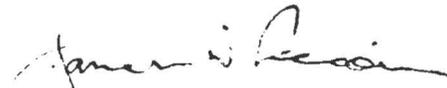
Dear Mr. Burress:

Jim Baker asked that I respond to your letter concerning the origin of the "safe harbor" leasing rules and his radio comments on the subject.

In short, you are correct that the rules originated in and were developed by the Department of the Treasury (as Assistant Treasury Secretary Chapoton has testified). Mr. Baker's comments were simply intended to refute the impression that the rules were part of the President's original tax package--instead, the rules were added later.

We appreciate your bringing the statement to our attention.

Sincerely,



James W. Cicconi
Special Assistant to the
President and Assistant to
the Chief of Staff

Mr. James M. Burress
Legislative Assistant to
Congressman Seiberling
1225 Longworth House Office Building
Washington, D. C. 20515

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

February 4, 1982

R.F.
JAB

2/9 How have you?

Hon. James Baker
Chief of Staff
The White House
Washington, D.C. 20500

Dear Mr. Baker:

Last night, on an interview broadcast on National Public Radio, you stated that the safe-harbor tax leasing rules were not a product of the Administration; that they were developed on Capitol Hill.

Enclosed is the first page of testimony before the House Ways and Means Committee by Assistant Treasury Secretary John Chapoton. Mr. Chapoton states that "the 'safe harbor' leasing rules of the ERTA originated in and were developed by the Office of Tax Policy in the Treasury Department."

Yours Sincerely,

James M. Burress

JAMES M. BURRESS
Legislative Assistant
to Congressman Seiberling

cc: Hon. John Chapoton

2/15 JC:
Is this right. Please
find out for me. I know they
werent in our orig. tax package.
Thanks.
JMB
P.S. Draft a response to this
guy depending on what
you learn.

TREASURY NEWS



Department of the Treasury • Washington, D.C. • Telephone 566-20

For Release Upon Delivery
Expected at 10:00 A.M. EST

STATEMENT OF
THE HONORABLE JOHN E. CHAPOTON
ASSISTANT SECRETARY OF THE TREASURY FOR TAX POLICY
BEFORE THE SUBCOMMITTEE ON OVERSIGHT
HOUSE COMMITTEE ON WAYS AND MEANS
December 15, 1981

Mr. Chairman and Members of this Committee:

I am pleased to be here today to discuss the liberalized leasing rules of the Economic Recovery Tax Act of 1981 (ERTA). The leasing rules have generated a great deal of confusion and misunderstanding. I am happy for the opportunity to further explain these rules and to reemphasize their role in the President's program.

Background

The "safe harbor" leasing rules of the ERTA originated in and were developed by the Office of Tax Policy in the Treasury Department. They were included in the first bipartisan tax bill (H.R. 3849) introduced on June 9, 1981. The tax package considered by the Senate Finance Committee in June, which resulted in H.J. Res. 266, also contained the leasing provisions, as did H.R. 4260, the July 24 bipartisan substitute bill in the House. Thus, these provisions were clearly and conspicuously a part of the bipartisan tax package for capital formation from its inception to its passage in August.

The leasing rules are an integral part of the President's tax program to restore economic growth. All reports up to now indicate that they are working as intended to spur investment. Every lease is associated with spending for new equipment. Much of this spending would not occur otherwise.

"Safe harbor" leases allow all companies making new investments full access to the incentives in the recent tax bill. Without these rules, unequal competition for funds would have arisen, additional financial barriers would have been presented to new companies, and additional pressures for mergers and takeovers would have been created. The new leasing rules do not make otherwise bad investments into good investments, but they do make good investments equally profitable for companies in different tax situations.

pac

Andrews, Kurth

ANDREWS & KURTH

ATTORNEYS

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DALLAS OFFICE
ANDREWS, KURTH & RITCHIE
1100 REPUBLICBANK BUILDING
DALLAS, TEXAS 75201
(214) 742-6285

September 3, 1982

Mr. James W. Cicconi
Special Assistant to the President
and to the Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

We are having lunch with Larry Kraus, Tom Donohue, and Dick Breault who are group vice presidents of the Chamber. The Chamber is organized with four group vice presidents immediately under Dick Lesher who are the second layer in the Chamber and these are three of the four. I enclose a organization chart which will give you an idea of the pecking order. These are the three that would be most important from a political point of view.

Sincerely,

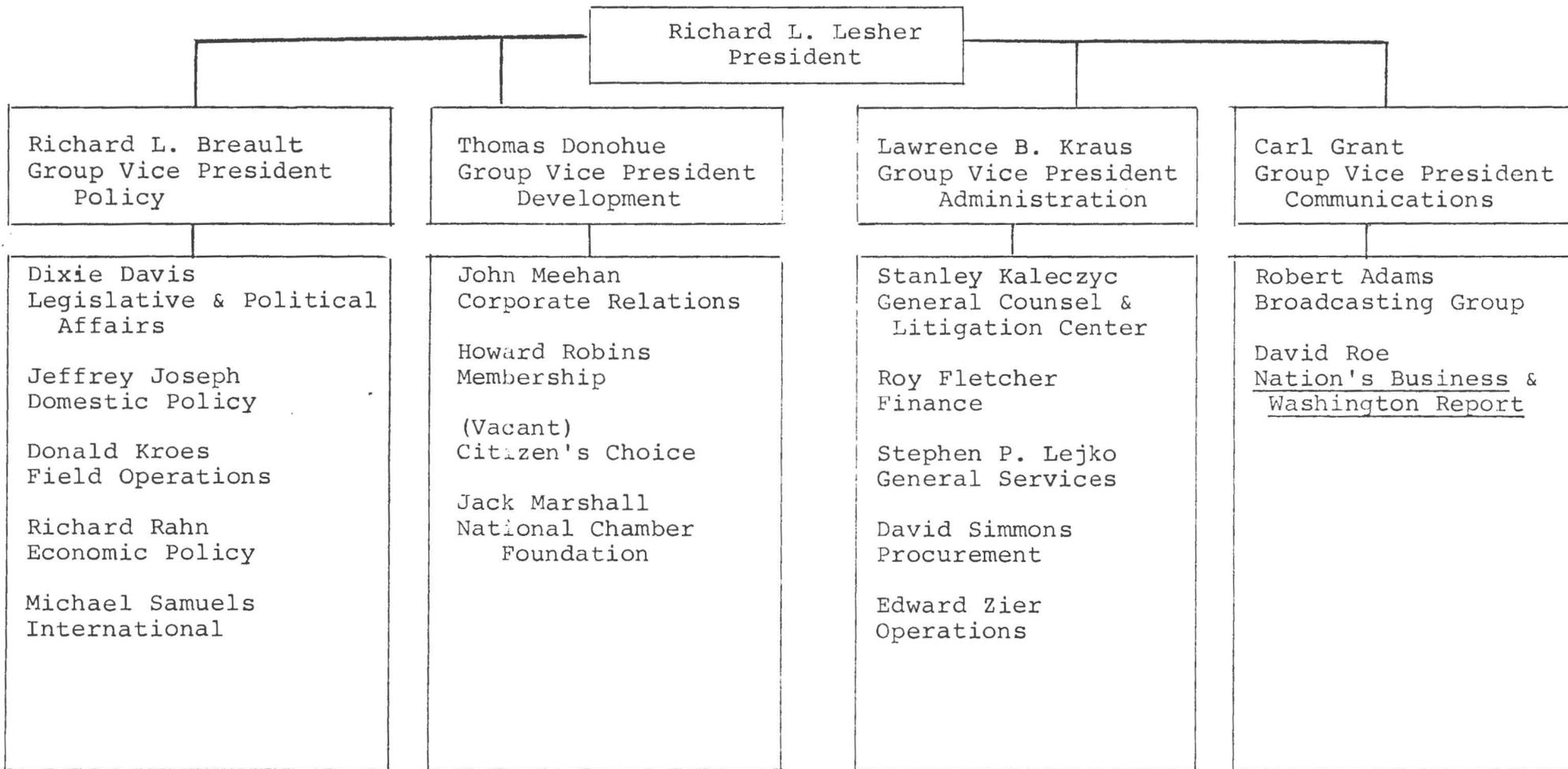


Michael F. Butler

MFB:tmd

Enclosure

ORGANIZATIONAL CHART
U. S. CHAMBER OF COMMERCE



f cc .

Butler, Mike

ANDREWS & KURTH

ATTORNEYS

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August 24, 1982

Mr. James W. Cicconi
Special Assistant to the President
and to the Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

I enclose a letter to Muffy Brandon suggesting the inclusion of Jack McGregor at the State dinner for President Marcos. McGregor is the person I mentioned to you and would be a good person to be on the guest list. As you can see from the letter, he has rather extensive business activities in the Phillipines, knows Mrs. Marcos and is a very solid Republican. I would appreciate anything that you can do on the request.

Sincerely,



Michael F. Butler

LOUIS MARX, JR.

645 MADISON AVENUE
NEW YORK, N. Y. 10022

August 19, 1982

Ms. Mabel H. Brandon
Social Secretary
Office of the First Lady
The White House
Washington, D.C. 20500

Dear Ms. Brandon:

I would very much appreciate your most careful consideration for including Jack E. McGregor and, if possible, his wife Carol on the White House invitation list for the State dinner for President Marcos in September. Mr. McGregor is a personal friend and close business associate of mine, with extensive developmental business activities in the Philippines. He is well-known to Mrs. Marcos and Minister Alejandro Melchor, Government of the Philippines, and in fact was a personal guest of Mrs. Marcos on her presidential jet last month during her return to Manila from Washington.

Mr. McGregor's many business activities include serving as Chairman of International Water Resources, Ltd., which recently executed a definitive agreement with Mrs. Marcos' Ministry of Human Settlements for a project to export freshwater in oil tankers from the Philippines to certain countries in the Arabian Gulf. He is also working closely with Minister Melchor on a special project, at Mrs. Marcos' request, relating to the Philippines Air Lines. Additionally, one of his companies is conducting a feasibility study to determine the commercial feasibility of exporting wood chips from the Philippines for wallboard manufacturing in the Arabian Gulf. Finally, Mr. McGregor is working very closely with Senator Heinz of Pennsylvania in developing an export market in the Philippines for Pennsylvania coal.

Mr. McGregor is a solid lifelong Republican with years of experience in elective and appointive office, including two terms as a Pennsylvania State Senator in the 1960s and key positions with the State Department and Pay Board in the early 1970s. He is personally known and respected by U.S. Senators Orrin Hatch, John Heinz and Arlen Specter; Pennsylvania Governor Dick Thornburgh and former Governors William Scranton and Raymond Shafer; and

Ms. Mabel H. Brandon
The White House

-2-

this year's endorsed Republican candidate for Governor of New York, Lew Lehrman. In the ten years subsequent to his public service, he has actively supported key Republicans while developing a successful business in international commerce and finance, has been a regular contributor to various Republican candidates and committees, and has been an outspoken supporter of President Reagan.

Thank you for your kind consideration to this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "L Marx, Jr.", written in dark ink.

Louis Marx, Jr.

cc: Honorable George H.W. Bush

f 00

Butler, Michael

ANDREWS & KURTH

ATTORNEYS

1747 PENNSYLVANIA AVENUE, N. W.

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4200 TEXAS COMMERCE TOWER

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May 21, 1982

Mr. James W. Cicconi
Special Assistant to the Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

I enclose a clipping from Thursday's New York Times to add to what I'm sure is an extensive file on the problems you have with women. There are some interesting things in the article.

There will be a lot of publicity with strong anti-Reagan overtones about women's matters if ERA dies on June 30. I don't have any good ideas on what you can do to counteract it but you ought to be thinking about it. As I mentioned to you before, one person who might be helpful is Barbara Franklin who Jim knows.

Sincerely,

Michael F. Butler

No Response Nec.

JC 5-25-82

NOW's Funds Soar In Last-Ditch Effort On Equal Rights

By JANE PERLEZ

Special to The New York Times

WASHINGTON, May 19 — The National Organization for Women, which is in the last six weeks of its long-shot effort to get the proposed Federal equal rights amendment ratified, has raised more money for its ratification campaign this year than the most successful — and conservative — political action committees.

The staff of NOW says it has received \$1.3 million a month since last December through its direct mail, phone banks and television appeals — an amount that outstrips the \$5.3 million that the political action committee (PAC) of the conservative Republican Senator Jesse Helms of North Carolina reported to the Federal Election Commission last year.

This outpouring of money, principally from NOW's 200,000 members, is being spent on what most agree is an unlikely eventuality — the ratification

in three states by June 30 of the proposed equal rights amendment.

Feminist leaders and members of the Democratic Party, who enviously watch NOW spend so much money on what seems a desperate last hope, are questioning what will happen to this newly discovered money machine once the June 30 deadline passes. To be adopted the proposed amendment to the Constitution must be ratified by 38 state legislatures by then or it will die. Three more are still needed.

There are also questions as to how NOW will regroup and whether it will join other feminist organizations in such economic and political actions as backing pro-choice candidates in the fall, if its quest for the equal rights amendment ends in defeat.

Eleanor Smeal, the president of NOW, harbors no doubts about the wisdom of the strategy that has converted the organization from one concerned with a broad spectrum of women's issues to one devoted primarily to the single issue of ratifica-

Continued on Page C12

NOW's Funds Soar in Amendment Bid

Continued From Page C1

tion. "So many people would like to think we're talking about an impossible dream," Mrs. Smeal told a rally in Charlotte, N.C., last week. "But I don't think a handful of people should so discourage us. Why should we be fearful of literally a handful of men." She claims that in the three states needed for ratification only two or three legislators stand between success and failure of the amendment.

Mrs. Smeal, accompanied by a small entourage of NOW staff, which has organized itself after the fashion of a political campaign with advance people and a press secretary, has been making speaking forays into North Carolina, Illinois and Florida, the three states on which NOW has pinned its hopes.

In each of the three states, as well as in the "opinion making" centers of New York City, Washington and Los Angeles, there is a significant television advertising campaign showing such personalities as Alan Aida, Mario Thomas and Betty Ford. In the three targeted states, phone banks and a small army of volunteers — many of them persuaded personally by Mrs. Smeal to leave their jobs to work for ratification — back up the television commercials. But even Mrs. Smeal, who at times exudes the ardor of a religious preacher, concedes "one key element is missing in each place."

In North Carolina, the Democratic Governor, James B. Hunt, who favors ratification, has made a special effort in the last month, backed by favorable new public opinion polls, to lobby members of the Senate, where twice before the amendment has failed by two votes.

In Florida, Gov. Robert Graham, a Democrat, has said that the amendment will be voted on again in the Legislature. But despite public opinion polls that show the amendment is favored in Florida, Mrs. Smeal believes the major obstacle is the dean of the Senate, Dempsey Barron. In Illinois, NOW is mounting a major television advertising drive urging the Republican Governor, James R. Thompson, who is polling badly among women in his gubernatorial campaign, to change the rules that require three-fifths, rather than a simple majority, in both legislative chambers to pass a constitutional amendment. NOW is confident that such a rule change will enable Illinois to pass the amendment.

The money received by NOW for the ratification effort has been relatively

cheap to raise, according to Roger Craver, president of Craver, Matthews, Smith & Company, the direct-mail house that works for NOW, as well as the Democratic Party and various liberal interest groups.

Each monthly sum of \$1.3 million since December has cost only \$250,000 to raise, Mr. Craver said. He added that NOW had raised \$700,000 a month from August to December. All of the money raised since the ratification "countdown campaign" began in August will be spent by June 30.

"The board of NOW has authorized me to spend all we get," said Mrs. Smeal. While Mr. Craver believes the fund-raising capacity of NOW is impressive — by comparison, the Demo-

stand the change in women and how political these issues have become."

Mr. Craver says that the fund raising by NOW over the last year has illustrated that the potential political capacity of women is "massive." "What the equal rights amendment demonstrates," he said, "is the ability of NOW to raise immense amounts of money. If they wanted to they could raise between July and October \$4 to \$5 million — the frustration of not passing ERA is so great and will be greater."

Mrs. Smeal and other feminist leaders believe that the money coming into NOW for the ratification drive is motivated in part by the far higher negative rating women give President

candidates for the fall election, she said, adding: "We're determined to keep going and to improve the strength of the feminist forces inside the state and national levels. We will be moving rapidly, not allowing ourselves to be overcome."

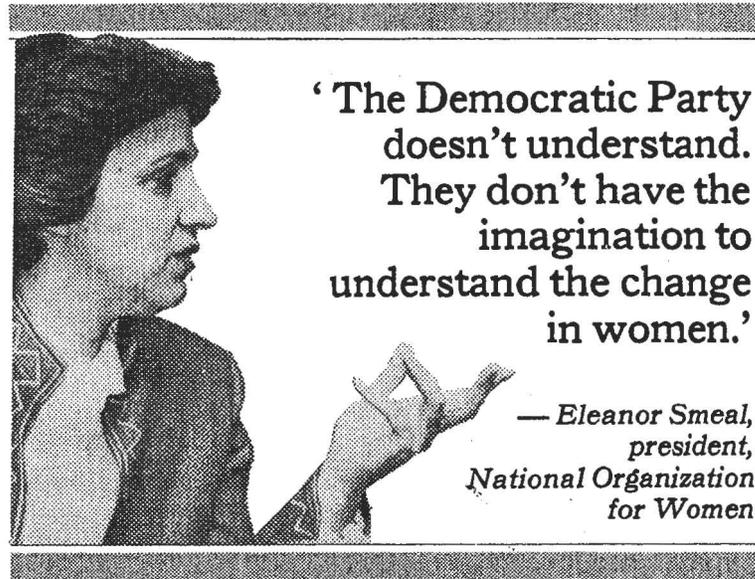
If the amendment fails on June 30, a number of Representatives have said they will immediately re-introduce the amendment into the Congress. But beyond that there are many feminists and office holders who are women, who hope that NOW's organizational ratification effort, carried on with such missionarylike zeal, will be funneled into electing legislators at the state and Federal level in the fall.

"They've created a grass-roots support which will not stop after the deadline," said Representative Geraldine A. Ferraro, Democrat of Queens. "I would be very surprised if NOW did not move to the forefront in electing officials who understand the issues."

Carol Burris, a former president of the Women's Lobby and an early member of NOW, said she believed that the proposed equal rights amendment was doomed before the extension for ratification was granted by Congress in 1978. Hence she is worried that the fervor that Mrs. Smeal has been able to engender among her loyal followers has been wasted. "It's one thing to talk you into trying to elect Democrats in November — which seems likely," Miss Burris said. "But I find it scary to talk someone into taking a year of your life for a dead issue."

Miss Burris said that after June 30 there should be a demonstration that the issue of women's rights "is not dead." "I am hoping that Elly Smeal is going to leave in place a terrific organization," she said. Miss Burris also suggests that lawyers who are women should file discrimination suits in all the major jurisdictions around the country to show that "there are still a lot of laws that discriminate against women."

The president of the National Abortion Rights Action League, Nanette Falkenberg, feels it is urgent for NOW to take a new tack after June 30. "NOW is committed to their own strategy and they have pursued that strategy enthusiastically," said Miss Falkenberg. "It has caused disagreement with other organizations and has caused animosities. But they are able to go their own way." Naral, which will raise and spend \$4 million, is concentrating all its resources on state legislature 1982 elections, and Miss Falkenberg said she would welcome NOW's support.



'The Democratic Party doesn't understand. They don't have the imagination to understand the change in women.'

— Eleanor Smeal, president, National Organization for Women

The New York Times

cratic Party will raise only \$2.5 million through direct mail during the entire year — Mrs. Smeal is not entirely satisfied with the fund raising.

"It's ridiculous to say it's a lot of money when one gubernatorial race costs \$5 million," she said during an interview. "We've not had as much support in constant dollars as the suffragette movement had."

Revealing some of the bitterness toward the Democratic Party that sometimes erupts in her conversation, she added: "We've been robbed of our legitimate support by defeatism in our natural base of our support. A goodly portion of the time we have to keep saying there's a chance. The Democratic Party doesn't understand. They don't have the imagination to under-

stand the change in women and how political these issues have become." Reagan than men give him. A New York Times/CBS News Poll in March showed that women disapproved of the way Mr. Reagan was handling his job by 46 percent to 39 percent, while men gave the President an approval rating of 48 percent to 38 percent. With the backing of the proved fund-raising capability, the sharp criticisms of Mr. Reagan by women could be easily harnessed to have a major impact on the November elections, according to the feminist leaders.

Mrs. Smeal, who cannot run again for the presidency of NOW, said that she has thought about the future beyond June 30. On Aug. 26, the 62d anniversary of women's right to vote, a PAC-Woman's Day will be held to raise money to spend on support for

HERBERT L. BUTRUM

Jim -
Thanks so much for treating me to lunch
in the "mess". I felt like a kid with a new toy! It was
most generous of you. You were a super host for George
and me, and I am most grateful. Seeing the President
really topped things off!

I hope you will be able to make it down on
June 15 - I think it will be a very successful evening!

Best regards,
Herb

HERBERT L. BUTRUM
2105 Bronte Drive, Austin, Texas 78752

THE WHITE HOUSE
WASHINGTON

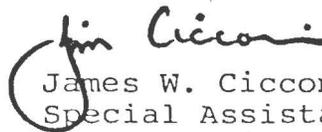
November 25, 1981

Dear Mr. Carlucci:

On November 19, Jim Baker received a call from Mr. and Mrs. Jewell Lawrence Morse (205-881-6166) concerning a proposed Independent Cost Monitoring Task Force. I returned the call for Mr. Baker and spoke with Mr. Morse, who indicated that he is a consultant who has previously advised the government (including Bill Seidman). He is now supporting an appropriation to set up a type of management system, and implied that he is interested in a contract; he mentioned that Senators Baker and Dole are backing his proposals. Mr. Morse wanted the President to be made aware of his views.

I do not know this man, nor does Mr. Baker. Under the circumstances, I thought it appropriate to forward this information to you since Mr. Morse indicated he had talked with you several times on the subject.

Sincerely,



James W. Cicconi
Special Assistant to the President
and Assistant to the Chief
of Staff

The Honorable Frank Carlucci
Deputy Secretary of Defense
Washington, D.C. 20301

THE WHITE HOUSE

WASHINGTON

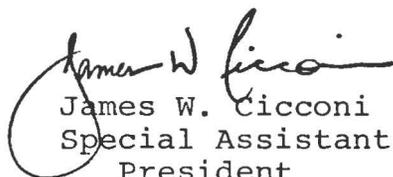
December 14, 1982

Dear Mr. Cervenka:

I received your letter of November 29, 1982, regarding the MX missile, along with a copy of your January 5, 1982, letter to Senator Tower. I have forwarded your correspondence to the appropriate office for review and asked that they respond directly to you.

I appreciate your taking the time to share your views.

Sincerely,



James W. Cicconi
Special Assistant to the
President

Mr. William J. Cervenka
Chairman
The Republican Party of
Runnels County
Route 1
Ballinger, Texas 76821

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 82/11/29

Name of Correspondent: Bill Curvanka

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: MX missile

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CS</u>	<u>Jim Cicconi</u>	ORIGINATOR	<u>1 1</u>			<u>1 1</u>
		Referral Note:	<u>on behalf of Jim Cicconi</u>			
<u>DOS</u>	<u>Exec. Secretariat</u>	<u>R</u>	<u>1 1</u>			<u>1 1</u>
		Referral Note:				
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		Referral Note:				

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet
to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.



**THE
REPUBLICAN
PARTY
OF RUNNELS COUNTY**

**WILLIAM J. CERVENKA, Chairman
Route 1
Ballinger, Texas 76821
(915) 442-~~3181~~ 4431**

Mr. Jim Cicconi
The White House
Washington, D.C.

29 Nov, 1982

Dear Mr. Cicconi:

As a way of introduction you may recall assisting me three years ago in a matter relating to the public school system in Eden, Tex.

My purpose in this letter is to voice my concern for the M-X program. You may or may not be a military expert but you are in the right place: the Democrats will never allow the dense pack system to pass and I can't blame them too much. One or two 100 megaton warheads would dig the entire complex out of the ground.

I would appreciate your giving an enclosed copy of a letter I sent to Senator Tower almost a year ago to Mr. Clark.

The idea was probably never considered and I believe it has merit.

Thanks.

Bill Cervenka



**REPUBLICAN
PARTY
OF RUNNELS COUNTY**

WILLIAM J. CERVENKA, Chairman
Route 1
Ballinger, Texas 76821
(915) 442-3124

January 5, 1982

Senator John Tower
142 Russell Office Bldg.
United States Senate
Washington, D.C. 20510

Dear Senator Tower:

I have been observing the indecision concerning the deployment of the M-X missile system. Here is a thought on this problem that may be worthy of your consideration.

Simply stated it is to base the system in the several Great Lakes through agreement with Canada or in Lake Michigan and perhaps our waters in Huron and Superior if no agreement were possible.

This would be accomplished by mounting missiles on the deck of presently obsolete Polaris submarines or on fake ore carriers or a combination of the two.

I see the advantage of this deployment as follows:

- a. It is mobile
- b. Is in waters under our complete control
- c. Can be accomplished at moderate cost
- d. Can be put in place quickly
- e. Is near command control
- f. Should be invisible to the enemy with minimal anti-surveillance safeguards.
- g. Will probably not arouse the ire of our so called environmentalists

I will expand on this idea if you think it worthwhile.

Best Wishes,

William J. Cervenka

cc Tom Loeffler



**THE
REPUBLICAN
PARTY
OF RUNNELS COUNTY**

WILLIAM J. CERVENKA, Chairman
Route 1
Ballinger, Texas 76821
(915) 442-3124

January 5, 1982

Senator John Tower
142 Russell Office Bldg.
United States Senate
Washington, D.C. 20510

Dear Senator Tower:

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- g. Will probably not arouse the ire of our so called environmentalists

I will expand on this idea if you think it worthwhile.

Best Wishes,

William J. Cervenka

cc Tom Loeffler

Chapoton, Buck

THE WHITE HOUSE
WASHINGTON

March 2, 1982

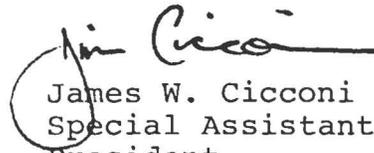
Dear Buck:

The attached letter on the income tax system was forwarded to me by two close friends from Texas, David and Dealey Herndon. David and I worked together while he was Assistant Secretary of State; he is now Governor Clements' General Counsel. Dealey's family is closely connected with the Dallas Morning News.

I know their frustrations reflect the feelings many Americans have had with the tax system at one time or another, and I would appreciate it if you (or someone at Treasury) could provide them with a response.

Thanks in advance for your attention to this.

Sincerely,



James W. Cicconi
Special Assistant to the
President

The Honorable Buck Chapoton
Assistant Secretary of the
Treasury for Tax Policy
Main Treasury, Room 3120
1500 Pennsylvania Avenue, N.W.
Washington, D. C. 20220

Dear Dim,

We are writing concerning the Income Tax System.

We are in our 30's, we did our own tax returns until 2 years ago, and we have made no attempt to save an extra thousand dollars by abusing the tax system. We do not particularly object to the large dollar amount of our taxes so long as they are spent wisely (we are in the 70% bracket). We do strongly object to the way in which individuals must arrive at that figure. It is complicated, frustrating, and infuriating. I am a college graduate in Government and my husband is a graduate from the Texas Law School. If we have trouble with the forms, how can anyone expect the average American to feel comfortable with them?

The purpose of a tax is to raise money, yet our tax structure has become a tangled web of forms and bureaucracy that involves the Government in encouraging and discouraging, fostering and punishing, and in most areas, making a value judgment for the whole nation. In the process, we have disillusioned and frustrated every taxpayer, even those who use the present tax system to full advantage. We would like to restrict the lobbying and special interest demands to non-tax legislation and enact taxes simply to raise money to support direct legislative decisions.

The following are suggestions we hope you will seriously consider.

1. SIMPLIFY THE TAX SYSTEM - the simpler the income tax system is, the fairer it will be for all Americans.
In our opinion, the tax system cannot be "reformed". Efforts to do so have repeatedly failed. It must be totally restructured from the bottom up.
2. People in the lower income ranges - say \$5,000 to \$10,000 and below - should not have to fill out forms of any kind. Declaring their income and signing their name should be sufficient - two simple lines. These people are so resentful of government requirements now that they are unable to appreciate those positive things the government does for them.
3. Graduate the tax from that point upward strictly according

to income, dropping most if not all deductions.

Example: 5% tax on income under 50,000 dollars *Percentages are all
 15% tax on income between \$50,000 and \$100,000 totally arbitrary
 25% tax on income between \$100,000 and \$200,000
 35% tax on income over \$200,000

The system would raise the same revenue for the Government as is raised now if you determine your actual percentage by computing a combined gross income figure for each income bracket (add together all the taxpayers) and a combined tax revenue of the previous year for that same bracket based on all IRS information available. We believe that the percentages would be surprisingly low when applied across the board. The tax must fall below those taxes paid before at the lower end to compensate for the discontinuation of deductions - but it must also go no higher at the upper end because Americans still want and need the American dream - someday I too can be rich and important and beyond financial worry. To avoid controversial comparisons with past tax payments, this change could be coupled with proposed tax cuts.

4. Only two deductions or credits might warrant being retained. First, a credit for dependants is valid, especially at lower income levels. Second, charitable deductions encourage giving and keep the Government out of direct involvement in many philanthropies. We believe the effective tax rate for the average American would remain equal to or below the present level even without the other business, interest, medical, etc. deductions. (The Government can use other ways of achieving the same goals - with more money in their pockets from lower tax rates, the American citizen can spend more on medical care if they take the initiative and save; the business and corporate tax structures can take into account business expenses and investment incentives; whereas interest deductions encourage credit, a lower tax rate could provide people with the same buying power without specifically encouraging loans.)
5. There would obviously be some specific problems difficult to solve short term, such as municipal bonds. But answers do exist even if they are not perfect. Under no circumstances continue the deductions in theory. Once a deduction is granted, the door is open to

lobbying from every area for additional deductions and the tax system is again aborted. Our present system of credits and deductions has bred disrespect for the tax system and anger against government officials on all levels from the IRS to the Senate of the United States. It has created an attitude that only a fool doesn't take full advantage of the system and in thousands of cases make business decisions based primarily on tax benefits. We should not continue a system that breeds disrespect and even cheating since that attitude will spread to other areas of Government and law enforcement.

It is staggering to contemplate tax reform - where can it begin or end? Citizens become indignant at any suggestion of change that effects them personally. But a total restructuring seems relatively simple and ultimately fair to all Americans. No personal tax form should exceed one page. The IRS could be reduced significantly, saving millions if not billions of government dollars.

At first, it would certainly be controversial, but any major change would be. In a year or two the benefits would outweigh the imagined fears and legitimate concerns and a new faith in the ability of Government to manage itself will follow. This is the one area where Government directly touches all productive Americans. Working Americans need to feel they can manage their own lives and the direction of their Government. It is difficult to imagine even one American taxpayer who thinks the laborious taxing procedures are either beneficial or necessary.

As politicians you will naturally be concerned about strong opposition from powerful supporters. Please remember that their interests can only be selfish because the only taxpayers this plan will hurt will be those who were not formerly paying their fair share of taxes on an objective percentage basis. Naturally it will put IRS employees, income tax companies, and many accountants out of business since Americans will be able to figure out their own forms, but we see that as an ultimate benefit. The taxpayer making \$25,000 who paid \$5,000 at tax time after taking advantage of deductions will still pay \$5,000 or less at tax time. But the taxpayer making \$200,000 who paid \$5,000 in taxes after deductions will pay a higher share at tax time. Under the proposed plan, every American is on an equal footing with all of the others in their income bracket regardless

of their spending and investment habits. Incentives can be handled in other ways. Above all this system can be fair and will get policy decisions of our Government out of our personal taxing system.

With tax time nearing, the radio stations are running hundreds of public service announcements about where and how to get help with your income tax forms. Poor and elderly people go to the library where volunteers help them and wealthy people collect together piles of papers and go to their accountants. In the middle the majority of Americans struggle through by themselves hoping they have done it correctly and that they won't have a dreaded audit. We have created a burdensome institution that no one really understands or wants to. Please do something about it.

Thank you for listening,

A handwritten signature in cursive script that reads "Dealey and David". The signature is written in dark ink and is positioned below the typed text "Thank you for listening,".

David and Dealey Herndon
Austin, Texas

P.S. We would love to see this kind of simplicity in Unemployment Tax forms as well - they are even worse on both State and Federal levels.

INCOME TAX FORM *

NAME _____

ADDRESS _____

CITY AND STATE _____

INCOME FOR 1982

Total income for the year = _____

1. Income under \$50,000 _____ x 5% _____
2. Income between \$50,000 and \$100,000 _____ x15% _____
3. Income between \$100,000 and \$200,000 _____ x 25% _____
4. Income over \$200,000 _____ x 35% _____
5. Add lines 1 thru 4 _____
6. Number of dependents x \$1000.00 _____
7. Subtract line 6
from line 5 _____
8. Charitable deductions
Total dollar amount up to 1/5 Total Income x 50% _____
9. Subtract line 8
from line 7 _____
10. TOTAL TAX OWED IN 1982 from line 9 _____

* This is obviously very simplistic and we purposely did not try to refer to the present forms or to solve all the potential problems, but it will give you the idea we hope to see implemented.



1120 Connecticut Avenue, N.W.
Suite 1142
Washington, D.C. 20036
(202) 296-5850

Leslie Cheek
Vice President
Federal Affairs

September 16, 1982

Mr. James W. Cicconi
Special Assistant to the President
The White House
Washington, D. C. 20500

Dear Jim:

Re: Product Liability

Once again, on behalf of the Product Liability Alliance and my own companies, I would like to thank you for your help in furthering the business community's efforts to obtain the enactment of a fair and balanced Federal product liability statute.

I understand from those closely involved in last week's discussions at the White House that it was your honest and reliable information and timely intervention that was responsible for salvaging a favorable result from a difficult situation.

Best wishes.

Sincerely yours,

A handwritten signature in cursive script that reads "Les Cheek".

Leslie Cheek, III
Vice President-Federal Affairs

LC/kor

C. k. Justice

THE WHITE HOUSE
WASHINGTON

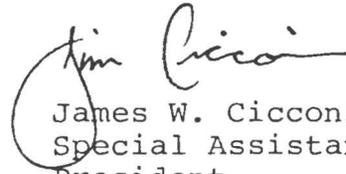
July 12, 1982

Dear Les:

Thank you for forwarding a copy of your economic analysis of federal product liability legislation. I will read it with interest and with the understanding that, as you have mentioned, many of the factors are difficult to quantify.

I also want to thank you for lunch; our exchange of views on the product liability issue was most enjoyable.

Sincerely,



James W. Cicconi
Special Assistant to the
President

Mr. Leslie Cheek, III
Vice President-Federal Affairs
Crum & Forster Insurance Companies
1120 Connecticut Avenue, N.W.
Suite 1142
Washington, D. C. 20036

July 9, 1982

Leslie Cheek
Vice President
Federal Affairs

Mr. James W. Cicconi
Special Assistant to the President
and Special Assistant to the Chief of Staff
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D. C. 20500

Dear Jim:

Knowing of your interest in the product liability issue, I thought you might like to have a copy of an economic analysis of Federal product liability legislation that the Product Liability Alliance submitted to the Chairman of the Working Group on Product Liability of the Cabinet Council on Commerce and Trade last week.

As we had anticipated, it proved extremely difficult to quantify the savings that would occur in transaction, production, and insurance costs and in facilitating international commerce that would result from the enactment of a Federal product liability law.

Thank you for sharing with us over lunch last month your thoughts as to how we might best make our case with the Administration. Your guidance has been most helpful, and we appreciate your consideration.

I would be most interested in any reaction to the enclosure that you might wish to share with me.

Best wishes.

Sincerely yours,



Leslie Cheek, III
Vice President-Federal Affairs

LC/kor
Enclosure

THE WHITE HOUSE
WASHINGTON

April 6, 1982

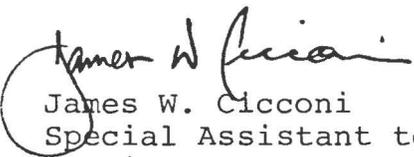
Dear Mr. Cinkosky:

Mr. Baker has received your letter of March 26, 1982, and asked me to respond.

We appreciate your willingness to take the time to discuss your views on the economic problems this Administration is facing. However, Mr. Baker's demanding schedule would make it very difficult to set up such a meeting. Should you decide it worthwhile to send Mr. Baker your proposals on paper, I will make certain they receive appropriate attention, and will convey your points to him.

The mailing address is White House, First Floor - West Wing, Washington, D. C. 20500. Please mark your letter to my attention.

Sincerely,


James W. Cicconi
Special Assistant to the
President

Mr. John Cinkosky
50 Hartford Street
Dover, Massachusetts 02030

John E. Cinkosky
50 Hartford St.
Dover, MA 02030
Tel. (617) 785-0839

March 26, 1982.

Mr. James Baker
Washington, D. C.

Dear Mr. Baker:

I see by THE SCROLL that you are a Phi Delt. We are honored. (My affiliation is Wisconsin Beta '31)

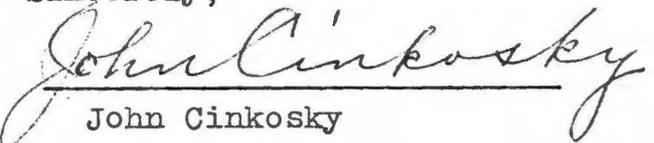
We have something else in common - a strong interest in the success of this administration.

Very little in our national economy is as it should be. As a result, REAGONOMICS is in serious trouble. If it is to succeed, it had better do so soon. What is needed most is an immediate and pronounced pick-up in the economy.

I have some ideas about how this might be done and my friends and I think that the Administration could benefit from them. ~~and I like to meet with you, or with someone who has access to the~~ President.

I feel, Mr. Baker, that a long letter of explanation, especially from an unknown, would only end up in the waste basket. If my ideas are to get any consideration at all, the evaluation must come, I feel, from some good give-and-take discussion. At this time I will say only that my suggestions are based on democratic and free-enterprise principles.

Sincerely,


John Cinkosky

P.S. I am 76. Retired.

Work experience: Industrial production and Sales;
Teaching Physics, Chemistry, Mathematics;
Coaching football, basketball.

Disciplined to place a great value on
Reliable information as a Guide for Action.

~~Have become a member~~
for SATS. -
4/2
MOT

Conner, Roger

~~AA~~
PI request for me.
Thanks
J 10/1

10-1 Done. Act

FAIR

September 20, 1982

Mr. James Cicconi
First Floor, West Wing
The White House
Washington, D. C. 20500

Dear Mr. Cicconi:

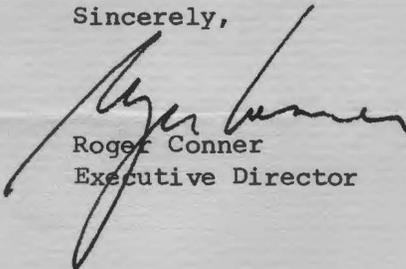
FAIR is opening its next Board meeting with a reception to celebrate the stunning Senate vote in favor of the Simpson bill, and (hopefully!) progress toward House enactment.

We would be delighted to have you with us on this happy occasion, to meet with our chairman, Dr. John Tanton, our Board members, and a small group of distinguished national business leaders who will be in Washington for a private briefing on the immigration issue.

The reception will be held at the Hyatt Regency Hotel, Capitol Hill, 400 New Jersey Avenue, N. W., on Friday, October 8, from 6:00 to 7:30 p.m.

I look forward to seeing you there.

Sincerely,



Roger Conner
Executive Director

P. S. Please R.S.V.P. by October 5 to Bernadine Hetler,
785-3474.

FEDERATION for AMERICAN IMMIGRATION REFORM
2028 P STREET, N.W.
WASHINGTON D.C. 20036 202-785-3474

JOHN TOWER
TEXAS

f 50

Craddock, John W.

COMMITTEES:
ARMED SERVICES
CHAIRMAN
BANKING, HOUSING, AND
URBAN AFFAIRS
BUDGET

United States Senate

WASHINGTON, D.C. 20510

April 14, 1982

Mr. Jim Cicconi
Special Assistant to the President
Special Assistant to the Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

Renewing an old friendship is always an exhilarating experience. I am pleased we were able to get together, and I commend you on your career progress and dedicated service to the President.

I know each day presents a full agenda of responsibilities for you, so I especially appreciate your taking the time to invite me to join you for lunch at the White House dining room. It was a privilege and an honor to be your guest.

With warm regards.

Sincerely,



John W. Craddock, Jr.
Legislative Aide to
U. S. Senator John Tower

JWC: ew