9/24/79 [1]

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<td>From Brown to The President (2 pp.) re: Weekly Activities/enclosed in Hutcheson to Mondale 9/22/79</td>
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NA FORM 1429 (6-85)
THE WHITE HOUSE
WASHINGTON
9/24/79

The Vice President
Hamilton Jordan
Lloyd Cutler
Hedley Donovan
Stu Eizenstat
Al McDonald
Frank Moore
Jody Powell
Jack Watson
Sarah Weddington
Anne Wexler
Jim McIntyre
Alfred Kahn

Re: Cabinet Summaries

The attached were returned in the
President's outbox today and are
forwarded to you for your personal
information.

Rick Hutcheson

EYES ONLY
TO: The President
THRU: Rick Hutcheson, Staff Secretary
FROM: Administrator of Veterans Affairs

VA 50th Anniversary

July 21, 1980, will mark the 50th anniversary of the establishment of the Veterans Administration. There are now more than 30 million living veterans - a seven-fold increase since the agency was founded in 1930. These veterans, along with their dependents and survivors of deceased veterans, constitute a VA potential clientele equaling almost half the population of America.

There will be many local observances across the nation during the anniversary year, and for the climactic event I respectfully request your consideration of hosting a picnic on the White House grounds. Saturday, July 19, or Sunday, July 20, 1980, would be ideal dates, but any other approximate date suitable to your schedule would be appropriate. We would provide funds for the occasion from non-appropriated sources.

I envision the entertainment of about 1,000 guests, including leading Members of Congress, national leaders of the many veterans organizations, Medal of Honor holders and other war heroes, and representative VA officials - past and present.

I sincerely believe your hosting such an event would be one of the great highlights in VA's 50 year history.

It is with personal gratitude and great respect that I thank you for your earnest consideration of this request.

MAX CLELAND
MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth
      Jane Yarn

SUBJECT: Weekly Report

H.R. 4388 (Energy and Water Development Appropriations): Tellico Dam. Yesterday, at our biweekly meeting with environmental community representatives, a key topic of discussion was your possible veto of H.R. 4388, which directs construction of Tellico Dam. The community considers your water policy reforms and your support of the Endangered Species Act as two of your most significant accomplishments and believes strongly that a veto of H.R. 4388 is essential to continued progress in these areas. We recommend you veto the bill, not only because of the importance of the issue to your environmental record, but equally importantly because of the good government implications of the veto. Tellico Dam is a symbol of wasteful spending — a fact which spurred the major newspapers to write editorials recommending a veto: New York Times; Los Angeles Times; Boston Globe; Portland Oregonian; Washington Star; Philadelphia Inquirer.

Weakening Amendments to the 1977 Stripmining Act. Recently the Senate passed a bill (S. 1403) which would seriously undercut the authority of the Office of Surface Mining to enforce the 1977 Act. The most damaging provision prohibits the Interior Department from using its regulations as the basis for evaluating proposed state programs and, thus, essentially invalidates the regulations. The bill was supported by Jay Rockefeller, who is chairman of your special Coal Commission, and other coal state governors. The bill was passed by the full Senate without hearings on the bill and before the Administration or the environmental community could organize effective opposition. Secretary Andrus is seeking to forestall precipitous action in the House. White House assistance and organization of an effective Administration lobbying effort are needed to make clear the Administration's firm opposition to this bill. It would help a great deal if your commitment to the 1977 Act and opposition to this bill could be stressed in one of your speeches, talks, or press conferences in the near future.
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report

As you requested, the Regulatory Council, working with the agencies involved, has developed a national cancer regulatory policy. The agencies are the Environmental Protection Agency, Consumer Product Safety Commission, Occupational Safety and Health Administration, Food and Drug Administration, Department of Agriculture, National Cancer Institute, and the National Institute of Environmental Health Sciences. The policy sets forth a series of principles that the agencies will be guided by as they carry out their statutory mandates to regulate cancer-causing chemicals. The policy covers four areas, determining whether a chemical is carcinogenic, performing assessments of the risk the substance poses, setting priorities for which substances to regulate, and regulating the substances.

We have briefed the Domestic Policy Staff, Office of Management and Budget, Council of Economic Advisers, Office of Science and Technology Policy, and the Council on Environmental Quality on the policy. They recommend that it be released as a Regulatory Council statement which I plan to do within the next week or two.

Last week, we joined Carol Foreman and the Department of Agriculture in announcing their proposals to streamline meat and poultry inspection as part of your broader effort to regulate in a less burdensome, more cost effective way.
MEMORANDUM TO THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director

SUBJECT: Weekly Report of Significant Agency Activities
(September 17 - September 21, 1979)

Inspector and Auditor General

The Senate Governmental Affairs Committee conducted a hearing this week on your nomination for Inspector and Auditor General at the Community Services Administration. The nominee, Frankie Muse Freeman, is from St. Louis, Mo., and has been a commissioner on the Civil Rights Commission since 1964.
September 21, 1979

REPORT TO THE PRESIDENT

The President's Export Council (PEC) held its second semi-annual meeting yesterday. Council members strongly criticized the provision in the pending export administration legislation that would open export sales transactions to public view and thereby give unfair advantage to foreign competitors. They also agreed to examine ideas for improving the Domestic International Sales Corporation (DISC) export tax incentive. The Council called for a "substantial" increase in the lending authority of the Export-Import Bank, and increased support for agricultural exports. In addition the PEC approved recommendations in the area of East-West trade. We were successful in securing a modification to one of the recommendations which would have called for MFN for both the Soviet Union and China by "year's end." It now reads "as soon as practicable for each." You will receive a complete set of recommendations from the Council shortly.

The House has just completed action on the Export Administration Act which expires next week (September 30). This is must legislation for the Administration, because if it expires, our ability to control exports for foreign policy and national security purposes would be seriously impaired and the antiboycott law would cease to exist. As previously reported, we were successful in securing major modifications of the Senate bill in order to make it more compatible with the Administration's position. However, the House bill was passed with provisions imposing new constraints on the Administration's flexibility to regulate exports for both national security and foreign policy purposes, although we have succeeded in defeating the most extreme proposals. We will work hard in conference to modify or eliminate these constraints, and expect to have considerable support from Senator Stevenson, the Senate floor manager, in that effort.
We are preparing to approve next week a 90% guarantee by EDA of a $111 million loan to Jones & Laughlin Steel Corporation. The funds, which will be provided under the Administration's special steel loan guarantee program, will be used to modernize facilities and purchase pollution control equipment for the firm's Pittsburgh and Aliquippa Works, thereby preserving over 28,000 jobs. We are coordinating announcement of the guarantee with Jack Watson's office to assure that the Administration receives full credit and maximum exposure for this noncontroversial assistance.

On Sunday Secretary Kreps will represent you and deliver your message at the celebration of the 50th anniversary of the International Radio Consultative Committee (CCIR) in Geneva. This event will coincide with the opening of the World Administrative Radio Conference (WARC), to be held in Geneva for 10 weeks starting September 24. At the WARC, representatives of 154 countries will allocate radio frequency bands world-wide for the remainder of this century. Decisions from this conference will be of great importance to the United States, other industrialized nations, the developing countries, and the telecommunications industry. If the WARC is successfully concluded, it is expected that a treaty will be submitted to the Senate in the early part of 1980.

We believe there is a strong possibility that your trade reorganization plan can be enacted before this session of Congress ends, based on consultations with legislators involved in this issue.

Luther H. Hodges, Jr.
Acting Secretary
MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

Record Issuance of GNMA Mortgage-Backed Securities. The Government National Mortgage Association (GNMA) guaranteed a record $2.9 billion in mortgage-backed securities during the month of August. This exceeded by 33 percent the $2.2 billion guaranteed in August of 1977, the previous record month. The August volume brought the total of mortgage-backed securities guaranteed by GNMA since the program's inception in 1970 to nearly $83 billion. The record performance during August helped to provide financing for an estimated 70,000 home purchases.

Additional Public Housing for Miami. It was announced this week that the Greater Miami Area will receive $1.2 million to produce an additional 400 units of public housing. This brings the total of extra low rent housing units allocated by HUD to the area this year to 700, in addition to 1,300 units planned for this year under our Section 8 program.

Joint HUD-State Consumer Forums. We are pleased to announce that Georgia is among the 15 states that have been selected to participate in consumer forums jointly sponsored by HUD and the states. The first of these forums was described in last week's report. Each state participating in this project is asked to insure an attendance of at least 500 persons at the forum. Several of the states have asked Secretary-designate Landrieu and other Administration representatives to be keynote speakers at these events.

Radon Testing Implemented in Montana. In recent discussions with EPA representatives, HUD officials became aware of a new environmental hazard involving excessive levels of radon decay products in some homes in Butte and Anaconda, Montana. We are now working closely with EPA and with the Montana Department of Health and Environmental Sciences in implementing a testing program designed to allow us to carry out housing and other programs in a manner that will protect the public health and welfare of citizens in the affected areas.

Transition Work Continues. On Monday, September 17, former HUD Under Secretary Jay Janis took the oath of office as Chairman of the Federal Home Loan Bank Board. During the interim period between that ceremony and the swearing-in next Monday of Secretary-designate Moon Landrieu, I am serving as Acting Secretary of the Department. Plans for Mr. Landrieu's assumption of office next week are proceeding smoothly.
September 21, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

BEEF. Because of good grazing conditions, cattle on feed September 1 was down 13 percent from last year. They should be moving into the feedlots and on to market as grass supplies are depleted this fall. It will mean tight supplies and stronger prices for the final quarter of this year.

HOGS. Pork production continues to expand in spite of weaker prices. Farrowing intentions for the Sept.-Nov. period are 13 percent above last year.

EXPORT. The USSR has purchased 15.5 million metric tons of grain as of September 20 (3.9 wheat; 11.6 corn).

PESTS. The National Agricultural Chemical Association has publicly endorsed integrated pest management and is encouraging cooperation between USDA and the industry in research and testing. (The Association represents 125 companies producing 90 percent of all pesticides used in the U.S.)

JIM WILLIAMS
 Acting Secretary
MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze

Subject: CEA Weekly Report

Pay and Price Standards. This week the EPG reviewed and cleared the draft of an Executive Order and other necessary documents on the pay and price standards that would be issued if we reach a satisfactory agreement with labor and business on the establishment of a Pay Committee, and with labor on other matters. With respect to the Pay Committee one issue continues to be a problem: so far the AFL-CIO will not agree to join a Pay Committee if the Administration insists on stating, as a broad objective for the Committee, the stabilization of next year's average nationwide wage increases at this year's rate of increase. If we are not able to convince labor to agree to some meaningful objectives for the Pay Committee, your advisers will undoubtedly present you with a divided recommendation on whether or not to go ahead with the Pay Committee.

In conversations with Fred Kahn this week, AFL-CIO representatives also stated that some major tightening of the price standards and better control over problem areas (energy, food, and housing prices) would be necessary before they would agree to participate in a Pay Committee aimed at achieving wage constraint. The extent to which this is bargaining rhetoric or not we do not yet know.

Humphrey-Hawkins. At the last minute the scheduled oversight hearing on progress under and compliance with the Humphrey-Hawkins Act was cancelled. My testimony was submitted. I do not expect the hearing to be rescheduled. Gus Hawkins pretty much admitted that what we said would have no effect on the contents of the report which they intend to issue. We will undoubtedly be blasted for letting unemployment rise.
MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM: Neil Goldschmidt

SUBJECT: Significant Issues for the Week of September 17

Anti-Inflation Program Efforts - The Department's Federal Highway Administration is making a determined effort to combat inflation in highway construction costs. The effort has yielded identifiable savings of at least $7.75 million on bridge and road construction projects during the nine months it has been in effect.

Metro - This week I signed an agreement with the Washington Metropolitan Area Transit Authority which formalizes the Federal commitment to assume responsibility for two-thirds of the debt service on $997 million in bonds held by the transit authority. The Federal position is protected and the agreement moves us closer to our goal of completing the 101-mile system. We should shortly reach agreement with OMB on our position on the Stark-Harris bill which provides separate capital funding for Metro. With these elements in place, the Administration will be in good position to use this as a demonstration of our support for transit.

Automatic Crash Protection (Airbags) - On September 18, the House adopted the Dingell amendment to the DOT Appropriations bill which prohibits the use of FY 1980 funds to implement or enforce standards for use of airbag safety systems. This will have no practical effect during FY80, but we face a more serious legislative threat if a similar amendment is added to the pending highway safety authorization. The vote, 228-185, was a gain of 52 votes over the vote on a similar amendment last year.

Air Canada DC-9 - On September 17, the aft bulkhead of an Air Canada DC-9 aircraft failed in flight causing substantial damage and minor injuries to four passengers; the aircraft successfully returned to Logan Airport in Boston. The FAA has issued an airworthiness directive requiring inspection of all similar DC-9 aircraft (approximately 100 of the 376 U.S.-registered DC-9s). Preliminary inspection reports indicate that one of the 100 concerned aircraft has a crack that may be considered significant. The FAA also is developing repetitive inspection requirements and a structural modification requirement for the affected aircraft.
Amtrak - The Amtrak authorization bill has cleared conference committee with three of the four provisions objectionable to the Administration deleted. Although the conference committee adopted funding levels above the Administration request, the House-passed DOT appropriations bill adopts the Administration funding level for Amtrak.

DOT Appropriations - By a vote of 335 to 71, the House last Tuesday passed our appropriations bill. The House added $242.5 million for highway and transit funding, an ICC-requested $35 million for directed service operations of Mid-West railroads, and an amendment raising the Highway Trust Fund ceiling to $9 billion. The bill probably will not clear Congress before the end of the fiscal year; therefore we expect to be operating on a Continuing Resolution but no such Resolution has yet passed the House.

Rock Island Railroad - Following your order for an Emergency Board, DOT has been coordinating with other departments and agencies to defend the action in court, if necessary, and to hasten restoration of service. Action by the ICC on a directed service order is probably Monday (September 24).
Principal Activities of the Department of Justice for the Week of September 17 through September 21, 1979

1. Meetings and Events

The Attorney General and the Director of the Federal Bureau of Investigation addressed the Congressional Black Caucus Legislative Workshop on September 21, focusing largely on problems of juvenile justice and related litigation.

2. Budgetary Problems

Agreements and compromises being reached between the Senate Appropriations and Budget Committees threatened for a time this week to jeopardize the future of the new Office of Justice Systems, Research and Statistics (OJARS), which will replace the Law Enforcement Assistance Administration when its authorization bill passes (hopefully next week). The President's FY 1980 budget proposal and the actions of the Congress to date had already cut the OJARS budget by more than $200 million or above 33 percent. While refraining from any contacts with the Budget Committee, we doubt that OJARS could function as a viable agency under further large cuts. We are monitoring the Appropriations Committee's thinking closely in coordination with OMB to assure that sight is not lost of this fact.

3. Judicial Selection

There are currently 144 federal judgeship vacancies (109 under the new law and 35 regular vacancies). The President has signed off on 121 candidates for these vacancies and they are in various stages of the selection and nomination process. This leaves 23 vacancies (12 under the new law and 11 under regular vacancies) not yet presented to the President. Of the 121 candidates, 57 are pending at the Senate (51 under the new law and 6 under regular vacancies), 12 are pending at the White House (11 under the new law and 1 under regular vacancies), with remainder still under evaluation. The Senate during this Congress has confirmed 51 judicial appointments (43 under the new law and 8 under regular vacancies).
4. **Conviction of Drug Ring Leader**

On September 12, John Grammatikos was convicted by a jury in Brooklyn, after 20 hours of deliberation, of engaging in a continuing criminal enterprise as well as substantive counts involving millions of dollars in sale of heroin, cocaine and hashish. In August, an earlier trial ended in deadlock. Meanwhile, he has been held in custody under $5 million bond. He was apprehended in Switzerland last January after fleeing to Greece in 1977.

5. **Dismissal of Nuclear Secrets Protection Cases**

After the publication of an article containing restricted data on thermonuclear weapons by a newspaper in Madison, Wisconsin, the Department sought and obtained the dismissal of its cases seeking injunctive action against the Daily Californian and Progressive Magazine, since the cases had become moot. The Department is now conducting a preliminary inquiry to see whether criminal investigation of any party is warranted.

6. **Legislative Veto**

The Assistant Attorney General for the Office of Legal Counsel testified on September 19 before the Senate Subcommittee on Consumer opposing the enactment by Congress of legislative vetoes, both on practical grounds that the President has previously described and on the basis of strong constitutional objections. The Attorney General will testify along similar lines before the House Rules Committee on September 26.
MEMORANDUM TO THE PRESIDENT

SUBJECT: WEEKLY STATUS REPORT

Here are two examples of efforts underway at EPA which should help reduce the country's dependence on oil and still allow for the achievement of environmental goals:

We have been working this week to help expedite the process whereby a vital New England power plant is converting from foreign oil to coal for its electricity generation. In May, EPA changed regulations to allow the Brayton Point Plant in Somerset, Massachusetts to convert, thereby reducing New England's dependence on residual fuel by as much as 17 percent. In terms of New England utilities alone, this will represent a 30% reduction in use of residual fuel.

Although the plant would have accomplished the task in two or three years, EPA has been working with the New England Power Company (the utility which owns Brayton Point) and the State of Massachusetts to bring about the conversion even more quickly. As a result of meetings this week, I believe that we will have the regulatory issues resolved so that Brayton Point could be burning coal within 60 days. This conversion will be done in compliance with clean air standards, and could take place in time for the winter season.

On September 28, I will be dedicating a solar-assisted sewage treatment plant in Wilton, Maine, a rural community of 4,000 people. The plant, built with EPA assistance, is the first of its kind in the world. It results from a decision by the town several years ago to hold down operating costs of the plant. The town built the facility in the hillside and equipped it with solar panels. The plant generates much of its own heat from the sun's rays and from the methane gas produced during treatment of the wastewater. In a very visible way, the dedication ceremony underscores your Administration's commitment to solving the nation's energy problems. Secondly, it underscores the fact that there are solar technologies technically ready, commercially available and economically competitive.

Barbara Blum
Acting Administrator
MEMORANDUM:  THE PRESIDENT
FROM:  CHARLES W. DUNCAN, JR.
SUBJECT:  WEEKLY ACTIVITY REPORT

THE SECRETARY OF ENERGY
WASHINGTON, D.C.

September 21, 1979

1. Home heating oil: I have met with the Chief Executive Officers of nine major oil companies to discuss moderation in heating oil prices and credit terms. The results have been quite favorable. We have commitments from six of the nine companies and I believe more will follow. We will continue efforts until all 27 refiners have been covered.

The build-up of supply toward the 240 million barrel target has been very good. We now have over 210 million barrels in primary storage and we added 7.7 million barrels last week.

2. Paid advertising: We are formulating an advertising program to sell specific methods of energy conservation. We have yet to resolve the funding problems and will be working on those with Jim McIntyre. I have appointed an Assistant to the Secretary of Energy (Public Affairs) who has extensive experience with advertising in the private sector. If we resolve the funding problems quickly, we hope to have an advertising program targeted to particular regional situations in operation by Christmas.

3. North Slope gas pipeline: I am considering a special negotiator for this project. I believe this will facilitate progress. The financing of this project is very complex and will require your involvement. I expect to have a decision memorandum for you in a few weeks.

4. Watson memorandum: About two weeks ago Jack Watson sent you a memorandum outlining a non-legislative energy action agenda. That memorandum has recently been made available to the press and has generated considerable reaction, both on the Hill and in industry. My staff has met with Jack's staff, Stuart Eizenstat's staff, and Anne Wexler's staff to discuss implementation of the items Jack collected in his memorandum. I will report back to you shortly on the items that fall within DoE's responsibility.

5. Meeting of Energy Ministers: As a follow-up to the Tokyo Summit, I will be leaving on Monday afternoon for Paris for a meeting of Energy Ministers. I expect to return around 1:00 p.m. Thursday.

[Signature]

CHARLES W. DUNCAN, JR.
REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

This week there were no actions of significant importance to bring to your attention.
September 21, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR

SUBJECT: MAJOR DEPARTMENTAL ACTIVITIES
         September 17 - 21

The Department has no significant activities to report for this past week.
Secretary Harris

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

Rick Hutcheson

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*FOR STAFFING*

*FOR INFORMATION*

*FROM PRESIDENT'S OUTBOX*

*LOG IN/TO PRESIDENT TODAY*

*IMMEDIATE TURNAROUND*

*NO DEADLINE*

*FOR APPROPRIATE HANDLING*

*LAST DAY FOR ACTION*
MEMORANDUM FOR: The President  
Attention: Rick Hutcheson, Staff Secretary  

SUBJECT: Weekly Report of Major Departmental Activities  

HEW Denies Chicago Emergency School Aid Act Waiver. As indicated in last week's report, the Chicago Board of Education has failed to submit an acceptable plan for desegregating its public schools. Because of this, the District was notified on September 15 that its request for a waiver of ESAA ineligibility was denied. The Board was also informed that the statutory period for granting a waiver of ineligibility could not legally be extended.

The Board received formal notification on September 18 that it has 30 days to "explain or rebut" why the District is not in violation of Title VI. Thereafter, HEW will have up to 80 additional days, in accordance with the January 1978 order of the U.S. District Court for the District of Columbia in Brown v. Califano, to attempt voluntary compliance. Although the Board approved a desegregation plan on September 19, the plan appears to have several serious problems and it may be unacceptable.

The Administration's Immunization Program Meets Goal. More than 90% of the Nation's school-age children have been immunized against measles, polio, diphtheria, tetanus and pertussis. Prior to our efforts to combat childhood diseases, public health authorities estimated that only about 60% of this country's children were fully immunized. The goal, set by HEW and its Public Health Service, was to raise the level of full immunization to 90% for all children under 15 years of age. Immunization data collected by the Department shows that the number of new measles cases declined 78%, and the number of rubella cases dropped more than 43%. Moreover, in the first eight months of 1979, there were no reported cases of diphtheria among children under age 15.
Congress Clears Nurse Training Reauthorization Bill. On September 20, the House adopted the Conference Report on Nurse Training legislation by voice vote, thus clearing the measure for your consideration. The bill passed by Congress is a scaled-down version of the legislation which you disapproved in 1978. The measure would extend for Fiscal Year 1980, authorizations for Nurse Training Programs totaling $103 million which is a reduction of over 50 percent from the levels in last year's bill. We intend to recommend approval of this bill and will work during the appropriations process to keep funding limited to those provisions which carry out our health professions strategy.

HEW Releases Latest Survey on U.S. Smoking Habits. A September 19 report by HEW's National Center for Health Statistics indicates a steady decrease since 1970 in the proportion of men who smoke but little change for women smokers. It also showed that people who smoke are smoking more cigarettes per day, on the average. The data indicate that for current and former smokers, about 31 percent had tried to quit smoking. Of those, one in five considered themselves successful.

Congressional Black Caucus Gets Support From the Department. During the past week, Departmental officials have received and assisted prominent Black leaders who are participating in Black Caucus events. Staff of the National Institute of Mental Health, for example, will participate in briefing on the proposed Mental Health Systems Act and its relevance to minority groups.

HEW Leads in Placing Women In Senior Level Positions. Sara Weddington's office issued a guide, Women in Government, which list over 400 top women in the Federal Government as of May 1979. The guide indicates that HEW has 54 women in senior-level positions which is the most in the Federal Government. While I am pleased to see this, I believe we can and should increase the number of qualified women in senior-level positions in this Department.

Patricia Roberts Harris
Jim McIntyre

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

Rick Hutcheson

Zbig Brzezinski
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| STRAUSS |
| TORRES |
| VOORDE |
| WISE |
MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre

SUBJECT: Your meeting on Monday with Nicaraguan Leaders

I have just received a copy of Cy Vance's request for a $145 million supplemental for Central America. You may be asked to make a decision and announce it during the meeting with the Nicaraguans. I strongly believe an announcement at this time would be premature and is not necessary.

Henry Owen and I are exploring several alternative options and will have a decision memo for you in a few days.
MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN

SUBJECT: Weekly Activities Summary

Second Year Program

We are continuing our discussions with labor, and, to a lesser extent, business on constituting pay and price advisory committees to play a role in administering the standards. The issues remain much as we described them at our last meeting. One new, serious problem that has arisen: it appears that labor and business members of the board would be precluded by the ethics statute from sitting on most of the important decisions, even in an advisory capacity; corrective legislation may be necessary. Nonetheless, we are still trying and will recommend a course of action to you early next week.

On the price side, labor is concerned that our new, proposed standards appear to be a relaxation of last year's, and that this will be hard for them to explain and justify to their members, even though we can say we expect a lessening of inflation generally. The problem is that it is very hard honestly to set an aggregate price standard below 7 percent for the affected sectors, and we have little to offer in the standards about the uncontrollables that have raised the CPI to double digit levels. I believe we may be able to handle this problem by the way in which we present the standards to the public; but this argument by the AFL-CIO people does not augur well for their willingness to try to prevent an acceleration of pay increases in the next year.

We are under very strong pressure from the business community to provide at least some guidance on pricing before October 1, since many firms traditionally announce prices quarterly. For this reason, we should decide the form of the standards early next week if at all possible.
Energy

My staff has reviewed the pricing activities of a large number of refineries and identified 14 small refiners that appear to be out of compliance with the guidelines, in addition to the two already publicly listed. We must consider further action in this area and will work with Secretary Duncan.

Leather

My staff is working with Hamilton's office, STR and DPS to announce late next week an agreement negotiated by STR with the Argentine government that will reduce export duties and remove all other barriers to foreign purchases of leather hides. American prices have already dropped by one-third in the last few months, probably because the news of the agreement has leaked. The agreement should lower prices further. The Argentine news should be especially welcome to the shoe industry, concentrated in New England, which has been suffering from scarce supplies and high hide prices.

Communications Regulatory Reform

I am enthusiastic about your message. The press briefing by Stu, Rick Neustadt, one of Henry Geller's people and me went very well. (That is an objective statement; if you want a hyperbolic one, please let me know.)

Grant Programs

We prepared and delivered the memorandum to Jim McIntyre on the use of discretionary grant programs to support the wage and price standards. We received a large number of extremely promising suggestions from some of the agencies in response to my inquiry. We will take the question of using this enforcement tool to EPG.

COWPS Filings

This week the Council has filed comments with the ICC urging downward fare flexibility for interstate busses. In addition, we have intervened with HEW and suggested that day care standards be made less burdensome, lest some otherwise attractive home care arrangements be precluded from federal support.
Tim Kraft

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

Rick Hutcheson

Sarah Weddington
Susan Clough
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9/24/79

rick/bill =-

sarah weddington asked that this be returned to tim via her (or perhaps send her a cc?)

also, please send me a copy too

thanks--susan
MEMORANDUM FOR THE PRESIDENT
FROM: TIM KRAFT
SUBJECT: Telephone Calls - Week of September 17, 1979

Jerry Fitzgerald
Fort Dodge, Iowa
(o) 515/576-7686
(h) 515/576-6933

He was a 1978 candidate for Governor. He is young, attractive and pro-Carter. He lost to Governor Ray in the General Election. He currently works for an engineering firm. Both you and the Vice-President have met him. You sent a gift to the FitzGeralds when their son Marhew was born in late 1978. His wife's name is Sherri.

Talking Points: Thank him for his support, particularly for turning over his lists of supporters to our Iowa campaign people; and the good advice he has given about Iowa.

NOTES: He is not ready to commit. He declined simply to support "the incumbent President." Sherri gave a Kenullen a hard time. I would say sit, stay on him.

Mayor Maurice Arel
Nausha, New Hampshire
603/880-3341
603/889-2901

Arel is a popular, low-key, cautious politician. He has been Mayor of the State's second largest city for 2 1/2 years and although he is up for re-election this year, there appears to be no strong opposition. You met him in February at the Town Hall Meeting. In 1976 he was neutral. You spoke with him by phone in February 1979 and he said he would help you in 1980. He has been reluctant to endorse until after his re-election in November. He saw you briefly for a photograph a few weeks ago.

Talking Points: He needs to be asked to work closely and publicly with Chris Brown as soon as possible.

NOTES: Nov 6. election - little opposition. Then all out for re. publicly
Bea Lacock
Salem, New Hampshire
603/898-7568

Bea is a State Representative. She was a Carter delegate in 1976 and a Carter Co-Chair in Salem in the 1976 Primary. Our other Co-Chair, State Representative Belair, has endorsed Kennedy. Chris Brown believes that her continued support is essential.

Talking Points: She should be asked to work closely with Chris and continue her support.

NOTES: Having Carter mtg. now = going to Philly
all out for us.

Would like to hear from Chris Brown

Pat McElroy
Clearwater, Florida
(o) 813/442-7095
(h) 813/461-0220

McElroy is the Pinellas County Chair. He is critical to holding the Carter efforts together in that important county. He is an attorney, avid fisherman and has been helpful in the past. He is worried about your ability to be re-nominated and re-elected. He should be reassured that the Carter record is strong and the Carter effort in 1980 will be very strong.

Talking Points: We need McElroy to work with State Coordinator Jay Hakes and his staff.

Notes: 19 Mon note 83:23:7
19 + 55% John Ed great
all out for us.
24 Sep 79

Al McDonald

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

Rick Hutcheson

Hamilton Jordan
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MEMORANDUM FOR THE PRESIDENT
FROM: Alonzo L. McDonald
SUBJECT: Task Force Project

During the last ten days discussions of the task force project have been extended to refine the ideas initially discussed and to prepare them for decision. These discussions have included the Vice President, Bill Moyers and Douglass Cater (who led the Johnson effort), and many of the senior staff at the White House. Brief discussions have also been held by Hedley Donovan with one or two Cabinet members and a key group of outsiders.

The project is now solid and sufficiently definitive to move ahead promptly. The format and modus operandi appear sufficiently clear for a broader discussion with the Cabinet, some final discussions among the senior White House staff members and a public announcement next week, if you approve.

Descriptions of the task force project are covered in the accompanying documents. These are:

1. "America's Agenda for the Eighties; Proposed Public Task Force Program"—This is a draft memorandum prepared by me which is being used internally through a series of drafts to work out the objectives of the program and to define its scope and operation.

2. A memorandum prepared by Hedley Donovan for use outside with perspective panel chairpersons and members—This one casts the same ideas in an appropriate, neutral, nonpartisan format; and

3. A preliminary timetable for implementing the project.

Approved ________ see comments
Wish to Discuss Modifications ________
Disapproved ________

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AMERICA'S AGENDA FOR THE THE EIGHTIES

PROPOSED PUBLIC TASK FORCE PROGRAM

This memorandum outlines a public task force program as requested by the President to develop the nation's agenda for the decade of the Eighties. These ideas need to be shaped, finalized and translated into specific plans for launching within the coming days.

OBJECTIVES

The objectives of this program:

1. To reassure the American public that the President is sensitive to and actively working on their fundamental concerns as the leader of this society;

2. To develop America's Agenda for the Eighties that will serve as a reference base for decision-making and action on the President's priorities for the White House staff and the Administration at large;

3. To involve a representative group of recognized thought leaders of our country in the development of the Eighties Program elements;

4. To encourage participation of private citizens in the debate over and formulation of national policy, thereby reducing the public's feeling of alienation and the perceived gap between our citizens and their government;

5. To accomplish these aims with a minimum risk so that the dangers of shortfall below expectations as well as charges of irrelevancy are avoided.
FOCUS

President Carter will deliver the State of the Union Message launching the Decade of the Eighties. With the present degree of public unrest, doubt about the future and the growing feeling of our society being overwhelmed with the complexity of today's world and its problems, this podium provides the perfect focal point for initiating America's Agenda for the Eighties. This initial address could then be supplemented by other major speeches throughout the year to elaborate on the agenda and put forward guidelines for the next decade.

If the job of the task forces can be well done, with quality participation and professional arrangements and direction, it should provide a natural leadership posture for this President. With his reputation as a man of faith and a person of undisputed integrity and honesty, this program could reaffirm his dedication to do what is best for our society and our country.

PROGRAM OUTLINE

The program would consist of two phases:

Phase I

This effort would begin before the end of September and continue through December 15. Its end product would be (1) a recommended Agenda for the Eighties, and (2) suggestions of approaches for finding solutions. This limited effort would aim for definitive results that could contribute directly to the President's State of the Union Message opening the new decade.

Phase II

The task force approach would then be continued on a longer term and perhaps expanded basis to come up with recommended solutions. The timetable for this second phase
would extend from January 15 to November 15. The end products would be recommendations concerning the complex issues assigned to the task force for use by the President as he begins a new term.

This extended calendar should allow time for the group to develop positive results without accusations of expediency or superficiality. It would also leave the task forces in the arm's length, nonpartisan mode essential to give the effort credibility. While minimizing charges of political conniving the President would still benefit from the success of the ongoing process and active participation in his program. The risks would also be avoided of receiving proposals during the campaign that would be subjected to careful scrutiny and heavy criticism.

**PROGRAM DEVELOPMENT AND PUBLIC PARTICIPATION**

The program during Phase I would be concentrated on setting up and managing eight task forces involving directly perhaps 100 to 150 recognized thought leaders. Each task force would concentrate on a single major topic area.

Wider participative leverage could be obtained by inviting any of our normal outreach groups (e.g., unions, League of Women Voters, National Conference of Governors, Conference of Mayors, religious organizations, etc.) to submit papers to the task forces if they so desire. This would thus provide a vehicle for broad-based participation on a volunteer basis for those genuinely interested in the project. At the same time, the problems of establishing, managing and financing a complex network of participative groups would be avoided.
This task force approach would be similar to the efforts carried out by President Roosevelt in 1935 and President Johnson in 1964. The Johnson Program, which was conducted during some nine months before an upcoming election, particularly serves as our model since it attracted as participants some of the better minds in our country. Moreover, their subsequent reports put forward some of the major orientations for the legislative program the President followed after the election. One major difference, however, would be our announcement that the final reports would be published. LBJ held them confidentially for his own use only.

KEY ELEMENTS OF THE PROGRAM AND TASK FORCES

The eight task forces would be set up as horizontal entities of equal standing within the legal framework of a Presidential Commission. They would focus on the general themes suggested by the illustrative descriptions below. Each group would further define and decide upon its charter and the appropriate agenda items it considers appropriate.

1. **Leadership:** This task force could deal with whatever questions the group considers to be of primary concern. These might include our changing values, disintegration of the family, adaptation to a high proportion of leisure time, work satisfaction or faith in the future. The agenda for this task force would be the most general of the groups. It would, therefore, serve as the central unit, providing some degree of coherence for the other units whose individual agendas would reflect some of the elements of the President's immediate program. As a by-product of its broad discussions, the overall goals of the group might also suggest additional task forces for inclusion in the second phase.
2. **Inflation**: The primary preoccupation of this group would be to deal with the complex issue of inflation, aspects of stagflation, and the difficulties of seeking the right balance between economic stimulation and acceptable variations in unemployment levels while fighting inflation.

3. **Energy**: Building on the President's current energy program, this task force would be asked to take a longer term view on additional elements we need in the energy program as we move into the 1980s as well as steps to reinforce or strengthen measures already launched. This group would also address the issue of a gradual shift in our society's habit patterns for energy consumption, mindful of approaches that would consistently reduce our ratio of energy use to GNP. It would also seek ways to spare the public excessive personal sacrifices short-term for which there are poor prospects for relatively prompt relief.

4. **Productivity**: Almost all business and union leaders and many others interested in international trade are worried about our relative productivity levels and trends. This task force would be looking at a wide range of issues around this theme, including probably shifts in our relative standard of living, the quality of material life our citizens might expect, role of work, work attitudes and work ethic, characteristics of our meritocracy and its value to our society, and investment patterns and incentives if needed.

5. **Education**: Turning from the stern material realities of the economy, energy and productivity, this task force would look at one aspect of life enrichment during the next decade through education. They would consider the question:
educating our citizens for what? They would evaluate the impact on our educational needs of the trend toward a service-based economy and more leisure time. They might also examine what is happening to our educational institutions, both private and public.

6. **Land and Water Use:** This group would focus on issues of comprehensive land and water use and management, taking into account objectives of efficiency of land use and adequate planning in the development of rural and coastal areas. The question of water availability and handling would also be addressed.

7. **Urban Policy:** Urban conditions and the economics of housing have changed dramatically in recent years. This task force would take account of recent trends affecting cities and address the new challenges in employment, housing, finance, transportation, and public services in the new urban environment. The resulting agenda would identify the priorities deserving government attention and the society's approaches to the changing realities of urban life.

8. **Role of the Federal Government:** Over the last two decades as our problems have become more complex, society has automatically turned to the central government for solutions although there is no real evidence that this particular institution had either the talent or the capacity to deal with these situations. While the Federal government may need to be the stimulating or animating entity in the search for solutions, there may be serious questions about whether the public can simply delegate this responsibility to its elected officers and the normal Federal bureaucracy,
thereby absolving themselves of any blame or responsibility for corrective actions. This group's activity would tie in directly with the President's own concerns about over-regulation in the economy, excessive paperwork generated by the government among private firms, and the appropriate roles of the private sector and the free market mechanism in today's mixed economies.

**CALENDAR AND ORGANIZATION**

The task forces should be established outside of the government with only an animating, logistical and coordinating umbilical tying them to our Federal apparatus. They could then take on a bipartisan, open-minded image that would add enormously to the value and credibility of their recommendations.

By following this approach, some 100 key thought leaders of our society could be enlisted on a part-time basis to participate in this project, assuming task forces of 10 to 15 members each.

They would normally plan biweekly meetings during Phase I, unless they feel some other frequency would serve them better.

In selecting the task force members, we would be in a position to identify with the President and his leadership a large number of heads of influence centers whose participation and enthusiasm for the project could well contribute to the public acceptance of the effort. We should emphasize its nonpolitical character and elevate the overall program to the level of "a society in search of its soul and its well being."

The calendar for organizing these task forces should be established for prompt launching. As soon as the project
can be reviewed by key officials concerned and approved by the President, immediate recruiting lists need to be established for early contact. First meetings could then be scheduled shortly after September 30 with subsequent schedules to be determined by the respective task force chairpersons.

Interim consultations or reports would be scheduled on a monthly basis between White House personnel and the task force chairpersons to keep them on target. Because of the absolute deadline required for preparation of the President's State of the Union Message, agenda ideas and approaches must be available by December 15.

The organization from the White House could be relatively small, probably consisting of no more than a dozen individuals. The ideal candidate to serve as the key liaison point between the President and these task forces is Hedley Donovan. He would be backed up by a Secretariat to handle arrangements, logistics and other operational activities, probably linked to OMB.

**RISKS**

This program could be organized and managed with a low-risk profile, aiming for maximum payoff. Although it would not likely have the "big bang" or instantaneous "breakthrough" effect, it would be, and would be perceived to be, a pragmatic, reasoned involvement of thought leaders in our society in a conscientious search by our President for advice and counsel as he lays down our country's path for the next decade.

If handled well both in the selection of participants and in formulation of the program results, this effort could prove to be a major confidence building exercise for our
society and a rewarding one for the President in reaffirming his clear leadership role. The agenda-setting program followed up with a broader examination of the problems the society should be addressing in the Eighties should in itself serve as a confidence building exercise among the general public.

At the same time, its reduced scale of direct government involvement would be sufficiently modest to avoid high logistical risks and the media reports of normal and frequent foul-ups. Importantly, because of the quality of the participants and the clear importance of the subject matter, the likelihood for political jibes and ridicule would be reduced since it would be staged and managed as a very serious exercise.

Finally, the complete program could be presented as (1) a normal and natural follow up to the Camp David discussions, and (2) a conscientious effort by the President to approach these problems on a society-wide basis rather than just as a governmental or bureaucratic exercise.

While the Camp David discussions were informal and did involve some 134 different persons whose opinions the President respected, this intensive ongoing effort would permit an enlargement of that consultative process to his and the country's benefit. It would clearly be in the same spirit of openness and a conscientious quest for solutions to our society's problems as enunciated in his very successful speech on Sunday evening, July 15. It should produce much additional material for speeches and appearances elaborating on and reemphasizing those successful themes.
The President intends to appoint a Commission to propose A National Agenda for the 1980's.

The Commission would be divided into a number of panels:

Panel on Leadership.
Panel on Productivity
Panel on Inflation
Panel on Energy
Panel on Urban Affairs
Panel on Land and Water Use
Panel on Education
Panel on Role of the Federal Government.

Additional panels might be appointed to explore other subjects.

All panel members would be members of the Commission. The Chairman of the Commission would also be Chairman of the Leadership Panel. The panels would be assisted by staff supplied by the Government and also would be empowered to retain outside consultants.

Each panel would be expected to submit to the President by Mid-December a preliminary paper appraising problems, opportunities and choices in its field. The President might want to draw on these papers in preparing his State of the Union message. After discussion of these papers with the President and his representatives, the Panels would begin work on detailed reports to be submitted in mid-November 1980.

The initial use of the word Agenda rather than Goals or Program is deliberate, to avoid any implication that a Presidential Commission thinks it can "plan" the ten-year future of the country.
The final reports in mid-November 1980 are, however, expected to contain specific policy recommendations and where appropriate (e.g., inflation rate, productivity rate of increase) specific targets.

The choice of a ten-year frame, rather than, say, five, fits the popular sense that a decade has a certain unity, and that the start of a new decade is a time of fresh beginnings.

The Panels would consist of 10 to 15 members each. The President wants to appoint men and women of outstanding experience and competence in all the fields under study. The Panels should reflect some balance by age, sex, geography, ethnic background, but the final criterion is ability to contribute important insights to the problems at hand.

Appointments would be entirely non-partisan in character. The non-partisan nature of the Commission is further underlined by the mid-November reporting date and by giving the studies a ten-year dimension rather than a shorter time-span which would fall entirely within the next Presidential term. Membership of the Commission would be announced and its reports made public (unlike those of the Lyndon Johnson task forces, which were treated as private reports to the President). The President would stress his hope that the studies would be of value to the U.S. Government (at least two Presidential Administrations) throughout the 1980's, and above all to the American people.

* * * * *

This project arises out of a conviction that America is not itself when it lacks faith in the future and lacks a vision of the future.
The President has gone so far as to say the country is suffering a "crisis of confidence." Others have spoken of a "national malaise" or even "national despair."

I myself think these characterizations are somewhat overdrawn, but there is no doubt that over the past 15 years something has changed in the national spirit, and the change is for the worse. The country rebounded well from Viet Nam and Watergate in many ways, but there are still residues of mistrust of institutions, including, perhaps especially, the Presidency. The energy experience of the past half dozen years has been deeply unsettling to long-standing American habits and assumptions. The vicious rate of inflation can hardly fail to shake individual confidence in the future, and at the same time weakens the moral fibre of the country by encouraging waste and undermining many forms of contract.

Over the past 15 years we have also seen a decline in the relative strength of America in the world, not the fault of this Administration or any other but an inevitable historical development. Americans who came to maturity in the early post World War II years of overwhelming U.S. dominance, military and economic, feel we are being "pushed around." And it feels worse when the pushing-around also has painful consequences for the U.S. standard of living, as in the overthrow of the Shah.

Out of these factors, then, and doubtless others—many years of affluence; growth in the highly educated class (sophisticated, hard-to-please); the growing tension between egalitarianism and excellence; the disappointing or perverse consequences of many well-meant "reforms"—come the present currents of skepticism and irritability.

*       *       *       *       *
The General Panel would address itself to the present national mood and to the very broad question of how some sense of common purpose and optimism might be restored. The Panel might conclude that the national mood will take care of itself if the specific problems of inflation, energy, productivity, etc., can be successfully dealt with. Or it might conclude that in addition to these crucial specifics, there is also a larger need that must be addressed. Here it might attempt to define a role for Presidential leadership, governmental leadership at all levels, and the many private centers of leadership in holding out a vision (and visions) as to where the nation could be going.
PRELIMINARY TIMETABLE FOR IMPLEMENTING TASK FORCE PROJECT

September 24, 1979
Discussion at Cabinet meeting.

September 21-26
Selection of Chairperson and a core group to serve as the initial steering committee.

September 26-27
Initial Presidential announcement; backgrounder for the press by Hedley Donovan and Jody Powell.

Week of October 1
--Initial organization meeting; brief visit with the President with selected press coverage.
--Designate chairperson for all key task forces and core steering groups for each.
--Set up secretariat; complete legal, logistical and administrative arrangements for operations.

Week of October 8
--Begin regular work schedule with initial meetings on substance.
--Prepare detailed plans with task force chairpersons.

December 15
Deadline for Phase I reports recommending (a) an Agenda for the Eighties, (b) relative priorities, and (c) approaches for obtaining solutions.
Rick Hertzberg

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

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT
JORDAN
CUTLER
DONOVAN
EIZENSTAT
MCDONALD
MOORE
POWELL
WATSON
WEDDINGTON
WEXLER
BRZEZINSKI
MCINTYRE
SCHULTZE

MILLER
VANCE

BUTLER
CAMPBELL
H. CARTER
CLOUGH
CRUIKSHANK
FIRST LADY
FRANCIS
HARDEN
HERTZBERG
HUTCHESON
KAHN
LINDER
MARTIN
MILLER
MOE
PETEISON
PRESS
SANDERS
SPETH
STRAUSS
TORRES
VOORDE
WISE
1. **Inflation**

A Schematic View of our Short and Long Run Inflation Problems

### I. "Old underlying inflation rate (1977)

- plus: "bulge" due to energy, housing, and food,

Equals: Current Rate

### II. Current Rate

- less: bulge
- plus: slowdown in productivity growth
- acceleration in wage increases

Equals: New Underlying Rate

(plus: any new "bad breaks")

### III. Short Run Objective:

To isolate the temporary bulge in inflation; to prevent it from generating a large acceleration of wage and other price increases which would thereby raise the underlying rate. (To date we have been largely successful at this task, despite the public perception that our anti-inflation program is in tatters.)

### IV. Long Run Objectives:

#### A. To reduce the new long-term underlying inflation rate

(i) By increasing productivity growth

(ii) By reducing the inflationary impact of government actions (e.g. regulatory reform)

(iii) By decelerating the rate of wage increase

(Actions to achieve (i) and (ii), even when successful pay off only very gradually, usually imperceptibly, and over a long period. We don't have very good tools to achieve objective (iii) in the context of a prosperous economy.)

#### B. To reduce the chances of "bad breaks"

(i) Long-term progress to reduce our vulnerability to sudden OPEC imposed price rises

(ii) Grain reserve and storage programs to smooth out severe fluctuation in grain prices

( Programs of this kind can -- when finally in place -- moderate somewhat the impacts of bad breaks. But they can't really eliminate them.)
The Combined Economic Effect of the OPEC Oil "Tax" and Fiscal Drag, Over the Next Two Years

I. THE OIL "TAX" WILL REDUCE CONSUMER PURCHASING POWER AND DEPRESS ECONOMIC GROWTH

- OPEC price increases and crude oil decontrol transfer revenues from consumers and other oil users to OPEC and to the oil companies.

- This reduction in purchasing power depresses sales, output and employment in consumer goods industries.

- Over the near-term future, the reduced output of consumption goods is only partially offset by increased exports to OPEC and higher investment by oil companies.

- On a net basis, therefore, national output and employment are depressed.

<table>
<thead>
<tr>
<th>From 4Q 1978 to:</th>
<th>Drain on consumer purchasing power (billions of dollars; annual rate)</th>
<th>Additional less: exports and investment</th>
<th>equals: Net amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q, 1979</td>
<td>$388</td>
<td>5</td>
<td>$338</td>
</tr>
<tr>
<td>4Q, 1980</td>
<td>56</td>
<td>12</td>
<td>44</td>
</tr>
<tr>
<td>4Q, 1981</td>
<td>76</td>
<td>22</td>
<td>54</td>
</tr>
</tbody>
</table>
II. FISCAL DRAG:

- We are restraining expenditures so that they grow more slowly than GNP. (Expenditures/GNP: 1979, 21.4%; 1981, 20.8%)

- At current statutory tax rates, and with inflation at a high rate, tax revenues rise much faster than GNP -- average effective tax rates increase. (Revenues/GNP: 1979, 20.2%; 1981, 21.1%)

- Therefore, in a stable economy (the unemployment rate remains constant at 6%), revenues would tend to rise substantially faster than expenditures.

- The net effect is to reduce the potential growth of after-tax income, and create a drag on the growth of output and employment.

Table 2

Fiscal Drag
(billions of dollars; annual rates)

<table>
<thead>
<tr>
<th>From 4Q 1978 to</th>
<th>Growth in revenues 1/ 2/</th>
<th>Growth in expenditures 1/</th>
<th>Net fiscal drag</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q, 1979</td>
<td>63</td>
<td>51</td>
<td>$ 12 8</td>
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<tr>
<td>4Q, 1980</td>
<td>128</td>
<td>106</td>
<td>22</td>
</tr>
<tr>
<td>4Q, 1981</td>
<td>209</td>
<td>160</td>
<td>49</td>
</tr>
</tbody>
</table>

1/ Excludes windfall profits tax and other receipts related to oil price increases; these are included in the first table as part of the oil "tax."

2/ Estimated on the assumption of a constant 6% unemployment rate.
III. OVER THE NEXT TWO YEARS THE COMBINED MAGNITUDE OF THE OIL "TAX" AND THE FISCAL DRAG IS VERY LARGE.

Table 3

<table>
<thead>
<tr>
<th>From 4Q 1978 to:</th>
<th>Net amount of oil tax (from Table 2)</th>
<th>Fiscal drag (from Table 2)</th>
<th>Combined impact $ of GNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>4Q, 1979</td>
<td>33</td>
<td>12</td>
<td>45</td>
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<tr>
<td>4Q, 1980</td>
<td>44</td>
<td>22</td>
<td>66</td>
</tr>
<tr>
<td>4Q, 1981</td>
<td>54</td>
<td>49</td>
<td>103</td>
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</table>

Under current inflationary circumstances, some depressing force on the growth of national spending and economic activity has been desirable; if the oil tax had not been imposed by OPEC, we would have welcomed the fiscal drag, certainly through 1980.

But the combined effect of the oil tax and fiscal drag, steadily increasing over the next two years, might well lead, if not corrected -- not so much to a deep recession -- but to a recession that is followed by a weak recovery and a long period of very low growth and high unemployment.
THE WHITE HOUSE
WASHINGTON
24 Sep 79

Sarah Weddington

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

Rick Hutcheson

Tim Kraft
THE WHITE HOUSE
WASHINGTON

9/24/79

rick --

in 'out box'

f.y.i. -- 'lh' means "will help"

--ssc
Phil Wise

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

Rick Hutcheson
<table>
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<tr>
<th>VICE PRESIDENT</th>
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<td>WISE</td>
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To The President:

Jack Stephens has asked Phil Wise for an appointment to see you. I would hope you will be able to see him—maybe we can have lunch with him.

Thanks

Bert Lance

(8-14-75)

(If he still wants it)
The Vice President
Hedley Donovan

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

Rick Hutcheson

Al McDonald
POSSIBILITIES FOR CHAIRMAN OF A NATIONAL GOALS COMMISSION

William Scranton

University Presidents:
William Friday (N.C.)
Steven Muller (Johns Hopkins)
Robben Fleming (Michigan)
William McGill (Columbia)

Bruce MacLaury
Sol Linowitz
POSSIBLE MEMBERS OF A NATIONAL GOALS COMMISSION

John Gardner (has agreed to serve)
Frank Pace
Phil Geyelin (recently fired Editor of the Post editorial page and author)
Lewis Thomas (molecular biologist)
William Bowen (president, Princeton)
Carl Holman (president, National Urban Coalition)
Irving Shapiro
John Chancellor
Lane Kirkland
Ruth Winfel (L.O.W.)
Mac Bundy (recently retired President of Ford Foundation, now N.Y.U. professor)
Glen Watts
Thomas Sowell (USC economist, black)
Msgr. Francis Lally (Secretary, Department of Social Development and World Peace, U.S. Catholic Conference)
Bill Moyers
Hannah Gray (president, University of Chicago)
Dan Bell

Oh, so far—Need more youth, originality, women, minorities.
MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON

SUBJECT: Status of Presidential Requests

THE FIRST LADY:

1. (9/11) The President would like you to set up a dinner with Billy Graham -- In Progress, (Phil is arranging for a mutually convenient time).

2. (9/13) The President would like to know if Leontyne Price should sing the Lord's prayer when the Pope is here -- Done, (the First Lady has spoken with you about this).

SECRETARY LANDRIEU:

1. (9/10) The President wants you to monitor closely the spending of the $4.6 million grant for the wastewater treatment facility in Soul City, North Carolina -- Done, (the Secretary has informed New Communities Development Corporation to continue to monitor the spending of the grant money).

SECRETARY DUNCAN:

1. (9/13) The letter from Barrett Shelton mirrors the interest shown by the Alabama senators in gasahol. The President would like for you to respond to Barrett Shelton's letter -- Done.

LIPSHUTZ:

1. (9/6) The President would like you, Jody, Frank, Sarah and Tim to coordinate the announcement on clemency for the four Puerto Rican nationalists -- Done.
KAHN:

1. (9/6) The President would like you to abbreviate and send to Members of Congress your speech on reducing government regulation -- Done.

WATSON:

1. (8/16) The President wants a breakdown by agency of their minority procurement performance -- Done.

EIZENSTAT:

1. (9/4) (and Secretary Duncan) Set up an early and small meeting to discuss items contained in Secretary Schlesinger's memo on "unfinished business" -- Stu and Secretary Duncan no longer feel that a meeting is necessary.
THE WHITE HOUSE
WASHINGTON
24 Sep 79

Frank Moore

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

Rick Hutcheson

The Vice President
Hamilton Jordan
Stu Eizenstat
Jack Watson

Al MeDonald

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THE WHITE HOUSE
WASHINGTON
September 22, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT
FROM: FRANK MOORE
SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Energy

We had a good week on Energy, although the EMB, budget and rationing victories received little press attention. All of our energy units are working to develop press strategies to try to improve that situation.

EMB

In the Senate, the Committee-reported bill will go to the floor as a separate bill somewhere in the neighborhood of October 1. There are likely to be floor amendments giving the Board substantive override authority and altering federal water law in the West. We oppose the former and are studying the latter.

In the House, Dingell and Udall continue to attempt a compromise on their differing versions of the EMB.

ESC/Synthetic Fuels

The Senate Energy Committee begins work on the synthetic fuels bill on Monday. We are still in a strong position. Senator Hart's Budget Committee Task Force has completed its work and its report is likely to suggest your program goes too far, too fast. We do not believe Hart will try to get the Energy Committee to adopt any weakening amendments, but he is sure to try on the floor.

In the House, Dingell has held one day of hearings on the synthetic fuels program. Most of the witnesses were unfriendly. We believe Dingell will try to increase his influence over the synthetic fuels bill which will put him in direct opposition with the Majority Leader.
Windfall Profits

The Finance Committee continues its markup at a slow pace, working about two hours each day on the windfall profits bill. A glimmer of hope was evidenced when the Committee agreed to a proposal to hold hearings on the issue.

Surprisingly the Committee defeated 8-11, a $3 oil shale tax credit.

On Tuesday, the Committee adopted a Danforth Alternative Energy Production Tax Credit of $3 for the production of a unit of energy equivalent to the energy content of a barrel of oil. The credit, applicable to facilities placed in service after April 20, 1977, would apply to energy produced from any source except oil, gas, unprocessed wood, coal or hydro above 25 megawatt capacity. Thus it applies to such things as oil shale, geothermal, biomass, geopressurized brine, gasohol, processed wood.

On Wednesday, the Committee again bypassed windfall tax issues and concentrated on tax credits, adopting various portions of a Packwood proposal sponsored by 14 Finance Committee members. The most costly provision passed by the Committee would raise the credit to 50% of expenditures up to $10,000. Currently, the credit is 30% of the first $2,000 and 20% of the next $8,000.

It is expected that Packwood will continue to dominate the discussion in upcoming sessions as he raises individual conservation credits. Senator Chafee is expected to bring up his woodburning stove and furnace credit this week. Senator Bradley will discuss his conservation measures.

Most observers expect that the markup will go on well into October.

In a related matter, the Senate on Wednesday, defeated by 64-35 an attempt by Senator Nancy Kassebaum (R-Kan.) to knock out of the Second Budget Resolution the entire estimated revenue pickup from the windfall profits bill. She reasoned that the Finance Committee would spend any windfall tax revenues for energy production and conservation tax credits.

Home Heating Oil

Wednesday the House Democratic Caucus agreed by voice vote to a policy resolution urging the reestablishment of Federal price controls and allocations for home heating oil. Congressman Peter Kostmayer (D-Pa.), author of the proposal, indicated
3. Appropriations

Schedule

Monday - Senate Appropriations Interior Subcommittee
Continuation of synfuels hearings

Tuesday - House floor action on the Continuing Resolution
(Senate full committee mark-up will follow
House floor action)

Wednesday - Senate Appropriations Interior Subcommittee
mark-up (TENTATIVE)

Continuing Resolution

As you know, the House defeated the continuing resolution
by votes of 191-219 and 196-212 last week. House Members were
not willing to agree, by roll call vote, to raise their pay.
They will try again on Tuesday. CRBR language remains in the
resolution.

Transportation

The House completed action on this bill on Tuesday.

Present Status:

(in millions of dollars)

<table>
<thead>
<tr>
<th>Program Level</th>
<th>Budget Authority</th>
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<tr>
<td>Request....</td>
<td>19,449</td>
</tr>
<tr>
<td>Changes not affecting</td>
<td></td>
</tr>
<tr>
<td>1980 programs...</td>
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</tr>
<tr>
<td>Policy changes...</td>
<td>+1,231</td>
</tr>
<tr>
<td>Federal-aid</td>
<td></td>
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<tr>
<td>highways.......</td>
<td>(+500)</td>
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<td>Loan guarantees for</td>
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<tr>
<td>commercial</td>
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<td>aircraft...........</td>
<td>(+400)</td>
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<td>Highway-related</td>
<td></td>
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<tr>
<td>programs..........</td>
<td>(+136)</td>
</tr>
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(continued)
Because of the large increases added on the House floor, OMB will carefully monitor the future progress of this bill.

Defense

This bill was reported by House full committee Thursday.

Present Status:

<table>
<thead>
<tr>
<th>Budget Authority ($ in millions)</th>
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<tr>
<td>Request..........................</td>
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<tr>
<td>Policy changes..........................</td>
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<td>Military personnel..........................</td>
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<td>Research and development..........................</td>
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<td>Other........................................</td>
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<td>Congressional level................</td>
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This bill provides for the following major changes to our request:

-- It includes $2.1 billion for a CVN nuclear powered aircraft carrier in lieu of the $1.6 billion we requested to fund the CVV attack aircraft carrier. No

*Does not include an additional $106 million allowed for proceeds from foreign sales and $324.4 million in transfer authority provided in lieu of appropriations.
committee debate on this issue took place, although the House report indicated several subcommittee Members opposed the move as putting too many resources "in one vulnerable package."

-- $2.14 billion of your request for an additional $2.7 billion in Defense BA was approved by the committee.

-- The $216.8 million request for production of M60A3 tanks was deleted and replaced with $60 million for 251 additional M60A3 tank modifications.

4. Hospital Cost Containment & National Health

Senate

In a conversation with Secretary Harris, Stu, and Dan Tate, Senator Long again confirmed his support for the Nelson HCC amendment. Long also said he is prepared to renew his efforts to gain Senate approval of a NHP this year.

House

Since our report to you on Thursday the Speaker has granted the Committee a one week extension of the deadline for reporting the bill.

5. Department of Education

The conference committee report has been filed in the House and Senate, and we anticipate Senate action Tuesday. We face the possibility in the Senate of either a filibuster or a motion to send the conferees back to accept the House version of the prayer language.

In the House the vote count is very close with few undecideds.

Should you decide to veto the Public Works bill, we will have to consider asking that the Education bill be pulled off the House calendar. It is very likely that Members would take out their anger over such a veto on this bill.

We will probably ask you to make a few phone calls to House leadership early in the week. Their support is absolutely essential this time.
6. **Public Works/Economic Development Legislation**

At our request, the Speaker met with Congressmen Bob Roe and Bill Moorhead to go over their lack of progress. Roe currently is engaging in a vendetta to strip the Banking Committee of any claim of jurisdiction over the Public Works/Economic Development bill. The Speaker may have to lean more heavily on Roe next week to get him to agree to keep the legislation moving to the Rules Committee by the end of next week.

7. **Debt Limit**

On Thursday the House by a vote of 200 to 215 rejected the extension of the Public Debt Limit. It will come up again this week.
II. FOREIGN POLICY ISSUES

1. Panama Implementing Legislation

After rejecting the conference report, the House immediately voted to appoint a new conference committee. The Senate appointed conferees on Friday, and a new conference is scheduled for Monday. We will ask the leadership to give us a rule on Monday and to bring the bill up in the Senate and House on Wednesday assuming there are no snags in the conference. We have drafted language that does not violate the Treaty but "strengthens" the bill in the eyes of some House members. We will work with Stennis and Murphy over the weekend to gain their acceptance of the language.

We have analyzed Thursday's vote; it is clear that the Republican defections led by John Rhodes account for our loss. Seventeen (17) Members who voted for the implementing legislation 3 months ago switched and opposed the conference report. Of the 17, 13 were Republicans and 4 were Democrats. Additionally, of the 39 Members who did not vote 22 supported the legislation while 14 opposed. However, even if all the absentees had voted we still would have lost 217-214, because of the large Republican defection. Key Republicans, including Howard Baker, have told us that Cuba was the cause of the switch, but clearly partisan politics played a major role.

As you requested we have sent Hamilton a detailed strategy memo.

2. Rhodesian Sanctions

The conference on the Defense Authorization bill will take up the Rhodesian sanctions issue on Tuesday. Between now and then, DOD and State will talk to each conferee in an effort to have the Byrd Amendment language, now in the Senate version of the bill, deleted in its entirety. Our approach will be to explain why a Rhodesian sanctions amendment is unnecessary, given the provisions of the FY 80 State Department Authorization bill, and why such language would be unwise in the light of the current delicate negotiations underway in London. If these arguments fall on deaf ears -- and this may happen given the negative voting record of most conferees on the Rhodesian issue -- an effort will have to be mounted on the House floor either to challenge the germaneness of that portion of the legislation or to send it back to conference. Congressman Steve Solarz and his House African Subcommittee have pledged to organize such a fight on the House floor, which they believe can be won.
3. **Security Assistance -- Turkish Aid Levels**

A compromise between Senate and House conferees on the form of assistance to Turkey for FY 80 should emerge in the next few days. Both bodies now seem to have accepted a level of assistance for Turkey of $350 million for FY 80, of which $250 million would be for military equipment and about $100 million for economic support. Both bodies have also now agreed that none of the $350 million should be in the form of grant military aid or grant excess defense articles. The House side is insisting that only $50 million of the $250 million in military credits should be on liberalized terms and only $50 million should be in grant economic aid. The Senate wants to be more generous with Turkey in both categories. If agreement can be reached before the weekend, Senate and House conferees will meet next week to complete action on the FY 80 Security Assistance bill.

4. **Morocco**

The SFRC met in executive session to offer its advice to the Administration on arms sales policy toward Morocco. The Senate Committee supports a modest increase in arms sales which puts it in direct opposition to the House Foreign Affairs Committee effort led by Steve Solarz who opposes any change in policy. We anticipate that the first weapons system sale notified to the Congress for approval will draw criticism from Solarz, but probably not sufficient interest from the rest of the Congress to lead to a serious challenge, so long as any such sale to Morocco is modest.

5. **Nomination of Robert Krueger**

The SFRC postponed action last Monday on the nomination of Robert Krueger and requested an appearance by Warren Christopher on Monday. This second round of testimony will focus on the Administration's justification for the position of Special-Ambassador/Coordinator. During the past week, in tandem with the State Department we have been recontacting members to explain the need for this position and its importance in future U.S.-Mexican relations. Senators Percy and Javits have apparently responded favorably; Senator Glenn is still undecided and could be the swing vote.

6. **DOD FY 80 Authorization Bill**

The conferees met Thursday and we understand that there was considerable discussion on the nuclear carrier (CVN) issue. Almost all of the comments were favorable on the CVN. But, no decision or position on the CVN was reached.
7. **Export Administration Act**

House floor consideration is expected to resume Tuesday with conference immediately following House passage. A conference report must be filed no later than Wednesday to permit compliance with House rules and get House passage by Friday. Authority expires at the end of the fiscal year.

Congressman Miller of Ohio will offer an amendment requiring you to deny future exports of any item under national security controls if it could contribute to a particular military use whenever there is reliable evidence that a previous export of the item was used for the same military purpose. He will argue that the amendment is designed to prevent future "Kama Rivers".

Congressman Symms may offer a troublesome amendment. It would permit a Congressional veto of a Presidential decision to override a licensing recommendation of the Secretary of Defense.
House Schedule for Week of September 24

House convenes at noon on Monday.

Monday

HR 3939 D.C. Retirement Reform Act
HR 2795 International Travel Act Authorizations
HR 3642 Emergency Medical Services Reauthorizations

Suspensions

Tuesday

HJ Res.    Continuing Appropriations for FY 80
HR 4034    Export Administration Act Amendments of 1979
HR 2795    International Travel Act Authorizations
HR 3642    Emergency Medical Services Reauthorizations

Wednesday–Thursday–Friday

H Con. Res.  Second Budget Resolution, FY 80
HR         Public Debt Limitation
S 832      F.E.C. Amendments
HR 5359    Defense Appropriations, FY 80
HR 3000    DOE Authorizations, FY 80
HR 3180    DOE Authorizations, FY 79
HR 2859    Domestic Volunteer Service Act Amendments
HR 2061    LEAA Reauthorizations
HR 3303    Justice Department Authorizations, FY 80
For God's sake, Mr. President,
call in Milton Friedman and let
him show you how to make the
American miracle work once again.
THE WHITE HOUSE
WASHINGTON
September 22, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN

SUBJECT: Swearing In Ceremony for Donald McHenry
Sunday, September 23, 1979 2:00 pm East Room

Holding the Bible for Donald McHenry will be his sister, Charlotte Randolph. Judge Barrington Parker will administer the oath.

A number of family members, including his three children, Michael, Christina, and Elizabeth, and his brother Jerry will be seated in the front row. Also in front will be Ambassador and Mrs. Andrew Young, Secretaries Vance, Bergland, Harris, Ambassador Strauss, and other Cabinet members and Congressional guests. Under Secretary-General Brian Urquhart of the United Nations will be present.

You will be able to greet family and special guests who will be assembled in the Red Room prior to the ceremony. You will make the opening remarks. Talking points will be furnished by the speechwriters. After the oath is administered, Ambassador McHenry will make brief remarks.

We hope to have around 300 attending the ceremony and the brief reception which follows.

**McHenry's two daughters, Christina and Elizabeth, will hold the Bible. His sister will be in the audience, as will Ambassador McHenry's parents.
THE WHITE HOUSE
WASHINGTON

September 22, 1979

MEMORANDUM FOR THE PRESIDENT
From: Rick Hertzberg Rick
Subject: McHenry swearing-in -- talking points

1. Many Americans first became aware of Donald McHenry about a month ago, during the controversy that followed the defection of the Soviet ballet dancer Alexander Godunov. Ambassador McHenry was the man on the scene at Kennedy Airport. During those tense days, he showed toughness, coolness under fire, negotiating skills, and an ability to go head-to-head with Soviet counterparts.

2. Those of us who have worked with Don McHenry since the beginning of this Administration were already familiar with those qualities of his, as well as some other ones -- compassion, a commitment to justice and human rights, and a patriotic dedication to the principles for which this country stands.

3. Don McHenry is a veteran of a decade in the Foreign Service. He is a career diplomat -- a foreign policy professional. I happen to believe that our national interest is best served by a creative mix of career and non-career officials in important Ambassadorial posts. The Foreign Service is a tremendous pool of experience and talent -- and Don McHenry is one of the best.

4. On top of his other broad foreign policy experience, Don McHenry has the expertise he has gained in his two and a half years as Andrew Young's principal associate at the United States Mission to the United Nations. He has served -- and served well as Deputy United States Representative to the Security Council, with the rank of Ambassador.

He knows the UN intimately -- the issues, the procedures, and the personalities. More than 100 nations are represented at the UN, each with its own ambassador -- in addition to the large and complex UN bureaucracy itself. Don McHenry starts his new post with more knowledge of it than any of
his predecessors. He will hit the ground running -- and this is especially important because of the urgency of the issues the UN faces this session.

5. In swearing in Donald McHenry as United States Ambassador to the United Nations, I am sending several messages.

I am sending the message that the United States is determined to continue the process of building bridges to the developing world -- a process that Andrew Young did so much to set in motion.

I am sending the message that the United States remains firmly opposed to apartheid and racial injustice in Southern Africa. Don McHenry's personal involvement in this issue as an American diplomat has long been a matter of record.

And I am sending the message that the United States remains committed to working through the United Nations for a more peaceful world. It is certainly true that in political debates, many UN members have taken positions that are repugnant to us -- in particular, the application of a highly offensive double standard in judging the behavior of Israel and those who would destroy Israel. We will continue to resist that double standard. We will continue to build on the Camp David accords and the Egyptian-Israeli peace treaty toward the goal of a comprehensive settlement in the Middle East, both within the UN and outside it. And we will continue to support the humanitarian work of the United Nations.
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THE WHITE HOUSE
WASHINGTON

September 21, 1979

MEMORANDUM TO: PRESIDENT AND MRS. CARTER
FROM: GRETCHEN POSTON

SUBJECT: CONGRESSIONAL ENTERTAINMENT, SUNDAY, SEPTEMBER 23, 6:45 P.M.

6:30 P.M. Gates open.

Guests arrive via East gate and proceed to South Lawn through First Ladies' Garden.

Full marine band plays on balcony.

6:45 P.M. Aperitifs and hors d'oeuvres served for 15 minutes.

7:00 P.M. Buffet line begins.

THE PRESIDENT and MRS. CARTER arrive South Lawn via Diplomatic Reception Room. They float along buffet line and among tables greeting guests.

8:00 P.M. THE PRESIDENT AND MRS. CARTER as escorted to stage. THE PRESIDENT makes Remarks. Following Remarks, THE PRESIDENT AND MRS. CARTER are escorted to reserved table.*

*There will be three principal tables:
1. Speaker and Mrs. O'Neill plus random guests.
2. THE PRESIDENT and MRS. CARTER plus pre-assigned guests.

The rest will be random seating.

Program begins.

9:00 P.M. Program ends.

THE PRESIDENT and MRS. CARTER depart South Lawn via Diplomatic Reception Room.

Guests depart.

Electrostatic Copy Made for Preservation Purposes
THE WHITE HOUSE
WASHINGTON

September 23, 1979

MEMORANDUM FOR THE PRESIDENT
FROM: GORDON STEWART
SUBJECT: Congressional Evening, 9/23/79

TALKING POINTS

1. I am truly pleased so many members of both Houses of Congress could be here tonight -- in fact I think it's the first majority I've had in a long time. It's certainly the biggest since the Camp David accords -- which, by the way, was an easier majority to get.

2. I also want to reassure you that each and every one of you is equally welcome here tonight -- regardless of which way you have been voting.

3. Absolutely no one is being singled out for rewards or punishments tonight -- of course some of you might find you have an easier time getting 'seconds.'

4. But let me assure you that is purely coincidental -- we won't have the Oval Office computer hooked up to the kitchen for another week.

5. So in the meantime let us enjoy this evening of harmony and humor together. Music and comedy have always been universal languages, but it took Broadway to put them together and create a new one -- called musical comedy.

6. Today, while our country's great works of musical comedy are understood around the world, they remain as much native American art forms as Congress and the White House.

7. Tonight, it is both fitting and fun that we should celebrate together our common heritage in our common language.

8. We are indeed fortunate to have with us tonight such talented Broadway performers [as Lucie Arnaz, Marvin Hamlisch, and Robert Klein].
9. Because we have had many great musical evenings at the White House -- gospel, black music, country, classical, folk, popular -- but of all of them let me assure you that congressional music is the hardest to make -- and the sweetest to hear.

10. On behalf of Rosalynn and myself, the warmest of welcomes to you all.

# # #
THE WHITE HOUSE
WASHINGTON

September 22, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON

SUBJECT: Swearing In Ceremony for Neil Goldschmidt, Secretary of DOT
          Moon Landrieu, Secretary of HUD
          Monday, September 24, 1979
          10:30 a.m. The Rose Garden

About six hundred guests will attend the joint ceremony for Neil Goldschmidt and Moon Landrieu. Most of them are friends and family from Portland and New Orleans, but there are also many mayors and interest groups represented.

This is an excellent opportunity to make a statement about your urban program, and talking points to that effect are attached.

Standing with you on the steps will be:

Neil Goldschmidt
Margaret Goldschmidt
Judge Irving Steinbock

Moon Landrieu
Verna Landrieu
Judge Pascal Calogero

Standing behind you on the steps will be the nine Landrieu children and the two Goldschmidt children. Moon Landrieu's mother will be seated in front of the crowd. All of these will congregate in the Cabinet Room before the ceremony if you would like to meet them then.

Several Cabinet members and Members of Congress will stand up front in the crowd.

After your remarks, each oath will be administered separately. After both oaths are administered, you could call on each one for remarks; they are prepared if you decide to do so.

A reception will follow the ceremony, and special tours have been arranged for the out of town guests.
Members of Congress Attending Swearing In Ceremony

Congressmen:

Les Aucoin (D-OR)
Mario Biaggi (D-NY)
Lindy Boggs (D-LA)
Edward Boland (D-MA)
John Breaux (D-LA)
Cardiss Collins (D-IL)
Larry Coughlin (R-PA)
Robert Duncan (D-OR)
Don Edwards (D-CA)
James Florio (D-NJ)
Don Fuqua (D-FL)
Robert Garcia (D-NY)
Robert Giaimo (D-CT)
Tom Harkin (D-IA)
William Harsha (R-OH)
James Howard (D-NJ)
Jerry Huckaby (D-LA)
Harold Johnson (D-CA)
Claude Leach (D-LA)
Robert Livingston (R-LA)
Gillis Long (D-LA)
Norm Mineta (D-CA)
John Murphy (D-NY)
Henry Reuss (D-WI)
Jim Scheuer (D-NY)
Harley Staggers (D-WV)
William Stanton (R-OH)
Al Ullman (D-OR)
James Weaver (D-OR)

Senators:

Howard Cannon (D-NV)
Mark Hatfield (R-OR)
Edward Kennedy (D-MA)
Bob Packwood (R-OR)
Robert Stafford (R-VT)
Harrison Williams (D-NJ)
Mayors Attending the Swearing In Ceremony

Mayor Richard Carver of Peoria, Illinois
Mayor John Hutchinson of Charleston, West Virginia
Mayor John Rousakis of Savannah
Mayor Coleman Young of Detroit
Mayor Lee Alexander of Syracuse
Mayor Marion Barry of D.C.
Honorable Abe Beame of New York
Mayor Richard Hatcher of Gary
Mayor Maynard Jackson of Atlanta
Mayor Ed Koch of New York City
Mayor William McNichols of Denver
Mayor Tom Moody of Columbus
Mayor Ernest Morial of New Orleans
CouncilWoman Jessie Rattley of Newport News, VA
THE WHITE HOUSE
WASHINGTON

September 21, 1979

MEMORANDUM TO THE PRESIDENT

From: Rick Hertzberg
Achsah Nesmith

Subject: Swearing-In of Secretaries Goldschmidt and Landrieu, 9/24/79

1. This is a happy day for me. We are fortunate to have two men with such distinguished records as mayors and such broad understanding of the problems that face our nation to head the key departments of Housing and Urban Development and Transportation. Their experience gives them valuable insights into the inter-relationships of various levels of government and government activities, and how those activities affect people's lives.

2. They come from vastly different cities, yet they share a commitment to strong personal values and to making the communities of our nation, both large and small, vibrant, liveable places. They are aware of the tremendous capital investment we have in our cities -- the buildings, roads, sewers -- but also of the great personal investment people have and want to have in their communities.

3. Both of these men understand that there is no one set of solutions that will work in every city or even in every corner of any city. They know from experience the importance of cooperation between the multiplicity of governments involved in decisions regarding transportation, housing and economic development, and how decisions in all those areas must fit together.

4. We have seen in the past what lack of overall vision and policy in areas such as energy and transportation have done to housing, economic development and the sense of community in neighborhoods. Over the past two-and-one-half years this Administration has sought not only to give order but long-term direction to government actions.
To do that programs and agencies meant to help must not work in a vacuum or at cross purposes, but toward common goals. We have used government action as a spur to private activities that are in the longterm best interests of their communities.

**GOLDSCHMIDT**

Neil Goldschmidt knows that transportation is not just a means of getting across town, but also across the vast expanses of our nation. He has already shown his awareness of the close link between transportation and economic well-being. In Portland he did not shrink from hard choices, but he made sure the public understood what was at stake and what they were being asked to do. He involved the people of Portland at every stage of decisions that would affect their lives and the destiny of their city.

He knows that transportation can either be the lifeblood of a community -- nourishing economic development, jobs, housing and recreational activities -- or it can chop communities into warring sections and cut them off from needed services and opportunities, draining them of vitality.

**LANDRIEU**

Moon Landrieu has shown his ability to preserve and build on what is in a community. He took over a very old and beautiful city with a rich tradition and cultural heritage, but not an equally rich budget. He was able to revitalize existing areas and structures, because he sensitively built on existing human resources, recognizing the needs and concerns and aspirations of the people involved.

He opened up city employment to minorities at all levels. Despite his lifelong ties to a very southern city, he quickly came to the defense of New York City in its distress because he realized that we cannot hold out for selfish parochial interests while our neighbors -- whether next door or across the country -- go under.
Anne Wexler
The attached was returned in the President's outbox. It is forwarded to you for your information.

Rick Hutcheson
MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER

SUBJECT: Activities Report -- Week ending September 21, 1979

1. Energy

Following up on the meeting with the Business Roundtable Energy Task Force, the Washington representatives of the companies will be asked to communicate to the Energy Committee and the rest of the Senate the broad business support for the Corporation.

Last week representatives of the Speakers Program briefed the political appointees out in the Federal regions. We want them to emphasize the energy program in the forums to which they regularly speak. The lack of knowledge about the energy program among our own appointees was surprising. We will work with Jack Watson to correct this. The agencies need to do a better job at keeping our key regional officials informed of our accomplishments and the status of our priorities. The Speakers Program is now averaging 15 energy speeches a week in targeted areas and will raise this soon to 25.

On the Windfall Profits Tax, the first (of what should be a series of East Room briefings) will be for the hundred members of the National Coalition being formed by Governor Byrne. This briefing will be carefully scheduled for maximum publicity and to get the Coalition members up on the Hill giving visibility to the broad support for the Windfall Profits Tax. I hope you will stress the tax in your remarks to the Jaycees on Monday.

2. Panama Canal Treaty

Last week we did have several lobbyists from the business community and labor working for us. They have now been assigned specific Members to see on a one-to-one basis. Their daily reports are coordinated with Frank's office.

3. Trade Reorganization

We are working with Commerce on endorsements and briefings in connection with the announcement of our proposals.
MEMORANDUM FOR THE PRESIDENT AND FIRST LADY

FROM: HAMILTON JORDAN

SUBJECT: LUNCHEON GUESTS FOR TODAY, SEPTEMBER 24, 1979

GLENN WATTS AND WIFE BERNICE (pronounced bur niss)
President, Communications Workers of America

-- one of the seven labor leaders who announced his support for your re-election. Loretta Bowen, his political director is extremely active in Labor for Carter/Mondale activities

-- Glenn is a native southerner (North Carolina) but has lived in the District since he was 10 years old; Bernice is a native Washingtonian. They have 3 children and several grandchildren.

-- when you spoke to the CWA Convention in July, Glenn presented you with a replica of the liberty bell (one of four commissioned by the CWA with the Whitechapel Bell Foundry in London, the same factory which made the original for the Providence of Pennsylvania in 1753). He plans to bring the bell with him, not for a formal presentation, but simply to personally deliver to you.

HOWARD SAMUELS AND WIFE LOULETTE
Howard Samuels Enterprises
New York City

-- still very supportive of you in fundraising efforts and otherwise, but he has been feeling neglected and needs a boost.
Ben Hooks and Wife Frances
Executive Director, NAACP
New York (Residence in Memphis, Tennessee)

-- Ben feels you and the Administration have leaned too heavily toward Jesse Jackson, and that Jackson should not have been invited to Camp David before he was

-- he has been a judge, a Baptist preacher, a lawyer, and FCC Commissioner -- always appointed to his jobs by Republicans

-- Frances was active in Senator Baker's '78 race; both the Hooks are close to Baker

Frank Gorrell and Wife Betty (pronounced Gorrell)
Attorney
Nashville, Tennessee

-- is Carter/Mondale Finance Chair for Tennessee

-- will host the First Lady at a C/M fundraiser in Johnson City on October 12th

-- accepted the job because Ned McWhirter asked him to; needs to be brought closer to you personally

-- former lieutenant governor of Tennessee

Archie Hardwick and Wife Carolyn
Director, James E. Scott Community Association
Miami, Florida

-- a key supporter of yours in '76 and through today. In '76 he turned out his people with an effective door-to-door canvass and bussing operation

-- Scott Community Association is a private organization providing services such as nursing homes and day care to the minority community in Dade County. It receives a substantial amount of federal funds.
THE WHITE HOUSE
WASHINGTON

September 22, 1979

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FROM: LOUIS MARTIN

SUBJECT: Swearing In Ceremony for Donald McHenry
Sunday, September 23, 1979 2:00 pm East Room

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A number of family members, including his three children, Michael, Christina, and Elizabeth, and his brother Jerry will be seated in the front row. Also in front will be Ambassador and Mrs. Andrew Young, Secretaries Vance, Bergland, Harris, Ambassador Strauss, and other Cabinet members and Congressional guests. Under Secretary-General Brian Urquhart of the United Nations will be present.

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THE WHITE HOUSE
WASHINGTON

September 23, 1979

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER
FROM: GRETCHEN POSTON

SUBJECT: SWEARING-IN/RECEPTION FOR DONALD MCHENRY ON SEPTEMBER 23, 1979 AT 2:00 P.M.

1:30 P.M. Guests arrive Northwest Gate and proceed to East Room via North Portico.

1:45 P.M. Judge Barrington Parker, Mr. Donald McHenry, Elizabeth and Christina McHenry and Michael McHenry arrive Northwest Gate and proceed to Red Room.

Ambassador and Mrs. Young, Under-Sec'y General Brian Urquhart and Cabinet Members also meet in Red Room.

Family members escorted to reserved seating area in East Room.

1:50 P.M. THE PRESIDENT and MRS. CARTER enter Red Room and greet guests.

Cabinet Members, Under-Sec'y Urquhart and Ambassador and Mrs. Young are escorted to reserved seats in East Room.

2:00 P.M. Judge Barrington Parker escorted to East Room through north entrance and proceeds around to ramp onto platform over to toe card.

Elizabeth and Christina McHenry escorted to platform to toe cards. (have Bible)

Michael McHenry escorted to platform. (left of podium to toe card)

Mr. McHenry escorted to platform. (right of podium to toe card)

MRS. CARTER is escorted to platform to toe card.

THE PRESIDENT is announced into East Room and proceeds to podium.
THE PRESIDENT makes remarks about Mr. McHenry and then introduces Judge Parker. THE PRESIDENT steps back and to his left.

Judge Parker, Mr. McHenry, Elizabeth and Christina McHenry proceed with swearing-in ceremony.

Mr. McHenry steps to podium for remarks.

THE PRESIDENT, Ambassador McHenry, The Vice-President and MRS. CARTER proceed to presidential Seal for receiving line.

Reception follows in State Dining Room.
regular staff meeting 9/24/79

THE WHITE HOUSE
WASHINGTON

- Delays . pr
- Home to oil prices
- Export Admin Act. probe
- anti-boycott
- Rock & Veto today - ICC
- Pub. Who votes?
- 5/22-23 speech
- Split party
- Congressional supporters. Cable

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