

3/27/80

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THE PRESIDENT'S SCHEDULE

NOT ISSUED

Thursday - March 27, 1980

8:00

Dr. Zbigniew Brzezinski - The Oval Office.

✓ 9:00

(60 min.)

Meeting of the Cabinet. (Mr. Jack Watson).
The Cabinet Room.

10:00

Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.

✓ 11:30

(15 min.)

Congressman Bob Edgar. (Mr. Frank Moore).
The Oval Office.

12:00

Lunch with Ms. Meg Greenfield - Oval Office.

✓ # 1:15

(10 min.)

Interview with Ms. Donnie Radcliffe.
(Mr. Jody Powell) - The Oval Office.

✓ 3:00

(15 min.)

Drop-By California State Constituency
Briefing. (Ms. Sarah Weddington).
The East Room.

Cabinet Meeting Thursday, March 27, 1980

THE WHITE HOUSE
WASHINGTON

Cabinet mtg 3-27-80

Budget will be balanced

Full support - brief top people

Econ news ahead not good

Speak in clear, consistent voice

Promote in every speech

Call in ldrs of constituent groups

Anne Wexler will coordinate

Mtgs in Congress

Simultaneous appr. votes (?)

No circumvention on bill

- Possible vetoes - detect early

27 Mar 80

Jim McIntyre

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

Rick Hutcheson

cc: Stu Eizenstat
Jack Watson



U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

No action
J

March 24, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: RAY MARSHALL *Ray*

SUBJECT: Welfare Reform and Elimination of the
Welfare Demonstration Projects

Background

The Employment Opportunities Pilot Program (EOPP) is a 16 site demonstration program designed to test the use of employment and training assistance as an alternative to welfare. This demonstration program will provide essential information on the best ways to implement the jobs portion of the Administration's welfare reform legislation. Many in Congress including Senators Long and Nelson and Congressmen Perkins and Hawkins have considered this program a prerequisite to Congressional action on welfare reform. Moreover, the demonstrations will improve the efficiency, effectiveness and integration of all employment and training programs at the local level.

The demonstration program is now well underway. Thirteen of our 16 sites are operational with the remaining 3 scheduled to begin operations in April. Over 4,200 people have participated in the program as of mid-February. The original plan called for a gradual phase-in of the program to a level of 20,000 slots in the fall of 1980 and to continue at that level throughout FY 1981. In terms of outlays, the program was to spend \$450 million over two years - \$179 million in 1980 and \$271 million in 1981.

The Issue

Jim McIntyre reported to me that during the recent budget discussions between the Administration and the Congress, it was agreed we would eliminate the program. Over a week ago I understood that if the Department could refinance these projects within our revised 1981 resource base that they could be continued. The refinancing option was acceptable to me.

**Electrostatic Copy Made
for Preservation Purposes**

Accordingly, the Department has submitted a plan to OMB that will continue the welfare demonstration program and meet the Administration's and Congressional fiscal policy objectives. We have cutback the program from \$450 million in 1980-81 outlays to \$265 million and done all of the financing in a manner compatible with your outlay objectives in 1980-81. OMB does not disagree with our plan in terms of fiscal policy goals. However, Jim McIntyre and I have not been able to resolve this issue. Jim believes that making any proposal other than elimination would disrupt the Congressional budget process. I believe we could get the support of the budget committees and the appropriation committees. I realize it may be too late to make any change, but I wanted you to know that I think it is a mistake to eliminate this program.

Most importantly, the decision to defer welfare reform and eliminate the pilot projects will significantly erode any opportunity to pass welfare reform legislation in the near future. The liberal, moderate and conservative coalition we had in place earlier this year is already breaking apart and these decisions will signal or be interpreted as a further retreat by the Administration. In addition, the appearance of backing away from welfare reform could become a liability to us in the general election. Secondly, the 16 projects are distributed throughout important rural and urban areas. The OMB proposal would require phasing down most of these projects during the next several months. Both participants and governments operating these programs will be injured. Thirdly, the knowledge base we are developing would be substantially curtailed and thereby set back our efforts to test out and implement key elements of welfare reform at any time in the future.

MCINTYRE



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MAR 26 1980

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Secretary Marshall's Welfare Demonstration Appeal

Secretary Marshall has appealed the elimination of the Welfare Demonstration Projects as part of the current budget reduction exercise. Outlay savings are:

1980	-	\$144 million
1981	-	\$239 million

Our primary reasons for including these demonstrations in the reductions were: (1) our basic philosophy in reviewing employment and training programs was to preserve on-going programs serving those most in need; (2) the projects themselves have had grave start-up problems, are not well managed and are not likely to provide information for policy decisions commensurate with their cost, nor do we believe that the future of welfare reform is tied to continuation of these 16 projects, and (3) we agreed in our Hill consultations that they should be deleted.

1. Welfare Demonstration vs. other CETA: The Secretary's alternative financing option would decrease CETA Title II-D, jobs for the low-income, long term unemployed. The ability to operate II-D successfully is important to our overall strategy of helping the structurally unemployed, who cannot be reached through fiscal or other macro-economic policies. Title II-D is also central to our basic welfare jobs program structure. Although conduct of these demonstrations might, if well run, provide interesting and useful information, it would not be so interesting or so useful as to offset the loss of the jobs in II-D.
2. Project Management: The projects have been marred from the start by poor management and inattention to the important elements that would make success likely. For example, (a) important baseline data planned for collection before program start-up is only now being collected -- hasty start-up was apparently motivated by a desire to

show "progress" to Congressional Committees; (b) there has been little direction to sponsors, suggesting that experimental control over key variables may have already slipped away; and (c) spending to date is so far off plans as to call into question project continuation regardless of this reduction exercise.

Our welfare reform proposal has been in serious trouble all along because of skepticism of our ability to mount so large and complex a system. You have already accepted deferring it to 1983 as part of this reduction exercise. We do not believe continuing these projects is central to Congress' reluctance to pass the jobs portion of our welfare proposal; indeed, continuing the projects may well have the opposite effect.

This reduction exercise is hurting many activities that in a less constrained budget would be worth pursuing. Frankly, I am surprised that the Secretary wants so strongly to cut back the basic program providing jobs for the structurally unemployed as an alternative to these marginal demonstration projects which are so badly off track. The Congressional leadership recognized the lower priority of these projects; that is why they were proposed for deletion. I recommend that you reject the Secretary's alternative.

WATSON

THE WHITE HOUSE

WASHINGTON

March 26, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Supplemental Views on Ray Marshall's
Memorandum on Welfare Demonstration Funds

Over the last twenty-four hours, my office has received calls from Mayor Dick Caliguiri of Pittsburgh, Mayor Woody Dumas of Baton Rouge; Governor Teasdale of Missouri; Ed King of Massachusetts; and other Democrats in Wisconsin, Texas and Ohio about the proposed elimination of this program. Although these calls are probably the result of an organized campaign, they have served to raise a couple of political and programmatic issues that I wanted to pass on to you before you make a decision.

The welfare reform demonstrations are beginning to create a political foundation for future enactment of your welfare reform legislation. Although OMB, DPS, and Labor differ on the total success of these demonstrations, they are beginning to illustrate to the Hill and others that people can be moved from welfare to taxpaying jobs.

The demonstrations are strategically located in several very important political areas (see attached list).

Ray Marshall can finance these projects (or at least some of them) at a reduced total level of funds from Title II(D) funds (public service jobs for the long-term unemployed). The enrollment for this title is nearly 60,000 slots short of the authorized level, and it is likely that these extra funds will be carried over into succeeding budget years. Consequently, I think it makes sense to take some money from that program in order to continue, at least part of, the demonstration effort.

Recommendation

I suggest that you ask Jim to work with Ray, Stu, and me in retaining some of the demonstration programs in selected areas.

Philadelphia, Pennsylvania

Pittsburgh, Pennsylvania

Columbus, Ohio

Dayton, Ohio

Wells County, Colorado

Union County, New Jersey

Baton Rouge, Louisiana

Corpus Christi, Texas

East District, Kentucky

Long Beach, California

Lowell, Massachusetts

Mobile, Alabama

Marathon County, Wisconsin

South Bronx, New York (was about to be added)

Harlem, New York (was about to be added)

Watts area of Los Angeles (was about to be added)

Missouri (state-wide program)

North Carolina (state-wide program)

Washington (state-wide program)

EIZENSTAT

THE WHITE HOUSE

WASHINGTON

March 26, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: WELFARE REFORM DEMONSTRATIONS

Over the last few days I have taken a careful look at both the Department of Labor's and OMB's arguments with respect to continuation of the welfare reform demonstration projects. I believe I understand both points of view.

- o OMB argues that the welfare demonstrations have been discussed with the Hill with agreement among all parties to terminate them. Any move to find alternate means to finance them could be viewed as a breach of the understandings that were reached.
- o Ray Marshall believes continuation of a scaled-back demonstration effort is critical if we are to credibly argue that we have not abandoned our support for welfare reform.

I support Secretary Marshall's request that the Department be permitted to go ahead with a small demonstration program. I fell strongly about this for several reasons:

- o The welfare reforms we have proposed offer employment as the alternative to public assistance. Keeping the demonstration program alive affirms our commitment to this principle, and will be an important signal to the broad coalition that has supported our proposals.
- o Early reports from the field are extremely encouraging. Welfare recipients enrolled in our programs are finding private sector jobs in ever increasing numbers. The demonstrations can provide valuable data to document the fundamental soundness of our proposals.
- o The demonstrations are also providing information that will be extremely useful in helping us improve the management and delivery of employment and training programs in local communities.

- o The Department proposes to support the demonstrations by reprogramming resources. Thus, the budget reductions proposed for the Department can still be achieved.

I would urge you to support continuation of a smaller demonstration program and direct OMB and the Labor Department to work out the exact dimensions and costs.

ID 801706

THE WHITE HOUSE

WASHINGTON

DATE: 25 MAR 80

FOR ACTION: STU EIZENSTAT

FRANK MOORE

JACK WATSON *attached*

ANNE WEXLER

~~BRZEZINSKI~~ *Jim McIntyre - attached*

INFO ONLY: THE VICE PRESIDENT

SUBJECT: MARSHALL MEMO RE WELFARE REFORM AND ELIMINATION OF THE
WELFARE DEMONSTRATION PROJECTS

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

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THE WHITE HOUSE

WASHINGTON

March 25, 1980

MEMORANDUM TO THE PRESIDENT

FROM: JACK WATSON

SUBJECT: Marshall Memo Re Welfare Reform and Elimination of the
Welfare Demonstration Projects

On the assumption that the demonstrations can, in fact, be refinanced out of revised FY 81 moneys, I agree with Ray's position on this issue.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

March 24, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: RAY MARSHALL *Ray*

SUBJECT: Welfare Reform and Elimination of the
Welfare Demonstration Projects

Background

The Employment Opportunities Pilot Program (EOPP) is a 16 site demonstration program designed to test the use of employment and training assistance as an alternative to welfare. This demonstration program will provide essential information on the best ways to implement the jobs portion of the Administration's welfare reform legislation. Many in Congress including Senators Long and Nelson and Congressmen Perkins and Hawkins have considered this program a prerequisite to Congressional action on welfare reform. Moreover, the demonstrations will improve the efficiency, effectiveness and integration of all employment and training programs at the local level.

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The Issue

Jim McIntyre reported to me that during the recent budget discussions between the Administration and the Congress, it was agreed we would eliminate the program. Over a week ago I understood that if the Department could refinance these projects within our revised 1981 resource base that they could be continued. The refinancing option was acceptable to me.

NAME MAYOR BEN DELIETO

1205

TITLE MAYOR

CITY/STATE New Haven, Connecticut

Requested by Phil Wise

Phone Number--Home (203) 787-8200 (Office)

Date of Request 3/26/80

Work () _____

Other (203) 467-9928

INFORMATION (Continued on back if necessary)

MAYOR DELIETO CALLED YOU AT 1:50 P.M.

NOTES: (Date of Call 3-26)

*Will be on team & fighting
until Nov -*

BR

NAME Silvio O. Conte

1206

TITLE Congressman

John White *[Signature]*

CITY/STATE Pittsfield, Ma.

Requested by Frank Moore *[Signature]*

Phone Number--Home () Thru WH Operator

Date of Request 3/25/80

Work () 225-5335

Other () _____

As soon as possible
INFORMATION (Continued on back if necessary)

Conte is the ranking Republican on the Appropriations Committee. While he voted against funds for registration in subcommittee, there is a reasonable chance that he can be persuaded to change. Conte's district has a large student population, including 5 major colleges (Williams, Amherst, U. of Mass., Mt. Holyoke and Smith).

Conte is very important because his vote will influence other Republicans both in Committee and on the floor. You should emphasize: (Over)

~~(These calls should be made as soon as possible.)~~-----

NOTES: (Date of Call 3-27)

*13 colleges in district
Will try - no promise*

- (a) the importance of registration from a military preparedness perspective.
- (b) the adverse "signal" that would be to the Russians and our allies if registration is defeated or if the Congress is badly split.
- (c) that registration is not intended as a first step toward a return to the draft. You support the All Volunteer Force and believe that registration will assist in recruiting since names and addresses will be made available to armed forces recruiters on a voluntary basis.
- (d) the importance of his vote in influencing other Republicans.

The markup will occur at 9:30 a.m. tomorrow morning.

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PSH
NAME Edward P. Boland

1207

TITLE Mr. Chairman

CITY/STATE Springfield, Mass.

Phone Number--Home () Thru WH Operator

Work () 225-5601

Other () _____

Requested by John White/ Frank Moore *FA/m*

Date of Request 3/26/80

As soon as possible.

INFORMATION (Continued on back if necessary)

Chairman of the HUD-Independent Agencies Subcommittee. Boland was extremely helpful to us during Subcommittee consideration. Without his active support, the appropriation would have been killed. Privately, he has expressed doubts about how strongly the Administration is committed to going ahead with registration and whether we are having second thoughts about its political costs.

These calls should be made as soon as possible

NOTES: (Date of Call 3-27)

will help.

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Boland's presence in tomorrow morning's markup and his continued strong support is essential - particularly given the problems we have had with Chairman Whitten on registration in recent weeks. Boland, however, has a conflict in his schedule because the Intelligence Committee, which he also Chairs, is scheduled to hold all day hearings on the CIA charter tomorrow.

You should call Boland as soon as possible to thank him for his strong support thus far and to ask him to continue to lead the effort in the full Committee and on the floor. You should also mention that you are calling Conte and Michel and ask Boland if there is anything else he thinks you should do before tomorrow's vote.

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Box

1208

NAME Robert H. Michel

TITLE Congressman

CITY/STATE Peoria, Ill.

Phone Number--Home () Thru WH Operator

Work () 225-6201

Other () _____

John White *FM*

Requested by Frank Moore *M*

Date of Request 3/25/80

As soon as possible
INFORMATION (Continued on back if necessary)

Michel is both the Republican floor Whip and the second ranking Republican on the Appropriations Committee. He is undecided on registration. Michel is normally supportive on defense issues. However, he reacted very badly to the suggestion that registration was a "signal" to the Russians - arguing that increased defense spending would be a more meaningful signal of our resolve. (over)

These calls should be made as soon as possible

NOTES: (Date of Call 3-27)

Will help get registration on floor " and let them kick it around "

Rescissions/deferred - needs info on total figures

Because of his position in the Republican leadership, Michel's vote is extremely important both in Committee and on the floor. You should emphasize:

- (a) the importance of registration from a military preparedness perspective.
- (b) the adverse "signal" that would be to the Russians and our allies if registration is defeated or if the Congress is badly split.
- (c) the importance of his vote in influencing other Republicans.

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NAME BETTY BAKER

(Place thru Signal Operatr

TITLE _____

Susan Clough

CITY/STATE Bad Tolz, Germany/Flint Kasserne

Requested by _____

Phone Number--Home () thru Signal Operator

Date of Request 3/27/80

Work () _____

Other () _____

INFORMATION (Continued on back if necessary)

Widow of Col. "Bo" Baker. One daughter "Terri". Bo commanded Special Forces in Europe at time of death; and post commander at Bad Tolz. Was with 5th SF when deployed to RVN. SOG operations in RVN. Formed the Ranger unit at Ft. Lewis, Washington. Commandant of Jungle Warfare School in Panama. ACofS, G1 at 82nd Abn Div. Consulted re special group at Bragg last year. Only son, 7 younger sisters, poor family, father died long ago, in Searcy, Arkansas. Played ball with Billy Ray Smith for Razorbacks. Offered pro-football contract; ~~declined and went into Army. (over)~~-----

NOTES: (Date of Call 3-27)

Wants Susan to stay in touch - "Can Sue get off for funeral?"

Funeral in Searcy, Arkansas, moved from Monday to Tuesday for servicemen to get in. Also, reps from units he served with will also be there. Full military funeral, with Special Forces and Ranger honor guard/pall bearers.

Silver Star, Legion of Merit & other decorations. Combat Infantryman Badge, Expert Infantry Badge, Pathfinder, Ranger, Master Parachutist. Army War College, Air Force Command Staff College, BS from Univ of Arkansas; MS from George Washington Univ.

One great guy, didn't play 'politics', just 'ole Bo Baker'.

Died March 24, 1980.

(Misc-worked for General Croesen at Ft. Bragg, and then in Germany where Croesen heads USARER. Croesen feels of Bo like a son, and has been handling everything he can from that end.)

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NAME MRS. BERTHA BAKER

1212

TITLE _____

CITY/STATE Searcy, Arkansas

Requested by Susan Clough

Phone Number--Home (501) 268-3209

Date of Request 3/27/80

Work () _____

Other () _____

INFORMATION (Continued on back if necessary)

Mother of "Bo Baker. Widow of many years; 7 daughters who were younger than Bo. Small southern community, patriotic, Baptist, poor but proud.

Bo went to University of Arkansas. Played with Razorbacks with Billy Ray Smith (also coming to funeral). Distinguished military career.... Sister and family feel (others agree) we lost one of the best officers in the Army & Infantry, who was proud to be in the military (and they too).

NOTES: (Date of Call 3-27)

done -

"Mr. Les, I love you"

WINDFALL PROFIT TAX

- The windfall profit tax will recapture windfalls of producers resulting from the elimination of oil price controls; net revenues generated by the end of 1990 will be \$227.3 billion.
- These funds will be available to finance assistance for low-income persons to offset their increased cost of energy, to provide improved mass transit, and to finance programs of energy conservation and alternative sources of energy.

The tax was announced in April and sent to the Congress in July; the initial proposal would have raised, under current assumptions, about \$300 billion by 1990. The House bill would have raised about \$287 billion; the Senate bill would have raised about \$180 billion by 1990.

The tax is effective March 1, 1980. It will phase out over a 33-month period starting in January 1988 or after 227.3 billion dollars has been raised. In any event the tax will phase out on January 1, 1991.

The Act provides tax incentives to stimulate energy conservation and alternative energy production, including residential tax credits, business energy tax credits, credits for the production of oil shale, synthetic fuels, unconventional gas, biomass and wood energy.

The Act contains an exemption from the excise tax for gasohol through 1992.

The nonbinding language concerning the use of revenues provides that 25% is to be used for low-income assistance, 15% for energy and transportation programs, and 60% for income tax reductions.

The Act also repeals carryover basis, and provides a 100% increase in the exclusion for dividends from taxation (raising the excluded amount from \$200 for an individual and \$400 for joint returns).

THE WHITE HOUSE

WASHINGTON

March 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M.*

John Dingell's Subcommittee on Energy and Power adopted the Stockman Amendment this morning by a vote of 13-7.

Voting with Stockman and six other Republicans were Congressmen Shelby, Gramm, Satterfield, Moffett, Markey and Maguire.

Voting with us -- Dingell, Staggers, Swift, Leland, Ottinger, Wirth and Sharp.

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

March 24, 1980

MR. PRESIDENT:

You have been requested to address the annual Democratic Congressional Fundraiser this Wednesday night. This is the main event held each year and sponsored by the Senate (Senator Ford) and the House (Congressman Corman) Campaign Committees. Based on the fact you have not been involved publicly with partisan politics since the Iranian crisis, I regretted your participation this year. Rosalynn asked me to check with you on this. She feels you should appear at the fundraiser.

Hamilton believes it would be okay if you win the New York primary but advises against if you lose.

 Attend fundraiser

 Regret Fundraiser

 ✓ Attend fundraiser if I win in New York

PHIL

*Tell them
either Fritz or
I will be
there
J*

THE WHITE HOUSE
WASHINGTON

March 24, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: PHIL WISE *Phil*
SUBJECT: Savings and Loan Association Meeting

Muriel Humphrey has requested a brief meeting for Mr. Harold Greenwood, an old friend of hers and former President of the National Savings and Loan organization. Muriel is on the board of Greenwood's Savings and Loan in Minnesota. Muriel Wants Greenwood to brief you on the severe situation of the Savings and Loan industry.

I've also received a request for a meeting with the present leadership of the National Savings and Loan League. Stu is planning on meeting with them. Stu feels there is not much you can do for them but offer a supportive ear.

Given these two requests, do you want to

- _____ Attend a meeting with Savings and Loan representatives, including Mr. Greenwood
- _____ Have a brief meeting with Mr. Greenwood
- _____ *and/or Fitz*
Have Stu meet with Savings and Loan representatives and Mr. Greenwood

27 Mar 80

Lloyd Cutler

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

Rick Hutcheson

cc: The Vice President

THE WHITE HOUSE
WASHINGTON

March 26, 1980

*The press
reported Teeters
advocating easing credit
restraints*

Q

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER

LNC

SUBJECT: Federal Reserve Board Actions on
Truth-in-Lending

At a recent 10:00 A.M. meeting I was asked to look into press reports that the Federal Reserve Board is considering waiving certain requirements of the Federal Truth-in-Lending laws. The reports are inaccurate. The Board is considering only two actions:

1. Some states have statutes which provide that terms of credit cannot be changed without three, six or even twelve months notice. The Board is considering a regulation which would reduce the notice period so that retailers can more promptly tighten their terms of credit. The Board-established notice period would in no event be less than the notice period provided in the federal Truth-in-Lending legislation (fifteen days) and would probably be at least thirty days.
2. Some thirty states have virtually no regulation of the terms of credit. This means that retailers could immediately change the terms of credit for consumers even with respect to existing loans. The Board is considering a regulation which would protect consumers. It would permit consumers who give up future use of their credit cards to pay off their existing debts under the existing credit terms.

Governor Teeters of the Board is testifying before a House Committee today and will clarify the Board's position.

cc: Stu Eizenstat
Frank Moore
Jody Powell

THE WHITE HOUSE
WASHINGTON

27 Mar 80

Zbig Brzezinski
Arnie Miller

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

Rick Hutcheson

ORIGINAL TO STRIPPING FOR
HANDLING AND DELIVERY

THE WHITE HOUSE
WASHINGTON

3-27-80

To Bill Scranton

I was very disappointed to learn that you will not be able to lead the U.S. team at the OSCE Conference in Madrid.

You have my sincere thanks for your willingness to assume this task, and my best wishes for a complete and speedy recovery from your inner ear problem.

Sincerely,
Jimmy Carter

March 19, 198

WILLIAM W. SCRANTON
DALTON, PENNSYLVANIA 18414

Dear Mr. President,

Two mornings after the evening I met with you in January I awoke with a dizziness diagnosed as a case of the inner ear syndrome. On our February vacation in Florida the rest seemed to clear up the condition pretty well. Upon returning North to start work on the CSCE task I was thoroughly checked by an ear specialist, advised to take on the job, but warned that the condition "frequently returns and often takes several months to clear".

The condition has returned, and it is very difficult to carry on an intense schedule of work with it.

Accordingly, this letter

WILLIAM W. SCRANTON
DALTON, PENNSYLVANIA 18414

is one of resignation as an "expert"
to which position I was sworn in
earlier this month and requests
That you not appoint me Ambassador
for The CSCE..

Needless to say, I am disappointed
about this turn of event as in a
short time I have found the CSCE
work multi-faceted and most
interesting. A great deal of effort
has been undertaken by persons
at The Department of State, The CSCE
Commission on the Hill, the NSC Staff
and many others in The Government.
My admiration for them all is
considerable.

I Thank you for your thought-
fulness of me, especially, as you
know, I like to be of service.

Most sincerely -

WWS

(William W. Scranton)

Phil had
seen

THE WHITE HOUSE
WASHINGTON

3/26/80

Mr. President:

Glenn Watts has requested
the attached. May I slip
it on the schedule?

yes no

Phil

A handwritten signature, likely "Phil", consisting of a large, sweeping initial letter followed by a vertical stroke and a horizontal base.

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MEMORANDUM TO: PHIL WISE
FROM: LONDON BUTLER 
DATE: MARCH 25, 1980
SUBJECT: PRESIDENTIAL SCHEDULING

The Communications Workers of America's Legislative Conference is meeting in Washington, D.C. this week. Glenn Watts, President, called me today to request a brief handshake and photo opportunity with the President for six of CWA's local union presidents from New York.

As you know, Glenn has been extremely helpful to us. Please let me know if such a meeting is possible this week.

Thanks.

MEMORANDUM FOR THE PRESIDENT

FROM: LONDON BUTLER 

SUBJECT: PHOTO/GREETING WITH GLENN WATTS, PRESIDENT,
COMMUNICATIONS WORKERS OF AMERICA (CWA) AND
NEW YORK CWA OFFICIALS

Date: Thursday, March 27, 1980
Time: 2:55 p.m. (5 minutes)
Location: Oval Office

I. PURPOSE

Photo opportunity with Glenn Watts and New York CWA officials.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background. The CWA Legislative Conference is being held this week in Washington, D.C. Glenn Watts, President, personally requested this meeting.

Glenn is one of the six labor officials to announce formation of Labor for Carter/Mondale Committee in July: CWA's Executive Board endorsed your re-election.

B. Participants: See attached list.

C. Press Plan: White House photographer.

III. TALKING POINTS

- You might let them know you were sorry to regret their invitation to attend the CWA Congressional Reception on Tuesday evening.
- Thank them for the hard work they have put into your re-election, and ask for their continued support.

PARTICIPANTS:

CWA President--

Glenn Watts

CWA Local Union Representatives--

Donald Hoak, President of Local 1122, New York

James McIvor, Vice President of Local 1122, New York

Alfred Ruggiero, President of Local 1109, New York

Carmine Turche, President of Local 1106, New York

Rosalie Griffiths, President of Local 1009, New York

Paul Marley, President of Local 1153, New York

Fred Mauer, President of Local 2552, Pennsylvania

CWA Staff--

Loretta Bowen, Administrative Assistant/Political Director

Labor for Carter/Mondale--

James White, Field Representative (Former Local President of CWA)

White House Staff--

Landon Butler

3:00 PM

THE WHITE HOUSE

WASHINGTON

March 26, 1980

MEETING WITH OPINION LEADERS FROM THE STATE OF CALIFORNIA

Thursday, March 27, 1980
3:00 P.M. (20 minutes)
The East Room

From: Sarah Weddington

I. PURPOSE

To promote among these California leaders a sense of identity with you and your Administration, a sense of a team working together, and a sense of urgency about actively supporting the Administration across the board.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: This is the twenty-fourth in a series of meetings for civic and political leaders from the states. Your first was in August of 1978.
- B. Participants: A cross section of civic, community, and political leaders (guest list attached).
- C. Press Plan: Press from the state will be in attendance. They have been told that the briefing is on the record.

III. TALKING POINTS

Your standard presentation to these state groups will be appropriate. We request that you do a receiving line with photos after your remarks.

- Attachments:
- Agenda
 - Guest List

AGENDA

THURSDAY, MARCH 27, 1980

- 10:00 A. M. SARAH WEDDINGTON, Host
Assistant to the President
- 10:10 A. M. DR. JOHN WHITE
Deputy Director
Office of Management and Budget
- 10:50 A. M. CHARLES DUNCAN
Secretary of Energy
- 11:30 A. M. Coffee Break
- 12:15 P. M. WARREN CHRISTOPHER
Deputy Secretary of State
- 1:00 P. M. Walk to the State Floor of The White House
for Buffet Luncheon
- 2:15 P. M. STU EIZENSTAT
Assistant to the President for Domestic
Affairs and Policy
- 3:00 P. M. PRESIDENT CARTER

Attendees at the California State Constituents Briefing - March 27, 1980

Edmond Foglia - President, California Teachers Association
Harold Rogers - Chairman, Presidential Commission to Review the
Federal Impact Aid Program; Northern California Finance Chairman
for the Carter/Mondale Committee
Michael Daillak - Certified Public Accountant
Charles Nichols - General Treasurer, United Brotherhood of Carpenters
Maritza Mendizabal - Director, Community Relations, Blue Cross;
Chairman, Board of Directors, Mexican American Opportunities
Foundation
Wadie Deddeh - State Assemblyman
John Shirin - Secretary-Treasurer, American Paving Company
Anne McHenry - Vice President and Trustee, Crocker Art Museum
Irving Terry - businessman
Esther Terry - Los Angeles
Ed Turner - Vice President and Senior West Coast Representative,
Seafarers International Union
Ellen Serrano - consultant
Sally Abel - legislative consultant
Dale Marr - Business Manager and International Vice President,
International Union of Operating Engineers
Edward Helwick - Government Chairman, Culver City High School
Helen Kawagoe - City Clerk, City of Carson; Credentials Chairman, Japanese
American Citizens League
Mary Meredith - community activist
Jerry Krieger - attorney
Charles Chappelle - Assistant Sales Manager, Colliau Chevrolet
Kenneth Hahn - Supervisor, 2nd District, County of Los Angeles
Ray Geigle - Professor of Political Science, California State College in
Bakersfield
P. J. Jones - Imperial Potentate, Imperial Grand Council of the Shrine
Barry Sterling - Vice Chairman and Chief Counsel, PennCorp Financial,
Inc.
Diane Watson - State Senator
Mike Roos - State Assemblyman
David Horner - President, Los Angeles County Medical Association; doctor
John Guarrera - Commissioner, Department of Water and Power, City
of Los Angeles
Mary Anne Chalker - President, LFC Insurance
Frank Villegas - Vice President, Chihuahua Corporation
Lillian Watson - Member, Democratic State Central Committee and
County Committee
Javad Emami - Executive Director, Phoenix Center for Psychology;
clinical psychologist

Minou Emami - attorney
Bill Johnson - Fresno County Board of Supervisors
George Straza - President, Jet Air, Inc.
Robert Powell - President, Robert C. Powell Company
Chuck Manatt - Chairman of the National Democratic Finance Committee
Rosemary Tomich - Chairman of the Board, Livestock Clearing, Inc.
Warren Widener - President, Urban Housing Institute
Jim McCoy - City Councilman, Santa Paula
Sergio Sanchez - physician
Jack Maloney - President, Maloney's Stationers
Bill Harmon - President, H. M. O. Management, Inc.
Stephen Hiller - physician
Michael Slatinsky - businessman and former high school principal
Bert Coffey - former State Chairman, California Democratic Party
Tony Capozzi - attorney
Fernando Galaviz - Senior Management Consultant, Fernando Galaviz and Associates
Vi Schriefer - Administrative Assistant, South Bay United Teachers
Georgia Baker - Madera
Manning Post - Commissioner, State of California Little Hoover Commission; Los Angeles Community Redevelopment Association
Judy Solkovits - President, United Teachers of Los Angeles
Tom Akers - Executive Vice President, Calcot Limited
Andrew Isaacs - Inglewood
Ed Rutherford - Owner, Orita Land and Cattle Company
Harry Farb - real estate developer
Steve Chang - Chairman, Korean American Democratic Caucus
Jack Zukerman - Chief Executive Officer, C. S. L. Industries, Inc.
Josie Bain - former Associate Superintendent of Instruction, Los Angeles Unified School District; consultant, State Personnel Board
Fred Smith - Manager, Affirmative Action Compliance Programs
Robert Driver - Chairman of the Board, Robert F. Driver Company
John Knox - State Assemblyman
George Scotlan - Director of Community Affairs, University of California at Berkeley; Chairman, Parks and Recreation Commission, City of Oakland
Alma Fitch - Chief Deputy County Supervisor, Los Angeles County
Bill Wagner - Director of Logistics, Litton Data Systems
John Stephens - President, Excel Mineral Company
Betty Stephens - Chairman, Women's Commission, State of California
Ardis Knox - Member, Democratic State Central Committee; Field Representative for Assemblyman Dennis Mangers
Sharon Schroeder - Fountain Valley

Anthony Barash - attorney
Arnold Margolin - writer/producer
March Fong Eu - Secretary of State
Chuck Davidson - consulting civil engineer and land developer
Byron Sher - Councilman, Palo Alto
Arnold Baptiste - candidate for California State Assembly
Emily Baptiste - C. A. R. E.
Robert Coats - attorney
Phil Boyce - President, Pacific Valley Bank
Tommy Chung - President, Asian Democratic Caucus
Alfonso Gonzalez - attorney
Betty Smith - Northern Treasurer, California Democratic Party
Martin Israel - Los Angeles County Commissioner
Louis Papan - State Assemblyman
Gail Fullerton - President, San Jose State University
Oscar Morvai - engineer; real estate
Dwight Mize - Riverside
Brad Pye - Managing Editor, Los Angeles Sentinel
Richard Lehman - State Assemblyman
Mike Harabedian - President, Operating Industries
Robert Knox - Judge
Joe Serna - Associate Professor of Political Science, California State University
Dave Yep - businessman
Janice Baucum - Los Angeles
Avelino Montes - Vice President, District 9, Communications Workers of America
Mary Henry - Executive Director, Avalon Carver Community Center
Ken Weiss - Managing Director, Gold Hill Enterprises
Gordon Gojkovich - Fairfield
Dina Beaumont - Communications Workers of America
Stanley Tobin - attorney
Gene Atkinson - United Food and Commercial Workers
Gerald Warren - San Diego Union

ATTENDEES TO THE CALIFORNIA STATE CONSTITUENTS BRIEFING
MARCH 27, 1980

Marg Gibson - Oakland City, Councilwoman
Leon Miller - Oakland
Louis Gonella - President, Gonella Realty Company
John LaCoste - Emeryville
Ken Weiss - Gold Hill Music, Inc.
Stephen Stills - President, Gold Hill Music, Inc.
John R. Stokes - Arcata
Ralph J. Flynn - California Teachers Association, San Mateo
Ralph Dills - Los Angeles County, State Senator
Elizabeth Dills - Los Angeles County
Gail Fullerton - President, San Jose State University
Ben Borevitz - attorney, San Diego
Dr. Herzl Friedlander - Sacramento, physician
Tony Lamb, Ventura, Senior Citizens Coordinator Commission on Aging
Malcolm Leiser, Woodland, farmer
Ken Paulson, San Diego, Financial Secretary of Plumbers and Pipe
Fitters Local Union 230
Marco Mazzoni - Madera
Kenneth L. Thomas - Lakeview Terrace, Executive Director of
Pacoima Revitalization Corporation
Tony Amantea - Builder/Developer
Kirjah Amantea - La Jolla
Roger C. Johnson - Los Angeles
Wallace J. Smith - attorney Sacramento
David Commons - Los Angeles, consultant
Dr. Ted Alexander - Los Angeles Board of Education
Robert Murphy - attorney, Sacramento
Angelo Tsakopoulos - land developer, Sacramento
Elaine Hoffman - Los Angeles, Director of Civic Affairs, Northrup
Corporation
Tom Queen - San Francisco, President, California Regional Small
Business Development Corporation
Douglas Woodbury - San Diego
Janice McGlone - Vallejo, real estate associate
Malcolm Tipp - Vallejo, real estate broker
Ray Butler - Sacramento, Insurance executive
Bill Turner - Executive Vice President of Western Bank of Commerce
Father Lewis P. Bohler Jr. - Episcopal Priest, Los Angeles
Nathaniel S. Colley - attorney, Regional Council NAACP, Sacramento
Juel Drake - General Secretary of Iron Workers International Association,
Washington, D.C.
D.H. "Dave" Deihl - Ventura
Sarah Lowery - San Diego
Oliver Holmes - Artesia, Secretary Treasurer of UFCW Local 551
Robert A.B. Swartz - Oakland, President, United Plastic Corporation,
attorney
Jesse M. Unruh - California State Treasurer, Los Angeles
Adam Burton - Los Angeles, Executive Director for Economic Housing
Development Corporation
John C. Sperry - Buena Park

CALIFORNIA STATE CONSTITUENTS BRIEFING CONTINUED:

Robert Livsey - San Francisco, attorney
John Bonadelle - Fresno
Omer Rains - Santa Barbara, State Senator
Jeffrey Tamkin - Los Angeles, President of J. Tamkin Inc.
James Hahn - Los Angeles, attorney
Fred Miller - Los Angeles, Miller Imports Datsun Inc., President and
Miller Leasing Inc.
James Taylor - Sacramento
Patricia D. Weinberger - Ojai
Larry Stevens - Glendale
Nat Dumont - Beverly Hills
Renee Simon - Los Angeles
Paul Zagaris - Modesto, realtor
Jack Myers - Beverly Hills
Judge Pat Herron - Richmond
C.A. Dotter - Van Nuys, President and General Manager, Borg
Warner Corporation
Ken Abrahamian - Fresno, farmer
Sol Price - San Diego
Gary Baucum - Los Angeles, Environmental Affairs - Administrator
Steve Markstein - President, Markstein Beverage Company, Sacramento
Thomas Hsieh - Architect, San Francisco
Tom Berkley - Oakland, attorney
Robert Dettloff - Huntington Beach, Engineer with TRW
Shirley Dettloff - Huntington Beach
Dave Elder - Assemblyman, Long Beach
Gerald O'Hara - Sacramento, Legislative Representative
Wayne Hoffman - Los Angeles
Laura Angela Hoffman - Los Angeles
Bob Hopkins - Los Angeles
Fredericka Oakley - Davis
Angel Echevarria - Los Angeles, President of A & G Quilting Company
Richard Heggie - Executive Director of World Affairs Council of
Northern California, San Francisco
Carroll Pitts - Minister
Gwen Moore - Los Angeles, Assemblywoman
Siun Park
Susan Sanz - Los Angeles
Jack Henning - California Labor Federation - AFL-CIO
Lionel B. Cade - Mayor, Compton
Peter Kelly - Los Angeles, attorney
Harry A. Marlow - Los Angeles
Peter Giles - Sunnyvale, Santa Clara County Manufacturing Group
Sue Hone - Berkley City Council
Tom Carter - San Diego
Christopher Valente - Los Angeles City Commissioner
Robert Pauley - Los Angeles
Bruce Young - Cerritos, Assemblyman
John Rytter - Los Angeles, President of Century Hill Financial

11:30 AM

THE WHITE HOUSE

WASHINGTON

March 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M.*

SUBJECT: ADDITIONAL INFORMATION PERTINENT
TO YOUR MEETING WITH REP. EDGAR

In our briefing memorandum to you for your 11:30 a.m. meeting with Bob Edgar we told you of his concern about the merging of the Atlanta and Philadelphia offices of the Defense Logistics Agency and locating the office in Marietta, Georgia. We told you that a recent General Accounting Office study stated that this is not appropriate.

We have just learned from Defense that even though they feel GAO's report was very sloppy, because of Bob Edgar's concerns they are now redoing their entire analysis and a final report should be ready in about six weeks.

11:30 AM

March 26, 1980

MEETING WITH REP. BOB EDGAR (D-PENNSYLVANIA-7)

Thursday, March 27, 1980

11:30 a.m. (15 minutes)

The Oval Office

From: Frank Moore

F.M./BR

I. PURPOSE

To discuss our water policy, Pennsylvania politics and recent recommendations of the Northeast/Midwest Coalition.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Edgar is one of the most active Congressional supporters of water policy reform. He led the fight to amend H.R. 4788, the omnibus water projects bill, on the House floor despite the opposition of other members of the Public Works Committee. The several days of floor debate on Edgar's amendments gave us and the bill's other opponents an opportunity to reach the public with information on the wasteful, inflationary features of the bill. Although we do not agree on all issues (e.g., whether the Federal government should be responsible for rehabilitation and construction of city water supply systems), Edgar has been very supportive of our water policy reform efforts.

Current status of water legislation:

- o The omnibus water projects bill, H.R. 4788, has passed the House. Its Senate counterpart, S. 703, is still in Subcommittee markup. If a bill is passed and vetoed, we expect Edgar will support us against an override attempt.
- o The Water Resources Council reauthorization and independent water projects review authorization, H.R. 2610, was reported out of committee last summer. Although Chairmen Udall and Johnson have agreed to bring the bill to the floor soon, Subcommittee Chairman Ray Roberts and some other members favor holding the bill as a bargaining chip on the omnibus bill. We are working with the Committee to get H.R. 2610 to the floor.

As a member of the Northeast/Midwest Coalition, Edgar is concerned that the sunbelt states are "taking everything" from the Northeast. One of his latest concerns is the merging of the Atlanta and Philadelphia offices of the Defense Logistics Agency and locating the office in Marietta, Georgia. A recent General Accounting Office study states that this is not appropriate. Edgar wishes to discuss the study and its findings.

Additionally Edgar is concerned about the regional impact of the budget cuts. He feels that the Northeast will be hurt to a greater degree than other areas of the country.

Time permitting, Edgar may wish to discuss his assessment of the current Pennsylvania political situation.

Participants: The President, Rep. Edgar, Bill Cable.

Press Plan: White House photographer only.

III. TALKING POINTS

1. Thank Edgar for his diligent efforts on the omnibus water projects bill.
2. Tell Edgar we count on his continued support for our water policy.

IV. ADDITIONAL INFORMATION

Edgar has been asking for this meeting for several weeks. He is particularly concerned about Philadelphia and its suburban areas. He has several ideas which we may want to act on. It is probably more important to listen to him at this point than to do much talking.

1:15 PM

THE WHITE HOUSE
WASHINGTON

March 26, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL

SUBJECT: Meeting with Donnie Radcliffe
Thursday, March 27, 1980, 1:15 pm

See the attached memo from Mary Hoyt concerning Donnie's interview with the First Lady earlier this week and the points which will be covered in her meeting with you.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 26, 1980

TO: Jody Powell

FROM: Mary Hoyt 

RE: Washington Post interview with the President and the First Lady by Donnie Radcliffe

Jody, as you can see, these are very soft questions. Donnie would also like to talk to Charles Kirbo -- the First Lady spent a great deal of time discussing his friendship with the President. I will try to set that up if you think it is worthwhile.

Donnie's story is a portrait of the President during the past 140-plus days and deals with how the crises have affected the Carter's private lives and their personal relationships with family and friends. She says her questions for the President will be "philosophical" in nature.

In the course of their interview, the First Lady touched on the following subjects in her answers:

- The President has been "frustrated" during a "tense time." He continues to search for new ideas, to review all options. He does not brood about problems, but she is often aware that he is "pondering." It is not his nature to despair, or miss a night's sleep. He gets lots of advice from a wide range of people, and is more comfortable with criticism than in earlier days. He has a "calming" influence on those around him.

- The First Lady is not privy to secret meetings, nor always aware of decisions, e.g. Hamilton going to Panama, though the President does confide in her about a great deal that is not public. She discussed weekends at Camp David when the President was totally involved on the telephone, but she said she "never felt we were on the verge of war." She said that the Administration was not "reacting" to the Iran situation, but that each step is already carefully planned, but that of course the President has learned there is no functioning Iranian government right now.

- The First Lady said that the President relaxes by reading a lot, three or four books a week, and that he always has 35-40 books out of the library at a time -- novels, all kinds of books, e.g. he has read all of John Le Carre's books and most of those on the Best Seller list. Mrs. Carter said they had read a great deal about the Muslim religion, and Donnie expects to ask the President what relevant insights or new view of life he has gleaned from this reading and from the other books he has read lately.

- The First Lady said she did not think the President prayed more during the crises than in the past, but that he had mentioned a bible verse he thought about every morning on his way to the Oval Office. Donnie expects to ask about this and to ask if the President has found a bible parallel to the hostage situation.
- The First Lady also discussed movies as a great escape for the President -- two or three a week and on weekends at Camp David. Donnie is hoping to find "relevance" or "escapism" in the films that the Carters have seen lately.
- The question of friends was also discussed, and the First Lady mentioned the good, steady perspective of Mr. Kirbo. It seemed to come as a surprise that the second floor is a revolving door of old friends, family.
- There were other general questions about the Shah (Mrs. Carter personally against Shah coming to U.S. under present circumstances), about Kennedy (he has not shown the public his alternatives), Afghanistan (it really "blew" Christmas, but they coped by having family here earlier and being with staff on Christmas day).

27 Mar 80

Hugh Carter

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

Rick Hutcheson

ORIGINAL TO HUGH CARTER FOR
HANDLING AND DELIVERY.

THE WHITE HOUSE
WASHINGTON

Date: 3/26/80

1980 MAR 26 PM 6 30

TO: THE PRESIDENT

FROM: HUGH CARTER *HC*

For your information

End of a Tradition

For 18 years a "Sen. Carter" has represented the 14th District in the Georgia Senate.

First it was Jimmy Carter, who served four years in the Senate before leaving to run for the Georgia governorship and later the presidency.

More recently it has been Hugh Carter, Jimmy's cousin and a Plains antique dealer and worm farmer.

Now the tradition will be broken. Hugh Carter has announced that he will retire at the end of his current term after 14 years in the Senate.

Sen. Hugh Carter's record is distinguished by more than simple longevity. He is one of the Senate's most respected members who wields considerable influence in legislative matters.

His chief interest in the Senate has been education. He is chairman of the Education Committee and has authored many education bills.

A measure of his influence was his battle to allow movement of 14-foot mobile homes on Georgia highways. After earlier attempts failed, he got behind the bill and pushed it to General Assembly passage. His success is widely credited with saving the mobile home industry in the state.

Sen. Carter deserves the greater time which he desires to devote to his family and business.

But he will be missed in the General Assembly, not only as a representative of his Southwest Georgia district but as a positive force in shaping statewide legislation.

To Beedie
Congratulations
on a job well
done -
Hot

Enquirer Accolades

Enquirer accolades to:

• Hardaway High School senior Teresa Hope Davis, who was the Columbus district winner in the Georgia Federation of Music Clubs scholarship program. She will attend Brevard Music Camp in Brevard, N.C., this summer and will play bassoon in the camp orchestra.

The Columbus Enquirer

GLENN VAUGHN
General Manager

J. CARROL DADISMAN
Executive Editor

CARROLL LISBY
Editor

WILLIAM B. BROWN
Managing Editor

MAYNARD R. ASHWORTH, *President Emeritus*

Published each weekday morning by The R. W. Page Corporation, 17 W. 12th St., Columbus, Ga. 31902

27 Mar 80

Jack Watson

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

Rick Hutcheson

cc: The Vice President
Frank Moore
Sarah Weddington
Jim McIntyre

FOR STAFFING
FOR INFORMATION
✓ FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
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FOR APPROPRIATE HANDLING
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	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
✓	MOORE
	POWELL
✓	WATSON
✓	WEDDINGTON
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	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

Congress of the United States

Washington, D.C. 20515

To Jack
Assess
J

March 26, 1980

The Honorable Jimmy Carter
President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

On March 17, 1980, forty-four members of Congress wrote you a letter concerning the Defense Logistics Agency's decision to locate the consolidated Southeast region's Defense Contract Administration Services Regional Office in Atlanta. Subsequent to that letter, the General Accounting Office (GAO) released its study, based on six-months of intensive work, evaluating the potential savings to be realized from the location of that office. GAO has confirmed substantial economies of scale unique to the Philadelphia office, which will result in annual savings of at least one million dollars to the federal government. On the basis of its findings, GAO recommended that the Defense Department reconsider its decision to locate the DCASR office in Atlanta.

Lieutenant General Gerald J. Post, Director of the Defense Logistics Agency, has stated that the decision was made on the basis of least cost and repeatedly confirmed his commitment to capture the maximum possible savings to the federal government to be derived from the consolidation. On the basis of GAO's findings, the Defense Logistics Agency's decision to locate the regional office in Atlanta should be reversed immediately so that consolidation at Philadelphia can be expedited. Consolidation in Philadelphia is consistent with the Defense Department's commitment to capture the maximum economy.

It also is consistent with the Administration's pledge to balance the federal budget and with the Administration's urban policy of locating federal facilities in central cities with high unemployment rates whenever possible. The policy was designed to prevent just what consolidation in Marietta, Georgia would do: shut down an office in an economically distressed central city (Philadelphia's unemployment rate was 8.3 last year) and move it to an affluent suburb with no public transportation and a tight job market (Marietta had 5.7 percent unemployment in 1979). Moreover, 30 percent of Philadelphia DCASR employees are minorities, and 60 percent are women. In addition, 95 percent of the contractors served by the Philadelphia office are small businesses which will be disadvantaged by higher communication and transportation costs if consolidation takes place in Marietta.

On the basis of these compelling facts, we request:

- o the Defense Department rescind the plan now being implemented to consolidate in Atlanta; and
- o the Defense Logistics Agency immediately notify DLA offices affected by the consolidation of the reversed decision.

For your convenience and review, we have enclosed a copy of the GAO study. We view this as a matter of utmost urgency and request your earliest possible response.

Sincerely,

Bob Edgar
Robert W. Edgar

Charles F. Dougherty
Joseph P. Addabbo

Thomas Miller
John Heinz
Bill Bradley

Joe Biden
Bill Kohl
Joseph P. Addabbo

Jim J. Flannery
Bill Olinger

~~Joseph P. Addabbo~~
William P. Underwood

Michael D. Myers

Raymond S. Leman

Bill Hughes

William A. Goyette

Chap 37th

Jim Conner

Ruston J. Murphy

Doug Walgren

Arlo Schmitt

Don Ritter

Millicent Fenwick

Bob Walker

J. P. Murrell

Peter W. Ladino

Joseph W. Adams

Gene Zatron

James J. Howard

Frank Thompson

Gene H. Kostmayer

Andrew Napier

Wm E. Eitel

Tommy Schick

Matt Sigal

David Miller

Joseph M. Gaydon

Robert A. Lee

27 Mar 80

Stu Eizenstat

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

Rick Hutcheson

cc: Frank Moore
Sarah Weddington
Jim McIntyre



HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

BOB EDGAR
PENNSYLVANIA

*Sta - Bob
discussed this
with me
J*

Dear Mr. President:

I am concerned that in your effort to examine potential areas for budget cutting, you are neglecting the dramatic savings which are possible by cutting water projects. In reviewing the budget cuts proposed by the Interior Department in response to your directive, I was shocked that out of a departmental cut of \$292 million, only \$5 million was proposed to be cut from water projects of the Water and Power Resources Service (Bureau of Reclamation). Some of these projects are very questionable from an economic standpoint and some contribute to the salinity problem in the Lower Colorado that concerns Mexico. Over \$200 million is budgeted for the Central Arizona (CAP) and Central Arizona Projects (CUP) which your own review found highly questionable. Cuts could and should be made here, and as a supporter of your water policy, I am disappointed that Secretary Andrus could not find more than simply \$5 million to recommend in water project cuts.

The Sunday, March 8th, Washington Post noted that you were considering increasing waterway fees to bring in more revenues. You have my support for this effort; however, legislation in this area will only succeed if you get tough and cut funding for big canal projects like the Tennessee-Tombigbee Waterway and Red River Waterway. I find it incredible that over \$300 million is budgeted for these two projects alone. Projects like these should proceed only if their cost is paid by user fees and this is precisely what you noted in your comments on them in April, 1977. If you allow these dubious canals to proceed with your support, there is little hope of getting Congress to increase waterway user fees.

**Electrostatic Copy Made
for Preservation Purposes**

The Honorable Jimmy Carter
March 24, 1980
page two

There is widespread opposition to big spending on water projects from such diverse groups as the National Taxpayers Union, Common Cause, the League of Women Voters, Americans for Democratic Action, conservation groups, etc. This opposition can help to counter the push from project proponents if you are willing to provide the leadership.

Cordially,



BOB EDGAR

March 24, 1980

The Honorable Jimmy Carter
The White House
Washington, D.C. 20500

*P.S. I hope I can help you
focus on really bad
water projects!*

27 Mar 80

Attorney General Civiletti

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

Rick Hutcheson

cc: The Vice President
Lloyd Cutler
Zbig Brzezinski

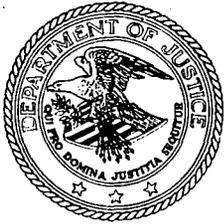
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	DONOVAN
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	POWELL
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	WEDDINGTON
	WEXLER
/	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
/	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	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



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

March 26, 1980

cc Ben
Lloyd
Delays have
already been
excessive
J

MEMORANDUM FOR THE PRESIDENT

Subject: Executive Order 12036 Procedures

I have been informed of your concern, in response to a memorandum from the Intelligence Oversight Board, that the remaining procedures governing intelligence activities under Executive Order 12036 be promptly approved this week. I share your concern that this process be completed, and, in fact, over the last nine months, 32 sets of procedures have received Attorney General approval. I have this week approved two additional sets of procedures, governing CIA collection in the United States of counterintelligence and foreign intelligence.

When?
There are only four sets of procedures that have not yet been approved. One set, governing Treasury-Secret Service audio countermeasures, have only recently been submitted by Treasury in final form and should be approved within a week. Another set will replace the existing FBI guidelines which were approved by Attorney General Levi in 1976.

The last two sets would govern the SIGINT activities of the National Security Agency and the analogous collection efforts of the CIA. We are aware of no significant confusion in the intelligence community as a result of my careful consideration of these procedures. NSA and CIA are continuing to collect signals intelligence pursuant to procedures originally promulgated under Executive Order 11905 and authorized to remain in existence under Executive Order 12036 until new procedures are finalized. Neither I nor anyone else in the Department of Justice has received a single complaint from the intelligence community or from the Intelligence Oversight Board about confusion or disarray in these activities, although there is an understandable desire to begin implementing the new procedures.

The Attorney General's approval of these procedures is an endorsement of the lawfulness and constitutionality both of the written rules and the operations they authorize. No past Attorney General has passed directly on these issues. In considering these procedures, I have discovered that no carefully considered, detailed legal rationale for the intelligence activities they will govern had ever been developed. It is important to develop this missing legal rationale for the signals intelligence activities of the government; identifying that legal basis is, I believe, essential to my faithful performance of my duties under Executive Order 12036, as well as to my general duty to advise you, as President, and the intelligence community of the complete lawfulness of these vital activities.

Despite these difficulties, I anticipate that our efforts to develop the legal rationale for these activities will be completed within 30 days, and, assuming as I do that the rationale will adequately support the lawfulness of the SIGINT procedures, I expect to approve the procedures within that period of time. If, on the other hand, our legal analysis should point to problems with these procedures, I will bring those problems promptly to the attention of Admirals Inman and Turner for discussion and resolution.

*Complete
by 4/25
J*



Benjamin R. Civiletti
Attorney General

cc: Zbigniew Brzezinski
Assistant to the President
for National Security Affairs

27 Mar 80

Jack Watson

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

Rick Hutcheson

cc: Stu Eizenstat
Frank Moore
Sarah Weddington

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

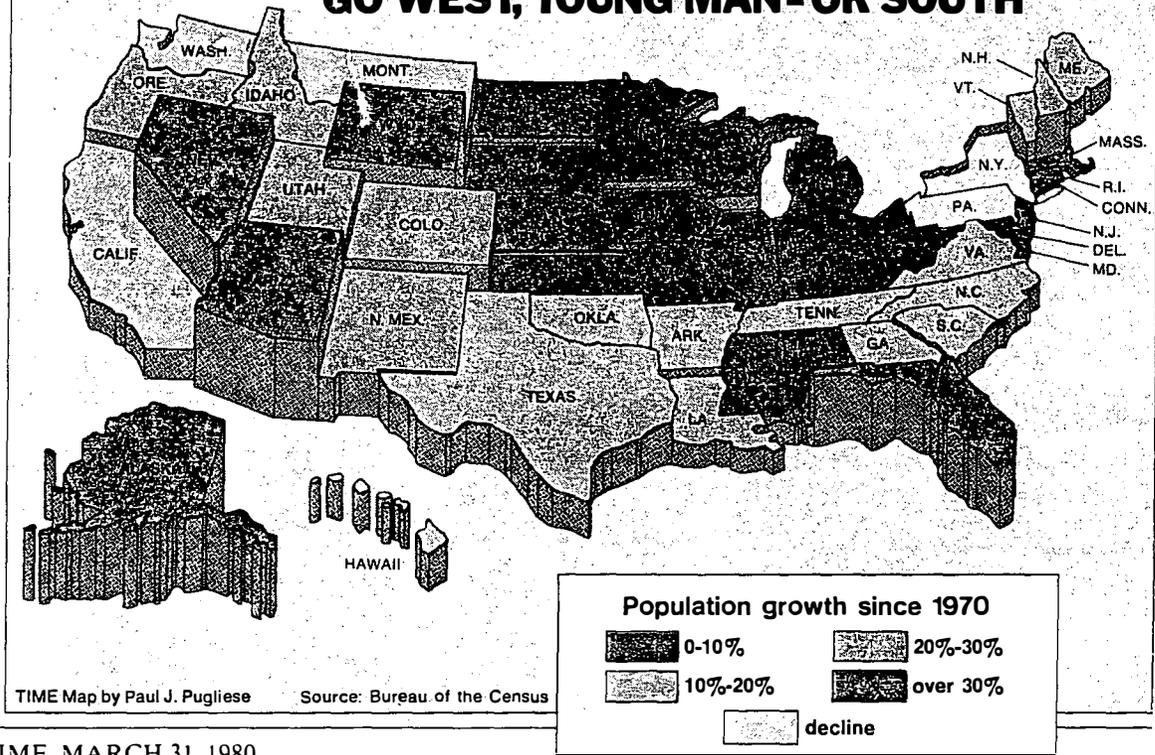
ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

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

GO WEST, YOUNG MAN - OR SOUTH



TIME Map by Paul J. Pugliese Source: Bureau of the Census

TIME, MARCH 31, 1980

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for Preservation Purposes



NORTHEAST-MIDWEST CONGRESSIONAL COALITION

U.S. House of Representatives

*Jack
I*

CHAIRMAN

Robert W. Edgar

CO-CHAIRMEN

Frank Horton
Silvio O. Conte
James L. Oberstar

STEERING COMMITTEE

Connecticut

William R. Cotter
Stewart B. McKinney

Delaware

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Tom Railsback

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David W. Evans

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Berkley Bedell
Thomas J. Tauke

Maine

David F. Emery

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Gladys Noon Spellman

Massachusetts

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Michigan

Lucien N. Nedzi
Bob Carr

Minnesota

James L. Oberstar
Arlen Erdahl

New Hampshire

Norman E. D'Amours

New Jersey

James J. Florio
Matthew J. Rinaldo

New York

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Jonathan B. Bingham
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Vermont

James M. Jeffords

Wisconsin

Alvin Baldus
F. James Sensenbrenner, Jr.

EXECUTIVE DIRECTOR

Laurence Zabar

MEMORANDUM

TO: The President

DATE: March 27, 1980

FROM: Robert W. Edgar, M.C.

In my capacity as Chairman of the 213 member Northeast-Midwest Congressional Coalition I have maintained an intense interest in the impact of the proposed budget cuts on the economies of the states represented by our Coalition.

While being supportive of the Administration's goal to begin to attack inflation by reducing government spending, I do not believe the proposed program cuts will result in an equal and shared burden among the states and regions of the nation. To appreciate the vast economic differences between regions, consider that:

- o Of the nation's 16.8 million population growth during the 1970's, 15 million were added in the South or West. The Northeast has fewer people in 1980 than it did in 1970, the first time in the history of the census that an entire region lost population. During this period, 3.4 million people left the Northeast-Midwest region for the South and West.
- o Our region lost 830,000 factory jobs between 1970-1979, while the South and West gained 1,860,000.
- o Income grew 2-3 times faster in the South and West than in the North.
- o Taxes at the state and local level in many of the states of our region rose 2-4 times the national average, as a result of the loss of taxpayers.
- o The Northern states have only 179,000 of the nation's 1.4 million uniformed military personnel, equal to 13% of the total. The state of California has more troops than our entire 18 state region.

I told Bob that in general we had been supportive of this effort to achieve equity in federal programs - J

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Memorandum to The President
March 26, 1980
Page Two

- o Northern military pay was only \$9.2 billion in 1978, compared to \$32.5 billion in the South and West.

Clearly, older distressed areas such as Philadelphia and Chester in my state of Pennsylvania, Newark, Cleveland, New York City, and Detroit are going to be hurt much more severely by the loss of counter-cyclical revenue sharing funds and their shares of the states' portion of general sharing funds than economically growing areas of the country.

Rather than completely eliminating such programs, I believe that a fairer solution would be to more carefully target the funds for these and other crucial programs. By so doing, cuts in these programs can continue to be made by restricting eligibility to only those areas in most need of this type of assistance.

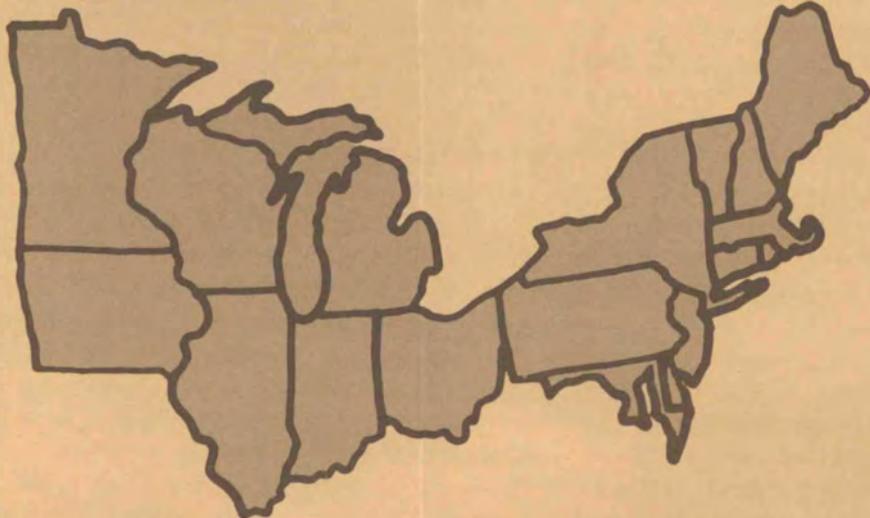
Mr. President, our region stands ready to sacrifice to achieve a desired national goal but we fear that we are being asked to pay the highest price at a time when our shaken economies can least afford -- or survive -- that price. It is our hope that you and your Administration will recognize the varying impacts your proposed budget cuts will have on local, state and regional economies nationwide and forgo the complete termination of key programs in favor of more carefully and creatively targeting limited funds to the most distressed communities. Our Coalition is ready and willing to support you in this effort.

The Issues

Increasing congressional and public attention has been focused in recent years on the regional implications of federal policy. In the U.S. House of Representatives, the Northeast-Midwest Congressional Coalition reflects a recognition that the economic future of the region—America's traditional industrial heartland—is of critical importance to the entire nation.

Three years after fiscal disparities among regions of the nation emerged as a major national issue, Northeastern and Midwestern states continue to face economic problems of considerable proportions. Almost 90 percent of the nation's population growth between 1970 and 1977 was outside the Northeast-Midwest region, and the Census Bureau projects that the population of the South and West may grow at three times the rate of the Northeast-Midwest region between 1975 and 2000. For every new nonagricultural job gained in Northeastern and Midwestern states between 1970 and 1977, the South and West gained three. In the same period, the Northeast-Midwest region lost nearly three-quarters of a million manufacturing jobs. And compared to our region, the South and West have made substantial gains in real personal income measured on a per capita basis. In fact, when differences in the cost of living—including state and local taxes—are taken into account, regional disparities in per capita disposable income all but disappear.

The mounting evidence of this economic shift away from Northeastern and Midwestern states has shown few signs of slowing, and programs of the federal government have inadvertently hastened the decline. All but four of the 18 states in the Northeast-Midwest region sent more in taxes to Washington in fiscal 1977 than they received in federal spending. Of the 32 states in the South and West, 24 enjoyed a surplus in their federal "balance of payments."



That the regional tables of prosperity were turning never went entirely unnoticed in the Northeast and Midwest, but it was not until the severe recession of the early- and mid-1970s that political, business, labor, and community leaders in the region began to acknowledge how far its once-vigorous economy had slipped. The response in the House of Representatives was formation of the Northeast-Midwest Congressional Coalition.

The Coalition

Formed in September 1976, the Coalition is a bipartisan organization of 213 representatives from 18 Northeastern and Midwestern states. A 35-member steering committee serves as the governing board of the Coalition. Its members are selected by each state's congressional delegation; they, in turn, elect the Coalition's four officers.

The Coalition seeks to inform its members about the regional implications of national policies and proposals, and to influence those issues of greatest importance to Northeastern and Midwestern states. The Coalition currently has seven task forces to help develop policy initiatives and positions: economic and community development, military installations, welfare reform, rail issues, energy, education, and tax policy.

The work of the Coalition is augmented by the Northeast-Midwest Institute, an independent, nonprofit research center created in 1977 at the request of the Coalition's leadership to provide policymakers with professional research and analysis. The Institute is financed through grants from state governments, federal agencies, and private foundations.

The Record

The result of the Coalition's work over the last two and a half years has been a series of congressional votes and Administration initiatives that have begun to reverse the economic trends of the late 1960s and early 1970s. On a broad range of issues, the Coalition has shown that regional cooperation in Congress can make a significant difference in the shaping of sound federal policies. Among the Coalition's achievements:

- improving federal aid formulas for community development block grants and food stamps, making them reflect the greater needs and higher living costs in Northeastern and Midwestern states.
- spearheading a movement to insure that the federal government target a share of the \$100 billion it spends each year for goods and services to private suppliers located in high-unemployment areas.
- rescuing a proposal in the House to provide \$1 billion in price rebates for residential users of heating oil; if passed in the Senate, the measure would have significantly reduced regional disparities in energy costs.
- convincing the House Ways and Means Committee to extend the 10 percent investment tax credit to the rehabilitation of older buildings, a provision encouraging businesses to remain and expand in the Northeast and Midwest.
- successfully pushing for changes in the Elementary and Secondary Education Act which will bring the Northeast-Midwest region an additional \$394 million in education funds for disadvantaged children.
- lobbying for passage of the New York City Financial Assistance Act of 1978, which provided the city with \$1.65 billion in federal loan guarantees.
- helping defeat House amendments to cut budget authority for the food stamp program by \$515 million in fiscal 1979 and \$843 million in fiscal 1980.
- helping restore \$200 million during the House budget process for countercyclical assistance in 1979 to local governments in high-unemployment areas.
- helping preserve \$500 million in the House of Representatives' fiscal 1980 budget for new Economic Development Administration programs to help stimulate private investment in economically declining communities.
- successfully fighting an attempt in Congress to reverse the Navy's decision to overhaul the U.S.S. Saratoga and three other aircraft carriers at the Philadelphia Naval Shipyard, a program expected to create 12,000 jobs and pump \$938 million into the area's economy.

If you'd like to know more about the Coalition and its work, please write: Larry Zabar, Executive Director, Northeast-Midwest Congressional Coalition, 3588 House Annex No. 2, Washington, D.C. 20515. Telephone: (202) 225-1082.

OFFICERS

Chairman
Robert W. Edgar

Co-Chairmen
Frank Horton
Silvio O. Conte
James L. Oberstar

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Iowa
Berkley Bedell
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Maine
David F. Emery

Maryland
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Edward P. Beard

Vermont
James M. Jeffords

Wisconsin
Alvin Baldus
F. James Sensenbrenner, Jr.

Executive Director
Laurence Zabar

“

“What strikes me as most significant about your effort is the underlying commitment of the Northeastern and Midwestern states to approach the serious economic problems that you face on a regional basis. . . . The Northeast-Midwest Congressional Coalition is self-help at its best; it deserves the most vigorous support from the White House.

“You are not seeking special favors. What the Coalition signifies is that the region is willing to pull its own weight in collaboration with a federal government that assumes *its* rightful role.

“It is heartening for me to see the new level of cooperation on economic development which has emerged in the Northeast-Midwest region. I commend you for it. You have made a start on an exciting venture in regional policymaking, and, most important, regional action.”

Jimmy Carter
October 1976

“In the year since fiscal disparities among regions of the country had emerged as a major national issue, the Frostbelt forces have organized a well-oiled, bipartisan lobbying machine that, in addition to its community development victory, has several significant successes to its credit and no major defeats.”

National Journal
July 1977

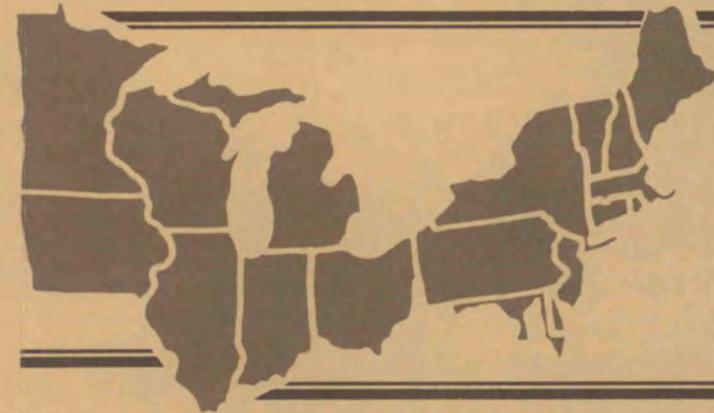
“Since half of the Congress is involved—213 members from Maine to Maryland to Minnesota—the Coalition has become the most powerful lobby in Washington.”

Michael J. McManus
Syndicated columnist
July 1978

”

Northeast-Midwest Congressional Coalition
U.S. House of Representatives
3588 House Annex No. 2, Washington, D.C. 20515
Telephone: (202) 225-1082

Northeast- Midwest Congressional Coalition



U.S. House of Representatives

THE WHITE HOUSE
WASHINGTON

27 Mar 80

Jack Watson

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

Rick Hutcheson

"Will be -
Working toward
Nov. Strange set of
bad news items
fatally caused loss" J

THE WHITE HOUSE
WASHINGTON

March 27, 1980

MR. PRESIDENT:

Mayor Abe Beame called you this morning. He wants to speak to you briefly about the New York elections and give you several of his observations. Jack Watson recommends you return the call.

PHIL

27 Mar 80

Secretary Duncan

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

Rick Hutcheson

cc: Stu Eizenstat
Jim McIntyre
Charlie Schultze

FOR STAFFING
FOR INFORMATION
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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



*C. Duncan
for review
J*

Fred L. Hartley
Chairman and President

March 27, 1980

The Honorable Jimmy Carter
The White House
Washington, DC 20500

My dear Mr. President:

I am writing to encourage you to seriously reconsider your recent action in imposing on the oil industry and the American people a complex imported crude oil fee-gasoline production entitlements system. I support the laudable objective of your action--to encourage gasoline conservation and to incidentally but importantly help balance the federal budget. This can be accomplished by a far simpler approach (which I outline below) that does not add the complexities and potential economic distortions that are inherent in your action. Because your action is not financially effective until mid-May, there is time for you to replace it with a better alternative for attaining your primary goal of gasoline conservation through the price mechanism.

I believe that it is essential that you reconsider your action for these reasons:

1. The oil fee-gasoline production entitlements system will impose an enormously complex new regulatory system on an industry that is just now (thanks to your leadership) emerging from a decade of stifling controls. No one really knows all the regulatory implications of this new system or all the unwanted side effects that will come from it, but based on our past experiences with other federal programs, I am certain that they are real and damaging.
2. This complex new system will involve the transfer of over \$30 million a day--thus inviting congressional and other groups to intervene to provide special deals for politically powerful groups (such as certain refiners and public bodies). This will quickly create new constituencies that will distort the system (and the economy) and will work to keep the program (with controls)

The Honorable Jimmy Carter
Page 2
March 27, 1980

indefinitely. This will make it harder to pass the new gasoline and diesel excise taxes that you have proposed as the replacement for the fee system.

3. Using the fee system as an indirect device to raise such massive amounts of federal revenues is, in my judgment, a probable misuse of the intent and certainly the spirit of the Trade Expansion Act of 1962. I believe that such action invites congressional efforts to remove the Presidential authority to impose import fees.

I propose that you replace your complex fee system with the following far simpler approach: Make, effective April 1, 1980, an immediate one-time increase in the amount of U.S. crude oil that is free of price controls. By picking the percentage of additional oil to be decontrolled properly, it is possible to achieve the objectives of your proposal without its unwanted disadvantages. Tentatively, I suggest an increase of about 25 percent. This would, in effect, accelerate the decontrol schedule by six months. I estimate that such a change would add \$4-6 billion to federal revenues in fiscal 1980, and an additional several billion dollars in early fiscal 1981--where it is most needed in the fight against inflation. By then, Congress could put your proposed increased excise tax on automotive fuels in place. Together with your action to increase the amount of crude oil not subject to price controls, the Department of Energy could modify the part of its pricing regulations (the section on "tilt") to encourage refiners to pass virtually all of the higher crude oil costs onto gasoline, thus meeting your objective of encouraging conservation. I estimate that this proposal would cause a gasoline price increase of at least 8 cents, and probably 10 cents, a gallon within a very short period of time.

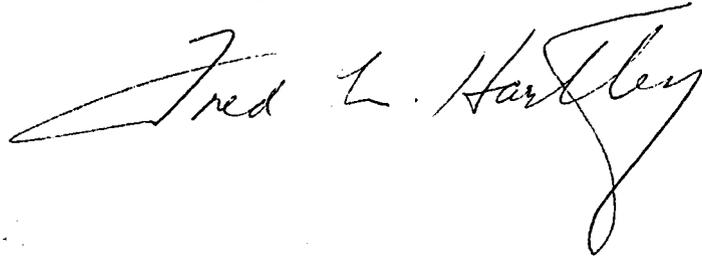
In addition to its simplicity, another plus of this alternative proposal is that it will provide the domestic oil industry with a modest increase in its near-term cash flow. I am certain that most of this cash will be immediately reinvested in expanding the nation's energy supply. This benefit to our nation is obviously not true of the complex oil fee-gasoline entitlements system.

There are, of course, variations in the rate of decontrol which perhaps could improve on my recommendation and still meet your objectives.

The Honorable Jimmy Carter
Page 3
March 27, 1980

I appreciate your consideration of this alternative proposal.
I urge you to consider it most seriously and to act while there
is still time. I am prepared to discuss it with any one you
designate at any time.

Sincerely,

A handwritten signature in cursive script that reads "Fred L. Hartley". The signature is written in dark ink and is positioned to the right of the typed name "Fred L. Hartley".

FLH/idi



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

25 March 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: Charles W. Duncan, Jr.
SUBJECT: Ottawa Trip

C
CW Duncan

I spent yesterday in Ottawa meeting with the new Canadian Minister for Energy, Mines, and Resources, Marc LaLonde. The discussions were frank and friendly.

Gas Pricing. We reached an understanding on a new Canadian gas pricing approach designed to insure that Canadian price adjustments would not raise prices higher than competitive energy costs. Their \$1.02 per mcf increase on February 17 was announced with only a six-week lag time which had this result. It takes 90 days for foreign crude price increases to be reflected in the market place. The understanding reached involves a freeze on prices until July 1, 1980. The July 1 price will be based on the btu equivalent of the Canadian oil import price on April 1, 1980. Prices would be reviewed monthly with an agreed 90-day lag period for any increase. This arrangement is designed to simulate the market place and insure that future Canadian prices are no more than competitive with a reasonable mix of alternative fuels. Canadians are aware of this, and I reemphasized that our regulatory approval of any increases was dependent on our alternative costs, not Canadian oil import prices.

Price changes after July 1 would not take place unless an increase of at least 15 cents per mcf is indicated. The 15-cent trigger should insure that adjustments are infrequent. We agreed to consider increasing the trigger if price increases should occur in consecutive months or more than two times in any six-month period.

Alaskan Natural Gas Transportation System. I discussed the meeting held last week between the producers and sponsors where a tentative agreement was reached on a joint Phase I design and engineering effort, as well as the development of a schedule for resolving Phase II financing issues. The Canadians made it clear that they would be faced with a difficult decision on whether to approve the southern "prebuild" section this summer if final financing of the Alaska segment had not been arranged. They indicated a willingness, however, to consider changing their legal precondition for approval from a finding that the pipeline was financed to a finding that it could be financed if we, in turn,

would certify to them, in as much detail as possible, a financial plan that we thought could work. I underscored our strong commitment to the project and your willingness to reaffirm this commitment. The possibility of supportive statements by Senator Jackson and Congressman Dingell was also discussed.

Acid Rain. The Minister expressed his deep concern over the potential for adding to the acid rain problem as a result of our utility oil backout program. I reassured him that the program would be subject to our already stringent environmental laws, underscored the massive pollution abatement investment being made in conjunction with the program, and the broad range of efforts we were undertaking. We agreed to stay in close consultation on this question and to undertake jointly efforts to improve pollution abatement technology. We made clear our commitment to the utility oil backout program.

Technical Cooperation. We briefly reviewed existing and potential joint R&D programs, including cooperation on coal technologies, magnetic fusion and tar sands.

The Northern Tier Oil Pipeline. Minister LaLonde raised the Canadians' concern about tanker traffic in conjunction with either the Northern Tier or Trans-Mountain west-to-east oil pipeline projects, and inquired if the U.S. could rethink its position on the alternative Foothills overland oil route through Canada. I indicated that the economics of the Foothills line were prohibitive when compared to either Northern Tier or Trans-Mountain; surprisingly, the Minister agreed with me. This is a political issue in Canada, and Ambassador Curtis and I feel the Minister felt compelled to raise the point.

On balance, the atmosphere of the meeting was good, the gas pricing accomplishments significant, and the Canadians seemed pleased with the opportunity for an early meeting of this kind in Ottawa.

cc: Secretary Vance
Dr. Brzezinski
Ambassador Owen

ID 801739

T H E W H I T E H O U S E

WASHINGTON

DATE: 26 MAR 80

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

AL MCDONALD

ZBIG BRZEZINSKI

JIM MCINTYRE

SUBJECT: DUNCAN MEMO RE OTTAWA TRIP

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

March 26, 1980

①

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON
ARNIE MILLER

Jack
AM

SUBJECT:

Counsellor on Aging

On March 24, you approved our recommendation that you appoint Harold L. Sheppard, of Maryland, to be the Consellor on Aging, with the handwritten notation "Let me meet him first." Dr. Sheppard is out of the country until April 7th. We will work with Phil Wise to arrange a meeting at the earliest possible date after Dr. Sheppard's return.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Counsellor on Aging

We join Nelson Cruikshank in recommending the appointment of Harold L. Sheppard to succeed Nelson as the Counsellor on Aging.

Dr. Sheppard is currently Director of the Center on Work and Aging of the American Institutes for Research. He was the first Staff Director of the Senate Aging Committee in the early 60's and served under LBJ in what is now the Economic Development Administration in Commerce. He has had a long and distinguished career in the field of aging, focusing especially on older Americans in the work environment.

Dr. Sheppard enjoys the support of the aging community, has been endorsed by Senator Chiles and Congressman Pepper and by several labor unions. He also has sound ties to the business community.

Stu and Anne concur in our recommendation.

RECOMMENDATION

That you appoint Harold L. Sheppard, of Maryland, to be the Counsellor on Aging.

approve disapprove

*Let me meet
him first
J*

27 Mar 80

Jim McIntyre

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

 Rick Hutcheson

cc: Phil Wise



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

March 26, 1980

ok
J

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM McINTYRE *Jim*

SUBJECT: Budget Signing Ceremony

As we discussed yesterday, the revised 1981 Budget-- and accompanying transmittals to the Congress--will be ready for you to sign on Monday, March 31.

I would like to request that you hold a brief signing ceremony on Monday with your principal economic advisers present. The ceremony would be primarily a photo opportunity, although you may wish to make brief remarks. Early in the day would be preferable from our standpoint.

1015 a.m.

THE WHITE HOUSE

WASHINGTON

March 26, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN

Fred

SUBJECT: Meeting With Representatives of the Health Care Industry

Thursday, March 27, 1980
Roosevelt Room
10:15 a.m.

I. PURPOSE

For you to make brief remarks at meeting with leaders of the health care industry to discuss ways to reduce inflation in health care costs.

II. BACKGROUND, PARTICIPANTS AND PRESS

A. BACKGROUND

This is the first of a series of meetings we will conduct with leaders in high inflation industries as a follow up to a proposal Al McDonald, Stu Eizenstat and I sent you last month and to your March 14 anti-inflation speech. We selected health care for the first meeting for two reasons: inflation in this industry, as you know a chronic problem, has escalated appreciably in the past several months; and health care is one of the "necessities" sectors on which we are concentrating our efforts. This meeting -- and the industry meetings that follow -- are not intended to be confrontation sessions. We intend them to be constructive discussions about ways the government and the industry can cooperate to reduce inflation in a problem sector.

TALKING POINTS FOR THE PRESIDENT

1. Persistent high inflation threatens the economic security of our country. As I am sure everyone in this room is aware, inflation today is a worldwide problem. It is also deeply rooted. It has many causes that have built up during more than a decade. The most important of these are soaring oil prices, declining productivity growth, and our failure in government, as individuals and as a society to live within our means.
2. There are no quick or painless answers to inflation. Only a long-term effort -- with partnership of business and labor, individual citizens, and all branches of government -- can succeed in bringing it under control.
3. During the past eight weeks inflation has intensified and interest rates have soared. Furthermore, two weeks ago, I announced an intensified effort, the key to which is discipline:
 - discipline by reduction in Federal expenditures budget.
 - discipline by restraint on credit.
 - discipline in wage and price setting.
 - discipline by greater conservation of energy.
 - finally, structural changes -- including prominently strengthening the discipline of the competitive market -- to increase productivity.

Fred will discuss the details of those elements with you in more detail.

4. As part of my intensified effort, we intend to meet with representatives such as yourselves of industries where inflation has run high. As you know, I have long been concerned with the problem of chronically high inflation in the health care sector. I need not remind any of you that I fought hard last year for legislation to contain hospital costs. I know you have undertaken a voluntary effort to contain hospital costs. A voluntary effort, as you are aware, in an important component of my plan. I urge you to intensify your program, and I intend to continue my efforts to restrain hospital costs.
5. Controlling inflation in the health sector, however, will require much more than merely putting a cap on increases in hospital costs, and it is to the many aspects of that job that I ask you to give your attention today.
6. One of the reasons I have scheduled this meeting today is that inflation has escalated in all branches of the health care industry during the past five months. While Fred will go into some of the details later in this meeting, let me just say that I am troubled by this acceleration.

7. We need to exercise more restraint to lower inflation in the health care sector. The purpose of this meeting is to explore ways in which we can work together to do so -- by reducing costs, through more effective regulation, and through structural reforms. I will be eager to hear what you have to say at this meeting; I have asked Fred to provide me a report.
8. I am sure that all of us in this room will not agree on specific measures, let alone be able to emerge from this meeting with an integrated program, I am sure we all can agree that the need is urgent. I hope this meeting will encourage a continuous exchange of views among us to achieve that objective. In the days and weeks and months ahead, I or members of my Administration may be calling on some of you individually to see what your group or company can do. We intend to follow inflation in the health care sector very closely, and I expect to call another meeting in the next several months to see what progress we have made.
9. I will turn this meeting over to Fred now, and ask him to continue through the agenda.

Agenda

White House Inflation Meeting with
the Health Care Industry
Thursday, March 27, 1980

The President's Program - Alfred E. Kahn

Balancing the budget

Credit Controls

Gasoline Conservation Fee

Intensified monitoring of prices and wages

Structural and regulatory reform

Inflation in the Health Care Industry - Alfred E. Kahn

Long term trends

Recent experience

The standards and monitoring

Hospital Guidelines for 1980; Intensified monitoring and reporting

- John Palmer, HHS

Structural Reform and Strengthened Regulation - John Palmer, HHS

HEALTH CARE INDUSTRY
PARTICIPANTS

Earl Bassett - Director of Governmental Affairs,
3M
Karl Bays - Chairman, American Hospital Supply
Company
Wayne Bradley - Director, American Medical
Association, D. C. Office
Michael Brumberg - Executive Director, Federation
of American Hospitals
Andrew Cay - Senior Vice President for Finance
and Administration, Kendall Company
Stephen Chertoff - Director, D. C. Office, Blue
Cross/Blue Shield
George Davis - Vice President and Treasurer,
C. R. Bard, Inc.
Robert Froehlke - President, Health Insurance
Association of America
Betram Levine - Director, Federal Relations,
Johnson & Johnson
Mary Lynch - Director, Legislative Affairs
Health Industry Manufacturers Association
Alexander McMann - Executive Director, American
Hospital Association
John Metzger - Senior Vice President, Health,
Dupont
Robert Moliter - Manager, Medical Systems Business
Division & Industry Affairs, General Electric
Ronald Osborn - Deputy Executive Director,
Voluntary Effort
Louis Platt - General Manager, Medical Products,
Hewlett-Packard
John Potter - General Counsel, American Sterilization
Company
Wayne Roe - Health Industry Manufacturers
Association
William Ryan - Senior Executive Vice President,
Blue Cross/Blue Shield, Chicago
Dr. James H. Sammons - Executive Director,
American Medical Association
Louis Stephens - Chairman, Health Insurance
Association of America
David Sunderman - Senior Vice President-Operations,
Hill-Rom
Christ Theodore - Vice President for Government
Operations and Development, American Medical
Association
Richard Thompson - Director, D. C. Office, Abbott
Laboratories

PARTICIPANTS--cont'd.

James Wavle - Director, Government Relations,
Warner Lambert
Alfred F. Fisher - Executive Director, National
Medical Association
Edward S. Mills - Vice President, Health Economics
Research, Blue Cross/Blue Shield
John Maupin - Executive Committee Treasurer,
National Dental Association
Robert E. Dawson - President, National Medical
Association
Hal Christensen - Director, D. C. Office of the
American Dental Association

THE WHITE HOUSE
WASHINGTON

Phil had
seen

THE WHITE HOUSE
WASHINGTON

3/26/80

Mr. President:

Kahn is proposing a dropby of a meeting he is holding with reps of the health care industry for some "jawboning" by you on price restraint. This is the first of a series he is planning and I need some indication if you want to be involved in these.

- schedule first one as a demo and wait on others
- hold on first request
- other

J Phil

THE WHITE HOUSE

WASHINGTON
March 24, 1980

MEMORANDUM FOR PHIL WISE

FROM: ALFRED E. KAHN *fed*

SUBJECT: Presidential Stop-by at Health Care Industry
Meeting, Thursday, March 27

I have scheduled a meeting in the Roosevelt Room for 10:00 a.m. Thursday, March 27, with leaders of the health care industry. This meeting will be the first in a series of industry meetings I will schedule as a followup to last week's announcement of the new anti-inflation program. The attached memo of February 19, which the President approved, explains the rationale for these sessions.

I will run the meeting; I am asking Undersecretary Stark, to whom I understand Secretary Harris has delegated lead responsibility in health care economics, to participate. I think both this briefing and the President's own interests would be importantly served by a Presidential stop-by. There is no sector of the economy in which inflation has been more chronic and persistent; and there is none except energy in which there is a greater need and opportunity for fundamental structural correctives. A stronger statement by the President to this effect would certainly enhance the chances of restraint in the short run, and an accelerated attack on the structural problems.

Please bear in mind that the President and his anti-inflation program have been most severely attacked because (1) they have allegedly given inadequate attention to fundamental, structural reform; (2) they contain little to strike at inflation in the "necessities" -- among them, medical care; and (3) the President has been inadequately involved personally.

Here is our list of meetings scheduled for the next few weeks. As they draw nearer, I will get in touch with you about the ones I think merit the President's involvement:

Thursday, April 3, 1980 -- 10:00 a.m. - Shoes

Thursday, April 10, 1980 -- 10:00 a.m. - Chemicals

Wednesday, April 15, 1980 -- 10:00 a.m. - Rubber and
Plastics

Thursday, April 24, 1980 -- 10:00 a.m. - Metal and Metal
Products

Wednesday, April 30, 1980 -- 10:00 a.m. - Machinery and
Equipment

Thursday, May 8, 1980 -- 10:00 a.m. - Transportation
Equipment

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 26, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CS*

Subject: February Trade Balance (to be released
at 2:30 p.m., Thursday)

In February, the merchandise trade deficit rose to a very large \$5.6 billion from January's \$4.8 billion. The increase was more than accounted for by higher imports of petroleum products, which rose \$1.2 billion in February. There was a large increase in both the price and the quantity of oil imports.

Exports fell slightly, because of a decline in sales of gold and gold coins. Exports of machinery and transport equipment rose nicely. Imports, excluding petroleum, fell.

As last month's memo explained, the trade balance data are now, by law, required to be published under a new statistical definition which adds over \$1 billion a month to the size of the deficit. (The new definition values imports at a cost which includes insurance and freight.) Under the old definition, the February trade deficit was \$4.4 billion, up \$800 million from January.

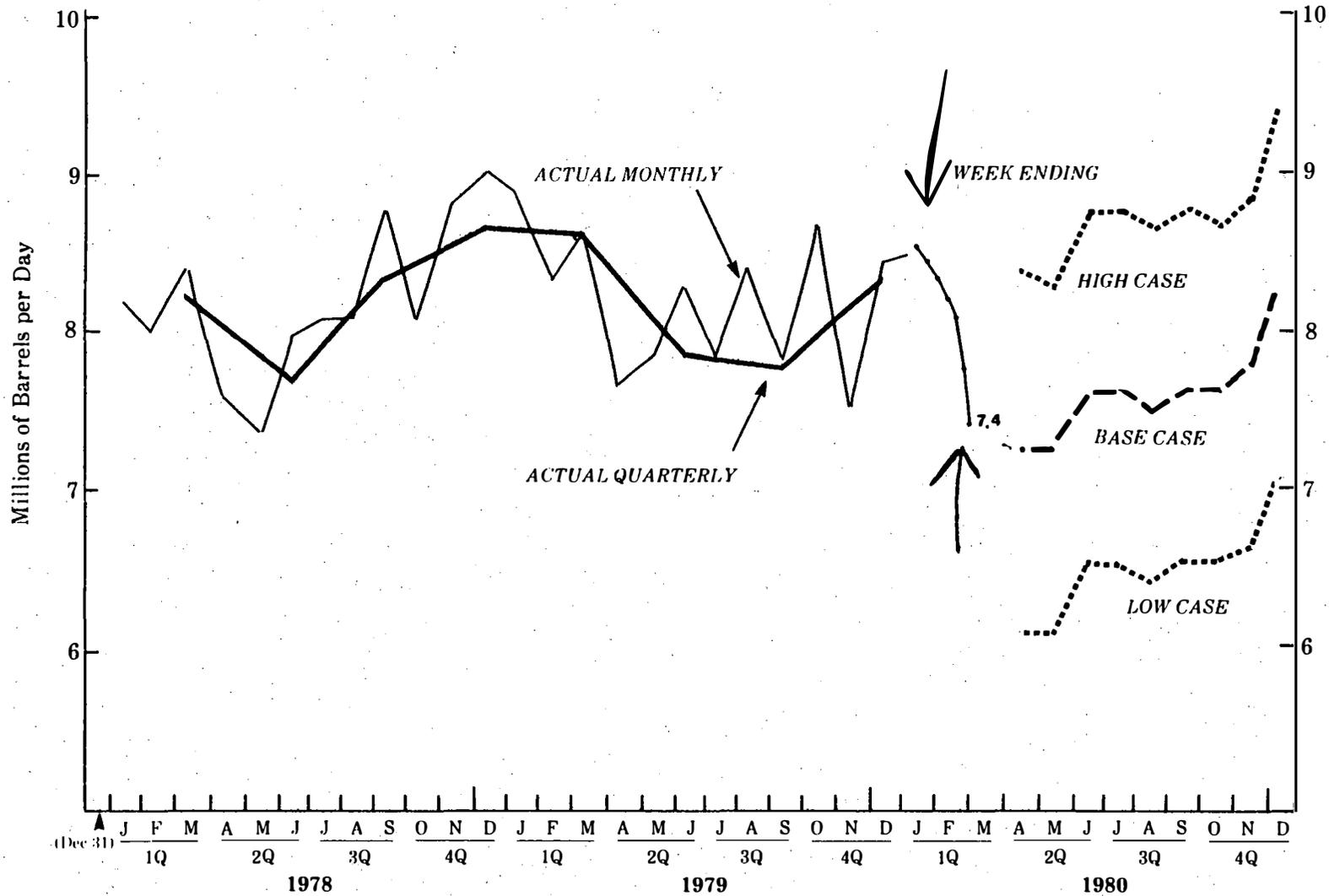
While high U.S. interest rates have substantially strengthened the dollar in recent weeks, the publication of this large trade deficit may have some weakening effect. It is likely to be temporary, however. The February oil import data collected by the Customs Bureau for the trade statistics do not jibe with the weekly American Petroleum Institute (API) data used by DOE. (There are significant differences in the time at which imports are recorded.) Recent weekly API data through the middle of March show that imports have been low recently, after a surge at the turn of the year. If the API data are correct, we should see a better oil import performance in next month's trade statistics.

**Electrostatic Copy Made
for Preservation Purposes**

1774

Gross Petroleum Imports (Crude and Products) as of March 14, 1980

Imports



1/ Gross imports exclude imports to the Strategic Petroleum Reserve and do not take into account exports.

2/ Net imports in 1977 were 8.6 MMB/D if exports of 0.2 MMB/D are subtracted and in 1978 were 8.0 if exports of 0.4 MMB/D are subtracted.

SOURCE: • 1978: EIA, "Petroleum Statement, Annual (Final Summary)"
 • January - November 1979: EIA, "Monthly Petroleum Statistics Report"
 • December 1979 - January 1980: EIA, "Monthly Petroleum Statistics Report"
 • Four-Week Average Data: EIA estimates based on API, "Weekly Statistical Bulletin"
 • Projections through fourth quarter 1980 (updated November 1979): EIA, Office of Applied Analysis

(From DOE Weekly Petroleum Status Report)

9:00 AM

THE WHITE HOUSE

WASHINGTON

March 26, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Agenda for the Cabinet Meeting
 March 27, 1980
 9:00 a.m. (1 hour)
 Cabinet Room

All Members of the Cabinet are expected to attend except Secretary Marshall, who will be represented by Under Secretary Jack Gentry; Secretary Brown, who will be represented by Under Secretary Graham Claytor; Secretary Vance, who will be represented by Deputy Secretary Warren Christopher; and Mr. Schultze, who will be represented by Lyle Gramley. Secretary Miller is scheduled to be on the Hill at 10:00 a.m. and, therefore, will be accompanied by Deputy Secretary Bob Carswell, who will represent him when he departs the meeting.

The purpose of this meeting is twofold: (1) to inform the Cabinet of the overall budget revisions so that they understand the "big picture" and can place their cuts in proper Administration-wide perspective, and; (2) for you to instruct the Cabinet on the Administration's posture regarding the budget and on the absolute necessity for all of your key Administration spokespersons to engage in a concentrated, concerted, and uniform effort both to balance the budget and to explain to the public how and why it is being done.

Jim McIntyre is prepared to make summary remarks on the budget totals and our revised economic assumptions. The departments have received the passbacks and, therefore, Jim will not discuss line-by-line items at this meeting. His presentation will take about 30 minutes.

Several Cabinet Members already have invitations to testify on the Hill and some may do so as early as Friday. They have been given a set of talking points prepared by OMB that describe our reasoning in making budget decisions.

1003

I suggest that your opening remarks make clear that you will not tolerate anything less than the complete support of all Administration representatives (on the Hill and elsewhere) on the issue of a balanced budget, as well as on the budget decisions that have been made.

Attached are some suggested talking points on this point and on our overall budget outreach effort. Anne Wexler is prepared to outline this outreach program, if you want her to do so.

Attachment

Suggested Talking Points

- You have made the difficult decision that the budget must be balanced as part of the overall effort to cut inflation. You have also made extremely difficult decisions about how and where the budget can be cut without imposing an unfair burden on any one segment or constituency. Anything less than full and aggressive support for these initiatives is unacceptable to you.
- The economic news is going to get worse before it gets better, but we must show the American people that we are taking strong action, and that we expect positive results. A constant, aggressive public education effort is a matter of the highest priority for you, and you want it to be the same for the entire Cabinet.
- Specifically, you want each Cabinet Secretary to call together the key policy officials and program managers, including top regional officials, in their departments and give them the same clear and unequivocal message. We will invite some of the key Presidential appointees to the White House within the next few days for a similar briefing with Jim McIntyre and yourself, but there is no substitute for a strong Cabinet lead in every Department in getting the word out.
- You want the Cabinet to talk about our budget actions in every speech they give and to use their press contacts to explain our anti-inflation program at every opportunity. You also want every Cabinet Secretary and Agency head to call together their respective constituent groups for thorough briefings on the budget revisions in a concerted effort to get their active support of our overall program, if not for specific cuts.
- Anne Wexler is coordinating on your behalf the overall public education effort. She and the people working for her, particularly the President's Speakers' Bureau, will be calling on each of the Cabinet Members at various times to fill speaking engagements, to talk to a member of the press, or to help with some other activity related to our anti-inflation program. You want them to make the extra effort required to help fill these requests and to take advantage of every opportunity to state our case forcefully to the public. They and their Executive Assistants will receive more details on the speakers' bureau later. Everyone will be called on to travel more, to speak more, and, in general, to help share the load of the massive effort before us.

KW

NAME William J. Hughes

1209

TITLE Congressman

Frank Moore *FM/m*

Requested by Stu Eizenstat

CITY/STATE New Jersey

Date of Request 3/26/80

Phone Number--Home (202) 554-1489

Work (202) 225-6572

SHOULD BE MADE TODAY

Other () _____

INFORMATION (Continued on back if necessary)

Tomorrow morning the House Subcommittee on Administrative Law, chaired by George Danielson of California, will vote on a Republican government-wide one-house veto proposal for all important regulations, as an amendment to the regulatory reform bill. Congressman Hughes holds the swing vote. He is inclined to vote for the legislative veto amendment.

If Hughes votes for government-wide legislative veto, we will almost surely have no option except to keep the regulatory reform bill itself from moving any (over)-----

NOTES: (Date of Call 3-27)

*Will help - wants to see me -
Frank set up next week*

further. If Hughes votes against the amendment, or if he takes a walk and fails to cast a vote, the bill will move to the full Committee free from any "killer" amendments like legislative veto. (In the Senate, there is a reasonable prospect of late spring floor action.)

In other words, Hughes has the power to kill this legislation or keep it alive.

TALKING POINTS:

1. I understand that the subcommittee has nearly finished with the regulatory reform bill, and that you have contributed significantly. Thank you for your vote against Congressman McClory's version of the Bumpers amendment to turn courts into super-regulators.
2. This bill will cut wasteful regulatory costs, and it has strong support from all the major business groups. But it does not now include any extreme or untried proposals which would threaten vast unknown consequences.
3. The amendment to be offered tomorrow will subject all important regulations from all Federal agencies to a legislative veto. I would surely veto such a proposal. It will probably give me no real option but to work to stop the regulatory reform bill, itself.
4. The leadership, I understand, is working on a compromise proposal acceptable to all Democrats. But if you vote for the Republicans' amendment tomorrow, that will kill the bill now, and there will be no chance for an acceptable compromise later.

THE WHITE HOUSE
WASHINGTON

27 Mar 80

Lloyd Cutler
Stu Eizenstat
Jim McIntyre

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

3/27/80

Mr. President:

Attached is a Cutler memo discussing options for expediting nuclear export licensing. One option is to use the NRC Reorganization Plan as a vehicle for setting strict time limits on NRC review.

Stu Eizenstat and Jim McIntyre argue against using the NRC Reorganization Plan (attached) for this purpose. Stu believes that further study is needed, and suggests that a small task force be set up to explore options.

McIntyre is concerned that the NRC Reorganization get to the Hill today. Reorganization Authority expires April 6; both houses of Congress must be in session to receive reorganization plans; and one house may go out for Easter Recess today.

Cutler does not wish to jeopardize getting the Reorganization Plan to the Hill before the Senate goes out, pending consideration of the issue he raises. An amendment to the Plan could be submitted later.

Rick

*Seek above amendment
in committee after
consultations
J*

THE WHITE HOUSE

WASHINGTON

March 25, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER *lnc*

SUBJECT: NRC Review of Nuclear Export Licensing

As you requested, I have explored various options by which you can expedite the nuclear export licensing procedure while leaving the licensing functions unchanged. These options, summarized below, are: 1) use the NRC Reorganization Plan as a vehicle for setting strict time limits on NRC review; or 2) rely on the current statute and send letters urging the State Department and the NRC to live within the existing statutory time limits.

42 U.S.C. Sec. 2155(b)(2) provides for a 60-day period during which the Executive Branch makes an initial determination; an additional 60-day period for the NRC to make a decision; and a final 60-day grace period for NRC, at the end of which the President can order the license if he finds the delay to be excessive. There are exceptions to this timetable for the intrusion of hearings and certain special requests for information. If the timetable could be enforced, it would greatly ease the problem of delay.

Option 1 - Current Reorganization Plan

You can lawfully add a paragraph to the draft NRC Reorganization Plan. This paragraph would require that to coordinate the respective export licensing functions of the Executive Branch and the NRC the Executive Branch should keep NRC currently informed of its deliberations throughout the period of Executive Branch review, so that NRC can conduct its review at the same time as the Executive Branch review is ongoing; that the Executive Branch complete its action within the statutory 60-day period unless the President approves an extension; that NRC commence any hearings no later than 10 days after the Executive Branch recommendation is received; and that NRC adopt summary

hearing procedures that will enable it to complete its hearing and its final action within the 60-day statutory period after receiving the Executive Branch recommendation. Such a requirement could be made part of the Reorganization Plan pursuant to 5 U.S.C. Sec. 903(a)(3), which states that a reorganization plan may provide for:

the consolidation or coordination of the whole or a part of an agency, or of the whole or a part of the functions thereof, with the whole or a part of another agency or the functions thereof. (Emphasis added)

Since the statute governing licensing provides for specific roles for the Executive Branch (here, State) the NRC and the President, it is important that some discipline over scheduling be maintained so that each decision is coordinate and not merely cumulative. It is not uncommon for NRC review to last more than six months. Usually the vast majority of this time is spent waiting for the Commissioners to act; in most cases, the staff delay accounts for only a fraction of the total elapsed days at NRC.

Option 2 - Rely on the Current Statute Plus Letters from You

You might consider simply writing two letters, one to State, one to NRC. With respect to the Executive Branch, your authority to order compliance with the applicable statute and direct the Secretary to establish procedures which prevent delay is unquestioned. NRC delays, on the other hand, are less justifiable and also less easily controlled by your authority. Your letter to the NRC can reiterate the present statutory requirement that NRC begin its review concurrently with the Executive Branch; you may inform NRC that you have directed State to establish various coordinating procedures which will enable NRC to expedite its work; you may remind NRC that, by statute, you have the authority to issue licenses after a 120-day delay and that, henceforth, you will require NRC to report the reasons for such lapses pursuant to your statutory authority to determine whether the delay is excessive; you may even urge the Commission to adopt certain expediting procedures. You cannot, however, order them to meet their deadlines and, even if you could, this would not take care of the statute's loophole for hearings and requests for information. These are relatively rare - of the 8 times in 1979 when NRC took 6 months or more to decide, a hearing was the cause only once - so perhaps we could live with this as a second best solution.

* * * *

If you wish, we will prepare a draft of the Executive Order or of the letters.

I would favor Option 1 but if it would obstruct approval of the Reorganization Plan, I would accept Option 2.



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

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. 
SUBJECT: Export Licensing and the NRC Reorganization Plan

We have been proceeding to carry out your decision to "deal only with internal NRC restructuring in the (NRC reorganization) Plan and make no changes in export licensing." The key interested parties (agencies, Congressional, press) have been informed of your decision. The Plan is ready for your signature, and must be transmitted to Congress this week if we are to be certain that the submission meets deadlines imposed by Reorganization Authority extension and the Congressional recess schedule. Unless extended, the Reorganization Authority expires April 6. We believe the Senate will approve the House-passed extension bill before recess, but there is a possibility that the authority may lapse for a couple of weeks if the Senate doesn't act. In this context, we oppose the suggestion that the Reorganization Plan be used as a vehicle for setting strict time limits on NRC review of export licenses. We propose instead that State, DOE, NSC, OMB and Cutler's office begin discussions immediately on ways to speed up the licensing process through administrative action where appropriate.

Lloyd Cutler has aptly stated the arguments for Option I in his memorandum of March 25. We agree that Reorganization Act authority could legally be used to make each of the scheduling and sequencing changes he suggests. We take strong issue with the wisdom of doing so.

Our extensive consultations on the Hill on export licensing have confirmed the extreme sensitivity of this issue. Using the Plan to establish an expediting process for export licensing would incur substantial political costs in exchange for benefits that are poorly established and difficult to defend in testimony.

Briefly, we raise the following objections to Option I:

- NRC "delay" of licensing decisions has not been established as the cause of foreign doubts about our reliability as a nuclear supplier, nor is it the crux of the State Department's objections to NRC's role in the process. Moreover, the opponents will raise the objection that the Executive Branch in fact often takes twice as much time for its review as the NRC does.
- NRC statistics will reveal a steady improvement in processing times since passage of the Nuclear Nonproliferation Act two years ago. Recent decisions by the NRC to delegate more responsibility to staff, management improvements imposed by the current reorganization plan, and the simple fact that precedents have been established in the discussions of tough cases over the past two years either have or will have expedited the NRC decisionmaking process.
- A piecemeal reform now by Plan will divert attention from the rationale for more fundamental change by substantive legislation which you have requested for submission at a later date, and from the comprehensive GAO assessment of the export licensing process due early next year.
- Strong Congressional suspicions of a "hidden agenda" will be vented in hearings devoted to the export licensing issue which we could otherwise avoid at this time. Even a change of this minor nature may raise the entire question of nuclear nonproliferation policy, particularly as applied in Southwest Asia.
- Our defense of use of a Plan to expedite will be hampered by the necessity to admit that we have given as yet little attention to alternative ways of speeding up the process by using existing Presidential authority, such as directing revisions in the State Department regulations or a State-NRC memorandum of understanding, or issuing an Executive Order. Any of these actions could significantly expedite the NRC procedures.

I advise strongly that we stick to the decision not to deal with any aspect of export licensing in the current plan, and instead take advantage of the current interest in expediting licenses to develop fully, in cooperation with State, Energy, NSC and the NRC, a range of alternatives for your consideration in the next few weeks.

THE WHITE HOUSE

WASHINGTON

March 26, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Cutler Memorandum on Nuclear Export Licensing

I concur with the points and recommendation made in Jim McIntrye's memorandum to you on not including provisions for expediting export licensing procedures in the NRC Reorganization Plan.

In addition, I do not believe that you should select option 2 of the Cutler memo at this time. While there may well be a need for letters or executive orders from you to the relevant agencies to speed up the process, I do not believe we have given this subject as thorough a review as is needed.

DOE, State, and the NRC each has a role in the export licensing process. At various times, one or another agency has been responsible for delay. I am told that, at least in some cases, delay occurs on purpose at DOE or State for other foreign policy reasons (e.g., situations in which State would prefer to delay either a negative or a positive response in order to further some other foreign policy objective in the country in question). To bind State -- or the other agencies -- without an outlet may unduly restrict your foreign policy options.

I believe that we should set up a small task force from the relevant agencies to look at the various options -- and to define the problem more fully. I would be happy to chair such a task force, or co-chair it with OMB. If you concur with this approach, I will work out the details with Jim McIntrye.

27 Mar 80

Jack Watson

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

Rick Hutcheson

cc: Stu Eizenstat

THE WHITE HOUSE
WASHINGTON
March 26, 1980

*Jack -
You coordinate
this
J*

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: Three Mile Island Clean Up

The letter from State Representative Steve Reed (attached) is indicative of the intense concerns of a sizeable portion of the public in and around the Three Mile Island facility. They are:

- o The lack of credible and timely information on radiation releases from the facility;
- o The recently proposed action recommended by NRC staff to the Commission to purge the reactor of radioactive Krypton 85 by controlled open venting into the atmosphere;
- o The lack of adequate public involvement and awareness of clean-up activities.

Steps are underway to address each of these concerns. Following is a status report on our activities and NRC proposed actions:

o Information on Radiation Releases

A public information plan has been developed by EPA, along with other agencies, and was announced on March 17 in Harrisburg. As a part of this program, EPA was designated as the lead agency responsible for communicating radiation data to state and local officials. EPA agreed to put a full time information officer on site. NRC agreed to strengthen their on-site staff and hire a full-time public information coordinator. DOE agreed to fund an "independent radiation monitoring" effort through Pennsylvania State University. This effort has been enthusiastically supported by local officials, but it will take time for it to allay public concerns.

o NRC Actions and Citizen Involvement

In order for the clean-up activities to proceed, the reactor must be "purged" of Krypton 85 gas. Met-Ed proposed to the NRC that the Krypton be purged by controlled open venting to the atmosphere. NRC staff recently completed

an environmental assessment of various purging options and concluded that venting was the best available method. This recommendation has been forwarded to the Nuclear Regulatory Commission and is now under review. The Commissioners have not yet set a schedule for a final decision. The other options studied would not accomplish the necessary purging in a timeframe that the technical experts view as safe. (Many portions of the reactor are under water. No one is certain about the integrity of the systems inside the containment facility, and prolonged delay in purging may increase the possibility of unexpected major releases.)

Although most technical experts concur with the NRC staff recommendations, (including the Governor's own Three Mile Island Commission), the public believes that this option was recommended for reasons of economy only and presents a danger to public health and safety.

Before the Commissioners decide on what action will be taken, a comprehensive and credible public information program must be put in place. I believe we can set a timetable that will allow us to educate the public effectively and still get inside the building within a reasonable timeframe.

Unless you would prefer to handle it another way, my office will continue to take an active role in assuring that the NRC, DOE, EPA and other federal agencies put the right kind of program in place before any action is taken to vent the containment facility. It may even be necessary to designate someone to go on site to coordinate the federal presence for a week or so to insure that (a) no precipitous decision or action is taken, and (b) you get appropriate credit for easing citizen concerns. Given the intensity of public concern on the matter and the number of federal agencies involved, I believe tighter coordination of the situation is advisable.



COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
HARRISBURG, PA. 17120

REP. STEPHEN R. REED

March 20, 1980

Honorable Jimmie Carter
The President
The White House
Washington, District of Columbia

Dear Mr. President:

On behalf of the present and future residents of Central Pennsylvania, I seek your intercession to prevent the release of 57,000 curies of radioactive Krypton 85 into the atmosphere around Three Mile Island. The U.S. Nuclear Regulatory Commission yesterday conducted formal hearings in Middletown, PA at which they announced they plan to release such contaminants.

It is an understatement to say that the majority of persons anywhere near Three Mile Island oppose such a release.

I also oppose such a release for a variety of reasons which include:

- (1) its health impact is not known; even the best experts cannot agree on the effects of low level radiation on humans and animals and to be sure, 57,000 curies is a massive amount defying adequate description;
- (2) during the TMI accident, on March 28, 1979, radiation releases occurred which, according to the eight stack monitors, exceeded 1000 REMS per hour--and the stack monitors stuck at that level because that is all the higher they could measure radiation; today there are growing reports of unexplained health effects and ailments involving humans and animals which, it has not been conclusively proven, may be directly related to those releases; the planned release of Krypton 85 and other contaminants now, before the real or full story of TMI's short-term or long-term effects is known, is unwise, a clear threat to health and with disregard to the public's interests here;
- (3) there were a number of ways the containment building of TMI Unit 2 could be decontaminated; the outright release of the radiation was one of them and it happens it is by far the cheapest way too---costly an estimated \$75,000 compared to millions for other ways; it would appear that the fastest, most economical method has been chosen which smacks of favoritism to the interests of the TMI owners, the Metropolitan Edison Company;

*Jack -
Quick assessment
J*

(4) assurances that "a little Krpton 85 gas and other contaminants" will not harm one comes from the same people who told this area and the world last March that "very little" radiation had been released, no real accident had happened and that TMI Unit 2 would be "back on line in a matter of days or a week at the most." The credibility of Metropolitan Edison, and indeed, that of the NRC now, has dissipated; the colossal mishandling of the TMI accident by Met Ed was preceded by construction and operational errors that clearly established a pattern of mismanagement of a major nuclear facility; Met Ed's aftermath activities have only served to reinforce public opinion about their abilities and a good case in point is the February 13, 1980 discovery of Krypton 85 releases that had been happening since last April--and the subsequent delay by Met Ed in notifying Civil Defense and others of their on-site "alert" when it was discovered.

(5) the independent Heidelberg Study of NRC and nuclear industry radiation measurement standards verified, which the NRC subsequently agreed to, that those standards were based on falsely represented experiments from twenty years ago conducted by the former Atomic Energy Commission; it would therefore seem clear that even the best calculations given us today about TMI's radiation releases planned for next month cannot be valid

At the very least, planned Krypton 85 releases should be held up until valid and accurate independent analysis by the best non-aligned experts available can be had and it may well be that the conclusion from such analysis would be that we cannot determine what real impact the planned releases will have.

Such uncertainty, such disregard for public opinion and such lack of credible information and informational disseminators is an outrage to the people of Central Pennsylvania who have been subjected to as yet undefined exposures and who do not volunteer their bodies and their children's bodies to be a receptor for Met Ed and TMI radiation. Clearly, the issue becomes whether Government will represent the public's interests or those of monied, vested interests.

The handling of the TMI aftermath clearly sets precedent for policy in any future accidents and the people who live near nuclear power plants, nearly 100 million in the United States, need to know that the NRC cannot go ahead with their capricious and expedient action of Krypton 85 releases. Indeed, we should be holding NRC hearings on the performance of Met Ed and as to whether they should be allowed to hold a nuclear plant license.

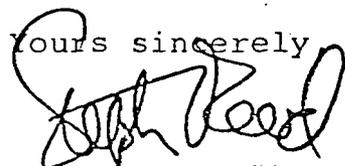
I cite the calming and stabilizing effect your personal visit to Middletown, PA had after the accident. Your personal interest in this crisis is well remembered by us all. We ask, at minimum, that the planned Krypton 85 release be held up until independent analysis is done, but far more desirable, we ask a complete cancellation of such a plan for now and the future.

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Honorable Jimmie Carter
March 20, 1980

I respectfully beseech your effort to prevent the NRC plan to release radioactive Krypton 85 from Three Mile Island.

Enclosed are copies of various editorials appearing across the Commonwealth of Pennsylvania on this issue, along with a recent article describing, in layman's terms, the effect of a curie of Krypton on human beings.

With warmest regards, I remain

Yours sincerely


STEPHEN R. REED
State Representative

Attachments