

WITHDRAWAL SHEET

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Collection: Cicconi, James W.: Files
OA/Box: Box 8
File Folder: EPA Contacts – Miscellaneous [Investigation of Environmental Protection Agency, + Miscellaneous Topics] (2)

Archivist: kdb
FOIA ID: F1997-066/8⁹, D. Cohen
Date: 08/11/2004

DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Cicconi to Marshall Breger re Faith's position on unisex insurance, 1p [Item is still under review under the provisions of EO 13233]	3/9/84	
2. memo	Daniel Amstutz to James Baker re USA/USSR long term grain agreement (w/notations), 2p [Item is still under review under the provisions of EO 13233]	9/5/84	
3. memo	Breger to J. Baker re proposed Stinger sale, 1p R 3/2/06 NLS# 97-046/9 #14	5/25/84	B1

RESTRICTIONS

- B-1 National security classified information [(b)(1) of the FOIA].
- B-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- B-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- B-7a Release could reasonably be expected to interfere with enforcement proceedings [(b)(7)(A) of the FOIA].
- B-7b Release would deprive an individual of the right to a fair trial or impartial adjudication [(b)(7)(B) of the FOIA].
- B-7c Release could reasonably be expected to cause unwarranted invasion or privacy [(b)(7)(C) of the FOIA].
- B-7d Release could reasonably be expected to disclose the identity of a confidential source [(b)(7)(D) of the FOIA].
- B-7e Release would disclose techniques or procedures for law enforcement investigations or prosecutions or would disclose guidelines which could reasonably be expected to risk circumvention of the law [(b)(7)(E) of the FOIA].
- B-7f Release could reasonably be expected to endanger the life or physical safety of any individual [(b)(7)(F) of the FOIA].
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

THE WHITE HOUSE
WASHINGTON

file

— CPL

THE WHITE HOUSE

WASHINGTON

March 9, 1984

MEMORANDUM FOR JIM CICCONI

FROM: MARSHALL BREGER *MB*

SUBJECT: Faith's position on unisex insurance

You had asked for a copy of the statement I drafted for Faith which clarified her position on unisex insurance. I believe that Faith was going to touch base herself with Jim Baker on this.

My own judgement is that the Administration will not be served by drawing further attention to this matter as the press has not followed it up. I might add that Doug Riggs concurs with this view. Needless to say I would be happy to pursue this further with you should you desire.

I would be grateful to get together with you Monday on some other pressing matters.

*LOHD
tell Breger
calls back
(per him) 3/12*

March 8, 1984

I am aware of the fact that women all over this country are interested in the issues of equal pay for equal work, unisex insurance and the proper reach of Title IX of the Civil Rights Act. All these issues are of concern to those of us committed to equal treatment for all persons in our society.

This Administration is very carefully studying these issues, particularly since proposed legislation may affect the spirit of recent Supreme Court Decisions such as TIAA-CREF v. Spirt, Norris v. Alabama as well as the recent Grove City case.

Proposed legislation in these areas might well result in the creation of new federal bureaucracies. For example, legislation establishing unisex insurance will, for the first time, create federal regulation of the insurance industry. Furthermore, major uncertainties exist as to the redistributive effects of the unisex insurance. We must make certain that we do not impose major new costs on working women to satisfy the enticing rhetoric of unisex equality.

Debate over these matters goes beyond the geographical boundaries of Washington, D.C. However I do feel that many Washington-based feminist groups are unfairly using these issues to attack this Administration, and are creating unwarranted concern among American women. The distorted comments of many feminist groups concerning the Grove City decision, where the Supreme Court ruled that Title IX of the Civil Rights Act only reaches those specific programs that actually receive federal aid, merely reflect this unfairness.

Our President is committed to legal equity for women. The record of this Administration regarding the enforcement of the Civil Rights Act has been exemplary. In the past three years, the Justice Department has brought more sex discrimination lawsuits than did the Carter Administration during a comparable period. This Administration's record of appointments of women to federal office has been extraordinary. The President has more women in his Cabinet than has any other Administration in history, and has put twice as many women in top White House posts as did President Carter. The President's concern for equality before the law for all Americans cannot be questioned.

I am proud to work with such women as Ambassador Jeanne Kirkpatrick, Margaret Heckler and Elizabeth Dole in serving this President and his goals.

Faith R. Whittlesey

RE: RICHARD TAYLOR PHONE CALL

THE WHITE HOUSE
WASHINGTON

8/10/84

ADC:

JAB said that he has talked and met with a number of CEOs of the domestic copper industry in the past few weeks. He said that with the convention and RR's travel between now and the election, that he will not have time to do this.

JAB asked if Jim Cicconi would handle it -- i.e. call Mr. Taylor and explain that JAB is "on top of this issue," that he has had a number of conversations/meetings about this, and that if Jim could help him in anyway, he'd be happy to etc.etc.etc.

Thanks.

*Would like you
to take care of*

KC

He's left for Dallas; I left a message. This ASAP -- called again today.

*jc
8/13*

KATHERINE J. CAMALIER
Office of James A. Baker III
456-6797

DAILY PHONE LOG FOR JAMES A. BAKER III

Date: 8/8/84

8/9/84

<p>NAME <u>Vivian</u></p> <p>Date <u>8/8/84</u></p> <p>Time <u>12:19</u></p> <p>Phone <u>447-6967</u></p>	<p>REMARKS Secretary Block would like about 15 minutes on 8/16</p> <p><i>8/10 Per JAB, please schedule</i></p>
<p>NAME <u>Dave Montgomery</u></p> <p>Date <u>8/9/84</u></p> <p>Time <u>1:37</u></p> <p>Phone <u>662-7600</u></p>	<p>REMARKS Fort Worth Star</p> <p>He'd like to talk with JAB about an article he's doing about pre-convention activities for either this Sunday's issue or the following Sunday</p> <p><i>8/10 won't get to, per JAB</i></p>
<p>NAME <u>Richard Taylor</u></p> <p>Date <u>8/9/84 and 8/10/84</u></p> <p>Time <u>1:37 3:20</u></p> <p>Phone <u>862-2126</u></p>	<p>REMARKS Steptoe & Johnson law firm re arranging a meeting with JAB and COEs of the domestic copper industries (5 or 6 people)</p> <p>FYI: Mr. Taylor is leaving for Dallas (he's on the platform); when you get word about the meeting please contact either Dick Cunningham (862-2400) or Nina Questal (862-2780)</p> <p><i>8/10 Cicconi handle, per JAB</i></p>
<p>NAME <u>Senator John Tower</u></p> <p>Date <u>8/9/84</u></p> <p>Time <u>6:09</u></p> <p>Phone _____</p>	<p>REMARKS To California through WH operator</p> <p><i>JAB talked</i></p>
<p>NAME _____</p> <p>Date _____</p> <p>Time _____</p> <p>Phone _____</p>	<p>REMARKS _____</p>
<p>NAME _____</p> <p>Date _____</p> <p>Time _____</p> <p>Phone _____</p>	<p>REMARKS _____</p>

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Date: 8/8/84

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<p>NAME Richard Taylor</p> <p>Date 8/9/84 and 8/10/84</p> <p>Time 1:37 3:20</p> <p>Phone 862-2126</p>	<p>REMARKS Steptoe & Johnson law firm re arranging a meeting with JAB and COEs of the domestic copper industries (5 or 6 people)</p> <p>FYI: Mr. Taylor is leaving for Dallas (he's on the platform ctme); when you get word about the meeting please contact either Dick Cunningham (862-2400) or Nina Questal (862-2780)</p> <p>3/10 Cicconi handle, per JAB</p> <p><i>left message</i></p>
<p>NAME Senator John Tower</p> <p>Date 8/9/84</p> <p>Time 5:09</p> <p>Phone</p>	<p>REMARKS To California through WH operator</p> <p>JAB talked</p>
<p>NAME Mayor Richard Carver</p> <p>Date 8/10/84</p> <p>Time 3:37</p> <p>Phone</p>	<p>REMARKS Will try in California through WH operator</p>
<p>NAME</p> <p>Date</p> <p>Time</p> <p>Phone</p>	<p>REMARKS</p>

H. H. Baker Phone Call Re: Title IX

- Acknowledge Senator Baker's discussion with Elizabeth and CCLP discussion with the President.
- Tell him no decision was made but that Justice and Education must testify Tuesday (May 22) in the House. (Judiciary Civil and Constitutional Rights Subcommittee and full Education and Labor Committee).
- Tell him, frankly, a close look at the major vehicle for the Title IX changes--the Civil Rights Act of 1984--is going to surprise people -- including many of the sponsors.
- Review some of the problems. (Attached).
- Tell him we've looked at this thing several ways and have concluded that:
 - o We should support existing bills -- S. 2363/H.R. 5011, introduced earlier by Bob Packwood in the Senate and Claudine Schneider in the House which eliminate program specificity in Title IX.
 - o Additionally, we'd recommend expansion of Title IX coverage to prohibit institution-wide discrimination based on sex, age, race and the handicapped.
 - o Our testimony would then cover exactly what the potential problems are with the omnibus bill (S. 2568/H.R. 5490) and indicate a willingness to work with the Congress to eliminate objectional features.

Rain concerns.

(Wouldn't outright oppose the omnibus bill)

(Many of those -- 62 people didn't know what they were signing.)

-- From a practical standpoint, Howard, you know that Ralph Neas, whose people wrote this bill, isn't going to let it be amended. (We are told there is a no-amendment agreement among the sponsors also).

-- I don't know what else to do but to give our guys a lifeline (existing bills, which by the way, the original House bill still has more sponsors than the omnibus bill).

- o Democrats are going to go after us anyway; pre-convention build-up, etc.

o Senate conservatives will surely raise Hell.

o We need to be positive.

-- What does he think?

Kennedy Bill

S2568

Scope

- o Goes beyond reversing Grove City
- o Extends federal civil rights enforcement to virtually every organization - public and private - in America.

Problems

- o Would allow any attorney to file a private suit against any "entity" that receives federal assistance to enforce civil rights laws (age, sex, race, handicapped).
- o Entity - defined as any organization - public & private and any sub unit or connected organization.
- o Federal financial assistance - defined as direct or indirect.
 - o Essentially - if you can show that some part of an organization benefitted from federal money, it's within the scope, i.e., supermarket getting food stamps.
- o Would require tens of thousands of currently uncovered "entities" to comply with regulatory and paperwork requirements.
 - o As is currently the case with educational institutions.

*taken care of
Hills
JC 4/14*

THE WHITE HOUSE
WASHINGTON

NOTE FOR: JIM CICCONI
FROM: MARGARET TUTWILER *MST*
DATE: APRIL 10, 1984

Jim, JAB has no interest in getting involved in this. When he talked to Carla Hills he told her that he wasn't interested in getting involved.

JAB asks if you would please handle this for him.

Thank you.

MARGARET D. TUTWILER
Office of James A. Baker III
456-6797

4/6

JAB spoke to her.

How handle?

no interest in getting
into — ple handle —
per JAB — he had
her he wouldn't
get into to —

Treas, HUD agree
on yr's ext. to
study?

LATHAM, WATKINS & HILLS

ATTORNEYS AT LAW

1333 NEW HAMPSHIRE AVENUE, N. W.

SUITE 1200

WASHINGTON, D. C. 20036-1594

TELEPHONE (202) 828-4400

TELECOPIER (202) 828-4415

TWX 710 822-9375

PAUL R. WATKINS (1899-1973)

DANA LATHAM (1898-1974)

April 6, 1984

NEWPORT BEACH OFFICE

660 NEWPORT CENTER DRIVE, SUITE 1400

NEWPORT BEACH, CALIFORNIA 92660

TELEPHONE (714) 752-9100

TELECOPIER (714) 759-8891

SAN DIEGO OFFICE

701 "B" STREET, SUITE 2100

SAN DIEGO, CALIFORNIA 92101-8197

TELEPHONE (619) 236-1234

TELECOPIER (619) 696-8281

LOS ANGELES OFFICE

555 SOUTH FLOWER STREET

LOS ANGELES, CALIFORNIA 90071-2466

TELEPHONE (213) 485-1234

CABLE ADDRESS LATHWAT

TWX 910 321-3733

TELECOPIER (213) 680-2098

CHICAGO OFFICE

SEARS TOWER SUITE 6900

CHICAGO, ILLINOIS 60606

TELEPHONE (312) 876-7700

TELECOPIER (312) 993-9767

TWX 910 221-0355

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

Dear Jim:

I have discussed with Jim Cicconi the impasse which has developed at HUD and Treasury on the interest provision of the tax bill in mark-up which would significantly impact the preservation of a very large number of rental units for low and moderate income citizens and would give rise to an enormous drain on the FHA insurance fund.

Because there is no longer time to do the analysis and reach a consensus on a creative alternative, for the reasons stated in the attached paper, I suggest that the date of implementing the change in the tax bill be moved forward to enable the Departments to agree.

To me this makes very good sense. See what you think.

Very best regards.

Sincerely,



Carla A. Hills

CAH/lsc

Enclosure

cc: The Honorable James W. Cicconi

EXTEND IMPLEMENTATION DATE
FOR CHANGING CURRENT RULES
GOVERNING DEFERRED PAYMENT OF INTEREST

Facts:

Under current tax law, owner-investors who purchase HUD-insured multi-family projects housing low and moderate income families are required as conditions of transfer to bring the HUD mortgage current, to make provisions for much-needed capital improvements and to create a reserve for future maintenance. These rules have had an enormous and positive effect in preserving housing stock for low and moderate income citizens. Over the next three years, even sound HUD-insured projects are projected to require repairs totalling \$182,000,000.

Problem:

When the Senate Finance Committee adopted the Treasury Department's proposal changing the way interest attributed to deferred payments is treated under the Internal Revenue Code, it cut off the only effective way of providing private capital to rehabilitate and preserve existing low income, HUD-insured, rental housing and guaranteed an enormous aggregate claim on the FHA Insurance Fund.

Why Will Investment Cease?

New-owner investors will refrain from purchasing HUD-insured projects because:

(i) the new deferred payment rules will require the seller-owners to recognize taxable income each year without receiving cash to pay such taxes ("phantom income"); and

(ii) the new deferred payment rules, in the context of low income housing, greatly reduce the interest deductions to potential new owner-investors who will divert their equity capital into less risky and more rewarding investments.

HUD and Treasury Have Been Discussing a
Tax Credit Alternative to the Current
Rules Governing Interest Attributed to
Deferred Payments and Have Failed To Agree.

HUD and Treasury have been discussing an investment tax credit with respect to the acquisition, reconstruction, physical and financial rehabilitation of low income housing, which is based on the age of the housing and the amount of rehabilitation undertaken (see proposal attached).

HUD and the industry group believe that the costs attending assignment, judicial foreclosure, holding time (often more than three years) and FHA insurance payments, when coupled with the capital gains tax revenues that occur at the time of sale, exceed the cost of the tax credit. Treasury disagrees.

Extend Implementation Date for Changing
Current Rules Governing Deferred Payment
of Interest To Give Time To Develop a
Sound Administration Position.

A change in the current rules governing deferred payment of interest raises significant policy questions beyond the tax issues, which include:

- How to develop a feasible means for the private sector to maintain our nation's deteriorating housing stock for low and moderate income citizens;
- How to prevent a substantial aggregate claim on our FHA insurance fund;
- How to avoid a false impression that this administration is insensitive to the shelter needs of low income citizens.

These issues, along with the tax issue, should be carefully analyzed.

The tax bill is currently in mark-up, and time is inadequate properly to develop a consensus at HUD and Treasury. Therefore, the best decision under these circumstances would be to extend the date for changing current rules governing the deferred payment of interest to enable both Departments to work with industry to develop a rule which better addresses the several legitimate policy concerns.

Attachment

THE TAX CREDIT PROPOSAL

To provide that a taxpayer ("new owner") may elect the following investment tax credits with respect to the acquisition, reconstruction, physical and financial rehabilitation of low income housing, subject to the conditions hereinafter set forth.

1. The investment tax credits would be provided as follows:

A. An investment tax credit of 7% of the Acquisition Costs for low income housing which has been in service for at least 36 months, or

B. An investment tax credit of 10% of the Acquisition Costs for low income housing which has been in service for at least 96 months, and

C. An investment tax credit of 25% of the Rehabilitation Costs for low income housing.

2. The total amount of the applicable credits would be determined at the time the property is placed in service by the taxpayer. However, the total credit would be amortized over a five-year period so that only 20% of the credit is taken each year.

3. Acquisition Costs would include only (i) the amount of any indebtedness which is assumed or taken subject to by the new owner, which is secured by the property, and with respect to which the mortgagor is required to make current payments of both principal and interest, and (ii) any cash paid, or to be paid, within 60 months of the date of acquisition to (a) acquire the real property, or partnership interests representing a 90% or more ownership of the property, (b) correct delinquencies on any mortgage held or insured by any governmental agency, or (c) bring any reserves required by any governmental agency current; provided, however, that any such cash expended for Rehabilitation Costs, as defined below, would not be deemed an Acquisition Cost.

4. Rehabilitation Costs would include only expenditures which are properly chargeable to capital account in connection with the physical reconstruction or rehabilitation of the property.

5. Low income housing would be defined as that property described in clause (i), (ii), (iii) or (iv) of Section 1250(a)(1)(B) of the Code.

6. The credits would only apply if:

A. The transfer of the property (or partnership interests) to the new owner has been approved by HUD, FmHA, or a state or local housing agency pursuant to laws, regulations or procedures governing the transfer of physical assets.

B. Within 24 months after the transfer of physical assets, (i) the new owner of the property has made all improvements to the property and met all financial requirements called for by HUD, FmHA, or the state or local agency as a condition of such approval; and (ii) the property meets the housing quality standards prescribed by HUD, for the Section 8 existing housing program.

C. The property has been owned by the transferor for at least 12 months, or was acquired by the new owner pursuant to a purchase, assignment or other transfer from HUD, FmHA or any state or local housing authority.

7. Where any part of the cost of acquiring the property (or the partnership interests) is paid by debt ("secondary debt") on which all or a portion of the interest is not required to be paid currently, then, provided that the total amount of indebtedness involved in acquiring the property did not exceed the fair market value of the property at the time of acquisition, the stated amount of such secondary debt could be included in the basis of the property acquired for purposes of computing depreciation. No portion of the accrued interest on the secondary debt could be deducted until it was in fact paid, and the holder of the secondary debt would only be required to include in income such accrued interest when it was paid.

8. The basis of the property acquired would be reduced by 50% of the amount of any investment tax credit provided for above.

9. The tax credit claimed by the new owner would be subject to recapture if, within five years from the date the property is acquired by the new owner, the property is sold or the partner's interest is reduced to two-thirds or less of the interest held when the property was placed in service. That portion of the credit subject to recapture would be decreased by 20% for each full year that elapses after the property is placed in service. There would be no recapture after the property has been in service for five years.

10. Any Rehabilitation Costs with respect to which the 25% credit is claimed would be ineligible for the 60-month amortization provided under Code Section 167(k) for certain rehabilitation expenditures pertaining to low income housing.

Revenue and Public Policy Benefits
of Tax Credit Proposal.

The attached chart developed at HUD with industry participation establishes that the savings of expenditures attending projected project assignment to HUD together with taxes paid upon project transfer generate substantially more dollars than the tax credit entails. In addition, the nation's rental housing stock, which is in very short supply for lower income groups, is preserved. This proposal deserves Administration support.

BUDGET RECONCILIATION

NET REVENUE EFFECT ON FEDERAL GOVERNMENT
OF ADOPTION OF LOW-INCOME HOUSING TAX CREDITS

	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989
Syndicated TPA's (units)	(45,000)	(50,000)	(55,000)	(60,000)	(62,500)	(65,000)	(67,500)
Subsidized TPA's (units)	(22,500)	(25,000)	(27,500)	(30,000)	(31,250)	(32,500)	(33,750)
Income Tax Paid (1)(3)		\$84.785	\$94.205	\$103.626	\$113.047	\$117.757	\$122.467
Income Tax (Deferred and Tax Credit)(2)(3)(4)							
FY 84(5)		(54.710)	(52.000)	(46.405)	(39.881)	(35.843)	(30.544)
FY 85			(58.458)	(55.584)	(49.641)	(42.529)	(38.179)
FY 86				(64.304)	(61.142)	(54.605)	(46.782)
FY 87					(70.149)	(66.700)	(59.569)
FY 88						(73.072)	(69.479)
FY 89							(75.995)
Subtotal: Tax Revenue (Loss)		30.075	(16.253)	(62.666)	(107.767)	(154.993)	(198.082)
HUD Assignment- savings generated (6)		75.000	96.250	120.000	144.375	173.420	208.001
NET FEDERAL REVENUE (LOSS) (7)		\$105.075	\$79.997	\$57.334	\$36.608	\$18.427	\$9.920

3/27/84

- (1) Assumes average tax rate 36% (including Capital Gain & Recapture).
- (2) Assumes 50% taxpayer.
- (3) Taxes paid (deferred/tax credits) from FY 83 on 22,500 units, FY 84 on 25,000 units, FY 85 on 27,500 units, FY 86 on 30,000 units, FY 87 on 31,250 units, FY 88 on 32,500 units, FY 89 on 33,750 units.
- (4) Effect of ACRS 15 year depreciation (includes purchase money note in basis) and 5 year amortization of tax credits. Tax credits are 10% of Credit Basis (cash paid to seller plus serviceable debt) for properties 8 years old and older (calculated from date placed in service); 7% of Credit Basis for properties 3 years old through 7 years 11 months old; 25% of cash left with the property (e.g. replacement reserve funding, capital improvements). Includes reduction in depreciable basis by one half (1/2) of the credit.
- (5) Deferral of tax based upon current tax law for properties purchased in FY 83.
- (6) In FY 82 and FY 83, 6,000 units went to assignment at a claim rate of \$19,200 per unit and \$23,300 per unit, respectively. HUD estimates the cost to the Treasury of these assignments (borrowing costs, holding costs, sale losses and subsidy costs) can be approximated by using a 20% of claim savings rate which is applied to the TPA transactions using a per unit value of \$15,000 starting in FY 84 and increasing at a rate of approximately 115.5%.

	No. of Units Under Tax Credit Proposal	Cost Under Tax Credit Proposal	Assigned Units Without Tax Credit Proposal	Total Federal Net Increase in Cost Without Tax		Federal Costs Without Tax	
				Credit Proposal	Proposal	Credit Proposal	Proposal
FY 82	6,000	\$115,200,000	6,000	\$115,200,000	\$		
FY 83	6,000	140,000,000	6,000	140,000,000			
FY 84(p)	2,500	37,500,000	7,500	112,500,000		75,000,000	
FY 85(p)	3,000	52,500,000	8,500	148,750,000		96,250,000	
FY 86(p)	4,000	80,000,000	10,000	200,000,000		120,000,000	
FY 87(p)	5,200	120,120,000	11,450	264,495,000		144,375,000	
FY 88(p)	6,760	180,356,800	13,260	353,776,800		173,420,000	
FY 89(p)	8,790	270,863,850	15,540	478,865,100		208,001,250	
Total		\$996,540,650		\$1,813,586,900		\$817,046,250	

(p) HUD projections based upon assumption that the present level of additional appropriations for flexible subsidies and loan management set aside funds continues.

- (7) Not reflected on the chart, are other items such as additional capital improvement needs and delinquencies. For example, HUD estimates that 50% of the subsidized TPA's where equity is refinanced under present tax laws contribute \$1,000 per unit to capital improvements. Therefore, under tax credit proposal for FY 84, 12,500 units at \$1,000 per unit in Federal revenues would be saved, i.e., \$12,500,000. Similarly, for FY 85, 13,750 units (\$13,750,000); for FY 86, 15,000 units (\$15,000,000); for FY 87, 15,625 units (\$15,625,000).

~~To~~ JAB III

✓ Thought you might want to review. Blue collar/ethnics really are the group on which support for our Central America policies will rise or fall (at least in my view). Thanks

Jc 4/23

THE WHITE HOUSE

WASHINGTON

April 20, 1984

MEMORANDUM FOR JIM CICCONE

FROM: LINAS KOJELIS, OPL, x2741

SUBJECT: Public Support for Central America

Jim, this memorandum is in response to the front page story in today's Post regarding Administration efforts to redefine the terms of the debate on Central America and our efforts to mobilize public support. I would like to offer some thoughts and advice for your consideration during future West Wing discussions on this issue.

Target constituency: Americans of East European heritage should be considered a key target for the President's message. According to the Post article, the strategy under consideration is to "shift the debate away from covert CIA activities and focus it instead on the larger goal of stopping the spread of communism in the region." This is a type of argument to which East European-Americans are especially receptive. It is very easy to draw clear parallels between Soviet expansionism in East Europe and Central America.

There are over 20 million Americans of East European heritage. Key groups include; Poles (8.2 million), Russians (2.8), Balts (2.0), Czechs (1.9) and Hungarians (1.8).

Opposition strategy: You should be aware that our opposition is wooing, with great success, the East Europeans by expressing support for "human rights" movements in the Soviet Union and Eastern Europe. What our opponents fail to mention, however, is that they then turn around and oppose U.S. aid to anti-Communist forces in Central America. It would not be difficult for the President to point out the hypocrisy in their positions, and raise doubts in the minds of the ethnic blue-collar vote about the seriousness of our opposition's commitment to oppose communism.

Our record on appealing to the East European/blue collar vote: Our record on appealing to the East European/blue collar vote is poor. The President has

never made a special trip to a ethnic/blue-collar community to reach-out to this key constituency group. The last major WH event targeted to an ethnic/blue collar group was in June, 1983. If we do not woo this constituency, we will not mobilize its support.

Key events: The most important nationality group is Polish-Americans. There are two major dates in the near future which could be used to reach out to this group: the Polish American Congress 40th Anniversary Commemoration in Chicago on May 5, and the 40th Anniversary of the Warsaw uprising on August 1. Both of these events would be prime opportunities to gain much needed support on Central America.

- can't do

I would be happy to provide suggestions for other East European events where the President can reach out to this potentially actively supportive community.

cc: Paula Dobriansky, NSC
Constantine Menges, NSC

THE WHITE HOUSE
WASHINGTON

July 9, 1984

MEMORANDUM FOR JIM CICCONI

FROM: MARSHALL BREGER *MB*

I am writing regarding an appointment for Thomas Dine, the Executive Director of AIPAC to meet with Mr. Baker regarding the status of the proposed free trade area with Israel. Dine would be accompanied by two or three of his top-level advisors.

While the President and Vice President have consistently supported a free trade area, there is much concern within the pro-Israel community that the White House is not using its muscle to have that legislation pass Congress.

Whether we are assisting this legislation (as I have been given to understand) or not is irrelevant as we are not seen to be doing so.

Dine will be out of town next week, but would be available this week for a meeting. I would strongly advise that a meeting be held with Dine this week to discuss the Administration's role in assisting passage of free trade area legislation. Given the few number of legislative days left for passage, it would be unwise to rely solely on USTR representations that everything is under control.

Please let me know as soon as possible whether or not Mr. Baker can meet with this Jewish group this week.

I take the liberty of enclosing a prior memorandum on this subject in which I urged that OPL set up a White House working group to ensure that this legislation passes without problems and to receive credit for such passage.

Thank you.

Attachment

To: JAB III

Tom Dine will be at the Demo Convention next week (he'll attend ours, too) so it would be good to have the meeting this week if you want to do it. I'd suggest B. Oglesby sit in. (Dine requested this.)

Yes ~~MB~~

No *JAB III*

(conveyed to Breger 8/16)

Thanks *MB*
7/10

THE WHITE HOUSE

WASHINGTON

June 15, 1984

MEMORANDUM FOR JAMES A. BAKER, III

FROM: FAITH WHITTLESEY (FW)

SUBJECT: Free Trade Area with Israel

I am writing you regarding timing questions related to passage of legislation authorizing a Free Trade Area with Israel. There are essentially two months remaining in the legislative calendar - June and September, with a two week period between the two conventions. Unless some form of legislation authorizing a Free Trade Area is passed in June, it becomes less likely that such legislation will pass before the end of the year (September will be taken up by the squeeze of "must pass" legislation.)

Because of limited time available and possible protectionist sentiment in the House, do you not think that the best way to proceed with such legislation would be to attach it as an amendment to a House-passed revenue bill on the Senate Floor and go the conference on it with the House.

The problem is that the only such revenue bill now pending (H.R. 3398, which would provide a variety of tariff exemptions for consumer and other products) has been waiting for Senate floor action for over four months. I understand that Senator Baker may be reluctant to bring this bill to the floor because of the press of other more urgent legislation.

If we are to ensure the passage of authorizing legislation, we need to contact Howard Baker and inform him of the critical importance of the bill as a vehicle for Free Trade Area legislation. If Senator Baker were to bring the bill to the floor, it will likely pass on the strength of the Israel "add on." Securing agreement in Conference and subsequent passage in the House, while more difficult, is "doable" as well.'

I know that Ambassador Brock and his staff are working to resolve problems which individual Congressmen may have with the authorizing legislation. Some "assist" from the White House may be necessary, however.

Further, because protectionist sentiment in the House has made even pro-Israel Congressmen somewhat queasy about this legislation, outreach will likely be necessary to assist passage. I would therefore suggest that we set up two working groups to assist passage of this legislation, an inside group to monitor the legislation's progress and an outside group to develop public support for the legislation in the country. Doing the latter will ensure that we can claim credit for the hard work we have done in bringing about the Free Trade Area when it passes. It will also provide us an opportunity to work closely with the Jewish community on an issue of importance to them.

Working Groups

Yes _____ No _____



The Under Secretary of Agriculture
for
International Affairs and Commodity Programs
Washington, D.C.

September 5, 1984

MEMORANDUM TO: James A. Baker, III
Chief of Staff and Assistant to the President
The White House

SUBJECT: USA/USSR Long Term Grain Agreement (LTA)

Under the terms of the LTA signed August 25, 1983, the USSR will purchase no less than 9 million metric tons of wheat and corn for shipment during each 12 month period (October 1 - September 30) and can purchase up to 12 million metric tons for shipment during each 12 month period commencing October 1 "without consultations." Of the total purchases by the USSR for shipment in each 12 month period, no less than 4 million metric tons must be wheat. The duration of the LTA is five years.

The LTA further provides that "whenever the Government of the USA wishes private commercial exporters to be able to sell to the USSR more wheat or corn grown in the USA than the amounts specified (above), it shall notify the Government of the USSR."

As of September 4, 1984 the USG has been notified that the USSR has purchased the following quantities for shipment during the first two years of the current LTA (in millions of metric tons):

	<u>Oct. 1, '83 - Sept. 30, '84</u>	<u>Oct. 1, '84 - Sept. 30, '85</u>
Wheat	7.663	1.356
Corn	<u>6.601</u>	<u>6.899</u>
	14.264	8.255

Because of the minimum wheat requirements of the LTA the USSR can only purchase 8 million metric tons of corn for shipment during any of the agreement years unless we authorize them to increase the overall level of their purchases. Because of the brisk purchase activity to date, we think it highly possible for the USSR to reach the 8 million metric ton level on corn purchases for shipment during the second year of the LTA quite soon.

It is customary for the USA to grant increased purchase authority to the USSR during the course of regular bilateral consultations that are held twice each year. Last January, for example, we authorized the USSR to increase its purchases for shipment during the first year of the agreement by 10 million metric tons.

We have informed the USSR that we would be willing to hold consultations earlier this fall than currently scheduled (November 20, 21) but they have declined. At the time of our last consultation last May the Soviets insisted that consultations this fall not be held before the middle of November.

Shutz, Bloch, Bud & JAB - Must refer. to
resolve this.

There is a perception among farm groups and export firms that the USSR may stop purchasing corn from the USA when they reach the 8 million metric ton level unless the USG specifically notifies the USSR that it can exceed the agreement maximum by a specific amount. Comments that we are willing to sell more may not give the USSR the confidence to continue purchasing unless they are accompanied by a specific, quantified, authorization which fits into the protocol of the LTA.

*Security
for says OK
for Bloch &
All to go out &
may - will
sell more up
to 10 m metric
tons.*

*Bloch says -
need to confirm
this with a
cable to Soviets.*

We have arrived at a figure, 10 million metric tons, that we think is absolutely safe from the standpoint of carryover requirements, domestic needs, and export demand from all other destinations other than the USSR. We are confident that regardless of crop developments for the remainder of this growing season in the USA and elsewhere in the world, it would not create supply shortages if we were able to sell all of this increased quantity to the USSR.

We strongly recommend that the USG immediately notify the USSR that it can increase its purchases for shipment during the second year of the LTA by 10 million metric tons. [We are confident that whether we notify them today, next week, next month, or in November that we would arrive at a figure no less than 10 million metric tons. Therefore there is no reason to delay providing them with this authorization and, in the interest of keeping the sales moving to the USSR, considerable incentive to make the offer now.]

In arriving at this 10 million metric ton figure we calculated a worst case supply balance (carryover reserve) scenario that would still leave the USA with an adequate carryover of corn of 15.3 million tons. Under this worst case scenario we assumed the Soviets would buy the full 10 million metric tons, that it would be all corn, and that the size of our corn crop would fall by about 300 million bushels below the USDA August estimate. The worst case scenario is that labeled as the "more bullish case" on the attachment. Under the most likely case scenario on the attachment the carryover projection is of course far larger.

In short, we conclude that even considering contingencies of possible significant deterioration of our 1984 corn crop and larger than expected demand from the USSR for corn, we will have more than ample supplies to provide them with an additional 10 million metric tons. It would be good business if we could induce them to buy it.

Our wheat supply balances are so large that virtually any demand scenario we could construct would leave us with more than abundant carryover reserves.


DANIEL G. AMSTUTZ

Attachments

cc: Craig Fuller

CURRENT WHEAT AND CORN SITUATION AND OUTLOOK
(In Million Metric Tons and Crop Years)

Most Likely Case 1/

	Wheat		Corn	
	1983	1984	1983	1984
Total Supply (Carryover and New Crop)	107.2	106.8	185.1	209.7
Domestic Use	30.3	30.4	123.2	130.8
Exports (USSR)	38.9 (4.2)	40.2 (6.0)	47.0 (6.6)	52.1 (10.0)
Carryout	37.9	36.2	14.9	26.8

1/ Current assessment based on August crop report and mid-session budget review.

More Bullish Case 2/

	Wheat		Corn	
	1983	1984	1983	1984
Total Supply (Carryover and New Crop)		106.8		202.9
Domestic Use	NO CHANGE	31.4	NO CHANGE	127.5
Exports (USSR)		38.2 (4.0)		60.1 (18.0)
Carryout		37.2	14.9	15.3

2/ More bullish situation reflects smaller 1984 corn crop and USSR grain purchases of 22 million metric tons in the 1984 agreement year. It is assumed the USSR would maximize corn purchases with little wheat purchased beyond the 4 million metric ton minimum. Wheat stocks would be more than ample to satisfy any shift toward more wheat purchases.

f

THE WHITE HOUSE
WASHINGTON

June 14, 1984



MEMORANDUM FOR JIM CICCONI

FROM: Frank Donatelli (FD)
SUBJECT: Meeting on Flat Tax Proposal

I suggest a meeting regarding the flat tax proposal be held Monday, June 25 with the following people:

- Jim Baker
- Richard Darman
- Frank Donatelli
- Dick Wirthlin
- Jeffrey Bell
- John Mueller, Research Director, House Republican Conference (w/ Kemp)
- Reagan-Bush Representative

Rather than inviting other organizations too quickly, I think this session would best be devoted to explaining the intellectual and political case for the flat tax.

To: JAB III

Frank has spoken to you about this previously.

Bell & Mueller would make their case for the flat tax; we would simply listen. You'd suggested including Wirthlin in any such meeting since he's opposed to a flat tax.

— JC 6/18

Schedule meeting?

Yes — No

Invitation list OK?

(Handwritten initials in a circle)

conveyed to FJD
7/3

DECLASSIFIED / RE/ASD

THE WHITE HOUSE

NLS

797-066/9 #14

WASHINGTON

May 25, 1984

AT AS NARA, DATE 3/20/85

Central files

MEMORANDUM FOR JAMES A. BAKER, III

FROM: MARSHALL BREGER (MB)

SUBJECT: Soundings on Proposed Stinger Sale

Faith Whittlesey has asked me to provide you with some sense of the views of the Jewish community regarding the provision of stingers and bomb racks to the Saudis.

On the stingers, the Israelis have asked Jerusalem for instructions. The inclination in Washington is not to fight all out. In part, this is based on their view that provision of the stingers is militarily irrelevant as the Saudis apparently do not intend to place the stingers on tankers, but only on naval ships. My advice to you therefore is to have Sam Lewis discuss this privately with Prime Minister Shamir as it will be his call.

My reading of AIPAC is that they are prepared to accept 200 emergency stingers. They suggest, however, that one way to preclude controversy would be to lease them to the Saudis for a six month emergency period. While they will ask questions and request safeguards, they will not raise a storm. Ditto for the pro-Israel group in Congress.

As to the 1000 missiles, this will depend almost completely on the military situation in the Gulf. If Saudi Arabia is in fact threatened by Iran, opposition to the stingers will largely evaporate. However, there is a clear belief that the plan for delivery in more than 20 months precludes their impacting on the present military crisis and is therefore a backdoor way of giving the Saudis a political benefit they want without affecting their military capability. This means that absent a continuing crisis in the Gulf, there will be a fight.*

As to the bomb racks, every source makes clear that that will be a very bitter fight in part because some Congressmen would view the sale of bomb racks as a violation of earlier commitments on the sale of F-15's.

I would be happy to expand on these soundings for you, should you think it helpful.

* Note that Rudi Boschwitz believes there will be an "intense" fight over the 1000 if it happens before the election, with the caveat that he has not counted heads.

cc: Jim Cicconi

THE WHITE HOUSE
WASHINGTON

May 25, 1984

TO: NANCY RISQUE

Could someone in Legislative Affairs
give me a rebuttal to the charge con-
tained in the attached letter?

I'm going to have lunch with Dugan,
and would like to set him straight
re the level of our effort on equal
access.

Thanks for your help.


Jim Cicconi

