Thursday, February 29, 1980

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

7:30
Breakfast with Secretaries Cyrus Vance and Harold Brown, Mr. Hedley Donovan, Dr. Zbigniew Brzezinski, and Mr. Hamilton Jordan - Cabinet Room.

# 8:45
Defense Technology Briefing. (Dr. Zbigniew Brzezinski) - The Situation Room.

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

# 11:30
Mr. Michael J. O'Neill, Editor, New York Daily News. (Mr. Jody Powell) - The Oval Office.

11:45
Mr. Gus Speth, Council on Environmental Quality. (Mr. Jack Watson) - The Oval Office.

1:15
His Excellency Habib Bourguiba, Jr., Special Adviser to the President of Tunisia. (Dr. Zbigniew Brzezinski) - The Oval Office.

1:30
Mr. Merle Haggard - The Oval Office.

1:35
Photograph with New York Labor Officials. (Mr. Landon Butler) - The Oval Office.

3:00
Second Environmental Decade Celebration. (Ms. Anne Wexler) - The East Room.

3:45
Depart South Grounds via Helicopter en route Camp David.
THE WHITE HOUSE
WASHINGTON

29 Feb 80

Anne Wexler

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

Rick Hutcheson
NAME: Charles Burkhardt (Charlie)

TITLE: Executive vice President, New Eng Fuel Dealers

CITY/STATE: Watertown, Mass.

Phone Number--Home (617) 266-9019

Work (617) 924-1004 or 617-924-1000

Requested by: Anne Wexler

Date of Request: 2/26/80

INFORMATION (Continued on back if necessary)


He is the Executive Vice President of the New England Fuel Dealers. He sent a letter to all New Hampshire fuel dealers urging them to vote for you in the New Hampshire primary (sent to you under separate cover). Since there were people there from Massachusetts, Vermont and Connecticut as well, when you thank him, ask him to do the same thing in those other states.

NOTES: (Date of Call 2-28)

"Congrats on N.H."
Zbig Brzezinski

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

Please forward the attached original to Secretary Brown.

Rick Hutcheson

cc: Jim McIntyre
    Frank Moore
    Stu Eizenstat
MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: Career Retention of Enlisted Personnel

Harold Brown has sent you a memo (Tab A) describing the alarming drop in the retention rate of mid-career enlisted personnel over the last few years, and asking for your support in solving the problem.

Our prosecution of this memo was delayed to some extent by the press of activities related to the defense budget and the Afghanistan situation. In addition several weeks were consumed in coordinating our efforts with OMB to insure compatibility with actions being pursued in response to the Warner-Nunn military package, and in developing a unified White House position regarding the advisibility of making passage of the Civil Service Pay Reform Act and the Uniformed Service Retirement Benefit Act Presidential legislative priorities.

Tab C gives OMB's reactions. In reading Harold's memo I recommend that you also keep the following points in mind.

-- During the recent budget process OMB proposed and you approved an approach to this problem that provided increases in bonuses for enlistment and re-enlistment and increases in allowances for travel and for a number of special situations where unintended hardship exists under current law. Harold's memo acknowledges this on page 3; but Harold goes on to say, basically, it's not enough.

-- The problem with retention of second term enlisted personnel is to some extent a reflection of the problem with first term re-enlistment rates we had four or more years ago. The recent improvements in first term re-enlistments provide a basis for expecting adequate second and later term enlistments in the future if we continue to treat our people fairly.
The figures Harold gives concerning out-of-pocket moving costs borne by military personnel imply that enlisted men will bear an average moving cost of over $400 per year, even after the relief proposed in the FY 81 budget. With our enlisted men earning an average of under $12,000 per year, this has a negative impact larger than the savings justify.

Harold's memo does not reflect the increased presence we are continuing in the Persian Gulf, which will aggravate the Navy's particularly alarming retention problem.

While I am concerned that this problem may be even greater than Harold's memo suggests, and while I support passage of the Civil Service Pay Reform Act and the Uniformed Service Retirement Benefit Act particularly because of the contribution they can make to easing this problem, Frank Moore, Stu Eizenstat, Jim McIntyre and even Harold himself are skeptical about the prospects for passage of these bills. Thus, while we will continue to support them, I cannot recommend that they be made Presidential legislative priorities.

Harold and I will be working on appropriate initiatives for you to continue to demonstrate your support for our men and women in the armed forces.

Stu Eizenstat, Jim McIntyre and Frank Moore all concur.
MEMORANDUM TO: Jasper Welch
FROM: John Welch
SUBJECT: SECDEF Memorandum for the President on Career Retention

A close reading of Harold's memorandum reveals a mixed picture on enlisted retention. Retention rates are down but the number of people being retained in the career force is up (see attached graph). Between 1974 and 1979, the career force grew by 11,000, at a time when the total enlisted force was being reduced by 100,000. Both first term retention rates and first term retention increased over this period. Second term retention rates decreased but second term retention was about the same due to the increased number of first-term reenlistees reaching their second reenlistment point. This pattern is entirely consistent with the experience distribution we predict will emerge from the proposed military retirement reform.

<table>
<thead>
<tr>
<th>Enlisted Force Size (000s) by YOS</th>
<th>1-4</th>
<th>5-10</th>
<th>11-15</th>
<th>16-20</th>
<th>21-25</th>
<th>26-30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Steady State</td>
<td>1,000</td>
<td>395</td>
<td>185</td>
<td>160</td>
<td>40</td>
<td>10</td>
</tr>
<tr>
<td>Retirement Proposal</td>
<td>1,000</td>
<td>410</td>
<td>185</td>
<td>140</td>
<td>45</td>
<td>10</td>
</tr>
</tbody>
</table>

Specifically addressing the points you raised in your note:

- While retaining more personnel to the 10-year point and then encouraging them to leave will not produce the current "objective" profile contained in the memorandum, Harold and I both agree that it will produce a lower cost (about 20% savings in steady state) and equally effective enlisted force. It will reduce requirements for NPS accessions, increase the availability of journeyman level skills and mitigate pressures to carry excess numbers of supervisors and senior technicians to the 20-year retirement point. Stated differently, it will eliminate the discontinuities at 20 YOS that characterize each of the "objective" profiles contained in the memorandum.

- We are not prepared, however, to allow second term retention, particularly in the Navy, to fall below current levels. To hedge against the possibilities that the retirement legislation will not be enacted or that first-term retention will slip, we have increased second-term (Zone B) reenlistment bonus commitments by 200% in real terms ($1980) from $38M in 1979 to $119M in 1981.
With respect to the rest of the memorandum, we support the Secretary's recommendations to enhance both the real and perceived value of a military career and to further demonstrate the interest and concern of our top national leadership in military personnel. We believe that the compensation initiatives in the 1981 budget are sufficient to meet our manning objectives. Ceremonial actions of the type recommended should be considered. However, the Department should be particularly careful to avoid understating the value of military compensation.

If the military leadership continues to denigrate military compensation programs, then it will be extremely difficult to convince the military people that they are receiving a fair shake. The perceived value of their military pay will fall further below actual levels and adequate recruitment and retention performance will be achieved only at much greater cost.

If you and Zbig decide to forward Harold's memo to the President, please include this paper as an attachment, since I believe the President would be interested in our assessments of the Secretary's points.

Attachment
ENLISTED CAREER FORCE
(Over 4 Years of Service)
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Career Retention

The broad attention being given to our recent recruiting shortfalls has obscured what may well be a more serious problem in terms of the readiness of our military forces: the alarming drop in the retention of our mid-career personnel. While this issue may become entangled in the public debate about registration and the draft, it is actually unrelated to it. These men and women are now volunteers, have been so in the past, and would be under any future military manpower scheme, including the draft. However they are now electing not to remain in increasingly greater numbers. If this trend persists it will have grave consequences for the armed forces.

The problem is this: retention rates at the second enlistment point were until last year typically between 60% and 70%; they now are measured at 55% or below. Similar trends can be seen at later enlistment thresholds. This drain of experienced personnel hurts our ability to man and train an effective force, and this is magnified by the resultant increase in our recruiting requirements. In short, we are losing experienced supervisors and instructors and are being forced to replace them with new recruits who need instruction and supervision. This spiral very quickly will lead to a noticeably less effective military establishment if decisive action is not taken.

I believe the key to appropriate action lies in enhancing both the real value and the perceived value of a military career in the eyes of the American people. This can be done through better and more competitive compensation, through improvements in working and living conditions, and, of great importance, through demonstrated interest and concern by top national leadership.
Our servicemembers who joined the All-Volunteer Force in the early years are reenlisting at the end of their initial term at a satisfactory rate. On the other hand, we have seen a significant decline in the retention of more experienced career military personnel--people who are critical to the operation and maintenance of an increasingly complex military force. The problem is particularly serious at the second reenlistment point, which tends to signal the member's intentions with respect to longer term career plans. This drop and its effect on the pool of experienced personnel is further aggravated by abnormal peaks in the number of personnel reaching retirement eligibility. The following table reflects the downward trend in second term retention:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Army</th>
<th>Navy</th>
<th>Marine Corps</th>
<th>Air Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>57</td>
<td>65</td>
<td>46</td>
<td>68</td>
</tr>
<tr>
<td>1976</td>
<td>55</td>
<td>63</td>
<td>44</td>
<td>65</td>
</tr>
<tr>
<td>1977</td>
<td>53</td>
<td>59</td>
<td>47</td>
<td>65</td>
</tr>
<tr>
<td>1978</td>
<td>49</td>
<td>54</td>
<td>44</td>
<td>57</td>
</tr>
<tr>
<td>1979</td>
<td>48</td>
<td>51</td>
<td>46</td>
<td>53</td>
</tr>
</tbody>
</table>

The attached chart displays the impact of these retention trends on the experience mix of each of the Services. In the Army, the number of soldiers with over four years of service has increased by almost 40,000 since 1974, yet the Army remains below its experience objective because of a shortage of people with 8-18 years of service. Navy career content was below the required experience level in 1974 and has remained so over the last five years despite an increase in the number of sailors with 5-10 years of service. The overall deficit is more critical today because it is now concentrated in the later career years. Marine Corps trends and current status are very similar to the Navy's. The Air Force, on the other hand, currently meets its overall career objective because of high procurement and retention in past years. Recent second term reenlistment trends, however, coupled with a programmed decrease in the size of the first term force indicate this favorable condition may be jeopardized in the immediate future.

The net result of these deficiencies is both an increase in the need for new recruits and a reduction in the readiness of our Armed Forces. For example, in November 1979 the number of Navy ships with substandard readiness ratings because of manning considerations was 43% above the level in 1977.
Our research indicates that economic considerations are a paramount contributor to the decline in career retention. To combat this I have initiated actions aimed at paying bonuses at critical decision points to those whose skills are in the shortest supply. We started paying reenlistment bonuses in lump sum rather than installments in April of 1979. The FY 1981 budget request provides for a 51.4% increase in reenlistment bonus funds; funds for second term reenlistments were increased to $119 million. In addition, we are drafting legislation to increase the maximum level of reenlistment bonus from $12,000 to $15,000 (from $15,000 to $20,000 for Navy nuclear personnel) and to extend bonus eligibility to 14 years of service rather than the present limit of 10 years. While these bonus actions may assist in stemming the flow of critical personnel, they may also exacerbate problems in those areas to which they do not apply.

Bonus actions deal more effectively with distributive problems than with general career enhancement. We must also deal with the more general problem. Inadequate wage growth compared to most other sectors of the American economy during this decade coupled with large and highly visible inequities in the reimbursement of travel and housing costs are seen as major contributors to our present deteriorating state. The FY 1981 budget contains an added $122 million to reduce by about one-eighth the amount which military personnel must pay out of their own pockets when they are reassigned from station to station. The budget also contains a 7.4% pay raise for military personnel, while 6.27% is allocated to civilian personnel.

These things will help, in themselves and as a signal of interest and concern. They will not, as a one-shot effort, erase the serious concern that prevails on compensation issues in the armed forces. After all, the 7.4% pay raise is likely to be less than inflation and as such probably could not be differentially distributed to especially compensate mid-career personnel, even if that were legally viable. The travel reimbursements are still far from compensatory, and far below what we pay civil servants of equivalent seniority. The basic pay of entry level personnel will fall even further behind the minimum wage. Thus I believe that we will need to continue to press to improve military compensation generally.
Two pieces of legislation now before the Congress will make it easier to adjust military compensation to meet our needs. The Civil Service Pay Reform Act will sever civilian and military pay scales, making it possible to provide needed raises to the military without providing automatic increases to civil service workers. The Uniformed Services Retirement Benefits Act, an outgrowth of the Zwick Commission, would increase incentives for mid-career personnel. I am, however, pessimistic that either act will pass in the next session. The first is bitterly opposed by the Civil Service unions. The second, because it reduces 20 year retirement benefits, was opposed in this building by the military services, and outside by the various military and veterans associations. I have been working to secure acceptance of the Act by the Services, but I'm not sure how successful my efforts will be. A highly visible and contentious public fight over this issue would not help our retention problems. However, the structural changes embodied in the act would be very useful. On balance, I believe the two bills would be beneficial and we should press for passage early in the next session.

Beyond compensation improvements, I believe we need to enhance further our campaign of positive leadership. We need to appear as active in support of our military personnel as we are, in fact, active in improving military quality of life. Actions such as conducting a retirement ceremony for a senior enlisted member of the Armed Forces in the White House would be useful. Strong administration support of pro-military personnel initiatives before Congress will present another positive aspect. As the Commander-in-Chief, your support and the rejection of unjust or inaccurate criticisms of military personnel would make important contributions.

Harold Brown
ENLISTED EXPERIENCE MIX

ARMY

YEAR OF SERVICE

END STRENGTH

30000 24000 20000 16000 12000 8000 4000

0 5 9 14 19 24 29

NAVAL FORCE

YEAR OF SERVICE

END STRENGTH

30000 24000 18000 12000 6000 0

0 5 9 14 19 24 29

MARINE CORPS

YEAR OF SERVICE

END STRENGTH

10000 6000 2000 0

0 5 9 14 19 24 29

AIR FORCE

YEAR OF SERVICE

END STRENGTH

30000 24000 18000 12000 6000 0

0 5 9 14 19 24 29

Objective

--- FY 1979

.............. FY 1974
MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT: Career Retention of Enlisted Personnel

I have reviewed your recent memo describing the serious problem we face in retaining mid-term military personnel, and I want to provide assistance where I can. I would therefore appreciate it if you would take the initiative in suggesting good opportunities for speeches, visits and statements that will make clear my own personal support for the men and women in the armed forces. I am more than willing to react personally to unjust and inaccurate criticisms of military personnel or military life.

The constant drum of negative propaganda from Defense Department officials and top military officials regarding U.S. capability is a severe depressant on morale. A coach would never demoragnize his own athletic team, as a play to increase budget allotments. Also, excessively frequent transfers of military personnel should be eliminated. I understand that the average stay of a person at any one post is very brief. You should assess other factors involved in soul reorientement problems. When I served in the Navy, money was not the predominant concern.
MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT: Career Retention of Enlisted Personnel

I want to provide assistance where I can to alleviate the serious problem we face in retaining mid-term military personnel.

I would therefore appreciate it if you would take the initiative in suggesting good opportunities for speeches, visits and statements that will make clear my own personal support for the men and women in the armed forces. I am more than willing to eliminate unjust and inaccurate criticisms of military personnel or military life.

The constant drum of negative statements from Defense Department officials and top military officers regarding U.S. capability is a severe depressant on morale. A coach would never denigrate his own athletic team as a ploy to increase budget allotments.

Also, excessively frequent transfers of military personnel should be eliminated. I understand that the average stay of a person at any one post is very brief.

You should assess other factors involved in low reenlistment problems. When I served in the Navy, money was not the predominant concern.
THE WHITE HOUSE
WASHINGTON

MEETING WITH GUS SPETH
Friday, February 29, 1980
11:45 a.m. (10 minutes)
The Oval Office

From: Stu Eizensta

I. PURPOSE

Gus would like to discuss the following areas with you:

- the Second Environmental Decade Celebration to be held today in the East Room;
- his memorandum to you on Global Environmental Issues (you have this memorandum and comments from your advisers);
- the League of Conservation Voters ratings of the Presidential candidates and relations with the environmental community.

Further, I understand that Gus may raise the possibility of your designating additional protected lands in southern Alaska. This issue has been widely debated in the Administration, is controversial, and I recommend that you not yet indicate an affirmative decision. If you are interested in pursuing this issue, we will supply a decision memorandum on the subject.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Gus has not seen you for six months and feels it is important to be able to say that he does. He particularly wanted to discuss the event being held today since he and his staff have worked hard planning this Celebration.

B. Participants: Gus Speth

C. Press Plan: White House photographer only
Frank Moore

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

Rick Hutcheson

cc: Phil Wise
    Fran Voorde
MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Dinner with Democratic Congressional Leadership on the economy

We recommend that the following Members of Congress be included for obvious reasons: Senators Byrd, Bentsen, Muskie, Magnuson, Long, Cranston; Congressmen O'Neill, Wright, Bolling, Foley, Giaimo, Ullman, Whitten, Ashley.

Since we are keeping this group small we also recommend holding the staff to a small group. Please indicate which of the following you would like to include:

Vice President Mondale
Secretary Miller
Frank Moore
Stu Eizenstat
Charles Schulze
Alfred Kahn

We will be doing a briefing paper after we make some further consultations and recommend that the supper be primarily political.
MEMORANDUM FOR THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Proclamation on William O. Douglas

This is in response to your questions on the recommendation by Gus, Anne, and myself that you rename the Arctic National Wildlife Range after William O. Douglas.

Justice Douglas has personally been to the Brooks Mountain Range in Alaska, where the existing Wildlife Range is located. The first chapter of his book, My Wilderness, is devoted entirely to the Brooks Range. Since the Wildlife Range was established in 1960, the same year that the book was published, it is not certain that he actually spent time within the legal boundary of the Range, but he has visited the general locale.

We have not yet consulted with the Congress and the State on this proclamation because we want to preserve the surprise announcement for your speech tomorrow. We plan on making the appropriate notifications to the Congress and the State a few hours before your speech.

You should receive an overwhelmingly positive reception from this announcement. Some negative reaction may result, however, particularly from those who do not support your position on the Alaska lands issue. In addition, Senator Jackson may be planning a similar tribute to Justice Douglas in his home state. We anticipate that he will be supportive but we feel that you should take the initiative and go ahead with this announcement now.
MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Proclamation on William O. Douglas

The attached Proclamation changes the name of the existing Arctic National Wildlife Range in Alaska to the William O. Douglas Arctic Wildlife Range. Gus, Anne, and I strongly recommend you sign this proclamation as a tribute to Justice Douglas.

We have planned that you make this announcement during your address this Friday on the Second Environmental Decade Celebration. Your draft speech has been prepared with this announcement in mind. We believe it will be a major highlight of the event and will be enthusiastically received.

OMB, Justice, Lloyd Cutler and the speechwriters have concurred in the Proclamation. Secretary Andrus also agrees with this recommendation and the Proclamation has been approved by the Interior Department.
WILLIAM O. DOUGLAS ARCTIC WILDLIFE RANGE

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

"The Arctic has a call that is compelling. The distant mountains make one want to go on and on over the next ridge and over the one beyond. The call is that of a wilderness known only to a few...This last American wilderness must remain sacrosanct."

These are the words of the late Justice William O. Douglas describing the Brooks Range in Alaska, where the Arctic National Wildlife Range is located. They were written in 1960, the year the Range was established.

William O. Douglas staunchly asserted the right of all living things to be born, grow and die in a state of natural freedom. He cared for the moose and caribou of the arctic range as he cared for all those whose life and liberty were threatened by forces larger than themselves.

Justice Douglas insisted that the present generation must protect environmental and human rights not only for themselves but for the sake of future generations as well. He took strength from the refuge that nature and wilderness give the human soul.

It is fitting to memorialize this great American with one of America's most remarkable places. The area that will henceforth bear his name is an environment that offers the solitude and grandeur of vast arctic spaces as well as the vitality of a breeding ground for thousands of birds and for one of the largest remaining caribou herds on earth.
NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, by virtue of the authority vested in me by the Constitution and statutes of the United States, and in consultation with the Secretary of the Interior who is charged with the management of the National Wildlife Refuge System, do hereby proclaim that the Arctic National Wildlife Range shall henceforth be known as the William O. Douglas Arctic Wildlife Range, in memory of a great American statesman and environmental leader. I hereby direct the Secretary of the Interior to take all steps necessary to implement this proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand this day of , in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fourth.

[Signature]

[Signature]

[Signature]
February 28, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze

Subject: Index of Leading Economic Indicators in January

The Commerce Department will release the January index of leading economic indicators tomorrow (Friday, February 29) at 10:30 a.m. The index declined 0.7 percent last month.

Revised data now show the index declining for the last four months in a row. Reductions in the past two months, however, heavily reflect slow growth of money and liquid assets in December and January, rather than weakness in economic statistics that relate more directly to production and employment. Most economic data still point to greater strength early this year than we expected or wanted.
THE WHITE HOUSE
WASHINGTON

Mr. President - fyi

The Vice President is now going
to Joe Reed's dinner in Montgomery
so it will not be necessary for
you to make the telephone call
Saturday evening.

Phil

Does my need to
Mother go? Let her
know.
Jack Watson
Arnie Miller

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

Rick Hutcheson
MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson
Harley Frankel
SUBJECT: Senior Appointments -- Department of Education

You have appointed persons to six of the nineteen senior positions in the Department of Education. After extensive outreach and consultations, we and Shirley Hufstedler are prepared to recommend candidates for seven of the remaining posts. We hope to forward recommendations for the last six jobs within the next few weeks.

We join Shirley in recommending that you make the following appointments:

Under Secretary

Steve Minter, 42, is currently the Vice President of the Cleveland Foundation, a Cleveland, Ohio community organization active in human resources and civic affairs issues. Prior to joining the Foundation in 1975 he served as Massachusetts' Commissioner of Public Welfare and Director of the Cuyahoga County Welfare Department. Minter, who is black, has been involved deeply in child welfare, youth employment and urban education issues and is a trustee of several colleges. Minter is a talented public manager who can put together the new Department effectively. He also is skilled in intergovernmental relations.

As you recall, we attempted to convince Lisle Carter, the University of the District of Columbia President, to accept this post. He could not leave the University at this time. Minter is well known to the black political leadership, however, and will help alleviate the criticism we encountered when Mary Berry was not named Under Secretary. Paul Tipps is also very positive about Minter.

Assistant Secretary for Postsecondary Education

Al Bowker, 61, has been Chancellor of the University of California at Berkeley since 1971. Bowker is one of the nation's most distinguished university presidents. He taught at MIT, Columbia...
and Stanford from 1941 - 63, and served as Dean of Stanford's Graduate School. From 1963 - 71 Bowker was Chancellor of the City University of New York. He is bright, imaginative and a skilled politician. His appointment will add tremendous distinction to the Department.

Assistant Secretary for Research and Improvement

Jim Rutherford, 56, is the National Science Foundation's Assistant Director for Science Education. Before joining NSF in 1977 Rutherford was Chairman of New York University's Department of Education (1971 - 77), Associate Professor of Education at the Harvard Graduate School of Education (1964 - 71) and a high school teacher. Rutherford is respected in the research and science communities, is a strong manager and has an effective record with the Congress. He has a strong interest in relating research to the needs of teachers. Frank Press recommends him very highly.

Assistant Secretary for Elementary and Secondary Education

Tom Minter, 56, now serves as Deputy Commissioner for Elementary and Secondary Education in HEW's Office of Education. A New York City native, he taught in Harlem schools, then became a Philadelphia District Superintendent and Superintendent of the Wilmington, Delaware public school system. He is widely credited for successfully integrating the Wilmington system without violence or disruption. Minter, who is black, is thoughtful and knowledgeable about urban and elementary and secondary education problems.

The above four appointments will all be subject to Senate confirmation.

We also recommend that you appoint the following two individuals as Deputy Under Secretary. These persons will be responsible for overall departmental management, intergovernmental relations, interagency coordination, international education and public and parent involvement. Neither will be subject to Senate confirmation.

- Margaret McKenna, 35, has worked with the Department of Education transition team since December after serving nearly three years as your Deputy Counsel.

- Mike Bakalis, 42, is now a management consultant. He formerly served as a college dean, Illinois State Superintendent of Public Instruction and Illinois Comptroller. In 1978 he was the Democratic candidate for Governor of Illinois. The Vice President strongly supports Bakalis.
The Department's authorizing legislation also established an Office of Bilingual Education, to be headed by a Director appointed by the Secretary. She will name Josue Gonzalez who currently heads a similar office in the Office of Education. We and Ed Torres concurred with this selection.

Recommendations

We join Shirley Hufstedler in recommending that Steve Minter be appointed Under Secretary. Jim McIntyre, Stu and Louis Martin concur.

☐ approve ☐ disapprove

We also recommend that Al Bowker, Jim Rutherford and Tom Minter be appointed Assistant Secretaries.

☐ approve ☐ disapprove

We further recommend that Margaret McKenna and Mike Bakalis be appointed Deputy Under Secretaries.

☐ approve ☐ disapprove
MEMORANDUM FOR THE PRESIDENT
FROM SHIRLEY M. HUFSTEDLER

I have assembled an outstanding group of highly respected individuals for your consideration as nominees for the top level positions in the Department. I am very excited about this team. You can be proud of these nominations, not only with respect to their professional capabilities and management and leadership skills, but also with respect to your affirmative action concerns.

Under Secretary            Steve A. Minter (PAS)
Deputy Under Secretary      Michael Bakalis (PA)
Deputy Under Secretary      Margaret McKenna (PA)
Assistant Secretary for     Albert F. Bowker (PAS)
    Postsecondary Education  Assistant Secretary for
    Assistant Secretary for  Research & Improvement
    Assistant Secretary for  James Rutherford (PAS)
    Elementary & Secondary   Thomas Minter (PAS)
      Education

Director, Bilingual         Josue Gonzalez
      Education

I sketch briefly the background of the persons who are recommended for nominations subject to Senate confirmation:

• Steve A. Minter for Under Secretary. Steve is a young, dynamic black, currently the Vice President of the Cleveland Foundation. Prior to that he was Commissioner of Public Welfare in Massachusetts where he earned a reputation as a superior manager and gained valuable experience in dealing with Federal, State and local problems. He is extremely well regarded by all. He will be my key aide with respect to managing the Department.
Albert F. Bowker as Assistant Secretary for Post-secondary Education. Dr. Bowker is one of the most highly regarded educators in America. Since 1971, he has been Chancellor of the University of California at Berkeley. Immediately prior to his Berkeley experience, he was Chancellor of the City University of New York, where he skillfully implemented the open admissions policy. He is an excellent scholar, a shrewd administrator, and a wise man in the world of higher education.

James F. Rutherford as Assistant Secretary for Research and Improvement. Dr. Rutherford is now Assistant Director of the National Science Foundation, a position to which you appointed him in 1977. In that position, he has directed national programs to improve the education in science and mathematics of students in elementary, secondary and post-secondary schools. Dr. Rutherford was formerly Chairman of the Department of Science Education, Division of Education at New York University. He is a distinguished academician. Frank Press, among others, has given him very high marks for this position.

Thomas K. Minter as Assistant Secretary for Elementary and Secondary Education. Dr. Minter, a well-known black educator, is currently Deputy Commissioner of Elementary and Secondary Education in the Office of Education. He was formerly Superintendent of the Wilmington, Delaware Public Schools.

Presidential appointments without Senate confirmation:

Michael J. Bakalis as Deputy Under Secretary for Intergovernmental Affairs. In this position, Mr. Bakalis will be third in command of the Department. He is currently an educational and management consultant in Illinois. He was formerly Comptroller for the State of Illinois and Superintendent of Public Instruction in Illinois. Mr. Bakalis will bring to the Department a thorough knowledge of school finance and management, together with a broad background in politics. He has received strong endorsements within and outside the Administration.
Margaret McKenna as Deputy Under Secretary for Interagency Affairs. As you know, Ms. McKenna most recently served as Assistant Deputy Counsel on Bob Lipshutz' staff. Ms. McKenna will be responsible principally for interagency relationships with respect to education and education-related programs.

Non-presidential appointments:

Josue Gonzalez as Director of the Office of Bilingual Education and Minority Language Affairs. Dr. Gonzalez is now the Director of the Office of Bilingual Education in the Office of Education. He is highly regarded by the hispanic community and is generally recognized as a leader in bilingual education. His appointment provides continuity within the Department.

It would be desirable to announce an intention to nominate Steve Minter for Under Secretary, Albert Bowker for Assistant Secretary for Postsecondary Education, Tom Minter for Assistant Secretary for Elementary and Secondary Education, and James Rutherford for Assistant Secretary for Research and Improvement, prior to the completion of FBI checks. You may wish to consider announcing these together because they vividly illustrate your commitment both to excellence and affirmative action. These nominations will provide significant reassurance to education constituencies that you are building a great Department for the country.

Although Josue Gonzalez' appointment is not at the same level as the Presidential nominations, an announcement of his appointment, with the intended Presidential nominations, will present a clearer picture of the Department to minority persons.

I have not been able to discuss with Jack Watson the timing of the announcement of the appointments of Mike Bakalis and Margaret McKenna. No political reverberations would accompany the announcement of Margaret's appointment, but it would be more orderly to announce the two Deputies at the same time.

I have earlier sent to you my recommendation that Elaine Jones be nominated as Assistant Secretary for Civil Rights. Elaine is a truly distinguished black lawyer, presently working for the NAACP Legal Defense Fund. Because her work for the
Fund has not involved the civil rights issues before the Department, there is no real conflict in her assuming this position. I very much hope that we can quickly resolve any residual questions about an appearance of conflict and move her nomination promptly. She is a key person in many of the sensitive negotiations that face us in the civil rights area.

I am proceeding with deliberate speed to complete the review of all the candidates for the remaining Presidential positions.

We have, of course, worked closely with your personnel office in selecting, and doing background checks, on all of these people. These nominations, together with the nominations you have already made, will give us an excellent leadership team for development and implementation of your policies within the Department.

I now have in place a process to complete all of the tasks necessary to launch the new Department on a date certain. While the schedule is optimistic, I believe it is realistic. I would like to discuss with you the date for activation of the Department, and give you some ideas about the activities that we are planning on that date. I hope, of course, that you and/or the Vice President will be able to participate in these historic events. I am scheduled to see you early next week to discuss these issues.
THE WHITE HOUSE
WASHINGTON
29 Feb 80

Frank Moore

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

Rick Hutcheson

cc: Stu Eizenstat

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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Letter to Congressman Edgar

February 5, the House passed the omnibus water projects bill, HR 4788, on a 283-127 vote. During the floor debate, Bob Edgar was very complimentary to you and to the Administration for our development of a comprehensive water policy. Edgar has been very effective during the floor debates, and without his leadership, the bill would have passed with little or no opposition. We believe you should send him the attached letter thanking him for his support.

CL concurs.
February 26, 1980

Dear Bob:

Thank you for your efforts to move the House toward the development of a water resources policy during consideration of H.R. 4788. Your fight to institute the authorization of projects on the basis of merit has been a service to the American public.

I will continue to work with you and your colleagues toward the goal of a comprehensive and sound water policy.

Sincerely,

[Signature]

The Honorable Robert W. Edgar
U.S. House of Representatives
Washington, D.C. 20515

Bob, I'm glad we're in this together. Your good work will pay off.

[Signature]
Jim Johnson

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been forwarded to Stripping for mailing.

Rick Hutcheson
Mr. President,

Attached is a call request and a letter of condolence for Bob Abboud, Chairman of the Board, First National City Bank of Chicago.

I would appreciate it if you would call or sign the letter on the loss of his father.

Jim Johnson
NAME  Bob Abboud

TITLE  Chairman of the Board-First National City Bank

CITY/STATE  Chicago, Illinois

Phone Number--Home (312) 658-4808
Work (312) 732-8043
Other (______ )

INFORMATION  (Continued on back if necessary)

His father died last night. The purpose of your call is to express sympathy.

NOTES: (Date of Call _________)

Sent/
THE WHITE HOUSE
WASHINGTON

February 29, 1980

To Bob Abboud,

Rosalynn and I extend our deepest sympathy to you and your family in the loss of your father. We hope the prayers and good wishes of your family and friends will console and comfort you in the days ahead.

Sincerely,

[Signature]

Mr. Robert Abboud
Chairman of the Board
First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670
Frank Moore

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

Rick Hutcheson
To thank him for his hard work on the Windfall Profits Tax conference.

TALKING POINTS: You have kept your commitment to me of last year when you said that you would send me a bill that I would be pleased to sign. Although I am not familiar with all the details, each of us had to accept some compromises; but the final result certainly appears to be a good one and it demonstrates what we can accomplish for the (cont.)

NOTES: (Date of Call 2-28)

[Handwritten notes: Drafted 3/5--3/7]

Votes probably in Senate to pass.
country when we work together.

You should also ask Senator Long to give your and Rosalyn's love to Carolyn.
THE WHITE HOUSE
WASHINGTON
2/29/80

Jack Watson
Arnie Miller

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

Rick Hutcheson
MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON
ARNIE MILLER

SUBJECT: General Manager, New Communities Development Department of Housing and Urban Development

We join Secretary Landrieu in recommending the appointment of Russ Marane as General Manager, New Communities Development Corporation. Appointment to this position requires Senate confirmation.

The Corporation is responsible for assisting the development of new towns through a program of loan guarantees. Thirteen such projects have been assisted by the Corporation. Currently the Corporation is assisting developers to devise foreclosure and disposition plans.

A. Russell Marane (Georgia): Consultant to Secretary Landrieu for management and operational issues affecting the Departmental operations and policy. Regional Administrator for HUD, Region IV from 1977 to 1979. Prior to that, Assistant Vice President, Hensley-Schmidt, Consulting Engineers, Atlanta.

RECOMMENDATION:

Nominate A. Russell Marane as General Manager, New Communities Development Corporation, Department of Housing and Urban Development.

[Check box] approve [Check box] disapprove
A. RUSSELL MARANE
Atlanta, Georgia

PROFESSIONAL:

Jan. 1980 - Present Consultant to HUD Secretary Landrieu
June 1979 - Jan. 1980 S.E. Regional Coordinator, Carter-Mondale Re-Election Committee, Atlanta
Sept. 1977 - June 1979 Regional Administrator for HUD, Region IV, Atlanta
June 1974 - Sept. 1977 Assistant Vice President, Hensley-Schmidt, Consulting Engineers, Atlanta
Nov. 1969 - April 1971 Urban Renewal Director, Chattanooga Housing Authority

EDUCATION:

1964 BBA, University of Tennessee

AFFILIATIONS:

American Planning Association
National Association of Housing and Redevelopment Officials
American Society of Civil Engineers

PERSONAL:

Age 40
Married; two children
Frank Moore
Phil Wise

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

Rick Hutcheson
CONGRESSIONAL SCHEDULING PROPOSAL

MEETING: White House appointment for the House of Representatives Appropriations Committee

LENGTH: 1 hour minimum; 1½ hours preferred

DATE: afternoon or evening of Monday, March 3 or before 10:30 a.m. on Tuesday, March 4

PURPOSE: To convince the Appropriations Committee of the importance of reinstituting registration procedures.

BACKGROUND: The meeting today with the House leadership, and senior Administration officials had no effect. We will need this meeting to persuade Congress that registration is necessary for foreign policy as well as defense reasons. Until we do this, Congress will not enact our registration plan.

EVENT DETAILS: Location: State Dining Room

Participants: All 54 members of the House Appropriations Committee (bipartisan group); Chairman, JCS, David Jones, Secretaries Brown and Vance, Zbigniew Brzezinski.

Press Plan: White House photographer only.

INITIAL REQUESTERS: Frank Moor

Bill Cable

DATE OF SUBMISSION: February 28, 1980

cc: Phil Wise

___ approve ___ disapprove
MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE
        BILL CABLE

SUBJECT: Registration

The HUD-Independent Agencies Subcommittee vote broke down as follows:

+     -
Boland  Conte
Traxler  Coughlin
Bevill  McDade
Boggs  Stokes
Whitten  Stewart (IL)
Young (FL)  Sabo

The full committee will probably take up the issue on Wednesday, March 5. Based on the contacts we have made, here's how the committee looks today (see attachment).

We have placed all of the Republicans in the undecided category because we don't know whether or not there is an active strategy of opposing registration as Republican party policy.

We have asked the Defense Department, the American Legion and Veterans' groups to contact all of the Republican members to urge that they support your mission.

We have assigned members of our staff and OMB to personally contact every member of the Appropriations Committee prior to the vote.

We will be providing you with an update periodically.
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The New England Primaries
Dividing the Pie

Revenue Sharing: Cut Out the States?
Outlook in Senate, gubernatorial and selected House races