

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: Cicconi, James W.: Files

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File Folder: JW Cicconi Memos to Mr. Baker, Jan-Jun 1984[2of 3]

Date: 2/17/98

~~OA 10792~~ Box 4

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	J.W. Cicconi to James A. Baker III re Proposed Hiring of Eliza Paschal, 1p.	4/3/84	P5
2. memo	Cicconi to Baker re South Bronx Development Organization, 1p.	5/1/84	P5
3. memo	Cicconi to Baker re Letter from Arthur Goldberg, 2p.	5/3/84	P5 CG 10/18/00

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].
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- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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THE WHITE HOUSE

WASHINGTON

March 26, 1984

MEMORANDUM FOR BEN ELLIOTT

FROM: JAMES W. CICCONI *JW*

SUBJECT: Suggestion for Speech
to Fundamentalist Convention

In anticipation of the President's April 13 speech to the Fundamentalist Convention, I wanted to pass on a suggestion from Nathan Perlmutter of the Anti-Defamation League. He argues that the President's discussions of moral or religious subjects (especially in recent speeches) have referred to Christian values or our Christian heritage. Perlmutter suggests that the message would be better received by Jews if we instead use the term "Judao-Christian."

I have no idea if his criticism is valid, but the suggestion seems sound regardless.

Thanks.

cc: Richard G. Darman

THE WHITE HOUSE

WASHINGTON

March 28, 1984

MEMORANDUM FOR JAMES A. BAKER III

FROM: JIM CICCONI *Jm*
SUBJECT: Executive Order on Textiles

For your information:

An executive order has been forwarded for the President's approval which is aimed at the problems of transshipments of textiles from third countries, and changes to textiles after their arrival in the US. Both problems have helped frustrate effective enforcement of existing textile agreements.

In short, the order calls on Treasury to issue customs regulations within 120 days on warehouse entry and withdrawal, in accordance with policy guidance by the Committee on Implementation of Textile Agreements (CITA) chaired by USTR. Treasury will also establish a Textile and Apparel Task Force within Customs to coordinate enforcement of certain regulations governing textile imports.

This order implements a decision made previously by a CCCT working group which called for better coordination between CITA and Customs.

THE WHITE HOUSE

WASHINGTON

March 30, 1984



MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JWC*

SUBJECT: Trade Relations with Japan

For your information:

In a CCEA meeting yesterday, Secretary Regan remarked that he was now more convinced than ever that we would need to "hit Japan hard" with some sort of trade action before we would be able to obtain firm results. He went on to express his frustration that we have made almost no progress despite years of effort (and he bluntly told the Japanese that while in Tokyo). Regan is especially upset at Japanese refusals to open its capital markets and to make the yen an international currency.

The Vice President was in the meeting, and the Secretary suggested that he might want to have his US-Japan trade group consider options for firm action should we not see results in the near future.

THE WHITE HOUSE
WASHINGTON

April 2, 1984

TO: JAB III

Attached is the note to Verne Orr
which you requested.

I wanted to question, though, whether
you would prefer to direct this to
Cap Weinberger. If not, suggest he
be copied, along with Bud McFarlane.

If letter needs to be retyped, please
return to me. Otherwise, Kathy can
process.

Thanks,

JC

*cc to Weinberger
Koch*

THE WHITE HOUSE

WASHINGTON

April 4, 1984

Dear Verne:

I just wanted to let you know that the President took note of the attached article in the White House News Summary, which relates an incident involving the cost of a door for the C-141 aircraft.

The President expressed an interest in the Air Force's investigation of the matter, and asked that you apprise him of its results upon completion.

With best regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim", written in black ink.

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

The Honorable Verne Orr
Secretary of the Air Force
The Pentagon
Washington, D.C. 20301

1 02-84 01:06 AES=

AIR FORCE PAID \$300,000 FOR \$2,000 DOOR
BY JERRY MCGINN

SPOKANE, WASH. (UPI) — A TRUCK DRIVER WHO DISCOVERED THE AIR FORCE WAS PAYING \$300,000 FOR AN AIRPLANE DOOR WORTH ONLY \$2,448 SAYS MORE CITIZENS SHOULD BECOME WHISTLEBLOWERS TO "SAVE THIS COUNTRY FINANCIALLY."

HARRY WEAR MADE HIS DISCOVERY LAST NOVEMBER WHEN HE DELIVERED THE C-141 DOOR TO McCHORD AIR FORCE BASE NEAR TACOMA. HE WAS ASTONISHED TO SEE THE BILL OF LADING VALUED THE DOOR AT \$300,000.

"THERE WASN'T AS MUCH METAL THERE," HE SAID, "AS YOU'D FIND IN ONE TRUCK FRAME."

WEAR SAID HE WAS EVEN MORE SHOCKED WHEN THE DOOR WAS CASUALLY STACKED NEAR 15 TO 20 IDENTICAL ONES IN THE STORAGE YARD.

"WITH ALL THOSE PANELS SITTING AROUND THE PARKING LOT, AND AT THAT PRICE," HE SAID, "I ASKED THE CLERK WHAT THE AIR FORCE WAS DOING WITH THEM. HE SAID, 'I DON'T KNOW, IT'S JUST SOMETHING WE BUY.'"

"THAT MADE ME MAD. I'VE FELT FOR SOME TIME THAT WE DON'T NEED TO PAY MOPE TAXES, WE NEED MORE RESPECT FOR THE TAX MONEY WE'RE GETTING," HE SAID. "WE NEED TO SPEND WITH A LITTLE BIT MORE INTELLIGENCE AND QUIT WASTING IT. THIS WAS WASTING IT AND I PROMISED MYSELF I'D DO SOMETHING ABOUT IT."

WEAR, 49, AN AIR FORCE VETERAN, CALLED THE INTERNAL REVENUE SERVICE, WROTE REP. TOM FOLEY, D-WASH., AND WASHINGTON GOV. JOHN SPELLMAN.

"I COULDN'T GET ANY ACTION," HE SAID. "NONE OF THEM CARED."

"THEN ONE DAY I CALLED FAIRCHILD AIR FORCE BASE (OUTSIDE SPOKANE), TALKED TO AN OPERATOR, TOLD HIM THE SITUATION, AND HE TOLD ME ABOUT THE GOVERNMENT'S ZERO OVERPRICING MONITOR PROGRAM.

"I GOT HOLD OF A SGT. ROBERT JENSEN AND HE'S BEEN ON THE CASE SINCE THEN. THEY TELL ME I WILL KNOW THE DISPOSITION OF THE THE INVESTIGATION BY JUNE 12."

THE AIR FORCE SAYS THE DOOR SHOULD HAVE COST \$2,448 AND HAS ASKED THE MANUFACTURER, LOCKHEED, TO EXPLAIN THE \$298,000 DISCREPANCY.

JENSEN ALSO TOLD WEAR HE COULD RECEIVE A REWARD OF 10 PER CENT, \$29,000, FOR ACTING AS AN OFFICIAL "WHISTLEBLOWER" UNDER THE MONITORING PROGRAM. UNLESS, THAT IS, ALL THE C-141 DOORS FETCHED THE SAME PRICE AND WEAR GETS CREDIT FOR EACH OF THEM.

WEAR SAID HE'D NEVER HEARD OF THE PROGRAM WHEN HE BEGAN HIS CRUSADE BUT THAT HE COULD USE THE MONEY. HE'S BEEN UNEMPLOYED SINCE DECEMBER.

WEAR SAYS HE'S ANGRY ABOUT THE GOUGING OF TAXPAYERS AND GLAD HE RAISED HIS VOICE.

"WHAT WE HAVE TO DO, AS CITIZENS, IS START SAYING WHAT WE THINK," HE SAID. "WE NEED TO STAND UP FOR WHAT WE KNOW IS RIGHT, START WORKING TOGETHER AND DO SOMETHING TO SAVE THIS COUNTRY FINANCIALLY.

"THEY USED TO CALL PEOPLE LIKE THAT PATRIOTS. NOW WE'RE CALLED RADICALS, BUT WE CAN CHANGE THAT."

UPI 04-02-84 01:06 AES



DEPARTMENT OF THE AIR FORCE
WASHINGTON, D. C. 20330

11 APR 1984

OFFICE OF THE SECRETARY

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

Dear Jim:

Thank you for informing me of the President's interest in the UPI press article regarding the apparent overpricing of a door for the C-141 aircraft. Unfortunately, the article contained misleading and inaccurate information which distorted the facts in this case.

First, the description of the item as an "airplane door" belies its complexity. Those doors are, in fact, large clam-shell type doors containing hydraulic and electrical components that open for the loading and unloading of cargo and personnel, both in flight and on the ground (please see attachment). Measuring 35' by 9' and weighing 2,250 pounds, they conform to the tapered aircraft fuselage, thereby requiring the forming of aircraft honeycomb aluminum into compound curved shapes. Because of their large size, technical sophistication and special loading requirements, large autoclaves (ovens) are required for the manufacturing process.

Second, the quoted "should cost" of \$2,448 resulted from an incorrect analogy drawn by the Sergeant investigating the case. Based on his discussions with Mr. Wear, Sergeant Jensen submitted a Zero Overpricing challenge on the door after comparing it to the only similar component at Fairchild he was familiar with--a B-52 bomb-bay door which measures 2' by 8' costing approximately \$2,500. It was upon this inaccurate correlation that UPI based its claim of a \$298,000 discrepancy.

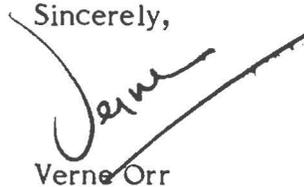
Finally, we consider the actual price to be fair and reasonable. In 1980, the Air Force procured 21 left-hand doors at the unit price of \$265,164 and 13 right-hand doors at a unit price of \$274,419. The contractor's proposal was audited by the Defense Contract Audit Agency. Additionally, the Defense Contract Audit Service gave a technical evaluation of the contractor's proposal. Extensive negotiations were conducted with the contractor when the above prices were agreed to and determined to be fair and reasonable. We also consider the 12.1 percent negotiated profit for this acquisition to be reasonable.

Unfortunately, no one from UPI contacted the Air Force before publishing the story. The reporter apparently got the story from Mr. Wear or other television newscasts, or both. Moreover, we have since been contacted by "Good Morning America," Cable News Network, AP, and Georgia Radio News, all of whom concluded there was no story after hearing an explanation of the type and reasons for the cost of the doors.

We applaud Mr. Wear's intentions. His cost consciousness is exactly what we are trying to foster among our own Air Force people in keeping with Secretary Weinberger's program to end spare parts price abuses.

I hope the above information will be useful in explaining the complexity and cost of the C-141 cargo door. Let me assure you we remain committed to providing the most military capability possible for the dollars we spend.

Sincerely,

A handwritten signature in black ink, appearing to read "Verne Orr", written over a diagonal line that extends from the bottom left towards the top right.

Verne Orr

Attachment

EMERGENCY ENTRANCES AND EXITS (TYPICAL)

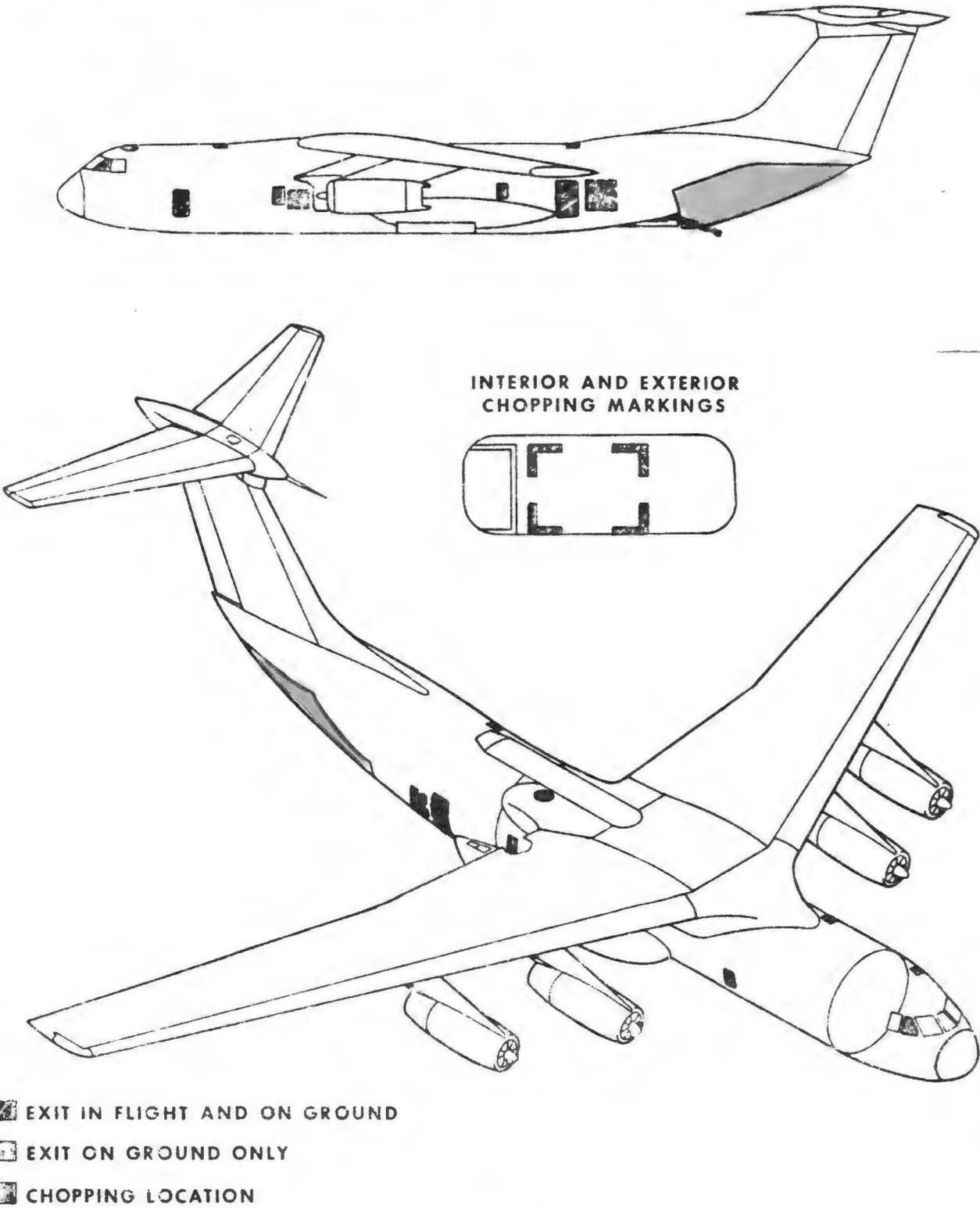
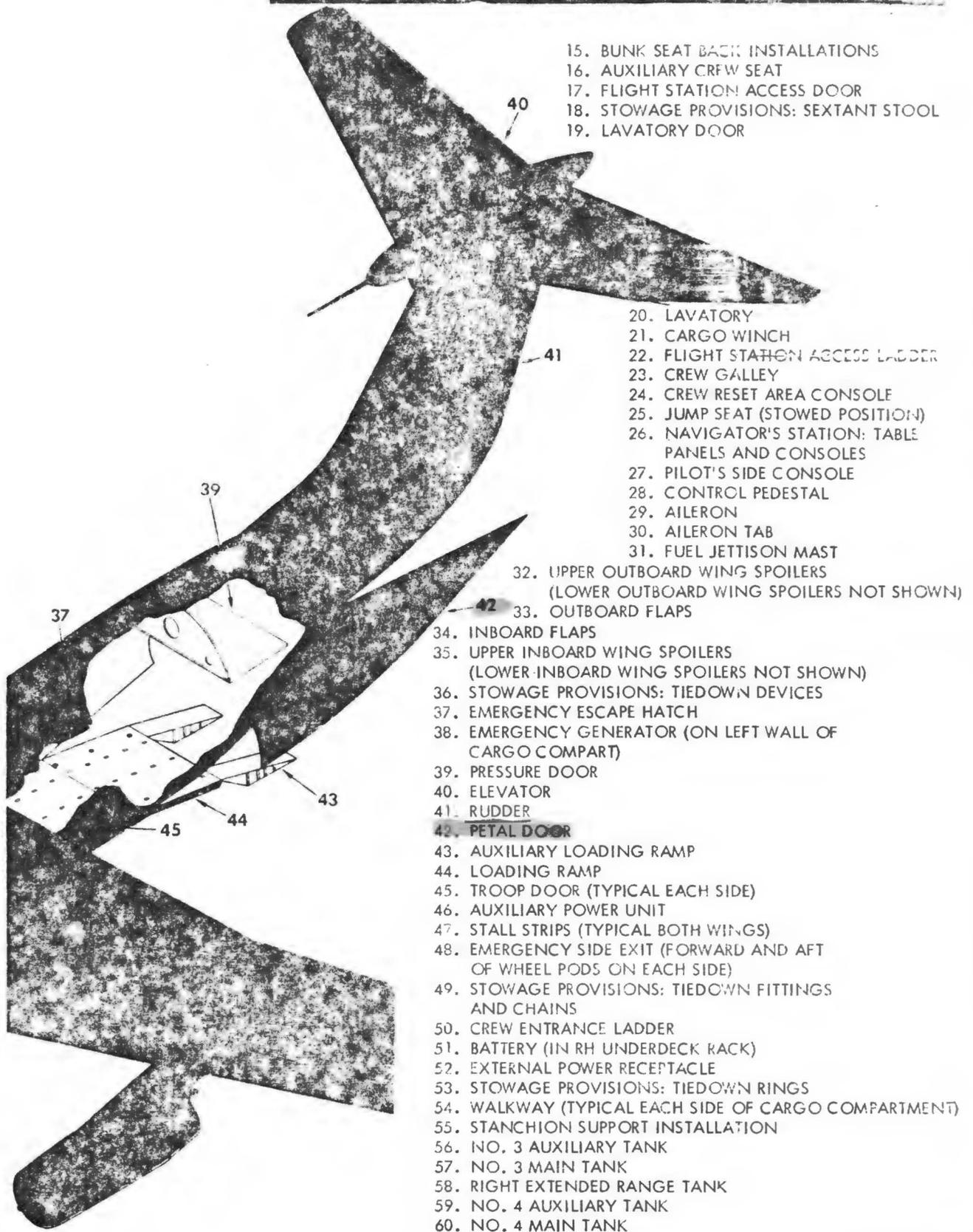


Figure 3-1.



GENERAL ARRANGEMENT DIAGRAM (TYPICAL)



141A-1-X3/0-001-2

Figure 1-1. (Sheet 2 of 2)

THE WHITE HOUSE
WASHINGTON

April 2, 1984



TO: JAB III

For your information:

I talked with Jack Svahn re our meeting with Art Fletcher on the Dade County case. Svahn will work with Mike Barody in preparing an answer for the President should the question be asked at Wednesday's press conference. The draft answer they put together will be forwarded for your review.

(I went over this with Jack on Friday afternoon, and he agrees with the desirability of a statement reiterating support for minority set-asides, properly drawn, at the state and local, as well as the federal level.)

JC

THE WHITE HOUSE

WASHINGTON

April 3, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI

SUBJECT: Emergency Immigrant Education Program

For your information:

Secretary Bell will soon send letters to Congressmen Wright and De la Garza informing them that we cannot spend \$30 million appropriated for the Emergency Immigrant Education Program due to lack of a legislative authorization. The letters dispute an opinion to the contrary by the Comptroller General, and go on to explain that previous letters from the Secretary (explaining the Department's plans to implement the program) were sent before legal advice was received.

While there are good reasons for our refusal to spend the \$30 million, it could have repercussions in Texas and among Hispanics since our action can be easily misrepresented. I also questioned the timing of these letters due to the fact that we are currently looking for support from Jim Wright and De la Garza on Central America.

THE WHITE HOUSE

WASHINGTON

April 3, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: AIPAC Reception

This is to confirm that the AIPAC reception you agreed to host is scheduled for this Sunday from 5:45 to 7:00, in the Indian Treaty Room.

Food will be provided by a kosher caterer, and there will be an open bar. Costs are being billed directly to AIPAC. Marshall Breger has consulted closely with the Counsel's Office, and all legal aspects of the event have been approved. I have asked Marshall to prepare some brief talking points in case you want to deliver a few remarks.

Unless you have objections, the following White House Staff will be invited:

Meese	Donatelli
Deaver	Kimmit
Oglesby	Breger
Whittlesey	Cicconi
Darman	

(Bud McFarlane will not be able to attend due to a conflict.)

Senators Laxalt and D'Amato will be invited, and I asked Marshall to consult with Laxalt on any other necessary Hill invitees. In addition to the above, I would like your thoughts on whether to issue invitations (even if pro forma) to the following:

The Vice President
Secretary Shultz
Secretary Weinberger
Ed Rollins
Ken Duberstein

Please let me know if you have any other questions or concerns regarding this event.

cc: Barbara Hayward

THE WHITE HOUSE

WASHINGTON

April 3, 1984



ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI

SUBJECT: Proposed Hiring of Eliza Paschall

This is just a reminder that Faith may appeal to you regarding her desire to hire Eliza Paschall. John Rogers and I have spoken with you previously on this.

The bottom line is that Paschall need not be hired to deal with women and civil rights issues because:

- (a) OPL does not need to be involved in women's issues at all, yet now has four different people working in the area. Eliza would be number five, and it is likely that Maureen Reagan would object.
- (b) OPL has no reason to be involved in civil rights issues except as they affect particular minorities, and these are already handled by Bradley, Villalpando, and others.
- (c) Simply because OPL has slots available does not mean they must all be filled. The office is amply staffed now, especially given the fact that we have discussed scaling back its operations in the course of this year.

Paschall is apparently impressive (her resume is attached), but OPL should hire staff to fill necessary portfolios; it should not create portfolios to fit potential employees. In my opinion, it would be much better to find a spot for Paschall at Justice or elsewhere in the Administration.

ELIZA K. PASCHALL
1957 WESTMINSTER WAY NE
ATLANTA GA 30307
(404) 636-6436

EMPLOYMENT HISTORY

1968-84: Equal Employment Opportunity Commission, Atlanta Regional and District Offices. Commission enforces Title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, and the Age Discrimination in Employment Act

Positions held: investigator, conciliator, voluntary programs officer, state and local affairs coordinator, compliance unit supervisor (Intake, Factfinding, Equal Pay)

1967-68: Executive Director, Metro Atlanta Summit Leadership Conference (local civil rights coalition)

1966-67: Executive Director, City of Atlanta Community Relations Commission (first to be appointed to that post)

1961-66: Executive Director, Greater Atlanta Council on Human Relations

1960-61: Consumer Consultant, US Food and Drug Administration

1945-60: Out of labor force

1945: Information specialist, US Office of Price Administration

1943-45: American Red Cross, Overseas Clubmobile Service, European Theater of Operations

1939-43: National Youth Administration of Georgia: State coordinator for community advisory committees, citizenship education for enrollees at youth work projects

EDUCATION

1938: AB, Agnes Scott College, Phi Beta Kappa, Mortar Board

1939: American University Graduate School of Public Affairs-courses in public administration in conjunction with internship with National Institute of Public Affairs/US Office of Education Radio Division

1960-61: Emory University Graduate School, Dept. of Sociology, courses toward MA in sociology

1964: Courses at University of London on world order, youth problems, etc.

WRITINGS

THE ARC IN THE STORM, 1982. Activities of Red Cross Clubmobile Unit in European Theater in World War II. Contributing editor.

IT MUST HAVE RAINED, 1975. Documentary history of civil rights in Atlanta, 1960-63, published by the Emory University Center for Research in Social Change.

BECAUSE OF SEX, 1975. Handbook on sex discrimination in employment, published by the Feminist Committee Press. Co-author.

GEORGIA FACTFINDERS, 1976-82. A monthly review of state and local legislation concerned with sex discrimination, family relations, equal rights amendment, related subjects. Editor.

Freelance articles in magazines and newspapers including Atlantic Monthly, Washington Times, New York Tribune, Atlanta Constitution, Atlanta Journal.

SPEAKING ENGAGEMENTS

Comparable Worth Seminar, 1983, Washington, DC
Testified at Senate Committee hearings on sexual harassment
Various CSC/OPM training seminars, workshops
Emory University evening courses on employment opportunity, etc.
Lecture media tour, 1982, Illinois Citizens for Family Life
Lecture media tour, 1982, Florida Federation of Women for Responsible Legislation
Lecture Bureau, American Embassy, London, 1965, Royal Naval College, Greenwich, etc. on civil rights in US

AWARDS

1980 - Eagle Forum Award
1978 - Asheville/Buncomb County Community Relations Commission, for service to community
1977 - Augusta/Richmond County Human Relations Commission, for service to community
1973 - National Organization for Women, Atlanta Chapter, Feminist of the Year
1968 - Atlanta Secretarial League, for outstanding service
1963 - National Conference of Christians and Jews, for achievement in community relations

ORGANIZATIONS AND ACTIVITIES

GA Coordinating Committee for International Women's Year, 1975
GA Commission on the Status of Women, 1972-74
National Organization for Women (NOW): national secretary, 1968-70, national board, 1966-70, founding member of Atlanta chapter
GA League of Women Voters, president, 1955-57
Atlanta League of Women Voters, president, 1947-48
Agnes Scott College Alumnae Association, national president, 1946
Agnes Scott College Board of Trustees, member, 1947
GA Employment and Training Council, 1973-75
Boards of YWCA, PTA, Urban League, Girl Scouts of America
GA Women's Forum

I am available for consultation, short-term projects, research and writing in the areas of:

affirmative action/EEO
civil rights
employment discrimination
women's movement
feminism
sexual harassment
"comparable worth"
sex discrimination laws (employment, credit, public service, education, etc.)
Equal Rights Amendment
EEOC guidelines
EEOC procedures

f

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THE WHITE HOUSE

WASHINGTON

April 3, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: Emergency Immigrant Education Program

For your information:

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While there are good reasons for our refusal to spend the \$30 million, it could have repercussions in Texas and among Hispanics since our action can be easily misrepresented. I also questioned the timing of these letters due to the fact that we are currently looking for support from Jim Wright and De la Garza on Central America.

JAB

Joe Wright called back, said he agreed w/ concern re Central American, and would slow down letters till the absolute last minute (at least 3 to 4 weeks from now).

JW

Michelle Davis
373-1985

THE WHITE HOUSE
WASHINGTON

April 3, 1984

Michelle; have
talked w/ MDT

TO: JAB III

FYI, Miller Hicks called me and will be coming by to visit.

He said he'd spoken with you, and that you promised to also set him up to meet with Rollins. If accurate, I'll ask Margaret to see if it can be done, but wanted to confirm with you first.

Thanks.

Yes, per JAB

JC

ADC

Pl get me his phone #
of the other day's call
sheet.

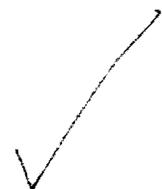
512-477-7000

or at the Adams
Hay 638-6600
Rm 636

THE WHITE HOUSE

WASHINGTON

April 5, 1984



MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: April Budget Update

The CCEA met today to hear a briefing by Dave Stockman on the April budget update. The salient points are as follows:

	<u>April Update Budget Revision</u>			
	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
January deficit	183.7	180.4	177.1	180.5
April update	- 6.2	- 0.5	+ 4.6	+ 4.4
	<u>177.5</u>	<u>179.9</u>	<u>181.7</u>	<u>184.9</u>
With downpayment package		170.8	161.3	157.3

Higher receipts are expected due to changes in technical and economic assumptions. However, outlays are also higher, mainly due to a change in the assumptions regarding interest rates.

The pattern of the last three budget revisions has been repeated this year: GNP growth has been slightly underestimated, but the level of interest rate decline has been consistently overestimated.

The key question presented is: will the forecasts regarding interest rates push the deficit upward faster than a vigorous GNP growth pulls it down?

THE WHITE HOUSE

WASHINGTON

May 8, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI

SUBJECT: Events relating to the Central American Speech

The following are some ideas for events in connections with the President's Central American speech:

1. Frank Donatelli suggested that we have Secretary Shultz call Lane Kirkland before the President's speech, brief him on what will be said, and ask him for a public statement of support.

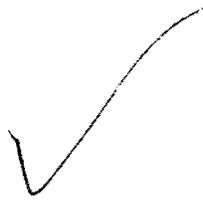
2. Supportive members of the Kissinger Commission should be lined up by the NSC for public comments after the President's speech.

3. By close of business today, Frank Donatelli will forward to me a list of conservatives who might be invited in for a private meeting on Thursday (I believe Frank has already mentioned this to you and Mike Deaver).

5/9 J.C.:
Call Karna Small
& suggest she follow
up on ① & ②
Thank
JWB

5/9 Talked w/ Karna; she'll
talk w/ Bud and follow-up
on both today. JWB

THE WHITE HOUSE
WASHINGTON
April 6, 1984



NOTE TO JAB

Per your request, I have considered the attached letter from Jim Munn.

Frankly, his idea is something we should have considered over a year ago. At this point in time though, I feel that it would be unwise to pursue the idea of such meetings. I will be happy to discuss my reasons with you at your convenience.

Thanks.

Jim
JC

JC: Fine - but how do I reply to this? Also does Ed Allison agree? - so there's no diff. between our response + this? Ted's decision.

JAB:TE

JAMES S. MUNN
LAWYER
11TH FLOOR PACIFIC BUILDING
SEATTLE, WASHINGTON 98104
(206) 623-3515

March 15, 1984

Mr. James A. Baker III
Chief of Staff and Assistant
to the President
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Re: Organized Labor

Dear Jim:

The Administration appears now presented with an opportunity to reapproach the leadership of organized labor under circumstances that have not heretofore prevailed. The nation has essentially recovered from the recession and is now entering upon what seems to be a sustained growth phase. Conventional economic thought suggests there is a potential for regression from the wage restraint and focus on increased productivity that developed during and was a part of labor practices through the recession. It would be unfortunate if this regression were to prevail at a time where so much of our future economic well being depends upon the capacity of American labor to compete internationally with the labor forces of our European and Asian trading partners.

I believe the timing is right for the President to have personal meetings with selected national and international labor leaders to focus upon this potential. The timing appears particularly opportune given the fact that the AFL-CIO under the leadership of Lane Kirland has invested so heavily in partisan politics through its pre-primary endorsement of Mondale. Given the surging fortunes of Mondale's principal challenger, Hart, there must be concern if not consternation among those presidents and vice-presidents of the member unions and the Federation over the future value of this political capital investment. All of my experience tells me these leaders are particularly conservative in their approach and as a consequence must now be uncertain. Thus, there appears to be present a so-called "window of opportunity" to establish contact on terms advantageous to the President.

Should this suggestion be found to be congenial to the Administration, then I propose that such meetings be held privately, perhaps at Camp David or some other suitable retreat. The subject matter should be wholly a-political in any partisan sense and the candidacy of the President or his diverse contending Democrat rivals should be avoided as a topic on the agenda.

4/9
JC
No response
is needed.
JMB III

Mr. James A. Baker III
March 15, 1984
Page 2

The purpose of the meeting would be simply to enlist the active participation in and support of those policies and programs which can reasonably be developed to preserve the advantages we have attained through wage restraint and developing productivity. The President could give substantial credit to these labor leaders and the membership of the unions they represent for the achievements that have been obtained during the past 24 months. Each of them can be congratulated upon the manner in which they have conducted themselves during this period of economic stress. Their contribution toward laying the foundations for even greater achievements in the future can be recognized. Following upon this recognition, the President could then ask of them to assist him and his Administration in designing those plans, policies, programs and initiatives which can build upon this base and further develop the productive capacity of American industry and labor to further its competitive edge in the world.

I believe the timing is particularly significant and the opportunity that is presented could produce outstanding results. This could be even more the case were Vice President Mondale to be denied the Democrat nomination and in the alternative the nomination settle upon Senator Hart. Of course, if the Democrat convention should become deadlocked and Senator Kennedy become the nominee, then this would alter the equation but would not, in my view, deny the value of this rapprochement.

The President is particularly and uniquely equipped to bring this off, given his personal experience and history with organized labor itself and his general recognition of the historic antecedents of labor. He can emphasize the significant contribution that organized labor has made to the prosperity of the nation and its demonstrated durability as a valued American institution. This is entirely consistent with his fundamental conservative political disposition and attachment to conservative principles.

When this is viewed against the acknowledged support the President received in 1980 from the rank and file of labor, it would appear that this is an opportunity not to be missed.

Thank you as always for your careful consideration of my thoughts.

With warmest personal regards,

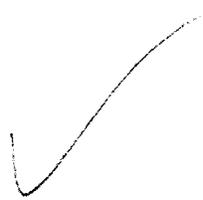
Jim Munn

P.S. I have discussed this orally with Ed Allison in Senator Laxalt's office.

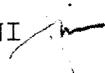
THE WHITE HOUSE

WASHINGTON

April 6, 1984



MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI 

SUBJECT: Nebraska Christian School Case

For your information:

The Nebraska Legislature has just passed a bill which is intended to address the problems encountered by Christian schools who have refused to abide by that state's stringent certification standards.

In short, the legislation will give the state more flexibility. It will be able to consider, for example, a variety of factors such as teacher competency and student test scores, rather than be bound by the rigid certification standards of the previous law.

THE WHITE HOUSE
WASHINGTON

JAB: ✓

Please let me
brief you on the
"cop killer bullet" issue
at your first free
moment.

Thanks.

4/9
OK. Anything beyond what we discussed Friday?
JAB

To: JAB
Not really. Just let
me know if you hear
anything nasty. The NRA
may not play straight on this.
Thanks. Jim 4/9

THE WHITE HOUSE

WASHINGTON

April 10, 1984



MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: President's Council on Management Improvement

For your information:

The President will soon sign an executive order creating the "President's Council on Management Improvement." This inter-agency group will be composed of 23 high level officials, and will be concerned with improving management and administrative systems in the Federal government. Joe Wright will chair the Council, and OMB will provide necessary staff support.

This Council is modeled after the Council on Integrity and efficiency, a group of inspectors general that Joe Wright also chairs. It is being created as a result of a CCMA recommendation.

THE WHITE HOUSE

WASHINGTON

April 17, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI

SUBJECT: Emergency Immigrant Education Assistance

As mentioned in the attached OMB fact sheet, Congress appropriated \$30 million for emergency immigrant education assistance, a program strongly supported by the Texas delegation (and especially Jim Wright), but opposed by the Administration. After passage, Secretary Bell sent letters on January 5 indicating that the program would be implemented (i.e. the money spent) without delay.

Since January 5, OMB has concluded that the \$30 million cannot be released due to lack of a specific authorization. They cite the language of the appropriation, and the apparent understanding with Congress that a separate authorization would be enacted. GAO has reviewed the matter and concluded that sufficient authorization exists. Further, GAO argues that our refusal to spend the money has triggered the Impoundment Control Act. OMB is adamant, and is prepared to pursue the matter in court.

Earlier this month, OMB proposed sending letters to Jim Wright and Kika de la Garza that would supercede Bell's January 5 letter. I argued that such a step was not necessary at this time since our change of position is well known, and the letters would only inflame a dispute that has taken on political overtones. OMB agreed to hold the letters for now.

I might add one further point: OMB should present our position in an affirmative manner. That is, we should cite the technical hitch that has held up the funds, and urge Wright, et al, to quickly pass a clear authorization to allow release of the money. OMB has declined to do this, allowing others to argue that we are seizing on a questionable technicality to block an expenditure which we have opposed all along.

Given our emphasis on the need for assistance to the border area, and our general Hispanic outreach effort, this is the type of issue that could cause us a great deal of embarrassment. It will no doubt be seized on by our opponents in Texas and other border states if we maintain our current position.

THE WHITE HOUSE
WASHINGTON

April 13, 1984

4/13
TO JC
When are we on
this?
JAB

NOTE TO JAMES A. BAKER, III

FROM: LEE L. VERSTANDIG *lee*

SUBJECT: MARK WHITE LETTER ON
EMERGENCY IMMIGRANT
EDUCATION ASSISTANCE

This is the letter my office received Wednesday from the Governor, which I mentioned to you in Kansas City.

Apparently, OMB has a hold on the authorization because of some very sticky legal matters.

I have attached a fact sheet from OMB for you.



MARK WHITE
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
AUSTIN, TEXAS 78711

March 30, 1984

Dear Mr. President:

In June of 1982, the United States Supreme Court in Plyler v. Doe and Texas v. Certain Named and Unnamed Undocumented Alien Children ruled that the states must provide free admission to the public schools to undocumented alien children. However, a majority of the Court indicated that the expense of educating these children should be borne, at least in part, by the federal government.

As you are aware, Congress authorized \$30,000,000 for carrying our emergency immigrant education assistance in the Fiscal Year 1984 Continuing Appropriations (P.L. 98-151). Education Secretary T. H. Bell, in his January 5 letters to House Majority Leader Jim Wright and Representative Kika de la Garza stated that the emergency immigrant education program "must be implemented without delay." The Secretary stated that the Department of Education had already started the implementation process within the Department.

Based upon a 1982 survey of all Texas school districts, the Texas Education Agency estimates that over 29,000 children of undocumented aliens attended the Texas public schools at a cost of over \$75 million. These students place additional hardship on many school districts, but especially on the communities along the Mexican border which are already facing an economic crisis.

In August you instructed Vice President Bush's interagency action group "to expedite consideration of proposals from border communities and to increase the flow of financial and other resources into the region." Education for immigrant children is clearly within the goals you have espoused, hence I urge you to release the \$30 million authorized in the FY 1984 continuing resolution for the education of immigrant children.

I respectfully request your personal review of this situation.

Yours truly,

Mark White
Governor of Texas

The President
The White House
Washington, D.C.
MW:bw

EMERGENCY IMMIGRANT EDUCATION ASSISTANCE
FACT SHEET

- o The second continuing resolution for 1984 provided \$30 million for "carrying out emergency immigrant education assistance under Title V of H.R. 3520 as passed the House of Representatives September 13, 1983."
 - Title V had been dropped from the Senate-passed version of H.R. 3520.
 - the Administration had opposed passage because the program was poorly designed and duplicated existing authorities.
- o The Administration's understanding of the negotiations preceding the second continuing resolution was that Congress would include language for a contingent appropriation -- that is, the funds would not become available until Title V was enacted into law.
- o The actual language of the continuing resolution is unusual. Administration attorneys determined that, when reviewed in conjunction with the legislative history, it did not provide sufficient authority to make the \$30 million available for obligation without further congressional authorizing action. The 1985 President's budget, therefore, showed the \$30 million as being unavailable for obligation.
- o Though acknowledging that the situation was complicated, the Comptroller General issued a report on March 23, disagreeing with the Administration's position.- GAO interpreted the continuing resolution as having enacted Title V and therefore GAO believes that the withholding of the \$30 million is a rescission proposal within the meaning of the Impoundment Control Act.
 - The GAO report gives Congress until May 17 to approve the rescission (i.e., agree to withhold the funds).
 - If Congress does not, GAO believes the administration must release the funds.
- o The Administration maintains that its legal interpretation is correct: the Congress did not authorize Emergency Immigrant Assistance.
- o This issue is basically a legal dispute over the interpretation of ambiguous legislative language and a complicated legislative history.
 - Legal advisors are continuing to review and monitor the situation.
 - The funds have not been released.

THE WHITE HOUSE
WASHINGTON

April 26, 1984

TO: JAB III

Thought you might want to review the attached article on a spat that developed while you were in China.

Frankly, I think Virginia got the better of this exchange with Joan Claybrook.

I might add one thing: Virginia takes a lot of criticism, and is not shy about getting her name in the paper. However, she has also done a decent job of keeping the consumer groups satisfied enough that they've stayed off our backs. The type of rebuttal in the attached article is one indication of how effective she can be-- no one else in this Administration could have rebutted Claybrook as effectively, or with as much credibility.

JC

THE FEDERAL REPORT

Knauer Versus Claybrook

Consumers Week Begins With Clash

By Molly Sinclair
Washington Post Staff Writer

Consumer officials kicked off National Consumers Week yesterday by kicking at each other.

On one side was Virginia M. Knauer, President Reagan's consumer adviser; on the other, Joan Claybrook, president of the Ralph Nader-backed Public Citizen activist group and a former Carter administration regulator.

The action started when the Nader group issued a press release calling National Consumers Week a "fraud" and attacking the Reagan administration for cutting federal spending for health, environment, job safety and consumer education programs and for repealing numerous consumer information regulations.

"Besides undercutting... essential consumer information programs, President Reagan has inaugurated a crusade of secrecy," Claybrook said. "He is trying to amend the Freedom of Information Act and suppress tell-tale documents revealing his anti-consumer tactics."

Knauer lost no time shooting back at the Nader camp, contending that its criticism was "a shameless attempt to grab headlines and divert attention away from its own dismal record of inaction... there is absolutely no question that consumers are far better off today than they were during the days of the Carter administration when the Naderites were exerting their influence on government programs and policies."

Knauer said Public Citizen had "missed the whole point" of National Consumers Week, which is comprised of various workshops, programs, exhibits and other activities designed "to get consumers started on a lifelong task of keeping up with a rapidly changing marketplace."

Claybrook described the week as a showcase for "such hard-hitting activities as photo and poster contests and the introduction of a new car-



JOAN CLAYBROOK
... attacks Reagan administration

"President Reagan has inaugurated a crusade of secrecy," former Carter administration regulator Claybrook said. "He is trying to amend the Freedom of Information Act and suppress telltale documents revealing his anti-consumer tactics."

toon character, Eubie Smart, who exhorts consumers to be 'smart.'"

The conflict between the two sides goes well beyond National Consumers Week and involves basic political and philosophical differences in the way each side views how the government should handle consumer problems.

Claybrook, for instance, lashed out at the Reagan administration for rescinding patient package insert requirements designed to alert consumers to proper use and risks of certain drugs, for eliminating tire treadwear guidelines and for changing labels on mechanically deboned meat so that the ground bone that makes its way into processed foods now may be called "calcium."

Claybrook also criticized Reagan officials for eliminating "The Car Book," a comparative guide to automobiles that was launched during her tenure as head of the National Highway Traffic Safety Administration.

Knauer dismissed Claybrook's comments as evidence that Public Citizen is "out of step with the times and the consumer constituency it claims to represent."

The approach of "more government intervention and regulation in the economic workings of the marketplace and forcing changes through confrontational tactics have long been rejected not only by the Reagan administration, but by lawmakers and the public," Knauer said.

Knauer said she understood why Claybrook was "sensitive" to the elimination of "The Car Book." But that book now is a private commercial success, Knauer said, and she contended that government funds diverted from its publication are being used to provide additional and more timely information to consumers.

Quiz Answer

If you answered either walking or swimming, you're right. According to a 1982 survey by the National Park Service, 53 percent of those surveyed had engaged in those activities in the previous 12 months. Next highest: visiting fairs, zoos and amusement parks (50 percent), and picnicking and pleasure driving (48 percent each).

P. 10 AM
W.D.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
April 30, 1984

Jim C...

MEMORANDUM FOR JAMES BAKER III

FROM: JOE WRIGHT

SUBJECT: IMMIGRANT EDUCATION

The second continuing resolution for FY84 provided \$30 million for "carrying out emergency immigrant education assistance under Title V of H.R. 3520 as passed by the House of Representatives." H.R. 3520, a bill reauthorizing the Vocational Rehabilitation program, was subsequently signed into law without Title V. It was dropped in conference.

On the basis of the unusual language of the CR and its legislative history, Administration attorneys have determined that the CR language provides for a contingent appropriation; that is, the funds are not available until Title V was enacted into law. In short, authority to spend the \$30 million does not yet exist.

On March 23, the GAO issued a report which disagreed with the Administration's interpretation. GAO declared the Administration's withholding of the funds a rescission. If the Congress fails to approve the rescission by May 17, GAO believes that the funds must be released. Assuming that Congress does not approve the rescission and that the President does not make the funds available, the Comptroller General:

- o may file a report advising Congress of his intention to bring suit,
- o wait 25 days,
- ★ o and then may bring suit against the Administration in the D.C. court.

THE WHITE HOUSE

WASHINGTON

April 17, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: Emergency Immigrant Education Assistance

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THE WHITE HOUSE
WASHINGTON
April 13, 1984

4/13
TO JC
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The President
The White House
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MW:bw

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FACT SHEET

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THE WHITE HOUSE

WASHINGTON

May 1, 1984

Take no action.
JWB

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: South Bronx Development Organization

Thought you might want to see the attached editorial, which appeared in the Post while you were gone. You may recall that Ed Koch has written to you along similar lines.

Frankly, I think our position on this issue is unwise from several standpoints. The political aspects are probably obvious: given the weighty symbolism of the President's 1980 visit to the South Bronx, our decision for open bidding and wider distribution of available funds risks being viewed as a pullback from the President's commitment. From another perspective, Ed Logue is generally viewed as running an effective organization, and is credited with much of the improvement that has occurred in the South Bronx. Federal funds going into the SBDO have, frankly, been quite small, and there is probably much truth to the argument that "dividing the pie" will mean less effective help for the area.

In short, our problem is this: we are viewed as having a commitment to help the South Bronx; SBDO is regarded in New York as the key factor in South Bronx revival; our funding of SBDO is perceived as at least partial delivery on our commitment; and ending or cutting that funding will be viewed as renegeing.

Reneging on the South Bronx

ONLY A FEW months ago, observers of the urban scene were startled by signs of commercial and residential vitality cropping up amid the acres of urban decay known as the South Bronx. Now it appears that the Department of Housing and Urban Development will cut off vital support for the group that has done most to foster this rebirth.

New businesses have moved into a low-rise industrial park built by the city government and the powerful New York-New Jersey Port Authority. Along Charlotte Street, the bombed-out area where both Jimmy Carter and Ronald Reagan promised fresh approaches, people are moving into houses surrounded by picket fences. The area's modest revival owes far more, however, to the energy and ingenuity of local groups than to political promises or federal leadership. The key part has been played by the South Bronx Development Organization and its forceful leader, urban planner Edward Logue.

Mr. Logue's approach should have considerable appeal to the Reagan administration with its emphasis on the sturdy virtues of enterprise, innovation and private home ownership. His organization has played an essential brokerage role in persuading private and public investors to move into the South

Bronx, harnessing the energies of other local groups and providing the job training, business relocation aid and other services needed to get the area functioning as a community.

For five years, HUD has supplied about \$1 million to his organization, which, in turn, has rounded up more than \$100 million in other investment for the area. But with only a month left to run on last year's grant, HUD informed SBDO that it intended to put the money up for competitive bid so that other community groups could get a share.

Many other South Bronx groups have lost funds in the administration's rollback of domestic programs. But worthy as these groups may be, spreading a relatively small amount of money among them will only mean that little that is useful gets done. Competition is necessary in selecting the right organization for a new job—or in replacing one that isn't performing well. But it doesn't make sense to undercut an organization that has worked hard and well on a tough job.

It takes a core of money to maintain an organization with the skills, continuity and flexibility to oversee a major redevelopment effort. Mr. Logue's group has earned the chance to continue its efforts.

File

7/2

THE WHITE HOUSE

WASHINGTON

May 3, 1984

Jim:
This is a fine analysis - However I disagree with any suggestion that the West Bank is a suitable topic for diplomacy between an Israeli & an American election. The constraints are on their part with them. Can you

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICONI *Jim*

SUBJECT: Letter from Arthur Goldberg

Per your request, I would offer the following comments regarding Arthur Goldberg's memorandum:

Yes

1. Goldberg's opening criticism of our negotiating strategy regarding Lebanon is, frankly, well taken. We perhaps should have foreseen the consequences of such an approach.

2. Goldberg ignores several factors, though, which caused a situation he terms "ripe for an overall deal for withdrawal" to deteriorate. Chief among these was the Sabra-Shatila massacre and its impact on both international opinion and Israeli willingness to "hang tough" until a withdrawal agreement was concluded. Another factor was the rapid Soviet resupply of Syria after the initial battles, an expanded commitment that also involved deployment of some Soviet troops to Syria. Such factors undoubtedly combined to embolden Assad and wreck any possibility of reciprocal withdrawal.

Yes

3. While the "conventional wisdom" has, for at least a year, argued that we must settle the Lebanon problem before we tackle the West Bank and a comprehensive peace, Goldberg rightly questions the accuracy of that analysis. Without going into inordinate detail, it might be possible to re-focus on the West Bank without a Lebanon settlement.

No

4. After the Israeli election, we might indeed reassess the prospects for a West Bank settlement. Presuming a Labor government is elected, high profile diplomacy might be very desirable. It would reassert to the Arabs that the U.S. is willing to tackle the West Bank problem; would allow us to deal with the new Israeli government at its peak of strength; and would also allow the President to engage in serious diplomacy for peace while his opponent is campaigning for votes.

warn, non-committal response to Goldberg that wouldn't be a problem even if it leaked?
Thanks -
JWB
handled verbally
JWB

5. If we consider such a course of "high profile diplomacy," we should not tie it to Camp David either rhetorically or symbolically. The symbolic connotations of Camp David would raise unrealistic expectations of success, and would perhaps be contrasted unfavorably with Carter's achievement. Also, any rhetorical tie-in with the Camp David accords (as opposed to the President's peace plan) would only complicate relations with the Arab states and bring inordinate pressure to bear on Mubarak and Hussein.

6. I agree with Goldberg that the effort alone might cause the public to credit the President without regard to success. However, if such a course is followed, we must be certain that expectations are not raised only to be dashed. Perhaps the best way to do this is to portray any summit as an effort to "lay the groundwork" for a more conclusive effort next year. This might indeed give us the policy (and political) pluses, without the risks entailed in the more "go for broke" approach suggested by Goldberg.

ARTHUR J. GOLDBERG

April 12, 1984

CONFIDENTIAL ENCLOSURE

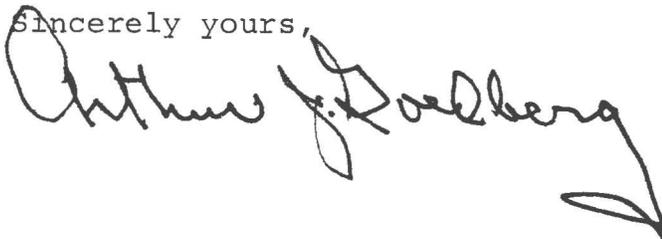
The Honorable James A. Baker, III
Chief of Staff and Assistant
to the President
The White House
Washington, D.C. 20500

My dear Mr. Baker:

I am enclosing a confidential memorandum, dealing with the subject we discussed over the telephone yesterday.

With every good wish, I am

Sincerely yours,

A handwritten signature in cursive script that reads "Arthur J. Goldberg". The signature is written in black ink and is positioned to the right of the typed name "Sincerely yours,".

Enclosure.

AJG:mes

CONFIDENTIAL ENCLOSURE

MEMORANDUM - CONFIDENTIAL

Although Secretary Shultz and Ambassador Habib are personal friends of long-standing, I must say, in all candor, that I regard their diplomatic negotiations with regard to Lebanon to be well-intentioned but ill-conceived.

There is a basic rule of negotiations, domestic and foreign.

When there are parties to a negotiation, one rather amenable and the other somewhat intransigent, it is a fatal mistake to make a firm deal with the more agreeable party and to rely upon the more difficult party "to go along" on the basis of nebulous assurances.

In the case of Lebanon, Israel, amenable to American influence, agreed in writing to withdraw from Beirut and deploy its forces in the South of that country.

Our diplomats assumed, on the basis of oral assurances by President Assad, that Syria would also withdraw its forces from the Bekaa valley.

Anyone with familiarity with the Middle East knows oral assurances in this troubled area are not adequate.

The counsel of wisdom was that our negotiators insist upon a "package" deal. Simply put, this "package" deal would entail a signed commitment, both on the part of Israel and Syria, to withdraw their respective forces.

The situation on the ground at the time was most propitious for such an arrangement.

Israel was deployed in strength in Lebanon. Further, it had destroyed two-third's of the Syrian air force. Although Syria's losses since have been recouped by the Soviets, at the time it was in a parlous condition.

The situation, therefore, as I have said, was ripe for an overall deal for withdrawal of both Israeli and Syrian forces which would have affected further developments in Lebanon.

Lebanon aside, there remains the overriding problem of the West Bank.

It is my firm conviction that the only possibility of a settlement of the West Bank is for the President himself

CONFIDENTIAL

~~CONFIDENTIAL~~

-2-

to convene a meeting between representatives of Israel, Jordan and Egypt.

This was done at Camp David. And the result was the Camp David Accords and the Egyptian-Israeli Peace Treaty.

But, with respect to the West Bank, we have relied on ever-changing Presidential emissaries to facilitate the peace process of the West Bank.

They lack the clout of the President. Further, the parties concerned need Presidential participation to rally their domestic constituencies in support of necessary compromises. The President must both "press the flesh" and "lay-on hands."

You stated in our telephone conversation that you are of the view that nothing can or should be done until after our Presidential election in November.

With all respect, I disagree.

The Israeli election will take place in July. In my view, supported by Israeli polls, the Labor Party will win the election and form the government. The Labor Party is pledged to a more reasonable compromise than Likud. It is my view that immediately following the Israeli election, the President should convene a Summit meeting, modeled after Camp David, at the White House.

The basic flaw in President Reagan's proposal was to "scrap" the five-year autonomy period provided in the Camp David Accords and attempt now to resolve the ultimate and difficult question of sovereignty of the West Bank.

I regard this to be a mistake.

Egypt and Israel agreed to the Camp David Accords. The Summit meeting should seek to implement these Accords.

No one can guarantee success, however.

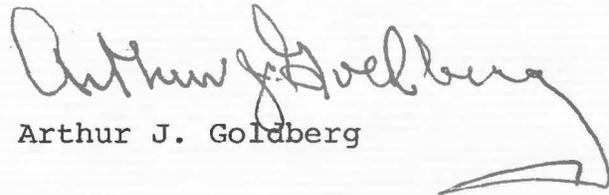
It is my experience in negotiations, that even if the effort is not successful, this will not adversely affect the President. The American people like an activist Chief Executive. They admire a President who takes the risk of failure, in the interest of peace.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3-

There is a further reason why such an effort should be made. At the present time, the media is characterizing our intervention in Lebanon as a failure. I do not agree. A Presidential initiative with respect to the West Bank will demonstrate that we retain our influence and are not cutting and running from the area.


Arthur J. Goldberg

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

May 3, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: Auto Industry Update

The following is a brief update on the state of the U.S. auto industry, and on issues likely to arise this year:

1. Domestic Content: This legislation passed the House last November by a vote of 219-199, a lesser margin than in 1982. The Senate version has 17 co-sponsors, and is currently in Sen. Packwood's committee. Packwood plans a series of five hearings between May and July. These would include hearings in Oregon and Iowa which are designed to demonstrate strong opposition. (A hearing will probably also be held in Michigan.) The extended hearing schedule should also forestall any attempt to propose domestic content as a floor amendment to other legislation. Packwood is reportedly working closely with a large private sector coalition to schedule opposition witnesses, and has asked that a Cabinet member testify at each of the five hearings.

It should be pointed out that election and industry pressures could still force a symbolic Senate vote on domestic content later this year. One complicating factor is that the President may face decisions in August and September on whether to grant trade relief to other industries with cases now before the ITC (e.g. footwear, specialty steel, copper, and tuna).

2. Auto Sales: Sales last year improved 17% over 1982 levels, while profits reached a record of \$6.15 billion. Industry profits have continued to improve: several companies have reported that their first quarter profits this year are nearly double last year's quarterly level. This has occurred because of a combination of factors, including stability in labor costs, increased sales of larger, more expensive cars (due to stable gas prices), and continued limits on Japanese imports.

While sales of U.S. cars have improved, import penetration declined from 27.9% in 1982 to 26.0% in 1983. Japanese market share fell from 22.5% to 20.4%.

3. Employment: The total number of auto workers employed continues to increase, and is expected to reach 770,000 this year (up from 685,000 in 1982). This is still well below the 1978 average of over 1 million workers. In fact, it is unlikely the old employment levels will be reached due to improvements in productivity, which has increased at twice the rate of new hiring.

4. Financial Condition: Commerce reports that, despite record profits and significant improvement in the companies' financial condition, their balance sheets are still not as healthy as before 1980. They note, that for example, when the profit figures are adjusted for inflation, they are well below 1977 earnings.

The financial outlook for the industry will largely depend on the UAW's renegotiation of its contracts with GM and Ford, which expire in September. Negotiations will begin this summer, with the union seeking to reverse every major area of restraint in the 1981 contract. UAW leaders are not in a cooperative mood, especially after hearing of the massive bonus payments to industry executives (a ridiculous decision not only on the merits, but also in terms of timing; it also took amazing gall given industry support for domestic content and extended import limits). I might add, tangentially, that Bill Brock cited the bonuses as one reason why the Administration will not extend the voluntary import limit on Japanese cars when it expires next March. The Vice President yesterday modified Brock's statement somewhat by stating that he was expressing a personal view, and that no decision had yet been made.

THE WHITE HOUSE

WASHINGTON

May 8, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *JW*

SUBJECT: Events relating to the Central American Speech

The following are some ideas for events in connections with the President's Central American speech:

1. Frank Donatelli suggested that we have Secretary Shultz call Lane Kirkland before the President's speech, brief him on what will be said, and ask him for a public statement of support.
2. Supportive members of the Kissinger Commission should be lined up by the NSC for public comments after the President's speech.
3. By close of business today, Frank Donatelli will forward to me a list of conservatives who might be invited in for a private meeting on Thursday (I believe Frank has already mentioned this to you and Mike Deaver).

THE WHITE HOUSE
WASHINGTON

May 8, 1984

TO: JAB III

Attached is the approval memo we discussed re Eliza Paschall's hiring. I think it best to have John make the points to Faith on your behalf.

Thanks.

JC



THE WHITE HOUSE

WASHINGTON

May 8, 1984

MEMORANDUM FOR JOHN F. W. ROGERS

FROM: JAMES A. BAKER, III 

SUBJECT: Eliza Paschall

I have decided to approve Faith's request to hire Eliza Paschall for the purpose of handling outreach with the women's organizations listed in her memo. However, I would appreciate it if you would make clear that this is a liaison, not a policy position. Further, I would ask you to explain that this position does not include a role in the area of civil rights-- both the liaison and policy aspects of civil rights are the responsibility of others in the White House.

I will leave any decision on job title and salary to your judgment.

Thank you.

Memo

To: JAB, III

From: JOHN F. W. ROGERS J

Date: May 4, 1984

Attached are personnel papers for Eliza Paschall to work in Public Liaison.

Faith and I have disagreed on title and salary, but I understand that both Frank Donatelli and Jim Cicconi have expressed to you their objections to hiring Ms. Paschall to deal with women's and civil rights issues.

Please let me know your feelings about hiring Ms. Paschall.

_____ Object to hiring

_____ No Objection to hiring

THE WHITE HOUSE

WASHINGTON

April 19, 1984

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MEMORANDUM FOR JOHN F. W. ROGERS

FROM: FAITH R. WHITTLESEY *FRW*

SUBJECT: Eliza Paschall

At the present time, one of my staff members has the responsibilities of liaison with Agriculture, including agri-business, gunowner organizations, OPL press relations and mainline women's organizations such as Junior League, League of Women Voters, American Association of University Women, General Federation of Women's Clubs, Jaycee Women, Veteran's Auxiliaries, Daughters of the American Revolution, as well as a multitude of other women's organizations other than business and professional women.

I feel certain you will agree that this portfolio is overloaded and that it is essential that our office be able to respond quickly to the many and varied interests that numerous and diverse women's organizations represent.

Ms. Paschall can provide much needed help and expertise and will be able to devote her attentions exclusively to women's organizations and other groups interested in civil rights.

The salary requested is in line with her earning history, especially when the costs of Atlanta versus Washington are taken into consideration.

I hope I can have your concurrence on this matter as quickly as possible.

The organizational chart you requested is attached.