

**10/15/79**

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THE WHITE HOUSE  
WASHINGTON

October 15, 1979

3:45 p.m.

MR. PRESIDENT

Former Secretary

Mike Blumenthal called.

PHIL  
*Will be chief exec officer  
of Burroughs -*

*J*

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notes during radio call in/out  
program 10/13/79

THE WHITE HOUSE  
WASHINGTON

Tax - 40/80

Emp. - 25% youth +26 women +4<sup>3</sup>

Corp profits +50% Housing +50%/2 yrs

Deficit -36 / Fed emp ↓ 20,000 papers

Oil → 4/12 in '90

Coal 2X '85

HCC > \$50/5 yrs

Welfare Ref +660,000 jobs

Food stamps - Soc Sec - HH - Min Wages

60% Ed

Ag Farm inc near all time high

Exports - records ea yr - no embargo

Envir - 115 mil ac - Shop min -

Chem air/water - Nat Pks Bill -

OCS leasing

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THE WHITE HOUSE

WASHINGTON

October 13, 1979

*Administratively*  
**CONFIDENTIAL**

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Secretary Harris' Memorandum regarding  
Chicago School Desegregation (Attached)

I convened a meeting including Lloyd Cutler, Louis Martin, and representatives of the Vice President's office and Stu's office to determine whether we had any different advice for you on the Chicago case. After weighing several alternatives, we all basically concur with Pat's suggestion. We also agreed that you should have a bit more background on the situation before going to Chicago on Monday.

There is strong sentiment in Chicago that HEW has been intransigent and unwilling to consider a negotiated (i.e., compromise) solution to the school desegregation problem. Local news media, business leaders, some black and hispanic leaders and many others throughout the City are deeply concerned that referral to the Justice Department inevitably means court ordered busing with the attendant social disruption. There is also a widely-held opinion in Chicago that HEW's suggested solution to the problem is socially, educationally, and politically unreasonable. That opinion is strongly shared by Annunzio, Rostenkowski, and other members of the delegation.

It is our collective judgment that the only way serious negotiations can occur is for the School Board to agree to desegregate the City's white schools. The Board is unlikely to do that on its own. Jane Byrne might be able to persuade the Board to do it, but it is a risk to ask her to make the effort, and she might fail, even if she were willing to try.

In addition, if negotiations were to commence following "agreement in principle" with the Board, they could break-down along the way over the implementing steps that would be required to achieve the result. Such a breakdown would result in HEW's having to refer the case to the Justice Department at times uncomfortably close to the filing dates for convention delegate candidates or to the Illinois primary.

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Based on all these factors, we believe that the risks of our intervention in the process at this point outweigh the benefits. We believe that if the School Board fails to respond in a satisfactory manner to the October 12 letter, the case should be referred to the Justice Department.

If the Board is affirmative in its response to the October 12 letter, we will need to consider very carefully the structure and the process under which negotiations take place. We should not simply leave that process to HEW.

Assuming the Board fails to meet the October 12 letter's requirements, we will also want to pursue a careful strategy that lets the people of Chicago know that your Administration tried very hard to negotiate the matter and went the extra mile before referring the case to Justice.

We are preparing briefing material for your use in Chicago on Monday and Tuesday. This matter will undoubtedly be raised by the press and during your Town Meeting.



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

October 12, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Chicago School Desegregation

You will visit Chicago just two days before the termination of a thirty-day period which HEW gave to the Board of Education of Chicago to present an acceptable plan for desegregation of the public schools. As of October 12, no such plan has been received, and it is my judgment that the Superintendent of Schools, Dr. Joseph Hannon, will continue the Chicago efforts to delay action by HEW.

As I indicated to you in our conversation of September 26, in the absence of a bona fide school desegregation plan from Chicago, further delay in referring the Chicago school system to the Department of Justice for court action is without any justification on the merits. Even the Chicago newspapers agree that if the question of Chicago school desegregation gets into court, Chicago is very likely to lose on the facts and on the law. All efforts are now in the direction of delaying any action by HEW for as long as possible.

From a political perspective, it is in our best interest to take this issue out of the political arena as soon as possible and get it in to the courts. I can find no legal basis for delay, so this is an instance in which the legal and political imperatives coincide.

I have met with Dr. Hannon, and HEW staff from Washington and Chicago have been available to Dr. Hannon and the Board of Education at all times. Interestingly, Dr. Hannon has been less accessible recently to the HEW staff than he was several weeks ago. However, yesterday, October 11, school system representatives made their first new suggestion on the issue since my meeting with Dr. Hannon. In order to make certain that the Superintendent and the Board of Education cannot claim they lack ample time to prepare a real desegregation plan, I authorized David Tatel, Director of OCR, to send a letter to Dr. Hannon agreeing to a sixty-day extension of time if the Board of Education agrees at its October 17 meeting to (1) develop a desegregation plan consistent with our desegregation

hwh

Memorandum for the President  
Page -2-

criteria, (2) submit a revised desegregation plan in draft form by November 17 and secure public comment, and (3) adopt and submit to HEW a final desegregation plan by December 17, 1979. I am not optimistic that the Board of Education will accept these conditions.

I will continue my posture of waiting to hear from the Chicago Board of Education by October 17 on the matter of their school desegregation plan. No action will be taken by HEW prior to October 18. I will keep you informed of our plans as they develop.

I would suggest that, if you cannot avoid the subject of Chicago school desegregation, your response be that the courts have spoken extensively on the matter of school system integration requirements and that you hope that Chicago will present a plan which will obviate the need to have the courts speak on the Chicago system. You might further state that acceptability of the contents of such a plan must be determined by those given responsibility under the law for approval of the plan. In the first instance, this is the Secretary of HEW, and if Chicago and the Secretary do not agree about a proposed plan, it will be necessary for the courts to decide on what will constitute an integration plan that conforms to the law.

I have attached a brief history of the Chicago matter, and a copy of the Tatel letter to Dr. Hannon.

  
Patricia Roberts Harris

Attachments

## HISTORY OF CHICAGO PUBLIC SCHOOL DESEGREGATION MATTER

In early 1979 HEW's Office for Civil Rights (OCR) completed a two-year review of the Chicago public school system to determine whether the system was in compliance with the requirements of Federal civil rights law. This OCR compliance review determined that the racially segregated conditions existing in the Chicago school system had been caused and were being maintained, in substantial part, by various policies and practices of the Board. Specifically, OCR concluded that these conditions were created and maintained through the location of new facilities, both permanent and temporary; the establishment and alteration of attendance areas, feeder patterns and optional zones; the transportation of students; and the assignment of staff to schools on the basis of race.

On April 9, 1979 the Chicago Public Schools Board (the Board) was notified that it was ineligible for Emergency School Aid Act (ESAA) funds. A show cause hearing was held at which the school district was given the opportunity to refute the evidence gathered by OCR. The school officials failed to refute the evidence, and upon the conclusion of the show cause hearing on May 4, 1979, school officials asked for guidance in developing an acceptable desegregation plan. In response, OCR developed criteria by which it proposed to measure the acceptability of any desegregation plan submitted by the district. The criteria were the subject of intensive negotiations between OCR and district staffs during June and July. When the district requested more explicit guidance, OCR developed a feasibility study which provided, as an example, one way for Chicago to desegregate its schools. The study showed that 60 percent of the schools and 55 percent of the students could be desegregated, with an average busing time of 20-25 minutes one way.

The Chicago Board of Education did not approve or implement a desegregation plan in sufficient time to be eligible for FY 79 ESAA funds. (Chicago has never been eligible for ESAA funds, but 1979 was the first year the district had applied for a waiver of ineligibility.) Chicago school officials were notified on September 17, 1979, pursuant to the requirements of a Federal court order, that since the district had not remedied the basis for its ESAA ineligibility, it must explain or rebut, within 30 days, the presumption that it also is in noncompliance with Title VI of the Civil Rights Act of 1964.

The school district responded at a meeting with Secretary Harris on September 21, 1979 by submitting a desegregation plan that had been approved by the Board of Education. The plan submitted -- "Access to Excellence" -- contains inadequate provisions for insuring that desegregation goals are met and

ml-10-12-79

lacks the specificity required to determine the amount of desegregation that will be accomplished.

At the meeting, Secretary Harris stated that a preliminary analysis of the plan, a copy of which had been submitted previously to OCR, indicated that the plan did not satisfy existing legal standards. The major deficiencies in the plan were explained in a letter dated September 26, 1979. Secretary Harris also informed the district's representatives that, in light of the assistance already provided to the district, this matter would be referred to the Department of Justice for enforcement in Federal court if an acceptable desegregation plan was not submitted by October 17, 1979.

On October 12, 1979 a letter was hand delivered to Dr. Hannon agreeing to a sixty-day extension of the time for the development of a desegregation plan if the Board of Education agreed at its October 17 meeting to (1) develop a desegregation plan based upon the revised desegregation criteria; (2) submit a draft desegregation plan to HEW by November 17 and publish it for community comment; and (3) adopt and submit a final plan to HEW by December 18.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20201

October 12, 1979

Dr. Joseph P. Hannon  
General Superintendent of Schools  
Chicago Board of Education  
228 North LaSalle Street  
Chicago, Illinois 60601

Dear Dr. Hannon:

This is to follow up your October 4 meeting with Albert T. Hamlin, and your staff's October 11 meeting with Mike Burns and Al Sumner of our staff.

Based on those meetings, I understand the following:

1. The management controls agreed upon by our staffs this summer and contained in paragraph 2b of the revised criteria are to be considered part of "Access to Excellence."
2. All schools now operating part-time desegregation programs have been instructed by your staff to convert those programs to full-time programs. This is to be accomplished "hopefully" by September 1980.

These understandings are not a sufficient basis for the Department to conclude that any reasonable progress is being made in the negotiations. First, there is no indication that either of these understandings has been approved by the Board of Education. Second, even if approved by the Board, these new understandings would be inadequate in the absence of Board approval of a more realistic desegregation standard.

We are, however, prepared to continue the negotiations if the Board takes the following action at its October 17 meeting:

1. Commits itself to develop a desegregation plan consistent with the revised criteria. This commitment must include an acceptance of the desegregation standards set forth in paragraph 1b of either the revised criteria or the original criteria we sent you on June 5. Enclosed is a copy of the revised criteria with certain technical changes we have made to reflect new dates and changed circumstances.

2. Agrees to submit a revised desegregation plan in draft form to the Department by November 17, and simultaneously to publish it for community comment. The draft plan must be sufficiently detailed to enable the Department and the community to determine its precise impact; and
3. Agrees to adopt and submit a final desegregation plan consistent with the revised criteria to the Department by December 17, 1979.

If the Board agrees to these three points, we will be able to continue negotiations as permitted by the court order in Brown v. Califano. In the absence of such action by the Board, however, we will begin the process of referring this matter to the Department of Justice on October 18, 1979.



David S. Tatel

Enclosure

THE WHITE HOUSE  
WASHINGTON

FOR THE RECORD:

BOB LINDER RECEIVED A COPY  
OF THE ATTACHED.

SIGNED ON OCTOBER 15

4649

Signed

11:00 p.m.

Walter H. H. H.

10:00 p.m.

Chicago, Ill.

10/15/79



*The Palmer House*

CHICAGO - A HILTON HOTEL

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To Susan

J

THE WHITE HOUSE  
WASHINGTON

October 15, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN *fed*

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for Preservation Purposes

SUBJECT: Pay Advisory Committee (PAC) of the  
Council on Wage and Price Stability

I recommend you select the persons listed below as the additional 17 members of the PAC. You have already selected John Dunlop to serve as Chairman, and I will appoint him. My recommendations are concurred in by the entire Economic Policy Group, John Dunlop and the Presidential Personnel Office. We have also closely consulted with Anne Wexler, Landon Butler and Hedley Donovan.

If you approve our recommendations, we would like you to issue a press release tomorrow morning (we will supply Jody with a draft statement). The first meeting of the Pay Advisory Committee is scheduled for Wednesday morning, at 10:00 a.m. I feel it would be very important for you to attend, however briefly. We will send you a separate decision memo on this suggestion and talking points for the meeting if you decide to attend.

We have suggested the PAC be expanded from 15 to 18 members, in order to allow for a more equitable allocation of seats between the AFL-CIO on the one side and the Teamsters and Auto Workers, on the other, while permitting us to include representatives of the latter two.

We have consulted widely with representatives of labor and the business communities. We have included several Republicans among the business representatives. In recommending persons for the public members, we have tried to find both persons experienced in collective bargaining and others -- largely economists -- who will appreciate the role of standards in ensuring wage restraint for non-union workers.

We recommend you select the following:

### Public Members

John T. Dunlop - You have already announced that John Dunlop will chair the Committee. He is currently Lamont University professor at Harvard Business School and was Secretary of Labor from March 1975 to February 1976.

Phyllis Wallace - Dr. Wallace is a Black economist, a professor of Industrial Relations at the Sloan School of Management of MIT. She has written on labor economics, the role of minorities in the job market and on the EEOC. She is a trustee of the Brookings Institution and was recommended by Secretary Harris.

Robben W. Fleming - President of the Corporation for Public Broadcasting and former President of the University of Michigan from January 1968 until late last year. He is experienced in labor-management relations, has been involved in previous wage stabilization efforts and is a person of great distinction.

Arvid Anderson - Chairman, Office of Collective Bargaining, City of New York. It is important we have one public official, and Anderson is outstandingly qualified. This appointment should also help in our relations with various public employee organizations.

Lloyd Ulman - Dr. Ulman was senior labor economist with the CEA under the Kennedy Administration. He is a professor of Economics, Institute of Industrial Relations, UCLA at Berkeley.

Robert Nathan - Recently retired as President of Robert R. Nathan Associates, an economic consulting firm; former national chairman of Americans for Democratic Action. He has had a long and distinguished career in government under Democratic Administrations and is a strong supporter of the anti-inflation program.

### Labor Members

Lane Kirkland - Secretary/Treasurer of the AFL-CIO.

William Wynn - President, United Food and Commercial Workers Union.

John Lyons - President, International Association of Bridge and Structural Iron Workers.

Lloyd McBride - President, United Steelworkers of America.

Frank Fitzsimmons - President, International Brotherhood of Teamsters, Chauffeurs and Warehousemen.

Douglas Fraser, President, United Automobile, Agricultural Implement and Aerospace Workers Union.

Business Members

Heath Larry - Retiring President of the National Association of Manufacturers; former Vice Chairman of U. S. Steel; extensive labor relations background.

Jesse Hill - Prominent Black businessman; President of the Atlanta Chamber of Commerce; President of Atlanta Life Insurance Company.

Charles R. McDonald - Chairman of Council of Small Enterprises; President, McDonald Equipment Company (small business) of Cleveland, Ohio.

John T. Conner - Retiring Chairman of the Board, Allied Chemical Corporation; former Secretary of Commerce under President Johnson. Members of the Business Roundtable strongly recommend him.

Norma Pace - Senior Vice President, American Paper Institute.

Philip M. Hawley - President and Chief Executive Officer of Carter-Hawley-Hale Stores. Anne Wexler, Lloyd Hackler, and Don Seibert strongly recommend him.



Approve

Disapprove

THE WHITE HOUSE  
WASHINGTON  
10/15/79

Frank Moore

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

Rick Hutcheson

cc: Phil Wise  
Fran Voorde

THE WHITE HOUSE

WASHINGTON

October 12, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *f.m/pd*

RE: Informal Get-Togethers With Senators

I would like to propose that you begin, as soon as possible, a series of informal, impromptu get-togethers with small groups of Senators. These sessions would be handled in a similar fashion as the movies for House members -- they would be:

- small (3-6 Senators): I have a list of politically and personally compatible members. From the White House, I would suggest you, Hamilton and myself.
- spontaneous: These sessions would not require a commitment of your time prior to the day they occur. As you wrap up your work for the day and feel like doing a get-together, just call me and I will issue the invitations for that evening.
- informal: I would suggest that the invitations be extended for cocktails from 5:30-7:00 -- *6:30* Truman Balcony when the weather permits.

APPROVE: \_\_\_\_\_

DISAPPROVE: \_\_\_\_\_

*End before 6:30*

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ID 794480

THE WHITE HOUSE

WASHINGTON

DATE: 13 OCT 79

FOR ACTION:

INFO ONLY: THE FIRST LADY

HAMILTON JORDAN

PHIL WISE

SUBJECT: MOORE MEMO RE INFORMAL GET-TOGETHERS WITH SENATORS

+++++

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

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

RICK HUTCHESON

The attached was returned in Mrs. Carter's outbox. It is being forwarded to you for appropriate handling.

Madeline MacBean

10-22-79

*Too late*

WASHINGTON

DATE: 13 OCT 79

FOR ACTION:

INFO ONLY: THE FIRST LADY

HAMILTON JORDAN

PHIL WISE

SUBJECT: MOORE MEMO RE INFORMAL GET-TOGETHERS WITH SENATORS

+++++

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

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

*Rosalyn*

OCT 15 1979

THE WHITE HOUSE

WASHINGTON

October 12, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M./pd*

RE: Informal Get-Togethers With Senators

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- spontaneous: These sessions would not require a commitment of your time prior to the day they occur. As you wrap up your work for the day and feel like doing a get-together, just call me and I will issue the invitations for that evening.
- informal: I would suggest that the invitations be extended for cocktails from 5:30-7:00 -- Truman Balcony when the weather permits.

APPROVE: \_\_\_\_\_

DISAPPROVE: . \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

10/15

Note:

McDonald already  
has received copy of  
President's notes.

---

T. Bay

THE WHITE HOUSE  
WASHINGTON

October 11, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald *AM*

SUBJECT: Presidential Speech:  
Alliance to Save  
Energy (*10/18/79 - Thursday*)

Attached is the communications strategy and outline for the above speech.

May we have your approval or further guidance?

PRESIDENTIAL SPEECH COMMUNICATIONS STRATEGY

sk  
J

Alliance to Save Energy      10/18/79      White House      4:00 p.m.  
(Event)                              (Date)                              (Place)                              (Time)

Reception for Conference Participants  
(Audience)

1. Aims:
  1. Align Administration squarely with conservation.
  2. Pull together and put forward range of existing initiatives.
  3. Announce further measures.
  
2. Themes/Messages:
  1. Conservation is best form of production.
  2. We have done a great deal.
  3. As partners we can and will do more.
  
3. Illustrations/Examples:
  1. Range of existing efforts
  2. Tax credits
  3. Weatherization
  
4. Tone:    Straightforward, leading, firm
  
5. Desired Audience Response:    agreement, support, co-operation
  
6. Desired Length:    8-10 minutes; questions after.

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PRESIDENTIAL SPEECH OUTLINE  
 ALLIANCE TO SAVE ENERGY/HARVARD UNIVERSITY DECISION MAKERS CONFERENCE  
 THURSDAY, OCTOBER 18

I. INTRODUCTION

- A. Thanks to Conference Chairmen
- B. Reference to importance of past two days' sessions

II. Importance of a conservation strategy

- A. Buys time as we make transition from petroleum based economy
- B. Cost effective
- C. Does not depend on as-yet-undiscovered or untested technologies
- D. Environmentally clean
- E. Secondary benefits
  - 1. Reduces traffic congestion
  - 2. Reduces air pollution
  - 3. Promotes mass transit

III. Why have we not had a thorough conservation strategy in the past?

- A. Political and institutional stumbling blocks
- B. No single remedy -- conservation involved in everything government does from highway construction to pollution control
- C. Too often seen in terms of sacrifice

IV. First steps of a thorough conservation strategy

- A. Start with areas of greatest consumption: autos, heating/cooling, industrial processes, truck fuel
- B. Divide tasks -- Federal government can't do everything
- C. Build on activities already underway

V. How to procede

- A. Tie together existing Federal programs
- B. Praise state & local efforts
- C. What we will do after we get Windfall Profits Tax

VI. Conclusion: If we all do our part what can we expect the future to hold

- A. July 15 Theme of the benefits of pursuing a common goal
- B. Personal benefits from what we do to conserve
- C. All only possible via partnership

THE WHITE HOUSE  
WASHINGTON

October 11, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald *AM*

SUBJECT: Presidential Speech:  
National Minority *(Wendell)*  
Purchasing Council *10/17/79*

Attached is the communications strategy and outline for the above speech.

May we have your approval or further guidance?

*ok, but probably too  
detailed for a  
brief speech  
J*

NATIONAL MINORITY PURCHASING COUNCIL - OCT. 17

OUTLINE

I. INTRODUCTION

A. Berkeley Burdell Tribute

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B. Praise Augustus Marusi

1. Broadening Council's concerns to include education, capital formation, financing, training.
2. Personally responsible for raising number of Fortune 500 members from zero to 140.

II. ADMINISTRATION COMMITMENT

Deeply committed to increasing the capabilities and number of minority owned and operated businesses, and their participation in our economy -- to create jobs, new sources of innovation, provides incentives for youth.

III. ADMINISTRATION ACTIONS

A. Signed law requiring minority sub-contractors and preferences.

B. Commerce Reorganization

1. Under-Secretary will monitor federal procurement
2. Push medium-sized minority business
3. Stress technical help rather than financing
4. Will still help small, emerging minority businesses
5. Experience has shown that to meet overall goals we must have a more individualized approach to needs and potential within each agency.
  - a. Some were starting from such a small basis that tripling was only a drop in the bucket.
  - b. DOT will not reach full goal, but minority procurement represents 12% of total procurement.

- C. Potential for greatest growth in high-technology fields.
  - 1. Minority entrepreneurs must get in on ground floor.
  - 2. DOD contract \$21.3 million to minority firm for food in retort pouches to replace C-rations.
  - 3. Not all contracts in high technology fields like energy and transportation require esoteric technology --
    - a. DOE \$1.5 million contracts to minority CPAs.
    - b. DOE \$2.5 million to minority media.
- D. Equal access to market place depends on equal access to capitol and training
  - 1. Council addresses this with broadened program
  - 2. Radio is example of how government can encourage growth of minority enterprise through cooperation of various agencies

Initiated program early 1978 to increase minority stations, loan guarantees, FCC actions, enabled increase of 60% in 1 1/2 years, from 67 to 107. Still not enough, but solid progress.

#### IV. MINORITY PARTICIPATION IMPORTANT TO NATIONAL ECONOMY

- A. Council accomplishments proof America's social conscience is not dead.
  - 1. Growth of Minority procurement since Council began 6 years ago, from \$86 million in 1972 to expected \$2.5 billion by end of 1979.
  - 2. Council policy of purchasing "company-wide" throughout full range of needs and services
  - 3. Pleased Council efforts discourage "false fronts"
  - 4. Government contracts with minority firms \$834 million in 1976 to \$2.5 billion by end of this year shows what government and business can do when work together with strong commitment.
- B. Our nation needs to make full use of talents of all our people, best do that with strong economy of small, medium-sized and large businesses with wide range of special capabilities.

PRESIDENTIAL SPEECH COMMUNICATIONS STRATEGY

National Minority Purchasing Council (reception) (Event)	Wed Oct 16 (Date)	Residence (Place)	2:30-4:30 3:00 (President) (Time)
---	-------------------------	----------------------	---

500 minority business leaders and wives; members of the Council  
(composition of audience is 50% minority)  
(Audience)

FULL MEDIA EVENT

1. Aims:

- create understanding that the President has lived up to his pledges to increase government purchases by minority businesses
- solidify a broad base of support in the minority communities

2. Themes/Messages:

- best record of any administration on minority purchases thus far and will meet expanded goals and commitments
- we are improving opportunities for minority entrepreneurs (highlight key specifics)

3. Illustrations/Examples:

4. Tone:

- serious, committed, pleased with accomplishments but recognizes difficulties

5. Desired Audience Response:

- greater appreciation of President's accomplishments
- support for Administration programs and objectives

6. Desired Length:

8 - 10 minute drop-by

THE WHITE HOUSE  
WASHINGTON  
15 Oct 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 McDonald

ADMINISTRATIVELY  
CONFIDENTIAL

*cc: Phil Wise - pages 8*

THE WHITE HOUSE  
WASHINGTON

October 13, 1979

ADMINISTRATIVELY CONFIDENTIAL

cc Frank  
O  
/

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MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Energy

Energy Security Corporation

As you know, the Energy Committee voted overwhelmingly to approve the synfuels title of its bill. Early this week, probably Monday, several Senators will challenge synfuels spending in the Interior Appropriations bill on the Senate floor.

Senators Javits and Kennedy will offer an amendment to divert from \$2 to \$3 billion in synfuels money to low-income and fuel assistance. Senator Leahy has said he will move to strike all the synfuels money. Kennedy may also offer a several billion dollar amendment for conservation.

We will support Senator Byrd and his Committee in opposing these amendments.

We now have a more complete analysis of the Interior bill's synfuels appropriation language. After defeating Chairman Byrd's proposed language on Tuesday, the Committee reversed itself the next day and voted to support in principle our recently transmitted \$20 billion synfuels amendment. This amount is partially financed through the use of \$1.5 billion in transfer authority from the Strategic Petroleum Reserve program. The remaining \$18.5 billion is appropriated, but is available "... only to the extent provided in advance in appropriations acts."

Of the \$20 billion total, \$2.2 billion is made immediately available in 1980, including \$1.5 billion for purchase agreements and price guarantees and \$700 million for loans, loan guarantees and cooperative agreements. The 1980 funding is tied to the Federal Non-Nuclear R&D Act of 1974, rather than the Defense Production Act as originally proposed by Senator Byrd.

#### Energy Mobilization Board

In the House, we have received informal overtures from Mo Udall indicating some flexibility on his version of the EMB. This poses problems since your advisers are nearly unanimous in their recommendation that a revised Dingell bill would be a better vehicle.

The ECC and Secretary Duncan himself are devising a strategy to deal with this delicate situation. For the time being, the less we say about the EMB strategy, the better. It is impossible to overemphasize the danger to our entire energy program if we make a wrong or premature move.

#### Windfall Profits Tax

The Senate Finance Committee continued mark-up on the revenue side of the windfall profits tax and began a reconsideration of the \$100 billion in credits tentatively approved in previous weeks. We anticipate that the Committee will substantially reduce the credits -- perhaps to \$25 billion.

Following the Columbus Day recess, the Committee focused on Alaskan oil. By a vote of 14-5 the Committee rejected Senator Gravel's motion to exempt Alaskan oil entirely from the windfall profits tax. Then, with only Gravel voting aye, the Committee rejected Senator Gravel's attempt to put Alaskan oil in a category 25% above tier two (to account for the 25% cost-of-living differential in Alaska). Finally, when Senator Gravel refused to make the compromise motion to put Alaskan oil in tier two, Senator Long made the motion and it carried unanimously, except for Bradley (revenue loss of \$7 billion).

Following the Alaska votes, the Committee resumed consideration of the tier two tax rate. First, it rejected 12-6 an independent producer-inspired amendment offered by Senator Dole to lower the tax on all tiers to 50%. Senator Chafee then failed 10-8 to get the Committee to adopt a 70% tax on tier two (last week he failed 10-9 for a 75% vote). Then, by an 11-7 vote the Committee adopted the 60% level of the House bill.

Some liberal and moderate staff members are now playing with the idea of imposing a "minimum" tax of 20% or 30% on those categories of oil which are exempt. A 20% tax would salvage \$11.3 billion while the 30% rate would raise \$16.8 billion.

Senator Chafee may continue his efforts on tier two oil by suggesting a 65% level.

On Wednesday the Committee by a vote 13-6 rejected Senator Danforth's attempt to knock out the \$6.5 billion for state-owned lands. Senators Long and Bentsen had indicated that the bill as a whole would be in serious trouble if the Danforth proposal carried.

The Committee also agreed to a Wallop amendment phasing out the tax at a rate of 3% per month beginning when 90% of the projected revenue of the tax for the period 1980-1990 has been raised.

On the expenditure side, the Joint Tax Committee staff is ready to present its proposal for a pared-down credit and expenditure package. The package assumes a net windfall tax of \$65 billion in revenues (compared with \$104 billion in the House bill). This amount would go into the trust fund. The monies would be allocated as follows: \$25 billion for energy tax credits, \$15 billion for mass transit (\$16.5 billion is your recommendation) and \$25 billion for the poor (the Administration program calls for \$24 billion). Any other spending programs, would be funded from the net increase in general revenues resulting from decontrol or from federal royalties. Thus the synfuels program, according to the Joint Tax Committee staff suggestion, would not be funded by the net windfall profits tax, as the Administration proposed.

The staff proposals for credits would not include the Administration's wood-burning stove credit or our passive solar credit, although they will be on our optional "shopping list".

When the Committee goes through its reconciliation process, it must heed the Senate Budget Resolution which at present calls for the windfall bill to produce \$2 billion in revenue in FY 1980. If Senator Long and the Committee come up short on this mandate, any floor amendment which spends more money or which reduces revenues further would be subject to a point of order.

Senator Long has a couple of cards up his sleeve to use in the Committee if he needs more revenue in FY 1980 -- namely, levying a federal severance tax or jockeying dates on credits. The severance tax being considered now would raise on the order

of \$1 billion in FY 1980 -- just the amount by which the Committee could fall short. The Administration has opposed a severance tax and for the time being talked Long out of proposing it.

Next week the Committee may very well report out the bill. It is clear that the net revenue will be in the \$65 billion range, with the gross at \$110 billion. While the Committee is not contemplating devoting any proceeds of the net tax to the Energy Corporation, at least conceptually. The \$45 billion difference between the net and the gross windfall profits the Committee will raise can be thought of for that purpose. Next week we will be: (1) trying to limit the credits as much as possible; (2) protecting the revenue for low income and transportation initiatives; and (3) beginning to solidify strategy on the floor. The latter entails meeting with the various Senators of the Finance Committee, the outside industry, and continued contact with Senators not on the Finance Committee.

We are not satisfied with the Committee bill. However, as deficient as it is, the measure is far better than we anticipated before the mark-up.

#### Rationing

The rationing conference report was reported out Friday night. It will be on the Senate floor Monday morning and on the House floor shortly thereafter.

Prospects for timely passage look good.

#### Low-Income Assistance

The focus of this week's activities has been on this winter's low-income energy assistance program. It has been the subject of serious discussion in a variety of forums--the Senate Finance Committee, the Senate Human Resources Committee staff, the New England Caucus in the House. There are two problem areas.

First, the Senate Finance Committee has considered low-income energy assistance off and on throughout its deliberations of the windfall profits tax; intense discussion began Thursday and continued Friday.

On Thursday, attention focused on a proposal by Senator Dole to provide about \$1.5 billion to food stamp recipients, and SSI and AFDC recipients not on the food stamp rolls. On Friday, the Committee Democrats countered with their own \$1.6 billion proposal.

As of late Friday, no decision has been made by the Committee. Some members of the Committee appear to be interested in legislating for this winter's program or taking some Congressional action such as a Concurrent Resolution expressing the will of the Congress on its version of this program.

A meeting is scheduled Monday morning with Committee staff and Administration representatives to continue discussions.

A second problem is the Senate Human Resources Committee. Meetings were held this week with staff and members of the Human Resources Committee. While the results are mixed, it is clear that some members of the Committee are unsatisfied with the Administration's proposal. Concerns center on the division of funds between HEW and CSA, and the distribution formula.

Administration officials are working to convince the Committee that it ought not to legislate for this winter. Talks are continuing.

#### Utility Oil Backout

DOE has indicated that sometime next week they will have prepared papers on coal conversion for presentation to coal state Senators.

In the current effort to develop utility oil backout legislation, the Administration will be holding meetings with concerned industry groups and others. These meetings were held throughout last week. Next week, the focus will shift to the consideration of issues raised at those meetings, as well as those raised through the review of the OMB issues paper. A final draft is expected in approximately a week.

We have been under considerable pressure from Members from coal-producing States to move quickly. As a result, we are developing a viable coal conversion program under current statutory authority until we can put together our utility back-out legislation.

## 2. Second Budget Resolution

The conference met daily beginning Tuesday. After a brief spurt of activity on Wednesday, during which the Committee reached tentative agreement on most of the non-controversial issues, the conference failed to make progress on the more difficult areas.

There are five major issues separating the conferees: Reconciliation, Defense, Energy, Receipts, Education and Training.

### Reconciliation

The House conferees, led by Chairman Giaimo, are extremely uncomfortable with the reconciliation compromise approved by the Senate. During yesterday's session, Congressman Giaimo engaged Senator Muskie in a heated exchange emphasizing that the House standing committees had already achieved substantial savings and had met the Budget Committee's ceiling. Senator Muskie responded by citing the House outlay total as \$1.9 billion higher than the Senate level. The conference has deferred action on the health, income security, and veterans functions -- all of which include Senate-assumed reconciliation reductions.

### Defense

Senator Hollings is determined that a three-percent real increase in Defense outlays be included in the conference agreement. On the House side, the majority of the conferees seem firm in their resolve to resist any increases above the level reported by the Appropriations Committee. The House conferees believe that their appropriations bill provides for more than a three-percent increase for items that are required to bolster strategic and tactical capabilities, while holding the line on items such as pay and retirement. The conference has spent several hours on this function without any sign of movement.

### Energy

The Senate assumed \$22.5 billion in BA to "make room for the debate" on the energy initiative, including \$0.5 billion for low-income assistance. The House included all of the energy initiative in the energy functions, boosting funds for energy conservation and supply and cutting the ESC level to \$10 billion. The House included the transportation initiative in its resolution, while the Senate did not.

When the conference addressed the energy issue, Senator Johnston represented the Senate position and Congressman Ashley represented the House position. There seemed to be general agreement that the low-income assistance, transportation, and energy supply and conservation components of the initiative should be included in the resolution at or above the levels you proposed. On Friday, however, Senator Bellmon started to float a lower cost version of low-income assistance.

The conferees are in major disagreement over the nature of the ESC. The Senate, in following the course taken by its Energy Committee, supports a corporation that is relatively free of review by the Congress and the Executive Branch. The House, as represented by Congressman Ashley, holds firmly to the belief that the corporation should be subject to annual revision by the Congress and that it should not be given a "blank check" of \$20 billion.

#### Receipts

The House assumed that a speed-up of the Administration's cash management initiative would yield \$2.0 billion in 1980. The House further increased its receipts estimates by \$1.5 billion to account for the "reflow" caused by higher outlays. The Senate has considered these methods to be gimmicks in the past. The Senate conferees are expected to be very cautious about the receipts floor because of their tenuous relationship with the Finance Committee.

#### Education, Training, Employment, and Social Services

There are three major issues separating the conferees in this function; basic educational opportunity grants (BEOGs), CETA public service jobs, and Title XX social services grants. The CETA issue is the most difficult since there is a policy difference of about \$1.0 billion between the two Houses.

The conference will resume Monday morning.

**Electrostatic Copy Made  
for Preservation Purposes**

*Miller &  
Duncan  
Should  
talk to  
Lud-  
Tell them*

3. Hospital Cost Containment

The bills are likely to go the Rules Committee during the week of October 22 and to the House floor before the end of the month.

We are working to get a modified closed rule which would allow us to clearly draw the line between our proposals and a Republican amendment to create a purely voluntary program.

Lobbying by hospital and medical groups has been very intense. On our side insurance companies, labor and senior citizen groups are stepping up their efforts. Newspaper advertisements financed by the insurance companies and cosigned by labor and senior groups will be run in Washington and in targeted districts.

WHCL and HEW are current surveying the entire House. Of 367 members or staff contacted the preliminary count shows:

$\frac{+}{78}$	$\frac{/+}{52}$	$\frac{?}{47}$	$\frac{/ -}{57}$	$\frac{-}{95}$
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Efforts to contact and persuade Members will be stepped up this week.

4. Endangered Species

We are currently attempting to negotiate compromise language between the interest groups and Congressman Breaux over the ultimate placement of the Endangered Species Scientific Authority. This is the only seriously weakening amendment that remains unresolved. Assuming we are successful in effecting a compromise, the bill is scheduled for floor action late next week.

5. Alaska Lands

The Senate Energy Committee began mark-up of S. 9, the Alaska National Interest Lands legislation, on Tuesday. A majority of the Committee favors a speedy reporting of the bill with a minimum of amendments, and we anticipate that the Committee will complete action this week.

Senator Ted Stevens is cooperating in the effort to finish work on the bill this session. Mike Gravel, on the other hand, continues to threaten filibuster. He also says he will actively campaign against you because of the National Monuments declaration.

*90 We need to  
all out  
9/11 help  
a large  
WH meeting*

*Good news*

6. EDA Reauthorization

Following your remarks at the leadership breakfast Wednesday, the Speaker took the initiative to bring Representatives Moorhead and Roe together and directed them to reach an agreement by Tuesday. Staffs of both Committees are now attempting to come to an agreement. Roe blames the delay on the Republicans on his Committee, but in fact his irritation at the Banking Committee's jurisdictional claim has caused his slow down. Substantative areas of disagreement include equity funding, employee stock option plans and eligibility (targeting of Economic Development funds).

7. Strip Mining

House activity has picked up on S. 1403, Surface Mining Act Amendments, passed by the Senate in September over strenuous objection from the Secretary. Congressman Rahall delivered a letter to Chairman Udall last week, co-signed by 25 Members of the Interior Committee, requesting hearings and expeditious action. Many of the signatures, however, were gathered before Members loyal to the Chairman were aware of his vehement opposition to the legislation. Early last week, Udall replied to Committee Members stressing his opposition and indicating there is no need for any legislation at this time and, therefore, no need for hearings. Udall's letter coincided with delivery of a letter from the Secretary to all Members of the House making much the same point.

I will help also

I have received assurances from the Speaker that he will help Mo keep his Committee in line.

The impact of the two letters on the Senate side is hard to assess. It is possible that this show of force will give Senate sponsors the argument they need to convince Majority Leader Byrd to let them find a "must pass" vehicle for amendment with the language of S. 1403 to get around Udall.

## II. FOREIGN POLICY ISSUES

### 1. Foreign Assistance Appropriations

The Senate passed the bill this week by a vote of 53-38. The Senate version is far better than the House version. Significant actions taken include the following:

- o A Garn amendment which would have prohibited direct and indirect aid to Angola, the Central African Empire, Cambodia, Laos and Vietnam was defeated 49-46.
- o Amendments were defeated which would have drastically cut U.S. contributions to the World Bank and prohibited lending to Vietnam by the International Development Association. A Byrd (Va.) amendment which would have cut U.S. contributions to the Asian Development Fund was defeated 52-45 and language which would have conditioned U.S. contributions to the Asian Development Bank on continued Taiwan membership failed 58-39.
- o The Senate rejected a Helms amendment to ban economic or military aid to Panama by a vote of 56-39. An amendment barring direct aid to Mozambique, however, was adopted 59-38. An amendment to prohibit direct and indirect aid to Cuba was adopted 76-20, but Senator Inouye later moved successfully to drop the troublesome indirect language.
- o A Byrd (Va.) amendment to cut three percent from the total appropriation passed by voice vote after an earlier Byrd attempt to cut five percent failed on a 48-50 roll call vote.
- o The Senate voted with Senator DeConcini 76-22 that no funds from the bill should be made available to the Institute for Science and Technological Cooperation (ISTC).
- o By voice vote the Senate adopted a Javits amendment providing Retroactive Terms Adjustment (RTA) authority, a Chiles amendment adding \$8.7 million for narcotics control in Colombia, and a Hatfield amendment authorizing reprogramming of up to \$20 million in reconstruction aid for Uganda. Also approved by voice vote were amendments adding \$6.1 million for the Sinai Field Mission and \$1.7 million in MAP aid for Sudan.
- o A Helms amendment to delete funds for Namibia was defeated 50-42.

- o A Dole Sense of the Senate Resolution cutting aid to countries which allow "hostile" combat troops on their territory passed by a voice vote.
- o A Garn amendment increasing ExIm funds \$1.9 billion also passed on a voice vote.

## 2. SALT

This week the Senate Foreign Relations Committee met in closed session to hear a report by Senators Bayh and Goldwater on the Intelligence Committee's findings on SALT monitoring. That report had the unanimous support of the Intelligence Committee, including Senators Jackson, Garn, and Wallop and on balance will be helpful to the SALT ratification effort. The Committee also heard from Secretaries Vance and Brown, General Jones and Ambassador Earle in a wrap-up session prior to the Committee's markup which will begin next week.

The Committee met on Thursday to discuss procedures for the markup. During that meeting, Senator Glenn moved to postpone the markup indefinitely pending progress on the defense budget, increased intelligence capability, etc. His motion was defeated 10-5. Voting with Glenn were Senators Baker, Lugar, Helms and Hayakawa. All Democrats except Glenn voted with us.

We expect the process to take two to three weeks. A number of amendments, reservations, and understandings will be offered both by Committee members and other Senators.

Next week the Senate Armed Services Committee will continue hearings on SALT, including an appearance by Secretary Vance in closed session on the 18th. The details have not been worked out yet but the latest request is for a morning session on general treaty questions where the Secretary would be accompanied by Stan Turner and Ralph Earle. It is unclear what action the Armed Services Committee will take when it completes its deliberations. It has no jurisdiction over the treaty but some opposition Senators will no doubt push for a report to the Senate containing a negative recommendation. At a minimum, we expect some statement on the military balance and a recommendation on the Administration's five-year program.

## 3. Central American and Caribbean Assistance Proposals

We expect a Central American supplemental to be ready for submission to Congress shortly. Aid to Nicaragua is bound to generate considerable Congressional controversy and debate. Senator Stone has already warned that he would oppose our request if it does not contain aid to El Salvador.

More likely, he will move to amend the package and present some amount of the Nicaragua money to El Salvador. We expect a difficult struggle to get the supplemental passed.

Meanwhile the Senate Foreign Relations Committee marked up the Caribbean disaster relief bill Friday. This week it will probably come to the Senate floor, where it should pass with little if any opposition. It has already passed the House. The foreign assistance appropriations bill includes \$20 million for implementation of the bill.

#### 4. Kampuchean Famine Relief

Some in Congress are impatient with what they perceive as Administration "faint-heartedness" in dealing with the crisis in Kampuchea. Congressman Wolff's hearings last Wednesday pointed up Congressional desire for a program going beyond what is available in AID famine relief. Congressman Solarz and Anderson have introduced an authorization of up to \$30 million in indirect assistance, and Wolff has joined with Clem Zablocki in sponsoring a similar, but separate authorization, of \$20 million for Kampuchea, which should receive prompt House consideration. Efforts can be expected to marry the Kampuchean authorization with the refugee authorization which comes to the House floor next week.

In the Senate, the amended FY 80 Refugee Authorization request emerged from the SFRC, with a McGovern sponsored amendment authorizing reprogramming for Kampuchean relief. Senators Kennedy and Dole will move amendments on the Senate floor aimed at permitting reprogramming of funds from other programs for Cambodian relief including PL-480.

### III. MISCELLANEOUS

-- The Florida delegation has been very helpful to us over the past weeks concerning our efforts in their state.

-- The Speaker has announced that the House will begin pro forma work sessions in early November which will continue through mid-December in anticipation of the Senate moving into SALT. The House will have completed work on energy and appropriations by that time except for the conference reports, which they will consider in December.

House Schedule for Week of October 15Monday

All recorded votes will be postponed until Tuesday, October 16.

H.R. 5386	Higher Education Act Amendments
H.R. 5176	GAO Personnel System
H.R. 4259	Gold Medal for Red Cross
H.R. 5288	Veterans Rehabilitation and Education Amendments
H.R. 3407	Medal of Honor Posthumously for William Tsakavikas
H.R. 3303	Justice Department Authorizations, FY 80
H.R. 3916	Extension of Alcoholism and Drug Abuse Prevention

Tuesday

International Security Assistance Conference  
Report

H.R. 3303	Justice Department Authorizations, FY 80
H.R. 3916	Extension of Alcoholism and Drug Abuse Prevention
H.R. 3000	Department of Energy Authorization, FY'80

Wednesday, Thursday and Friday

S. 832	FEC Amendments
H.R. 2172	International Sugar Stabilization Act of 1979
H.R. 3947	Military Construction Authorizations
H.R. 2218	Endangered Species Act Authorizations
H.R. 3683	Consolidated Farm and Rural Development Act
H.R. 2313	FTC Authorizations

THE WHITE HOUSE  
WASHINGTON

10/15/79

Stu Eizenstat

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

The signed original has been given to Bob Linder.

Rick Hutcheson

cc; Bob Linder

4505

THE WHITE HOUSE  
WASHINGTON

October 12, 1979

Mr. President:

Attached is a ~~draft of~~ a memorandum which the White House Conference on Families would like you to issue in order to get cooperation from other agencies for their Conference.

It is similar to requests made by other White House Conferences, such as the White House Conference on Small Business.

*Stu*

Stu Eizenstat

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS  
AND AGENCIES

In July, the National Advisory Committee of the White House Conference on Families held its first meeting. The Committee adopted a plan of action for the Conference, which includes hearings, state activities, and White House Conferences at several sites throughout the country.

A major goal of the White House Conference on Families, which I called for in my campaign for the Presidency, is to identify public policies which strengthen and support families as well as those which harm or neglect family life, and to recommend appropriate changes. To accomplish this goal, the Conference must have the support and assistance of every Department and Agency within the government.

I am, therefore, directing Department and Agency heads to cooperate fully with the staff of the White House Conference on Families. Such cooperation should include, but not be limited to, the following: Identifying and cataloging programs, policies and research studies which impact on family life; analyzing the impact of selected policies and programs; publishing studies, reports and other informational materials relating to families; providing detailees, logistical assistance, meeting facilities and other resources for Conference activities; earmarking discretionary funds for projects which support the goals of the White House Conference on Families, and informing employees and constituent groups about Conference activities.

To demonstrate this Administration's commitment to the goals of the WHCF, I am requesting Agency and Department heads to be available to make presentations at the hearings which will be held this fall and at the White House Conferences scheduled for June and July of next year. To coordinate government-wide participation in the Conference, an Interagency Task Force will be established. Please designate one of your Special Assistants or an Assistant or Deputy Assistant Secretary for Policy or

Planning who has knowledge of family-related programs and a capacity to draw on the resources within your Department to serve on this Task Force. Notification of this appointment should be sent to John Carr, Executive Director of the White House Conference on Families (472-4393) by October 25, and your designee should plan to attend the first meeting of the Interagency Task Force scheduled for November 1.

Thank you for your assistance in helping strengthen and support our nation's families.

x  Jimmy Carter

THE WHITE HOUSE

WASHINGTON

10/15/79

Director Campbell

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

Rick Hutcheson

cc: Zbig Brzezinski  
Arnie Miller  
Bob Linder

THE WHITE HOUSE  
WASHINGTON

October 13, 1979

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MEMORANDUM FOR THE PRESIDENT

THROUGH:

AL McDONALD 

FROM:

HUGH CARTER 

SUBJECT:

Cost-of-Living Increase for White House Staff

The government-wide cost-of-living pay increase you have approved does not automatically apply to White House employees because White House salaries are administratively, not statutorily, determined. Accordingly, the approval of the President or his designee is required to extend this increase to White House employees.

In the last two years, you have extended this increase to all eligible White House personnel, as has always been done in the past insofar as we can determine. This year the increase applies to all employees, with those earning below \$47,500 receiving a 7% increase and those at executive pay levels receiving the same 5.5% increase as Members of Congress. All White House executive pay levels are set at \$1,500 below the maximum allowable at those levels.

This year, as in the last two, we would authorize each Department Head to withhold the increase from any employee in their Department at their discretion.

The increase will change the \$37,500 to \$47,499 bracket that has been previously limited to 40 persons. Since the new White House authorization statute of last year establishes legal numerical limits on White House staff pay categories, we will, of course, insure compliance with those limits.

The total annual cost of this increase will be approximately \$696,000, which will be requested as a supplemental appropriation

to the 1980 budget. This is a normal process that almost all agencies follow to fund annual cost-of-living increases.

We recommend that you approve this increase for all the staff.

Implement 7% Increase for All White House  
Employees Below \$47,500

Approve ✓ Disapprove \_\_\_\_\_

Implement 5.5% Increase for All White House  
Employees at Executive Pay Levels

Approve ✓ Disapprove \_\_\_\_\_



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ID 793938

THE WHITE HOUSE

WASHINGTON

DATE: 19 SEP 79

FOR ACTION: HAMILTON JORDAN

JODY POWELL

*discuss at  
sr staff mtg*

*Hold*

INFO ONLY: THE VICE PRESIDENT

*KZ:PD enoch  
bill - program - with  
staff*

SUBJECT: ADMINISTRATIVELY CONFIDENTIAL H. CARTER MEMO RE  
COST OF LIVING INCREASE FOR WHITE HOUSE STAFF

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+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM THURSDAY 20 SEP 79 +
+++++

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ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

10/15/79

Director Campbell

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

Rick Hutcheson

cc: Zbig Brzezinski  
Arnie Miller  
Bob Linder

THE WHITE HOUSE  
WASHINGTON

10/13/79

Mr. President:

Arnie Miller concurs.

Rick/Bill

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

Washington, D.C. 20415

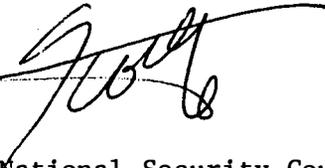
①  
/

In Reply Refer To:

OCT 9 1979

Your Reference:

MEMORANDUM TO THE PRESIDENT

FROM: Alan K. Campbell   
Director

SUBJECT: Exclusion of the National Security Council  
Staff from the Senior Executive Service

**Electrostatic Copy Made  
for Preservation Purposes**

Introduction

I have received a request from the National Security Council Staff for its exclusion from the Senior Executive Service, for a period at least until December 31, 1980. The requested exclusion would affect the 11 positions on the NSC Staff which are presently classified to grades GS-16, 17 and 18, and others at those levels which the agency may establish in the future. The NSC Staff has an excepted authority under Schedule A (5 CFR 3121), which enables the agency to appoint and separate employees without reference to the procedures governing the competitive service.

Analysis

The size and structure of the NSC Staff are tailored personally by the President and his Assistant for National Security Affairs. The NSC has advised us that there are no permanent managerial or policy-making positions on the Staff, but that instead the Staff is frequently reorganized to adjust to changing policy priorities and imperatives. We have been advised that virtually all the professional positions on the Staff, including all the positions under discussion, traditionally change incumbents upon a change in the administration.

Representatives of OPM and the NSC Staff have explored the viability of the latter's inclusion in the Senior Executive Service. In order for the NSC Staff to maintain the flexibility it now enjoys with its Schedule A authority it would be necessary for all the NSC supergrades to be employed as noncareer executives in the Senior Executive Service. However, this arrangement is specifically precluded by the Civil Service Reform Act (Title 5 U.S.C. 3134(d)), which provides that "The number of . . . noncareer appointees may not . . . exceed . . . 25 percent of the total number of Senior Executive Service positions in the agency . . . ."

In view of this situation, the NSC advised us that, "Placing any of these individuals in the SES would hamper the ability of the President and his Assistant for National Security Affairs quickly to re-structure the Staff to meet changing circumstances, and could thus adversely affect the national security interests of the United States." Accordingly, the NSC has requested that its Staff be excluded from the SES. The circumstances described in the NSC request impel us to conclude that the Senior Executive Service is inherently incompatible with the requirements of the NSC Staff, as the latter is constituted at this time.

The NSC has suggested that its exclusion extend until December 31, 1980, "during which time the Staff will continue to study the possibility of moving into the SES."

Recommendation

I recommend that you approve the NSC Staff's request for exclusion from the Senior Executive Service for a period of time not to exceed December 31, 1980. I further recommend that the issue of including the NSC Staff in the Senior Executive Service be reconsidered at that time, and decided on the basis of the circumstances which then apply.

Approve  
Exclusion

✓  
\_\_\_\_\_

J

Disapprove  
Exclusion

\_\_\_\_\_

Other

\_\_\_\_\_

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for Preservation Purposes**

ID 794444

THE WHITE HOUSE

WASHINGTON

DATE: 12 OCT 79

FOR ACTION: ARNIE MILLER

*concur*

*Hold til SAT*

INFO ONLY: THE VICE PRESIDENT

AL MCDONALD

ZBIG BRZEZINSKI

JIM MCINTYRE

SUBJECT: CAMPBELL MEMO RE EXCLUSION OF THE NATIONAL SECURITY  
COUNCIL STAFF FROM THE SENIOR EXECUTIVE SERVICE

+++++

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

+ BY: 1200 PM MONDAY 15 OCT 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

ID 794444

THE WHITE HOUSE

WASHINGTON

DATE: 12 OCT 79

FOR ACTION: ARNIE MILLER

INFO ONLY: THE VICE PRESIDENT

AL MCDONALD

ZBIG BRZEZINSKI

JIM MCINTYRE

SUBJECT: CAMPBELL MEMO RE EXCLUSION OF THE NATIONAL SECURITY  
COUNCIL STAFF FROM THE SENIOR EXECUTIVE SERVICE

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM MONDAY 15 OCT 79 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

10/15/79

Stu Eizenstat

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

Rick Hutcheson

cc: Frank Moore  
Eliot Cutler

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION  
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
X	EIZENSTAT
	MCDONALD
X	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

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

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THE WHITE HOUSE  
WASHINGTON

*Some  
Byrd will oppose my  
Cub in 620 bill - Sta  
Contact Joe Steward to  
place strategy  
J*

RECOMMENDED TELEPHONE CALL

TO: Robert C. Byrd

DATE: The call should be made Sunday afternoon, Oct. 14, 1979.

REC. BY: Frank Moore, with concurrence of Jim McIntyre, Eliot Cutler, and Energy advisors. *B&B*

PURPOSE: To get guidance from Byrd on Javits Amendment and to stress importance of linkage of low income assistance to windfall profits tax.

BACKGROUND:

On Monday, Senator Byrd's Interior Appropriations bill will be subject to amendment on the Senate floor. Senator Javits plans to offer an amendment to reduce the total amount of the \$20 billion synfuels appropriation by \$1.35 billion. More importantly, the amendment would add \$1.35 billion to the bill for fuel assistance payments to low income people with no linkage to the windfall profits tax. Senator Kennedy and other "frost belt" co-sponsors are likely to speak in favor of the amendment.

Because of the confusion that accompanied consideration of the Interior bill in the full Appropriations Committee, we recommend you call Senator Byrd Sunday afternoon to express your opposition to the Javits Amendment and to get Byrd's guidance about what the Administration should do.

Your advisors are unanimous in expressing alarm about the amendment. Low income assistance and other energy spending must remain contingent on passage of the windfall profits tax. Without such linkage, the energy bill could well become a "Christmas tree" with every member's favorite energy program attached, and pressure for passage of an adequate tax would be substantially reduced. The Javits Amendment poses the first serious test on the Senate floor of the linkage concept.

Senator Byrd's chief staff member doubts that the amendment can be defeated outright. Some of your advisors disagree. Nevertheless, Byrd's staff is clearly thinking about presenting a substitute amendment for Javits, rather than fighting the amendment head-on. It is essential that whatever low income assistance substitute Byrd might offer be linked to passage of the windfall profits tax.

Ideally, your advisors would prefer that appropriations for the low income assistance program be deferred until after the Finance Committee and the Senate itself approve a tax similar to your proposal. Subsequent appropriations bills could be used as a basis or vehicle for the low income assistance program if we carefully orchestrate the process.

TALKING POINTS:

1. I am calling to get your advice on what the Administration should do about the amendment Senator Javits apparently will offer to your appropriations bill next week. I support your bill as it emerged from the Appropriations Committee, and it is important that we be as effective as possible in support of your efforts.

2. I oppose the Javits Amendment. As I understand it, the amendment would reduce synfuels spending by over a billion dollars. More importantly, it would establish a low income fuel assistance program in excess of a billion dollars that is not linked to passage of the windfall profits tax.

I believe linkage with the tax is vital. Without such linkage, passage of a strong tax could be in jeopardy and the Energy Committee could have difficulty holding the line against amendments when its bill reaches the floor. As you know, this is the first strong challenge to the linkage concept on the Senate floor.

3. On Friday, I sent to the Congress a \$1.2 billion supplemental appropriations request for low income assistance, linked to the windfall profits tax. I have also proposed spending of \$400 million for low income assistance this winter, so that we would have some funds available prior to passage of the tax.

It is my understanding Senator Magnuson plans to hold hearings on my appropriations requests soon. Moreover, both the Finance Committee and the Human Resources Committee have been working for some time on a low income assistance plan similar in some respects to the one I proposed. The outlines of a consensus - at least in Finance - are emerging.

As I see it, the Javits Amendment poses a threat to the work of the authorizing committees and would short circuit Appropriations Committee work on my supplemental request.

4. Secretary Duncan, Secretary Harris and I will do all we can to support your efforts against the Javits Amendment. If you determine that the amendment cannot be defeated without offering a substitute, I hope the substitute you offer maintains the linkage between low income fuel assistance and

the windfall profits tax. I recommend the language of the supplemental I sent to Congress last Friday as a basis for a substitute amendment if it is necessary to use a substitute.

NOTE:

Since Byrd's bill does not explicitly link synfuels spending to passage of the tax, he may have difficulty proposing a substitute for low income assistance that contains explicit linkage. The Interior bill delays final appropriations action on the bulk of the \$20 billion synfuels package until passage of ~~of~~ the Energy Committee's authorizing legislation. During this delay, the Finance Committee and probably the Senate will have time to act on the windfall profits tax, as well as the energy bill. Thus, Byrd has achieved a kind of linkage for synfuels based on the scheduling of the various bills for floor consideration rather than on an explicit statement of the linkage concept in the language of the Interior bill itself.

He may suggest the same solution for low income assistance. We would prefer a substitute amendment specifying explicit linkage, but if he insists on de facto linkage based on delaying the low income assistance final action until after passage of the tax, we will have to accept it.

## OVERVIEW OF YOUR LOW INCOME ASSISTANCE PLAN

The Low Income Energy Assistance legislative initiative has two major parts - the interim plan and the long-term plan. The interim plan is designed to provide \$1.6 billion to low income persons this winter. The long term plan would provide \$2.4 billions annually for fiscal years 1981-83.

The issue on the Senate floor Monday is funding for the interim plan.

Funding for the interim plan is being sought through

- a continuing resolution providing \$250 million for CSA, which you just signed,
- a supplemental appropriation of \$150 million for CSA, submitted a month ago,
- a supplemental appropriation, which you submitted last Friday, of \$1.2 billion for transfer to HEW through CSA.

The \$1.2 billion supplemental you sent to Congress last Friday is contingent on passage of the windfall profits tax. The other \$400 million is not linked to the tax.

THE WHITE HOUSE  
WASHINGTON

10/15/79

Frank Moore

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

Rick Hutcheson

4501

done  
J

CONGRESSIONAL TELEPHONE REQUEST

TO: Congressman Earl Hutto  
DATE: Friday, October 12, 1979  
RECOMMENDED BY: Frank Moore *f.m./pd*  
PURPOSE: Congressman Hutto would like to discuss Florida politics with you.  
DATE SUBMITTED: October 12, 1979

*Looks good in N.W. Fla. - Clean sweep -  
Ken state in Pensacola - not a chance*

*USS Lexington's replacement = Coral Sea - Need  
some dredging - Pensacola - Ltr*

*Naval Air rework facility - one of six - Contracting  
out - A4 fast fixed wing plane - want to keep in  
house.*

*Sea net training - continue*

*No consolidation of helicopter & other training*

*Done*  
*J*

THE WHITE HOUSE  
WASHINGTON

October 11, 1979

CONGRESSIONAL TELEPHONE REQUEST

TO: Senator Herman Talmadge

DATE: October 11, 1979  
After 7:00 p.m.

RECOMMENDED BY: Frank Moore *FM*  
Dan Tate

PURPOSE: To talk to Talmadge about his recent problems.

BACKGROUND: The Senate voted today for the resolution to denounce Senator Talmadge. The vote was 83 for, 15 against and 4 present. I think the Senator would appreciate a call from you. We do not urge that you say anything other than what is mentioned in the talking points.

TALKING  
POINTS:

1. I know that the past several months have been an ordeal for you.
2. I thought about you often during this difficult period and wanted to call and let you know that I am glad these months are behind you.

Date of Submission: October 11, 1979

*I do not think Tolson will  
revel you call to congress.*

THE WHITE HOUSE  
WASHINGTON

C

October 12, 1979

MEMORANDUM TO: THE PRESIDENT  
FROM: Sarah Weddington *sw*

The October issue of Redbook did an article on women who should be considered for the Supreme Court.

I thought you'd be interested in seeing the synopsis.

Liz Carpenter and Birch Bayh had asked that I bring this to your attention.

cc: Rosalynn Carter (with article)

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## **ISN'T IT TIME TO HAVE A WOMAN ON THE SUPREME COURT?**

"It would be an honor to be the first President to name a woman to the Supreme Court," President Jimmy Carter recently told Redbook. If a vacancy occurs in the Court, whom should President Carter name? In a Redbook poll of nearly 2,000 leaders in the worlds of politics and law we asked, "Which women would you like to see on the Supreme Court?" Here, in the order in which they ranked, are the leading candidates:

**1. BARBARA JORDAN**, former congresswoman from Texas, now the Lyndon B. Johnson Public Service Professor, Lyndon B. Johnson School of Public Affairs, University of Texas, Austin, Texas.

**2. SHIRLEY M. HUFSTEDLER**, judge, United States Court of Appeals for the Ninth Circuit, Los Angeles, California.

**3. MARTHA GRIFFITHS**, former congresswoman from Michigan, partner, Griffiths and Griffiths, Romeo, Michigan.

**4. RUTH BADER GINSBURG**, professor, Columbia University School of Law, New York, New York.

**5. ELEANOR HOLMES NORTON**, Chair, Equal Employment Opportunity Commission, Washington, D.C.

**6. PATRICIA ROBERTS HARRIS**, Secretary, Department of Health, Education and Welfare, Washington, D.C.

**7. CONSTANCE BAKER MOTLEY**, judge, United States District Court for the Southern District of New York, New York City.

**8. CARLA ANDERSON HILLS**, partner, Latham, Watkins and Hills, Washington, D.C.

Profiles of each of these women begin on page 180.

THE WHITE HOUSE  
WASHINGTON  
10/15/79

Anne Wexler

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

Rick Hutcheson

X CARL HOLMAN

THE WHITE HOUSE  
WASHINGTON

October 9, 1979

*done*  
*J*

MEMORANDUM TO THE PRESIDENT

FROM:

ANNE WEXLER *AW*

SUBJECT:

Phone Call on the Department of Education

I would like to suggest that you call Carl Holman, President of the National Urban Coalition, who was extremely helpful in working with us on the Department of Education. He really helped when the chips were down. It is my understanding that Holman is somewhat disturbed that he has not been thanked.

A request for a telephone call was submitted September 27, but never received by the Staff Secretary. I regret that this was the case, but I think that the call is still important and that it will please Holman.

Suggested talking points:

"I want to personally thank you for your help in passing the Department of Education legislation.

Your assistance, especially with the civil rights community, was critical to the success of this legislation."

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

12 October 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM:

RICK HUTCHESON *R.H.*

SUBJECT:

Status of Presidential Requests

WATSON:

1. (8/17) The Middle Distillate situation is a major responsibility. Act boldly to prevent any serious shortage -- the 240 million goal must be met -- Done. *done*
2. (9/19) (and Doug Costle) The President would like a half page assessment on Chris Brown's memo concerning the EPA regional position in Denver -- Done, (Jack spoke with you about this). *done*
3. (9/25) The President wants you to find out the facts concerning the report on the disappearance of LOBSTA I -- Done, (Jack has spoken with Mary Hoyt. When the final Coast Guard report is completed, a representative will sit down with Mary and go over the facts.) *done*

MOORE:

1. (6/4) You and OMB give the President a potential veto list -- don't be timid -- Done. *done*

MCINTYRE:

1. (9/20) (and Dr. Frosch) The President wants you to advise him on the management of space shuttles -- Done. *done*

SECRETARY KREPS:

1. (8/16) The President would like to know if you are enforcing the laws and regulations with regard to U.S. corporations in South Africa -- Done. *done*

THE WHITE HOUSE

WASHINGTON

15 Oct 79

~~The Vice President~~

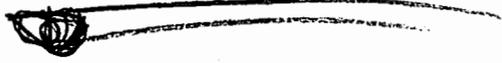
Jack Watson

Arnie Miller

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

Rick Hutcheson

ADMINISTRATIVELY  
CONFIDENTIAL



cc Jack  
J

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR THE PRESIDENT  
FROM: JACK WATSON *Jack*  
ARNIE MILLER *AA*  
SUBJECT Secretary of Education

Pursuant to your request, we have worked with the Vice President and sought further advice from people like John Gardner, Jim Hunt, Derek Bok and Bill Friday.

We also made a concerted effort to identify more minorities and women.

As a result, we have focussed our attention on several possible candidates. None of them meets the criteria we shared with you last week as well as Bill Moyers. Though Moyers told the Vice President he did not think he would be interested we strongly believe another effort should be made to interest him. The attachment at Tab 1 explains why we think he is the strongest choice.

If Moyers does not change his mind the following individuals merit careful consideration.

John Gardner

He possesses the intellect, national stature and leadership capacity and political skill to be an excellent Secretary. Gardner is not regarded as a strong manager and at age 67 serious questions persist about his appetite for wrestling with the bureaucracy during the critical transition ahead.

We would need to surround him with exceptionally strong managers to run the transition and the Department.

John Gardner would clearly add lustre to your Cabinet though and would signal your intent for the new department to seek excellence. Despite these positive characteristics we wonder if he's not better used in the senior advisor role he now plays.

Cliff Wharton (President, State University of New York (SUNY) -- age 53). We discussed him with you last week. Wharton, one of the leading black educational administrators, reputedly did a good job at Michigan State and was SUNY's first choice in 1978 to become its next President. Though he has been an educational administrator since 1979 most of his career has been in international development, especially agriculture and feeding the world's hungry. Wharton is regarded as thoughtful, creative, decisive, a good manager and able to implement policies. Because he has focussed on international issues Wharton is unconnected to most of the black community but is well respected. Civil rights organizations are extremely positive about him. He is an Independent. Though his national leadership capacity is unknown and he has little national political experience, we believe Wharton has the potential to be a fine Secretary. Juanita Kreps says she would choose him first, but Derek Bok questions his intellectual capacity.

Appointing a black Secretary would create a certain negative backlash from the Hispanic community who will be deeply disappointed if an Hispanic has not been selected.

Four others could ably guide the department through the initial transition, would be respected by the education community (especially higher education), and represent no major risk. Each would also be unlikely to rethink critically existing programs and bring little public recognition or political credit. They are:

Scotty Campbell (Director, Office of Personnel Management). As we indicated last week, Scotty has a reputation for getting things done, and his service as Maxwell and LBJ School Deans plus extensive writing about education give him credibility with the education community. He can manage, and has excellent relations on the Hill. His handling of the civil service reform initiative justly earned him wide respect. Scotty is also a good creative thinker and can develop strategies to achieve objectives. Because of these reasons, we continue to feel he would be a "safe" choice as Secretary -- he could get the transition job done well. His appointment would be unexciting and not broaden your Administration, however, and he is largely unknown outside Washington.

If Scotty is appointed Secretary, we could appoint an Hispanic at OPM.

Robben Fleming (President, Corporation for Public Broadcasting). Fleming, 63, has had a distinguished career that has included terms as Chancellor of the University of Wisconsin and President of the University of Michigan. A former lawyer and labor arbitrator, Fleming is regarded as bright, thoughtful and knowledgeable about education. He is broad gauged and would win the respect of parts of the higher education community. He could balance the numerous education interests. However, Fleming has lost a step and represents an "old" rather than a "new" face. He may not be a particularly strong leader and has little national political experience. Managing in the Federal bureaucracy would be new for him. People suggest he may be "tired of" education after a draining experience at Michigan and that the CPB assignment is best suited for him now.

Alexander Heard (Chancellor, Vanderbilt University). Heard, 62, is one of the country's most distinguished University presidents. Prior to becoming head of Vanderbilt in 1962 he taught political science and worked in several Federal departments. Heard, a Democrat, served as Nixon's Special Adviser on Campus Affairs in 1970. He knows education issues, and is regarded as thoughtful though traditional. He is not widely known to the general public and lacks national political experience. Heard is retiring from Vanderbilt and he apparently has slowed down some. It is not clear he could or would have the appetite for managing the Federal bureaucracy. We may not want to make another Southern Cabinet selection.

Doc Howe (Vice President, The Ford Foundation). Howe, 61, is revered in parts of the education community. He served as Commissioner of Education from 1965 - 1968 and conceived and launched many of the Great Society education programs. Howe knows the politics of education better than anyone and could handle the transition well. He is not likely to challenge current programs. Howe has well entrenched views about education and may not be open to new ones. His ability to lead outside the education world is also questionable. Howe is an "old face" whose appointment would deny our claim that creating the department enables us to recruit better people with more stature than the HEW structure allowed. For these reasons, we didn't recommend him to you earlier. The Vice President and John Gardner feel he should be considered because of his acknowledged capacity to handle the transition.

Two other candidates have more diverse experiences and would be more likely to bring new thinking and approaches to education than the four somewhat traditional individuals listed above. They are:

Shirley Hufstedler (Circuit Judge, U.S. Court of Appeals for the Ninth Circuit - age 54). She practiced law for ten years before being appointed to the Los Angeles County Superior Court in 1961. She was appointed to the Circuit Court in 1969, is very bright according to Bok and a highly respected jurist often mentioned as a possibility for becoming the first woman on the Supreme Court. Hufstedler does not to our knowledge have experience in education, however, and would be a management risk. Though she is a Democrat, she does not have significant previous political experience. Juanita Kreps rates her highly and Tom Ehrlich thinks she might have the right temperament to manage. Her appointment would be highly unconventional though and we would spend time explaining it.

Don Kennedy (Provost, Stanford University - age 48). He just returned to Stanford after serving as Food and Drug Commissioner at HEW for two years. Kennedy is young, energetic, imaginative and a highly skilled manager. His work at FDA, where he reorganized and streamlined the agency, has been widely applauded. He is a biologist by training, and is well versed in the politics and issues of higher education. Kennedy would be suspected by the elementary and secondary community as being pro-university, and has little national recognition. However, his FDA experience suggests he might be able to be effective. Frank Press ranks Kennedy very highly.

Finally, the Vice President suggested John Davis, the President of Macalester College in Minnesota. Davis, 58, has served as a University of New Hampshire Dean, superintendent of several Massachusetts districts, and as Minneapolis Superintendent of Schools from 1967-77 before moving to Macalester. He is respected in the education community as a thoughtful, competent and pragmatic administrator. He handled the desegregation of the Minneapolis schools extremely well. Davis lacks national political experience, has a conservative retiring style and is unknown to the public. We do not believe he is of Cabinet stature despite his solid record as an educator.



## WHY BILL MOYERS

We are firmly convinced that your selection of the first Secretary of Education will be one of your most important personnel decisions. The first Secretary must be able to cope with an extraordinary series of problems, including:

- the erosion of public confidence in education (especially in urban public schools)
- confusion and dispute about the Federal, State local and private roles in education
- public and Congressional conviction that the Federal education dollar is not well invested
- divisive civil rights issues -- e.g. busing, women in athletics
- the drain of strong, competent people from education to other fields
- declining student and teacher competency
- barriers between professional educators and parents and communities
- a calcified Federal education bureaucracy

We believe it is no exaggeration that American education is in deep crisis. Faced with seemingly intractable problems, confronted with public skepticism and in some cases open distrust, and lacking any strong leadership, education -- perhaps the key of any well informed, democratic society -- is floundering.

The first Secretary will not solve any of these problems. But the first Secretary can begin a process and set a tone that can make a difference. The first Secretary can infuse the new department with a critical mass of top-flight talent that can begin to grapple with the difficult problems. The first appointment will also set a standard for the next twenty five years that future Presidents will have to emulate, thereby making it more difficult for special interests to capture the department. If we fail to establish this level of quality now it will be much more difficult to superimpose it later.

Bill Moyers can meet this challenge better than anyone we know. He is widely regarded as one of the nation's most thoughtful and incisive individuals and opinion leaders. He is no one's captive and has thought extensively about education and its role in society. Moyers has an appreciation for the limits of Federal authority but understands how to lead.

He is articulate, charismatic, and politically savvy. Moyers has a solid civil rights record. His stints as Peace Corps Deputy Director, chief assistant to LBJ, and Newsday publisher exposed him to management. Moyers appreciates the diversity and complexity of America and the need to listen to and work with all groups -- a quality particularly important in education.

Appointing Moyers would appeal to a number of groups:

- the media could be expected to respond very positively. He is popular with and respected by his peers in both the print and television media. This would help offset the barrage of negative editorial comment about the department.
- opinion leaders would praise the appointment as most of those we have contacted already have done. Your leadership for attracting such talent would also be applauded.
- critics of the department who contended it would be the captive of the NEA and Federal bureaucrats would have to admit Moyers' appointment did not fulfill their prediction.
- civil rights leaders would feel comfortable with him and be assured that the civil rights laws will be enforced.
- Members of Congress would recognize and respect both his intellect and political skill and judgment.
- different education factions would know that no group would control him and all would feel he would be someone who would balance their interests fairly.

And perhaps above all, Bill Moyers has the proven ability to communicate and listen to the average American in the role of a "citizen educator." He may blend better than anyone in the country a refreshing mind with a pragmatic understanding of Washington, national politics and how to lead.

You were widely applauded for attracting leaders with your last round of cabinet appointments. Appointing Bill Moyers would continue the momentum generated by the appointments of Reubin Askew, Moon Landrieu and Neil Goldschmidt.