

# WITHDRAWAL SHEET

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Memo	Elizabeth Dole to Edwin Meese, James Baker, et al Re: Tax Bill, 3p	8/5/82	P5 CCTS 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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*APL memo*

THE WHITE HOUSE  
WASHINGTON  
October 21, 1982

MEMORANDUM FOR JIM CICCONI

FROM: BOB BONITATI *B*

SUBJECT: The \$2 Billion Dollar Jobs Program

As promised, here is a copy of the memo concerning a possible DOL program to assist permanently dislocated workers. I thought that this might have been the program Secretary Donovan was referring to in his New Jersey remarks, but that is not the case.

For your information, I am attaching a copy of the AP story that was cited in today's WH News Summary.

While such a \$2 billion program to put jobless Americans to work repairing bridges and highways does not seem to be under consideration, I am told that the Secretary will probably be forwarding such a proposal to Craig Fuller in the "next few days".

Perhaps it might be advisable for someone to talk with the Secretary about the timing of any such proposal.

R035

R W CZCZYVHYF R0441

PH-DONOVAN-JOBS:260

WHITE HOUSE SAYS IT KNOWS OF NO JOBS PROGRAM

WASHINGTON (AP) - THE WHITE HOUSE SAYS IT KNOWS OF NO PLANS TO ESTABLISH A \$2 BILLION PROGRAM TO PUT JOBLESS AMERICANS TO WORK REPAIRING THE NATION'S DETERIORATING BRIDGES AND HIGHWAYS.

"AS FAR AS I KNOW, THERE'S NOTHING BEING DONE ON THAT," WHITE HOUSE DEPUTY PRESS SECRETARY LARRY SPERKES SAID WEDNESDAY. "WE DON'T GO FOR QUICK FIXES."

SPERKES, TRAVELING WITH PRESIDENT REAGAN ON A MIDWEST CAMPAIGN TRIP, MADE THE COMMENTS AFTER LABOR SECRETARY RAYMOND J. DONOVAN SAID SUCH A PROGRAM WAS UNDER CONSIDERATION.

"WE CANNOT CONTINUE TO LET OUR HIGHWAYS AND BRIDGES FALL INTO DISREPAIR," DONOVAN TOLD A GROUP OF ROTARIANS IN WHIPPANY, N.J.

"IT'S A COUNTRY-WIDE PROBLEM THAT HAS NOT GOTTEN THE ATTENTION OF THE NATION."

A HIGH-RANKING LABOR DEPARTMENT OFFICIAL SAID THAT DONOVAN FIRST MENTIONED THE PROPOSAL LAST YEAR TO THE WHITE HOUSE CABINET COUNCIL ON ECONOMIC AFFAIRS.

THE SOURCE, WHO ASKED TO REMAIN ANONYMOUS, SAID DONOVAN "FIRST BEGAN WORKING ON THIS WITHIN THE INNER CIRCLE OF THE ADMINISTRATION ABOUT A YEAR AGO. HE SAW THIS UNEMPLOYMENT THING COMING UP AND THOUGHT THIS WOULD BE A GOOD CUSHION TO TAKE UP THE SLACK."

"IT HASN'T EXACTLY CLEARED THE WHITE HOUSE," THE SOURCE SAID.

"IT'S NOT A FAST ACCOMPLI."

DONOVAN SAID HE IS NEGOTIATING WITH THE ADMINISTRATION AND THAT THE PROGRAM HAS A "BETTER THAN EVEN CHANCE" OF BEING ACCEPTED.

DEMOCRATS, CALLING ATTENTION TO THE NATION'S 10.1 PERCENT UNEMPLOYMENT RATE, HAVE MADE LEGISLATION TO CREATE ABOUT 200,000 TEMPORARY PUBLIC WORKS JOBS ONE OF THEIR PRIME CAMPAIGN THEMES.

AP-NY-10-21 05025BT

R036

BdB

THE WHITE HOUSE

WASHINGTON

October 6, 1982

MEMORANDUM FOR EDWIN HARPER

FROM: ELIZABETH H. DOLE 

SUBJECT: Recommendations on National Productivity  
Advisory Committee Permanently Dislocated  
Workers

As a follow-up to CCCT discussions today about human resource allocation, attached is an article that appeared in the October 1st issue of the Daily Labor Report concerning the Subcommittee recommendations of subject group to assist permanently dislocated workers in finding new jobs outside the distressed industries where they once worked.

I have also attached the full text of the Committee's recommendations.

With the jobs issue so topical, particularly for the next several weeks, is there any benefit or possibility that we might want to consider immediate action in the aforementioned area. Admittedly, this is short notice but I just uncovered the attached.

Attachments

cc: Jim Cicconi

The vast majority of sales representatives hired from 1971 through 1973 were in their twenties, according to the court. One of the discharged sales managers was told that he was too old for the job and that he did not fit the new youthful image the company wanted to project. Other corporate victims of age discrimination include some 30 workers in the leaf department, five employees in the research department, and a 62-year old attorney in the firm's legal department.

"There simply were too many references to personnel being unable to change, and an expressed need for young vigorous salesmen, as well as the seeming pattern of discharging or retiring the older employees, for the court not to conclude that age was very much a factor in all but a very few of the discharges and/or retirements with which we here deal," Judge Merhige says.

The court adds that the company was unable to supply records of the duties employees performed and that it lacked written standards or criteria. As evidence of the company's new obsession with the age of its sales force, Judge Merhige cites the following remark noted on the resume submitted by a 24-year-old who was hired as a sales trainee: "Another young guy with good potential."

Discharges in one company department were relatively free of age discrimination, the court finds. In the research department, supervisors were told "to select those persons which the department could best get along without," Judge Merhige says. "No age remarks were attributed to any of the persons involved in the decisions as to who was to be terminated, and there is no evidence that the individuals selected for termination were selected because of their age." The court notes that the research department was reduced from more than 100 employees to only 25 people.

*(EEOC v. Liggett & Myers, Inc.; USDC ENC, No. 74-163-D, Sept. 20, 1982.)*

(Decision appears in Full Text Section D.)

- 0 -

#### POSALS TO HELP DISLOCATED WORKERS GAIN SUPPORT OF PRODUCTIVITY COMMITTEE

The National Productivity Advisory Committee, created nearly a year ago by President Reagan, has endorsed proposals to help permanently dislocated workers find new jobs outside of the distressed industries where they once worked. One proposal would require changing the use of unemployment insurance funds, an idea that seems sure to stir controversy on Capitol Hill.

Support from the productivity committee — composed of leaders from labor, business and academia — carries with it more weight than endorsements from most advisory panels, both because of its many well-known members and its method of operation. Among its members are executives from Exxon, IBM, Bethlehem Steel, J.C. Penney Co., and others whose influence is substantial in the Administration through other channels. Union leaders include the presidents of the Carpenters Union and the Air Line Pilots Association.

Recommendations for ways to help dislocated workers were drafted by the committee's subcommittee on human resources, chaired by Harvard University professor John Dunlop. Dunlop explained that the proposals were discussed with representatives of the Labor Department, and others within the Administration, suggesting that there is already considerable support for these approaches among those who would implement the changes.

At an Oct. 1 meeting in Washington, the full committee approved proposals from the Dunlop subcommittee that would provide assistance to dislocated workers in two ways: by changing the unemployment insurance system "to allow state agencies to design their own adjustment assistance programs for permanently dislocated workers"; and by issuing an Executive Order directing the Labor Department to create "a program of training and technical assistance to states in the art of assisting local public/private re-adjustment programs in response to plant shutdowns, relocations, and other severe dislocations."

The next step is for these proposals to be submitted to the Cabinet Council on Economic Affairs, chaired by Treasury Secretary Donald Regan. If the council accepts the committee's recommendations, it will direct them to the appropriate agencies for action, according to a staff member. The productivity committee is scheduled to meet one more time, in December, before it disbands at the end of the year.

In the first proposal, the subcommittee members wanted to find a way "to permit states to allocate funds to help permanently laid-off workers," explained Richard Schubert, a vice chairman of Bethlehem Steel and member of the Dunlop panel. He said such a change in the law would allow states "to provide lump sum payments" to unemployed workers, which would help to relocate them more easily than the current system of drawing smaller benefit checks over a period of time.

"Or states could decide to set up specific training and relocation programs," Schubert said. In implementing such a plan, states could issue vouchers, drawn from UI funds, to help provide retraining. Arnold Weber, president of the University of Colorado, raised an objection to such a use of UI funds, suggesting that it could become "a backdoor approach" to re-viving manpower programs that many have regarded as inefficient.

The proposal for a Labor Department program to assist states in relocating and retraining workers would enhance efforts stemming from the CETA-successor legislation, which is about to be passed by Congress and sent to the White House. Schubert said it was the subcommittee members' judgment that "many states are not in a position at the moment to deal with dislocated workers."

The Dunlop group believed that "the federal government could perform a useful role by establishing a low-budget training program for state dislocation experts," Schubert said. He said there are already several experts within DOL who could direct such a program, with only a few additional persons needed to begin the effort. When the full committee accepted the recommendation for a DOL program, it was amended to include a sunset provision, in response to a concern that a new long-term government program might be created.

Further spelling out the intent of their proposal for a DOL program, the subcommittee said: "Guidance to states should focus heavily on their assisting private sector efforts to adjust to dislocation, with special attention to the specific firms, unions, workers and community groups involved in each case."

The full committee also approved a series of recommendations from the Dunlop panel to encourage the use of labor-management committees in the private sector as a way of working toward "improved productivity, quality and quality of working life." The subcommittee wanted to encourage recent efforts by DOL and the Federal Mediation and Conciliation Service in "providing services which facilitate cooperative committees in both private and public sectors."

C. Jackson Grayson, chairman of the American Productivity Center in Houston and a member of the Dunlop subcommittee, explained that the DOL and FMCS efforts have included publications, conferences, creation of networks, data collection and research.

The full committee postponed consideration of another proposal from the Dunlop panel. The subcommittee recommended, in a draft report, the creation of "a continuing labor-management-government national forum to seek to develop a greater consensus on issues related to productivity, quality, and the quality of working life."

Dunlop stressed that the proposal for a tripartite forum is important, but he pointed out that it is an approach "that the Administration has refused to do something about in the several months since it has been in office." The recommendation will be discussed by the full committee at its final meeting in December.

(The report of the Dunlop subcommittee appears in Text Section E.)

REPORT TO NATIONAL PRODUCTIVITY ADVISORY COUNCIL FROM  
PANEL'S SUBCOMMITTEE ON HUMAN RESOURCES  
(TEXT)

Recommendation on Re-employment Assistance for Permanently Dislocated Workers

Findings

- While frictional unemployment is not unusual in a dynamic economy, substantial negative impacts on productivity arise when workers suffer permanent job loss and substantial prolonged unemployment or anticipate same.
- The Subcommittee believes that productivity gains through capital infusion can only be fully realized if our labor force receives the training necessary to complement industry's capital investment plans and if labor is sufficiently mobile — both geographically and occupationally.
- The Federal-State Unemployment Insurance (UI) system is this nation's major public income support mechanism for persons undergoing labor transition. In Fiscal Year 1983 the UI program will spend \$23 billion to meet the temporary income maintenance needs of the unemployed.
- The UI program is not well suited, however, to provide meaningful positive adjustment assistance to the permanently displaced, experienced workforce.

Conclusion

- The Subcommittee believes that the UI system can be modified or enhanced significantly to improve the occupational and geographical mobility of permanently dislocated workers without violating the integrity and insurance nature of the system.

Recommendation

- Recognizing the unique Federal-State structure of the system, and recognizing that many different adjustment assistance policies may prove effective, the Subcommittee recommends that the Federal Unemployment Tax Act be amended to allow State agencies to design their own adjustment assistance programs for permanently dislocated workers.
- A brief analysis suggests that a simple way to accomplish this objective is to amend Section 3304 (a)(4) of the Federal Unemployment Tax Act (Chapter 23 of the Internal Revenue Code) which spells out the basic provision that limits payments from the State unemployment trust funds. Underlined portions represent an amendment to the existing language:  
 "(4) All money withdrawn from the unemployment fund of the state shall be used solely in the payment of unemployment compensation, exclusive of expenses of administration, and for refunds of the sums erroneously paid into such fund and refunds paid in accordance with the provisions of section 3305(b), and for services and cash payments to state-designated persons who encounter permanent dislocations from their jobs; except that —  
 (a) An amount equal to the amount of employee payments into the unemployment fund of a State may be used in the payment of cash benefits to individuals with respect to their disability exclusive of expenses of administration; and  
 (b) the amounts specified by section 903(c)(2) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the state for administration of its unemployment compensation law and public employment offices;"

1(b)

Recommendation on Federal Technical Assistance to Help States Assist Permanently Dislocated Workers

Findings

- Recent estimates of the number of workers permanently dislocated from their jobs are in the range of hundreds of thousands, although reliable data on this subject do not exist. Prevailing economic conditions make it safe to assume that this number will not decrease soon. Moreover, reliable information on available or prospective job opportunities in most communities is inadequate.
- The subcommittee believes that the nation's economy is suffering substantial opportunity losses in terms of productivity and output by having experienced, skilled workers remain idle.
- Labor-management committees formed voluntarily as soon as announcements of plant closings are made and cooperating closely with State Employment Security agencies have proved highly effective in expediting outplacement efforts in many instances in both this country and Canada. Their function is to help as many dislocated workers as possible obtain new intensive training in self-directed job search and job clubs.
- The Congress is expected to pass legislation, as part of the CETA replacement effort, which would fund states to develop programs to assist dislocated workers. The program is expected to allocate funds to states by formula, to require a 50% match, and to authorize services to permanently dislocated workers and workers who are threatened by permanent dislocation from their job.
- The legislation is expected to leave governors with broad discretion regarding program design but appears to encourage approaches featuring joint decision-making by local labor, management, community and government parties. Successful efforts along these lines have been operated in Canada for a decade and recently initiated in the State of California.
- Despite keen interest and strong political support for assisting dislocated workers, few states now have the capacity to develop such programs. The basic elements and skills required to implement such a program — e.g., client assessment, job development and placement, skill-training, etc. — are present in most communities. The unique process, however, of orchestrating a joint effort by management, labor and all appropriate government agencies is not widely understood or applied. States must develop the capacity to implement such joint efforts. Required capabilities include techniques for search programs and job clubs.

Conclusion

- The dislocated worker program, expected to be signed into law this fall, should be accompanied by a federal effort to train and provide start-up assistance to states in the development of their programs.

Recommendations

- The Administration should issue an Executive Order directing the Department of Labor to implement a program of training and technical assistance to states in the art of assisting local public/private re-adjustment programs in response to plant shutdowns, relocations, and other severe dislocations. Specific services should include:
  - training of state staff
  - technical assistance to states in program development
  - on-site assistance to states with their first implementation of the program
- The program of technical assistance should be designed specifically in relation to assisting states in structuring their programs resulting from the dislocated worker legislation expected this fall.

• The Executive Order should require joint development and implementation of the training and technical assistance program by the Employment and Training Administration (ETA), the Labor-Management Services Administration (LMSA), and other appropriate units of the Department of Labor.

• Guidance to states should focus heavily on their assisting private sector efforts to adjust to dislocation, with special attention to the specific firms, unions, workers and community groups involved in each case. This effort should not be regarded as simply an additional function of the Employment Service or other state agency. The formation of joint labor-management committees should be encouraged with a principal mission of assisting the outplacement of all interested workers before major dislocations actually occur. Local manpower agencies (ES, PIC, CETA) should assist these efforts in every practical way. Readjustment assistance programs may include such components as: (a) aggressive job development by the managements of the plants closing down, (b) training in self-directed job search, (c) the establishment of job clubs, and (d) retraining and/or relocation where necessary.

• Technical assistance can be given to states on how to encourage prior notification of plant shutdown by firms. A bill recently introduced, for example, would make the availability of certain services contingent upon prior notification.

• To ensure that state dislocated worker programs are coordinated with existing employment and training systems, the active participation of the state job training council (to be authorized in the forthcoming legislation), local private industry councils, and local employment service administrations should be strongly encouraged.

## II

### Labor-Management-Government Committees

#### Findings

1. While there will always be issues on which labor and management disagree, experience has shown that increased dialogue and cooperation can be achieved by voluntary means to enhance productivity, quality of product, and quality of work life in both the private and public sectors.

2. Increased cooperation can occur in many ways, but one way proven by experience to be successful is through the formation of *labor-management* committees. These committees have led to constructive problem solving, increased productivity and improved quality of working life, as a consequence of the many ways in which human factors affect the concerns of labor and management.

3. In enterprises with labor organizations, such committees have operated in a role defined in a collective agreement, or entirely outside the agreement. Committees have also successfully operated in institutions without collective bargaining.

Some committees have focused on a narrow topic, such as safety, retraining, or quality improvement. Others have been concerned with a broader agenda encompassing any issues affecting relationships, productivity, or quality of working life.

4. Such committees have also worked in the public sector, at the agency, community, state or national level, and have also been created in federal, state and local jurisdictions.

5. The philosophy of reducing adversarial relations and creating a more cooperative relationship also applies to relationships between the private and public sectors. Improvements are needed in labor-management-government relationships through similar committees. As President Reagan has said, "both business and government will have to learn to lay aside old hostilities and assume a new spirit of cooperation and shared responsibility."

6. The potential impact on productivity and quality of such committees has been underestimated, but as our international competitors have shown, increased cooperation among labor, management, and government can be formidable.

#### Conclusion

The Sub-committee believes that committees and councils bringing together members of labor and management, and in some instances government as well, to work together toward improved productivity, quality and quality of working life should be encouraged, facilitated and assisted.

#### Recommendations

1. The Sub-committee recommends that in the private sector labor, management, and government explore various ways of working together more cooperatively through the use of committees and councils.

Opportunities exist at the national, sectoral, industry, state, community, firm, and operating unit level.

2. In sectors or localities of the nation confronted by serious structural adjustments, agencies of government should, as a matter of policy, recommend, and as appropriate, assist as a catalyst in the development of continuing labor-management committees to bring together private sector groups to seek long-term adaptation and solutions to structural problems. The form of the committees may be bipartite with a neutral chair, or tripartite with government participation as appropriate. Such committees should be entirely voluntary.

3. The Department of Labor and the Federal Mediation and Conciliation Service should continue to provide services which facilitate cooperative committees in both private and public sectors. Such services might include conferences, information services, publications, creation of networks, data collection, and research.

4. In some sectors where private parties have had no systematic research or development to enhance their international competitiveness, it is appropriate for government to encourage the formation of joint committees to assist in the organization of long-term research and development.

In smaller sectors, it may be appropriate for the government to provide matching financial support for a limited period to that raised by the private sector. Some pilot projects of this nature have already proven successful, and should be encouraged and provided limited assistance.

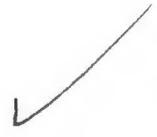
-- End of Section E --

f OPL memo

JAB

I've taken care  
of this already  
than Red. No action  
necessary.

HOUSE  
TON  
1982



MEMOR

(This proves our argument about  
likely reaction from civil rts.  
groups.)

Jim

HELENE VON DAMM

FROM: ELIZABETH H. DOLE

SUBJECT: Benjamin Toledano Appointment to U.S. Court of Appeals

Attached is an "insider" draft of a letter to the President which we understand will be signed by virtually all civil rights leaders in the event the Administration goes forward with our intention to nominate Benjamin Toledano to the U.S. Court of Appeals for the Fifth Circuit.

As you will note, the draft charges that as New Orleans chairman and state executive director of the States' Rights Party of Louisiana, Mr. Toledano advocated "segregation of the races", alleged there was a "Communist conspiracy in the NAACP", and opposed federal efforts to protect the rights of Blacks to vote. I cannot speak to the merits of the charges, however, felt you should be aware of the potential for widespread criticism, particularly regarding racism.

cc: Mel Bradley

Dear Mr. President:

We are writing to express our deep concern about indications the administration may nominate Benjamin Toledano of New Orleans to the United States Court of Appeals for the Fifth Circuit.

During the critical years when Louisiana, in brazen defiance of the Constitution and laws of the United States, engaged in systematic discrimination against blacks, Mr. Toledano was among the segregationist leaders in that state. He acted as the New Orleans chairman and the state executive director of the States' Rights Party of Louisiana. Long after the Supreme Court decision in Brown v. Board of Education, he called for "separation of the races in all matters which are essentially social in nature," including public education. The Party's platform advocated "segregation of the races", alleged there was a "Communist conspiracy in the NAACP", and opposed federal efforts to protect the rights of blacks to vote. The Party ran a slate of independent presidential electors in this era, the spokesmen for which deplored the possibility that the Republicans might name a black to the cabinet and announced that they did not "feel Nixon is any white hope, and I do mean white."

The actions urged by Mr. Toledano and the Party of which he was an official were not mere matters of policy about which reasonable law-abiding citizens could have disagreed. Mr. Toledano called for state enforced segregation of the public

schools which was, and which he certainly knew to be, patently illegal. The unlawful practices which he supported were not minor infractions affecting a handful of individuals; they violated the Constitution of the United States, which as an attorney he had a particular obligation to uphold and defend, and prevented hundreds of thousands of innocent black children from attending the same schools as their white neighbors. The work of the States Rights Party was deplorably effective; it contributed substantially to the intransigent refusal of state and local officials to obey the unambiguous requirements of federal law and to comply with a series of specific federal court orders commanding the integration of the public schools.

The critical issue today is not whether Mr. Tolcedano still adheres to the prejudices which he advocated so articulately in the past, but whether his record is one which would undermine public belief in his ability to decide fairly cases involving the rights of racial minorities. The men and women whose liberty, property and even lives may be in the hands of a judge are entitled, not only to a fair decision, but also to a decision from judges about whose fairness they can be certain. The Code of Judicial Conduct and section 455(a) of 28 United States Code forbid judges to sit in any cases in which their impartiality might reasonably be questioned as well as in cases in which they would in fact be biased. These provisions recognize the importance of maintaining public confidence that the courts will provide equal justice for all, because it is on such public confidence that obedience to the law is ultimately founded.

The nation would be ill-served by a judicial appointment which contributes to fears that litigants who are non-white or poor or unpopular will be treated differently than those who are white, rich, or powerful. A decent respect for the opinions of the American people require that the President refuse to nominate, and the Senate refuse to confirm, any individual about whose commitment to the fundamental constitutional principles of the country there is ground for reasonable doubt.

Among the disqualifications which an attorney could bring to the bench, none is more harmful than a record of racial or religious bigotry. It calls into question, not merely a judge's views of particular legal or factual issues, but his or her willingness to do justice to all parties based on the merits of their cases. Any litigant runs the risk that he or she will lose because of the evidence, the applicable law, or even a judge's philosophy. But no litigant should have to wonder whether he or she lost because a judge thought him or her worth less as a human being than whites, Anglo-Saxons, Protestants, or any other group.

The nation will judge a nominee by his public record and actions, and it is on that basis that nominations must be made. The administration, or a candidate's personal friends and acquaintances, may believe that he or she no longer harbors any animosity towards blacks, but that is not sufficient. Neither black Americans nor the public at large will accept mere verbal assurances of a change of heart by a former segregationist now seeking confirmation for high office, and neither should be

asked to do so. Any individual who wishes to demonstrate a present opposition to racial discrimination has ample opportunity to do so by taking unambiguous public steps to help in the elimination of that abuse; those who do not cannot complain if their inaction speaks louder than their words.

Your choice of men and women for the federal bench will serve as a touchstone of your attitude towards racial and other forms of invidious discrimination. The record of your nominees will widely be understood as reflecting the type of conduct which in your view qualifies an attorney for the unique honor and extraordinary responsibilities of a federal judgeship. However much you may deplore a nominee's segregationist past, the public knows full well that in every state there are highly qualified men and women of both parties who never engaged in such reprehensible activities. Although you may be convinced that a particular nominee is not prejudiced, no amount of public denials will be able to erase the public impression that the administration condones, or regards with indifference, a nominee's history of racism or of obstruction of the Constitution. Such an impression will inevitably undermine public confidence in the fairness of your administration and in your personal opposition to racial discrimination.

Yours sincerely,

*F O P I memo*

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

DATE: March 5, 1982  
TO: Jim Baker *W.B.*  
FROM: Wendy Borcherdt  
SUBJECT: Overseas Private Investment Corporation  
- Caribbean Basin

Skip Nalen has been an acquaintance over a number of years since he and my husband were classmates at the Stanford Business School together. I had the opportunity to have dinner with him last week, and the attached information is a result of some of our conversation that evening.

Skip feels that OPIC is doing some very valuable work in the Caribbean basin and is distressed that he had no opportunity for positive input to the President when the Caribbean Basin Policy was developed. He feels isolated from the White House.

I forward this for your information.

*Something like development of C.B.P. They'll have to be brought in by referral to USC or State. Give to J.C. + we can discuss. W.B.*

*3/13*  
1cc:  
*Give to J.C. Frank H. was serving as a W.H. contact for OPIC. It is independent w/ no reporting channel + doesn't really fit anywhere. I'd like Jim to get acquainted with Nalen + Gaines the #1 + #2 over there + he (J.C.) can be their contact with W.H. However for them to get involved in*



2 MAR 1982

OVERSEAS PRIVATE INVESTMENT CORPORATION Washington, D. C. 20527

CRAIG A. NALEN  
President and  
Chief Executive Officer

March 1, 1982

Honorable Wendy Borchardt  
Special Assistant to the President  
for Public Liaison  
The White House  
Washington, D.C. 20500

Dear Wendy:

It was great fun seeing you the other night and I look forward to seeing more of both of you in the very near future.

With respect to our discussions regarding OPIC, my point was simply that it's regrettable the White House isn't taking greater advantage of what we're doing over here. The President has done such an outstanding job of delivering the message to the world at large, and to our own business community in particular, of the need for greater involvement of the private sector through investment of U.S. capital in developing countries. And he has, of course, focused particularly on the Caribbean Basin as illustrated by his address last week.

As you know, encouragement of investment in the Third World is what OPIC is all about, and our achievements, particularly in the Caribbean region, have been rather significant. Somehow, our communication with the White House has broken down; certainly, it would seem to me, the President and others articulating his strong position in this area could use some of OPIC's recent success stories to better advantage. Quite simply, the President is absolutely right about the positive benefits of U.S. private sector investment in Third World countries, and, what's more, the process is working. Why keep it a secret? //

Honorable Wendy Borchardt (cont.)

2

Rather than bore you with volumes of material, I've selected a sample of copies of recent articles illustrating some of OPIC's activities. Perhaps you can help direct them to the right people. Again, I enjoyed our talk Friday and I hope we'll get to see Ed next time.

Regards,



Craig A. Nalen

Enclosures

OCT 19 1981

*B. K. Miller*

# International

OCTOBER 19, 1981

WASHINGTON REPORT

## Agency Plans Investment Drive

By Carole Long

The Overseas Private Investment Corp. (OPIC) has been called one of Washington's best-kept secrets, but the 10-year-old federal agency soon could become the talk of the U.S. business community.

"If ever an agency's time has come, it is now," Craig A. Nalen, OPIC's new president, told *Washington Report*.

"In the light of the (Reagan) administration's considerable de-emphasis on concessional foreign aid, there is the expectation the private sector will take up that slack.

"This agency is right in the mainstream of what that policy is trying to accomplish," Nalen said.

A former chairman of the board of STP Corp. and marketing executive with Procter and Gamble Co., Nalen, 51, plans to use aggressive marketing techniques to give OPIC a higher profile among American businesses.

### Program To Spread Word

"We're pretty well-known with the large businesses, but the smaller companies, who should be and could be using us, really don't know about us," he said. "In the months ahead we will be undertaking a communications program to get the word out to the smaller segments of American business."

OPIC offers two main services: It sells political risk insurance to U.S. companies investing in friendly developing countries and provides limited financing for U.S. business ventures in those countries.

In fiscal 1980, OPIC insured about 100 investment projects in 74 countries and helped finance, through direct loans or loan guarantees, an additional 17.

Nalen said OPIC best aids the administration in its new emphasis on increased private-sector involvement in developing countries by removing a major constraint for U.S. business.

"The businessman can assess the commercial aspects of an investment in a Third World country, but one thing he has difficulty assessing is how to deal with the political risk," Nalen said.

"We provide insurance to remove that risk. We insure against war, rebellion, insurrection, civil strife and inconvertibility of currency."

OPIC's financing program, which at \$48 million is small compared with the World Bank's International Finance Corp., is designed particularly for small-businesses.

### Small Firms Targeted

By charter, 30 percent of the projects OPIC finances must be designed for or include small- and medium-sized companies.

"The large multinational companies obviously have the financial muscle to undertake major projects, but a small company can be just as effective in development as a large one," Nalen said.

Congress recently passed legislation that extends OPIC's operating authority through Sept. 30, 1985. The agency, though authorized by Congress, receives no government funds. In fiscal 1980, the agency's net earnings were nearly \$66 million.

The new legislation broadens OPIC's insurance program to include coverage for civil strife and removes the restriction on OPIC activities in countries that have a per capita gross national product exceeding \$1,000 in 1975 dollars.

The new per capita GNP ceiling, set at \$2,200 in 1975 dollars, adds 19 countries to those in which OPIC finances projects.

Last summer the Reagan administration said it wanted to promote economic and social development of the Caribbean basin. That region has become a primary target for development by OPIC, Nalen said.

During fiscal 1981, the agency will approve insurance policies for 24 projects in the Caribbean and Central America, compared with 13 during 1980.

On Nov. 1 OPIC will lead a mission to Jamaica and on Nov. 30 one to Haiti.

Those missions, the 14th and 15th organized by OPIC, are part of a program to help the U.S. firms gain access to markets.

"There is now keen competition among Third World countries to have OPIC run investment missions in their countries," Nalen said.

He also has seen signs in the past three months that U.S. businesses are becoming more interested in investing abroad.

"Preliminary figures show that since July, we have done a dollar volume of business in insurance coverage that was larger than the volume we wrote for the entire fiscal year in 1977, 1978 and 1979," Nalen said.

Some critics have charged OPIC's programs hurt the U.S. economy by exporting jobs and capital overseas. Nalen, however, discounts such criticism.

"Last year," he said, "the General Accounting Office audited our projects during the previous 12-month period, and they were not able to turn up one project we had undertaken that had a negative impact on jobs back here."



Nalen: OPIC's time has come.

# Jamaica Preparing For US Investments

By CANUTE JAMES

Journal of Commerce Special

KINGSTON — The Overseas Private Investment Corp. is concluding arrangements to insure US\$520 million in new United States investments in Jamaica.

The investments are joint ventures between United States and local firms, and include 15 projects which were discussed and finalized during a week-long visit to this island of 24 United States business leaders in an investment mission sponsored by the corporation.

The new products, which Edward Seaga, Jamaica's prime minister and finance minister, said were scheduled for "early implementation," include agribusiness, food production, tourism and manufacturing.

Craig A. Nalen, president of OPIC and leader of the mission, said he had been "cautiously optimistic" about the success of the mission when he arrived here, but that he was now "unequivocally optimistic" about investment prospects in Jamaica.

"If all these additional projects were to be finalized," Mr. Nalen said, "the volume of new private investment in Jamaica would contribute significantly to reaching Prime Minister Seaga's targets for private investment."

The prime minister said recently that his government was seeking US\$630 million in overseas investments to close gaps in the island's finances. He agreed with Mr. Nalen that the new projects could go a long way toward meeting the target.

Mr. Seaga's administration regards investments by North-American firms as basic element in its plans to rebuild this English speaking Caribbean island's economy, which has been declining for the past seven years.

Contracts for three of the 15 new projects were signed in Kingston this past weekend at the end of the mission's visit. OPIC and Citibank signed the final loan agreement for co-financing of a US\$3 million expansion of the Jamaica Broilers Ltd. hatchery and breeder flock facilities. The agreement will increase the local company's capacity, creating jobs and saving Jamaica's economy foreign exchange.

The creation of new jobs and the earning of foreign exchange have been pinpointed by the Jamaican administration as the two priorities in

its investment program. Unemployment is officially put at 27 percent, and the island has a US\$750 million gap in its foreign exchange budget.

A contract was also signed for the corporation to participate in a major manpower study to ascertain the training needs of Jamaican businesses and industries. This is the first step toward the establishment with a joint venture called Jamaica opportunity for business success (jobs) involving control data, Reynolds Metals and the Jamaican firm, Grace Kennedy.

OPIC is also financing a feasibility survey with precision castings to review a joint venture proposal to produce implants and instruments for use in the medical fields.

Agreements in principle coming out of the missions visit to Jamaica, include one between the Prince Company Inc. of Lowell, Mass., and the Jamaican food processors Grace Kennedy, to form a joint venture to manufacture and distribute pasta products throughout Jamaica.

Biotec Inc. International and Jamaica Broilers Ltd. are planning a million dollar venture to process organic waste into fertilizer and animal feed. After satisfying organic waste into fertilizer and animal feed. After satisfying local market needs, there are longer term plans to operate in the Kingston Free Zone to develop an export market.

A statement from OPIC said there had been agreement with the I.S. Joseph Co. to fund a portion of a study to examine soybean cultivation on up to 30,000 acres in Jamaica.

Horticultural enterprises is significantly expanding its operations in Jamaica, and will increase exports to the United States.

The St. Vincent Container Corp. has agreed with West Indies Pulp and Paper, a local firm, for representation in the sale and distribution of containers in the island. The company is also to manufacture containers here once the market has been proven.

Pauley Liquid Exports and the local liquor firm, J. Wray and Nephew, are to market each others products. A shipment of Pauley's wines is to arrive here by mid December for Wray and Nephew to test the market. The local firm's rums are to be similarly tested in the United States by Pauley Liquid Exports.

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# The Daily Gleaner

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TWENTY-TWO PAGES

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## US \$520m in joint ventures

### Applications before OPIC

THE OVERSEAS Private Investment Corporation (OPIC) of the USA has received applications for insurance and financing from US businessmen for US\$520 million for investment in joint ventures in Jamaica, of which a number has already been approved.

This was stated yesterday by Mr. Craig Nalen, president of OPIC and leader of the 24-man businessmen mission to Jamaica at a press conference at Jamaica House.

Mr. Nalen said that in contrast to his guarded optimism when he arrived here on Monday as the leader of the mission, he had now thrown caution to the wind, and was unequivocally opti-

mistic in every way about the outcome of investment prospects with Jamaica. He had been most impressed with the efficiency and hospitality he had found.

PRIME MINISTER EDWARD SEAGA announced at the conference that projects had been concluded with 15 of the 24 businessmen in the mission and that three were signed and completed yesterday.

Mr. Seaga said that while the majority of interest was in the area of agribusiness, one investor had shown interest in establishing a hotel complex at Rutland Point, Negril; the talks commenced earlier this year between Precision Castings of the US and a Jamaican businessman had resulted in a signed agreement, with OPIC to provide feasibility funding.

An agreement, he said, has been reached between Pauley Liquid Exports Limited of California and J. Wrey &

(Cont'd on Page 18 Col. 1)



**JAMAICA BROILERS EXPANSION:** A \$3M loan being signed between Mr. Peter Moses, (second left) of Citibank and Mr. Craig Nalen, president of OPIC. The loan which extends over a seven-year period is to expand Jamaica Broiler Limited's Hatchery and breeder flock facilities. Prime Minister Edward Seaga (right) looks on and at left is Dr. David Wildish of Jamaica Broilers Limited. Standing behind are

(left) U.S. Ambassador Loren Lawrence, Mr. John Muirhead of Myers Fletcher and Gordon and Mr. Jack Moorman, manager, project finance of OPIC. At the press conference at Jamaica House yesterday, fifteen projects in various stages of finalization were announced.

# O.P.I.C. BRINGS IN 15 NEW PROJECTS

BY WINSTON WITTER

The Overseas Private Investment Corporation (OPIC) has been successful in bringing 15 "actual projects" to their final stages during its five-day mission to Jamaica.

In a joint Press briefing at Jamaica House, yesterday OPIC's president Craig Nalen said:

"Of the 14 or 15 projects would they go through, we will have together with other projects that have come to us in the past months, US\$520M investment coming into Jamaica."

"I am taking the cautiousness out of my statement and say I am very optimistic of numbers of that nature". Mr. Nalen said US President Ronald Reagan had expressed interest in the mission and was watching for the outcome.

Prime Minister Edward Seaga said the amount of jobs to be generated from the project had not yet been assessed.

He said the mission was different from the others funded by OPIC as it was a "match-making" one.

"With the collaboration of the OPIC they were able to line up interested Jamaican firms

who were interested in joint ventures with the members of the OPIC mission", Mr. Seaga said.

The Prime Minister said while the majority of the interest was in the area of agribusiness, one investor had shown interest in setting up a hotel complex at Rutland Point.

The 15 projects scheduled for investigation and implementation range from agribusiness and food production to manufacturing, tourism, training programmes and the strengthening of the rural farm system.

Three of the 15 projects were signed yesterday between members of the OPIC team and their Jamaican counterparts.

Jamaica Broilers Limited benefitted from a US\$3M expansion programme in which Citibank has agreed to the co-financing. Breeder flock and hatchery facilities are being expanded. The project is expected to increase the company's broiler capacity to create jobs and save foreign

exchange.

Another project called Jamaica Opportunity for Business Success (JOBS) has been signed. It is being set up to assess the country's manpower and training needs. Grace Kennedy and Company, Control Data (USA) and Reynolds

Metals are involved in this project.

And the third to be signed was a project to be financed by OPIC to carry out a feasibility study to review a joint venture proposal to produce "implants and instruments" for use in the medical field.

Mr. Nalen said that additional projects would be announced as soon as negotiations with US investors were finalised.

"These investments are not taken lightly and it's been our experience with OPIC that when a company goes forward with our help the investments get off the ground quickly".

Mr. Seaga thanked the OPIC mission for having come to Jamaica and started its work while Mr. Nalen expressed gratitude for the hospitality meted out to the group as they stayed in Jamaica.

THE JAMAICA DAILY  
**NEWS**

Vol. 4  
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40c

Saturday  
November 7, 1981

Part 2--Herzberg on individual productivity  
Personal update: should you revise your tax plan

# Industry Week

November 30, 1983

Penton/IPC • 5

## Can OPIC repeat Jamaica in Haiti?

If the Overseas Private Investment Corp.'s (OPIC) economic mission to Haiti this week only approaches the success of the federal agency's investment tour to Jamaica early this month, the Reagan Administration will be able to take great pride in its Caribbean economic outings. During the five-day Jamaica mission 14 U. S. investment deals were completed. And applications to support \$520 million in other U. S. investment in Jamaica await the approval of OPIC officials in Washington.

10TH ANNUAL  
ECONOMIC OUTLOOK  
SURVEY

# Business News

Saturday, December 5, 1981

The Miami Herald

4B

## Mission to Haiti returns with 10 projects

By MIMI WHITEFIELD  
Herald Business Writer

A group of executives who spent the week talking business in Haiti returned to Miami Friday with commitments for 10 projects that are

expected to create 3,000 new jobs for the poverty-stricken island.

The projects range from expansion of electronics, construction, leather, and toy companies that already are operating in Haiti to plans for a hotel and two new industries.

Nine other potential projects that could create 2,800 jobs also were discussed during the investment mission.

Twenty-four U.S. corporations took part in the mission sponsored by the Overseas Private Investment Corp. (OPIC), a federal agency that provides political-risk insurance

The government of Haiti hopes foreign investment will go a long way in creating the 30,000 new jobs it says it needs by the end of 1982.

and financing services in the developing world.

Many U.S. policymakers see investment that creates jobs as at least a partial solution to keeping Haitian refugees at home. The Haitian government estimates unemployment at 14 per cent and underemployment at about 65 per cent.

The government of Haiti hopes foreign investment will go a long way in creating the 30,000 new jobs it says it needs by the end of 1982.

The approximately 200 U.S. assembly companies now operating in Haiti employ about 60,000 workers.

OPIC Executive Vice President L. Ebersole Gaines said that the projects — some of which were in the works before the mission arrived in Haiti — are expected to create 800 jobs within the next few weeks and 2,300 within six months.

"All of us were rather apprehensive about what we could expect from an investment mission to Haiti," said Craig Nalen, OPIC president. But he said he was encouraged about the results of the trip.

He said he hoped the new U.S. investments would have a ripple effect that would encourage other U.S. entrepreneurs to consider operations in Haiti, the poorest country in the Western Hemisphere.

Although Haiti is better known for its boat people and its poverty, the Haitians hope it will also gain a reputation as an investment haven.

Its chief attraction is the low-cost of labor. Haiti — with minimum wages of \$2.64 to \$3.12 a day in the manufacturing industries — has the lowest wage scale in the Caribbean.

Gaines said the U.S. executives were impressed by the diverse investment opportunities available in

Haiti, the pride of the Haitian people in their work and the desperate need for jobs.

The U.S. businesses that plan to expand their Haitian factories include: Designatronics Inc., a New York electronic components company; Paul N. Howard Co., a Greensboro, N.C., construction company; Stride Rite Corp., a Massachusetts footwear manufacturer; Hoyt and Worthen Tanning Corp., a Massachusetts tannery; Sylvania Overseas Trading Corp., a division of GTE Corp. that assembles electrical products in Haiti and R. Dakin and Co., a California toy manufacturer.

Citibank of New York will be expanding its branch bank operations.

The new projects include development of a beachfront hotel and commitments for two new manufacturing facilities.

Tim-Bar Paper Co. of New Oxford, Pa., plans to make corrugated packaging materials, and Witherpoon Development Corp., of New York, will manufacture leather dog chews.



Nalen

7 DEC 1981



# From the Press

Office of Public & Congressional Affairs

## Journal of Commerce

DECEMBER 21, 1981

### OPIC Sees Busy Year In 1982

By RICHARD LAWRENCE  
Journal of Commerce Staff

WASHINGTON — The Overseas Private Investment Corp., just off a record year in 1981, looks forward to a still better showing in 1982.

OPIC, the government agency that insures U.S. investors against political risks in nearly 100 "friendly" developing countries, also hopes to magnify its "image," at home and abroad. The result, OPIC executives figure, should be even more business.

OPIC's new president, Craig Nalen, who until this year had headed STP Corp., says the agency is putting more emphasis on "marketing" — matching U.S. company objectives with developing country potential.

OPIC's basic mandate is to help promote U.S. private investment in the developing world. For years, however, the agency has seemingly waffled between the role of the development agency and a protector of U.S. commercial interests.

Now, Mr. Nalen suggests, OPIC will take a more aggressive ap-

proach, wedding the two objectives. And, he says, he will not eschew "a little bit of showbiz" to bring it off.

In March, for example, OPIC plans a "telemission" — a televised conference call between Cairo and about a half-dozen U.S. cities. Expected to take part are Egyptian President Hosni Mubarak and his top aides and over 20 U.S. businessmen expressing an interest in investing in Egypt. Even President Reagan, it is speculated, may appear on the screen.

The "telemission," if it succeeds in facilitating more investment in Egypt, is likely to be followed by similar OPIC-sponsored sessions with other developing nations, Mr. Nalen says.

In fiscal 1981, which ended Sept. 30, OPIC reported a record \$67.2 million in net earnings and boosted its reserves to \$745 million. It issued nearly \$1.5 billion in insurance, against such risks as war, revolution, expropriation and currency non-convertibility — another high.

Mr. Nalen confidently predicts better results next year. Among the reasons is that OPIC will begin offering, probably in the spring, coverage against "civil strife." And, thanks to Congress, it can more freely insure U.S. investors in such "middle income" countries as Brazil, Jamaica, Korea, Taiwan, Portugal and Turkey.

Moreover, the agency is negotiating new bilateral agreements with several important developing nations — Argentina, Chile, Uruguay and Zimbabwe.

OPIC had at one time insured new U.S. investors in Argentina and Chile, but in the 1970s, because of human rights and other problems, it stopped doing so. Agreements with Uruguay and Zimbabwe would be the first

allowing OPIC to insure investors in those two countries.

By next year, OPIC also may issue the first in a number of insurance policies for U.S. companies investing in or trading with China. OPIC officials are still trying to clarify China's foreign investment law. China's refusal so far to guarantee a foreigner's "right" to currency convertibility is another problem OPIC officials hope to reconcile.

OPIC, says Mr. Nalen, has singled out three sectors where it will make a special effort to interest U.S. companies in overseas investment — food processing equipment, medical equipment and supplies, and such agricultural enterprises as seed propagation, fisheries and poultry.

The Egyptian telemission, for example, will try to focus on food production, for processing, health and medical products, and construction equipment investments.

The agency also has pinpointed "priority" countries, where it especially hopes to attract more U.S. investment. The Caribbean basin — particularly Jamaica and Haiti — head the list. OPIC recently led a group of potential U.S. investors to both countries.

OPIC, says Mr. Nalen, is considering insuring and financing over \$500 million in new U.S. investment in Jamaica. Meanwhile, over two dozen U.S. firms have expressed interest in investing in energy, minerals, manufacturing, farming, tourism and construction projects in Haiti, he reports.

OPIC also is forming a "marketing volunteers program," whereby retired high-level U.S. executives, from such companies as General Mills, Exxon and International Harvester, will try to help small and medium-sized American firms to invest in the developing world.

NOV 2 1981 *By Staff*

# OPIC Leaps by \$950 Million

By Scott Chase

Washington Post Staff Writer

A dramatic fourth-quarter surge of \$950 million in political risk insurance written by the Overseas Private Investment Corp. (OPIC) has boosted the agency's volume for fiscal 1981 to \$1.48 billion, the highest level in its 11-year history. The current fourth-quarter results exceed the total amounts of OPIC insurance written in each of the full fiscal years of 1977-79.

"This sudden acceleration of the U.S. business community's drive to regain its competitive edge in the developing world has not come about by chance," said Craig A. Nalen, OPIC president and chief executive officer. "We believe it reflects a new confidence generated by the Reagan administration's recognition of the critical importance of competing in the world's fastest growing markets."

OPIC provides political risk insurance and finance services to encourage U.S. private investment in more than 90 developing nations.

Two weeks ago Reagan signed the Overseas Private Investment Corp. Amendments Act of 1981, strengthening OPIC's legislative mandate and extending the agency's authority to issue investment insurance, loans and loan guarantees until Sept. 30, 1985. Nalen credited that signing, and the recent remarks of senior administration officials, including the president, at the international summit meeting in Cancun, Mexico, as key factors contributing to "a new spirit of teamwork that can set the stage for unprecedented growth in trade and enhance the United States' position of leadership in the world marketplace."

OPIC's current rate of registrations for potential new overseas investment is strong and is expected to increase even more as a result of the broader authority contained in OPIC's new legislation. "There is every indication that in fiscal 1982 OPIC will reach significantly higher levels," Nalen said.

Today Nalen and William C. Norris, chairman of Control Data Corp., will lead a five-day investment mission of two dozen U.S. business executives to Jamaica to meet with Prime Minister Edward Seaga, Jamaican government officials and local businessmen seeking joint venture partners. The mission is designed to generate broader private sector participation in reviving the Jamaican economy, and comes in response to Seaga's personal appeal to Reagan earlier this year. On Nov. 30, OPIC will lead another economic development mission to Haiti.

Recent agreements by international lending and financial institutions.

# Mubarak: Egypt Seeks Investment

By Carole Long

is looking to American investors to build its economic base, President Mubarak told U.S. business leaders on his first trip to Washington since 1971.

Meeting privately with top U.S. Chamber of Commerce officials and other business representatives, Mubarak said, his

country is counting heavily on the involvement of the private sector to help in Egypt's development.

Plans to set up a satellite link allowing U.S. investors to learn about Egyptian investment opportunities via television were also finalized at the meeting.

U.S. representatives at the meeting included Donald Kendall, chairman of the board of the Chamber and of PepsiCo, Inc.; Chamber President Richard Leshner; and Frank Considine, president of National Can Corp. and chairman of the U.S. section of the Egypt-U.S. Business Council.

Considine, who led the U.S. delegation, said there appears to be a "continuity of policy" on U.S.-Egyptian trade relations from the government of President Anwar el-Sadat to that of Mubarak.

"We feel very comfortable [about going into Egypt] in terms of safety and investment," Considine said. "It takes a little longer to get started than we're accustomed to here, but there's a vast market potential and a very fine group of people [in Egypt] that the American business community can get along with."

Priority areas for investment, according to Fuad Hashem, Egypt's minister of economy, are housing, agriculture, agri-industries and export industries.

Addressing reporters after the meeting, Hashem said Egypt would like to see investment directed to productive uses rather than consumer goods.

"Our exports have been stagnating or

increasing at a very low rate. This is why one of our priorities is developing export-oriented industries," Hashem said.

In 1981, U.S. exports to Egypt totaled about \$2 billion, while U.S. imports from Egypt — mainly petroleum, cotton fabrics and thread and lubricating oils and greases — totaled about \$397 million, according to the U.S. Commerce Department.

Investment opportunities in food production, food processing, health and medical products and construction materials have been targeted for discussion during the new satellite hookup or "Telemission," said Craig Nalen, president of the Overseas Private Investment Corp. (OPIC).

"The Telemission will be two-way, give-and-take audiovisual communications between 400 to 500 business people here in the U.S. and key government representatives, members of the private sector and representatives from the American business community in Egypt," Nalen told reporters after the meeting.

The Telemission is scheduled for broadcast March 16. The two principal broadcast locations will be New York City and Cairo, but investors in at least five other major U.S. cities, including Boston, San Francisco, Los Angeles, Minneapolis and Chicago, will also participate.

Local financial institutions will be hosting the mission in each city and will have the responsibility of inviting investors to the session, Nalen said.



President Mubarak says Egypt is looking to the U.S. private sector.

OPIC, a government agency that works to stimulate U.S. private investment in developing countries, and the United Nations Industrial Development Organization are co-sponsoring the Telemission with the cooperation of the Egyptian government.

Nalen said OPIC plans to follow up the Telemission by taking U.S. business people who are ready to invest on a trade mission to Egypt.

# World Business

A FRESH PERSPECTIVE FROM OVERSEAS

GENEVA • FRANKFURT • LONDON • OTTAWA • PARIS • TOKYO • SYDNEY

Investment advisers abroad are getting more cautious, more hesitant every year, but in 1982 many still rate U.S. a land of moneymaking opportunities.

Take Swiss, West German experts. They see promise in U.S. stocks, medium and long-term bonds and real estate. Some give the nod to bonds now, assume that stock markets will be slow to anticipate the next business recovery.

To Germans, American real estate remains very tempting. To them, U.S. property prices seem laughably low compared with those nearer home. Wealthy Venezuelans also consider U.S. land a bargain. On the other hand . . .

British companies and pension funds that in recent years have placed some money in North American real estate are slowing down their rate of acquisition. Some weeding out of earlier purchases also is under way.

Canadian experts rate U.S. stocks a good buy in 1982--starting in February and March, though they expect recession on both sides of the border to drag on until the year's third or fourth quarter. Canadian securities, except for bank shares, are not regarded as highly as U.S. issues.

Inside Europe, the experts maintain that investors should concentrate on Swiss, German, Dutch stocks to build up long-term positions.

In Italy, real estate, traditionally a hedge against inflation, retains its appeal. Italian inflation persists close to the 20 percent level.

French stock-market investors in late 1981 displayed interest in American shares, including those of U.S. auto companies. But some Paris experts pass up U.S. or Japanese stocks to plug bonds in West German marks or Dutch guilders--or French government issues yielding 17 to 18 percent over 10 years.

Europeans say near-term prospects for gold and other precious metals are dull. Art objects and diamonds do not stir much enthusiasm, either.

Japanese investors list as potentially attractive domestic stocks in fields such as computers and industrial electronics. The limited supply of Japanese land, its high cost and heavy taxes on gains have dimmed its luster.

In Australia, some experts say real-estate prices may have almost reached a plateau. Even so, there are signs of continued gains in Western Australia's capital, Perth. Hong Kong, Singapore money helps boost Australian property.

The Overseas Private Investment Corporation is on a fast track promoting U.S. stakes in developing countries with loans and insurance against political

(over)

risks. These include war, revolution, expropriation, inconvertible currencies.

In its financial year ended last September 30, OPIC posted a record 1.5 billion dollars in insurance. Its chief, Craig A. Nalen, says insurance in each of the next two years may hit 2 to 2.5 billion dollars. Behind all this:

American business sees Third World as a big market, also heeds President Reagan's call for a larger role for the private sector in development. Needy lands sense the value of private capital; aid alone may not get things done.

Backing the Reagan emphasis on Caribbean development, OPIC, a governmental unit, in late 1981 organized investment missions to Haiti and Jamaica. It also eyes plans for a mission to Pakistan. And a new twist is in the works--

On March 16, OPIC, Egypt's government and the United Nations Industrial Development Organization will back "Telemission I." Some 250 potential U.S. investors in several cities will "meet" with Egyptians in a satellite-assisted television session. Later, Americans sufficiently interested will visit Egypt.

Christmas may be over, but France still is focusing on toys.

The past dozen years have been hard on French toy companies; 300 have faded away, makers of Raynal dolls, Dujardin games, Jouef trains, Solido cars.

Japanese, German and British competitors, as well as American outfits such as Mattel, Milton Bradley and General Mills, have taken a toll. But some 280 French companies, 20,000 workers continue to depend on profits from playthings.

Now Paris aims to recapture domestic markets in toys--along with several other products, from textiles to machine tools. For a start, the government is pumping 1.8 million dollars into a new toy-promotional-and-design firm, with 23 private companies also taking a hand. As government aides see it:

Research, new technology and French flair in time will end foreign grip on more than half of France's toy field. The design firm will develop prototypes, finance some production, forge links with makers of electronic parts for toys.

The Japanese headed into their 10-day, year-end holiday season with the prospect of reduced domestic travel but a snapback in overseas excursions.

The Japan Travel Bureau, the country's top travel agency, estimated that local trips would involve about 18 million people, down 15 percent from a year ago. In contrast, international jaunts were seen attracting some 185,000 Japanese, or 8.5 percent more than a year earlier.

One travel curb: Japanese hotel charges and meal prices have jumped about 30 percent, while overall inflation in late 1981 was running at only 4 percent. Slack business has cut overtime pay. Year-end bonuses have been disappointing.

On the international travel front, the Japanese were making their No. 1 year-end destination the U.S. mainland--mostly the West Coast. Meanwhile--

Japanese-American friction over air routes has increased. Since Tokyo had held up new U.S. carrier service to Japan, Washington set limits on Japan Air Lines. Tokyo then froze U.S. lines' bids to fly beyond Japan to third nations.

hydrocarbon industry aware of U.S. products and capabilities. Other upcoming Commerce Department-sponsored events in 1982 which will assist U.S. suppliers in penetrating the robust Saudi market include: an education and training aid exhibition in Riyadh, March 20-24; an agriculture and water resource exhibition in Riyadh, April 25-29; and a security systems trade mission to Jidda and Riyadh, May 14-20.

## EGYPT

### Growing Economy Attracts Horde Of U.S. Companies

By Cheryl McQueen

U.S. exports to Egypt exceeded optimistic forecasts, reaching \$2 billion in 1981. Opportunities stemming from the large U.S. Agency for International Development program, Egypt's hefty population growth, and large import demands each year attract additional U.S. firms to the Egyptian market. The country's economic potential remains thwarted by familiar burdens, most notably foreign exchange scarcity, a large subsidy bill, and inefficiencies in the public sector. Nevertheless, 300-odd U.S. companies have established offices in Egypt.

Accompanying Egypt's 8-10 percent real economic growth rate over the past six years has been a rate of inflation near 20 percent. Monetary expansion, which averaged about 31 percent for the same period, is expected to continue similarly to keep up the momentum of economic growth and job creation. Because so much of the population is cushioned from the effects of inflation by subsidies, the Egyptian Government gives economic growth as high a priority as controlling inflation.

In recent speeches, Egypt's new President, Hosni Mubarak, has impressed his style on economic policies that pre-date his Presidency. He supports the stimulative aspects of the open door policy, but calls for "productive" foreign investments. His new Cabinet remains committed to public sector reform. Currently, policymakers are debating the separation of management and ownership as a means of improving public sector efficiency. Growth in the subsidy bill is to be contained by a subsidy program tailored solely for the needy.

The United States remains Egypt's major trade partner, although the share of the European Community as a whole is

approaching 50 percent of the total import market. Nearly half of 1981 U.S. exports to Egypt were agricultural items, primarily wheat and wheat flour financed under the PL-480 program. Cotton and cottonseed oil, poultry and corn are other categories which account for large sales.

In the industrial categories, parts for machinery and transportation equipment and construction machinery are leading U.S. exports. As the Egyptian Government continues its modernization campaign, there will be increasing opportunities for U.S. suppliers of industrial equipment. Excellent prospects exist for sales of computers and peripheral equipment, food processing and packaging machinery, agricultural and agribusiness machinery, construction machinery, building products and machine tools. Prospects for the sale of consumer goods are not as good because of heavier taxation and stiffer import requirements.

Although Egypt's foreign exchange situation momentarily is unsettling, foreign firms continue to investigate Egypt as an investment site. Among the new opportunities identified by the U.S. Commercial Section in Cairo are management of hotels and tourist villages, mineral development in the Sinai, low-cost, high quality housing systems, and video and film production.

A number of agencies within the United States support strengthened U.S.-Egypt commercial relations. To better acquaint U.S. business with trade and investment opportunities in Egypt, on March 16 the Overseas Private Investment Corporation (OPIC) is sponsoring "Telemission," a satellite connection between Egyptian Government and business officials and their counterparts in eight American cities. All OPIC insurance and finance programs are available for eligible U.S. companies. The Office of the U.S. Trade Representative and the State Department together coordinate negotiations for the bilateral investment treaty proposed as a device for firmly rooting U.S.-Egypt commercial relations. The Egypt-U.S. Business Council remains active in identifying obstacles to commercial exchange and making recommendations for their correction.

Additionally, an Avoidance of Double Income Taxation Agreement went into effect Jan. 1. The convention is expected to increase the number of Americans working in Egypt by providing American firms with U.S. tax credits for taxes paid in Egypt. Egypt and the United States also entered into an agreement on nuclear cooperation. Possible activities include purchase by

Egypt of U.S.-made nuclear power reactors and low-enriched uranium fuel. The Export-Import Bank is involved in increasing U.S. exports by guaranteeing backing for some short and medium-term sales.

Scheduled Department of Commerce trade events for the remainder of fiscal year 1982 include a food processing and packaging trade mission in April and a U.S. exhibition at the 15th Cairo International Fair in March. The trade promotion program for fiscal 1983 includes trade missions in water resource and transportation equipment and participation in the annual Cairo Fair.

## ISRAEL

### U.S. Exports To Increase Despite Economic Problems

By Kathleen Keim

U.S. exports to Israel last year jumped 23 percent to more than \$2.5 billion. Further growth is anticipated this year, although at a reduced rate. Israeli exports to the United States continued their strong growth pattern, increasing almost 32 percent in 1981 to a total of \$1.2 billion.

Israel experienced severe inflation, an increased balance-of-payments deficit, and growing unemployment in 1981. The government tackled inflation as its first priority. Purchase taxes on some imported consumer products were lowered to augment government revenues by increasing imports. Government revenues also were expanded through a new savings scheme. At the same time, government expenditures were reduced somewhat. Finally, to counter the inflation psychology, subsidies on basic commodities were reinstated, thereby reducing automatic increases in wages and other prices linked to the consumer price index. Once inflation began to moderate, the subsidies were reduced in stages to lessen the burden on the government budget. These policies succeeded in bringing down inflation from 133 percent in 1980 to an estimated 100 percent last year.

Some of the policies instituted to curb inflation increased Israel's imports in 1981. At the same time, growth in Israeli exports declined due to stagnating import markets in Europe. This trade pattern produced a slight worsening of the country's trade deficit in 1981.

The Israeli Government can be expected to continue its fight against inflation during 1982, while keeping an eye on unem-

OPL memos

THE WHITE HOUSE  
WASHINGTON  
November 11, 1982

TO  
CICCONI - 11:15  
MOT

MEMORANDUM FOR EDWIN MEESE III  
JAMES A. BAKER, III  
FROM: ELIZABETH H. DOLE *EHD*  
SUBJECT: DISC Alternative

In the continuing search to find an alternative to DISC, it appears as though SCUSE has fully focused its efforts in support of FISC. SCUSE (Special Committee for U.S. Exports) is the 1,500 member business coalition that has worked the DISC issue for years. Their current analysis is that Bill Brock supports the FISC approach and that the alternatives being suggested by Don Regan will not have the desired effect of promoting exports as well as DISC, nor will these alternatives be likely to gain the necessary votes on Capitol Hill.

The benefits of DISC can be easily translated into jobs and, therefore, they feel efforts to dilute export assistance in this area will be rebuffed by a coalition of both Republicans and Democrats. For example, Treasury Department's report of April 1981 indicates that between 4.5 and 7 billion dollars in export trade is directly traceable to DISC. Using Commerce Department tables of 32,000 jobs per billion dollars of exports, we are talking about a significant number of current employees.

They feel that FISC has a number of benefits as follows: it is revenue neutral, it is more simple than the Frenzel or McDonald proposals, and it can be handled as a technical correction and therefore kept out of the budget.

Ed, they have tentatively asked for a meeting next week to present their concerns. I will follow up when they have narrowed their request to specific dates.

cc: Dick Darman  
Craig Fuller  
Ed Harper

THE WHITE HOUSE

WASHINGTON

November 15, 1982



MEMORANDUM FOR JIM CICCONI

FROM: RED CAVANEY 

SUBJECT: Nebraska School Issue

In spite of all the concern surrounding the subject, the President was accorded a number of kudos for his role in the matter. I thought you'd appreciate the attached.

JAB

The attached telegram is from the head of the Christian Broadcasting Network, and is indicative of the good mileage we got re RR's statement on Pastor Silevan.

It got zero play in the general media, but was clearly noticed and appreciated by the New Right.

RC  
11/15

THE WHITE HOUSE  
WASHINGTON

Date 11/12/82

To: Elizabeth Dole

From: Morton C. Blackwell

\_\_\_\_\_ Please respond on behalf of  
the President

\_\_\_\_\_ Please prepare draft for  
Elizabeth Dole's signature

\_\_\_\_\_ Please prepare draft for  
my signature

5. FYI

\_\_\_\_\_ Let's discuss

V WHA013(2020)(4-062009S295)PD 10/22/82 2019  
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8044873992 POM TDMT CHESAPEAKE VA 39 10-22 0819P EST  
PMS PRESIDENT RONALD REAGAN RPT DLY MGM  
WHITE HOUSE DC

MY CONGRATULATIONS ON YOUR STATESMAN-LIKE HANDLING OF THE NEBRASKA  
SCHOOL ISSUE. IT IS ONE MORE REASON FOR ALL AMERICANS TO BE GRATEFUL  
THAT A MAN OF YOUR DEDICATION, COURAGE, AND ABILITY IS OCCUPYING THE  
HIGHEST OFFICE IN OUR LAND.

PAT ROBERTSON PRESIDENT THE CHRISTIAN BROADCASTING NETWORK

CBN CENTER

VIRGINIA BEACH VA 23463

NNNN

THE WHITE HOUSE

WASHINGTON

October 28, 1982

MEMORANDUM FOR JIM CICCONI

FROM: ELIZABETH H. DOLE 

SUBJECT: Gender Gap Op-Ed Piece

Thanks for your help and guidance re: the article. While not much different than the draft we reviewed, I thought you might like to have final copy. The initial impression from those with whom I have shared the copy has been very favorable.

## THE REAL GENDER GAP

Change, we are told, is the only constant. Yet, for millions of American women, change in the last generation has accelerated at a breathtaking pace. Since 1962, when I found myself one of 25 women in a Harvard Law School class of 550, deliberately ignored by a professor who reserved his questions for the annual "ladies day", a combination of social and economic forces have interacted to involve women in what might be called a "quiet revolution". Pollsters and pundits now diagnose a "gender gap" dividing the sexes in their attitudes toward President Reagan and his policies. The disparity is real, but it is rooted, I believe, in changes extending far beyond the control of any single President or political party.

It is ironic, for example, that the President's success in controlling inflation and cutting taxes -- putting nearly \$700 in the pocket of the working women earning the median \$11,000 a year -- has been minimized by his critics. For it was the explosion of inflation in the seventies that drove millions of married women into the work force for the first time. Today, half of all women over the age of 16 are working outside the home. Additional growth in the female work force has come from divorced spouses. These realities of modern America have blended with changes in the marketplace itself. As we become increasingly an economy of services instead of manufacturing, women who have found the doors to steel mills or auto assembly plants closed are discovering new and welcome opportunities for self-expression in fields as diverse as data processing and agricultural research.

Today, women are taking their places beside men in business, government and the professions in unprecedented numbers.

The ranks of women MBA candidates have grown by nearly 800 percent during the last decade. And with the changed roles have come fresh expectations and attitudes. The Modern woman's new-found economic involvement has virtually guaranteed independence of thought and action. Thus, the gender gap and economic change are inexorably interwoven. The question before us is how to close the one by harnessing the other.

Let's begin with a dose of candor - and acknowledgement that the real gender gap we confront is not political, but financial and legal. It is the shortfall between society's promise of sexual equity, and the often frustrating facts of American life. And it is this gap to which we address ourselves. The tax package of 1981, for instance: it eased considerably the marriage tax penalty, saving a family up to \$300 by 1984. It broadened IRA participation, eliminated estate taxes for the spouse, boosted the child care credit from \$400 to \$720, and provided fresh incentives for employers to include day care in prepaid benefit packages. In addition, the Treasury Department recently announced its decision to include the child care tax credit on next year's form 1040A, permitting low-income families who do not itemize deductions to take advantage of the credit. Since 46% of all women in the work force are mothers with children under six years of age, these initiatives represent more

than verbal solidarity with working women. They add up to compassion women can put in the bank.

Equally important, the President has moved to strike down legal impediments to sexual equality. His Fifty States Project has assisted in identifying discriminatory laws and is now poised to coordinate corrective legislation in partnership with governors and other state and local officials. The Department of Justice is in the process of completing a sweeping review of statutes, regulations, policies and practices that inhibit the march of progress at the federal level. What's more, the President has created a mechanism to implement changes in sex-biased regulations throughout the federal establishment -- in everything from Secret Service provisions that specify protection for presidential widows to dozens of separate sections of the legal code that will require Congressional revisions. On October 1 of this year, my husband Bob Dole, with the strong personal support of the President, introduced in the Senate the Federal Equity Act, a bill cleansing the federal code of approximately 100 such discriminatory provisions. Although a small step, this is a necessary one in achieving equality for women under the law.

And, last August 27, President Reagan announced formation of a White House Coordinating Council on Women, with myself in the Chair. Our role is part think tank, part prod, a sensitive vehicle for long term planning, giving voice to the problems and potential of women, both in and outside the home.

Such steps may account for few headlines. But they can make a positive difference for millions of American women. How we anticipate their needs in this time of change will dictate how we respond to them. By making the legal system reflect the economic realities we can further the quiet revolution. We can close the real gender gap.

f orl memo

ETS -  
for Sr. staff

THE WHITE HOUSE  
WASHINGTON

October 27, 1982

Not Congressman  
Top notch manager  
Harry Walters -  
Introd. to vets!  
Leaders  
- Viet. era -  
Nixon -

MEMORANDUM FOR RED CAVANEY

FROM: MORTON C. BLACKWELL 

SUBJECT: Veterans Groups' Thoughts on Agent Orange Situation

All three largest veterans groups are pleased with the decision to shift the Agent Orange study from the VA to the Communicable Disease Center in Atlanta.

Cooper Holt of VFW said: "We have been working to achieve this for a long time. This is pleasing to everybody."

Gabby Hartnett of the DAV expressed delight at the C. D. C. assignment. He says he hopes the study will go faster now and that it will have more credibility.

Mylio Kraja of the American Legion says that it took too long to get where we are. The blame for foot dragging at VA is at least allocable to the Carter Administration as much as to the Reagan Administration. He says he thinks a "cloud will be lifted from the study". He said the VA is simply not credible on Agent Orange because of the lack of activity on the subject.

→ 01 - MEMPH

THE WHITE HOUSE

WASHINGTON

September 14, 1982

MEMORANDUM FOR JAMES W. CICCONI

FROM: MORTON C BLACKWELL 

SUBJECT: PROPOSED EVENT WITH INTERCESSORS OF AMERICA

Attached is a schedule proposal for Presidential remarks in late October at the International Conference on Intercessory Prayer.

Mrs. Jepsen and I agree that this low profile organization provides a good opportunity for the President.

Dee Jepsen spoke with her friend, Mrs. Baker, who is personally very supportive of this recommendedation. Could we add Mr. Baker as a recommender of this event before we submit the schedule proposal?

THE WHITE HOUSE

WASHINGTON

September 10, 1982

SCHEDULE PROPOSAL

TO: WILLIAM SADLEIR, DIRECTOR  
PRESIDENTIAL APPOINTMENTS AND SCHEDULING

FROM: ELIZABETH H. DOLE

REQUEST: Presidential address at International Conference on  
Intercessory Prayer.

PURPOSE: To recognize, before the 1982 elections, the inter-  
cessory prayer movement whose many leaders are praying  
that God will raise up righteous leaders to preserve  
and prosper the nation. To reaffirm the President's  
identification with church, prayer, family, and moral  
values.

BACKGROUND: Intercessors of America is an interdenominational  
organization made up of protestants from both the old  
line denominations and the more fundamental movements  
as well as Catholics and Messianic Jews. Leaders of  
intercessory prayer organizations from 35 nations will  
attend, in addition to approximately 1000 pastors and  
grassroots prayer leaders from this country. Most  
fundamentalist Christians involved on a regular basis  
in intercessory prayer believe that this Administration  
won the election because of prayer and that the Presi-  
dent's life was spared because of intercessory prayer.  
The President has endorsed this latter view.

PREVIOUS PARTICIPATION: No President has previously been invited to speak  
before this ten-year old group.

DATE: October 29-31, 1982. Presidential participation could  
be Friday evening, Saturday daytime or evening, but their  
preference would be at closing worship Sunday morning,  
October 31.

LOCATION: Hyatt Regency, Washington, D. C.

PARTICIPANTS: Anticipate 1500 people, mostly from USA, leading pastors  
and other spiritual leaders. Virtually all who attend  
are among the most dedicated Reagan supporters.

OUTLINE OF EVENT: A short address by President and participation by  
President and Mrs. Reagan in the worship service.

REMARKS REQUIRED: Brief address.

MEDIA COVERAGE: Full press coverage.

RECOMMENDED BY: Morton C. Blackwell, Dee Jepsen, Secretary James Watt

OPPOSED BY:

PROJECT OFFICER: Morton C. Blackwell



THE SECRETARY OF THE INTERIOR  
WASHINGTON

September 14, 1982

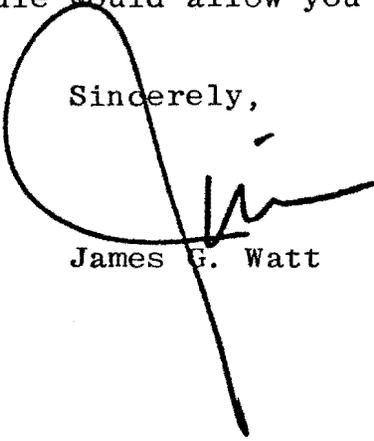
The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

Attached for your convenience is a copy of an invitation you have received to speak to the Intercessors for America on October 31st here in Washington, D. C. This is a group of 70,000 Christians of all denominations who pray for you regularly.

You have been honored by their prayers and they would be honored by your appearance. I hope your schedule would allow you to drop in on the group.

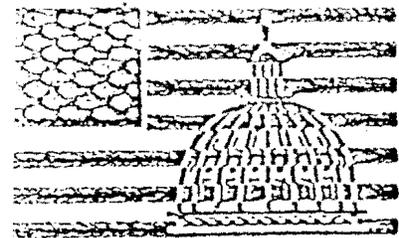
Sincerely,



James G. Watt

Enclosure

cc. ✓ Morton C. Blackwell



# INTERCESSORS FOR AMERICA

February 12, 1982

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

Dear Mr. Reagan:

On October 29 - 31, 1982 Intercessors for America will sponsor an International Conference on Intercessory Prayer, to be held at the Hyatt Regency in Washington, D.C. Leaders of intercessory prayer organizations from thirty-five nations will attend, in addition to approximately one thousand leading pastors, spiritual leaders, and "grass-roots" prayer warriors from the United States.

We respectfully request that you consider addressing this strategic gathering, at a time of your choosing: Friday evening, October 29; Saturday, October 30, daytime or evening; or Sunday, October 31 in the morning. Perhaps Sunday morning would be best, when you and Mrs. Reagan could worship with us in our closing session. If you have flexibility in your schedule, Sunday morning would be our preference.

Intercessors for America is in regular contact with 70,000 Christians of all denominations who pray regularly for you, and for the nation. We believe they view you as the person God has raised up to lead us in restoring righteousness in our land. Those who will attend from the United States are among your most dedicated supporters.

Leaders who will attend from the other nations (see attached list) are in a key position to accurately report to their constituents the positive impact you and Mrs. Reagan are having, by word and example, on the moral and spiritual values in America.

The conference is timed to immediately precede the 1982 national elections. Our corporate prayer will focus on the elections, that God will raise up righteous leaders through whom He can bless, preserve, and prosper the nation that we so dearly love.

We look forward to your earliest possible response.

Sincerely,

John D. Beckett  
President

cc: Mr. Morton Blackwell  
Special Assistant to the President

## INTERNATIONAL INTERCESSORS

Intercessors For Australia  
Intercessors For America  
Intercessors For Bahamas  
Intercessors For Belgium  
Intercessors For Canada  
Intercessors For Denmark  
Intercessors For East Africa  
Intercessors For Great Britain  
Intercessors For Fiji  
Intercessors For Finland  
Intercessors For France  
Intercessors For Ghana  
Intercessors For Holland  
Intercessors For Hong Kong  
Intercessors For Iceland  
Intercessors For India  
Intercessors For Ireland  
Intercessors For Israel  
Intercessors For Japan  
Intercessors For Malaysia  
Intercessors For Nepal  
Intercessors For New Zealand  
Intercessors For Nigeria  
Intercessors For Portugal  
Intercessors For Republic of China  
Intercessors For South Africa  
Intercessors For Solomon Islands  
Intercessors For Sri Lanka  
Intercessors For Sweden  
Intercessors For Thailand  
Intercessors For Uganda  
Intercessors For West Germany  
Intercessors For West Malaysia  
Intercessors For Zambia  
Intercessors For Zimbabwe

# THE ROUNDTABLE

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Edward E. McAteer, President  
B. Greer Garrott, Field Administrator  
Rev. Charles Mims, Jr., Minorities Director  
Pat Monahan, Assistant to the President  
Mike Evans, Advisor on Middle East Affairs

*Is there not a cause? | Samuel 17:29*

September 8, 1982

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

Dear Mr. President:

I want to add my request for you to attend a very important meeting.

On October 29 - 31, 1982 Intercessors for America will sponsor an International Conference on Intercessory Prayer, to be held at the Hyatt Regency in Washington, D.C. Leaders of intercessory prayer organizations from thirty-five nations will attend, in addition to approximately one thousand leading pastors, spiritual leaders, and "grass-roots" prayer warriors from the United States.

We respectfully request that you consider addressing this strategic gathering, at a time of your choosing: Friday evening, October 29; Saturday, October 30, daytime or evening; or Sunday, October 31 in the morning. Perhaps Sunday morning would be best, when you and Mrs. Reagan could worship with us in our closing session. If you have flexibility in your schedule, Sunday morning would be our preference.

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Leaders who will attend from the nations are in a key position to accurately report to their constituents the positive impact you and Mrs. Reagan are having, by word and example, on the moral and spiritual values in America.

*Providing Education & Direction for Leaders Concerned with National Moral Issues*

1500 Wilson Blvd., Suite 502 • Arlington, Virginia 22209 • 703/525-3795

The conference is timed to immediately precede the 1982 national elections. Our corporate prayer will focus on the elections, that God will raise up righteous leaders through whom He can bless, preserve, and prosper the nation that we so dearly love.

Thank you for the earliest possible response.

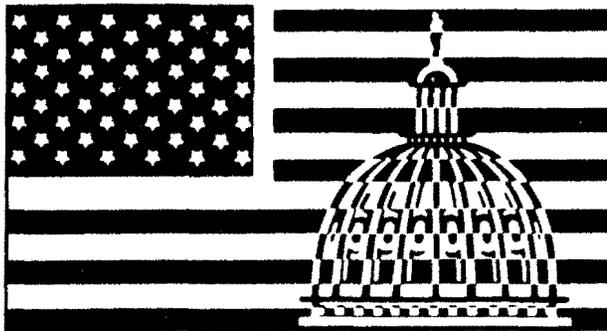
Yours, in the Cause that Counts,

A handwritten signature in cursive script, appearing to read "E. E. McAteer".

E. E. McAteer

cc: Mr. Morton Blackwell  
Special Assistant to the President

# INTERCESSORS FOR AMERICA



## NATIONAL PRAYER CONFERENCE

OCTOBER 29-31, 1982  
WASHINGTON, D.C.

Hyatt Regency Hotel  
400 New Jersey Ave. NW  
Washington, D.C.

### PURPOSE:

To bring together Christians who want to become effective intercessors. A concentrated schedule of teaching, prayer, and fellowship will equip us with the WHY and HOW of this crucial ministry. Outstanding teachers with a worldwide perspective will be sharing - providing an excellent opportunity for growth in our personal and corporate prayer lives.

### REGISTRATION:

Conference facilities are limited, so participants are encouraged to register as soon as possible. Registration will be closed when capacity of the facilities is reached. Entrance cannot be guaranteed unless you pre-register by mail. Use the form in this brochure to register yourself and others in your group. The pre-registration fee (for the meetings only) is \$20.00 a person, payable when you send in the Registration Form. PLEASE REGISTER EARLY! (On site registration, as space is available, will be at the following rates: \$25.00/conference, or \$5.00/session)

### HOTEL ACCOMMODATIONS AND MEALS:

Hotel rooms are available at reasonable rates at the Hyatt Regency on a "first-come" basis, as follows: Single - \$55.00, Double - \$65.00, Triple - \$75.00, Quad - \$85.00 per room each night plus a 10% sales tax and an \$.80 occupancy tax.

To receive hotel reservation information, check the appropriate box on the Registration Form. Full details will be sent by return mail. Note that the deadline for hotel reservations is Oct. 8, 1982, so you should send for information promptly to reserve hotel space.

Meals are available at the Hyatt Regency or nearby restaurants. A buffet luncheon will be available on Saturday at a cost of \$12.00 a person, payable with the conference registration. (Limited to 500)

### FINANCES:

The Registration Fee has been kept at a minimum to encourage participation. It does not cover all conference expenses. Offerings will be taken at evening sessions. We will appreciate your being prepared to give at that time. (Contributions to IFA are tax-deductible)

### TAPES AND BOOKS:

Tapes of all conference sessions will be available for purchase at the conference. Please do not plan on private taping, as this is distracting.

Books on intercessory prayer and other related topics will be available at the conference for your convenience.

### SCHEDULE

#### Friday October 29

7:30 P.M. Evening Session  
(Lance Lambert)

#### Saturday October 30

9:00 A.M. First Morning Session  
(Charles Stanley)

11:00 A.M. Break

11:30 A.M. Second Morning Session  
(Ed McAteer/Johannes Facius)

12:30 P.M. Lunch Break

3:00 P.M. Prayer Workshops  
First Session

4:00 P.M. Break

4:15 P.M. Prayer Workshops  
Second Session

5:15 P.M. Dinner Break

7:30 P.M. Evening Session  
(Charles Simpson)

#### Sunday October 31

9:00 A.M. Morning Session  
(Ern Baxter)

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INTERCESSORS FOR AMERICA is a non-profit organization dedicated to encouraging intercessory prayer for our nation and its leaders, based on 2 Chron. 7:14, and 1 Tim. 2:1-4. It is not affiliated with any specific church or denomination.

Inquiries are welcome by writing IFA, Box 1289, Elyria, Ohio 44036, or by phoning the IFA office @ (216) 327-5184.

## SPEAKERS

### ERN BAXTER



Ern Baxter is a leader in the worldwide Christian movement to rediscover and restore the foundations of the Kingdom of God and to rally Christians under the Lordship of Jesus Christ. He is the author of many taped messages and magazine articles on the subject of the New Covenant.

Ern was born and raised in Canada. As a young boy he followed his parents into the Pentecostal movement. He has pastored several churches, one for 25 years, and has ministered to many other congregations, conferences, and camp meetings. The scope of his ministry has carried him throughout Canada, the United States and several countries abroad.

### LANCE LAMBERT

Lance Lambert is an internationally known Bible teacher and author. Born in England, he studied at the University of London and was the pastor of the first "house church" in Britain.



Lance has lived in Jerusalem, Israel since 1973 and is an advisor to the International Christian Embassy. He serves as part of the leadership of Intercessors For Israel and has been very instrumental in generating prayer for that nation.

Lance is the author of three books: **The Uniqueness of Israel** - a biblical history of Israel from a Christian perspective; **The Battle For Israel** - an account of the Yom Kippur War; and **Until The Day Dawns** - on the relevance of biblical prophecy.



### CHARLES STANLEY

Dr. Charles F. Stanley is the Pastor of the 8000 member First Baptist Church of Atlanta, Georgia. He is seen weekly on two telecasts, "In Touch" and "The Chapel Hour," which are carried by a CBN satellite into 1500 cities throughout the country. As a result of a deep conviction for the

need of God's people to repent of their sins and commit themselves to prayer for the salvation of this nation, Dr. Stanley has extended his ministry to include leadership and direction for the formation of intercessory prayer groups throughout America.

His publications include the following books: **The Walk of Faith**; **Reaching Your Goals**; **Stand Up America!** and **The Man's Touch**.

### CHARLES SIMPSON

Charles Simpson is a well-known Bible teacher ministering to a broad spectrum of Christianity. He was trained in Baptist colleges and attended New Orleans Baptist Theological Seminary.



Charles pastored a Southern Baptist congregation in Mobile, Alabama for 14 years. In 1971, he resigned the Southern Baptist congregation to devote himself to a Bible teaching ministry in writing, tape cassettes, seminars and television. He has spoken in churches of all major denominations, colleges, and a variety of other settings located around the world.

Charles is the Senior Pastor of Gulf Coast Covenant Church in Mobile, Alabama and serves as Chairman of the Board of **New Wine Magazine**.

## WORSHIP

### JOSEPH GARLINGTON

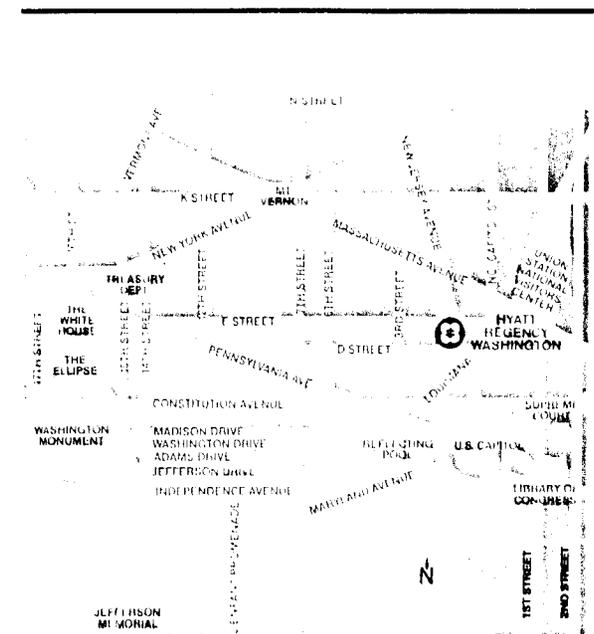
Joseph Garlington attended Howard University in Washington, D.C. and Washington Bible College. He pastored two churches in the nation's capital before moving to Pittsburgh in 1971, where he became the Senior Pastor of Three Rivers Fellowship.



Joseph has shared the Gospel at churches, college campuses, conferences and retreats across the country, as well as in Canada, the West Indies, England and South Africa.

His recent album, "I Exalt Thee," contains a selection of songs which uniquely express an appreciation of reverence for the redemptive nature of God through Jesus Christ.

\* A special music ministry will be presented Friday evening by a Messianic group from the Beth Messiah Congregation in Rockville, MD.



f OPL memos

11/15

THE WHITE HOUSE  
WASHINGTON

September 15, 1982

MEMORANDUM FOR MARGARET TUTWILER

FROM: RED CAVANEY

SUBJECT: Child Care Credit on Form 1040

Regarding Jim's offer to call on the subject issue, suggest he contact Don Regan first to ascertain whether or not Don or Jim should contact Roscoe Egger, IRS Commissioner, on the issue. Since the deadline is near, suggest Jim ask Don Regan for feedback in the event Don is the one to call Roscoe.

Attached at Tab A is our earlier memorandum on the subject.

Roscoe Egger's telephone number is: 566-4115.

THE WHITE HOUSE

WASHINGTON

September 13, 1982

MEMORANDUM FOR JAMES A. BAKER, III

FROM:

ELIZABETH H. DOLE 

SUBJECT:

Child Care Tax Credit Proposal

I have identified an initiative which I feel would be quite helpful in our outreach to women. This issue, already under consideration by the IRS, involves moving the Child Care Tax Credit to the short 1040A form. Adequate child care is a pressing need for many American families and it is a top priority of women's organizations. The more conservative women also relate well to this issue. The majority of America's children are growing up in families where both parents work, and child care is a major priority for working women. The following data illustrates this point:

- 42 percent of mothers with children under the age of three are in the labor force.
- 54 percent of mothers with children between ages three and five are in the labor force.
- By 1990, about half of all preschool children (about 11.5 million) will have mothers in the labor force, as well as about 60 percent of school-age children.

For many children in one-parent working families, the need for child care is especially critical. Over one-third of these families, most often headed by women, live below the poverty line. Increasing their access to the child care tax through its availability on the short form would offer substantial relief to these hard-pressed families.

As you know, the 1981 tax act increased the child care credit for low and moderate income families. Unfortunately, many of them do not use the long form; consequently they cannot obtain the credit. Data from 1979, the most recent available, indicates that almost 60 percent of the households with adjusted gross incomes under \$15,000 use the short form. It has been estimated that of households filing the 1040A forms, 17 to 26 percent are potential recipients of the child care tax credit, but are unable to claim it because they use the short form.

The Tax Forms Coordinating Committee of the IRS has expressed a willingness to include a line for the child care credit on the short form (note attached newsletter and IRS form letter response to inquiries). However, they are currently focusing their attention upon the new "EZ" tax form, and would prefer to delay implementation of the child care credit issue until the tax year 1983.

To move this item into the 1982 Tax Year by Presidential directive would indicate a particular sensitivity on the part of the President and be well received by women and poverty groups. We understand the deadline to make this proposal effective is September 20, in order to meet the printing deadline of the IRS.

The benefits of this action are numerous:

1. The President has the opportunity to take the offensive to assist lower-income families.
2. It is an action that virtually all women's organizations, liberal and conservative, will applaud.
3. The only opposition is from the IRS, which would prefer to lighten its workload by tackling this next year instead of this year.
4. The revenue impact is purported not substantial.
5. By enabling citizens to benefit from a tax credit which they are entitled to, but have not taken advantage of, the President will demonstrate a special sensitivity on the fairness issue.

This initiative has little chance of being implemented this year unless the decision is made at the White House and communicated to Treasury. The hesitancy at Treasury is not one of substance, but of timing and resources. In my view, the benefits and fairness of this action would justify the extra effort required by IRS.

cc: Ed Harper

**WOMEN'S BUREAU  
PLANS EMPLOYER  
INITIATIVE**

The U.S. Dept. of Labor Women's Bureau is planning a regional and national employer-sponsored child care initiative, officials confirm.

The Bureau is jealously guarding details until the whole package is announced. But at least one consultant in the field has already signed a contract with a regional Women's Bureau office to do "hands-on" work with local employers to encourage day care assistance.

"We're very excited about it -- it's not a single-focused effort," says the Bureau's Judith Cook. But the Bureau isn't releasing any more information because officials don't want the contracts being awarded on the regional levels to undercut announcement of the national program, says another Bureau source.

**EMPLOYER  
STUDY CITES  
450 PROGRAMS**

Businesses that donate to local child care programs usually don't consider it day care assistance, a national researcher has found. And employees often don't know whether or not a day care plan is offered by a company, says Renee Magid of Beaver College, Glenside PA.

Many conservative corporations at first appear to want nothing to do with day care because they envision on-site care, says Magid. But she found major companies to be extremely interested in day care, even if they had no programs. Many called her up when they received her survey just to find out more about it, she says.

Magid has spent the past year surveying at least 450 employer-sponsored child care programs across the country, and is in the process of analyzing data. For more information contact her at Beaver College, Education Dept., Glenside PA 19038. (215) 885-7410.

**IRS TO ENCOURAGE  
USE OF CHILD  
CARE CREDIT**

The Internal Revenue Service will call attention to the child care tax credit in this year's 1040A taxpayer package, says the chairman of the IRS Tax Forms Coordinating Committee.

The committee will also ask IRS' education section to feature the child care tax credit in this year's public education campaign, and is recommending that the credit be mentioned in the "Highlights" page of this year's taxpayers guide, says chairman Nelson Brooke.

More changes are slated for next year, says Brooke. If the new "EZ" tax form works out, IRS wants to make the 1040A "slightly more complicated" by adding lines to accommodate the child care tax credit as well as retirement fund information. And IRS wants to simplify Schedule 2441, which could then be attached to the revised 1040A. These changes would take effect for the 1983 tax year.

Brooke received 75 letters supporting attachment of Schedule 2441 to the short form. Although he agrees, the committee decided to hold off on that policy to see how the "EZ" form works out. (The "EZ" form can't be used for the credit).

Brooke would like to hear from those who know of cases in which the long form scared people away from the credit. Write him in care of the committee, at 1111 Constitution Ave. NW, Rm. 5577, Washington DC 20224.

Nelson A. Brooke

(202) 566-6150

PM:S:FP

Dear

During the past six months I have received a number of letters requesting that the Internal Revenue Service make the child care credit available on Form 1040A. Yours was one of those letters. Because of the high level of interest in the child care credit, and the decision of the Service not to include it on Form 1040A for 1982, I believe you should know the reasons for our decision and what the Service intends to do in the future.

For 1982, the Internal Revenue Service is introducing new Form 1040EZ. This form will be filed by single taxpayers, subject to certain limitations on types of income, etc., and will enable many millions of filers to prepare a much simpler Federal tax return. Because this major effort at simplifying income tax reporting represents a significant change for taxpayers, the Service decided not to further complicate matters by modifying the content of this year's Form 1040A, except as specifically required by the Economic Recovery Tax Act of 1981. Thus, the only new items added to Form 1040A for 1982 are the new charitable contribution deduction for non-itemizers and the new deduction for married couples when both spouses work.

Other reasons for our decision not to add the child care credit to Form 1040A for 1982 include our reluctance to make the Form 1040A more difficult for the present filing population of 37 million taxpayers to complete and more expensive for the Service to process. We reached this decision for 1982 only after full consideration of all viewpoints and substantial deliberation over what we could look forward to for both 1982 and 1983.

Because of your concern as well as our own regarding the child care credit, we have added a "tax tip" to the Form 1040A tax package for 1982, in an attempt to make sure that Form 1040A filers don't overlook the credit in deciding which form to file. In addition, we will add a highlight to our message to taxpayers in the same package. I have also asked our Taxpayer Service Division to place more emphasis on publicizing the credit to make sure the greatest possible number of taxpayers are aware of it.

If our new Form 1040EZ is as successful as we think it will be, we will restudy the Form 1040A for 1983 with a view toward identifying those groups of taxpayers now filing Form 1040 whom we could most easily shift to Form 1040A without creating additional difficulties for the present Form 1040A filing population. Possible examples include taxpayers who report fully taxable pensions, taxpayers who claim deductions for contributions to individual retirement accounts, and, most importantly, taxpayers who could file Form 1040A but for the fact they are claiming the child care credit.

One of the ideas we will look at very closely is the development of a short schedule to be attached to the Form 1040A for 1983 to ease the computation of the child care credit should we decide that the credit can be claimed on Form 1040A. I am very optimistic that we will be able to reach that positive decision early next year.

In addition, in the hope that we can achieve a major simplification of the existing Form 2441, Credit for Child and Dependent Care Expenses, we will be developing as much information as possible about the filing characteristics of those eligible for the child care credit for consideration for next year.

I hope the above information explains our decision for 1982. I am very optimistic that we will be able to bring many of those claiming the credit over to Form 1040A for 1983, as well as others whom we would prefer to be able to file the shorter, simpler Form 1040A.

I am very concerned that any taxpayer would decide to forego a legitimate deduction or credit because of the possible difficulty of the Form 1040 or an unwillingness to seek help in claiming that deduction or credit. If you or your organization has any information in this area which would be helpful to us in our deliberations this winter, please do not hesitate to contact this office.

Thank you again for bringing your concerns to my attention.

Sincerely yours,

Nelson A. Brooke  
Chairman, Tax Forms  
Coordinating Committee  
Internal Revenue Service



OFFICE OF THE SECRETARY OF THE TREASURY  
WASHINGTON, D.C. 20220

September 8, 1982

MEMORANDUM FOR THE HONORABLE CRAIG L. FULLER  
ASSISTANT TO THE PRESIDENT  
FOR CABINET AFFAIRS

SUBJECT: Memorandum to the President

This is to transmit a memo Secretary Regan is sending to the President about including information to retire the national debt in the IRS tax form package. A decision on this matter is needed by September 20th in order to meet the IRS printing deadline for next year's forms.

  
David L. Chew  
Executive Assistant  
to the Secretary

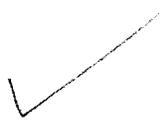
Attachment

- OPL memos

THE WHITE HOUSE

WASHINGTON

September 16, 1982



MEMORANDUM FOR JAMES A. BAKER, III

FROM: ELIZABETH H. DOLE *EHD*

SUBJECT: Van de Water Nomination

Rumors are widespread that the White House has cut a deal to trade votes for Van de Water's approval in return for our support of Paul Fanning.

Yesterday in California, John van de Water provided the detailed plans of the arrangements to the lawyers section of the United Food and Commercial Workers Union.

Please provide guidance.

JAB

Meese's office says no deal has been offered or cut. They've heard that Van de Water has been saying such things.

Suggest Personnel or EM should talk w/ Van de Water about this. Obviously such statements will get us halfway committed on Fanning in Labor's eyes.

*pm*  
9-20

*f OPL memos*

THE WHITE HOUSE

WASHINGTON

September <sup>21</sup>~~15~~, 1982

MEMORANDUM FOR JIM CICCONI

FROM: ELIZABETH H. DOLE

SUBJECT: Comments on Proposed "Legal Equity Act"

The following comments on the attached OMB Memo re the "Legal Equity Act" are from Sheila Bair of the Senate Judiciary staff:

1. Army and Air Force

OMB reports that "NSD believes that the repeal proposed should cover only sections 3963(b) and 3963(h), rather than the full sections." There is absolutely a misreading of the statutes here, since these two sections no longer exists -- they were amended by PL 96-513 in 1980.

The larger issue here is that the modifications of these sections have been cleared by Sheila with the ROPMA Study Group at the Department of Defense. The contact is Colonel Scaife.

2. Child Nutrition

The OMB recommended alternative language is fine. No problem substituting this language in the omnibus bill. The change has been communicated to Sheila.

3. Social Security

Senator Dole is aware of the policy of the Administration to avoid the issue of social security until after the bipartisan National Commission on Social Security Reform reports in December. However, he feels the sections noted in the analysis could be changed now without any adverse reaction whatsoever, since they involve no changes in benefits and are largely no-cost items. The Senator has spoken to the Greenspan Commission on this.

If the White House insists that the provisions be omitted, they can be pulled.

4. Railroad Retirement

The changes in this section have been cleared by the Legal Counsel of the Railroad Retirement Board.

5. Reserve Officer Personnel Management Act

OMB notes correctly that DOD is undertaking a comprehensive study of the laws that require different treatment of male and female reserve officers. However, that study is not expected to be complete for many months, and will undoubtedly involve wholesale changes in regulations.

The changes which would be implemented in the omnibus legislation are minor housekeeping modifications which can be done now without affecting the outcome of the larger study. These changes have been cleared with the Department of Defense, and they have no objections.

THE WHITE HOUSE

WASHINGTON

September 14, 1982

FOR: ELIZABETH DOLE  
FROM: MICHAEL M. UHLMANN  
SUBJECT: Legal Equity Act

Attached are OMB's comments on the statutes covered by the proposed "Legal Equity Act". The only problematic area appears to be Social Security, which is a political call.

cc: ✓ Diana Lozano  
Emily Rock



# Memorandum

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

TO: Joe Wright

DATE: September 9, 1982

FROM: Ken Clarkson

SUBJECT: Proposed Changes to Make Statutes Sex Neutral

With two exceptions, the proposed changes given to you for review by Mike Uhlman present no programmatic policy problems and involve no significant costs. In two areas examining staff want to call your attention to Administration positions on timing/method of legislative changes and in a third, suggest an alternative vehicle for change.

The two proposed changes which ~~are~~ present policy problems<sup>ALL</sup> as follows:

- Army and Air Force (10 U.S.C. 3683; 3963, 8983 and 8963).

According to NSD these statutes were designed to put women who were not treated on the same basis as men on an equal footing. Thus, rendering them sex neutral, in fact, would result in discriminatory practice. In addition, NSD staff indicate some enlisted staff covered by the provision could well be on duty, and they are concerned about a grandfather clause. They note, with DOD concurrence, that grandfather clauses rarely have been successful in protecting all members of the group from adverse effects. (NSD believes that the repeal proposed should cover only sections 3963(b) and 3963(h), rather than the full sections.)

- Child Nutrition. HIM staff indicate the intent of the statute as currently worded (see Attachment 1) is to give priority to children from households where the mother is outside the home, either single-parent, female-headed households in which the mother works or households in which both parents work. The proposed substitute language would be contrary to Congressional intent because priority would be given to all households in which one or both parents worked. The purpose of the proposed change would better be accomplished by the substitution of an alternate phrase: "Children from households in which both parents work or from single-parent households in which the parent works." Such a change would preserve Congressional intent while simultaneously removing the gender-specific language.

With regard to changes in Social Security and Railroad Retirement, HIM staff note the following:

- Social Security. The Administration has consistently avoided advancing Social Security proposals, deferring consideration until after the bipartisan National Commission on Social Security Reform reports. Amendments similar to those reviewed were proposed by DHHS to eliminate gender-based distinctions from the Social Security Act as part of the Department's FY 1983 A-19 legislative submission. Pursuant to a White House decision they were omitted from the President's legislative package in February and again in May, when the Department re-raised the issue. The latest affirmation of this policy is Craig Fuller's memo of August 9 (Attachment 2). The Administration support at this time for these proposals would be a shift in position and might make it more difficult to oppose other changes (e.g., restoring student benefits) pending the Commission's report.

- Railroad Retirement. The Administration has proposed restoring the rail industry's pension to the private sector, covering rail work directly under Social Security and providing Social Security to retired rail workers and their families. Although not an overwhelming concern, the Administration's policy is that changes in the industry pension should be negotiated by labor and management without Federal involvement.

In addition, NSD notes that with regard to changes to 10 U.S.C. 5895-99 and 6403, it may be more appropriate to await the outcome of the Reserve Officer Personnel Management Act study which probably will result in a more comprehensive revision of the laws that require different treatment of male and female reserve officers.

The heading on page 10, Department of Commerce, should be changed to Department of Transportation.

Attachments

THE WHITE HOUSE

WASHINGTON

August 5, 1982

To Cicconi - FYI  
8/5  
MPT

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

FROM: ELIZABETH H. DOLE 

SUBJECT: Support for the Tax Bill

The sooner this bill is behind us, the better. Based on our sampling of the business community most directly affected by and interested in this bill, time does not appear to be on the President's side.

I believe a program of intense pressure on the affected parties exerted through an Administration-wide effort will yield maximum results.

This proposed strategy has two components: discussions and sessions with the affected constituency organizations and a display of understanding for the concerns of each, coupled with a "blitz" by the related Administration departments, agencies and offices for private sector support.

Obviously, much of the private sector support we can expect on this bill will depend on altering some of the more "controversial" provisions in the Senate bill. We must show there is a direct benefit to those organizations who support the bill, as opposed to those who oppose it. The Chamber of Commerce is very effectively recruiting opponents by demonstrating that there is no evidence of any "relief" for those who work for the bill, therefore, opposition is the only practical approach. This paper will be divided by (1) constituencies and (2) general activity.

cc: Richard Darman  
Craig Fuller  
Ken Duberstein

'History is apt to judge harshly those who sacrifice tomorrow for today.' With your help, with the support of the American people and the sustenance of Almighty God, we will live up to our promise as well as our promises."

It is necessary to stress that the President's programs benefit the little man at least as much as big business. To that end, reference should be made to such benefits as the tax changes which permit estates to be passed on to spouses without paying a hefty inheritance tax, family farms to be passed along to spouses and children without burdensome taxation, small businesses to benefit from many provisions of the tax cut bill, etc. In short, there must be some reference as to how the "little" has benefitted as much as the "big." In addition, if tax proposals (minimum corporate tax, etc.) are planned which negatively impact on big business, they should also be highlighted.

The speech does not leave us with a clear vision of the President as "a man of peace." This issue is of primary concern to women, in particular. While it is appropriate to emphasize the importance of military strength, it must also be stressed that the ultimate objective of a strong national defense is not aggression, but peace and freedom.

cc: Dave Gergen  
Aram Bakshian

THE WHITE HOUSE

WASHINGTON

CONSTITUENCY GROUPS FOR TAX BILL

Supporters:

A. The following organizations already support us on the tax bill. They are prepared to do grass roots work; bring in hundreds of members to call on House members, make phone calls, send telegrams and work the media. They will be organized into a separate steering committee tomorrow. The groups are: The American Business Conference, the insurance industry, the National Small Business Association, Northeast Petroleum, American Petroleum Institute, anti-oil import coalition and the alcohol industry.

Wavering Nervous Nellies:

B. The Business Roundtable, this should be our number one target for conversion. Their continued neutrality could be changed to support by calls from Don Regan to Mettler, Brophy and Garvin. It is possible that other calls to these three may also be required.

NAM: Baldrige should call Sandy Trowbridge and request him to organize a "boiler room" operation immediately. He should be advised that we will help on ACRS but we need his support now.

NAW: After a preliminary call by Wayne Valis to Dirk Van Dongen, Bob Dole should call and advise him that no surtax is included in this legislation, but should this bill fail that a surtax will be a prime ingredient in the next tax legislation. NAW direct public and active support should be solicited.

NFIB: Labor costs and entitlement reform, as well as regulatory and reporting requirement relief, are NFIB's key issues. The Vice President should call Wilson Johnson and tell him that unless the bill passes, entitlement reform will be difficult or impossible. The Vice President should remind Johnson that he is trying to help them on regulatory reform and reporting requirements for small business, but we need their help at this crucial time.

## CONSTITUENCY WORK ON TAX BILL

- Treasury - Develop background papers that address the specific concerns of the constituency groups of each Cabinet agency. The papers should explain the provisions of the bill, the revenue-raising effect, the reasons for concern among business constituents and what the Administration plans to do to answer these concerns. For example, DOE and the electric utilities: the utilities feel their ox is getting gored by several provisions -- safe harbor leasing, dividend reinvestment repeal, Industrial Development Bonds, etc. Secretary Edwards should be fully briefed on each of these problems and which ones may or may not be solved in conference.
  
- The Cabinet
  1. Business constituents - Make personal contact, armed with information provided by Treasury. For example, Secretary Lewis and the transportation industry and contractors. The purpose of the contacts is to let business know we are aware of their problems, that we are working on solutions to some of them, but that they must look at the big picture. To the extent possible, make conference calls to include both the CEO and the Washington representative. If time permits, schedule small meetings with specific industry sector corporate and association representatives.
  
  2. Hill constituents - Many members of the Cabinet have close relationships with senators and congressmen, particularly those serving on pertinent authorization and appropriations committees. Coordinate this through the Congressional Affairs apparatus.
  
- Intergovernmental Affairs - Each agency has an IGA office with a network of contacts throughout the Conference of Mayors and Governors Association.
  
- Public Affairs - As quickly as possible, circulate talking points to agency Public Affairs offices for use by speakers.