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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: BAKER, JAMES: FILES

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File Folder: Cabinet Affairs [6 of 7]

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Date: 3/1/99

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. paper	re Guerilla Warfare p. 66 - 91 <i>P 3/21/01 NLSF98-070/1 #5</i>	nd	P3, F3

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

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

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statute [(b)(3) of the FOIA].
- 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].

VI. CONTROL OF MEETINGS AND MASS CONCENTRATIONS

1. Generalities

During the last stages of a guerrilla struggle, meetings and mass concentrations are a powerful psychological instrument to carry out the mission. The purpose of this section is to train the guerrilla student on techniques on meetings and mass concentrations in guerrilla warfare.

2. Infiltration of Guerrilla Cadres

-- Infiltration of guerrilla cadres (either a member of our own movement or an outside member) in trade unions, youth movements, peasant organizations, etc., preconditioning these groups to act among the masses, where they will have to proselytize in a clandestine fashion for the insurrectional struggle.

-- Our psychological war team must develop in advance a hostile mental attitude among the target groups, so that at the given moment they can turn their anger into violence, demanding their rights taken away by the regime.

-- These preconditioning campaigns will be aimed at the political parties, professional organizations, students, workers, the unemployed masses, the ethnic minorities, and at any other vulnerable

or recruitable sector of society; this also includes the popular masses and sympathizers to our movement.

-- The principal objective of a preconditioning campaign is to create a negative "image" of the common enemy, for example:

-- To describe managers of government collective entities as "slave drivers" in their treatment of the personnel.

-- To say that the police mistreat the people the same as the communist "gestapo."

-- To say that the officials of the Government of National Reconstruction are lackeys of Cuban-Soviet imperialism.

-- Our psychological warfare cadres will create temporary compulsive obsessions in mass concentrations or group meetings by hammering on specific or selective topics; in informal conversations by expressing discontent; writing editorials for newspapers and radio, aimed at conditioning the people's thinking for the decisive moment, at which time they will turn to general violence.

-- To facilitate the preconditioning of the masses we must repeat phrases frequently to let the people know, for instance, that:

-- The taxes they pay to the government do not benefit the people at all, and that, on the contrary,

they are used in the form of exploitation and to enrich government officials.

-- Make evident to them that the people have been turned into slaves, and are being exploited by privileged political and military groups.

-- That foreign advisors and their advisory programs are in actuality "interventionists" in our country, that they direct the exploitation of the nation in accordance with the objectives of the Soviet and Cuban imperialists so as to turn our people into slaves of the hammer and sickle.

3. Selection of Appropriate Slogans

The commanders of the guerrilla war select their slogans according to the circumstances, for the purpose of mobilizing the masses in a broad range of activities, and on the highest emotional level.

When the insurrection of the masses is being carried out, our covert cadres should make partial demands, initially demanding for example: "we want food," "we want religious freedom," "we want labor union freedom," steps that will carry us toward the realization of the goals of our movement which are: GOD, COUNTRY AND DEMOCRACY.

If a lack of organization and command is observed in the enemy authority, and the people are in an excited state, this situation may be exploited so that our agitators may raise the tone of the watchword slogans to the point of carrying them to

the highest pitch.

If the masses are not emotionally excited, our agitators will continue with the "partial" slogans, and the demands will be based on daily needs, connecting them with the goals of our movement.

An example of the necessity for giving simple slogans is that few people think in terms of millions of Cordobas, but any citizen, however poor he may be, understands that a pair of shoes is a necessity. The goals of the movement are of an ideological nature, but our agitators must keep in mind that food, "bread and butter," "tortilla and beans," win over the people, and they should understand that is their primary mission.

4. Creation of Nuclei

This involves the mobilization of a specific number of agitators from the guerrilla organization of the village. This group will inevitably attract an equal number of curious individuals who are looking for adventures and thrills, as well as those who are dissatisfied with the system of government. The guerrillas will attract sympathizers, citizens who are discontent as a result of the repression of the (....). To each guerrilla sub-unit will be assigned specific tasks and missions which they should carry out.

Our (cadres) will be mobilized in the largest number possible, together with individuals who have been affected by the communist dictatorship, whether it be that they have been robbed of their possessions,

imprisoned, tortured or experienced any other type of aggression against themselves. They will mobilize to the areas where the (criminal) and hostile elements of the FSLN, (CDS) and others live, making an effort to (go armed) with clubs, iron (bars), placards, and if possible small arms, which they will carry concealed.

If possible, professional criminals will be hired to carry out specific selective "jobs."³

Our agitator will visit the villages where unemployed individuals may be present, as well as unemployment offices, in order to hire them for unspecified "jobs." The recruitment of the (unsavory) individuals is necessary because it creates a nucleus under absolute orders.

The designated cadres will arrange in advance the transportation of the participants so as to take them to the meeting places in private or public vehicles, boats or any other means of transportation.

Other cadres will be designated to make placards, flags and banners with different types of slogans or watchwords, be they of the partial, transitory or of the more radical type.

Other cadres will be designated to prepare leaflets, posters, handbills and pamphlets so as to make the meetings more colorful. This material will contain instructions for the participants, and will also be useful against the regime.

³ This paragraph was deleted in the Headquarters edition and changed in the FDN editing process.

Specific jobs will be assigned to other elements in order to create a "martyr" for the cause, leading the demonstrators into a confrontation with authorities, so as to provoke riots or shootings which may cause the death of one or more persons who would become martyrs, a situation which should be taken advantage of immediately against the regime so as to create greater conflicts.⁴

6. Way of Carrying Out an Uprising in Mass Meetings

(It may be) affected by means of a small group of guerrillas infiltrated among the masses, those who will have the mission of agitating, giving the impression that they are numerous and that they have extensive popular support. Employing the tactics of a force of 200 to 300 agitators, a demonstration can be created in which 10,000 to 20,000 persons take part.

Agitation of the masses in a demonstration is carried out by means of socio-political objectives. One or several agents from our covert movement, highly trained as mass agitators, should participate in this action, involving innocent persons so as to provoke an apparently spontaneous protest demonstration. These individuals will direct the entire meeting until its conclusion.

External command. This group stays out of all activities, situated in such a way that it is able to observe the unfolding of the planned events from where it is stationed. As observation point, for example, he should look for a church steeple,

⁴ This paragraph was changed in the FDN edited edition.

a tall building, a tall tree, the highest tier of the stadium or an auditorium, or any other high place.

Internal command. This individual will remain inside the crowd. Great importance should be given to protect the leaders of these individuals. Some placards or allusive banners should be used to designate the Command Posts, and to send signals to the sub-units. This individual will avoid placing himself in locations where fights and incidents could occur after the demonstration begins.

Our key agitators will remain inside the crowd. The person in charge of this mission will in advance instruct the agitators to stay near the placards he has assigned to them, in order to protect the placards from any opponent. This way the commander will know where our agitators are located and will be able to send orders regarding the change of watchwords or slogans or any other unforeseen event, and eventually, if he so desires he can even encourage violence.

At this stage, once the key cadres are spread out, they should position themselves at visible places, such as signs, light posts, and other conspicuous places.

Our key agitators should avoid places of disturbances, once they have made sure they have started.

Defense Detachment. These individuals will act as moving bodyguards,

forming a protective circle around the chief to protect him from the police and the army, or to help him escape if it were necessary. They should be highly disciplined and will only react to a verbal order from the chief.

In the event that the chief takes part in a religious gathering, a funeral, or any other kind of activity which should be conducted in an orderly manner, the bodyguards will remain in the rows that are very close to the chief or to the placard carriers or banners in order to give them the best protection.

The participants in this mission should be guerrilla fighters dressed in civilian clothes, or else hired recruits who sympathize with our struggle and are against the oppressing regime.

These members should be very highly disciplined and will use violence only on verbal orders from the person in charge.

Messengers. They should remain close to the leaders, transmitting orders between the external and internal commands. They will make use of radios, telephones, bicycles, motorcycles, automobiles or they will travel on foot or horse, taking trails or paths to shorten the distances. Young adolescents (male and female) are ideal for this type of mission.

Shock troops. These men should be equipped with non-firing weapons (knives, razors, chains, clubs) and should march

behind the innocent and unwary participants. They should conceal their weapons. They will take action only as "reinforcement" if the guerrilla agitators are attacked by the police. They will appear in a sudden, violent and surprising manner, in order to distract the authorities, thus making possible the quick retreat or escape of the internal command.

Banners and placards carriers. The banners and placards used in demonstrations or gathering, will express the complaints of the population but when the demonstration arrives to its highest level of euphoria or popular dissatisfaction, our infiltrators will make use of the placards containing slogans and watchwords benefitting our cause and against the regime which we may be able to infiltrate in a covert manner. The person in charge of this mission will in advance instruct the agitators to remain near the placards of any member of the opposition. This way, the commander will know where the agitators are located, and will be able to send orders to change slogans and eventually encourage violence if he so wishes.

Watchword and applause agitators. They will be given specific instructions to use rehearsed watchwords. They will be able to use such phrases as "we are hungry," "we want bread," "we don't want communism." These tasks and techniques to agitate the masses are quite similar to the ones used by the cheerleaders at high school baseball and football games. The objective is to gain more supporters not just to shout

slogans.

6. Conclusions

In a revolutionary movement of guerrilla warfare the gathering of the masses and protest demonstrations are the essential elements for the destruction of the enemy's structure.

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THE WHITE HOUSE

WASHINGTON

October 19, 1984

MEMORANDUM FOR EDWIN MEESE

JAMES A. BAKER

ROBERT C. McFARLANE

MICHAEL K. DEEVER

FROM:

CRAIG FULLER



SUBJECT:

FAA Action on Aircraft Separation

I have been advised by DOT that in light of recent near-miss incidents involving the Vice President's aircraft and Mrs. Ferraro's aircraft, the FAA will begin providing the same aircraft separation and airspace clearances for the Vice President, Mr. Mondale and Mrs. Ferraro that are provided for the President.

No public announcement of this will be made; however, DOT expects that once the air traffic controllers are notified word will leak that the service is being provided.

In yesterday's incident involving the Vice President's aircraft, the private plane had an operational transponder but the radio had been turned off so communication could not be established.

THE WHITE HOUSE
WASHINGTON

October 10, 1984

TO: JAMES A. BAKER
FROM: *CRAIG L. FULLER*

- ☒ FYI
- ☐ Comment
- ☐ Action

Forwarded as requested.

cc: Richard G. Darman
John A. Svahn



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

October 10, 1984

TO : James Baker
Chief of Staff

FROM: Margaret M. Heckler

RE : Medicare

Pursuant to our phone conversation of this morning (Wednesday) I enclose a suggested statement/"line" for the President's use on the Medicare issue.

The draft statement is (basically) excerpted from the speech I delivered to the House of Delegates -- AMA last December. (Pages 9-10-11).

I believe that on both policy and political grounds that my approach is a sound one.

If I can be of any further help please call.

Best wishes!

Attachment: Suggested statement and
text of speech

When the Social Security system was threatened with bankruptcy, President Reagan responded by creating a bi-partisan, "blue-ribbon" Commission and charged them with the responsibility of coming up with an answer.

The President's Commission proposed a long-range solution which has protected and will protect the senior citizens of our country for the next 75 years.

That solution was enacted into law in 1983.

The Social Security rescue model is one we should use as we deal with Medicare's financial problems.

Bi-partisan consultation and careful planning are the keys to Medicare's future. Senior citizens themselves must be active participants in the search for a long range solution.

As discussion and public debate unfold, I want you -- and everyone -- to understand the principles I will follow in seeking an answer and in developing a process for finding and implementing that answer.

First, everyone affected by Medicare -- the elderly, government, the medical community, experts in many fields -- must have a voice in the decision process. Each of these parties must have a reasonable opportunity to make their opinions known to the policy makers. There must be no rush to judgment.

Second, I will avoid demagoguery, and I will speak out against those who sing that siren song. The Medicare funding problem is not a partisan issue; it is an issue above politics. No one should use the issue to frighten the elderly in order to gain politically. Or personally. A solution will be found, and the quickest and best way to find that solution is to explore the options; dispassionately, rationally, in good cheer and good faith.

Third, I believe that the solution should be consistent with the private nature of our health care system. Wherever and whenever possible, we should opt for those approaches which interfere least with patients, doctors, and hospitals -- choices and decisions to be made by doctors and patients in Cleveland, Chicago, Dallas, and Los Angeles, not by those of us who sit in Washington.

Fourth, any solution adopted must be a long-term solution. I wouldn't be doing my job -- none of us would be doing our jobs -- if we hid behind some stopgap proposal. Our search must be for a solution, not a palliative.

Finally, whatever our answer, it must preserve the access to and the quality of medical care in this nation.



THE SECRETARY OF THE TREASURY

September 13, 1984

NOTE TO JIM BAKER:

Attached are four burden and distribution tables regarding the Mondale tax proposals prepared for me, as Secretary of the Treasury, by the Office of Tax Analysis.

Also attached are talking points analyzing the OTA figures.

Donald T. Regan

Attachments

Please note: The talking points only have been provided to Ben Elliott and to the Vice President per their requests.

Analysis of the Mondale Tax Increase

- An analysis of the Mondale tax proposal shows that his proposal would amount to the largest tax increase in our nation's history and would hit millions of middle-income taxpayers, two-earner families, small businesses and family farms.
- The \$85 billion tax increase represents only one year of the proposed increase. The actual tax increase, between 1985 and 1989, is conservatively estimated to total at least \$230 billion.
- This massive Mondale tax increase would increase the total tax burden on the economy to 21 percent of GNP-- the highest peacetime tax burden in our nation's history.

Impact on Middle Class

- The Mondale tax increase is not merely a tax on the wealthy or on high-income taxpayers. In fact, millions of middle-income taxpayers would face higher taxes under the Mondale plan.
- Fourteen million taxpayers earning less than \$30,000 a year would face a tax increase. Twenty-nine million taxpayers earning \$50,000 a year or less would face a tax increase under the Mondale plan.
- In fact, almost 35 million taxpayers will face a tax increase under the Mondale plan, and 85 percent of them earn \$50,000 or less a year.

- The increased tax burden on middle-income taxpayers is primarily the result of his proposed changes in tax indexing.
- The Mondale plan is a tax trap for the average taxpayer, raising tax rates in brackets just above them now, but into which they will be moving in the next few years.
- For example, a typical family of four with a median income of \$30,120 in 1984 would face a tax increase of only \$32 in 1985. But without the protection of tax indexing, the family's tax increase would grow as its income increases to keep pace with inflation.
- By 1989, this median-income family would face a tax increase of \$332 a year. Between 1985 and 1989, the total tax increase would amount to \$838.
- The Mondale tax plan would hit particularly hard two-earner families.
- Debate* -- A family of four earning \$40,000 (a police officer and school teacher with two children, for example) would face a tax increase totalling \$1603 between 1985-1989; a family earning \$50,000 faces a tax increase of \$2659.

Impact on Small Business

- Since most small businessmen and women (approximately 85 percent) pay taxes as individuals, and not as corporations, the Mondale tax increase would also fall particularly hard on them.

- More than six million taxpayers reporting small business incomes would be affected by the Mondale tax increase.
- Almost 900,000 individual returns with farm income would see their taxes increased.

Other Problems

- In addition to raising taxes on millions of middle-income taxpayers, the Mondale tax plan has a number of other serious problems.
- He claimed he would raise \$25 billion of the proposed \$85 billion increase through a corporate minimum tax and by closing tax loopholes. According to our estimates, the minimum tax would raise only \$3 billion in 1989, leaving \$22 billion in unspecified tax loopholes to close. Which loopholes will he close-- consumer interest deductions, state and local deductions, the investment tax credit?
- He also includes \$10 billion in unspecified tax increases from improved compliance measures. What does he mean by that? If he means more audits, how will he pay for the additional IRS agents or computers?
- And finally, one of the items he included in his tax freeze proposal--the net interest exclusion--was repealed by Congress this year.

Conclusion

In conclusion, this is a budget and tax plan Jimmy Carter would be proud of. The Mondale budget is an economic roadmap back to the days of high taxes, high spending and economic stagnation. It is a blueprint for a return to the days of high inflation, high unemployment and high interest rates.

In addition, this is a tax increase plan which is sure to get even bigger, as the price tag of his promises gets bigger. This is the second Mondale tax plan this year, and according to his own figures, it represents a 40 percent larger tax increase than the plan released in January.

TENTATIVE
The Mondale Budget Program - Taxes
September 10, 1984
(\$billions)

	Fiscal Years					Total
	1985	1986	1987	1988	1989	1985-1989
I. Individual						
Modified indexing 1/.....	3.5	8.6	14.8	22.2	30.4	79.5
Cap on third year of Reagan tax cut 2/.....	1.6	5.0	5.8	6.6	7.6	26.6
High-income surcharge 3/.....	1.8	5.7	6.2	6.8	7.4	27.9
Subtotal, individual.....	6.9	19.3	26.8	35.6	45.4	134.0
II. Base Broadening for Business and Upper-income Taxpayers						
15 percent corporate minimum tax on economic income.....	2.9	4.2	3.8	3.0	3.1	17.0
Limitations on tax shelters, loopholes, and accounting abuses 4/.....	1.0	5.0	10.0	16.0	21.9	53.9
Subtotal, base broadening 4/.....	3.9	9.2	13.8	19.0	25.0	70.9
III. Measures to Improve Compliance 4/.....	*	1.0	4.0	7.0	10.0	22.0
IV. Extension of the 1984 Tax Freeze.....	--	--	--	1.9	3.6	5.5
Grand Total.....	10.8	29.5	44.6	63.5	84.0	232.4

Office of the Secretary of the Treasury
Office of Tax Analysis

September 12, 1984
5:30 p.m.

* Less than \$50 million

Details may not add due to rounding.

- 1/ ZBA and personal exemption would continue to be fully indexed as would the endpoints of all brackets up to the 1984 taxable income amount of \$16,000 (\$12,900 for single returns). Endpoints of the remaining brackets would be indexed only to the extent that inflation exceeds 4%.
- 2/ The third phase of the across the board rate reductions would be limited to to \$1,144 (\$849 for single returns).
- 3/ A 10% surcharge would apply to the tax liability in excess of \$20,000 (\$16,000 for single returns).
- 4/ FY 1989 totals are targets released by Mondale.

Notes: Estimates assume effective date of 1-1-85.

Extension of the cigarette tax at 16 cents per pack (not included in Section IV above) would increase receipts by \$1.8 billion in '86, \$1.9 billion in '87, \$1.9 billion in '88, and \$2.0 billion in '89. This tax is scheduled to drop to 8 cents per pack on September 30, 1985.

**Change in Tax Liability Due to the Personal Tax Increases Included in the
Mondale Package, Distributed by Adjusted Gross Income Class**

(1985 law, 1983 levels of income)

Change in 1985 law tax liability due to:					Returns with an increase in tax			
Adjusted gross income class	Limiting indexing for returns with AGI over	Limiting the 3rd phase of the rate cut for returns with incomes over	Imposing a 10% surcharge for returns with incomes over	Total change	Percent- Amount : age : distri- bution :	Number	As a percent : of all : returns :	Average tax increase
	\$25,000 1/	\$60,000 2/	\$100,000 3/					
(\$000) (.....\$millions.....)					(%) (thous.)	(%)		(\$)
Under 10	-	-	9	9	.1%	8	*	1,202
10 - 15	3	-	4	3	*	170	1.2%	19
15 - 20	57	-	2	60	.6%	3,181	28.8%	19
20 - 30	456	4	7	467	4.4%	11,050	64.0%	42
30 - 50	1,460	115	27	1,602	15.1%	15,002	97.1%	107
50 - 100	975	1,383	339	2,698	25.5%	4,150	99.3%	650
100 - 200	277	1,260	1,268	2,805	26.5%	625	99.3%	4,484
Over 200*	88	413	2,436	2,937	27.8%	166	99.5%	17,737
Total	3,317	3,175	4,090	10,581	100.0%	34,352	35.5%	308

Office of the Secretary of the Treasury
Office of Tax Analysis

September 12, 1984

Note: Details may not add to totals due to rounding.

* Less than \$500,000, .05% or \$0.5.

1/ The zero bracket amount and all exemption amounts would continue to be indexed as would the endpoints of brackets up to the 1984 taxable income amount of \$16,000 (\$12,900 for single returns). Endpoints of the remaining brackets would be indexed only to the extent that inflation exceeds 4%.

2/ The third phase of the across-the-board rate reductions would be limited to \$1,144 (\$849 for single returns.)

3/ A 10% surcharge would apply to tax liability in excess of \$20,000 (\$16,000 for single returns).

Change in the Individual Income Tax Burden
under the Mondale Tax Proposal(1)

JOINT RETURN, ONE EARNER, TWO DEPENDENTS

(dollars)

INCOME :	1984	1985	1986	1987	1988	1989	1985-89
Half of median income							
AGI.....	15,060	15,843	16,798	17,872	19,012	20,191	89,716
Current law tax....	958	1,016	1,086	1,168	1,258	1,354	5,882
Proposed law tax....	958	1,016	1,086	1,168	1,258	1,354	5,882
Change	0	0	0	0	0	0	0
Percent change ...	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Median income							
AGI.....	30,120	31,686	33,596	35,745	38,025	40,382	179,434
Current law tax....	3,023	3,203	3,424	3,684	3,968	4,266	18,545
Proposed law tax....	3,023	3,235	3,501	3,840	4,209	4,598	19,383
Change	0	32	77	156	241	332	838
Percent change ...	0.0	1.0	2.2	4.2	6.1	7.8	4.5
\$30,000 (1984)							
AGI.....	30,000	31,413	32,837	34,212	35,558	36,857	170,857
Current law tax....	3,003	3,157	3,295	3,424	3,550	3,665	17,091
Proposed law tax....	3,003	3,189	3,361	3,545	3,734	3,915	17,744
Change	0	32	66	121	184	250	653
Percent change ...	0.0	1.0	2.0	3.5	5.2	6.8	3.8
\$40,000 (1984)							
AGI.....	40,000	41,885	43,782	45,615	47,410	49,115	227,807
Current law tax....	4,874	5,125	5,349	5,556	5,759	5,945	27,734
Proposed law tax....	4,874	5,222	5,548	5,862	6,174	6,531	29,337
Change	0	97	199	306	415	586	1,603
Percent change ...	0.0	1.9	3.7	5.5	7.2	9.9	5.8
\$50,000 (1984)							
AGI.....	50,000	52,356	54,728	57,019	59,263	61,394	284,760
Current law tax....	7,165	7,534	7,862	8,168	8,466	8,740	40,770
Proposed law tax....	7,165	7,701	8,205	8,692	9,180	9,651	43,429
Change	0	167	343	524	714	911	2,659
Percent change ...	0.0	2.2	4.4	6.4	8.4	10.4	6.5
\$100,000 (1984)							
AGI.....	100,000	104,712	109,455	114,038	118,526	122,788	569,519
Current law tax....	22,056	23,152	24,177	25,145	26,092	26,978	125,544
Proposed law tax....	22,056	25,358	27,037	28,672	30,433	32,146	143,646
Change	0	2,206	2,860	3,527	4,341	5,168	18,102
Percent change ...	0.0	9.5	11.8	14.0	16.6	19.2	14.4
\$200,000 (1984)							
AGI.....	200,000	209,423	218,910	228,077	237,051	245,577	1,139,040
Current law tax....	58,190	61,025	63,751	66,346	68,886	71,278	331,266
Proposed law tax....	58,190	69,450	73,269	76,966	80,628	84,147	384,460
Change	0	8,425	9,518	10,620	11,742	12,869	53,174
Percent change ...	0.0	13.8	14.9	16.0	17.0	18.1	16.1

Office of the Secretary of the Treasury
Office of Tax Analysis

09/12/84

(1) The Mondale tax proposal is assumed to include:

- Indexing for inflation less 4% beginning with the 18% bracket (assumes indexing of bracket endpoint instead of bracket width)
- Repeal of the third-phase tax cut beginning with the 38% bracket
- Surtax of 10% on income tax in excess of \$20,000

Note: Median incomes for years prior to 1985 are reported by the Bureau of the Census. Forecasts of median and nominal incomes are consistent with the Administration's economic assumptions for the Mid-session Review of the Budget. Incomes are assumed to consist only of wages and salaries unless noted otherwise. Itemized deductions are assumed to be 20 percent of AGI.

Returns with Business Income Affected by
The Mondale Tax Package
(Announced September 10, 1984)
(1985 Law, 1983 Levels of Income)

Number of returns with business income (millions)	14.4
Amount of business income:	
Total (\$ billions)	\$51.2
Average (dollars)	\$3,555
Returns with business income affected by the package:	
Number of returns (millions)	6.3
Percent of all returns with business income	44.1%
Amount of business income:	
Total (\$ billions)	\$52.8
Average (dollars)	\$8,317

Office of the Secretary of the Treasury
Office of Tax Analysis

September 12, 1984

1/ Business income includes net income and net losses from sole proprietorships, partnerships, small business corporations, and farms.

(SN-3 #57)

THE SECRETARY OF STATE
WASHINGTON

September 13, 1984

Dear Bud:

This letter updates my previous one of September 4 giving the main events on my schedule for the balance of the year:

September 14/15	On Friday, September 14, I will address the Miami Chamber of Commerce on the Drug and Narcotics Program, emphasizing international dimensions of this problem. In the afternoon, I will go to New Orleans and visit the Vatican pavilion which is located apart from the Louisiana World Exposition.
	On Saturday morning, September 15, I will visit the 15 international pavilions at the Louisiana World Exposition and attend a luncheon sponsored by the Commissioner General and LWE officials, to be attended by members of Congress, the international community, the local leadership, and fair officials.
September 17	Open international conference on The Holocaust.
September 20	Dinner with French Foreign Minister Cheysson.
September 21	Working Lunch with Cheysson.
September 23- October 5	In New York City for the United Nations General Assembly Meetings, where I meet with Foreign Ministers from all over the world. During this period, I will host lunches or dinners for our European partners, The Summit Seven, ASEAN, The Gulf Cooperation Council, The Organization for African Unity, and the Latin American Representatives. (I expect to be back in Washington on Friday, September 28, through the weekend.)
	On Monday evening, October 1, I will address the New York Council on Foreign Relations on our "forward look" in foreign relations.
October 10/11	I will head the delegation to the inauguration of Panamanian President Barletta and may also visit El Salvador and Mexico.

October 15/16	I will go to Canada, probably Ottawa, to meet with the new Foreign Minister.
October 17	I will address a breakfast session of the U.S. Chamber of Commerce International Forum in Washington.
October 18	Dinner Address on US-Soviet relations at the RAND/UCLA Soviet Studies Center in Los Angeles.
October 19	Luncheon Address to the Los Angeles World Affairs Council on our non-proliferation policy.
October 25	I have been asked to give the "Sherr Lecture 1984" on "Terrorism and the Modern World" at the Park Avenue Synagogue in New York City.
November 11/12	Annual Meeting of the OAS General Assembly in Brasilia.
Early-to mid-December	Trip to Europe with the NATO Foreign Ministers' Meetings on December 12 and 13 as the centerpiece.

Sincerely yours,



George P. Shultz

The Honorable Robert C. McFarlane
Assistant to the President for
National Security Affairs
The White House
Washington, D.C. 20500

cc: ✓ The Honorable James A. Baker III
Assistant to the President and
Chief of Staff

The Honorable Michael K. Deaver
Assistant to the President and
Deputy Chief of Staff

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 29, 1983

MEMORANDUM FOR JAMES BAKER III

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Notification

I have your memorandum of today on notification of Congress during the August recess.

Consistent with our practice since I arrived in the White House as Assistant to the President for National Security Affairs, you will continue to receive all significant national security information whether or not a serious foreign or security policy matter arises which might merit Congressional consultations. You may also arrange to have the normal daily material you receive in the White House delivered to you even when you are not with the Presidential party.

cc: Dick Darman
Ken Duberstein

THE WHITE HOUSE

WASHINGTON

July 29, 1983

MEMORANDUM FOR: WILLIAM P. CLARK

FROM: JAMES A. BAKER III 

SUBJECT: NOTIFICATION OF CONGRESS
DURING THE AUGUST RECESS

Consistent with our discussion, I have informed Howard Baker that a routine consultative procedure will be established whereby the Deputy Secretary of State and others will brief key Congressional leaders on important foreign and national security matters.

Howard raised with me the concerns of the Democratic leadership on this subject. He noted particularly that the Speaker of the House wished to pass a resolution whereby the Congress could be reconvened during the August recess at its own call, rather than at the call of the President, should a serious foreign policy matter seem to require this. Howard refused to go along with such a resolution on the basis of my assurance that we would, indeed, fulfill our obligation to consult with the Congressional leadership.

Given that several of us will be in different parts of the country during the August recess, would you please assure that if any serious foreign or security policy matters arise, which might merit Congressional consultation, I would be notified immediately. If for any reason I am unreachable, please assure that Dick Darman or Ken Duberstein is properly notified. For all the obvious reasons, I want to be sure to fulfill the commitment we have made to Howard.

cc: Richard Darman
Kenneth Duberstein

THE WHITE HOUSE

WASHINGTON

July 30, 1983

MEMORANDUM TO: JIM BAKER
BILL CLARK

FROM: KEN DUBERSTEIN *KD*

SUBJECT: Congressional notification of
actions in Central America

Attached is a letter from Speaker O'Neill and Senate Minority Leader Robert Byrd expressing concern about the lack of consultation/notification on "the planned military deployments in Honduras and off the coast of Central America -- activities which could pose a great danger of direct military engagement of United States combat forces." They emphasize the necessity for Congress "to be kept fully and currently informed, in advance, of significant actions or events involving the military forces of the United States."

I believe we need to respond promptly and affirmatively and set up an ongoing system of briefings by State/Defense/NSC. I suggest we convene an LSG meeting today to develop a recommendation for the President. Guidance, please.

Attachment

cc: Dick Darman



The Speakers Room
United States House of Representatives
Washington, D.C. 20515

July 28, 1983

The President
The White House
Washington, D.C.

Dear Mr. President:

We want to express formally in this letter to you our concerns regarding the necessity for Congress to be kept fully and currently informed, in advance, of significant actions or events involving the military forces of the United States.

In particular, neither of us, nor to the best of our knowledge were any of our Chairmen or Ranking Members on the key Congressional Committees notified about the planned military deployments in Honduras and off the coast of Central America -- activities which could pose a great danger of direct military engagement of United States combat forces.

Accordingly, we were surprised when you indicated during your press conference of July 26 that your Administration was keeping the Congress apprised of our government's actions in Central America.

Even apart from the possible applicability of the Congressional consultation provisions of the War Powers Resolution, we are most concerned that officials of your Administration did not foresee the need to consult with the Congress prior to initiating such serious actions. We do not know of anyone in the Congress who would deny you the full and unequivocal support which you must have when combat troops are deployed to protect the legitimate national security interest of this country. But we also can assure you that the Members of Congress, on both sides of the aisle, must feel confident, that upon providing that support we do so based upon full, accurate, and timely information. We deeply regret that no such information was provided in this case, and that virtually all of our information has been derived from published reports in the news media.

The President
July 28, 1983
Page two

As an example of our concerns, we are troubled by conflicting reports of precisely what our planned deployments in Honduras are intended to be. This morning's Washington Post quotes U.S. military officials as saying that the first set of maneuvers in Honduras will take place "in the province of Choluteca, which borders on Nicaragua." This report seems to contrast substantially with your public assurance on Tuesday evening that the "maneuvers that are going to be held in Honduras are not going to put Americans in any reasonable proximity to the border." Whatever the case may be, we in the Congress remain puzzled as to what are our government's actual plans regarding this operation. We have yet to receive any detailed information regarding this situation.

In view of the foregoing it seems clear to us that we need to fashion cooperatively an ongoing system of timely briefings for the Congressional Leadership and the key Committee Chairmen and Ranking Members. In addition, with the Congress scheduled to be out of session for most of the next month and the first two weeks of September, whatever consultative procedures are implemented they should include the timely provision of information during recess and adjournment situations as well.

Therefore, we urge you to raise this matter with those officials in your Administration whom you have charged with the responsibility to implement a continuing program of keeping the Congressional Leadership and appropriate Committees fully informed on a timely basis. We would appreciate your instructing them to meet and provide us a timely briefing, prior to the August recess, at which time details could be worked out governing the future consultation process.

Thank you very much for your kind and prompt attention to our concerns.


Robert C. Byrd
Senate Democratic Leader

Sincerely,


Thomas P. O'Neill, Jr.
The Speaker

THE WHITE HOUSE
WASHINGTON

May 25, 1985

MEMORANDUM FOR JIM BAKER

FROM: M. B. OGLESBY, JR. 

The attached is forwarded for your information.

JAMES R. JONES
FIRST DISTRICT OF OKLAHOMA

CHAIRMAN
COMMITTEE ON THE BUDGET

MEMBER
COMMITTEE ON WAYS
AND MEANS

TRADE SUBCOMMITTEE

DEMOCRATIC STEERING
AND POLICY COMMITTEE

CHAIRMAN
DEMOCRATIC RESEARCH
ORGANIZATION

WASHINGTON OFFICE
203 CANNON HOUSE OFFICE BUILDING
(202) 225-2211

DISTRICT OFFICE
4836 FEDERAL BUILDING
TULSA, OKLAHOMA 74103
(918) 581-2111

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

May 7, 1984

Dear Friend:

The independent oil and gas community is facing one of its greatest crises in many, many years, and I need your help if we are going to stop the threat to the industry and our state.

A natural gas re-regulation bill has passed in the House Energy and Commerce Committee. It is now being readied to go to the House Rules Committee and then on to the House floor. This bill, H. R. 4277, could be devastating to the domestic energy industry and catastrophic for an industry already reeling from the recession.

Among many harmful effects, this bill would freeze NGPA ceiling prices immediately at enactment through January 1, 1985; would force price rollbacks of currently decontrolled gas under contract via market out provisions and binding arbitration; and would place a cap on operation of price escalator clauses which would result in a permanent extension of ceiling price controls for duration of any contract. There are other provisions equally damaging to the industry, but it would be impossible to list them all in this letter.

As I began this letter, I planned to urge you to contact key Republican and Democratic congressional members and to ask for their help in blocking this bill in the Rules Committee. It appeared, and still does, that our best hope is to stop this bill from going to the House floor. I will be working hard to prevent the bill's forward progress.

I have just learned, however, from informed sources that it is quite possible that re-regulation legislation will pass in the Senate and will be signed into law by President Reagan if the House passes this bill!

Therefore, I urge you to contact President Reagan and urge him to promise he will veto any re-regulation legislation that emerges from Congress. If the President will send this strong signal to Congress, we will have a powerful tool to use against the liberals in both parties pushing for this bill.

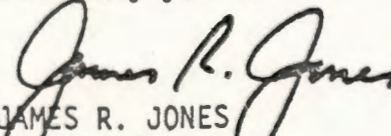
In summary, you should contact congressional members and urge that they fight to keep this legislation from coming to the floor or, at the very least, ask for an open rule so we can amend the bill more favorably. Next, please write or call the White House and ask for President Reagan's promise to veto any re-regulation legislation that emerges from Congress.

I will be working against this bill and plan to vote against it if it reaches the House floor. I hope we can stop it before it reaches that point. We will have a much better chance of that success if you write congressional members and the President today.

Thank you for your help.

With best wishes,

Sincerely yours,


JAMES R. JONES
Member of Congress