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letter w/att	Neil Goldschmidt to President Carter Re: Appointment of Deputy Administrator for National Highway Traffic Safety Administration. (13 pp.)	2/11/80	C

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THE PRESIDENT'S SCHEDULE

Friday - February 15, 1980

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

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

+ 9:45 His Excellency Willy Brandt, Former Chancellor
(10 min.) of the Federal Republic of Germany. (Dr. Zbigniew
Brzezinski) - The Oval Office.

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

~~11:00 Meeting with Editors. (Mr. Jody Powell).
(30 min.) The Cabinet Room.~~

11:30 GREETINGS/PHOTOGRAPHS - The Oval Office.
(SEE ATTACHED)

~~12:00 PRIVATE LUNCHEON - Second Floor Private Dining Room.~~

✓ 1:45 His Majesty Juan Carlos I, King of Spain and
(45 min.) Her Majesty, Queen Sophia, Queen of Spain.
The Residence.

*nonion
Funderlunch*
✓ 3:00 Meeting with Student Leaders. (Ms. Anne Wexler).
(30 min.) The East Room.
Hester

GREETINGS/PHOTOGRAPHS

Friday - February 15, 1980

✓ 11:30
(3 min.)

Senator John Hill and Mr. Monolo Reyes.
The Oval Office. *ml*

✓ 11:35
(10 min.)

Mr. Robert Delano, President, American
Farm Bureau; and Mr. John Datt, Secretary
and Administrator. (Mr. Al McDonald).
The Oval Office.

11:45
(5 min.)

Mr. James L. Bomar, Jr., President,
Rotary International. (Ms. Anne Wexler).
The Oval Office.

✓ 11:50
(3 min.)

Ms. Pilar Cartella De Rubin. (Ambassador
Esteban E. Torres) - The Oval Office.

✓ 11:55
(3 min.)

Connecticut Senate Majority Leader Joseph
I. Lieberman. (Ms. Anne Wexler) - Oval Office.

cc given PW
2/15/80
ll

THE PRESIDENT'S SCHEDULE
Friday - February 15, 1980

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PHIL - WHEN AM I SUPPOSED TO PREPARE FOR THESE EVENTS?
JC

THE WHITE HOUSE
WASHINGTON

February 15, 1980

MR. PRESIDENT:

Do you want Dr.
Brzezinski to join you
for your meeting with
the King and Queen of
Spain?

YES NO

 PHIL

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

February 14, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: Producers Prices in January

Tomorrow (Friday, February 15) at 9:00 a.m. the Bureau of Labor Statistics will release the data on producers (wholesale) prices in January. Get set for a shock.

Finished Goods

The total for all finished goods rose 1.6 percent in January, the largest increase since November 1974. That happened despite a decline of 0.8 percent for consumer finished foods. The index for nonfood finished goods rose 2.4 percent, the largest increase in the history of the series, which dates to 1967.

Intermediate and Crude Products

For intermediate and crude goods, a similar pattern occurred -- prices of foods and feeds were down, but prices of nonfood goods were up very sharply.

Food

The news on the food price front was very good indeed. Meat prices declined, as did prices of fresh fruit, vegetables, and eggs. But this good news is not very comforting, given the huge increases in nonfood prices.

There were enormous price increases last month in two areas: energy and precious metals. Energy price increases accounted for about one-fifth of the 2.4 percent rise in nonfood finished goods. (Wholesale energy prices rose at an annual rate of 68 percent.) Price increases for gold and silver jewelry accounted for another one-fifth of the overall price rise. But the remaining increase of about 1.3 to 1.4 percent, is still a very sizable rise, and it is spread widely across the range of finished industrial commodities. Prices of machinery and equipment, for example, rose by 1.6 percent.

There is no way to dodge the fact that this is very bad news indeed, even though it is partially concealed by the fall in food prices. During the second and third quarters of last year, the rise in producers prices of finished goods other than food and energy slowed to 8 percent. Then, in December, it accelerated to double-digit figures. In January it accelerated still further. While some of the January increase resulted from the incredible jump in jewelry prices (gold and silver), other prices also escalated rapidly. Some of this new acceleration is due to higher petroleum feedstock costs being reflected in prices of final products (pharmaceuticals, synthetic apparel, chemicals, etc.). Some of it may be the effect of the dismal productivity performance in 1979 -- manufacturers are increasingly marking up prices to cover the higher costs. Some of it reflects the usual jump in prices during the first month of each quarter; firms take the CWPS allowable quarterly price increase as soon as possible. But some of it may also reflect the very dangerous spread of a new burst of inflationary expectations, aroused partly by the belief in the business and financial community that a defense boom will shortly be underway.

There is no doubt that this report will:

- a) Make new converts for wage and price controls;
- b) Set up cries for some kind of instant Administration action to deal with the problem.

I will be consulting with Bill Miller and other EPG members about what our public response should be. I believe that we have to keep our nerve and not be stampeded into rash moves. But at the same time we have to review our options in case inflationary psychology continues to heat up.

* * * * *

Paul Volcker informed me tonight, that tomorrow morning at 9:00 a.m. the Fed will raise the discount rate by 1 percent. This move is not in response to the PPI increase, but to a number of other factors, including a very large increase in the money supply that will be reported tomorrow. In view of what has been happening in the economy, I did not try to dissuade him.

per Secretary Miller -- 10:53 am 2/15/80

Schultze sent in memo re whole sale price index, and mentione possible Federal Reserve action.

Within the next 15-20 minutes they will announce a 1% increase in the discount rate.....because of large money aggregates...don't feel need to either compliment or criticize.... but wanted you to know and not be surprised.

If you have any questions/concerns, please call Secretary Miller (he just finished talking with Paul Volcker).

Charlie Schultze -- 10:55
Same message as Miller. I asked him to also call Jody, whom I've also called with Miller comment above.

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THE WHITE HOUSE
WASHINGTON

15 Feb 80

Frank Moore

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

Rick Hutcheson

KV

795

NAME Sen. Adlai Stevenson

TITLE U.S. Senator

CITY/STATE Illinois

Phone Number--Home () _____

Work (202) 224-2854

Other () _____

Requested by Frank Moore F.M./BR
Jon Tumler

Date of Request January 28, 1980

INFORMATION (Continued on back if necessary)

At a meeting to decide which Senators might be ready to make endorsements now that Congress is back in session, it was agreed that it would be useful to have you call Senator Stevenson. The call request is not necessarily to ask him to endorse you, although that would be very desirable, as much as it is just to touch him (over)

NOTES: (Date of Call 2-15)

*All looks good - Mustie carried
state cont campaigning there -
Leery re St Patrick's parade*

up. He apparently feels that he should have been consulted sooner regarding the grain embargo. He is known to be very interested in this issue as well as the sale of high technology equipment and machinery to the Soviet Union.

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11:55 AM

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATE MAJORITY LEADER
JOSEPH LIEBERMAN OF CONNECTICUT

Friday, February 15, 1980

11:55 A. M.

The Oval Office

From: Anne Wexler *Anne*

I. PURPOSE

A brief greeting and photo opportunity with Senate Majority Leader Joseph Lieberman of Connecticut.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: Your most recent contact with Senator Lieberman was in November when you had a brief telephone conversation. During your trip to Connecticut last fall, you had a longer meeting with Senator Lieberman.

B. Participants: Joseph Lieberman and Anne Wexler

C. Press Plan: White House photographer.

III. TALKING POINTS

1. Thanks for support. I know how important it is to have the support of the leadership of a state legislature. You are a strong leader and I appreciate your help.

2. I look forward to working with you on upcoming legislation such as my youth employment initiatives, welfare reform, and general revenue sharing.

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*

SUBJECT:

Additional Information Concerning Your
Meeting with Joe Lieberman, Friday, February 15,
11:55 a.m.

Joe Lieberman is one of the leading liberals in the state of Connecticut. After your telephone conversation with him in November, he publicly endorsed your candidacy. You need to thank him for his support and encourage him to work with other legislators in Connecticut in your behalf. The Connecticut primary is March 25.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

February 15, 1980

9

MEMORANDUM FOR SUSAN CLOUGH

From: Charlie Schultze

Attached is a suggested public reaction which we sent to Jody Powell about the Fed's action this morning (taken at 10:00). The President may want to see it before he addresses the Magazine Editors.

Attachment

The Federal Reserve raised the discount rate from 12 to 13 percent this morning. As you know, the Federal Reserve makes its own decisions about monetary policy. This move is consistent with the Fed's previously announced policy of monetary restraint and comes during a period in which economic activity continues to show surprising strength and inflation persists stubbornly in double-digit figures.

THE WHITE HOUSE
WASHINGTON

15 Feb 80

Rick Hertzberg

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

Rick Hutcheson

cc: Al McDonald

PRESIDENTIAL SPEECH STRATEGY

ok
J

NATIONAL GOVERNORS' ASSOCIATION DINNER

(Group or Event)

Tuesday, February 26, 1980

(Date)

evening

(Time)

White House

(Place)

Christopher Matthews

(Speechwriter)

¶ Audience description: U.S. Governors

¶ Purpose: Reaffirm strong working partnership.

¶ Theme: The Administration has a firm, confident grip on the nation's principal foreign and domestic challenges.

¶ Main topics:

Iran, Afghanistan update. Appreciation of governors' support during these crises.

Salute to the strong, unparalleled partnership between the governors and the President.

Support for revenue sharing.

Need for governors' support on energy conservation.

Confident outlook on meeting the nation's challenges.

¶ Tone: Light and confident.

¶ Length: 5 minutes

¶ Notes: Remarks will be made during a buffet dinner in the White House. After dinner, the entire party will be attending a performance at the Kennedy Center.

PRESIDENTIAL SPEECH STRATEGY

ek
J

ENVIRONMENTAL DECADE CELEBRATION

(Group or Event)

Friday, February 29, 1980

(Date)

3 P.M.

(Time)

East Room

(Place)

Bob Rackleff

(Speechwriter)

- ¶ Audience description: About 250-300 leaders of national and local environmental groups, government officials, scientists, Members of Congress, board members of the Environmental Industry Council, editors of the environmental press, etc.
- ¶ Purpose: To emphasize the President's record of achievement on environmental issues and to mark the 10th anniversaries of CEQ, EPA, NOAA, Earth Day, and NEPA.
- ¶ Theme: This decade and particularly the last three years has been a time of environmental consciousness and accomplishment, focusing on the successful interplay between environmental quality, economic growth, and the overall quality of life.
- ¶ Main topics:
 - Events and institutions of 1970 (Earth Day, CEQ, etc.).
 - Environmental progress 1970-80.
 - Environmental record of the President:
 - Alaska
 - Energy and energy conservation
 - Wilderness, parks, etc.
 - Water policy
 - Strip mining
 - Hazardous wastes
 - Coastal protection
 - Challenges of the 1980s.
- ¶ Tone: Optimistic, positive.
- ¶ Length: 15 minutes
- ¶ Notes: The Environmental Industry Council, a business group, will give the President an award for "demonstrating that economic progress and energy conservation are compatible with preserving and improving the environment."

THE WHITE HOUSE
WASHINGTON

15 Feb 80

Jack Watson
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

February 11, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
ARNIE MILLER *AM*

SUBJECT: Board of Governors, U.S. Postal Service - PAS

The Postal Board of Governors directs and controls expenditures of the U.S. Postal Service and formulates new policies for more efficient service. Last year you appointed William Sullivan, George Camp and Bobby Allen. There are currently three vacancies which must be filled by non-Democrats.

David E. Babcock (Independent, Missouri) was recommended by Senator Thomas F. Eagleton. Babcock, 65, is the Chairman and Chief Executive Officer of the The May Department Store Company. He is widely known for his work in personnel and management development in the retail industry, and is the first executive with that background to head a major American retail corporation. Under his direction, The May Company has expanded both financially and in acquisitions. He will bring to the Board a strong background in personnel problems and financial management.

Stu and Frank Moore join in recommending the nomination of David E. Babcock.

Paula D. Hughes (Republican, New York) is First Vice President and a Director of Thomson McKinnon Securities, Inc., the fifth largest New York Stock Exchange firm. She manages over \$40 million for individual investors and over \$500 million in institutional investments. Ms. Hughes, 49, would be the first woman nominated to the Postal Board. Her financial expertise will be beneficial during the Board's continuing deliberations on policy initiatives of your Administration.

Stu, Sarah Weddington and Frank Moore join in recommending the nomination of Paula D. Hughes.

Timothy L. Jenkins (Republican, Washington, D. C.) is currently Chairman of the MATCH Corporation, a management consultant firm. His clients include many Federal departments and agencies (HUD,

2.

DoT, SBA), cities (Los Angeles, Philadelphia, Baltimore), states (Alabama, Florida, North Carolina) and large corporations (Coca Cola Bottling Company, Revlon, Inc., Westinghouse Electric Corporation). Jenkins, 41, received a J.D. degree from Yale University Law School in 1964, and was graduated magna cum laude from Howard University in 1960. He would be the first Black nominated to the Postal Board, and would be the only member who is also a lawyer.

Stu, Louis Martin and Frank Moore join in recommending the nomination of Timothy L. Jenkins.

RECOMMENDATION

Nominate David E. Babcock, Paula D. Hughes and Timothy L. Jenkins to be Members of the Board of Governors, U.S. Postal Service.

approve

disapprove

DAVID E. BABCOCK
Missouri

EXPERIENCE

1976 - Date Chairman of the Board, Chief Executive Officer,
The May Company

1972 - 1976 President, The May Company

1969 - 1972 Senior Executive Vice President and
Chief Administrative Officer,
The May Company

1968 - 1969 Executive Vice President, The May Company

1967 - 1968 Vice President - Organizational Planning &
Development, Member of the Board of
Directors and Executive Committee,
The May Company

1951 - 1967 Personnel Director, Dayton Hudson Corporation,
Minneapolis

1949 - 1951 Store Superintendant, Brown Dunkin Department
Store, Tulsa

1947 - 1949 Personnel Director, Bladdings Department Store,
Providence, Rhode Island

1945 - 1947 Assistant Personnel Director, Remington Rand
New York City

MILITARY

1936 - 1945 U. S. Army

EDUCATION

1932 High School Diploma

PERSONAL

White Male
Age 65
Independent

PAULA D. HUGHES
New York

EXPERIENCE

1973 - Date	Vice President and Director, Thomson McKinnon Securities, Inc.
1961 - 1972	Shields & Company
1953 - 1961	Brown & Bigelow, New York
1951 - 1953	Secretary to the President, TIX, Inc.

EDUCATION

1961 - 1962	New York Institute of Finance
1946 - 1951	Chicago Opera Company

PERSONAL

White Female
Age 49
Republican

TIMOTHY L. JENKINS
Washington, D. C.

EXPERIENCE

1968 - Date	Chairman, The MATCH Institution
1970 - 1976	Partner, Jenkins and Willis/Jones, Jenkins and Warden
1968 - 1969	Assistant Professor of Administrative Law, Howard University
1966 - 1967	Special Assistant to the Chairman, U.S. Equal Employment Opportunity Commission
1965 - 1967	Deputy to the Commissioner, U.S. Equal Employment Opportunity Commission
1964 - 1965	Head of Government Contracts Unit, Smith, Kline & French Laboratories
1964 - 1965	Associate Attorney, Norris, Green & Higgenbotham
1960 - 1961	Vice President, U.S. National Student Association

EDUCATION

1960	Howard University, B.A. (<u>Magna cum laude</u>)
1964	Yale University Law School, J.D.

PERSONAL

Black Male
Age 41
Republican

CQ

CONGRESSIONAL QUARTERLY
Weekly Report

Vol. 38, No. 5

• Pages 233-320 •

Feb. 2, 1980

**The
President's
Budget**

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WASHINGTON

ONE DOLLAR

Vol. 38, No. 6

• Pages 321-376

• Feb. 9, 1980

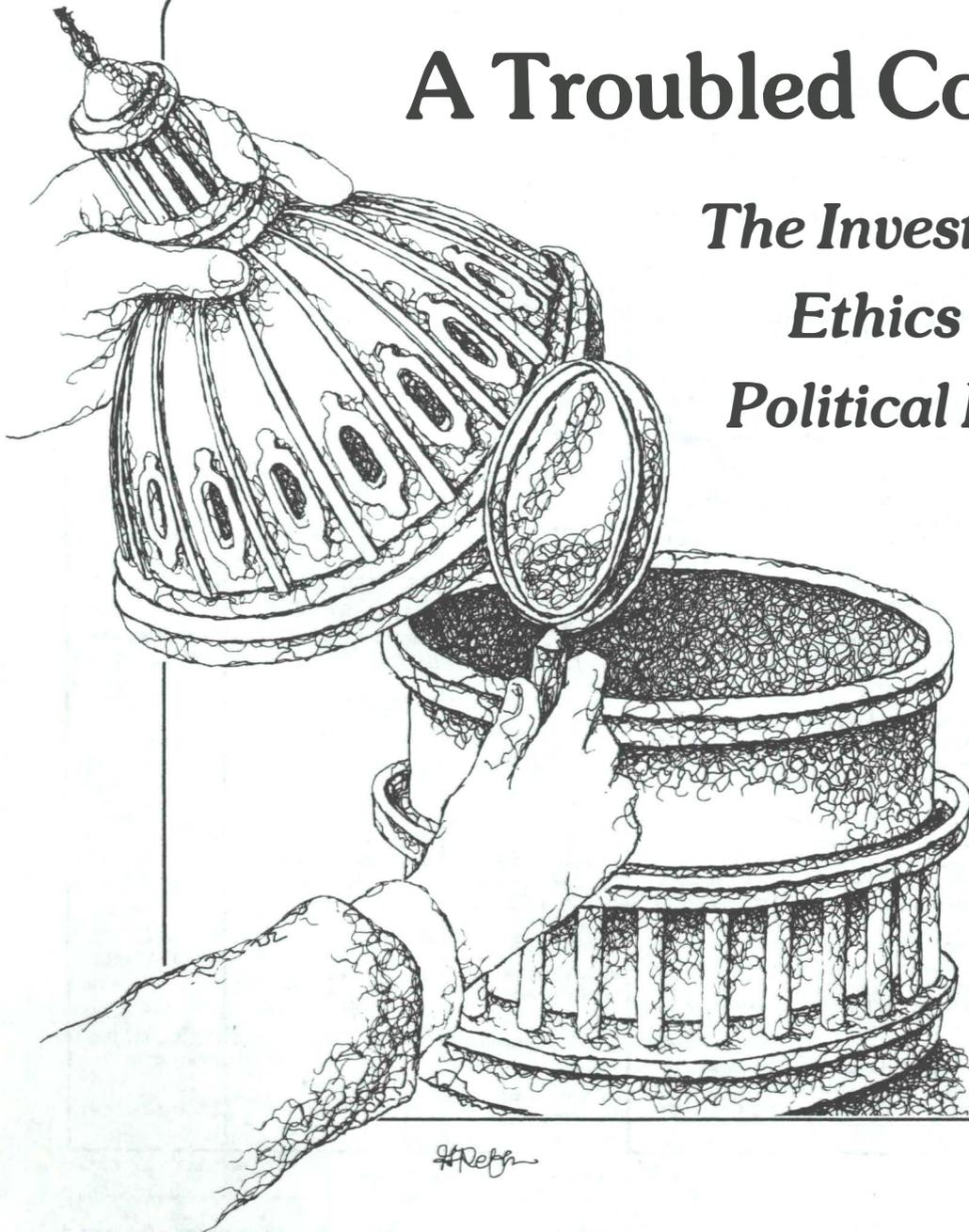


A Troubled Congress

The Investigation (323)

Ethics Impact (329)

Political Profiles (336)





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... challenges has become more visible and widespread among (i) nearly all levels of the government (ii) professionals (iii) for CQ's Weekly Report

Inside Congress

Congressional Bribery Investigation 323

News that an undercover FBI probe may have discovered widespread corruption among federal lawmakers badly shook Capitol Hill. Congressional leaders expressed shock at reports that at least seven representatives and one senator may have taken bribes from FBI agents posing as wealthy Arabs. They promised a complete investigation.

Congressional Ethics Impact 329

The brewing congressional bribery scandal has hit Congress at the end of a decade-long reform effort to raise ethical standards on Capitol Hill. Ironically, Congress has taken many steps to shed its reputation as a haven for shady politicians. Now that effort faces a serious setback.

Chilling Relations With Voters 335

Some members of Congress are worried that the FBI's use of hidden tape recorders and video cameras to trap corrupt politicians will have a "chilling effect" on their own dealings with the public.

Charles Bennett of House Ethics 327

Howell Heflin of Senate Ethics 332

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1:45 PM

THE WHITE HOUSE

WASHINGTON

February 14, 1980

MEMORANDUM TO: THE PRESIDENT
FROM: GRETCHEN POSTON - *Gp - mlf*
SUBJECT: SCENARIO FOR THE VISIT OF THE KING
AND QUEEN OF SPAIN-February 15, 1:45 PM

1:45 PM The King and Queen of Spain arrive Southwest Gate and proceed to Diplomatic Reception Room.

THE PRESIDENT arrives Diplomatic Reception Room to greet the King and Queen and pause for photo session.

THE PRESIDENT and the King and Queen of Spain proceed to elevator to Yellow Oval Room for coffee.

2:30 PM The King and Queen depart Residence.

GUEST LIST FOR LUNCHEON WITH THE PRESIDENT

Friday, February 15, 1980

12:00 Noon

Second Floor Family Dining Room

-- this luncheon is sponsored by the Carter/Mondale campaign

-- the guests will be briefed by David Rubenstein and Jerry Schechter at 11:15 a.m. in the Map Room

PETER AND JEAN BURLING

Claremont, New Hampshire

Peter and Jean are both attorneys. Peter is planning on running for the New Hampshire House of Representatives.

Both are strong supporters of the President. Peter has gone out of his way to support the President, in light of the large number of Kennedy supporters in his area. Peter has been working very hard for C/M.

MIKE SATZOW

Claremont, New Hampshire

Mike is President of the Chamber of Commerce in Claremont. He owns a meat-packing company and is involved with real estate in the area. He's active in many civic activities in Claremont.

The Claremont area coordinator for C/M describes him as the "right hand man."

LAWRENCE AND YOLANDE GUAY

Gorham, New Hampshire

Lawrence is a State Representative and is the Coos County Democratic Chairman. By profession, he's an antique dealer.

He has officially endorsed the President.

Rosalynn met him when she toured Berlin recently. It was the First Lady who requested that the Guays be invited to the luncheon.

The Guays' 13-year-old daughter will be accompanying the couple to Washington, and she may wish to informally present the President with a gift from her fellow classmates at school.

GERALD AND MARGE DIGNAM
Hampton, New Hampshire

Gerald is Manager of the Test Department of the Raytheon Company. He works in Andover, Massachusetts. Eleven hundred New Hampshire citizens work in that particular plant in Andover, and among them Gerald is well-liked, widely known, and much respected. It appears that he wields a certain amount of influence over his fellow workers.

He is very active politically in his community. He is a former Budget Committee member in the town, and a former member of the Lions Club. He worked very hard for former Senator McIntyre.

Marge is a housewife.

ROBERT AND ELAINE ELLIOTT
Lebanon, New Hampshire

Robert is a kitchen designer and President of the Home Improvement Company.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

February 14, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}

Subject: Industrial Production in January

Tomorrow (Friday, February 15) at 9:30 a. m., the Federal Reserve Board will release its estimate of industrial production in January.

Industrial output rose 0.3 percent in January; roughly half of this increase, however, reflected the end of the strike at Caterpillar Tractor in late December. Declines in auto and steel production were an important factor holding down industrial output last month, as they were in November and December. Auto assemblies in January were at an annual rate of 6.0 million units, the lowest since March 1975.

Auto assemblies are scheduled to increase in February, and the major car producers will probably hold to these schedules because sales rates are well above current production. The drag on industrial production from cutbacks in auto assemblies is thus probably behind us. In other sectors -- such as nondurable consumer goods, business equipment, and nondurable materials -- production appears to be increasing at a moderate rate. Removal of the auto drag, therefore, may result in increases of three to five tenths of one percent in industrial output over the next couple of months. If so, this quarter will record the first significant rise in industrial output since the first quarter of last year.

THE WHITE HOUSE
WASHINGTON

2/15/80

rick--

this was with brandt
briefing material this morning

--SSC

DATE: 2-21-20

TO: Suzanne Brooker

Please note that
the P wants to see this,
per his note.

*original
2/21
JB*



FROM: Joyce Mitchell Cook
Assistant to the Director--Issues
Presidential Correspondence
Room 94, Ext. 6545

THE WHITE HOUSE
WASHINGTON

2/15/80

Joyce Cook --

-- Susan Clough

*presented gift
today*

NORTH- SOUTH

A PROGRAM FOR SURVIVAL

The Report of the Independent
Commission on International
Development Issues under the
Chairmanship of Willy Brandt

