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http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf
regular foreign affairs meeting/breakfast

the white house
washington

For all breakfast 2-9-79

> China/Comm. = condemn both
> Iran = all withdrawal & assault processes
> Church
> NSC/State
> Breton trip
> Taiwan legs
> SALT
> DIA/IAI reports
> Oberdorfer
> EG/SA . . .
> JS [not legible]
> McCas}

Electrostatic Copy Made for Preservation Purposes
MEMORANDUM TO THE PRESIDENT

FROM:   FRANK MOORE
        BOB THOMSON

SUBJECT: SENATOR GLENN

Senator Glenn is very upset because you did not appoint his staff member, Reginald Gilliam, to the ICC. Gilliam is a qualified black, but personnel deemed others to be more qualified. One of your nominees was Marcus Alexis, a nationally respected black economist.

Glenn had hoped a Gilliam appointment would help him with the black community in Ohio. We are alerting you to Glenn's displeasure because you may have to talk with him about China or some other subject before we have a chance to patch things up.

Electrostatic Copy Made for Preservation Purposes
MEMORANDUM FOR THE PRESIDENT

FROM: Patricia Bario
Associate Press Secretary

SUBJECT: Meeting with Non-Washington Editors/Broadcasters
Cabinet Room, 1:15 p.m., Friday, February 9, 1979

There are more small-town newspapers represented in this group of 43 than usual. You can anticipate interest in rural issues in general and MTN in particular. There are 28 newspapers represented, 4 of them with more than 100,000 circulation.

Topics on their agenda Friday include foreign policy (emphasis on Mexico and China), MTN, hospital cost containment and the anti-inflation program.

As of this meeting, the 37th, you have met with more than 1,000 representatives of out-of-town media in this series.

At the 25-minute mark, I will give the usual "Thank you, sir" to allow for individual photographs.
Bill Kling, Jr., news director, WLHR radio, Huntsville.

Robert E. Howell, news anchor, WSFA-TV Montgomery.

Paul Davenport, acting managing editor, daily Sierra Vista Herald-Dispatch. Requested by Senator Dennis DeConcini. Particulary interested in Mexican issues: sewage, illegal aliens, border patrol, energy. Other concerns: copper mining (stockpiling and environmental tariffs); flood control. Probable question on the Orme Dam, a casualty of the compromise on the Central Arizona Project.

Frank Cruz, news reporter, KNBC-TV Los Angeles. Very active in national Hispanic community.

Harriet Hixenbaugh, managing editor, weekly Littleton Independent. More pro-administration than most Colorado papers, especially on SALT. Concerns: air pollution and transportation (request for federal funds to move coal trains underground; mass transit; support for higher auto emission standards).

Radford J. Berky, news director, WPOP-WCOF radio, Hartford.

Henry M. Keezing, editorial page director, daily New Britain Herald. Republican paper serving blue-collar ethnic community with an increasing Spanish population. Keezing strongly advocates completion of controversial I-291 supported by area businesses and opposed by environmental groups. Rep. Toby Moffett has met with Brock Adams on this issue. Other concerns: utility rates and trade (local small businesses such as ball bearing producers fear MTN)

Howard Kelley, news director, WTLV-TV, Jacksonville.

Robert Ketchersid, news director, WSB radio, Atlanta.

Kate M. Goldin, editor, weekly Bowdon Bulletin.


Kent Collins, news director, KHQA-TV, Quincy.

Richard D. Heller, Jr., president and publisher, Decatur Daily Democrat. Generally supportive. Issues: farm policy (local farmers do not support AAM methods in Washington); transportation (Amtrak has discontinued Fort Wayne service); federal spending.

Richard J. Beyer, news director, WLTH radio, Gary.


Farnham Dudgeon, editor and publisher, Community and Suburban Press Service, Frankfort. Supplies local papers with feature articles. Dudgeon, former mayor of Frankfort, is a strong Democrat and close friend of Senator Walter Huddleston. Concerns: rural development initiatives and flood control.

Kenneth Thompson, editorial page editor, Boston Herald-American (Hearst). Concerns: China relations (because of growing Taiwanese population in Boston); mass transportation (request for federal funds for Massachusetts Bay Transportation Authority extension); federal funding for summer youth programs.

Truman Taylor, news director, WTEV-TV, New Bedford.
MINNESOTA

James Eckert, news director, Gopher State Radio Network, Minneapolis.

Jose Trejo, El Universo, St. Paul. Hispanic newsletter. Trejo has recently been appointed to a state position dealing with Hispanic affairs.

MISSISSIPPI

Bernard Barnes, editor/publisher, Pas-Point Journal, Moss Point. Small, black-oriented weekly.

MISSOURI

Dr. Maynard Sisler, editorial page editor, weekly Dunklin County Press, Kennett. Very conservative rural area. Sixty farmers and six tractors from Kennett are in Washington with AAM. Other concerns: community development HUD grants and energy.

NEVADA

Mary Green, public affairs director, KRAM radio, Las Vegas.

NEW YORK

James L. Hicks, executive editor, New York Voice. Black weekly. Hicks is a former editor of the black daily, the Amsterdam News. He attended an earlier briefing.


David J. Willmott, editor and publisher, Suffolk Life Newspapers, Westhampton. Chain of 24 papers serving Long Island twice a week.

NORTH CAROLINA

H. Eugene Price, editor, Goldsboro News-Argus. Requested by Senator Robert Morgan. Price, an admirer of Senator Jesse Helms, writes most of the paper's editorials, which are conservative and law-and-order oriented. Concerns: defense (Seymour Johnson Air Force Base nearby), agriculture (not supportive of AAM) and HEW (anti-smoking campaign and federal funds tied to desegregation).
NORTH CAROLINA

Charles C. Travis, president, Travis Broadcasting, Inc., Reidsville.

OHIO


Richard R. Campbell, editor, Columbus Citizen Journal. Campbell is a liberal in a very conservative city. Interests: Cleveland's financial problems, proposed closing of Rickenbacker Air Force Base, abortion, busing, SALT, and FTC denial of local Federal Glass Plant merger (1700 out of work).

PENNSYLVANIA

Michael J. Krajsa, publisher, Slovak-America, Middletown. Young publisher of several small weekly and monthly papers. Concerns: steel industry, railroads, nuclear energy (local nuclear plant controversial because of poor safety standards).

James S. Steele, president, Daranell Enterprises, Monroeville. Chain of small dailies and weeklies in suburban Pittsburgh. Concerns: steel industry (Japanese dumping and the MTN), Social Security, transportation, energy, abortion, inflation. Recent misuse of federal manpower funds caused local scandal.

TENNESSEE

Michael L. Pirtle, editor, daily Southern Standard, McMinnville. Conservative paper in rural middle Tennessee. Supports TVA but not rate increases; editorials reflect a feeling that TVA has lost its sense of direction. Concerns: budget, energy, SALT, Jay Solomon, and Califano's anti-smoking campaign.
TENNESSEE

Larry B. Brinton, managing editor, Nashville Banner (Gannett). Very conservative Republican paper. Issues: TVA; housing (HUD grants for downtown Nashville); SALT. Favors trucking deregulation.

VIRGINIA

Paul Muse, editor and publisher, daily Potomac News, Dumfries. Issues: food prices; preservation of Manassas Battlefield Park; mass transit in D. C. area; budget, China.


Frank Sayles, associate editor, weekly Tazewell County Free Press. Interests: surface mining regulations, lumber, rural development.

WEST VIRGINIA

Ron Gregory, editor, weekly Glenville Democrat-Pathfinder. Supportive except on Panama Canal. Concerns: energy (utility rates); coal industry; transportation (Amtrak has abolished every West Virginia route).

WISCONSIN

Leon Hughes, editorial writer, Milwaukee Journal. Liberal paper which is generally supportive. Concerns: trade; industry (breweries and heavy machinery); business departure to Sunbelt; rail freight service.
THE WHITE HOUSE
WASHINGTON

EDITORS' BRIEFING
February 9, 1979

AGENDA

8:45-9:30 a.m. HALE CHAMPION
Under Secretary
Department of Health, Education & Welfare
on
Hospital Cost Containment

9:30-9:45 a.m. PATRICIA Y. BARIO
Associate Press Secretary
Office of Media Liaison

PATRICIA E. BAUER
Editor
The White House News Summary

9:45-10:00 a.m. Break

10:00-10:30 a.m. ZBIGNIEW BRZEZINSKI
Assistant to the President for
National Security Affairs
on
Foreign Policy

10:30-11:00 a.m. ROBERT PASTOR
Staff Member
National Security Council
on
Mexico

11:00-11:05 a.m. Break

11:05-11:45 a.m. ALAN W. WOLFT
Deputy Special Representative for Trade
Negotiations
on
Trade Negotiations
11:45-12:45 p.m. Buffet Lunch
12:45-1:00 p.m. En Route to Cabinet Room
1:00-1:15 p.m. JODY POWELL
Press Secretary to the President
1:15-1:45 p.m. Q AND A WITH PRESIDENT CARTER
1:45-2:15 p.m. Filing Time
2:15-2:55 p.m. BARRY P. BOSWORTH
Director
Council on Wage and Price Stability on
Anti-Inflation Program
2:55-3:00 p.m. Break
3:00-3:45 p.m. MICHEL OKSENBERG
Staff Member
National Security Council on
China
MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze

SUBJECT: How bad is the Iranian situation compared to the 1973 embargo?

There has been a lot of talk comparing the Iranian oil situation to the 1973 oil embargo. Such a comparison is highly misleading.

There are two parts to the Iranian oil problem in the short run: (1) a potential supply shortage; and (2) a potential price increase. In 1973 the most important economic impact of the embargo was not the supply shortage, but the huge price increase.

1. Supply shortage. At present levels of production in Iran, Saudi Arabia, and other OPEC countries, the U.S. faces a potential supply shortage of 0.5 mbd. This is about 2-1/2 percent of current U.S. consumption. If the sharing arrangement under IEAE is triggered, we would have to reduce our imports still further, by a total of 0.8 mbd. or 4 percent of U.S. consumption.

In 1973-74 the Arab oil embargo was deeper, but lasted only briefly. In the first quarter of 1974, at the peak of the impact, the supply reduction amounted to 10 - 12 percent of consumption. By the second quarter the shortage was only about 2 percent, and by June it had disappeared. The measures taken in 1974 to allocate supplies and conserve energy concentrated the adjustment on gasoline. While lines did appear at gasoline stations, supplies to industry were preserved and production and employment were generally maintained. The conservation measures may, in fact, have been overdone, since stocks of crude oil and refined products actually rose during the embargo.

If Iranian production does not increase in the next six months, and if the other OPEC countries who
have temporarily increased production, cut back halfway to their earlier production levels, a shortfall for the U.S. equal to perhaps 1.4 mbd. would ensue, some 7 percent of consumption. Such a reduction would require very stringent conservation measures, but need not disrupt industrial production.

2. Price increase. During and after the 1973-74 embargo, OPEC raised the price of oil very sharply. Between July 1973 and July 1974 the increase in the price of imported oil, adjusted for inflation since then, amounted to $11.85 per barrel. Domestic prices also rose by $4.60 a barrel (adjusted to today's general price level).

The oil price increase alone added 3-1/2 percent to consumer prices in one year. This massive price increase -- whose proceeds were channeled abroad to OPEC and at home into oil producer profits -- sharply reduced consumer purchasing power. It was the equivalent in today's economy of a $40 to $45 billion tax increase on consumers. It had devastating consequences for the economy, leading to a major recession and a major inflation at the same time.

The potential price-raising consequences of the Iranian situation are very troublesome, but not of this order of magnitude. We have made very preliminary estimates of several scenarios:

A. OPEC producers move up to March the full 14-1/2 percent price increase scheduled for October, on the extra production they have recently undertaken. This would add .05 percent to the CPI this spring, and raise the 1979 balance of payments deficit by $300 million.

B. OPEC producers move up to March the 14-1/2 percent price increase scheduled for October, on all their production. This would add about 0.4 percent to the CPI this spring -- moving up to the spring months CPI increases that otherwise would have occurred later in the year. The 1979 balance of payments deficit would increase by about $3-1/2 billion.
C. OPEC producers in March raise prices by $3 a barrel on all production, but then hold the price there throughout the rest of the year. This would add 0.75 percent to the CPI in the spring months. About 0.35 percent of this represents an increase moved from late in the year to early in the year; 0.4 percent represents a net addition to the 1979 annual rate of inflation. The 1979 balance of payments deficit would be worsened by about $7 billion.

The latter two scenarios represent serious problems, both for inflation and the exchange value of the dollar. But the consequences pale in comparison to the 3-1/2 percent price rise caused by the 1973-74 OPEC actions and the $40 to $45 billion "tax increase." That set of actions represented, by far, the worst single shock to the U.S. and the world economy in the past 30 years.

The Problem of Psychology

One impact of the 1973-74 embargo arose from the psychological perception that severe shortages were imminent. Auto sales fell sharply as consumers projected a world in which gasoline would become increasingly unavailable. One estimate puts the loss of auto sales, from this factor alone, at over $11 billion during the year starting with the embargo.

While we must present the Iranian problem as a very serious matter, an exaggeration of this size of the problem could bring on a repetition of the 1974 collapse in auto sales. We need a balanced presentation.
2/9/79

Jim McIntyre

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

Rick Hutcheson

cc: Bob Linder (\n\n) 

re 1979 Supplemental Appropriations and 1980 Budget Amendment
Attached for your approval is a package containing requests for fiscal year 1979 supplemental appropriations totalling $1.1 million and an amendment to your 1980 appropriations requests in the amount of $2.4 million. The decisions relating to these proposals were received too late to be incorporated in the 1980 budget. An explanation of each item is included in the fact sheets attached to this memorandum.

This package includes:

- Appropriation language increasing the limitation on travel expenses of the Office of Vice President by $10 thousand.
- $1.1 million in 1979 and $2.4 million in 1980 for the Council on Wage and Price Stability for additional personnel to implement your anti-inflation program.

In our opinion these proposals are consistent with Administration objectives. Each of these items has been rigorously reviewed by our staff and found to be necessary at this time. Eizenstat concurs.

RECOMMENDATION

That you sign the letter transmitting these requests to the Congress. Transmission before February 14 is recommended because the subcommittee handling the budget request for the Council on Wage and Price Stability has indicated that the proposals for that Agency must reach them by that date if they are to be seriously considered on an urgent basis.

Attachments
Agency Request:
FY 1979......................................................... appropriation language

OMB Recommendation:
FY 1979......................................................... appropriation language

Purpose/Discussion:
This request for fiscal year 1979 appropriation language would increase the limitation on funds used for travel by the Office of the Vice President by $10 thousand. This increase would be used for Mrs. Mondale's travel requirements.

Analysis of Budget Costs:
This proposal would not affect budget totals.

Recommendation:
Approval.
EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON WAGE AND PRICE STABILITY

Agency Request:

FY 1979: ........................................ $1,091,000
FY 1980: ........................................ $2,407,000

OMB Recommendation:

FY 1979: ........................................ $1,091,000
FY 1980: ........................................ $2,407,000

Purpose/Discussion:

This request would provide funding for the additional personnel necessary
for the Council to fulfill its role in implementing your anti-inflation
program. This proposal would enable the Council to hire an additional
194 personnel. These employees would be used for program direction,
wage and price monitoring, and operations and research. This represents
a decrease in funding from the recent proposal which was approved by
you. Reductions were possible because of a reduction in average grade
level of the new employees to be hired and a 25% reduction in
non-personnel costs. These reductions, which were proposed by the
agency, total $900 thousand in 1979 and $1.6 million in 1980.

Analysis of Budget Costs:

The effect of these proposals is estimated to be as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Authority</th>
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<tbody>
<tr>
<td>1979</td>
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<tr>
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<td>1983</td>
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Recommendation:

Approval.
Agency Request:

FY 1979..........................($7,228,000 - transfer from other accounts)

OMB Recommendation:

FY 1979..........................($7,228,000 - transfer from other accounts)

Purpose/Discussion:

These requests would provide authority to transfer funds from other available appropriations to enable the Alcohol, Drug Abuse, and Mental Health Administration and the Health Care Financing Administration to fund the October 1978 Federal pay raise. These requests were received too late to be included in the 1980 budget.

Analysis of Budget Costs:

This proposal will not affect budget totals.

Recommendation:

Approval.
The President

The White House

Sir:

I have the honor to submit for your consideration requests for supplemental appropriations in the amount of $1,091,000 and appropriation language for the fiscal year 1979 and an amendment to the request for appropriations for the fiscal year 1980 in the amount of $2,407,000. The details of these requests are contained in the enclosures to this letter.

I have carefully reviewed the proposals contained in this document and am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

James T. McIntyre, Jr.
Director

Enclosures
The amount made available in the appropriation under this heading in the Treasury Department, the United States Postal Service, and Executive Office of the President Appropriations Act 1979, for expenses of travel is increased by $10,000.

This appropriation language would increase the limitation on travel expenses of the Office of the Vice President by $10 thousand. This proposal would not increase outlays.
EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON WAGE AND PRICE STABILITY

Salaries and Expenses

1979 Budget Amendment

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<th>Fiscal year</th>
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1980 Budget Amendment

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<tr>
<td>Appendix page</td>
<td>request</td>
<td>budget revised</td>
</tr>
<tr>
<td>69</td>
<td>Salaries and expenses</td>
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</table>

These amended budget requests would provide the personnel necessary for the President's anti-inflation program. These requests would increase fiscal year 1979 outlays by $1.1 million and fiscal year 1980 outlays by $2.4 million.
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION:

Saint Elizabeths Hospital

For an addition amount for "Saint Elizabeths Hospital", $3,428,000 to be derived by transfer from "Alcohol, drug abuse, and mental health".

HEALTH CARE FINANCING ADMINISTRATION

Quality Care Management, Research and Development

For an additional amount for "Quality care management, research and administration", $3,800,000 to be derived by transfer from the "Federal Hospital Insurance Trust Fund" and the "Federal Supplementary Medical Insurance Trust Fund" as authorized by Section 201(g)(1) of the Social Security Act.

This supplemental appropriation language would provide authority to transfer funds to cover the October 1978 Federal pay raise. This proposal would not increase outlays.
The Speaker of the House of Representatives

Sir:

I ask the Congress to consider requests for supplemental appropriations in the amount of $1,091,000 and appropriations language for fiscal year 1979 and an amendment to the request for appropriations for the fiscal year 1980 in the amount of $2,407,000.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

[Signature]

Enclosures
JERRY RAFSHOON
ZBIG BRZEZINSKI

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

Rick Hutcheson

CC: PHIL WISE
    FRAN VOORDE
    JODY POWELL

RE: Interview with Hugh Sidey
THE WHITE HOUSE
WASHINGTON
February 5, 1979

MEMORANDUM FOR THE PRESIDENT
FROM: JERRY RAFSHOON ZBIGNIEW BRZEZINSKI

Hugh Sidey of TIME is working on a piece on the emergence of foreign policy issues and how the American people are concerned about the Russians and our ability to react to any coming crisis.

He has spoken to Henry Kissinger, Zbig, Rafshoon, and others. He is playing with the theme of an "absence of a world view" at the White House, which he probably got from Kissinger.

You previously approved an interview with him. We think it would serve our purposes if you would see him for 20 minutes sometime this week. He did not ask for this, but we believe he would be turned around easily.

If you would agree to do this, we would work up talking points.

Approve 20 minutes this week
Approve 20 minutes next week before Mexico trip
Disapprove

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

re: Constitutional Convention/Balanced Budget
MEMORANDUM FOR: THE PRESIDENT
FROM: HAMILTON JORDAN, Jr.
STU EIZENSTAT
SUBJECT: Constitutional Convention/Balanced Budget

The Senior Staff met yesterday to review the difficult political choices presented to us by the growing movement toward a Constitutional Convention intended to pass a balanced budget amendment.

In a very short period, this Constitutional Convention/balanced budget issue has become a matter of serious national concern, and now threatens to become one of the dominant domestic-political issues of 1979.

A number of recent events indicate the seriousness of the Convention movement:

- 26 States by some counts (only about half that number according to Senators Cranston and Bayh) have adopted resolutions seeking a Convention to pass a balanced budget amendment (once the requested number of States have passed such a resolution, the Congress will apparently be forced to convene a Convention);

- A National Commission is being formed to lobby resolutions through the legislatures of the remaining States (its chairs are Governor Brown and Jason Boe, President of the National Conference of State Legislatures).
the Senate and House have been under such pressure to do something that they have scheduled lengthy hearings on the proposed amendments for the end of the month (for the last decade, the sponsors could not even get hearings on these amendments);

a number of key Members of Congress have indicated that Congress may be forced to take some action - either passing a balanced budget amendment or making statutory changes which severely restrict deficit spending - to prevent a Convention (staff work exploring options is rapidly going forward on the Hill);

Congressional Republicans have recently adopted a resolution, at their Tidewater Conference, favoring Congressional consideration of a balanced budget amendment (this was done in part because of a fear that the Democratic Party would have the balanced budget issue all to itself).

In light of these events, it is clear that, before the Governors' Conference here at the end of the month, we must develop a strategy which will:

- enable us to be in front of the curve - to be decisive in our handling of the issue, rather than merely responsive to the actions of others;

- attempt to prevent the convening of a Constitutional Convention without appearing to be completely insensitive to the actions of nearly 2/3 of the legislatures;

- permit us to work with Congress to forge a joint posture - one which appears responsive to those concerned about fiscal restraint but is also responsible and completely defensible on economic and social grounds;

- make certain that the issue which you first brought to the public's attention in 1975 - the importance of a balanced budget - remains closely identified with you and your budgetary practices;

- enable us to hold the support of the liberals, labor, blacks, Hispanics and Jews, all of whose leaders seem appalled by the prospect of a Convention and who are looking for strong leadership opposing a Convention; and
to remove the issue from Presidential politics.

All of these goals may not be attainable, but we think that our effort should be designed to meet as many of them as possible.

We are not yet at the point where we can recommend a strategy that could effect these goals. We simply need more information from the States and from Congress: we need to know what actions are likely to be taken by the State legislatures which have not yet passed resolutions calling for a Convention, what might be done to prevent 34 States from seeking a Convention, what the Congressional leadership would like to do, what Congress may do if 34 States seek a Convention, and what alternatives to an amendment are being developed on the Hill.

With your approval, consultations would be immediately begun to secure this type of information: (A) Jack and Tim will consult with Governors, State legislative leaders, and our political contacts in those States which have not yet acted. (B) Frank, Stu and the Vice President will consult with the leadership in both Houses, and Key Budget and Judiciary Committee members. The consultations could be completed by early next week. In addition, Stu will continue working with Charlie Schultze and Jim McIntyre to address the policy and economic implications of the balanced budget amendments, and its alternatives. (C) We will obtain through Bob Lipshutz a complete and accurate accounting of the number of States which have properly adopted binding resolutions.

By the end of next week, we hope to be able to make recommendations to you.

__________________________  Approve

__________________________  Disapprove  

Electrostatic Copy Made
for Preservation Purposes
THE WHITE HOUSE
WASHINGTON

February 8, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT

SUBJECT: STANLEY FINK AND JOE CRANGLE PHOTO SESSION

Stanley Fink, who was a protege of Stanley Steingut's, has become Speaker of New York's lower house (the Assembly) following Steingut's unexpected 1978 defeat. Like Carey and Steingut, he is a product of the regular Democratic organization in Brooklyn and can help us there.

In his few weeks in office, Stanley has drastically slashed the legislature's budget and streamlined procedures there. These moves have found solid support from the press.

Fink could be very helpful to us and should be courted with the same intensity that we have applied to courting Leo McCarthey, Speaker of the House in California.

Joe Crangle, DNC Executive Committee member and Chairman of Erie County (Buffalo), is accompanying Fink. Joe was Steingut's top aide. Fink has kept him on for now, but Joe's future with Fink is unclear. We are enhancing Crangle's power by letting him be our point man in Fink's operation. Joe is grateful to us and should be helpful as our "eyes and ears" in the New York legislature.

Talking Points

1. We want to work closely with you.
2. We are glad that Joe Crangle has come down with you.
3. We know that you are concerned about Republican money pouring into legislative races. We know that the poverty of the DNC imposes severe limitations but we will do everything we can to help.
2/9/79

rick/tim--

note, operators reached rattley after i returned original page...apparently located her somewhere on the west coast waiting for the plane to leave enroute china!

-- susan
MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT

SUBJECT: Telephone Calls - Week of February 5, 1979

Mayor Maurice Arel
Nashua, New Hampshire
(o) 603/880-3341
(h) 603/889-2901

Arel is a low-key, cautious politician who has been Mayor of Nashua for two years. Nashua is New Hampshire's second largest city. Although his Administration boasts no major accomplishments, Arel is popular and well-liked. You met Arel in February of 1978 when he visited Nashua for a Town Hall meeting with New Hampshire high school students. In 1976 Arel remained neutral. He has an organization and following among working class Democrats. Your conversation should be low-key and general in nature.

NOTES: WHP meeting in Nashua next week? Will attend...will help JS in '80.

Ms. Jessie Rattley
Newport News, Virginia
(o) 804/244-6168 (Newport News City Council)
(o) 804/245-4915 (Newport News City Council)
(h) 804/247-6771

Black member of the Newport News City Council and incoming President of the National League of Cities. She is very active in the Virginia Democratic Party and a strong supporter of yours. A call would help and the news of it would spread to others in the community in a positive fashion. She will be a key "early Carter supporter in 1980".

NOTES: 3/7 Court case re strike at shipyard.

Good trip on way to PRC.
THE WHITE HOUSE
WASHINGTON
February 5, 1979

MEMORANDUM FOR THE PRESIDENT
FROM: TIM KRAFT
SUBJECT: Telephone Calls - Week of February 5, 1979

Mayor Maurice Arel
Nashua, New Hampshire
(o) 603/880-3341
(h) 603/889-2901

Arel is a low-key, cautious politician who has been Mayor of Nashua for two years. Nashua is New Hampshire's second largest city. Although his Administration boasts no major accomplishments, Arel is popular and well-liked. You met Arel in February of 1978 when he visited Nashua for a Town Hall meeting with New Hampshire high school students. In 1976 Arel remained neutral. He has an organization and following among working class Democrats. Your conversation should be low-key and general in nature.

NOTES: Will help. Meeting in Wash (next week?). Attend will help IC in '80.

Ms. Jessie Rattley
Newport News, Virginia
(o) 804/244-6168 (Newport News City Council)
(o) 804/245-4915 (Newport News City Council)
(h) 804/247-6771

Black member of the Newport News City Council and incoming President of the National League of Cities. She is very active in the Virginia Democratic Party and a strong supporter of yours. A call would help and the news of it would spread to others in the community in a positive fashion. She will be a key "early Carter supporter in 1980".

NOTES:

Electrostatic Copy Made for Preservation Purposes
Jim Schaben, '74 Gubernatorial candidate against Bob Ray and one of your first supporters in Iowa. His support influenced a lot of moderate Democrats to join you in '75 and '76. He flew across the state to join a steering committee reunion that I met with last Saturday in Des Moines. He is still for you, but is concerned about farm policies, particularly the beef imports decision and its timing and effect on the Clark race. His wife is Ruth; he is still in the farm and cattle auction business.

NOTES: "-30" R = Ruth
"Climp on cattle prices - Repeat opposition."
Hardy Myers
Portland, Oregon
(o) 503/224-3920
(o) 503/378-8977 (State Capitol)
(h) 503/232-0991

Hardy has just been elected Speaker of the House after three terms in the Oregon House. Hardy supported you two years ago and will be very helpful in the future. You might want to congratulate him on his victory. He was invited to the Oregon briefing but was unable to attend.

NOTES: 5 vote margin in House. Getting along well. Will stay in touch.

J. C. Turner
Washington, D.C.
(o) 347-8560
(h) 362-8194

J. C. Turner, President of the International Union of Operating Engineers, is a strong supporter of yours. He is a respected member of the AFL-CIO Executive Council and, among building tradesmen, he is probably our closet ally. Turner is a member of the DNC and is working to bring back to the Democratic Party those "middle of the road" union leaders who left the Party in the early 1970's. He attended the midterm conference as a delegate from the District of Columbia and voted with us on every controversial resolution. Turner was very pleased by your recent decision to oppose legislative changes in the Davis-Bacon Act. He probably will commend you for your decision.

NOTES: Fully supportive. Look at Sec. Sec. proposals not popular.
MEMORANDUM

"THE WHITE HOUSE
WASHINGTON

February 9, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
       JERRY RAFSHOON
SUBJECT: Mexico Speech

Your corrected version of the speech is now being translated.

We have a number of final suggestions regarding the changes in the draft.

1. Page 2. "This is a time to appreciate the mutual benefits ..." The Mexicans are extremely skeptical of America in general and you in particular at this time. They think you are coming to them now only because we want their oil and gas. The Paz quote will disarm them; it is important not to break the dramatic tone it establishes. We don't want to seem to be painting too rosy a picture this early in the speech. Therefore we suggest simply: "This is a time of important changes in our two countries and in our relationship with each other."

   Yes ☐    No ☑

2. Page 3. "We share the same kinds of food ..." What we need to suggest here is not that our cultures are identical, but that they influence each other. Therefore we suggest: "We feel each other's influence in our food, in our music, art, drama, and sports, and in the look and sound of our landscapes and our cities."

   Yes ☑    No ☐

3. Page 7. "...a uniquely successful initiative..." Tlatelolco is not yet successful, in part because we haven't ratified it yet. We suggest: "...a unique and important initiative..."

   Yes ☑    No ☐

4. Page 8. "...largest expansion of air service between two countries in the history of aviation." This turns out to be a factual error--there was a larger expansion just after World War II. We suggest: "...largest expansion of air service between two countries in a generation."

   Yes ☑    No ☐
5. Page 9. "We have worked together effectively to combat the illicit drug trade..." The major gains have been made in the fight against heroin. Moreover, "illicit drug" will call to most American minds marijuana rather than heroin. This will remind people of the paraquat issue and unnecessarily irritate large numbers of people. By specifying heroin we get the benefit of the point without the unnecessary controversy. Therefore we suggest: "...to combat the heroin trade..."

Yes □ No □

6. Page 10. "We must work together as neighbors and as partners further to reduce barriers to trade between our two countries." One of the objectives of your discussions will be to persuade Lopez Portillo to join the GATT and the MTN and to view our bilateral trade in an international framework--not just to reduce barriers but to agree on a framework to resolve our differences. Therefore we suggest: "We must work together as neighbors and as partners in the international trading system to reduce the barriers to trade between our countries and to manage our commercial relations effectively."

Yes □ No □
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Secretary Blumenthal:

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

Rick Hutcheson

cc: Eizenstat
    McIntyre
    Rafshoon
    Powell

re: Proposed Firearms Regulations
Mr. President:

OMB, CL and Rafshoon concur with Blumenthal.

Stu reluctantly agrees with the Secretary but suggests that you instruct the Secretary to "state that he feels last year's regulations were necessary and proper and consistent with the Administration's position but changes are being made in light of last year's experience."

Jody also concurs but believes that any announcement on this matter should come directly from Treasury.

Rick/Bill
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed Firearms Regulations

We have been advised by staff of the Domestic Council that a decision has been made not to introduce gun control legislation during this Congress. At the same time, we understand that the Administration will, if called, testify in favor of legislation introduced by others, at least to the extent it is similar to the draft bill prepared earlier by Justice and Treasury. It is now necessary to decide what the Administration should do in connection with regulations proposed last spring under the existing Gun Control Act.

Last session we proposed a series of regulations which, among other things, would have required importers, manufacturers, wholesalers and retailers to file quarterly firearms disposition reports with the Bureau of Alcohol, Tobacco and Firearms (BATF). The names of private citizen purchasers would not, however, have been reported. The aim of these proposals was to assist BATF in tracing guns used in crimes and in identifying possible sources of firearms into the illegal market, so they could target more effectively their resources.

These proposals generated the kind of bitter debate and attacks unfortunately associated with nearly all firearms-related proposals. In addition, Congress inserted language in our appropriation bill prohibiting implementation of the regulations with the funds being appropriated and, by substantial margins, cut BATF's budget by the cost of the regulations ($4.2 million), even though there was, in fact, no money in the budget for that purpose. Although we received support from the law enforcement community, mayors, gun control organizations and the national press, over 95% of the 345,000 comments received were negative.
We have tentatively decided to issue new proposed regulations that omit most of last year's proposals, retaining only those which would engender little or no controversy. At the same time, we will continue our efforts to improve the way we enforce existing laws and regulations.

If we were to proceed with the more controversial portions of the regulations proposed last year, there is little doubt—in the light of the margins by which we lost last year—that the Congress would reverse our action and again make punitive cuts in our appropriations. This would likely be the result even if we received the full and active support of the Attorney General, other Justice Department officials and the White House. Whether Treasury proceeded alone or with full Administration backing, there would be another bitter gun control fight with which you will be inevitably identified and which will almost certainly be lost. The outcome would be the kind of political reaction that was sought to be avoided by not introducing legislation. Incidentally, Treasury proceeding alone and losing would not satisfy supporters of gun control.

I have reluctantly come to the conclusion that real progress on gun control will come only in the aftermath of an incident or incidents that again demonstrate to the public the real need for more restraint in this area.

We will probably have to take some position on these regulations at our Appropriations Committee hearings that commence on February 15. If you want us to consider an option different from that outlined above, I will be happy to supply you with additional information as to what would be involved and discuss the matter with you.

W. Michael Blumenthal
Date: 3 February 1979

MEMORANDUM

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal Memo, "Proposed Firearms Regulations"

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 9:00 AM
DAY: Tuesday
DATE: 6 February

ACTION REQUESTED:

__ Your comments
Other:

STAFF RESPONSE:

__ I concur.
__ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)
MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. McINTYRE, JR.
SUBJECT: Blumenthal Memo, "Proposed Firearms Regulations"

We concur with Mike Blumenthal's recommendation that the Treasury not attempt to implement their controversial regulations increasing firearms reporting requirements. Given the strong congressional and public outcry against the proposed regulations, it would be futile to proceed.

One technical correction to the Treasury memo should be made; Congress reduced the BATF budget by $4.2 million, not billion in 1979.
Date: 3 February 1979

FOR ACTION:
JORDAN
EIZENSTAT
MOORE
RAFSHOON
MCINTYRE

FOR INFORMATION:
VICE PRESIDENT
KRAFT
LIPSHUTZ
POWELL

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal Memo, "Proposed Firearms Regulations"

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 9:00 AM
DAY: Tuesday
DATE: 6 February

ACTION REQUESTED:
___ Your comments
Other:

STAFF RESPONSE:
___ I concur.
___ No comment.
Please note other comments below:

I agree with the memo—let this be a press release when it is announced. Jeff

Please let me know ASAP when draft reaches my desk.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.
MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Blumenthal Memo, "Proposed Firearms Regulation"

In going through the agenda-setting procedures under the Vice President it was collectively decided to shelve the gun control issue as a Presidential or Departmental lead item, although we would testify in favor of responsible gun control legislation Congress might introduce.

In light of the low visibility we are maintaining on this intensely controversial issue (particularly in the West, where we have enough problems already) I reluctantly agree with Mike's conclusion. However, I suggest you instruct him to state that he feels last year's regulations were necessary and proper and consistent with the Administration's position but changes are being made in light of last year's experience.
The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

re: Board of Directors of Federal Prison Industries, Inc.
MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT  
ARNIE MILLER

SUBJECT: Board of Directors of Federal Prison Industries, Inc.

Federal Prison Industries, Inc. is a wholly-owned self-supporting government corporation. It maintains 60 industrial operations in 25 institutions providing goods and services for sale to federal agencies.

The Board of Directors is composed of six members appointed by you and serve at your pleasure. Members represent retailers and consumers, industry, labor, agriculture, the Secretary of Defense, and the Attorney General.

There are presently two vacancies on the Board of Directors. The two categories vacant are Industry, and Retailers and Consumers.

We recommend your appointment of:

Industry:
Henry G. Parks, Jr. (Maryland): Chairman of the Board of H.G. Parks, Inc. (one of the largest black-owned enterprises in the U.S.). He is a member of the Board of First Pennsylvania Corporation, the Warner-Lambert Company and W.R. Grace & Co. He also is a member of the Interracial Council for Business Opportunity, the National Alliance of Businessmen, and the NAACP. He has been highly recommended by Senator Sarbanes.
Retailers and Consumers:

Monica Herrera Smith (California):
Probation Officer with the Los Angeles County Probation Department. Presently Program Coordinator for CONTACT, an ex-offender employment project. Extensive work experience with ex-offenders and employment training and placement. President of the Mexican-American Correctional Association; member of the Women in Criminal Justice System, and the California Probation, Parole, Correctional Association.

RECOMMENDATION:

Appoint Henry G. Parks, Jr. and Monica Herrera Smith to the Board of Directors, Federal Prison Industries, Inc.

[ ] approve  [ ] disapprove
Name: Henry Green Parks, Jr.
Date of Birth: September 29, 1916

Education: B.A., Ohio State U.
LL.D., Temple U.


Awards, Honors and Associations:
Col., Ft. McHenry Guard, 1973; recipient Honor Citation Award for Outstanding Leadership United Negro Coll. Fund, 1972.
**PROFESSIONAL OBJECTIVE:**
Administrative, staff, or consulting position with a public/governmental agency involving public service to the community.
Seeking association affording continued personal and professional growth.

**SUMMARY OF QUALIFICATIONS:**
Nature of Background, Experience and Education:
Background encompasses over 11 years of progressive and diversified experience serving in various capacities for the Los Angeles County Probation Department. Candidate - Masters in Public Administration.

Profile of Experience and Capabilities:
- Personnel Administration
- Affirmative Action
- Community Relations & Communications
- Manpower Programs
- Caseload Supervision
- Juvenile/Adult Supervision
- Counseling and Placement
- Preparation of Reports
- Court & Law Enforcement Agency Coordination
- Investigation Procedures
- Detention Facilities Experience
- Ex-Offender Employment
- Pilot Program Participant

Personal Characteristics:
Highly adaptable and creative with ability to coordinate and communicate effectively at all levels. Functions efficiently in problem solving situations and demonstrated strengths in management of programs and staff. Bilingual/bicultural knowledge - Spanish language.

**PROFESSIONAL EXPERIENCE:**
**LOS ANGELES COUNTY PROBATION DEPARTMENT**
1986 to Present
**DEPUTY PROBATION OFFICER III**

Community Relations and Communications
Program Coordinator for CONTACT, an ex-offender employment project. This is a joint effort of the State of California Employment Development Department and Los Angeles County Probation Department requiring extensive community liaison with business associations, labor groups, correctional agencies and public and private employers in order to develop jobs and interpret special needs of clients and the business sector. Manage program and supervise five staff members, plus volunteers, student interns and others. In addition, perform community education and public relations duties.
PROFESSIONAL EXPERIENCE: LOS ANGELES COUNTY PROBATION DEPARTMENT, (Continued),
DEPUTY PROBATION OFFICER III

Personnel Services Office

Discipline/Investigation Unit

Involved a variety of unique responsibilities with regard to Departmental staff which required knowledge of all facets of Probation work and ability to interrelate with Executive staff and outside agencies with equal facility. These have included: preparing and processing disciplinary letters (discharge, reduction, suspension) for appropriate management personnel; coordinating with County Counsel the Department’s case in appeal matters; representing the Department at Civil Service Hearings; reviewing performance evaluations for technical propriety; assist line operations in obtaining arrest and court information. Also, preparation of correspondence and other reports for Administrative and Executive Staff.

Manpower Programs Unit

Involved the operation of the Community Worker, CETA and COD programs. These functions were performed in adverse conditions in midst of new budget allocations, freezes and revisions that drastically affected these programs. Also served on numerous Departmental committees while assigned to Personnel Services Office.

East Los Angeles Area Office

Rodeo II and Violent Offender Control Unit

Intensive supervision of hardcore gang-oriented male juvenile offenders. This involved caseload responsibilities and community agency and law enforcement involvement as well as public relations activities.

DEPUTY PROBATION OFFICER II

Pomona Valley Area Office

Police-Probation Unit

Assigned to Pilot project involving delinquency diversion, intake, investigation, supervision and suitable placement of all juvenile cases in the target area.

Adult Supervision

Supervised a caseload of approximately 150 adult male and female probationers, both felony and misdemeanor cases. Activities involved, investigation, violation reports, collecting fines and restitution, case correspondence, agency coordination and Bench Warrants.
PROFESSIONAL EXPERIENCE:  

LOS ANGELES COUNTY PROBATION DEPARTMENT, (Continued).  
DEPUTY PROBATION OFFICER II  

Juvenile Supervision & Placement  
Supervised an average of 80 juvenile female probationers.  
Filed petitions, prepared court reports, investigated and made recommendation to Juvenile Court regarding disposition of cases. Placed and supervised minors in foster homes and institutions. Counseled minors and families and maintained communication with schools, welfare and health agencies among others.  

DEPUTY PROBATION OFFICER I  

Central Juvenile Hall  
Six-month training program by Staff Training Office (including OJT and classroom) at this detention facility. For the next two years supervised detained wards pending court action or placement. This included counselling and directing daily activities pertaining to grooming, recreation and school attendance.  

PRIOR:  
Teacher - Spanish Language - One year - High School  
Elementary School - Six months - Sixth graders  

EDUCATION:  
Post-Graduate Study - 24 Units completed as candidate for Masters in Public Administration - Consortium of the California State University and Colleges, 1976 to 1978.  
Projected graduation date of June 1978.  

B. A. Degree - California State University of Los Angeles  

TRAINING:  
Departmental Training:  
P. O. S. T. (Peace Officers Standards Training)  
Performance Evaluation Training for Trainers  
Civil Service Hearing Training  
Collective Bargaining Workshop  
Reality Therapy  
Overview of Treatment Modalities  
Family Counselling  
Intercultural Awareness  
Crisis Intervention  

DEPARTMENTAL ACTIVITIES:  
Affirmative Action Coalition - Chairperson  
Language Needs Survey - Coordinator  
Youth Employment/Training Committee  
Management Intern Committee
DEPARTMENTAL ACTIVITIES: (Continued):
Interdepartment Affirmative Action Council
Interview Panels - L.A. Co. and Santa Barbara County Probation Departments
Woman's Committee
Departmental Translator (Spanish)
National Alliance of Businessmen - Rep.
Trade Advisory Board
Chairperson (Mexican-American Independence Parade) 1974
School Attendance Review Board (SARB)

AFFILIATIONS: Mexican American Correctional Association (Executive Board Member)
California Probation, Parole, Correctional Association (Executive Board Member)
Women in Criminal Justice System
Comision Femenil Mexicana Nacional

PERSONAL DATA:
Birthdate: September 13, 1933
Height: 5'7" Weight: 135 lbs
Citizenship: United States
References: Available upon request
Special Skills: Speak/read/write Spanish
Bilingual, bicultural knowledge of hispanics and Mexican-American community (barrios)
BOARD OF DIRECTORS OF THE FEDERAL PRISON INDUSTRIES, INC.

Department of Justice

AUTHORITY: 18 U.S.C. 4121

METHOD: Appointed by the President

MEMBERS: SIX, who shall be representative of
(1) industry
(2) labor
(3) agriculture
(4) retailers and consumers
(5) Secretary of Defense,
(6) Attorney General, respectively.

CHAIRMAN: No provision, apparently chosen by Board.

TERM: Pleasure of the President

SALARY: Serve without compensation
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense (February 3-9, 1979)

Harold departed this morning for discussions in Saudi Arabia, Jordan, Israel and Egypt and will return February 19.

SARATOGA SLEP: The Senate Armed Services Committee held a special hearing today on the SARATOGA Service Life Extension Program (SLEP). Graham Claytor and Tom Hayward were the DoD witnesses, and at the Committee's request Elmer Staats of GAO was the third witness. Other witnesses were to have been called this afternoon after our witnesses were released. Graham supported the testimony I had given last week. The House Armed Services Committee has scheduled a hearing on the SLEP decision next Friday--Graham Claytor and I will be the principal witnesses.

Defense Budget Hearings: On Wednesday and Thursday, Harold and Dave Jones appeared before Joe Addabbo's Defense Subcommittee. All in all the hearing went well, however, Joe and Bob Giaimo pressed hard on the need for the FY 1979 Supplemental, and the three percent growth. Other discussions were pretty much what we anticipated with the major issues being the strategic balance, naval aviation, shipbuilding, the carrier, MX and its basing mode, the all-volunteer force, and the AV-8B Harrier.

Visit of Swiss Minister of Defense: On Tuesday Harold and I met with Minister of Defense Rudolf Gnaegi to discuss possible acquisition by the Swiss of various U.S. weapons systems as part of their armed forces modernization plans. Their desire to purchase sizeable quantities of U.S. military equipment is a distinct departure from past Swiss practice. Previously, they bought smaller quantities of weapons from various Western suppliers in order to placate domestic political elements who warn that dependence upon any one source could call into question Swiss claims of political neutrality.
Meeting with the Prime Minister of Thailand: Also on Tuesday Harold and I met with Prime Minister Kriangsak. He presented a long list of requests including an additional $20 million in FMS credits; accelerated delivery of equipment currently in the pipeline; U.S. authorization to obtain equipment and/or spare parts currently produced under U.S. licensing arrangements in Taiwan and Korea; retention of the U.S. MAG in Thailand; and access to additional major equipment items such as tanks, APCs, and interceptor aircraft. Harold gave them a substantial list of items on which delivery is being expedited, agreed to review their requests, and told them we have no plans to withdraw the MAG from Thailand. He generally sympathized with their situation, and reiterated our support. The Thai's want a lot more than we are likely to be able to provide, but we should be able to help considerably.

Iran: An MOU was signed last week on the restructuring of Iran's FMS program. The MOU amends current FMS Letters of Offer and Acceptance to cancel purchase orders for 160 F-16 fighter aircraft, 7 E-3A AWACS aircraft, 16 RF-4E reconnaissance aircraft, 2 CG-993 SPRUANCE-class destroyers, a variety of missiles, armored and other vehicles, and ammunition. The Government of Iran has also requested a reduction in the U.S. MAAG Team to 250 members.

[Signature]