

10/30/79 [1]

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memo-	From Hutcheson to The President (2 pp.) re: Status of Presidential Requests <i>Open 8/10/93</i>	10/29/79	CC

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THE PRESIDENT'S SCHEDULE

NOT ISSUEDTuesday - October 30, 1979

- 8:00 Dr. Zbigniew Brzezinski - The Oval Office.
- ✓ 9:00 Meeting with House Group/Hospital Cost Containment.
(15 min.) (Mr. Frank Moore) - The Cabinet Room.
- 9:45 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.
- + 11:00 Meeting with the President's Commission on the
(20 min.) Accident at Three Mile Island. (Mr. Jack Watson).
The Cabinet Room. 
- + 11:45 Mr. Nelson Cruikshank. (Mr. Stuart Eizenstat).
The Oval Office.
- ✓ 1:30 Meeting with the Ad Hoc Leadership Council of Aging
(20 min.) Organizations. (Mr. Nelson Cruikshank).
The Cabinet Room.
- ✓ # 2:40 Vice President Walter F. Mondale et al.
(5 min.) The Oval Office
- ✓ 3:00 Drop-By SALT Briefing for Community Leaders.
(15 min.) (Ms. Anne Wexler) - The East Room.

Juan Baez

THE WHITE HOUSE

WASHINGTON

29 October 1979

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON

SUBJECT: Status of Presidential Requests

JORDAN:

1. (10/17) The President would like you to call Gene Heytow to see if he needs help and have field workers stay in close touch with him -- Done, (Hamilton called him and met with him this past week). *done*
2. (10/17) The procedure on speeches has improved considerably, but the President needs to have a close personal relationship with the speechwriters. Consult with Al McDonald and advise the President -- Done, (Hamilton spoke with you about this). *done*
3. (10/25) Prepare to invite John Y. to the White House immediately after the Kentucky election -- In Progress, (Phil is prepared to extend the invitation immediately following the election).

SECRETARY GOLDSCHMIDT:

1. (10/18) At the Illinois town hall meeting, a city engineer stated that he had surveyed his community and found that one-third of the stop signs were unnecessary. The President promised to have you assess this energy saving possibility -- In Progress, (memo expected by 10/31).

MCINTYRE:

1. (10/18) Concerning the Washington Post article on furniture dumping, the President would like you to stop this -- Done. (10/19) The President wants you to brief the press on the action taken -- In Progress, (expected 10/31). *done*

BRZEZINSKI:

1. (10/18) (and McIntyre) The President wants better contingency planning - just a couple of pages, well-prepared, on a fairly broad range of subjects -- In Progress, (expected 11/9).

SECRETARY VANCE:

1. (10/25) (~~CONFIDENTIAL~~) The President has received a very serious critical report concerning Ambassador Lowenstein re partisanship. Without getting the Department aroused, please let the President know about him -- In Progress.

ATTORNEY GENERAL CIVILETTI:

1. (10/18) The President would like you to investigate and give your best assessment as to how the leak on the Morocco sale of weapons occurred. This is typical of a pattern - some quite damaging to our country -- In Progress, (the investigation is underway).

EIZENSTAT:

1. (10/25) The President would like you to answer Tony Lewis' column in Thursday's NEW YORK TIMES on "The Energy Disaster" -- In Progress, (Stu spoke with Tony Lewis; he is also working on a letter to the editor which will be done tonight). *done*

WATSON:

1. (10/19) Concerning the 10/24 dinner, the President wants you to call Jim Hunt and Sharon Rockefeller -- Done, (neither was able to attend; however, Governor Hunt said we could use his name). *done*

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CANCELLED PER E.O. SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 18, 1983"

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

10/30/79

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

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

4780



CABINET ECONOMIC POLICY GROUP

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 26, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: G. WILLIAM MILLER
CHAIRMAN, ECONOMIC POLICY GROUP

SUBJECT: EPG Activities

Bill
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Executive Committee meeting of October 22, 1979

- . Heard briefing by Secretary Harris and Commissioner Ross on Social Security
- . Created task force led by HEW to examine options which would preserve the integrity of Social Security trust funds and would meet goals of anti-inflation program
- . Initiated process of selection of members of Price Advisory Committee
- . Activated study by interagency group led by CEA on housing market

Executive Committee meeting of October 25, 1979

- . Considered memorandum of comments from AFL-CIO on implementation of a switch to a new rate at which extended unemployment benefits are triggered
- . Agreed that OMB and the Labor Department would revise a decision memorandum to you on the proposed switch to reflect the comments from the AFL-CIO
- . Heard briefing by Commerce Assistant Secretary Jasinowski on long run economic objectives
- . Directed EPG Deputies to review paper on long term economic objectives
- . Reviewed and approved draft letter from Special Trade Representative Askew to Mr. George Meany on Administration's trade policy

THE WHITE HOUSE
WASHINGTON

10/30/79

Secretary Goldschmidt

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

Rick Hutcheson

ADMINISTRATIVELY CONFIDENTIAL



THE DEPUTY SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

cc Neil
J

October 26, 1979

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MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Linda Heller Kamm
Acting Deputy Secretary *Linda Kamm*

SUBJECT: Significant Issues for the Week of October 22

Aviation Noise Legislation - On Monday the Senate attached an amendment easing aviation noise restrictions to legislation extending for one year the discretionary funding portion of the Airport and Airways Development Act Program. House Speaker O'Neill effectively blocked an attempt by the House to go to Conference with the Senate on the bill and indicated he would wait at least two weeks before naming conferees. The House version of the same noise bill is bottled up in the House Rules Committee. We are working closely with your Congressional Liaison staff to prevent passage of this unacceptable legislation to relax aviation noise standards.

Stand firm - 9/11 veto

ConRail - The United States Railway Association at its November 1 Board Meeting will consider a proposal, opposed by the Administration, to provide additional funds for ConRail in Fiscal Year 1981. Secretary Goldschmidt will attend the meeting to urge Board approval of a budget request for additional funding consistent with our efforts to push ConRail toward financial stability through greater efficiency of operation and legislative deregulation. OMB, Treasury and DOT have prepared a joint memorandum for you, which you should receive early next week, discussing our opposition to additional Federal financing of ConRail.

Oppose strongly

Trucking Reform - Following consultations with members of the House Public Works Committee, Senate Commerce Committee Chairman Howard Cannon announced this week that trucking reform legislation would be approved by June, 1980. This is a significant breakthrough in furthering the Administration proposals in this area. However, Cannon also cautioned that the Interstate Commerce Commission should refrain from adopting permanent changes in existing rules governing trucking rates and entry policy before Congress acts on pending regulatory reform legislation. Additionally, report language intended to prevent ICC from changing these rules was added by Senator Bayh this week to our Appropriations bill. We are now reviewing the practical effect of the report language.

Let's not be outmaneuvered & lose both ways

J

Rock Island - The Federal Railroad Administration has initiated the first of a series of steps leading to transfer of all or portions of the Rock Island to other railroads. FRA met with the affected States to request their assistance in planning for orderly liquidation of the railroad. FRA also met with 12 major railroads operating in the midwest to ascertain their interest in acquiring the railroad's lines. Both the States and the railroads have expressed an interest in continuing a substantial portion of the Rock Island operations under new owners.

The Rock Island Trustee is also studying the possibility of operating a "core" railroad consisting of lines north of Kansas City as an alternative to a total liquidation. Kansas City Terminal railroad, which has been designated by the ICC to operate the Rock Island under "directed service" is continuing to build up the level of service. The initial 60-day period of directed services will end December 5, after which the ICC may order continued directed service over all or part of the railroad for a maximum of 180 additional days.

Airline Suspension - The Federal Aviation Administration suspended Puerto Rican International Airlines (Prinair) commuter service between Puerto Rico and the Virgin Islands on October 25 for failure to implement a significant number of operating changes necessary to insure passenger safety. Approximately 65,000 passengers per month, which will peak between 95,000 to 100,000 during the upcoming tourist season, are affected by the suspension.

Informal negotiations to correct safety defects have not been successful. Prinair notified the Department today it will formally appeal our decision to the National Transportation Safety Board. The appeals process could be time-consuming with diminished prospects for early settlement and reinstatement of commuter service.

Extending the Closing Date of the St. Lawrence Seaway Season - Secretary Goldschmidt wired the Canadian Government this week urging acceptance of our State Department's request for a three-day extension of the December 15 closing date of the St. Lawrence Seaway. We expect the Canadian Government to agree to this extension which is necessitated by the backlog of record harvest grain for export, delays in other methods of transport, and a 12-week strike at the Port of Duluth-Superior by elevator terminal operators.

Milwaukee Railroad - Thus far we have been unable to successfully negotiate a loan agreement with the Trustee of the bankrupt Milwaukee Railroad to continue Federal funding through November, despite provisions in our Continuing Resolution to do so. The Trustee has pressed for a federally-guaranteed loan with a repayment priority in the event of reorganization that virtually guarantees that it will not be repaid. The Continuing Resolution requires that we find that the money will be repaid. As a result, the bankruptcy judge today ordered service to cease on the Milwaukee's lines west of Miles City in eastern Montana, on November 1.

Congress is pressing for Federal assistance to continue full service along the Milwaukee until next Spring. We will testify on Monday before the Senate Commerce Committee in opposition to that move. Senator Magnuson may attempt to amend our Appropriations bill next week to require emergency Federal support for the Milwaukee through November 30. Congressman Florio's bill maintaining full service along the Milwaukee with federal assistance through March 30, 1980 is also scheduled for floor debate in the House next week.

THE WHITE HOUSE
WASHINGTON

10/30/79

Secretary Andrus

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

Rick Hutcheson



THE SECRETARY OF THE INTERIOR
WASHINGTON

October 26, 1979

cc Cecil
J

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Comments for the Week of October 22, 1979

First Things First. Let me remind you that the quail season is underway in Virginia. If you are interested in spending an afternoon in early November with a shotgun and a good dog, I will put it together with Phil Wise.

The area is only 15 minutes away from the White House by helicopter and if we were to hunt for three hours, the whole trip would only take one-half day.

My comments in the Cabinet meeting about NOAA are valid, but I must admit that it would be controversial to move them to Interior by Executive Order. If you will give the next Secretary of Commerce instructions to work with us, perhaps it could be resolved in that manner. The way it is now, the environmental groups are calling the shots and the OCS lease sales are more difficult to pull off in a timely manner. We have not missed a sale date since we published your schedule in August 1977, but I see future litigations brought on by our own people bringing our sales schedule to a halt.

Jim McIntyre will discuss the Portsmouth refinery issue with you. The decision we make will be difficult, but for many reasons I believe it is fraught with political troubles. We should make a conscious decision before proceeding.

Your trip to Canada will have three major issues that are in my area of responsibility--the Garrison Project, the Northern Tier problem and the acid rain issue. If you want me to go along as support, please advise.

yes

Cecil
By
CECIL D. ANDRUS

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THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

①

FYI

October 26, 1979

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REPORT TO THE PRESIDENT

Chinese Minister of Foreign Trade Li Qiang has been my guest in Washington this week. I informed him at our first meeting on Tuesday that the trade agreement he and I initialed last May was being sent to the Congress that day. The Minister told me he has high expectations for the development of Sino-American trade and is sure American companies will provide an increasing share of China's imports.

During meetings with the Vice President, members of the Cabinet, and Chairman Moore, it was agreed that Eximbank would soon send a team to China for initial discussions and that informal consultations would begin on agricultural trade.

I emphasized to Minister Li the importance of progress toward a textile agreement. While he argued that the textile issue should not be linked to the trade agreement, he understands the importance of a textile agreement to members of Congress and textile constituencies. Unfortunately, textile negotiations broke down completely last Tuesday, and the Special Trade Representative has decided to impose unilateral restraints on two additional categories by the end of the month. Minister Li understands and accepts that this action will be taken and that it will facilitate approval of the trade agreement.

The Department's floating trade fair, Boatique America, continues to visit Japanese ports to sell a cross section of American consumer goods directly to the Japanese public. On board are the products of 146 American companies, 106 of them new to the Japanese market. It is the largest trade promotion event we have ever held, and we hope that most of the new firms will be able to make permanent arrangements for the distribution of their goods to Japan.


Juanita M. Kreps



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

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October 26, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

RESERVES. Farmers have redeemed about 40 percent of the wheat and 26 percent of the corn from the farmer-owned reserve.

Remaining in the reserve are 245 million bushels of wheat and 544 million bushels of corn.

COTTON. Total commitment for export sales of cotton now stands at 5.7 million bales with 224,000 going to the PRC. By the end of the crop year U.S. cotton exports are expected to reach 6.5 million bales.

FmHA. We have been working with the Inspector General, General Counsel and Assistant Secretary Mercure to develop new rules and changes in the law on FmHA for several months to tighten up on Emergency, Rural Housing, and Business and Industry Loans. While the 60 Minute program was bad, it has given us an opportunity in Congress to move more quickly than through rulemaking on the major reforms.

Jim
JIM WILLIAMS
Acting Secretary

Spent two days in Idaho last week and was encouraged.

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THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

October 26, 1979

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

Subject: Weekly Report of Major Departmental Activities

Progress Made on Soul City Negotiations. A statement of principles for a negotiated settlement between HUD and the developer of the Soul City, North Carolina new community was signed on October 22, 1979. It is hoped that a final agreement on the close out of this new community can be completed by the end of the calendar year. Terms of the recent settlement include the uncontested acquisition of Soul City property by HUD and dismissal of the developer's litigation against the Department.

Gautreaux Demonstration Program Found Successful. HUD efforts to deconcentrate public housing families in the metropolitan Chicago area are successful in part, despite major obstacles, according to a preliminary study released this week. Under the "Gautreaux Housing Demonstration" HUD has given rent subsidies to eligible families to enable them to live where they choose in the Chicago metropolitan area. Findings show that 84 percent of the families who moved to the suburbs with HUD help are satisfied with their moves.

HUD Trains Future Housing Rehabilitation Specialists. The first of several HUD-sponsored Urban Ventures School of Housing Rehabilitation courses has been completed. These successful one-week public courses teach motivated people how to operate small businesses in housing rehabilitation. Sixty best qualified applicants were selected to take the course out of a total of 200 individuals who applied for the first session.

Secretary Travels South. Secretary Landrieu traveled yesterday to Birmingham, Alabama to speak to a non-profit community revitalization group known as Operation New Birmingham. In his remarks the Secretary congratulated the group for their efforts to carry out the public/private/non-profit cooperation concept which is the cornerstone of the National Urban Policy. Today Secretary Landrieu speaks to the Bureau of Governmental Research in New Orleans.

HUD Gets 1980 Appropriations. The conference report on the HUD FY 1980 Appropriations bill was passed by both the House and the Senate on October 24, 1979.


Robert C. Embry, Jr.
Acting Secretary

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Office of the Attorney General
Washington, D. C. 20530

October 26, 1979

Principal Activities of the Department of Justice
for the Week of October 20-26, 1979

1. Meetings and Events

The Attorney General addressed the Federal and State Law Enforcement Banquet in Cincinnati, Ohio on the subject of effective coordination between federal and state law enforcement officials.

2. Judicial Selection

There remain 20 judicial vacancies (5 under the new law and 15 regular vacancies) that have not yet been presented to the President for tentative approval. The Senate during this Congress has confirmed 93 judicial appointments (81 under the new law and 12 regular vacancies).

3. Taiwan Treaty Suit

Our request for an expedited appeal to the full Court of Appeals for the District of Columbia seeking to overturn the ruling of Judge Oliver Gasch in Goldwater v. Carter was approved generally with the scheduling of an en banc hearing for November 13, 1979.

4. Gulf of Mexico Oil Spill

The Department filed a claim for more than \$6 million for clean-up costs of the oil well blowout and oil spill in the Gulf of Mexico, as well as for additional undetermined damages. The suit was filed against Sedco, a Dallas oil driller which owns the rig that was drilling in the Gulf of Mexico and experienced the blowout. The claim charged that the oil spill was caused by Sedco, that the offshore oil rig was unseaworthy, and that its crew was incompetent and negligent.

5. Crime Statistics

The FBI reported on October 24, 1979, that, in 1978, 2% more Crime Index Offenses were reported than in 1977. The violent crimes of murder, forcible rape, robbery and aggravated assault, increased 5%. The more voluminous property crimes of burglary, larceny-theft, and motor vehicle theft, were up 2% as a group.

6. Refugee Matters

The Attorney General has authorized parole into the United States of 17,000 refugees a month (14,000 from Southeast Asia and 3,000 from the Soviet Union and Eastern Europe) until December 15, 1979. The program will be ended sooner if Congress passes legislation now pending on refugee admissions. Jurisdictional conflicts between the House Judiciary and Foreign Relations Committees seem headed toward a resolution which will permit consideration of the bill on the House floor soon. There is still much optimism that the bill can become law (having already passed the Senate) before the expiration of the current parole.

7. Civil Rights of Undocumented Aliens

The Department plans to file shortly a brief as amicus curiae in a Fifth Circuit Case styled Doe v. Plyler, arguing that the Texas legislature and local school officials acted invidiously in passing and implementing a statute that deprived undocumented alien children of a public school education, thereby violating equal rights of those children.



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

October 26, 1979

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HEW Activities

Modified Rule Passed on Welfare Reform Bill. The action taken by the House Rules Committee on October 23 must be viewed as a significant accomplishment for this Administration and supporters of welfare reform. The Committee voted to grant a closed Rule on H.R. 4904 which will permit only one amendment to be introduced on the floor. This amendment, offered by Representative Jeffords (R-Vt.), would enable people over 65 who live alone and are not receiving SSI benefits to receive cash in lieu of Food Stamps. House action on the bill is tentatively scheduled for October 30.

House Passed Urgent Supplemental for Low-Income Energy Assistance. By a vote of 290 to 105, the House passed a \$1.35 billion supplemental to provide low income energy assistance. The supplemental was amended on the floor to require that general treasury funds used for low-income energy assistance must be restored out of revenues from the Windfall Profits Tax when enacted.

The final House version provides for a \$150 million Crisis Intervention Program to be administered by CSA, and for \$404 million to be paid directly to SSI recipients. The remaining \$796 million will be divided among the States according to a formula favoring colder States. The States may elect to either distribute these funds to AFDC recipients or to take their share in the form of block grants to be distributed through alternative delivery systems, such as Food Stamps or General Assistance. Such alternative State plans must be approved by HEW.

Agreement Reached to Aid Brooklyn Jewish Hospital. After extensive negotiations, HEW and New York State agreed this week on a plan to provide improved health care services to the people in the Bedford-Stuyvesant-Crown Heights section of Brooklyn. We will be working with the State during the next month to establish a formula to insure that Brooklyn Jewish Hospital is not closed as a result of cash-flow problems. Our goal is to reach agreement on a short term, one to two year plan for delivering improved services to the area, particularly outpatient services which are badly

needed. The short-term plan, which will require a combination of Federal waivers and grants, as well as State and New York City participation, will lay the framework for a long-term restructuring of the health care system in Bedford-Stuyvesant-Crown Heights.

Indiana Teachers Respond Favorably to Administration. On October 25, I addressed the Southwest Indiana State Teachers Association. I received a warm welcome, and the group responded very favorably to my speech which outlined the Administration's accomplishments in the education field.

Nobel Prize Winners Supported by HEW Funding. Two researchers, Drs. Herbert C. Brown of Purdue University and Allen MacLeod Cormack of Tufts University, received Nobel Prizes for their scientific work, which was supported by NIH funding. Dr. Brown received the award along with a West German scientist, Georg Wittig, for his work in developing a chemical process called hydroboration. This is one of the most effective methods known for synthetically producing highly purified forms of biologically active substances. It has important potential for the development of pharmaceutical and biological agents. Dr. Cormack is sharing the Nobel Prize for Physics as a result of his developing the computerized axial tomography ("CAT scan"). Since its introduction six years ago, this x-ray diagnostic technique, which allows the internal body to be seen from a three dimensional view, is now widely used.


Patricia Roberts Harris

THE WHITE HOUSE
WASHINGTON
10/30/79

Charlie Schultze

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

Rick Hutcheson

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

cc Charlie
J

October 27, 1979

Memorandum to the President

From: Charlie Schultze *CLS*

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Subject: CEA Weekly Report

1. Impact of the Federal Reserve's Actions on the Economy

(a) Housing: We have been making contacts on our own and have asked the FHLBB to use its network to find out what is happening to mortgage lending and to savings and loan associations. A preliminary memo will come to you soon. In addition we are convening (on Tuesday) a meeting of all the executive and regulatory agencies dealing with housing to broaden our intelligence network and to give us an inventory of possible steps that might be taken to avoid or moderate a major "crunch" in housing finance and construction. With this background, EPG can consider what, if anything, we can and should do.

(b) Other areas: At my request, Paul Volcker is activating a Federal Reserve network of contacts with banks throughout the country to get a feel for what is happening to lending practices (are banks cutting off certain kinds of customers; what is happening to consumer loans, etc.). We will report to you on the results.

2. Oil Companies

On the basis of our breakfast meeting last Wednesday, we are preparing a list of possible actions that might be taken or recommended in the event that the windfall profits tax is severely diluted and/or CWPS finds that the oil companies have grossly violated the spirit of the price standards.

*This is
talking to
long*

THE WHITE HOUSE
WASHINGTON

10/30/79

Secretary Marshall

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

Rick Hutcheson

U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON, D.C.
20210

cc Lay
C
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October 26, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR *lay*
SUBJECT: MAJOR DEPARTMENTAL ACTIVITIES
October 22-26

Who
?

Beginning preparations for oil negotiations. In about two weeks, the parties will begin bargaining on a new contract. The current contract expires January 8, 1980. I have already had several meetings with other people in the Administration and will meet soon with John Dunlop and then the union and management representatives. It will be a difficult negotiation and a strike is quite possible. Therefore we need to be well prepared.

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

October 26, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth
Jane Yarn

Gus Speth

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SUBJECT: Weekly Report

Endangered Species Act. We are pleased and encouraged by the House's actions yesterday reauthorizing the Endangered Species Act. The most significant weakening amendment that passed was one introduced by Congressman Breaux to transfer the Endangered Species Scientific Authority (ESSA) to the Fish and Wildlife Service. We understand that actions will be taken to protect the independence of ESSA in the conference. We helped Frank Moore coordinate the effort with the environmental community and Congressional leaders. Frank and his staff did an excellent job. Your comments to the Congressional leadership were most helpful.

Kemeny Commission Report. The report presents profoundly important conclusions that will affect the future role of nuclear power in the nation. We believe that upon receiving the report you should make a short but significant preliminary statement which underscores the importance of the report and the serious nature of the nuclear power issue. We are working on such statements with others in the EOP.

Improving Relations with the Environmental Community. Yesterday I briefed the Senior Staff on a series of actions which should be taken by WH/EOP staff over the next several weeks to improve relations with the environmental community. The ~~attached~~ document spells out the actions that we recommend be taken.

Attachment

October 18, 1979

We can and should significantly improve our relationships with the environmental and conservation community in the weeks ahead. This memorandum sets out a series of actions that the President and others can take. Part I discusses opportunities presented by upcoming Congressional and agency actions (and a few pitfalls to avoid). Part II sets out several media and meeting opportunities for the President to address personally environmental leaders and issues. None of these actions involves a dramatic departure, so we will be relying on their visibility and cumulative impacts.

I. Opportunities and Pitfalls in Upcoming Congressional Agency Actions

A. Key Opportunities

1. Endangered Species Act

The objective is to ensure that the Endangered Species Act is reauthorized without weakening amendments. Congressional liaison is treating the legislation as a White House priority. It is important that this continue into the conference, where a major effort to eliminate the Breaux Amendment should be undertaken. If our efforts are successful, a signing ceremony should be considered, given the importance of both the law and White House effort.

2. Alaska Lands

The House has passed the Administration-supported bill. The Senate Energy Committee is marking up its own bill, which the Administration opposes. Enactment of legislation consistent with our position will require a floor fight. To be successful, the White House will need to coordinate an extensive interagency effort, which must include active DOE support. The White House effort should include: (1) an East Room gathering with Members of the Cabinet and Congress, as we did with the House bill, and (2) early development of a floor strategy which includes courting the Senate and working closely with Majority Leader Byrd and the Senate leadership.

3. Stripmining Act Amendments

The Senate passed an amendment to the Surface Mining Reclamation Act that seriously weakens the Act. Although Subcommittee Chairman Udall expects to contain a challenge by a majority of his subcommittee to adopt a similar amendment of the Act we should begin to express our opposition to such amendments. The Act is one of the hardest won accomplishments by the environmental community. It required nearly a decade of effort and produced the occasion for one of the warmest signing ceremonies held by President Carter. The President should continue to show personal interest in preserving the Act by making public statements and judicious calls to Members of Congress against weakening amendments. The President should also make an "on camera" statement on this subject at his upcoming meeting with conservation community leaders (see below). White House and Administration officials should: (1) draw attention to the flexibility States have under the final OSM stripmining regulations to formulate acceptable alternate procedures for meeting the Act's requirements; and (2) remind Congress and industry that accelerated coal leasing and use of shale are premised on adequate stripmining laws.

4. Nuclear Waste Policy

It is important that the President's statement on nuclear waste policy be issued soon, if the Administration is to gain the initiative and gain the credit for the thoughtful, balanced policy that has been developed. The President's statement ought to be issued before the Kemeny Commission report comes out at the end of the month. The President's nuclear waste policy should be well received by the environmental community. There are several aspects of the policy that should be highlighted for the environmental community, including the President's decision to request the NRC to undertake a public review of certain key issues.

5. Water Projects Independent Review Board

The Water Resources Appropriations Act signed by the President does not allow the Water Resources Council to use any of the appropriated funds for the Independent Review Board until the Board is specifically authorized by Congress. The Board is a keystone of the President's water resources policy reforms. White House follow-up is needed now on commitments to authorize the Board that Members of Congress made in connection with the President's decision not to veto the appropriations (Tellico) bill. We should now push hard for legislation authorizing the Board. This legislation should not be attached to objectionable public works authorizations.

6. Forest Service Resources Planning Act (RPA)

The Administration's RARE II and Anti-Inflation Timber Policy decisions are two of the most disturbing actions of the Administration for the environmental community. The RPA requires the President to submit to the Congress once every five years a "Statement of Policy" on the long-term program for the national forests (16 USC 1606). The current Statement was issued by President Ford. President Carter has an important opportunity to improve relations with the environmental community by issuing a policy statement which sets an environmentally sensitive tone for the management of the national forests. CEQ and DPS should take the lead, working with OMB, to ensure that this opportunity is not missed.

7. Transportation Energy Efficiency Bill

The Administration's bill authorizes \$16.5 billion from the proposed windfall profits tax to be spent on public and mass transportation. DOT is handling the legislation as a priority effort with close cooperation of the environmental community. If he has not already done so, Secretary Goldschmidt should meet personally with the environmental coalition that helped develop this package and now strongly supports it.

8. FY 1981 Budget

In preparing the FY 1981 Budget, special attention should be paid to those programs of particular interest to the environmental community to ensure that, to the extent possible, the programs are adequately funded and that the programs fare at least as well as other important programs. Among the programs that should receive attention are the following:

- a. Solar energy and long-term energy conservation (increased energy productivity) activities;
- b. Environmental Protection Agency activities;
- c. Endangered Species Act and rangeland improvement programs of the Department of the Interior;
- d. Forest resources and soil conservation activities of the Department of Agriculture; and
- e. Land and Natural Resources Division of the Department of Justice.

B. Pitfalls to Avoid

1. "BAT" Water Pollution Effluent Standards

The key component of EPA's Round II Water Pollution Control is the agency's statutory mandate to regulate toxic pollutants by applying best available technology (BAT) to industry categories. RARG has already decided to review the first proposed BAT regulation, which covers the leather tanning industry. The BAT approach to toxics is a compromise approach carefully worked out over a period of years among Administration, environmental, and industry interests. The approach is now expressly sanctioned by the Clean Water Act of 1977. The environmental community feels that this broadly supported compromise is one of its major achievements. It is essential that any RARG/CEA review of these EPA standards be carried out with restraint and diplomacy and that the review not appear to represent the President's own views.

2. Kemeny Commission Report

The Kemeny Commission Report on Three Mile Island is expected to be completed late this month. There are several other reports on the TMI that will also be completed in the next few months. The President would be best served by a major staff effort which examined carefully the Kemeny findings in light of the public reaction to them, what can be determined about the other reviews (including waiting on them to the extent possible) and the overall position the President wants to take on nuclear power in 1980.

3. Clinch River Breeder Reactor

DOE's authorization will probably come by continuing resolution in order to avoid Congressional controversy and possible veto. Should the Senate move the DOE authorization to the floor, however, a floor fight is likely. In that case, the President should stand firm and not further compromise the Administration's position on CRBR, making clear that he will veto any bill that is not consistent with the Administration position. CRBR, like Tellico, has been one of the strongest and long-lived symbols of environmental concern.

4. MX Missile

The MX is, from one perspective, one of the largest public works projects ever undertaken in the U.S. It will have substantial environmental impacts, and these have figured in a significant way in the debate thus far. While every effort should be made to ensure priority treatment wherever necessary, no Administration effort should be made to bypass environmental reviews and safeguards.

II. Presidential Remarks to the Environmental Community

The President should meet with or discuss environmental matters on at least two occasions in the near future:

1. Environmental leaders have requested a meeting with the President. This should be scheduled as soon as possible. At the meeting, the President should address "on camera" one or two issues of major concern such as the amendments to the Surface Mining Act.

2. The President's appearance at a CEQ reception, preferably the one planned for swearing in the new CEQ Member, would indicate strong interest in the environment. Key environmentalists, including some from out of town, would be there, but it is important that it be kept small enough to have some intimacy. It would also be an excellent opportunity for remarks by the President similar to those at the White House on Labor Day.
3. A significant environmental speech should be included in the President's plans. The combination of Presidential travel and environmental accomplishments for which the President can take credit would not be difficult to plan.

THE WHITE HOUSE
WASHINGTON

October 27, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*
SUBJECT: Weekly Activities Summary

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Second Year Wage/Price Program

My office is taking the lead in putting together EPG recommendations for members of the Price Advisory Committee. We expect to send them to you next week.

The Council is arranging a series of technical briefings next week for industry representatives in the hotel, higher education, air transport, shoe/leather, communications and textile industries. They will cover both pay and price guidelines. More will follow.

Energy

My staff is working with DOE in an intensive review of oil company pricing; Stu and I are going to propose you meet with some of the leading companies. In preparation, we are working with CEA to consider what actions we can take to induce compliance with the standards. Charlie and I will send you our conclusions on this Monday or Tuesday.

My staff handled for Frank Moore the low income energy assistance bill, which passed the House Thursday 290-105. Finally, I used the occasion of testimony on the September CPI before the Joint Economic Committee to put in several strong plugs for the windfall profits tax (as well as hospital cost containment).

Hospital Cost Containment/Health

I held a series of press interviews on this legislation, and sent a letter to each House member to urge its support.

My staff also met with HEW and agreed to have them start publishing a monthly health review letter, similar to the one on food that the Council produces jointly with the Department of Agriculture.

Trucking

I spoke before an ICC-sponsored conference of state regulatory officials on trucking on Tuesday, reminded them of our success in using competition to fight inflation in airlines, and urging their cooperation in doing the same in trucking. I also met with Governor Graham of Florida, to discuss his regulatory reform program. My staff is in touch with his, to explore ways in which we can help them on intra-state trucking deregulation.

good
My staff also succeeded this week, with Senator Cannon's help, in fending off efforts by the truckers and Teamsters to insert language in a Senate Appropriations Committee report that would have severely restricted any innovative deregulatory efforts by the ICC in the months ahead. We feel that, despite his warning to the ICC not to take any irrevocable steps that would prompt Congressional action, his promise to have a reform bill on your desk no later than June 1 is very encouraging; and both Dan O'Neill and Darius Gaskins feel they have ample room for reform initiatives in the intervening period.

Mexican Winter Vegetables

On October 19, the Florida produce growers association refiled an anti-dumping petition with the Department of Treasury, contending that the Mexicans are selling five winter vegetables (tomatoes, cucumbers, squash, eggplant and bell peppers) in the U.S. at prices below production cost.

There are very difficult legal and technical economic problems involved here, and the case is a difficult one for Treasury, but I am fearful that a finding of dumping would result in reduced supplies and/or substantially higher food prices. Furthermore, I am convinced that it is simply impossible for the Mexicans to be dumping, since the vegetables involved are sold at auction.

I have talked to Bill Miller about this and loaned him a member of my staff to perform the economic analysis. I continue to hope for a favorable result.

Reconstituted Milk

I met with Bob Bergland, and we agreed on a tentative schedule for this proceeding, for which CWPS will be supplying expert testimony.

EOP Oversight of Regulatory Policy

Ron Lewis, my deputy for Regulatory policies, has organized a deputies group of those White House staffs interested in regulation. The group has begun a review of about a dozen of the most significant pending agency rule-makings.



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

October 26, 1979

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MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR AND THE MARKETS

- . The dollar continued to be steady in quiet trading against major European currencies while appreciating further against the Japanese yen. The Treasury and Federal Reserve have conducted no market intervention operations since the first days of October.
- . The Japanese continued to intervene to support the yen, under pressure due to a variety of factors including oil price and supply uncertainties, bad inflation numbers, and unfulfilled expectations that interest rates would be raised.
- . Gold markets have steadied this week. Following a Treasury announcement of a gold sale of up to 1.25 million ounces for next Thursday, the price of gold declined to \$375, down from the pre-announcement price of \$390.
- . Stock prices declined on Tuesday to a 1979 Dow Jones low of 806.83 but came back to 809.30 at the close today.
- . Citibank increased its prime rate to 15-1/4 percent with a number of other banks following suit. Interest rates in the credit markets skyrocketed early in the week, but have moderated somewhat today.

2. WINDFALL PROFITS TAX

- . Although the Senate Finance Committee last Friday ordered reported the windfall profits tax bill, the Committee is still considering a number of items this week, including a low-income formula, possible social security amendments and possible tier one oil tax rate changes.

- . It will take the Committee staff at least 10 days to put together the bill and report language. Once this is done, the bill must vie with the SALT Treaty for floor action. It is still undecided which issue goes first, but it appears that the Senate leadership wants SALT on the agenda first. This could delay action on the tax until the end of the year.
- . The delay could redound to Senator Long's advantage since a windfall tax bill on the floor in the wake of third quarter oil company earnings could pose problems for oil interests.

3. MEXICAN TOMATOES

- . On October 19 the Florida winter vegetable growers refiled their antidumping petition against Mexican tomatoes and other vegetables. We are obliged to make a tentative determination by the close of business on Monday. A final determination is due after the first of the year.
- . The issue is highly emotional and we can expect sharp reactions whichever way we come out.

4. MULTILATERAL DEVELOPMENT BANKS

- . The Conference Committee on the Foreign Assistance Appropriation Bill meets October 30. The main issue is whether the Conference will reject restrictive House amendments which would force the banks to reject U. S. funding.
- . We are working with the conferees to avoid a deadlock. Conference Chairman Inouye and other Senate conferees probably will hold firm; however, there is a close division among the House conferees. Some of our supporters are reluctant to report a bill to the House without some provision to limit assistance to Vietnam and Cuba.
- . We are also working to split the House and Senate funding figures to enable us at least to meet all current obligations and make a modest dent in the backlog of accumulated arrears.

5. CHRYSLER

- . A meeting has been scheduled for 9:30 Monday morning with all your principal advisers on Chrysler. We will be considering a two-step approach to the company's situation: a stop-gap loan guarantee in a relatively limited amount to permit Chrysler to operate for the next six months or so, followed by additional guarantees contingent on working out a long-term financing plan resulting in a viable company. We would hope to be back to you with a recommendation early next week.

- . The company's position continues to worsen and there is a heightened risk that the bank group will disintegrate and force the company into Chapter XI. The Michigan delegation and others on the Hill continue to agitate for an early Administration proposal so that the Congress can act before the end of this session. We continue to have extreme difficulty getting accurate and comprehensive financial information out of Chrysler on which we can base a judgment as to its needs and potential viability. We are giving this effort top priority.


Robert Carswell
Acting Secretary



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Department of Energy
Washington, D.C. 20585

October 26, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

CHARLES W. DUNCAN, JR.

SUBJECT:

Weekly Activity Report
October 22 - 26, 1979

1. International situation: I am very concerned about the deteriorating international situation on oil prices. Average spot market prices approach \$40/bbl, and contracts as high as \$45/bbl have been reported. At my request, Dr. Brzezinski convened an SCC meeting and appropriate interagency actions are underway.
2. Oil shale: I was in Colorado Monday inspecting oil shale developments. It is my view that above-ground recovery methods are commercially viable now, but that much development work remains on underground (in situ) methods. Industry sources report that some shale projects will get underway immediately with the \$3/bbl tax credit.
3. Mid West Governors: I will be in St. Louis next week for a meeting with 14 governors from the Mid West to discuss their energy concerns.
4. Gasohol: We are accelerating the Department's involvement in the commercialization of gasohol. This involves short-term benefits, is not capital or technology intensive insofar as ethanol is concerned, is labor-intensive, and involves relatively small investments. All the components seem right. Gasohol from methanol is not commercially ready and won't be for several years. In connection with the trip to meet with the Mid West governors, I will be travelling to Iowa and Illinois to visit small scale and large scale alcohol production facilities.
5. Use of coal by utilities: We are making substantial progress on both coal conversion and oil backout efforts. The Coal Commission's list of 117 coal-capable generating

stations has been reviewed to determine which stations can be most easily converted and which conversions will provide the most substantial oil savings. Environmental, transportation, regulatory and financial factors have been considered. We will be able to issue 30 proposed prohibition orders to utilities within our proposed fiscal year 1980 budget. If that budget is augmented, as the Senate has undertaken to do, 30 additional prohibition orders can be initiated.

Our new oil backout legislative proposal has raised a number of important issues that need interagency coordination. OMB is now doing the interagency consultations, and the issues will be brought to the Energy Coordinating Committee for resolution on November 2.

6. Public power rate increases: There will be a number of rate increases proposed in the next few months by the public power administrations within DOE. We will give careful attention to the justifications offered, but rate increases to cover costs are mandated by legislation, and it is likely that at least some very substantial increases will go into effect some time next year.

THE WHITE HOUSE

WASHINGTON

10/30/79

Jim McIntyre

Zbig Brzezinski/Henry Owen

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

Rick Hutcheson

cc: Frank Moore

MEMORANDUM

ACTIONTHE WHITE HOUSE
WASHINGTON

October 29, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM McINTYRE / HENRY OWEN *cc Jim*

SUBJECT:

Kampuchea

The House has authorized \$30 million for Kampuchea relief, and the Senate will do so shortly.

House members of the Foreign Aid Appropriations Sub-Committee wish to appropriate the money in their Conference with the Senate Appropriations Sub-Committee later this week. We will be asked by Senator Inouye to state the Administration's view.

As we told Chairman Zablocki when he proposed the \$30 million authorization, we had not planned -- nor is it clear that we will need -- to seek an appropriation until next calendar year. There is a real risk that an appropriation now would be subtracted from the regular foreign aid appropriation. On the other hand, we don't want to put you in the position of seeming to oppose aid for Kampuchea. And additional money might be needed sooner than we had expected if the Kampuchean authorities accept the land bridge proposal and we have to provide a lot of trucks, as you and the three Senators discussed Friday.

We therefore propose to tell Senator Inouye that the Administration had supported the authorization of this money, not intending to seek the appropriation until calendar year 1980, since our immediate needs in calendar year 1979 could probably be met otherwise. We are now prepared, however, to support an appropriation in 1979, which would ensure that the money was available if it turned out to be needed sooner than we had expected. Two conditions are essential, however:

1. It should be additional to the regular foreign aid appropriation, which we badly need. Otherwise, it won't be an appropriation but merely reprogramming which we could undertake anyway, without any new Congressional action. (If asked, we should say that OMB will not increase its estimate of outlays by reason of this appropriation, in view of the current great uncertainty as to spending rates in these programs.)

2. It should be no-year money, since we don't know when its full expenditure will be needed.

RECOMMENDATION: That you approve our speaking to Inouye in the sense indicated above. Frank Moore's office, State (including Dick Clark's office), and IDCA concur in this recommendation.

Approve Disapprove

THE WHITE HOUSE
WASHINGTON

10/30/79

Jody Powell

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

Rick Hutcheson

EYES ONLY TIL 2:30 PM TODAY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

October 29, 1979

*Jody -
Ch & Charlie -
Deflate oil
import
rise
J*

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CS*
Subject: September Trade Balance (To be Released at
2:30 p.m. Tuesday, October 30)

The merchandise trade deficit rose by almost \$500 million to \$2.8 billion in September. The reason was an increase of \$600 million in imports of crude and refined petroleum. Other imports and exports changed very little from their August levels.

This increase in the trade deficit was more or less in line with what my staff and the staff of the Fed had been anticipating. (The July, and to a lesser extent August, deficit had been lower than long-term factors seemed to warrant, and so some rise was expected.) I do not know whether the foreign exchange markets expected such a rise, and therefore am not sure how they will react.

The base data are:

(billion of dollars; monthly average)

	<u>Exports</u>	<u>Imports</u>	<u>Balance</u>
1978	12.0	14.3	-2.4
1979 1Q	13.7	15.4	-1.7
2Q	14.3	16.4	-2.2
3Q	15.8	17.9	-2.1
July	15.7	16.8	-1.1
August	15.8	18.2	-2.4
September	15.8	18.7	-2.8

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United States
Environmental Protection Agency
Washington, D.C. 20460

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October 26, 1979

The Administrator

REPORT TO THE PRESIDENT
FROM: Douglas M. Costle
SUBJECT: Pittston

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I wanted to apprise you of a situation of potential concern caused by the dumping of oil and hazardous wastes into a network of abandoned mines in northeastern Pennsylvania.

We first discovered the mines had been used for dumping in July. A mixture made up mainly of oil, but including some toxic chemicals, began spilling into the Susquehanna River north of the city of Wilkes-Barre. The spill at one point reached 5,000 gallons a day. It has since dropped off to around 200 gallons, and clean-up crews have been able to contain virtually all of it.

In the past few days, however, we have learned that wastes containing cyanide--possibly more than 100,000 gallons--were among those dumped into the mines. Cyanide can interact with acidic water (commonly found in mines) to form highly toxic hydrogen cyanide gas. If potentially harmful quantities of the gas were found, we would be obliged to recommend that the state evacuate those in the immediate area affected.

We have as yet found none of the gas. EPA and state investigators are testing as many of the hundreds of bore holes leading into the mines as they can find. Meanwhile, we are trying to make sure the 50,000 residents in the five-square-mile area above the mine network have factual information on the situation. This is a sensitive issue, because a state judge overseeing a grand jury investigation of the dumping has placed a gag order on all the officials involved. If we found a serious public-health threat, however, we would obviously be obliged to make the fact known, and make appropriate recommendations.

A handwritten signature in black ink, appearing to be "Douglas M. Costle".

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *Anne*

SUBJECT:

ACTIVITIES REPORT
WEEK ENDING OCTOBER 26, 1979

1. SALT Building on our briefings and other meetings, we now have two networks of supporters whose activities will be coordinated both on the Hill and in key states. First, we meet today with labor, religious and liberal groups to coordinate strategy. Second, individual corporations will work target states now and Bill Verity (Chief Executive of ARMCO and Chairman of the U. S. USSR Trade Council) is contacting the chief executives of certain Fortune 500 corporations. Washington business representatives will be mobilized in about a week.
2. Energy The breakfast with Governor Byrne's coalition was excellent and their Hill visits should energize those Senators who need to be our strongest supporters on the floor.

Our business and labor EMB supporters have been mobilized for the House vote. They will mostly support Santini and passage of the EMB, even without substantive waivers which the business community wants. About 20 major corporations have been added to our existing Energy Security Corporation coalition of the construction, insurance, manufacturing and gas industries. We are coordinating strategy with them for the Senate floor.

3. Hospital Cost Containment We are making sure all Congressmen are hearing from supporters and are seeking more outside support from the South and Texas. The groups report that the hospital lobby is making good use of hospital boards, which are composed of community leadership, in many cases close to key Congressmen.
4. Alaska Lands Legislation We are working closely with the Alaska Coalition (with which you met earlier this year) and Congressional Liaison to develop Senate strategy.
5. Presidential Medal of Freedom I submitted to you a list of potential candidates for the Medal. We should make some decisions before we get too much further into the political season. In addition, some additional names have been suggested. I am reviewing my submissions and will send you a new proposal next week.

9:00 AM

THE WHITE HOUSE
WASHINGTON
October 29, 1979

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MEETING WITH SELECTED MEMBERS ON HOSPITAL COST CONTAINMENT BILL

Tuesday, October 30, 1979
9:00 a.m. (20 minutes)
The Cabinet Room

From: Frank Moore *F.M/BR*

I. PURPOSE

To motivate the members who are for this legislation and to convert those who are questionable.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: The majority of these members are undecided with few leaning in either direction.

The preliminary count from the whip call is not good. Our count is a little more optimistic. Because we will probably hit the floor on the week of November 12, we need to get these undecided nailed down. If word gets out that we are not making progress, there is a greater chance that the leadership may want to postpone it further.

We are gaining momentum, and these meetings get many members who have not yet focused beyond calls from doctors and hospitals talking about the positive side of the bill.

Participants: The President, Frank Moore, Bob Maher, Members of Congress (see attached list).

Press Plan: None

III. TALKING POINTS

This is the only anti-inflation measure they will vote on. Eight states are making their programs work and saving taxpayer money. It can be done.

This legislation is so flexible that many hospital administrators candidly admit they can easily meet the goal.

This bill is radically different from last year's legislation.

In the first 7 months this year hospitals' marketbasket has been 9% while hospital inflation is running 13.2%. Why should hospitals run 4 to 5 percent higher than their marketbaskets?

I know that the hospital people have told you that your state is doing well. I am telling you that the eight states with programs are doing well or the 13.2% would be 15% higher. Most states are not meeting the voluntary goal that the American Hospital Association set last year.

If your state were doing well, then you would be exempt.

This will not in any manner lessen the quality of care nor compromise existing services. To the contrary, it will ensure that service is better.

We have a one-House veto so you have another opportunity to see the results of the voluntary program before a mandatory program can be put in place.

We have accepted a sunset provision so that this program will have a limited life.

The myth that this will create more paperwork and bureaucracy is untrue. The only piece of additional information which this legislation requires is a one-liner--that is the cost of non-supervisory wages. That's all. The rest of the data needed for this program is already being furnished and collected under the Medicare program.

I need your help on this issue. It is a vote that you can go home and tell people about. Young people, old people. Everyone is hurt by hospital costs and many mortgage their futures because of it.

Members attending the meeting with the President

Jerry Huckaby
Abraham Kazen
Thomas Tauke
Jim Mattox
Ed Jones
Jonathan Bingham
John Slack
Ronnie Flippo
Jack Brinkley
Charles Bennett
John Cavanaugh
Dan Glickman
Henry Gonzalez



THE WHITE HOUSE
WASHINGTON

10-30-79

To Dick Clark

Fritz had reported to me your pledge to remain neutral in the political campaign and to devote your efforts to assisting refugees and other suffering people. I consider this work to be of transcendent importance.

Therefore, I accept your resignation with regret, and appreciation.

Jimmy Carter

cc: The Vice President
Secretary Vance
Jody Powell



DEPARTMENT OF STATE
AMBASSADOR AT LARGE
WASHINGTON

October 29, 1979

Dear Mr. President:

I am writing to advise you of my decision to resign from the Administration.

I do so with reluctance because of my respect for you personally, because of what you stand for, and what you have tried to accomplish. This decision is made all the more difficult because of my admiration for and friendship with Vice President Walter Mondale.

My original intention was to remain neutral in the Presidential Primary contest. Careful thought and further reflection have convinced me that such a position is untenable and unwise. I think you would agree with me that to remain uninvolved in a matter of such importance to the country is irresponsible. Consequently, I have made my choice. I will be joining Senator Edward Kennedy's Campaign Committee following my resignation.

It is with regret that I leave my present position as Coordinator of Refugee Affairs. It has been a rewarding job. Working with Secretary Vance has been a particular pleasure and a rare opportunity. In January, when the Secretary asked me to take this position, I was reluctant to do so, but he urged me to accept, even if only for a few months in order to reorganize scattered jurisdiction and the hodgepodge of existing programs. That objective has now been completed:

- A new Office of Refugee Programs has been established in the Department of State with a Director

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

at the Assistant Secretary level. Previous jurisdictions in the Bureau of International Organization Affairs, the Bureau of Human Rights and Humanitarian Affairs, and the Agency for International Development are now under that single authority.

- An Interagency Committee on Refugee Affairs has been established and is working effectively to coordinate all existing refugee programs in the Government, both foreign and domestic.

- The Refugee Act of 1979 has passed the Senate (85-0) and will be voted on in the House in the next few days. It is the first comprehensive refugee legislation in the nation's history and will end existing inequities and inconsistencies in our refugee program.

- With your support, we have increased our refugee resettlement program to over 200,000 annually, and the appropriation for implementation has now passed both Houses. The authorization has passed the House and is to be taken up in the Senate in the next day or two.

- Much has been accomplished in achieving a greater burden sharing by the international community in dealing with Indo-chinese refugee problems.

In summary, those tasks assigned to me in January have now been accomplished with the support of others in the Administration and in the Congress. An effective Coordinator will be needed to give direction to these on-going programs, but I am confident that such a person can be found.

Therefore, I am resigning effective November 1, but will, of course, be available to assist in any way I can.

Again, thank you for your many kindnesses. It has been a privilege to work with you.

Sincerely,



Dick Clark

Phil has
seen.

NSC notified

THE WHITE HOUSE
WASHINGTON

October 30, 1979

Mr. President:

Chancellor Schmidt would like to telephone you at 2 p.m. today concerning the 1,000 warhead issue. Jim Thompson, NSC staff, would monitor the call from the Situation Room.

Approve Disapprove

PHIL

**Electrostatic Copy Made
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*Get me
briefing
paper
from
this J*

11:00 AM

THE WHITE HOUSE

WASHINGTON

October 29, 1979

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
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FROM:

JACK WATSON *Jack*

SUBJECT:

Meeting with The Commission to Investigate
the Accident at Three Mile Island
Tuesday, October 30, 1979
11:00 a.m.
Cabinet Room

You are scheduled for a thirty minute meeting with the Commission you established to investigate the accident at Three Mile Island. The purpose of the meeting is to accomplish the formal transmittal of the report to you.

There will be a photo opportunity at the opening of the meeting, and I have arranged for individual photographs to be taken of you with each Commissioner at the end of the meeting.

The Commission plans to brief the press, key members of Congress and their staff in the afternoon following the meeting with you. The Commission has embargoed their report for twenty-four hours for release on October 31, 1979.

In addition to the Commissioners, three key Commission staff members will attend the meeting. A complete list of attendees is attached.

Although you have previously been briefed on the major findings of the Commission, John Kemeny will summarize the Commission's report for you. The bulk of the time at this meeting will be available for you to ask questions of Chairman Kemeny or other members of the Commission.

You should thank the Commission for both the thoroughness and timeliness of its work. You have already indicated to Dr. Kemeny that you will take two weeks or so to fully consider the report before making any extensive public statements on its findings and recommendations.

Your Senior Staff has been briefed on the Report. Domestic Policy Staff has the lead to assure that you are provided with a government-wide assessment of the report and the decisions which now face you.

A brief Presidential statement for use following the meeting will be sent to you tonight by Frank Press. You have the option of either going to the briefing room to make the statement in person, or simply making it available in writing. The decision on which way it should be delivered should be made tomorrow morning, most likely at your meeting with Frank Moore.

ATTENDEES

Three Mile Island Commission

Chairman

John G. Kemeny

Commissioners

Bruce Babbitt

Patrick E. Haggerty

Paul A. Marks

Cora B. Marrett

Lloyd McBride

Harry McPherson

Russell Peterson

Thomas Pigford

Theodore Taylor

Anne Trunk

Carolyn D. Lewis

Commission Staff

Stanley Gorinson, Chief Counsel

Vincent Johnson, Director, Technical Staff

Barbara Jorgenson, Director, Public Affairs

White House Staff

Jack Watson

Gene Eidenberg

11:45 AM

THE WHITE HOUSE
WASHINGTON

David Crowley

October 29, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Meeting with Ad Hoc Leadership Council of Aging Organizations

I did not have a chance to see Nelson Cruikshank's memo to you for tomorrow's meeting with the Aging Organizations until after it had already been submitted. I am concerned that the memo does not adequately prepare you to defend the Administration's record in the areas of concern to these organizations.

I understand that Nelson will be meeting with you earlier in the day and may raise with you possible approaches to take against the charges that apparently will be made by the Aging Organizations. Since Nelson appears to be very sympathetic to the charges, I doubt that he will provide much ammunition for your use. I have therefore prepared the following suggested talking points for your meeting with the Organizations:

1. I appreciate the opportunity to meet with you. I am sorry that we could not get together earlier, but my schedule has prevented that; however, I have kept informed of your concerns by Nelson Cruikshank and want to use this opportunity to talk frankly with you about them. I also want to use this meeting to hear your concerns directly, and I will therefore try to limit my remarks to a brief review of where we stand on issues that have been of greatest concern to you.

2. To begin with, I want to let you know that I value your advice and counsel, and am well aware that you represent 16 million Americans with very important human needs. Nelson has done an excellent job of keeping me informed of your concerns, but perhaps we can develop in a more regular way for you to communicate with me. I am open to your suggestions.

3. Over the past 34 months, my Administration has worked closely with you on a number of key issues. Thus, we have been successful on a great many of those issues:

- o Raising the mandatory retirement age from 65 to 70 in the private sector and eliminating mandatory retirement in the federal government;

- o Refinancing the Social Security Trust Funds to prevent their bankruptcy and to ensure benefit payments to the nearly 35 million Social Security recipients;
- o Expanding some of the benefits provided to Social Security recipients (e.g., liberalizing the retirement text to raise the allowable amount of earnings and to reduce the eligible age from 72 to 70 in 1982), reforming minimum benefit payments to protect the low paid, long-time participants; and providing a 3% increase in primary benefit amounts for each year a worker postpones retirement after 65;
- o Eliminating the purchase requirement for Food Stamps;
- o Removing the construction moratorium on federally assisted housing for the elderly and increasing that program by \$2 billion (and 52,000 new units);
- o Enacting a "congregate" housing demonstration project that will provide services to senior citizens who need assisted residential living environments;
- o Reforming ERISA to eliminate uncertainty about the way in which pensions will be protected; and
- o Enacting the comprehensive Older Americans Act, which is designed to strengthen coordination and planning for senior programs at all levels of government.

4. We have also worked together on major issues where success has not yet been achieved but where our combined efforts over the coming months can make success possible:

- o Hospital Cost Containment
- o Low Income Energy Assistance (where success is less than two weeks away)
- o Welfare Reform and
- o National Health Plan.

5. I recognize that we have not been together on every issue of immediate concern to you. Indeed, it would be unusual if we had been; there is no group in our society which has agreed with every decision that I have made, or that my predecessors have made. It is inevitable that there will be some disagreements with your Organizations. I think our areas of disagreement have been minimal, though I appreciate the depth of your concern in those areas where we do disagree.

6. Let me mention briefly what I believe are the two major areas of disagreement--Social Security and Disability Benefit Reductions.

7. On the Social Security Benefit reductions that were proposed earlier this year, I think you know that there is no chance of their being enacted this year. We disagreed on the wisdom of those chances. I know that from the very effective presentations made to me by Nelson. I have not made any decision yet about what to do on those proposed reductions for next year. That decision will be made in the context of the legislative agenda process now beginning under the Vice President. I welcome any of your suggestions or recommendations in the Social Security area for next year.

(NOTE: When discussing next year, it is important to indicate that the decision of Social Security reductions will be made in the context of our legislative agenda process rather than the budget process; to the seniors, if reductions are talked about in the budget context, they become convinced that benefits are being traded away in order to reduce the budget deficit, rather than because of the substantive merits of the proposals).

8. (NOTE: Our disability proposal has passed the House and is now before the Senate. The version which passed the House is more restrictive than our original proposal, because of an agreement reached by Secretary Califano and Commissioner Ross with a number of Members of the Ways and Means Committee. The Aging Organizations are upset not only that the disability proposals are not making progress but that the version moving forward is even tighter than the original proposal.

Secretary Harris does not believe that, at this time, we can revert in the Senate to our original position, for the support in the House for the proposals may become unglued.)

On the disability proposals, which amount to about \$60 million in reductions for prospective beneficiaries, we have made more legislative progress than on the Social Security area. I understand that you are concerned not only about the cuts but about the modification of our proposal.

The proposal is now before the Senate, and I think it will be appropriate for you to discuss your views with Secretary Harris at a subsequent meeting. She will have more time then to go into greater detail with you about the status of our proposal.

9. I do not want to say that you should be pleased with everything we have done. In some areas, we simply disagree. But as I have said, those are relatively few in number. On the whole, our record of agreement is substantial, and I think that when you match my record of accomplishment for seniors against my predecessors, you will find that we have done more to improve the health and welfare and incomes of Senior Citizens than any previous Administration.

1:30 PM

THE WHITE HOUSE
WASHINGTON

C

October 29, 1979

MEETING WITH THE AD HOC LEADERSHIP COUNCIL
ON AGING ORGANIZATIONS

Tuesday, October 30, 1979
1:30 p.m. (20 minutes)
The Cabinet Room

From: Nelson H. Cruikshank



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I. PURPOSE

Responding to the request made in the attached letter from the Ad Hoc Leadership Council of Aging Organizations. Tab A.

II. BACKGROUND

The Council is composed of twenty-three organizations. Some are large membership organizations of the elderly with a combined membership of about 16 million persons. Others are scientific and research organizations. Some represent federations of area and state aging agencies.

The leadership rests largely with the membership organizations. However, it is likely that one major spokesman will be chosen to present an agreed upon statement. This spokesman will probably be the signer of the July 30 letter who is Mr. David Crowley, Executive Vice President of the American Association of Homes for the Aging. It is expected that the thrust of this statement will be that while the senior organizations have been called upon to support Administration positions, including some that are only secondarily of concern to their constituencies such as the Panama Canal Treaty and SALT II, they have not had a meaningful channel of input in policies that directly affect them. Cases in point are expected to be the proposed cuts in Social Security benefits which they believe are still supported by the Administration and the Administration's failure to disavow what they contend are the punitive and anti-social elements that were attached to the disability reform measure by the previous Secretary of HEW. This latter will probably be pressed as a particularly timely concern. It is the groups' feeling that Secretary Harris has attempted to develop a moderate and acceptable substitute as this bill moves through the Senate but received no White House support in this effort and that the inability of the President's Counsellor on Aging to get this matter before the President

brings into question the President's assurances that the elderly have, in this office of the Counsellor, a means of bringing their concerns to the attention of the President.

III. PARTICIPANTS: Secretary Patricia R. Harris, Nelson Cruikshank.

IV. PRESS PLAN: White House Photo opportunity only. Meeting to be announced.

(It is expected that the organizations will present some candid and frank criticisms of current Administration policies, though it is not expected to be what could be characterized as "anti-Administration." No press coverage is recommended as it is felt it would tend to play up differences.)

TAB A

AD HOC LEADERSHIP COUNCIL OF AGING ORGANIZATIONS

July 30, 1979

Mr. James E. Carter
President
The White House
Washington, D.C. 20500

Dear President Carter:

Millions of us watched earlier this month as you went through the long and painful review and evaluation of your administration at Camp David. We are aware that you faced critical appraisals of both your policies and your close advisors without hesitation. We have also watched as you began the process of realigning your administration upon your return to the White House.

We are disturbed, however, and disappointed as the representatives of over fifteen (15) million older people, that you did not seek the consultation and advice of even one person who could speak on behalf of the needs, concerns and issues affecting the elderly in this time of national dissidence. Certainly when one considers how the two major issues of the day, energy and inflation, impact with such horrendous force on the elderly, it is difficult to understand how this oversight could have occurred. It is even more incredible when one considers the number of informed and articulate advocates for the elderly in the executive and legislative branches as well as elderly spokespersons themselves.

In view of this serious oversight and because it is extremely important that you hear first hand from the elderly, we respectfully request the opportunity to meet with you at your earliest possible convenience. Such a meeting, Mr. President, would prove helpful to you as well as to the elderly.

The Ad Hoc Leadership Council of Aging Organizations is composed of the twenty-two (22) national organizations listed below. Our combined constituency numbers well over fifteen (15) million older people. As chairman of the Leadership Council, I will be pleased to work with Mr. Cruikshank or whomever you would designate to prepare for the requested meeting.

Sincerely,



David C. Crowley
Chairman Pro Tem
Ad Hoc Leadership Council of Aging Organizations

cc: The Ad Hoc Leadership Council of Aging Organizations:

AFL-CIO
American Association of Homes for the Aging
American Association of Retired Persons/ National Retired
Teachers Association
Asociacion Nacional Por Personas Mayores
Association of Gerontology in Higher Education
Concerned Seniors for Better Government
Gerontological Society
Gray Panthers
Legal Research and Services for the Elderly
National Association of Area Agencies on Aging
National Association of Mature People
National Association of Retired Federal Employees
National Association of State Units on Aging
National Association of Title VII Project Directors
National Caucus on the Black Aged
National Council on the Aging
National Council of Senior Citizens
National Indian Council on Aging
National Senior Citizens Law Center
United Auto Workers/ Retired Members Department
Urban Elderly Coalition
Western Gerontological Society

P.S. Please respond to: David C. Crowley, ACSW
Executive Vice President
American Association of Homes for the Aging
1050 17th Street, N.W.
Suite #770
Washington, D.C. 20036

DCC/rs

TAB B

THE AD HOC LEADERSHIP COUNCIL OF AGING ORGANIZATIONS MAKE-UP

AFL-CIO Social Security Department. Though not a membership organization, they reflect the views of the constituent unions of the AFL-CIO with respect to policies of retirement, social security and related concerns.

American Association of Homes for the Aging (AAHA). This organization represents the non-profit homes for the aging -- those which are for the most part sponsored by churches and synagogues, fraternal organizations and labor unions.

American Association of Retired Persons/National Retired Teachers Association (AARP/NRTA). This is the largest membership organization of older people and combined with the two Associations represent some 12 million persons. They have over 1,000 chapters scattered throughout the U.S. In the last two years they have become more active in the legislative field.

Asociacion Nacional Pro Personas Mayores. A special Association of Hispanic older citizens organization whose membership is largely centered in the southwestern states.

Association of Gerontology and Higher Education. As the name indicates, largely a professional organization of the rapidly growing field of gerontology in academic circles.

Concerned Seniors for Better Government. This is the political arm of the National Council of Senior Citizens. It corresponds to this organization in the same way that COPE relates to the AFL-CIO.

Gerontological Society. A large organization of professional workers in the field of gerontology. In the month of November, their Convention in Washington, D. C., will bring together some 3,000 representatives.

Gray Panthers. A small organization in terms of membership, but highly vocal through the personality of its leader Maggie Kuhn. The organization has not been particularly supportive of Administration programs.

Legal Research and Services for the Elderly. An organization sponsored by the National Council of Senior Citizens which has until recently operated service areas in some 20 states providing legal services to the elderly. It has been financed largely through the Administration on Aging and works closely with the bar associations in the states where it operates and through the law schools of state universities.

National Association of Area Agencies on Aging. This organization represents some 600 area agencies throughout the U.S. who are public employees administering locally the programs of the Administration on Aging.

National Association of Mature People. A newer organization based in Oklahoma taking generally progressive legislative positions but operating in very close association with an insurance program.

National Association of Retired Federal Employees (NARFE). It is just what its name implies. It has an active membership, is violently opposed to proposals to extend social security to government employees.

National Association of State Units on Aging. As its name implies, it is an organization representing the state aging agencies. Some seven of these states now have aging agencies at a Cabinet level. They administer the Older Americans Act at the state level.

National Association of Title VII Project Directors. This name is now outdated as Title VII of the Older Americans Act has been merged with Titles III and V. It was an organization of those who administered the nutrition programs which are very widespread through the country and have strong local support.

The National Caucus on the Black Aged (NCBA). NCBA is an organization which began with the White House Conference on the Aging in 1972. It represents the particular interests of elderly Blacks in the nation and has actively supported the Administration programs and is currently headed by a prominent Black political leader, Dr. Aaron Henry of Clarksdale, Miss., whom the President has recently nominated for membership on the Federal Council on the Aging.

The National Council on the Aging (NCOA). This is one of the oldest organizations. Its membership is primarily made up of professionals and administrators in the field of aging. It is extremely skillful in acquiring support from both government sources and private foundations and holds a prestigious position in the field.

National Council of Senior Citizens. This organization has about 40% of its membership who are retired union people and works closely with organized labor. They have 3,800 affiliated local clubs, claiming a total membership of 3 million.

National Indian Council on Aging. An organization similar in purpose and direction to the Hispanic organization and the Caucus on the Black Aged, though not so numerous in membership. It reflects the particular concerns of older native Americans.

National Senior Citizens Law Center. This is a Los Angeles-based backup service for legal service pro bono lawyers, and paralegal aids working with law schools and bar associations in providing legal aid to senior citizens. It is funded largely through the provisions of the Older Americans Act.

United Auto Workers/Retired Members Department. While this is an affiliate of the National Council of Senior Citizens, its very large membership of over 300,000 retired auto workers and its very substantial financial base gives it a unique position among older American organizations. This group is very active politically.

Urban Elderly Coalition. This is a small group which represents the administrators of senior programs in the major urban areas of the U.S. based primarily in Chicago, Philadelphia, New York, Los Angeles, San Francisco and Detroit.

The Western Gerontological Society. This organization, while technically a branch of the gerontological society, is so large that it composes a majority of their membership. It represents the gerontologists in all the leading universities of the eleven western states as well as Alaska and Hawaii. Its size and influence, however, has attracted participation from mid-west and eastern states. While not a mass membership organization, it wields considerable influence.

THE WHITE HOUSE
WASHINGTON
30 Oct 79

Zbig Brzezinski

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

Rick Hutcheson

The Vice President

~~SECRET~~

4787

~~SECRET~~

DECLASSIFIED
E.O. 12356, SEC. 3.4(b)
WHITE HOUSE GUIDELINES, FEB. 24, 1983
BY Jay NARS, DATE 9/13/92



~~SECRET~~

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

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October 26 ~~Electronic~~ Static Copy Made
for Preservation Purposes

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary
of Defense (October 20-26, 1979)

SALT: I spent over seven hours on Tuesday and Wednesday with Dave Jones in what I hope is our last testimony on SALT before the Senate Armed Services Committee. It will be very difficult to get even one Republican on SASC to vote for SALT II (Warner is barely possible), and I can't predict the outcome on the "uncertain" Democrats (Exon, Morgan, Cannon) or Nunn. I have been more encouraged by the Senate Foreign Relations Committee, particularly its consistent, albeit sometimes uncomfortably close, rejection of amendments to the treaty. Lloyd Cutler (aided by Walter Slocombe and VAdm Bobby Inman from Defense as well as others from State and ACDA) is doing a remarkably effective job.

Northeast Asia Visit: As I noted in my cable to you earlier, our security relationship with South Korea is stronger than at any other time in the past 5 years or so--a result in large part of your June decision to slow down troop withdrawals. I was encouraged by the South Koreans' prudent prioritization of defense needs and their decisions to fill in the gaps in their ground forces. Our support in improved artillery and helicopters--in addition to the A-10 squadron--will further strengthen the overall defense posture. The Combined Forces Command concept is working well and may be further expanded. It gives the Koreans a larger slice of defense responsibilities.

While disturbed about the possibility of fiscal restraints reducing the rate of increase to the Japanese defense budget, I am convinced Ohira will do what he can to sustain adequate defense levels. Although small, the Japanese Defense Forces represent a well-maintained and effective stabilizing influence in Northeast Asia. My visit was useful, I think, in assuring both Korea and Japan of our resolve to counter Soviet efforts to project military power in the region.

Moroccan Arms Sales Policy: We are taking several actions to implement your decision to liberalize our arms sales policy to Morocco. At present we are prepared to offer to sell Morocco six OV-10 aircraft from current U.S. Marine Corps inventory and twenty-four "Cobra-TOW" helicopters from new production, and have drafted the policy justification statements required by Congress

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for these. The delivery times can be adjusted to the political conditions we ask of Morocco. We have also asked the State Department to assist in compiling detailed input and advice from the country team on other military requirements.

Budget Preparation: To be able to describe the highlights of the FY 81 budget and the FY 81-85 program to appropriate members of the Congress prior to the vote on the ratification of SALT II, we have accelerated our normal planning, programming, and budgeting process this year. At this point, we have developed a tentative prioritized FY 81 budget list covering a span of some \$20 billion between the minimum and enhanced levels. The list is based on submissions from the Services in conformance to the programming decisions I made this past summer. My staff has now made its recommendations to me regarding priorities, and those that I have accepted have been incorporated in the list. After making some additional adjustments, I will submit the list early next week to OMB (who have participated fully in the sessions so far). That list will still be subject to some changes--a few in priorities as a result of meetings I will hold with the Services next week, and adjustments in the dollar figures over the course of the next month as we "scrub" the budget. The major features of the Defense program, however, are far clearer now than they normally would be at this time of the year.

First Annual Meeting of U.S.-Yugoslav Joint Military Committee: A Yugoslav defense delegation has just completed a week's visit to the U.S. and signed a Memorandum of Understanding. This agreement officially establishes the committee and implements your September 1977 decision to expand moderately the U.S.-Yugoslav arms transfer relationship. The Yugoslavs have not yet made decisions on any of the many major items we have offered, but a response appears imminent on such items as Dragon antitank missiles, Maverick air-to-ground missiles, air defense radars, electronic warfare equipment and the TF-30 aircraft engine, for which you approved Yugoslav coproduction earlier this year.

Naval Ship Construction Levels: Both Graham Claytor and I have recently received a number of informal but informed comments on present and future naval numerical levels--from such disparate sources as congressmen, OMB, and Cy Vance. As you are aware, both for cost and other reasons, sizing the fleet is a complex analytical exercise. But if the Navy is given a fixed number, they have no incentive to keep the cost per ship down. Though I have not seen good arguments to change the number vs capability mix very much, I am, as part of the further development of the FY 81 defense budget and the FY 81-85 Five Year Defense Plan, re-examining some of our conclusions, and may decide to add a few more ships. There is no question but that our surface Navy is stretched thin.

Parking Charges for DoD Personnel: In support of your initiatives to conserve energy, each of the military departments has realized significant reductions in fuel consumption and will continue to encourage aggressive conservation techniques. Although encouragement of increased use of public transportation and car-pools through mandatory parking fees is potentially useful, I have become increasingly concerned about the negative financial impact of parking charges on DoD personnel, and particularly about the impact on the morale of uniformed people. These fees come at an especially difficult period when inflation and efforts to hold down personnel costs have already eroded military salaries and other benefits. Moreover, junior military members, who have little control over their assignment location, are hardest hit when ordered to duty in high-cost areas like Washington, D.C. I believe that the public would readily understand--and our energy conservation efforts would be minimally affected by--a step to provide relief to the "little people" in uniform least able to bear the cost. Therefore I am seriously considering a plan to exempt all enlisted service members from parking fees. It would win for you the appreciation of service members, while nonetheless continuing the parking change for all officers and DoD civilian personnel.

Development of Blood Substitutes: The benefits and applications of "artificial blood" to Defense agencies are obvious and wide ranging. Researchers have been investigating the possibility of substituting perfluorocarbon for human blood since the late 1960s. Relatively simple to prepare, with a very long shelf life without refrigeration and universal applicability regardless of natural blood type, perfluorocarbon would be indispensable in treating casualties resulting from natural disasters or war. We are closely monitoring the progress of this work and actively pursuing alternative approaches to the storage and preservation of blood.

Harold Brown

October 29, 1979

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for Preservation Purposes**

MEMORANDUM FOR THE PRESIDENT

THRU: FRAN VOORDE

FROM: S. STEPHEN SELIG, III *Steve*

SUBJECT: New York Leaders Meeting with the President

DATE: October 30, 1979

TIME: 2:40 pm (5 minutes)

PLACE: OVAL OFFICE

I. PURPOSE

To have picture taken with and thank New York leaders who have played a major role in support of the re-election efforts of the campaign, and who are key supporters for the New York Presidential Gala on December 5, 1979. These are people who Tim Kraft feels are deserving of special recognition.

II. BACKGROUND, PRESS PLAN AND PARTICIPANTS

A. Background: Prior to their meeting with you, this group will have lunched with Secretary of the Treasury, William Miller, and with Hamilton Jordan. Upon conclusion of their lunch, they will meet with the Vice-President who will escort them into the Oval Office to meet with you. They will also have met with Bob Strauss.

B. Press Plan: White House photographer.

C. Participants:

1. Louise Sunshine - She is Governor Carey's top fundraiser. Steve Ross pressured her to come on board with you. This can probably be read as the most significant indicator that the Carey camp is split between you and Kennedy, and in fact, so many of the Carey people are coming to your campaign now that it is becoming difficult for Carey to go all out for Kennedy.

Louise is the most effective fundraiser in the country. She is aggressive and gets the job done.

She has come on board as a favor to Steve Ross, but we have to keep her motivated. Speak to her first. Tell her how important it is to have her on board. Also, you might congratulate her on her son Paul's Bar Mitzvah which was held this past Saturday. (The Bar Mitzvah was an extremely important occasion for her.)

2. Edgard M. Bronfman - He is Chairman of Seagram Co. Ltd. He is the former President of the World Jewish Congress and was an early fundraiser for your 1976 campaign. He has wavered at times, but he is now back on board and a key to us.
3. Howard Samuels - He is again totally committed to us. He will work for us full-time on our fundraising efforts. Your meeting with him last week was highly successful.
4. John Gutfreund - He is the Managing Partner of Salomon Bros. Investment Co. He is our leading supporter in the New York financial community. He attended the Camp David Summit. He also hosted a Wall Street dinner and fundraiser for Mrs. Carter on September 12, 1979 at the "21 Club". The event was a success and raised \$50,000. Thank him for hosting this event, and tell him how much the First Lady enjoyed the dinner.
5. Fred Sullivan - He is Chairman of Walter Kidde Constructors, Inc. This is a subsidiary of A.M. Finney, Inc. They are engineers and builders of industrial plants and commercial buildings. He is a key and a new supporter.
6. Peter McCullough - He is Chairman of the Board of Xerox. A close friend of Robert Strauss. He is also the former Treasurer of the Democratic National Committee.
7. Bernie Schwartz - He is Chairman of the Board of Laurel Electric Co.; a major pillar in the New York Jewish community.

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CARTER/MONDALE PRESIDENTIAL COMMITTEE, INC.
1413 K STREET, N.W. WASHINGTON, D.C. 20005

Clearance List for New York Fundraisers meeting
with the President - October 30, 1979

1. Louise Sunshine	DOB 12-2-40 SS# 192-32-6293
2. Edgar Bronfman	DOB 6-20-20 SS# 129-30-3079
3. Howard Samuels	DOB 12-3-19 SS# 117-22-8978
4. John Gutfreund	DOB 9-14-29 SS# 055-26-4332
5. Fred Sullivan	DOB 8-22-11 SS# 141-03-1194
6. Peter McCullough	DOB 8-1-22 SS# 193-26-3166
7. Bernie Schwartz	DOB 1-12-31 SS# 134-14-4107

3:00 PM

THE WHITE HOUSE
WASHINGTON

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October 29, 1979

BRIEFING ON SALT FOR COMMUNITY LEADERS FROM
ILLINOIS AND MISSISSIPPI
Tuesday, October 30, 1979
3:00 p.m. - 3:15 p.m.
The East Room
From: Anne Wexler *Anne*

I. PURPOSE

To educate a group of prominent community leaders from Illinois and Mississippi on SALT, with the expectation that these leaders will carry our message back to their home states.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: This is the eighth in a series of SALT briefings for community leaders from key states. The persons in attendance were generally selected because of their ability to influence public opinion in the States of Illinois and Mississippi.

B. Participants: Of the 350 persons invited, the largest group consists of persons recommended to us by Senators Percy, Stevenson, Cochran, and Stennis. The four Senators were invited and may be in attendance. We will not know for certain until the briefing begins, and we will let Phil know then. In general, the audience will consist of political leaders, businesspersons, trade union leaders, attorneys, publishers, university administrators, and interest group leaders.

C. Press Plan: White House Photo and Press Pool for the first five minutes of your remarks. In addition, several members of the press will be in the audience for the entire briefing, including all of your remarks. They represent media outlets in Illinois and Mississippi.

III. AGENDA

When you arrive, Zbig Brzezinski and George Seignious will be answering questions from the audience at the completion of a one hour briefing. After you make your remarks and (if you choose) take questions, there will be a reception in the State Dining Room. (See attached agenda.)

IV. TALKING POINTS

Suggested talking points are attached.

SALT BRIEFING FOR COMMUNITY LEADERS

The East Room

2:00 p.m.	Opening Remarks	Anne Wexler
2:05 p.m.	The SALT II Agreement and U.S. - Soviet Relations	Zbigniew Brzezinski
2:25 p.m.	Questions and Answers	Zbigniew Brzezinski George Seignious
3:00 p.m.	Remarks	The President
3:15 p.m.	Reception -- The State Dining Room	

TALKING POINTS

Briefing on SALT for Community Leaders

1. SALT II is the most serious matter I will address during my Presidency. The SALT II Treaty was hammered out by the sustained work of three Administrations: President Nixon's, President Ford's, and mine. It builds on the work of every American President since the end of World War II.

2. SALT must be examined realistically. It is not a panacea. It will not end the arms race but it will stabilize and order the competition. It is a supplement -- not a substitute -- for a strong national defense. But it is a major step in the long, historic process of bringing nuclear weapons under regional control.

3. SALT II is based on self-interest, ours and the Soviet Union's. Although the competition between us will continue as far into the future as anyone can see, we share a mutual interest in survival and in steering our competition away from its most dangerous element, an uncontrolled strategic nuclear arms race.

4. SALT II is not based on trust. The Treaty will be adequately verifiable by our own national technical means of verification. In addition, it is in the interest of the Soviet Union to abide by this Treaty. Despite predictions to the contrary, the Soviets have observed the terms of the SALT I Treaty.

5. Whether or not the treaty is ratified, we must be able to make accurate assessments of Soviet capabilities. But SALT II will make this task much easier -- not only because the Treaty forbids concealment measures and interference with means of verification, but also because the Treaty gives us basic standards with which we can compare the information we derive independently from our satellites and other methods.

6. The details of ICBMs and SLBMs, throwweight and yield and all the rest are important. It was largely because of these details that the Treaty took seven years to negotiate. But these details should not blind us to the real significance of the treaty as a contribution to stability, security and peace.

7. The Treaty must be judged on its merits, but we must consider the consequences of rejection:

-- If we do not get SALT ratified, I think it will be a profound blow against the security of our country and against the prospect for world peace, heightening the possibility of confrontation in each local crisis.

-- Radical departure from the process of arms control that began with the atmospheric test ban and SALT I and will continue with SALT III and a comprehensive test ban.

-- Triggering an expensive, dangerous race for a nuclear superiority that each side has the means and will to prevent the other from attaining, with a loss of security for both.

-- Calling into question our ability to manage a stable East-West relationship, undermining the very foundation of some of our alliances, including NATO.

-- It will weaken efforts to control nuclear proliferation because of a breakdown between the superpowers.

-- Gravely compromise and weaken our Nation's position as a leader in the search for peace.

8. We must not play politics with the security of the United States. We must not play politics with the survival of the human race. We must not play politics with SALT II. It is much too important for that -- too vital to our country, to our allies, and to the cause of peace. I am confident that all Senators will perform their high responsibilities as the national interest requires.

9. Importance of the coming debate; solicitation of support, stressing that SALT is on track and we are pressing for a vote this year.

Ad Hoc Leadership Council 10/30/79
of Aging Organizations

65-70 DAVID CROWLEY
Soc Sec Nelson Crankshaft
Elig 72 → 70 in '82
Food Stamps
Homes for Elderly \$28 (52,000)
Older Americans Act
HCC
Low Income Energy Ass. st
W'fare Reform
Nat Health Plan

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