

**4/7/80 [1]**

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**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

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memo	<p>Charlie Schultz to the President.                      Re: Unemployment and producer rates in                      March. (3 pp.)</p>	4/3/80	A

**FILE LOCATION**

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59  
April 7, 1980

EXECUTIVE

ME 1-3/B\*

PR 5-2

Hunt, Jim

To Aileen Bolt

Rosalynn and I were saddened to hear of the loss of your husband. We extend our deepest sympathy to you and your family.

We admired Bill as a friend and as a dedicated public servant. Our thoughts and our prayers are with you at this difficult time.

With best wishes,

Sincerely,

JIMMY CARTER

\*  
Mrs. William T. Bolt  
Pinehaven Street  
Laurens, South Carolina 29360

JC:JMC:dkf--

Note to files: Laurens has population of 10,000+.

20 - HUSBAND

8  
804081835

CAMP DAVID

April 5, 1980

*Susan  
write note  
LMS  
J*

Mr. President -

Jim Hunt called to let you know of the death last evening of William T. Bolt of Laurens, S. C. (Funeral is tomorrow).

Jim said Mr. Bolt had been a longtime close friend and supporter - former mayor of Laurens, former State Senator and longtime executive director of the S.C. Regional Housing Authority.

Widow's name is Aileen

home address: Pinehaven Street  
Laurens, S.C. 29360

Home phone: 803/984-7249.

\_\_\_\_\_ I'll call

\_\_\_\_\_ send note Monday

fran *fran*

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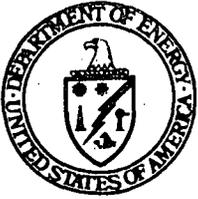
THE WHITE HOUSE  
WASHINGTON

07 Apr 80

Zbig Brzezinski

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

Rick Hutcheson



~~SECRET~~  
THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

This document consists of 1 page(s)

No. 1 of 5 copies, Series A

April 4, 1980

*Zbis-  
Be sure we  
approve  
U.S. position  
J*

MEMORANDUM FOR: THE PRESIDENT  
FROM: CHARLES W. DUNCAN, JR. *Worth Duncan*  
JOHN C. SAWHILL *(acting)*  
SUBJECT: Classified Annex to Weekly Activities Report:  
Week of March 29, 1980 - April 4, 1980

Because of its classified nature, this item is not included in my regular weekly report.

Visit of Israeli Energy Minister Modai: On March 28, I met with Israeli Energy Minister Modai. I confirmed that a team of senior State and DOE officials would go to Israel at the end of April to discuss conditions of, and terms for, possible activation of the United States commitment. Minister Modai emphasized that Israel believes that current circumstances justify activation, while we believe that the team should first review the circumstances and the details of any implementation. We also discussed the possibility of closer cooperation with the United States on solar energy research, shale oil development, and the expanded use of coal.

DECLASSIFY  
or  
 REVIEW  
on: 4-4-86  
(date or event)

~~SECRET~~  
*Jan 10/18/90*

NATIONAL SECURITY  
INFORMATION  
Unauthorized disclosure subject to  
Administrative and Criminal Sanctions

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NAME Colonel F. Don Miller

1235

TITLE Executive Director, United States Olympic Committee

Requested by Lloyd N. Cutler

CITY/STATE Colorado Springs, Col.

Date of Request 4/3/80

Phone Number--Home (303) 471 3886

Work (303) 632 5551

Other ( )

INFORMATION (Continued on back if necessary)

1. How are you Colonel Miller? I know(?) your daughter Donna, and I hope I can consider you a member of the extended White House family. 2. I am calling to tell you how important I think it is for the United States Olympic Committee to vote at its House of Delegates meeting next week against sending a team to Moscow this summer. We are depending upon your leadership and your powers of persuasion to overcome the understandable desire of our fine athletes and some of the national governing boards to take part in the Olympics

NOTES: (Date of Call 4-5 )

*Equivocal... but promised to help  
Concerned re alternative games which would be  
"Competitive" - Olympics = needs help - fundraising -  
(I'll help if USOC backs my position)*

wherever they are held, regardless of what the host nation is doing to endanger world peace. 3. As President and Commander-in-Chief, I am responsible for the national security and the foreign policy of this country. I and my Cabinet, the Joint Chiefs of Staff and virtually the entire Congress consider the Soviet invasion of Afghanistan to be a serious threat to the security of the entire Persian Gulf area, on which we depend for much of our oil supply, and to the national security of the United States. All the major free world governments agree with this analysis. 4. As you know, we have taken a number of responsive measures to safeguard our national security. We have increased defense expenditures; we have deployed additional forces in the region; we have acquired new facility rights for the rapid staging and deployment of additional forces; we have called for Draft registration of nineteen- and twenty-year olds; we have embargoed the shipment of 17 million tons of grain and many high technology and other industrial items that we have previously shipped to the S viets; we have stopped issuing fishing rights for Soviet vessels in U. S. waters; and we have called on the USOC not to send an American team to Moscow this summer. 5. We recognize this will be a sacrifice for the athletes and, if you will help us, we will do everything we can to provide a post-Olympics opportunity for major world class competition and recognition this summer. But neither athletes nor sports organizations are being singled out to make the only sacrifice. As a military officer you know that everyone serving or called up in a time of crisis like the present is being asked to sacrifice. The same is true of farmers, business firms, industrial works and all of us who as taxpayers will have to pay for what must be done. 6. Not sending a team to the Olympics is a very important part of our total response. If we take this step I have been assured at the highest level that West Germany, most of Western Europe and Japan will join us, together with the 25 to 50 other nations around the world who have expressed similar positions, we will have an effective boycott -- one that will register our disapproval of the Soviet invasion more effectively with Soviet public opinion and world public opinion than anything else we can do. An effective boycott will inflict a substantial political setback on the Soviet Government. For

(Continued)

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NAME F. Don Miller

TITLE Executive Director

CITY/STATE \_\_\_\_\_

Phone Number--Home (  ) \_\_\_\_\_

Work (  ) \_\_\_\_\_

Other (  ) \_\_\_\_\_

Requested by \_\_\_\_\_

Date of Request \_\_\_\_\_

INFORMATION (Continued on back if necessary)

-----  
NOTES: (Date of Call \_\_\_\_\_)

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Page 2 of telephone request: Colonel F. Don Miller

the boycott to fail -- particularly because sports organizations send teams despite their government's urgings not to do so, will be a tremendous political victory for the Soviets. It will prove to them and the world that we and the other western governments lack the will and the resolve to oppose Soviet aggression. 7. As your President and Commander-in-Chief I put to you as forcefully as I can that a vote by the USOC to send a team to Moscow will be harmful to the national security of the United States. I understand that the bi-partisan leadership of Congress has taken the same position in letters to you and other officers and members of the Committee. All of us are depending on you, Colonel Miller, to persuade the USOC House of Delegates to vote in the way that your President, your Congress and the great majority of your fellow citizens regard as in the best interests of our nation -- against sending an American team to Moscow this summer. 8. I understand that because of the proposed boycott your fund raising program is not keeping pace with the Committee's needs. If the USOC votes against sending a team, I and Congress will do all we can to assist you in obtaining additional private contributions and, if necessary, in providing public funds to cover any deficit that results from the decision not to send a team.

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THE WHITE HOUSE  
WASHINGTON

4/7/80

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  
Hamilton Jordan  
Jody Powell

THE WHITE HOUSE  
WASHINGTON

April 7, 1980

*Lloyd. This may be too much of a personal commitment. I don't want to be taking Kane's job. Define my commitment narrowly.*

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER

*LNC*

*J*

SUBJECT: OLYMPICS

After spending three hours Thursday night with Don Miller and Bob Kane of the USOC, I am persuaded we can win the House of Delegates vote this weekend if we develop and announce a program (1) to honor the 1980 Olympic athletes who will be giving up their chance to compete in the Moscow Games, and (2) to help the USOC stave off the financial disaster it faces.

The program would have three parts:

- 1. A drive to raise \$15 million for the USOC from private sources.

*I would not be responsible for a specific amount*

The proceeds would be used to make up this year's fall-off in contributions because of the call for the boycott (\$6 to \$10 million) and to assist the National Governing Boards in each sport to arrange world-class post-Olympic events for our athletes. The balance would go either to avoid the scheduled closing, for lack of funds, of the USOC's winter training center at Squaw Valley and its office in New York, or to build a gymnasium or swimming complex at the Olympic Center in Colorado Springs, to be dedicated to the 1980 team.

You would be honorary chairman of the campaign, perhaps inviting Governor Reagan to join you as Co-Chairman. You and other public officials would make the initial contributions. Ann Wexler would put together the national drive, with Business Council leadership and a series of White House meetings. The ANPA would be asked to urge its newspaper members to organize local drives, and business firms would be asked to organize employee drives along UGF lines. (The USOC is non-profit and under existing law all contributions would be deductible for tax purposes.)

The boycott is as much an unforeseen disaster for the USOC as any hurricane, earthquake or flood. With your support and an outpouring of public appreciation for the sacrifice made by the

athletes, the goal of \$15 million should be within reach.

2. Maximum public attention for the U. S. Olympic trials late in June and early in July culminating in the selection of the U. S. Team.

The Vice President and/or Mrs. Carter would attend the major track and field trials at the University of Oregon. When the entire 500-person team is selected, they would be invited to the White House, to receive from you special Congressionally-authorized gold medals of honor to recognize their sacrifice.

*Congress?  
Gold?*

3. The NGB's would each arrange opportunities for some form of world-class post-Olympic competition for our athletes.

In some sports this might be a new event here or abroad; in others it might be to enter our athletes in and transport them to events already planned, primarily in Western Europe where a number of major international events are now scheduled to follow the Moscow Olympics. Part of the \$15 million fund drive proceeds would be earmarked for this purpose. While the views of the NGB's and the athletes may change after the boycott decisions are firmly made in the U. S. and Western Europe, this more limited form of "alternative games" now appears to have a better chance of gaining NGB and athlete support than the integrated version, linked by world television, we have so far been discussing.

Such a program would only be launched after the USOC House of Delegates votes not to send a team to Moscow. But in order to create the most propitious atmosphere for that vote, your willingness to lead such an effort - if you approve it - should be made known to Miller and Kane, and the USOC House of Delegates, early this week.

*?*

*Cy and Chris have reviewed this memo and agree in principle.*

*LNC*

THE WHITE HOUSE  
WASHINGTON

4/4/80

TO: BOB DUNN FOR THE PRESIDENT  
FROM: RICK HUTCHESON  
SUBJ: PHONE CALL REQUEST

KV

NAME Robert Kane

1240

TITLE President, United States Olympic Committee

Requested by Lloyd Cutler

CITY/STATE \_\_\_\_\_

Date of Request April 4, 1980

Phone Number--Home (  ) \_\_\_\_\_

Work (305) 272-2206

Other (  ) \_\_\_\_\_

**INFORMATION (Continued on back if necessary)**

You have previously agreed to telephone Col. Don Miller, the Executive Director of the United States Olympic Committee, this weekend. For protocol purposes, we believe you should also call Robert Kane, President of the USOC, to make the same points.

NOTES: (Date of Call \_\_\_\_\_)

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IMMEDIATE  
PRECEDENCE

UNCLAS  
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Rick Hutcherson  
TO: Bob Dunn for the President

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PAGES 2

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CITE \_\_\_\_\_

INFO:

DTG: 042102Z APR 80

RELEASED BY: AMM

TOR: 042115Z APR 80

SPECIAL INSTRUCTIONS:

— Phone Call Request. —

THE WHITE HOUSE  
WASHINGTON

07 Apr 80

Jack Watson  
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

March 31, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON

ARNIE MILLER

SUBJECT:

Ambassadorial Appointments

Secretary Vance has made the following recommendations for Ambassadorial assignments:

Allen C. Davis                      Guinea

Barbara M. Watson                Malaysia

Both of the candidates are Foreign Service Officers.

Mr. Davis is fifty-two years old and presently Deputy Chief of Mission, Kinshasa.

Ms. Watson is sixty-one years old and presently Assistant Secretary for Consular Affairs.

RECOMMENDATION:

That you nominate Allen C. Davis for Guinea; and Barbara M. Watson for Malaysia.

APPROVE

DISAPPROVE

CANDIDATE FOR GUINEA

NAME: Allen C. DAVIS, Jr.

AGE: 52

AREAS OF EXPERIENCE: Africa, Eastern Europe

COUNTRIES OF EXPERIENCE: Liberia, Upper Volta, Algeria,  
Senegal, Zaire, Soviet Union

RANK: Foreign Service Office of Class II

FOREIGN LANGUAGES: French, Russian

EDUCATION: BS, Georgetown University, 1956

PROFESSIONAL EXPERIENCE:

1977-present	Deputy Chief of Mission, Kinshasa
1974 to 1977	Deputy Chief of Mission, Dakar
1973 to 1974	Student, Army War College
1970 to 1973	Political Officer, Algiers
1968 to 1970	Political Officer, Ouagadougou
1966 to 1968	Political Officer, Moscow
1965 to 1966	Russian language training
1962 to 1965	Bureau of European Affairs, Department of State
1960 to 1962	Bureau of African Affairs, Department of State
1957 to 1960	Consular/Political Officer, Monrovia
1956 to 1957	Personnel Officer, Department of State

Davis has devoted most of his career to African affairs and is one of the most knowledgeable officers in the Foreign Service on Francophone Africa. He is viewed as a strong professional with an exceptional capacity for management. Cited in particular is the high level of his judgment, policy sense, dedication and reliability.

CANDIDATE FOR MALAYSIA

NAME: Barbara M. Watson

AGE: 61

FOREIGN LANGUAGES: French, Spanish

EDUCATION: BA, Barnard College, 1943  
LLB, New York Law School, 1962

PROFESSIONAL EXPERIENCE:

1977-present Assistant Secretary of State for Consular Affairs

1975-1976 Lecturer, American Program Bureau

1968-1974 Administrator, Bureau of Security and Consular Affairs, Department of State

1966-1968 Deputy Administrator, Bureau of Security and Consular Affairs

1966 Special Assistant to the Deputy Under Secretary of State for Administration

1964-1966 Executive Director, New York City Commission to the United Nations

1963-1964 Assistant Corporation Counsel, City of New York

1962-1963 Statutory Aide, Board of Statutory Consolidation, City of New York

1958-1959 Coordinator of Student Activities and Foreign Student Advisor, Hampton Institute

1956-1957 Clerk, The Christophers

1946-1956 Executive Director, Brandford Models

1952-1953 Research Assistant, New York State Democratic Committee

1943-1946 Interviewer, United Seamen's Service

ASSOCIATIONS & AFFILIATIONS: (selected - past and present)

Board Member, Center for Strategic and International Studies

Board Member, Radio Liberty/Radio Free Europe

Board Member, World Trade Institute

Board of Visitors, Georgetown University School of  
Foreign Service

Institute of International Policy

American Immigration and Citizenship Conference

Urban League Guild

American Bar Association

Harlem Lawyers' Association

International Women Lawyer's Association

World Peace Through Law Association

THE WHITE HOUSE  
WASHINGTON

Apr. 7, 1980

To Butterfor  
Handling and  
Delivery

THE WHITE HOUSE  
WASHINGTON

MAR 2 1980

3/11/80

Landon Butler

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

Rick Hutcheson

cc: Louis Martin

THE WHITE HOUSE  
WASHINGTON

*Karen  
letter not  
delivered*

Ambassador Torres plans to *well*  
attend the testimonial  
dinner and will hand  
deliver the President's  
letter.

Karen Fizer  
Office of Landon Butler

*Susan*

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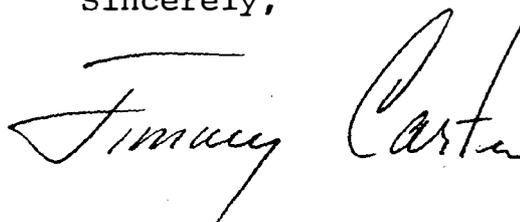
THE WHITE HOUSE  
WASHINGTON

April 18, 1980

To Irving Bluestone

I join with your friends and colleagues as they honor your great career in the American labor movement. For nearly 40 years, you have been in the forefront of every fight for social justice, not just for working people, but for all those in need in our society. I am sure that you will continue to serve both the UAW and our nation in the years to come. I wish you and Zelda happiness in the years ahead.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Mr. Irving Bluestone  
United Auto Workers  
Detroit, Michigan

KING & SPALDING

2500 TRUST COMPANY TOWER  
ATLANTA, GEORGIA 30303  
404/572-4600

*Landon  
Draft plz for  
me to sign  
J*

1800 M STREET, N. W.  
WASHINGTON, D. C. 20036  
202/466-7640

March 6, 1980

MEMORANDUM TO: The President

I attach a note from Wade McCree as well as a letter from him to Louis Martin. The point of the matter is that he hopes that you can send a congratulatory note to Irving Bluestone on the occasion of his retirement dinner in Detroit.

It was through Wade and Irving Bluestone that we were able to make a contact with the UAW back in 1975.

Regards,

*Griffin Bell*

Griffin B. Bell

GBB:fc  
Attachment

2/29/80

Dear Griff,

This is the picture I sent about  
IRV. BLOOSTONE,



*W. H. McCree, Jr.*

**WADE H. MCCREE, JR.**

**SOLICITOR GENERAL OF THE UNITED STATES**

WASHINGTON, D.C.

(202) 633-2201

THE SOLICITOR GENERAL

WASHINGTON

February 26, 1980

DE H. MCCREE, JR.

Mr. Louis E. Martin  
Special Assistant to the President  
The White House  
Washington, D. C. 20500

Dear Louis:

Griffin Bell with whom I served on the American Bar Association Commission on Standards on Judicial Administration knew of my long and close relationship with Walter Reuther and in early 1975 asked me whether I would help then-Governor Carter to become acquainted with the UAW leadership.

Although I was a neighbor and friend of then-UAW President Leonard Woodcock and then-Vice-President Douglas Fraser, I thought that Irving Bluestone, then-UAW Vice-President in charge of General Motors operations and the acknowledged intellectual in the union top echelon, would be the best person to whom to make the initial overtures. As you will see from the attached photocopies, it worked.

The point of this letter is that I have just received advice that Irving Bluestone will be feted at a retirement dinner in Detroit on Friday, April 18, 1980 as you will see from the further enclosures.

I am certain that a personal message from the President would be well received at the retirement dinner.

With best regards, I am

Sincerely yours,

*Wade*



Office of the Governor  
Atlanta

from the desk of  
Jimmy Carter

1-13-75

To Hon Wade McKeen  
700 Federal Bldg, Detroit 48226

Thank you for your fine  
expression of friendship &  
confidence. During the  
coming months your advice  
& support can be very  
saluable to me. I look  
forward to receiving Mr.  
Bluestone's address. I'm  
looking forward to the cam-  
paign with confidence &  
will do my best never to  
disappoint you.

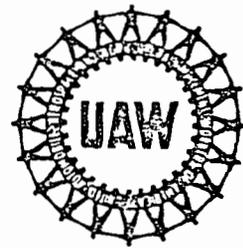
Jimmy Carter

encl:



# IRVING BLUESTONE

## Testimonial Dinner



February 18, 1980

Dear Friend and Colleague:

UAW Vice President Irving Bluestone is retiring in a few months. Therefore, we are planning a testimonial in his honor on Friday evening, April 18, 1980, at 6:30 p.m. at Cobo Hall in Detroit. Tickets for this occasion are \$30 each.

In addition, we've also arranged a special discount rate at the Hotel Pontchartrain for guests who will be staying overnight. If you wish to do this, we'll be pleased to make the reservation for you at the discount rate if you'll fill out and return the enclosed card to us.

As you know, Irv has been a wise and effective leader not just for UAW but for progressive and good causes for many, many years. Through this testimonial dinner, we hope to say "well done" to him, and "thanks." From the many reservation requests already coming in from UAW members and friends throughout the country, we anticipate that the banquet hall which seats some 2,000 people will be filled to capacity.

We hope you, too, will be with us for this dinner and program to express heartfelt appreciation to Irv Bluestone.

Sincerely,

Dave Beier, Int'l Representative  
General Motors Department

DB:ba  
opeiu494

encl.

You may purchase tickets by calling  
UAW General Motors Department at  
AC-313 926-5311

or writing to the

UAW General Motors Department  
8000 East Jefferson  
Detroit, Michigan 48214



U.A.W. TESTIMONIAL DINNER FOR  
IRVING BLUESTONE  
April 18, 1980

hotel  Pontchartrain

(Mr., Mrs., Miss, Ms.) \_\_\_\_\_  
Company Name \_\_\_\_\_  
Confirm to Address \_\_\_\_\_  
City / State / Zip \_\_\_\_\_  
No. of Persons \_\_\_\_\_  
Arrival Date \_\_\_\_\_ Hour \_\_\_\_\_ Departure Date \_\_\_\_\_  
Method  
of Payment  Cash  Check  Credit Card

Single Guest Room  
(for one person)  
\$35 PER ROOM PER NIGHT  
No. of Rooms Required \_\_\_\_\_

Double Guest Room  
(for two persons)  
\$45 PER ROOM PER NIGHT  
No. of Rooms Required \_\_\_\_\_

Deadline for reservations March 24, 1980.

Pre-payment required.

• Reservations will be held until 6:00 p.m. unless guaranteed or one night prepayment • Check out time: 1:00 p.m.

## Federal Home Loan Bank Board



1700 G Street, N.W.  
Washington, D.C. 20552  
Federal Home Loan Bank System  
Federal Home Loan Mortgage Corporation  
Federal Savings and Loan Insurance Corporation

JAY JANIS  
Chairman

April 3, 1980

C  
✓

MEMORANDUM FOR: The President  
The White House

Bob Strauss suggested I bring you up-to-date on the condition of the savings and loan industry. I also want to inform you of steps we have taken this week to assist the industry in these troubled times.

### Public May Lose Confidence in Thrift Industry

For the first time in modern history, most of the thrift industry will be operating in the red during 1980. As the problem becomes more widely known, the resulting decline in public confidence in the industry could lead to "runs" on the associations, causing a serious liquidity problem.

This decline in public confidence, in part, is fed by the financial community itself. The industry contributes by expressing growing concern over its losses. In addition, financial analysts are warning the public that the industry is in trouble by projecting negative earnings for the 17 percent of the industry which is publicly held as opposed to mutually owned. Also, rating agencies, such as Standard and Poor's and Moody's, soon will be downgrading associations on a wholesale basis.

### Net Worth Erosion of 10 Percent

By the end of this year, we estimate that approximately 3,000 associations, or fully 75 percent of the industry, will be losing money. During the 1974-75 recession, only about 10 percent lost money. During 1980, the industry as a whole should see its return on assets decline to -0.45 percentage points from a return in 1979 of +0.67 percentage points. (Table 1, attached, provides year-by-year comparisons.) Total losses in 1980 should be approximately \$3 billion out of a net worth for the industry of \$32 billion. By contrast, earnings for the industry during 1979 were \$3.7 billion. The loss of \$3 billion represents an erosion of about 10 percent in net worth.

### The Problem Is High Interest Rates

The cause of the problem is the high short-term interest rates which the thrift industry is currently having to pay to obtain funds. Most of the funds

which savings and loans are taking in are in the form of six-month money market certificates, jumbo certificates over \$100,000, or the new 2½ year certificates. Since last June, for example, the cost of new money market certificates has gone up about 5 percentage points to a level of approximately 15 percent. At these high rates, savings and loans do not find it practical or profitable to make mortgage loans. The longer high interest rates persist, the longer and deeper will be the loss in earnings and the greater will be the risk of a run.

#### Some S&Ls Will Be Insolvent

Conditions are expected to deteriorate substantially over the next several months, even if short-term rates peak by the summer and a recession occurs in the second half of the year. By that time, we expect 60 associations to be insolvent compared to 15 at the end of 1979. The insolvencies can be handled by mergers and a few liquidations, and depositors with up to \$100,000 in deposits will continue to be protected. We will use the FSLIC insurance fund to handle individual cases, although I am concerned about the adequacy of the insurance fund to withstand the demands that will be made on it between now and the end of the year. Supplemental funding may be necessary, and we will have to monitor closely the status of the insurance reserve.

#### Housing Starts to Drop Dramatically

The effects on housing starts will be extremely adverse. Very few Americans can afford mortgages over 14 percent and with savings and loans substantially out of the lending market, I expect the pipeline of old mortgage commitments to run dry by this summer. The result will be that 1980 will likely be the poorest year for housing since World War II.

#### FHLBB Actions Should Help

1. We are launching a two-part program this week to assist the industry's capital position by:

- o Paying out special dividends to all associations on a quarterly basis from the earnings of the Federal Home Loan Bank System. This will amount to \$530 million.
- o Providing below-market-rate advances (loans) to associations which meet certain need criteria. These targeted advances, amounting to about \$100 million, will come from the earnings of the Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation. These funds can be used to generate additional earnings, but I do not expect much of the funds to be used for mortgage lending. Neither of the above initiatives will use appropriated funds, but rather the earnings of the FHLB System. We believe that these actions can be taken without impairing the efforts of the Administration to bring inflation under control. (I have discussed this program with Paul Volcker in some detail.)

2. We have also arranged a liquidity backup, in the event of a drain on our own FHLB System, both with Treasury and the Federal Reserve. As a result, depositors will be protected if a run were to materialize.

3. We will continue to calm the industry and reassure the public of the staying power of savings and loans in the numerous stockholder meetings and other public appearances which have been scheduled this spring for me and Board Members Dalton and DiPrete.

4. We will proceed with our program of regulatory reform, to reduce requirements and remove regulatory inflexibilities. These efforts to date have been exceptionally well received by the industry.

I think the chances are good that the savings and loan industry will weather the current storm. But it will depend ultimately on how fast short-term rates turn around — and this of course depends on how well and how soon the anti-inflation program works. If we cannot achieve a turnaround by the third quarter, stronger anti-inflation measures will need to be taken if the savings and loan industry is to survive.

I have sent copies of this memo to Messrs. Miller, Schultze and Eizenstat.

  
Jay Janis  
Chairman

Attachment

TABLE 1

<u>Year</u>	<u>Net Income as Percentage of Assets</u>
1970	0.57
1971	0.71
1972	0.77
1973	0.76
1974	0.53
1975	0.47
1976	0.63
1977	0.77
1978	0.82
1979	0.67
1980* (Projected)	-0.45

---

**\*ASSUMPTIONS:**

T-Bill Rates:

14.3% in first half

12.5% in second half

Jumbo CD Rates:

16.1% in first half

14.0% in second half

Mortgage Rates:

14.7% in first half

14.3% in second half

THE WHITE HOUSE

WASHINGTON

March 31, 1980

C  
/

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Status Report

HUMAN RESOURCES

Higher Education Program Reauthorization: The Senate Subcommittee on Education marked up all parts of its higher education bill except student financial aid on February 27. Senator Eagleton offered amendments on our behalf to the sections of the bill relating to the Title III Developing Institutions Program, leaving us with hope of preserving this program as a major source of aid to minority institutions in conference.

After a month of internal dissension, the Subcommittee marked up the student financial aid programs on March 25th. The Subcommittee had received repeated appeals from the Administration to keep costs reasonable. The Subcommittee mark-up vehicle contained some gestures toward cost constraint, but their collective effect is minimal. We will try again in full committee mark-up to sell cost-cutting amendments.

Social Security Disability Bill: The House-Senate Conference Committee began consideration of the social security disability bill on Thursday. The Committee reached agreement on the family disability cap, limiting the amount of total benefits that may be paid to workers and their dependents. In terms of savings, the compromise agreement is closer to the more stringent House provision than to the Senate provision. Although final action was not taken, the House conferees stated their unanimous opposition to the costly and controversial Bayh amendment which, if enacted, would waive the five month waiting period prior to receipt of disability benefits once two doctors certify that a terminally ill patient will die within twelve months. The Conference is scheduled to resume action on Monday.

National Health Plan: The Senate Finance Committee has returned to mark-up of a national health bill. (Mark-up had begun last year but was suspended for consideration of the Windfall Profits measure.) With the exception of the Chairman, Senator Long, who seems very interested in moving a health bill, albeit a limited one, the Republicans and most Democrats on the Committee seem unenthusiastic. Administration spokesmen restated the Administration's support for proceeding with NHP.

The Committee settled a few remaining issues on the employer mandate catastrophic coverage portion of the bill, and then turned to issues involving low-income coverage. Discussion began to bog down (primarily because of concerns about the high cost of adequately covering the poor) and the Committee adjourned until mid-April at which point they are scheduled to resume consideration of low-income coverage.

#### TRANSPORTATION

Maritime Legislation: Representative Murphy plans to mark-up his Omnibus Maritime bill before the House Merchant Marine Committee on April 2 and 3. In the past two weeks this bill has gone through considerable revisions, and Administration comments on the final draft will not be available until after the Committee mark-up.

The Administration has commented on the Senate's proposed Ocean Shipping Act of 1980, which Senator Inouye wants to bring before the Senate immediately after the coming recess.

Rock Island Railroad Legislation: Legislation to provide protection to Rock Island employees who will lose their jobs when this railroad is liquidated will come to a vote before the House on Monday, March 31. We have substantial problems with parts of this bill authorizing funds for the study and development of rail corridors throughout the United States, and with a Senate bill addressing midwest rail issues that is substantially different from the Administration's. We hope to resolve these problems on the House floor or in Conference.

### URBAN POLICY

General Revenue Sharing: Treasury is redrafting the General Revenue Sharing legislation to exclude the States and include the \$500 million transitional program. They will discuss our proposals with the State and local groups early next week. We intend to submit the new legislation, accompanied by a Presidential message, shortly.

Targeted Fiscal Assistance Legislation: The House-Senate Conference is stalled due to uncertainty about whether we will continue to support this legislation. Once your decisions on the budget are announced, we will try to obtain a rapid agreement among the Conferees. I already have discussed the Conference with Jack Brooks, who is willing to support a \$250 million program in FY 1980.

EDA Legislation: I have been meeting with the House and Senate Conferees in an attempt to break the deadlock in the Conference. We are trying to work out a deal in which the Senate accepts many of the House provisions in the basic EDA program and, in exchange, the House drops its support of the \$2 billion stand-by public works program. I expect that we will have some movement within the next two weeks.

### DRUG ABUSE POLICY

Florida: Following up on Governor Graham's interest, Lee Dogoloff last Friday met with Bob Graham to discuss improving cooperation between the Drug Enforcement Administration and Florida law enforcement officials. A major topic was seeking additional ways in which U.S. military capabilities might be useful to our drug interdiction efforts, particularly drug smuggling by air and sea.

We are reviewing current and potential military assistance and believe that no change in law is required for the military to continue to cooperate with the U.S. Coast Guard and Customs Service in sharing information which is collected during routine operational and training missions. We will report further on this subject when our review is completed.

Adolescent Drug Abuse - The Parents Movement: Following up on your State of the Union call for action against adolescent drug abuse, we have launched a government-wide campaign to involve parents at a community level to eliminate adolescent drug abuse. In addition to specific literature aimed at parents, the centerpiece for the campaign is a movie entitled, "For Parents Only: What Kids Think About Marijuana". This has been previewed and very well received by

representatives from national organizations, the Executive Branch and the Congress. Friday, we held a morning session here on adolescent drug abuse for 60 congressional wives. We are working to bring parents at the community level to take a stand against adolescent drug abuse. The latest youth Gallup survey shows that 87% of American teenagers would welcome more respect for authority and 80% would welcome more emphasis on traditional family ties.

Readers Digest recently ran an article on adolescent marijuana use and has received over 2 million paid requests for reprints -- surpassing any other articles in the history of the magazine. This is a very popular issue of great concern to parents and adolescents together and one which will be focusing attention over the next year and involving numerous major national organizations, including the PTA, Girl Scouts, Boy Scouts, NEA, etc.

#### NATURAL RESOURCES

Water Projects: We, CL and Army have met with Senator Gravel and his subcommittee staff to review with them our position on S. 703, the Senate Water Projects Authorization Bill. They are aware of our strong feelings on this bill and as of yet have not scheduled mark-up. The economic climate may be a factor in this delay and could ultimately be significant in determining whether a bill is voted out of the Senate.

We have also been working with Bizz Johnson and his staff on H.R. 2610, the reauthorization of the Water Resources Council (containing the independent project review). We have made some progress in getting their support to move the bill to the House floor, but there are still a few key differences which may not be resolved in the House bill. We have more support in Senate, however, and we stand a good chance of improving the legislation if the House votes out a bill.

Gasoline Rationing: Final DOE budget estimates were received by OMB on March 20th. A final decision/information memorandum is being prepared for submission to you this week. We expect to be ready to send the plan to Congress right after the Easter Recess, provided that meets with the general approval of the relevant Congressional Committees.

Oil Import Proclamation: Will be on your desk, with a fact sheet, on Wednesday.

Windfall Profits Tax: The Senate passed Windfall Profits Tax Thursday. A signing ceremony is scheduled for Wednesday, April 2nd. We are working on talking points and invitation list.

Utility Oil Backout: The bill has been introduced in the House and Senate which basically conforms to our specifications, although the House bill is slightly different from ours.

Hearings are scheduled to begin in the House on April 2nd and hearings are tentatively scheduled in the Senate on the 3rd week of April.

EMB: The House Conferees are probably prepared to move toward a conclusion to the Conference fully acceptable to us except that it will contain a provision for modifying substantive law on a project-by-project basis through an expedited legislative process. The environmental groups want our support for a full-scale effort to gain further concessions; failure to do so may lead to serious criticism. On the other hand an open break with Dingell could jeopardize the EMB and other key energy legislation. You are scheduled to meet with Dingell, ranking Republican Bud Brown, and a group of their supporters Tuesday morning.

Three Mile Island: Working with Jack Watson's staff, EPA, NRC, and DOE to establish a better monitoring and community information system to deal with growing public concerns in the area around the Three Mile Island Nuclear Plant.

#### REGULATION REFORM

Regulatory Oversight: The Regulatory Analysis Review Group will submit its report on NHTSA's fuel economy standards for light duty trucks on March 31. EPA plans to issue its final hazardous wastes rules within the next month. With CEA and OMB, we are following the pending rules closely, because the paperwork burden imposed by the agency will double (from one and a half million to three million compliance hours) when the new rules are implemented.

Trucking Deregulation: The Senate floor vote has been postponed to April 16. The Committee's bill is very good -- due in part to your phone calls. The biggest fight on the floor probably will be on the bill's broad deregulation of agricultural products.

TERRITORIES

N.M.I. Immigration: INS has reversed its January decision to treat residents of the Northern Mariana Islands as aliens rather than as U.S. Citizens. They had been considered citizens for immigration purposes since shortly after the new Commonwealth was created in 1977 bringing these Micronesian islands into the U.S. family.

Oil Imports: The proclamation includes warranted special treatment for the insular areas of Hawaii, Puerto Rico and the Virgin Islands and excludes Guam altogether. All have oil refineries.

Territories Policy: We are adjusting the territorial financial management legislative proposal as a consequence of the decision to defer the \$25 million local tax matching, balanced budget and accounting improvement initiative.

THE WHITE HOUSE  
WASHINGTON

07 Apr 80

Stu Eizenstat

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 3, 1980

*Stu J*

MEMORANDUM FOR: THE PRESIDENT FYI

FROM: STU EIZENSTAT *Stu*

SUBJECT: Administration Support for  
Export-Oriented Legislation

Secretary Klutznick will testify before a Senate Subcommittee today in general support of bills by Senators Danforth and Stevenson which have as their objective the encouragement of joint export efforts by American companies.

The Danforth bill would amend the Webb-Pomerene Act by extending its antitrust exemption to include services (previously the exemption covered only the export of goods) and would increase the certainty of the exemption. Commerce and Justice have worked well together in developing a common Administration position of general support for this bill.

The Stevenson bill would create a new entity under U.S. law -- export trading companies. Under this concept, a group of companies could, either on their own or with the participation and assistance of a third party arranger such as a bank, join together to provide common marketing, finance, and other assistance for their exports. Perhaps the most important aspect of the Stevenson bill is the permission it grants for banks to participate in and finance export trading companies -- this has the potential for providing groups of small and medium-sized businesses with the financial and marketing support they need to become effective exporters.

There are several aspects of the Stevenson bill which Secretary Klutznick will indicate the Administration opposes and cannot accept in any final legislation: these include proposed expansion of DISC tax benefits and of Eximbank loan and guarantee authority. In addition, there remains one point of interagency dispute on an important antitrust issue and Secretary Klutznick will indicate that the Administration is still working out the details of an appropriate way to handle this issue. The issue involves the grant on a case by case basis of certificates of immunity from prosecution under the antitrust laws for export trading companies whose activities do not appear violative of our antitrust statutes. Commerce wants to have full power to grant these certificates (although it would consult with Justice and the FTC), with Justice having recourse to go to court to seek decertification if it disagrees with any Commerce decision. Justice wants to have full veto power prior to the grant of any

*May give  
Do J  
15-30  
days to  
act -  
(I'll await  
recommendation)*

certificate. We will try to resolve this issue satisfactorily on an interagency basis but may eventually have to come to you for guidance.

On balance, I expect that Secretary Klutznick's testimony will be favorably received on the Hill and by the export community. I also believe that if the bills pass Congress in acceptable form, they could provide a vehicle for many smaller and medium-sized companies to effectively penetrate foreign markets, thereby increasing U.S. export potential without any additional budget or tax expenditures.

THE WHITE HOUSE  
WASHINGTON

07 Apr 80

Jack Watson  
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 2, 1980

*C*

MEMORANDUM TO THE PRESIDENT

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

SUBJECT: Federal Farm Credit Board

There are twelve members of the Federal Farm Credit Board; one to represent each of the Farm Credit districts. The President appoints the members with the advice and consent of the Senate and he usually selects from the list submitted by the Farm Credit Administration.

Vacancies currently exist for District 2 and District 8. We asked Secretary Bergland to review the names submitted by the Farm Credit Administration. He has made the following recommendations with which we concur.

William D. Wampler (Virginia): Poultry and livestock farmer; officer in several farm-related corporations. Recommended by Lt. Governor Robb, Richard Davis and George Gilliam.

Ralph Raikes (Nebraska): Farms corn, soybeans and wheat. Recommended by Senator Exon and Congressman Cavanaugh.

As you may remember, D. W. Brooks wrote you a letter recommending George Steele, Chairman of the Board of Agway, Inc. He is a Republican and has held local office, in Pennsylvania. We recommend Wampler for the position since he has been an early and active supporter of yours.

RECOMMENDATION:

Nominate William D. Wampler and Ralph Raikes as members of the Federal Farm Credit Board.

approve  disapprove

ABSTRACT OF INFORMATION FURNISHED BY CANDIDATE  
FOR DESIGNATION AS NOMINEE FOR CONSIDERATION BY THE  
PRESIDENT FOR APPOINTMENT AS A MEMBER OF THE  
FEDERAL FARM CREDIT BOARD

WILLIAM D. WAMPLER - Route 8, Box 145  
Harrisonburg, Virginia 22801  
Phone 703-434-3017

Age and Education: Born April 9, 1928 in Harrisonburg, Virginia. Graduated from Dayton High School; attended Bridgewater College for two years and graduated from Virginia Polytechnic Institute and State University, with a B.S. Degree in Poultry Science. Honorary Fraternities--Tau Kappa Alpha, Alpha Zeta, Omicron Delta Kappa, Block & Bridle.

Occupation: Poultry and livestock farmer. Operates 700-acre poultry and livestock farm; produces 250,000 turkeys yearly, 4,000 turkey breeder hens; 380 registered Angus and Charolais cattle; general farming to sustain cattle operation. Also serves as Vice President, Wampler Foods, Inc.; Managing-partner, Charles W. Wampler & Sons farming operation; and President and Manager, May Meadows Farms, Inc. Past Manager and Treasurer, Massanutten Hatchery, Inc. and Sunny Slope Hatcher.

Affiliation:

Director:

Federal Land Bank Association of Staunton (serves as President, Director since 1971, borrower since age 22)  
Staunton Production Credit Association (serves as President, Director since 1969, borrower since age 38)

Member:

District Directors Executive Committee 1975-1979  
(served as Chairman 1976-77)  
Baltimore District Capitalization Study Committee  
Virginia State FLBA & PCA Legislative Committee (Chairman)  
National Turkey Federation (past President)  
Virginia Poultry Federation (past President)  
Virginia Turkey Association (past President)  
Virginia Charolais Association (past President)  
Virginia Angus Association (past Director)  
Dayton Ruritan Club (past President)  
Dayton Church of the Brethren (Vice President Church Board) (past Chairman, Search Committee)  
Harrisonburg BPOE Lodge 450  
Mason-Eureka Lodge No. 0195 (Master)  
Rockingham-Harrisonburg Chamber of Commerce (past Director)

ABSTRACT OF INFORMATION FURNISHED BY CANDIDATE  
FOR DESIGNATION AS NOMINEE FOR CONSIDERATION BY THE  
PRESIDENT FOR APPOINTMENT AS A MEMBER OF THE  
FEDERAL FARM CREDIT BOARD

RALPH RAIKES            - Route 2  
                              Ashland, Nebraska 68003  
                              Phone 402-944-3927

Age and Education:     Born September 29, 1907 in Ashland, Nebraska. Graduate  
of Ashland High School and the University of Nebraska with a Bachelor of  
Science Degree in Chemical Engineering.

Occupation:             Farming. Operates a 1740-acre corn, soybean and  
wheat farm, owned by Family Corporation, managed by oldest son.

Affiliation:

Director:                 Nebraska Soybean Checkoff Board (Chairman)  
Trustee:                 Farm Foundation  
                              National Planning Association  
Member:                 Federal Land Bank Association of Lincoln  
                              Production Credit Association of South Omaha

Former Affiliation:

Director:                 Farm Credit Board of Omaha (retired December 31, 1978  
                              after serving as Director since 1953)

July 1979

FARM CREDIT ADMINISTRATION

FEDERAL FARM CREDIT BOARD

Farm Credit Administration  
(Independent)

AUTHORITY: P. L. 92-181 of December 10, 1971  
Sec. 5.3 (85 Stat. 617)

METHOD: Nominated to the Senate

MEMBERS: Not more than THIRTEEN as follows:

ONE designated by the Secretary  
of Agriculture  
and

Not more than TWELVE appointed by the  
President, with the advice and consent  
of the Senate, one from each farm  
credit district.

NOTE: For the detailed eligibility require-  
ments for members appointed by  
the President see Sec. 5.3(d)(c)&(f)  
of the Act.

CHAIRMAN  
and

VICE CHAIRMAN: Elected annually by the Board.

FARM CREDIT ADMINISTRATION

FEDERAL FARM CREDIT BOARD

Farm Credit Administration  
(Independent)

TERM:

SIX YEARS. Members shall serve until their successors are duly appointed and qualified (HOLDOVERS). No appointed member of the Board shall be eligible to serve more than one full term of six years and, in addition, if he is appointed to fill the unexpired portion of one term expiring before his appointment to a full term, he may be eligible thereafter for appointment to fill a full term of six years. Vacancies shall be filled for the unexpired portion of the term.

SALARY:

\$100 for each day or part thereof spent in performance of official duties for not more than 30 days or parts of days in any calendar year and shall be reimbursed for necessary travel, subsistence, and other expenses.

PURPOSE:

To assist in carrying out the provisions of the Farm Credit Act of 1971.

07 Apr 80

~~Jack~~ Watson  
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 1, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM:

Jack Watson *Jack*  
Arnie Miller *AM*

SUBJECT:

Director, National Institute of Education  
Department of Education

We join Secretary Hufstedler in recommending that you select Michael Timpane as Director of the National Institute of Education (NIE).

Timpane, 45, has served as Acting NIE Director since June 1979. We delayed making this recommendation until the Department of Education was enacted and you approved the selection of an Assistant Secretary for Research and Improvement, to whom the Director will report.

Timpane joined the Administration in 1977 as NIE's Deputy Director. From 1974-1977 he served on the Rand Corporation's Washington staff, where he directed their Center for Educational Finance and Governance. He previously was a Senior Fellow at Brookings (1972-74), Deputy Assistant Secretary for Education Planning at HEW (1968-72), and Special Assistant to Defense's Deputy Assistant Secretary for Manpower/Civil Rights (1964-68). Timpane has also been quite active in Arlington, Virginia civic affairs, and served as Chairman of the Arlington School Board.

RECOMMENDATION

We and Shirley Hufstedler recommend that you nominate Michael Timpane as Director of the National Institute of Education. Stu and Frank Moore concur.

approve

disapprove

P. Michael Timpane

Acting Director  
National Institute of Education  
Washington, D.C. 20208

Personal Data

Residence: 1024 North Montana Street  
Arlington, Virginia 22205

Age: 45

Place of Birth: Troy, New York

Marital Status: Married to Genevieve LaGrua; four children

Education

Mr. Timpane received his B.A. (Magna Cum Laude, Phi Beta Kappa) in History and Economics, and his M.A. in History from Catholic University in 1956 and 1964, respectively. He received his M.P.A. degree in Education Policy, Government and Economics from Harvard University in 1970.

Current Responsibilities

As Acting Director of NIE since June 1979, Mr. Timpane has had full responsibility for the leadership and management of that 325-person agency, the Federal government's principal educational research and development agency. He represented the agency in appearances before Congress, in Administration councils, and in numerous meetings with professional associations and the public. He also executed the agency's plans for reauthorization and appropriations, and maintained oversight of all aspects of program management and administration.

From 1977 to 1979 Mr. Timpane was the Deputy Director of NIE in charge of the planning and execution of the Institute's research program, which expends \$80 million per year in grants and contracts to education researchers throughout the Nation. He also had special responsibility for NIE's participation in the broader educational policy development processes of HEW, and the Executive Branch, including the amendment of the Elementary and Secondary Education Act, the Higher Education Act, and the development of proposals for a Department of Education.

Previous Professional Experience

From 1974 until mid 1977, Mr. Timpane served on the staff of the Washington Office of The Rand Corporation. At Rand, he has had three major assignments:

- . Director of the Center for Educational Finance and Governance, concentrating on the Federal role in elementary and secondary education;

- Principal investigator of Youth Policy in Transition, a report reanalyzing recent national commission reports on youth and secondary schooling;
- Director of Studies for the Aspen Institute of Humanistic Studies Program for Education in a Changing Society, a two-year review of emerging issues in national educational policy.

From 1972 to 1974, Mr. Timpane was a Senior Fellow at the Brookings Institution, Economic Studies Program. There he coordinated activities of the Brookings' Panel on Social Experimentation. With Alice Rivlin, he planned, commissioned, edited, and produced three volumes for the Panel in areas of educational and income maintenance experimentation and the ethics of social experimentation. He also pursued individual research in areas of Federal education policy.

From 1968 to 1972, Mr. Timpane served in the Office of the Assistant Secretary for Planning and Evaluation, Department of Health, Education and Welfare; he was a Deputy Assistant Secretary and Director of Education Planning from January 1971 to November 1972: directing policy analysis, program planning, and evaluation planning for the Secretary of HEW in all areas of education policy.

He also served in the Office of the Assistant Secretary of Defense for Manpower (November 1964 to July 1968) as Special Assistant to the Deputy for Civil Rights. He was the principal staff officer for special programs in off-base housing for black servicemen, for Civil Rights Act implementation in DOD and the National Guard, and for research projects on black participation in the Armed Forces.

Mr. Timpane's recent special professional activities have included membership on the National Academy of Education's Task Force on Collective Bargaining and the National Academy of Science's Panel on Methodology for Statistical Priorities (which produced Setting Statistical Priorities, 1976). He also served on the Carter Campaign Education Task Force and as a consultant to the President-elect's Transition Group.

#### Civic and Political Activities

In Arlington, Virginia, Mr. Timpane has long been active in civic affairs. He has been vice-chairman and chairman of the Arlingtonians for a Better County (ABC), a long-time independent coalition supporting local candidates (1968-1970). He has also acted as co-campaign manager in a successful county-wide race (1970), and as policy advisor for Fisher for Congress campaigns (1974 and 1976).

From 1972 to 1976, Mr. Timpane was a member of the Arlington County (Va.) Board of Education. He was chairman of that Board in 1973-74. He has also served on Arlington's Fair Housing Board (1971) and Long-Range Planning Commission (1975-76).

## Selected Publications

"Experimental Schools in National Social Policy," Harvard Education Review, Fall, 1970.

"Hard Lessons in the Assessment of Social Action Programs: The Case of ESEA Title I," prepared for American Sociological Association meetings, September, 1972.

"Limitations of the HEW Policy Process in Using Educational Research," prepared for American Educational Research Association meetings, 1973.

"Planned Variations: An Assessment," Chapter 1 in Planned Variations in Education: Should We Give Up Or Try Harder, Brookings Institution, Rivlin and Timpane, eds., 1975 (co-authored).

"Introduction and Summary," Chapter I in Ethical and Legal Issues in Social Experimentation, Brookings Institution, Rivlin and Timpane, eds., 1975 (co-authored).

"The Federal Role in School Finance," Journal of Law and Contemporary Issues, Spring 1974.

"Beware of Unmet Needs: They May Attack Strangers," Evaluation, Spring, 1974.

Youth Policy in Transition (R-2006-HEW), 1976 (principal investigator).

"Into the Maw: The Uses of Educational Policy Research in Washington," Phi Delta Kappan, October, 1976.

"Perspectives on Federal Educational Policy: An Informal Colloquium" (participant), Institute for Educational Leadership, 1976.

"Whither Accountability," University of Virginia Seminar on the Changing Politics of Education, 1976.

"Federal Education Programs and Their Effect on Teacher Education," paper prepared for the American Association of Colleges of Teacher Education (AACTE), March, 1977.

"Productivity in Education: A Federal Perspective," prepared for New York State Department of Education Seminar, June, 1977.

"Some Notions on the Performance of Secondary Schools in the United States," paper prepared for the Aspen Institute's Program for Education in a Changing Society, July, 1977.

"Federal Aid to Education: Prologue and Prospects," Chapter 1 in The Federal Interest in Financing Schooling; Ballinger Publishing Company, Timpane ed., 1979.

THE WHITE HOUSE

WASHINGTON

April 4, 1980

1

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN

*Fred*

SUBJECT: Weekly Activities Summary

Anti-Inflation package

Among our various activities this week, along with other agencies and White House offices, to develop support for the proposals and programs you announced last month, we briefed some of the companies that will come under our expanded reporting requirement; we will bring in the others in the next two weeks.

Next week, we will meet with representatives of the chemicals industry. I have reported to you separately on last week's meeting with the health care people.

Guidelines compliance

We are actively engaging Cabinet members in trying to bring Ford and Mobil into compliance.

We will announce next week that Diamond International Corporation, a \$1.3 billion paper and packaging company, has agreed to reduce its prices for the next six months to compensate for apparently excessive increases in the first year of the anti-inflation program. I suggest that you make the announcement, perhaps comparing the company's action with that of Mobil.

We are sending you a refutation of Mobil's criticisms of our decision: they are simply incorrect.

Trucking deregulation

The Senate bill should get to the floor the first week after the Easter recess. We think we'll be able to preserve the basic elements -- entry, revocation of single-line antitrust immunity, restriction removal -- but we're worried about the ATA's attack on the (Stevenson) agricultural-exemption expansion. My staff and I are working hard on it, but the vote count is too close for comfort.

### Communications reform

My staff and I met with Tim Wirth and his staff in an attempt to break the impasse that is stalling the communications reform bill in the House. We think we have reached an acceptable result, which our two staffs are drafting and I will be trying to sell. Since the same issues are stalling action in the Senate, we will be discussing the approach with Senator Cannon's staff too.

### Other regulatory reform developments

Our efforts in the state and local area continue to bear fruit. New Mexico's Governor King has appointed a project expediter, and Ohio's Governor Rhodes is considering doing so. North Carolina's Governor Hunt has appointed environmental experts to unsnarl business-permitting problems; has named a group to study the feasibility of establishing a state regulatory calendar; and has appointed a committee to review the state's regulatory procedures. I worked directly with Governor Graham to incorporate some discussion of regulatory reform in his State of the State message.

Because so many local and state officials have asked our help in planning conferences, we are developing a series of outlines designed specifically for their use.

We filed comments with the ICC, supporting its proposals to create a no suspend zone for rail rates and to reduce regulation in situations where competition already protects shippers. We also submitted to the National Highway Traffic Safety Administration a framework for setting cost-effective fuel economy standards for light trucks.

And I delivered the luncheon address to the Plain English conference organized by OPM, OMB and the Federal Register: my title, "How using plain English can covert a bureaucrat into a real person."

THE WHITE HOUSE  
WASHINGTON

4/7/80

Mr. President:

Your second meeting  
with Sadat runs from 3 pm  
to 5 pm. Shall I schedule  
this request after that?

yes  no

Phil

1:30 PM

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

07 Apr 80

Jody Powell

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 4, 1980

cc Jody  
J

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*

SUBJECT: The response to Mobil's charges

Since Mobil has made a number of serious charges against CWPS and its finding of noncompliance, I thought you ought to have available to you our detailed refutation, in the attached memo to me from Bob and Sally.

It may tell you more than you want to know. In brief, therefore:

o Mobil's charges are flatly wrong.

o There has been no retroactive change in the standard with which they elected to comply. That special gross-margin standard specified from the beginning that compliance was to be measured by comparing the base quarter (the one just before the first program year) with the fourth quarter of that year.

o Therefore Mobil was from the outset on notice that it had to meet the standard on a quarterly, not an annual basis.

o Mobil's allegation that it was its heavy accumulations of inventory, at the request of DOE, in the preceding quarter and its subsequent drawing down of those inventories in the fourth quarter of the program year (July through September, 1979) that accounted for its failure to meet the fourth quarter test is flatly untrue. In that quarter, Mobil was still rapidly accumulating inventories, not drawing down inventories accumulated in the preceding quarter.

o We have not picked on them discriminatorily. We have found several refiners out of compliance, several others in compliance, and are continuing our analysis of the filings of the remainder in a totally non-discriminatory fashion.

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON WAGE AND PRICE STABILITY  
WINDER BUILDING, 600 - 17TH STREET, NW.  
WASHINGTON, D.C. 20506

APR 4 1980

MEMORANDUM TO: ALFRED E. KAHN  
FROM: R. ROBERT RUSSELL *RR*  
SALLY KATZEN *SK*  
SUBJECT: Mobil's Charges

The following is a point-by-point response to Mobil's charges in its April 3 advertisement (attached). Copies of the Council's February 22 and March 28 Mobil decisions are also attached for your reference. As discussed below, Mobil has misdescribed grossly the petroleum-refiner standard, the history of the Mobil case, and the Council's decisions.

1. Mobil's Charge: Since the COPWS guidelines were introduced, Mobil has operated under DOE controls.

Council Response: No disagreement.

2. Mobil's Charge: Mobil found COWPS guidelines to be "in conflict" with DOE requirements, but "struggled to live with both sets of controls."

Council Response: The charge that DOE's rules and the Council's standards conflict turns out, upon close scrutiny, to be nothing more than a statement that the two sets of standards are not equally restrictive or equally lax. While these sets of standards are different -- due to different program objectives -- it is clearly possible to comply with both sets of constraints.

3. Mobil's Charge: COWPS "more than once" stated in writing that compliance with the refiner standard -- with which Mobil elected to comply -- would be measured on "an annual basis."

Council Response: The sole reference to an "annual" refiner gross-margin standard in COWPS's publications appeared in the instructions to the Form PM-1A, which was issued after the end of the first year. In the February 22 decision, we explained that these instructions were intended to emphasize a correct interpretation of the standards -- that is, "during the fourth program quarter the test for compliance is based on a measure of gross-margin change over a one-year period (base quarter to the fourth program quarter)." (Emphasis in decision.)

What Mobil really is saying is that it believed that the refiner standard allowed banking of unrecovered costs -- an interpretation that is flatly inconsistent with the language of the standard and all Council decisions.

4. Mobil's Charge: DOE urged the oil industry in June 1979 to build a large inventory of gasoline and home heating oil simultaneously, and Mobil bought these products at "higher than normal costs." Mobil sold "many" of these products during COWPS fourth program quarter at prices "which helped us recover some of these extraordinary costs - exactly as the guidelines prescribed at that time." (Emphasis in advertisement.)

Council Response: Mobil's own data show that it did not sell the gasoline and heating oil inventory that it was accumulating in June of 1979 during the fourth program quarter (July - September); in fact, it increased inventories in that quarter -- by more than double the inventory build-up in the April - June quarter. Also, contrary to Mobil's assertion, the refiner standard always provided that only current quarterly costs could be passed through in that quarter in the form of price increases.

5. Mobil's Charge: In December 1979, COWPS changed the refinery standard by requiring quarterly compliance during the first program year. COWPS has singled out only Mobil as being out of compliance, while the Council has admitted that other refiners are probably out of compliance.

Council Response: The Council has not changed the refiner standard since the first date of its publication. Mobil, in fact, has conceded that this standard, as written, imposes a quarterly limitation in the fourth program quarter. It stated that it "believed" that the Council did not intend this result and that it interpreted this standard to allow banking of unrecovered costs. Mobil's argument that it is in compliance on this basis simply ignores the quarterly limitation found in the refiner standard.

COWPS has named several other oil companies as being out of compliance -- The Charter Company, Crown Central Petroleum Corporation, Murphy Oil Corporation, Koch Fuels, Inc. Determinations of compliance of other oil companies are in process (COWPS does not publicize noncompliance until after a decision has been reached).

6. Mobil's Charge: Mobil's telegrams to COWPS and DOE went unanswered. Mobil's letter to the President was answered by Dr. Kahn who asked the Council's Director to determine whether COWPS' standards unrealistically fail to account for the normal flow into and out of inventories.

Council Response: You responded on March 10 to a letter from Mobil's attorney, dated February 20, assuring him that the Council's regular procedures were scrupulously followed in reaching the February 22 noncompliance decision. The Administration's response to Mobil's two telegrams and its letter to the President was contained in your March 18 letter

to Mobil. You informed Mobil that the Council had considered carefully Mobil's arguments and data before rendering the noncompliance decision. You also stated that the Council would reevaluate the broad policy issue regarding inventory accounting that Mobil had referred to in its letter to the President -- an issue not directly bearing on the question of Mobil's fourth-quarter compliance.

7. Mobil's Charge: Mobil was invited for no apparent purpose to a meeting on the morning of March 28 with the Director of COWPS, at which time Mobil hoped to receive the response from the Director on the broad policy issue.

Council Response: The March 28 meeting was arranged at Mobil's request after it was informed that the Council's reconsideration decision would affirm the noncompliance finding. The purpose was to provide Mobil with an additional opportunity to commit to corrective action to bring itself into compliance. Mobil was told in advance that no other matters would be discussed. Mobil made a grossly inadequate offer of corrective action at the meeting (just over 10% of the excess); it was immediately rejected. Mobil left the meeting without indicating an interest in even discussing adequate corrective action.

8. Mobil's Charge: Mobil was accused of refusing to reduce gasoline prices by 3 cents per gallon to return to compliance, despite the fact that it was not informed of the 3 cents per gallon figure.

Council Response: The \$45 million amount of Mobil's excess was expressly discussed by representatives of Mobil and the Council on March 28. The 3-cents-per-gallon price reduction on gasoline was not specifically discussed at that meeting; however, as Mobil readily knows and as COWPS was easily able to calculate from Mobil's data, a price reduction of that amount would return the \$45 million excess to the market and bring the company back into compliance.

1977

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

April 4, 1980

*Susan  
retype  
done  
4/7/80*

ACTION

MEMORANDUM FOR: THE PRESIDENT  
FROM: DAVID AARON *[Signature]*  
SUBJECT: Letter to Orville Freeman

Freeman sent you a lengthy letter (TAB B) concerning his recent visits to India and Mozambique, and requesting an appointment. We summarized the letter for you in a recent DR item and I do not think it would be worth your while to meet with Freeman at this busy time.

At TAB A is a letter to Freeman (cleared by the speechwriters) which should take care of the issue neatly. I will send a copy of the correspondence to State and Commerce in case they want to follow up.

RECOMMENDATION:

That you sign the letter at TAB A.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

*Susan -  
always return  
orig draft  
J*

THE WHITE HOUSE

WASHINGTON

April 7, 1980

To Orville Freeman

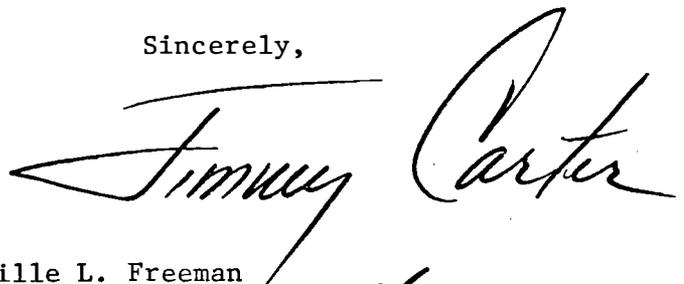
Thank you very much for your letter of March 17, recounting your recent visits to India and Mozambique. I am encouraged by what you have to say about both countries. I have not met Mrs. Gandhi yet, but I spent some time with Machel in 1977 and was impressed by his integrity -- but also by the gaps in understanding between our two countries. You took just the right tone in your conversations with him; I hope it had some good effect.

I share your hopes for Indo-US economic cooperation, and deeply appreciate the work that you and your colleagues on the Joint Business Council are doing. Economic cooperation, even more than political understanding, will in the long-term provide the basis for a sound and lasting US-Indian relationship.

I am glad you had a chance to visit your daughter Connie in Cameroon. I understand she has done a fine job in reorganizing the Peace Corps operation there, so that the volunteers can do their work more effectively. You must be proud of her.

Your good letter was welcome, and I am sending it to Zbig and Cy for further study.

Sincerely,



The Honorable Orville L. Freeman  
President  
Business International Corporation  
World Headquarters  
One Dag Hammarskjold Plaza  
New York, New York 10017

*Yours was an  
excellent letter,  
which we are studying  
carefully. J*

THE WHITE HOUSE  
WASHINGTON

April 4, 1980

ADMINISTRATIVELY  
CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*

SUBJECT:

ACTIVITIES REPORT -- WEEK ENDING APRIL 4, 1980

1. Anti-Inflation Efforts

The Task Force effort is beginning to pay off in identifying opportunities, giving advance notice on upcoming events, preventing mishaps and fully involving the White House.

We briefed about 600 interest groups on the FY'81 budget revisions. The participants, with a few exceptions, were not hostile. Their general attitude is one of resignation to reductions and a desire to protect their concerns from too much damage. Although publically they might take strong positions, privately many believe the proposed reductions were imminently fair. An often asked question was whether the Administration would fight budget cuts which went significantly beyond your recommendations. In all cases, OMB representatives made a strong case for standing by our budget. Given the action by the Senate Budget Committee, we are well positioned to develop outside support for our own budget numbers as the conference committees reach a consensus.

Last week we have had some cases where agencies announced decisions which cut against your anti-inflation efforts --- e.g., the migrant worker minimum wage decision at Labor (\$4.18/hour) and the HEW federal day care regulations. The decisions might have been correct, but because we did not know about them, we were unable to position ourselves to keep the decisions from hurting our credibility. I am working with OMB and Jack Watson's staff to develop a system which will make sure that agency actions which have an adverse impact on inflation are identified early enough to allow EPG or other policy review and, if necessary, to allow for appropriate positioning.

2. Olympics

You probably read the stories about certain corporations and their Olympic contributions. Lloyd and I did talk to some chief executive officers to make them aware that the USOC would be voting on April 11 - 12 and that if they had an interest in the outcome of the vote on the boycott, they should let the USOC know. Sears went further by refusing to complete its pledge until after the vote. Unfortunately, the company attributed the action to a conversation between Ed Telling and me, but Sears did issue a clarifying statement that I had not asked them not to make contributions. The USOC is feeling the pressure.

3. Business Luncheon

The feedback on your luncheon with the seven business leaders is outstanding. Bill Miller and I are planning some follow-up meetings with CEO's on regulatory reform tax policy and other matters. I'll be following up on their assistance with the FY'81 budget.

4. Miscellaneous

- The audiences at the banking reform and the windfall profits tax signings were very positive. A broad range of constituencies were involved in both and we are following up with appropriate momentos, etc.
- The American Student Association is generating a series of pro-registration articles for their national paper to be distributed to 400 campuses. In spite of the press attention to anti-registration activities, most of our findings are that a majority of the campuses support registration. We are looking at possible opportunities to highlight this once we have a firmer schedule in the Congress.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

In connection with my decision today to close Iranian diplomatic facilities in the United States, I am directing that the Uniformed Division of the Secret Service provide any assistance necessary to the Secretary of State and the Attorney General in order to make my decision effective, including control of movement of persons and property into and out of Iranian diplomatic facilities in the District of Columbia.

*Jimmy Carter*

EXECUTIVE ORDER

- - - - -

AMENDMENT OF DELEGATION OF AUTHORITY WITH  
RESPECT TO ENTRY OF CERTAIN ALIENS INTO THE UNITED STATES

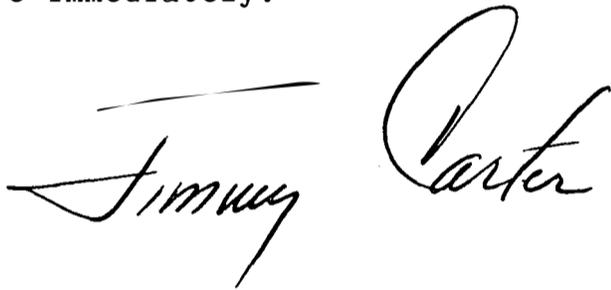
By the authority vested in me as President by the Constitution and laws of the United States, including Section 215 of the Immigration and Nationality Act, as amended (8 U.S.C. 1185), and Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

1-101. Amendment.

Section 1-101 of Executive Order 12172 of November 26, 1979, is amended by deleting "holding nonimmigrant visas,".

1-102. Effective Date.

This order is effective immediately.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in black ink and is positioned to the right of the text "This order is effective immediately."

THE WHITE HOUSE,

EXECUTIVE ORDER

- - - - -

PROHIBITING CERTAIN TRANSACTIONS WITH IRAN

By the authority vested in me as President by the Constitution and statutes of the United States, including Section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702), Section 301 of Title 3 of the United States Code, and Section 301 of the National Emergencies Act (50 U.S.C. 1631), in order to take steps additional to those set forth in Executive Order No. 12170 of November 14, 1979, to deal with the threat to the national security, foreign policy and economy of the United States referred to in that Order, and in furtherance of the objectives of United Nations Security Council Resolution 461 (1979) adopted on December 31, 1979, it is hereby ordered as follows:

1-101. The following are prohibited effective immediately, notwithstanding any contracts entered into or licenses granted before the date of this Order:

(a) The sale, supply or other transfer, by any person subject to the jurisdiction of the United States, of any items, commodities or products, except food, medicine and supplies intended strictly for medical purposes, and donations of clothing intended to be used to relieve human suffering, from the United States, or from any foreign country, whether or not originating in the United States, either to or destined for Iran, an Iranian governmental entity in Iran, any other person or body in Iran or any other person or body for the purposes of any enterprise carried on in Iran.

(b) The shipment by vessel, aircraft, railway or other land transport of United States registration or owned by or under charter to any person subject to the jurisdiction of the United States or the carriage (whether or not in bond) by land transport facilities across the United States of any

of the items, commodities and products covered by paragraph (a) of this section which are consigned to or destined for Iran, an Iranian governmental entity or any person or body in Iran, or to any enterprise carried on in Iran.

(c) The shipment from the United States of any of the items, products and commodities covered by paragraph (a) of this section on vessels or aircraft registered in Iran.

(d) The following acts, when committed by any person subject to the jurisdiction of the United States in connection with any transaction involving Iran, an Iranian governmental entity, an enterprise controlled by Iran or an Iranian governmental entity, or any person in Iran:

(i) Making available any new credits or loans;

(ii) Making available any new deposit facilities or allowing substantial increases in non-dollar deposits which exist as of the date of this Order;

(iii) Allowing more favorable terms of payment than are customarily used in international commercial transactions; or

(iv) Failing to act in a businesslike manner in exercising any rights when payments due on existing credits or loans are not made in a timely manner.

(e) The engaging by any person subject to the jurisdiction of the United States in any service contract in support of an industrial project in Iran, except any such contract entered into prior to the date of this Order or concerned with medical care.

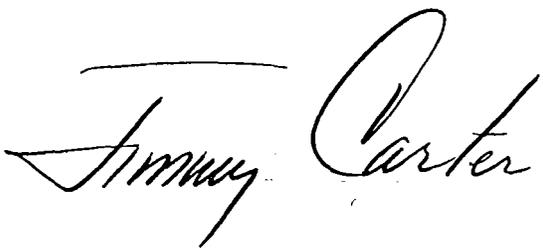
(f) The engaging by any person subject to the jurisdiction of the United States in any transaction which evades or avoids, or has the purpose or effect of evading or avoiding, any of the prohibitions set forth in this section.

1-102. The prohibitions in section 1-101 above shall not apply to transactions by any person subject to the jurisdiction of the United States which is a non-banking association, corporation, or other organization organized and doing business under the laws of any foreign country.

1-103. The Secretary of the Treasury is delegated, and authorized to exercise, all functions vested in the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to carry out the purposes of this Order. The Secretary may redelegate any of these functions to other officers and agencies of the Federal government.

1-104. The Secretary of the Treasury shall ensure that actions taken pursuant to this Order and Executive Order No. 12170 are accounted for as required by Section 401 of the National Emergencies Act (50 U.S.C. 1641).

1-105. This Order is effective immediately. In accord with Section 401 of the National Emergencies Act (50 U.S.C. 1641) and Section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703), it shall be immediately transmitted to the Congress and published in the Federal Register.

X 

THE WHITE HOUSE,

TO THE CONGRESS OF THE UNITED STATES:

Pursuant to Section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have today exercised the authority granted by this Act to take certain trade, financial and other measures against Iran and its nationals.

1. On November 14, 1979, I took the step of blocking certain property or interests in property of the Government of Iran, its instrumentalities and controlled entities and the Central Bank of Iran. At that time the United States Embassy in Tehran was occupied and American personnel were being held hostage there in flagrant violation of international law. In addition, Iran had threatened suddenly to withdraw its assets from United States banks, to refuse to accept payment in dollars for oil, and to repudiate obligations owed to the United States and to United States nationals. Iran's actions attacked the foundations of the international legal order as well as the stability of the world economy and the international monetary system.

2. The extraordinary threat to the national security, foreign policy, and economy of the United States, which I determined existed on November 14, continues today. The United States has used every diplomatic and legal means available to it to end this extraordinary threat, but without avail. Iran has ignored or rebuffed a decision by the International Court of Justice, resolutions by the Security Council of the United Nations and efforts by the Secretary General of the United Nations and others to resolve the underlying problems.

3. In light of the above, it is necessary for me to order the following to be prohibited:

- (a) The sale, supply or other transfer, by any person subject to the jurisdiction of the United States, of any items, commodities or products, except food, medicine and supplies intended strictly for medical

purposes, and donations of clothing intended to be used to relieve human suffering, from the United States or from any foreign country, whether or not originating in the United States, either to or destined for Iran, an Iranian governmental entity in Iran, any other person or body in Iran, or any other person or body for the purposes of any enterprise carried on in Iran.

- (b) The shipment by vessel, aircraft, railway or other land transport of United States registration or owned by or under charter to any person subject to the jurisdiction of the United States or the carriage (whether or not in bond) by land transport facilities across the United States of any of the items, commodities and products covered by subparagraph (a) of this paragraph which are consigned to or destined for Iran, an Iranian governmental entity or any person or body in Iran, or to any enterprise carried on in Iran.
- (c) The shipment from the United States of any of the items, products and commodities covered by subparagraph (a) of this paragraph on vessels or aircraft registered in Iran.
- (d) The following acts, when committed by any person subject to the jurisdiction of the United States in connection with any transaction involving Iran, an Iranian governmental entity, an enterprise controlled by Iran or an Iranian governmental entity, or any person in Iran:
  - (i) Making available any new credits or loans;
  - (ii) Making available any new deposit facilities or allowing substantial increases in non-dollar deposits which exist as of the date of the Order;

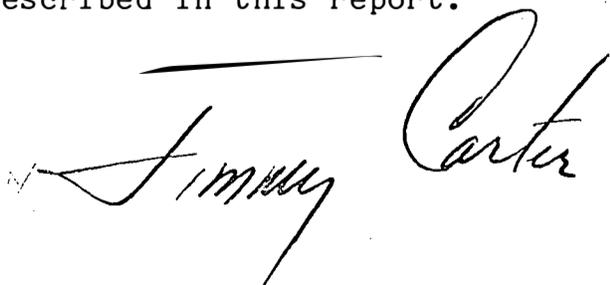
- (iii) Allowing more favorable terms of payment than are customarily used in international commercial transactions; or
  - (iv) Failing to act in a businesslike manner in exercising any rights when payments due on existing credits or loans are not made in a timely manner.
- (e) The engaging by any person subject to the jurisdiction of the United States in any service contract in support of an industrial project in Iran, except any such contract entered into prior to the date of the Order or concerned with medical care.
- (f) The engaging by any person subject to the jurisdiction of the United States in any transaction which evades or avoids, or has the purpose or effect of evading or avoiding, any of the prohibitions set forth above.

Attached is a copy of this Executive Order which I am transmitting pursuant to 50 U.S.C. 1641(b).

4. The prohibitions in paragraph 3 above shall not apply to transactions by any person subject to the jurisdiction of the United States which is a non-banking association, corporation, or other organization organized and doing business under the laws of any foreign country.

5. The above measures are being taken in furtherance of the objectives of Resolution 461 adopted by the Security Council of the United Nations on December 31, 1979, and would have been specifically mandated by the Security Council on January 13, 1980, but for a veto by the Soviet Union.

6. This action is taken with respect to Iran and its nationals for the reasons described in this report.

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

THE WHITE HOUSE,

THE WHITE HOUSE  
WASHINGTON

FILE

THIS WILL BE REVISED

DON'T SEND OUT

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON WAGE AND PRICE STABILITY  
WINDER BUILDING, 600 - 17TH STREET, NW.  
WASHINGTON, D.C. 20506

APR 2 1975

*Read to  
Bill Miller  
etc before  
publishing  
J*

MEMORANDUM TO THE PRESIDENT

From : R. Robert Russell, CWPS *RRR*  
Karen Williams, OFPP *klw*

Subject : Sanctions

Attached is a draft memorandum (concurred in by John White, Lloyd Cutler, and Fred Kahn) to the heads of Executive Departments and Establishments that implements the decisions at this morning's breakfast meeting.

We have suggested a formal memorandum so that there will be a document that we can point to if questions are raised about the recent contract award to Mobil (see the attached newsclip). If you decide to send the memorandum, it would be most useful if you signed it before Jody holds his press briefing this afternoon.

Attachments

AGENCIES

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ~~ESTABLISHMENTS~~

Inflation continues to be one of our most pressing national problems. It is a problem which we must all fight together, and with every weapon at our disposal.

Throughout my Administration I have given highest priority to efforts to control inflation. ~~Two years ago, I initiated a program by the Federal Government to control inflation.~~ <sup>then efforts</sup> One important aspect of that program was that the Government, in its

purchasing, should act like any prudent consumer. I asked the Executive Branch agencies to postpone the purchase of, or find substitutes for, or forgo entirely the purchase of items whose prices were rising the most rapidly -- those items which were leading the inflationary spiral. <sup>#1</sup> In the fall of 1978, the Council on Wage and

Price Stability developed wage and price guidelines and we asked <sup>businesses and workers</sup> for voluntary compliance with those guidelines. We went a step further with respect to Government purchasing, and stated that firms which did not comply with these guidelines would not be eligible to receive Government contracts over \$5 million. The Office of Federal Procurement Policy in the Office of Management and Budget issued regulations in December 1978 to implement these sanctions.

I am concerned that our efforts as a Nation in these past two years have not been successful in controlling inflation, and that we as a Government have not set an adequate example for the Nation to follow.

It is more than just important, it is critical, that the Government ~~be~~<sup>known</sup> as a purchaser and consumer of goods and services ~~to~~<sup>by example.</sup> lead the Nation ~~in the fight~~<sup>in the fight</sup> against inflation. Accordingly, I am lowering the threshold for the application of the procurement sanction ~~to~~<sup>from \$5 million</sup> to \$1 million. In addition, I ~~am asking~~<sup>have determined</sup> that when a part of a company is out of compliance, the entire company ~~be~~<sup>shall be deemed</sup> ineligible for Federal contracts over ~~\$1 million~~<sup>this new threshold of</sup>. Finally, I am raising the level of approval of waivers to assure Cabinet-level scrutiny of all requests for waivers. Specifically, waivers should not be granted unless approved by ~~the Head of the Agency, or a cabinet level~~<sup>a member of the cabinet or</sup> official, ~~whichever is higher,~~<sup>receiving</sup> after concurrence by the Chairman of the Council on Wage and Price Stability. Waivers should only be considered for the most essential national security requirements and then only when there are no alternative sources available.

~~The Office of Federal Procurement Policy in the Office of Management and Budget is charged by P.L. 93-400, as amended by P.L. 96-83, to provide Government-wide leadership and coordination in procurement policy, in order to ensure uniformity, efficiency and effectiveness. Accordingly, I am directing the Office of Federal Procurement Policy, in accordance with its statutory authority and responsibility,~~<sup>to coordinate procurement policy,</sup> to amend the existing regulations contained in OFPP Policy Letter 78-6 in order to carry out ~~the above~~<sup>these</sup> changes.

# Mobil Oil Wins \$154.2 Million Contract From U.S. Despite New Rebuke by Carter

By a WALL STREET JOURNAL Staff Reporter  
WASHINGTON—Mobil Oil Corp. got a new rebuke from President Carter and a new \$154.2 million contract from the Defense Department.

The jet fuel contract, issued by the Defense Logistics Agency, was announced only a few hours after the President renewed his criticism of the Mobil Corp. subsidiary for what he said were violations of the government's voluntary price guidelines. Yesterday's criticism, before a meeting of construction union members, was essentially a replay of the tongue-lashing the President gave Mobil Friday.

At that time, the Council on Wage and Price Stability said it was adding Mobil's name to a list of concerns that may be barred from getting government contracts of \$5 million or more.

A Pentagon spokesman said the contract was actually awarded Friday, even though it was only announced yesterday. Moreover, a spokesman for the price council explained that, under the agency's regulations, Mobil won't be formally listed as a noncomplier until today. It would have been premature for the government to withhold the contract, the spokesman said.

Another reason Mobil got the contract, one Pentagon official said, was that the type of jet fuel involved is scarce. "The Department of Defense is in the business of national security," said George Marienthal, a deputy assistant defense secretary. "We needed the fuel, so we proceeded." He added that it's possible Mobil will continue to get fuel-supply contracts if the fuel is scarce. The price rules would permit the contract in such a situation.

In other developments, Mobil announced in its annual report that it will test this year a system for deep-ocean drilling in water as deep as 6,000 feet. Mobil said it has developed a method for connecting flow lines to oil or gas wells that will significantly add to the depths at which commercially viable drilling can be done offshore. Technology currently restricts production from water to depths of about 1,000 feet.

At the same time, Mobil said Newfoundland Province has made a novel claim to a 40% equity interest in the Hibernia discovery, in which Mobil holds the largest interest, 21.8%, among the drilling partners. Mobil indicated the claim could take a long time to resolve in the courts.

Separately, Mobil said it has largely written off its expenditures in the Baltimore Canyon, where it drilled two unsuccessful wells.

Mobil wasn't the only company to get a big fuel contract yesterday. Atlantic Richfield Co. was awarded an \$83.3 million contract from the Defense Logistics Agency for jet fuel and marine diesel fuel.

Other contracts announced yesterday by the Pentagon went to:

Todd Shipyards Corp., two Navy contracts totaling \$25.5 million for ship overhaul and modification.

C-Three Inc., Reston, Va., a \$16.7 million Army contract for data-processing equipment.

Lockheed Missiles & Space Co., a unit of Lockheed Aircraft Corp., \$14.8 million in contracts for a data link for remotely piloted vehicles for the Army and for materials used in the Navy's ballistic missile program.

Honeywell Inc., a \$14 million Army contract for fuzes.

Hughes Aircraft Co., a \$10 million Army contract for spare parts for radar used to locate enemy mortars and artillery.

Bendix Corp., a \$9.9 million Air Force contract for fuel controls and sensors for engines used in F15 and F16 fighter planes.

Western Electric Co., the manufacturing arm of American Telephone & Telegraph Co., an \$8.7 million Navy contract for oceanographic research.

McDonnell Douglas Corp., a \$7.6 million Navy contract for Harpoon missiles and related spare parts, equipment and services.

Kentron International, a \$7.4 million Air Force contract for base-operating services.

General Electric Co., a \$6.8 million Navy contract for improvement of a gas turbine.

Coopers & Lybrand, a \$4.4 million Navy contract for civil service personnel training.

Chrysler Corp., a \$4 million Army contract for engineering work on installation of a 120-millimeter gun on the new XM1 tank.

Armament Systems Inc., a \$4 million Navy contract for services, materials and facilities used in evaluating weapons systems.

Lancer Clothing Corp., a \$3.3 million contract from the Defense Logistics Agency for cold-weather jackets.

# American Financial Increases Its Holding In Gulf United to 12

By a WALL STREET JOURNAL Staff Reporter  
JACKSONVILLE, Fla.—Gulf Corp. said American Financial Corp. another \$1 million shares of its common \$30 million, increasing its holdings to 12.3% of Gulf's approximately 25.2 common shares outstanding.

Gulf also said the two companies amended a Dec. 22, 1979, agreement for American Financial to acquire million shares of a new issue of Gulf for \$30 each. The agreement also for Gulf to sell American Financial additional shares during a 24-month period at \$30 a share, to increase American's holdings to 23.2% of Gulf.

American Financial also agreed December that it wouldn't increase its holding in Gulf to beyond 24% of the outstanding common—or 20% of voting stock—without Gulf's approval. Last January, American Financial bought one million Gulf shares at \$30 each, as called for by the agreement.

Under terms of the amended agreement, American Financial will pay Gulf \$1 million a year for a nontransferable option expiring Dec. 22, 1981, to buy the remaining one million shares of the new Gulf issue at \$30 each. American may buy shares on the open market, but if it wants 24% or more of the common outstanding, it must exercise the option, Gulf said.

Gulf stock closed yesterday on the New York Stock Exchange composite tape at a share, up \$1.625.

American Financial, a diversified financial services concern based in Cincinnati, didn't have any immediate comment on the latest transaction. Gulf is a life insurance concern with interests in broadcasting and other businesses.

# Canadian Rail Traffic Climbs

OTTAWA—Canadian rail freight tonnage totaled 4,976,976 tons in the week ending March 14, up 2.4% from a year earlier, statistics Canada said. Cars loaded rose to 74,783.

# One answer among

THE WHITE HOUSE

WASHINGTON

April 2, 1980

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS  
AND AGENCIES

Inflation continues to be one of our most pressing national problems. It is a problem which we must all fight together, and with every weapon at our disposal.

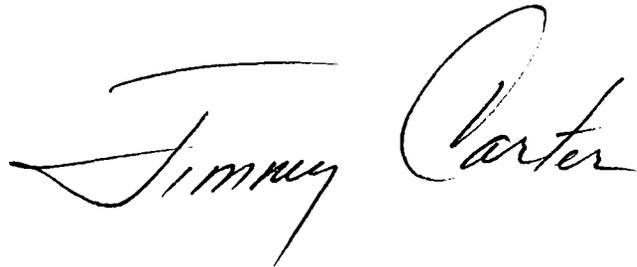
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In the fall of 1978, the Council on Wage and Price Stability developed wage and price guidelines and we asked businesses and workers for voluntary compliance with those guidelines. We went a step further with respect to Government purchasing, and stated that firms which did not comply with the guidelines would not be eligible to receive Government contracts over \$5 million. The Office of Federal Procurement Policy in the Office of Management and Budget issued regulations in December 1978 to implement these sanctions.

It is more than just important, it is critical, that the Government as a purchaser and consumer of goods and services lead the Nation by example. Accordingly, I am lowering the threshold for the application of the procurement sanction from \$5 million to \$1 million. In addition, I have determined that when a part of a company is out of compliance, the entire company shall be deemed ineligible for Federal contracts over this new threshold of \$1 million. Finally, I am raising the level of approval of waivers to assure Cabinet-level scrutiny of all requests for waivers. Specifically, waivers should not be granted unless approved by a member of the Cabinet or the head of an

agency, after receiving concurrence by the Chairman of the Council on Wage and Price Stability. Waivers should only be considered for the most essential national security requirements and then only when there are no alternative sources available.

I am directing the Office of Federal Procurement Policy, in accordance with its statutory authority to coordinate procurement policy, to amend the existing regulations contained in OFPP Policy Letter 78-6 in order to carry out these changes.

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the main body of text.

APRIL 2, 1980

Office of the White House Press Secretary

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THE WHITE HOUSE

April 2, 1980

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS  
AND AGENCIES

Inflation continues to be one of our most pressing national problems. It is a problem which we must all fight together, and with every weapon at our disposal.

Throughout my Administration I have given highest priority to efforts to control inflation. One important aspect of these efforts was that the Government, in its purchasing, should act like any prudent consumer. I asked the Executive Branch agencies to postpone the purchase of, or find substitutes for, or forego entirely the purchase of items whose prices were rising the most rapidly -- those items which were leading the inflationary spiral.

In the fall of 1978, the Council on Wage and Price Stability developed wage and price guidelines and we asked businesses and workers for voluntary compliance with those guidelines. We went a step further with respect to Government purchasing, and stated that firms which did not comply with the guidelines would not be eligible to receive Government contracts over \$5 million. The Office of Federal Procurement Policy in the Office of Management and Budget issued regulations in December 1978 to implement these sanctions.

It is more than just important, it is critical, that the Government as a purchaser and consumer of goods and services lead the Nation by example. Accordingly, I am lowering the threshold for the application of the procurement sanction from \$5 million to \$1 million. In addition, I have determined that when a part of a company is out of compliance, the entire company shall be deemed ineligible for Federal contracts over this new threshold of \$1 million. Finally, I am raising the level of approval of waivers to assure Cabinet-level scrutiny of all requests for waivers. Specifically, waivers should not be granted unless approved by a member of the Cabinet or the head of an agency, after receiving concurrence by the Chairman of the Council on Wage and Price Stability. Waivers should only be considered for the most essential national security requirements and then only when there are no alternative sources available.

I am directing the Office of Federal Procurement Policy, in accordance with its statutory authority to coordinate procurement policy, to amend the existing regulations contained in OFPP Policy Letter 78-6 in order to carry out these changes.

JIMMY CARTER

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THE WHITE HOUSE  
WASHINGTON

April 3, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER

*LNC*

SUBJECT: OLYMPICS

Attached are talking points for a telephone call to Don Miller, the Executive Director of the United States Olympic Committee. His office telephone number is (303) 632 5551; his home telephone number is (303) 471 3886.

Miller's daughter, Donna Blume, is a secretary in the Vice President's West Wing office. Miller himself is a retired colonel. He is very patriotic, defense-minded and anti-Soviet, but he is also a dedicated Olympian, and his entire career is tied up with the future of the USOC - in which he is fighting an internal power struggle with the NCAA, the AAU and the other major sports federations - and with the International Olympic Committee. The IOC, once dominated by Avery Brundage of Chicago, is now run by a French-Soviet bloc clique, which the American members have been unable to penetrate. The IOC's all-powerful nine-member Executive Board does not include a single American.

Also attached are copies of:

- a) The USOC officers' statement on February 14, 1980, saying the USOC would accept your decision.
- b) Your letter to Robert Kane of February 15, 1980 making clear your decision.
- c) The USOC Administrative Committee Resolution approved March 15, 1980, on which the House of Delegates will vote April 11 or 12.

Games and asked it to take prompt action to formalize its acceptance of his decision.

"The USOC depends for its funds on the generosity of American citizens and American business. Even though no American team is sent to Moscow, the Committee carries on many other important and worthwhile activities to support athletic excellence in this country. The President urges all American citizens to continue their financial and moral support of the Committee."

**USOC confirms position on Moscow Games; President Kane says final decision rests with USOC House of Delegates April 11-13**

*(The following statement was issued by President Robert J. Kane and F. Don Miller, executive director, Feb. 21, 1980)*

"As was stated February 14 any decision regarding the U.S.A. participation or non-participation in the Games rests with the USOC's House of Delegates. The House of Delegates has the final decision making authority in all USOC policy matters. The annual meeting of the body will be April 11-13 at Colorado Springs at which time the question of accepting or rejecting the invitation will be addressed.

"According to the IOC regulations the USOC has until May 24 to indicate whether or not a team from the United States will participate and what the composition of the team will consist of.

"Regardless of the outcome of these deliberations, a United States Olympic Team will be selected to recognize the athletes who have been training as Olympians.

"In the meantime we are urging our athletes to continue their training with the same spirit and drive that have marked their earlier efforts. We are also asking the American people to continue with their generous financial support to keep in effect the many programs designed to provide increased training and development opportunities for the nation's amateur athletes.

**Statement by the United States Olympic Committee, Lake Placid, New York  
February 14, 1980**

The United States Olympic Committee is disappointed, but not surprised, that the International Olympic Committee has chosen not to act favorably upon the recommendations that the Olympic Games scheduled to be held in Moscow this summer be relocated to another or multiple sites, postponed or cancelled. The USOC acted in good faith and supported the request of the President of the United States in presenting its case to the International Olympic Committee.

USOC President, Robert J. Kane, and the USOC Executive Director, F. Don Miller, presented the USOC's position on two separate occasions... first to the IOC Executive Board on February 8, and then to the General Assembly on February 11. We believe we have done our best to support President Carter's request and the wishes of our own constituency. Although we are still of the persuasion that it is inappropriate for the Games, a symbol of peace, harmony and unity among the youth of the world, to be held in a capital of a nation which is engaged in aggression against a neighboring country, it is apparent that nothing further can be done at this time to alter the current attitudes of the IOC.

As was stated in The Lord Killanin's remarks to the press on February 12, the IOC was in agreement, without dissent, that the Games should be held in Moscow this summer in accordance with the agreement signed between the parties on October 23, 1974. There is no doubt, however, that after its long and detailed discussion of the matter, the IOC is not insensitive to the conditions that have posed this most serious threat to the Olympic movement.

The USOC is very hopeful that the recommendations put forward by the IOC to the National Olympic Committee of the Soviet Union and the Moscow Organizing Committee and to the governments of the involved countries will be heeded so that the "proper atmosphere" for the conduct of the Games can be restored. As The Lord Killanin said, the IOC is leaving all options open should a change in the world situation warrant another look at the basic condition of holding the Games in Moscow next summer.

In the interim, the United States Olympic Committee must continue with the formidable task of closely monitoring the situation in order to make the proper decision relative to the participation of American athletes at the Games. As an independent, apolitical organization, we have a great responsibility to the nation's athletes whom we represent, and to the International Olympic Committee, whose rules and regulations we have pledged to uphold along with the National Olympic Committee of the other 141 nations and territories.

On the other hand, we recognize the desires and interests of our government and the emotional impact that this issue has had on the American people. We must remain open to the President's views of what is best in the national interest and to the will of the American people. Of course, the USOC will accept any decision concerning our participation in the Games the President makes in view of his analysis of what is best for the country.

We are acutely aware of the many factors and responsibilities to be considered and intend to weigh the effects of all the alternatives during our deliberations and in reaching any decisions that may come from them. The United States Olympic Committee has until May 24, 1980, to indicate to the Moscow Organizing Committee whether or not a team from the United States will participate in the Olympic Games and what the makeup of the team will be. Were we to accept the invitation and withdraw after that date we would be subject to sanctions by the IOC.

THE WHITE HOUSE

WASHINGTON

February 15, 1980

To Robert Kane

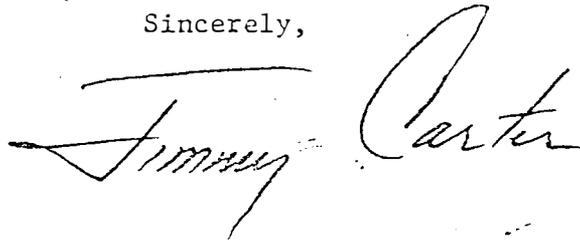
I am pleased to learn of your statement yesterday that the United States Olympic Committee will accept my decision concerning our participation in the Moscow Games in view of my analysis of what is best for the country.

In light of the International Olympic Committee plans to proceed with the Moscow Games, it is my decision that, if Soviet troops are not fully withdrawn from Afghanistan by February 20, the United States should not send a team to the Games. This judgment is shared by the overwhelming majority of Congress and the American people. I therefore ask the United States Olympic Committee to act promptly after February 20 to formalize its acceptance of this decision.

I greatly appreciate the earnest and patriotic efforts that you and your colleagues have made in presenting the case for transferring, postponing or cancelling the Games to the International Olympic Committee. I am sure the Congress and the American people are equally appreciative, and that they will give full support to the Committee in making the difficult adjustments that will now be necessary.

Lloyd Cutler will be reviewing with you our discussions with other like-minded governments which are urging their own national Olympic committees to take similar action. We would appreciate your support in these efforts.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Mr. Robert Kane  
President  
United States Olympic Committee  
Lake Placid, New York

WHEREAS, the International Olympic Committee ("IOC") awarded the 1980 Summer Olympic Games to Moscow, Union of Soviet Socialist Republics ("Soviet Union"); and

WHEREAS, the President of the United States of America urged the United States Olympic Committee ("USOC") to propose to the IOC that the 1980 Summer Games in Moscow be postponed, transferred or cancelled, and

WHEREAS, the President of the USOC presented the request of the President of the United States to the IOC Executive Board in Lake Placid, New York, which request was denied on February 12, 1980; and

WHEREAS, the President of the United States, by letter dated February 15, 1980, stated "it is my decision that, if the Soviet troops are not fully withdrawn from Afghanistan by February 20, 1980, the United States should not send a team to the Games"; and

WHEREAS, the Soviet Union military forces have not withdrawn and have not begun to withdraw from Afghanistan as of this date; and

WHEREAS, the USOC realizes that certain U. S. amateur athletes have already won places on the 1980 Olympic Team and other athletes have trained vigorously to compete for other places on the 1980 Team, and the USOC desires to fulfill its responsibility to the American people who have contributed to the USOC and to the athletes by preparing, selecting and entering a team in the 1980 Games, and

WHEREAS, the USOC has until May 24, 1980 to enter the 1980 Summer Olympic Games;

NOW, THEREFORE, after full discussion by the House of Delegates of the United States Olympic Committee, assembled on this 12th day of April, 1980, it is hereby

RESOLVED, that if the President of the United States advises the United States Olympic Committee on or about May 20, 1980, that in light of intervening international events he has reaffirmed his decision that the U. S. should not send a team to the 1980 Summer Games in Moscow, the United States Olympic Committee will not enter a team in such Games; and, be it

FURTHER RESOLVED, that if the President of the United States advises the United States Olympic Committee that, in light of intervening international events, it has become compatible with the national interest to enter a team, the USOC will enter its athletes in the 1980 Summer Games.