

5/21/79 [1]

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THE PRESIDENT'S SCHEDULE

Monday - May 21, 1979

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

8:30 Mr. Frank Moore - The Oval Office.

9:00 Cabinet Meeting. (Mr. Jack Watson).
(2 hrs.) The Cabinet Room.

11:50 Ambassador and Mrs. Alfred Atherton.
(5 min.) (Dr. Zbigniew Brzezinski) - The Oval Office.

11:55 Congressman George Danielson. (Mr. Frank
(5 min.) Moore) - The Oval Office.

2:00 Federal Employee Meeting. (Mr. Stuart
(30 min.) Eizenstat) - The Cabinet Room.

7:30 SALT Briefing for Senators.
(90 min.) (Mr. Frank Moore) - The Residence.

(1)

May 21, 1979

Dear Congressman D'Amours:

On behalf of the President, I would like to thank you and Abundant Life Farm, Inc. for the kind offer to donate a woodstove to the U.S. Government and to assist us in the installation.

We are presently evaluating specific details of this and would like to establish contact with the firm directly in order to obtain some specific technical information. Accordingly, I wonder if I could impose upon you to have your office contact the manufacturer to ask that they give me a call, or alternately let us know the name of the person to contact there.

Thank you.

Sincerely,

Valerio L. Giannini
Deputy Special Assistant
for Administration

The Honorable Norman E. D'Amours
U.S. House of Representatives
Washington, DC 20515

(Signature)

MAY 23 1979

MAY 24 1979

OFFICE

THE WHITE HOUSE
WASHINGTON

MAY 15 1979

May 15, 1979

To: Val Giannini

From: Ev Small *egs*
Congressional Liaison

As promised, here is a copy of the President's comments on the May 9th mail summary beside the letter from Congressman Norm D'Amours, a copy of which you already have.



MAY 10 REC'D

THE WHITE HOUSE
WASHINGTON

May 10, 1979

To: Val Giannini

From: Ev Small *ES*

I am forwarding for your appropriate handling this letter from Congressman Norm D'Amours to the President offering to send another wood stove. (Would you like to put one in my office, in case you run out of space?)

Would you please send me a copy of your response, or let me know if you handle this in any way other than by written communication. I'll then close this out on the computer.

You might want to know that there was a short article in the Post yesterday about this offer from D'Amours.

Also, if you think there will be much delay in a response, let me know and I'll do an interim in Frank Moore's signature.

Thanks.

SIONAL MAIL TO THE PRESIDENT

DATE: MAY 9, 1979

PAGE: - 3-

HIRE

SUBJECT

DISPOSITION

COMMENTS

APPLAUDS YOUR DECISION TO INSTALL A WOODBURNING STOVE IN THE WHITE HOUSE; RELATES THE INTEREST OF ABUNDANT LIFE FARM, INC., IN DONATING A WOODSTOVE TO THE WHITE HOUSE.

REFERRED TO
FRANK MOORE

ok - We can use two J

ENDORSES REQUEST THAT YOU MEET WITH MEMBERS OF THE NATIONAL LEAGUE OF FAMILIES OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA.

REFERRED TO
FRAN VOORDE

FORWARDS INVITATION FROM THE CORAL GABLES CHAMBER OF COMMERCE FOR YOU TO ADDRESS THE 14TH ANNUAL INTERNATIONAL LUNCHEON, FLORIDA, 1980.

REFERRED TO
FRAN VOORDE

FORWARDS PETITION FROM CITIZENS OF GREAT FALLS, MONTANA, REQUESTING A MEETING WITH YOU TO DISCUSS SURVIVAL FACILITIES.

REFERRED TO
FRAN VOORDE

RECOMMENDS JOHN A. HARLEE FOR THE NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE.

ACKNOWLEDGED BY FM
REFERRED TO
PRESIDENTIAL PERSONNEL

ENDORSES RECOMMENDATION OF MAXIE C. JACKSON FOR THE NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION.

ACKNOWLEDGED BY FM
REFERRED TO
PRESIDENTIAL PERSONNEL

**Electrostatic Copy Made
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NORM D'AMOURS

1ST DISTRICT, NEW HAMPSHIRE

STANDING COMMITTEES:
BANKING, FINANCE
AND URBAN AFFAIRS

MERCHANT MARINE AND
FISHERIES

MEMBER-STEERING
AND POLICY
COMMITTEE

Congress of the United States

House of Representatives

Washington, D.C. 20515

May 7, 1979

The Honorable Jimmy Carter
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Frank Moore
CONGRESSIONAL
LIAISON

MAY 9 1979

Dear Mr. President:

According to an article in the May 5 edition of the Washington Post, you are planning to install a woodburning stove in the White House. As one who has long sung the virtues of wood energy, I applaud this decision and am sure it will serve as a useful and inspiring example.

I am pleased to be able to tell you that Abundant Life Farm, Inc., of Laconia, New Hampshire, wishes to donate a woodstove to the United States government for this purpose. In addition to being a woodstove manufacturer, this organization markets a wide variety of American-made stoves. It enjoys a great deal of expertise on the advantages and shortfalls of various woodstoves and on questions of installation. The people of Abundant Life Farm would be honored to advise you on these matters.

Once again, thank you for your recognition of the virtues of wood. Please let me know how we can best serve you.

Sincerely,

Norm D'Amours

Norman E. D'Amours
Member of Congress

NED/hg

cc: Frank Moore

WASHINGTON OFFICE:
WHITE HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-5456

DISTRICT OFFICES:
MANCHESTER, NEW HAMPSHIRE 03105
720 NORRIS COTTON FEDERAL BUILDING
275 CHESTNUT STREET
(603) 668-6800
669-7011, EXT. 526

PORTSMOUTH, NEW HAMPSHIRE 03801
425 AND 426 FEDERAL BUILDING
80 DANIEL STREET
(603) 436-7720, EXT. 707

LACONIA, NEW HAMPSHIRE 03246
200 AND 223 FEDERAL BUILDING
719 MAIN STREET
(603) 524-7185

SC04
PE05

THE WHITE HOUSE
WASHINGTON

5/21/79

Bob Lipshutz
Tim Kraft

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

Bob Linder has been given the
original.

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

May 18, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ
TIM KRAFT

BJ

SUBJECT: District of Columbia Court of Appeals

We recently sent you a recommendation that Paul Webber be appointed to fill a vacancy on the District of Columbia Court of Appeals. It was noted that Lawrence Speiser, another candidate, was disqualified because of illness and that Judge William Pryor, while supported by local party officials, seemed less qualified than Webber. (Pryor and Webber are black; Speiser is white.)

That memo did not begin to express the degree of strong, across-the-board support enjoyed by Judge Pryor, who has the support of Mayor Barry, Congressman Fauntroy, and Democratic Chairman Bob Washington --- about as diverse a political spectrum as you could find in the District.

We also consider Judge Pryor to be qualified for appointment; we have checked with the Justice Department and the Attorney General concurs.

The statutory deadline for submitting this nomination is Monday, May 21. All clearances have been made. Attached are the nominating papers. We now recommend that Pryor be nominated instead of Webber.

Approve

Disapprove

*I assume
approves
J*
The AG

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The White House,

19

To the

Senate of the United States.

I nominate William Cornet Fryer, of the
District of Columbia, to be an Associate Judge of the
District of Columbia Court of Appeals for the term of
fifteen years, vice J. Walter Yeagley, retired.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

5/21/79

Tim Kraft
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

10

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT ^{TK}
ARNIE MILLER ~~AA~~

SUBJECT: Assistant Secretary of Labor for
Labor-Management Relations

We join Secretary Marshall in recommending the appointment of William P. Hobgood as Assistant Secretary of Labor for Labor-Management Relations to replace Mr. Francis X. Burkhardt, who has resigned.

Mr. Hobgood has held various positions of increasing responsibility in the Federal Mediation and Conciliation Service since 1965. He is currently the Deputy Director. Hobgood also serves as the coordinator for labor relations for the President's Commission on the Coal Industry. In addition, he is an Adjunct Professor at Georgetown University Law Center.

Hobgood has earned a reputation as one of the best labor mediators in the country. There is a broad degree of labor support for his appointment as Assistant Secretary.

Stu and Landon Butler concur in the following recommendation.

RECOMMENDATION

Nominate William P. Hobgood, of Virginia, to be Assistant Secretary of Labor for Labor-Management Relations.

approve disapprove

✓

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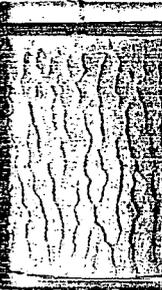
THE WHITE HOUSE
WASHINGTON

21 May 79

Hamilton Jordan
Zbig Brzezinski

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

Rick Hutcheson



THE WHITE HOUSE
WASHINGTON

cc: 3big
Ham

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Nkomo Predicts Rhodesia's New Government Will Fall This Year

By J. Randal Ashley
Constitution Staff Writer

Joshua Nkomo, co-leader of the Patriotic Front, ridiculed Rhodesia's recent elections, predicted the collapse of the present government, and said Sunday at Morehouse College graduation ceremonies that "Zimbabwe will be free, and it will be free this year."

Nkomo, a leader of a succession of groups who have opposed the white minority government of Rhodesia for 30 years, also said Patriotic Front guerrillas will continue their war against the government.

"All forms of protest have been used—without success," he said, "It evolved into an armed struggle. We didn't pick up arms because we love fighting. The only language the racists understand is guns."

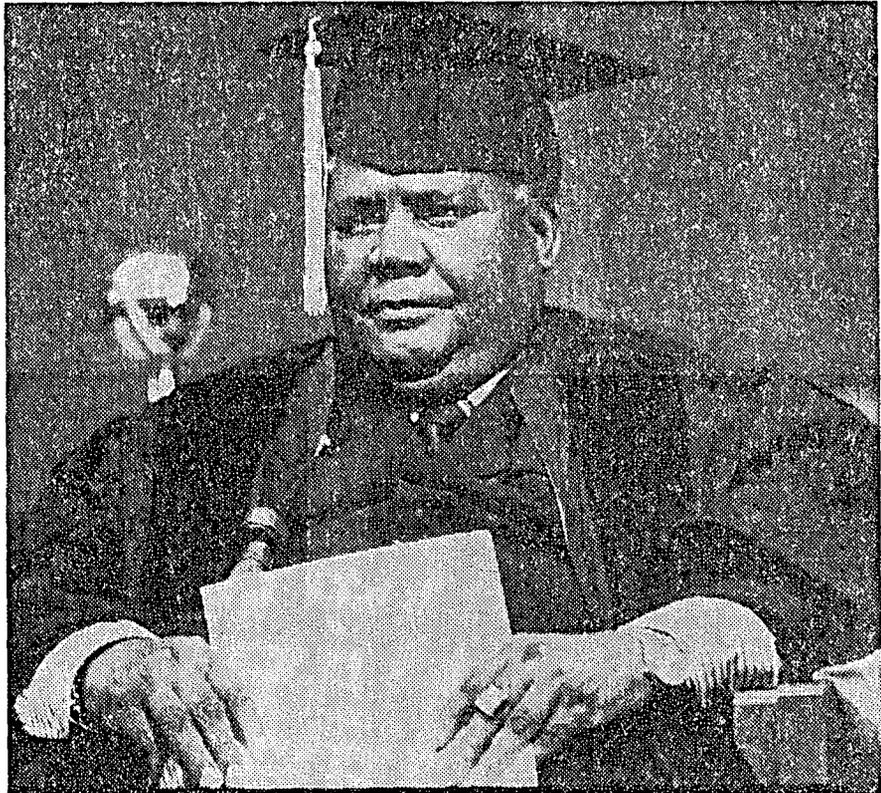
Citing his own experience in attempting to negotiate black majority rule with the government, Nkomo said, "If someone thinks they can talk wisdom to the racists, that someone is lost."

Nkomo's commencement address, peppered with bits of wry humor, drew cheers and standing ovations from about 2,800 persons in Morehouse's Martin Luther King Jr. Memorial Chapel.

Nkomo's Zimbabwe African People's Union (ZAPU) and Robert Mugabe's Zimbabwe African National Union (ZANU) have waged a guerrilla war against the government of Prime Minister Ian Smith since the mid 1960s with the support of virtually all black African states.

The United Nations imposed economic sanctions against Rhodesia when the white government unilaterally declared independence from Great Britain rather than agree to majority rule. The British and the United States complied with the sanctions, at least tacitly.

But in April, the Smith government held bi-racial voting that resulted in the election of a black prime minister, Bishop Abel Muzorewa, a one-time associate of Nkomo. Since then, the new Conservative government in England has shown signs that it might recognize the new govern-



Staff Photo—Willis Perry

Black Nationalist Leader Joshua Nkomo At Morehouse

ment of Rhodesia-Zimbabwe. The U.S. Senate voted overwhelmingly last Tuesday in favor of lifting sanction, thereby putting pressure on President Carter.

Nkomo urged the people at Morehouse to write their congressmen to prevent any such "act of delinquency," warning that "any government or any company" that deals with the Rhodesian government "will be branded an enemy."

Nkomo, himself a rotund figure, referred numerous times to Muzorewa as "the little bishop," saying he is an "Uncle Tom" fronting for continued white domination of the country that black Africans call Zimbabwe.

"He (Muzorewa) is a short man, this tall," Nkomo said, gesturing with his hand. "And Ian Smith is tall. He can't hide behind the little bishop. We won't allow it."

Nkomo disputed the elections held under the so-called "internal settlement" on three grounds:

- He noted that there was

no voter registration or knowledge of voters' eligibility. "Would you accept a vote like that here?" he asked.

- He said that whites, who comprise three percent of the population, hold 28 of 100 votes in the parliament. Those 28 can veto any legislation favored by the 72 black legislators, who represent 97 percent of the population. "Now who's the majority there?" Nkomo asked rhetorically.

- More important, Nkomo said, was the fact that whites will retain exclusive control of the police, civil service, army, air force, judiciary and prisons. "What's the little bishop going to do with his

army, if indeed, it is his army," Nkomo asked.

Nkomo received an honorary Doctor of Laws degree from Morehouse president Hugh M. Gloster, who hailed Nkomo and promised that the Morehouse Glee Club would sing at his inauguration as "the first president of free Zimbabwe."

Eugene J. Duffy, acting for Mayor Maynard Jackson, presented Nkomo with a \$4,000-check from a fund-raising party sponsored by several Atlanta black organizations and businesses. Duffy also gave the guerrilla leader a proclamation declaring May 20 as Zimbabwe Day in Atlanta.

GM Told To Recall Dirty-Air Chevettes

WASHINGTON (AP) — General Motors was ordered to recall 67,000 Chevettes Thursday, bringing the total number of 1979 Chevettes recalled to 107,000.

The Environmental Protection Agency said the cars

violated federal clean air standards by emitting 29 percent more carbon monoxide than allowed by the law, which limits carbon monoxide emissions to 15 grams per mile.

Cars affected by EPA's latest order are equipped with an automatic transmission and a standard 1.6 liter engine.

THE WHITE HOUSE
WASHINGTON
5/21/79

Frank Moore

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Jack Watson

ADMINISTRATIVELY CONFIDENTIAL

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

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

<input checked="" type="checkbox"/>	VICE PRESIDENT
<input checked="" type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
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<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
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<input type="checkbox"/>	WISE

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<input type="checkbox"/>	BROWN
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<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

THE WHITE HOUSE

WASHINGTON

May 19, 1979

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ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Budget -- First Budget Resolution

The House-Senate Conference was completed late Friday. The following summarizes their efforts:

	<u>Administration</u> <u>(March Update 1/)</u>	<u>Budget</u> <u>Resolution</u>
<u>1979</u>		
Receipts	461.8	461.0
Outlays	<u>495.4</u>	<u>494.45</u>
Deficit	-33.6	-33.45
Budget Authority	558.6	559.2
<u>1980</u>		
Receipts	503.9	509.0
Outlays	<u>532.3</u>	<u>532.0</u>
Deficit	-28.4	-23.0
Budget Authority	612.6	604.05

1/ Adjusted to reflect subsequent supplementals for the Middle East, Turkey and refugees, and the revised economic development initiative. The 1979 estimates do not include anticipated supplementals for disaster relief or food stamps.

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Significant decisions included:

Defense: 1980 -- BA about \$1.6 billion below Administration request. 1979 -- \$1.4 billion supplemental.

Energy: \$1.0 billion cut in BA and outlays for the strategic petroleum reserve.

Revenue Sharing: Includes \$1.9 billion for States' share. Report language will indicate that the Senate favors revenue sharing for States while the House favors targeted fiscal assistance. The Second Resolution will reflect the outcome of this dispute.

Targeted Fiscal Assistance: \$150 million for 1979.

Foreign Assistance: BA about \$.8 billion below Administration request.

Education, training and social services: Cut BA by \$.4 billion without specifying where reductions should occur.

Subsidized Housing: Cut Administration request of \$27.5 billion by \$.7 billion in BA.

Urban Initiative: Apparent cut of \$.3 billion in EDA and UDAG.

Commerce and Housing Credit: Cut in BA of \$1.4 billion. Affects rural housing and the National Credit Union Administration.

Late on Friday urban interest groups and some labor representatives expressed deep concern about the function 500 cuts; they say that the cuts could mean up to 100,000 jobs. This could be a rallying point for those wishing to defeat the resolution.

We will provide you with a more detailed analysis of the First Budget Resolution next week.

2. Appropriations

Schedule -- The House Subcommittee on Foreign Operations will mark-up next Tuesday, May 22. We also expect the D.C. mark-up next week. Interior Subcommittee will mark-up on June 4. Full Committee mark-ups will start in the House on May 30, with Senate Subcommittee mark-ups beginning in June.

HUD-Independent Agencies -- Subcommittee mark-up complete. BA is about \$500 million below our request. Reductions in our proposal include \$400 million in water and sewer construction grants, \$35 million for NASA and \$19 million for NSF. The National Credit Union Administration is also cut. The major problem is with the VA where the subcommittee adds \$76 million for medical services and \$5 million for research. Included in the medical services increase are 3,800 additional personnel positions (Ray Roberts pushed hard for these).

Transportation -- Subcommittee mark-up complete. It recommends a program level (according to OMB the best measure for this bill) which exceeds our \$19.5 billion request by \$413 million (\$400 million of this is loan guarantees for commercial aircraft purchases.)

Despite an aggressive effort by Jim Howard to increase mass transit and highway programs by about \$600 million, the Subcommittee held highway add-ons to \$63 million and mass transit add-ons to \$50 million. \$120 million of our 1980 UMTA urban initiative was reallocated to other mass transit programs.

The outlay impact of the Subcommittee's recommendations is \$78 million over our request for 1980 and \$155 million over for 1981.

When the Subcommittee added \$254 million for the Panama Canal Commission, Chairman Duncan expressed concern that the Administration has not submitted a budget amendment for this agency so that its funding can be structured consistent with the Murphy bill.

In the full committee there will undoubtedly be attempts to add funds for mass transit and AMTRAK.

Treasury, Postal Services -- The White House has not fared well in this subcommittee. OMB reports cuts of \$900,000 to the Office of Administration (OA), \$454,000 to OMB and \$710,000 to the White House Office.

Subcommittee members indicated a belief that EOP reorganization did not eliminate all of the positions we claimed to have cut. They also feel there is duplication of services. Clarence Miller accused the White House of using OA to hide positions. OMB reports that similar sentiments exist with some Senate subcommittee members.

GSA was cut by \$71 million earmarked for purchase of vehicles.

Labor-HEW -- Mark-up was done in closed session. Apparently Chairman Natcher intends to shift \$600-\$800 million of "CETA shortfall" to health and education programs. We believe that the subcommittee may have accepted some of our proposed impact aid cuts.

3. Energy

Windfall Profits Tax -- Ways and Means completed hearings on the windfall profits tax on Friday. A mark-up has not been scheduled, but it probably will be after the Memorial Day recess. This schedule makes prospects for a House bill by the July recess somewhat marginal.

The Task Force briefing teams have now seen all the Ways and Means Committee members and can make some general conclusions: there seems to be (1) a majority for the windfall profits tax; (2) a substantial amount of support for toughening the tax; (3) a majority against plowback; and (4) a wide variety of views on the uses of the Energy Security Fund. Briefing teams have begun their visits with the Senate Finance Committee to be sure the Committee understands the Administration's proposal.

Decontrol -- The House Democratic Caucus has scheduled a meeting on oil "control" for Tuesday morning at 9:00. It is somewhat doubtful that the Caucus will have a quorum.

4. Department of Education

The Department of Education bill is currently scheduled in House Rules the first week of June. Chairman Bolling, who opposes the bill, wants to delay long enough to allow opponents of the bill to gather their forces. Nonetheless, our count in the Committee gives us a 9-6 edge. Bolling has said he will not attempt to kill the bill.

The floor schedule suggests consideration by mid-June. The Republican Policy Committee has formally adopted its position of opposition to the bill, and Rhodes has been making a very partisan appeal against the bill.

We are continuing our efforts to work with Fascell and Brademas to resolve the Florida waiver language issue. Failure to resolve this issue could jeopardize the support of Brademas, Simon and other education leaders in the House. The transfer of BIA schools, strongly opposed by Indians and BIA officials, poses an additional problem. BIA officials are lobbying inside the Administration to drop it by amendment

on the floor. This approach could fuel opponents' arguments that the bill is already too thin and doesn't encompass enough of the education programs of the government. We will be meeting with Secretary Andrus this week in hopes of resolving the issue.

5. EDA Reauthorization Bill

After refusing to do so for weeks, Bill Moorhead introduced the Administration's bill. He will hold a hearing in his Economic Stabilization Subcommittee of House Banking on Wednesday and mark-up of the bill could occur on Thursday.

It is now possible that the Moorhead bill could collide with Bob Roe's EDA Reauthorization Bill in the Rules Committee. (Roe's bill was reported out of the Public Works Committee on May 10 and is expected to be before the Rules Committee early in June.)

While Roe's bill has problems including confusingly broad eligibility requirements and a \$2 billion counter-cyclical public works program to be triggered at 6.5% unemployment, we were relatively confident that these could be resolved on the House Floor.

At this point we are uncertain of the best strategy -- we have no desire to upset Roe. The Administration will testify before Moorhead's subcommittee on Wednesday and will endeavor to stay clear of House jurisdictional questions.

6. AMTRAK

The House Commerce Committee met Tuesday to report out the Amtrak authorization, but before they acted on the authorization, another attempt was made to block the AMTRAK restructuring.

?
Al Gore offered a motion discharging Congressman Florio's Transportation Subcommittee from further consideration of the resolution disapproving the restructure. (The subcommittee had previously decided not to consider the resolution.) The motion was defeated 7-18.

Veto resolutions have now been defeated in the Commerce Committees of both the House and the Senate. If neither house acts before the end of this week, the restructure goes into effect.

Representative Gore tried another amendment late in the session to change the criteria governing the addition of trains to the system. Gore claimed that the amendment would allow four existing trains to be added to the restructured system including his favorite, the "Floridian" which runs from Chicago through Nashville to Florida. The amendment was defeated 11-24.

The Committee then reported out the AMTRAK Authorization bill which authorizes substantially more money than the Administration requested but if any trains are added to the system, they would have to meet detailed economic criteria. The total authorization level for AMTRAK capital and operating assistance voted last week by the Senate Commerce Committee was comparatively close to Administration levels, and we expect to be able to whittle down the House levels in conference. Meanwhile, the House Appropriation Subcommittee has reported out Amtrak funding very close to the Administration's levels.

7. Hospital Cost Containmentment

Last Wednesday the Senate Labor and Human Resources Subcommittee on Health reported a revised version of the Administration's hospital cost containment legislation to the full Committee by a vote of 7 to 3. A series of potentially weakening amendments offered by minority members of the Subcommittee were defeated. The full Committee is expected to consider the legislation during the week of June 11.

The Senate Finance Committee continues to postpone further consideration of the legislation until completion of the Talmadge investigation.

The House Committee on Ways and Means has not yet announced a date but the Committee is expected to meet shortly after the recess to again discuss cost containment.

On Monday the House Commerce Health Subcommittee will hold what is expected to be its final day of public hearings on cost containment. The Waxman Subcommittee has not announced any firm plans for future action on the legislation.

8. Treasury Borrowing Authority

After the bill to extend Treasury's borrowing authority from the Federal Reserve was defeated soundly on last week's suspension calendar, Treasury agreed to reduce the amount of authority from \$15 billion to \$5 billion. The bill was granted rule on Wednesday and will probably be on the Floor on Thursday. It should pass.

9. SBA Omnibus Authorization Legislation

On Wednesday the Senate passed the SBA Authorization bill. Despite a challenge from Senator Cochran the disaster interest rates for homeowners will remain at 3% for the first \$10,000. Senators Muskie and Bellmon spoke with considerable vigor against the Cochran amendment.

An open rule was granted for the House version of the bill. It is expected to be on the Floor Wednesday.

10. Ethics Amendments

Administration amendments to the Ethics in Government Act were considered on the House Floor Wednesday. Congressman Danielson, the floor sponsor, withdrew the bill when it appeared that a vote to recommit the bill would carry. The bill is likely to be back on the Floor Tuesday. We will provide you a detailed report on the bill in the briefing paper for your meeting with Danielson.

11. Food Stamps

The Budget Conference Committee compromised on an increase in the food stamp ceiling of \$525 million for FY'79. USDA feels that this figure is too conservative. Late last week the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations and Nutrition reported a bill to raise the FY'79 spending ceiling by \$650 million. The full House Agriculture Committee is expected to consider the measure next Wednesday. The Senate is not expected to act until the House completes its deliberations.

USDA reports many complaints from food stamp recipients who are no longer eligible because of the March 1 guidelines.

12. Dairy Support Rate

The House Dairy Subcommittee will mark-up an 80% of parity support bill next Tuesday. Chairman Foley would like to move the dairy bill to the House Floor before the other price support bills because he feels the dairy bill has a better chance to pass. USDA reports they are preparing a memo for you urging your support of 80% of parity.

II. FOREIGN POLICY ISSUES

1. Panama Implementing Legislation

On Thursday the House approved the rule which will govern the Panama implementing legislation on the Floor by a vote of 200-198. The margin was so narrow that the Speaker has decided to delay voting on the bill until we can endeavor to generate further support. Given Murphy's uncertain trumpet on this issue, O'Neill, Wright and Brademas offer our only hope of success. The bill will be subject to general debate on Monday, with consideration of amendments and final passage the week of June 4.

At least some of the votes against the rule were in protest against its provision that the Hansen bill in its entirety would not be in order as a substitute for the Murphy bill. Even so, the vote is probably a fairly accurate reflection of the sentiment of the House on the bill. We are further analyzing the vote against our own projection.

I would like you to instruct the Cabinet on Monday to make calls on behalf of this legislation. I will give the assignments to their Congressional Liaison officers at an 11:00 a.m. meeting on Monday. It is important that the Cabinet Secretaries know that they should personally make the calls and that they should not delegate the responsibility to others in their departments.

2. Rhodesia

Following this week's rebuff in the Senate, we are trying to see that the conservatives in the House do not have a chance to follow the Senate lead with a motion to instruct the House conferees on the State Authorization Bill. It is unlikely, however, that we will be able to avoid some vote on Rhodesia in the House in the near future.

3. FY '80 Foreign Aid Appropriation

The Subcommittee on Foreign Operations of House Appropriations will mark-up our FY 80 foreign aid request on Tuesday. Obey and McHugh are working with us on strategy. They hope to cut about \$700 million in Committee leaving room for a 5% across-the-board cut on the Floor in order to finish with a bill at around \$8 billion. They will accept the same restrictions with waivers that are in the House

Authorization Bill but fight to keep money for Panama and Syria. The big question mark is whether or not Obey will have the votes. Jamie Whitten and Charlie Wilson are key. We have people calling on all Subcommittee members on different aspects of the program and are encouraging the two new Democratic members (Dixon and Lehman) to follow Obey's lead.

4. Grant Aid to Turkey

The Senate postponed to next week floor consideration of the FY 1980 security assistance bill. This makes our effort to switch \$50 million for Turkey from FMS credit to grant military aid more difficult. The Greek embassy in Washington has begun telephone calls to Senators to express its opposition. It is even likely that the Greek-Cypriots, with one eye on the Senate, will scuttle the current round of negotiations with the Turks which UN Secretary General Waldheim opened in Nicosia last week.

Whatever the outcome in the Senate, we face an even more difficult battle in the House. Congressman Rosenthal and others have served notice that they intend to block action on supplemental aid to Turkey on grounds that the Administration's late submission has prevented appropriate House consideration.

5. UN Technical Assistance

On Tuesday the Senate rejected an effort by Senator Helms to retain restrictions on U.S. contributions to the UN in 1980. In so doing, the Senate also repealed last year's Helms amendment which prohibited UN use of U.S. assessed contributions for technical assistance purposes. Both Houses have now passed similar legislation.

III. MISCELLANEOUS

Congressman Don Young told Congressman Udall that one of the reasons the Alaska Lands bill passed so easily was the decision the Administration made on DNR.

Congressman Butler Derrick, an early consultant on DNR said we made the "right decision." He was prepared to help us, but said it would have been too expensive politically to pass the bill.

Congressmen Udall and Seiberling were both in agreement with us on our DNR decision.

Trucking Deregulation -- WHCL and DOTCL met with Congressman Howard who thinks we should send the bill to the Hill in mid-June. He is anxious to consult fully with us on the bill.

Apple Harvest -- On May 17, Secretary Marshall and Ernie Green testified before Senator Robert Byrd at a Senate Appropriations Labor-Hew Subcommittee hearing on the Apple Harvest in West Virginia. The Senator asked very detailed questions for two hours about past problems in the West Virginia apple harvest. DOL agreed to work with the Majority Leader in trying to resolve the problems we encountered last year.

Politics -- A group of House members may announce their intention to work for a Kennedy draft. Rick Nolan is planning a press conference for Wednesday morning. Possible participants include John Conyers, Dick Ottinger and Pete Stark.

IV. FLOOR SCHEDULES

Activities in the Senate next week will include the following:

Monday, May 21, 1979

S. 241 -- LEAA Authorization

Tuesday, May 22, 1979

S. 584 -- Foreign Assistance Legislation (Greek-Turky vote)

Activities in the House next week will include the following:

Monday, May 21

House meets at Noon. All recorded votes will be postponed until Tuesday, May 22, 1979.

Consent Calendar
Suspensions (4 bills)

1. H.R. 1603 -- Psychological Readjustment Counselling for Vietnam Veterans
2. H.R. 3892 -- Extend Authorizations due to Expire This Year for Veterans
3. H.R. 3897 -- Presidential Authority re Uganda
4. H.R. 3923 -- U.S. Code Amendments for Historical Publications and Records Commission

H.R. 111 -- To Provide for the Implementation of the Panama Canal Treaty of 1977 (Open rule, 5 hours, rule already adopted, general debate only)

Tuesday, May 22

House meets at Noon. Recorded votes on bills debated Monday, May 21, 1979.

Suspensions (no Bills)

H.R. 111 -- To Provide for the Implementation of the Panama Canal Treaty of 1977 (complete consideration)

Wednesday, May 23

House meets at 10:00 a.m.

H.R. 4011 -- Small Business Programs Authorizations (open rule, one and one-half hours)

Thursday, May 24

House meets at 10:00 a.m.

H.R. 10 -- Civil Rights of Institutionalized Persons (open rule, one hour; rule already adopted)

H.R. 3914 -- Increase D.C. Contribution to Metro System (open rule, one hour)

Friday, May 25

House not in session

The House will adjourn by 5:30 p.m. on all days except Wednesday.

THE WHITE HOUSE

WASHINGTON

May 17, 1979

C

Mr. President --

Sorry it took so long, but we just could not find Peter Bourne by phone earlier.

He says that it was Richard Halloran of the New York Times who had dinner with you in Tokyo. You had a very productive discussion on Japan and Halloran gave you a copy of his book on the country.

In addition, you and he also talked at length about Korea, and he "turned the President's mind around on U.S. policy there."

The other person at dinner was Peter Grose, who then worked for the New York Times in Tokyo, and was last known to be working at the State Department for Tony Lake.

Don Oberdorfer was part of a group of five or six American correspondents living in Japan who had drinks with you prior to the Halloran dinner.

We have given the numbers for both Halloran and Oberdorfer to the White House operators.

Rex

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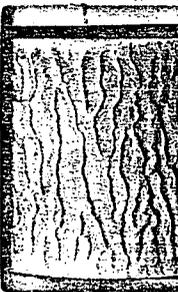
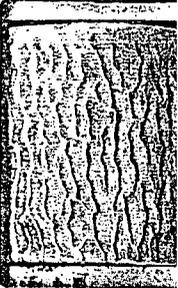
2144

THE WHITE HOUSE
WASHINGTON
21 May 79

Tim Kraft
Landon Butler
Jerry Rafshoon
Phil Wise
Fran Voorde

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

Rick Hutcheson



9

Phil has
seen

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

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

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

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

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

THE WHITE HOUSE

WASHINGTON

May 18, 1979

MEMORANDUM FOR: PRESIDENT CARTER
FROM: PHIL WISE *Phil*
SUBJECT: Address United Food and Commercial
Workers International Union - Wash. D.C.
Thursday Afternoon, June 7

This is the inaugural convention of two major unions which have merged -- Retail Clerks International and Amalgamated Meat Cutters and Butchers Workmen -- making this the largest member union of the AFL-CIO with 1.3 million members. The new President, William Wynn, is a solid supporter and has already endorsed your re-election. Attendance at this convention is the key request Landon Butler has made for your participation in labor events this year. Hamilton, Landon, Kraft, Wexler, Rafshoon and Powell recommend approval.

APPROVE

DISAPPROVE

*Let the promoters
prepare a good, brief
speech then.*

J

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

18 May 1979

9
/

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON *RH*

SUBJECT: Status of Presidential Requests

MOORE:

1. (4/25) (and Rafshoon) Deseminate the President's letter to Congress on CRBR widely; get PR support -- Done. *done*

POWELL:

1. (5/1) (and Rafshoon) Set up a PR event on the new solar heating system in the west wing -- In Progress, (to be rescheduled in 2-3 weeks, previously scheduled for 5/18). *why the delay?*

SECRETARY SCHLESINGER:

1. (5/3) (and Costle) Give the President an early tentative assessment of the telegram from Congressman Bill Chappbell on the automobile engine which is capable of attaining 84 miles per gallon -- Done. *done*
2. (5/17) Draft a reply for the President to sign to Congressman Billy Lee Evans concerning energy related problems -- In Progress.

SECRETARY VANCE:

1. (5/17) (and Owen, McIntyre) Ambassador Marvin Warner is a competent businessman, especially interested in trade and management. Please comment to the President on his major points -- In Progress.

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for Preservation Purposes

EIZENSTAT:

1. (4/6) Assess Admiral Rickover's memo concerning the Renegotiation Act (and the extension thereof) -- In Progress, (expected 5/25, previously expected 5/15).
2. (4/10) Please organize and coordinate the effort for passage of the windfall profits tax and the establishment of the energy security fund; b) get everyone to use the same language as underlined; c) advise on how to move on the Alaska/Mexico/Japan swap -- Ongoing.

LIPSHUTZ:

1. (5/11) Please advise the President on the note from Rep. Carl Perkins about privacy protection for rape victims not applying to military court martials -- In Progress, (with DOD and Lipshutz, expected 5/23).

THE WHITE HOUSE

WASHINGTON

May 17, 1979

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We have given the numbers for both Halloran and Oberdorfer to the White House operators.

Rex

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THE WHITE HOUSE

WASHINGTON

18 May 1979

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 21, 1979

DROP BY VISIT OF VINCENT SOMBROTTO, PRESIDENT OF NATIONAL ASSOCIATION OF LETTER CARRIERS, AND HOWARD RUBENSTEIN

Monday, May 21, 1979
11:45 a.m. (5 minutes)

C
/

I. PURPOSE

To meet Vincent Sombrotto, who will be accompanied by Howard Rubenstein.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: Sombrotto was recently elected as an insurgent to the Presidency of the National Association of Letter Carriers which is the second largest postal union group. This 220,000 member union is the exclusive bargaining agent of city delivery carriers employed by the U.S. Postal Service. You will receive a memo from Stu on Wednesday with recommendations on the role the U.S. Postal Service might have in the transmission of electronic messages and delivery of hard copy output of these electronic transmission. The recommendations will favor the entry of the Postal Service into this electronic field.

Howard Rubenstein represents this union. Rubenstein was Mayor Beame's chief political advisor and still is influential in New York politics.

B. Participants: Joel McCleary, Vincent Sombrotto, Howard Rubenstein, and Bruce Simon (Counsel to the National Association of Letter Carriers)

C. Press Plan: none/White House photo

III. TALKING POINTS

1. Greet Howard Rubenstein; thank him for his help in '76.
2. Inform Sombrotto that you will receive during the week recommendations regarding the Postal Service's desires to enter the electronic communications field and that we shall be in touch with him following our decision.
3. Tell Sombrotto you look forward to working with his union in the future. He will be having lunch with Landon Butler today who will be his day to day contact.

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

5/21/79

Jerry Rafshoon

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

Rick Hutcheson

Credit Union Convention

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

I've called

ACTION
FYI

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
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<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	MCINTYRE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
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<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

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<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

11:45 AM

ok
J

THE WHITE HOUSE
WASHINGTON

May 21, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON *JR.*

SUBJECT: Taping for Credit Union Convention
May 22, 1979, 11:45 a.m.

Attached is a script for the video-tape that you will be making for the Credit Union Association. This was recommended by Hamilton Jordan.

Unless you have changes, we will have it typed as is for the teleprompter.

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for Preservation Purposes**

CREDIT UNIONS -- Script for taping

I am sorry that I cannot be with you today. But as a member of the White House Credit Union, I want to send you my greetings as you meet to discuss the bright future for credit unions in the United States, Canada, and Australia.

Credit unions are one of the best illustrations I know of the cooperative spirit that developed our country. Credit unions are established for people -- not profit. The almost 22,000 credit unions in the United States -- with close to 40 million members -- promote the important principle of thrift. They also benefit the consumer by providing loans at relatively low rates of interest -- a vital service in these inflationary times.

You can count on my full support as you seek to develop new ways to expand the credit union philosophy of people helping people. You have my best wishes for the most successful convention in your illustrious history of service.

THE WHITE HOUSE

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re 11:45 a.m.

THE WHITE HOUSE

WASHINGTON

MAY 22, 1979

MEMORANDUM FOR PRESIDENT CARTER

FROM: HAMILTON JORDAN *HJ*

SUBJECT: TAPING FOR CREDIT UNION EXECUTIVES
SOCIETY'S LOS ANGELES CONVENTION

Our good friend Dan Maslia, who is an officer of the Credit Union Executives Society, has made a special request that you tape a message for their L.A. Convention. He had originally requested that you speak at the meeting which is scheduled for June 23-28th and the taping was decided on as a compromise.

The group has asked for an appearance for two years in a row and we have had to turn them down. Dan made a personal request to me, Bob Lipshutz and others on the staff, and we all agree it is a good forum for you to make brief remarks. Jerry is sending in a script for the taping.

This group was very, very helpful in 1974 and 1975 helping us to qualify for matching funds and other things.

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for Preservation Purposes**

I AM SORRY THAT I CANNOT BE WITH YOU TODAY.
BUT AS A MEMBER OF THE WHITE HOUSE CREDIT UNION, I WANT
TO SEND YOU MY GREETINGS AS YOU MEET TO DISCUSS THE
BRIGHT FUTURE FOR CREDIT UNIONS IN THE UNITED STATES,
CANADA, AND AUSTRALIA.

CREDIT UNIONS ARE ONE OF THE BEST ILLUSTRATIONS
I KNOW OF THE COOPERATIVE SPIRIT THAT DEVELOPED OUR COUNTRY.
CREDIT UNIONS ARE ESTABLISHED FOR PEOPLE -- NOT PROFIT.
THE ALMOST 22,000 CREDIT UNIONS IN THE UNITED STATES --
WITH CLOSE TO 40 MILLION MEMBERS -- PROMOTE THE IMPORTANT
PRINCIPLE OF THRIFT. THEY ALSO BENEFIT THE CONSUMER BY
PROVIDING LOANS AT RELATIVELY LOW RATES OF INTEREST --
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YOU CAN COUNT ON MY FULL SUPPORT AS YOU SEEK TO
DEVELOP NEW WAYS TO EXPAND THE CREDIT UNION PHILOSOPHY
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OF SERVICE.

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#

THE WHITE HOUSE
WASHINGTON

5/21/79

Hugh Carter

The attached memos were returned
in the President's outbox today
and are forwarded to you for
appropriate handling.

Rick Hutcheson

*cc: Bob Linder of P. Nixon
Letter*

La Casa Pacifica

May 17, 1979

Hugh -
Deliver to
Mike after in-
forming Pat of
pat recommendations -
J

Dear Mr. President:

In view of Secretary Blumenthal's recent statement to the effect that security protection for wives of former Presidents should be reduced, I hereby request that my Secret Service protection be eliminated, effective immediately.

Respectfully,



The President
The White House
Washington, D.C. 20500

THE WHITE HOUSE
WASHINGTON

5/19/79

Mr. President:

No comment from the First
Lady or Congressional
Liaison.

OMB concurs.

Rick

THE WHITE HOUSE

WASHINGTON

May 14, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER 

SUBJECT: U.S.S.S. Protectees

As part of their annual appropriations review, the Senate Committee on Appropriations, and particularly Senator Lawton Chiles' subcommittee, are reviewing the levels of protection afforded certain protectees by the Secret Service. Specifically, they are addressing questions of protection for spouses and children of former presidents, and for former vice presidents.

Last year, the Treasury Department drafted some proposals on the subject. Subsequent to these original proposals, we formed a group comprising myself and Marty Beaman; White House and Vice President's counsel; representatives of the Treasury Department, and others, to review Treasury's original proposals and develop final recommendations. The recommendations outlined herein are unanimously agreed to by all members of the review group.

Meanwhile, Senator Chiles' subcommittee had obtained a copy of the original Treasury proposals and have asked for the administration's position on the subject.

The following is a summary of the current law, the original Treasury proposal, and the review group's final recommendation.

A) SPOUSES OF FORMER PRESIDENTS

The Current Law authorizes protection of the spouse of a former president until death or remarriage of spouse.

Treasury's Original Proposal would have authorized protection of the spouse or surviving spouse of a former president to six months after the President leaves office.

The Review Group's Recommendation is to authorize protection of the surviving spouse of a former president during the life of a former president and for six months subsequent to the death of a former president. (Note: This change would not apply to Mrs. Ford, Mrs. Nixon, Mrs. Johnson, Mrs. Eisenhower or Mrs. Truman, but would apply to Mrs. Carter and future spouses.)

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B) CHILDREN OF FORMER PRESIDENTS

The Current Law authorizes protection of children of a former president until the children reach 16.

Treasury's Original Proposal would have authorized protection of children of a former president to six months after the President leaves office.

The Review Group's Recommendation is to authorize protection of children of a former president until the children reach the age of 16; provided, however, that, in the event of the death of the former president prior to a child attaining the age of 16, protection would terminate six months after the death of the former President.

C) FORMER VICE PRESIDENTS

The Current Law authorizes no protection for a former vice president.

Treasury's Original Proposal would have authorized protection of any former vice president for first six months after leaving office.

The Review Group concurs with Treasury's original proposal.

D) SECRETARY OF THE TREASURY'S DISCRETIONARY AUTHORITY

Treasury's Original Proposal contained an addendum to authorize the Secretary of the Treasury the discretion to extend or reinstate protection of these individuals at any time, if deemed necessary.

The Review Group concurs.

APPROVE REVIEW GROUP'S RECOMMENDATIONS _____ ✓ J.C.

DISAPPROVE REVIEW GROUP'S RECOMMENDATIONS _____

COMMENT _____

5/21

ID 792024

T H E W H I T E H O U S E

WASHINGTON

DATE: 15 MAY 79

FOR ACTION: FRANK MOORE (LES FRANCIS) *nc*

JIM MCINTYRE *attached*

THE FIRST LADY *nc*

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

SUBJECT: H. CARTER MEMO RE U.S.S.S. PROTECTEES

+++++

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

+ BY: 1200 PM THURSDAY 17 MAY 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

Mrs. Carter has seen
and made no comment.



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

MAY 17 1979

MEMORANDUM FOR: RICK HUTCHESON

FROM: BO CUTTER 

SUBJECT: Hugh Carter Memorandum regarding
Secret Service Protectees

OMB recommends approval of the review group's recommendations regarding the time period when Secret Service protection should be provided to spouses and children of former presidents and to former vice presidents.

The proposal may increase costs in the short term because of the protection afforded a vice president for six months after leaving office. This short term bulge in workload could be absorbed within current staff, assuming that the number of other protectees does not increase. In the longer term, the legislation may save funds because of the stricter guidelines on protection of former spouses and children of former presidents.

11:55

THE WHITE HOUSE

WASHINGTON

May 18, 1979

MEETING WITH REP. GEORGE DANIELSON (D-CALIFORNIA-30)

Monday, May 21, 1979
11:55 a.m. (5 minutes)
The Oval Office

From: Frank Moore *F.M.*
Jack Bell

I. PURPOSE

To discuss Rep. Danielson's desire to be appointed to the Circuit Court of Appeals.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Probably the most important thing to Rep. Danielson is an appointment to the Ninth Circuit Court of Appeals. The Nominating Commission for the Ninth Circuit recently submitted seventeen names to the President for the six seats in the State of California. Danielson's name was not among them. Danielson believes that he was not recommended because of his age (he was 63 years old when he submitted his application and is now 64 years).

Participants: The President, Rep. Danielson.

Press Plan: White House photographer only.

III. TALKING POINTS

1. Danielson needs to be told in the most sensitive manner possible that he will not get the judicial appointment. At no time have you requested any of the Circuit nominating commissions to change their original recommendations, which generally have been well balanced and well considered. The question of age is a provision of the guidelines of the American Bar Association, not the Administration nor the Justice Department. The executive order relative to the nominating commissions does not include any reference to the question of age, nor has any other directive been given to the Commission relative to the age factor. (In fact, for your information only, one of the nominees submitted by the Commission was U.S. District Court Judge Cecil Poole, a black male, who is also 64 years old.)

2. Danielson has been one of the Administration's most ardent supporters. He has a support score of 83.7% and was one of the few Californians to vote with the Administration on the question of the standby gas rationing plan. He is also the leader on the technical amendments to the Ethics in Government Act. On Thursday, May 17, we ran into substantial problems on the House floor and pulled the bill. We are currently working with Danielson and Bob Eckhardt to come up with a solution acceptable to both.

Perhaps the best way to soften the blow to Danielson is to tell him that we really need him in the House of Representatives. He has been a great deal of help to us on many issues and we count on his support.

3. If appropriate, we need to ask Danielson to schedule hearings in his subcommittee on regulatory reform as early as possible. We realize that he has much being considered before his committee, but we would appreciate his scheduling it at his earliest convenience.

4. Griffin Bell has requested this appointment with the Speaker,

2:00 PM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
STEVE SIMMONS *Steve*

SUBJECT: Materials for Federal Employee Meeting

Attached are materials for your meeting with Federal employees on Monday, May 21, 1979 at 2:00 p.m. Included are a:

- Briefing paper, with talking points prepared with Bernie Aronson;
- Brief description of each Federal employee participant;
- Q's and A's for possible questions at the meeting;
- Background memorandum from Scotty Campbell on issues likely to be discussed;
- Presidential statement Scotty would like to have the option of using in conjunction with the meeting's transcript to distribute throughout the government. These are essentially your talking points, with more detail added, put into statement form. We recommend you sign the statement.

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THE WHITE HOUSE

WASHINGTON

MEETING WITH FEDERAL EMPLOYEES

Monday, May 21, 1979
2:00 p.m. (30 minutes)
Cabinet Room

From: Stu Eizenstat
Steve Simmons

Stu
Steve

I. PURPOSE

To assure all Federal employees of your support and appreciation for their work; to clarify Administration positions on issues that directly affect Federal employees.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: According to Office of Personnel Management Director, Scotty Campbell, the Federal workforce is experiencing a period of low morale. Among the reasons for this condition are public hostility towards Federal employees in general, and a feeling that the Administration has taken positions on issues that hurt Federal employees. Scotty stresses that a good deal of misinformation exists on exactly where the Administration stands on key issues such as Federal employee retirement. This meeting, requested by Scotty, will provide an opportunity for you to meet with a cross section of award winning Federal employees and reassure them of your support, and clarify your positions. After your opening statement, there will be an informal question and answer format with the participants asking you unrehearsed questions. The entire session will be videotaped for distribution throughout the Government, and you will thus be speaking to all Federal employees.

Scotty Campbell will sit at the table opposite you to help field questions.

B. Participants: 13 Federal career employees who are recipients of departmental, Presidential Management Improvement, Arthur S. Fleming, Outstanding Handicapped Federal Employee, and

National Civil Service League awards for superior performance. They represent a cross section of the Federal career workforce from different agencies, ranging in grade from GS-5 to Executive Level V. Among those included are a supervisory librarian, senior astrophysicist, secretary, data transcriber, personnel director, laundry manager, HEW Deputy Assistant Secretary for Management and equal opportunity specialist. A list of participants with a brief description of each is attached. Name cards will be in front of each individual. We recommend you shake hands with each employee when you enter the room.

- C. Press Plan: The White House press pool will be admitted for a 2-minute photo session. About a dozen reporters, mostly those specializing in civil service matters, will remain in the Cabinet Room as observers for the meeting. The entire meeting will be videotaped by a Government television crew and shown to civil servants around the country. The transcript of the meeting will be made available to the press.

III. TALKING POINTS

These have been drafted with Bernie Aronson.

--First, I want to congratulate each of you on the awards which you have won for outstanding public service. The special dedication which each of you has shown and your extra initiative -- not for your own glory but because you want to serve this country -- symbolizes the best in the career civil service.

--When I came to Washington almost 2½ years ago, I was new to federal service. One of the things which has impressed me most as President is the tremendous talent, creativity, dedication, and spirit of selfless service in every agency and branch throughout the federal government.

--One of the frustrating things about public service is that when things go right and government works well, it rarely makes headlines or is mentioned on the evening news. On the other hand, the occasional failure or instance of abuse always gets attention.

--The reality which is often forgotten is that every day civil servants like yourselves are making a difference for the better in the lives of millions of our fellow citizens and people all over the world.

--Your day in, day out efforts mean a handicapped person has the chance to learn a skill and gain economic security. You help farmers improve their crops, help disadvantaged children begin life with a quality education and help unemployed Americans find a job. The technology federal employees have developed has led to breakthroughs in medicine, communications, and dozens of other fields. Food and technical assistance programs which you administer often mean the difference between survival and starvation for millions of impoverished people in developing nations.

--I am proud of what you and I are accomplishing together. We have formed a good partnership. We have begun to restore the trust and faith of our people in government again.

--These are particularly difficult times for all of us who are in public service. Our nation is grappling with unprecedented problems, of great complexity like the energy crisis and inflation.

--But these are also exciting, challenging times. It is a time of rebuilding for our nation. We are beginning to tackle long neglected problems. We are laying a foundation now for future progress that will benefit the next generation.

--We took a great step forward last year by passing civil service reform legislation. Those reforms are a victory for federal employees. They mean that your performance, hard work, and initiative can be recognized and rewarded as they should be.

--I am very very pleased that there has been such good cooperation by the federal workforce in putting these new reforms into place. Scotty Campbell tells me that a large majority of our senior managers are volunteering to join the Senior Executive Service. The SES will set the standard for our new career civil service where rewards are based on performance.

--Together, we have set out on an experiment which will establish the shape of government for many years to come. We will help ensure more efficient and more effective government. And I appreciate the help you are providing in making these reforms a success.

--I know there are several issues which are on the minds of many civil servants. I want to speak to you briefly about them before taking your questions.

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*Waste
Red Tape*

*Criticisms
you - mine*

--First is the issue of civil service retirement programs. I want to assure you and all federal employees that I have not recommended any raise in the minimum age at which federal employees may retire on pension. I do not intend to do so.

--As you know, Congress, on its own initiative, has directed that a study be made of the feasibility of merging the civil service retirement system with the Social Security system.

--I have not taken any position on this issue yet, and I will not until the study is completed. Whatever recommendations I make, I will ensure that the retirement benefits which federal employees have paid for and are entitled to will be protected.

--Second, I want to say a word about our current efforts to combat waste and fraud in government programs. This is an effort we are waging together. My strongest allies in this fight have been the career civil service and federal employees like yourselves.

--Last year, more than 42,000 federal employees offered suggestions on ways to reduce waste in federal programs and save tax dollars through innovations. Those suggestions saved a total of \$318 million for the American people.

--Some of the suggestions involved simple matters such as eliminating paperwork and duplication. But one NASA employee saved the federal government \$30 million by suggesting that a modified Boeing 747 could be used to launch the Space Shuttle instead of designing costly new engines for it.

--When government is focusing its efforts on reducing fraud and abuse, it is easy for the erroneous impression to be created that federal employees are somehow to blame. The fact is, as you well know, that the overwhelming majority of civil servants are scrupulously honest, dedicated individuals, of unquestioned integrity. The few instances of fraud and abuse among a workforce of over 2 million unfairly stains the reputation of all people who work in government. I appreciate the strong support which civil servants have given to my efforts to combat waste and fraud.

--Finally, let me say a word about the 5.5 percent pay cap. When fringe benefits are included in computing the pay raise for federal employees, as they are supposed to be in the private sector, your raise actually comes out to more than 6.0 percent. That is still lower than the 7 percent guideline I have asked for from workers in private industry. I know that it has meant a sacrifice for federal employees.

--Inflation is the single most devastating condition in our society. If there was a button in the Oval Office that would bring inflation under control, Presidents would have pushed it long ago. It will take a long, sustained, cooperative effort by all Americans to cure this fever which has been building for the last 10 years.

*Exec pay
Frozen*

--We as civil servants have to lead the way both symbolically and literally in the fight against inflation. If we do not make a sacrifice who will? If we do not start, who will follow? If we do not say "enough," whose voice will be heard?

--The civil service has historically placed the good of the nation above all other considerations. That is the standard you are upholding today. Your leadership in the fight against inflation is setting an example for all America. You deserve the thanks and respect of the nation, and you certainly have mine as President.

--As you know, I will soon send to Congress legislation to reform the compensation system for federal employees so all are rewarded fairly for their work. The system of comparing federal pay with pay standards outside the Federal government will be made more accurate. That will help produce a more equitable pay system for all federal workers.

--As federal employees, all of us are part of the freest, most democratic system of government on earth. The example we set of honest, humane, caring, effective government is an example of freedom at work for people all over the world.

--The great leader of India, Nehru, was talking to the British Ambassador once about their plans to establish India's independence. He said: "We are small men and unimportant. But the cause in which we work is great -- and some of the greatness touches each of us."

--The greatness of American democracy touches everyone who works in the civil service. I am proud and deeply grateful to all of you. The American people share that pride.

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Q.: I have heard that the Administration is planning to combine the social security and civil service retirement systems and thus the retirement benefits we all have been expecting under the civil service system may be lost. Is this true?

A.: -- I have not taken any position on this issue nor made any recommendations on it. Anything you hear to the contrary is simply not true.

-- Congress directed the Department of Health, Education, and Welfare to conduct a study of the feasibility of combining the social security and civil service retirement systems. Until this study is completed, and it is not due until December, the Administration will not take any position.

-- Whatever the final outcome of the study, I promise you that current federal employees will not lose benefits they have earned.

-- Let me also add that news reports which have suggested that the Administration is considering a proposal to increase the minimum age at which federal employees are eligible for retirement benefits are simply not true. I have no plans to propose an increase in the eligibility age.

Q.: Why do federal employees have a 5.5% pay cap while the private sector pay guidelines are 7%? Isn't this unfair?

A.: -- When fringe benefits are included in computing the pay raise for federal employees, as they are supposed to be in the private sector, the federal employee raise actually comes to over 6%. That is still lower than the 7% guideline I've asked for from workers in private industry, and I know it has meant a sacrifice for federal employees.

-- But inflation is the single most devastating condition in our society. It will take a long, sustained, cooperative effort by all Americans to cure this fever which has been building for the last 10 years.

-- We, as federal employees, have to lead the way both symbolically and literally in the fight against inflation. Public service involves special obligations. If we do not make a sacrifice, who will? If we do not start, who will follow?

-- The civil service has historically put the good of the nation above all other considerations. That is a standard you are upholding today. Your leadership in the fight against inflation is setting an example for all America. You deserve the thanks and respect of the nation, and you certainly have mine, as President.

Q.: Won't your federal pay reform proposals mean less pay for federal employees?

A.: -- No current federal employee will have his or her pay cut. The proposals, for the most part, affect only future pay increases.

-- They would mainly affect the comparability system which compares federal employee pay to pay standards outside the government. We are in real danger of losing the comparability system, unless it is made more accurate. For instance, fringe benefits are not included in the comparison, but they obviously are part of employee compensation.

-- I believe that my pay reform package will save the comparability system which has been so good for federal employees, and make the pay system more equitable for all federal employees.

-- Scotty Campbell may want to elaborate on this a bit more.

Q.: Why did you feel it necessary to impose parking fees on federal employees?

A.: -- Free parking has been a fringe benefit provided only to a limited number of government workers. It has discouraged the use of public transportation, and has resulted in increased air pollution and unnecessary fuel consumption.

-- It is estimated that these parking fees will take 5,000 cars off the streets of Washington, D. C. alone, and save 6,000-7,000 gallons of gasoline a day.

-- The fees will be phased in beginning this October and will be based on what people in the private sector pay, which is only fair.

-- This is an opportunity for federal employees to set an example for the rest of the nation in our efforts to solve the energy problem.

Q.: Many federal employees believe that the Hatch Act, because it prohibits them from active participation in politics, denies them rights other Americans have. Do you support the Hatch Act?

A.: -- Ever since I came into office, my Administration has favored modification of the Hatch Act.

-- I have repeatedly said, in a message to Congress as well as in my State of the Union addresses, that I support removing Hatch Act restrictions for employees who are not in sensitive positions. At the same time, I favor keeping strong penalties and enforcement machinery to deal with those who engage in political abuse while on the job.

Q.: Some people say that bureaucratic practices are just too difficult to change. Do you think your civil service reform initiative will really make a difference?

A.: -- Yes, I do. The vast majority of senior executives who made their decision have decided to join the new Senior Executive Service. For the first time in civil service history, the SES will truly reward senior managers for outstanding performance, truly evaluate how they perform, and provide the needed flexibility to place them where their talents are most needed.

-- All agencies are aggressively implementing the act. Merit pay systems are being established where lower-level managers will be better evaluated and better rewarded based upon merit. Evaluation systems are set up so that all workers can be evaluated more effectively and fairly.

-- The new Merit Systems Protection Board, with its Special Counsel, is making sure that there is no political abuse in the civil service system, and that employee rights are respected.

-- Most importantly, federal employees have been responding well to civil service reform. I believe that they too have felt the system itself needs changing. I am sure the American people will be seeing a more efficient and effective government as a result of civil service reform.

Q.: What are you doing to increase the number of women and minorities in the federal government?

A.: -- I have made the hiring of women and minorities in the federal government one of my highest priorities.

-- At the very beginning of the Administration, I stressed to all my Cabinet members that they should make every effort possible to hire qualified women and minorities within their agencies and I have continued to stress this at Cabinet meetings.

-- I have appointed more women and minorities among my own Presidential appointees requiring Senate Confirmation than any other President. I will appoint more women and minority members to federal judgeships than any other President.

-- I strongly supported and worked very hard for reform of the Veterans Preference System, partly because it prevents the hiring of qualified women in the civil service.

-- I have asked Scotty Campbell to try and facilitate the hiring of qualified women and minorities in the government. So, in answer to your question, I'm trying very hard. We still have a long way to go, but we are making every possible effort to make sure that all segments of American society have an opportunity to work in the federal government.

Q.: Many people are saying that as a result of the Ethics Bill they can never have contact with their old agency. Won't this make it more difficult to recruit top talent into the federal government?

A.: -- I do not think so. Of course, all employees have long been permanently barred from representing someone before the government in a matter in which the employee personally and substantially participated while with the government. But for other kinds of contacts with his or her old agency, the new prohibitions only exist for a limited period of time and for certain kinds of activities. These restrictions are geared to stop the revolving door that has operated for so long and which has such potential for abuse.

-- We are supporting some amendments to make the legislation somewhat less restrictive, and these, we hope, will be passed soon. But on the whole, I think you will agree that the post-employment restrictions are in the public interest.

-- With respect to the disclosure of an employee's own financial assets, this only applies to very high-level government employees. And even with respect to these employees, the reporting is simplified and for the most part in broad categories. These individuals have tremendous power, and the public has a right to know whether any conflicts of interest exist.

Q.: The freeze Congress imposed last year on the 5.5% pay increase for senior executives will expire next September. If no action is taken, these executives will get their 5.5% increase from last year, and also the 5.5% pay cap you are allowing all federal employees for next year. What is your position on this?

A.: -- Certainly, people in the new Senior Executives Service should get the pay levels that have been promised.

-- But I have not yet taken a position on both of these raises.

-- Let me add that the freeze you speak of also affects Congressmen, and thus there will have to be consultation with the Congress.

Q.: Nothing seems to have been done to help Ernie Fitzgerald, a famous Defense Department whistle-blower. Do you really think whistle-blowers should be protected?

A.: -- Yes, I do and our new Civil Service Reform Bill provides whistle-blowers with more protection than ever before in history. Look at the bill:

-- It protects whistle-blower disclosures about illegality within the bureaucracy, waste, mismanagement, or danger to the public health and safety;

-- It set up a Merit Systems Protection Board and Special Counsel independent of Presidential control; and

-- It specifically empowers them to enjoin acts of harassment against whistle-blowers, and to impose severe penalties -- fines of \$1,000 and even suspension from federal service.

-- These protections are not applicable to officials in the CIA or other agencies which conduct intelligence activities. The national security would be jeopardized if such officials ignored their oath and publicly disclosed details about intelligence agencies. We already have a strong system of oversight of the intelligence agencies through the White House Intelligence Oversight Board and the Intelligence Committees in the House and Senate.

- Let me also add that we've set up Inspectors General in all major agencies to whom whistle-blowers can go and speak in confidence.
- With respect to Ernie Fitzgerald, I understand this case is in litigation and it would be inappropriate for me to comment.

ISSUES MEMO
FROM CAMPBELL

United States of America
**Office of
Personnel Management**

Washington, D.C. 20415

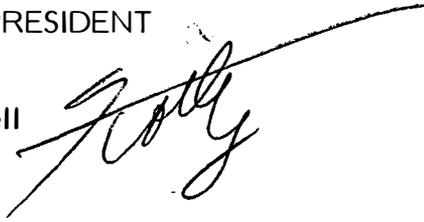
MAY 18 1979

In Reply Refer To:

Your Reference:

MEMORANDUM FOR THE PRESIDENT

FROM: Alan K. Campbell
Director



SUBJECT: Issues for Meeting with Federal Employees

This is a background discussion of the issues which may be raised at your meeting with Federal employees on Monday, May 21.

Issues of primary concern to Federal employees are:

- o the proposed merger of the Social Security and Civil Service Retirement Systems, and other retirement issues;
- o the two successive 5.5 percent pay caps;
- o the proposed compensation reform legislation;
- o fraud and waste in Government;
- o civil service reform, primarily anxiety over merit pay and performance appraisal systems; and,
- o the perceived anti-employee attitude of the Administration.

Major Issues

I. Proposed merger of the Federal retirement/Social Security systems. Perhaps the most serious concern of Federal employees is what they view to be a general attack on the Federal retirement system. They are worried about a merger of the Civil Service Retirement and Social Security Systems because they do not want to lose the higher civil service retirement benefits. News reports that the White House is considering proposing an increase in the minimum retirement age for Federal employees from age 55 to 62 is another concern.

Congress directed HEW to conduct a study of the "feasibility and desirability" of extending universal social security retirement coverage to Federal employees. The results of this study are due December 20, 1979. Until this study is completed, the Administration will not take a position. Whatever the final outcome of the study, current Federal employees will not lose any benefits they have earned. And, the Administration is not considering any proposal to increase the minimum retirement age at which Federal employees are eligible for full retirement benefits.

2. The 5.5 percent Federal pay cap. Federal employees feel they are being asked to bear an unfair burden with another 5.5 percent pay increase in the face of double digit inflation and 7 percent guidelines for the private sector.

The pay cap does require Federal workers to make a sacrifice. However, if Federal workers do not take the lead, both symbolically and literally, in the fight against inflation -- who will? As Federal workers serving the public they have a special obligation and a special opportunity to set an example for the rest of the Nation. Your recent decision to exclude non-appropriated fund employees earning less than \$4 an hour from the pay cap can be used as an example of compassion for the lower paid workers. Additionally, when fringe benefits are factored in, the the total Federal raise will actually amount to ^{more than} ~~approximately~~ 6.2 percent, which is very close to the 7 percent private sector guideline. ~~maximum~~.

3. Compensation reform legislation. Federal employees fear a reduction in their pay and benefits. The legislation, which is scheduled for transmittal to the Hill with a Presidential message on June 6, addresses two major points: (a) broadening the principle of annual comparability raises to include consideration of fringe benefits and including State and local governments in the private sector compensation comparison, and (b) bringing Federal compensation practices more in line with those of the private sector by placing most of the white-collar force on locality pay comparisons and changing the blue-collar pay system to more accurately reflect local rates.

No current employee will suffer a cut in pay or benefits, as the reform only affects future raises. The only way that we can save the comparability system is by moving towards total compensation. The alternative is to go back to the old system of allowing Congress to set pay raises, which as most Federal employees know, was not to their advantage for it became a political football.

The pay reform legislation will save the taxpayers a minimum of \$3 billion annually after implementation; will eliminate inequitable pay procedures; will allow us to pay more to employees in high cost areas; and will allow the Government to fairly compete with private industry for critical skills. The new legislation will benefit both Federal employees and taxpayers.

4. Fraud and waste in Government. The emphasis on Government fraud and waste has adversely affected employee morale. Federal employees are convinced their standards of behavior are on the average, superior to those of private sector employees. They feel the Administration, instead of defending their record, is reinforcing negative public attitudes about the integrity of Government employees.

Waste and fraud in Government is an extremely serious problem which must be dealt with by the Administration, but only a very small percentage of employees are responsible for such abuses. The Administration's actions to combat fraud and waste in Government have a beneficial aspect for Federal employees because it will mean an increase in efficiency and a better image for Government workers. This Administration, besides prosecuting law breakers to the fullest extent of

the law, has taken two measures that will bring about long term improvements in the Government to combat this problem.

Two weeks ago, you established a Presidential Management Improvement Council and an Executive Group to combat waste and fraud. The two groups were established to identify and correct bad management procedures that have contributed to waste and fraud in Government and to bring more honesty and efficiency to Government.

5. Implementation of Civil Service Reform. Civil Service Reform implementation is proceeding extremely well. Early returns on enrollment in the Senior Executive Service (SES) for top level managers GS-16 and above show 2,657 have accepted an SES appointment and only 12 have said "no." (A final decision must be made by July 13.) All departments are striving hard to implement other aspects of the reforms, but, there are employee concerns about new systems to appraise their performance and the concept of merit pay.

Anxiety over the new performance appraisal system centers around the concern that the standards will not be fairly established or evaluated. To prevent abuse, we are requiring that all agencies submit their systems to the Office of Personnel Management for review. Employees must be told exactly what is expected of them and they will be encouraged to participate in writing their own standard. The new standards will bring a greater objectivity to the system and will benefit employees by providing a sounder basis for training, promotion, and bonuses.

The Civil Service Reform Act established a merit pay system for supervisors and managers in grades 13 through 15. Some suspect the system will be vulnerable to favoritism, and resentment exists over reduction in annual in-grade step increases as well as the annual comparability adjustment.

In fact, there will be no change in the total amount of money being distributed. The new Federal merit pay practices will mirror the private sector system by providing a range of increases for a range of performance. Good performers will receive more, and poor performers will receive less. And, as you pointed out when you signed the Reform Act, we hope to extend merit pay to all employees.

Secondary Issues

1. The Ethics in Government Act. Senior employees are concerned the regulations are too restrictive and invade their privacy. Press reports have asserted that the Act will drive many highly qualified civil servants from Government.

The Ethics Act was designed to prevent conflicts of interest by restricting the post-Government activities of individuals moving to private industry. All employees are permanently barred from representing a person in a matter in which the employee "personally and substantially" participated while employed by the Government. Also, senior employees are barred for two years from actively

representing a person before the Government in a matter in which they had official responsibility. As for the financial disclosure aspects, employees in grades GS-16 and above positions must file reports each year. Individuals at this high level of responsibility should be willing to undergo public scrutiny. We do not anticipate any serious exodus of senior employees because of The Ethics Act. We are also supporting amendments, which we expect to pass, which will make the 2-year ban on assisting others for senior employees more flexible.

2. Whistleblowers. Federal employees want protection against reprisals for disclosing information which shows illegal activity, mismanagement, or waste.

The Civil Service Reform Act created a Special Counsel of the Merit Systems Protection Board to investigate allegations of reprisal and to halt actions taken in reprisal. All employees in the competitive service are protected. This Administration has done more to protect whistleblowers than any previous one. Thirteen Federal departments and agencies have established whistleblower "hot lines" to serve Federal employees who have complaints or information about fraud, waste, or mismanagement. Inspectors general have been established in major agencies who can also receive whistleblower complaints in confidence.

3. The Hatch Act. Labor organizations and the American Civil Liberties Union want Hatch Act provisions relaxed because they restrict First Amendment rights of Federal employees. Common Cause and the news media in general tend to oppose relaxation because they fear this will destroy the merit system by eliminating its political independence.

Since the passage of the Hatch Act in 1939, legislation to reduce the restrictions has been introduced in every Congress. During the 94th Congress a Hatch Act reform bill was vetoed by President Ford. The House, but not the Senate, passed a virtually identical bill in the first session of the 95th Congress. This Administration supports liberalization of the law and would endorse a balanced legislative proposal to free employees in non-sensitive positions from present restrictions, with adequate enforcement powers against on-the-job political abuse by any Federal employee.

4. Establishment of Fees for Employee Parking. A number of employees, supported by the unions, have protested the elimination of free or subsidized parking.

Free parking has been a fringe benefit provided only to a limited number of Government workers. Free parking has discouraged the use of public transportation and has resulted in increased air pollution and unnecessary fuel consumption. By establishing parking fees, it is estimated that we will take 5,000 cars off the streets of Washington, D.C., alone, and save 6,000 to 7,000 gallons of gasoline a day. The parking fees will be phased in beginning this October and will be based on what people in the private sector pay. This is an opportunity for Federal employees to set an example for the rest of the Nation in our efforts to solve the energy problem.

5. U.S. Savings Bond Boycott. The American Federation of Government Employees has asked the AFL-CIO to authorize a boycott of U.S. Savings Bonds by the 14 million AFL-CIO members. The request is in reaction to the 5.5 percent pay cap, proposed compensation reform legislation, and the potential merger of civil service retirement and Social Security. The AFL-CIO Executive Council has recommended that George Meany and Lane Kirkland meet with you to resolve these concerns, before endorsing a boycott.

It can be noted that the American public would view a boycott as unpatriotic and would be counterproductive to union objectives.

RECOMMENDED
STATEMENT

STATEMENT BY THE PRESIDENT

Meeting with Federal Employees, May 21, 1979

I want to congratulate each of you on the awards which you have won for outstanding public service. The special dedication which each of you has shown, your willingness to give of yourselves, to take extra initiative -- not for your own glory but because you want to serve this country -- symbolizes the best in the career civil service.

When I came to Washington almost two and one-half years ago, I was new to Federal service. One of the things which has impressed me most as President is the tremendous talent, creativity, dedication and spirit of selfless service in every agency and branch throughout the Federal government. One of the frustrating things about public service is that when things go right, when services get delivered and government works well, it rarely makes headlines or is mentioned on the evening news. On the other hand, the occasional failure or instance of abuse always gets attention.

The reality which is often forgotten is that every day civil servants like yourselves are making a difference for the better in the lives of millions of our fellow citizens and people all over the world. Your day in, day out efforts mean a handicapped person has the chance to learn a skill and gain economic security. You help farmers improve their crops, help disadvantaged children begin life with a quality education, and help unemployed Americans find a job. Federal employees in our space programs are on the cutting edge of scientific exploration in this century. The technology you have developed has led to breakthroughs in medicine, communications and dozens of other fields. Food and technical assistance programs which you administer often mean the difference between survival and starvation for millions of impoverished people in developing nations.

I am proud of what you and I are accomplishing together. We have formed a good partnership. We have begun to restore the trust and faith of our people in government again. These are particularly difficult times for all of us who are in public service. Our nation is grappling with unprecedented problems of great complexity like the energy crisis and inflation. But these are also exciting, challenging times. These are times of rebuilding for our nation. We are beginning to tackle long neglected problems. We are laying a foundation now for future progress that will benefit the next generation.

2:00

THE WHITE HOUSE

WASHINGTON

May 21, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON 

SUBJECT: Meeting with Federal Employees, May 21, 1979

It is important for you to bear in mind as you speak to the federal employees that, although this meeting is for their consumption, it will not be limited to them. It will be on the evening news tonight and reported in tomorrow's papers. You should not go overboard in praising them and federal employees in general. Remember, most Americans think they are lazy, shiftless, crooked, and overpaid.

You obviously should not reinforce this misconception. Neither should you appear to be glossing over the very real problems that exist. In addition the talking points you already have I would suggest the following theme:

"We should not become discouraged and defensive when there is criticism of the federal civil service. Constructive criticism is a good thing. There is waste in government. There is some corruption in government. There is too much red tape in government. Those of us who believe strongly in the important work of the federal government, those of us who know that the vast majority of federal employees just want to do a good job should be in the forefront of attempts to get rid of the waste, the corruption, and the red tape. We shouldn't be denying that any exists or making excuses for it when it is uncovered."

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THE WHITE HOUSE
WASHINGTON

Phil has
seen

THE WHITE HOUSE
WASHINGTON

Mr. President:

This could be a 2:30 pm
meeting on monday.

phil



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

MAY 18 1979

*Monday ok -
be sure Strauss
is present
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

Jim McIntyre *Jim*

SUBJECT:

Trade Reorganization and the MTN

Next Monday and Tuesday, the House-Senate Conference on MTN will meet to decide on language about trade reorganization that the Congress will seek to have included in the MTN legislation. We expect that Senators Ribicoff, Roth, Byrd and Long will press hard for an explicit Administration commitment to establishing a new trade department (including specific transfers).

Although you just recently received our recommendations on trade reorganization, we urgently need guidance from you on what our negotiating position should be at the Conference.

Bob Strauss and I believe we should strive for MTN language that is as open-ended as possible. I believe the least specific language we can hope for now is an Administration commitment to a departmental base for trade (built on Commerce) with deferral over the summer of the most controversial transfers (e.g., transfer of countervailing and antidumping activities from Treasury, STR's negotiating responsibilities, agricultural trade matters). We would, however, if pressed, commit to export expansion transfers such as Eximbank and the commercial officers from State. Even this may not be enough to satisfy Ribicoff, but at least it may buy time.

To get your guidance, I propose you briefly meet with Stu, Bob, Dick Pettigrew and me ~~Monday~~ *Monday or Tuesday*. If that is impossible, I request that you review our decision memo on trade reorganization and tell us how far we can go in committing to the following:

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1. Concentrate export expansion items in Commerce and change the name to Department of Commerce and Trade.
2. Transfer the Eximbank to Commerce.
3. Transfer State's commercial officers to Commerce.
4. Lodge post-MTN followup in Commerce (except negotiations).

Once we have your guidance, Alan Wolff and Harrison Wellford will negotiate with Ribicoff, seek his agreement on MTN language that incorporates only the specifics of your decisions, leaving the question of further transfers to be ventilated in hearings this summer.

THE WHITE HOUSE
WASHINGTON

5/21/79

Jim McIntyre

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

The signed originals have been
given to Bob Linder.

Rick Hutcheson

cc: Bob Linder



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

e

May 18, 1979

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT

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

SUBJECT: Proposed Requests for Appropriations

Attached for your approval is a package containing requests for 1979 supplemental appropriations and amendments to your 1980 appropriations requests.

This package consists of:

- A reduction of \$3.7 million in 1980 for the Department of Justice reflecting proposed legislation which removes the private process serving function from U.S. Attorneys. This proposal was included in the 1980 budget as an item to be transmitted to the Congress at a later date.
- Requests totalling \$365.6 million in 1980 for the Department of Justice to implement the reorganization of the Law Enforcement Assistance Administration. This proposal was included in the 1980 budget as an item to be transmitted to the Congress at a later date.
- Expedite Collection* ◦ \$23 million in 1979 to replenish the Coast Guard's Pollution Fund. This replenishment is necessary because of the delay experienced in collecting the Federal costs of cleaning up oil spills from those responsible.
- A reduction of \$5.4 million in a 1979 request for supplemental appropriations for the Veterans Administration. This is a result of the delay by Congress in appropriating the original supplemental request. There is not enough time left in the fiscal year for these funds to be used effectively.
- A reduction of \$400 thousand in 1979 and \$2.3 million in 1980 for the Civil Aeronautics Board. These reductions reflect the reduced staffing requirements of the Board made possible by the faster than anticipated pace of airline de-regulation.

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- ° Appropriation language in 1979 to correct a technical difficulty that prevents the National Commission on Air Quality from using 1979 appropriated funds for necessary travel.

A more detailed explanation of each item is included in the fact sheets attached to this memorandum.

In our opinion the transmittal of these proposals is necessary at this time.

RECOMMENDATION

That you sign the letter transmitting these requests to the Congress. DPS concurs.

Attachments

THE WHITE HOUSE

WASHINGTON

The Speaker of

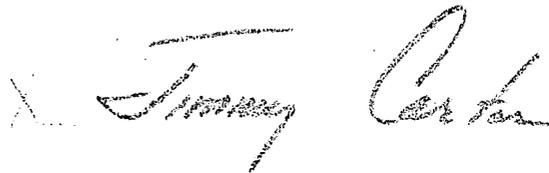
the House of Representatives

Sir:

I ask the Congress to consider requests for supplemental appropriations in the amount of \$17,234,000 and supplemental appropriations language for the fiscal year 1979, and amendments to the request for appropriations for the fiscal year 1980 in the amount of \$359,695,000.

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

Respectfully,

A handwritten signature in cursive script, appearing to read "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Respectfully,".

Enclosures

ID 792126

THE WHITE HOUSE

WASHINGTON

DATE: 18 MAY 79

FOR ACTION:

INFO ONLY: FRANK MOORE (LES FRANCIS)

SUBJECT: MCINTYRE MEMO RE PROPOSED REQUESTS FOR APPROPRIATIONS

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

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON
5/21/79

Bob Lipshutz

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

5/21/79

rick --

bob apparently left for
president during the weekend...
please handle as confidential

thanks--susan

PATT:
copy of memo +
orig of attachments
to Lipschutz

THE WHITE HOUSE
WASHINGTON

Copy of these
papers sent
to Charles Kirbo.

5/19/79

GJ

THE WHITE HOUSE

WASHINGTON

May 19, 1979

Bob
C

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ
MICHAEL CARDOZO *ejt*

RE: Financial Disclosure required by the Ethics
in Government Act of 1978

This memorandum supplements my memorandum of May 15, 1979 to you relative to your compliance with the Ethics in Government Act. We are prepared to file your Financial Disclosure Report once the status of the Jimmy Carter Personal Assets Trust ("Trust") has been decided.

The Act establishes specific criteria which must be met if a trust is to be considered a "qualified blind trust" under the Act. If "qualified" then the specific items of annual income and expenditures, along with specific items of assets and liabilities, need not be listed. But if not so qualified, all of these items must be disclosed in the same manner as though they were in your personal control.

The Office of Government Ethics (OGE) has reviewed your Trust and concluded that it does not qualify as a "blind trust" under the Act, as it has done with many other blind trusts. In view of the language of the new law, we agree with OGE's interpretation. Accordingly, you must decide whether to amend the trust document and qualify the Trust as a blind trust, or to report the assets held in a trust which is managed by a trustee but is not a "qualified blind trust" under the Act. To qualify the Trust, an amendment incorporating statutory language from the Act must be executed; such an amendment will appear to create an even greater degree of insulation between you and your trustee.

Attached are excerpts from the disclosure forms which point out examples of the difference in "disclosure" if you have a "qualified blind trust" and if you do not. (Tab A).

Paragraph 6 of your existing trust appears to permit immediate disclosure of the assets held in trust and the 1978 income

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derived from those assets:

"The Trustee shall not make any reports or accountings whatsoever to the Grantor or any other beneficiary of the Trust except that he shall give to the Grantor an annual report containing (i) the information required by the Grantor in making any mandatory reports or returns to any government authority. . ."

Because the trustee can make available to you such information as is necessary to comply with a mandatory report to a government authority, and since the Ethics in Government Act requires that you submit such a report to OGE, amendment of the Trust does not appear to be necessary if you wish to identify the assets and liabilities of the Trust and 1978 income from those assets, as is required for a nonqualified trust.

The language of the existing Trust can be amended in order to become "qualified" as a blind trust under the Act. The attached draft amendment (Tab B) should accomplish qualification. Execution of such an amendment would not materially change the operation of your trust or affect permissible communications between the Grantor and the Trustee, except that the Ethics Act requires that most communications between Grantor and Trustee relating to a trust be in writing.

The purpose of a qualified blind trust is to shield the Grantor from the trust's assets and liabilities, so that a grantor who is ignorant of a trust's assets cannot take actions which favor the trust. For example, a trustee of a blind trust must be given unlimited authority to sell all assets originally placed in trust, whereas your trust strongly suggests that you do not want the trust assets sold, you direct the trustee to respect your concern for Billy Carter's livelihood (presumably his interest in the warehouse), and you request that the farmlands owned by Carter's Farms, Inc. not be sold, if possible. Skeptics will question your purpose in attempting to qualify the Trust as a blind trust, since you (the Grantor) have advised the Trustee that you do not want the principal trust assets sold. If the trust assets are not to be exchanged for other assets, the grantor will not be shielded from knowledge of the trust's assets.

On the other hand, a decision not to qualify the Trust as a blind trust will result in minimal additional disclosure. Interested parties already know that the trust assets are principally farmland and the warehouse, and they would undoubtedly learn of and publish reports of the sale of those assets if a sale occurred.

Even if you elect to disclose the assets and liabilities of the Trust, and to report the net and gross income derived from those assets each year, you may deem it advisable to maintain the Trust as a management trust. This would allow Charles Kirbo to manage the Trust's assets and would allow you to remain insulated from management and control of the Farm and Warehouse. Establishment of a management trust of this sort is consistent with the Ethics in Government Act, and would serve to remove any appearance or suggestion that you are taking certain actions in order to benefit the Farm or Warehouse.

The Act establishes criteria which must be met by an individual or an institution seeking to qualify as an "independent trustee" of a qualified blind trust. The statute requires that the following qualifications be met by a trustee qualifying to serve as trustee of a blind trust.

"The trustee of the trust is a financial institution, an attorney, a certified public accountant, or a broker, who (in the case of a financial institution or investment company, any officer or employee involved in the management or control of the trust who) --

- (i) is independent of and unassociated with any interested party (in this case, the President, Mrs. Carter and Amy) so that the trustee cannot be controlled or influenced in the administration of the trust by any interested party,
- (ii) is not or has not been an employee of any interested party, or any organization affiliated with any interested party, is not a partner of, or involved in any joint venture or other investment with, any interested party, and
- (iii) is not a relative of any interested party."

To the best of my knowledge, Charles Kirbo meets the literal, specific statutory requirements stated above. Nonetheless, some critics will undoubtedly question whether or not Charles meets the test of independence intended by the Congress. The Senate Governmental Affairs Committee report on the Act's blind trust provisions (S. Rept. 95-639) states that "the key requirement of trustee independence -- namely that the trustee be independent of any interested party so that the trustee cannot be controlled or influenced in the administration of the trust by any interested party was intentionally left general (in the statute). . . The Committee had no doubt that a person who is a best friend, campaign chairman and constant golfing partner of a reporting individual should not be permitted to be his Trustee."

The Ethics Act assigns to the Director of OGE the responsibility for determining whether a proposed trustee meets the requisite statutory requirement of "independence" to serve as the trustee of a qualified blind trust. We are already aware of critics who are prepared to argue that Charles does not and cannot meet the statutory requirement of being "independent of and unassociated with any interested party so that the trustee cannot be controlled or influenced in the administration of the trust by any interested party." Some Capitol Hill aides say privately that the blind trust provision requiring the independence of a trustee was aimed directly at Tom Mitchell (Bert Lance's trustee) and Charles Kirbo. They argue that the specific responsibilities you have assigned to Charles, such as military discharges and the monitoring of GSA, and his general advisory role, have associated him with you to such an extent that he is not "independent of and unassociated with" you.

I believe that, by applying strict statutory construction, we can convince OGE to approve Charles as an independent trustee. We have been advised, however, that OGE will insist on a statement attesting to his independence from you and/or Charles; such a statement will be made public. Nevertheless, I am concerned that even if we prove that Charles meet the strict statutory requirements of independence, we frequently will be confronted with charges of an appearance of a lack of independence.

I recommend that your trust not be amended to qualify for treatment as a blind trust. Instead, I recommend disclosure of the Trust assets and liabilities, reporting of annual income from the trust assets, and maintenance of your trust as a management trust with Charles Kirbo as Trustee of that trust.

OPTIONS

- (1) ok if kirbo also agrees. J
Maintain Trust in its present form, retain Charles Kirbo as Trustee, and agree with Charles that items handled in the Trust must be disclosed to the OGE in the same manner as if they were controlled by you.
(I recommend)

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(2) Amend Trust so as to become a "qualified blind trust" under the provisions of the new Ethics law, and also insist that Charles Kirbo is an "independent trustee", which (if sustained) would obviate the disclosure of specific items handled by the Trust.

(3) Amend the Trust so as to become a "qualified blind trust" but select a substitute for Charles as Trustee, which would be more likely to meet any allegations relating to "independence" (such as a bank's trust department). This also would obviate the disclosure of specific items handled by the trust.