

3/7/80

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THE WHITE HOUSE
WASHINGTON

3/7/80

Dr. Ronnie Heifitz --

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

-- Susan Clough

6/27 file

cc Dr Heifitz -
Thank you. Good
advice. Notice our policy
re hostages is compatible
with your earlier
letter -
Jimmy C.

Ronnie Heifitz, M.D.
1249 Park Avenue #11B
New York, New York 10029

Dear Mr. President,

I am keenly aware that you are a great and inspired leader with a dream to transform the world into a good and decent and peaceful home in which every person has the opportunity to thrive. I know that you have a profound love for humanity and that the Presidency appears to be the best position from which to make the kind of contribution you want to make to the world.

What I have to say to you is very simple, and I know that you know this. I am writing to you to underline your sense of rightness. Treat the whole world as if it were your flock of children. Never let yourself forget that somewhere in you there is caring for even the most sinister of men in the world. Only by staying in touch with your caring for your 'adversaries' can you gain a sense of what motivates them so that you can then respond to them purposefully, effectively, and thereby begin to resolve conflict.

I think you know that the only way any of us can thrive in this small world is for everyone to thrive. And that the old mode of operating, as if it were a 'you or me' world, is primitive and obsolete. The truth is that most nations are filled with fear and express that fear with outbursts of anger. Russia is literally run by a small group of dying and frightened men. Iran, a country being torn apart from within, is expressing tremendous fear and anger. If you respond to fear and anger with fear and anger, you will perpetuate a world in seige. If you approach the errant nations of the world by being steadfast in your sensitivity and caring for your whole 'family', then you may have a chance to effect your dream.

When a child is 'bad', you might very well set up clearly defined limits of tolerable behavior for that child, or even punish the child, and all within the context of caring. I am certainly not suggesting that you be soft with other nations, but that you always do whatever you do with an awareness of your love for your entire 'family', (which includes your adversaries), rather than allow your own fear and anger, and the fear and anger of your constituency determine your behavior. I know you know this and I am inspired by the heroic way in which you have maintained this principle.

I am enclosing a letter concerning Iran which I wrote to you in November. The approach is quite similar to one stated by Roger Fisher in Newsweek January 14, 1980. Perhaps it may be of use to you.

With very great admiration, respect and love,

Ronnie Heifitz, M.D.

1249 Park Avenue
New York, N.Y. 10029

January 23, 1980

Dear Mr. Ghann,

Thank you very much for
allowing me the great privilege
of communicating with
President Carter. Please let
me know if you will be
delivering it on my behalf.

Again, Thank you

Ronnie Heifetz

Ronnie Heifetz, M.D.

1249 Park Avenue
New York, N.Y. 10029
212-831-5136
November 23, 1979

Dear Mr. President,

The only negotiating position that can lead to freedom for the American hostages in Iran must primarily take into account the suicidal psychology of Khomeini. His overt invitation, from the start, to have millions of his people martyred clearly reflects the mental state of someone absolutely backed into a corner. The continuing economic and political destabilization in Iran may account for why he desperately grabbed at this opportunity to regain unity under his leadership.

The best model I know to help elucidate the appropriate response to this situation is the suicidal one. Briefly, when a person is about to jump off a roof he often requires the encouragement of a gathering crowd. Often the crowd will trigger off the suicide by chanting "jump". Suicidal people generally experience fear, panic and anger. In order to extract a person from the roof one must respond to those emotions by creating a safe exit, and often one must disperse the crowd. The suicidal person can easily be pushed over if the exit is blocked and the crowd gives him sufficient audience. When anger is a major element in producing the martyr's psychology, the crowd is particularly critical. People don't usually choose martyrdom without an audience.

During the first week of this crisis you were steadfast in not pushing Khomeini into murderous action by your refusal to back him into more of a corner. You were heroic in your mastery of the overwhelming mob-like impulse in all of us in the country that calls out to blast Khomeini. By refusing to put up significant resistance you not only maintained the safe exit for Khomeini but also diminished the drama and thereby his audience both within Iran and around the world. That may have produced the loosening up of Khomeini's position, his subsequent willingness to bargain, and the release of some hostages.

By bringing troops within blockade or firing range of Iran you give Khomeini what he wants:

- 1) knowledge that he can manipulate you,
- 2) a greater audience, and
- 3) probable martyrdom.

The result is a hardening of Khomeini's position as he gets pushed back into a corner and as his audience swells and demonstrates itself dramatically.

You usually cannot threaten a man in panic and get the gun out of his hand. You must instead both be firm and give him the chance to choose. Being firm gives him simple limits so that he knows clearly what his choice is, as with a child. Giving him a lot of time fosters the experience of having a choice, diminishes the drama and therefore the audience, and allows him to get tired of punching into air.

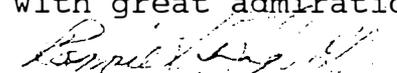
I therefore suggest to you an approach to Khomeini:

- 1) That you state to him exactly the choice he has.
- 2) That return of the Shah can only be obtained through formal extradition proceedings and not by blackmail (assuming such agreements exist with Iran).
- 3) That you will launch a major retaliatory attack if the hostages are hurt (e.g. destroy Iran's oil facilities).
- 4) That he has unlimited time to set them free.
- 5) That you will not bargain.
- 6) That you offer him assistance in regaining economic and political stability.

Mr. President, I urge you to be steadfast in resisting the mob-like mood that exists in all of us and in the country, and that is more interested in hitting back than in obtaining the release of the remaining hostages.

If I can be of any assistance to you whatsoever, please know that I am totally available to you or your staff.

with great admiration and support,


Ronnie Helfetz, M.D.

THE WHITE HOUSE
WASHINGTON

3/7/80

Mr. President:

Everyone has approved
of this request.

Phil

1:15 pm

Mundy

3/10

March 6, 1980

ok
J

MEMORANDUM FOR PHIL WISE

FROM:

LANDON BUTLER 

SUBJECT:

PRESIDENTIAL MEETING WITH FRANK FITZSIMMONS

I recommend that the President meet soon with Frank Fitzsimmons and Ray Schoessling of the International Brotherhood of Teamsters. Schoessling is the IBT Secretary-Treasurer.

This meeting would be a courtesy meeting only, and need not last more than 15 to 20 minutes. As you know, the President has never had a formal meeting with Mr. Fitzsimmons, although they have talked by telephone on a few occasions. The subjects for discussion during the meeting will be inflation and trucking de-regulation.

In general, Teamster locals are supporting the President in the primaries and caucuses--the Teamsters will be particularly important in Illinois, New York and Pennsylvania.

This brief meeting would dispel the notion that the Administration regards the Teamsters as outcasts in the labor movement, and will enable Fitzsimmons and Schoessling to encourage Teamster members to support local Carter/Mondale campaigns.

Fitzsimmons and Schoessling would be accompanied by Ed Wheeler, their outside counsel who handles Teamster relations with the ICC. Wheeler, according to Lloyd Cutler, is a well-regarded Washington attorney. Stu and I will also participate.

I have asked Stu, Ham, Jody, and Bob Strauss if they agree that now is a good time for the President to meet with Fitzsimmons and Schoessling--they all agree that it is.

In addition, I have cleared this meeting and its format with Lloyd Cutler.

If possible, the meeting should be scheduled for next Monday afternoon, March 9.

THE WHITE HOUSE
WASHINGTON

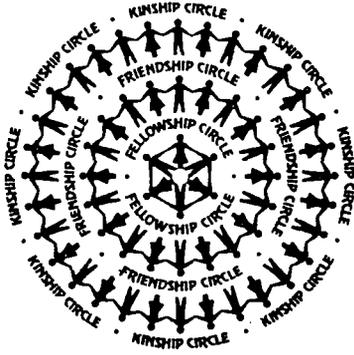
3/7/80

Nelson Price --

Enclosed is a copy of your
2/29 letter, which includes
the President's note -- with
his best regards!

-- Susan Clough

Q
/



February 29, 1980

Nelson Price, Pastor

Good morning dear friend:

My prayers are coupled with those of millions for you.

Because of the contemporary content of the Bible passages noted on the enclosed, may I suggest these text for your reading. If further explanation were to be desired, I will be happy to share it.

If there is ever a meager manner in which I can help, please call me.

In Christ,

Nelson L. Price

Akworth

•

Austell

•

Kennesaw

•

Mableton

•

Marietta

•

Powder Springs

•

Smyrna

NLP:kp

President Jimmy Carter
THE WHITE HOUSE
1600 Pennsylvania Avenue
Washington, D.C. 20008

cc Nelson
Thank you!
The Biblical
prophecy & your
support &
friendship
all helped me -
J.C.

Electrostatic Copy Made
for Preservation Purposes

THE ULTIMATE CONFLICT

Ezekiel 38 and 39

WHO? Ezekiel 38:2,3

MAGOG - Descendants of Japheth who settled in are
now known as Russia

vss. 5, 6 - Persia = Iran, Ethopia
Libya, Togarmah = Turkey
Gomer = Germany

WHAT? Ezekiel 38:9 and 15, 16

The above nations will come against Israel.

WHEN? Ezekiel 39:21

At the end of the Tribulation just before
Christ's return to the earth.

OUTCOME Ezekiel 39:1-5

Russia and her allies will be defeated.

WHY? Ezekiel 38:23

The Lord said, "I will magnify myself..."

Why are Egypt, Iraq and Jordan omitted?

Isaiah 19:24, 25

Egypt = "my people"

Assyria = Jordan and Iraq = "the works of my hands"

Israel = "mine inheritance"

They shall be allied. Mr. President, you have been used of
the Lord to move in the right direction.

THE WHITE HOUSE
WASHINGTON

07 Mar 80

Secretary Miller
Secretary Duncan
Charlie Schultze
Stu Eizenstat
Jim McIntyre

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

Rick Hutcheson

EYES ONLY

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

March 7, 1980

The President
The White House
Washington, D. C. 20500

PRIVATE

cc Miller
Duncan
Schaltze
Eizenstat
McIntyre

Dear Mr. President:

I want to make the following points:

- (1) Your best choice is to do what I believe you are considering, i.e.:
 - Balance the budget
 - Impose a barrel fee equivalent to a 10¢ gas tax per gallon
- (2) Why? Because once you reject wage-price control, you have to choke the neck of inflation with the remaining tools--and the psychology reversal you want can only be acquired if the public and the financial marketplace believes you and believes your remedy is real.
- (3) You have marched the courageous road before without receiving adequate credit politically. Example: Oil Decontrol. If you choose the courageous budget balancing/oil fee route, let's get you the plus side by planning and organization now.
- (4) We can anticipate the downside:
 - You will catch hell for gas prices
 - You will catch hell from our Democratic constituencies for budget cuts. Answer: Go on the offensive to turn it to your benefit--i.e., convert lemons to lemonade.

We need to exploit the courage, common sense, fairness, and tough-mindedness of subduing inflation and reducing energy dependence this way.

- (5) More than anything, we need to claim the public forum--you need to be on the attack in appropriate forums and before the nation.
- (6) We need allies and we should structure the process of deciding and announcing to get them on board now.

(7) Examples of potential allies, how to get them, and a request.

To balance the budget, you may need to cut revenue sharing. I strongly recommend you not cut cities (some of your strongest allies) and rather cut the state's share. But there may be an opportunity to bring the Governors along.

Bring in the Governors (your closest allies among them) and commit to them in return, beginning in 1982, adequate funds to make up their highway transit fund revenue losses due to conservation impacts. The details of the formula can be left to OMB and Congress, but there are adequate revenues available from a barrel fee and subsequent conversion to a permanent ad valorem tax to pay for it. States, we estimate, will experience shortfalls in anticipated revenues due to energy conservation (reduced gasoline consumption) of \$7.4 billion for the period 1980-1987. It's a recognition by you of their problems and the sales tool for your program.

Another opportunity is present--to turn the pending highway fund problem of receipts beginning not to meet projected obligations in 1984 into a weapon to bring along the big spenders on the public works committees on your program to cut back public roads spending for next year and a half. In the same period 1980-1987, we will have a shortfall of nearly \$7 billion due to energy conservation measures (the gasohol exemption will represent nearly \$2 billion of that number) committing sufficient funds to balance this fund (something White House and Congress will have to do anyway in 1981). This will allow us to claim, responsibly, that you have adopted a strategy:

- To protect the trillion dollar highway asset in the United States.
- To ensure safe roads for travellers, truckers, their industry, and 40% of the goods moved in the U.S. (thus to bring these interest groups into our sphere).
- To ensure future capability to meet growth demands (once inflation is under control).
- To conserve energy (by pricing fuel)
- To balance the budget

(8) In conclusion:

- Do it
- Ask for McIntrye, Charlie Schultze, Bill Miller, Charlie Duncan and I to bring to you, within a couple of days, specific proposals to help you maximize the political network supporting you on the tax decision and budget decisions.

3/7/80

Mr. President:

Half of these mayors have endorsed you for reelection, including Mayor Coyne.

This meeting will be very helpful in getting most of the others.

Rick

11:30 AM

THE WHITE HOUSE

WASHINGTON

March 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: EUGENE EIDENBERG

SUBJECT: Meeting with 22 Suburban Cleveland Mayors
March 7, 1980
11:30 a.m.
The Roosevelt Room

Purpose: The purpose of this meeting is to allow a group of 22 suburban mayors from Cuyahoga County, Ohio to meet with you and your advisers to discuss issues of concern to them.

Background: Rick Hutcheson recently visited Ohio and met with many of these suburban mayors. Mayor John Coyne of Brooklyn suggested that a White House meeting would be useful because they believe that the President listens to big city officials all the time, but rarely hears from small or suburban communities. Cuyahoga County has a population of 1.5 million; almost two-thirds of these people reside outside the city limits of Cleveland in one of these suburban communities. (Please note that the mayor of Cleveland, George Voinovich, a Republican, is not included in this group.)

Aside from their interest in having you hear their "suburban" views, they are concerned primarily about economic issues. Cleveland is declining economically and this affects the entire county. Many local services such as transportation and sewer systems have been regionalized into special districts, and the competing interests of the city versus their communities are evident in their inability to get regional plans passed. Specifically, they are facing a shutdown of a major Ford plant and the lack of any regional transportation system.

Participants: Twenty-two mayors will attend (a list is attached). Mayor John Coyne of Brooklyn is the chief spokesman of the group. You may remember being in a film with him when you were Governor and his city was the first in the nation to have a mandatory seatbelt requirement; the film was sponsored by the National Highway Traffic Safety Administration. Mayor Coyne has been in office for many years and has been called "Hubert Humphrey's favorite Mayor" by Vice President Mondale.

Press: The press will cover your opening statement.

Agenda: Before you arrive, the following people will meet briefly with the Mayors to answer their questions:

Victor Marrero, Under Secretary of HUD
Neil Goldschmidt
Stuart Eizenstat
Vice President

Stu will speak just prior to your remarks. I will moderate the meeting. Rick Hutcheson will also attend.

Suggested Talking Points:

You appreciate the mayors coming from Ohio to meet with you. You have built a strong partnership with state and local officials in your Administration and you appreciate and value the advice and ideas of other elected leaders.

You know Mayor Coyne from his reputation and the fact that he gets re-elected year after year, and you especially want his advice and counsel on that subject.

You know that they have problems as suburban mayors that often appear to be overlooked by the Federal government. You would like to hear about the problems that confront them so that you and your advisers will be more sensitive to their special concerns.

You should then open the floor for questions.

If time permits, it would be useful for you to have a photograph made with each of the mayors.

SUBURBAN CLEVELAND MAYORS

Mayor Louis Bacci of Cuyahoga Heights
Mayor John Coyne of Brooklyn
Mayor Arnold D'Amico of South Euclid
Mayor Ross DeJohn of Mayfield Heights
Mayor Michael DeSan of Richmond Heights
Mayor Raymond Grabow of Warrensville Heights
Mayor Anthony Guinta of Euclid
Mayor John Halak of North Royalton
Mayor Theodore Holtz of Garfield Heights
Mayor Jack Kafer of Berea
Mayor John Kelley of Seven Hills
Mayor Walter Kelley of Shaker Heights
Mayor Emil Lisy of Maple Heights
Mayor Armand Masten of Linndale
Mayor John Petruska of Parma
Mayor Rayner Smith of Woodmere
Mayor Charles Smercina of Solon
Mayor Ronald Sulik of Newburgh Heights
Mayor Stephen Tymcio of Middleburg Heights
Mayor Angelo Wedo of Brook Park
Mayor Arthur Westfall of Valley View
Mayor Pete Wisnieski of Independence

Jim Carey, Assistant to Mayor Coyne of Brooklyn
James Coyne, Ice Rink Manager in Brooklyn
Allan Mills, Executive Secretary of Cuyahoga Mayors
and Managers Association

THE WHITE HOUSE

WASHINGTON

March 7, 1980

10:00 am Mayors arrive the White House

10:15 am Meeting is Convened by Gene Eidenberg,
Deputy Assistant to the President for
Intergovernmental Affairs

10:30 am Remarks and Questions with
Victor Marrero, Under Secretary of HUD

10:45 am The Vice President greets the Mayors

11:00 am Remarks and Questions with Neil Goldschmidt,
Secretary of Transportation

11:15 am Remarks and Questions with Stuart
Eizenstat, Assistant to the President
for Domestic Policy

11:30 am The President greets the Mayors

Meeting Concludes

regular foreign policy breakfast 3/7/80

THE WHITE HOUSE
WASHINGTON

For Pat

3-7-80

- > Sadat letter
- > Cy testimony re UN vote
- > Harlan, El Salvador, Archbishop
- > Nicaragua - # 25 m
- > El Salvador - MTT - # 45
- > FRG # → Oman, Som, Kenya, N Yemen
- > Afghanistan
- > Iran - no apology
- > Olympics
- > Cocom
- > Pipe sales to Sri
- > FRG vs Libya
- Mss → Brezhnev
- > Zimbabwe
- > Shah splen → Gorges
- > Bogota - Mex - common refut policy
- > Greece / NATO

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

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

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

*approved draft
letter*

M

THE WHITE HOUSE
WASHINGTON

To

Thank you for your kind words about your visit to the White House and for your views on the Olympics.

It was a great pleasure for me to meet with the 1980 Winter Olympic team and, on behalf of the American people, to thank all of you for your magnificent efforts at Lake Placid. You thrilled the entire nation. I have enclosed a personal photograph as a memento of this exciting event.

I can well understand that your experience at Lake Placid reaffirmed your commitment to the Olympic Games. I share that commitment and strongly support the Olympic movement.

I have received a letter from some members of our Olympic team asking
~~Your letter~~ asked me to use my leadership to "preserve the spirit of Olympism." I am committed to doing just that. The spirit of the Olympics is peace and goodwill. That spirit would be dishonored if our athletes attended games in the capital of a host nation which is engaged in invading a neighbor and brutally subjugating its people.

Like athletic excellence, peace and freedom are not easily achieved. They take work and sacrifice, but they are worth what they cost.

As I stated when I welcomed you to the White House, I am concerned for other athletes who have trained diligently for the Summer Olympics and who cannot now compete for reasons beyond their control. I will do everything in my power to assure that these athletes have the opportunity to participate in alternative international games which will offer the world class competition, comradeship, and

in Moscow,

coverage we associate with the Olympics. My Administration is now consulting closely with government and sports officials throughout the world in an effort to make these alternative games a reality.

Thank you again ~~for writing and~~ for your splendid efforts at Lake Placid.

Sincerely,

P.S. For your information, I have enclosed a copy of the statement made by Secretary of State Cyrus Vance to the International Olympic Committee in Lake Placid.

THE WHITE HOUSE
WASHINGTON

07 Mar 80

Frank Moore

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

Rick Hutcheson

KV.

NAME Senator John Warner

1090

TITLE (R-Virginia)

CITY/STATE _____

Requested by Frank Moore

Phone Number--Home () _____

Date of Request March 7, 1980

Work () 224-2023

Other () _____

INFORMATION (Continued on back if necessary)
Chairman Cannon and Senator Packwood have suggested (and I agree) that you telephone Senator Warner to thank him for his strong and unexpected support of the trucking deregulation bill currently in markup before the Senate Commerce, Science and Transportation Committee. Most notably, Senator Warner gave his proxy to Senator Packwood in support of a provision which phases out single-line antitrust immunity. The vote on this issue was 9 to 8, and we are

NOTES: (Date of Call 3-7)

"I try to support ~~st~~ Pres when I can. It was a difficult vote, but glad to do it"

concerned that the truckers will be successful in pressuring Senator Warner to change his mind unless we move to keep him firmly committed. The Senators feel a call from you would be extremely helpful.

TALKING POINTS

1. I want you to know that I'm aware that you cast some extremely difficult votes yesterday on the trucking deregulation bill which my Administration supports.
2. This is an important bill and with your support we are making real progress in increasing competition, lowering prices, eliminating unnecessary government regulation, and saving energy in the trucking industry.
3. I know that the pressures must be intense, particularly on the antitrust immunity, and I would greatly appreciate your continued support on this critical issue.

KV NAME Bill Ford

1076

TITLE Congressman

Requested by Frank Moore *FM/pc*

CITY/STATE (D-Michigan-15)

Date of Request 2/29/80

Phone Number--Home ()

Work (202) 225-6903

Other ()

INFORMATION (Continued on back if necessary)

Congressman Bill Ford will be receiving an Honorary Doctor of Laws degree from Wayne State University on Monday, March 3 at 4:30 p.m. Ford is Chairman of the Higher Education Subcommittee and will be involved with the reauthorization of the Higher Education Act of 1965. Additionally he could really help in assuming a leading role on the youth initiatives program. The call should be made between 5:10 and 5:30 p.m. while Rep. Ford is in the receiving line

NOTES: (Date of Call)

Not made
I wrote him a letter

KU

NAME Beverly Byron

1091

TITLE Member, U.S. House of Representatives

CITY/STATE (D-Maryland-6)

Phone Number--Home (301) 663-5626

Work (202) 225-2721 or 225-1570

Other ()

Requested by Frank Moore *FM, M*

Date of Request March 7, 1980

INFORMATION (Continued on back if necessary)

Mrs. Bryon is very concerned about the retention of critical military personnel. She is afraid that you will be vetoing enrolled bill H.R. 5235, which adjusts the pay differential for military doctors. DOD has been supporting the bill; OMB will probably be recommending a veto. As you will remember, Mrs. Byron was one of the first 10 freshmen to endorse your re-election. She wants to talk to you personally about this issue; you can just listen to her.

NOTES: (Date of Call 3-7)

*Pride in bill & retention issue
For registration proposals by admin.
c/m very strong in Md-*

*I didn't
encourage
her re my
action*

POINTS OF DISCUSSION WITH PRESIDENT CARTER, 25 February 1980

I am suggesting that I believe the Nation needs a series of speeches from you that deal with the basic issues confronting us. These speeches should be non-partisan and above the Campaign. More than anything else they should be reports on the state of the union--not to Congress--but to our citizens.

One speech might be on foreign affairs. It should be factual and state the position of the country, its strengths and limitations.

Another might be on economics. Again, the emphasis should be on facts.

What I have in mind is similar to Franklin Roosevelt's fire-side chats. An even better example is the Federalist Papers.

From these issues you would be able to go on to talk about redefining the concept of citizenship and responsibility. Considering the concern over foreign affairs, inflation, and the decline in educational standards, productivity, standards among the professions, the growth of special interest groups, and the increasing complexity of government, a call to reconsider the obligations--not the rights--of citizens is important.

I am not suggesting that you call for a program such as Wilson did with his New Freedom, Roosevelt did with the New Deal, or Eisenhower with his Great Crusade. These were largely campaign platforms. What I am proposing is something fundamental that perhaps has not been done before; certainly not in the present Presidential Campaign.

It may be that you have no one around the White House who is prepared to take this approach. In this case you might consider Daniel Boorstin, Librarian of the Library of Congress. I am proposing a Historian because I believe you need someone who understands and has studied the total American experience. There have been precedents for this approach, Kennedy had Schlesinger,

Johnson had Goldman (although the latter was not a happy or fruitful relationship). Perhaps Doris Kearns who helped Johnson might be a possibility.

I believe that a series of such speeches would be welcome by the public. You would be speaking from what Theodore Roosevelt called a "bully pulpit" in a way no other candidate can do.

By not mentioning the Campaign in any way, it would place you in the position of a leader, devoted to the Country's future, not to the Campaign or to today's immediate problems.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 6, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}

Subject: February data on Producers (Wholesale) Prices and
on Employment and Unemployment

Tomorrow (Friday, March 7) at 9:00 A.M., the Bureau of Labor Statistics will release the February data on producers prices and on employment and unemployment.

Producers Prices

The February rise in prices of all finished goods was 1.5 percent -- an annual rate of 19 percent -- and only a little better than the 1.6 percent rise in January. Food prices declined again last month, by 0.5 percent, somewhat less than they had in January. Nonfood finished goods prices rose 2.0 percent, compared with 2.4 percent in the previous month. Energy prices were again a major contributor; they increased 7-1/2 percent in a single month. (Since energy prices enter the PPI with a one-month lag, this reflects what occurred in January). Jewelry prices were up by 16-1/2 percent (not annual rate).

While this news is bad, the new PPI figures are not as grim as those of a month ago. This becomes evident when the major items that show large or volatile price changes (food, energy, and jewelry) are removed. In January, the remaining items in the index, which comprise 64 percent of the total, rose at a 23 percent annual rate; in February, they rose only about half that fast.

Annual Percent Rate of Change

	<u>January</u>	<u>February</u>
Total Finished Goods	20.7	19.1
Excluding Food	32.0	27.9
Excluding Food & Energy	28.0	14.9
Excluding Food, Energy, & Jewelry	23.0	10.8

Last month's rise partly reflected the fact that January was the first month in the second quarter of the 2nd program year of the price guidelines. Since October 1978, large price increases have tended to occur for nonfood finished goods in January, April, July and October. In these months, businesses have more freedom to increase prices because the guidelines call for quarterly increases that do not exceed one-fourth of the annual allowable amount.

Over the past three months taken together, however, the annual rate of change in producers prices excluding food, energy, and jewelry has moved to 14 percent, compared with 8-1/2 percent in the earlier months of 1979. Several factors have been responsible:

- o the indirect effects of higher oil prices on products that use petroleum as a raw material;
- o passing through some of the higher costs stemming from last year's productivity decline;
- o continuation of a stronger-than-expected economy;
- o fears of mandatory wage and price controls (although the February data suggest this may not have been a major factor).

Employment and Unemployment

The labor markets continued to exhibit a fair degree of strength in February. The unemployment rate fell to 6.0 percent, from 6.2 percent in January. Employment rose further, but aggregate hours worked declined a little because the average length of the work week fell.

The decline in the unemployment rate was very small -- only 0.1 percentage points on an unrounded basis. For most demographic groups, the rate of unemployment changed little.

Employment, as measured by payroll data of nonfarm establishments, increased about 200,000 last month (adjusted for workers on strike) This is a rise of about 2-1/2 percent at annual rate. The average length of the workweek declined, however, in both durable and nondurable manufacturing. Aggregate hours worked in February at private nonfarm businesses were about the same as the average of the fourth quarter of 1979.

Since the end of the first program year, wage rate increases have been getting larger. In February, the average wage rate in private business rose at nearly a 10 percent annual rate. In the four months since October, the annual rate of rise has been 9-1/2 percent. From October 1978 to October 1979, by contrast, the increase was 7.7 percent. This acceleration in wage costs is another factor putting upward pressure on prices.

The price and employment data taken together will probably be interpreted by the press as evidence confirming the growing view that inflation is out of control. The employment data indicate that an economic slowdown is not yet underway or just around the corner; moreover, the price data, on the surface, are very bad. Knowledge that the Administration is planning a new attack on inflation may prevent another serious worsening of inflationary expectations. But the attitudes of the public are already so bad, particularly in financial markets, that it will take decisive steps to restore confidence in our ability to deal with the economy's problems.

THE WHITE HOUSE

WASHINGTON

March 6, 1980

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M.*
SUBJECT: Trucking Deregulation Bill

The Senate Commerce Committee began markup today on the trucking deregulation bill and the results were very encouraging. The votes on the critical issues of entry, restriction removal, and antitrust immunity were extremely close with the Committee generally preserving the progressive features of the Cannon-Packwood bill. An amendment to broaden significantly the agricultural exemption, which we support, did not pass. However, reconsideration votes have been requested on both the agricultural exemption and antitrust immunity provisions.

The Committee plans to complete markup on Tuesday, March 11. Between now and then the truckers and Teamsters will put extreme pressure on key Committee members, particularly with regard to reconsideration votes. This will require us to pull out all stops to maintain our strong position.

Yesterday, I requested that you place telephone calls to Senators Riegle and Heflin. With the change in the situation, it would probably be advisable to delay those calls until we analyze updated information from the Committee and other sources. We anticipate the need to change our request and I will notify you of our recommendation at the earliest possible time.

C

THE WHITE HOUSE
WASHINGTON

March 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

SUBJECT: Trucking Deregulation Bill

The Senate Commerce Committee began markup today on the trucking deregulation bill and the results were very encouraging. The votes on the critical issues of entry, restriction removal, and antitrust immunity were extremely close with the Committee generally preserving the progressive features of the Cannon-Packwood bill. An amendment to broaden significantly the agricultural exemption, which we support, did not pass. However, reconsideration votes have been requested on both the agricultural exemption and antitrust immunity provisions.

The Committee plans to complete markup on Tuesday, March 11. Between now and then the truckers and Teamsters will put extreme pressure on key Committee members, particularly with regard to reconsideration votes. This will require us to pull out all stops to maintain our strong position.

As updated information is transmitted from the Committee and other sources, we anticipate the need for you to become involved. I will notify you of our recommendations for telephone calls at the earliest possible time.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

07 Mar 80

Frank Moore

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

Rick Hutcheson

PH

NAME Willie Nelson

1066

TITLE _____

F.M.

CITY/STATE _____

Requested by Frank Moore

Phone Number--Home (512) 264-1702

Date of Request 2-29-80

Work () _____

Other () _____

INFORMATION (Continued on back if necessary)

Willie has agreed to perform for two shows at the Fox Theatre in Atlanta on April 15. We expect to raise over \$175,000 with this event. You should call him and thank him for agreeing to do the concert on April 15th. Tell him you will not be able to attend, but you are sending Chip as your representative. Ask him to appear at a reception prior to the concert.

NOTES: (Date of Call 3-6)

*Glad to help
Will do as asked*

20

NAME Tom Harkin

1084

TITLE Congressman

F.M.

Requested by Frank Moore

CITY/STATE Iowa

Date of Request March 5

Phone Number--Home ()

Work (202)225-3806

Other ()

INFORMATION (Continued on back if necessary)

Congressman Harkin would like to talk to you about the situation in El Salvador. He will advise you to answer the Archbishop's letter rather than Secretary Vance. After spending some time in the country, he feels that he knows how much influence the Archbishop's radio broadcasts have on the people and wants to suggest that we help rebuild the radio station.

NOTES: (Date of Call 3-6)

*Write great ambassador
Good people oppose \$ 44 mil FMS
Pres answer Archbishop's letter - His radio
station destroyed*

Director of Self-help
Development Fund
Nat Consumer Bank
Dr. Virgil Wood
recom by Daddy King

Director of Selfhelp
Development Fund
Nat Consumer Bank
Dr. Virgil Wood
recom by Daddy King

For the record:

Comments made
in call to Daddy King
3/6/80

THE WHITE HOUSE
WASHINGTON

07 Mar 80

Frank Moore

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

Rick Hutcheson

ORIGINAL TO EV SMALL FOR HANDLING
AND DELIVERY

THE WHITE HOUSE

WASHINGTON

3-7-80

To Cong Bill Ford

Congratulations on your
receiving the Doctor of
Laws degree from Wayne
State University. It
is certainly a well
deserved honor.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

07 Mar 80

Frank Moore

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

Rick Hutcheson

ORIGINAL TO EV SMALL FOR HANDLING
AND DELIVERY

THE WHITE HOUSE

WASHINGTON

March 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
FRANK MOORE

SUBJECT: Florida Condominium Issue

Congressman Lehman has requested a letter from you reaffirming Administration support for the legislation to resolve the Florida condominium recreation lease issue. Attached is a draft response, which cites our recent progress on the bill. The speechwriters have already approved this letter.

THE WHITE HOUSE
WASHINGTON

07 Mar 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

March 3, 1980

Q

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON
ARNIE MILLER

Jack
AM

SUBJECT:

Presidential Appointment

We join Secretary Andrus in recommending the appointment of Clyde O. Martz to be Solicitor of the Department of the Interior.

He is currently a Partner in the Denver firm of Davis, Graham and Stubbs, and an Adjunct Professor of Law at the University of Denver, where he specializes in water, oil and gas law.. Before entering the private practice of law, he was a Professor of Law at the University of Colorado and prior to that was an Assistant Attorney General of the United States.

Because of his extensive background and experience in natural resource law, we believe that he is well qualified to carry out the duties and responsibilities of the position and will be an asset to your Administration.

RECOMMENDATION:

We recommend that you nominate Clyde O. Martz to be the Solicitor of the Department of Interior.

approve disapprove

CLYDE O. MARTZ

Colorado

EXPERIENCE

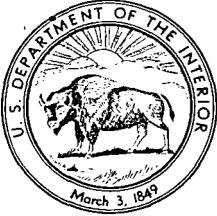
1969 - Date	Partner, Davis, Graham and Stubbs Denver, Colorado
1967 - 1969	Assistant Attorney General of the United States Denver, Colorado
1962 - 1967	Davis, Graham and Stubbs Denver, Colorado
1947 - 1962	Professor of Law University of Colorado

EDUCATION:

1937-1941	University of Nebraska, A.B.
1941-1947	Harvard Law School, LLB

PERSONAL

White Male
Age 59



THE SECRETARY OF THE INTERIOR
WASHINGTON

FEB - 1 1980

The President
The White House
Washington, D. C. 20500

Dear Mr. President:

I recommend the nomination of Clyde O. Martz for Solicitor of the Department of the Interior.

Mr. Martz is currently a partner in the firm of Davis, Graham & Stubbs, Denver, Colorado, and an Adjunct Professor of Law at the University of Denver. He was Assistant Attorney General of United States during 1967-1969.

Because of his extensive background and experience in natural resource law, we believe that he is well qualified to carry out the duties and responsibilities of the position and will be a credit to your Administration.

Respectfully,

CECIL D. ANDRUS
Secretary

Enclosures:

Resume of Clyde O. Martz
Personal Information Sheet
Information Requested of Prospective
Nominees and Financial Statement
Internal Revenue Service Form 1040
for 1976, 1977, and 1978
Standard Form 86 (4 copies)
IRS Consent Letter (4 copies)
FBI Consent Letter (4 copies)
Educational Consent Letter (4 copies)

THE WHITE HOUSE
WASHINGTON

*Phil has
Seen*

1:30pm

THE WHITE HOUSE
WASHINGTON

3/7/80

Mr. President:

Sec. Goldschmidt has asked to see you for 10 minutes today to discuss the politics of an oil import fee. Watson approves such a meeting. May I schedule?

yes no

Phil

11:55 AM

THE WHITE HOUSE

WASHINGTON

March 6, 1980

MEETING WITH MARY G. F. BITTERMAN

Friday, March 7, 1980

11:55 a.m. (3 minutes)

The Oval Office

From: Al McDonald *Al*

I. PURPOSE

To greet newly sworn-in head of Voice of America and press opportunity.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Dr. Bitterman was sworn in as the head of the Voice of America on March 5. This outstanding woman comes to Washington from Honolulu, where since 1974 she has been Executive Director of the Hawaii Public Broadcasting Authority and General Manager of Public Television Station KHET.

She was also active in various community activities and was formerly Vice Chairman of the Democratic Party of Hawaii. Senators Inouye and Matsunaga and State Party Chairman Hirabara strongly recommended her for her position.

Born in San Jose, California, in 1944, Dr. Bitterman received a BA from the University of Santa Clara (1960), and a Ph.D from Byrn Mawr College (1971).

The VOA currently broadcasts 822 hours in 38 languages to an estimated weekly audience in excess of 75 million. During your Presidency, the VOA has enhanced its reach, impact and influence overseas. Following your message to Congress on international broadcasting in March 1977, the VOA augmented its broadcast capability.

As a result, VOA expanded its broadcasts to Africa and China, and in the past six months VOA has increased its broadcasts to the Islamic world.

Soviet dissident Alexander Ginsberg recently stated when asked how many listeners VOA has in the USSR, "you have as many listeners as Pravda has readers--everyone listens."

VOA's parent agency, the International Communication Agency, was the subject of the second reorganization plan you submitted to Congress. Reorganization has proceeded smoothly.

- B. Participants: The President; Dr. Mary Bitterman; Mr. John Reinhardt, International Communication Agency Director.
- C. Press: Open coverage. We anticipate considerable press interest due to VOA's media links and to several recent press reports suggesting WH (NSC) criticism of VOA's broadcast activities in the Middle East.

III. TALKING POINTS

1. The Voice of America plays an important role in the achievement of our policies. In many instances, it is our only means of communicating objective news and the truth about our policies and our society to the millions of people in closed societies like the Soviet Union.
2. That is why the credibility of the Voice is so essential. Mary, I want you to continue to safeguard that credibility above all, but I also want you to be certain that VOA is making American policies unmistakably clear.
3. You and the many dedicated employees at the Voice have my full support. I want VOA to be the best in the business.
4. John, you will continue, of course, to keep me fully informed not only on the Voice, but on the work of the International Communication Agency as a whole.

1:00 PM

THE WHITE HOUSE

WASHINGTON

March 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON
GENE EIDENBERG *Gene*

SUBJECT: Meeting with Secretary Shirley Hufstedler
Friday, March 7, 1980
1:00 p.m. (15 minutes)
Oval Office

Participants

Shirley Hufstedler
Gene Eidenberg

Purpose

Secretary Hufstedler requested the meeting with you to:

1. brief you on the status of senior appointments in the Department of Education; and
2. discuss her plans for "E-Day" -- the day the Department of Education will formally come into being.

Background

When you last met with Shirley, you emphasized the need to recruit a black Under Secretary. Since then, she recommended and you approved the appointment of Steve Minter who is black and the Vice President of the Cleveland Foundation as the Under Secretary. We have now filled 13 of the Department's 19 senior positions. Of these, 5 are women, 3 are black, and 2 are Hispanic. Shirley intends to move quickly on the remaining six vacancies.

The Education Department legislation provided six months to activate the Department. The transition effort is nearly completed and Shirely wants to discuss with you a specific date on which you can issue the Executive Order formally establishing the Agency. She believes, and I agree, this occasion ("E-Day") offers a good opportunity to highlight publicly one of your major domestic accomplishments.

Nation-wide activities marking this day are being planned. The Secretary will request that you and the first family participate in events on this day, including a White House ceremony and perhaps an evening Kennedy Center "Salute to American Education."

The Vice President, Anne, Landon, and Les Francis agree with me that your personal involvement in part of the day is both essential to its success and politically useful as well. The Vice President has asked to be involved, also.

Talking Points

- o You can congratulate Shirley for her strong affirmative action effort to date; in particular, her success in recruiting a black Under Secretary.
- o You should ask Shirley to make a major effort to attract one additional Hispanic to a Presidential appointment position. (This would demonstrate our good faith in this area, which is important in the remaining fallout from not appointing Jerry Apodaca as Secretary.)
- o You should applaud Shirley's plans for "E-Day." A commitment to participate in a morning White House ceremony would please Shirley very much. We can work out details with Phil Wise, and Anne Wexler on the arrangements for this ceremony.
- o I recommend that you defer any commitment for an evening event until you review your schedule with Phil. Perhaps the Vice President will want to do the evening event.

(Note: As you can appreciate, campaigning is somewhat new for Shirley after 18 years on the bench. She has taken on assignments in Iowa, Florida and Chicago, does well and seems to enjoy it. An expression of your appreciation for her campaign work to date and encouragement for additional activity might be useful.)

3:30 PM

(1)

THE WHITE HOUSE
WASHINGTON

March 8, 1980

MEMORANDUM FOR THE PRESIDENT
FROM ANNE WEXLER *Anne*
SUBJECT BLUE RIBBON COMMISSION

I think it's fine to have a group of famous people serve on a commission on energy conservation, but it should not be a substitute for a carefully planned program run by DOE. There is a real danger of this happening. It would be a severe mistake in my view to have a commission of sparklies who have no definition of how they fit into a comprehensive Presidential program for energy conservation (which we don't have.)

THE WHITE HOUSE
WASHINGTON

March 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM : AL MCDONALD *AM*

Attached are the summarized results to date of our extensive consultations on inflation in case you want to scan through them. The consultative sessions with the private sector covered some 400 individuals in over two dozen groups. In addition to the working party sessions with Congress, Administration officials have also consulted with approximately 100 Members and Senators.

Because of the critical domestic importance of this issue, your favored approach of widespread participation in the decision-making process is being vigorously pursued.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 5, 1980

FOR : EPG Steering Group

FROM : AL MCDONALD *AM*
ANNE WEXLER *AW*

SUBJECT: Inflation Consultations

We have coordinated an extensive and productive series of consultations with 20 business, consumer, minority, and other interest groups over the last five days.

The Results

A number of clear impressions come through from these consultative sessions:

(1) Essentially all groups feel that the problem of inflation is serious enough to warrant strong, aggressive action and some hard, tough political choices which may result in pain and hardship.

(2) Most groups feel that the psychology of the problem--the expectation of higher inflation in the future--is a major threat to our ability to curb inflation and demands a highly credible response with no superficial or "minor" maneuvers.

(3) Among the broader-based groups, there is a fair degree of support for cutting the budget deficit. However, representatives of individual interest groups are vehemently opposed to cuts in their own programs. Their support--or even their neutrality--can only be obtained with a sense of genuine even-handed treatment.

(4) Among some constituencies, there is still a very strong sentiment for wage and price controls, at least on a temporary basis, which they can assess individually more easily than the complex fundamental solutions. Many believe controls would help bring equity to the solution or at least more predictability to their situation.

Next Steps

There are a number of next steps that appear essential to build a public base of support:

(1) Whatever the President's program, it must be accompanied and followed by a vigorous and extensive notification and explanation program. This program should encompass one of the most comprehensive public liaison efforts we have attempted including speakers bureau, regional efforts, White House and Cabinet involvement, extensive media efforts, follow up briefings, special materials preparation, mailings and other activities.

(2) Even before announcing the President's program, we should undertake a continuing communications effort on the undesirability of wage/price controls. Interest groups and the public simply are not well enough informed on why controls do not work to see the necessity for individual sacrifices in the more uncertain environment ahead.

(3) The success of the parallel effort with Congress will influence heavily our results with the constituencies and the public. Therefore, we need to coordinate our efforts closely and build on the joint understandings reached to assure maximum credibility and support for the President's actions.

THE WHITE HOUSE

WASHINGTON

March 5, 1980

MEMORANDUM FOR: ECONOMIC POLICY GROUP - STEERING GROUP
FROM: FRANK MOORE
SUBJECT: SUMMARY OF ECONOMIC CONSULTATIONS
WITH MEMBERS OF CONGRESS

Introduction

Over the last three days, EPG members and Congressional Liaison staff from the White House, OMB, Treasury, and COWPS have met with approximately 80 Members of Congress representing both parties, a majority of them drawn from those committees with major influence over economic policy. To date, 53 written memorandums summarizing these visits have been turned in. The purpose of these visits has been to seek out Members' views on how the Administration and the Congress can best address the nation's economic problems. This interim report discusses the common sentiments among Members expressed during these visits and highlights the more provocative issues that were raised.

Cooperation

There is widespread agreement among Members that the Administration must work closely with the Congress if we are to make real progress in solving the nation's economic problems. The Congress is looking to the Administration for strong leadership, but at the same time they want to know that they are being consulted as decisions are made. Several Members stated that the Leadership and the Administration must reach agreement on a package of legislative proposals prior to the package being made public. One Member stated that his colleagues would be unwilling "to take the heat" for voting against budget-busting bills unless they had a good sense prior to the vote that they would come out on the winning side. There was a general feeling that it would be up to the Administration to make the first move on the decisions likely to prove most unpopular with the public, such as cuts in social security or veterans' benefits, for example.

Balancing the Budget

There is widespread support for balancing the budget as a first and highly visible step toward fighting inflation. Many Members remarked that the public believes this to be the surest way to begin slowing the rate of inflation, and therefore balancing the budget is a "politically imperative" step as much as it is a substantive step. One Member pointed

out that we now have an unusually favorable climate to pursue budget-balancing efforts, since many Democrats are campaigning on balance-the-budget platforms. Several Members cautioned that balancing the budget must be seen as only one piece of the economic strategy. Otherwise, "balancing the budget, like wage and price controls, will become an excuse for doing nothing to deal with the underlying causes of inflation."

Across-the-board Cuts

Members stressed that it will be nearly impossible to pass legislation making cuts in popular programs unless such cuts are drawn from all parts of the budget. The Congress will be more willing to support a package of politically sensitive cuts than it will be to voting for such cuts individually. One Member made the point that the "keys" to balancing the budget are "establishing that a vote against any cut in the President's package is a vote against balancing the budget and getting all authorizing committees to understand that they have to take the medicine of cutting the budget in Fiscal 1980."

In 21 of the 53 memorandums there was an expression of the Member's unwillingness to support cuts in social programs unless there were corresponding cuts in the defense budget. One Member said that he would have to reevaluate his support for the President if the defense budget were left intact at the expense of programs that benefit the poor and minorities. Another said, "We can't talk about the kinds of cuts that affect the poor and the elderly without promising to take the fat out of the Defense Department. Everybody knows it's there."

Indexing

There appears to be considerable support for indexing reforms--either changes in the indexing method itself or placing a cap on indexed increases. Members recognize that the federal government's system of indexing is no longer accurate and needs reworking. Several Members suggested that the President propose a less than full indexing of entitlement programs as part of an overall package, but cautioned that if sent to the Hill by itself, such a proposal would create a "tidal wave" of opposition. Another Member suggested that the President propose a temporary reduction in the indexed increase and then take time to work on the reform of the CPI itself.

Specific Recommendations

After cuts in the defense budget, cutting or eliminating the revenue sharing program, particularly the state share, was mentioned most frequently as a cost-cutting measure. The

following were also frequently mentioned as ways of controlling inflation and/or improving the economy:

- o credit controls (particularly on consumer purchases and if tied to reductions in interest rates)
- o export promotion
- o wage and price controls
- o eliminating all new programs in the FY 1981 budget
- o regulatory reform
- o relaxation of environmental standards such as emission controls
- o a youth differential or subminimum wage
- o implementation of user fees
- o cuts in foreign aid programs

It was suggested by one Senator that the President announce several highly visible moves that can be "seen and felt quickly by the average citizen"--such as a freeze on the purchase of new furniture by government agencies. This same Senator feels that there should be "phases" in the anti-inflation effort--some quick and visible steps in the first phase and a second phase that occurs over a longer period of time.

A number of Members stressed the link between the nation's economic problems and its energy problems. As one influential Senator put it, "we cannot get control of inflation without doing a better job on energy, and the Congressional Leadership ought to be told to knock heads and get the job done." There appeared to be considerable support for gas rationing and gas taxes as a means of reducing our dependence on foreign oil imports.

Tax cuts and changes in tax laws drew little support from the Members we've talked to.

Business

In general, there was widespread agreement that it is necessary for the President to remove the expectation of continuing inflation and to show his absolute commitment to attack successfully the problem. In sum, business felt that the proper signals about the Administration's commitment against inflation will guide market forces already at work and will eliminate the need for controls. Coupled with the proper short-term signals, a commitment should be made to address the long-term structural causes of inflation.

In addition, there was substantial consensus that the leadership of the Congress be wired in advance. It was the general view of business leaders that if we do not gain agreement from Congress prior to our announcements, any policies requiring legislation will bog down and, thus, credibility of the program will be diminished. Finally, there was agreement that our time window was three weeks at most.

The business community and its components stand ready to back a credible and sound joint Administration/Congressional anti-inflation package. It is important for business to see the President making some decisions that are perceived as politically impossible (like the grain embargo) and for the President to engage in hard hitting and continual jawboning - beginning with an explanation to the American people of where we are and where we are going (short and long term).

BUDGET

All business groups ranked a balanced FY 81 budget or reduced deficit as the absolute signal that the President means business. Many of the 10-5-3 proponents felt that we could simultaneously accomplish both a supply side tax reduction and a significantly reduced deficit because of the lack of immediate budget impact of this type of tax reduction. However, an unusual consensus (economists from BRT companies, small business representatives, Wall Street leaders) agreed that balancing the budget was the most important thing that we could do. These comments were in the face of deciding between tax cuts and a balanced budget. They felt that reducing the FY 81 budget did not have nearly the positive impact that balancing it would have.

More sophisticated business representatives also suggested spending cuts in FY 1980 to enhance our commitment. Should the international situation necessitate increased defense spending, financial leaders suggested the Administration should remain committed to no overall increase in outlays, limiting spending to some percentage of GNP. Finally, they recommended an effort to limit off-budget expenditures.

CAPITAL FORMATION

While there is almost universal desire for a "supply side tax cut", the consensus among most was to put the money into deficit reduction or removal before any tax cuts. Most, upon reflection, don't really feel that Congress would pass a productivity oriented cut without a consumer component. The Chamber feels that we can do the budget and a version of 10-5-3 and that if the Administration doesn't, Congress will. Others felt that any tax reduction would destroy the credibility of any anti-inflation plan that the Administration advances.

MANDATORY WAGE/PRICE CONTROLS

Universal opposition. Some felt that as long as the COWPS extension is pending, business will continue to worry about the possibility of mandatory controls. Some thought the President should veto any COWPS extension if it has wage/price authority. Because some anticipatory price increases are occurring as if controls were around the corner, many urged continued reaffirmations of the President's opposition to controls.

The voluntary guidelines received a mixed review. They are viewed by some as restrictive, overly complex, inconsistent, and, as cost pressures rise, increasingly difficult to comply with. Others feel they are a useful mechanism for restraining wage and price inflation as part of a larger package of anti-inflation measures. Even those who oppose the guidelines, however, agree that removing them now would create misleading signals.

CREDIT CONTROLS

Universal opposition, except for thrift institutions. Several reasons are given. First, they are not needed. Market forces are seen as working and would handle the problem by the time controls could be in place. There is no real explosion in credit (however, the point was made that many large businesses had

been expanding repayment terms for suppliers). Others felt that imposition of credit controls could increase the fear of wage/price controls. Autos, housing and retail are major objectors to credit controls. Finally, some said that credit controls would shift the blame for the denial of credit to the President when, because of market forces, credit institutions would have to deny credit anyway.

MONETARY POLICY

Agreement generally that we should continue to support the Fed's actions. However, small business and the economists agree that there is still too much monetary strength, that money is still too available. This includes the approximately \$60 billion in money market certificates not counted in M1. One economist felt that we should let housing take its traditional beating (representatives from the housing industry feel that they already are - they project less than 1,000,000 starts in 1980).

CONSUMER PRICE INDEX

Almost all agreed that the CPI overstated the numbers and was a cause of inflation. A few urged that we revise the CPI or cap it regarding entitlements programs. Most felt that it was politically unwise to attempt to change the CPI now, but that we could undertake a review as a long-term measure. The Chamber suggested that we should divorce CPI revision from any anti-inflation package as it would undermine the credibility of the whole program. Most were not aware of the alternative reassessments from BLS (e.g. X-1), but urged an effort to make them better known. In addition, it was mentioned that the auto rebates are also not reflected in the CPI.

ENERGY

There was no general consensus about what steps to take on energy although most recognize that energy plays a major role in our inflation problems. Recognizing their impact on the CPI, a gas tax, import fees, and an acceleration of decontrol did not receive wide support. Gas rationing was soundly opposed. Some scattered suggestions made:

- 1) Shale oil land owned by the government should be released and impediments for its use be cut. Ditto coal.
- 2) Incremental pricing of natural gas continues to skew the market and cause inflation. Eliminate the incremental pricing program.
- 3) More public lands for exploration (Alaska, etc.).

REGULATIONS

All felt that dramatic signals needed to come from the Administration on the regulatory front. While the President's commitment to regulatory reform is known, there is the sense that the agencies are not responding to his lead on this issue. The inflationary impact of regulations is seen as likely to be more severe in the future than what has already been experienced. Suggestions included the following:

- From an auto economist - tremendous increases in mandated costs, i.e., diesel particulates, passive restraints. He suggested a moratorium (not a rollback) of pollution control regulations.
- Davis Bacon was discussed by construction groups and all small business attendees. DOL's 7Q proposal would extend Davis Bacon into private work for contractors who do a certain amount of government work. One suggested that we let business go after Davis Bacon, with an agreement by the Administration that we not veto elimination or modification of Davis Bacon if passed by the Congress.
- API suggested that the President announce a freeze or administratively changed set of major regulations with an announcement of further study. For example, air bags (passive restraints) will be mandated on every car. They question why the government mandates this system (which otherwise would be available to consumers if they choose to pay for it) when lives can be saved by simply buckling the seat belts currently available.
- It was suggested that the regulatory agencies keep inflation in mind when issuing regs. Most agreed that the regulators pushed regs to the absolute limit of their discretion.
- Much discussion about prohibitive environmental regulations, particularly those dealing with energy (coal burning, mine safety, etc.) - suggested that the President bite the bullet and freeze, change or eliminate those regulations that impede reaching our energy goals. Bethlehem Steel said that they have to import coke because of environmental regulations.
- Jack Post suggested that the President recommend to Congress a program that would ask that various deadlines for regs be extended.

MISCELLANEOUS

- Establish a youth differential in the minimum wage.
- Cut the Clean Air Act requirements by 10%.
- Institute a federal hiring freeze (not mentioned often).
- Cut regulatory budgets and/or numbers of regulators.

Wall Street

Wm. Milford Batten

Robert Gardner

John Gutfreund

John F. McGillicuddy

Donald Regan

William Spencer

John C. Whitehead

Robert H. B. Baldwin

New York Stock Exchange

Dean Witter Reynolds, Inc.

Salomon Brothers

Manufacturers Hanover Trust Co.

Merrill Lynch Co.

Citicorp/Citibank

Goldman, Sachs and Co.

Morgan Stanley Co., Inc.

Business Roundtable Economists

Jerry Trautschold	Mobil
James Hanson	Exxon
Daniel Hodes	GTE
Walter Joelson	GE
Stanley Malcuit	ALCOA
Kenneth Militzer	AT&T
Robert Mooney	J.C. Penney
Dean Peterson	Nabisco
Frank Poper	International Paper
Marina Whitman	General Motors

Financial Institutions

Willis Alexander	American Bankers Association
Steve Braswell	Prudential
Robert James	Bank of America
Ted Rogers	Nationwide Insurance
Robert Royer	Securities Industries Association
Frank Schiff	CED
Michael Stevenson	Savings and Loan Foundation, Inc.
Arthur Weimer	U.S. League of Savings Foundations
Kenneth Wright	American Council of Life Insurance

Corporate Representatives

Earl Bassett	3M Company
George Esherrick	U.S. Steel
William Hart	Columbia Gas System
Sidney Hawkes	Mead Corporation
Frank Jones	ALCOA
John Klocko	DuPont
Philip Knox	Sears
Charles McKittrick	IBM
Nancy Reynolds	Bendix
Bob Scheerschmidt	Xerox
Dick Sewell	Florida Power & Light
Don Smiley	Exxon
Wayne Smithey	Ford
Ed Twine	ARCO
Bill Wickert	Bethlehem Steel

Trade Associations - Group I

Al Abrahams	National Association of Realtors
Bernard Falk	National Electrical Manufacturing Association
Vic French	National Retail Merchants
Loyd Hackler	American Retail Federation
Bud Lawrence	Associated General Contractors
Malcolm Lovell	Rubber Manufacturers
William McCollam	Edison Electric Institute
Norma Pace	American Paper Institute
David Stahl	National Association of Home Builders

Small Business

Sylvester Bass

National Business League

Steve Denlinger

Latin American Manufacturers Association

Herman Director

National Small Business Association

Ivan Elmer

Center for Small Business (U.S. Chamber)

Leo McDonough

Smaller Manufacturers Council

Dean Treptow

Independent Business Association of
Wisconsin

John Gray

National Asphalt Paving Association

Trade Associations - Group II

Hearbert Beatty	Associated General Contractors
Charles Dibona	American Petroleum Institute
Dan Gerkin	Mining & Reclamation Council
Gene Higgins	Associated Builders & Contractors
Al McDermott	American Hotel-Motel Association
Nel Offen	Direct Selling
Bob Peabody	American Iron & Steel Institute
Kolbet Schrichte	National Restaurant Association
William Jobe	International Snowmobile Industry Association
Frank McCarthy	National Automobile Dealers Association
Fred Danzer	Tobacco Institute

INFLATION CONSULTATION WITH BUSINESS EXECUTIVES

Robert Abboud, Chairman
First National Bank of Chicago

Theodore F. Brophy, Chairman
General Telephone & Electronics Corp.

Frank T. Cary, Chairman
International Business Machines Corp.

James H. Evans, Chairman
Union Pacific Corporation

Fred Hartley, Chairman
Union Oil Company

Ralph Lazarus, Chairman
Federated Department Stores, Inc.

Thomas A. Murphy, Chairman
General Motors Corporation

Charles J. Pilliod, Jr., Chairman
The Goodyear Tire & Rubber Co.

Irving S. Shapiro, Chairman
E.I. du Pont de Nemours & Co.

Mark Shepherd, Jr., Chairman
Texas Instruments Incorporated

George A. Stinson, Chairman
National Steel Corp.

John Post, Executive Director
The Business Roundtable

Walter B. Wriston, Chairman
Citicorp.

AGRICULTURAL

Agricultural

The agricultural community feels it has borne the brunt of inflation. Its operations are particularly vulnerable to energy and interest costs and lack the cost passthrough mechanism. While they support budget cuts as necessary, they oppose cuts in agriculture because agriculture is already depressed. As support they cite a forecasted 20+% decrease in projected income for 1980.

Even so, some in the group indicated they would consider support if the budget cuts were uniform and fair.

Other views included general support for controlling regulations and for credit allocation favoring productive segments of the economy.

Agricultural

Marvin Meek

American Agricultural Movement

Edward Andersen

National Grange

Charles Frazier

National Farmers Organization

Vernie Glassen

American Farm Bureau Federation

James Krzyminski

National Council of Farmer Coops

BLACKS

March 3, 1980

BLACKS

As a group, representatives of the black community believe the President should be more aggressive with inflation, which they view as the most serious problem facing the nation.

Budget Cuts

With the exception of general revenue sharing which at least one participant thought should be cut substantially, the group unanimously opposed budget cuts as an inflation fighting measure. The reason given is that the proposed cuts would only decrease the inflation by .2 percent over a three year period and therefore do not justify the harm that would result from the curtailment of federally generated jobs and social programs. In the event budget cuts are adopted, it was suggested that the defense budget be included.

Wage and Price Controls

The group generally favored controls. One participant suggested that the controls be voluntary because the process of obtaining Congressional approval would result in significant interim price increases and numerous exemptions for special interest groups. It was also recommended that the President declare a state of "economic emergency" to set the tone and prepare the public to accept harsh measures.

Gas Rationing

All participants favored gas rationing with the caveat that any rationing plan should have built in protections for low income individuals who must use their automobiles to reach jobs. It was suggested that support for mass transit accompany any rationing plan.

There was disagreement on the decontrol of oil prices. One participant suggested that in view of current excess oil company profits there can be no justification for the current price of \$1.30 per gallon.

Credit Controls

There was unanimous agreement on the need for credit controls. It was pointed out that high interest rates do not discourage borrowing in a time of high inflation because the actual cost to the borrower is merely the difference between the interest rate and the inflation rate. It was recommended that restrictions be placed on consumer as well as corporate borrowing.

Interest Rate Controls

One participant recommended a ceiling on the interest rates and that interest on savings accounts be exempt from federal taxation.

REPRESENTATIVES OF BLACK ORGANIZATIONS

National Urban League

Delta Sigma Theta Sorority

National Urban Coalition

American Savings and Loan League

National Bankers Association

NAACP

Joint Center for Political Studies

National Association of Real Estate Brokers

AFL-CIO

Minority Truckers Association

Associated Minority Contractors

Black Women's Agenda

CIVIC/EDUCATION

Civic/Educational

Inflation and particularly energy costs have severely stressed cities and academic institutions, resulting in an eroded revenue and capital base. In spite of this, budget cuts would be supported if they are equitable and do the following:

- o achieve energy independence
- o rebuild the capital base
- o make long-term economic sense as opposed to more politically acceptable across-the-board cuts

Restoring confidence and eliminating the psychology of inflation were viewed as the critical elements toward a solution. The President was viewed as a key player in this effort. Finally, the group supported tighter controls on the regulatory process.

Civic/Education

Jim Peterson	Council for Urban Economic Development
Paul Salomon	American Association of School Administrators
Allan Ostar	American Association of State Colleges and Universities
Jim Sullivan	National Association of Independent Colleges and Universities
Jack Peltason	American Council on Education
Robert Spanogle	American Legion

CONSUMERS

March 3, 1980

CONSUMERS

Representatives of consumer groups hold a diverging series of views on how to combat inflation. They generally are strongly opposed to budget cuts as a near-term anti-inflation tool and, they feel that we must be willing to engage in some tough political fights which will have only long-run benefits. They put greatest emphasis on the energy problem, supporting a gasoline tax coupled with "lifeline" protections. They also support cuts in agriculture support programs such as dairy and the maritime programs.

Many representatives felt that we must devote more attention to the sectors of the economy which have the highest inflation rates. One suggested that we set targets for inflation rates in the major sectors and make policy decisions to achieve these targets. There was some support for wage/price controls to give us breathing space to implement other changes. They prefer retroactive controls to prevent permanent increases while the legislation is being considered.

There is a general feeling that monitoring the price guidelines should be increased and that more "muscle" should be used against violators.

Budget Policy

There was widespread and vigorous agreement that balancing the Federal budget was more of a political gimmick than a real solution to the problem of inflation. Many in the consumer movement will fight an effort to cut the budget. Others will take a close look at the proposed individual cuts to ensure that the cuts are not confined to social programs.

One representative suggested a DOD ombudsman to investigate cost overruns on defense contracts. Another person stated that budget cuts should not include food research programs since this type of research can help to hold down food prices ten years from now.

Energy

There was considerable criticism of the announcement that we had ruled out a 50 cents/gallon increase in gasoline taxes. In addition, one person suggested a heavy tax on all petroleum, coupled with some sort of "lifeline" proposal to insure a basic amount of energy at current prices. He also suggested oil import quotas and breaking up the major energy companies.

Other suggestions were:

- o Jawboning utility rates
- o Examination of communications between oil companies and OPEC nations
- o Increase in conservation tax incentives
- o More aggressive action on rebates of oil company overcharges
- o A tax on gas guzzlers
- o Abandoning the synfuels program

Health

One person suggested that if hospital cost containment legislation is dead, we increase our monitoring of hospital costs under the guidelines program. Another suggested that we push for a significant expansion of user-controlled health care cooperatives.

Food

Several people suggested that we take a hard look at agricultural price support programs, especially since the evidence indicates that landowners are the main beneficiaries. One person suggested that we push for repeal of state sales taxes on food in those 20 states with such a tax.

Housing

One person suggested that if we utilize selective credit controls, we make a special effort to protect first-time home buyers.

CONSUMER REPRESENTATIVES

March 3, 1980

<u>Name</u>	<u>Organization</u>
Roger Hickey	COIN
Glenn Anderson	Cooperation League of USA
Alan Ferguson	Public Interest Economic Group
Rod Leonard	Community Nutrition Institute
Jeffrey Erwin	Consumer Federation of America
Mark Silbergeld	Consumer's Union
Jay Hedlund	Common Cause
William Spratley	National Association of State Utility Consumer Advocates
Sandra Willett	National Consumer's League

ELDERLY

March 4, 1980

ELDERLY

The unanimous concensus of the representatives of elderly groups was that the fight against inflation must not be waged on the backs of those least able to bear the burden -- the poor and the elderly on fixed incomes. Curtailing their income via limiting their social security cost of living increases is admittedly the most visible and easy step to take, but it would be more show than substance and have little effect on the type of runaway inflation prevalent today.

A primary theme was equity of sacrifice, but the point was made that an across-the-board sharing of the burden in the inflationary fight would not, in fact, be equitable inasmuch as it would fall disproportionately on the poor and the elderly who, literally, cannot afford any limitation in their income.

Budget Policy

The group feels that the Administration is doing itself and the American people a disservice by suggesting that balancing the budget is the most effective way to deal with inflation. The feeling was expressed that this would have little impact. Their opinion is that social security is a compact which the government is morally obligated to uphold, and should be every bit as binding as government interest payment requirements. In suggesting that the social security compact might be breached as an anti-inflationary tool, it is implicit that our debt to the elderly can be broken, while the debts in the money market are sacrosanct.

It was stressed that a determined effort at closing tax loopholes for the wealthy would indicate the Administration's seriousness in the inflation fight.

A general feeling of resignation was expressed that the Administration did not have the political courage to attack the "sacred cows" in the economic scene, but would rather attack the most vulnerable targets -- the poor and the elderly.

Controls

It was generally agreed that the inflationary psychology must be broken, and that could be done by the dramatic act of instituting wage and price controls for a period of time accompanied by a discriminating incomes policy.

The Administration was criticized for allowing the Federal Reserve to push up interest rates on a uniform, shotgun basis while not considering selective exceptions, such as the housing market where there is a great demand for housing starts. Lower interest rates in this area would not be inflationary, and would provide a needed increase in employment.

PARTICIPANTS IN SENIOR CITIZEN MEETING

ON INFLATION - 3/3/80

Peter Hughes	American Association of Retired Persons
Cyril Brickfield	and
James Hacking	National Retired Teachers Association
Robert Brunner	
Jake Clayman	
William Hutton	National Council of Senior Citizens
Betty Duskin	
Bert Seidman	AFL-CIO Social Security Department
Larry Smedley	
Edward Wallace	National Center on Black Aging
Edward Howard	National Council on the Aging
David Crowley	American Association of Homes for the Aging
Nelson Cruikshank	
Van Doorn Ooms	White House
Richard Conn	

ENERGY CONSERVATIONISTS

Energy Conservationists

The beneficial effect of energy conservation on inflation and the need to promote conservation were stressed. They suggested the following:

- enhance incentives for energy-saving investments -- e.g. higher investment tax credits to encourage necessary capital for solar, purchase of new buses, etc.,
- improve coordination and consistency among Federal agencies regarding energy policy and regulations,
- provide consistent signals from all Federal agencies on energy conservation,
- maximize energy conservation within the Federal sector -- e.g. set example of ridesharing, building standards, etc.

The group felt that the public does not understand the relationship between energy and inflation. Their primary recommendation was that the President exercise leadership in energy conservation, particularly in educating the public. Among the suggestions were:

- a large-scale public awareness program to which their local organizations could tie media campaigns, directed primarily at clearing up misconceptions about the energy situation and giving clear signals of what can be done -- e.g. the American Bus Association suggested that conservation ads be placed on each of its buses which serve 15,000 communities,
- target sectors which can reduce the importation of foreign oil,
- set clear goals for conservation; encourage voluntary action along the lines of the proposed standby plans.

Energy Conservationists

Tony Adler	Muller and Company
Dick Munson	Center for Renewable Resources
Roger Sant	Energy Productivity Center, Mellon Institute
Washington Abdul Said	American University
Linda Gallagher	Alliance to Save Energy
Sam Ulm	Clearinghouse on Corporate Social Responsibility
Herbert Scheuer	American Public Transit Association
John Mahony	National Association of Van Pool Operators
Norman Sherlock	American Bus Association
William Toohey	Discover America
Jean Hopkins	Institute for Local Self-Reliance
Arthur Cooper	American Automobile Association
Randolph Flood	Jaycees

ETHNIC

March 3, 1980

ETHNIC LEADERS

Leaders of ethnic groups believe there is a strong need for a clear, comprehensive program to combat inflation. They feel that the main element in this program should be a cut in the federal budget deficit, through cuts in expenditures on administrative overhead and personnel, rather than cuts in services and programs.

Budget Policy

Ethnic groups in general feel that there should be cuts in federal spending of between \$10 and \$35 billion. These cuts should apply to all areas, including the Defense Department. However, across-the-board, they believe cuts should be achieved by overhauling administrative bureaucracy rather than cutting services and programs. The prime candidate for this overhaul is the welfare system, where they feel reform is overdue.

In terms of specific budget items, they would oppose cutting the Ethnic Heritage Studies program, bilingual and multicultural programs, and lower income housing development and construction.

Controls

There is general support for controls on both wages and prices, as well as credits. This program should be coupled with a reduction in interest and mortgage rates.

Among suggestions for getting at the psychology of inflation was a national consumer education program, implemented through schools and communities under the aegis of the new Department of Education.

MEETING OF ETHNIC AND COMMUNITY LEADERS

March 3, 1980

<u>Name</u>	<u>Organization</u>
Paul Asciolla	National Endowment for the Arts
Dicran Berberian	ACTION
George Bruno	Kahn, Brown and Bruno
Ray Chesonis	Lithuanian-American Community, Inc.
Mary Conelias	HANACK
Robert Corletta	Neighborhood Development Collaborative
M. Rachel Cuhna	Portuguese Cultural Foundation
Anna Faltus	Czechoslovakian National Council
Thaddeus Gromada	Polish Institute of Arts and Science
Dr. John Gronouski	Board of International Broadcasting
Rev. Ladislaus A. Iranyi	American Hungarian Federation
Maido Kari	Joint Baltic American National Committee
Rev. Alexander Karloutsos	Greek Orthodox Archdiocese of North and South America
Vitaut Kipel	Ethnic Advisory Council, State of New Jersey
Dr. John Kromkowski	National Center for Urban Ethnic Affairs
Harrison Lee	Chinese-American Citizen's Alliance
Tim Maniatis	Order of AHEPA
Al Mazewski	Polish National Alliance
Set Momjian	Democratic Nationalities Committee
George Nesterczuk	Ukrainian National Information Service
Michael Novak	American Enterprise Institute
Jan Nowak	Radio Free Europe
Olgerts Pavlovskis	American-Latvian Assoc. of the U.S.
Aurelia Pucinski	

John Richardson

National Assoc. of Arab-Americans

Fred Rotondaro

Italian-American Foundation

Galina Suziedelis

Catholic University of America

David Ushio

Minority Enterprise Service
Assoc. Corp.

Leonard Walentynowicz

Polish-American Congress, Inc.

Don Wynnyczok

Ukrainian-American Public Affairs Center

James Zogby

Palestine Human Rights Campaign

HEALTH/NEIGHBORHOOD

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Health/Neighborhood

- Budget cuts were resisted in the areas of housing, food, energy assistance, health, education and poor/disabled job assistance.
- There was some acceptance of the structural problems of the CPI and a reluctant acknowledgement of the potential need for capping indexed transfer payments.
- An income surtax was suggested as the preferred means for bringing the budget into balance.
- If cuts have to be made, they should come in new initiatives and in "pork barrel" projects, e.g., water projects, highway programs, and SRC I and II.

Health/Neighborhoods .

Tom Kimball	National Wildlife Federation
John Williams	American Coalition of Citizens with Disabilities
Alfonso Gonzales	National Association of Social Workers
Katherine McCarter	American Public Health Association
Mary Brook	NAN
Woody Ginsberg	CCC
Cushing Dolbeare	National Low Income Housing Coalition

March 5, 1980

PUBLIC INTEREST GROUP LEADERS

STATE AND LOCAL GOVERNMENT GROUPS

Representatives of state and local governments clearly believe that revenue sharing programs are the most likely to receive cuts. Their presentation consisted of stressing how small but important the revenue sharing program was, but they were unwilling to discuss any specific programs or possible modifications.

THE WHITE HOUSE

WASHINGTON

ANTI-INFLATION MEETING
with
PUBLIC INTEREST GROUPS LEADERS

Tuesday, March 4, 1980
Room 248 O.E.O.B.
11:00 a.m.

Participants:

- National Governors Association - Stephen Farber, Executive Director
Deirdre Riemer, Staff Director
- National Conference of State Legislatures - Robert Goss, Director of State-Federal Relations
Tim Masanz, Staff Director
- U.S. Conference of Mayors - John Gunther, Executive Director
Tom Cochran, Deputy Executive Director
- National League of Cities - William Davis, Director of Policy Analysis and Development
George Gross, Director of Federal Relations
- National Association of Counties - Francis Francois, President
Bernard Hillenbrand, Executive Director
- National Association of Regional Councils - Richard Hartman, Executive Director
John Bosley, Assistant Executive Director
- State of New Jersey - Marilyn Berry-Thompson, Director,
Washington Office
- State of Connecticut - Ann Sullivan, Director, Washington Office
- National Association of Towns and Townships - David Gallagher, Economic Development Coordinator

RELIGIOUS

Religious

- The religious group supported mandatory controls at first, but backed off when it was explained why controls are not desirable. In the absence of mandatory controls, they felt that strong jawboning and vigilant monitoring are essential for a credible voluntary restraint program.
- Their major concern is that social programs not bear the brunt of Budget cuts.
- Although ideally budget cuts should be selective and based on merit, as a practical matter they felt an across-the-board budget cut, to include the military, would be the best short-term mechanism for achieving an equitable distribution of sacrifices.
- It was recognized that selective cuts would deteriorate into a special interest free-for-all.
- Moreover, given the international situation with its resulting impact on American attitudes toward improving defense, it was recognized that in a selective approach social programs might fare worse.
- Emphasis was given to the necessity for the President to be on the forefront of the inflation issue. The suggestion was made that he declare a national emergency and call in 200-300 national leaders to elicit commitments for sacrifices in the national interest.

Religious

Martin Sovik	Lutheran Council
Hyman Bookbinder	American Jewish Committee
Henry Brodie	U.S. Catholic Conference
David Brody	Anti-Defamation League of B'nai B'rth
Mark Talisman	Council of Jewish Federations
Robert Tiller	American Baptist Churches
James Wood	Baptist Joint Committee on Public Affairs
Ed Snyder	Friends Committee on National Legislation