

2/20/79

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1115

THE WHITE HOUSE
WASHINGTON

February 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Alfred E. Kahn *Fred*
Jack Watson *Jack*

SUBJECT: Meeting with State and local officials to
announce the Federal, State and local
anti-inflation program

Wednesday, February 21, 1979
Room 450, EOB
1:30 p.m.

I. PURPOSE To announce the State and local component
of the anti-inflation program.

II. BACKGROUND,
PARTICIPANTS
AND PRESS

A. BACKGROUND The program has been developed in co-
operation with the Washington repre-
sentatives of State and local officials.

This meeting is to initiate the program.
We are asking State and local officials
to establish anti-inflation task forces
to study actions State and local gov-
ernments can take to help combat in-
flation. Also, we are asking Governors
to hold anti-inflation conferences to
help focus public attention on the
problem.

THE WHITE HOUSE

WASHINGTON

B. AGENDA

1:00-1:15 Intro. by Jack Watson
1:15-1:35 The President
1:35-2:30 Fred Kahn--presentation of
program
2:30-2:45 Jim McIntyre--simplification
of the grant-in-aid system
2:45-3:00 Barry Bosworth--Wage & Price
Standards
3:00-3:30 Q & A's
3:30-3:45 The Vice President
4:00-4:30 Reception-The State Dining
Room

C. PARTICIPANTS

Approximately 150 state, city and county
officials will be in attendance.
A partial list is attached.

D. PRESS

White House press corps and interested
local press will be in attendance.

III. TALKING POINTS

Talking points and a fact sheet
on the program are attached.

THE WHITE HOUSE

WASHINGTON

ATTENDEES AT MEETING WITH THE PRESIDENT
(Partial List)

STATE AND LOCAL ANTI-INFLATION MEETING
Room 450, Old Executive Office Building
Wednesday, February 21, 1979
1:00pm

GOVERNORS

Governor Robert Graham -- Florida
Governor Charles Finch -- Mississippi
Governor Harry Hughes -- Maryland
Governor Pierre du Pont -- Delaware
Governor John Dalton -- Virginia

MAYORS

Mayor Maurice L. Arel -- Nashua, New Hampshire
Mayor George Athanson -- Hartford, Connecticut
Mayor Richard Caliguri -- Pittsburgh, Pennsylvania
Mayor Isabella Cannon -- Raleigh, North Carolina
Mayor Wayne Cospening -- Winston-Salem, North Carolina
Mayor Joe Danes -- Huntsville, Alabama
Mayor Thomas Dunn -- Elizabeth, New Jersey
Mayor Diane Feinstein -- San Francisco, California
Mayor Kenneth Gibson -- Newark, New Jersey
Mayor James D. Griffin -- Buffalo, New York
Mayor Maynard Jackson -- Atlanta, Georgia
Mayor James H. McGee -- Dayton, Ohio
Mayor Henry Maier -- Milwaukee, Wisconsin
Mayor Buckner Metton -- Macon, Georgia
Mayor Lambert Mims -- Mobile, Alabama
Mayor Gordon H. Paquette -- Burlington, Vermont
Mayor Gerald Springer -- Cincinnati, Ohio
Mayor Bill McNichols -- Denver, Colorado
Mayor John Rousakis -- Savannah, Georgia

STATE SENATORS/REPRESENTATIVES

Senator Jim Clark -- Annapolis, Maryland

THE WHITE HOUSE

WASHINGTON

THE FEDERAL, STATE AND LOCAL ANTI-INFLATION PROGRAM

FACT SHEET

Combating inflation is our most important domestic national challenge. High inflation continues to sap our economic strength, and weaken the bonds that hold our society together.

The President launched a vigorous effort to control inflation, and the Federal government is taking important steps to check the upward spiral of wages and prices. But the Federal government alone cannot do this job. Every American and every level of government must participate.

State and local governments can play a particularly important role. By taking actions along the same lines as the Federal government, they can both reinforce the President's anti-inflation program and make an important independent contribution to the effort.

The anti-inflation program has three major components:

- o voluntary actions that State and local governments can take to participate in the program;
- o actions the Federal government can take to reform and simplify the grant-in-aid system;
- o outreach and technical assistance.

Taken together these three major components can result in a cooperative effort to fight inflation involving all three levels of government.

Voluntary Actions

The State and local anti-inflation program contains a number of voluntary actions that State and local governments can take.

Compliance with Voluntary Wage/Price Standards

State and local governments are expected to comply with the President's voluntary wage/price standards. For purposes of determining compliance with wage standards, State and local governments are treated in the same way as private companies. This means that annual increases in wages and fringe benefit payments to State and local employees should not exceed 7%.

While the wage standard applies to all levels of government, the price standard will only be applied to those governmental entities that resemble private enterprises. It requires that individual State and local entities limit their cumulative price increases over the program year to one half of a percentage point below their average annual rate of price increase during 1976-77.

Adoption of Anti-Inflation Procurement Policies

Federal procurement policies support the wage/price standards. The Federal government will purchase goods and services, above a certain dollar amount, only from companies in compliance with the standards.

State and local governments can adopt similar procurement policies to support the anti-inflation program. Some jurisdictions may find it possible to do so through changes in regulations; others will need legislative actions.

Regulatory Reform

The Federal government is intensively examining its regulatory programs and policies to assure that legitimate regulatory goals are met at the lowest possible costs and that anti-competitive regulatory activities are eliminated. State and local governments may find that a similar effort yields positive results in combating inflation.

This program offers a list of actions that State and local officials may consider as they review their regulatory programs and policies. Suggested actions are in these areas:

- o housing
- o health care
- o licensing requirements and advertising restrictions
- o environmental and health and safety restrictions
- o public utility and public transportation regulation
- o food and agriculture
- o financial regulation

Productivity Improvement

The Federal government has embarked on a productivity improvement program to increase the efficiency and effectiveness of its 2.8 million employees and the programs it manages.

More efficient delivery of services is a fundamental way that State and local governments can help fight inflation. By taking steps to improve productivity, jurisdictions can reduce the cost of services or provide more service at the same cost.

State and Local Spending and Tax Policies

State and local governments should take cognizance of the fact that their spending and tax policies can effect inflation. For example, property and sales taxes contribute directly to the consumer price index.

SIMPLIFYING THE GRANT-IN-AID SYSTEM

From its inception, the Carter Administration has worked to reduce the inefficiency of the grant-in-aid system. In September 1977, the President announced a comprehensive simplification initiative. The result of that initiative has been reduced paperwork, several grant consolidations, simplified regulations, and reduced reporting requirements.

In addition, the Office of Management and Budget is engaged in a number of wide ranging reform efforts.

But, while much has been done, and several significant reforms are underway, the grant-in-aid system is still too complex. Programs are fragmented and confusing, overlapping and duplicative, and the cost of administering grant programs continues to escalate.

To build on the grant-in-aid system reforms already ongoing, to reduce inefficiency and waste, and to encourage voluntary State and local government participation in the anti-inflation program, the Federal Government will undertake a number of new and expanded reforms.

Reduce the burden of Federal cross-cutting requirements

There are numerous often inconsistent cross-cutting requirements with which State and local governments currently must comply to receive Federal assistance. To reduce the burden of these requirements, the President has directed the Interagency Coordinating Council (IACC) to work with States and local governments to identify the cross-cutting requirements that are most suitable for standardization, and to develop procedures for standardizing them.

Reduce the duplication among Federal, State, and local Activities

Many State and local activities duplicate, in whole or in part, activities of Federal agencies. This wastes time and money and frequently requires beneficiaries of government assistance to comply with several sets of requirements and to relate to numerous bureaucracies.

To reduce this duplication, the President has directed OMB, working with State and local governments and appropriate Federal agencies, to identify new areas in which duplication of Federal, State and local efforts can be reduced.

Reduce the paperwork necessary to apply for Federal grants

The process by which State and local governments apply for Federal grants often is complicated by numerous requests for data and information that already are in Federal possession. To overcome this problem the President has ordered the creation of an interagency working group to develop methods for reducing the paperwork burden imposed by numerous requests for the same information, data, and certifications.

In addition, the President has taken a further step to deal with a particular problem facing small communities. He has directed OMB to follow through expeditiously on its study of methods to improve the availability of information about grant-in-aid programs.

Encourage consolidation of grant programs

The rapid expansion in the number of Federal grant programs has been an important factor in growing confusion and inefficiency in the grant-in-aid system. Efforts to accomplish specific program consolidations have already begun in a number of program areas.

To build on the progress already made in reducing the number of programs, the President has directed OMB to place a high priority on identifying likely candidates and developing specific proposals for program consolidation in the FY 1981 budget process.

Packaging of related grants

Even with a strengthened effort to develop additional grant consolidations, there is still a need to improve the coordination of other Federal programs. Authority to do this exists in the Joint Funding Simplification Act.

To achieve that objective, the President has announced that:

- o the administration will seek reauthorization of the Joint Funding Simplification Act which expires in 1979;
- o OMB will work with the agencies to ensure that they coordinate their assistance under the Joint Funding Simplification Act; and,
- o OMB will work with the agencies to develop pre-arranged joint funding packages for grants that frequently are clustered together.

Streamline planning requirements

The array of separate, frequently incompatible, federal planning requirements frustrates state and local efforts to engage in coordinated management of federal and state resources.

To deal with this problem, the President has directed:

- o that each Federal agency develop, consistent with its statutory authority, a procedure under which State and local governments can submit a single annual plan to satisfy all of the agency's planning requirements;

- o that OMB coordinate and expedite implementation of the recommendations of its 1977 planning consolidation study that can be pursued administratively; and
- o that OMB prepare legislation to achieve those planning consolidation recommendations from their 1977 study that require statutory change.

Limiting Federally mandated costs

Legislation that the Administration is preparing to send to Congress will improve the Federal government's procedures for developing new and considering existing regulations. That legislation applies to regulations that affect the costs of providing State and local government services, as well as the costs of providing goods and services in the private sector. It will require Federal agencies to do the following:

- o Undertake a thorough analysis of the cost-effectiveness of each new regulation to ensure that it achieves its goals without imposing needless costs on State and local governments.
- o Review on a regular basis those regulations that have a particularly significant effect on State and local governments, and those regulations that our consultations with State and local officials suggest are unnecessary or overly burdensome.

OUTREACH AND TECHNICAL ASSISTANCE

A principal objective of the State and local anti-inflation program is to involve as many State and local governments as possible. To achieve that objective State and local governments will be asked to set up the following:

- o Anti-inflation Councils--State and local officials are encouraged to establish anti-inflation advisory councils to recommend actions to further the anti-inflation program, and to help implement those recommendations.
- o State and Local Conferences--State and local officials are encouraged to organize anti-inflation conferences in as many cities, counties and States as possible to highlight the importance of the State and local role in the program, involve the public, and serve as a mechanism to provide technical assistance to participating groups.

In addition, the Federal government will provide technical assistance to State and local governments on an on-going basis. Experts will be available to work with members of the anti-inflation councils and government officials on all aspects of the program.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

21 February 1979

C
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TO: THE PRESIDENT

FROM: RICK HUTCHESON

SUBJECT: Memos Not Submitted

1. JIM MCINTYRE MEMO regarding a violation of the Antideficiency Act by the Peace Corps in the amount of \$6,448. The responsible official, who prematurely obligated funds from FY 78 appropriations, has been reprimanded. OMB concludes that appropriate disciplinary and corrective action has been taken by ACTION.
2. BOB LIPSHUTZ MEMO, regarding the closing of the Greater Los Angeles Community Action Agency (GLACAA). Bob concludes that "Grace Olivarez apparently has followed through on this corrective action in a meaningful and aggressive manner."
3. BOB LIPSHUTZ sent you a copy of the memo he sent to White House staff, advising them that "the President may properly regard his personal staff immune from an obligation to testify before a Congressional committee."
4. ANNE WEXLER NOTE. The McDonald's Corporation has told it supplier that it will not accept price increases in excess of your anti-inflation guidelines.

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for Preservation Purposes

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

16 February 1979

*Patti -
pls retype*

TO: THE PRESIDENT
FROM: RICK HUTCHESON
SUBJECT: Memos Not Submitted

~~1. - HUGH-CARTER-NOTE -~~

- 3 1. BOB LIPSHUTZ sent you a copy of the memo he sent to White House staff, advising them that "the President may properly regard his personal staff immune from an obligation to testify before a Congressional committee."
- 2 2. BOB LIP:SHUTZ ~~sent~~ MEMO, regarding the closing of the Greater Los Angeles Community Action Agency (GLACAA). Bob concludes that "Grace Olivarez apparently has followed through on this corrective action in a meaningful and aggressive manner."
- 1 3. JIM McINTYRE MEMO REGARDING- regarding a violation of the Antideficiency Act by the Peace Corps in the amount of \$6,448. The responsible official, who prematurely obligated funds from FY 78 appropriations, has been reprimanded. OMB concludes that appropriate disciplinary and corrective action has been taken by ACTION.
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	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE



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

FEB 13 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Report of the Director, ACTION on a violation of section 3679 of the Revised Statutes, as amended

There is attached a letter dated November 27, from the Director of the ACTION agency reporting to you, as required by law, a violation of subsection (a) of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), commonly known as the Antideficiency Act.

The violation consisted of signing a contract obligating payment of money from the fiscal year 1978 appropriation for ACTION, Operating Expenses, International Programs (Peace Corps), before the appropriation was available for obligation. It occurred in El Salvador, and involved the renewal of two contracts totaling \$6,448.

The letter from the Director of ACTION states that the responsible officer is Alexander Shapleigh, Acting Director, El Salvador. The employee has been formally reprimanded for this violation by the Director of the Peace Corps in a letter dated June 30, 1978. No further disciplinary action has been taken because the employee acted in good faith and the result was an inadvertent violation of which he was unaware at the time.

Each Peace Corps post has been informed that no contract using the next fiscal year's funds may be signed before those funds are available and official notice received that an appropriation has been signed by the President. In addition to this corrective action, I have requested my staff to work with ACTION to review its fund control procedures so that it may make changes if necessary to improve its financial management operations.

Attachment



ACTION

WASHINGTON, D.C. 20525

NOV 27 1978

OFFICE OF
THE DIRECTOR

The Honorable Jimmy Carter
The White House
Washington, D.C. 20500

Dear Mr. President:

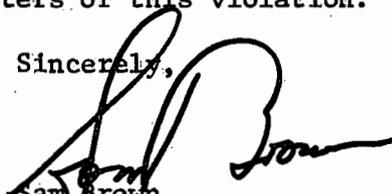
I am reporting an incident, that, while minor and having occurred overseas, does constitute a technical violation of Section 3679 of the Revised Statutes, as amended (31 U.S.C. 665). The Violation concerned the use of Operating Expenses, Peace Corps, ACTION, FY 1978; Treasury Appropriation symbol 4480100. The Violation in question occurred in El Salvador late September of 1977 and consisted of the renewal of two small contracts totalling \$6,448. These were the night watchman contract (\$2,008) and the messenger/driver services contract (\$4,440) at the Peace Corps Headquarters in El Salvador which purported to obligate FY 1978 funds, but which were signed before the fiscal year had begun by the Acting Director, Alexander Shapleigh, thus creating an obligation of funds in advance of the appropriation of such funds.

The Acting Director relied on the advice of an Administrative Officer who assured him that signing the contract was standard operating procedure. He acted in good faith but the result was an inadvertent violation of which he was unaware at the time. The employee, Alexander Shapleigh, has discussed the matter fully with his supervisor, and with appropriate people in the Office of Administration and Finance. The Director of the Peace Corps, Dr. Carolyn Payton, reprimanded him officially for this violation in a letter dated June 30, 1978.

Moreover, the Agency has taken steps to assure that such violations will not occur in the future. Each Peace Corps post has been informed specifically in the last weeks of the fiscal year that no contract using the next year's Federal fiscal funds may be signed before those funds have been made available and that contracts are not to be signed until receipt of official notice that an appropriation has been signed by the President. We believe that this procedure has had a good effect as we went into fiscal year 1979.

I am informing the presiding officers of the House of Representatives and of the Senate in identical letters of this violation.

Sincerely,



Sam Brown
Director

AD/1193



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

FEB 13 1979

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FROM: James T. McIntyre, Jr. (Signed) Jim

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Attachment



ACTION

WASHINGTON, D.C. 20525

NOV 27 1978

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THE DIRECTOR

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The White House
Washington, D.C. 20500

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I am informing the presiding officers of the House of Representatives and of the Senate in identical letters of this violation.

Sincerely,

Sam Brown
Director

THE WHITE HOUSE

WASHINGTON

February 5, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *BL*

RE: Community Services Administration
Matter in Los Angeles

Regarding this matter (GLACAA) which first came to our attention the early part of October, I am attaching a supplementary report from the Community Services Administration.

Grace Olivarez apparently has followed through on this corrective action in a meaningful and aggressive manner.

I will report to you when the identity of GLACAA's permanent successor has been determined.

Attachment

Community WASHINGTON, D.C. 20506
Services Administration



2 FEB 1979

MEMORANDUM

TO : Robert J. Lipshutz
Counsel to The President

FROM : Graciela (Grace) Olivarez, Director 
Community Services Administration

SUBJECT : The Greater Los Angeles Community Action
Agency (GLACAA).

In accordance with your memorandum of January 19, 1979, this will serve to update our October 30, 1978 status report on the Greater Los Angeles Community Action Agency (GLACAA).

Consistent with CSA's October 6, 1978 Notice and the withdrawal from the Joint Powers Agreement by the City of Los Angeles, GLACAA expired as an entity on December 31, 1978. Upon termination of its existence, the City assumed the role of trustee and took control of GLACAA's books, records and assets.

The close-out of GLACAA will take place over the next several months. While the final contract has not yet been executed, the City's agent will undoubtedly be Arthur Young and Company, a CPA firm. Funds have been provided to cover the costs of the close-out and assist the City in planning for a new community action agency (CAA).

At the same time CSA is working with the City to complete the close-out and design a new administrative structure, we are also working with the Los Angeles County government to ensure uninterrupted service to the low-income community. As you know, GLACAA's direct service program was carried out through more than 80 delegate agencies. The County of Los Angeles has received a grant of \$4 million to continue these services through the delegate agencies until June 30, 1979, by which time we expect to have a new program in operation.

We emphasize here, that the question of whether the City and County will become the CAAs for their respective jurisdictions remains unresolved. And discussions with both these entities are

continuing. On the chance that neither will be willing to serve, we are exploring the feasibility of exercising authority under Section 210(d) of the Community Services Administration Act which authorizes the Director to designate community action agencies where local government is unable or unwilling to do so.

Litigation is now in progress which substantially ties up all funds remaining in GLACAA. Thus, there is little chance of loss or misappropriation. Moreover, CSA has placed the City, the City Comptroller and the GLACAA depositories on notice of its priority claim on all remaining funds. These monies will be used for the settlement of lawful claims arising from approved program activities.

On December 14, 1978, CSA's Office of Legal Affairs and General Counsel issued its investigative report on alleged improprieties at GLACAA. This report constitutes part of the basis for the comprehensive (fraud) audit of all GLACAA programs now underway. The audit is being conducted by the CPA firms of Vasquez and Company; Wilfond and Company, under the supervision of the CSA Regional Auditor in consultation with the audit arms of all funding and monitoring sources, including HEW and GAO. We anticipate completion of the audit in mid-to-late February. Further, our audits and investigations are being coordinated with the U. S. Attorney's Office in Los Angeles, the IRS and the FBI.

In sum, most of the issues arising from the close-out of GLACAA have been addressed. All that remains is to complete those transactions necessary for winding down its affairs, including the pursuit of any claims and/or criminal prosecutions. The immediate remaining question concerns the nature and configuration of GLACAA's successor. We anticipate having a solution to this issue within the next thirty days.

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION

ACTION
FYI

for summary

ADMIN CONFIDENTIAL
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VICE PRESIDENT
JORDAN
EIZENSTAT
KRAFT
LIPSHUTZ
MOORE
POWELL
RAFSHOON
WATSON
WEXLER
BRZEZINSKI
MCINTYRE
SCHULTZE

ADAMS
ANDRUS
BELL
BERGLAND
BLUMENTHAL
BROWN
CALIFANO
HARRIS
KREPS
MARSHALL
SCHLESINGER
STRAUSS
VANCE

ARAGON
BUTLER
H. CARTER
CLOUGH
CRUIKSHANK
FALLOWS
FIRST LADY
GAMMILL
HARDEN
HUTCHESON
LINDER
MARTIN
MOE
PETERSON
PETTIGREW
PRESS
SANDERS
VOORDE
WARREN
WISE

THE WHITE HOUSE

WASHINGTON

February 12, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ
MARGARET MCKENNA

RL
MK

The attached memorandum has been distributed to
the White House Staff

THE WHITE HOUSE

WASHINGTON

February 8, 1979

MEMORANDUM FOR THE WHITE HOUSE STAFF

FROM:

ROBERT LIPSHUTZ *RL*

SUBJECT:

Congressional Testimony by Members
of the White House Staff

The role of a White House aide is that of an adviser to the President. Frank and candid discussions between the President and his personal staff are essential to the effective discharge of the President's Executive responsibilities. Discussions of this type take place only if their contents are kept confidential.

A personal aide to the President does not have independent authority or responsibility. He or she generally acts as an agent of the President in implementing a Presidential instruction.

While the investigative power of Congressional committees is extremely broad, the personal staff of the President is immune from testimonial compulsion by Congress. This immunity is grounded in the Constitutional doctrine of separation of powers.

The concept of immunity does not apply to all Presidential advisers. Those advisers who are vested with statutory obligations (such as Dr. Frank Press) must be available to testify. Presidential advisers who hold dual roles, one of which is defined by a statute, are available to Congressional committees, but only to testify relative to their responsibilities under the statute and not with respect to any matter arising in the course of their official position of advising or formulating advice for the President.

The Constitution and court decisions make it clear that the President may properly regard his personal staff immune from an obligation to testify before a Congressional committee.

If you have any questions regarding this, contact Margaret McKenna on extension 6611.

THE WHITE HOUSE
WASHINGTON

February 6, 1979

NOTE FOR THE PRESIDENT

FROM: ANNE WEXLER *AW*

I think you will find the attached
of interest.

cc: Alfred Kahn



McDonald's Corporation
McDonald's Plaza
Oak Brook, Illinois 60521
(312) 887-3326
Direct Dial Number

December 21, 1978

TO: All Suppliers & Firms Providing McDonald's
with Services

FROM: Ed Schmitt
President

I invite you to join McDonald's in our country's fight on inflation. As good corporate citizens, the business community must marshal the efforts necessary to harness accelerating product prices. Using the guidelines provided by President Carter, McDonald's and its suppliers have a moral and financial obligation to eliminate price increases beyond the voluntary program.

McDonald's will not accept price increases beyond the letter and spirit of the presidential recommendations.

Our customers and your customers are entitled to products whose price structure adheres to the voluntary guidelines.

Together McDonald's and its suppliers will work together in a community of interest to stop inflation.

A handwritten signature in cursive script that reads "Ed Schmitt".

EHS:ss

THE WHITE HOUSE
WASHINGTON

February 11, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

I thought it might be useful to have assembled in an easily readable document your major statements about the Administration's goals and programs for this year.

The attached "A New Foundation", which Richard Harden has had printed, contains the State of the Union speech, the accompanying State of the Union Message, and your Budget Message and Economic Report. Copies are being distributed by Ann, Tim, and Jack to constituent leaders and groups with whom they regularly deal.

**Electrostatic Copy Made
for Preservation Purposes**

C

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

February 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Ch Warren*

SUBJECT: Good News About Energy Report

~~Attached~~ is the report which we released today on achieving energy conservation through increasing energy productivity. The report provides the good news that the U.S. can enjoy a healthy, expanding economy in the year 2000 while using only about 10 to 15 percent more energy that is used today. Recent analyses cited in the report show real GNP rising between 60 to 90 percent from now to the year 2000 while energy use increases 15 percent or less. Since population is expected to grow about 20 percent in the same period, per capita income would grow substantially between now and the year 2000.

In reaching these conclusions we assessed more than 44 technical studies related to energy conservation that have been published in the last two years. We also discussed the issue with energy conservation experts throughout the country, both in and out of government.

We undertook the study of the potential for achieving lower energy growth because of our concern about the severe environmental effects of continuing our historically high rate of energy growth. The major environmental benefits achieved by a low energy growth rate result from needing 300 to 400 fewer coal and nuclear power plants, thereby greatly reducing projected pollution, radiation hazards, and land disrupted by surface and underground mining and transmission corridors. The relative environmental effects of the low-growth and high-growth energy futures are described in detail at pages 22-27 of the report.

The report also brings out the national security, balance of payments and anti-inflation arguments for lower energy growth through increased energy efficiency. For example, we estimate that the U.S. can reduce payments for imported oil by about \$16 billion a year by the turn of the century (assuming current oil prices).

The report describes the great importance of your 1977 decision to make energy conservation a cornerstone of national energy planning and the benefits which flow from the conservation programs of the 1978 National Energy Act. A broad array of new federal opportunities for encouraging energy productivity and conservation are discussed at pages 40-47 of the report.

We conclude that the cheapest, cleanest, and least vulnerable energy option for the United States today is to use more of the large portion of our energy which is now lost through inefficient use. The resulting investment in increased energy efficiency will yield a higher return on investment and will have a more positive effect on GNP and employment than most supply options. I plan to make copies of the report available to all members of the Administration's Energy Coordinating Committee at its meeting this Thursday.

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THE WHITE HOUSE

WASHINGTON

February 16, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER ^{HC}

SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 2/9</u>	<u>WEEK ENDING 2/16</u>
Presidential	34,180	32,810
First Lady	1,175	1,690
Amy	385	430
<u>Other First Family</u>	<u>60</u>	<u>50</u>
TOTAL	35,800	34,980

BACKLOG

Presidential	7,920	5,830
First Lady	360	150
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	8,280	5,980

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	11%	11%
WH Correspondence	48%	53%
Unanswerable Mail	15%	14%
White House Staff	5%	4%
Greetings Requests	21%	18%
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters	0	0
Form Post Cards	5,400	5,125
Mail Addressed to White House Staff	13,794	17,227

cc: Senior Staff

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MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 2/16/79

ISSUES	PRO	CON	COMMENT ONLY	NUMBER LETTERS
Support for Budget Cutbacks for FY 1980	1%	99%	0	784
Support for Pelly Amendment to Fishermen's Protective Act of 1967 (1)	99%	1%	0	638
Support for National Health Plan (2)	98%	2%	0	620
Support for Deregulation of Trucking Industry	3%	97%	0	505
Support for FAA Proposals to Expand Air Traffic Control System	5%	95%	0	417
Support for Recognition of People's Republic of China	8	89%	3%	412
Support for President's Grant of Executive Clemency to Patricia Hearst	27%	71%	2%	356
Support for Dismissal of Bella Abzug	36%	74%	0	247
Support for Worldwide Church of God Retaining Tax-exempt Status (3)	97%	3%	0	227
Support for President's Program to Deal with Inflation	8%	31%	61%	121
Support for President's Position re: Middle East	0	72%	28%	116
Support for Proposed IRS Guidelines for Determining Tax-exempt Status of Private Schools (4)	2%	98%	0	<u>112</u>
			Total	4,555

(See Notes Attached)

Notes to Major Issue Tally

Week Ending February 16, 1979

(1) SUPPORT FOR PELLY AMENDMENT (99% Pro)

Prior to the President's report to the Congress, conservationists encourage the President to invoke the Pelly Amendment to the Fishermen's Protective Act of 1967 against Peru, Chile and the Republic of Korea.

(2) SUPPORT FOR NATIONAL HEALTH PLAN (98% Pro)

Contending that present health care programs are inadequate and costly, writers urge the President to support a national health plan which is to include the Health Care for All Americans Act.

(3) SUPPORT FOR WORLDWIDE CHURCH RETAINING TAX-EXEMPT STATUS (97% Pro)

Inspired by leaders of the Worldwide Church of God, members across the country object to a California court's action placing the Church in receivership, claiming that any investigation is unwarranted and in direct violation of the First Amendment.

(4) SUPPORT FOR PROPOSED IRS GUIDELINES FOR PRIVATE SCHOOLS (98% Con)

Private school supporters continue to protest the proposed IRS guidelines for determining tax-exempt status for their schools.

THE WHITE HOUSE

WASHINGTON

February 14, 1979

MEMORANDUM TO THE PRESIDENT
FROM: Frank Press *FP*
SUBJECT: Progress Report on Space Shuttle

In view of your request for this information, I have asked NASA Administrator Bob Frosch to provide brief monthly reports on the status of the program as we enter the final stage of development prior to the first orbital flight.

Enclosure
Frosch ltr, 2/14/79

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National Aeronautics and
Space Administration

Washington, D.C.
20546

Office of the Administrator

February 14, 1979

The President
The White House
Washington, DC 20500

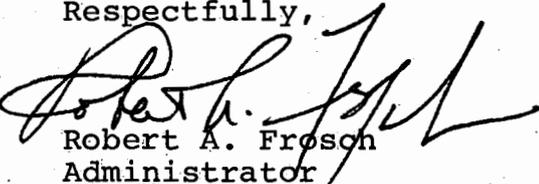
Dear Mr. President:

Knowing your continuing interest in the Space Shuttle program, I am forwarding the first of a series of short monthly Shuttle status reports, to be supplemented by flash reporting if warranted.

The first manned flight of the Shuttle is now scheduled for no earlier than November 9, 1979. We have selected a difficult but possible target schedule in order to help us exercise effective management control and financial discipline throughout the government-industry team. If we encounter no further technical problems or schedule interruptions, I consider there is at least a 50% chance of making this historic first flight this calendar year.

I am also enclosing a photograph which your daughter may enjoy as a memento of your visit to the Kennedy Space Center last October.

Respectfully,



Robert A. Frosch
Administrator

Enclosures (2)

OUTLINE OF SHUTTLE STATUS

Engine

1. Main engine testing has accumulated some 35,000 seconds of successful operation against a preflight target of 80,000 seconds.
2. A third test stand has been activated, providing confidence that the preflight target can be met within 1979.
3. A test engine failure on December 27, 1978, led to temporary suspension of testing until the cause could be determined and modifications made. Rapid isolation of the failure mechanism -- friction in an oxidizer valve sleeve fitting -- and its elimination from the remaining engines permitted testing to resume on January 29, 1979. This delay resulted in a change from September 28 to November 9, 1979, as the earliest target for the first manned orbital flight.

Orbiter

Shuttle orbiter Columbia, which will make the first manned flight, is in the final stages of manufacturing at Palmdale, California, with delivery to the Kennedy Space Center planned for March 10. Some 30,000 ceramic tiles have to be fitted to the Orbiter to provide thermal protection; this installation is going more slowly than desired. By installing the final tiles at Kennedy Space Center after delivery of the Orbiter, we expect to stay within the schedule for a 1979 flight date.

Test Program

1. The full scale ground vibration and static load tests of the Orbiter mated with the external tank and the solid boosters are satisfactorily under way and are expected to be completed without problems.
2. Eight integrated firings of the complete three-engine Shuttle propulsion system are planned between now and November. This active schedule can be met if no new major problems arise.

External Tank and Solid Rocket Booster

Flight hardware for these components is on schedule.

TRANSFER SHEET

Jimmy Carter Library

COLLECTION: Carter Presidential Papers- Staff Offices, Office of the Staff Acc. No.: 80-1
Se.- Pres. Handwriting File

The following material was withdrawn from this segment of the collection and transferred to the Audiovisual Collection Museum Collection Book Collection Other (Specify):

DESCRIPTION:

8x10 color photo of President and Mrs Carter visiting the Kennedy Space Center in 1978

Series: Chron File

Box No.: 120

File Folder Title: 2/20/79

Transferred by: Foulk

Date of Transfer: 5/8/90

File Location of Additional Information:

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RETURN COPY

14087

UNCLASSIFIED

O 141348Z FEB 79
FM: MR JODY POWELL ABOARD AIR FORCE ONE
TO: MR MARK HENDERSON THE WHITE HOUSE PRESS OFFICE
MR HODDING CARTER THE STATE DEPT PRESS OFFICE
INFO: MR WARREN CHRISTOPHER THE STATE DEPT
MR BOB GATE • NSC

ZEM
UNCLAS E F T O
SUBJECT: STATEMENT BY THE PRESIDENT ON THE DEATH OF
AMB ADOLPH DUBS.

I AM SHOCKED AND SADDENED BY THE MURDER OF AMBASSADOR
ADOLPH DUBS IN KABUL THIS MORNING. THE ACT OF BRUTALITY
WHICH TOOK HIS LIFE HAS DEPRIVED OUR NATION OF ONE OF ITS
MOST ABLE PUBLIC SERVANTS.

THROUGHOUT HIS DISTINGUISHED CAREER IN THE FOREIGN
SERVICE, AMBASSADOR DUBS TOOK ON DIFFICULT AND CHALLENGING
JOBS, PERFORMING THEM WITH EXEMPLARY DEDICATION AND SKILL.
HE DIED AS HE LIVED -- IN THE SERVICE OF HIS COUNTRY -- AND
THE MANNER OF HIS DEATH REDOUBLES OUR DEDICATION TO THE
STRUGGLE AGAINST THE KIND OF SENSELESS VIOLENCE WHICH
TOOK HIS LIFE. MY THOUGHTS AND PRAYERS ARE WITH THE FAMILY
OF AMBASSADOR DUBS.

RELEASE INSTRUCTIONS: W.H. PRESS OFFICE TO RELEASE IMMEDIATELY
AND NOTIFY STATE OF RELEASE; STATE PRESS OFFICE TO
RELEASE MY FOLLOWING NOTIFICATION THAT W.H. HAS RELEASED
STATEMENT
GRNC
#0001

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THE WHITE HOUSE
WASHINGTON

2/21/79

Hugh Carter

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 31, 1979

Good
J

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Agency Response to White House Mail

As you know, we have been tracking the performance of agencies replying to your mail by calling a small sample of writers to inquire whether a response was received within 15 business days after referral.

For the entire year of 1978 the average response rate by agencies to mail referred to them from the White House in bulk was 67%, based on telephone calls to 2,181 writers.

By comparison, the average response rate for 1977 was 33%, based on 3,651 telephone calls.

So far this year, 1979, the average response rate is 82%, indicating continued improvement.

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THE WHITE HOUSE
WASHINGTON

2/21/79

Attorney General Bell

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

Rick Hutcheson

cc: Louis Martin

THE WHITE HOUSE
WASHINGTON

cc: G Bell
J

February 15, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN 
SUBJECT: FEDERAL JUDGESHIP APPOINTMENTS

Concern and anxiety among Black leaders over new federal judgeships continue to grow. Media accounts of the reluctance of some Senators and merit commissions to recommend minorities and women, despite your admonitions, are feeding Black fears.

The greatest concern among Blacks at this moment centers on the case of Nathaniel Jones. He is the nationally acclaimed N.A.A.C.P. attorney who is seeking a Circuit Court Judgeship. Representative Louis Stokes of Ohio and Clarence Mitchell are among those campaigning vigorously for Jones.

I understand that his qualifications are not in question. I believe it is in the national interest as well as in the best interest of the Black constituency to nominate Jones. Such action would be most rewarding.

Thank you.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

2/21/79

Frank Moore

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

Rick Hutcheson

cc: Zbig Brzezinski

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
X	MOORE
	POWELL
	WATSON
	WEXLER
X	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

*ok
proceed
J*

February 13, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM.*
SUBJECT: SENATOR ROBERT BYRD'S TRIP TO CHINA

Senator Byrd now wants to go to China as your personal emissary in July, not late March or April. He says it is too cold in China in March, but I think the real reason is he has learned that Baker will be going during March or April.

The Senator is anxious to receive the request, so he can begin the planning with Dr. Brzezinski and Secretary Vance. He admires Brzezinski very much and would be comfortable with anything Zbig suggests to him concerning the trip.

He is also talking about taking some "young" Senators on a trip to Russia at an undisclosed time to have them better briefed on SALT.

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8:00 AM

THE WHITE HOUSE
WASHINGTON
February 20, 1979

CONGRESSIONAL LEADERSHIP BREAKFAST

Wednesday, February 21, 1979
8:00 a.m.
First Floor Private Dining Room

From: Frank Moore *F.M.*

I. INTRODUCTION

After a brief review of foreign affairs, you should ask the Members what their views or comments are on what is going to happen on the Hill in the next couple of weeks, especially domestic legislation. You should urge the Members to lead the discussion and let them take the discussion wherever it needs to go.

II. PRESS PLAN

White House photographer.

III. PARTICIPANTS

See attached list.

IV. AGENDA

1. REAL WAGE INSURANCE

-- Secretary Blumenthal met with the Speaker and asked the Speaker's help in urging Chairman Ullman to schedule mark-up on Real Wage Insurance. You should reinforce this request with the Speaker. At this point, we could probably force it out of the Committee with reluctant votes.

2. BUDGET PROCESS

-- The next couple of weeks are going to be critical for the budget. During this time, individual committees submit their budget estimates to the Budget Committee prior to the Budget Committee's mark-up of the First Concurrent Resolution on the budget. In a couple of instances subcommittees are considering bills that do not reflect the kind of constraint necessary to combat inflation.

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Following are two examples of what some subcommittees are recommending:

(a) Nurse Training Act Authorization Talking Points

- The Nurse Training Act reauthorization now before Senator Kennedy's Health Subcommittee could well be the first visible budget issue on the Senate floor this year.
- Last year I vetoed a similar authorization measure because it contained a federal spending program that was only needed when there was a shortage of nurses. When the first Nurse Training Bill was passed in the mid-1950's, there were only 400,000 registered nurses. Now there are over one million active registered nurses and another 350,000 qualified RN's who are not currently active in the profession. Moreover, the number of active RN's is projected to increase to 1.5 million by 1990.
- In times of budget austerity, we cannot afford to continue programs such as this which have worked well in the past but have outlived their usefulness. Support for undergraduate nursing students should now be met through the Office of Education's aid programs available to all undergraduate programs.
- My budget provided greatly reduced funding for programs directly earmarked for nurses. On the other hand, I am proposing adjustments in the training reauthorization for all health professionals, including nurses, to address imbalances in the geographic distribution of these professionals and to eliminate current ceilings on the number of nurses that can qualify for federal health scholarships.

(b) Subcommittee on Public Assistance Budget Recommendation

- Congressman Corman's subcommittee on public assistance has forwarded its budget recommendations to the full Ways and Means Committee. The subcommittee did not include any of our proposed welfare savings and proposed spending \$800 million over our budget.

3. CHINA

-- You should brief the Leadership on the present status of the China/Vietnam conflict. We undertook extensive consultations the first day of the invasion, but an update would be appreciated. You may be asked about the implications the China invasion may have on the Taiwan Omnibus Bill. We suggest if you are not asked that you preempt the issue by raising it yourself. We have found that it is best to stress the long-standing hostility between Vietnam and China and that this recent incident has been expected for some months even prior to normalization. Further, we suggest that you reiterate that China does not have the military capability to attack Taiwan for at least 5 years; additionally, the United States maintains its option to come to Taiwan's assistance if we should deem it in our national security interest to do so.

-- Both the Senate Foreign Relations Committee and the House Foreign Affairs Committee will mark-up security provisions of the Taiwan Omnibus Bill this week. There is Zablocki language which is acceptable to us. It should prevail in the House Committee, although we are still officially opposed to any language. In the Senate, Church has yet to reach a compromise with Senator Javits and has promised to proceed alone if necessary.

4. SALT

-- There has been some heightened expectations that SALT will be concluded within a matter of weeks. Your speech at Georgia Tech has underscored this. We suggest you give the Leadership a status report on negotiations.

5. IRAN

-- A brief outline of the status of the evacuation of Americans would be helpful. Additionally, any comments you make on the eventual sale of Iranian oil to the United States would be useful. You may be asked to respond to the Iranian government's recent action concerning the PLO.

6. MIDDLE EAST PEACE

-- You may wish to explain the present status of the Camp David Foreign Ministers' meeting. The expectations

of the Members are running somewhat higher than we anticipated and we suggest that you take the opportunity to put in perspective your views on the outcome of the meeting.

7. CONSTITUTIONAL CONVENTION/BALANCED BUDGET

- For reasons covered in the separate memo sent to you over the weekend on this subject, we suggest that you avoid discussing the Constitutional Convention with the Leadership at this time.

CONGRESSIONAL LEADERSHIP BREAKFAST

Wednesday, February 21, 1979

PARTICIPANTS

The President
The Vice President

Senator Robert C. Byrd
Senator Alan Cranston
Senator Warren Magnuson
Senator Daniel K. Inouye

Speaker Thomas P. O'Neill, Jr.
Congressman James Wright
Congressman John Brademas
Congressman Thomas Foley

Zbig Brzezinski
Stu Eizenstat
Jim McIntyre
John White
Jody Powell
Jerry Rafshoon
Frank Moore
Dan Tate
Bill Cable
Bob Beckel
Bob Thomson
Bill Smith

February 21, 1979

MEMO TO: The Speaker

FROM: Ari

1. FY'80 Budget: Appropriations subcommittees have begun hearings. Bills scheduled for floor action beginning June 13th.

First Budget Resolution: Will reach markup first week in April; increasingly clear deficit will not be below \$30 billion. President's budget includes legislative changes unlikely to prevail, (social security amendments, veterans' health care, impact aid, school lunch and child nutrition) as well as estimates considered too optimistic by our experts (crop supports, unemployment programs, spendout of highway money, and hospital cost containment). There are only two easy places to cut: the state share of general revenue sharing and real wage insurance. Would be smart to stop focusing on deficit.

2. FY '79 Budget: With the reestimate (due largely to unexpectedly higher interest costs) to be provided the Parliamentarian by the Budget Committee early in March, there will be no room within the expenditure ceiling provided in the second resolution. In order to fund the President's supplemental requests, a third resolution will be necessary. The committee plans to handle the third resolution for '79 as part of the first resolution for '80. Unless Rules and Budget grant the necessary waivers, this means the additional funding for the Council on Wage Price Stability and for disaster relief will have to wait until late May.
3. Debt Limit: Extension till September 30 and from \$798 billion to \$836 billion in Rules today. Scheduled for floor action next Tuesday (2/27). Gephardt heads task force.
4. Countervailing Duties: Waiver authority expired January 1. Administration seeks extension till October 1. Subcommittee markup begins today. Possible floor action late next week.
5. Real Wage Insurance: Hearings completed. Ullman remains negative but is being pushed by most Democrats on Committee. But for his resistance, would clear committee.
6. Panama Canal: The four committees (Merchant Marine, Foreign Affairs, Judiciary, Post Office) are under April 10th reporting deadline.
7. China-Taiwan: Markup scheduled to begin today postponed due to weather. Committee remains undecided whether to consider implementing legislation and Taiwan resolution separately.
8. Alaska D-2 Lands: Passed House last year. Filibustered in Senate. Referred to Merchant Marine and Interior with March 19 reporting deadline, which will likely be extended by two weeks.
9. Amtrak Reorganization: Plan has been submitted. If reported from Committee (Florio's subcommittee of Commerce) subject to one-house disapproval before early May.
10. Illinois Brick: Reverses Supreme Court decision restricting plaintiffs in antitrust cases. Full Judiciary Committee markup likely last week in February.
11. Council on Wage and Price Stability: Reauthorization with additional employees. Full Banking Committee markup likely next week.

OTHER MAJOR LEGISLATION

Hospital Cost Containment (Admin. bill expected this week)
National Health Insurance (Admin. decision planned within six weeks)
Social Security Amendments (starting with disability program)
Welfare Reform (Admin. bill expected 3/23)
Trade Agreement (expected in April)
Transportation Deregulation (Pres. message and Rail bill likely early March)
Department of Education (Admin. bill due this week)
Reorganization plans (economic development & natural resources)
Countercyclical
National Development Bank

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Other Major Legislation cont'd

Authorizations for Asian, African, and Inter-American Development Banks
Public Works Authorization (water projects)
Public Financing (150 co-sponsors on Mikva bill; mid-March hearings likely)
Intelligence Charters
Criminal Code Reform (Drinan subcommittee. Uphill despite his enthusiasm)
Lobby Reform (passed House last year; died in Senate)
Nuclear Licensing Reform
Nuclear Waste Management (Admin. bill expected this week)
160-Acre Amendments (limitation on use water provided by Fed. Reclamation program)
Sugar Bill (passed Senate last year, defeated in House)
Carryover Basis Tax rules
Labor Law Reform (passed House last year; died in Senate)
Federal Pay Comparability (Admin. bill expected this month)
Regulatory Reform (Admin. bill expected 3/14)

THE WHITE HOUSE
WASHINGTON

2/21/79

Mr. President:

Hugh has requested 10
minutes with you to discuss
replacements for your military
aides. May I work this meet-
ing in this week?

yes no

Phil

Sat 24
9:30 AM

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Breakfast
2-21-79

THE WHITE HOUSE
WASHINGTON

C. David talks

China vs VN

Iran

RWI

Budget.

Thurs training 400,000 → > 1mil RW's
+ 350 T machine
→ 1 1/2 mil / 1990

Welfare / Public assistance + \$800 mil
Corman → W & A

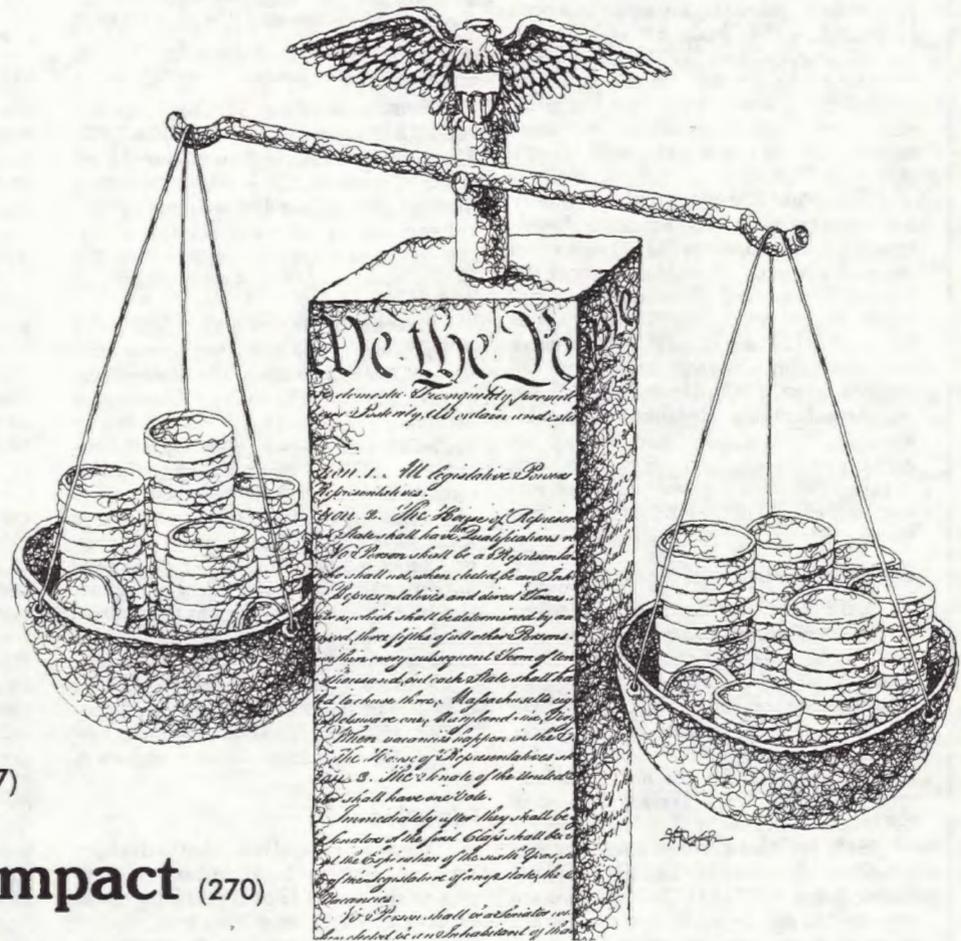
Taiwan

Hosp Cost

Tip - (Angola)

Maggie - Held the line

The Budget Amendment



Politics (267)

Lobbying (277)

Economic Impact (270)

Constitutional Convention (273)



~~CONFIDENTIAL~~

THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

February 16, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary
of Defense (February 10-16, 1979)

Evacuation of U.S. Citizens from Iran: Arrangements have been made with the new government of Iran to initiate an evacuation of U.S. citizens from Iran tomorrow. It is planned that two Pan American 747s and one Air Force C-141 will transport about 1000 Americans from Tehran tomorrow; about 20 percent of those Americans expected to leave Iran. We are hopeful that smaller numbers of Americans can begin to depart by sea from Gulf ports, or by auto into Turkey from Tabriz, on the same day.

CENTO: On Tuesday I met with Kamuran Gurun, the Secretary General of the Central Treaty Organization. Discussion concentrated on a review of the current situation in the CENTO region, particularly the impact of events in Iran on the future of the CENTO alliance. It appears that there is little likelihood that Iran will remain in CENTO or that CENTO can survive Iran's withdrawal. Pakistan is poised to sever its CENTO ties and Gurun stated that Turkey sees no hope of preserving the pact. At the moment, our best course seems to be to play for time and avoid drawing Iran's attention to CENTO matters. However, after enduring for 24 years, CENTO seems on the brink of formal dissolution.

Panama Canal Hearing: On Thursday I appeared along with Lieutenant General Dolvin before the House Panama Canal Subcommittee. The hearing went reasonably well. Representative Bauman did press on the cost to implement the treaty, and expressed a fear that the Administration might turn canal oversight over to the Department of Transportation. Subcommittee Chairman Hubbard indicated he planned to report the bill out on schedule. In conjunction with this hearing we started our Military Construction Budget hearings before the House Armed Services and Appropriations Committees. There is about \$36 million in the Supplemental and FY 1980 Budget request earmarked for treaty-related construction, and we can expect some opposition to these projects. We will watch this very closely.

Jay Stille
~~CONFIDENTIAL~~

Classified by Signer
Declassify on 16Feb85

SEC DEF CONTR No. 01182

SARATOGA SLEP: Last Friday the Senate Armed Services Committee held a hearing on the SARATOGA Service Life Extension Program. Graham Claytor did a creditable job of defending the Department's decision to do the work in Philadelphia as opposed to Newport News. Today I testified before Charlie Bennett's Seapower Subcommittee along with Graham and Chief of Naval Operations, Tom Hayward. This hearing also went reasonably well.

Meeting with U.K. Minister of State for Defence: Minister of State for Defence John M. Gilbert has invited me to attend a POLARIS missile firing to be conducted by HMS REPULSE (SSBN-03) off Cape Canaveral next Tuesday. Ambassador Peter Jay will also be present. I plan to emphasize NATO arms cooperation in my discussions with Gilbert and will host him for a day of further consultations here in Washington with the Department staff.

Meeting with German MOD: Harold will meet with Defense Minister Apel here on February 21 and 22 to discuss the international security situation, with emphasis on East-West relations and issues relating to NATO. Prior to these discussions, MOD Apel will meet with Admiral Train in Norfolk for discussions; tour an SSBN; and observe carrier flight operations from the USS INDEPENDENCE.

Meeting with White House Staff: Last Monday, at Hamilton Jordan's request, I briefed your staff on the FY 1980 Defense Program, the U.S.-Soviet Defense Balance, and some of the specific Congressional and public issues that we will need White House staff help to resolve. I covered SALT, ELF, Base Realignment, 2d Division restationing and a number of other high-interest issues. As a follow-up, Frank Moore asked us to present a similar briefing to the Legislative Liaison Assistants of the other Departments, which we have done.

