THE PRESIDENT'S SCHEDULE

Wednesday - January 31, 1979

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:00 Breakfast with Democratic Congressional Leaders. (Mr. Frank Moore) - The First Floor Private Dining Room.

8:00 (60 min.)


11:30 Vice President Walter F. Mondale, Admiral Stansfield Turner, Dr. Zbigniew Brzezinski and Mr. Hamilton Jordan - The Oval Office.

11:30 (30 min.)

1:00 Congressman Jack Brooks. (Mr. Frank Moore). The Oval Office.

1:00 (20 min.)

2:00 Congressman Al Ullman. (Mr. Frank Moore). The Oval Office.

2:00 (30 min.)

4:30 Signing Ceremony with His Excellency Deng Xiaoping, Vice Premier of the State Council of the People's Republic of China - The East Room.
THE WHITE HOUSE
WASHINGTON

1/31/79

Jerry Rafshoon

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

Please inform Frank Stanton that he should re-edit the 1977 and 1978 messages, as you suggested.

The original memo to Heads of Departments and Agencies has been given to Bob Linder for distribution.

Rick Hutcheson

cc: Bob Linder
My dear Mr. President:

March 1, 1979 will soon be here and with it, Red Cross Month. Three thousand chapters are preparing for this event and they will be recruiting new volunteers to swell the ranks of the 1.4 million adults and 5.7 million young people who regularly devote their time to serving their neighbors through the Red Cross. They also will be appealing for additional blood donors. In addition, most will be enrolling members and seeking additional financial support.

As our Honorary Chairman, I respectfully request that you participate in launching this annual event by issuing a Presidential Proclamation reminding the public that March is Red Cross Month.

We would also appreciate having you issue a memorandum to the Heads of Executive Departments and Agencies throughout the federal service reminding them that March is Red Cross Month and encouraging federal employee support of Red Cross local activities.

Finally, we would like you to appear in 30 and 60 second versions of a television and radio spot that is provided to the networks for broadcast in late February or early March.

As in the past, we are attaching a suggested proclamation, memorandum and script for the convenience of your staff.

We sincerely hope you will respond favorably to this request at your earliest convenience. Your participation as Honorary Chairman is a key action that contributes to the ongoing effectiveness of Red Cross volunteers in serving the public.

Faithfully yours,

Frank Stanton

The President
The White House
Washington, DC

January 16, 1979
MEMORANDUM FOR THE HEADS OF
EXECUTIVE DEPARTMENTS AND AGENCIES

I have just signed a Presidential Proclamation designating the month of March as Red Cross Month.

For almost 100 years the American people have been counting on the Red Cross for disaster relief, the collection and distribution of blood, services to members of the armed forces, their families and veterans, first aid and water safety instruction and a wide variety of community health programs.

There are three things we can do to help the Red Cross during March:

1. Become a Red Cross volunteer
2. Donate blood
3. Support our Red Cross chapter's membership enrollment efforts.

The Red Cross is a part of the Combined Federal Campaign for Federal employees, but more than half of its 3,000 chapters raise all their funds in March. All chapters use the month to inform the public of Red Cross services available to citizens and to recruit new blood donors and volunteers.

As President of the United States and Honorary Chairman of the American Red Cross, I urge all civilian employees of the Federal government and members of the armed forces to support this vital voluntary effort to the best of their ability.

[Signature]
ID 786653
THE WHITE HOUSE
WASHINGTON

DATE: 22 JAN 79
FOR ACTION: BERNIE ARONSON

INFO ONLY: PHIL WISE
FRAN VOORDE

SUBJECT: STANTON LETTER RE RED CROSS MONTH

 RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)
BY: 1200 PM WEDNESDAY 24 JAN 79

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:
SUGGESTED MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND FEDERAL AGENCIES

I have just signed a Presidential Proclamation designating the month of March as Red Cross Month.

For almost 100 years the American people have been counting on the Red Cross for disaster relief, the collection and distribution of blood, services to members of the armed forces, their families and veterans, first aid and water safety instruction and a wide variety of community health programs.

There are three things we can do to help the Red Cross during March:

1. Become a Red Cross volunteer
2. Donate blood
3. Support our Red Cross chapter's membership enrollment efforts.

Within the Federal Government, the Red Cross is a part of the Combined Federal Campaign, but more than half of its 3,000 chapters raise all their funds in March. All chapters use the month to inform the public of Red Cross services available to citizens and to recruit new blood donors and volunteers.

As President of the United States and Honorary Chairman of the American Red Cross, I urge all civilian employees of the Federal Government and members of the Armed Forces to support this vital voluntary effort to the best of their ability.
SUGGESTED PRESIDENTIAL PROCLAMATION

Since its inception in 1881, the American Red Cross has had one basic purpose: The concern for others in distress. Exemplifying this concern is the Certificate of Merit, which is presented to our fellow Americans who have saved or sustained a human life with the skills or knowledge learned in a Red Cross first aid, small craft or water safety training program. Since 1928, well over 6,000 persons have received this award. Indicative also of our growing awareness of responsibility towards one another is the fact that over five million certificates were issued to people last year who successfully completed Red Cross safety courses. Many of these persons received instruction in cardiopulmonary resuscitation and first aid techniques for choking.

The Red Cross spirit of caring for others is also reflected in its Blood Services which collects and processes half of the supply of blood needed by the nation's medical facilities. Red Cross is continuously seeking new and more economical uses for blood and blood products. And there is always a need for more volunteer blood donors to meet the ever-increasing need for this lifesaving gift.

Members of the armed forces, their families and veterans are served by the Red Cross through financial assistance, counseling and emergency communications. Thousands of disaster victims each year are assisted back to normal existence by a variety of services, including emergency food, shelter and clothing, first aid and medical help, replacement of occupational tools and other vital services.

And Red Cross volunteers may be found each day performing compassionate, personal tasks to aid the elderly, the handicapped and the homebound. Young people develop leadership skills as they assist in Red Cross programs in their schools and communities.

Each year March is observed as Red Cross Month. Although the American Red Cross works closely with government, there are no federal funds appropriated for its support. The Red Cross depends upon the American people for membership and voluntary contributions to enable it to carry out the functions of its Congressional Charter.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America and Honorary Chairman of the American Red Cross, do hereby designate March 1979, as Red Cross Month. I urge all Americans to give generous support to the work of their local Red Cross chapter.

IN WITNESS WHEREOF, I have hereunto set my hand this _______ day of _______, in the year of our Lord nineteen hundred seventy-nine, and of independence of the United States of America the two hundred and third.
ANNOUNCER:
Ladies and gentlemen, the President of the United States.

CARTER:
Once again, I have proclaimed March as Red Cross Month.
We all know that Red Cross helps in big disasters . . .
and we know they collect and distribute blood.
But they also help in ways we never hear about, from saving lives in the water to helping Senior Citizens get to the doctor.
I ask you to join me in keeping Red Cross ready for the emergencies we all hear about, and the ones we don't.

###
THE WHITE HOUSE
WASHINGTON

DATE: 24 JAN 79
FOR ACTION: STU EIZENSTAT JIM MCINTYRE JERRY RAFSHOON

INFO ONLY:

SUBJECT: STANTON LETTER RE RED CROSS MONTH

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)
BY: 1200 PM FRIDAY 26 JAN 79

ACTION REQUESTED:
STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

I recommend that the P. do this.
DATE: 22 JAN 79
FOR ACTION: BERNIE ARONSON

INFO ONLY: PHIL WISE FRAN VOORDE

SUBJECT: STANTON LETTER RE RED CROSS MONTH

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) BY: 1200 PM WEDNESDAY 24 JAN 79

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

SEE REVISIONS ON COPY
My dear Mr. President:

March 1, 1979 will soon be here and with it, Red Cross Month. Three thousand chapters are preparing for this event and they will be recruiting new volunteers to swell the ranks of the 1.4 million adults and 5.7 million young people who regularly devote their time to serving their neighbors through the Red Cross. They also will be appealing for additional blood donors. In addition, most will be enrolling members and seeking additional financial support.

As our Honorary Chairman, I respectfully request that you participate in launching this annual event by issuing a Presidential Proclamation reminding the public that March is Red Cross Month.

We would also appreciate having you issue a memorandum to the Heads of Executive Departments and Agencies throughout the federal service reminding them that March is Red Cross Month and encouraging federal employee support of Red Cross local activities.

Finally, we would like you to appear in 30 and 60 second versions of a television and radio spot that is provided to the networks for broadcast in late February or early March.

As in the past, we are attaching a suggested proclamation, memorandum and script for the convenience of your staff.

We sincerely hope you will respond favorably to this request at your earliest convenience. Your participation as Honorary Chairman is a key action that contributes to the ongoing effectiveness of Red Cross volunteers in serving the public.

Faithfully yours,

Frank Stanton

The President
The White House
Washington, DC

January 16, 1979
SUGGESTED MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND FEDERAL AGENCIES

I have just signed a Presidential Proclamation designating the month of March as Red Cross Month.

For almost 100 years the American people have been counting on the Red Cross for disaster relief, the collection and distribution of blood, services to members of the armed forces, their families and veterans, first aid and water safety instruction and a wide variety of community health programs.

There are three things we can do to help the Red Cross during March:

1. Become a Red Cross volunteer
2. Donate blood
3. Support our Red Cross chapter’s membership

Within the Federal Government, the Red Cross is a part of the Combined Federal Campaign, but more than half of its 3,000 chapters raise all their funds in March. All chapters use the month to inform the public of Red Cross services available to citizens and to recruit new blood donors and volunteers.

As President of the United States and Honorary Chairman of the American Red Cross, I urge all civilian employees of the Federal Government and members of the Armed Forces to support this vital voluntary effort to the best of their ability.
ANNOUNCER:
Ladies and gentlemen, the President of the United States.

CARTER:
Once again, I have proclaimed March as Red Cross Month. We all know that Red Cross helps in big disasters . . . and we know they collect and distribute blood.
But they also help in ways we don't hear much about, from saving lives in the water to helping Senior Citizens get to the doctor.
I ask you to join me in keeping Red Cross ready for the emergencies we all hear about, and the ones we don't.
THE WHITE HOUSE  
WASHINGTON  
January 31, 1979  

MEMORANDUM FOR THE PRESIDENT  
FROM: HUGH CARTER  
SUBJECT: Annual Mail Report  

Below are statistics on Presidential and First Lady mail for 1977 and 1978:

<table>
<thead>
<tr>
<th>INCOMING</th>
<th>1977</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presidential</td>
<td>2,528,409</td>
<td>1,492,882</td>
</tr>
<tr>
<td>First Lady</td>
<td>128,928</td>
<td>104,806</td>
</tr>
<tr>
<td>Amy</td>
<td>45,692</td>
<td>20,156</td>
</tr>
<tr>
<td>Other First Family</td>
<td>5,520</td>
<td>3,532</td>
</tr>
<tr>
<td>White House Staff</td>
<td>975,514</td>
<td>1,030,955</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,684,063</td>
<td>2,652,331</td>
</tr>
</tbody>
</table>

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

<table>
<thead>
<tr>
<th></th>
<th>1977</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Referral</td>
<td>47%</td>
<td>12%</td>
</tr>
<tr>
<td>WH Correspondence</td>
<td>25%</td>
<td>48%</td>
</tr>
<tr>
<td>Unanswerable</td>
<td>14%</td>
<td>18%</td>
</tr>
<tr>
<td>Greetings Requests</td>
<td>n/a*</td>
<td>15%</td>
</tr>
<tr>
<td>White House Staff</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

NOT INCLUDED ABOVE

<table>
<thead>
<tr>
<th></th>
<th>1977</th>
<th>1978</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Cards and</td>
<td>840,938</td>
<td>795,522</td>
</tr>
<tr>
<td>Form Letters</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GRAND TOTAL  
4,525,001  
3,447,853

*Greetings Requests were included in "Other" category during 1977.
## TOP 12 ISSUES IN PRESIDENTIAL ADULT MAIL
January 1, 1978 through December 31, 1978

<table>
<thead>
<tr>
<th>ISSUES</th>
<th>PRO</th>
<th>CON</th>
<th>COMMENT ONLY</th>
<th>TOTAL LETTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for Attorney General's Decision to Replace U.S. Attorney David Marston</td>
<td>0</td>
<td>100%</td>
<td>0</td>
<td>28,879</td>
</tr>
<tr>
<td>Support for Middle East Aircraft Sale</td>
<td>6%</td>
<td>92%</td>
<td>2%</td>
<td>20,196</td>
</tr>
<tr>
<td>President's Proposal to Increase Aid to Higher Education</td>
<td>89%</td>
<td>11%</td>
<td>0</td>
<td>16,909</td>
</tr>
<tr>
<td>Support for Intervention in Coal Strike</td>
<td>80%</td>
<td>12%</td>
<td>8%</td>
<td>11,346</td>
</tr>
<tr>
<td>Support for Panama Canal Treaties</td>
<td>7%</td>
<td>92%</td>
<td>1%</td>
<td>9,738</td>
</tr>
<tr>
<td>Suggestions re: Tax Reform Package</td>
<td>0</td>
<td>0</td>
<td>100%</td>
<td>9,375</td>
</tr>
<tr>
<td>Support for Recognition of People's Republic of China</td>
<td>23%</td>
<td>75%</td>
<td>2%</td>
<td>7,621</td>
</tr>
<tr>
<td>Support for President's Address to the Nation on Inflation 10/24/78</td>
<td>35%</td>
<td>19%</td>
<td>46%</td>
<td>6,972</td>
</tr>
<tr>
<td>Support for Tougher Restrictions on Steel Imports</td>
<td>100%</td>
<td>0</td>
<td>0</td>
<td>6,438</td>
</tr>
<tr>
<td>Support for Production of Neutron Weapons</td>
<td>39%</td>
<td>61%</td>
<td>0</td>
<td>5,951</td>
</tr>
<tr>
<td>Support for Andrew Young's Statement re: Political Prisoners in the United States</td>
<td>11%</td>
<td>89%</td>
<td>0</td>
<td>5,869</td>
</tr>
<tr>
<td>Support for President's Success at Camp David Summit Conference</td>
<td>95%</td>
<td>4%</td>
<td>1%</td>
<td>4,010</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>133,304</strong></td>
</tr>
</tbody>
</table>
meeting with democratic congressional leaders 1/31/79

THE WHITE HOUSE
WASHINGTON

Strauss, Morey > Rand
> Deng visit
> Taiwan - no resolution
> SALT
> BWI
> Hosp Cost - expedite
> Sec Sec
> Surface Vespas Reps
> AFR
> Welfare
> ODD
> Joint
> NL Last
> Mexico - next MTJ
> MEN

Model friends > Turkey
Carnell > Pakistan

Electrostatic Copy Made
for Preservation Purposes
Mr. Vice Premier, American and Chinese friends:

What we have accomplished together during the last three days has been exceptional. But our aim is to make this kind of exchange between our two countries no longer the exception but the norm -- no longer a matter for headlines and historians, but a routine part of the everyday lives of both the Chinese and the American people.

With the signing of these agreements, we have begun to do just that.

(=over=) (After too many eras in which....)
After too many eras in which one or the other of our two nations has sought to dominate the relations between us, China and the United States are now meeting on a basis of equality, with full diplomatic relations. We have charted a new and irreversible course toward a firmer, more constructive and more hopeful relationship.

I have come to know Vice Premier Deng well in the hours we have spent together. He speaks his mind and he values results.

In our conversations about world affairs, we have found that we share many common perspectives. While we pursue independent foreign policies, our separate actions in many places can contribute to similar goals.

(=NEW CARD=) (Those goals are, . . .)

Electrostatic Copy Made for Preservation Purposes
Those goals are: a world of security and peace,...a world of both diversity and stability,...a world of independent nations free of outside domination.

Both our countries have a special interest in promoting the peace and prosperity of the people of East Asia.

We have agreed to consult regularly on matters of common national security concern. Obviously, the security concerns of the United States do not coincide with those of China, nor does China share our responsibilities. But a strong and secure China which contributes constructively to world affairs is in our interest,...and a globally engaged, confident, and strong America is in China's interest.

(=over=) (The agreements we have just....)
The agreements we have just signed -- for cultural, scientific, and technological exchanges and for consular arrangements -- will bring the tangible benefits of normalization to increasing numbers of both our peoples. We look forward to an early settlement of the issue of claims and assets -- to the reunification of families -- to expanded tourism -- and to the development of a healthy and vigorous trading relationship.

In the near future, because of these agreements, American consulates will open in Shanghai and Canton, and Chinese consulates will open in Houston and San Francisco.
Hundreds of American students will study and learn in China,... and hundreds of Chinese students will further their education in the United States. Our National Aeronautics and Space Administration will launch a civilian communications satellite, paid for by China, that will bring color television and expanded communications to all of China for the first time.

Mr. Vice Premier, your stay in Washington is nearly over, but your trip to the United States has just begun. You leave tomorrow for three of the most interesting cities in our land: Atlanta, Houston and Seattle. You will see something of how Americans work and live.

(=over=) (And as you travel from....)
And as you travel from one end of this country to the other, I think you will find the American people eager to get to know you and to join in building the new relationship between our two countries.

You leave Washington with many new friends;...you will return to China with many more.

I hope you will convey my best wishes to Premier Hua Guofeng and to the people of China.
Mr. Vice Premier, American and Chinese friends:

What we have done together during the last three days has been exceptional. But our aim has been to make this kind of exchange between our two countries no longer the exception but the norm -- no longer a matter for headlines and historians, but a part of the everyday lives of both the Chinese and the American people. With the signing of these agreements, we have begun to do just that.

After too many eras in which one or the other of our two nations has sought to dominate the relations between us, China and the United States are meeting on a basis of equality, with full diplomatic relations. We have charted a new and irreversible course toward a firmer, more constructive and more hopeful relationship.
I have come to know Vice Premier Teng well in the many hours we have spent together. He speaks his mind and values results. In our conversations about world affairs, we have found that we share many common perspectives and many common challenges. While we pursue independent foreign policies, our separate actions in many places can contribute to identical goals. In every region of the world, those goals are the same:

- A world of both diversity and stability,
- A world of independent nations free of outside domination,
- A world of security and peace,
- In East Asia, especially, both our countries have an interest in promoting the peace and prosperity of people of East Asia throughout the region.

We have agreed to consult regularly on matters of common strategic interest. Obviously, the security concerns of the United States do not coincide with those of China, nor does China share our responsibilities. But a strong and secure
China which contributes constructively to world affairs is in our interest, and a globally engaged, confident, and strong America is in China's interest.

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#  #  #

Electrostatic Copy Made for Preservation Purposes
Jack Watson

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

Rick Hutcheson

cc: Stu Eizenstat
MEMORANDUM FOR THE PRESIDENT
FROM: JACK WATSON
SUBJECT: Letter to Governors regarding Generic Drugs

Attached for your signature is a letter prepared by Joe Califano to all Governors asking their review and adoption of legislation to encourage the use of generic drugs as a means to help combat health costs.
To Governor

On January 9, 1979, Joe Califano, Secretary of the Department of Health, Education, and Welfare, and Mike Pertschuk, Chairman of the Federal Trade Commission, announced the completion of a Model Drug Product Act for consideration by the States. Adoption of this Act by your State and others could help save Americans millions of dollars on health care costs by increasing the use of generic drug products in place of the higher priced brand names.

As you know, many States have passed laws to allow, encourage, or require substitution of generic drugs. The Model Act has profited from careful study of the experiences arising under these various laws. I think you will find that it respects the professional concerns of physicians and pharmacists and reduces costs to consumers without sacrificing safety.

I am enclosing a copy of the Model Act so that you and your health officials can review it. This is an important initiative that the States, in cooperation with the Federal government, can take to combat the spiraling cost of health care for Americans.

Sincerely,

[Signature]

Enclosure
THE WHITE HOUSE
WASHINGTON

1/31/79

Stu Eizenstat
Jim McIntyre

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

The signed original was given to Bob Linder for appropriate handling.

Rick Hutcheson
ATTACHED for your signature is a letter transmitting the fiscal year 1980 District of Columbia budget to the Congress. The President is required to transmit this budget, on the city's behalf, by section 446 of the Home Rule Act (District of Columbia Self-Government and Governmental Reorganization Act of 1973, Public Law 93-198). The budget is required by law to be transmitted to the Congress by February 1.

The proposed budget has been developed by the Mayor and the City Council with appropriate involvement from the citizens of the city in accordance with the Home Rule Act. The District government proposes a fiscal year 1980 operating budget of $1.428 billion in District funds and a capital budget of $142 million. The capital budget includes $45 million for initial construction costs of the Civic Center, for which permission to proceed was given by the Congress last year. The city is considering a supplemental request for 1979 to cover the full-year costs of the 1978 supplemental which the Congress approved, but for which full 1979 funding was not provided. The supplemental, which has not yet been submitted to the Council, is expected to request an increase in the Federal payment.

Remaining unbudgeted at this time are funds to cover the expense of providing support to the D.C. Superior Court, which is scheduled for transfer from the U.S. Marshals Service during 1980. The funding requirements for this function could amount to up to $2.8 million, depending on the level of service which the District chooses to provide. Also unbudgeted is the District's share of 1980 Metrorail construction costs. The financial plan for the system is
pending before the Transit Authority, and specifies the District's share to be $60.4 million, although this amount may change as a result of Federal financing decisions. Presumably, the District will have to forward a budget amendment to cover these costs should they be incurred.

My staff has reviewed the proposed budget and found it to be consistent with the Federal funds transmitted in your fiscal year 1980 Budget. We will continue to work with the Mayor and other Federal officials in developing a feasible approach to minimizing Federal involvement in the District government's priority setting and budget implementation process.

Recommendation

I recommend that you sign the attached message transmitting the District of Columbia budget to the Congress.

Attachment
TO THE CONGRESS OF THE UNITED STATES:

In accordance with the District of Columbia Self-Government and Governmental Reorganization Act, I am transmitting for your consideration the budget of the District of Columbia for fiscal year 1980.

THE WHITE HOUSE,

[Signature]
THE WHITE HOUSE
WASHINGTON

1/31/79

Anne Wexler
Jody Powell
Jerry Rafshoon

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

Rick Hutcheson
THE WHITE HOUSE
WASHINGTON

January 29, 1979

MEMORANDUM FOR PRESIDENT CARTER

FROM: ANNE WEXLER

For your information - We are still doing a lot of inflation outreach in the country. Just thought you would like to see what's happening.

Attachment

Electrostatic Copy Made for Preservation Purposes
<table>
<thead>
<tr>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
<th>SATURDAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY</td>
<td>FOR ADDITIONS OR CHANGES:</td>
<td>MIKE MISSAL - X2576</td>
<td>Inflation Brkfst w/President</td>
<td>Ft. Wayne(IN) Chamber of Commerce (Vaccaro, Treas)</td>
<td>Nat. Assoc. of Realtors (Russell) United Steelworker Bloomington, IN (Henle, DOL)</td>
</tr>
</tbody>
</table>

| JANUARY | FOR ADDITIONS OR CHANGES: | MIKE MISSAL - X2576 | Inflation Brkfst w/President National Security Industries Alburquerque (Sharkey, DOD) Employees Assn of Detroit (Elisburg, DOL) Indus. Rel. Resource Assn Saginaw, MI (Wittmer, DOC) Roanoke (VA) Valley Bd of Realtors (DePalo, DOC) DNC Finance (Bosworth) Rep. Goodling Procurement Seminar, York, PA (Leonard) AARP (Bosworth) Kahn Group, 4:30 Wexler Group, 5:30 Purchasing World (Kahn) | Nat. Assoc. of Realtors (Russell) United Steelworker Bloomington, IN (Henle, DOL) |


<p>| JANUARY | FOR ADDITIONS OR CHANGES: | MIKE MISSAL - X2576 | Joint Economic Committee (Schultze) OECD Mission, Paris (Bosworth) Florida Bakers (Russell) BBC Interview (Kahn) | NBC Interview (Kahn) American Soc. of CLU's, N.Y.C. (Dykeman, COWPS) House Budget Committee (Kahn) | Nat. Assn of Wheat Growers SF (Bergland) Univ. of Kansas (Bickel, DOC) Indus. Rel. Research Assn Buffalo (Nichols, DOL) House Banking Committee (Schultze) Flint, MI Chamber of Commerce (Auten, Treas.) Chilton Publications (Kahn) Water &amp; Waste Mfgs. Assn (Gamise, EPA) Barbara Walters, 10:30 (Kahn) Pfeiffer College Nat. Issues Forum (Gov. Scott) | Nat. Assoc. of Realtors (Russell) United Steelworker Bloomington, IN (Henle, DOL) |</p>
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* Denotes Addition
I. INTRODUCTION

While there is very little activity on the Hill right now, we believe it is important that these regular breakfast meetings adhere to a regular bi-weekly schedule. It is particularly helpful for you to make some comments about foreign policy issues because it is sometimes the only way that House Members receive the Administration's point of view; this, in turn, sets the tone on the Hill.

II. PRESS PLAN

White House photographer.

III. PARTICIPANTS

See attached list.

IV. AGENDA

1. CHINA

Although we would rather it not come up, you may be asked to give your reaction to the Kennedy-Cranston resolution to the Taiwan Omnibus Legislation. There has been speculation on the Hill -- and in the press -- that the Kennedy-Cranston Resolution is supported by the Administration. This is a result of discussions between State and NSC with Kennedy's staff during the drafting of the Resolution which has left the impression it is our resolution. White House CL had no idea these discussions took place.

Although Kennedy-Cranston is vaguely worded about a "peaceful resolution" of the Taiwan problem and does not contradict anything you have said publicly, we feel strongly that any indication of support...
would be a mistake. Since there are many other more damaging resolutions circulating, support for a benign one like Cranston's may push the Senate towards a stronger, more damaging resolution which you might be forced to veto. In any event, Church will draft his own language in the SFRC similar to Kennedy-Cranston, which will most likely pass the full Senate if the language gains Leadership support.

We suggest you state your opposition to any substantial change in the legislation. You might say that some resolutions like Kennedy-Cranston are consistent with your own statements and therefore are not necessary. (FYI - Cranston called today saying we should NOT support Kennedy-Cranston in order to let the Senate "roll" the Administration for political consumption, without hurting the Taiwan legislation). Political cover is fine, and we recognize the need for it, but Kennedy and Cranston hardly offer much cover for moderates who feel they need it.

2. SALT

Given Teng's statements about his view of Soviet military intentions, you may wish to emphasize the importance you place on SALT and good relations between the United States and Russia.

3. REAL WAGE INSURANCE

You should make clear that the Administration is serious in proposing the Real Wage Insurance program and that we urge prompt Congressional action on it. You should say that we believe we can secure House passage if we can just get it out of Ways and Means. You should ask specifically for the Speaker and Rostenkowski's help in that regard.

4. HOSPITAL COST CONTAINMENT

As soon as the House completes its committee organization, we hope that the appropriate committees will expedite consideration of Hospital Cost Containment legislation. This is one of our highest priorities for Congressional action during the 96th Congress.

5. NATIONAL HEALTH INSURANCE

For the next two to three weeks we will be carrying on extensive consultations with Members of Congress on the issue of National Health Insurance. Obviously,
we have made no decisions as of this time and feel that these consultations will be instructive to us and will greatly influence what we recommend to the Congress for action.

6. SOCIAL SECURITY

The modifications in the Social Security program which we have proposed have been misunderstood. If the budget reforms and Hospital Cost Containment are passed, we will be in a position to consider recommending Social Security tax cuts, or using the savings to reduce the budget deficit or using that money for other programmatic goals. Some groups representing elderly Americans have been concerned that the Social Security Advisory Council has not reviewed our proposed benefits changes. We want Congressional leaders to understand that before we formally submit our Social Security recommendations to Congress for consideration we will ask the Social Security Advisory Council to examine them. We will listen to the Council's views and urge the Congress to do likewise.

7. SURFACE TRANSPORTATION DEREGULATION

You should again emphasize that we have made no final decisions with respect to comprehensive trucking deregulation. On the issue of collective rate making, we have decided that the existing anti-trust exemption should be removed. It should be emphasized to the Senate Leaders present that we are in no way becoming involved in the jurisdictional dispute between the Judiciary and Commerce Committees and will steadfastly avoid becoming embroiled in that controversy.

8. REORGANIZATION

Administration officials will finish consultations with Members of Congress and other interested individuals and groups this week; shortly thereafter recommendations and objections will be presented to you for consideration. Therefore, in the near future, you will be announcing your decisions on our reorganization proposals.

9. WELFARE

Our consultations with Hill leaders on welfare reform are almost complete. The legislation that we will propose to Congress will be considerably scaled down from last year's proposal -- the cost of this year's
bill will probably be in the neighborhood of $5.5 billion as opposed to the $17 billion cost of our legislation proposed during the 95th Congress. Our consultations lead us to believe that the scaled down welfare reform bill stands a very good chance of passage. However, there are legislative pitfalls which are often unforeseen anytime that Congress considers welfare legislation.

10. MTN/CVD

Chairman Ullman has scheduled a hearing on countervailing duties waiver extension for February 7. Quick action is the only route that will allow us to conclude MTN in the spring. Ambassador Strauss asked that you impress upon the Congressional Leadership the need for prompt enactment of the CVD legislation in order for him to be able to successfully conclude the Geneva negotiations and to permit Congress adequate time to consider fully the agreement which will result therefrom.

11. MISCELLANEOUS

You should also discuss Iran, the Middle East and the Deng visit. You might also mention that you will discuss your trip to Mexico at the next breakfast.
THE WHITE HOUSE
WASHINGTON

CONGRESSIONAL LEADERSHIP BREAKFAST

Wednesday, January 31, 1979

PARTICIPANTS

The Vice President

Senator Robert C. Byrd
Senator Alan Cranston
Senator Warren Magnuson

Speaker Thomas P. O'Neill, Jr.
Congressman James Wright
Congressman John Brademas
Congressman Thomas Foley
Congressman Dan Rostenkowski
Congresswoman Shirley Chisholm

Zbig Brzezinski
Stu Eizenstat
Jim McIntyre
John White
Jody Powell
Frank Moore
Dan Tate
Bill Cable
Bob Beckel
Bob Thomson
Bill Smith
IF ASKED about warehouse loans and overdrafts:

I was personally not directly involved in either, so I can't go into great detail. But I can say this: the auditors have found that the interest rates on the loans at all times were adequate and consistent with the market.

In addition, we made public two years ago the lowest rate of interest ever charged on the loans.

As for the overdrafts, they apparently relate to delays in the handling of paperwork, accounts receivable and the moving of peanuts themselves. It is my understanding that all of those have been cleared up and paid off long ago.
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

1-31-79

To: President Carter

From: Sarah Weddington

Re: Additional Information re National Advisory Committee for Women

1. Marjorie Bell Chambers and I are working very well together. Reports on her work and statements are good.

2. We are scheduling a "subcommittee" meeting of those who decide they definitely want to stay with the Committee for February 20-21. We are still working with all those who have not definitely resigned and consulting with them about the Committee's future. I met with Carmen Delgado Votaw yesterday, etc. It simply has not jelled and various people are still considering what to do.

3. The next regular meeting of the Committee is March 22-23.

4. The great concern I hear voiced by activist women and the crux of most letters we are receiving is whether or not the Committee can speak out on all issues and whether they are independent.

5. The main points I suggest for this morning are:

   a. Thanks for her willingness to serve.

   b. Assurance that the Committee is independent and can speak out and advise us on a broad range of issues.

   c. Assurance of access.

   d. Restating what I've said repeatedly: that you have instructed me to consult with the Committee about the permanent chair and permanent working arrangements.

Electrostatic Copy Made for Preservation Purposes
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

January 30, 1979

MEETING WITH MARJORIE BELL CHAMBERS

Wednesday, January 31, 1979
9:15 a.m. (10 minutes)
The Oval Office

FROM: Sarah Weddington

I. PURPOSE

To meet the new acting Chairperson of the National Advisory Committee for Women

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Dr. Chambers was temporarily appointed to replace Bella Abzug as Chair of the Advisory Committee. Dr. Chambers, National President of the American Association of University Women, has served on this Committee since its inception in April, 1978. She is the President of Bell-Chambers Associates, a private equity management consulting firm in Los Alamos, New Mexico.

Dr. Chambers has her Ph.D in Contemporary American History and Soviet Political Science.

Her past accomplishments include: former President, Colorado Women's College, Denver, Colorado; former elected official county council of Los Alamos, New Mexico.

You saw her last at the January 12th meeting you had with the National Advisory Committee for Women.

B. Participants: Marjorie Bell Chambers

C. Press Plan: White House photographer

III. TALKING POINTS

Beyond the general discussion of the immediate role that Dr. Chambers will have as Chair of the National Advisory Committee for Women, the following points might be discussed:

1. Defining the goals and expectations of the Committee
2. Possible restructuring of the Committee
3. Reaching the disaffected members and their organizations
4. Choosing potential leadership for the Committee
MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze

SUBJECT: Leading Economic Indicators in December

Tomorrow (Wednesday, January 31) at 9:30 a.m. the Commerce Department will reduce figures on the index of leading economic indicators in December. The index declined one-half of one percent last month, the second consecutive monthly decline of that magnitude.

As I have indicated to you in previous memos, we do not regard the movements of this index as a reliable indicator of economic trends, even though the press gives the index a significant amount of attention. The two principal elements of the index that caused last month's decline were money balances (M1) and liquid assets. The behavior of both of these elements reflects the very moderate increases in the major monetary aggregates that have been occurring during the fourth quarter. This development was not a consequence of severe policies of monetary restraint pursued by the Federal Reserve; if it had been, interest rates would still be rocketing upwards, instead of remaining relatively stable. The two consecutive declines in the index of leading indicators, therefore, are no reason to worry about the state of the economy.

The fact that other elements of this index were not rising strongly enough to swamp the negative effect of these monetary series may mean that economic growth will slow in the first quarter. If that is the case, it will be a welcome development; we cannot afford to continue growing at the 6 percent annual of the fourth quarter.
January 30, 1979

MEMO TO: The Speaker
FROM: Irv Sprague
SUBJECT: Leadership Breakfast, White House, 8:00 am Wed., Jan. 31

The President asked for the meeting without a specific agenda mainly to maintain a pattern of regular communication with the Leadership.

The White House says the President will probably touch on:
Foreign Affairs....Trade....Hospital Cost Containment...Budget

THE HOUSE

The Policy Committee Tuesday completed committee assignments. The committees are organizing and this will be completed February 6 when the Caucus acts on Appropriations subcommittee chairmen.

EARLY LEGISLATIVE ITEMS

Debt Limit - Current extension of the debt limit expires March 31 but Treasury says it will run out of money the first week of March. Ways and Means hearings and markup February 6. This will require a major effort to pass.

Countervailing Duties - Administration authority to waive the duties expired January 2. Extension of waiver essential prior to completion of Multi-National Trade Negotiations, which should be completed by mid-February. Ways and Means hearing February 7.

Panama - Administration bill to be introduced Wednesday and referred to International Relations, Merchant Marine, Judiciary and Post Office--with an April 10 reporting date. Murphy says he will report a bill but he will have much support in his effort to rewrite the legislation to give Congress greater control over the canal until the year 2000.

China - Clem Zablocki has introduced the Administration bill to set up an "American Institute in Taiwan" to continue cultural and commercial relations with Taiwan. Bill would repeal current trade treaties and make new ones for Red China, as well as Taiwan. Problem will be efforts to include a provision guaranteeing Taiwan security.

Real Wage Insurance - Ways and Means Committee hearings are underway with some indications the proposal has a chance (see attached clipping). Administration is seeking a House decision by March 31. The plan would give income tax credits to employees if 1979 inflation exceeded seven percent, limited to those whose pay did not rise by more than seven percent.

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THE WHITE HOUSE
WASHINGTON
1/31/79

Jerry Rafshoon

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

Rick Hutcheson
The Future of American Women:
A Statement Submitted by
Sarah Weddington
Chair, Interdepartmental Task Force on Women
to the
U.S. Senate Committee on Human Resources
January 31, 1979

Electrostatic Copy Made
for Preservation Purposes
The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson
1. Identification

1. Full Name

Abner J. Mikva

2. Office and home address, zip codes, telephone numbers and area codes. (Name of law firm, if associated.)


3. Date and place of birth.


4. Are you a naturalized citizen. If so, give date and place of naturalization.

Not applicable.

5. Family status.

a) State whether you are presently single, married, widowed or divorced. Spouse's full name, if married.

Married. Zorita Wise Mikva.

b) If divorced, state the date, the name of the moving party, the court, and the grounds.

Not applicable.

c) Names of your children, with age and address.

Mary Mikva, age 25, 3725 N. Magnolia, Chicago, Il. 60613.
Laurie Mikva, age 23, 1015 Sheridan Road, Evanston, Il. 60202.
Rachel Mikva, age 18, 1015 Sheridan Road, Evanston, Il. 60202.

6. Have you had any military service. If so, give dates, branch of service, rank and present status. If discharged, state character of discharge.


II. Educational Background

1. List each college and law school you attended, including dates of attendance, the degrees awarded and, if you left any institution without receiving a degree, the reason for leaving. Include the following:

a) College class standing, if known, major academic achievements and other significant activities.
THE WHITE HOUSE
WASHINGTON

January 30, 1979

MEETING WITH CONGRESSMAN JACK BROOKS

Wednesday, January 31, 1979
1:00 p.m., (20 minutes)
The Oval Office

From: Frank Moore
Terry Straub

I. PURPOSE:

To discuss with Jack Brooks (Chairman, House Committee on Government Operations) the pending reorganization proposals as well as the Department of Education proposal, all of which will be introduced into his Committee. Additionally, he may want to discuss with you the countercyclical/revenue sharing bill and his GAO bill of 1979.

II. BACKGROUND: Inasmuch as the economic development, the natural resources reorganization, as well as the Department of Education Initiative will go to the Government Operations Committee early in this session, we felt it would be advisable for you to talk with Chairman Brooks on these matters. The following is our understanding of his opinions on each of these initiatives to date:

I. Department of Education: Brooks seems willing, though not eager, to take on the Education bill again this year. As you will recall there was considerable acrimony and intense debate in his Committee over this bill last year; nonetheless, a request from you for him to handle (sponsor) the bill should secure his commitment to do so. We recommend you solicit his support during your discussion.

There are nine new members of this Committee (five Republicans - four Democrats). We are currently sorting out the new members and their feelings toward the Department of Education. Frank Horton, ranking Minority, continues to support our efforts on the new Department but feels our struggle will be a tougher one this year.

Electrostatic Copy Made for Preservation Purposes
Timing: Brooks has said he will not take up the bill in his Committee until after the full Senate has acted. On two occasions Stu has publicly stated to support groups (NEA and others) that the Administration would send a Department of Education bill before other reorganization plans. If this is so, we should urge Brooks to take the bill up after the Senate Committee has acted.

II. Department of Development Assistance/Economic Development: The outlines of the original DDA proposal seemed very appealing to Brooks, and when we met subsequently with him a week ago he raised no specific objections to this reorganization plan (this is tantamount to an endorsement from Brooks). If you opt for the Department of Development Assistance concept, our feeling is you will have Brooks' support to move this through the Committee. On the other hand, if you opt for the Department of Commerce and Economic Development, Brooks may question the value of this proposal, due to his traditional antagonisms toward the Department of Commerce.

III. Department of Natural Resources: Brooks is somewhat concerned about this proposal; he is worried about the conflict in his Committee as a result of the various transfers. He has told us he thinks we should reconsider moving the Corps of Engineers and the Forest Service and has strong feelings that both would be politically impossible even if he supports it. Beyond these two concerns he is likely to support the initiative.

IV. The GAO bill of 1979: near and dear to Brooks' heart is a bill he has just introduced, the General Accounting Office Act of 1979 (see attached). While we remain far apart from Brooks on this bill, in his mind it is akin to the Inspectors General legislation he sponsored last year. We are currently having discussions with his staff, and although he may try to press you for support, we strongly recommend you avoid making any such commitments at this time as the bill contains several objectionable provisions.

There is a slight possibility Brooks will attempt to leverage the reorganization plans with this GAO bill, (although this would be antithetical to his traditional style).
V. Countercyclical/Revenue Sharing: as you know, last year a countercyclical program was proposed by the Administration in the National Urban Policy. The program was similar to this year's proposal but with a lower local trigger and a higher level authorization.

This program, although passed by the Senate, was never acted on by the House of Representatives. Last year's bill was referred to the House Government Operations Committee. The bill faced strong opposition by subcommittee Chairman Fountain as well as the full Committee Chairman, Jack Brooks. Both worked very hard against the bill, and it was defeated by a 7-6 vote in the subcommittee.

The prognosis for this year is still somewhat doubtful. There is more support among the interest groups than last year. The Mayors are especially concerned and are already lobbying very hard. Brooks, though, has told many Members of Congress as well as the Administration that he still is strongly opposed to the bill and will do everything he can to defeat it. The Speaker seems to be supportive, but it is still not known whether he is willing to take Chairman Brooks on again.

Finally, in a discussion with Brooks and L.H. Fountain last week, both voiced severe criticism of our handling of the Jay Solomon/GSA affair. They said it looked as if the Administration was trying to whitewash the GSA investigation, and that the President should move immediately to appoint an Inspector General to that position. Brooks' and Fountain's candidate for this position was Irwin Borkowski, so he may not be mollified by your appointment of Kurt Mullenberg.

III. Participants: The President, Chairman Brooks, Frank Moore, Terry Straub, Jim McIntyre

Press Plan: White House photographer only

IV. Additional Information:

Administration Support: 56.8%
H.R. 24 - "General Accounting Office Act of 1979"

Summary

The major provisions in H.R. 24 would:

-- give GAO authority to audit the confidential unvouchered expenditures of the President and other agencies (except those of the CIA) which are now accountable for solely by the President or the agency heads, respectively. The President could also exempt other financial transactions relating only to foreign intelligence and counter intelligence activities from GAO audit.

-- give GAO power to subpoena agency records and the records of Federal contractors and subcontractors, as well as to enforce the subpoenas in court.

-- require that the President nominate the Comptroller General and Deputy from a list developed by a special congressional nominating commission established by the bill for this purpose.

95th Congress Administration Objections

In testimony (Justice) and reports from (OMB and CIA) to the committee, the Administration opposed this legislation (then H.R. 12171) on the grounds that:

-- extending GAO audits to unvouchered expenditures would render meaningless other statutes authorizing unvouchered expenditures. Changes in these authorities should be addressed on an agency basis and not in general legislation by a committee not having jurisdiction over the individual agency's funds.

-- the authority to enforce subpoenas is too broad. It needs to be limited to information necessary to perform Congresses' legislative function to avoid constitutional problems.

-- limiting the President's discretion in choosing the Comptroller General to those approved by the congressional commission encroaches upon the President's constitutional nominating powers.
We received your letter on January 25 and have asked the agencies for their views on H.R. 24 to determine what options exist, if any, for compromise. As you may know, the agencies have been very negative about some of the proposals in the past.

I will be getting the views of my staff and the Cabinet recommending options in February.

I have personal and strong feelings about the President's constitutional right to nominate the Comptroller General. While there may be areas of compromise, I feel very strongly that the principle of the President's authority to select and appoint officials with Executive authority should not be restricted.
THE WHITE HOUSE
WASHINGTON

January 29, 1979

PERSONAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: MEETING WITH JACK BROOKS (D-Texas)

You have a meeting with Congressman Brooks on Wednesday, January 31. He is sure to bring up the Dolph Briscoe matter. Regardless of Janie Briscoe's conduct in the last election, Briscoe still has a lot of clout with rural, conservative Democrats in Texas who are folks that we need with us (particularly with Governor Clements raising hell and with promises to keep at it through 1980). Hamilton said you are going to have to personally mention it to Cy Vance if we are to create something for Briscoe.
MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: ADDENDUM TO JACK BROOKS BRIEFING PAPER

Jack Brooks made a one-minute speech on the floor of the House yesterday in defense of Jay Solomon. He is likely to bring this up today in your meeting, and it would be a good opportunity for you to reaffirm your personal support of Jay to a very vocal and influential Member of the House.
THE WHITE HOUSE
WASHINGTON

Patti -

Send HT cc y

so means us

RWF (attached)

RL
THE WHITE HOUSE
WASHINGTON
January 29, 1979

MEETING WITH CONGRESSMAN AL ULLMAN, (D-2-Oregon)

Wednesday, January 31, 1979
2:00 p.m. (30 minutes)
The Oval Office

From: Frank Moore

I. PURPOSE

To discuss legislation to be considered this session before the Ways and Means Committee with Congressman Al Ullman.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Congressman Ullman was just reelected by the Democratic Caucus to be Chairman of the Ways and Means Committee by a vote of 211-33. The Committee Democrats have organized into six subcommittees as listed: Select Revenue Measures; Public Assistance and Unemployment Compensation; Trade; Oversight; Health; Social Security. There will be three Republicans on all but the Trade Subcommittee, where there will be six Republican members.

We again have a large agenda before this committee. They have begun hearings on Real Wage Insurance (only Administration witnesses to date) and set a date (February 7) for CVD waiver extension hearings. Ullman expects to be given clear indications of our priority items before his committee.

It is important that Ullman feel that you do not have bad feelings over last session's tax bill. There is too much to do this year to let past differences interfere.

Because of the work load of this committee, Frank Moore has given Bill Cable the nearly exclusive assignment of matters coming before the Ways and Means Committee.
B. **Participants:** The President, Congressman Ullman, Frank Moore, Bill Cable

C. **Press Plan:** White House Photographer

III. **TALKING POINTS:**

1. Based on discussion with the E.P.G. as well as the Vice President’s agenda group, we feel the order of things should be:
   1) CVD waiver extension
      Debt ceiling extension
   2) Real wage Insurance
      Hospital cost containment
   3) Major trade legislation: MTN
   4) Social Security
      Welfare Reform
      Misc. - Trade matters, others

2. CVD waiver extension is essential for the U. S. to complete and sign the MTN in the Spring.

3. Debt ceiling authority runs until March 31, but the total will be exceeded prior to that date.

4. **Real Wage Insurance** program has no organized opposition and no strong support. Ullman feels that unless there is a good chance to pass the bill he will not bring it up for a vote. He fears giving the Republicans a vehicle to push indexing. He will on the other hand, help let the program down gently. He doesn't want it killed.

5. **Hospital cost containment.** The Health Subcommittee should be able to report a bill out with relative ease. Hospital cost containment is the largest legislative savings proposal in the FY80 budget. It is essential to the anti-inflation effort since it both reduces the deficit (savings of $1.7 billion in 1980) and restrains hospital cost increases, one of the fastest escalating portions of each family's budget. Cost containment is a prerequisite to redeem any pledge to expand health insurance coverage and is our number one priority for health legislation in the 96th Congress.

6. **MTN** can not be signed or sent to the Hill until April 5. After it is sent up it can not be amended. Bob Strauss is heading a White House Task Force to coordinate the Administration's efforts.
7. Reforms to the Social Security benefits payments comprise a large savings. These programs must bear budgetary scrutiny or else the discretionary programs are unfairly burdened. I realize how volatile these cuts can be made to appear but they are based on sound programmatic judgments. I would like to see the disability insurance reforms passed as a separate bill.

8. Oil pricing. Ullman may ask about your plans. He will accept an answer that says because of OPEC price increases, inflation, Iran, etc., we are still studying the issue, but that he will be consulted soon.

9. Committee generated problems. There is a good chance the committee will try to deal with carry over basis in a way unacceptable to your stated tax policy. The Chairman on the other hand supports your views. If it comes up you should acknowledge his support and indicate the strength of your feeling.

IV. ADDITIONAL INFORMATION

Committees: Ways and Means, Chairman
Joint Committee on Taxation, Chairman

Administration Support: 85.9%

Wife: Audrey
THE WHITE HOUSE
WASHINGTON
January 31, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Meeting with Congressman Ullman

I would like to add a brief note on Real Wage Insurance to Frank's set-up memo for your meeting with Chairman Ullman:

After two days of hearings, in which Blumenthal, Schultze, and Kahn testified, RWI is very much alive. As you know, during the past few weeks, the general feeling among many Ways and Means Committee members, and staff, was that RWI would be buried quickly after several days of hearings. Because of the strong performance of the Administration witnesses, the unexpected indications from some members of their probable support, and the efforts of the Republicans to make RWI a purely partisan issue, the prospects for RWI are brighter - though by no means completely rosy - than before.

Yesterday, Secretary Blumenthal indicated to me that, if we could get a couple of major union leaders to endorse RWI, the chances for Committee approval would be reasonably good. Doug Fraser has already endorsed RWI publicly, and will do so again tomorrow before the Committee. I have contacted Landon about trying to intensify our present efforts to gain union support. We are working now to tone down the AFL-CIO statement, and I will be briefing the Teamsters today on RWI.

In your meeting with Ullman, I think it would be helpful for you to indicate your strong support for RWI, your belief that - with hard work - we can pass RWI, and your view that RWI is an important part of the anti-inflation program. Ullman believes that RWI is a relatively minor part of the standards program, which he believes requires your strong personal and regular involvement much more than it does RWI. You should attempt to dispel him of the idea that we have abandoned RWI or regard it as insignificant. You can
state that, while the standards program will not collapse without RWI, it will be greatly strengthened with it: the major unions' negotiating agreements this year will find it increasingly difficult to ignore RWI and to exceed the guidelines.

Perhaps most importantly, it will be useful for you to indicate a recognition that Ullman is critical to RWI and a belief that his support can ensure Committee passage.
THE WHITE HOUSE
WASHINGTON

1/31/79

Tim Kraft
Arnie Miller

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

Rick Hutcheson
MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT
      ARNIE MILLER

SUBJECT: Federal Cochair of Four Corners
         Regional Commission

The current Federal Cochairman of the Four Corners
Regional Commission is Kenneth Baskette, Jr., of
Colorado. You appointed him to that position in
June 1977.

According to Secretary Juanita Kreps and Jack Watson,
his performance has been less than adequate. He has
frequently failed to support this Administration's
policies. Both Secretary Kreps and Watson feel that
Baskette should be replaced. We concur.

Our recommendation for replacing Baskette is
Fabian Chavez, Jr., of New Mexico. Chavez has been
Assistant Secretary of Commerce for Tourism since
April 1977.

The pending reorganization plan for the Department
of Commerce includes transferring the U.S. Travel
Service to the Bureau of Industry and Trade. Staff
allocations and budget will be substantially cut.
This move would place Chavez in a position no longer
suited to his expertise.

Chavez worked with the Four Corners Federal Cochair
when he was Director of the New Mexico Department of
Development, his position prior to his appointment
as Assistant Secretary of Tourism. He has always
had a strong interest in the Title V Commissions,
and is enthusiastic to continue serving your
Administration.
Secretary Kreps and Jack Watson endorse the appointment of Chavez.

RECOMMENDATION:

Appoint Fabian Chavez, Jr. as Federal Cochairman of the Four Corners Regional Commission.

_____ approve  _______ disapprove

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

JANUARY 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN

SUBJECT: 11:25 Meeting with Jim Gammill

This is just a brief opportunity for Jim to have his picture taken with you before he leaves town later this week. Jim will be going to Cambridge, Massachusetts, to attend Business School at MIT.

As you know Jim has been one of your earliest supporters (1975) and one of the most loyal and hard working.
THE WHITE HOUSE
WASHINGTON
January 30, 1979

SIGNING OF AGREEMENTS WITH PEOPLES REPUBLIC OF CHINA

Wednesday, January 31, 1979
4:30 p.m.
East Room

From: Jerry Rafshoon

SCENARIO:

You and Vice Premier Teng will be announced at 4:30 and will enter the East Room from the Red Room and will be seated on the front row of chairs facing the podium and signing table. Also seated on the front row will be Secretary Vance, Foreign Minister Huang Hua, Secretary Schlesinger, Fang Yi, and Frank Press.

In total there will be five documents signed, the two final ones by you and Teng.

The first document to be signed will be the science agreement. Frank Press and Fang Yi will proceed to the signing table and sign the agreement.

The second document to be signed will be the energy agreement. Fang Yi will remain seated and Secretary Schlesinger will replace Frank Press at the table to sign that agreement.

The third document to be signed will be the consular agreement. Secretary Vance and Foreign Minister Huang Hua will sign that agreement.

There will be no remarks during these signings.

The fourth and fifth documents will be signed by you and Teng. The first document will be the Science/Technology agreement followed by the Cultural agreement. These documents will be handed to you and Teng by Herb Hansell.
After the signing you and Teng will exchange pens - your usual cheap ball point for Teng's Chinese quill.

Following the signing there will be statements by you and Teng. There will be a podium beside the signing table for these statements. Kit Dobelle and Teng's interpreter will be standing beside the podium.

(Your remarks are being prepared now and will be given to Brzezinski at 7:00 a.m. Wednesday and then passed to you.)

There will be some 200 people seated in the audience. This includes fifty Chinese guests, members of the Cabinet, members of Congress, political leaders and several leading journalists.

There will not be live television coverage of this event but it will be covered extensively by the press.

The press will be briefed prior to the ceremony at 2:30.
THE WHITE HOUSE
WASHINGTON
January 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: PARTICIPANTS AT SIGNING OF U.S./CHINA AGREEMENTS

Wednesday, January 31, 1979
East Room

Congressional

Senator Warren Magnuson
Senator Adlai Stevenson
Senator Abraham Ribicoff
Senator Henry Jackson
Senator Mark Hatfield
Senator Frank Church
Senator Harrison Williams
Senator Claiborne Pell
Senator Edward Kennedy
Senator Alan Cranston
Senator Charles Percy

Majority Leader Jim Wright
Cong. Dan Rostenkowski
Cong. Robert Michel
Cong. Jamie Whitten
Cong. Silvio Conte
Cong. Steve Neal
Cong. J. William Stanton
Cong. Lud Ashley
Cong. John Brademas
Cong. Les AuCoin
Cong. John Wydler
Cong. Cardiss Collins
Cong. Jonathan Bingham
Cong. James Scheuer
Cong. Charles Vanik
Cong. Barber Conable
Cong. Al Ullman
Cong. Tom Foley
Cabinet

Secretary Vance -- will participate in signing
Secretary Blumenthal
Secretary Bergland
Secretary Marshall
Secretary Schlesinger -- will participate in signing
Secretary Califano
Secretary Andrus
Secretary Harris
Secretary Kreps

Charles Schultze
Jim McIntyre
Ambassador Strauss

Frank Press -- will participate in signing

White House Staff

Senior Staff plus other staff who have worked on this issue as space is available.

Chinese

Fifty members of the official Chinese party plus individuals from the liaison office will attend.

Other Guests

Richard C. Atkinson, National Science Foundation
Michael Armacost, Department of Defense
Jordan Baruch, Department of Commerce
Lucy Benson, Department of State
Livingston Biddle, National Endowment for the Arts
Barbara Blum, EPA
Charles Bray, Deputy Director, ICA
Rupert Cutler, USDA
Monroe Donsker, Professor of Mathematics, Courant Institute of Mathematical Science
Joe Duffey, National Endowment for the Humanities
Robert Dickey, Chairman and President, Dravo Corp.
Robert Frosch, NASA
Donald Frederickson, NIH
Richard Holbrooke, Department of State
John Holdridge, National Intelligence Officer, China, CIA
Ben Huberman, NSC
Alice Ilchman, ICA
Joseph John Jova, President, Meridan House International
Ann Keatley, OSTP
Robert Lumiansky, American Council of Learned Societies
Richard Lyman, President, Stanford University
Philip Marcus, National Endowment for the Humanities
H. William Menard, Director, U.S. Geological Survey
Nancy S. Milburn, Dean of Jackson College, Tufts University
Charles E. Neuhauser, Deputy National Intelligence Officer, China, CIA
Jack Pelatson, American Council on Education
Cassandra Pyle, Institute of International Education
Nicholas Platt, NSC
Thomas Pickering, Department of State
S. Dillon Ripley, Smithsonian Institution
Olin C. Robinson, President, Middlebury College
Morton Smith, Director of East Asian and Pacific Affairs, ICA
Norris P. Smith, Deputy Director of East Asian and Pacific Affairs, ICA
Lawrence Stifel, Rockefeller Foundation
Richard Solomon, Rand Corporation
Martha Wallace, Henry Luce Foundation
William J. Welsh, Deputy Librarian of Congress
Frederic E. Wakeman, Vice Chairman, Committee on Scholarly Communications with the PRC
Dorothy Height, National President of the National Council for Negro Women, Inc.
Jessie Hill, President and Chief Executor, Atlanta Life Insurance Company
Carl Holman, President, National Urban Coalition
Ben Hooks, NAACP
MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON AND TIM KRAFT

SUBJECT: 1979 State and Local Elections

This memorandum will give you a general overview of the gubernatorial and mayoral elections taking place this year. We plan to track the gubernatorial races closely and the local elections to a lesser degree, depending on the ability of the DNC to keep us informed of local political situations.

Gubernatorial Races

There are three states with gubernatorial elections in 1979; they are all Southern states with Democratic incumbents, none of whom is eligible for re-election. They are Louisiana (Governor Ed Edwards), Mississippi (Governor Cliff Finch), and Kentucky (Governor Julian Carroll).

Mississippi. Although the governor is Mississippi has very limited powers, at no time in recent history has the state voted against the public position of the Governor in a Presidential election. The gubernatorial race in Mississippi will be particularly interesting because of the Republicans' recent success in gaining the Senate seat for Thad Cochran.

The leading Republican contender is Gil Carmichael, who lost to Senator Eastland in 1972 and to Finch in 1975. The Democratic contenders could include Lt. Governor Evelyn Gandy; Jim Herring, a former District Attorney from Canton who lost to Gandy in 1975; and John Arthur Eaves, who appeals to the poor and working class. There is also a strong possibility that Charles Deaton, Chairman of the House Appropriations Committee, will run.

The key question is the degree to which Charles Evers intends to muddle the race. He could very possibly enter as an Independent and again prevent the Democrat from winning.
Louisiana. Louisiana has an "open" primary; if no one gets 51% in the primary election, there is a run-off between the two top vote-getters, regardless of party.

The Republicans have agreed to field one candidate, Congressman David Treen. The Democrats could include Jimmy Fitzmorris, Lt. Governor for two terms with a power base in New Orleans; Speaker of the House Bubba Henry, who has already hired Peter Hart; Secretary of State Paul Hardy; State Senator Sonny Mouton, who has hired David Garth; Louis Lambert, a Public Service Commissioner; and possibly Congressman Gillis Long, who would have support from labor and Blacks.

Kentucky. The Republican candidate is Louie Nunn, former Governor and brother of Lee Nunn, State Party Chairman who is supporting John Connally for President. Louie Nunn beat Thelma Stovall for Governor in 1967.

The Democratic candidates include Terry McBrayer, a former Speaker of the House and Commissioner of Commerce under Governor Carroll. He is clearly Carroll's choice and has all of the labor support except that of AFL-CIO. Harvey Sloane, former mayor of Louisville with a "Mr. Clean" image, has the support of liberals and Blacks, but is probably not as strong a candidate as McBrayer at this point. Congressman Carroll Hubbard is also a candidate and has a tremendous power base in the First District in Western Kentucky. His campaign has not picked up the momentum that was expected. The front runner at this point has not yet announced officially. Lt. Governor Thelma Stovall has previously served as State Representative, State Treasurer, and Secretary of State. Although she is sixty years old and might not bear up well in an intense campaign, she has strong pockets of support from women and the AFL-CIO. She also received a great deal of publicity when she called a Special Session of the Legislature late last year while Governor Carroll was out of the state.

Two other candidates are not likely to gain much momentum--State Auditor George Atkins, and Ralph Ed Graves, a former Carroll appointee.

It is possible that Ms. Stovall would not be able to beat Governor Nunn; McBrayer might have a better chance to keep the Democratic seat.
Mayoral Elections

Mayoral elections are being held in 449 cities this year, including about 90 cities with population over 100,000. Some of these larger cities with Democratic incumbents are listed below, by state.

**Alabama:** Birmingham--Mayor David Vann
Montgomery--Mayor Emery Folmar

**California:**
San Francisco--Mayor Dianne Feinstein
Sacramento--Mayor Philip Isenberg
Berkeley--Mayor Warren Widener

**Colorado:**
Denver--Mayor Bill McNichols

**Connecticut:**
Bridgeport--Mayor John Mandanici
Hartford--Mayor George Athanson
Hartford--Councilman Nik Carbone
New Haven--Mayor Frank Logue

**Florida:**
Jacksonville--Mayor Jake Godbold
Miami--Mayor Maurice Ferre
Hialeah--Mayor Dale Bennett

**Georgia:**
Macon--Mayor Buckner Melton

**Indiana:**
Gary--Mayor Dick Hatcher
South Bend--Mayor Peter Nemeth
Hammond--Mayor Ed Raskoski

**Iowa:**
Davenport--Mayor Charles Wright

**Kansas:**
Kansas City--Mayor John Reardon

**Maryland:**
Baltimore--Mayor Donald Schaefer

**Massachusetts:**
Boston--Mayor Thomas Danehy

**Michigan:**
Grand Rapids--Mayor Abe Drasin
Warren--Mayor Ted Bates
Flint--Mayor James Rutherford
Livonia--Mayor Edward McNamara

**Minnesota:**
Minneapolis--Mayor Albert Hofstede

**Missouri:**
Kansas City--Mayor Charles Wheeler

**Nebraska:**
Lincoln--Mayor Helen Boosalis
New York: Rochester--Mayor Tom Ryan

North Carolina: Greensboro--Mayor E.D. Melvin

Ohio: Toledo--Mayor Doug Degood
     Youngstown--Mayor Phillip Richley
     Cleveland--Mayor Dennis Kucinich

Oklahoma: Oklahoma City--Mayor Patience Latting

Pennsylvania: Philadelphia

Tennessee: Nashville--Mayor Richard Fulton
          Memphis--Mayor Wyeth Chandler
          Knoxville--Mayor Randy Tyree

Texas: Houston--Mayor Jim McConn
      Fort Worth--Mayor Hugh Parmer

Utah: Salt Lake City--Mayor Ted Wilson

Wisconsin: Madison--Mayor Paul Soglin