

10/19/79

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**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

ID # 057470

O - OUTGOING
 H - INTERNAL
 I - INCOMING
 Date Correspondence Received (YY/MM/DD) 79110119

Name of Correspondent: Norman Vincent Peale

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Personal
Ashina President to meet with
Rick Greene

ROUTE TO:		ACTION		DISPOSITION	
Originating Office, Your Last Name		Refer Action Type Code	Tracking Date YY/MM/DD	Type of Response Code	Completion Date YY/MM/DD
<u>PR</u>	<u>CLOU</u>	ORIGINATOR	<u>79110122</u>	<u>CP2</u>	<u>A 79110129</u>
<u>APVOR</u>		R S L	<u>79110129</u>	<u>ENTERED</u>	<u>2 1 1</u>
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REFER TYPE: A - Agency S - Staff ACTION CODES: A - Appropriate Action I - Info Copy DISPOSITION CODES: A - Acknowledged B - Non-Special Referral
 C - Comments R - Direct Reply w/Copy C - Completed
 D - Draft Response S - For Signature S - Suspended
 F - Fact Sheet X - Interim Response

Comments: _____

THE WHITE HOUSE
WASHINGTON

10/22/79

Dr. Peale --

President Carter asked
me to send you the enclosed
copy of your letter which
includes his notes -- with
his best regards!

-- Susan  Clough

(P.S. A copy has also been
sent to Fran Voorde
who handles the
President's scheduling.)

Name	Date
Slade	11/6/79

Would you like to comment on
letter....

or I can send directly to
Fran for Presidential ack
drafted/ appropriate handling

(I remember that the special
church service in Macon, Georgia,
was attended by you and him)

9
Norman Vincent Peale

1025 Fifth Avenue
S.C. New York, NY 10028

October 15, 1979

057470

Electrostatic Copy Made
for Preservation Purposes

President James Earl Carter
The White House
Washington, D. C.

Dear Mr. President:

I write you this letter simply because I am impressed by a young man named Rick Greene, 35 East 38th Street, New York, New York, 10016, formerly of Georgia. He tells me that you have been his ideal and idol ever since he was a young boy in your native State.

He is a regular attendant at my church and is a very successful young businessman. He says he has a dream, and that is to meet you. I very well know how terribly busy you are, but this boy idolizes you, and if you could let him come into your office for a moment to shake you by the hand, it would be for him an experience of a lifetime. //

May I conclude this letter by assuring you of my own personal admiration for you and that you are in my prayers.

God bless you.

Respectfully yours,

Norman Vincent Peale

NVP:DWP

cc: Dr Peale -
It is a pleasure to
hear from you. I would
be glad to meet Rick
Greene -
Jimmy Carter

THE WHITE HOUSE
WASHINGTON

10/19/79

Archbishop Baum --

President Carter asked me
to send you the enclosed copy
of your letter which includes
his note -- with his best
regards!

-- Susan  Clough

THE WHITE HOUSE
WASHINGTON

jane simpson --

please send cc of letter
back to the archbishop with
my note, attached.

(i didn't know whether it
was 'archbishop baum' or
'william cardinal baum')

thanks--ssc



Office of the Cardinal Archbishop

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for Preservation Purposes

The Chancery
1721 Rhode Island Avenue, N.W.
Washington, D. C. 20036

October 12, 1979

My dear Mister President,

Please accept this heartfelt expression of gratitude for the welcome offered to His Holiness Pope John Paul II at the White House. Much has already been spoken and written about the significance of this historic visit. //

Please know Mr. President that your own two addresses were in my opinion not only appropriate but inspiring. It was deeply moving to here our President quote from the Seventeenth Chapter of the Gospel of St. John. May I also remark upon the beautiful welcome given to Pope John Paul II by Mrs. Carter at Boston.

The consideration and service offered by the White House, the State Department, the Department of the Interior and the Secret Service will never be forgotten.

It is my prayer that the visit of Pope John Paul II will be a source of blessings for many years to come. Please be assured Mr. President of my prayers for you as you continue to bear such heavy responsibilities in the service of our Country, for Mrs. Carter and your family.

Devotedly in Our Lord,

William Cardinal Baum
Archbishop of Washington

Susan:
For your information

Jane Simpson

9
S.C.
Norman Vincent Peale

1025 Fifth Avenue
New York, NY 10028

October 15, 1979

057470

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President James Earl Carter
The White House
Washington, D. C.

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God bless you.

Respectfully yours,

Norman Vincent Peale

NVP:DWP

cc: A Peale - to
It is a pleasure I would
hear from you. I would
be glad to meet Rick
Greene -

Jimmy Carter

cc Fran

THE WHITE HOUSE
WASHINGTON

October 19, 1979

PERSONAL AND CONFIDENTIAL

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MEMORANDUM FOR THE PRESIDENT

FROM: DAN TATE *DT*

SUBJECT: Senator Barry Goldwater

I just met with Senator Goldwater who indicated that he still feels that you should send to the Congress a formal request for concurrence in your abrogation of the mutual defense treaty. The Senator said that he "believes" he could support such a request and that, in any event, there would only be 8-12 votes against it. He also said that such a concurrence by the Senate could be attached to a Harry Byrd resolution which is still pending on the Senate calendar. Senator Goldwater said that Senator Robert Byrd would probably speak to you directly about this.

He wanted you to be sure and understand that it was not the recognition of the PRC that he was challenging, but rather he wanted to avoid the establishment of a precedent that a President could abrogate a mutual defense treaty.

Finally, after I relayed your comments about your relationship with him he asked that I be sure to let you know that he could not see you on the Panama issue when you requested because he was out of town.

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

THE WHITE HOUSE
WASHINGTON

10/19/79

Frank Moore

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

Rick Hutcheson

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

*done
Will help in
every way
C*

CONGRESSIONAL TELEPHONE CALL

TO: Senator Robert Stafford (R-Vermont)

DATE: This morning, October 19, 1979 (He is leaving for Vermont at noon.)

RECOMMENDED BY: Frank Moore *FM/BB*

PURPOSE: To thank him for coming out on SALT *D*

BACKGROUND: Senator Stafford will release a statement tonight endorsing the Treaty. It will be broadcast in Vermont over the weekend as part of his weekly radio column. He says he expects to vote for SALT barring unforeseen developments.

He will receive substantial criticism from the Right wing of his party and the endorsement of the Treaty by a moderate Republican should not be underestimated. We should make as much of this endorsement as possible.

DATE OF
SUBMISSION: October 19, 1979

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THE PRESIDENT'S SCHEDULE

NOT ISSUED

Friday - October 19, 1979

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:30 Breakfast with Secretary Cyrus Vance,
(90 min.) Dr. Zbigniew Brzezinski, Mr. Hedley
Donovan, and Mr. Hamilton Jordan.
The Cabinet Room.

✓ 9:00 Meeting with Senator Joseph R. Biden, Jr.
(15 min.) (Mr. Frank Moore) - The Oval Office.

10:00 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.

✓ 11:30 Meeting with Secretary Ray Marshall, Dr. Ruben
(15 min.) Mettler, and Mr. John Filer. (Mr. Stuart
Eizenstat) - The Oval Office.

1:30 Mr. Charles Schultze - The Oval Office.
(20 min.)

✓ 2:15 Drop-By Urban Policy Reception. (Mr. Jack Watson).
(15 min.)

3:00 Meeting with Dr. Zbigniew Brzezinski et al.
The Cabinet Room.

THE WHITE HOUSE

WASHINGTON

October 19, 1979

1

MEMORANDUM FOR THE PRESIDENT

FROM: DAN TATE

SUBJECT: Senators' Trip to Thai Border

**Electrostatic Copy Made
for Preservation Purposes**

In light of your reservations about the Senators' trip to the Thai border, there are two developments you should be made aware of:

- (1) Senator Byrd (or his staff) asked Senators Sasser and Baucus to make the trip and apparently said they would be travelling at your request. Each wants to announce that he is going at your request. Bob Beckel has talked with Baucus and discouraged him from saying that.
- (2) Byrd's staff prepared a press release announcing the trip and saying that the Senate Majority Leader and Senate Minority Leader have appointed Sasser (who has been designated Chairman of the delegation -- much to Danforth's chagrin), Baucus, and Danforth and that they had done so at your request. I objected to that language and suggested that "after discussions with the President" or similar language would have to be used. The press release was changed accordingly.

Apparently, Byrd had trouble getting anyone to go and resorted to saying that the delegation would be chosen and would travel at your request in order to get some acceptances. When I objected to the original press release language to his staff, Byrd agreed to the change.

*Byrd's visit re^a protocol to SACT II
b) Taiwan treaty case*

J

~~147 - 188~~

~~6190 - 30%~~

THE WHITE HOUSE
WASHINGTON

10-19-79

To Jack Watson

Re 10/24

Call Jim Hunt again -

Call Sheron Rockefeller

J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

10/19/79

Jim McIntyre
Jody Powell

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

Rick Hutcheson



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
October 18, 1979

cc Jim
Brief the
press on
action taken
J

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*

SUBJECT: Washington Post Article on Furniture Dumping

We have taken immediate steps to put a stop to the dumping of usable government furniture and assure that we control the situation in the future.

- We told the Acting Inspector General at HEW to dig up the furniture at the Montgomery County landfill you read about in the Post if that is what is needed to find out what is happening at HEW and put a stop to it. They are doing it.
- The Administrator of General Services is taking every step necessary to control the situation throughout the Executive Branch. I understand Admiral Freeman will be briefing you on the matter at his luncheon meeting with you this Saturday.
- The Inspector General of GSA met with the Inspectors General of the major agencies on October 4 to institute comprehensive audit procedures on surplus furniture after the Agriculture situation developed. He will redouble his efforts.
- We are having a meeting of the executive committee of the Executive Group to Combat Fraud and Waste next week. We will make this the first item on the agenda and impress on the members the interest you have in dealing with the matter effectively.

I will take whatever other steps are required to control this situation, including carefully reviewing office equipment requests in the budget.

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

October 18, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Israeli Oil Commitment

I understand that at your foreign policy breakfast tomorrow, Secretary Vance will raise the issue of our oil supply commitment to Israel.

I have been involved for a few weeks in trying to develop a consensus among State, DOE and the Israeli Embassy on a formula for honoring that commitment. A consensus has not yet been reached. I cannot say that one will be reached. But I can say that State's proposal, while an improvement over its earlier version, is still unacceptably tough in Israel, for the mechanism triggering the commitment is very stringent.

I fear that if you accept the State proposal, it will have a negative impact on Israel at a delicate time in the negotiations and will have negative domestic impacts. At a time when we are seeking to get Israeli cooperation on so many other matters, I do not think we should risk a public dispute on the oil commitment.

I recommend that you ask State to be more forthcoming in the price. Israel must pay for the oil, even though the Camp David commitment was only on the supply of oil.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

ACTION

October 18, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: FRANK MOORE *F.M.*
SUBJECT: Moroccan Arms Transfer --
Congressional Assessment

State consulted with the SFRC on the Moroccan arms transfer issue, and on September 21 the Committee took a vote. Six Senators: Church, Javits, Stone, Muskie, Lugar, and Hayakawa voted for what is our Option 2. McGovern, Zorinsky, and Pell voted against. Church and Javits sent you a letter outlining the Committee's views (Tab A).

Although the SFRC vote was not definitive, it gives us a good indication of where we stand. We could get Option 2 and might be able to get Option 3 with some heavy pressure. It certainly would take some careful individual consultations, but we could not avoid a fight.

A conservative assessment shows that we could have a 7 to 7 split with Baker the swing vote. Putting Baker into that position is a risk you must assess. Biden and Sarbanes are not on record on this issue, and conceivably they might be persuaded. Zorinsky has been known to switch his vote, and who knows whether the new conservative Church might be persuaded.

A vote on Option 3 might be:

<u>FOR</u>	<u>AGAINST</u>
1. *Glenn	1. Church
2. Stone	2. Pell
3.**Javits ?	3. McGovern
4. Percy	4. Biden
5. Helms	5. Sarbanes
6. Hayakawa	6. Muskie
7. Lugar	7. Zorinsky

Baker

* Glenn abstained from SFRC vote because he did not think the Church formulation gave Morocco enough

** Javits' staff is having a hard time reading him, and he might be against

It seems to me that if we were in a position to let it be known that the Saudis, the Egyptians, and the Jewish Lobby favored Option 3, we would have a chance, but we still would have a fight.

On the House side, as you know, Solarz has made it clear he is opposed to any arms transfers. Hamilton is somewhere in between Options 1 and 2. We have no test vote, but I believe that although many of the Republicans would be with us, we would find it difficult to win on Option 3.

People we respect on the Hill are telling us that we should put more pressure on Hassan to get involved in the peace process.

Recommendation

To go with Option 2

_____ Approve

_____ Disapprove

I agree we would have a fight on
option 3 - but it's worth it - and
Brennan ought to carry the fight.
At a minimum, we need a keeped-
up option 2. 28

FRANK CHURCH, IDAHO CHAIRMAN

CLAIBORNE PELL, R.I.
GEORGE MC GOVERN, S. DAK.
JOSEPH R. BIDEN, JR., DEL.
JOHN GLENN, OHIO
RICHARD (DICK) STONE, FLA.
PAUL S. SARBANES, MD.
EDMUND MUSKIE, MAINE
EDWARD ZORINSKY, NEBR.

JACOB K. JAVITS, N.Y.
CHARLES H. PONTY, ILL.
HOWARD M. BAKER, JR., TENN.
JESSE HELMS, N.C.
S. I. HAYAKAWA, CALIF.
RICHARD C. LUGAR, IND.

WILLIAM B. BADER, STAFF DIRECTOR

5469
United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, D.C. 20510

September 21, 1979

Dear Mr. President:

The Senate Foreign Relations Committee met on September 20, 1979, to consider U.S. arms transfer policy to Morocco and the general situation in northwest Africa. This meeting was held in response to your Administration's request for the Committee's advice on this matter.

After a thorough discussion of the issues, the Committee came to the following conclusions:

(1) The United States should reaffirm its strong disposition in favor of a negotiated settlement to the Saharan conflict and should begin a concerted diplomatic initiative to find a negotiated settlement.

(2) The United States should appoint a seasoned American ambassador to Morocco of the kind most suitable to open communications again between the United States and King Hassan.

(3) The United States should furnish Morocco with weapons suitable for the defense of that country and as an expression of support for the Moroccan Government. These weapons should be furnished for the defense of Morocco, but we recognize that such weapons might be used in the Saharan conflict. The United States should make it clear that provision of these weapons is not an American endorsement of Morocco's policy in the Sahara and therefore the United States should not provide weapons that would be suitable only for counterinsurgency operations in the Western Sahara.

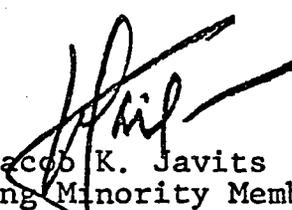
The Committee unanimously supported the first two findings above and approved the third by a vote of 6 to 3 with one abstention.

The President
The White House

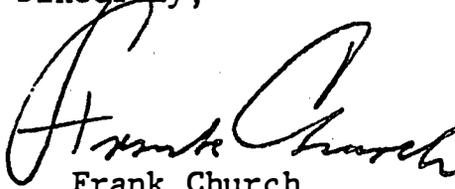
The Committee also wishes to express its satisfaction at the way in which your Administration conducted consultations on this matter.

With best wishes,

Sincerely,



Jacob K. Javits
Ranking Minority Member



Frank Church
Chairman

FRANK MOORE COMMENT

2110 p.m.

THE WHITE HOUSE
WASHINGTON

October 18, 1979

Electrostatic Copy Made
for Preservation Purposes

MEMORANDUM TO: THE PRESIDENT
FROM: GRETCHEN POSTON - *Gp-mly*
SUBJECT: SCENARIO - RECEPTION FOR URBAN
POLICY GROUP, OCTOBER 19.

1:30 P.M. Guests arrive Southwest Gate and proceed to East Room via Diplomatic Reception Room.

1:45 P.M. Secretary Harris, Secretary Landrieu, Mayor Henry Maier, Senator Pete Williams and Congressman Ashley arrive Southwest Gate and proceed to Red Room via Diplomatic Reception Room.

1:50 P.M. Secretary Harris, Secretary Landrieu, Mayor Maier, Senator Williams and Congressman Ashley are escorted into East Room and on to platform to be seated.

Secretary Harris makes remarks. —

Secretary Landrieu makes remarks. —

2:10 P.M. The PRESIDENT arrives State Floor and is announced into East Room.

The PRESIDENT proceeds to platform for remarks, finishing with introduction of Mayor Maier.

Mayor Maier makes remarks.

Senator Williams makes remarks.

Congressman Ashley makes remarks.

The PRESIDENT departs East Room and State Floor.

Guests proceed to State Dining Room for reception.

2:15 PM

THE WHITE HOUSE
WASHINGTON

October 18, 1979

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
for Preservation Purposes**

FROM: JACK WATSON
BRUCE KIRSCHENBAUM *BK*

SUBJECT: UDAG/Urban Policy Reception

EAST ROOM
2:10 p.m.
Open Press
Reception in State Dining Room

I. Purpose

For you to publicly recognize the success of the Urban Development Action Grant Program (UDAG).

For you to publicly state the positive Urban Policy record of your Administration.

II. Speakers

Secretaries Harris and Landrieu are scheduled to speak just before you arrive. They will make very short remarks about the beginnings of the UDAG program.

Three people have been asked to make remarks after you speak. We arranged this in order to have statements praising you personally. Talking points are attached for you to introduce each of the speakers. They have been asked to be very brief and will speak in the following order:

Henry Maier
Senator Harrison Williams
Congressman Lud Ashley.

III. Audience

The audience is made up of Members of Congress, mayors, county officials, state legislators, private sector developers and financiers, and urban supporters among labor, civil rights and other interest groups. A large group of HUD staff are here who run the UDAG program day-to-day. They rarely get a chance to come to the White House, and to hear you say good things about their program. You might want to say something directed towards their "hard work".

A list is attached of those we know are definitely coming.

IV. Press Emphasis

We have tried to include specialized urban and out-of-town press. The White House press corps will be present, but they will be skeptical since there is no "hard" news. The out-of-town press will also attend the reception.

V. Background

The UDAG program was one of your first new initiatives. It was conceived and developed by the transition staff and then finalized by Harris and Embry once they took office. It has truly become one of the most successfully run programs in the entire Federal government- due in great part to Bob Embry.

The basic statistics are included in your remarks. The private sector loves this program because it does not "second guess" worthiness of projects since the real test is the amount of private sector commitment. In addition, decisions are made within 60 days of application- something very important to the private sector which needs quick turnaround. A number of other programs are modeling themselves after UDAG such as the new Urban Parks program and UMTA's Urban Initiatives program.

We are handing out a fact sheet on the UDAG program.

Attachments

UDAG CEREMONY October 19, 1979

House of Representatives

Rep. Joseph Addabbo
Rep. Ludlow Ashley
Rep. Don Bailey
Rep. Charles Bennett
Rep. Tom Bevill
Rep. Johathan Bingham
Rep. James Blanchard
Rep. William Boner
Rep. Marilyn Bouquard
Rep. Jack Brooks
Rep. Phillip Burton
Rep. William Chappell
Rep. Silvio Conte
Rep. James Corman
Rep. Lawrence Coughlin
Rep. George Danielson
Rep. Mendel Davis
Rep. Ron Dellums
Rep. Julian Dixon
Rep. Robert Drinan
Rep. Joseph Early
Rep. Robert Edgar
Rep. William Ford
Rep. Wyche Fowler
Rep. Henry Gonzalez
Rep. Frank Guarini
Rep. James Hanley
Rep. Elizabeth Holtzman
Rep. William Hughes
Rep. Harold J. Johnson
Rep. Abraham Kazen
Rep. Dale Kildee
Rep. John LaFalce
Rep. Jim Leach
Rep. Robert Livingston
Rep. Thomas Luken
Rep. Parren Mitchell
Rep. William Moorhead
Rep. John Murphy
Rep. Henry Nowak
Rep. David Obey
Rep. Claude Pepper
Rep. Charles Rangel
Rep. Fred Richmond
Rep. Matthew Rinaldo
Rep. Edward Roybal

UDAG CEREMONY - October 19, 1979

HOUSE OF REPRESENTATIVES (continued)

Rep. Martin Sabo
Rep. David Satterfield
Rep. Pat Schroeder
Rep. John Seiberling
Rep. Philip Sharp
Rep. Richard Shelby
Rep. Paul Simon
Rep. Stephen Solarz
Rep. Bennett Stewart
Rep. Louis Stokes
Rep. Sam Stratton
Rep. Frank Thompson
Rep. Bruce Vento
Rep. Harold Volkmer
Rep. Doug Walgren
Rep. Henry Waxman
Rep. Ted Weiss
Rep. Howard Wolpe
Rep. Chalmers Wylie
Rep. Gus Yatron
Rep. Clement Zablocki
Rep. Leo Zeferetti

UDAG CEREMONY

1:45 P.M. East Room
October 19, 1979

Senator Henry Bellmon
Senator William Bradley
Senator John Culver
Senator John Durkin
Senator Jake Garn
Senator John Glenn
Senator Howard Heflin
Senator Ernest Hollings
Senator Walter Huddleston
Senator J. Bennett Johnston
Senator Patrick Leahy
Senator Charles Mathias
Senator Gaylord Nelson
Senator Claiborne Pell
Senator Jennings Randolph
Senator Donald Riegle
Senator James Sasser
Senator Richard Schweiker
Senator Donald Stewart
Senator Paul Tsongas
Senator Harrison A. Williams, Jr.

PRESIDENT CARTER'S URBAN POLICY

In March 1978, President Carter proposed this Nation's first comprehensive urban policy. President Carter's urban policy included nineteen pieces of new legislation, four Executive Orders and more than 100 improvements in existing Federal programs. The policy meets the needs of our Nation's cities in four key areas.

1. It brings new jobs and investment, particularly from the private sector, into distressed cities and urban counties;
2. It provides income and jobs to the poverty stricken in our urban areas;
3. It provides fiscal aid to the cities and counties that need help in providing essential police, fire and sanitation services; and
4. It helps meet the housing, transportation, and social service needs of the urban poor.

As a result of the President's urban policy and other initiatives, overall grants-in-aid to States and localities have increased by almost 25 percent since President Carter took office -- from \$68 billion in FY 1977 to \$83 billion in FY 1980.

The key accomplishments of President Carter's urban policy include:

I. Investment and Jobs:

President Carter has placed the highest priority on bringing new private sector jobs and investment into our Nation's cities and urban counties. As a result, funding for the urban economic development programs has expanded dramatically in President Carter's first two years in office. When President Carter took office, the Federal government was spending \$60 million to bring private sector jobs and investment into our Nation's urban areas. The President's 1980 budget requests more than \$2.4 billion of grants, loan guarantees and tax credits for this purpose -- an increase of almost 4000 percent.

These expenditures will generate more than \$6 billion of new private investment in urban America, more than 400 thousand new jobs and more than \$100 million of new property tax receipts for cities and urban counties. Some of the key programs include:

- o Urban Development Action Grants: President Carter proposed and Congress enacted the Urban Development Action Grant program (UDAG). The program uses Federal money to bring new private sector jobs and investment into our Nation's urban areas. The first \$935 million of UDAG grants already have stimulated \$5.6 billion of new investment in our Nation's cities, more than 360,000 jobs and approximately \$90 million in additional property tax revenues. UDAG, which was originally funded at \$400 million in FY 1978, was increased to \$675 million in the President's FY 1980 Budget. Congress is expected to approve the new funding level this fall. Congress also is expected to approve an Administration proposal to make pockets of poverty eligible on a limited basis, for the UDAG program.
- o Economic Development Administration: The Economic Development Administration (EDA) provides grants and loan guarantees to bring private sector jobs into distressed urban and rural areas. When President Carter took office, EDA was providing \$60 million of economic aid annually to cities and urban counties. The President's FY 1980 budget includes \$300 million in grants to cities and urban counties and \$1.2 billion of loan guarantees to businesses in urban areas. The President's budget also requests expanded authority to provide direct loans (\$191 million) and interest subsidies (\$350 million) to businesses that locate in distressed urban and rural areas. The loan guarantees, interest subsidies and direct loans are part of President Carter's proposed national development bank, which was incorporated into the EDA program. Congress is expected to approve virtually all of the request this fall.
- o Rehabilitation Tax Credit: President Carter proposed and Congress enacted a proposal to provide a ten percent investment tax credit for industrial rehabilitation. For the first time in our Nation's history, businesses will have the same incentive to rehabilitate their plants in the cities and urban counties, as they do to move to new plants in the outlying areas. The Administration expects that \$1.8 billion of rehabilitation will be assisted by this tax credit in 1980.
- o Federal Jobs: On August 16, 1978, President Carter signed an Executive Order that requires that Federal facilities in urban areas be located in the central business areas. This Executive Order ensures that new Federal facilities are located in core urban areas and that existing

facilities, whenever possible, are relocated into core areas. In the first year of operation, this policy has resulted in the relocation of 136 government facilities, including 4400 employees and more than 700 thousand square feet of space. In addition, substantial new facilities also have been located in the core urban areas. The General Services Administration works closely with local elected officials to ensure that the new sites are fully consistent with the city's or county's development plan.

- o Federal Procurement: On August 16, 1978, President Carter also signed an Executive Order that requires Federal agencies to target their procurement activities to high unemployment areas. In the first year of operation (1979), this policy allowed Federal agencies to set aside more than \$700 million of civilian contracts for businesses in high unemployment areas. This represents more than a tripling of the 1978 total of \$228 million. As a result of this Executive Order and other efforts, more than \$10 billion of Federal civilian procurement will occur in high unemployment areas. President Carter also tightened eligibility for the targeted procurement program, by limiting eligibility to areas containing 40 percent of the Nation's population. Previously, more than 65 percent had been eligible for this program.
- o Procurement from Minority Businesses: President Carter has taken a personal interest in dramatically increasing Federal procurement from businesses operated by minorities. When President Carter took office, the Federal government was procuring \$800 million of goods and services from minority businesses annually. In fiscal year 1979, Federal procurement from minority businesses reached \$2.5 billion. President Carter personally has set a goal of \$3.5 billion for federal procurement from minority firms in fiscal year 1980.

II. Jobs for the Disadvantaged:

President Carter has made putting America back to work one of his highest domestic priorities. Since President Carter took office, more than 8.5 million jobs have been created in our economy. At no point in our Nation's economic history have more jobs been created over a comparable period of time. The President's efforts to put America back to work have caused the unemployment rate to drop dramatically -- from 8 percent

when the President took office to the current level of 6 percent.

Cities and urban counties have participated fully in rapidly expanding employment and declining unemployment. When the President took office, the unemployment rate in urban areas was 8.4 percent; today, it is well below 7 percent. During that same period virtually all of the 214 urban labor markets have experienced declines in their unemployment rates. Today, there are only 53 urban labor market areas with high unemployment (above 6.5 percent), compared to 151 when President Carter took office.

The President has made a special effort to ensure that the poor, the young and the disadvantaged gain greater access to jobs in our nation's economy. This has been done by targeting Federal jobs and training programs to the truly disadvantaged and by vastly increasing the funding for Federal employment, training and education programs. Some of the key programs include:

- o Public Service Employment: President Carter has substantially increased funding for public service jobs for the economically disadvantaged. When the President took office, the Federal government was providing only 310 thousand public service jobs, despite a national unemployment rate of 8 percent. Today, with the unemployment rate below six percent, the Carter Administration is providing 540 thousand jobs. And as a result of the Administration's efforts, more of these jobs now are being provided to the hard-core unemployed and the disadvantaged.
- o Youth Employment and Training Programs: President Carter also has dramatically expanded funding for youth employment and training programs. During the Carter Administration, funding for these programs has increased by 60 percent, from \$2.5 billion in 1977 to \$4.0 billion in 1980. These programs will serve more than one million disadvantaged youths in 1980 and provide the equivalent of 250 thousand jobs. As a result of these programs and other efforts, youths now have greater federally assisted employment opportunities than ever before. In fact, for the first time in twenty years, the percentage of minority youths participating in the labor force has increased.

The President will propose new youth employment legislation next year, as a result of the work of Vice President Mondale's Youth Employment Task Force.

- o Private Sector Jobs Initiative: President Carter has proposed and Congress enacted a new \$400 million program to strengthen the link between private sector jobs and Federal training programs. Under this program, Private Industry Councils will be created in more than 400 cities and counties. The councils will be composed of representatives of business, labor, education and community groups. The councils will strengthen the link between jobs that are available in the private sector and the disadvantaged and unemployed persons who are participating in Federal training programs. Approximately 100 thousand disadvantaged individuals will participate in this program annually. Congress already has appropriated full funding of \$400 million for this program.
- o Targeted Employment Tax Credit: President Carter proposed and Congress enacted a targeted employment tax credit. The credit gives businessmen up to \$4500 over two years if they hire a low income youth (age 18-24) or a disadvantaged or handicapped individual. The credit gives private businessmen, for the first time, a substantial tax incentive to hire unemployed and poor youths and other disadvantaged workers. In the first few months of operation, more than 20 thousand people have been hired in the private sector as a result of the targeted employment tax credit.

III. Fiscal Aid:

The Carter Administration has provided substantial fiscal aid to fiscally troubled cities and urban counties. This aid is needed to help local governments provide essential police, fire and sanitation services, without imposing onerous property tax burdens. President Carter also has strongly supported programs to provide fiscal aid to cities and urban counties during recessions and periods of high unemployment. The key fiscal aid programs are:

- o General Revenue Sharing: Since taking office, President Carter has provided full funding for the General Revenue Sharing program in every budget. This year, the President worked to defeat efforts in Congress to cut the State share of this \$6.9 billion program during the Congressional budget deliberations.

Next year, President Carter will propose an extension of the General Revenue Sharing program in some form. The Administration's proposal will reflect the President's concern for the fiscal health of cities and urban counties.

- o Counter-cyclical Aid: When President Carter took office, he immediately proposed and Congress enacted an economic stimulus program to move the country out of recession. As part of that stimulus package, the President doubled the size of the existing counter-cyclical fiscal assistance program, which provided emergency fiscal aid to cities and counties during periods of high unemployment. This year the President again has proposed enactment of this program despite Congressional opposition in some quarters. If it is enacted this year, the program will provide up to \$1 billion to cities and urban counties that are significantly affected by the recession. It will help maintain essential police, fire and sanitation services whenever the national unemployment rate rises above 6.5 percent.

IV. Housing, Transportation and Social Services for the Poor

In many other areas, President Carter has proposed significant increases in funding of key urban programs or changes in those programs to make them more sensitive to the needs of urban areas. Some of the key programs include:

- o Community Development Block Grants: President Carter has increased funding for the Community Development Block Grant Program from \$3.2 billion when he took office to \$3.9 billion in 1980. This program provides assistance to cities and urban counties to help them meet housing, infrastructure and other development needs. The President also proposed and Congress approved a change in the funding formula that dramatically increased funding for the most needy cities and urban counties.
- o Housing Rehabilitation: President Carter has increased funding for the major Federal housing rehabilitation program from \$48 million when he took office to more than \$250 million in 1980. This program provides 3 percent loans to people who rehabilitate their houses in cities and urban counties.
- o Education; President Carter has increased funding for elementary and secondary education programs by more than 50 percent since taking office. Most important, the President proposed and Congress enacted a new \$400 million program that concentrates aid on those cities and urban counties with high numbers of poor and disadvantaged students. This program will provide substantial additional aid to school systems in the most needy cities and urban counties.

- o Urban Recreation: President Carter proposed and Congress enacted a new program to rehabilitate urban parks and recreation systems. That program will be funded at \$150 million annually for the next five years. The first \$37 million of grants were awarded earlier this month.
- o Urban Mass Transit: President Carter has committed to providing sufficient Federal aid to finance \$50 billion of capital investment in mass transit facilities and equipment in the decade of the 1980's. This compares to \$15 billion of mass transit capital investment in the previous decade.

In addition, the President proposed a \$200 million urban initiatives program which links mass transit investments to economic development programs and private investment. Congress appropriated \$50 million in Fiscal Year 1979 for this program and has not completed action on the 1980 appropriations.

- o Housing: President Carter is strongly committed to the production and preservation of housing in cities and urban counties. In the first two years of the Administration, housing production has been maintained at an average of two million units annually.

Subsidized housing production also has proceeded at record levels during the Carter Administration. During the first two years of the Administration there were 588 thousand reservations in the Section 8 program, compared to less than 380 thousand in the previous two years. Subsidized housing starts in this same period have been 265 thousand housing units, compared to a mere 15 thousand starts in the previous two years.

ACTION GRANTS - REVITALIZING OUR CITIES*

The Urban Development Action Grant (UDAG) program is a major initiative of President Carter and it is designed to revitalize our distressed cities and urban counties by stimulating private sector investment, which will create new permanent jobs and new tax revenues. The program is based on the concept that our cities can be most efficiently revitalized by the private sector, with the private sector making investment decisions and providing most of the capital. The program also recognizes that development within cities can involve additional costs and that often these costs are not totally offset by higher rental income; and that, in some cases, all of the financing for a particular project may not be available from private sources. In such situations Action Grants from the Department of Housing and Urban Development can provide "gap" money to make opportunities within distressed cities and urban counties comparable to opportunities private businesses may have in other areas.

Legislation authorizing the Action Grant program was signed by President Carter on October 12, 1977. With a program level of \$400 million during fiscal years 1978 and 1979 (and increasing to \$675 million during 1980),

*Urban places, including counties, cities, townships, and villages can receive assistance under the Action Grant program. In this document, the word city is used for narrative convenience.

the Action Grant program has been remarkably successful in achieving its goals of stimulating development. In the first 19 months of funding (April 1978 marked the first grant awards), the following has been achieved:

- 493 public/private development projects have received preliminary approval of Action Grants totalling \$934.9 million.
- Over \$5.6 billion of private investment has been committed to Action Grant projects.
- More than 363,000 jobs will be created or retained by the 493 projects approved; 150,957 will be new permanent jobs.
- Some \$90 million of new property tax revenues will be generated annually for distressed cities and urban counties.

Put another way, the Action Grant program has--

- Leveraged \$6.10 of private investment for every \$1.00 of Action Grant funding.
- Generated almost \$.10 of annual property tax revenues to the cities for every \$1.00 of grant funding.
- Created new permanent jobs at an average Action Grant cost of \$6,232.

And, these are merely the direct results of the program. Each of these grants has a secondary, or spin-off, effect which leads to much more private investment, jobs, and tax revenue.

Action Grants are highly flexible funds which can be used in any way that causes new private sector development (and jobs and taxes), that does not result in the relocation of jobs from one distressed city to another. For example, grants may be used for public infrastructure (water, sewer, streets), parking, relocation, demolition, land acquisition, building construction, interest subsidies on loans, and subsidies to developers for extraordinary costs. But, no Action Grant is approved unless there is a firm commitment of private sector funds for a particular project.

At present, only distressed cities and urban counties are eligible to apply for Action Grants. However, pending legislation proposed by President Carter will authorize grants to assist "pockets of poverty" located in otherwise non-distressed places. One-fourth of the Action Grant funding is reserved for small cities--those that have populations less than 50,000.

A key to the program's success is that funding decisions are made within 60 days after the deadline for receipt of applications. And, preliminary approvals are made quarterly, on a competitive basis, for metropolitan cities and urban counties, and separately for small cities. Decisions are made at HUD's Central Office by a staff with extensive training and experience in real estate development, urban economics and private development. In keeping with the concept of a public/private partnership, grants flow through the cities to stimulate private development. The cities are the applicants and recipients of Action Grants, and a city may apply for as many Action Grants as it has real development opportunities. Grant decisions are based on specific selection criteria which include the relative distress of the city, the jobs provided, especially for low- and moderate-income people and the hard-core unemployed, taxes provided, the amount of private leverage generated, and other established factors. The Action Grant must be the critical factor that allows the private investment to occur. If a project is under construction, it is ineligible for assistance.

The program strives to fund a balance of industrial, commercial, and neighborhood projects. Applicants compete with other applicants in these categories; thus, neighborhood projects, which often are residential, are not penalized for having few permanent jobs.

In summary, the program is a highly flexible revitalization tool designed to:

- Make grant decisions quickly to take advantage of opportunities for private development.
- Stimulate development within distressed cities through public/private partnership.
- Maximize private leverage--or, to get the maximum return for the federal taxpayer's dollar.

Remarks at urban policy event, 10/19

Welcome you to this celebration of the second anniversary of the Urban Development Action Grant program.

Insert A —

As I look around this room, I see solid testimony to the leveraging ability of UDAG. I have been told that our leveraging ratio is six to one. But Moon [Landrieu], I am sure there must be ten people here for every UDAG grant.

As I look around this room, I also see a new sense of hope for urban America -- a feeling that the future will be better than the past. As I traveled the country in 1976

visiting many of your cities and counties -- I found a far different feeling. I found a sense of isolation, because Washington did not respond to your concerns. I found a sense of frustration, because the people in the White House and the Federal bureaucracy did not understand cities and counties. I found a sense of helplessness, because the tools that are essential to your daily survival were impounded, cut or simply discarded.

Today, as I travel through many of those same cities and, counties, I find a very different spirit. I find enthusiasm. I find hope. I find action. Cities are beginning to turn the corner into a bright new future. And all of us in this room have been partners in that progress.

We have forged a partnership between the Federal, State and local governments, and business, labor and community groups -- a partnership that has brought new life to our

cities and counties.

We are putting urban America back to work. We are bringing new public and private investments into our Nation's urban centers. And we are beginning to meet the needs of the poor and the disadvantaged in the cities.

As a result, I believe we can look forward to the day when America's urban centers will once again be the backbone of our Nation -- not the Achilles heel.

I am proud that the Carter Administration, its people and its programs have been more than a full partner in this progress.

We have done this in several ways.

First, we have opened up the White House and the Federal government to Mayors, Governors, county officials and urban interests. As I look around this room, I see many of you who have met with me not just once or twice, but five or ten times.

You have shared fully in all my efforts. For urban officials, who faced a closed door in Washington for so many years, this has been a real change.

And we do not just listen, we act on your advice. When a particular program is a top priority to you, it becomes a top priority for me -- because your constituents are my constituents and your needs are my needs. Counter-cyclical aid, welfare reform, CETA, General Revenue Sharing -- when you have called on me for my help, I have been there to provide it.

Second, I've brought people to Washington who have front line experience in our Nation's cities and counties. I now have two Mayors in my Cabinet -- the same number of Mayors that served in the Cabinet in the previous fifty years put together. And in virtually every key position, we have people who have worked in urban America, lived in urban America and are committed to urban America. That is true of HUD, it is true

it is true of DOT, it is true of Labor and it is true of the White House. That too, is a real change from the past.

Finally, and most important, we have provided the tools you need to help your cities and counties turn the corner into the future. We have replaced impoundment with a helping hand, insensitivity with compassion and rhetoric with action. Whether it is funding for your economic development programs, incentives for new private investment, jobs for the unemployed, housing for the disadvantaged or fiscal aid for the most distressed communities, my Administration has responded to your needs. And the result is a solid record of accomplishment for urban America.

When I took office, you told me that urban America needed jobs. That is what we have provided.

¶ We have almost doubled the number of CETA jobs from 310,000 in 1977 to 540,000 in 1980. And we have made sure

that these jobs go to the the hard-core unemployed.

¶ We have instituted a new targeted jobs tax credit and a \$400 million private sector jobs program. In the first few months of operation more than 20,000 people have already been hired by the private sector as a result of the tax credit alone.

¶ We have increased funding for the youth employment programs by more than 60 percent. And I will propose new legislation next year as a result of the work of the Vice President's task force.

When I took office, you told me that urban America needed more private investment. We have provided that, too.

¶ We have increased funding for our urban economic development programs -- UDAG and EDA -- by more than three thousand percent.

In 1980 alone, these programs will generate more than \$6 billion in private investment for distressed cities and counties, and will provide more than 400,000 new jobs in the private sector.

¶ We have enacted a new investment tax credit for industrial rehabilitation. As a result, businesses now have the same incentive to renovate their urban plants as to build new plants elsewhere.

When I took office, you told me that urban America needed fiscal aid to maintain essential police, fire and sanitation services. We have provided that.

¶ We have fully funded the General Revenue Sharing program every year, and we will propose an extension in some form next year.

¶ We doubled the size of the counter-cyclical aid

program when we took office. We have proposed an extension of it every year since then, despite strong opposition from some quarters within the Congress.

When I took office, you told me that urban America had vast housing, transportation and social needs. We have sought to meet these needs. And we are meeting them -- through dramatic increases in the housing rehabilitation programs and in funding for transit, education, health and social service programs.

In every respect, my Administration has a strong record of performance. We have vastly increased aid to urban America, we have put millions of Americans back to work and we have met the essential needs of the poor and the disadvantaged.

The program that we are honoring today is the cornerstone of our efforts to bring new jobs and investment to our cities. It is a concrete example of the public-private partnership that

we all know is needed to help our Nation's cities turn the corner into the future.

The Urban Development Action Grant program was conceived by two of our Nation's foremost urban experts -- Secretary Pat Harris and Assistant Secretary Bob Embry. Two and a half years ago they told me that America's cities needed a new tool -- one that would bring new jobs and investment into our urban areas; one that would strengthen the urban tax base; and one that could move quickly to respond to new opportunities. With the help of the Congress and many others in this room, that idea was signed into law just two years ago.

The essence of the UDAG program can be found in its name. It is an action program. Cities submit applications as opportunities for private investment develop. The application is short and HUD's response is quick. No city ever waits more than 90 days to get a final answer.

More important, the UDAG program is efficient. For every UDAG dollar we spend, the private sector invests an additional six dollars. No federal program produces as much bang for the Federal buck, or as much long-term benefit to cities and counties.

The first two years of UDAG's operation have been nothing short of remarkable. Here are some vital statistics:

- ¶ 493 projects approved;
- ¶ \$935 million of grants awarded;
- ¶ \$5.66 billion of private investment in UDAG projects;
- ¶ 230,000 permanent jobs and 130,000 temporary construction jobs created;
- ¶ and \$90 million in new property tax receipts for cities and counties.

The first two years of UDAG have been so successful

that I have asked for a \$275 million increase in the program for FY 1980, a 70 percent increase above the current level of \$400 million. The conference of both the authorizing and the appropriating committees of Congress have approved this higher funding level and I hope to be able to sign these bills shortly.

The House-Senate Conferees also have agreed to my proposal to make pockets of poverty in healthier communities eligible, on a limited basis, for up to 20 percent of the UDAG funding. This proposal will ensure that UDAG money helps all urban areas that have significant economic problems, I also hope to sign it into law shortly.

A great deal remains to be done. But by working together, we have made great progress in the last two and a half years. Let us keep on working together. I assure you that I will do my part.

#

Introduction of Henry Maier

- ¶ Our first speaker is Mayor Henry Maier -- the dean of America's mayors.
- ¶ Henry has been Mayor of Milwaukee since 1960. In fact, he probably has more experience in office than any two local officials in this room.
- ¶ But Henry is more than the Mayor of Milwaukee. He is the Mayor of all of America's cities. He founded the Conference of Democratic Mayors, he was president of the U.S. Conference of Mayors, and he has helped set the urban agenda for the second half of this decade.
- ¶ Henry, I am proud to say that my Administration's urban policy is patterned on the work you did in 1975 and 1976.

Introduction of Senator Pete Williams

- ¶ This year, Senator Williams became Chairman of the Senate Subcommittee on Housing and Urban Affairs, succeeding the retiring John Sparkman. In this capacity over the past year, Senator Williams has been a strong advocate for our cities.
- ¶ He is a strong supporter of UDAG and has been instrumental in shaping the program.

Introduction of Congressman Lud Ashley

- ¶ Congressman Ashley has been the principal advocate of housing and community development programs in the House.
- ¶ He has been especially successful in enlisting bipartisan support for urban programs.
- ¶ He was a very effective Chairman of the Ad Hoc Committee on Energy, and has pressed successfully for energy conservation in urban programs.

9:00 AM

THE WHITE HOUSE
WASHINGTON

Q

MEETING WITH SENATOR BIDEN

Friday, October 19, 1979
9:00 a.m. (15 minutes)
The Oval Office

From: Zbigniew Brzezinski *ZB.*
Frank Moore *FM.*

I. PURPOSE

To discuss SALT

II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTS

A. Background: Senator Biden thinks that SALT is not going well in the Senate and wants to talk over strategy with you.

He has been taking a leading role in the SFRC debate and will continue to do so. He would appreciate your acknowledging his leading role and leveling with him on strategy. It would be useful if you discussed the problem of what is left to do on the Floor, if the SFRC takes all possible steps to "perfect" the Treaty.

B. Participants:

Senator Joseph Biden (D-Delaware)
Lloyd Cutler
Bob Beckel

C. Press Arrangements: White House photographer

III. ISSUES FOR DISCUSSION

As appropriate

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11:30 AM

THE WHITE HOUSE

WASHINGTON

October 18, 1979

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MEETING WITH JOHN FILER
FRIDAY, OCTOBER 19, 1979
11:30 a.m. (15 minutes)
The Oval Office

From: Stu Eizenstat *Stu*

I. Purpose

To affirm John Filer's appointment as the new Chairman of the National Alliance of Business (NAB) and lay out our priorities for NAB in the coming year.

II. Background, Participants, and Press Plan

A. Background: John Filer, Chief Executive Officer of Aetna Life and Casualty has agreed to chair the National Alliance of Business, succeeding Ruben Mettler of TRW.

Filer is a distinguished business leader and the unanimous choice of Ray Marshall, Anne Wexler, Jack Watson and I for the NAB job. He was Chairman of the Commission on Philanthropy that produced the useful "Filer Report," was recruited for NAB by Business Roundtable leadership and, in conversation with us, has proved eager to move the NAB forward in partnership with government. He is also an old friend of Anne's.

He is in town to attend the NAB annual membership meeting which draws about 200 regional business leaders and the NAB board to Washington to meet the new chairman and to set the year's agenda. The Board includes Sol Linowitz, Coretta Scott King, Ben Hooks and Vernon Jordan.

Over the last year NAB, under the leadership of Ruben Mettler, has played a key role in launching our new Private Sector Initiatives Program (Title VII of CETA) and establishing Private Industry Councils in communities around the country. As

a result of these efforts the business community is now working closely with CETA sponsors to secure jobs and training for the disadvantaged and unemployed.

We hope to further this progress in the coming year and focus special attention on the serious problem of youth unemployment. The findings of the Vice President's Task Force point to the need for much greater involvement of the private sector if the problem is to be solved. A number of business leaders, including David Mahoney of Norton Simon and Bill Norris of Control Data, have expressed interest in working with us. We would like John Filer and NAB to assume responsibility for organizing and working with the business community on a plan to address the youth issue.

We recommend that you ask Filer to take the lead in planning a November White House meeting with business leadership to discuss ways in which the private sector can participate. Jody Powell announced your intention to hold such a meeting after you met with business, civil rights and government leaders on employment policy at Camp David.

B. Participants

Ruben Mettler, President, TRW and outgoing Chairman of NAB
Lloyd Hand, Senior Vice President, TRW and outgoing President of NAB
John Filer, Chairman, Aetna Life and Casualty
Brian Hollander, Counsel, Aetna Life and Casualty
Ernest Green, Assistant Secretary of Labor for Employment and Training
Stu Eizenstat
Anne Wexler

C. Press Plan

Brief photo session for White House press.

III. Talking Points

1. One of my major goals has been to foster and encourage new partnerships between government and the private sector, because I am convinced that only through joint efforts can we begin to address and solve the serious social problems facing the country. I am particularly proud of the partnerships we have forged with the private sector in our employment policy.

The National Alliance of Business, under the leadership of Ruben Mettler, has worked closely with Ray Marshall and Ernie Green to establish local Private Industry Councils around the country. For the first time in many communities business is working in full partnership with elected officials to provide jobs and training to the disadvantaged and unemployed. I want to extend my sincere appreciation to Ruben, and his staff for the work they have done to make this possible.

2. John, I am delighted to welcome you to the White House and I congratulate you on your appointment as the new Chairman of NAB. I know of your long standing interest and commitment to getting the private sector involved in solving public problems. The Filer Commission report and your work in Hartford attest to the dedication and concern that I know you will bring to this new challenge.
3. Youth unemployment is a problem I hope you will pay particular attention to. Persistent high unemployment, dropout and illiteracy rates among youth, especially blacks and Hispanics are a serious problem for all of us. The Vice President's Task Force has found that even though 4 of every 5 jobs are in the private sector, businesses are too often unwilling to hire these young people. The Task Force has also found that where businesses are willing to help, much progress can be made.

I will be making proposals to the Congress in January to address these concerns and will be looking to you for support. At the heart of these initiatives will be a program to get the private sector working more closely with school and CETA sponsors. The Private Industry Councils will play a major role.

4. But we must begin now to get business involved. I would like to hold a meeting in the White House in the next few weeks with business and community leaders from around the country to ask for their help and ideas. I hope you and NAB will take the lead in organizing this gathering. You can count on us for any support and help you may need.

2:30 PM

THE WHITE HOUSE

WASHINGTON

October 19, 1979

PHOTO OPPORTUNITY WITH REP. MARILYN LLOYD BOUQUARD AND
SENATOR JIM SASSER

Friday, October 19, 1979

2:30 p.m. (3 minutes)

The Map Room

From: Frank Moore

FM/pt

I. PURPOSE

To recognize Rep. Bouquard's help on the passage of our legislation and to call attention to a large grant for Tennessee.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: The largest UDAG announced yesterday is for Chattanooga, Tennessee (information attached). Rep. Bouquard changed her votes on the Department of Education and Panama Canal Treaties Implementing Legislation. She has been given credit for the passage of the Panama legislation because of her vehement speech during the debate.

We need political help in the part of Tennessee which Bouquard represents. Our popularity has been declining, especially because of Jay Solomon. The photo with the President, Bouquard and Sasser should call attention to the large grant for Chattanooga and hopefully raise our popularity.

Bouquard will be bringing a map of the area to use as a visual aide for the photograph.

Participants: The President, Jim Free, Rep. Marilyn Lloyd Bouquard, Senator Jim Sasser and Rick Ebersole, Bouquard's Administrative Assistant.

Press Plan: White House photographer only.

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URBAN DEVELOPMENT ACTION GRANT FOR CHATTANOOGA, TENNESSEE
Announced Thursday, October 18, 1979

Chattanooga, Tennessee has received preliminary application approval for an Action Grant for \$10 million to assist in the revitalization of the South Central Business District. The City will use this Action Grant for street and utility relocation, public improvements, and to cover the gap between cost and financing on a new 1,500 car garage to be constructed by the city. The Action Grant will enable the Power Division of the Tennessee Valley Authority to build \$83 million of a new \$160 million computer complex and headquarter facility. TVA's new facility will be a solar design and requiring only 30 percent of normal energy. Action Grant: \$10,000,000. Private financial commitment: \$83,000,000. New permanent jobs created: 322. Construction jobs: 600.

THE WHITE HOUSE
WASHINGTON

10/19/79

rick --

i ran this over to the president
when he left at 4:30....he reviewed
and said he approved.

--ssc

THE WHITE HOUSE
WASHINGTON

10/19/79

Mr. President:

Congressional Liaison also
concurrs as long as USDA
does the necessary Congres-
sional notifications.

Rick/Bill

Stu asked if you could make
early approval/comment. Bergland
had press conference scheduled for
3:00 (which has been postponed)
announcement today.....they're now
hoping for 4:00 p.m.

THE WHITE HOUSE

WASHINGTON

October 18, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
LYNN DAFT *Lynn*

SUBJECT: 1980 Feed Grain Program

Secretary Bergland is required by law to announce the 1980 feed grain program by November 15. He has concluded that sufficient information is available to make the decision now. Although it contains no surprises, an early announcement will be welcomed by the farm community. With your approval, Secretary Bergland will announce the following after the close of markets this Friday:

- o No Feed grain set-aside in 1980. You will recall that we have already announced that there would be no set-aside for wheat in 1980.
- o Loan rates in 1980 at least as high as in 1979 (\$2.00 for corn). A final determination will be made in February when we decide on future groundrules for the farmer-owned grain reserve. As you know, the release and call levels for the reserve are pegged to the loan rate.
- o Although no set-aside would be in effect, producers will be discouraged from bringing fragile lands into production. The Secretary will indicate that acreage not traditionally used for crop production will not be added into a producers normal crop acreage for subsequent years.
- o The farmer-owned grain reserve will be reopened. Grain producers who are eligible for CCC loans for 1978 or 1979 crop grain would be allowed immediate entry into the reserve.

In addition to these program announcements, Secretary Bergland will indicate that proposed modifications in the terms and conditions of the farmer-owned grain reserve will be announced later this month and public comment invited at that time.

Background

Overall, our grain markets are tight. Although grain prices receded from their early summer highs, they remain strong. We now expect the 1979/80 season average price of corn to be \$2.50 per bushel, up from \$2.20 last year and \$2.02 the year before. Although we expect a record 7.4 billion bushel corn crop this fall, we expect utilization to be slightly greater. The increased use is due to a combination of very strong exports and increased domestic livestock feeding. As a result, ending stocks of feed grains will probably be down by 7 percent at the end of the 1979 crop year. Furthermore, we expect ending stocks will fall another 15 percent the following year, even in the absence of a set-aside.

The farmer-owned grain reserve has worked exceptionally well. When the reserve was full, earlier this year, it contained 33 million metric tons (mmt) of wheat and feed grains. The formation of the reserve in 1977 and 1978 clearly added strength to a sagging market and thereby helped grain producers through a difficult time. More recently, grain has come out of the reserve and thereby helped moderate rising prices. There is about 23 mmt of grain in the reserve now and all major grains are currently in release status. This has helped us justify our heavy involvement in export markets (e.g. the Soviet agreement) and, at the same time, has aided the recovery in livestock production.

The Secretary's announcement of a reopening of the reserve for 1978 and 1979 crop grain is not expected to attract much grain into the reserve, given the relatively high prices now prevailing. The USDA estimates that an additional 50 million bushels, mostly feed grains, would enter the reserve. The principal advantages in taking this action are that: (a) it will help relieve localized problems where transportation bottlenecks are disrupting markets and holding prices down (such as in parts of Iowa) and (b) it will provide an incentive for 1979 crop grain to enter the reserve sooner and thereby help avoid a sharp drop in price during the fall harvest season.

We have conferred with your advisors who have an interest in this topic and find that they are in agreement with the Secretary's proposed actions. We recommend that you approve these actions.

DECISION

_____ Approve (CEA, OCA, COWPS, STR, DPS, OMB, NSC)

_____ Disapprove

Regular Foreign Affairs Breakfast
10/19/79

THE WHITE HOUSE
WASHINGTON

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10-19-79

For MJ

SALT-TV - Sen's name on amendment
Biden point man

El Salvador - Aid. Duarte back

Israel oil - Experts say prices = ^{no us} Price

Kampuchean - Pyrd → Prucus, Baker
OMB re \$

Zimbabwe = Court ok Xibon?
11/79 Sanchez

Barbados - PM Adams 11/28 visit

Pakistan = No Xfer = No PNE = No 716

SU visit = Patólicher to US. Pat → SU

Taiwan Treaty → Supreme Ct.

Lebanon = Strauss memo

OSCE = Lucey

Mexico =

Gunn McKay - MX

Meeting with Senator Biden 10/19/79

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Understand politics
Have instrument
Encourage moderate leaders
Honduras/El Salvador border dispute
Econ integration - Com market restructuring
Intel agents & operations

Ambassadors ?

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meeting-"Brzezinski et al" 10/19/79
on the Caribbean & Central American
"partners/friendship type program"

THE WHITE HOUSE
WASHINGTON

Atty at Carib & C Am 10-19-79
Phil - US, UK, Can, to assessing
together. Concept good - not anti-US
or pro-Cuba, but volatile, fragile.
Need econ progress - some radicals
Bill - C Am - same as above

C Rica - de

Nicaragua - over

Honduras - not too bad. Election

3/80 - imp - Ch Deane need to be
inscribed

El Salvador - Coup good - No
date for elections - (1980?) - Young,
inexperienced - Challenge from R & left

US help cont furnish. Encourage
church. Some Econ/mt help

Guatemala - near run-less problem
3rd military regime. Private

sector afraid - econ probs.

Lucas can stop violence. Munic.

'90 elects 3/80-