Collection: Presidential Handwriting File: Presidential Records
Folder Title: Folder 180 (04/26/1985-05/01/1985)
Box: 12

WITHDRAWAL SHEET
Ronald Reagan Library

Collection: PRESIDENTIAL HANDWRITING FILE: Records **Archivist:** ggc

File Folder: Folder 180 (4/26/85-5/1/85) **Date:** 3/26/99

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. ~~Cable~~	~~re 271030Z, 1p~~ R, 6/28/00 NLSF98-014 #2	~~4/27/86~~	~~P1~~

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 statue [(b)(3) of the FOIA].
F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

2715 7455

TR 123-01

Apr 85

United States Information Agency

Washington, D.C. 20547

The President has seen

Director

2715 7455

USIA

April 25, 1985

No Reply

Dear Mr. President:

As I mentioned on the phone, I am enclosing the transcript of the Godfrey Sperling Press Breakfast on Wednesday of this week at which I was to discuss WORLDNET, VOA and USIA media treatment of our Administration positions. (Tab A) Press reports from this meeting, which was set up far in advance of the Bitburg controversy, were the basis for some of my asserted viewpoints on Bitburg.

I have outlined in yellow on the transcript that which is particularly relevant to the issues of my loyalty to you, to your principles, and to the defense of the modifications of you and your staff.

Further references attributed to me actually came from German news reports contained in our Foreign Media Reaction Report of April 25. It is attached at Tab B.

I hope that this will demonstrate that the friendship we share is based on unswerving loyalty to the admirable traits and philosophy that you and Nancy represent.

Further, I recall your steadfast support of me during the tough last year when you said, "Don't you know that they are trying to hit me through you and others...if you even think of resigning, they win and we lose." Know that there is nothing in the world that could ever induce me to be less than totally steadfast on your behalf.

Sincerely,

Charlie

Charles Z. Wick

The President
The White House

End
Case
File

301449
TR123-01

April 26, 1985

Dear Judge Zingales:

I have just received your letter of April 16 and will probably be in Europe by the time you receive this. I want you to know how very much I appreciate your kind thoughtfulness in writing as you did.

These have been trying days for one who feels as deeply as I do about the inhumanity of the Nazi period. The Holocaust must never be forgotten and must never happen again. My purpose in accepting the Chancellors' invitation was to emphasize that fact.

I hope the words I'll utter on that occasion will make plain that I'm not asking forgiveness for those who perpetrated the monstrous crime only remembrance so as to ensure it will never happen again.

Thanks again for an act of kindness I shall always remember.

Sincerely,

RONALD REAGAN A

Judge Joseph A. Zingales
65 Columbus Road
Bedford, Ohio 44146

RR/AVH/dictation

850426

To Judge Joseph A. Zingales 65 Columbus Rd.
Bedford Ohio 44146

Dear Judge Zingales

I have just received your letter of April 16 and will probably be in Europe by the time you receive this. I want you to know how very much I appreciate your kind thoughtfulness in writing as you did

These have been trying days for ~~one~~ ~~for~~ one who feels as deeply as I do about the inhumanity of the Nazi period. The Holocaust must never be forgotten and ~~it~~ must never happen again. My purpose in accepting the Chancellors invitation ~~is~~ was to emphasize that fact. ~~at the same time we acknowledge the sudden effort the present day Germans have made to acknowledge the crimes done~~

I hope the words I'll utter on the occasion will make plain that I'm not asking forgiveness for those who perpetrated the monstrous crime only remembrance so as to ensure it will never happen again.

Thanks again for an act of kindness I shall always remember.

Sincerely
RR

FO 1444

5/

1H

JOSEPH A. ZINGALES
Judge
Bedford Municipal Court
65 Columbus Road • Bedford, Ohio 44146 • 216/232-3420

April 16, 1985

The Honorable Ronald Reagan
President of the United States
White House
Washington, D.C.

Dear Mr. President:

I was with Mr. Martin Lax in his office this afternoon when you called him to explain the circumstances surrounding your upcoming visit to Germany at which time you planned to place wreaths on the graves of young German soldiers who were killed in World War II. He and I had just had lunch together where we discussed that very thing and, consequently, I was totally aware of his feelings about it all. He was not very happy, to say the least.

I am writing you now to tell you that your call to Marty Lax, in addition to being a "World Class Act" on your part, was also proof of a sincerely conscientious person's feelings toward his fellow man. Following your telephone conversation Marty agreed with me to no longer agitate against your upcoming visit.

It is surprising that you could find the time to make the call in the first place and I can assure you that it will be never forgotten my either Marty or me.

Respectfully yours,

Joseph A. Zingales

Joseph A. Zingales
Judge

JAZ:kn

cc: Mr. Martin Lax

THE WHITE HOUSE
WASHINGTON

TO: Anne Higgins

FROM: **KATHY OSBORNE**
Personal Secretary
to the President

DATE: 4-26

Please autopen -
RR's too busy to
sign today.

Thanks

THE WHITE HOUSE
WASHINGTON

TO: Anne Higgins

FROM: **KATHY OSBORNE**
Personal Secretary
to the President

DATE: 4-25-85

Can you please have
this typed for me.

Thanks

End
case
File

275467
F0006-08

THE WHITE HOUSE
WASHINGTON

4/27/85

Bud:

See the President's note.

I have asked Peter Sommer to prepare a note for you to send explaining the situation logistically and precedentially.

Bob

~~SECRET~~ 3442

WHITE HOUSE SITUATION ROOM

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WHSR COMMENT: FOR THE PRESIDENT

We are meeting aren't we? R 4/27/85

OP IMMED
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O 27103ØZ APR 85
FM CABINET OFFICE LONDON

TO THE WHITE HOUSE

~~SECRET~~ AND PERSONAL VIA CABO CHANNELS

FOLLOWING IS TEXT OF PERSONAL MESSAGE FROM PRIME MINISTER TO PRESIDENT REAGAN

DEAR RON, MY THOUGHTS HAVE BEEN VERY MUCH WITH YOU THIS LAST WEEK OR TWO. I KNOW THAT IT IS NOT IN YOUR NATURE EVER TO BE DOWN-HEARTED BUT ALWAYS TO PERSEVERE WITH WHAT YOU BELIEVE TO BE RIGHT. I AM SURE THAT YOUR OWN INDOMITABLE SPIRIT WILL SOON TRIUMPH. WE RELY VERY MUCH ON YOUR LEADERSHIP AND SHALL DO SO PARTICULARLY AT THE FORTHCOMING ECONOMIC SUMMIT IN BONN.

I HOPE THAT WE CAN WORK VERY CLOSELY TOGETHER AT THE SUMMIT ON THE ECONOMIC ISSUES, ON SETTING THE DATE FOR A NEW GATT ROUND, ON TERRORISM AND IN ANY DISCUSSION OF YOUR STRATEGIC DEFENCE INITIATIVE. IT WOULD BE VERY HELPFUL IF WE COULD, AS USUAL, MEET IN THE MARGINS OF THE SUMMIT TO COORDINATE OUR APPROACH. I AM SURE THAT OUR PEOPLE CAN FIND A TIME CONVENIENT TO BOTH OF US. YOURS SINCERELY, MARGARET.

~~SECRET~~

End
case
File

3 12579
FG 018-09

April 29, 1985

Dear Ardie:

Just a hasty line before taking off for the Summit to tell you about the tax reform. I hear it's shaping up. I'm sorry there was no opportunity to get together on the 23rd but they had me on a merry-go-round. I think we have the charitable donations proposal all taken care of. Like you, I, too, saw no sense in putting any restrictions on or obstacles in the way of voluntary giving.

One other thing, our friend Harry Wetzel, there doesn't seem to be an opening right now on that particular board so Bob Tuttle is looking for something suitable in the interim. Harry is well known to Bob, and Bob either has or will call him.

Love to Harriet.

Sincerely,

Ron

Mr. Armand S. Deutsch
Suite 1243
1901 Avenue of the Stars
Los Angeles, California 90067
RR:AVH:NM:SEV:pps

RR Dictation

THE WHITE HOUSE
WASHINGTON

April 15, 1985

Mr. President:

I checked with Bob Tuttle about this Board, and he advised me that he doesn't think there are any openings on it right now. He also indicated that he knows Harry Wetzel very well, plans on calling him, and has recently talked to Marion Jorgensen about him. Bob said he will certainly come up with appointment for him -- just doesn't know on which board yet.

Kathy

ARMAND S. DEUTSCH
1901 AVENUE OF THE STARS
SUITE 1243
LOS ANGELES, CALIFORNIA 90067
(213) 553-1214

April 1, 1985

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

Dear Mr. President:

Although I have often communicated to you through Nancy, I do not believe I have ever gone to you directly concerning an appointment.

A close friend of Harriet's and mine, Harry Wetzel, recently retired Chairman of the Board of the Los Angeles based Garrett Corporation, is seeking an appointment as a member of the National Parks System Advisory Board.

I am motivated in writing you personally since Harry is an avid supporter of all of your campaigns, as well as an enthusiastic outdoorsman and conservationist. I have known him for a long time and have had occasion to work with, and for, him at the Music Center, where he serves as Chairman of the Performing Arts Council.

He is totally qualified for the appointment he seeks and would serve you well. I can vouch for Harry in every way.

Harriet joins me in our warm and affectionate best, as always, to Nancy and to you.

Respectfully,

Ardie

Armand S. Deutsch

ASD/b

312578
TR123-01

April 29, 1985

Dear Dr. Jacob:

My heartfelt thanks to you for your letter. You were more than kind to write as you did and I'm truly grateful.

This whole situation with regard to my coming visit has been most distressing, especially so since I feel and have felt for 40 years that the Holocaust must never be forgotten and such a thing must never happen again. I hope that when I am at Bergen-Belsen, I'll be able to say something that will explain my reason for going there and correct the press distortions so widespread at the moment.

Again, my thanks to you.

Sincerely,

RONALD REA

Dr. Erwin T. Jacob
Chief, Department of Surgery
Sheba Medical Center
University of Tel Aviv
Tel Aviv
Israel

RR:AVH:NM:SEV:pps

RR Dictation

WHITE HOUSE SITUATION ROOM

PAGE 01 OF 02 TEL AVIV 6177 DTG: 231401Z APR 85 PSN: 049154
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DISTRIBUTION: VP /002

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TO WHITEHOUSE WASHDC PRIORITY

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UNCLAS TEL AVIV 06177

E.O. 12356: N/A
TAGS: OPRC, IS
SUBJECT: LETTER TO PRESIDENT FROM DR. ERWIN JACOB.
- BITBURG VISIT

1. ONE OF ISRAEL'S LEADING SURGEONS PROFESSOR ERWIN T. JACOB ASKED THAT THE EMBASSY PASS ON THE FOLLOWING MESSAGE OF SUPPORT FOR PRESIDENT REAGAN'S DECISON TO VISIT A GERMAN MILITARY CEMETERY.

2. BEING TEXT:

MISTER PRESIDENT.

FROM 1944 TO THE END OF THE WAR AT THE AGE OF 16, I WAS A VICTIM OF THE DANTESQUE HELL OF THE NAZI CONCENTRATION CAMP UNIVERSE.

WITHIN THE HORROR OF THAT WORLD, MY LIFE WAS SAVED ON THREE OCCASIONS BY ONE SS OBERSCHARFFUHRER AND TWO OTHER SS MEN WHO WERE AND REMAINED ANONYMOUS TO ME. THESE ACTS WERE, INDEED, THE EXCEPTION AND NOT THE RULE OF BEHAVIOR OF THESE UNITS OF THE GERMAN ARMED FORCES. NEVERTHELESS, SHOULD I KNOW WHERE THESE MEN ARE BURIED, I WOULD HAVE NO HESITATION WHATSOEVER TO LAY A WREATH ON THEIR TOMB.

--

BY ACTING AS YOU ARE, MR. PRESIDENT, YOU MAY BE PAYING RESPECT TO THE FEW SS SOLDIERS OR OFFICERS, WHO IN THAT INDESCRIBABLE TURMOIL OF HISTORY, HAVE PRESERVED THEIR HUMAN DIGNITY AND HELPED, COURAGEOUSLY, SOME OF US TO SURVIVE.

NOTWITHSTANDING, I SHALL PURSUE EVERY ENDEAVOR THAT MIGHT HELP PREVENT THE EVENTUAL RECURRENCE OF SUCH A MONSTROSITY AS THE NAZI REGIME. I ALSO REMAIN IN FAVOR OF PROSECUTING THE NAZI WAR CRIMINALS STILL ALIVE.

I FORWARD TO YOU, MR. PRESIDENT, THIS SHORT PERSONAL TESTIMONIAL IN ORDER TO EXPRESS MY SUPPORT OF YOUR DECISION TO VISIT BOTH A NAZI CONCENTRATION CAMP AND A GERMAN MILITARY CEMETERY.

RESPECTFULLY YOURS,
/S/
PROF. ERWIN T. JACOB, M.D.
CHIEF DEPARTMENT OF SURGERY
SHEBA MEDICAL CENTER
UNIVERSITY OF TEL AVIV

312577
TR123-01

April 29, 1985

Dear Mr. Carowitz:

I hope you won't mind my answering your letter to Nancy. She is most grateful for your generous words about her activities. She passed your letter on to me because of the concerns you'd expressed about my coming visit to the cemetery in West Germany.

I, too, am an admirer of the late Scoop Jackson and endorse everything he said to you in his letter. While I will be making my first visit to a camp, Bergen-Belsen, I had early exposure to the horror of those places. In World War II I was adjutant of an Air Corps post directly under Air Corps Intelligence. One of our tasks was putting a film report together for the General Staff in the Pentagon. We received the first film taken by combat crews when our forces overran a number of the camps, Auschwitz, etc. None of us who worked on that report will ever forget the horrors we saw -- the living and the dead.

I say with all my heart -- this must never be forgotten and it must never happen again. Chancellor Kohl of Germany asked me to join him on this 40th observance of the war's end not to honor the dead in the cemetery but to point up that we erstwhile enemies -- now close allies, who have lived in peace for 40 years, are united in our determination that the Holocaust will never be repeated. It seems to me this is a worthwhile and morally right thing to do.

Thank you for giving me a chance to explain.

Sincerely,

RONALD REAGAN

Mr. Michael Carowitz
Post Office Box 4073
Ann Arbor, Michigan 48106
RR:AVH:NM:SEV:pps

RR Dictation

michael carowitz
P.O. BOX 4073, ANN ARBOR, MI 48106

April 24, 1985

Mrs. Nancy Reagan
The White House
Washington, DC 20500

Dear Mrs. Reagan:

As a student at the University of Michigan and a former intern at the Republican National Committee, I have followed the news of the President's plans to visit the Bitburg Cemetery in West Germany.

I am aware that your husband has expressed much admiration for the late Senator Henry Jackson. Enclosed is a copy of a letter that I received from Senator Jackson several years ago. It speaks of the horror and disbelief he felt when he visited a Nazi concentration camp shortly after the end of World War II.

If Senator Jackson were here today, I am sure that he would respectfully advise the President not to visit the cemetery. The Nazi genocide is a tragic event in history that is offensive to all Americans, particularly--but not only--the Jews. A presidential visit to the graves of SS troops will only reopen this nation's wounds and involve the President in an ongoing controversy.

I have long been a supporter and an admirer of President Reagan, and I write this letter as a friend, not as an opponent. Please take Senator Jackson's words to heart and urge your husband to find an alternative to a cemetery visit.

You have achieved remarkable things through your crusade against drug abuse and countless other activities. Your work has helped to make your husband's tenure the great success that it is. Please continue to look out for both the President's interests and the interests of this country.

Sincerely yours,

Michael Carowitz

Michael Carowitz

United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES
WASHINGTON, D.C. 20510

May 25, 1978

Mr. Michael Carowitz
2260 Rolling Hill Drive Southeast
Grand Rapids, Michigan
49506

Dear Michael:

Thank you for your recent letter asking me to respond to my impressions of what I saw at Buchenwald. It would take some time for me to adequately describe what I saw at this death camp in the closing days of World War II.

I can only say that I could not believe my eyes as to what I saw in terms of what had happened there. This is the camp where the lady who was the wife of the Commander, Elsa Koch, who had made lamp shades out of human skin. Bodies were stacked up like cord wood. The ones who were not sent to the death chamber were left to die in their bunks in row upon row in the barracks.

Suffice it to say, I could not believe it until I saw it that a country as advanced as Germany could engage in such genocide. I made a commitment then and there to do everything in my power to see, in particular, the Jews who had been refugees and who had survived the death camp, to have the opportunity to live in their own land. That is why I became a staunch supporter of Israel.

I hope this will help you some.

With best wishes,

Sincerely yours,

Henry M. Jackson

Henry M. Jackson, U.S.S.

HMJ:d

To Mr. Armand S. Deutsch 1901 Ave. of the Stars
Suite 1243 L.A. Calif. 90067

Dear André

Just a hasty line before taking off for the Summit to tell you about the tax reform & how it's shaping up. I'm sorry there was no opportunity to get together on the 23rd but they had me on a merry go round. I think we have the charitable donations proposal all taken care of. Like you I too saw no sense in putting any restrictions on or obstacles in the way of voluntary giving.

One other thing ~~re~~ our friend Harry Wetzel; there doesn't seem to be an opening right now on that particular board so Bob Tuttle is looking for something suitable in the interim. Harry is well known to Bob & Bob either has or will call him.

Love to Harriet. Ron

To Dr. Erwin T. Jacob - Chief Dept. of Surgery
Sheba Medical Center - U. of Tel Aviv
Tel Aviv - Israel

Dear Dr. Jacob

My heartfelt thanks to you for your letter. You were more than kind to write as you did & I'm truly grateful.

This whole situation with regard to my coming visit has been most distressing, especially so since I feel & have felt for 40 years that the Holocaust must never be forgotten and such a thing must never happen again. I hope when I am at Bergen-Belsen I'll be able to say something that will explain my

(over)

reason for going there and ~~clarify~~ correct the ~~press~~ distortions so ~~[illegible]~~ widespread at the moment.

Again my thanks to you.

Sincerely RR

To Mr. Michael Carowitz P.O. Box 4073 Ann Arbor Mich. 48106

Dear Mr. Carowitz

I hope you wont mind my answering your letter to Nancy. She is most grateful for your generous words about her activities. She passed your letter on to me because of the concerns you'd expressed about my coming visit to the cemetery in W. Germany.

I too am an admirer of the late Scoop Jackson and endorse everything he said to you in his letter. While I will be making my first visit to a camp — Bergen Belsen I had early exposure to the horror of those places. In W.W. II. I was adjutant of an Air Corps post directly under air corps intelligence. One of our tasks was putting a film report together for the General Staff in the Pentagon. We received the first film taken by combat crews when our forces over ran a number of the camps, Auschwitz etc. None of us who worked on that report will ever forget the horrors we saw — the living & the dead.

I say with ~~all~~ all my heart — this must never be forgotten and it must never happen again. Chancellor Kohl of Germany asked me to join him on this 40th observance of the wars ~~end~~ end not to honor the dead in the ~~ceremony~~ cemetery but to point up that we erstwhile enemies — now close allies who have lived in peace for 40 years are united in our determination that the Holocaust will never be repeated. It seems to me this is a worthwhile & morally right thing to do. Thank you for giving me a chance to explain.

Sincerely RR

End
Case
File

308380
ME001

May 85

The President has seen______

MARTHA GRAHAM CENTER OF CONTEMPORARY DANCE INC

President Ronald Reagan
The Whitehouse
Washington, D.C.

Dear Mr. President:

It was a glorious luncheon afternoon and another one of your many "acts of light" to me and to many artists, and to us all.

The thought of a medal like this one is something that I have long wished for for all people who support the arts as well as the artists themselves; it is a distinguished and heartfelt recognition of these individuals value to the world in general. It acts as an example to the world when a great nation backed by a discerning President establishes such a symbol of recognition.

I was so moved by the letter that you sent to me which was read by Frank Hodsoll during the opening night gala of my Company's New York Season this April. To think of the many things pressing upon you and that you would find the time for such a gesture, such an act of faith.

I know that the pressures upon you now are great and I can only send you my love and blessings and the hope that the situations confronting you may be resolved in a manner that you would wish.

Sincerely,

Martha Graham

Martha Graham
New York City
May 2, 1985

308380

316 EAST 63 STREET • NEW YORK NY 10021 • TE 2-9166

TRIBUTE TO MARTHA GRAHAM

End
case
File

IF

303596
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WH004
PR015-02

THE WHITE HOUSE

Mr. Edward J. Malouf
Edward Malouf Associates Inc.
11226 Cotillion
Dallas Texas 75228

April 30, 1985

Biff Henley

Kathy:

comments

The President asked me to mail this letter this afternoon after you had gone.

Elaine

subj. Sealed

The President has seen ____

EDWARD MALOUF ASSOCIATES, INC.

11226 COTILLION DALLAS, TEXAS 75228

April 29, 1985

answered RR

Mr. Donald Regan
c/o The White House
Washington, D.C. 20500

Dear Mr. Regan:

Normally I am a passive and analytical individual when it comes to politics, but when I see the furor caused by the pending visit to Bitburg by our President I cannot help but do what I can to correct the situation.

The enclosed article which I wrote will explain.

If you talk with the President, please tell him that I would be HONORED and PROUD to help him place a wreath on the grave of that ORDINARY German soldier. And, if he wants, I will bring my medals out of the closet and bring them along. They include the Combat Infantry Badge, The Bronze Star, The Purple Heart (for wounds received in the Battle of the Bulge), the Presidential Unit Citation (for the Remagen Bridge operation), plus a few more. But DON'T get the idea that I was a hero. I was a 19 year old kid who was drafted by my government and who served the best he could, (like the German Medic.)

If the President would want my help, and should a security clearance be needed you can check with the Army and Air Force:

WW II	Army serial # 38-683-309
Korean War	U.S. Air Force, I.G. Office of Special Investigations (Special Agent)

My prediction is that Mr. Reagan will turn this incident into one of his greatest moments. My phone has been ringing off the hook since the article ran, and EVERY ONE HAS BEEN COMPLIMENTARY. Perhaps the finest was from a good friend of mine who had relatives in German concentration camps. (His name is Phil Simon.) He said, " I want you to know what a fine article that was, and I HAVE CHANGED MY MIND....THE PRESIDENT SHOULD GO TO BITBURG."

Sincerely yours,

Ed

Edward J. Malouf

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came back to California. He
thing about the place being
out the door.

*litor, publisher and president
Calif.*

In defense of Bitburg visit

EDWARD MALOUF

READER'S REPLY

Mike Royko is upset about President Reagan's laying a wreath on the grave of a German soldier. He says "an SS trooper," but he is incorrect. Were it to be an SS trooper, I would object, for those criminal animals should never be forgiven.

Let us hope our children and all future generations will never forget man's inhumanity to man. The Holocaust Museums will keep the memory of this shameful period of human — or should it be inhumane — activity alive.

News service reports state that most of the SS men who are buried at Bitburg appear to have been casualties of the Ardennes, better known as the Battle of the Bulge. The American death toll in that battle has been placed at 19,000. It includes the bulk of the U.S. 106th "Timberwolf" Infantry Division. It also includes members of the 78th "Lightning" Division of which I was a member.

At the time of the German breakthrough another GI and I were "volunteered" to man a two-man troop shelter in the no-man's-land between German and American lines, just southwest of Simmerath, Germany. Our purpose was to give the front-line troops to the rear a warning in case Germans attacked.

It was not a particularly comfortable position in which to be. From Dec. 9, 1944, to Dec. 31, 1944, our company of 184 had lost 102 men. The occupation of the troop shelter, which was at the deepest penetration of Germany at that time, was an invitation to add a couple of more casualties.

But I had it easy compared to a cousin who lives in Wills Point. He was a member of the 106th Division which was so badly mauled during the initial German onslaught. He and a few buddies managed to get some artillery pieces and form a pocket of resistance, firing all night long until on Christmas morning of 1945, German tanks moved in on them — just as clouds broke and the Air Force began to skip-bomb the Germans.

I asked him, "Would you object to our president laying a wreath on the grave of a German soldier, so long as it wasn't a grave of an SS trooper." He thought a moment and then answered, "No.".

The situation in the Bulge was serious. Our communications had been cut off, so we came under the command of the British. Efforts to eliminate the "Bulge" and keep the German soldiers from getting to the security east of the Rhine was completed March 7, 1945, when the American 9th Armored Division captured the bridge at Remagen intact.

It is interesting to note that today there is a large U.S. base near Bitburg and that 16,000 American children have been born there. Also, 5,000 German women have married American GIs. It is ironic that the SS used Bitburg as a staging area for their Ardennes offensive.

Mike Royko is on vacation. His column will resume Saturday, May 18.

Germany is a democracy now. From all appearances it will stay that way. It has progressed to the point where people are protesting and demonstrating against the planned meetings of the living members of the SS.

> **Germany is a democracy now. From all appearances it will stay that way. It has progressed to the point where people are protesting and demonstrating against the planned meetings of the living members of the SS.**

Four groups of SS troopers will be meeting at Nesselwang, Germany, about the same time our president will be at Bitburg. The Nesselwang town council tried to ban them, but German federal law permits the right to assemble, so the council passed a resolution condemning the SS and that for which it stands.

Local political action groups have sprung up to oppose the gatherings. Labor unions are joining in the protests, and several Jewish and civil rights groups have called for a ban on the SS veteran groups.

To describe the SS organization as "insidious" or "barbaric" would be to use inadequate adjectives. I cannot put the ordinary German GI in the same category. This is because the greatest act of heroism I ever witnessed in combat was by a German medic we had captured in the Ruhr, near the end of the war.

We had just gone through a withering artillery barrage from German 88s when we came across the German medic treating a couple of wounded. It was in the relative safety of a farm house. While we were going through the barrage, a member of my squad was hit in the face by a piece of shrapnel.

His jaw was left hanging by a shred of skin. Before we could get our gear off so we could move faster to go back to pick him up, the German medic bolted out the door, through the artillery barrage and got to the American. He pulled the jaw back up to his face with a kerchief, then brought him piggyback through the barrage and back to the farm house.

Had the German medic been an American he probably would have received the Silver or Bronze Star. He was an ordinary German GI who had been conscripted into service by his Nazi government.

I'd like to offer Royko a free trip to Germany in May. We can watch our president place the wreath on the grave of an ordinary German soldier. We can both make sure he doesn't pay tribute to the SS.

The German people have to live with what happened in their country when they allowed Hitler and his cutthroats to come to power. Six million Jews, six million Catholics and Protestants, 20 million Russians and millions upon millions of others perished because of the Third Reich.

The German people have reached out and the Jewish people in Germany have responded. Chancellor Helmut Kohl was invited to speak at the commemoration of the Holocaust which took place recently at the Belsen concentration camp.

I think the President *should* visit the German cemetery and take that opportunity to tell the SS, "No, we don't forgive you. Nor will we forget you. Nor will we allow people like you ever again to perpetrate this sort of crime against humanity."

In the meantime, let us not sit around and let virtually the same thing happen to slave laborers in Russia. When the summit meeting commences with the Russians, this topic should be as important as the reduction of arms. If we can get the Russian leaders to act as civilized members of the human race, arms reduction will be automatic. There will be no more need of war.

Edward Malouf is a Dallas businessman.

End
case
File

The President has seen____

27149355

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

*Priority

MEMORANDUM FOR: THE PRESIDENT

FROM: JAMES A. BAKER, III

SUBJECT: Fundamental Tax Reform

Attached are the decision memoranda (with numbered tables of contents) that we reviewed and discussed with you during our meetings on April 23, 24, and 30 -- with changes, as noted, to reflect the sense of the meetings:

Tab A - April 23 memorandum - Note: We have eliminated any percentage limitation (1% floor) on the deduction for charitable contributions.

Approve RR

Approve, except number(s)____________

Tab B - April 24 memorandum - Note: We have eliminated entirely the proposal to tax insurance businesses operated as fraternal beneficiary societies.

Approve RR

Approve, except number(s)____________

Tab C - April 30 memorandum - Note: No changes other than tax rates, discussed below.

Approve RR

Approve, except number(s)____________

If you approve the recommendations reflected in these revised memoranda, then I recommend an individual rate structure of 15-25-35 percent and a maximum corporate income tax rate of 33 percent. I further recommend that the individual personal exemption be established at $2,000.

Approved RR

Disapproved__________

Modified__________

Attachments

A

27149355

F6010-02

MEETING ON FUNDAMENTAL TAX REFORM

April 23, 1985

Selected Controversial Issues Regarding Individual Income Tax Reform

Table of Contents

Employee Fringe Benefits

Current Law

A variety of employer-provided fringe benefits, including health insurance, $50,000 of group term life insurance, dependent care, group legal services, and educational assistance, are not taxable to employees for income tax or social security tax purposes. Current law also permits so-called cafeteria plans, under which employees may choose among various nontaxable benefits or may instead take cash.

Original Treasury Proposal

- Put a cap on tax-free employer provided health benefits ($70/175 per month, single/family).
- Repeal the current exclusion from income and social security tax for the other listed fringe benefits.
- Repeal the cafeteria plan rules which permit employees to choose among nontaxable benefits and cash.

Rationale Behind Proposal:

- Nontaxability of employer provided fringe benefits has gradually eroded tax base, encouraging employees to take increasing portion of salary in nontaxable benefits.
- Tax subsidy for such benefits has resulted in their overconsumption and contributed to spiraling costs for services such as health care.
- Current treatment of fringe benefits is also unfair, since tax-free fringe benefits are not available to the self-employed or to nonworking individuals.

Criticisms:

- Elimination or reduction of tax incentives for employer provided health insurance would reduce level of private insurance, and ultimately force government to assume greater responsibility. (Analagous concerns are expressed about elimination of tax incentives for other fringe benefits.)
- A fixed dollar cap on tax-free health care is complex and applies unfairly given that cost of insurance varies by region, size of employer and nature of the particular work force.

Possible Modification of Proposal:

- Retain tax exemption for employer provided health benefits except to the extent of $10 per month for single coverage or $25 per month for family coverage ($120/$300 on annual basis).
- Retain the current tax exemption for employer provided group term life insurance, dependent care, group legal services and educational assistance.
- Eliminate current law $5,000 annual limit on educational assistance.
- Retain current law treatment of cafeteria plans.

Reasons for Change in Proposal:

- Nontaxability of fringe benefits is deeply ingrained and has some social utility.
- Partial taxation of health benefits raises significant revenue.
- This change is probably the most the political system will allow -- and is at least a first step toward broader inclusion of health benefits in the tax base.

Revenue Estimates ($ billions)

	1986	1987	1988	1989	1990	5-Year Sum
Original Proposal	.21	7.0	12.26	15.42	18.19	53.08
Possible Modification	2.33	3.43	3.56	3.70	3.84	16.86

Approve RR
Disapprove ____________

Ministers Housing Allowances and Combat Pay

Current Law

Housing allowances paid to ministers by their churches are excluded from income. Similarly, housing and subsistence allowances for members of the military who reside off-base are excluded from income. Members of the military are not taxed on compensation received while serving in a combat zone and, if killed during such service, are forgiven income tax on all sources of income from the date of service. In addition, the survivors of a military member who dies while on active service are eligible for a non-taxable death benefit.

Original Treasury Proposal

- Repeal the tax exemptions for ministers' housing allowances and military housing and subsistence allowances and combat pay.
- Repeal other income tax forgiveness provisions for the military.
- Directly budgeted pay for the military could be increased to offset the loss of tax exemptions.

Rationale Behind Proposal:

- Tax-exempt allowances, however worthy the purpose, result in unequal taxation of persons with the same income. Moreover, the exemption is more valuable for persons with higher income.
- In the case of military benefits, tax exemptions and preferences hide the full budgetary cost of military compensation.

Criticisms:

- Church groups protest that ministers are not well paid on average and that they are often required to relocate.
- The Department of Defense opposes taxation of military benefits and allowances since the conditions of military service are compulsory.
- Increasing directly budgeted military compensation to offset the loss of tax exemptions might be difficult.

Possible Modification of Proposal

- Retain tax exemption for ministers' housing allowances.
- Retain exclusion of combat pay, exclusion of survivor's death benefit and forgiveness of income tax for members of the military killed in combat.

- Repeal exclusion of housing and subsistence allowances for members of the military who reside off-base.

Reasons for Change in Proposal:

- Ministers should be favored taxpayers. Some churches would have difficulty increasing compensation to reflect taxability of housing allowances.
- The circumstances of military service are sufficiently unique to justify a tax exemption for combat pay and special tax treatment for those killed in service and their survivors.
- Increases in military compensation could be directly budgeted to offset the taxation of military allowances, which would improve the budgeting process.

Revenue Estimates ($ billions)

	1986	1987	1988	1989	1990	5-Year Sum
Original Proposal	-	.05	.15	.16	.16	.52
Possible Modification	-	0	0	0	0	0

Approve RR

Disapprove ______

Veterans' Disability Payments

Current Law

All benefits provided by the Veterans' Administration are excluded from gross income, including veterans' service-related disability payments.

Original Treasury Proposal

- Repeal the exclusion of veterans' service-related disability payments.
- Make $6,000 of veterans' disability income ($9,000 if filing jointly) eligible for the 15% tax credit on disability income, which phases out at higher income levels.

Rationale Behind Proposal:

- Proposal would tax veterans' disability income the same as other forms of disability income (workers' compensation, black lung, and employer-provided disability income.)
- Current law provides greatest assistance to those with substantial amounts of income from other sources. Proposal would end this current bias while maintaining the assistance provided to those with little or no other income.

Criticisms:

- Despite professed goal, proposal would increase taxes for all totally disabled veterans -- even those who have no other source of income. Since Congress took account of the current exclusion in setting benefit levels, disabled veterans with little or no other source of income should not pay tax on those benefits.
- Supplementary benefits (such as those provided to veterans needing home nursing care) should not be subject to tax.

Possible Modification of Proposal

- Retain exclusion for all combat-related disability payments.
- For non-combat-related disabilities, provide more generous treatment for <u>totally</u> disabled veterans, taxing their disability income the same way that Social Security

Disability Income is now taxed. Thus, their disability income would be included in gross income only to the extent total income exceeds $25,000 (single) or $32,000 (joint returns).

- Include non-combat-related disability payments to <u>partially</u> disabled veterans in gross income, but make <u>all</u> such payments eligible for the tax credit, not just the <u>first</u> $6,000 (single) or $9,000 (joint returns) as originally proposed. A 90% disabled veteran would pay tax only if income exceeds $13,000 (single) and $16,500 (couple); a 50% disabled veteran would pay tax only if income exceeds $9,000 (single) and $12,500 (couple). These tax exempt thresholds exceed those applicable under current law.

- Retain the exclusion for supplementary payments that clearly reflect medical costs (such as payments for home nursing care).

<u>Reasons for Change in Proposal</u>:

- Modification would not tax combat-related disability payments.

- Modification would provide identical treatment for totally disabled veterans receiving veterans' non-combat-related disability payments and other totally disabled individuals receiving Social Security Disability Income.

- Modification would provide identical treatment for partially disabled veterans receiving non-~~combat~~ SERVICE-related disability payments and other partially disabled individuals who receive workers' compensation.

- Veterans' disability income generally would not be taxed unless a veteran has substantial income from other sources.

<u>Revenue Estimates</u> ($ billions)

	1986	1987	1988	1989	1990	5-Year Sum
Original Proposal	-	0.9	1.5	1.5	1.6	5.5
Possible Modification	-	0.6	1.1	1.1	1.1	3.9

Approve RR ✓
Disapprove ______

Charitable Contribution Deduction

Current Law

Subject to certain percentage of income limitations, gifts of cash or property to qualified charities may be fully deducted from income by corporate taxpayers or by individual taxpayers who itemize deductions. Nonitemizing taxpayers may currently deduct 50% of charitable contributions (100% of contributions for 1986), but the charitable deduction for nonitemizers is scheduled to expire at the end of 1986. The deduction for a gift of property is based on the property's value, even though appreciation in the property is not taxed.

Original Treasury Proposal

- Impose a floor on charitable deduction for individuals equal to 2% of the taxpayer's adjusted gross income.
- Deny charitable deduction to nonitemizing taxpayers.
- Limit the deduction for gifts of appreciated property to the property's tax basis rather than value.
- Eliminate the percentage of income limitations on deductions for contributions to public charities.

Rationale Behind Proposal:

- Floor on charitable deduction would reduce need to monitor or keep records of many small gifts, while retaining tax incentive for those who give substantial amounts.
- Charitable deduction is properly treated as a personal deduction, and should be denied to nonitemizing taxpayers, who employ the Zero Bracket Amount in lieu of personal deductions.
- Taxpayers should not receive deduction for appreciated element of donated property, since that appreciation is never taxed. Proposal would substantially eliminate disputes over valuation as well as deductions based on improperly inflated values.

Criticisms:

- Cumulative effect of proposals is a significant reduction in the tax incentive for charitable giving, especially with respect to small gifts and gifts of appreciated property.

- Some have predicted as much as a $20 billion decline in charitable giving under Treasury proposal, although slightly more than half of this amount is attributable to rate reduction rather than to limitations on deductibility of charitable gifts.

Possible Modification of Proposal

- Allow charitable contributions to be deducted in full by itemizing taxpayers (i.e., do not subject charitable contributions to a floor on deductibility).

- Deny charitable deduction to nonitemizers.

- Allow a deduction for full value of appreciated property.

- Retain percentage limitations of current law.

Reasons for Change in Proposal:

- A floor on charitable deductions could significantly weaken the tax incentive for charitable giving.

- Charities (e.g., museums, universities) that are heavily dependent on gifts of appreciated property would be disproportionately affected by change in tax treatment of such gifts.

- Retention of percentage limitations is appropriate where full value of appreciated property is deductible.

Revenue Estimates ($ billions)

	1986	1987	1988	1989	1990	5-Year Sum
Original Proposal	1.39	6.87	5.75	6.21	6.70	26.92
Possible Modification	1.34	5.83	3.39	3.66	3.95	18.17

Approve RR

Disapprove ______

Entertainment, Business Meals, and Travel Expense Deductions

Current Law

The cost of business meals and other entertainment activities (e.g., sporting event box seats, theater tickets) is fully deductible, provided the expense is reasonably related to the taxpayer's business. A deduction is allowed for the portion of the cost of club memberships directly related to the taxpayer's business if the club is used predominantly for business. No deduction is allowed for other entertainment facilities (e.g., hunting lodges, yachts). Business travel expenses, including the cost of travel, meals, lodging, and professional education expenses, are fully deductible.

Original Treasury Proposal

- Deny a deduction for entertainment expenses (including club dues and tickets and boxes for sporting events, theater, etc.), except for business meals.
- Cap deductions for business meals ($10 for breakfast, $15 for lunch, and $25 for dinner).
- Cap deductions for business travel at 200 percent of Federal per diem for city where taxpayer is travelling (150 percent for stays over 30 days).
- Deny deduction for luxury water transportation and educational travel.

Rationale Behind Proposal:

- Current standards for deductibility of business entertainment and travel expenses are predominantly subjective, leaving application of the law uncertain and creating significant opportunities for abuse.
- Proposal provides objective limitations for business meals and travel. It is intended to deny a deduction for that portion of meal or travel costs providing a personal rather than business benefit.
- Proposal would eliminate deductions for entertainment expenses because of the predominant personal component in such expenses.

Criticisms:

- Caps on deductibility of business meals and travel do not reflect geographical price differences.

- Proposal unfairly impacts on restaurants and hotels since it denies deduction for "personal component" of only two types of business expenses.

Possible Modification of Proposal

- Deduction for business meals would be limited so that 50% of the cost over $25 per meal would be nondeductible.
- Other business travel expenses would be deductible in full.
- No deduction would be allowed for other entertainment expenses, for luxury water transportation, or for educational travel.

Reasons for Change in Proposal:

- Regular business travel expenses may be outside the control of the taxpayer, and thus may not have a significant personal component.
- Total denial of deduction for the cost of a business meal in excess of a dollar limit may impact harshly on taxpayers whose business regularly takes them to more expensive restaurants.

Revenue Estimates ($ billions)

	1986	1987	1988	1989	1990	5-Year Sum
Original Proposal	.71	1.70	1.95	2.10	2.26	8.72
Possible Modification	.60	1.31	1.45	1.60	1.75	6.71

Approve RR
Disapprove ________

Taxation of Inside Interest Build-up on Life Insurance

Current Law

Investment income earned for the benefit of life insurance policyholders (inside interest build-up) is not subject to current tax. The inside interest build-up escapes tax permanently if the policyholder holds the policy until death. In the case of life insurance policies surrendered before death, tax is payable when amounts are withdrawn from the policy.

Original Treasury Proposal

- Inside interest build-up on life insurance would be subject to current tax.
- Cash value life insurance policies would be available for use as an IRA.

Rationale Behind Proposal:

- A significant portion of the premiums paid for cash value life insurance are the equivalent of savings account deposits; they create a fund which the policyholder can borrow against or withdraw at his discretion.
- Exemption from current taxation of inside build-up creates a substantial tax preference that is limited to a particular form of saving and investment.

Criticisms:

- Current taxation of inside build-up on cash value life insurance would remove an important incentive for taxpayers to save and to buy needed life insurance protection.
- Reduced sales of cash value life insurance would diminish the traditionally important source of long-time capital that the life insurance industry has provided to the American economy.

Possible Modification of Proposal

- Exempt existing policies from the proposal, so that inside build-up with respect to such policies would continue to be tax exempt.
- Apply proposal only to life insurance policies written in future.

- Eliminate proposal making cash value policies available for use as an IRA.

Reasons for Change in Proposal:

- It is appropriate to exempt policies that were purchased with the expectation of current law tax treatment.

- The IRA provision could be administratively complex and would result in significant revenue loss.

Revenue Estimates ($ billions)

	1986	1987	1988	1989	1990	5-Year Sum
Original Proposal	1.30	3.95	3.63	2.78	2.96	14.62
Possible Modification	-	-	-	*	0.2	0.2

* Less than $50 million.

Approve RR ✓
Disapprove ______

State and Local Taxes

Current Law

Individuals who itemize deductions are permitted to deduct certain State and local taxes without regard to whether they are incurred in a trade or business or in an investment activity. These deductible State and local taxes include real and personal property taxes, income taxes and general sales taxes.

Original Treasury Proposal

- The itemized deduction for State and local taxes would be repealed.

Rationale Behind Proposal

- The State and local tax deduction primarily benefits the minority of upper income taxpayers who itemize deductions, and yet causes a very substantial loss in revenue.
- The deduction represents a subsidy for State and local government services, and thus favors high tax/high income communities over low tax/low income communities.
- The deduction encourages local governments to provide some services, such as garbage collection, that could be provided by the private sector, and to use deductible revenue sources rather than nondeductible charges or user fees.

Criticisms

- Denial of the deduction will place a burden on State and local governments at the same time that direct Federal revenue sharing is being eliminated.
- Denial of a deduction is unfair to States and localities disproportionately burdened by expenses that could be regarded as national in character (e.g., welfare).

Rebuttal

- The rationale for repealing the deduction is even stronger than for eliminating revenue sharing, and is essential to lowering tax rates.
- Deductibility is neither targeted to "national" services nor cost-effective because most of the benefits accrue to high-income individuals and communities.

Recommendation

Retain the original proposal.

Revenue Estimates ($ billions)

	1986	1987	1988	1989	1990	5-year sum
Original Proposal	2.38	18.63	33.86	35.68	38.68	129.23

Approve RR

Disapprove ______