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THE WHITE HOUSE
WASHINGTON

3/31/79

stripping desk/central files--
copy of letter has already
been sent to reverend dugger.

--ssc

attached is f.y.i.
(you've already sent trip
thank you....you may want to
initial top right corner,
and/or write in 'thanks')
MARCH 27, 1979

DEAR MR. CARTER:

I have never met a man that is as clothed with humility as you are. Your testimony of your relationship with Jesus Christ at the town meeting Saturday night has made quite an impact on Elk City, Oklahoma. I thank the Lord for what you stand for and for your straightforward honesty. You will be pleased to know that your visit to Elk City has made a spiritual impact on our town. Men, women, boys and girls are making inquiry about the Lord because of the stand you took at the town meeting. Three ministers have called me this morning and shared witnessing opportunities because of your visit.

It was my sincere prayer that our church would be a real blessing to you. You made me feel at ease from the first moment I saw you. You have helped me to see Christ in your kind, tender, humble demeanor. You ministered to my soul and I love you for it.

Cc: John - Thank you
F.C.
Dear Miss Clough,

Since I did not get to express myself very well due to my extreme nervousness and concern that the President's visit would go well— I wrote a personal letter of gratitude to him.

Please feel free to read it and if you feel it is inappropriate you don't need to give it to him.

Any assistance you may be in the matter would be greatly appreciated.

Appreciatively,

Dr. John W. Dudley
Pastor
My wife, Mary, appreciated so much the comments you wrote on your visitor's card. She cried when she said "good-bye." One church would like to send your family some momentos of your visit if the government will permit it.

I promised the Lord after I learned of your decision to worship with us instead of First Baptist, Dallas that if He never gave me another chance to preach at any special event again the rest of my life—He had already heaped more blessings on me that I can ever repay.

Thank you for making Sunday, March 25, 1919 the most memorable day of my life! You may be assured of our prayers for you as you lead our nation.

Prayerfully and Appreciatively,

John W. Jugger
N. Dugger, John W., Dr.
A. First Baptist Church
P.O. Box 401, Elk City, OK 73644
P. Pastor
C. Handwritten note
on incoming letter. Thank you.
J.C.
To Dr. John Dugger

I enjoyed the warm hospitality extended to me in Elk City, and appreciated the opportunity to join you, your wife, and members of the First Baptist Church for Sunday services. Thank you for your efforts in my behalf.

Sincerely, in Christ

[Signature]

Dr. John W. Dugger
1202 Walter Way
Elk City, Oklahoma 73644
March 29, 1979

To Representative Marvin Adams

Rosalynn joins me in thanking you for your kind words about our peace mission to the Middle East.

Throughout the long and sometimes tedious negotiations, I was sustained not only by my firm belief that persons of reason and goodwill can arrive at a mutually acceptable agreement, but also by the encouragement and prayers offered by my fellow citizens and peace-loving people around the world.

Your support makes easier the remaining task of building a just and lasting peace throughout the Mideastern region.

With best wishes,

Sincerely,

Jimmy Carter

The Honorable Marvin Adams
709 Greenwood Road
Thomaston, Georgia 30286

JC/jmc/em
DATE: 3-30

TO: Susan Clough

This was in a pile of
mislaid letters
in view of P's note,
I adopted P-41 and
am sending it to you
separated from the others.

FROM: Joyce Mitchell Cook
Presidential Correspondence
Special Reply
Room 91, Ext. 2276
March 8, 1979

Dear Rosalind & Jimmy,

I just wanted you to know how proud we were of you, when you stood and represented us in Egypt.

The message of peace and hope that Jimmy delivered, had to be an answer to a prayer and inspired by the Holy Spirit.

I just wanted to tell you both, we appreciate the sacrifice you made for world peace and hope.

May God continue to bless you and your fine family in the year ahead.

Cordially yours,

Marvin Adams
MEMORANDUM FOR THE PRESIDENT

FROM: Alfred E. Kahn

SUBJECT: Meeting with Major Business Leaders

Thursday, March 29, 1979
Roosevelt Room
10:00 - 10:15 A.M.

I. PURPOSE

To solicit increased participation of the business community in the anti-inflation program and, in particular, a specific commitment from this group to the actions listed below.

II. BACKGROUND, PARTICIPANTS AND PRESS

A. BACKGROUND

There have been two meetings of this group over the last 6 months. You made a brief appearance at the first meeting in the Vice President's office.

Since these meetings, the White House staff has continued to meet with representatives of this group. We are now ready to ask their explicit involvement in specific parts of our program.
B. AGENDA

10:00-10:10  The President

10:10-10:40  Fred Kahn
- General review of program status
- Specific requests of group
  a. pressure suppliers
  b. advertise compliance and support
  c. increase public support
  d. price monitor with purchasing agents

10:40-11:00  General discussion of requests

11:00-11:10  Anne Wexler-closing

11:15      Spokesman for group goes before cameras with Fred Kahn

C. PARTICIPANTS  This group includes key representatives of major businesses and major business groups

Thomas A. Murphy, Business Roundtable (G.M.)
John Post, Business Roundtable
Reginald Jones, Business Council (G.E.)
John deButts, Business Council
Don Siebert, Nat'l. Retail Merchants Assn. (J.C. Penny)
James R. Williams, Nat'l. Retail Merchants Assn.
Herbert Markley, NAM, Timken Corporation
Heath Larry, NAM
William M. Batten, New York Stock Exchange
Jay VanAndel, Chamber of Commerce (Amway)
Richard L. Lesher, Chamber of Commerce
John H. Perkins, American Bankers Association
Willis Alexander, American Bankers Association
Mike McKevitt, Nat'l. Fed. of Independent Businesses
Loyd Hackler, American Retail Federation
Ed Hoffman, American Retail Federation

D. PRESS  White House Press Pool (limited to four minutes)

E. TALKING POINTS  Talking points are attached
1. I have said from the beginning that success in our efforts to reduce inflation depends upon a partnership among government, labor, business, and the American consumer. We are all in this together, and each must do his part if we are to succeed.

2. I am working as hard as I can to make sure that the Federal Government does its part. In the past two years, we have cut the $66 billion deficit I inherited when I took office by more than half. This year, I have sent the Congress a tight, austere, responsible budget that cuts the deficit further. I am determined to hold the line on federal spending this year, and I hope you will give me your support.

3. I am disturbed by the Consumer Price Index figures. Part of the increase has been due to increases in world oil prices, severe late winter weather, and other factors beyond our control. But those factors do not account for the sharp price increases we are seeing in many goods and services. That inflation level is unacceptable. And those figures are a warning and a message to government, business, labor and consumers...this must be a time of restraint.

4. The overwhelming majority of wage increases negotiated by labor during the past several months have come within the 7 percent wage guidelines. And I am very encouraged by the willingness of working people to join in this crucial battle. We still face a series of crucial negotiations. It is vitally important that those in positions of responsibility for these negotiations recognize their obligation to show moderation and concern for the economic well-being of all the people in this
nation. I expect restraint, and the American people expect restraint. Fueling inflation is not in any American's long-term interest.

5. It is equally crucial that American business comply scrupulously with the price guidelines. I want to emphasize that the price guidelines apply to all American businesses -- none is exempt. Too many businessmen seem to feel that the fight against inflation is not their responsibility. The result is higher prices for us all.

6. The American people will simply not tolerate a program in which working people voluntarily reduce their wages while many businesses act as if the program of voluntary price restraint doesn't apply to them. It does. There can be no free ride in this program -- everyone must exercise restraint.

7. (Option 1: Later today) (Option 2: Within the next several days,) Chairman Kahn will announce a significant tightening of the price guidelines and the profit margin standards in our program. The revised price and profit standards will continue to be fair to business but they are also going to be a lot tougher from now on.

8. Chairman Kahn will also announce an expansion of the price monitoring by the Council on Wage and Price Stability. Everyone should be on notice that we intend to make the American people fully aware of those who think it is in their interest to take advantage of this program and violate the guidelines.

9. I am depending upon those of you here and those whom you represent to cooperate fully with the price guidelines. I hope you will also exercise your influence with your fellow businessmen to make sure that we get as much cooperation from business as we have thus far from working people. We are all in this together, and we are all going to sink or swim together.
1. I appreciate all of you joining me this morning to talk about the most serious domestic economic problem facing the U.S., inflation. You've come here twice before and I would not have asked you to come again if it were not urgent.

In particular, I want to thank Tom Murphy and John de Butts for their continuing and visible support of my anti-inflation program.

2. You share, I know, our concern over the dramatic increases in prices since the beginning of the year. Part of these increases, of course, are due to far greater economic activity than anyone predicted last year. They are also due, in part, to factors which are beyond the scope of the program.

But part of the increases are due to the fact that businesses, particularly below the very largest in size, are not complying with the price standard to the degree that we had hoped. And this causes me great concern.

3. Complicating these price developments are the recent corporate profit reports. These figures must be viewed on two distinct levels. First, only with increased corporate profits can the type of capital investment necessary for increased productivity be obtained by American business. And where these increased profits reflect increased production and productivity, they are a positive sign.

But, second, where higher corporate profits reflect excessive price increases, they are unacceptable. The combined impact of the price and profit reports have set the anti-inflation program at a critical juncture. They obviously make it more difficult to secure the continuing willingness of labor to comply with the wage standard. And they also undermine the public's confidence that the program is going to succeed.
4. On the government side, we have taken a number of actions to restrain demand, and reduce costs:

   -- money supply has tightened and interest rates have increased significantly;

   -- the budget deficit has been cut sharply;

   -- we have moved to address the regulatory burden by focusing on regulatory costs through the calendar and the Regulatory Council; I sent legislation to Congress this week to streamline the regulatory process and ensure that economic considerations are taken into account as regulations are implemented;

   -- we have proposed a Hospital Cost Containment bill to deal with rapidly rising costs in the health care sector.

5. The dilemma is that while we expect prices to decelerate in the latter part of the year, we face a very difficult period of three or four months when price and therefore wage pressures will be very great. If price increases continue unabated during this period, it will be impossible to stem wage demands in the major contracts that will be signed in 1979. What is at stake is not the rate of wage increases for the year 1979, but as you well know, the pattern and level of wage increases for the next three years.

6. You in this room hold to a great degree the success or failure of this voluntary program. It is not enough for you as individuals to comply. You are the leaders of the business community in the United States and you also have a responsibility. That responsibility is to help insure that those millions of businessmen and women throughout the country who look up to you as leaders are firmly and unequivocally convinced of your absolute commitment toward getting inflation under control. I cannot do it alone and it is not only my problem. We share this problem and we must share in the responsibility for solving it. This war on inflation will not be won by passive assent, but only by forthright, aggressive determination to succeed and bold leadership on your part.
7. We need additional support from you to make the program more effective on the price side:
   -- by encouraging your suppliers to comply with the standards;
   -- by advertising and publicizing your support for the price program;
   -- and by coming up with bold ideas yourselves.

8. We are considering specific changes to tighten up the price and profit standards. These include increased price monitoring -- down to firms with sales as low as $50 million in appropriate cases; more frequent reporting by large firms and those in problem industries; a tightening in the price standard itself; and a tightening of the profit test.
   -- I have asked Fred Kahn to discuss the details of these proposals with you later in this meeting. We want your advice on these changes.
   -- I realize that these changes will present you with some difficulties, but I believe you will understand why it is necessary to take them.
   -- The alternatives to this current program are unpalatable to all of us -- a recession or mandatory controls.
   -- I strongly oppose the use of mandatory controls, but in order to make our alternative work, I need your strong and explicit support.

10. If this program is to survive and we are to turn the corner on inflation, I simply must have your commitment to devote your energies and your expertise and your influence. I promise you that it will be good for business -- and the public -- and history will thank you for it.

11. I have a few minutes more. Maybe you would like to exchange some ideas with me.
MEMORANDUM TO THE PRESIDENT

FROM: ALFRED E. KAHN
SUBJECT: Agenda for the Inflation Breakfast, March 29, 1979, 8 a.m., Cabinet Room

I attach three documents.

1. The first outlines our proposed measures for strengthening the price monitoring effort and tightening the price standards. The questions we will have to answer are (a) whether you approve of the changes; and (b) if so, when they ought to be announced, and by whom.

   On (b) there are some strong differences of opinion among your advisors. Anne Wexler feels strongly that neither you nor I should announce the details of the changes Thursday, because it would needlessly offend the business advisory group if we did not, as we have in the past, give them advance notice and an opportunity to comment. Moreover, your Collective Bargaining Committee does not feel doing so would make any difference in the Teamsters negotiations, so there is no urgency in an announcement before the weekend from their standpoint.

   On the other hand, I think Gerry Rafshoon feels equally strongly that you should make the announcement. I understand he is making his views known to you.

   At the least, we all agree it is probably desirable for you to inform the 10 o'clock meeting with business leaders in general terms of the intensified monitoring and your intention to tighten the standards. (See your talking points for that meeting, below.)
2. The second document is a description of our plans for the meeting of the group, whom you are scheduled to address for ten minutes at 10:00 today.

3. The last document consists of your talking points for the meeting.

You may, in addition, want to discuss with us briefly the status of the Teamsters' negotiations, and of contingency preparations.
THE WHITE HOUSE
WASHINGTON

cc Rapheone

Hamilton

Call Bernd Anderson — feel him it's only
MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON

SUBJECT: Your Remarks on Wisconsin Trip, March 31, 1979

You will make two speeches on your trip:

1. remarks to Congressman Obey's "Better Way Club" fundraiser and
2. a speech to the Wisconsin Democratic Party Jefferson-Jackson Day dinner. We suggest the following subjects and themes for your remarks.

1. Congressman Obey's "Better Way Club" is a group dedicated to government reform and citizen participation. They pride themselves on being an organization of small contributors who try to influence the political process through citizen involvement rather than through large, special-interest contributions to candidates. Your speech would build on the theme of your campaign...a government as good as its people -- open, honest, based on trust and confidence, in which the average citizen's voice is heard. You would talk about your personal commitment to an open administration, ethics legislation, lobbying disclosure, ending the "regulatory revolving door" and campaign financing reform -- government reforms on which Congressman Obey has taken the lead.

Finally, it would include a strong statement that the interests of all citizens must be represented in decisions in Washington, not just the best financed, most organized groups. There is no better example than in the fight against inflation--the need to hold down federal spending demands; to pass hospital cost containment this year; and to join in a common, collective effort among all Americans -- business, labor, consumers, and government to bring inflation under control.

AA Approve DD Disapprove
2. J-J Dinner: Although we will be providing a text, I believe that you should ad-lib this speech. It should be short (20 minutes), upbeat, and political. It should be like a campaign stump speech with lots of applause lines. You should use the same basic speech for all three upcoming J-J Dinners.

The basic theme of the speech should be the accomplishments of Democrats during the last two years. We are the party of peace. We are the party of prosperity. We are the party of progress. We are the party of responsibility. We should stress the economic, government reform, and foreign policy accomplishments.

It should be a hopeful speech which moves away a little from the gloom and doom of energy and inflation and, while not ignoring these problems, stresses the great strengths of the country and the American people. It should end on an inspirational note.

[Handwritten note: Draft text - 9/11 ad lib]

Approve

Disapprove
THE WHITE HOUSE
WASHINGTON
3/29/79

Richard Harden

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

Rick Hutcheson
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MEMORANDUM FOR: 

THE PRESIDENT

FROM: 

RICHARD HARDEN

SUBJECT: 

Employment of Women and Minorities

When you met with key members of my staff about this time last year, you expressed concern over the lack of women. Since that time, I have moved to correct this imbalance and am pleased to report that as of this date, of the top 9 positions in my office, there are 3 white females, 3 black males, 1 hispanic male, and 2 white males.

I would add that each of these individuals has extensive experience in his/her area of responsibility and has not simply been appointed because of race or sex. In the case of two of the females, this involved conducting fairly extensive searches. I would also note that all have been well received by the people they serve within the EOP.

Overall, the development of the Office of Administration is progressing quite well. I will plan to submit another fairly detailed report in early October at the end of the fiscal year, but I did want you to know about the progress we have made in the area of employing women and minorities.
THE WHITE HOUSE
WASHINGTON

March 28, 1979

MEETING WITH HOUSE AND SENATE LEADERSHIP ON ENERGY POLICY

Thursday, March 29, 1979
10:30 a.m. (30 minutes)
The Cabinet Room

From: Frank Moore

I. PURPOSE

To discuss energy issues with this leadership group before making or announcing any final decisions on oil pricing.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: This is the third of the currently scheduled energy briefings, and was requested by us and not by members of the group as were the previous briefings. This particular group represents the spectrum of energy leaders in the House and Senate. They will be essential in adopting any legislative portions of an energy pricing decision in Congress. They represent the group who passed the energy bill last Congress.

Participants: The President, Members of Congress (attached list), Secretary Schlesinger, Dr. Frank Press, Frank Moore, Stu Eizenstat, Kitty Schirmer, Dan Tate, Bill Cable, Jim Free, Madeleine Albright, Jim Cochrane, Henry Owen

Press Plan: Full press (1 minute), White House Photographer

Electrostatic Copy Made
for Preservation Purposes
III. TALKING POINTS

1. Your leadership in the Congress on energy as well as in other areas is well known.

2. In September, 1981, deregulation becomes a fact. I need you to share your thoughts with me on what options we have to increase domestic oil supplies and avoid giving the oil companies a $17 billion windfall.

3. What kind of tax do you think would pass the Congress?

4. Do you have suggestions as to what uses you would put energy tax revenues: plowback, poor (CPI), home heating oil rebates, wood burning stoves, etc.?

IV. ADDITIONAL INFORMATION

Members of Congress attending:

Senator Lloyd Bentsen (D-Texas)
Senator Dale Bumpers (D-Arkansas)
Senator Robert Byrd (D-West Virginia)
Senator Frank Church (D-Idaho)
Senator John Durkin (D-New Hampshire)
Senator Wendell Ford (D-Kentucky)
Senator Henry Jackson (D-Washington)
Senator Bennett Johnston (D-Louisiana)
Senator Russell Long (D-Louisiana)
Senator Howard Metzenbaum (D-Ohio)
Congressman Thomas P. O'Neill (D-Massachusetts)
Congressman Jim Wright (D-Texas)
Congressman John Brademas (D-Indiana)
Congressman Dan Rostenkowski (D-Illinois)
Congressman John Dingell (D-Michigan)
Congressman Harold Johnson (D-California)
Congressman Lud Ashley (D-Ohio)
Congressman Toby Moffett (D-Connecticut)
Congressman Philip Sharp (D-Indiana)
Congressman Bob Eckhardt (D-Texas)
Congressman Mo Udall (D-Arizona)
Congressman Richard Bolling (D-Missouri)
Congressman Abraham Kazen (D-Texas)
Congressman Jim Howard (D-New Jersey)
Stu Eizenstat

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

Rick Hutcheson

cc: Frank Moore
    Jim McIntyre
    Charlie Schultze
    Esther Peterson
    Frank Press
    Alfred Kahn
FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
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PETTIGREW
PRESS
RAFSHOON
SCHNEIDERS
VOORDE
WARREN
WISE
KAHN
THE WHITE HOUSE
WASHINGTON
March 26, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
        LYNN DAFT
        DAVID CALKINS
SUBJECT: Nitrite Legislation

With this memorandum, we seek your approval to propose legislation that would provide for a one-year moratorium on any action to prohibit the use of nitrite and for a gradual and orderly phase-out of nitrite after the moratorium ends, conditioned by the availability of a commercially feasible substitute. This proposal has been developed by the Departments of Agriculture and Health, Education, and Welfare, with the close cooperation of Frank Press, Esther Peterson, Charlie Schultze, Fred Kahn, and Jim McIntyre.

Background

Sodium nitrite has been added to cured meats under USDA approval since 1925. While its use as a food additive was initially based on its properties as a color and flavor enhancer, subsequent research revealed that nitrite retards the growth of the spore-forming bacterium, Clotridium botulinum, and thereby formation of its toxin. This toxin causes botulism, a potentially fatal form of food poisoning. Presently, nitrite is used in processed meat, poultry, and fish; imported cheeses; and pet food. In all, these products account for approximately 7% of all food. Removal of nitrite from some of these products would, in the absence of a suitable substitute, lead to a real but as yet unmeasured risk of botulism. This risk would be greatest in those substances which receive insufficient heat treatment to destroy the spores of C. botulinum (e.g., hot dogs and luncheon meats).

Concern about the safety of nitrite was first raised about 15 years ago when it was learned that nitrite could combine with amines or amides to form nitrosamines, a known carcinogen. As a result, FDA and USDA have previously acted to exclude
pre-formed nitrosamines from food products. Although there has been periodic nervousness within the meat industry, this process has gone surprisingly smoothly. However, in 1975, an FDA-sponsored study suggested that nitrite, when fed alone, might produce malignant lymphoma (a cancer of the lymph nodes) in laboratory animals. This evidence led FDA to contract with MIT for a more detailed study of this question. This study, performed by Dr. Paul M. Newberne, was completed last May. It demonstrated an increased incidence of malignant lymphoma in the nitrite-treated animals (12.5% in the treated animals as compared with 8.4% in the untreated animals). FDA has asked an independent group of pathologists for a review of the findings in the Newberne study. This review is to be completed by June.

Current Law and Its Implications

FDA responsibility for the safety of food additives is covered by the Delaney Clause of the Federal Food, Drug, and Cosmetic Act, enacted in 1958. This requires that the FDA must ban as a food additive any chemical which is found to be carcinogenic in animal studies. Certain uses of nitrite which had received prior sanction (e.g., the addition of nitrite to red meat) are exempted from the requirements of this law. Other uses (e.g. the addition of nitrite to fish), do not have such prior sanction.

USDA responsibility in this area is defined by the Federal Meat Inspection Act and the Poultry Products Inspection Act. The provisions of these two laws are similar. They require that USDA deny approval to any meat or poultry products "adulterated" by substances which are potentially harmful to human health. USDA believes that food additives which are potential carcinogens are clearly covered by the adulteration provision of these two laws.

Several months ago, FDA and USDA asked for a clarification from the Department of Justice regarding the implications of the above laws with regard to nitrite. Specifically, the Department of Justice was asked to determine whether these laws require that the relevant agencies must act immediately to ban as a food additive any substance found to be potentially carcinogenic or whether they have the option of phasing out use of such a substance over a more prolonged period of time. Although the ruling has not been made public, the Attorney General has determined that current laws do not permit a gradual phase-out.
Administration Proposal

Release of the Attorney General's opinion will raise concerns among the public, food producers and processors, and consequently the Congress. A number of bills have already been introduced that would place a flat moratorium on any action.

Although there are other means of preventing botulism formation, it is not feasible to require such a large industry to shift to these methods immediately. Further, new and better methods of botulism prevention need to be developed. Prohibiting the addition of nitrite without waiting for development of feasible and substantially equivalent alternatives would be extremely disruptive. This would be particularly undesirable now, when we are depending on strong pork production to help dampen the rapid inflation in meat prices. As a result, USDA and HEW have jointly drafted legislation to meet two needs: first, to provide a period of calm in which producers can make rational choices and in which the carcinogenicity of nitrite can be resolved; and second, to provide the statutory tools for accomplishing an orderly substitution of alternative botulism prevention methods for nitrite, if the substance is not shown to be safe.

After thorough discussions with all the affected agencies, we have reached a consensus that the Administration should propose a bill that would:

(1) Provide for a one-year moratorium on final regulatory action prohibiting the use of nitrite, commencing May 1, 1979.

(2) Permit the reduction of nitrite in certain products where proposed regulations have already been issued and where the risk of botulism will not be increased.

Further, if the review of the Newberne study upholds the finding that nitrite is not safe, the bill would also:

(3) Provide authority to phase-out nitrite after the moratorium ends, as alternatives become available.

(4) Require that alternatives to nitrite be feasible and provide substantially equivalent protection against botulism. The government would bear the burden of proof of feasibility. One element of that determination would be the cost of any substitute.
(5) Require both the Secretary of Agriculture and the Secretary of HEW to review annually the phase-out schedule for products under their respective authorities to ensure that the schedule is feasible and does not increase the botulism risk.

The moratorium provisions give stability for investment decisions and will appeal to agricultural and food processing interests. The phase-out provision responds to the public health need to reduce exposure to nitrites. While not stated in the legislation itself, FDA and USDA are confident that substantial progress can be made in finding nitrite alternatives by the middle of 1982. Earlier USDA regulations have already resulted in a lowering of nitrite levels in bacon, one of the major cured meat products, and some chemical companies are working to develop nitrite substitutes.

By dealing with nitrite as a specific issue, we maintain our options as we enter what is likely to be a prolonged debate on the general food safety laws. The National Academy of Sciences has issued general recommendations to reform the current laws, pursuant to the Saccharin Study and Labeling Act. We are proceeding to develop an Administration position on general reform, but this is likely to be a long and controversial process. Nitrite requires immediate action.

Our discussions of this proposal with key members of Congress have gone well. Although the proposal will not sail through the Congress without debate, we think the chances are good that it will pass in essentially this form. We are planning for the Attorney General to issue his opinion later this week. If you approve, Secretary Bergland and Secretary Califano will hold a joint press conference at 3:00 p.m. Friday to announce our proposal.

DECISION

☑ Approve (USDA, HEW, OMB, CEA, OSTP, Kahn, Peterson, DPS) (CL)

☐ Disapprove

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ID 791172
THE WHITE HOUSE
WASHINGTON

DATE: 28 MAR 79

FOR ACTION: FRANK MOORE (LES FRANCIS)

INFO ONLY: THE VICE PRESIDENT

JODY POWELL
JERRY RAFSHOON

SUBJECT: EIZENSTAT MEMO RE NITRITE LEGISLATION

 RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
 +BY: 0500 PM WEDNESDAY 28 MAR 79 +

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:
Alfred Kahn

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

Rick Hutcheson

THE VICE PRESIDENT
HAMILTON JORDAN
STU EISENSTAT
FRANK MOORE
JODY POWELL
JERRY RASHOON

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ADMIN. CONFIDEN. CONFIDENTIAL SECRET EYES ONLY
MEMORANDUM TO THE PRESIDENT

FROM: ALFRED KAHN

SUBJECT: Modifications in the Price Program

The price statistics for the last six months indicate that the current voluntary standards have not been effective on the price side.

-- In the last six months the CPI has increased at a 10.4 percent annual rate compared to 9.4 percent in the previous six month period.

-- While food and fuel price increases account for most of the acceleration of inflation, the rate of price increases remains high in other sectors in which we expected the standards program to have a significant effect. The inflation rate for items except food and energy has averaged 9 percent during the last six months.

This recent performance jeopardizes the anti-inflation program. It also threatens the viability of the pay standard, which until now has been an effective tool for securing moderation in pay settlements. Labor is upset not only with rising prices, but also by the record performance of profits.

We believe that the price side of the voluntary program must be significantly strengthened in response to these recent price developments to prevent the collapse of the program. We have identified the following three areas in which the current program is deficient:
Monitoring -- Improved monitoring would increase compliance with the standards. We feel that widespread noncompliance, particularly among firms with sales below $500 million, is the major problem that has surfaced to date. Both the expectation of mandatory controls and strong aggregate demand over the last six months have provided a climate conducive to excessive price increases.

Price standard -- Among those firms that are demonstrating compliance, allowable price increases are higher than we had anticipated at the outset of the program.

Profit margin exception -- Although the profit margin limitation was intended to be applied only as a last resort in cases where the price deceleration standard was clearly unreasonable, many firms have chosen to adopt it in preference to price deceleration. Under the existing profit margin test we cannot make a compliance determination until the end of the program year. It is viewed by some firms as a means of postponing any confrontation with the government even if it has no intention of complying. There is a clear need both to limit access to this test and to tighten the test.

We recommend that you approve the following modifications and clarifications of the standards program. We believe that immediate action is required.

A. Monitoring

-- Expand overall monitoring effort by utilizing resources of other agencies

We can use outside personnel (particularly from Commerce) to increase our capacity to make initial inquiries. If this first contact indicated a potential for noncompliance the case could be referred to CWPS for further action. The Department of Agriculture and HEW have already assumed responsibility for preliminary monitoring of food prices, hospital costs and medical fees.

-- Request detailed data from possible violators

Specifically, we propose to ask firms in selected industries where inflation has been most severe to provide a complete record of all price actions and all data required to evaluate their compliance. These data requests would extend down to firms as small as those with $50 million in sales. These firms would also be asked to report future price actions on a periodic basis. If a firm refused to
cooperate we would publicly identify it and issue a subpoena for the information. Initial requests would be made in the cement, dairy, pharmaceutical, lead and electrical (motors and generators) industries.

-- Required reports from large firms

Price increases are now limited by the price standard during the first six months and the first nine months of the program year. We would require reports of actual average price increases from all firms with revenues in excess of $250 million at each of these times. This will be easiest for those firms with revenues in excess of $500 million who have already computed their allowable rate of price increase. Firms with revenues between $250 million and $500 million would also be required to compute and report the allowable rate of price increase.

B. Price Standard

-- We propose that the price standard be reduced to compensate for unanticipated slippage in the program. We had anticipated that a standard based on 0.5 percentage points of deceleration from the average rate of price increases in 1976-1977 would produce an economy-wide average consistent with the pay standard. The average of the price standard obtained from firms filing with CWPS shows that this is not true. We therefore propose to require a larger increment of deceleration -- an additional 0.5% -- from firms whose present price target is more than 6.0% (except that none of them would have to go below 6.0%).

We would not require any rollbacks of previously announced price increases to comply with the tightened price standard on a nine month basis but all new price actions would have to comply and all firms would need to comply for the year as a whole.

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C. Profit Margin Test

-- Tighten access by adopting a strict definition of "uncontrollable cost increases."

The current standards provide for the use of the profit margin test only where uncontrollable cost increases make compliance with the price standard infeasible. Firms view this as an option that is readily available if they find it advantageous. We are developing a strict interpretation of uncontrollable cost increases for the largest companies that must receive CWPS approval before reverting to the profit margin test. Essentially, they would have to show they have been subject to sharp increases in the cost of purchased materials (such as crude oil, scrap steel, or some other uncontrolled raw materials). Publishing the interpretation would also deter self-initiated movement by smaller firms to this standard.

-- Apply a six month and nine month standard to profit margins

We can require quarterly profit reports from those firms using the profit-margin limitation to ensure that the pattern of profits is consistent with compliance with the profit-margin test. If a firm was above the limit after two quarters, we would assume that it was not in compliance, unless it was prepared to submit a detailed projection of price actions and future profit projections that indicate compliance for the year as a whole. CWPS would monitor the application of this plan. If a firm applies for the profit margin exception we would require continued monitoring of its price actions and quarterly reports on profit margins and price actions.
Phil had seen
MR. PRESIDENT:

Re: Energy Issues Meeting today

Fred Kahn feels quite badly about being left out of the last meeting on energy issues. He has some specific things he would like to bring up with you. I would like to again strongly suggest that he be included in the 2:00 meeting today.

Kitty Schirmer, my Associate Director, has worked day and night, to the point of exhaustion, for the last month. She has the best view of what the agencies think on all of the issues we will be discussing in the meeting this afternoon. As you will remember, she was in our meeting at Camp David, and I would very much like her to be a part of the meeting this afternoon.

Stu Eizenstat

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Stu Eizenstat
Jack Watson

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

Rick Hutcheson

cc: Anne Wexler
Bob Linder
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THE WHITE HOUSE
WASHINGTON

March 28, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT
JACK WATSON
ANNE WEXLER

SUBJECT: Vietnam Veterans Week
Presidential Certificates

This is to request your approval of the attached Presidential Certificate for Outstanding Community Achievement of Vietnam Era Veterans.

The Veterans Administration is asking each governor and county commission chairperson and the mayors of the 800 largest cities to recognize Vietnam veterans for outstanding achievement and civic contribution. To encourage this effort, the Veterans Administration recommends that a Presidential certificate be awarded to the selected Vietnam veterans. The certificates would be made available with your reproduced signature. State and local jurisdictions would countersign them and affix their official seals.

Each state would be authorized to present up to 10 certificates and each local jurisdiction could present up to 5 certificates. The resulting use is between 25,000 and 50,000 depending upon small town response. It is possible to reduce the number authorized if you desire. The Veterans Administration estimates the total cost of the certificates to be about $2,500.

Jack Watson will write a cover letter to state and local officials forwarding your recently signed proclamation and urging participation. The program has been endorsed by the National Governors Association, the Conference of Mayors, the League of Cities and the National Association of Counties. Veterans organizations...
also support the concept, and the Veterans Administration will seek participation by local chambers of commerce, veterans leaders, minority groups and others. In addition, members of Congress will be made aware of the program through a letter from Frank Moore.

We believe this is a unique opportunity for a joint national and local government recognition program. It is designed to counteract myths that Vietnam veterans are "walking time bombs", crime prone, and the like, by bringing attention to their good citizenship in the states and communities of the Nation.

We strongly urge your approval of the certificate and the use of your signature on it.

[Signature]

APPROVE       DISAPPROVE

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THE WHITE HOUSE
WASHINGTON
3/29/79

Tim Kraft
Arnie Miller

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

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

FOR ACTION

FYI

VICE PRESIDENT
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VOORDE

ADMIN. CONFIDEN.
CONFIDENTIAL
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EYES ONLY
MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT

ARNIE MILLER

SUBJECT: Chairperson of the White House Conference on Families


After long consultation and many discussions, we recommend that you select former Congressman Jim Guy Tucker of Arkansas to Chair the Conference. Tucker served in the House of Representatives during the 95th Congress. Prior to that, he was the Attorney General of Arkansas. A possible drawback is that Tucker is married to a divorced woman. However, this is his first marriage. He is a strong family man and is very positive about the strength and viability of the American family. Joe Califano and Stu Eizenstat join us in this recommendation.

RECOMMENDATION

Appoint Jim Guy Tucker as Chairperson of the White House Conference on Families.

[Signature]

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JIM GUY TUCKER

PROFESSIONAL EXPERIENCE

1979 - Present
Member of the Firms of:
Tucker & Stafford
Little Rock, Arkansas
Lobel, Novins & Lamont
Washington, D. C.

1977 - 1979
Member, 95th Congress
2d District, Arkansas

1973 - 1977
Attorney General
State of Arkansas

1971 - 1972
Prosecuting Attorney
6th Judicial District, Arkansas
Pulaski and Perry Counties

1968 - 1970
Rose, Barron, Nash, Williamson,
Carroll & Clay
Little Rock, Arkansas

EDUCATION

1964
Harvard University, B.A.

1968
University of Arkansas, J.D.

MILITARY

United States Marine Corps Reserves

PERSONAL

Born: Oklahoma City, June 13, 1943

Married: Betty Allen; three children

Awards: One of Ten Outstanding Young Men in
America, 1978 - U. S. Jaycees
Arkansas Young Man of the Year, 1972
Mr. President:

No comment from Kraft or Brzezinski.

Rick
THE WHITE HOUSE
WASHINGTON

March 24, 1979

MEMORANDUM TO THE PRESIDENT

FROM: BOB LIPSHUTZ

RE: Post treaty representation of the United States with Egypt and Israel et al.

I assume that you and Cy Vance will select some outstanding American to serve as a full time representative of our government for the next year or so, to work closely with the parties in trying to implement both the Egyptian-Israeli treaty and the more ambiguous agreements relating to the Palestinian situation.

I wish to recommend that you consider seriously asking Milton Wolfe to serve in this capacity. During his current service as our Ambassador to Austria, he apparently has had a great deal of contact with various persons, including not only the Austrian Chancellor, but also Middle East government people, and he feels that he could serve in a very effective manner if you asked him to take on this responsibility.

You, of course, already are aware of Milton's general capabilities.

In addition to his general characteristics as an able executive and diplomat, he may well have the necessary credibility with both the Israelis and the Arabs to be extremely effective.
THE WHITE HOUSE
WASHINGTON

29 Mar 79

The First Lady

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

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

ADMIN CONFID
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| VICE PRESIDENT | ARAGON |
| EIZENSTAT | BOURNE |
| JORDAN | BUTLER |
| KRAFT | H. CARTER |
| LIPSHUTZ | CLOUGH |
| MOORE | COSTANZA |
| POWELL | CRUIKSHANK |
| WATSON | FALLOWS |
| WEXLER | FIRST LADY |
| BRZEZINSKI | GAMMILL |
| MCINTYRE | HARDEN |
| SCHULTZE | HUTCHESON |
| ADAMS | JAGODA |
| ANDRUS | LINDER |
| BELL | MITCHELL |
| BERGLAND | MOE |
| BLUMENTHAL | PETERSON |
| BROWN | PETTIGREW |
| CALIFANO | PRESS |
| HARRIS | RAFSHOON |
| KREPS | SCHNEIDERS |
| MARSHALL | VOORDE |
| SCHLESINGER | WARREN |
| STRAUSS | WISE |
| VANCE | |
Dear Charlie,

Jessye Norman is extremely talented. She was in Atlanta over the weekend for a concert.

I am merely passing it on to you because she is a native Georgian and because another native Georgian is an opera fan.

Although Jessye Norman is highly regarded in this country and abroad, I still do not think that her notoriety has caught up with her talent.

William H. Izlar, Jr.

[Handwritten note: Ros - for you & batelam]
Pietro Mascagni began his career as a composer with a symphony he wrote at the age of sixteen, and in the course of his long career he wrote sixteen operas and many more works, but his reputation now rests entirely on his prize-winning one-act opera, first performed in 1890, *Cavalleria Rusticana*.

The title is ordinarily translated as "Rustic Chivalry," which is literally correct, but something like "Love Among Country Folk" would be a more accurate reflection of its meaning. The plot is simple and concise. In a little village, girl loves boy who loves another girl who is married, and the husband kills the lover in a knife-duel. As the drama develops, the first girl explains to the boy’s mother what is going on:

You know, mama, before going off as a soldier, Turiddu had sworn eternal faith to Lola. He returned, learned that she was married, and sought to quench with a new love, the flame that consumed his heart. He loved me. I loved him. [Lola,] envious of my every pleasure, forgetting her husband, burning with jealousy, has stolen him from me, taking away the little dignity I had left. Lola and Turiddu love each other, and I am weeping.

*"Ritorna Vincitor!" from Aida*

Giuseppe Verdi (1813-1901)

In Act I, Scene I of *Aida*, the Pharaoh of Egypt appoints the young warrior Radames to lead his country’s troops in war against the Ethiopians. As the scene ends, Pharaoh and his daughter Amneris, who is in love with Radames, send him forth to battle with the words, *Ritorna vincit­­­­or*! (“Return victorious!”). The cry is taken up by the populace, which soon leaves the scene to the captive slave Aida, whom the Egyptians do not know to be the daughter of the Ethiopian king. Left alone, she echoes the words, “Ritorna vincitor!” with bitter irony. For over whom will Radames be victorious? Her father, her brothers, her people? Yet she and Radames are deeply, and secretly, in love. Aida cannot pray for the destruction of her people or of the man she loves, so she asks the gods to take pity on her suffering and to break her heart, so that she may die.

*"Voi lo sapete," from Cavalleria Rusticana*

Pietro Mascagni (1863-1945)

Born in Augusta, Georgia, soprano Jessye Norman began her formal vocal studies at age seventeen, when she was awarded a scholarship to Howard University in Washington, D.C. After studying there with Carolyn Grant and at Peabody Conservatory, she studied with Pierre Bernac at the University of Michigan.

Ms. Norman first made international headlines in 1968 when she won first prize at the Bavarian Radio Corporation International Music Competition in Munich, Germany. She has since earned universal critical acclaim in such roles as Aida, Donna Elvira in *Don Giovanni*, and the Countess in *The Marriage of Figaro*.

Following her debut at the Deutsche Oper in Berlin, Ms. Norman appeared at La Scala, Milan, and the Royal Opera House, Covent Garden. She has given numerous song recitals throughout Europe and North and South America, and made festival appearances in Berlin, Edinburgh, Aldeburgh, Vienna, Prague, Lucerne, Spoleto, and Florence.

Ms. Norman’s operatic performances on Philips Records include the Countess in *The Marriage of Figaro*, Giulietta in Verdi’s *Un giorno di regno*, and Rosina in Haydn’s *La Vera Constanza*. Her other recordings include works by Michael Tippett, Schubert, and Mahler, and Wagner’s *Wesendonck Lieder* and “Liebestod” from *Tristan und Isolde*. The Wagner selections were featured in her last appearance with the Atlanta Symphony Orchestra in 1976, Robert Shaw conducting.
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5/30/79 9/81
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US production
Imports
Windfall profits
Plowback
Equity
CPI
meeting with congressional leadership
on energy 3/29/79

THE WHITE HOUSE
WASHINGTON

Energy only a long 3-29-79

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Down - Early speech - conservation
policies - incompatible - one entity
Bob - Senate meeting - admin.
coal - vital cement - viable industry
Long - energy in dependence - price more
replacement costs = #1 + #2 = C067
could have passed in 1978? wo
Windfall - liberal no - would pass
not contingent on dereg -
Top - home energy fuel oil costs
Moskow - long expert - need credibility
at mercy of OPEC
Oil companies under guidelines
Continue, Exports > 9/12
Lifeline on home heating

Ford - Coined proposals yesterday re EPA
R&D re storage of electricity
Windfall profit tax will pass
R&D + Credit for consumer
Org topically impossible
Big tax cut would avail
Exports - losing - importing getting cut

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Eckhart
District biggest user of gas
Oil/gas same industry
Wages bill & gas bill = gas ind
& $561 on gasoline to majors
Maintain Composite price $4.00
No big jolt on 9/81

Jackson
Author & others - expedite docs
Xp & prep. Reno. big boxes (of) autos (gasoline) = new money
Expedite foreign - more on Alaska
7/26 71% autos foreign

Sharp rise will factor in majors
Affect composite pricing
Reserve some ground

70 - CPC prices own cards

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Johnson - no way - go. Quantrup,
Domestic Affairs - meet press.
Tip - publicize relations Pool supplies
Weight - difficult & important issue.
No resignation to foreign dependence.
Crisis will grow worse - bold action
Decontaminate, marginal territory
may meet a threat of 18(sic) more.
Tax & decontamination + program
(JC plan)

Molotov - no decontamination - explore
territory, shale - doubt shortage -
only 200,000 below 250 Cubic Cubic.
This will not fix. Need Iraq & jihad.
Swap = more for Iraq

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regular breakfast with economic
advisors

3/29/79

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3-28-79

Econ breakfast

Announcement of tight guides
Price - profits, more companies

Some price freeze

6-1.4500's supplies a letter
Transfers - the 45, Core, par, then
will avoid defense medical

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Business Leader 3/29/79

Partnership - Cost deficit - Lab - What?
Buy bus. loopholes. Price
Mid = small = noncompliance
Profit option - too many
Regulatory burdens
Money supply - int rates
Hi profite + = prices = No!

Difficult period
Success on you
Comply to spirit
Influence others
Bold ideas
Avoid recession, mandatory controls

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