

1/17/79

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THE WHITE HOUSE

WASHINGTON

January 17, 1979

MEMORANDUM FOR THE HEADS OF
EXECUTIVE DEPARTMENTS AND AGENCIES

The approximately one hundred historically black colleges of this Nation have played and continue to play a unique and important role in providing educational opportunities to many thousands of students. They have done so in the past when there were no other avenues open to the overwhelming majority of black students. They do so now by continuing to provide special opportunities for students of all races.

The continuing importance of historically black colleges and universities, not only to students but also to this Nation's social, economic and educational life, cannot be over-estimated. This Administration is committed to enhancing their strength and prosperity.

In moving toward this goal the Department of Health, Education, and Welfare criteria call for efforts to strengthen the historically black public institutions through increased financial support, new and expanded programs, and the elimination of educationally unnecessary program duplication between them and their traditional white counterparts. These efforts are required to ensure that the historically black colleges are able to participate fully in the educational and social progress of our Nation.

I have repeatedly expressed my hope that the historically black colleges will be stronger when I leave office than when my Administration began. I am asking today that you personally join with me in meeting this objective by initiating and overseeing the following actions:

- Conduct a thorough review of the operations within your department or agency to ensure that historically black institutions are being given a fair opportunity to participate in Federal grant and contract programs. Ensure that an affirmative effort is made to inform black colleges of the opportunity to apply

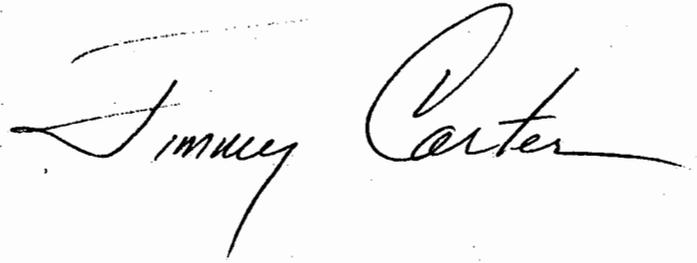
and compete for grants and contracts. Particular attention should be given to identifying and eliminating unintended barriers that may have resulted in reduced participation in and benefits from Federal programs by these colleges.

- . Identify areas where historically black institutions can participate more effectively in your Department's activities. Consider, for example, small research contracts or grants which can be let without competition, and new or existing cooperative education programs which facilitate minority student access to Federal employment.
- . Where appropriate, establish goals and timetables for increased participation of historically black colleges in the activities of your department or agency. These goals should reflect targets for increased expenditures beyond your fiscal 1978 levels.
- . Establish a forum for continuing consultation with representatives from the historically black colleges and universities. Plan visits and other efforts to familiarize appropriate staff in your agency with the unique and indispensable resources at black colleges.
- . Appoint a high-level liaison person to oversee these activities.

I am asking Louis Martin, my special assistant, in cooperation with the Secretary of Health, Education, and Welfare, to monitor the implementation of this directive government-wide. I personally plan to review periodically progress made toward increasing access of historically black colleges to all Federal agencies.

In a separate communication, I have asked that Secretary Califano resume publication of the Federal Interagency Committee on Education's annual report on patterns of Federal funding for historically black colleges.

I want to be certain that this Administration's strong commitment to the Nation's historically black colleges and the contents of this directive are thoroughly understood by everyone. Please be certain that copies of this directive are circulated to all appropriate individuals within your department or agency.

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

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	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
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	LAST DAY FOR ACTION

FOR ACTION
FYI

	VICE PRESIDENT
	JORDAN
✓	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
✓	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

Handwritten note:
 Tell needs a
 copy of this

THE WHITE HOUSE

WASHINGTON

January 17, 1979 - 9:30 a.m.

*Stu -
good
J*

*(p.s. I notice
that your staff
is 50% larger
than you
thought it
was.)*

BETH ABRAMOWITZ
BERT CARP
NELSON CRUIKSHANK
LYNN DAFT
SANDRA DOCKERY
LEE DOGOLOFF
NANCY DORMAN
CHRISTOPHER EDLEY
KATHY FLETCHER
R.D. FOLSOM
ROBERT GINSBURG
ELLEN GOLDSTEIN
HOWARD GRUENSPECHT
JOANNE HURLEY
BILL JOHNSTON
MARCY KAPTUR
ORIN KRAMER
SI LAZARUS

ROBERT MALSON
JIM MAYER
RICK NEUSTADT
JOE ONEK
ESTHER PETERSON
DAVID RUBENSTEIN
KITTY SCHIRMER
RALPH SCHLOSSTEIN
MARY SCHUMAN
STEVE SIMMONS
BILL SPRING
AL STERN
STEVE TRAVIS
FRANK WHITE
TREAVA WHITTED

The President has invited us to join him for
lunch at 1:00 p.m. today in the Roosevelt Room.

Stu Eizenstat

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

January 16, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*
SUBJECT: Personal Income and Housing Starts in December

Tomorrow (Wednesday, January 17) at 11:30 a.m. the Commerce Department will release its estimate of personal income in December. At 2:30 p.m., the Census Bureau will release its estimate of housing starts in December.

Personal Income

Total personal income rose 1.1 percent in December, somewhat more than the 1.0 percent increase recorded in November. The larger December increase was due to a sizable jump in farm proprietor's income that stemmed from Federal deficiency payments, mainly on wheat. Other categories of personal income, in the aggregate, grew fractionally less in December (0.8 percent) than in November.

For the fourth quarter as a whole, personal income rose at an annual rate of 13.2 percent. That is a very large increase, and it stems mainly from the substantial rise in employment that occurred during the quarter.

Housing Starts

New housing starts showed a small decline in December, 1.4 percent, but from an upward-revised November level. The annual rate of starts in December -- 2,125,000 units -- was above the preliminary estimate of the November level. Residential building permits also declined a little in December.

For the fourth quarter as a whole, housing starts increased 2.5 percent from the third quarter level, an astonishing performance given the sharp rise in mortgage interest rates. There is no evidence as yet that housing starts are being adversely affected by rising interest rates.

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Taken together, these two reports highlight the very strong performance of the economy in the closing months of 1978.

THE WHITE HOUSE
WASHINGTON

1/17/79

Stu Eizenstat
Jim McIntyre

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

FOR ACTION
FYI

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
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VICE PRESIDENT

JORDAN

/ EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

/ MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARONSON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FIRST LADY

HARDEN

HERNANDEZ

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
January 16, 1979

done J

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT
JIM MCINTYRE

*Stu Eizenstat
Jim McIntyre
1/16/79*

SUBJECT

RECOMMENDED CALL TO JIM SCHLESINGER BEFORE HIS TESTIMONY
THIS MORNING

Secretary Schlesinger will testify before the Senate Energy Committee this morning on a range of energy issues, though mainly focussing on the Iranian situation and the OPEC price increase. The Committee is also interested in hearing general views on fossil fuel development, crude oil pricing, nuclear power, and other energy supply strategies. This is the first in what will be a continuing series of hearings on the details of Administration proposals.

The testimony DoE submitted yesterday afternoon for OMB clearance had a number of serious problems, including statements which would have prejudiced yet to be determined Administration policy in areas such as gasoline decontrol, swaps of Alaskan oil, decontrol of aviation fuel, and the priority which should attach to various sources of natural gas. Although we do not necessarily disagree substantively with Jim on each of these issues, we felt that specific public discussion of them, prior to resolution or decision by you, would be counterproductive.

→ We have, we believe, resolved these problems with the DoE testimony -- at least for the prepared statement. Nevertheless, we urge that you call Secretary Schlesinger this morning and stress to him the importance of his keeping your options open on controversial issues. Though we all understand that to be a difficult task when faced with broadsided questions from all points on the political spectrum, you could emphasize to him -- in an affirmative way -- that you are concerned about this because of the need for careful, private consultation with Members of Congress, and the importance of thorough preparation to the ultimate success of our policies.

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THE WHITE HOUSE
WASHINGTON

1/17/79

Stu Eizenstat Zbig Brzezinski
Jim McIntyre

The attached was returned in
the President's outbox today
and is forwarded to you for
your information. The signed
original has been given to
Bob Linder for appropriate
handling.

Rick Hutcheson

cc: Bob Linder

6583

THE WHITE HOUSE
WASHINGTON

January 16, 1979

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI 
SUBJECT: Refugee Assistance

In the State memorandum at Tab B, Warren Christopher asks you to determine that grants to voluntary agencies to resettle refugees in the United States not covered by Federal resettlement programs for Cubans and Indochinese will contribute to the foreign policy interests of the United States.

This determination will allow HEW to begin disbursing the \$20 million appropriated for FY 1979 to those voluntary agencies resettling principally Eastern European and Soviet refugees. This program was added to the budget last year in an effort to provide Federal assistance for the resettlement of these refugees at a level roughly equal to that provided Indochinese and Cuban refugees. Legislation which is being developed within the Administration for submission early in the 96th Congress will replace these special programs with a single system which treats all refugees accepted for resettlement in the United States in the same way.

RECOMMENDATION

That you sign the determination at Tab A.

OMB concurs.

THE WHITE HOUSE

WASHINGTON

Presidential Determination
No. _____

MEMORANDUM FOR THE SECRETARY OF STATE

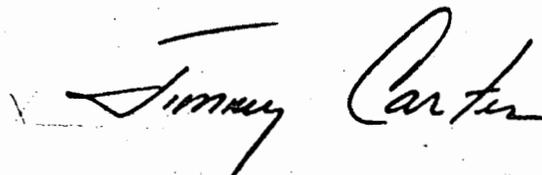
Subject: Designation pursuant to Section 2(b)(2) of the Migration and Refugee Assistance Act of 1962, as amended ("the Act"), of refugees eligible for assistance

In order to authorize grants in Fiscal Year 1979 to voluntary agencies to resettle in the United States refugees not covered by Federal resettlement programs for Cubans and Indochinese, I hereby determine that assistance to or on behalf of those refugees for this purpose will contribute to the foreign policy interests of the United States.

This class of refugees is composed predominantly, but not exclusively, of refugees from the Soviet Union, Eastern Europe and other communist-dominated countries. The Department of Health, Education and Welfare is authorized to provide grants to the voluntary agencies for the resettlement of these refugees.

The Secretary of State is requested to inform the appropriate committees of the Congress of this Determination. The Secretary of Health, Education and Welfare will inform the appropriate committees of the obligation of funds made under this authority.

This Determination shall be published in the Federal Register.



PRESIDENT JIMMY CARTER
OPENING STATEMENT, NEWS CONFERENCE
WEDNESDAY, JANUARY 17, 1979

1

LAST YEAR, IN ANNOUNCING MY ANTI-INFLATION PROGRAM, I MADE A COMMITMENT TO THE AMERICAN PEOPLE TO REDUCE THE BUDGET DEFICIT FOR FISCAL YEAR 1980 TO \$30 BILLION OR LESS. I WILL HONOR THAT COMMITMENT.

THE FY 1980 BUDGET, TO BE RELEASED NEXT MONDAY, WILL SHOW A DEFICIT THAT IS ONLY 1.2 PERCENT OF OUR GROSS NATIONAL PRODUCT, COMPARED TO A DEFICIT EQUAL TO 4.1 PERCENT OF OUR G.N.P. IN F.Y. 1976.

THE FY '80 BUDGET WILL ALSO MEAN THAT WE WILL BE MEETING OUR GOAL OF REDUCING FEDERAL SPENDING TO ABOUT 21 PERCENT OF GROSS NATIONAL PRODUCT ONE YEAR AHEAD OF SCHEDULE.

(=OVER=) (THE DECISIONS I HAD TO.....)

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THE DECISIONS I HAD TO MAKE IN MEETING MY DEFICIT COMMITMENT AND IN RESTRAINING SPENDING WERE OBVIOUSLY VERY DIFFICULT. BUT IF WE ARE TO SUCCEED IN BREAKING THE BACK OF INFLATION, FEDERAL SPENDING MUST BE RESTRAINED.

FINALLY, I WANT TO EMPHASIZE THAT MY FY '80 BUDGET, WHILE VERY STRINGENT, DOES NOT NEGLECT THE BASIC NEEDS OF THE DISADVANTAGED, THE POOR, AND THE UNEMPLOYED. FOR INSTANCE, THE BUDGET WILL PROVIDE \$4.5 MILLION IN INCREASED ASSISTANCE TO THE POOR. IT ALSO WILL PROVIDE A TOTAL OF \$11 BILLION FOR ADULT AND YOUTH JOBS AND TRAINING PROGRAMS, WHICH WILL BE ESPECIALLY TARGETED TO THE DISADVANTAGED AND THE LONG-TERM UNEMPLOYED.

IN SHORT, WHILE THE BUDGET IS AUSTERE, IT IS FAIR,...AND IT RETAINS OUR COMMITMENT TO HELP THOSE IN OUR COUNTRY WHO MOST NEED HELP.

#

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Stennis

M East

Taiwan

NATO

Iran

SALT - Balance

→ Conventional

Defense budget ↑

U.S. Options open

SU ↓ 10%

Verification

Summit

Assessment ?

meeting with
senator stennis 1/17/79

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THE WHITE HOUSE
WASHINGTON

January 17, 1979

MEMORANDUM TO LANDON BUTLER

SUBJECT: President's Press Conference and Oil
Negotiations

The President may wish to volunteer a statement along the following lines at his press conference or use the statement in response to any question raised.

I am advised that a majority of companies in the oil industry have submitted proposals to the policy committee of the Oil, Chemical and Atomic Workers Union that are consistent with the proposal submitted by Gulf Oil Company on January 11, 1979. These proposals have been approved by the Union policy committee and have been sent back to the some 400 bargaining units throughout the country for ratification. It is our further understanding that the ratification process is going well and except for local issues that have to be resolved at some facilities, the new contracts will be overwhelmingly approved.

The result of this successful series of collective bargaining will mean that there will be no major work stoppage in the oil industry this year and that the agreements reached will *comply* ~~be consistent~~ with the Administration's wage-price ~~guidelines~~ *standards*.

The oil companies, the oil workers union and the employees of this industry are to be commended for this settlement. It goes a long way in demonstrating to the American people that major parties to collective bargaining disputes will act responsibly to solve our serious inflation problems.

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JG
Jack Gentry

THE WHITE HOUSE

WASHINGTON

January 17, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Telephone Request from my Office

Pursuant to your request, the following are the statistics you needed for the Press Conference (the information was supplied by Dale McOmber of OMB):

Percentage of GNP for Budget Deficit

1975	3.1%	
1976	4.1%	
1977	2.5%	
1978	2.4%	
1979	1.6%	estimated
1980	1.2%	projected from \$29 billion dollar figure

Figures are comparable from year to year.

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THE WHITE HOUSE
WASHINGTON

MEETING WITH SENATOR JOHN STENNIS

Wednesday, January 17, 1979
10:00 a.m. (30 minutes)
The Oval Office

From: Frank Moore *FM*
Zbigniew Brzezinski *ZB*

I. PURPOSE

To brief Senator Stennis on SALT

II. BACKGROUND, PARTICIPANTS, AND PRESS ARRANGEMENTS

A. Background: This is part of your series of meetings with key Senators on SALT. Stennis believes he has not been consulted, and this meeting should be used to indicate to him your willingness to work as closely as possible. Stennis indicated to Frank that he had regrets about voting for SALT I and that his initial reaction to SALT II was negative.

Stennis is crucial to us, and it would be useful to get his support early. He is, however, likely to hold back until he has held his hearings.

B. Participants: Senator John Stennis and Frank Moore

C. Press Arrangements: White House photographer

III. ISSUES FOR DISCUSSION

1. Status of Negotiations
2. Summit Timing
3. Decision to Submit as Treaty
4. Problem of Amendments
5. Importance of SALT II for National Security

6. SALT II is not a substitute for a strong defense budget and a vigorous strategic force modernization program.
7. Iran and Verification
 - The Iran intelligence collection sites are now being closed down. We are merely taking the prudent precaution of withdrawing some uninstalled equipment.
 - Collection efforts at the Iran sites relevant to SALT verification will continue at their current levels.
 - It should be kept in mind that the Iran sites are only part of our overall intelligence collection capability. While they are important, they are not individually essential to SALT verification since SALT verification does not depend on any one source.
8. You should give Stennis an up-date on the Middle East Peace Talks. He will be crucial to us if we need any funds after the Treaty is signed.

11:15 AM

THE WHITE HOUSE
WASHINGTON

January 16, 1979

MEETING WITH CONGRESSMAN JAMES HOWARD (D-3-New Jersey)

Wednesday, January 17, 1979
11:15 a.m. (5 minutes)

From: Frank Moore *Fm/pd*

I). PURPOSE

To discuss the relation between transportation deregulation and the upcoming Teamsters contract.

II). BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: Congressman Howard is the third-ranking Democrat on the House Public Works Committee, an advocate of mass transit and environmental concerns. A Member of Congress since 1964, Howard has been a durable and popular Representative despite his somewhat liberal voting record. His district comprises much of Monmouth County, which is largely a resort community.
- B. Participants: The President, Frank Moore, Robert Strauss, Bill Cable, and Congressman Howard
- C. Press Plan: White House Photographer

III). TALKING POINTS

Congressman Howard is Chairman of the Subcommittee on Surface Transportation, and as such will play a key role on our trucking deregulation proposal. He has been critical of the ICC's favorable position on truck deregulation (he does not have jurisdiction over railroads), but has backed down somewhat with your defense of Chairman O'Neal; in a subsequent letter to O'Neal he mentioned his "open mind" on the issue.

You might mention that you are looking forward to working with him this year on deregulation legislation; you might also mention that you would like to get his thoughts on

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Senator Kennedy's bill on price fixing. This bill, which Senator Kennedy will introduce next week, would repeal provisions which allow truckers to collectively set prices through rate bureaus. Brock Adams, Fred Kahn, Charlie Schulze and Stu Eizenstat unanimously agree that we should support this bill.

You may also get his thoughts on the American Trucking Association's deregulation bill, which is currently being drafted.

The Teamsters' contract expires on March 31, and contract negotiations will bear on industry willingness to participate in deregulation lobbying. Stu, Fred and Charlie believe we should defer proposing additional, comprehensive deregulation legislation until the negotiations are completed.

Transportation Secretary Brock Adams has been invited.

THE WHITE HOUSE
WASHINGTON

1/17/79

Mr. President:

Rosalynn is scheduled to attend the Washingtonian Magazine dinner friday night until 10:30 pm. Your schedule is free after 2 pm.

Do you want to:

- depart for Camp David at 2 pm and have Rosalynn join you
- wait for her
- depart for Camp David saturday
- stay in Washington for the weekend

Phil

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THE WHITE HOUSE
WASHINGTON

January 17, 1979

9

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *fm.*
BILL CABLE *Bill*

SUBJECT:

FYI - NEW NOMINEES FOR THE HOUSE
COMMERCE COMMITTEE

The Steering and Policy Committee today nominated for membership on the Commerce Committee the following:

Ronald Mottl (D-Ohio)
Mickey Leland (D-Texas)
Phil Gramm (D-Texas)
Richard Shelby (D-Alabama)
Al Swift (D-Washington)

Measured against hospital cost containment's prospects,
we did not do well.

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THE WHITE HOUSE
WASHINGTON

1/17/79

Stu Eizenstat
Jim McIntyre

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

cc: To Jim & Stu
This is one of the best
memoranda I've ever seen
from a state or local official.
Assess for me how we can
proceed.

January 9, 1979

Please respond
by 2-1-79

J.C.

MEMORANDUM TO: President Jimmy Carter

Before Christmas, at Governor Busbee's request, Griffin Bell and I had breakfast with him which lasted about two and one-half hours and at which time he presented some views he had on helping you balance the budget and wanted me to pass this on to you and expressed a desire to present his views to you.

I was impressed by his desire to help and also the substance of his proposals.

I had him put this together in a memo which is a little long and if you are pressed for time you can eliminate the first eight or ten pages and begin at the point that I have marked.

In substance, he says: 1. Most governors would be agreeable to reducing or eliminating revenue sharing if they could get some concession such as combining some programs, do away with some, let the federal government either take over or get out of some programs. 2. This would allow you to increase revenue sharing for cities and cut out or cut down CETA. 3. Contracting between fed and state to reduce duplications. 4. He believes that he can show you where you can balance the budget sooner without hurting the states. 5. He thinks he can promote a group of governors (as many as one-third) who would join you in such a proposal.

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I think it would pay you and Jim McIntyre to read the proposal.

I plan to be in Washington next week and see you and if you are interested in this I would be glad to spend some time in this area. Griffin Bell was also impressed with George's approach and he has a copy of this.

CHK/b

Enclosure



Office of the Governor

Atlanta, Georgia 30334

George Busbee
GOVERNOR

Norman Underwood
EXECUTIVE SECRETARY

MEMORANDUM

TO: Charles Kirbo and Attorney General Griffin Bell
FROM: Governor Busbee *AB*
DATE: January 5, 1979
SUBJECT: Breakfast at Governor's Mansion on December 22, 1978

I enjoyed very much having the two of you for breakfast and I again apologize for not having any Red Rooster Pepper Sausage. After approximately two and one half hours of conversation at breakfast, you asked me to summarize by way of an informal memorandum the thoughts that I expressed to you. There has been some delay on my part since I have been very busy trying to complete the budget and prepare for the Legislature. However, I have finally attempted to put those thoughts on paper. Upon further reflection, I have also expounded on a few of the items we discussed.

At our meeting I stated to you that I thought that we were in a very critical time for the Nation as well as for the President. Clearly, the President's image nationwide has improved over the past few months, reflecting his successes with the Civil Service Reform Act, the Energy Package, Camp David with Begin and Sadat, and his statement on inflation (together with some action on the part of

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January 5, 1979

Mr. Kahn); so he does have some very positive momentum going his way. I also think that the President has had a very good image as far as his human rights' program is concerned and that he is viewed by all Americans as being a very compassionate person.

However, the image that is going to be important is the one that the President is going to have next October. Already the impact of his inflation statement and the actions of Mr. Kahn are beginning to fade from the minds of the people as inflation continues and the value of the dollar declines. The significant accomplishments of the Camp David Summit are being overshadowed by continuing conflict in the Middle East. And, the successes of the Ninety-Fifth Congress will soon be eclipsed by the controversies of the Ninety-Sixth Congress.

Along a similar line, I think it is imperative for the President to realize that the priorities of the American people are changing and have changed since his last election. As I stated to you, I think this was best demonstrated in my conversation with Lt. Governor Tommy O'Neill of Massachusetts several weeks ago. Tommy asked me if I had met his Governor-elect, and I told him that I had at the Governors' Seminar at Lake Lanier several weeks ago. I then expressed surprise about Governor Dukakis suffering such a licking, in as much as I was with him two weeks before the election in Boston. Tommy stated that he was not surprised in the least about the election. He was quite pointed in stating that Governor-elect King is much more in tune with the people than many of the

Memorandum
Page Three
January 5, 1979

other Massachusetts' politicians. He feels that the priorities of the American people have changed rapidly in recent months and that this is going to be increasingly reflected in the next election.

While I am not panicking over Proposition 13 and its political significance, I totally agree with Tommy that there is a new awareness and a growing concern on the part of the American people. That awareness and concern has resulted in establishment of a new priority that the voters will use to measure politicians. The new priority has taken the form of an out-right demand by the people that we curb both growth and spending. In short, I believe that President Carter has approximately twelve months to produce sufficient results in slowing down government spending, in balancing the budget, and in constraining government growth in order to gain enough of the confidence of the American people to run successfully for reelection.

During the middle of December, I was in Washington at a point when I was in the process of finalizing my budget at the same time OMB was finalizing its budget. I had been briefed by various state departments in Georgia on proposed cutbacks that OMB intended to recommend to the President. I had letters with me from my various department heads as well as from various pressure groups asking that I seek the President's support in overriding various OMB proposed cutbacks. I did not contact the President on behalf of my agency heads and Georgia interest groups, however. The reason was a personal realization that I was pursuing the selfish interests of Georgia, rather than offering a responsible approach that would better meet the State's needs in the long run.

Memorandum
Page Four
January 5, 1979

I realized that the OMB had a goal of bringing the budget in under \$30 billion this year. I understood, unofficially, that at one point during the budget process OMB had paired the deficit down to \$28 1/2 billion, but that pressure from various interest groups (in areas such as CETA, Title I of ESEA, Community Block Grants, etc.) necessitated an add-back to approximately a \$29 1/2 billion deficit. I also understood that the Administration hopes to have no more than a \$10 billion deficit next year. This would include a commitment that there be less full-time Federal employees at the end of this Administration than at the time the Administration began. Since I share in the President's desire to reach these goals, I felt that it was incumbent on me to set aside Georgia's selfish interests and to channel my energies in a way which would compliment these broader objectives.

Whatever President Carter's program is, it is going to necessitate strong support both within and without his Administration. First and foremost, I think this necessitates a strong commitment on the part of the President himself to withstand pressure groups. Charlie, you were in attendance at the dinner we had for Dean Rusk when he asked you to take a message to the President in which he stated that the President cannot be all things to all people and succeed. I don't think Dean Rusk's words can be better expressed, and, unless the President heeds that advice, I think he is going to have serious difficulty in this next election.

Memorandum
Page Five
January 5, 1979

Secondly, if other elected officials, especially the Governors, can be convinced that the President will not succumb to partisan or parochial interests, I believe they will begin to take supportive actions toward achievement of the President's goals. It is the fear that the President is only paying lip service to a balanced budget and that they will somehow lose out to others who continue to lobby, that prevents these elected officials from offering the President their total support.

Finally, I would like to come to the real purpose of our meeting. I would like to suggest a course of action which I think would drastically reduce Federal spending and the number of Federal employees, improve the quality of many of the Federal programs that are administered at the State level, and demonstrate to elected officials, pressure groups, and the public that the President is sincere in his efforts to balance the budget.

As you know, a vast majority of Federal programs are administered at the State level and, in most instances, with State participation. I have included a list of Federal programs that require a State match by various departments in Georgia State government. Even though programs that require State matching funds are administered at the State level by State employees, there are still many Federal employees involved, since there is Federal money that is being administered, e.g. Health, Welfare, and Education. You might just thumb through some of these Federal/State programs that require matching funds from the States and see that we really get nominal amounts in many instances and that most programs are fully administered by the States with little or no Federal purpose involved.

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What I am suggesting is that the President's policy should be for the Federal government to either fully get in or get out of many of the existing national programs. If there is truly a Federal purpose involved (i.e. which cannot be adequately or effectively addressed by the States) then the Federal government should remain involved. But if there is no Federal role and the financial conditions of the States do not demand assistance from a more powerful Federal government, then I think the Federal government should get out of such programs. ✓ ✓ ✓ *Begin here*

This is consistent with the President's actions at the present time. The President is attempting to consolidate many of the programs at the national level, e.g. economic development. At the same time, this effort of consolidating programs must also be made at the State level. There is no need for both governments to be involved in every program and matching funds should not dictate a continuance of involvement by either the State or the Federal government. It is absolutely essential to keep in mind that the process of identifying the proper Federal/State roles in national programs would entail some serious trading, but the idea is to reduce the number of Federal employees, or State employees, and also the total amount of Federal funds involved.

With this background, I would like to offer the following proposal. My proposal is that the President should charge OMB to classify those Federal programs or joint programs that are administered by the States under the following categories:

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for Preservation Purposes**

- Category I: Programs that are not needed and which should be totally eliminated.
- Category II: Programs for 100% State assumption.
- Category III: Programs for 100% Federal assumption.
- Category IV: Programs which should be continued but which should be consolidated and the funding level examined.

If such an effort is to be successful, OMB should not work in a vacuum, but should have the input of the State budget officers and selected Governors who would be willing to help the Administration. While any such effort would certainly prompt debate and would never be resolved in a unanimous manner, I do think there could be strong support and ample assistance from the Governors in the States, particularly if they can be convinced that he will accomplish his goals with or without their help. While I would not be so presumptuous as to try and outline any final categories, I would like to demonstrate how my proposal would work. I would not say that these examples are hypothetical, but they are some off-the-cuff classifications on my part, and after discussing them with you, I think they might be a starting point for some other people to make further suggestions.

Under the four categories previously mentioned, I have broken down (where I had the figures) the amount of the Federal/State ratio match, the amount of the Federal funds coming to Georgia, and the total Federal funds that are involved nationwide. You may find some minor inconsistencies in the figures because FY 78 figures were used

when FY 79 figures were not available. In other cases, the Federal/State ratio of a program was difficult to determine because different matches are required for different parts of the same program.

I. FEDERAL PROGRAMS NOT NEEDED:

	Fed/State Ratio	Fed Funds For Ga.	Total Federal Funds*
A. Federal Revenue Sharing	100/0	State: \$50,710,177 Local: \$101,420,357	\$2,283,333,332 \$4,566,666,668

Comment: I would propose that Federal Revenue Sharing to the States be cut out completely. This could result in a savings of approximately \$2.3 billion. When he was campaigning the President indicated to the Governors in Hershey, Pennsylvania that he was not a believer in Revenue Sharing for the States. The cities, towns and local governments are, however, much more dependent on these funds and politically and economically you could justify a continuation of Revenue Sharing for local governments. A slight increase for local governments taken from the deleted state share might gain critical support. I believe this would also help justify making some cuts in other programs that would effect local governments, such as in CETA or LEAA.

Of course, the majority of Governors are presently opposed to the elimination of the state share of revenue sharing. However, if presented properly, you could work a trade with the Governors for other reforms which would give them increased latitude such as the consolidation of economic programs with a stronger state role. Even if you had to divert some of the \$2.3 billion in state revenue sharing toward increased assistance to local governments or a stronger

economic development role for Governors, you should be able to apply at least \$1 billion to the deficit.

B. CETA 100/0 \$274,578,135 \$10,800,000,000

Comment: CETA is generally used for "add on" programs which otherwise could not be justified and do not provide a long-term solution to the unemployment problem (as vocational education programs do). The State governments are not large pushers of CETA and the public is absolutely opposed to the waste in this program. Though there has been wide usage of CETA employees by cities and municipalities and local governments, I think they would much rather have a slightly increased amount of Revenue Sharing (in which they would have greater latitude in expenditure) than the CETA program. In connection with the CETA program, I have enclosed an article from the Atlanta Journal which was written the day before my meeting with you concerning the Mayors and Governors and their views over the proposed budget cuts. I think the difference in attitudes is noteworthy, and this is exemplified by the remarks of Mayor Kenneth Gibson of Newark. I am suggesting that the CETA program be assessed on two fronts. First, OMB should work closely with State/local budget officers, Governors, and others to give consideration to expanding vocational training programs (other than CETA). Secondly, methods should be explored to subsidize local governments in a way more acceptable to the American public.

C. Emergency School
Aid Act (ESAA) 100/0 \$6,335,000 \$341,350,000

Comment: Desegregation of the elementary and secondary programs is virtually complete. In many instances, these funds remain in an

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area for political reasons long after the original objectives have been met.

D. LEAA 90/10 \$11,000,000 \$650,000,000

Comment: I think Judge Bell is in a much better position than I to speak of the waste in this program. I don't know of any other area where more money has been spent less effectively.

E. Teacher Corps and
Teacher Centers 100/0 \$217,000 \$134,472,000

Comment: This is a duplication of staff development activities at the State level. This was an AFT-NEA vehicle designed to allow teacher unions to have a opportunity to improve teacher training and curriculum totally independent of the State Board of Education. Only one center is funded in Georgia.

II. PROGRAMS FOR 100% STATE ASSUMPTION:

A. Vocation Education 50/50 \$15,480,000 \$674,453,000

Comment: The biggest problems with this program are the great number of "set asides," detailed regulations, voluminous plans and reporting requirements.

B. Special Education 10/90 \$22,000,000 \$976,637,000
(P.L. 94-142)

Comment: This is a classic example of the "tail wagging the dog." The ultimate Federal participation is only 40% but it is doubtful the appropriations will ever reach this level once the States have "front-ended" this program to meet the Civil Rights requirement. States will have to provide special education services to all handicapped students in order to comply with Section 504 of the Rehabilitation Act, but could do so at much less cost without the Federal constraints.

C. Title I of the Elementary
and Secondary Education
Act (ESEA) 100/0 \$87,700,000 \$3,455,782,000

Comment: The "comparability" and "maintenance of efforts" provisions have contributed to the disparities which exist for educationally deprived children in Title I and non-Title I schools, thereby hindering Georgia's efforts to improve the overall achievement level of students. In fact, this has hindered Georgia's implementation of a State-wide kindergarten program. This is a little technical, but anyone in education would agree that this sort of program creates nothing but problems for the States that are sincere in their efforts to help underprivileged children in non-Title I schools.

D. All Small Categorical Grants

Comments: Many of these grants are very narrowly focused and may actually force States to duplicate or take an "add-on" rather than an integrated approach to addressing needs. Also, such grants may cost almost as much for the State to administer as the project itself costs. The numerous categorical grants in education would be a good place to start.

E. Office of
Highway Safety 100/0 \$3,500,000 \$131,000,000

Comment: There is absolutely no Federal purpose involved. The State of Georgia now has to match expenses of about \$99,000 and then have the Federal government administer its school bus safety program and other programs from the Highway Safety Office. These are really legitimate State problems and the amount of money does not justify intervention by the Federal government.

F. Duplicative Enforcement Personnel and Inspectors

Comment: An example of this would be Fish and Wildlife Rangers. You see men now wearing the same color of uniform, one being State and one being Federal, and all being called Game Wardens. One will be in one field regulating individuals hunting migratory birds, and another in the next field or the same field but concerned with non-migratory birds. There is a Federal purpose involved, but we could swap or contract services. Another example would be radiation monitoring which is accomplished by both the Department of Energy and our Environmental Protection Division in Georgia. This type of duplication could be easily eliminated.

G. Federal Facilities Within States

Comment: There are numerous Federal facilities within States which could be operated much more cheaply on behalf of the Federal government by the States. The President would be familiar with the situation that exists in the coastal area of Georgia. We have federally-managed Blackbeard Island, where the President went fishing, Wolf Island, where we have a national wildlife refuge, interspersed with State-owned islands such as Sapelo and Ossabaw. The research activities and services provided are virtually the same on all. If there is a Federal purpose being served by such facilities, then the State would be in a much better position to operate them on a contract basis for about a third less than that being spent by the Federal government. I know the budgets involved on these islands, and this is just one of thousands of examples of small Federal facilities, all of which are located within States and many of which could be operated much more cheaply by the States.

H. General Aviation Airports 80/20 \$940,112

Comment: Federal government would still do the large projects such as Hartsfield, but would not be involved in small repair projects or routine maintenance at rural airports all over the United States. This is one of the most wasteful programs in the Department of Transportation.

III. PROGRAMS FOR 100% FEDERAL ASSUMPTION

A. Student Assistance 100/0 \$42,600,000 \$3,922,650,000

Comment: Basically addresses equal accessibility issues, a national concern, particularly if students are to have mobility from one State to another.

B. Transportation of
Nuclear Materials

Comment: It makes absolutely no sense for each State to have different regulations and enforcement mechanisms for the transportation of nuclear materials. Federal assumption of this responsibility would eliminate duplication between the States and the relevant Federal agencies, as well as establish a consistent program of protection for the public.

C. Noise Pollution Programs

Comment: The States are not equipped to handle noise pollution abatement programs. If this is to be a Federal mandate, it should be federally implemented.

MIXTURE OF CATEGORIES II AND III

This is a combination of Categories II and III, programs which would require some swapping between State and Federal governments

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with the Federal government taking over some of the programs and the State government taking over some of the programs. This could best be demonstrated by some of the Human Resource programs that are administered by HEW. Without elaborating, I will list twenty of these.

Agency:	Human Resources	Fed/State Ratio	FY 1979 Required State Funds
Grants:			
1.	Title III Aging (Administration	75/25	\$ 315,629
2.	Title III Aging (Social Services	90/10	-0-*
3.	Title IVA Maintenance Assistance and Eligibility Determination (Medicaid) Matching Ratio will change to .6676/.3324 effective 10-1-79)	.6582/.3418	43,993,538
4.	Title IVB Child Welfare Grants (Family Foster Care)	.5642/.4358	1,147,682
5.	Title IVC WIN (Work Incentive)	90/10	303,914
6.	Title IVD Child Support Recovery	75/25	378,076
7.	Title VII Nutrition for Elderly	90/10	-0-*
8.	Title X Family Planning	90/10	387,754
9.	Title XX Social Services (When used for Family Planning these funds are 90/10)	75/25	20,103,492
10.	Title XX Training	75/25	731,941
11.	Public Health Service 314d	Formula Grant	-0-
12.	Maternal and Child Health		
	Fund A	50/50	2,740,068
	Fund B	100/0	-0-
13.	Physical Health Service-Crippled Children		
	Fund A	50/50	1,079,900
	Fund B	100/0	-0-
14.	Vocational Rehabilitation Section 110	80/20	5,437,444
15.	Vocational Rehabilitation-Disability Adjudication	100/0	-0-
16.	Vocational Rehabilitation Trust Fund	100/0	-0-
17.	Vocational Rehabilitation SSI	100/0	-0-
18.	USDA Food Stamp-Administration	50/50	8,966,395
19.	USDA Food Supplement (WIC)	100/0	-0-
20.	State Health Planning & Development	75/25	198,866

IV. CONSOLIDATION OF FEDERAL PROGRAMS

There are really three steps involved in a consolidation:

- A. Consolidate the programs fiscally and physically
- B. Reduce the number of programs
- C. Decentralize decision-making

A move should be made away from limiting categorical grants toward a broader Block Grant effort with more discretion. A good example of this would be in the program of family planning, with which the President is very familiar. Under family planning we currently are funded under two federal acts and four titles (Title V and X of the Public Health Services Act, and Titles XIX and XX of the Social Security Act). Dr. Alley, who is the head of Physical Health for Georgia in the Department of Human Resources, feels that we could increase services in family planning by one-third if these programs were consolidated and we had more latitude. Conversely, we could cut the cost of the programs by one-third and result in a Federal and State savings and still have the same level of operation. A similar savings would result from the consolidation of the various environmental categorical grants.

I suppose the most impressive area of consolidation would be one in which the President has already expressed an interest, and that is in community development programs. I have broken down some of these programs in project grants, planning grants, and loans as follows:

ECONOMIC AND COMMUNITY DEVELOPMENT FEDERAL PROGRAM CONSOLIDATION

FEDERAL APPROPRIATION FOR FY 1979 SHOWN IN MILLIONS (000,000)

Project Grants

EDA	Title I	Public Works	228.0
	Title III	Governor's Discretion	90.8
	Title V	Regional Commissions	33.0
	Title IX	Special Impact	88.5
HUD	UDAG	Urban Development	400.0
	CDBG	Entitlement	2,733.8
	CDBG	Small Cities	814.7
Fm HA		Industrial Development	10.0
		Water and Waste Disposal	<u>265.0</u>
TOTAL PROJECT GRANTS			4,663.8

Planning Grants

EDA	301	Technical Assistance	5.0
	301	Multi-County Planning	16.65
	302	Comprehensive Planning	15.0
	302	Sub-State Planning	.5
HUD	701	Planning and Management Assistance	53.0
	107	CDBG Planning	5.0
Fm HA	111	Rural Development	5.0
Title V		Regional Commissions	<u>5.0</u>
TOTAL PLANNING GRANTS			105.15

Loans

EDA	Title II	Business Development	182.5
	Title IV	Trade Adjustment	225.0
Fm HA		Business and Industrial Loans	1,100
		Water and Waste Disposal	800
		Community Facilities	<u>250</u>
TOTAL LOANS			2,557.5

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I find it almost impossible to make a memorandum of our conversation, which seemed so much more indepth. In any event, I do believe the Governors are eager to work with the President in helping him to balance the budget, reduce Federal spending, and to curb inflation to an even greater degree than they did on his energy package. I think this is indicated in the article I referred to from the Atlanta Journal which shows the contrast between the observations of Mayors and Governors concerning the budget cuts.

The key to gubernatorial support is in how the President responds to the Governors' initiatives described by the Journal article. I believe my suggested course of action would demonstrate to the Governors that the President is serious and would force them to cooperate in identifying areas which could be consolidated, eliminated, or assumed at the State level.

I hate to keep mentioning other personalities such as Tommy O'Neill and Dean Rusk, but there is one other person I would like to point out concerning the change of public attitudes. While I was in Boston at the Governors' Conference, I sat with Jerry Brown during one of our meetings and kidded him on his success in championing Proposition 13. We then discussed the change of the times and Jerry's belief that his reversal of positions was a political necessity. The times changed the next week in the Governor's race in Massachusetts, and so did the Governor.

President Carter, at this point in time, faces the American public with a record of no scandals. no deep scars, and with almost total admiration of all Americans as a person of integrity and compassion. The President now faces what I call the "Federal Powers" which is a

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triangle composed of the committee staffs in Congress, mid-level bureaucrats in the Federal government, and public interest groups. These interest groups include educational groups, mental health groups, public assistance groups, and also include Mayors, together with States whose positions I think will be somewhat tempered by the Governors. The only way to combat this triangle is with people power, which the President has had experience with before.

I know we discussed the differences in Democratic party approaches to primaries as a general election. In the past, I believe your analysis would be correct. However, people power and the public attitudes toward spending and less government have no roots in party affiliation. In my judgement, the candidate, republican or democrat, who captures these themes in his or her campaign will be the victor whether the race is a primary or a general election.

Recent editorials, by papers who not too long ago were criticizing McIntyre, have now come around 180 degrees and are praising Jim's efforts to cut spending. I think these articles are now accurately reflecting the mood of the people.

For example, both of you are familiar with austerity cuts that I have just made in State government and with the fact that I have reduced the number of State employees. This was highly publicized in my campaign and I think that I was able to capitalize on this as I watched the polls climb in my favor up to the election. This popular support is the key factor that will allow me to be successful with the Legislature and also prevail over the various interest groups.

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I have no doubt that the President has the capacity to curb inflation, balance the Federal budget, and save the American dollar. But to get him identified as the only man capable of accomplishing these goals will require a total commitment on the part of the Administration as well as some concrete accomplishments prior to the Presidential election.

What I don't think that most people realize is that to do this job, the President will have to fight the special interests of the Administration (his own agency heads), the Congress, and virtually every interest group including affected governments. He will not be able to do it unless OMB is given complete presidential backing. There must also be a strong commitment by all those around the President in the White House to stand up to the pressure groups themselves. I believe he and McIntyre stand virtually alone during the budget appeals process trying to defend the proposed cuts without the support of the people that surround the President. It will require absolute dedication on the part of those within the White House and the rest of the Administration if the President is to be successful in even reducing the Federal deficit down to \$10 billion next year.

Given that support, I have no doubt but that the President can succeed. But standing on the political stump and saying that I have reduced the Federal deficit from \$40 billion to \$10 billion is not going to be nearly as effective as it would be if he could submit a balanced budget at this time next year and say to the American people,

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"I have balanced the Federal budget, and cut down on the number of permanent employees in the Federal government, and I have tamed the tiger of inflation."

The importance of reducing the number of employees in government should also not be underestimated. There is no better way for the President to demonstrate that he is constraining the growth of government. I have personally found this approach particularly effective in the State of Georgia.

I think that we are indeed fortunate that the President is familiar with all of the Federal programs that are administered at the State level, and I think the Governors are the key people to help him in this effort. I will be glad to assist in bringing the other Governors into the fold in any way that is possible or practical.

If the opportunity presents itself, I would like very much to discuss this matter with the President and with Jim McIntyre.

Again I apologize for the delay in trying to make a memorandum of our conversation, and the fact that I could not better organize it in this hectic time as I prepare for the Legislature next week.

Mayors, Governors Divided Over Budget Cuts



GOV. CARROLL Offers Tradeoff

From Wire Reports

WASHINGTON — The mayors and the governors visited the White House Wednesday, delivering to President Carter sharply divided messages on what kinds of cuts in the fiscal 1980 budget they could tolerate.

A delegation from the National Conference of Democratic Mayors, according to several of its members, told the president that the kind of deep cuts in social welfare programs he is contemplating could cause a "disintegration" of urban policy leading to "disastrous" consequences for the nation's big cities and possibly the Democratic Party.

The mayors were followed by a few minutes by a delegation from the National Governors' Association with a different message. The governors, according to NGA Chairman Julian M. Carroll of Kentucky, told Carter they would accept the budget cuts, but only if the federal government consolidates many of its aid programs, giving the states more control, and delays

implementing certain other costly programs.

The division between state houses and city halls was evidenced by the remark of Mayor Kevin White of Boston, chairman of the Democratic mayors' group, who called the governors' proposal "just another way to get control of the funds at that (state) level.

"I'd fight that almost as much as I'd fight the cuts" in funds, White said.

Mayor Maynard Jackson of Atlanta said urban America has been on an economic roller coaster and if the cuts are made "some people are going to begin to get off the roller coaster."

Neither group received much of an answer from the president. White said Carter "listened" to the mayors' appeal, and Carroll said Carter asked the governors for specific examples of programs that could be consolidated or delayed but made no commitments.

The White House visits were part of the final scramble by various interest groups as the president

makes his decisions on the 1980 budget, which he has promised will be "very tight" and which is expected to include substantial cuts in domestic programs. The coming congressional battle over the budget is already showing signs of straining traditional Democratic alliances.

Mayor Lee Alexander of Syracuse, N.Y., said the mayors will meet in Washington Jan. 23 and 24 and decide then whether to wage an all-out fight against proposed administration budget cuts in the Congress.

The White House is already gearing up for that expected fight. It plans to recruit up to six lobbyists from other government agencies to do nothing next year except monitor the congressional budget process and defend the president's proposals.

The mayors indicated Wednesday that they will not give in to Carter's budget austerity plans without a battle. Mayor Kenneth Gibson of Newark said he told the president he has had to lay off 440 city employees, including 200 police officers.

"When we can stand up and make statements in support of shaky shahs, recognize Red China and two days later have an exclusive Coca-Cola franchise there, and I can't get a commitment on 200 cops in Newark, then I have a concern about the priorities in the White House," he said.

White, who said up to \$15 billion in urban aid funds are at stake in Carter's budget decisions, warned that the big cities constituencies "are essential building blocks for the Democratic Party" and could be alienated if the administration slashes social welfare programs.

For their part, the governors essentially offered the White House a tradeoff: support for budget austerity in return for the consolidation and greater control over federal programs they have been seeking.

Carroll said the governors' support is "absolutely" contingent on consolidation and other steps that would reduce administrative costs to the states.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

approximately one hundred
approximately in the South,
The, historically black colleges of this Nation have played and continue to play a unique and important role in providing educational opportunities to many thousands of black students. They have done so in the past when there were no other avenues open to the overwhelming majority of black students. They do so now by continuing to provide special opportunities for students of all races.

The continuing importance of historically black colleges and universities, not only to students but also to this Nation's social, economic and educational life, cannot be over-estimated. This Administration is committed to enhancing their strength and prosperity.

spell out
This
In moving toward the goal of the ~~desegregation of state systems of higher education~~, HEW criteria call for efforts to strengthen the historically black public institutions through increased financial support, new and expanded programs, and the elimination of educationally unnecessary program duplication between them and their traditional white counterparts. These efforts are required to ensure that the historically black colleges are able to participate fully in the ~~desegregation process~~ *educational and social progress of our nation.*

I have repeatedly expressed my hope that the historically black colleges will be stronger when I leave office than when my Administration began. I am asking today that you personally join with me in meeting this objective by initiating and overseeing the following actions:

- Conduct a thorough review of the operations within your department or agency to ensure that historically black institutions are being given a fair opportunity to participate in Federal grant and contract programs. Ensure that an affirmative effort is made to inform black colleges of the opportunity to apply

and compete for grants and contracts. Particular attention should be given to identifying and eliminating unintended barriers that may have resulted in reduced participation in and benefits from Federal programs by ~~historically black~~ *these* colleges.

- . Identify areas where historically black institutions can participate more effectively in your Department's activities. Consider, for example, small research contracts or grants which can be let without competition, and new or existing cooperative education programs which facilitate minority student access to Federal employment.
- . Where appropriate, establish goals and timetables for increased participation of historically black colleges in the activities of your department or agency. These goals should reflect targets for increased expenditures beyond your fiscal 1978 levels.
- . Establish a forum for continuing consultation with representatives from the historically black colleges and universities. Plan visits and other efforts to familiarize appropriate staff in your agency with the unique and indispensable resources at black colleges.
- . Appoint a high-level liaison ^{person} to oversee these activities.

I am asking Louis Martin, my special assistant, in cooperation with the Secretary of Health, Education, and Welfare, to monitor the implementation of this directive government-wide. I personally plan to review periodically progress made toward increasing access of historically black colleges to all Federal agencies.

In a separate communication, I have asked that Secretary Califano resume publication of the Federal Interagency Committee on Education's annual report on patterns of Federal funding for historically black colleges.

I want to be certain that this Administration's strong commitment to the Nation's historically black colleges and the contents of this directive are thoroughly understood by everyone. Please be certain that copies of this directive are circulated to all appropriate individuals within your department or agency.
