

**2/21/79 [2]**

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THE WHITE HOUSE  
WASHINGTON  
2/21/79

Alfred Kahn  
Jim McIntyre  
Stu Eizenstat  
Charlie Schultze  
Jack Watson  
Anne Wexler

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

Rick Hutcheson

cc: The Vice President  
Hamilton Jordan

THE WHITE HOUSE  
WASHINGTON  
February 17, 1979

*Very good  
J.C.*

MEMORANDUM FOR THE PRESIDENT

FROM:

Alfred Kahn *Fred*  
Jim McIntyre *Jim*  
Stuart Eizenstat *Stu*  
Charles Schultze *CCS*  
Jack Watson *Jack*  
Anne Wexler *AW*

SUBJECT: State and Local Anti-Inflation Program

This memorandum seeks your final approval of the State and local anti-inflation program. It asks that you approve the announcement of the program on February 21, at a meeting with State and local officials. You tentatively approved the general elements of this program at your January 25 breakfast meeting with your economic advisors.

The program has three parts:

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

Voluntary State and Local Action

We will ask State and local governments to do the following:

A. Comply with the wage-price standards

State and local governments are expected to comply with the voluntary wage and price

standards. This part of the program will provide information and guidance to State and local governments in a timely manner to ensure that problems are detected and corrected before they take actions that put them out of compliance.

B. Adopt anti-inflationary procurement policies

State and local governments are encouraged to adopt procurement policies that encourage businesses to comply with the wage and price standards.

This part of the program will provide the following:

- o Specific principles for State and local anti-inflationary procurement policies;
- o Technical assistance to State and local governments to help them adapt the principles to their own use;
- o A compliance certification service to help States and localities identify complying and non-complying companies.

C. Reform State and local regulations

This part of the program will include a regulatory reform check-list for State and local officials. (A copy is attached.) It will provide suggested regulatory reforms in the following areas:

- o Housing
- o Health Care
- o Licensing requirements and advertising restrictions
- o Environmental and Health and Safety Regulations
- o Public Utility and Public Transportation regulations



- o Reduce the paperwork necessary to apply for Federal grants
- o Encourage consolidation of grant programs
- o Encourage packaging of related grants
- o Streamline planning requirements
- o Limit Federally mandated costs

A. Reduce the burden of Federal cross-cutting requirements

There are numerous cross-cutting requirements with which State and local governments currently must comply to receive Federal assistance. (Examples of these include Federal standards mandating citizen participation, relocation assistance to citizens displaced by Federal projects, equal employment and construction labor practices) Different versions of these requirements are included in most grant-in-aid programs and interpretation and enforcement of them by Federal agencies varies widely. As a result, State and local governments often are forced to comply with widely varied interpretations of the same or similar standards.

We have already begun several projects to deal with this problem, including:

- o CEQ's efforts to develop a single framework for all agencies enforcing the NEPA laws;
- o EPA's and Jack's efforts to standardize the local population projections used in many grant-in-aid programs;
- o OMB's efforts to standardize the eligibility requirements for various social service and human service programs; and,
- o The recent agreement among six agencies to accept each other's findings of grantee compliance with 16 separate Federal requirements for rural sewer and water programs.

While all these efforts have been difficult and time consuming, we believe that much more should be done.

We recommend that you direct the Interagency Coordinating Council to do the following:

- o Work with State and local officials to identify the cross-cutting requirements that are most suitable for standardization; and,
- o Work with the affected agencies to
  - develop uniform interpretation of and enforcement procedures for these cross-cutting requirements; and/or,
  - allow one agency's findings of compliance with the uniform requirements to be acceptable to other agencies.

While we believe that much of this work can be accomplished administratively, there certainly are instances in which the variation in cross-cutting requirements result from differences in authorizing legislation. In some of these cases, we may want to recommend legislation to standardize these requirements.

B. 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.

There are several projects already underway that reduce this overlap and duplication, including:

- o OSHA procedures now allow State occupational and safety standards and workplace inspections to be substituted for Federal standards and inspections, when the overall state inspection program meets Federal standards. Several States now conduct inspections under this program.

- o State enforcement of Federal air and water quality standards can be substituted for Federal enforcement, when the EPA Administrator finds that State law and administrative capacity are adequate.
- o FDAA has negotiated with several States to allow them to administer Federal disaster relief in conjunction with the State's own programs. This arrangement is in lieu of the traditional direct Federal administration.

We recommend that you expand on these efforts by directing OMB to work with appropriate Federal agencies and State and local governments to identify additional areas in which duplication of Federal, State, and local efforts can be reduced. Possible candidates for such action might include:

- o building codes and housing regulations
- o housing inspections
- o audits of grantees
- o administration of community health programs
- o supervision of National Health Service Corps personnel

C. 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 we suggest that you:

- o Create an interagency working group (chaired by an appropriate lead agency working through the Interagency Coordinating Council) to develop methods for reducing the paperwork burden imposed by numerous requests for the same information, data, and certifications.

The working group would review grant-in-aid application forms and identify the information that is most commonly requested by Federal agencies. It would examine alternative methods for reducing the paperwork burden of providing this information. Alternatives to be examined would include:

- the feasibility of creating a central repository of the basic data most commonly requested by Federal agencies;
  - changes in the application forms so that grantees would submit an easily duplicated cover sheet containing the basic data.
- o Reemphasize to the agencies your previously imposed requirement that they not seek basic legal, demographic or other information that has already been submitted with applications. Under this requirement, grant applicants can inform an agency that they had submitted the information previously and simply certify that the information has not changed.

In addition, many small communities have little or no knowledge about the programs for which they are eligible. To deal with this problem we recommend that you:

- o Direct OMB to follow through expeditiously on its study of methods to improve the availability of information about grant-in-aid programs. This effort will expand the Federal Assistance Program Retrieval System (FAPRS) and increase access to grant information via computer terminals, on a cost-effective basis.

D. Encourage consolidation of grant programs

To respond to the strong State and local interest in grant-in-aid consolidation, we recommend that:

- o OMB, at your direction, place a high priority on identifying and developing specific proposals for grant consolidation in the FY 1981 budget process.

E. Encourage packaging of related grants

Even with a strengthened effort to develop additional grant consolidations, there still will be a need to improve the coordination of Federal programs. To streamline procedures for packaging related grants, we recommend that you:

- o Seek reauthorization of the Joint Funding Simplification Act which expires in 1979;
- o Direct OMB to work with the agencies to ensure that they coordinate their assistance under the Joint Funding Act procedures.
- o Direct OMB to work with the agencies to develop prearranged joint funding packages for grants that frequently are clustered together. Under this procedure, a recipient would be able to use a single letter of credit or other funding pool, relate to one lead agency and submit to one audit for all packaged grants. This reverses the past practice under which each interested grantee had to assume the responsibility of negotiating with all the relevant Federal agencies to package related programs.

F. Streamline planning requirements

The array of separate and frequently incompatible Federal planning requirements frustrates State and local efforts to engage in coordinated management of Federal, State and local resources. They also require too frequent submissions of State and local plans. We recommend that you:

- o Direct each Federal agency to develop, consistent with its statutory authority, a procedure under which State and local governments could submit a single annual plan to satisfy all of the agency's planning requirements. (HEW has undertaken a demonstration project this year under which five to fifteen States will participate in such a single plan process.)

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

G. Limiting Federally mandated costs

Legislation that you will send to Congress next month improves 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.

Since Federally-mandated costs are a great concern to State and local officials, we recommend that you use the February 21 meeting to highlight this aspect of our regulatory reform initiative.

We recommend your approval of the above.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

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Outreach and Technical Assistance

To enlist the active involvement of as many State and local governments as possible and to provide them assistance, we plan the following:

o Washington meeting

We have scheduled a Washington meeting on February 21 to announce our State and local anti-inflation program (previously approved). The agenda will include statements from you, the Vice President, Fred Kahn, Jack Watson and Jim McIntyre. Governors, mayors, State legislators and county officials will attend the meeting.

o State and local councils

We will ask governors and mayors to establish anti-inflation advisory councils to recommend actions that State and local governments can take to further the anti-inflation program and to help implement those recommendations.

o State and local conferences

We will ask governors and mayors to organize anti-inflation conferences in as many cities, counties and States as possible to highlight the importance of the State and local roles in the program, involve the public, and serve as a mechanism for providing technical assistance to participating groups. Administration representatives will participate upon request.

o Continuing technical assistance

With the expansion of the State and local program these governments are likely to require much more guidance and technical support than they have been receiving. We will offer assistance on a continuing basis by establishing several technical assistance teams to provide on-site consultation with State and local government officials.

We recommend that you approve the above.

Approve \_\_\_\_\_



Disapprove \_\_\_\_\_



## THE STATE AND LOCAL REGULATORY CHECKLIST

### 1. Housing

The problem is that there has been a sharp escalation in housing costs. Although this is partly the result of an increasing demand for housing, State and local regulatory policies may also contribute to the increase. Complex layers of regulations add to the delay and expense developers and others encounter, and hence add to housing costs.

- o Improve long-and short-term planning, so that sewer capacity is not exceeded, resulting in moratoriums on new hookups and costly catch-up construction. Where new capacity needs are identified, plans should be made to build simultaneously with other development work like road-building, so duplicative costs are avoided.
- o Review requirements for developers to build roads, sewers, sidewalks, etc., to be certain that they are not unnecessarily onerous.
- o Simplify the steps a developer must take to receive permission to build; eliminate duplicate reviews, minimize administrative costs, and limit the delay required to attain desired goals in planning, safety, and environment.
- o Adopt one of the principal model building codes and keep it updated and unmodified by the local jurisdiction.
- o Review zoning ordinances, paying particular attention to the effect lot-size and/or house-size restrictions have in reducing the flow of newly constructed, moderately priced housing.
- o Improve the administration of local building and housing codes by training, certifying and licensing code administrators, inspectors and technicians.

- o Modify State and local regulations to allow rapid review and approval of new technology, methods and materials, and to permit reciprocal approvals among jurisdictions with such procedures.
- o Adopt more efficient land title and property title record systems.
- o Promote competition among real estate firms, settlement attorneys, and title insurance companies.
- o Review the administration of State labor laws patterned after the Davis-Bacon Act to assure that wage-rate determinations properly reflect prevailing wages, just as the Federal government is doing.
- o Encourage policies that share capital costs of public facilities throughout the total community.

## 2. Health Care

The problem is that existing health care delivery systems have few built-in incentives to hold down costs.

- o Encourage State insurance commissioners to urge health insurers to contain claims cost increases. Insurers could be encouraged to modify payment policies that have contributed to inflation in medical costs, such as the "usual customary and reasonable" approach to paying for physicians' services.
- o Allow or encourage pharmacists to substitute generic prescription drugs for more expensive brand name drugs.
- o Consider the development of hospital rate review mechanisms, which could review and approve hospital rates and budgets.
- o Encourage the development of Health Maintenance Organizations (HMO).
- o Encourage hospitals to engage in group purchasing, and sharing of services within the community.

- o Strengthen health planning mechanisms to limit wastefully duplicative hospital facilities, and to ensure the availability of less costly facilities for patients who do not require the degree of care provided by hospitals.
- o Encourage hospitals and physicians to display prices of commonly sold drugs, eyeglasses and medical supplies and devices.

### 3. Licensing Requirements and Advertising Restrictions

The problem is that State and local licensing requirements and advertising restrictions may increase prices by preventing entry to a profession or occupation or preventing consumers from making intelligent choices because of limited information.

- o Review and revise existing licensing requirements to restrict them to professions where they are clearly needed.
- o Consider the inflationary effects of remaining requirements, and eliminate those where costs outweigh gains.
- o Examine inconsistent or conflicting requirements among various States or localities, to weed out unnecessary restrictions that favor existing practitioners or those in a particular locality.
- o Review advertising restrictions and reduce them to minimum needed to protect the public.

### 4. Environmental and Health and Safety Regulations

The problem is that State and local regulations to protect the environment and public health and safety may in some cases be structured so that they cost more than needed to meet desired goals. Unnecessary costs can be reduced by (1) seeking lowest cost means of accomplishing regulatory purposes, and (2) eliminating overly detailed specifications of how to comply which limit the flexibility of industry to adopt the lowest cost means of meeting performance standards.

- o Seek out opportunities for requiring more controls of a particular pollutant on classes of facilities with low control costs and less controls of this same pollutant on those with high control costs.

- o Plan for the use of limited clean air and water quality resources through use of market mechanisms (e.g., allowing a firm to pay another to reduce pollution in order to offset increased emissions from new facilities) or other such approaches, so those resources are not used up on a first-come-first-served basis, resulting in expensive retrofits or absolute limits to further economic growth.
- o Expedite, simplify, and/or consolidate State/local permitting decisions to reduce the administrative cost and the delay involved in constructing new facilities. EPA's new permit program reforms may serve as a model.
- o Set performance standards wherever possible rather than detailed specifications of how performance goals must be reached.
- o Examine the possibility of pruning unnecessary reporting requirements.

5. Public Utility and Public Transportation Regulation

We would ask the State regulatory bodies to:

- o Apply the voluntary pay and price standards in setting rates or approving changes.
- o Consider the possibility of eliminating or revising automatic cost pass-through provisions (such as fuel adjustment clauses) in order to increase incentives to minimize costs.
- o Adopt rate schemes (such as time-of-day pricing, charges for Directory Assistance, metering of water usage, and timing of local telephone calls) that relate charges more closely to the varying costs of different kinds of service.
- o Where feasible and practical, require ultimate consumers of energy to pay its cost: for example, by forbidding rent-inclusion of utility services, and permitting sub-metering.

- o Work to achieve uniformity in transportation regulations (e.g., weight and length regulations) that now differ from one State to another.

## 6. Food and Agriculture

While the main effort must be Federal, State and local authorities can:

- o Review quantity and quality restrictions in fruit and vegetable marketing orders.
- o Work for greatest uniformity in State labeling requirements; differences among States increase processors' costs.

## 7. Financial Regulation

We would also urge them to:

- o Consider modification of regulations that would foster competition among financial institutions.
- o Consider permitting a greater measure of price competition in the sale of insurance.
- o Examine existing tort claims laws to see how they affect insurance costs, particularly in such areas as product liability and medical malpractice.

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 your information.

Rick Hutcheson

cc: The Vice President  
Hamilton Jordan  
Stu Eizenstat  
Jack Watson

ADMINISTRATIVELY CONFIDENTIAL

EYES ONLY

THE WHITE HOUSE  
WASHINGTON

February 17, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE  
SUBJECT: Weekly Legislative Report

I. DOMESTIC ISSUES

1. Real Wage Insurance -- In an effort to keep RWI alive Treasury and WHCL are continuing to work on the Democratic members of Ways & Means. Our objective is to prevent members from positioning themselves against RWI before the mark-up.

Secretary Blumenthal met Wednesday with the Speaker, who pledged his support in encouraging Ullman to set a date for mark-up as soon as possible. The Secretary has continued talks with other members such as Brodhead, Vanik and Rangel.

On the labor front, Blumenthal is keeping in touch with Lane Kirkland and Treasury CL is meeting with AFL-CIO representatives. They have talked with AFSCME and UAW to indicate avenues of common agreement and will continue to solicit their help.

2. AMTRAK -- Opponents of the Amtrak re-structuring are turning to the Amtrak authorization legislation instead of a veto resolution as a means of restoring train service cut by the re-structuring. (Only 16 House Members are supporting resolutions of disapproval.)

Sensing this possible move, the House Appropriations Subcommittee on Transportation may report a Transportation appropriations bill with no funding for Amtrak, preferring to wait out the authorizing committee. Should the Senate concur with the House Appropriations Committee plan, it is possible that a continuing resolution would go into effect, set at your requested budget amount for FY 1980.

The leading candidate for restoration through the authorization bill is the "Montrealer". Senator Durkin has filed a resolution designed to keep the Montrealer operating

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and Silvio Conte, the ranking Minority Member of the House Appropriations, is the one major co-sponsor on the House resolution of disapproval. Citing preservation of the Las Vegas Amtrak route, Durkin told WHCL that "Senator Cannon has more trains than Lionel, but I don't have any."

Senator Leahy is also preparing to do battle over the Montrealer -- he initially said he would work to come up with state funds but that drew a firestorm in the Vermont press. He is also being challenged to do something by Governor Snelling and Congressman Jim Jeffords (a possible 1980 Republican opponent to Leahy).

DOT officials continue to meet with Members to generate support; newspaper editorials continue to be favorable.

3. Rail De-regulation -- Rail de-regulation legislation is expected to be ready to go to the Hill in early March. The drafting process has been slightly delayed by controversies over provisions dealing with abandonments, captive shippers and labor protection.

DOT is continuing to brief shippers, railroads, state and local governments, and Hill staff on the issues. The only group to publicly oppose all forms of de-regulation so far is the Association of Farm Co-operatives. Their concerns are being considered in the drafting process. Meanwhile, Transportation has prepared a schedule of briefings for Governors, State transportation officials, editorial boards and key shippers. These briefings will be held throughout the Spring.

4. Aviation Noise -- Congressman Johnson, the Chairman of the House Public Works Committee, is supporting Senator Cannon's aviation noise legislation. Johnson has directed his staff to prepare a similar bill to be submitted on the House side.

Aviation Subcommittee Chairman Anderson is currently resisting these moves and plans to hold hearings instead on his air terrorism bill. FAA Administrator Bond has met with Congressmen Johnson and Anderson and airport operating officials to emphasize DOT's position on noise enforcement.

5. American Agriculture Movement Reaction -- There have been a few pleasant surprises in congressional reaction to AAM demands for grain price supports at 90 percent of parity. Missouri's Eagleton and Danforth both told their farmers they would oppose such legislation; Iowa's Jepsen told his farmers he was inclined against. McGovern and other senators generally sympathetic to the AAM have told farmers they do not intend to push price support legislation in the

Senate unless the House acts first. House leadership is with us, despite strong agitation by Nolan and a vocal majority of the House Agriculture Committee and a seeming majority of the House Appropriations Subcommittee on Agriculture. Across the country, the majority of newspaper editorials have begun to react against the proposal. USDA judges that the tide is turning in support of the Administration position.

The Democratic caucus of the House Agriculture Committee will meet Tuesday to discuss the Committee's reaction to the farmers' demands. There is staff speculation that Members' support could turn toward some type of mandatory or paid diversion of crop land. This proposal is of particular interest to the southern cotton areas, and the idea could pick up momentum.

Many of the farmers are now trickling back to the farms, but others say they are sending replacements or will return in a week; thus, it is hard to estimate how many will remain, though it is certain that a good number will be here on March 1.

6. Labor-HEW Appropriations -- Jim McIntyre met with Chairmen Whitten and Natcher last Wednesday to urge them to take expeditious action on the Administration's pending recission proposals. Mr. Whitten took a very cautious attitude and would not make any definite commitment.

Mr. Natcher, the new Subcommittee Chairman, was willing to consider the recissions and has scheduled a hearing for Tuesday afternoon at 2:00. Sue Woolsey from OMB will testify, along with congressional and departmental witnesses.

Mr. Natcher also indicated that for the FY 1980 Labor-HEW appropriations bill, he would try to work with the Administration's totals, although he would reorder priorities within the totals. However, he seemed to imply that budget increases would be offset by substantive program reductions, not by non-programmatic estimating changes.

7. Nurse Training Act -- Senator Kennedy attempted this week to set an early mark-up for his Nurse Training bill. The bill is similar to the one you pocket-vetoed last year. Fortunately, we had done some work with the full Human Resources Committee staff and the effort was thwarted.

Our bill will go up to the Hill by the end of this month. It reflects the deep budget cuts you have proposed in many of the nurse programs. Kennedy was obviously attempting to move a bill before our version reached the Hill.

This could well be our first visible budget fight on the Senate floor. If we win, it could set a positive tone for other, more expensive fights to follow. The Budget Task Force has assigned a high priority to this issue.

8. Alaska Lands -- The House Interior Committee is scheduled to begin mark-up of the bill on February 21, and will use H.R. 39 as introduced this year as the vehicle.

The Fisheries and Wildlife Conservation Subcommittee will continue hearings next week. Subcommittee Chairman John Breaux has introduced the bill as passed by the House last year and has indicated that he may use that bill as the vehicle for mark-up in his committee. He has also made preliminary arrangements for a trip by committee members to Alaska in mid-March and has indicated his intention to hold a hearing on the bill in Fairbanks.

Senator Stevens has urged Chairman Jackson to delay reporting a bill until action has been taken on the House floor. This would put us at a tactical disadvantage on the Senate floor where we will offer several strengthening amendments. In an effort to prevent this scenario, Jim Free and Bill Cable will work with House leadership to hold the bill off the House floor until the Senate acts. Senate Liaison will try to convince Jackson to proceed with the bill.

We have been coordinating our hill strategy with the environmental groups.

9. DEA Authorization Hearings -- The Senate DEA authorization hearings will be chaired by Senator Biden in his capacity as chairman of the Judiciary Subcommittee on Criminal Justice. Senator Biden's staff indicated that they were planning one day of hearings in mid-March. Senators DeConcini and Leahy will be holding field hearings in their respective home states on the drug situation, but these hearings are evidently not tied to the authorization process. We can expect a bitter attack from Leahy and others on DEA and its procedures.

10. MTN/CVD -- Chairman Vanik cancelled the upcoming Wednesday mark-up on the countervailing duty waiver authority extension bill, because the White House could not assure him that "supporters of the textile and apparel industry" would be satisfied. According to STR staff, the textile industry refused to accept the language proposed by State (Dick Cooper) with respect to the textile agreement. Talks between the Administration and the industry will continue.

Insofar as vote counts in the Trade Subcommittee are concerned, both the STR and the private pro-MTN groups accept the view, as an article of faith, that passage of an acceptable CVD waiver extension bill is impossible without support of the textile interests. According to STR, Strauss expects to reach agreement soon. If he does, both MTN and CVD should be in good shape.

## II. FOREIGN POLICY ISSUES

1. PRC/Taiwan -- While supporting the fundamental act of normalization, Members of Congress remain frustrated and uncomfortable about our handling of Taiwan. Many say they are afraid "abandonment of Taiwan" contributes to a general decline of U.S. prestige and security in the world; some are frustrated by having to cope legislatively with the fiction that Taiwan is not a foreign country. They continue to say we could have pushed harder in our negotiations for a pledge on Taiwan's security, and miss no opportunity to complain about lack of consultation. In the House committee, particularly, there will be an effort to write into law the pledges made by Teng regarding Taiwan's future.

The bottom line is that we are likely to get bills out of both SFRC and HFAC just barely within the limits of what you can sign.

Church and Javits were to meet on Friday to seek a compromise on the Taiwan Security amendment to the Omnibus Bill. We are told that Church, who is supporting language acceptable to us, will present his language to Javits on a take-it-or-leave-it basis. According to the scenario Church will threaten to oppose and beat Javits in a committee vote next week if Javits will not come on board. Considering our past experience with Church, we will have to wait and see how firm he is with Javits.

Senate and House mark-up of the draft legislation has been postponed until next Tuesday and Wednesday. Meanwhile, we are involved in extensive "damage limitation" discussions with both the SFRC and the HFAC staffs. There will be strong pressure in both Houses to include language, particularly in the area of commitments to Taiwan, which goes much further than we would like.

Our strategy now is to get acceptable bills out of both committees and then hold the line on further amendments in both Houses. We expect the House to take up the Taiwan legislation first unless Byrd can solve his rules debate shortly. We would prefer to be on the Senate floor first since our "count" there is much more solid than in the House. Holding the line on amendments on the House floor will not be an easy matter and will be complicated by the fact that there are almost 100 new Members for whom we have no substantive voting records.

Taiwan's agreement to establish its instrumentality and the expected GAO report approving our own institute should help clear the way on the House side to reprogramming State Department funds to keep our people functioning in Taiwan after March 1. The remaining obstacle will be Senator Hollings. WHCL and State will meet with him.

The Woodcock nomination is tentatively to go to the floor this week.

2. Iran--Interest in Iran remained high throughout the week with few Members of Congress having anything nice to say about the Administration's handling of the crisis. The key issues continue to be oil, intelligence failure, and the security of sensitive U.S.-supplied equipment, particularly F-14's. Concern for the safety of Americans was heightened by the terrorist takeover of the Embassy. Briefings this week included the House Appropriations Committee, Senate Armed Services Committee staff in addition to numerous individual briefings. This high intensity interest, much of it critical, will continue as long as the turmoil in Iran keeps oil exports down and F-14 security is uncertain. We will continue careful, patient explanation of the Iranian nature of the crisis and the limits on our ability to control it.

3. Panama Canal Implementing Legislation -- Thursday Charles Duncan and Lt. General Dolvin appeared before the House Panama Canal Subcommittee. DOD feels the hearing went reasonably well. Bob Bauman questioned the cost necessary 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 DOD started their 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 need to watch this very closely.

4. Refugees -- Dick Clark's refugee operation, after a couple of perhaps unavoidable delays, seems now to be getting off the ground. It is State's hope that his confirmation hearings can take place on February 28 and that he then can begin a series of formal hearings on the Administration's comprehensive refugee legislation. The first such hearing is tentatively scheduled for March 9 before Kennedy's Judiciary Committee. Associate Attorney General Egan is tentatively scheduled to represent Justice. Senator Kennedy's staff has reviewed an informal copy of the draft legislation and has

assured DOJ that the Senator will sponsor the bill and work toward its enactment with enthusiasm. On the House side, hearings on the Administration proposal are tentatively set for late March before Representative Holtzman's Immigration Subcommittee of the Judiciary Committee. Clark has organized an informal interagency legislative group consisting of representatives from State, AID, Justice and HEW, which will meet weekly and will help Clark get the refugee legislation over the series of formidable barriers it will face.

### III. MISCELLANEOUS

Mexico Trip -- Both Senator Bentsen and Congressman Wright were pleased to accompany you. Their presence seemed to benefit us both domestically and with the Mexican government. We received good coverage by the Texas press because of the numerous interviews they gave. In addition, both Bentsen and Wright have many ties with former and present Mexican officials and with the business community. They are not afraid to speak frankly with the Mexicans.

We may find it useful to consider taking other key Members on future trips, although this judgment is better left to Secretary Vance. If we do this again we can make the trip even more valuable by having an earlier decision, a pre-trip briefing for Members, and by having the appropriate embassy arrange concurrent meetings for the Members with their foreign counterparts. My staff and I are preparing to say this trip was a special situation, and that we do not consider it a precedent for other trips.

National Health Plan -- This week Secretary Califano met with the Democratic Study Group executive committee. This group reacted in a way similar to others -- with surprise at the size and complexity of the problem.

However, a general consensus seems to be developing among some moderate to liberal members -- that the House should have an understanding of the entire plan before they enact the first step. They want to know how we envision later steps -- whether they are to be phased in over several years -- whether there are to be other considerations triggering sequential phasing.

Senator Ed Muskie -- has been extremely critical of our regulatory reform plans. He views our efforts as a direct threat to the progress gained in health and environmental areas in recent years. Such a reaction is predictable but

must not be taken lightly. It probably represents the view which will be expressed by environmental and traditionally liberal groups to any serious effort to reduce regulation.

Inspector General Slots -- There are tentative plans to send to the Senate six nominations for the Inspector General slots in various departments and agencies. We have been criticized for moving too slowly to fill the newly-created Inspector General positions. On Friday WHCL received urgent calls from various Senate Committees asking that we not send these nominations to the Senate until a jurisdictional dispute is resolved. Briefly, the question is whether all of these nominations should be referred to the Government Affairs Committee which wrote the legislation creating the new Inspector General positions, or to the legislative committees which have jurisdiction over the specific departments and agencies to which the Inspectors General will be attached. We suggest that you send up on Tuesday (the first day that the Senate will be in business session) the nomination for Inspector General of GSA -- which would go to the Governmental Affairs Committee in any event since it has jurisdiction over the agency. We further propose holding the other nominations for a few days to give the Senate an opportunity to resolve its internal dispute. We believe that the short delay would not generate any further criticism and would avoid the ill-will which could result from our ignoring the requests of the legislative committees.

Constitutional Convention -- Congressmen Natcher, Giaimo and Simon and Senator Eagleton have expressed grave concern about the proposed Constitutional Convention for a balanced budget amendment. All of these individuals have felt it important to try to make a public record against such a move.

Reorganization -- 16 members of the Senate Agriculture Committee introduced this week a "sense of the Senate" resolution opposing any reorganization plan that would strip USDA of any of its "vital" functions. No definition of "vital."

A report from Senator Talmadge's staff reveals that he is doing well in his recovery efforts in California and is now signing mail and conducting other minor paperwork duties. It is reported that he has disciplined himself very well toward the program the doctors have prescribed for him and is expected to return to Capitol Hill within two to three weeks.

Former Senator Kaneaster Hodges of Arkansas was present and quite vocal this past week on behalf of the American Agriculture Movement here in Washington. Though continuing to publicly voice support for you, he has been vocal to the point of inflammatory rhetoric against the Administration's farm policy. It is speculated that he is attempting to broaden his political base in Arkansas for a run at the governorship.

HEARINGS

Significant hearings involving Administration officials this week include:

<u>Date</u>	<u>Witness</u>	<u>Committee</u>	<u>Subject</u>
Tue. 2/20	Secy Adams	Sen. Commerce	Advanced Automotive Research
	Alan Campbell	House Merchant Marine & Fisheries	Panama Canal Implementing
	Secretary Marshall	Joint Economic Committee	President's Economic Report
	Secy Schlesinger	Sen. Commerce Science and Transportation	Future Petroleum Shortages
	Secy Blumenthal	House Appropriations	Foreign Aid
	Jay Solomon	House Gov. Op.	GSA Investigations
Wed. 2/21	Atty. Gen. Bell	Senate Judiciary	DOJ Authorization
	Dep. Secy. Christopher	Senate For. Rel.	Foreign Assistance
	Secy Brown	Senate Budget	FY 80 Defense Budget
	Secy Schlesinger	House Budget	Energy Budget Proposals
	Secy Marshall	House Approp.	FY 80 Budget
Thurs. 2/22	FED Chmn. Miller	Senate Budget	FY 80 Budget
	General Haig	Senate Armed Services	Atlantic Deployment
	Secy Marshall	House Budget	1st Budget Resolution
Friday 2/23	Secy Marshall	Senate Approp.	FY 80 Budget

THE WHITE HOUSE

WASHINGTON

February 20, 1979

C  
/

MEMORANDUM FOR THE PRESIDENT

FROM: EDWARD SANDERS *Ed*

SUBJECT: California Trip

In view of your March 2 trip to California, I thought you might be interested in the attached press clippings relating to an appearance I made in California late in January.

I think these articles are an accurate reflection of the state of mind of the Southern California Jewish community at this moment. Of course, the situation can change with success at the Camp David negotiations.

Attachments:  
press clippings

cc: Hamilton Jordan  
Jerry Rafshoon

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# Sanders' Defense of Carter Leaves Jewish Leaders Skeptical

By MANUEL CHAIT

PALM SPRINGS — President Carter's chief Middle East adviser told Jewish community leaders from 13 Western states that maintaining "the integrity and security of Israel living in peace with her neighbors" continues to be the basic thrust of the administration's Mideast policy.

"I fully perceive the current widespread apprehension of American Jewry; its great concern and lack of confidence in the President and his policies," Edward Sanders declared at a regional leadership conference of United Jewish Appeal. "But I assure you that his pledge [to continue America's special relationship with Israel] will endure."

Sanders, a longtime leader in the Los Angeles Jewish community,

conceded that his work as Carter's key liaison with U.S. Jewry has "not been the easiest role," but insisted that he felt "comfortable and satisfied he was doing a very purposeful job."

Sanders' 30-minute, at times impassioned, address was received soberly by a subdued audience of some 400 persons, who applauded only perfunctorily at its conclusion.

The mood was perhaps, best illustrated by the subsequent comment of the program chairman, Irwin A. Goldenberg, president of Jewish Federation-Council of greater Los Angeles, who remarked, "We now feel a little bit better, but we don't feel good."

In his work as senior adviser to the President and Secretary of State Cyrus Vance, Sanders said,

he sees his primary task as making "the Jewish people's views and urgent concerns known to the highest circles of government.

"I am not here to tell you not to worry; until peace comes to Israel, we all have to worry," he observed.

Sanders acknowledged that relations between "Israel and the United States appeared to have reached "a low point," but reiterated his contention that the administration was neither abandoning its role as an unbiased mediator in the Egyptian-Israeli peace talks nor ignoring the Jewish state's security needs.

He quoted Carter as insisting the United States has no position to foist on either Israel or Egypt.

Moreover, he declared, "The

President is well aware of Israel's strategic importance and the moral and spiritual considerations binding the United States to the people of Israel.

"His commitment to meet Israel's needs for economic and military assistance — and his pledge not to use such aid as a means of pressure — has helped place Israel in the best (military) defense position in the last 10 years," Sanders said.

At a later press conference, Sanders expressed confidence that a peace treaty between Israel and Egypt would indeed come about — "after a lot of headaches and difficult hours" — because both nations really want peace and "the remaining issues are by no means insurmountable."



Edward Sanders

BULLETIN (Los Angeles, California)

February 1, 1979 - page 1

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## Ed Sanders Has a Community's Mandate

If ever an editor finds himself in an impossible situation — remember this day, folks.

Two dear friends.

Two of the most marvelous people Heritage has ever known have come to difficult and opposite conclusions on how our community might best be served in Washington.

Hank Greenspun, the singular hero of Israel's War of Liberation, who will tolerate no waffling on the issue of Jewish freedom, American liberties and Israel's survival, this week calls upon Ed Sanders, special aide to President Carter, to resign his post as head of the Jewish desk in Washington and fire off a zinging blast at the Administration.

And if ever an Administration deserved our community's stern response, to its Middle East policies — the Carter presidency has little about

it of a redeeming nature.

We share Hank's deep frustrations and agonies. They include our utter shock at Mr. Carter's cavalier wooing of the Saudis by means of jet plane sales; we were time and again frustrated to witness the antics of Mr. Carter's national security advisor, Zbigniew Brzezinski, trying to warm over the discredited Rogers Plan that would be a noose around the collective throat of the Jewish state reborn; the intrusion of Mr. Carter into the Israeli-Egyptian peace formula worked out at Camp David with "linkages" and praise for "Palestinians" (meaning, in the final analysis, the PLO); the glib talk of an Andy Young, of a Billy Carter, of a Harold Saunders (who calls Jerusalem "occupied" territory) — leaves our community stunned. —

On the other hand, if we must have

a spokesman in Washington — we are convinced of the absolute integrity of Ed Sanders.

One cannot know how many occasions Ed Sanders worked behind the scenes in the interest of our people's utterly noble cause. But clearly, this has been his role.

It comes down to this: Ed Sanders may now approach the Carter Administration with a mandate of a community's shock and disturbance at a presidency that has failed thus far to recognize that we are, all of us, solidly behind the State of Israel in her difficult days.

We stand firmly with Prime Minister Menachem Begin — that brave, good man who was there to fight for a Jewish homeland when all the world, including the United States, raised barriers to the Jewish boat people, sailing an Exodus of terror to an ancient Holy Land.

The HERITAGE, Southwest Jewish Press

February 2, 1979

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## Leaders Signal Carter

**From Page Thirty One** or not, remain cool, don't lose control, don't get excited and above all don't do anything foolish. (2) Even if we get a peace treaty between Israel and Egypt, there can be no letdown in campaigning, because the fact remains that peace will cost more than war, and finally, (3) Project Renewal will push Israel into its second stage of development and set the stage for the eventual industrialization of the country.

Friedman challenged the delegates to "make ourselves stronger, to build from strength to strength, to create the conditions

under which we become great and finally to be honest with each other, for if we cannot be honest with each other, there can be no kinship."

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# Sanders Finds Delegates In Uneasy Mood

## 'We Don't Feel Good' Says JF-C's Goldenberg

By GILBERT E. THOMPSON

Over 500 delegates from the state of Washington, on the north, through the southern tip of California, from the Pacific Ocean east to Denver, gathered last weekend at the United Jewish Appeal's 1979 Western Region Leadership Conference at the Hilton Riviera Hotel in Palm Springs.

The delegates were in an uneasy mood due to the strained diplomatic situation between Washington and Jerusalem; the recent outbursts by Billy Carter; the tense situation in Iran; lack of progress in Israeli-Egyptian peace talks, and the increasing need to solve urgent domestic problems in the State of Israel.

The high degree of anticipation with which the delegates looked  
Please Turn To Page 30

B'nai B'rith Messenger

January 26, 1979 - page 1

# UJA Leaders Signal Carter

From Page One  
forward to the presentation by Edward Sanders, senior advisor to the President of the United States, was matched by an equal disillusionment when Sanders, in his prepared remarks, failed to break any new ground, or to shed any new light on the status of the Israeli-Egyptian negotiations, or the role being played by the Carter Administration.

Sanders' remarks drew unenthusiastic applause, but the assembled delegates gave him a message to carry back to the Administration in Washington when they gave a rousing and cheering round of applause to Irwin H. Goldenberg, president of the Jewish Federation-Council of Greater Los Angeles and conference co-chairman, when in his remarks directed to Sanders after Sanders' presentation, he said that "we all feel a little bit better, but we don't feel good."

SANDERS TOLD the assembled delegates that he "could not tell them not to worry," but he assured them that one of the main functions of his position is to "express your concerns to the highest levels of government." Sanders invited those who have concerns to call him at his office in Washington at (202) 456-2333.

Sanders assured his audience that "I am comfortable in my job; I feel purposeful and when the going is tough, even more purposeful."

"THERE ARE still very tangible signs of a special relationship between the United States and Israel," Sanders said, and continuing, he called for "people to be patient and understanding."

Sanders did not field questions from the audience, causing an even deeper feeling of concern among the delegates, but he did meet with the representatives of the Anglo-Jewish press after his address and succeeded in impressing those present with his understanding of the concerns of the Jewish community, his sincerity, and integrity in presenting the

Jewish point-of-view at the highest level.

SANDERS CURRENTLY advocates a return to "quiet diplomacy" in the peace negotiations. He decried certain mistakes in the United States' approach to negotiations particularly last December which allowed delicate items to be aired to the press. In some cases there were reports picked up and circulated that appeared in the Arab press which gave a "distorted view" of what the American position and interpretation was. Sanders explained that some of the diplomatic moves taken during the crucial December period were "an effort to capitalize on the momentum of the negotiating process."

Sanders commented that he came to the conference to present the picture as he sees it from his vantage point, that he did come here to placate Jews, and that in no way did he misread "the polite applause at the end of my speech as being an endorsement of the Administration's current policy."

IN SUBSEQUENT discussions with high ranking members of the United Jewish Appeal leadership team, Sanders expressed a deep understanding of the concern among the delegates and pledged that he would bring back to Washington a realistic message taking into consideration the unease of Western Jewry about the Carter Administration's position on Israel.

Key participants in the Conference were Irving Bernstein, UJA national executive vice chairman; Herbert A. Friedman, former UJA executive vice chairman; the Hon. Benyamin Navon, consul general of Israel for the Western States; and Dr. Aryeh Neshet, director of UJA Operation breakthrough. Conference co-chairmen were Jan P. Saltzman and Irwin H. Goldenberg.

FRIEDMAN SUMMED up the highlights of the conference as follows: (1) Whether a peace treaty is signed between Egypt and Israel

Please Turn To Page 32

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# Hank to Sanders: 'Resign at Once!'

By Herb Brin

Tom Tugend, our usually brilliant senior associate editor, told me on my return from holiday in Mexico: "This is the first time that all hell didn't break loose with you away."

Tom, bite your tongue!

★★★

A bruhaha took place at the United Jewish Appeal Leadership Conference in Palm Springs that will change the course of our people's relations with the White House.

The message has already gone out to President Jimmy Carter that as a people we're mad as hell and we aren't going to take it any more.

And Billy Carter is merely a side issue.

It all began when our long time friend, Ed Sanders, spoke at the conclave and told the gathering that Mr. Carter was sincerely trying to help Israel in achieving peace with Egypt.

Whereupon (as we reconstruct the scene two weeks later) our long time friend Hank Greenspan arose to ask a pointed question of Sanders.

**Denied the Rostrum**

"The ground rules for the meeting do not allow for questions from the floor," said Irkey Goldenberg, president of the Jewish Federation Council of Greater Los Angeles, who chaired the meeting.

Hank then stalked to the rostrum and denounced the applause that had been accorded to Sanders as being a message to the President that the Jewish community had been placated.

"You people have done a tremendous disservice to the

State of Israel by your applause," said Hank. "Don't you know that Ed Sanders will be going back to the White House to tell the President that you are behind his Middle East policy?"

Suddenly Hank's microphone went dead. Someone had pulled the plug.

"This is the first time anyone has pulled the plug on me since the famed Las Vegas editor and hero of Israel's War of Liberation.

Later, in an exclusive interview with Heritage, Hank declared: "Ed Sanders must resign at once and issue a blistering statement that he cannot support this Administration on its policies regarding Israel."

(The UJA gathering accorded a standing, rousing ovation to Hank Greenspan after his spontaneous rostrum appearance.)

**Message to Carter**

Hank told Heritage by long distance telephone:

"Ed Sanders is in an untenable position. He did not mollify the Jews of California and the West by suggesting that Carter is being sincere with us. I know this is untrue. Either Carter is being duped or hopes for a division within the Jewish community."

Hank said that the Jewish people of the United States are standing firm with Prime Minister Begin and his efforts to achieve peace with Egypt.

"The only division I see is the case of Senator Abraham Ribicoff," said Hank — whom he described to be a virtual Benedict Arnold to our community. Ribicoff voted to send jet

Continued City Desk

Continued From Page 1

fighter planes to the Saudis.

"If Carter gets away his policies on the Middle East, we don't need a Jew in residence at the White House," said Hank. "That policy hasn't worked in 4,000 years."

"Ed Sanders took office as presidential advisor on Jewish affairs on August 2 — and things have gotten worse. Since he has been in Washington, Carter sent Harold Saunders to Jordan and Saudi Arabia to declare that the West Bank and East Jerusalem were occupied territories.

**Carter's Intrusion**

"Peace would have been made between President Sadat and Prime Minister Begin last year when Sadat came to Jerusalem on the well known ground rules: that Jerusalem would never again be divided and that some autonomy plan would be worked out for the West Bank — somewhere down the road. Also, that Sinai would go back to Egypt but not the Gaza Strip.

"When Carter interjected his ideas — it put Sadat in a bind: how could he ask for less than what the President wanted?"

"Carter created the impasse by promising more to the Arabs than Israel could deliver.

"Ed Sanders must let Jimmy Carter know that we cannot be divided on this issue, that nothing must be done to weaken Israel's position.

"Mr. Begin has already promised too much to Sadat. No government of Israel could last a day with the concessions that were promised to Egypt — with the exception of a Begin government. Remember, Begin's closest friends, members of his Irgun, now call him a traitor."

**Getting Bad Advice**

Hank then disclosed for the first time that he had met privately at the White House with President Carter to discuss the relationship of the United States with Israel.

"What does the Prime Minister think of our relationship?" Carter asked Hank.

"All I can say is that the image I gather indicates that you are getting bad advice. You are not going to divide the Jewish community."

The Las Vegas editor — with whom I will walk come hell or high water — said that he stands with Mark Siegel, the predecessor to Ed Sanders on the White House staff.

"Mark Siegel realized that the White House went back on its word on everything the President promised," said Hank. "That's why he quit. Ed Sanders should resign at once and issue a blistering statement that no Jew in his right mind could support the President's policy." □ *Heritage has arranged an important interview with Ed Sanders which will be presented in a forthcoming issue.*

THE WHITE HOUSE  
WASHINGTON

2/21/79

Secretary Adams

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

Rick Hutcheson

# Gas Mileage Can Be Had —For a Price

By Larry Kramer  
Washington Post Staff Writer

BOSTON, Feb. 14 — If the nation is willing to pay the price, U.S. auto companies can manufacture fleets averaging 50 miles a gallon within the next 20 years, a blue ribbon panel of auto engineers, research scientists and government regulators concluded today.

That was the major news merging from a two-day conference called by Transportation Secretary Brock Adams to bring together the auto industry and the government in an unprecedented attempt to pool resources to develop the safest, most fuel efficient and practical car of the future.

But the real news may be the erosion of distrust and antagonism between the government and the industry. The two sides long have been at odds over the costs and benefits of federal regulation. And the auto industry in recent months has intensified its attack



**BROCK ADAMS**

... pleased.

are essentially technical problems," Heinen added.

He pointed out that government regulators were the people at this conference who asked about the limits of technology "and who even suggested that maybe we should be looking at 40 or 45 mpg cars instead of 50 mpg by the end of this century."

He added that the ultimate decision over how fuel efficient and technologically advanced the car

## THE REGULATORY BEAT

on safety and fuel efficiency regulations which it claims are overly inflationary.

There appears to be a spirit of cooperation at this conference, however, with regulators and industry engineers having intensive discussions about the realities of present and future technology.

"I have been pleasantly surprised," said Chrysler Corp. research and materials engineering director, Charles M. Heinen. "For 10 years, I have attended government-industry meetings, and for the first time there appears to be a possibility that the government is abandoning its posture that any research information coming from industry is suspect.

"This is the beginning of an era that can put us on the level of other countries where technical people from industry and government work together to solve what

of 2000 will be is up to the public. He estimated that the cost to the nation of developing the 50-mpg fleet would be "around \$100 billion."

"I can't tell you how pleased I am," Secretary Adams told the closing meeting of the conference today after being briefed by the leaders of the three discussion sessions.

"I am convinced we can achieve a substantial improvement in mileage that indicates that we really are going to be able to get the total breakthrough we will need for full mobility in the year 2000," Adams said.

He also said he will take back to President Carter a "research agenda" proposed by the gathering.

"I think we can get mileage in the range of 40 to 50 mpg, and it is realistic to try." It is incredible

See REGULATORY, C10, Col. 1

*Brock -  
Good news -  
&  
interesting  
JC*

# Good Gas Mileage Possible—for a Price

## REGULATORY, From C7

to me that a public-policy issue of this size has been left alone so long."

Adams said he will use the agenda proposed today as the groundwork for a follow-up meeting with auto industry leaders in Washington April 17.

The leaders of the three discussion groups outlined the conclusions of their panels at the closing session. Their findings:

- Based on the information presented, the panel on engines was unable to identify a specific engine technology that it could call superior with respect to fuel efficiency, exhaust emissions and general acceptability for meeting a range for public needs. But it concluded that research emphasis currently given to the type of engines already in use, including diesels, has not been sufficient.

"It is clear," the panel said in its report, "that improvements in fuel efficiency can be achieved for the in-use category of engines, even for mature and widely used engine systems, and that these improvements can provide very large fuel conservation benefits to the nation."

The panel said further research into the diesel engine is needed, not to improve its "already good fuel economy, but rather to reduce its nitrogen oxides and particulate (soot) emissions."

The panel did call for some research into alternative concepts,

including an external combustion engine, the gas turbine and others.

- The materials and vehicle structures panel felt that in order for domestic fleets to average 50 miles per gallon their average weight will have to drop to between 2,000 and 2,200 pounds. Existing fleets average more than 3,000 pounds.

The panel called for increased use of lighter composite materials, lightweight alloys and aluminum, as well as structural improvements to reach the 2,000-pound goal.

Technology exists, the panel contended, to lower the weight of cars up to 40 percent through the use of lighter materials, redesigned components and the combination of functions, like the use of a turbocharger to both run an air conditioner and boost engine power.

- The fuel and power train panel call for more basic research into the combustion process and how it works. A better understanding of that process will help those trying to improve it, the panel noted.

The panel also called for research into alternative power plants, including solar and electric engines where primary research should be devoted to increasing power storage capacity of batteries.

Panel members will be conferring over the next several weeks to iron out their proposals for Adams to use in working with industry.

THE WHITE HOUSE  
WASHINGTON

Frank -

On the congressional trip  
I took in Jan of 78 to  
Asia you will remember that  
I came back all steamed up  
over the fact that some state  
department foreign service  
people were not saying good things  
about the Boss. There was one  
foreign service man that traveled  
with us on that trip that not  
only praised Pres. Carter but  
would jump all over his state

department colleagues for openly  
criticizing the P. I remember that  
after a dinner party at the  
Ambassador's residence in  
New Delhi, India this man  
gave a toast in praise of  
the Pres. that brought everyone  
to their feet in applause. This  
morning Ambassador Spike Dudda  
was murdered in Afghanistan.  
He was a good friend.

Have a good trip

Free

THE WHITE HOUSE  
WASHINGTON

2/21/79

Frank Press

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

Rick Hutcheson

cc: Fran Voorde  
Phil Wise

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

ACTION  
FYI

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	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
X	PRESS
	RAFSHOON
	SCHNEIDERS
X	VOORDE
	WARREN
X	WISE

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

THE WHITE HOUSE

WASHINGTON

February 16, 1979

MEMORANDUM TO THE PRESIDENT

FROM: Frank Press *Frank*

SUBJECT: White House Setup to View Voyager-Jupiter Encounter

The encounter will take place on March 5, when the spacecraft makes its closest approach. Real time images of Jupiter, its satellites IO and Callisto and the Great Red Spot will be telemetered to Earth; the first pictures will be received at 7:42 March 5, the others arriving intermittently through March 6. *a.m.*

Would you like me to arrange for closed circuit, real time coverage of this historic event, including live commentary from the control center at JPL? It is a simple matter for NASA to install a special TV receiver.

A schedule of prime viewing times would be provided so that you can select the key moments to observe this historic event.

Yes  \_\_\_\_\_

No \_\_\_\_\_

If yes, would you like the remote terminal placed so that a few senior staff members can also view the events?

Yes  \_\_\_\_\_

No \_\_\_\_\_

*J*

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THE WHITE HOUSE  
WASHINGTON

2/21/79

Jack Watson

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

Rick Hutcheson

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

ACTION  
FYI

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	VICE PRESIDENT
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	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

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

February 20, 1979

*I agree with  
Jay  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Governors' Association Meeting and  
the Constitutional Convention Issue

Jay Rockefeller had agreed to author and carry a resolution at the up-coming NGA meeting condemning the proposed constitutional convention to balance the federal budget.

After consulting with a cross-section of other Governors, Jay has concluded that such a resolution is unnecessary and unwise.

Jay reports that other Governors are prepared to rebuke Brown and the idea of a convention if and when he raises the proposal. They advise Jay that because of NGA procedures it will be virtually impossible to get a resolution adopted at this late date. Rather, they argue that (a) any resolution Brown tries to introduce will be roundly defeated, and (b) any speeches Brown makes on the subject will be responded to vigorously by a bi-partisan cross-section of the Governors.

Jay advises that we rely on the strong sentiment that exists among the Governors on the question and not seek a resolution that may be defeated on procedural grounds (it takes a 3/4 vote to suspend the rules to consider a resolution that has not been considered by a Committee of the NGA and received by that committee 45 days in advance of the meeting).

We are taking Jay's advice, but will work quietly with our friends to insure the result.

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THE WHITE HOUSE  
WASHINGTON

2/21/79

Zbig Brzezinski

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

Rick Hutcheson

cc: Phil Wise  
Fran Voorde

THE WHITE HOUSE  
WASHINGTON

Mr. President:

As your 1979 agenda was developed it was decided a trip to Canada could be postponed. I don't know how interest was revived in a trip but I still feel no trip is necessary. Trudeau's office called this morning to explore the possibility of you meeting Trudeau in New York City on March 3 for a gala concert he would be attending. I explained you would be on the west coast on the 2 and 3. If you want to, however, you arrive in D.C. at 6:30 pm march 3 and could make an evening appearance in New York.

Phil

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 21, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI *ZB.*  
SUBJECT: CONVERSATION WITH TRUDEAU

You have a memorandum from Cy and me on a proposed visit to Canada. As you will see in this memo, we do not recommend a visit at this time, since this would involve you directly in the Canadian election expected later this spring. We do, however, recommend accepting now a visit later in the year.

In addition to a discussion of the visit, you should be aware that:

- there are no bilateral issues that need to be discussed at this time
- Trudeau would appreciate your views on the situation in Iran and on the Sino-Vietnam conflict. You might then ask him for his thoughts/advise.

*Trudeau called -  
I'll meet him in  
NYC for supper  
& The Concert - 3/3/79  
(No visit now to Canada) JC*

THE WHITE HOUSE  
WASHINGTON

February 20, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*

SUBJECT:

Activities Report -- Week Ending  
February 16, 1979

1. Hospital Cost Containment

We will begin briefings of interest groups next week, with special attention on businesses with large health plans and insurance companies. We are planning some large East Room briefings for community leaders from key states. We will work with Phil on your schedule and hope that you can do the first one. Your involvement will direct press and public attention once again to fighting inflation now in the health field. To sustain public interest while developing wider community support, the first briefing should take place about a week after the bill is announced.

2. Department of Education

Our meeting with the National Catholic Conference indicates that their main concern is on the future of the Office of Non-public Education which is currently headed by a Catholic. We are working with OMB to see if we can respond positively. They have other concerns, but this will be a first step toward minimizing or neutralizing their past opposition.

The National Association of Government Employees has endorsed the Department of Education.

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3. Countercyclical Fiscal Assistance

We will be meeting with the public interest groups (mayors, governors, counties, etc.) next week to discuss the draft countercyclical bill and obtain their support prior to submitting the legislation to the Congress.

4. 1980 Budget

OMB has identified major budget issues and we are assessing the potential for interest group involvement. The first of these is impact aid.

5. SALT II

We met with Bill Verrity, CEO of Armco and President of the U.S.-U.S.S.R. Trade Council, to discuss their support of SALT. Although their primary interest is in reducing restrictions on trade with the Soviet Union, they feel SALT is very important and want to work with us. We have agreed to develop SALT briefings for their member CEO's as a first step. They are developing a network of potential supporters through the corporate structure of member companies.

6. Multilateral Trade Negotiation

With the textile agreement, we anticipate action on the CVD waiver issue. Our major problem is developing necessary press and public understanding of international trade issues. Many business leaders and editors do not know what the MTN is. For this reason we are expediting an interagency speakers bureau, an intensive media plan and a series of high profile regional seminars. The first is currently scheduled for New England in Boston on March 30 with Bob Strauss and other Administration speakers.

7. China

Certain key congressmen and senators suggested by Frank Moore's office will be contacted beginning next week by chief executives and representatives of the corporate members of both the U.S.-China Trade Council and the U.S.-Republic of China Economic Council (a Taiwan oriented business organization). They will be explaining and supporting our position on the Taiwan omnibus legislation.