

4/11/79 [1]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 4/11/79
[1]; Container 113

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

THE PRESIDENT'S SCHEDULE

Wednesday - April 11, 1979

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Secretary Juanita Kreps. (Mr. Jack Watson).
(30 min.) The Oval Office.

9:30 Mr. Frank Moore, Mr. Dan Tate and Mr. Bill
Cable - The Oval Office.

9:45 Congressman Peter W. Rodino, Jr. (Mr. Frank Moore).
(15 min.) The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Drop-By Meeting with Insurance Company
(10 min.) Executives/Hospital Cost Containment.
(Ms. Anne Wexler) - The Cabinet Room.

11:30 Admiral Stansfield Turner, Dr. Zbigniew
(30 min.) Brzezinski, and Mr. Hamilton Jordan.
The Oval Office.

12:00 Lunch with Congressman Lee H. Hamilton.
(30 min.) The Oval Office.

2:30 Videotape Message for U.S. Olympic Committee.
(Mr. Jerry Rafshoon) - The Cabinet Room.

THE WHITE HOUSE

WASHINGTON

4/11/79

Jim McIntyre

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

The signed originals have been given to Bob Linder. Wayne Granquist will notify you when to release the memos.

Rick Hutcheson

cc: Stu Eizenstat
Jody Powell
Jerry Rafshoon
Richard Pettigrew
Bob Linder

THE WHITE HOUSE
WASHINGTON

4/9/79

Mr. President:

Rafshoon, Lipshutz and
Pettigrew join Stu in
concurring with Bell et al.

Pettigrew suggests adding
the GSA Administrator to the
proposed Council. Lack of
timely space/supply decisions
by GSA "can frustrate effec-
tive program administration...
Addition of the Administrator
of GSA to the Council would
begin the necessary process
of improving the working
relationship among OMB,
OPM and GSA..."

Rick

THE WHITE HOUSE

WASHINGTON

April 9, 1979

②

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Management/Waste and Fraud Memo

The attached memorandum from Jim McIntyre, Scotty Campbell and Griffin Bell responds to the questions you raised on the McIntyre/Bell memorandum of February 5. In summary the memo:

(1) Converts the proposed National Council to Combat Fraud and Waste in Government into an Executive Group, which is less formal and avoids creation of a new independent entity.

(2) Contains Scotty Campbell's proposal for a Presidential Management Improvement Council with private-sector membership to work out on a short-turnaround basis specific agency management problems at agency request or your direction. The Council would be chaired jointly by Scotty and Jim McIntyre.

I agree with the need for a coordinating group for the Inspectors General, especially on this less-formal basis and strongly support the management improvement initiative, on which we have worked closely with OMB and OPM. I strongly support the management initiative, and since the full cooperation of both OMB and OPM is crucial for the management improvement effort to work I support the joint chairmanship.

NOTE: OMB has asked me to relay to you that they believe a management study of ACTION should be among the first orders of business for the new Commission.

**Electrostatic Copy Made
for Preservation Purposes**



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

APR 3 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

Griffin B. Bell ^{GBB}
James T. McIntyre, Jr.
Alan K. Campbell

SUBJECT:

Improving Management and Efforts to Combat
Fraud and Waste

We have developed a joint effort to launch a positive management improvement program and a coordinated anti-fraud and waste campaign. Your notes on our initial memorandum which proposed a council to combat fraud and waste indicated your concern that we not create just another council. You also asked us to emphasize positive management improvement steps.

While there are relationships between our proposals to combat fraud and improve management, there are also substantial reasons to keep these activities organizationally separate.

Combating Fraud and Waste

The inspector general system touches important and sensitive law enforcement issues. Historically, the predecessors of the new statutory IG's have had difficulty in their relations with both the investigative and prosecutive elements of the Justice Department. The work of the various agency investigative offices was of very uneven quality--and some tended to be discounted by Justice Department staff. At the same time, agency officials have expressed frustration at the Justice Department views toward their efforts to fully utilize their investigative staffs. Inspector General legislation establishes a new group of IG's with enhanced investigatory powers (e.g., subpoena powers). A well-managed effort to bring together the IG's with FBI and other senior Justice Department staff is vital if we are not to see the resources and credibility reduced by bureaucratic competition, duplication, and overlap.

In addition to the potential criminal prosecutions which might arise from IG and Justice Department investigations, there exist a whole range of administrative penalties short of criminal sanctions. These penalties are often much more practical and effective in deterring fraud. Finally, the audit programs run by the new IG's are essentially civil processes with significance for general and financial management. We believe relating the new IG's to the OMB and OPM will add significantly to the positive work IG's can do.

An administrative mechanism such as the Executive Group we are proposing would insulate the President from premature involvement in cases of alleged fraud and corruption by coordinating efforts to address particularly serious situations beyond the capacity of an individual agency.

Management Improvement

The departments and agencies, assisted by the Office of Personnel Management, are now beginning to implement the Civil Service Reform Act. This creates an excellent opportunity to undertake a major Presidential initiative to improve management practices and program performance across the entire government. The new legislation and your emphasis on improved governmental operations now offer substantial incentives to program managers for improving the efficiency, effectiveness, and responsiveness of Federal program operations. We can encourage managers to define realistic, measurable objectives, to seek policy-level agreement on these objectives, to reorient resources where needed to accomplish their objectives, and to implement systems which measure and demonstrate their accomplishments.

We believe a positive effort to improve management is consistent with public concern about the efficiency of government and the "competence" theme of your Administration. This kind of undertaking will also offset to some degree any negative impact on the Federal work force that may result from Administration initiatives in controlling fraud.

This undertaking would not be the usual kind of study which would produce a report (e.g., Hoover Commission reports), but rather is designed to undertake specific and limited management improvement projects. As needs are identified, appropriate task forces would be assembled

to analyze the problems and to make specific recommendations for immediate adoption.

We recommend that you issue the attached memorandum which describes: (1) a coordinated anti-fraud and waste campaign that focuses on implementing the Inspector General program through an Executive Group to Combat Fraud and Waste, and (2) the purposes of a proposed Presidential-level management improvement program and its mechanism, the Presidential Management Improvement Council.

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE ATTORNEY GENERAL
THE DIRECTOR, OFFICE OF MANAGEMENT
AND BUDGET
THE DIRECTOR, OFFICE OF PERSONNEL
MANAGEMENT

SUBJECT: Improving Management and Combating Fraud
and Waste in Federal Programs

Since the beginning of my Administration I have emphasized the high priority I place on improving the operations of Federal agencies. Implementation of the Civil Service Reform Act and the Inspector General Act provides an opportunity to strengthen our efforts to improve agency management practices and manage the resources of the government well, free of waste, fraud, and inefficiency. I want to seize this opportunity.

In recent months I have asked each of you to assume specific responsibilities which include:

- o the Director of OMB providing direction and assistance in implementing the Inspector General legislation and overseeing government-wide efforts to combat fraud, waste, and mismanagement in program operations;
- o the Attorney General assuring that the activities of Inspectors General and similar officers are coordinated with other investigative and prosecutorial activities; and
- o the Director of OPM working with the Attorney General and the Secretary of the Treasury to improve the training of investigative and audit staffs throughout the Executive Branch.

I believe we should now launch a management improvement program that builds on Civil Service reform and on our other ongoing efforts to improve both management practices and program performance across the entire government. At the same time we should pursue a coordinated anti-fraud and waste campaign that focuses on implementing the Inspector General program. While these two efforts should be organizationally separate, each of you should assure that they complement each other.

Executive Group to Combat Fraud and Waste in Government

I am establishing an Executive Group to Combat Fraud and Waste in Government to assure effective implementation of the Inspector General Act of 1978 and other efforts to combat fraud and waste in programs of the Federal Government. The Deputy Attorney General shall serve as Chairman and the Deputy Director of the Office of Management and Budget shall serve as Vice Chairman of the Executive Group. Its membership will consist of the statutory Inspectors General, the Deputy Director of the Office of Personnel Management, and the Special Counsel of the Merit Systems Protection Board, and representatives of the Federal Bureau of Investigation, Internal Revenue Service, and Postal Inspection Service. Other officials should be brought in to work with the Executive Group as appropriate. The Department of Justice and the Office of Management and Budget should provide the necessary staff support.

The responsibilities and functions of the Executive Group include:

- o Providing leadership, and formulating policy and operational guidance, to the Inspectors General and other officers of the Executive Branch in combating fraud and waste in government programs, including the development and promotion of:
 - programs that prevent and detect fraud and waste in Federal programs;
 - procedures to assure that investigations by the Inspectors General and similar officials are coordinated with investigative and prosecutorial activities by law enforcement agencies; and

- improvements in training for audit and investigative personnel.
- o Promoting coordinated allocation and direction of audit and investigative resources.
- o Studying and seeking to resolve extraordinary problems or issues relating to fraud and waste which are beyond the capacity or authority of the individual executive departments or agencies.
- o Developing recommendations for needed legislation and other actions that can be taken to reduce fraud and waste in the Federal Government.

Presidential Management Improvement Council

I am establishing a Presidential Management Improvement Council to support efforts to improve Federal management and program performance and to further the government-wide management improvements envisioned in the Civil Service Reform Act of 1978. The Council shall be co-chaired by the Directors of the Office of Management and Budget and the Office of Personnel Management. Its membership will consist of representatives from Federal agencies, as appropriate, and the private sector, including corporate executive officers and foundation and academic leaders. The Office of Management and Budget and the Office of Personnel Management should provide the necessary staff support for the Council.

The identification of critical management problems for consideration by the Council shall be the joint responsibility of the Office of Management and Budget and the Office of Personnel Management, in consultation with departments and agencies. In addition, I will ask the Council to undertake specific management improvement projects from time to time.

I expect the Council to work cooperatively with the Comptroller General, agency Inspectors General, and senior program management and administrative officials in the departments and agencies. The Council should keep me informed of its activities and bring significant problem areas to my attention.

Jimmy Carter

earlier Bell-McIntyre
memo on Waste & Fraud

THE WHITE HOUSE

WASHINGTON

DATE: 04 APR 79

FOR ACTION: STU EIZENSTAT ^{Si}

BOB LIPSHUTZ *concur*

JERRY RAFSHOON *concur*

BERNIE ARONSON
~~WATSON~~

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

ANNE WEXLER

RICHARD PETTIGREW *- attached*

SUBJECT: BELL MCINTYRE CAMPBELL MEMO RE IMPROVING MANAGEMENT
AND EFFORTS TO COMBAT WASTE AND FRAUD

```

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1100 AM FRIDAY 06 APR 79 +
+++++

```

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

DATE: 04 APR 79

Greg?

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ

JERRY RAFSHOON

BERNIE ARONSON

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

ANNE WEXLER

RICHARD PETTIGREW

SUBJECT: BELL MCINTYRE CAMPBELL MEMO RE IMPROVING MANAGEMENT
AND EFFORTS TO COMABT WASTE AND FRAUD

~~STU EIZENSTAT~~ ~~BOB LIPSHUTZ~~

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1100 AM FRIDAY 06 APR 79 +
+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

We think the establishment of the waste & fraud council is a very good idea and should be carefully presented if the P. approves.



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

APR 3 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Griffin B. Bell
James T. McIntyre, Jr. (Signed) Jim
Alan K. Campbell

SUBJECT: Improving Management and Efforts to Combat
Fraud and Waste

We have developed a joint effort to launch a positive management improvement program and a coordinated anti-fraud and waste campaign. Your notes on our initial memorandum which proposed a council to combat fraud and waste indicated your concern that we not create just another council. You also asked us to emphasize positive management improvement steps.

While there are relationships between our proposals to combat fraud and improve management, there are also substantial reasons to keep these activities organizationally separate.

Combating Fraud and Waste

The inspector general system touches important and sensitive law enforcement issues. Historically, the predecessors of the new statutory IG's have had difficulty in their relations with both the investigative and prosecutive elements of the Justice Department. The work of the various agency investigative offices was of very uneven quality--and some tended to be discounted by Justice Department staff. At the same time, agency officials have expressed frustration at the Justice Department views toward their efforts to fully utilize their investigative staffs. Inspector General legislation establishes a new group of IG's with enhanced investigatory powers (e.g., subpoena powers). A well-managed effort to bring together the IG's with FBI and other senior Justice Department staff is vital if we are not to see the resources and credibility reduced by bureaucratic competition, duplication, and overlap.

In addition to the potential criminal prosecutions which might arise from IG and Justice Department investigations, there exist a whole range of administrative penalties short of criminal sanctions. These penalties are often much more practical and effective in deterring fraud. Finally, the audit programs run by the new IG's are essentially civil processes with significance for general and financial management. We believe relating the new IG's to the OMB and OPM will add significantly to the positive work IG's can do.

An administrative mechanism such as the Executive Group we are proposing would insulate the President from premature involvement in cases of alleged fraud and corruption by coordinating efforts to address particularly serious situations beyond the capacity of an individual agency.

Management Improvement

The departments and agencies, assisted by the Office of Personnel Management, are now beginning to implement the Civil Service Reform Act. This creates an excellent opportunity to undertake a major Presidential initiative to improve management practices and program performance across the entire government. The new legislation and your emphasis on improved governmental operations now offer substantial incentives to program managers for improving the efficiency, effectiveness, and responsiveness of Federal program operations. We can encourage managers to define realistic, measurable objectives, to seek policy-level agreement on these objectives, to reorient resources where needed to accomplish their objectives, and to implement systems which measure and demonstrate their accomplishments.

We believe a positive effort to improve management is consistent with public concern about the efficiency of government and the "competence" theme of your Administration. This kind of undertaking will also offset to some degree any negative impact on the Federal work force that may result from Administration initiatives in controlling fraud.

This undertaking would not be the usual kind of study which would produce a report (e.g., Hoover Commission reports), but rather is designed to undertake specific and limited management improvement projects. As needs are identified, appropriate task forces would be assembled

to analyze the problems and to make specific recommendations for immediate adoption.

We recommend that you issue the attached memorandum which describes: (1) a coordinated anti-fraud and waste campaign that focuses on implementing the Inspector General program through an Executive Group to Combat Fraud and Waste, and (2) the purposes of a proposed Presidential-level management improvement program and its mechanism, the Presidential Management Improvement Council.

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE ATTORNEY GENERAL
THE DIRECTOR, OFFICE OF MANAGEMENT
AND BUDGET
THE DIRECTOR, OFFICE OF PERSONNEL
MANAGEMENT

SUBJECT: Improving Management and Combating Fraud
and Waste in Federal Programs

Since the beginning of my Administration I have repeatedly emphasized the high priority I place on improving the operations of Federal agencies. Implementation of the Civil Service Reform Act and the Inspector General Act provide an opportunity to re-emphasize our efforts to improve agency management practices and manage the resources of the government well, free of waste, fraud, and inefficiency. I do not want to miss this opportunity.

In recent months I have asked each of you to assume specific responsibilities which include:

- o the Director of OMB providing direction and assistance in implementing the Inspector General legislation and overseeing government-wide efforts to combat fraud, waste, and mismanagement in program operations;
- o the Attorney General assuring that the activities of Inspectors General and similar officers are coordinated with other investigative and prosecutorial activities; and
- o the Director of OPM working with the Attorney General and the Secretary of the Treasury to improve the training of investigative and audit staffs throughout the Executive Branch.

I believe we should now launch a positive management improvement program that builds on Civil Service reform and our other ongoing efforts to improve management practices and program performance across the entire

government. At the same time we should pursue a coordinated anti-fraud and waste campaign that focuses on implementing the Inspector General program. While these two efforts should be organizationally separate, each of you should assure that they complement each other.

Executive Group to Combat Fraud and Waste in Government

I am establishing an Executive Group to Combat Fraud and Waste in Government to assure effective implementation of the Inspector General Act of 1978 and efforts to combat fraud and waste in programs of the Federal Government. The Deputy Attorney General shall serve as Chairman and the Deputy Director of the Office of Management and Budget shall serve as Vice Chairman of the Executive Group. Its membership will consist of the statutory Inspectors General, the Deputy Director of the Office of Personnel Management, the Special Counsel of the Merit Systems Protection Board, and representatives of the Federal Bureau of Investigation, Internal Revenue Service, and Postal Inspection Service. Other officials should be brought in to work with the Executive Group as appropriate. The Department of Justice and the Office of Management and Budget should provide the necessary staff support.

The responsibilities and functions of the Executive Group include:

- o Providing leadership, and formulating policy and operational guidance, to the Inspectors General and other officers of the Executive Branch in combating fraud and waste in government programs, including the development and promotion of:
 - programs that prevent and detect fraud and waste in Federal programs;
 - procedures to assure that investigations by the Inspectors General and similar officials are coordinated with investigative and prosecutorial activities by law enforcement agencies; and
 - improvements in training for audit and investigative personnel.

- o Promoting coordinated allocation and direction of audit and investigative resources.
- o Studying and seeking to resolve extraordinary problems or issues relating to fraud and waste which are beyond the capacity or authority of the individual executive departments or agencies.
- o Developing recommendations for needed legislation and other actions that can be taken to reduce fraud and waste in the Federal Government

Presidential Management Improvement Council

I am establishing a Presidential Management Improvement Council to support efforts to improve Federal management and program performance and to further the government-wide management improvements envisioned in the Civil Service Reform Act of 1978. The Council shall be co-chaired by the Directors of the Office of Management and Budget and the Office of Personnel Management. Its membership will consist of representatives from Federal agencies, as appropriate, and the private sector, including corporate executive officers and foundation and academic leaders. The Office of Management and Budget and the Office of Personnel Management should provide the necessary staff support for the Council.

The identification of critical management problems for consideration by the Council shall be the joint responsibility of the Office of Management and Budget and the Office of Personnel Management, in consultation with departments and agencies. In addition, I will ask the Council to undertake specific management improvement projects from time to time.

I expect the Council to work cooperatively with the Comptroller General, agency Inspectors General, and senior program management and administrative officials in the departments and agencies. The Council should keep me informed of its activities and bring significant problem areas to my attention.

DATE: 04 APR 79

FOR ACTION: STU EIZENSTAT

BOB LIPSHUTZ

JERRY RAFSHOON

BERNIE ARONSON

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

ANNE WEXLER

RICHARD PETTIGREW

SUBJECT: BELL MCINTYRE CAMPBELL MEMO RE IMPROVING MANAGEMENT
AND EFFORTS TO COMBAT WASTE AND FRAUD

+-----+
 + RESPONSE DUE TO RICK HUTCHESON, STAFF SECRETARY (456-7052) +
 + BY: 1100 AM FRIDAY 06 APR 79 +
 +-----+

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

A large, stylized handwritten signature or set of initials, possibly 'RJ', is written in the space provided for comments.

THE WHITE HOUSE

WASHINGTON

April 9, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Management/Waste and Fraud Memo

The attached memorandum from Jim McIntyre, Scotty Campbell and Griffin Bell responds to the questions you raised on the McIntyre/Bell memorandum of February 5. In summary the memo:

(1) Converts the proposed National Council to Combat Fraud and Waste in Government into an Executive Group, which is less formal and avoids creation of a new independent entity.

(2) Contains Scotty Campbell's proposal for a Presidential Management Improvement Council with private-sector membership to work out on a short-turnaround basis specific agency management problems at agency request or your direction. The Council would be chaired jointly by Scotty and Jim McIntyre.

I agree with the need for a coordinating group for the Inspectors General, especially on this less-formal basis and strongly support the management improvement initiative, on which we have worked closely with OMB and OPM. I strongly support the management initiative, and since the full cooperation of both OMB and OPM is crucial for the management improvement effort to work I support the joint chairmanship.

NOTE: OMB has asked me to relay to you that they believe a management study of ACTION should be among the first orders of business for the new Commission.

THE WHITE HOUSE

WASHINGTON

APR 3 1979

MEMORANDUM FOR THE ATTORNEY GENERAL
THE DIRECTOR, OFFICE OF MANAGEMENT
AND BUDGET
THE DIRECTOR, OFFICE OF PERSONNEL
MANAGEMENT

SUBJECT: Improving Management and Combating Fraud
and Waste in Federal Programs

Since the beginning of my Administration I have repeatedly emphasized the high priority I place on improving the operations of Federal agencies. Implementation of the Civil Service Reform Act and the Inspector General Act provide an opportunity to re-emphasize our efforts to improve agency management practices and manage the resources of the government well, free of waste, fraud, and inefficiency. I do not want to miss this opportunity.

In recent months I have asked each of you to assume specific responsibilities which include:

- o the Director of OMB providing direction and assistance in implementing the Inspector General legislation and overseeing government-wide efforts to combat fraud, waste, and mismanagement in program operations;
- o the Attorney General assuring that the activities of Inspectors General and similar officers are coordinated with other investigative and prosecutorial activities; and
- o the Director of OPM working with the Attorney General and the Secretary of the Treasury to improve the training of investigative and audit staffs throughout the Executive Branch.

I believe we should now launch a positive management improvement program that builds on Civil Service reform and our other ongoing efforts to improve management practices and program performance across the entire

government. At the same time we should pursue a coordinated anti-fraud and waste campaign that focuses on implementing the Inspector General program. While these two efforts should be organizationally separate, each of you should assure that they complement each other.

Executive Group to Combat Fraud and Waste in Government

I am establishing an Executive Group to Combat Fraud and Waste in Government to assure effective implementation of the Inspector General Act of 1978 and efforts to combat fraud and waste in programs of the Federal Government. The Deputy Attorney General shall serve as Chairman and the Deputy Director of the Office of Management and Budget shall serve as Vice Chairman of the Executive Group. Its membership will consist of the statutory Inspectors General, the Deputy Director of the Office of Personnel Management, the Special Counsel of the Merit Systems Protection Board, and representatives of the Federal Bureau of Investigation, Internal Revenue Service, and Postal Inspection Service. Other officials should be brought in to work with the Executive Group as appropriate. The Department of Justice and the Office of Management and Budget should provide the necessary staff support.

The responsibilities and functions of the Executive Group include:

- o Providing leadership, and formulating policy and operational guidance, to the Inspectors General and other officers of the Executive Branch in combating fraud and waste in government programs, including the development and promotion of:
 - programs that prevent and detect fraud and waste in Federal programs;
 - procedures to assure that investigations by the Inspectors General and similar officials are coordinated with investigative and prosecutorial activities by law enforcement agencies; and
 - improvements in training for audit and investigative personnel.

- o Promoting coordinated allocation and direction of audit and investigative resources.
- o Studying and seeking to resolve extraordinary problems or issues relating to fraud and waste which are beyond the capacity or authority of the individual executive departments or agencies.
- o Developing recommendations for needed legislation and other actions that can be taken to reduce fraud and waste in the Federal Government

Presidential Management Improvement Council

I am establishing a Presidential Management Improvement Council to support efforts to improve Federal management and program performance and to further the government-wide management improvements envisioned in the Civil Service Reform Act of 1978. The Council shall be co-chaired by the Directors of the Office of Management and Budget and the Office of Personnel Management. Its membership will consist of representatives from Federal agencies, as appropriate, and the private sector, including corporate executive officers and foundation and academic leaders. The Office of Management and Budget and the Office of Personnel Management should provide the necessary staff support for the Council.

The identification of critical management problems for consideration by the Council shall be the joint responsibility of the Office of Management and Budget and the Office of Personnel Management, in consultation with departments and agencies. In addition, I will ask the Council to undertake specific management improvement projects from time to time.

I expect the Council to work cooperatively with the Comptroller General, agency Inspectors General, and senior program management and administrative officials in the departments and agencies. The Council should keep me informed of its activities and bring significant problem areas to my attention.

THE WHITE HOUSE

WASHINGTON

April 6, 1979

MEMORANDUM TO: THE PRESIDENT

FROM: DICK PETTIGREW *Dick*

SUBJECT: Bell/McIntyre/Campbell Memo re
Improving Management and Efforts
to Combat Waste and Fraud

I concur in the recommendations pertaining to the Executive Group to combat fraud and waste.

However, the Presidential Management Improvement Council proposal omits a key officer, the Administrator of GSA. The Administrator should be given formal standing and directions to participate in the Council. Lack of timely decisions pertaining to space, supply, motor pool, security and other administrative responsibilities under the GSA aegis can frustrate effective program administration quite as effectively as systems defects and personnel problems. Addition of the Administrator of GSA to the Council would begin the necessary process of improving the working relationship among OMB, OPM and GSA as new leadership takes charge in the latter agency.

ANNOUNCEMENT RE PRESIDENTIAL COMMISSION
ON THREE MILE ISLAND NUCLEAR ACCIDENT
WH PRESS BRIEFING ROOM
APRIL 11, 1979

1

IN MY ADDRESS TO THE NATION LAST WEEK, I ANNOUNCED THAT I
WOULD APPOINT A PRESIDENTIAL COMMISSION TO INVESTIGATE THE THREE
MILE ISLAND NUCLEAR ACCIDENT. *AT*

IT IS ESSENTIAL THAT WE LEARN THE CAUSES OF THIS ACCIDENT
AND MAKE SURE THAT THE SAFETY OF CITIZENS IS NEVER AGAIN ENDANGERED
IN THIS WAY.

(--OVER--)(I AM PLEASED TO BE ABLE TO...)

Electrostatic Copy Made
for Preservation Purposes

I AM PLEASED ~~TO BE ABLE~~ TO ANNOUNCE TODAY THAT I HAVE ~~TODAY~~
SIGNED THE EXECUTIVE ORDER CREATING THE PRESIDENTIAL COMMISSION,
AND I HAVE APPOINTED 11 DISTINGUISHED AMERICANS TO SERVE ON IT.

I HAVE JUST MET WITH THE COMMISSION'S CHAIRMAN, DR. JOHN
KEMENY, WHO IS PRESIDENT OF DARTMOUTH COLLEGE, AND WHO POSSESSES
ONE OF THE MOST BRILLIANT, INCISIVE MINDS IN THE COUNTRY.

HE HAS DEVOTED HIS LIFE TO ANALYZING AND SOLVING SOME OF
THE MOST DIFFICULT TECHNICAL PROBLEMS OF OUR GENERATION.

(--NEW CARD--)(HIS SKILLS AND BACKGROUND)

HIS SKILLS AND BACKGROUND IDEALLY QUALIFY HIM FOR THE COMPLICATED TASK OF DETERMINING THE TRUTH BEHIND THE ACCIDENT AT THREE MILE ISLAND.

I HAVE NO DOUBT THAT DR. KEMENY WILL SUCCEED IN THIS EFFORT.

THE OTHER 10 MEMBERS OF THE COMMISSION ARE ALSO ~~EXTRAORDINARILY~~ ^{who have been chosen} TALENTED. *and highly qualified.*

THEY PROVIDE THE COMMISSION WITH THE KNOWLEDGE AND THE DIVERSE EXPERIENCE NEEDED TO COMPLETE ITS TASK SUCCESSFULLY.

(--OVER--)(THAT TASK WILL BE ONE ...)

THAT TASK WILL BE ONE OF THE MOST IMPORTANT EVER UNDERTAKEN
BY A PRESIDENTIAL COMMISSION.

The Commission ~~It~~ WILL FIND OUT WHAT HAPPENED AT THREE MILE ISLAND -- IT
WILL ASSESS HOW THE ACCIDENT COULD HAVE BEEN PREVENTED -- IT WILL
REVIEW HOW THE GOVERNMENT AND OTHERS RESPONDED -- AND IT WILL MAKE
RECOMMENDATIONS TO ENABLE US TO PREVENT FUTURE ACCIDENTS.

THERE CAN BE NO DOUBT THAT THE EYES OF THE NATION, AND INDEED
OF THE WORLD, WILL BE ON THE COMMISSION.

ITS JUDGMENTS WILL HAVE ENORMOUS IMPACT.

(--NEW CARD--)(I AM CONFIDENT....)

I AM CONFIDENT THAT DURING ITS SIX MONTHS OF OPERATION, THIS
COMMISSION WILL MAKE THE RIGHT JUDGMENTS.

AND THE NATION WILL LONG BE IN ITS DEBT.

#

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 10, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}
SUBJECT: Retail Sales in March

This afternoon (Tuesday, April 10) at 4:00 p.m., the Bureau of the Census will release the figures on retail sales in March, and revised figures for January and February.

- o January and February were revised down a bit, indicating that the cold weather had slightly more of an effect than we thought.
- o March sales rebounded moderately, rising by 1 percent over February.
- o Auto sales, after a slightly weak February, rose strongly in March.

These data show a rebound in consumer spending from earlier months, and confirm our opinion that January and February retail sales data were distorted seriously by severe weather. But because inflation is very high, they do not indicate major advances in consumer purchases adjusted for inflation, with the exception of autos (and perhaps other consumer durables). Automobile demand in March consisted in part of accelerated purchases of small, fuel-efficient cars in response to uncertainties about gasoline supply attendant on the Iranian political situation.

In general, the March data suggest that consumer purchases are being maintained at a high level but, adjusted for inflation, are not rising significantly. The general view that we have suggested recently seems to be consistent with this data:

- o Consumer purchases surged forward late last year, as part of a widespread "boomlet" in the economy;

**Electrostatic Copy Made
for Preservation Purposes**

- o In the most recent months, consumer purchases neither dramatically increased nor dramatically weakened: the continuing strength in the economy comes from the business/industrial sector.

THE WHITE HOUSE

WASHINGTON

LUNCH WITH CONGRESSMAN LEE HAMILTON (D-IND.-9)

Wednesday, April 11, 1979

12:00 noon (30 minutes)

The Oval Office

From: Frank Moore

F.M.
F.M./BR

I. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background:

Committees: International Relations (#6)
Subcommittees:
Europe and the Middle East (Chairman)
International Organizations

Standards of Official Conduct (#2)

Joint Economic Committee (#4, House)
Subcommittees:
Economic Growth and Stabilization
International Economics

Administration Support: 86.4%

Rep. Hamilton is a moderate Democrat who is viewed as the weather vane on foreign policy issues and who works well with the membership generally.

Participants: The President
Cong. Lee Hamilton

Press Plan: White House photographer only

II. TALKING POINTS

- Rep. Hamilton departs several hours after your lunch on a Codel Brademas trip to Russia, where he will

visit Leningrad (and confer with the head of the Communist party) and Moscow, where he will visit the Supreme Soviet. There is a good chance that this will be the only delegation from the United States visiting the USSR when the SALT negotiations are concluded, and Hamilton and the rest of the party have been briefed by Dr. Brzezinski in anticipation of this. Rep. Hamilton would be an appropriate person to discuss the details of SALT with especially if there are points he can make with the Soviets while he is over there.

- Hamilton was an important force in the surprisingly successful House action on the foreign aid bill in the House.
- In the weeks following the recess he will have to take an active and aggressive role in the Panama implementing legislation.
- The House defeated an amendment to delete the Institute for Scientific and Technical Cooperation; Lee was a key actor along with Chairman Zablocki.
- He has endorsed an invitation for you to address the Indiana Jefferson-Jackson Day dinner this June. He feels you think Indiana begins and ends in South Bend.

the ch CENT

the christian CENTURY

APRIL 11, 1979

JAMES M. WALL
EDITOR

407 SOUTH DEARBORN STREET
CHICAGO, ILL. 60605
312 - 427-5380
HOME 312 - 279-7166



A Guide to the Bible as the Book of Faith

Browne Barr

Semana Santa in Sigüenza

Stanley Poss

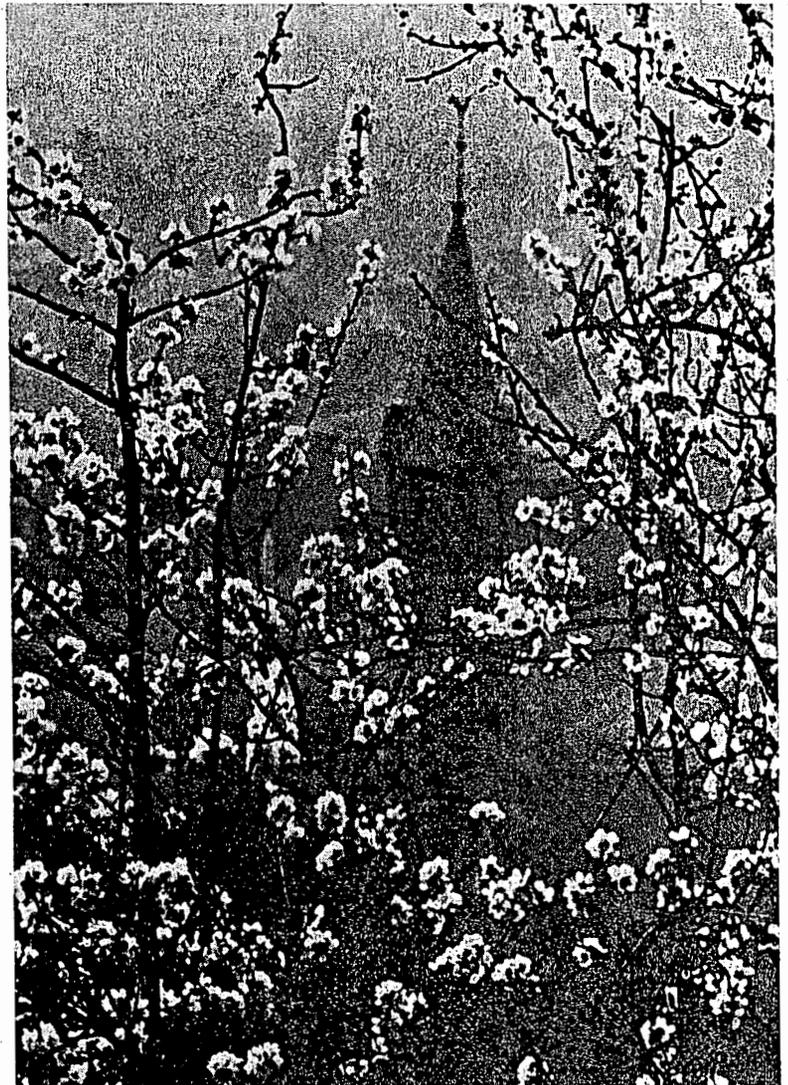
The Gospel According
to Schlafly

Catholic Lay Assembly

Ethics for Innocents

Tension Points in

Black Church Studies



Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

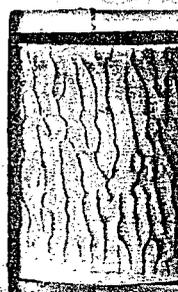
11 Apr 79

Jim McIntyre
Jack Watson

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

Rick Hutcheson

Stu Eizenstat



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

ACTION
FYI

| |
|--------------------|
| ADMIN CONFIDENTIAL |
| CONFIDENTIAL |
| SECRET |
| EYES ONLY |

| | |
|---|----------------|
| | VICE PRESIDENT |
| | JORDAN |
| / | EIZENSTAT |
| | KRAFT |
| | LIPSHUTZ |
| | MOORE |
| | POWELL |
| | RAFSHOON |
| / | WATSON |
| | WEXLER |
| | BRZEZINSKI |
| / | MCINTYRE |
| | SCHULTZE |
| | |
| | ADAMS |
| | ANDRUS |
| | BELL |
| | BERGLAND |
| | BLUMENTHAL |
| | BROWN |
| | CALIFANO |
| | HARRIS |
| | KREPS |
| | MARSHALL |
| | SCHLESINGER |
| | STRAUSS |
| | VANCE |

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

THE WHITE HOUSE
WASHINGTON

4/10/79

Mr. President:

Stu concurs with Jack
and Jim; Rafshoon and
Moore have no comment.

Rick/Bill



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

C

APR 4 1979

DECISION

MEMORANDUM FOR: THE PRESIDENT

FROM:

Jack Watson
Jim McIntyre

SUBJECT:

Additional funding for the 1980 Winter Olympics

The Lake Placid Olympic Organizing Committee is running short of funds needed to finish preparation for the 1980 Winter Olympic games at Lake Placid, New York. The Committee and representatives of Governor Carey's office have approached the Economic Development Administration (EDA) in Commerce and the White House seeking additional Federal financial assistance. This memorandum seeks your guidance as to whether or not the Administration should provide that assistance and, if so, by what means.

BACKGROUND

Historically, Federal funds have not been provided for direct support of U.S. Olympic activities. In 1976 Congress authorized and appropriated \$57 million to assist Lake Placid in its bid to host the 1980 winter games: \$34.7 million to EDA for athletic and other related facilities (e.g. field house, ski jump, luge run, speed skating rink); and \$22.0 million to the Bureau of Prisons for a minimum security prison in Lake Placid to be used initially for athletes' housing during the games.

The Federal monies were intended to pay for all Olympics facilities built on lands not owned by the state of New York, which is investing \$27 million (largely from other Federal grants) in related facilities at state park sites in the area. Local communities have not contributed to the effort, but they will retain ownership of the Federally-funded facilities once the Olympics are over to promote the area's needed long-run economic development.

CURRENT STATUS

The Lake Placid Committee now faces two financial problems. Due to mismanagement and new facilities requirements imposed by the International Olympic Committee, an estimated \$15-18 million will be needed to cover additional capital expenses to complete the physical facilities for the games. In addition, operating cost overruns are projected at nearly \$17 million.

**Electrostatic Copy Made
for Preservation Purposes**

Efforts are underway to deal with these problems. New management has been brought in, and increased construction oversight both by the Committee and EDA, is now being undertaken. The Committee also has been seeking to identify additional sources of funds. Jack canvassed Federal agencies through the Interagency Coordinating Council, but because of the unusual nature of the needs (construction of arena seats, scoreboards, etc.) only \$750 thousand could be identified. Meanwhile, EDA has provided an additional \$1.5 million from its regular appropriation to continue construction.

We believe that Rep. Robert McEwen (R-N.Y.), a senior member of the Appropriations Committee who represents Lake Placid, will seek a FY 1979 supplemental to bail out the Lake Placid Committee--perhaps for as much as the total estimated \$31 million shortfall. Other Committee members appear reluctant to join McEwen in such an effort, but Chairman Slack of the State, Justice, Commerce and Judiciary Subcommittee is pressing EDA for a solution.

OPTIONS

To respond to this situation and to the New York and Congressional requests, there appear to be three options:

1. Seek a supplemental appropriation (\$15 million) to cover the Federal share of the remaining facilities costs.
2. Seek Congressional approval to reprogram existing EDA appropriations potentially available to assist Lake Placid (\$7.5-11.3 million).
3. Take no action to provide additional Federal funds.

DISCUSSION

Option 1

Pro - A supplemental request for additional funding, if combined with a firm agreement with the Lake Placid Committee and the state to pick up any remaining or additional costs could forestall efforts by Rep. McEwen to add amounts to the budget that are unnecessary and inappropriate.

Con - Submitting such a request to Congress at this time would be seen as contrary to your budget policies announced in January. Further, direct funding for Olympic activities could reinforce an undesirable precedent set under the last Administration. The level of Federal involvement in the Winter Games could establish the norm for the much more expensive Summer Olympics scheduled for Los Angeles in 1984.

Option 2

- Pro - Reprogramming existing funds could avoid a supplemental. \$7.5 million of 1979 EDA demonstration funds were scheduled to be used to test program innovations. The Department proposed these funds for rescission in the 1980 budget process, but we withheld taking such action pending your decision on this issue. Additionally, \$3.8 million is available from appropriations for EDA's rural planning district program above the amount requested in your 1979 budget. Our 1980 request for the planning program is at the 1979 request level, so using these extra monies for the Olympics helps avoid planning program expansion in 1979 and an undesired budget add-on for that purpose in 1980.
- Con - \$7.5-11.3 million may not be sufficient to reach an agreement with the Lake Placid Committee and the state and to prevent Congress from appropriating more funds. This option also reinforces the precedent of heavy Federal involvement in Olympic activities.

Option 3

- Pro - We do not know that the Lake Placid Committee and the state of New York have exhausted all possible avenues in seeking additional financial assistance. While sympathetic to the problems encountered, we can argue that the Federal Government has already contributed its share of help. Denying additional assistance would force a reassessment of its funding strategy by the Lake Placid Committee and the state.
- Con - The Lake Placid Committee and the state may be unable to obtain the necessary additional financing from non-Federal sources. Lack of action by the Administration could result in Congress funding more than what we need to contribute.

RECOMMENDATION

We recommend Option 2--proceeding with the reprogramming of EDA funds-- provided that Governor Carey and the Lake Placid Organizing Committee first agree firmly and explicitly that the reprogramming would constitute the final participation of the Federal Government in the 1980 Lake Placid Olympics. If they will not publicly support such an agreement, we oppose further Federal involvement.

DECISION

Option 1

Option 2

Option 3

Comment/Other

*Stick
rigidly
to this
J.C.*

ID 791375

THE WHITE HOUSE

WASHINGTON

DATE: 05 APR 79

FOR ACTION: STU EIZENSTAT *concur*

FRANK MOORE (LES FRANCIS) *nc*

JERRY RAFSHOON *nc*

INFO ONLY: THE VICE PRESIDENT

TIM KRAFT

JODY POWELL

ANNE WEXLER

SUBJECT: WATSON, MCINTYRE MEMO RE ADDITIONAL FUNDING FOR THE 1980 OLYMPICS

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM SATURDAY 07 APR 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

xc: 1
Bob B.

DATE: 05 APR 79

FOR ACTION: STU BIZENSTAT

FRANK MOORE (LES FRANCIS)

JERRY RAFSHOON

INFO ONLY: THE VICE PRESIDENT

TIM KRAFT

JODY POWELL

ANNE WEXLER

SUBJECT: WATSON, MCINTYRE MEMO RE ADDITIONAL FUNDING FOR THE 1980 OLYMPICS

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM SATURDAY 07 APR 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: I CONCUR. NO COMMENT. HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON
11 April 79

Frank Moore

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

Rick Hutcheson

Arnie Miller

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

ACTION

FYI

| |
|--------------------|
| ADMIN CONFIDENTIAL |
| CONFIDENTIAL |
| SECRET |
| EYES ONLY |

| |
|----------------|
| VICE PRESIDENT |
|----------------|

| |
|--------|
| JORDAN |
|--------|

| |
|-----------|
| EIZENSTAT |
|-----------|

| |
|-------|
| KRAFT |
|-------|

| |
|----------|
| LIPSHUTZ |
|----------|

| |
|-------|
| MOORE |
|-------|

| |
|--------|
| POWELL |
|--------|

| |
|----------|
| RAFSHOON |
|----------|

| |
|--------|
| WATSON |
|--------|

| |
|--------|
| WEXLER |
|--------|

| |
|------------|
| BRZEZINSKI |
|------------|

| |
|----------|
| MCINTYRE |
|----------|

| |
|----------|
| SCHULTZE |
|----------|

| |
|-------|
| ADAMS |
|-------|

| |
|--------|
| ANDRUS |
|--------|

| |
|------|
| BELL |
|------|

| |
|----------|
| BERGLAND |
|----------|

| |
|------------|
| BLUMENTHAL |
|------------|

| |
|-------|
| BROWN |
|-------|

| |
|----------|
| CALIFANO |
|----------|

| |
|--------|
| HARRIS |
|--------|

| |
|-------|
| KREPS |
|-------|

| |
|----------|
| MARSHALL |
|----------|

| |
|-------------|
| SCHLESINGER |
|-------------|

| |
|---------|
| STRAUSS |
|---------|

| |
|-------|
| VANCE |
|-------|

| |
|--------|
| ARAGON |
|--------|

| |
|--------|
| BUTLER |
|--------|

| |
|-----------|
| H. CARTER |
|-----------|

| |
|--------|
| CLOUGH |
|--------|

| |
|------------|
| CRUIKSHANK |
|------------|

| |
|---------|
| FALLOWS |
|---------|

| |
|------------|
| FIRST LADY |
|------------|

| |
|-------------------|
| GAMMILL <i>Am</i> |
|-------------------|

| |
|--------|
| HARDEN |
|--------|

| |
|-----------|
| HUTCHESON |
|-----------|

| |
|--------|
| LINDER |
|--------|

| |
|--------|
| MARTIN |
|--------|

| |
|-----|
| MOE |
|-----|

| |
|----------|
| PETERSON |
|----------|

| |
|-----------|
| PETTIGREW |
|-----------|

| |
|-------|
| PRESS |
|-------|

| |
|---------|
| SANDERS |
|---------|

| |
|--------|
| VOORDE |
|--------|

| |
|--------|
| WARREN |
|--------|

| |
|------|
| WISE |
|------|

THE WHITE HOUSE
WASHINGTON

April 10, 1979

ok
J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M./BR.*
SUBJECT: Paris Air Show

As you probably know each year the United States sends a representative to the Paris Air Show. In the past the Secretary of Transportation, Brock Adams, has served as your representative and has headed the delegation.

This year Secretary Adams is not going. We recommend and the Secretary concurs that you ask Senator Cannon to head the American delegation. Senator Cannon is Chairman of the Committee on Commerce, Science and Transportation and its Aviation Subcommittee. In addition he is also Chairman of the Tactical Aircraft Subcommittee of the Committee on Armed Services. He would be an ideal and logical choice.

The Senator is extremely interested in being named your personal representative and we recommend that you do so. In previous Administrations Members of Congress have been appointed to head the delegation to the Paris Air Show. During the Nixon and Ford years, Senator Goldwater was named on at least a couple of occasions.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON
4/11/79

Stu Eizenstat

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 11, 1979

A
J

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
BILL SPRING
KITTY HIGGINS

SUBJECT: POLICY REVIEW ON YOUTH EMPLOYMENT

Attached is the Issue Definition Memorandum for the proposed Policy Review on Youth Employment. The Policy Review would begin immediately and conclude with a memorandum to you around October 15.

As you know, youth employment is important substantively and politically, it is a very visible minority issue. Although our budget proposal to eliminate 14 year olds from the summer jobs program in 1980 has weakened our record with key constituencies, the Administration has very solid accomplishments in this area already:

- the \$1.5 billion Youth Employment and Demonstration Projects Act (YEDPA) of 1977 is four times larger than the youth initiatives in the Great Society;
- through these programs 250,000 jobs have been created for young people;
- we are doubling Job Corps to 44,000 enrollees, and
- we passed and are implementing the targeted employment tax credit.

The purpose of this policy review is (1) to get some credit for the innovative projects we are doing, and (2) to prepare the most thoughtful youth employment legislation possible for introduction next year, when YEDPA comes up for renewal. (At the time YEDPA was enacted we agreed to evaluate the demonstrations and return with long-term legislation in January 1980.) We will place major emphasis on links between education, training and employment, and on the private sector.

We plan to conduct this review in a way not to promise additional resources. However, expectations will inevitably be generated. Among areas for possible additional funding in FY 81, we view youth employment as one in which both important substantive and political gains can be made with a rather modest investment.

The Vice President has headed a Task Force on Youth Employment since you announced its formation at the Private Sector dinner last May. The Task Force has been at work seeking recognition for our efforts to combat youth unemployment. The Vice President has already announced that a major study of our youth programs is about to begin, and his Task Force has a small staff group ready to begin.

The Vice President is personally interested and committed to spending a significant share of his time to working with us in the policy review process.

The attached Issue Definition Memorandum is submitted with unanimous approval of the participating agencies and OMB.

THE WHITE HOUSE

WASHINGTON

ok
JC

MEMORANDUM FOR: THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION
AND WELFARE
THE SECRETARY OF HOUSING AND URBAN
DEVELOPMENT
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
THE DIRECTOR OF THE OFFICE OF
MANAGEMENT AND BUDGET
THE CHAIRMAN OF THE COUNCIL OF
ECONOMIC ADVISERS
THE DIRECTOR OF THE COMMUNITY SERVICES
ADMINISTRATION
THE DIRECTOR OF ACTION
THE CHAIRPERSON OF THE EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION
THE ADMINISTRATOR OF THE VETERANS
ADMINISTRATION

FROM: STUART EIZENSTAT

SUBJECT: ISSUE DEFINITION MEMORANDUM: YOUTH
EMPLOYMENT IN THE EIGHTIES

Purpose

The President has directed that a review of present Federal youth employment policies be undertaken through the Domestic Policy Review System. An interagency committee will be formed to analyze existing programs and develop options and recommendations for the President's Youth Employment Decision Memorandum. The committee will be co-chaired by the Secretary of Labor, and myself. It will consist of the addressees, the Domestic Policy Staff, and the Vice President's Task Force on Youth Employment.

The President would like to receive recommendations by October 15. Therefore, the work of the committee should be completed by September 15.

Youth unemployment is a critical national problem. Over the last 25 years, the unemployment rate for black teenagers has risen from approximately 17% to approximately 36%. During this same 25-year period, the rate for white teenagers has remained constant at about 13%. These numbers reflect the complexity of this problem which is an outgrowth of fundamental labor market shifts over the last 40 years as well as social and political changes. The purpose of this policy review is to review the state of the art of our knowledge and our policy prescriptions to determine the appropriate course of action for the Administration.

Issues

The basic youth employment issues which need to be addressed include:

1. Changing Nature of Youth Unemployment - What is the relative importance of such contributing factors as the movement of job opportunities away from inner-city concentrations of young people, the extent to which young people can move with the jobs, the impact of discrimination, high job aspirations of young people and immigration. How will the changes in the demand for labor in the 1980's affect youth employment? What effect would a significant increase or decrease in aggregate adult unemployment have on the youth employment problem? What accounts for the particular difficulty faced by inner-city young people? Rural young people? Minorities? What effect will the impact of technology and the growth of the service sector have on the demand side of the youth labor market? Are any changes in private sector employment practices over the next five years likely to affect the dimensions of the problem or the parameters of the solution?

2. Categories of Unemployed Youth - What do we know about the residence, race, age, ethnicity, sex, education, skill and family income of young people in 1979 and the likely configuration in 1985? Which of these individuals are likely to be experiencing unemployment? How well does education shield against the likelihood of unemployment? How many unemployed young people are experiencing an additional

social problem such as drug addiction, a status offense, a criminal offense, unwanted pregnancy, dropping out of school or exclusion from school, etc.? Which categories are most in need of employment assistance? Other kinds of assistance? How many young people live within inner-city labor markets experiencing persistently high youth unemployment? In rural areas?

3. Effective, Existing Program Models and Strategies - In reviewing existing local programs including the private sector, vocational education, career education, CETA (including YEDPA, SYEP, and Job Corps), and criminal justice services, which program models and strategies have proven relatively more effective? For which ages and groups? What role do supportive services play in these programs? What combination of services have proven most effective in facilitating the school to work transition? For which ages and groups? What policy and operational elements appear to have contributed the most effective programs? Do strictly targeted programs yield the same outcomes as those which are more broadly based?

4. Implementation and Institutions - What can be done to encourage expanded private sector hiring of young people? How can young people be made more attractive to employers in terms of basic education, skills, motivation and experience? What can the Federal Government do to facilitate and encourage simplified implementation and quality programming at the local level? What are the most effective local institutions, public and private, to deliver employment, education, and training services to various age groups of young people? What type of services will be required? How can increased accountability be achieved at each level of government?

5. Cost Implications - Given the various program options available, what are the budgetary costs, Federal, state or local, for each? Given limited resources, which options are most cost-effective for those most in need? What is the net budget cost of Federal youth employment programs, taking into account value of work accomplished? What are the multi-year Federal budget requirements for each?

Structure

The study will be divided into three phases:

- o Phase One - Defining the Nature of the Dimensions of the Problem and Identification of Potential Policy Options (April-June)
- o Phase Two - Review of Existing Efforts (April-July)
- o Phase Three - Proposal for New Policy Initiatives (June-August)

Because of the tight timetable constraining the review process, some activities will have to be undertaken in parallel fashion rather than in sequence.

Schedule

Meeting of Agencies - April 9
 Agencies' Final Reports on Program Assessments Due - August 15
 Agencies' Final Recommendations on Program Modifications and Initiatives - September 15
 Decision Memorandum for President - October 15

cc: The Chairman, Office of Personnel Management
 The Chairman, Federal Reserve System Board of Governors
 The Chairman, Commission on Civil Rights
 The Chairman, National Commission on Employment Policy
 The Chairman, National Commission on Employment and Unemployment Statistics
 The Chairperson, Minimum Wage Study Commission
 The Federal Co-Chairperson, Appalachian Regional Commission

THE WHITE HOUSE
WASHINGTON

4/11/79

Stu Eizenstat
Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate action.

Rick Hutcheson

cc: Bob Linder

JAPAN AIRLINES

THE WHITE HOUSE
WASHINGTON

C

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
BOB LIPSHUTZ *RJ L*
SUBJECT: CAB Decision: Japan Air Lines
Docket 35201

The CAB proposed to suspend -- and effectively disallow -- a proposed 15% reduction by Japan Air Lines (JAL) in roundtrip first and economy-class normal fares from Japan to the U.S. Although the CAB would not permit fare reductions, all executive branch agencies (the Departments of State, Defense, Justice, and Transportation, NSC and OMB) recommend that you approve the CAB decision.

The CAB decision, and our recommendation, should be understood in the context of U.S.-Japanese aviation negotiations. The U.S. has had considerable difficulties obtaining Japanese acceptance of a more liberal commercial aviation agreement in which competition between airlines is encouraged. We have been negotiating with the Japanese without success since the beginning of this Administration.

Japan Air Lines filed a 15% reduction in roundtrip first and economy class normal fares for travel from Japan to the U.S. in order to reflect the appreciated value of the yen vis-a-vis the U.S. dollar. JAL argued that the purpose of the reduction was to eliminate the wide discrepancy between normal first and economy class fares for roundtrip travel originating in Japan in Japanese yen, and the fares for such travel originating in the U.S. in U.S. dollars. (Because of currency exchange rates, the Tokyo-U.S. West Coast roundtrip normal economy fare is about 40% higher than the West Coast-Tokyo fare.)

The CAB ruled that while fare reductions and currency adjustments are ordinarily welcome, this proposal is neither a genuine currency adjustment nor a significant fare reduction. First, even after the 15% reduction, currency factors leave eastbound normal fares more than 21% higher than westbound fares. Second, the proposal would not apply to one-way normal fares or to promotional fares -- thus leaving a major segment of the market traveling on fares which have not been adjusted at all to reflect currency changes. Therefore, the proposed revisions would not provide any significant reduction on the total fare paid by a sophisticated round-trip traveler and, of course, would not affect one-way or promotional fares at all. ?

The CAB therefore concluded that this narrowly drawn proposal would not redress currency imbalances, would not benefit consumers and would not increase traffic -- but rather would maintain the existing fare structure and protect individual carrier market share.

The CAB's decision was made in consultation with the U.S. interagency negotiating group (including the Departments of State, Transportation, Commerce, Justice and OMB). Our negotiating group believes that a true currency adjustment more closely related to the actual change in currency (about 30-40%) extended to all fares would be welcome. But as long as the Japanese refuse to accept a truly competitive environment, we should not permit these selective fare reductions.

For these reasons all agencies and we recommend that you take no action and allow the CAB's order to go into effect.

Approve _____

Disapprove _____



1:30 pm

UNITED STATES MARINE CORPS

DIVISION OF INFORMATION • HEADQUARTERS, U. S. MARINE CORPS

WASHINGTON, D. C. 20380 • TELEPHONE (202) 694-4309

GENERAL ROBERT H. BARROW, USMC

General Robert H. Barrow is the Assistant Commandant of the Marine Corps.

General Barrow was born and reared in Louisiana. He attended L.S.U., the University of Maryland and graduate school at Tulane University.

He was commissioned in May 1943 and served during the latter part of World War II with a Chinese guerrilla force which operated extensively in enemy occupied territory in Central China. After the war, he remained in China for another year.

During the Korean conflict, he participated in the Inchon-Seoul operation and the Chosin Reservoir campaign as a rifle company commander.

During the Vietnam War, from 1964 to 1967 he served as the Plans Officer, Fleet Marine Force, Pacific, and later, as an Infantry Regiment Commander whose regiment participated in numerous combat actions in the vicinity of the DMZ, Khe Sanh and A Shau Valley.

General Barrow has served seven tours of duty in the Far East. He has attended two Marine Corps schools and the National War College.

He was Commanding General for three years at the Marine Corps Base, Okinawa, and then served as Commanding General, Marine Corps Recruit Depot, Parris Island, S.C., for 32 months.

He was appointed to the grade of lieutenant general effective July 1, 1975, and assigned duties as Deputy Chief of Staff for Manpower, Headquarters Marine Corps.

General Barrow served as Commanding General, Fleet Marine Force, Atlantic, Norfolk, Va., from October 1976 until assuming his present duties on July 1, 1978.

His personal United States decorations include the Navy Cross, the Army Distinguished Service Cross, the Silver Star, three Legions of Merit, two Bronze Stars and the Joint Service Commandation Medal.

General and Mrs. Barrow are the parents of five children.

(Revised July 1978 HQMC)

**Electrostatic Copy Made
for Preservation Purposes**



THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

March 23, 1979

36.9 - Tell
Harold to let
me talk to him
Barrow J

PERSONAL - EYES ONLY

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Selection of the Commandant of the Marine Corps

General Louis Wilson, Commandant of the Marine Corps, retires on June 30 of this year, and I have been considering selection of his replacement. The search centered on the current Assistant Commandant (the only four-star Marine Corps officer other than the outgoing Commandant), all Marine Corps Lieutenant Generals and one outstanding Major General. Following discussion with the Secretary of the Navy, Charles Duncan and I concentrated our investigations and interviews on the leading contenders, General Robert H. Barrow, Assistant Commandant of the Marine Corps and Lieutenant General Lawrence F. Snowden, Chief of Staff, Headquarters Marine Corps. Based on these discussions and an examination of their impressive careers, I recommend that General Barrow be nominated as the new Commandant of the United States Marine Corps. General Barrow, born February 5, 1922, has held many command positions throughout his career as a Marine, the most recent being Commanding General, Fleet Marine Force, Atlantic. Upon completion of that command, he was promoted to General and assigned as Assistant Commandant (biography attached).

Lieutenant General Snowden's career is no less imposing. Snowden was born April 14, 1921 and is the Marine Corps' senior three-star officer. He has held a number of major Marine Corps posts and is a talented and widely respected officer. He has not, however, commanded troops since he was a regimental commander in Vietnam as a Colonel in 1966.

In our discussions, Charles and I arrived at the conclusion that General Barrow is a thoughtful, responsible military man with an innovative outlook on the mission of the Corps and whose views on major issues such as SALT II are cautious but reasonable for a senior officer. As with the bulk of our most senior officers today, he would not be an ardent spokesman for SALT II but also realizes the military requirement for an arms limitation treaty.

I have discussed this recommendation with Dave Jones and he also feels comfortable with the nomination of General Barrow to be Commandant of the United States Marine Corps.

Harold Brown

Attachment

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

11 Apr 79

Jody Powell

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 |

ACTION
FYI

| |
|--------------------|
| ADMIN CONFIDENTIAL |
| CONFIDENTIAL |
| SECRET |
| EYES ONLY |

| | |
|--|----------------|
| | VICE PRESIDENT |
| | JORDAN |
| | EIZENSTAT |
| | KRAFT |
| | LIPSHUTZ |
| | MOORE |
| | POWELL |
| | RAFSHOON |
| | WATSON |
| | WEXLER |
| | BRZEZINSKI |
| | MCINTYRE |
| | SCHULTZE |
| | ADAMS |
| | ANDRUS |
| | BELL |
| | BERGLAND |
| | BLUMENTHAL |
| | BROWN |
| | CALIFANO |
| | HARRIS |
| | KREPS |
| | MARSHALL |
| | SCHLESINGER |
| | STRAUSS |
| | VANCE |

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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Rawlins District Office
P. O. Box 670
Rawlins, WY 82301

To: *Parsons* IN REPLY REFER TO
Center

To: Boss Warren
perhaps you should
bring this to
"Jim's" attention
EAL

Feb 5
2000
1979

MAR 20 1979

Evans A.

cc
To Jody
J

Davis Oil Company
Attn: Mr. David F. Banko
410 - 17th Street
Suite 1400
Denver, CO 80202

Reference: Coronent Federal #1, 1520' FSL & 1330' FWL (SW $\frac{1}{2}$) Section 8,
T. 18 N.; R. 92 W., Carbon County, Wyoming; Federal Lease W-49235

Dear Mr. Banko:

This is in response to your request for a variance regarding the sage grouse strutting - nesting complex stipulations attached to the above mentioned lease and well site. At this time available data suggest that noise from around-the-clock drilling operations tend to suppress sage grouse strutting activities. Combined with the fact that the proposed lease and well site is located within the nesting habitat associated with two strutting grounds, we feel the variance should not be granted in order to protect this resource.

Since there is a lack of research data on this problem (noise effects on sage grouse strutting, etc.) the Bureau is proposing a research study to determine these effects. However, because of our planning system and budget requirements, we do not anticipate starting the field work for at least three years. After this study has been completed, the data may show that variances of this type may be granted.

Sincerely yours,

Ron Wanker

Area Manager
Divide Resource Area



Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

4/11/79

Jim McIntyre
Frank Moore
Zbig Brzezinski

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

Rick Hutcheson

EYES ONLY

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

ACTION
FYI

| |
|--------------------|
| ADMIN CONFIDENTIAL |
| CONFIDENTIAL |
| SECRET |
| EYES ONLY |

| |
|----------------|
| VICE PRESIDENT |
| JORDAN |
| EIZENSTAT |
| KRAFT |
| LIPSHUTZ |
| MOORE |
| POWELL |
| RAFSHOON |
| WATSON |
| WEXLER |
| BRZEZINSKI |
| MCINTYRE |
| SCHULTZE |
| ADAMS |
| ANDRUS |
| BELL |
| BERGLAND |
| BLUMENTHAL |
| BROWN |
| CALIFANO |
| HARRIS |
| KREPS |
| MARSHALL |
| SCHLESINGER |
| STRAUSS |
| VANCE |

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

Jim, Bob & Frank -

THE WHITE HOUSE
WASHINGTON

*I told John
White (OMB) to move
on earlier deployment
date - and after checking
with Frank to call
Inoye.*

April 11, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

J.C.

As you know, the loss of our surveillance capability in Iran has become the focal point of debate in the Senate on our ability to verify SALT II. John Glenn has aggravated the issue by stating publicly that SALT is not viable with the loss of Iran. This has been echoed by Senator Jackson and other opponents of SALT. This criticism reflects a lack of understanding of other verification methods, but it has nonetheless become gospel on the Hill.

To counter the verification charges since Iran, we have emphasized to the Senate our other verification capabilities as well as the intelligence communities' crash efforts to replace the capability lost in Iran. We have had little success with the "other capability" argument but have made some progress on our "replacement-for-Iran" efforts. We believe that any indication on the Hill that the administration is undertaking a less than full effort to replace Iran would have serious adverse effects on SALT II ratification. We further believe that there would be little if any opposition to spending whatever monies you deem necessary to replace Iranian capability including money for an accelerated advanced satellite program.

Stan Turner has told you of Senator Robert Byrd's and Senator Daniel Inouye's reaction to the decision not to speed up the Aquacade Development. This attitude will be echoed by other moderate Senators, such as Huddleston, Nunn, Morgan, Hart, Exon, Bradley, et al. It may not be cost efficient, but we are beyond such arguments on verification.

For these reasons, we support Dr. Brzezinski's attached memorandum.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

9
/

Mr. President:

I regret the need to do so, but we will be asking you to make one set of decisions -- on timber policy actions -- this week. We must do this in order to meet our announced schedule for promulgating the results of the RARE II wilderness study of April 16, and in order to provide the basis for important negotiations between Cecil, Jim and myself and the Timber Industry.

Failure to adhere to this decision schedule on both RARE II and the meeting with timber interests would severely hamper our efforts to secure support for the Department of Natural Resources. You will have the decision materials on your desk by tonight.

Stu
JL

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON
4/11/79

Frank Moore

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

*Not done -
Frank will see
him
J*

CONGRESSIONAL TELEPHONE CALL

TO: Senator Robert C. Byrd

DATE: As soon as possible

RECOMMENDED BY: *FM* Frank Moore/Dan Tate

PURPOSE: To express your thanks for his supportive statements and to ask him to work with us to forge a coalition in the Senate to get the windfall profits tax through the Senate.

BACKGROUND: Since you announced your energy policy last week, Senator Robert C. Byrd has been consistently supportive. During his Saturday press conference he stated that the windfall profits tax should be enacted and yesterday he expressed the hope that the Jackson bill (to block your de-control plan) would not get anywhere.

*We will set up meeting with
Byrd. And talk President after*

Date of submission: 4/11/79 *becaus*

THE WHITE HOUSE
WASHINGTON

11 April 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

1478



FOR ACTION
FYI

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

| | |
|---|----------------|
| | VICE PRESIDENT |
| | JORDAN |
| | EIZENSTAT |
| / | KRAFT |
| | LIPSHUTZ |
| | MOORE |
| | POWELL |
| | RAFSHOON |
| | WATSON |
| | WEXLER |
| | BRZEZINSKI |
| | MCINTYRE |
| | SCHULTZE |
| | ADAMS |
| | ANDRUS |
| | BELL |
| | BERGLAND |
| | BLUMENTHAL |
| | BROWN |
| | CALIFANO |
| | HARRIS |
| | KREPS |
| | MARSHALL |
| | SCHLESINGER |
| | STRAUSS |
| | VANCE |

| | |
|---|------------------|
| | ARONSON |
| | BUTLER |
| | H. CARTER |
| | CLOUGH |
| | CRUIKSHANK |
| | FIRST LADY |
| | HARDEN |
| | HERNANDEZ |
| | HUTCHESON |
| | KAHN |
| | LINDER |
| | MARTIN |
| / | MILLER |
| | MOE |
| | PETERSON |
| | PETTIGREW |
| | PRESS |
| | SANDERS |
| | WARREN |
| | WEDDINGTON |
| | WISE |
| | VOORDE |
| | |
| | |
| | ADMIN. CONFIDEN. |
| | CONFIDENTIAL |
| | SECRET |
| | EYES ONLY |

THE WHITE HOUSE

WASHINGTON

April 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT *TK*
ARNIE MILLER *AM*

SUBJECT:

Assistant Secretary of Commerce for
Maritime Affairs

The former Maritime Administrator, Robert Blackwell, retired on Monday, April 9. We recommend that you nominate Samuel Nemirow, the current Deputy Maritime Administrator, to replace him. The position is a Level IV, PAS.

The Maritime Administration (MARAD) is responsible for promoting a strong merchant marine and for administering two large subsidy programs. By all accounts MARAD has failed in its promotional responsibilities. We believe new, fresh approaches are needed here.

The MARAD's subsidy programs are also very important. The Administrator is responsible for making decisions on which companies receive subsidies and how much they receive. Potential for abuse is high. In addition, the laws, subsidies, and relationships with management and labor are highly technical and complex.

Mr. Nemirow, 38, is a lawyer who has quickly worked his way up through every aspect of the Maritime bureaucracy. Other than two years (1969-70) in a Maritime lawfirm, his entire professional career has been in government service. He has served with the Federal Maritime Commission, the Department of Transportation and MARAD. He is considered honest and knowledgeable of all aspects of the Maritime industry.

Both Secretary Kreps and outgoing Maritime Administrator Robert Blackwell strongly support Mr. Nemirow. Secretary Kreps has admittedly paid little attention to Maritime

Electrostatic Copy Made
for Preservation Purposes

Affairs and feels that a knowledgeable and honest person from the inside would serve the Administration best. Mr. Nemirow has her full confidence.

Stu Eizenstat and Frank Moore concur.

If you approve Nemirow, there will be a vacancy in the Deputy Administrator's position. We recommend that you inform Secretary Kreps that the Deputy Administrator's slot be filled with someone from the outside who is not a lawyer and who can bring fresh new thinking and approaches to the MARAD. We also recommend that you ask her to work closely with us in selecting the deputy.

approve disapprove

RECOMMENDATION:

We recommend that you nominate Samuel Nemirow as Administrator of MARAD.

approve disapprove



THE WHITE HOUSE

WASHINGTON

11 Apr 79

Jack Watson
✓ Jim McIntyre

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

Rick Hutcheson

1480



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

ACTION
FYI

| |
|--------------------|
| ADMIN CONFIDENTIAL |
| CONFIDENTIAL |
| SECRET |
| EYES ONLY |

| |
|----------------|
| VICE PRESIDENT |
| JORDAN |
| EIZENSTAT |
| KRAFT |
| LIPSHUTZ |
| MOORE |
| POWELL |
| RAFSHOON |
| WATSON |
| WEXLER |
| BRZEZINSKI |
| MCINTYRE |
| SCHULTZE |
| ADAMS |
| ANDRUS |
| BELL |
| BERGLAND |
| BLUMENTHAL |
| BROWN |
| CALIFANO |
| HARRIS |
| KREPS |
| MARSHALL |
| SCHLESINGER |
| STRAUSS |
| VANCE |

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

THE WHITE HOUSE

WASHINGTON

April 10, 1979

Jack
ok
J

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*
GENE EIDENBERG *Gene*

SUBJECT:

Executive Order Establishing Three
Mile Island Accident Commission

Clear
it w. the
OMB
J

Attached is the substantive section of the proposed Executive Order. The rest of the Order relates to administrative practices, hiring of consultants and staff and other housekeeping matters. It is being prepared now. We wanted you to review the functions and charge section of the order to insure it is acceptable to you.

In addition, Frank's staff is consulting with Congressional leaders and Bob Lipshutz' office to develop a Bill to provide subpoena authority for the Commission. We believe this will be an important power for the Commission to have if it is to produce a report that the public views as credible. We believe, based on early consultations, that the Congress will not object to granting subpoena powers to the Commission for limited purposes related to its charge.

**Electrostatic Copy Made
for Preservation Purposes**

ok

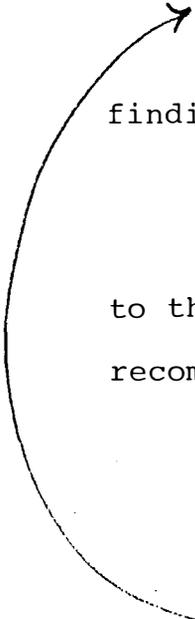
**Electrostatic Copy Made
for Preservation Purposes**

1-2 Functions

1-201 The Commission shall conduct a comprehensive study and investigation of the recent accident involving the nuclear power facility on Three Mile Island in Pennsylvania. The study and investigation shall include:

- (a) a technical assessment of the events and their causes;
- (b) an analysis of the role of the managing utility;
- (c) an assessment of the emergency preparedness and response of the Nuclear Regulatory Commission and other Federal, state and local authorities;
- (d) an evaluation of the Nuclear Regulatory Commission's licensing, inspection, operation and enforcement procedures as applied to this facility; and
- (e) appropriate recommendations based upon its findings.

1-202 The Commission shall prepare and transmit to the President a final report of its findings and recommendations.



↑
w. thin 6 months

Add: Assess correlation among facts as known. Official statements. information promulgated to public by all means

9:45 AM

THE WHITE HOUSE

WASHINGTON

MEETING WITH REP. PETER RODINO (D-NJ)

Wednesday, April 11, 1979
9:45 a.m. (15 minutes)
The Oval Office

From: Frank Moore *F. M. /BR*

I. PURPOSE

To discuss an ethnic adviser for the White House and Benjamin Civiletti as Attorney General.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Rep. Rodino is Chairman of the House Judiciary Committee.

Rodino has requested this meeting with you to recommend that you appoint an ethnic adviser at the White House who is not Jewish but is Eastern European. Cong. Frank Annunzio (D-Ill), on behalf of the Italian Members of the House, has discussed this issue at length with Hamilton Jordan.

He also wants to advise you of his support for Benjamin Civiletti as Attorney General.

Rodino is sponsoring his own bill as a courtesy to us on counter-cyclical targeted fiscal assistance. You should thank him for this and let him know how important it is to the Administration.

Participants: The President
Chairman Peter Rodino
Frank Moore

Press Plan: White House photograph only.

**Electrostatic Copy Made
for Preservation Purposes**

11:00 AM

THE WHITE HOUSE

WASHINGTON

April 10, 1979

MEETING WITH INSURANCE COMPANY CHIEF EXECUTIVE OFFICERS

Wednesday, April 11, 1979

11:00 a.m.

The Cabinet Room

From: ANNE WEXLER *Aw*
STU EIZENSTAT *Stu*

I. PURPOSE

To reinforce the insurance industry's support for your hospital cost containment proposal, and to listen to the industry's concerns regarding other health-related legislation, particularly the National Health Plan.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background:

1. The insurance industry, through its trade associations, has been seeking a meeting with you for several months. We decided that a meeting now would be particularly timely, because insurance companies (with the exception of Blue Cross/Blue Shield) have generally been supportive of hospital cost containment and can have a significant impact on Capitol Hill. We hope that, by the time this meeting is concluded, those companies that have been active will become more active, and those that have been silent to date will speak up in favor of your hospital cost containment legislation.

2. When you arrive, the meeting will have been in progress for about one hour. Anne, Stu, Charlie Schultze, and Joe Califano will be listening and responding to the group's concerns. The insurance executives have emphasized that they would like to have a dialogue with you and senior Administration officials, rather than a briefing.

3. The principal issues that we expect to be raised are hospital cost containment and the National Health Plan. It is possible that the group may discuss two or three other issues.

a) Hospital Cost Containment. The companies strongly oppose Senator Talmadge's legislation, which applies only to Medicare and Medicaid and would therefore encourage hospitals to increase charges for private payors. In this area, as in others the insurance companies favor state rather than Federal regulation and are pleased that our legislation encourages the establishment of state mandatory programs.

As you may be aware, important figures were released by the hospital industry yesterday -- hospital costs rose 14.4% last year, more than two points above the industry's target. Secretary Califano issued a statement yesterday pointing out the failure of the industry's voluntary approach. The industry's performance may be discussed at your meeting.

b) National Health Plan. Most of the companies favor an approach whereby the employed population is covered through employer-mandated private insurance and the government covers only the poor and the aged. They favor state insurance pools for people who fall between the cracks, e.g., a self-employed person who had difficulty obtaining private insurance because of a previous health problem. The companies strongly oppose Senator Long's original catastrophic legislation, which relied on a payroll tax, and appear to have persuaded Long to move toward mandated catastrophic coverage by employers.

c) Other Issues

(1) Workers' Compensation. Some members of the group may express concern regarding the Administration's position on S. 240, a bill (sponsored by Senators Williams and Javits) to impose mandatory national standards on the state-run workers' compensation system. Last week, Secretary Marshall testified in favor of the general concept underlying S. 240, while indicating

our reservations about the bill as currently drafted. Organized labor places high priority on this legislation, and the state systems have obvious coverage gaps and inequities, particularly relating to occupational disease. On the other hand, the bill's costs will be substantial, potentially adding several billions to the nation's wage bill and some fraction to the inflation rate. The Administration's position on the specifics of S. 240 remains undefined.

(2) Primacy. The casualty companies may argue that, under a National Health Plan, medical expenses associated with automobile and other accidents should be covered first by any applicable casualty insurance rather than by health insurance. In general, this makes sense: incentives for safety increase if the costs of accidents are reflected in casualty insurance rather than health insurance.

- B. Participants: Eighteen insurance company chief executive officers are expected to attend. They will be accompanied by six officers of the major insurance trade associations. A list of expected attendees is attached.
- C. Press Plan: Two-minute photo opportunity for White House pool upon your arrival.

III. TALKING POINTS

Suggested talking points are attached. The executives hope, however, that you will spend most of your time listening and responding to their concerns.

TALKING POINTS

1. Hospital Cost Containment

- o I know that many of you are actively supporting the Administration's hospital cost containment legislation. I want to thank you for your help.
- o We have received extraordinarily broad support for this legislation: the insurance industry, labor, consumers, local officials, state officials, the elderly. But we have a formidable lobbying group marshaled against us.
- o We have redoubled our efforts, but the opposition has also redoubled its efforts. The outcome of the struggle is certainly still in doubt.
- o I would like to ask each of you to get personally involved in helping us to pass this legislation. Every one of you is a leader. Many people will listen to your voice. You can help to shape public opinion, and you can work with the industrial corporations with which you deal regularly. Finally, you can contact the Members of Congress and let them know how much you care about hospital cost containment.
- o I would hope that each of you will be personally responsible for marshaling the writing of a hundred or so letters or telegrams, or for calling every Member of Congress with whom you are acquainted. I don't know of anything that you could do as an investment of time or effort that would pay richer dividends for you, for your industry, and for our country.
- o Again, I want to thank you for supporting this bill and urge you to redouble your efforts. I hope that you can help persuade members of the business community with whom you work closely that this legislation deserves support. As you know, I favor a health system with a large role for the private insurance sector. But to continue to have such a system we must demonstrate to the American people that the private and public sectors can work together to control health care costs.)

2. National Health Plan

- o I have decided to ask Congress to pass only the first phase of a comprehensive national health plan. This plan will include coverage for catastrophic illness, but will have other significant features as well. First, it will provide new benefits to the poor and the aged under Medicaid and Medicare. Second, it will include system reforms to make our health care system more efficient. HEW and my staff are now working on the details of this proposal, and I hope that they will be able to share their views with you within the next few weeks.
- o I know that the health insurance industry has recently testified before Senator Long on the shape of catastrophic coverage. I think we are in agreement that we can achieve such coverage without resorting to a new payroll tax. I am also encouraged that, with relatively simple modifications in insurance policies, such as covering dependent children beyond the age of 21, your companies would be able to cover millions of Americans who currently lack coverage.
- o As my NHI principles indicated, I support a strong role for the private sector. My proposal will reflect that commitment. But I seek your support not only for the sections of my proposal which will expand private coverage, but also for those sections which expand Medicare and Medicaid and seek system reforms which control costs. Again, our health system, which utilizes both the private and public sectors, is in jeopardy unless we can control health care costs.

3. Hospital Regulations

- o Finally, I want you to know that in the hospital industry, our general thrust will continue to be to reduce unneeded government involvement. We are now looking to see whether there are Federal regulations which are unnecessarily costly and onerous. Where such regulations exist, we will improve or eliminate them.

MEETING WITH INSURANCE COMPANY CHIEF EXECUTIVES

Wednesday, April 11, 1979, 10 a.m.

Expected Attendees

Edward Rust
President & CEO
State Farm & Casualty Co.

Ralph Saul
Chairman, President & CEO
INA Corp.

Robert Beck
Chairman & CEO
Prudential Insurance Co.

Richard Shinn
President & CEO
Metropolitan Life Insurance Co.

Coy Eklund
President & CEO
Equitable Life Assurance Society

J. Edwin Matz
Chairman & CEO
John Hancock Mutual Life Insurance Co.

Robert Kilpatrick
President & CEO
Connecticut General Insurance Corp.

Morrison Beach
Chairman & CEO
Travelers Corp.

Melvin Bradshaw
President & CEO
Liberty Mutual Insurance Co.

Robert Jackson
Chairman & CEO
Phoenix Mutual Life Insurance Co.

J.E. Luecke
President & CEO
Kemper Insurance Companies

E. Benjamin Nelson
President & CEO
Central National of Omaha

Joe Lancaster
Executive Vice President & CEO
Tennessee Farmers Mutual Insurance Co.

B.P. Russell
Chairman & CEO
Crum & Foster Companies

Walter Gerken
Chairman & CEO
Pacific Mutual Life Insurance Co.

Kelly Waller
President & CEO
SAFECO Life Insurance Co.

Robert P. Ewing
President & CEO
Bankers Life & Casualty Co.

Meno Lake
President & CEO
Occidental Life Insurance Co.

Dean Jeffers
General Chairman & CEO
Nationwide Life Insurance Co.

Robert Froehlke, President, Health Insurance Association
Paul Hawkins, Vice President, Health Insurance Association
Lawrence Jones, President, American Insurance Association
Thomas Allsopp, Executive Vice Pres., American Coun. of Life Ins.
Darrell Coover, Vice Pres., Nat'l Ass'n of Independent Insurers
Thomas O'Day, Gov't Relations Officer, Alliance of Amer. Insurers