

4/8/80

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	<p>Jim McIntyre and Henry Owen to the President. Re: Economic Aid Aspects of Discussions with Sadat. (1 p.) <i>opened per RAS NLC-126-21-10-1-6 12/17/13</i></p>	4/7/80	A
memo	<p>Harold Brown to the President. Re: Significant Actions, Sec. of Defense (3/22-28/80). (3 pp.)</p>	3/28/80	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of Staff Sec.-
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THE WHITE HOUSE
WASHINGTON

Mr. President:

Are you planning on
dropping by the Easter Egg
roll?

yes no

about 1 PM Phil

(I think, unless, Phil's actually
asking when you plan to,
{and if 1:15 then is still good
time for photo op.})

cc. to Wexler
4/8/80

THE WHITE HOUSE
WASHINGTON

4-8-80

To Anne Wexler

Add

Robert Penn Warren

Eudora Welty

Tennessee Williams to

my previous list.

JC

THE WHITE HOUSE
WASHINGTON

08 Apr 80

Stu Eizenstat

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

Rick Hutcheson

ORIGINAL TO STRIPPING FOR
HANDLING AND DELIVERY

THE WHITE HOUSE

WASHINGTON

April 7, 1980

*Needs
to be dated
when typed
h*

MEMORANDUM TO THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Basketball Tour to Egypt and Israel

The International Communications Agency is working with two teams in the National Basketball Association who wish to play exhibitions and put on clinics in Egypt and Israel this June. Both Israel and Egypt have extended invitations and planning is going well.

In order to facilitate implementation of this worthwhile project, I suggest that you endorse the tour with a letter to Larry O'Brien, Commissioner of the NBA. A letter is attached.

THE WHITE HOUSE

WASHINGTON

April 8, 1980

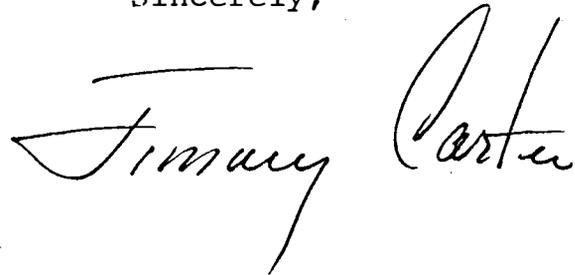
To Larry O'Brien

I deeply appreciate the activities of private citizens that promote international communication and understanding. I fully support the proposed plans by the San Diego Clippers and the Seattle SuperSonics, last year's N.B.A. champions, to play exhibition games and conduct basketball clinics in Egypt and Israel in June.

This tour will enhance the development of a people-to-people program among the three participating nations, and further the goal of peace in the Middle East. The tour organizers should be commended for their generous offer to donate the net proceeds from the exhibition games to charities in the host countries.

Please extend my best wishes to the owners and players of both teams for their efforts to promote international friendship and goodwill.

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. Lawrence O'Brien
Commissioner
National Basketball Association
645 Fifth Avenue
New York, New York 10022

ID 801950

THE WHITE HOUSE

WASHINGTON

DATE: 07 APR 80

FOR ACTION:

INFO ONLY: LLOYD CUTLER

ZBIG BRZEZINSKI

SUBJECT: EIZENSTAT MEMO RE BASKETBALL TOUR TO EGYPT AND ISRAEL

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

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

**Electrostatic Copy Made
for Preservation Purposes**

Sumner

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

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

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

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

28.
C
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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

April 7, 1980

~~CONFIDENTIAL~~

MEMORANDUM FOR: THE PRESIDENT DECLASSIFIED
 FROM: JIM MCINTYRE *Jim* Per; Rac Project
 HENRY OWEN *HO* ESDN; NLC-126-21-10-1-6
 SUBJECT: Economic Aid Aspects of Discussions with Sadat (U) BY: KS NARA DATE 12/16/13

1. The State Department briefing paper dealing with economic issues advises you to assure Sadat that we will not reduce our balance of payments support for Egypt, i.e., our financing of Egypt's commodity imports, from its present \$550 million annual level for "several additional years." Our economic aid to Egypt runs about \$1.15 billion annually, \$850 million AID/ESF and \$300 million PL 480), of which half is balance of payments support and half is project aid. Our policy since the Camp David accords of last year has been to shift a larger proportion of our aid into activities that will yield visible benefits of a lasting character for the poor people of Egypt. IDCA and AID wish to press ahead with this shift. It is hard to do this within the present \$1.15 billion program without cutting into balance of payments support, especially PL 480. Hence, we recommend that you avoid pledging to maintain balance of payments support at present levels. (C)

2. The State Department briefing paper also deals with Sadat's other likely requests as follows:

-- It proposes support of studies possibly leading to major agricultural development projects. (We agree, but advise against stating US readiness to finance such projects until they are shown to be economically rational.)

-- It suggests that we consider sympathetically large-scale, low-income housing projects and urban transport projects. (We agree that you should promise continued sympathetic interest by AID in these fields, but without commitment to particular projects.)

-- It suggests that we consider financing U.S. replacements for the bearing rollers of the Soviet turbines at the Aswan High Dam, which are breaking down. (We have no objection; this is largely a political call.)

In expressing interest in assisting some or all of these projects it is important to avoid giving Sadat the impression that our economic aid will be increased.

State is not recommending an increase in the present level of aid for Egypt or a long-term commitment to this level. Neither do we.

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THE WHITE HOUSE
WASHINGTON

08 Apr 80

The Vice President
Hamilton Jordan
Jody Powell
Al McDonald
Stu Eizenstat
Sarah Weddington
Anne Wexler
Lloyd Cutler
Frank Moore
Hedley Donovan
Jack Watson
Jim McIntyre
Charlie Schultze
Alfred Kahn

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

Rick Hutcheson

EYES ONLY



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

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March 28, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: Charles W. Duncan, Jr.
John C. Sawhill

SUBJECT: Weekly Activities Report
March 22, 1980 - March 28, 1980

1. Natural Gas Price Negotiations.

Canada: My trip memo summarizes the discussions I had in Ottawa on Monday. The Canadian price of \$4.47 per million Btu will be frozen until July 1, by which time we expect the price of substitute fuels to approach their gas price.

Mexico: We informed the Mexican government of the Canadian price and formula and agreed with them that a comparable price for Mexican gas would be approved as of yesterday. Further discussions will be held on the question of compensation for the period from February 17, 1980, when the Canadians began receiving their \$4.47 price, and related matters. I do not expect these issues to be resolved for 4-6 weeks. I will be going to Mexico next Tuesday for discussions with President Lopez Portillo, Foreign Minister Castaneda, and energy officials.

Algeria: The El Paso LNG Company and the Algerian National Energy Company, Sonatrach, are not in agreement on the price for liquified natural gas deliveries beyond March 31. The Algerians have demanded \$5.32 per million Btu, which price would not be approved by our regulatory system. Secretary Vance is sending a letter this weekend to his Algerian counterpart requesting an extension beyond March 31, and we are cabling the President of Sonatrach with a similar request and inviting the company to send a representative to the United States for discussions next week.

2. Energy Conservation Activities

- . \$1.7 million was awarded for workshops in 45 states to reach about 8,000 teachers with energy conservation educational materials.
- . Earth Day activities (April 22) are in final preparation. The Department is sponsoring many energy conservation and alcohol fuels exhibits for the Mall, a solar and conservation home tour (with Esther Peterson), and a jogging and bicycling event. The Department has also funded Earth Day events by local groups around the country.

- Tomorrow the American Legion and DOE will launch a joint energy conservation program at a national meeting in Denver. The Legion will implement transportation conservation programs nationwide at 16,000 local posts for their 2.6 million members.

3. Gasoline Conservation Fee: The Presidential proclamation necessary to implement the fee has been submitted to OMB and White House staff. DOE implementation activities, including computer support and management systems, are on schedule. Yesterday the Energy and Power Subcommittee of the House Commerce Committee adopted (13-7) an amendment to the DOE FY 81 Authorization Bill (H.R. 6627) to delete funding for the entitlements program and thereby curb the President's authority to impose the gasoline conservation fee. We expect similar actions through the appropriations process. We are working with Frank Moore to gain Congressional support for the fee. IMPORTANT: The proclamation should be signed before the Windfall Profits Tax Act is signed. Section 402 of that Act provides Congressional authority to disapprove any attempt by the President to impose fees on imported oil.

4. Synthetic Fuels

- The preproposal conferences were held on the feasibility studies and cooperative agreements portions of the new legislative authority. The interest from the private sector was very high. About 1,000 persons attended the first and 350 attended the second. This program is ahead of schedule.
- Union Oil is ready to commence construction of a 12,500 bbls/day shale oil facility in Colorado. All requisite permits and regulatory approvals have been obtained. They have suggested that you might want to have a "ground breaking" (with appropriate props) from the White House. Fred Hartley, the Chairman of Union, believes this might be a helpful event.

5. Utility Oil Backout: We completed drafting both House and Senate versions of the utility oil backout legislation. Sen. Ford introduced the DOE draft as the Powerplant Fuels Conservation Act (S. 2470) on Monday. Congressman Staggers introduced a bill by the same name (H.R. 6930) that has some differences from the Senate bill. Hearings have been set before the Senate Energy Committee for April 23 and 25. A hearing has been scheduled in the House on Wednesday, April 2, before Congressman Dingell. John Sawhill will testify.

6. Other Legislation

- S. 932 (Energy Security Act): Progress was made on titles V (conservation) and IX (solar). We expect the conference to finish with these titles before the end of April.
- Energy Mobilization Board: No progress this week. The deadlock over substantive waiver issues continues.
- Gasoline rationing: Sen. Johnston is expected to introduce legislation next week on gasoline rationing; his proposed system is "cash rationing" instead of "coupon rationing." It consists of an excise tax on gasoline plus cash rebates utilizing the income tax rebate system. This is intended to avoid the bureaucratic complexity of the coupon system and to produce the same result with respect to the availability of gasoline. The ECC will consider a proposed Administration position next week.

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

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28 March 1980

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Activities

Activation Date of the Department

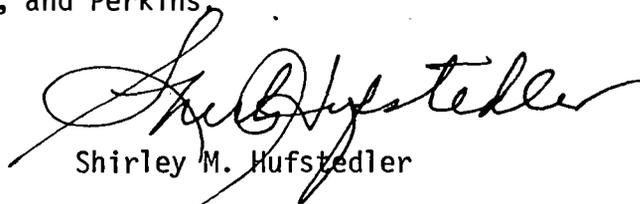
I have advised OMB Director McIntyre of my intent to establish the Department of Education officially on May 4, 1980, one month before the date required in the statute, and have transmitted to him a draft Executive Order to effectuate the Department on that date.

Consultations

On March 28 my staff briefed House and Senate education staff on the organizational structure and program placement issues related to the Department. Similar briefings for over 60 major educational interest groups are scheduled for March 31 and April 2.

Budget Cuts

On March 28 I discussed the details of the Administration's cuts in the education budget with Senators Magnuson, Williams, and Pell and Congressmen Natcher, Ford, Simons, and Perkins.


Shirley M. Hufstедler

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

March 28, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth
Jane Yarn
Bob Harris *Gus Speth*

Subject: Weekly Report

Anti-Inflation Budget Cuts. I expect that the environmental community will not raise serious objections to the anti-inflation budget cuts which you will announce Monday. Reductions in environmental programs are not large, and some cuts are in activities which have adverse environmental consequences. We will make a special effort to apprise environmental leaders of the importance of the anti-inflation program.

Wildlife Law Enforcement. A major step was taken in implementing the wildlife law enforcement program established by your 1979 Environmental Message. Last week, representatives of the five Cabinet Departments comprising the Wildlife Law Enforcement Coordinating Committee signed two Memoranda of Understanding committing personnel and establishing procedures to carry out reforms you directed. One of the memoranda initiated an interagency task force to investigate illegal traffic in wildlife, notably birds, between Mexico and the U.S. at Texas. These memoranda reflect the cooperation and increased effectiveness of federal programs that we hoped would result from your Message initiative.

National Heritage Policy. The National Heritage Policy Act, which you mentioned in your February 29 speech to environmental leaders as one of your top legislative priorities this year, is making progress in Congress. Constructive hearings were held last week in the House. Members of Congress and environmental organizations continue to show strong interest in the proposal. Your long-time support of this concept through the World Heritage Trust, the Georgia Heritage Trust, and now the National Heritage Policy Act adds a very positive dimension to your environmental record. The Heritage bill is an example of a new Administration program for protecting the environment, yet one which costs the taxpayers very little.

Community WASHINGTON, D.C. 20506
Services Administration



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MEMORANDUM TO THE PRESIDENT

TO: Rick Hutcheson
FROM: David Solle for William Allison
William W. Allison
Acting Director
SUBJECT: Weekly Presidential Report (March 24-28, 1980)
DATE: March 28, 1980

SOLAR GREENHOUSE

The East 11th Street Movement, a Lower East Side Housing Rehabilitation and Solar Installation Organization has completed Phase I of the first rooftop solar greenhouse to be built in New York City.

Plans for the greenhouse and its implementation were funded by the Community Services Administration to enable this community organization to organize a food cooperative and a small business based on the marketing of produce grown in the greenhouse.

It is anticipated that the entire structure will be completed in May. The greenhouse is built near 519 East 11th Street, where the CSA - funded solar collectors and wind generator are located.

The attached photograph shows the basic greenhouse structure and the support base.



DEPARTMENT OF AGRICULTURE
 OFFICE OF THE SECRETARY
 WASHINGTON, D. C. 20250

C ✓

March 28, 1980

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
 Staff Secretary

SUBJECT: Weekly Report

GRAIN. Following the January 3 trade suspension all grain markets dropped. By February 15, however, they had recovered. But since March 1 there has been again a steady downward pressure in spite of increased exports to non-Soviet buyers:

	<u>January 3</u>	<u>February 15</u>	<u>After March 27</u>
Chicago Corn	\$2.63	\$2.65	\$2.50
Kansas City Wheat	4.49	4.29	3.89
Chicago Soybeans	6.23	6.34	5.78

Most experts attribute the latest weakness to the cost of money. Bankers are urging exporters, millers and feed manufacturers not to take inventory because of the money markets. Country banks are pressuring farmers to sell. These forces make our purchase programs a fly swatter trying to stop a tank.

JAPAN. Japan's foreign minister indicated that Japan will buy 200,000 to 300,000 tons of grain from the United States and that private purchasers will buy additional amounts to show support of the U.S. suspension of grain sales to the USSR.

CHINA. China purchased 150,000 tons of wheat for delivery in 1980/81. Grain sales to China total 1.6 million tons of wheat and 1.4 million tons of corn for shipment in 1979/80 and 950,000 tons of wheat in 1980/81.

In addition, this week's USDA Export Sales report confirms market speculation that China purchased 357,000 running bales of U.S. cotton for delivery in 1980/81, the first Chinese purchase for shipment in the new season.

BEEF. According to sources contacted by a wire service, a significant number of beef packers will be reducing kills next week, either by temporarily closing plants or by cutting hours. Negative profit margins have prompted these reductions. Wholesale beef prices dropped sharply

this week, squeezing packer margins. Cattle feeders have been reluctant to take lower bids because they are also losing money on cattle at current prices.

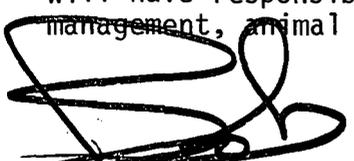
CCC. The Commodity Credit Corporation (CCC) has purchased 16.4 million bushels of wheat from sellers who offered wheat in response to a CCC purchase invitation issued March 7. Most of the offers to sell to the CCC and most purchases were from country elevators. Wheat purchases will continue until a quantity equal to that suspended from shipment to the Soviet Union has been removed from the market.

CCC will sell all of the approximately 5.5 million cwt of 1975-crop rice it has acquired under the rice price support program in April 1980 and will remain open until further notice. The rice will be sold at the higher of the market price or at \$11.20 per cwt--165 percent of the 1979 loan rate of \$6.79.

SENATE. The Senate approved a bill giving the Agriculture Department authority to reopen the farmer-owned reserve program to 1979 crop grain, including both corn and wheat, grown by non-participants in the 1979 program. The Senate bill, like the House version, also authorizes USDA to sell corn owned by the CCC for conversion into alcohol, provided the farm price is above the reserve release price.

VOLCANO. An inactive volcano on the Gifford Pinchot National Forest in south central Washington is showing signs of activity. Earthquakes began a week ago in the area and increased in frequency up to Wednesday when they decreased to two or three per hour. The Forest Service is manning a volcano information center on the Gifford Pinchot and is keeping area residents advised on conditions. The University of Washington is monitoring the earthquake activity. The Forest Service has closed the mountain area above the tree line because of avalanche danger and the only open road to the area has a blockade advising motorists that the area is closed except for business. A geologist at the scene says no one knows for sure what will happen but he believes the activity will decrease.

PEST MANAGEMENT. The Forest Service has centralized its pest management activities to improve its use of integrated pest management against pest insects, animals, diseases and plants. The Forest Pest Management Staff will have responsibility for technical advice and assistance for pest management, animal damage control, and the use of forest herbicides.



BOB BERGLAND



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

March 28, 1980

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MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

Subject: Weekly Report of Major Departmental Activities

Development Choices Council Begins Work. Led by Co-Chairmen Bruce Babbitt, Governor of Arizona, and private sector developer Harold Jensen, the 35-member Council on Development Choices for the '80s began their analysis of the forces that will change development in the next decade, preliminary to proposing a series of practical reforms to improve the form, cost and location of physical development. Composed of elected officials from state and local government and investors, developers, homebuilders, designers and economists from the business world, the Council stressed the importance of the political context in which better development can occur.

During the next seven months, Council members will participate in a series of regional forums, hearing from local experts about problems and opportunities related to the built environment, and will inspect examples of promising development. Secretaries Berglund, Goldschmidt and Klutznick were among the Federal officials honoring the Council at a reception which I held on Monday evening. Also participating in the meeting was Claude Barfield, Managing Director of the President's Commission on a National Agenda for the '80s, who described how the Council's work would contribute to that of the Presidential Commission. Several Departments have offered to contribute technical expertise to the Council's work.

Testimony on HUD Reauthorization Legislation Proceeds. On Tuesday, I testified in support of legislation to reauthorize the Community Development Block Grant, Urban Development Action Grant and Section 312 Low Interest Rehabilitation Loan programs before the Senate Committee on Housing and Urban Affairs. I told the Committee that local communities are matching Federal programs with local priorities, that more than 69 percent of HUD program benefits are being targeted to the poor and that benefit levels under our programs should continue to rise.

Visit with Mexican Officials Brings Good Results. Last week I reported that Mexican officials would visit HUD on March 24 for a joint committee meeting under the U.S.-Mexico Bilateral Agreement for Cooperation in the Field of Housing and Urban Development. Following this meeting, both HUD officials and the representatives of the Mexican government expressed considerable satisfaction with the work achieved under the Agreement to date. The implementation plan for 1980 which was approved at the meeting included nine areas of activities. Border area planning and Mexican residential solar energy programs will be of particular interest to the U.S.

Moon

Moon Landrieu



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

March 28, 1980

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Neil Goldschmidt

SUBJECT: Significant Issues for the Week of March 24

Budget Cuts - The Transportation budget cuts adopted by the House Budget Committee closely parallel your request. The Committee reduced Highway Trust Funds obligations by \$1 billion for FY '80 and FY '81, which will produce a \$500 million reduction in FY '81 outlays. The Committee also endorsed a \$300 million cut in proposed transportation energy initiative outlays, and a \$200 million cut from rail programs, Coast Guard operations, FAA operations, and miscellaneous programs. The Committee further recommended imposition of a user fee on commercial shipping to recover half of the estimated \$300 million the Coast Guard spends to mark and maintain harbors and waterways.

Movement on the budget cuts is good. However, a coalition of liberals who are dissatisfied with oil decontrol and conservatives may focus opposition to the oil conservation fee and legislation to convert it to an ad valorem gas tax. Because the gas tax is so closely tied to our ability to develop a maintenance-oriented highway policy in the face of reduced gasoline consumption, I will be devoting considerable effort to maintaining support for the gas tax proposal.

Trucking Regulatory Reform - We had hoped for Senate action on its trucking reform bills before the Easter Congressional recess. That now appears unlikely, with Senate floor action probable on April 16. This may result in erosion of some of our reasonably solid base of support in the Senate as individual members will be bombarded by the Teamsters and the trucking industry during the Easter recess. Opponents of reform appear to have concluded that they cannot win the battle to weaken the bill through amendments to restrict entry to the industry and to strip the Committee bill of its provision to phase out anti-trust immunity in the setting of single line rates. Thus, they are focusing their efforts on a Floor Amendment to eliminate from the Committee bill a provision allowing unregulated hauling of all foodstuffs.

Senator Kennedy may offer an amendment to remove the anti-trust immunity for setting of all rates, including joint rates in which more than two haulers are involved. There is probably insufficient support in the Senate to accomplish this. In the House, Congressman Jim Howard has shown some interest in using the Senate bill instead of his own as the vehicle for House Committee markup. This would be very beneficial to us, and I intend to pursue it aggressively.

Fuel Economy Standards - I have announced fuel economy standards for 1982 Model Year Light Trucks and Vans. These standards are expected to result in a saving of 1.2 billion gallons of gasoline over the life of the 1982 light truck fleet. The cost of meeting the standards will increase retail prices of 1982 trucks approximately \$95 over comparable 1981 models. But this initial cost is offset by estimated operating cost savings over the life of each vehicle of approximately \$470.

I have also sent to the Congress a report on the Automotive Fuel Economy Program which estimates that the nation should save more than 500 billion gallons of fuel by the end of this century because of fuel economy standards already established for cars through 1985 and for light trucks through 1981. These savings are the equivalent of a five-year supply of gasoline for cars and light trucks. The average purchaser of a 1985 model car is expected to realize a net savings over the vehicle's lifetime of \$1,540 when compared to a 1977 model year automobile as a result of the increased fuel economy.

Midwest Rail Restructuring - Interim service by potentially acquiring railroads will begin over the Rock Island's lines on April 1. This service will cover approximately 80 percent of the traffic presently carried by the Rock Island. We are working with the States to mitigate service interruptions on those lines which are to be dropped from service. Nonetheless, there will be a certain amount of anguish for specific shippers and communities. Our legislation to provide labor protection for Rock Island employees who lose their jobs will be voted on in the House next week. The House Committee added a provision to allow Amtrak to begin to develop high-speed rail corridors other than the current Northeast Corridor Project between Washington, D.C. and Boston. I have strongly objected to this provision, and it is unacceptable to the Senate. We are working hard to have the provision eliminated from legislation finally passed for your signature since I would probably have to recommend a veto to you should the provision remain.

The bankruptcy court for the Milwaukee Railroad has allowed the Milwaukee Trustee to continue operations of his midwest core until May 15 in order to give him time to resubmit a reorganization plan to the ICC. The ICC last week rejected his first plan. We will continue to provide funds to the Milwaukee to continue operations for this period. Had the Judge ordered an immediate liquidation of the Milwaukee, we would have been faced with a severe disruption of service in the midwest, particularly in

Wisconsin. Moreover, an immediate liquidation of the Milwaukee would have disrupted the steady but still delicate progress we are making in restructuring of the Rock Island.

End of Mexican Oil Spill - The Mexican Government has reported that it has successfully capped the oil well in the Bay of Campeche which has been discharging oil for many months. A Coast Guard flight over the site reported that oil is no longer visible on the surface of the water.

Highway Construction - In response to your budget initiative, the Department on March 14 halted all obligations of Federal-aid highway funds and set a new limit for FY '80 obligations of \$7.7 billion, excluding emergency relief. Once unobligated balances for each State are determined, the remaining obligational authority under the new ceiling will be allocated to the States. States will be informed of their allocations early next month.

Since the Department instituted an anti-inflation program for highway construction in November, 1978, 179 projects have been rejected and subsequently rebid at a savings of approximately \$13.3 million. This represents a savings of approximately 3.5 percent for each project. Ten million dollars has been saved by using alternative bridge designs on two large bridge projects. The Federal Highway Administration is in the process of strengthening and extending the program.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

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FYI

March 28, 1980

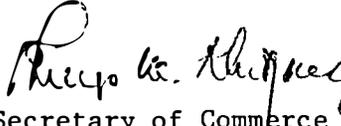
REPORT TO THE PRESIDENT

Steel: By April 10, should the Department qualify the U.S. Steel suits, the complaints will be forwarded to the ITC and, by law, Commerce will initiate a formal investigation which will entail fact-finding meetings with European industry and government representatives and with representatives of the domestic industry. In addition, in preparation for the possibility that the cases could be withdrawn and the TPM suspension in turn be lifted by you, we have initiated technical meetings with the industry to refine the methodology of TPM.

Regulatory Policy: We have consolidated the economic, technical, and sector-specific regulatory analysis capabilities of the Department to achieve internal efficiencies, an integrated and upgraded capability, and greater outreach to the private sector in order to improve the management and cost-effectiveness of regulatory actions.

Trade Fair of the Americas: Its opening in Miami, which I attended on behalf of the White House, was a great success, with a large attendance and promise of a greater than expected volume of business. It appears an important contribution to promoting mutually beneficial economic relations with the Caribbean, South and Central America.

Trade Promotion: Deputy Secretary Hodges led a government-business delegation to Argentina and Paraguay in support of efforts by U.S. firms to obtain contracts worth at least \$830 million in construction of the Yacyreta hydroelectric dam project. This first promotional trip by a high U.S. official was viewed by the business community as an important symbol of government support for trade, and as an important signal to other nations of our new trade posture. Should the U.S. firms be successful, the government's role will be viewed as an important contribution to that success. In addition to our routine trade promotion efforts, we will develop a regular program to help facilitate the marketing overseas of special, large scale and significant projects of strong interest to U.S. firms.


Secretary of Commerce

U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON, D.C.
20210

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March 28, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: THE SECRETARY *Ray*

SUBJECT: Major Departmental Activities
March 24-28, 1980

Your speech before the Building Trades Legislative Conference 3/31. I have just reviewed the speech draft sent to you and I have one major substantive and political recommendation. I have transmitted my comments to your speech writing staff, but I also would like to bring this one issue to your attention. For many of the building trades unions, our new inflation policy contradicts a commitment you made to them in San Diego. You promised not to sacrifice their jobs in our fight against inflation. There is a strong feeling that you need to address this issue. I have proposed some language that will address this problem. The language should be inserted where you discuss the inflation issue (after the second sentence on page 9). My proposal is the following:

Until we solve the energy and inflation problems it will be difficult for us to continue to reduce unemployment. We cannot transfer \$90 billion out of our economy for imported oil this year without creating some dislocation and unemployment. However, my administration is committed to full employment, even if we have to temporarily delay our full employment efforts in order to develop a sound energy program and bring inflation under control. We do not believe, however, that it is necessary to consciously increase unemployment in order to check inflation. As I promised you in San Diego and as agreed with your leaders as a part of the National Accord, we will not fight inflation with your jobs. We will monitor employment carefully and take appropriate action to deal with unemployment if it rises to higher levels than we expect.



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

March 28, 1980

C
/

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. MARKETS

- . Forced margin selling of silver futures by N. Bunker Hunt disrupted trading on Thursday, March 27 in both the stock market and the commodities markets. April silver futures plunged \$10.84 an ounce to close at \$10.80 on Thursday. The market recovered slightly to close at \$12 today.
- . Stocks declined on balance from last Friday amid ongoing concern over an impending recession. The Dow Jones touched a new two-year low on Thursday when Hunt's silver futures were sold off. The market rebounded today 17.67 points to close at 777.65; the net weekly loss was 7.50 points.
- . The situation in the silver market had adverse repercussions for grain and soybean futures prices. Corn, oat and soybean contracts reached new lifetime lows this week, while wheat was at its lowest post-embargo level.
- . Approximately 39 major banks have increased their prime lending rate 1/2 percentage point to 19-1/2 percent, while 5 others only moved 1/4 percentage point to 19-1/4 percent.
- . Gold lost \$45 over the week, closing today in London at \$480.
- . The dollar appreciated very strongly, rising against the German mark approximately three percent. The level reached this week was last reached in December 1978.

2. FOREIGN REACTION TO THE ANTI-INFLATION PROGRAM

- . At an OECD working meeting and at the G-10 Deputies meeting early this week key economic officials from industrialized countries expressed widespread support for the Administration's intensified anti-inflation program. Some Europeans in fact voiced the opinion that we were overshooting the need for budget and other restraint.
- . There was also a nearly unanimous view that any risk of diversification from the dollar into other currencies, which was widely feared in 1978 and early 1979, is no longer serious.
- . Boosted by both sentiments the dollar is hitting new two-year highs almost daily.

3. WINDFALL PROFITS TAX

- . The Senate approved by a 66-31 vote the Windfall Profits Tax Conference Report.
- . We are looking forward to your signing the bill next Wednesday, April 2. We are working on temporary regulations which will be published soon after the bill is signed.

4. MULTILATERAL DEVELOPMENT BANKS

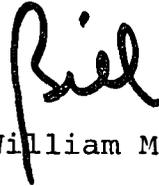
- . The MDB FY 1980 Conference Report was recommitted on Tuesday due to procedural problems. Although the conferees are expected to meet on Tuesday, April 1, action may not be possible until after the Easter Congressional recess.

5. REGULATION Q FINANCIAL REFORM BILL

- . The Conference Report on Regulation Q Financial Reform has been adopted by both the House and the Senate. It will be sent to the White House shortly.

6. MORTGAGE SUBSIDY BOND TAX ACT

- The House passed the Mortgage Subsidy Bond Tax bill on Thursday, March 27. The bill now goes to the Senate.

A handwritten signature in black ink, appearing to read "Bill", written in a cursive style.

G. William Miller



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

March 28, 1980

Principal Activities of the Department of Justice
For the Week of March 24 through March 28, 1980

1. Meetings and Events

On Monday, the Attorney General attended a regional meeting of the Select Commission on Immigration and Refugee Policy in New Orleans, Louisiana.

On Thursday, he met with Sheikh Faisal Alhegelan, Saudi Arabian Ambassador to the United States. The meeting was primarily courtesy but included some brief and pleasant discussion of substantive matters. John Shenefield attended.

Beginning this evening, the Attorney General is attending a conference on the media and government at The Homestead, Hot Springs, Virginia sponsored by the Washington Post and Ford Foundation.

2. Census

The Attorney General issued a statement urging that everyone participate in the upcoming national census. He stressed that the Immigration and Naturalization Service will neither seek nor accept any information arising from census activities, and that the Justice Department intends to enforce the statutory criminal sanctions against any census official who publishes or communicates such information.

3. Judges' Salaries

In William E. Foley v. James Earl Carter, the United States District Court in the District of Columbia ruled that the 5.5% cap on cost-of-living salary increases for certain high-ranking government officials does not apply to federal judges. Appeal of this decision is being considered.

4. Foreign Corrupt Practices Act

The Department announced the creation of the Foreign Corrupt Practices Act Review Procedure. Under the new regulations, businesses and attorneys will be able to obtain advice in advance concerning the Department's intention to take enforcement action against a proposed transaction abroad. Such advice will be applicable only to the anti-bribery provisions of the Act and only to the specific case considered.

5. Drugs

Indictments were returned in Camden, New Jersey against two brothers, Rosario and Guissepe Gambino, who are relatives of the late Carlo Gambino. They are charged with conspiring to smuggle 90 pounds of heroin into New York City. Each is being held on \$3 million bond. Efforts are being made to extradite three others charged in this case from Milan, Italy.

6. Illegal Arms Shipments

In Vermont, Sabre Industries, Inc. and two of its chief officers pleaded guilty to charges of exporting arms to the Republic of South Africa without a State Department license. The maximum penalty for this offense is two years in prison and a \$100,000 fine.

7. Legislative Matters

On March 26, the House Judiciary Committee favorably reported the Department of Justice Appropriation Authorization Act for FY 1981.

On March 27, the House Judiciary Subcommittee on Administrative Law and Governmental Relations approved H.R. 3263, the regulatory reform bill. A proposed amendment which would have provided for a one-house veto of all major rules was narrowly defeated.

On March 24, the conference report on a bill to extend the Statute of Limitations on Indian Claims to December 31, 1982 was passed by both houses of Congress.

THE WHITE HOUSE
WASHINGTON

08 Apr 80

Jody Powell

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

Rick Hutcheson

Pat Barco

Americus Times-Recorder

RUDY HAYES
Managing Editor

Jody info J

cc. Sus

Dear Jimmy,

Enclosed you will find the county-by-county tabulations of the recent Georgia primary. Also included are primary figures for Florida and Alabama. GOP results are also shown.

We miss you very much and hope it will be possible for you to get home for a visit before too long.

We are proud of you, and pray for you daily.

Your friend,
Rudy

P.S. I hope my salutation was okay.



Geo Dem Pres

County	P	PR	Carter	Kennedy	Brown	LaRouche	Others
Bryan	3	3	620	33	20	3	8
Bulloch	13	13	1,756	150	35	0	30
Burke	14	14	939	138	60	4	32
Camden	6	6	1,019	109	19	4	12
Candler	6	6	513	28	20	1	15
Charlton	8	8	512	49	13	2	26
Chatham	79	79	11,816	1,627	479	19	168
Efingham	7	7	1,312	73	69	0	16
Emanuel	14	14	1,691	99	15	1	20
Evans	7	7	446	22	16	0	2
Glynn	10	10	3,023	273	43	5	74
Jenkins	8	8	577	26	25	0	24
Johnson	13	13	576	51	11	0	8
Liberty	8	8	1,147	112	43	4	33
Long	6	6	437	23	21	2	10
McIntosh	8	8	590	60	24	2	12
Montgomery	7	7	448	26	9	0	10
Screven	9	9	781	51	28	2	19
Tattnall	11	11	886	58	36	1	9
Toombs	12	12	1,502	131	92	10	45

1st CD 249 249 30,591 3,139 1,078 60 573

Baker	5	5	232	22	17	1	1
Berrien	9	9	976	30	4	1	11
Brooks	12	12	910	51	35	2	18
Calhoun	6	6	554	46	11	1	4
Clay	8	8	287	57	1	0	1
Colquitt	17	17	2,783	92	64	1	26
Cook	7	7	811	52	4	0	3
Cris	7	7	839	37	31	0	15
Decatur	13	13	1,288	102	101	12	38
Douherty	29	29	5,614	699	75	7	89
Early	12	12	1,075	86	13	0	6
Grady	11	11	1,213	61	53	20	23
Lanier	4	4	302	12	10	0	6
Lee	6	6	710	95	8	0	9
Lowndes	12	12	2,636	271	16	0	24
Miller	4	4	356	16	6	0	9
Mitchell	11	11	1,602	181	13	1	20
Quitman	5	5	237	27	14	1	8
Randolph	10	10	799	91	8	0	5
Seminole	6	6	673	49	8	0	6
Stewart	9	9	466	58	42	1	16
Terrell	3	3	967	82	13	0	494
Thomas	19	19	2,242	176	112	5	57
Tift	9	9	2,106	122	53	4	20
Turner	10	10	755	29	1	2	11
Webster	4	4	204	13	14	1	2
Worth	14	14	1,200	83	17	0	17

2nd CD 262 262 31,837 2,640 744 60 939

Chatoche	2	2	156	23	7	0	7
Crawford	9	9	559	68	20	0	16
Dooly	11	11	1,001	73	57	0	27
Harris	13	13	1,060	73	56	0	26
Houston	16	16	6,695	707	199	10	237
Macon	4	4	1,031	89	82	2	20
Marion	7	7	346	19	21	1	3
Meriwether	20	20	1,471	152	13	3	24

NAME Senator Ed Muskie

1242

TITLE D-Maine

Requested by Frank Moore

CITY/STATE _____

Requested by Jim McIntyre

Phone Number--Home () _____

Date of Request 4-8-80

Work () 224-5344* Senator Muskie is traveling throughout his district. His Washington office will locate him and have him return the call.
Other () _____

INFORMATION (Continued on back if necessary)

We have devised a strategy for supporting our budget priorities when the First Budget Resolution reaches the floor of the Senate next week or the week after. The first element of the strategy is a call by you today to Senators Muskie and Byrd to pave the way for a meeting we are having with them tomorrow.

OVER

NOTES: (Date of Call 4-8)

*Ed won't be back in Wash until Sat. nite
ready to meet on Mon -
McIntyre call Ed. Maybe then consult
i n's staff*

TALKING POINTS:

1. Jim McIntyre and Frank Moore have given me a report on your Committee's work on the First Budget Resolution. I know you worked hard to preserve the priorities and achieve the cuts that were discussed in the March meetings prior to the submission of my revised budget.
2. I am concerned, as you are, that the higher defense figure in the Senate Committee's version of the Resolution may shortchange some of the traditional Democratic constituencies that we all must rely upon at one time or another. I know that in several instances the cuts went beyond what you and other Democrats on the Committee contemplated.
3. It may or may not be possible to do anything with this problem on the Senate floor. You and Senator Byrd are the best judges of that. I have asked Frank Moore and Jim McIntyre to meet with you to discuss this possibility and get your guidance.
4. It may be best for them to meet with you and the Majority Leader at the same time, since Senator Byrd was so intimately involved in the March meetings.

**Electrostatic Copy Made
for Preservation Purposes**

NAME Senator Robert C. Byrd

1243

TITLE Majority Leader

Jim McIntyre
Frank Moore

CITY/STATE _____

Requested by _____

Phone Number--Home () W.H. Operator*

Date of Request 4-8-80

Work () 224-3954

*Senator Byrd will be
at his home after 4:00

Other () _____

INFORM TION (Continued on back if necessary)

We have devised a strategy for supporting our budget priorities when the First Budget Resolution reaches the floor of the Senate next week or the week after. The first element of the strategy is a call by you today to Senators Muskie and Byrd to pave the way for a meeting we are having with them tomorrow.

OVER

NOTES: (Date of Call 4-8)

Prefers to meet together with Muskie & Jim/Frank. Prefers next Monday

TALKING POINTS:

1. During the Budget Committee markup of the First Resolution, Chairman Muskie did a magnificent job in fighting for the priorities and cuts that were discussed in the March meetings. Unfortunately, the Republicans, with the help of Senator Hollings and a few other Democrats, pushed through a resolution that is well above the Chairman's mark on defense and above what I recommended. The add-on was at the expense of programs dear to the hearts of labor and other traditional democratic constituencies.
2. The Committee's budget poses a problem for me and many of the Democratic Senators up for reelection this year. I do not know whether it is possible to reallocate some of the FY 81 defense outlays on the floor of the Senate. You and Senator Muskie are the best judges of that.
3. I have asked Frank Moore and Jim McIntyre to meet with you and the Chairman to get your guidance on that subject. They will be trying to arrange such a meeting in the next day or so.
4. (Senator Byrd would probably appreciate a brief summary of your meeting with Sadat.)

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

April 8, 1980

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: REQUEST FOR TELEPHONE CALLS TO SENATORS MUSKIE AND BYRD

Jim McIntyre and I, after consultation with other senior staff members, have devised a strategy for supporting our budget priorities when the First Budget Resolution reaches the floor of the Senate next week or the week after. The first element of the strategy is a call by you to Senators Muskie and Byrd - today, if possible. Without their cooperation, success is virtually impossible.

As you know, the Senate Committee's defense figure is \$5.2 billion over our mark. The House Committee is \$2.6 billion under our defense figure. Our object is to find a way to trim the Senate's number to around +\$2.6 billion, so a conference compromise will come close to our number. The amount cut would be redistributed to those social programs that were cut severely by the Senate Committee.

Your call should not be one that elicits a "yes" or "no" from Muskie or Byrd. It is a call to pave the way for a meeting McIntyre and I plan to have with Muskie and Byrd tomorrow. During that meeting and subsequent staff contacts, we hope to convince Muskie and Byrd to offer a "cut and add" amendment that will make the Senate version more reflective of your budget priorities.

TALKING POINTS - MUSKIE

1. Jim McIntyre and Frank have given me a report on your Committee's work on the First Budget Resolution. I know you worked hard to preserve the priorities and achieve the cuts that were discussed in the March meetings prior to the submission of my revised budget.
2. I am concerned, as you are, that the higher defense figure in the Senate Committee's version of the Resolution may short-change some of the traditional Democratic constituencies that we all must rely upon at one time or another. I know that in several instances the cuts went beyond what you and other Democrats on the Committee contemplated.
3. It may or may not be possible to do ~~something~~ ^{something} with this problem on the Senate floor. You and Senator Byrd are the best judges of that. I have asked Frank Moore and Jim McIntyre to meet with you to discuss this possibility and get your guidance.

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4. It may be best for them to meet with you and the Majority Leader at the same time, since Senator Byrd was so intimately involved in the March meetings.

NOTE: Senator Muskie is likely to talk to you about potatoes. Farmers in Maine's northern counties cannot get adequate prices. They want a diversion program and a ban on Canadian imports. Secretary Bergland and your advisers oppose both, but we have offered help in other areas.

Lynn Daft has travelled to Maine and talked to the farmers. Last evening Daft told Muskie we could not support either a diversion program or the import ban. Muskie was displeased. He particularly resents Secretary Bergland's failure to discuss the matter with him.

If the Senator asks you about this, I recommend you tell him you are somewhat aware of the problem and will have Bergland call him.

TALKING POINTS - BYRD

1. During the Budget Committee mark-up of the First Resolution, Chairman Muskie did a magnificent job in fighting for the priorities and cuts that were discussed in the March meetings. Unfortunately, the Republicans, with the help of Senator Hollings and a few other Democrats, pushed through a resolution that is well above the Chairman's mark on defense and above what I recommended. The add-on was at the expense of programs dear to the hearts of labor and other traditional democratic constituencies.
2. The Committee's budget poses a problem for me and many of the Democratic Senators up for reelection this year. I do not know whether it is possible to reallocate some of the FY 81 defense outlays on the floor of the Senate. You and Senator Muskie are the best judges of that.
3. I have asked Frank Moore and Jim McIntyre to meet with you and the Chairman to get your guidance on that subject. They will be trying to arrange such a meeting in the next day or so.
4. (Senator Byrd would probably appreciate a brief summary of your meetings with Sadat.)

THE WHITE HOUSE
WASHINGTON

08 Apr 80

Lloyd Cutler

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

Rick Hutcheson

cc: Fran Voorde
Phil Wise

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

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

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

THE WHITE HOUSE
WASHINGTON

April 7, 1980

ok
J

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER *LNC*
SUBJECT: OLYMPICS - POSSIBLE MEETING WITH ROBERT KANE

Robert Kane, President of the U.S. Olympic Committee, has accepted our invitation to attend the second State Department briefing of USOC officers and members on Tuesday, April 8.

I appreciate how crowded your Tuesday schedule is, but if Kane comes to the briefing and you have five minutes to spare to see him, a visit would improve our chances in the USOC House of Delegates this weekend.

Despite his misgivings, Kane told me Thursday he intends to urge the House of Delegates to support the officers' February commitment to accept your decision.

The briefing begins at 2:00 p.m. and will possibly run until 4:00 or 4:30 pm. The invitation could be issued at the last minute while the State Department briefing is in progress, depending on how your schedule looks after the first Sadat meeting in the morning.

I will check with Phil Wise on your status.

THE WHITE HOUSE
WASHINGTON

08 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 7, 1980

C

MEMORANDUM TO THE PRESIDENT

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

SUBJECT: United States Metric Board

The United States Metric Board coordinates the voluntary conversion to the metric system. The Board consists of 17 members appointed by you to serve six year terms. The terms of two of the original members have expired.

In consultation with Dr. Polk, the Chairman of the Board; Dr. O'Hagan, the Executive Director; and Esther Peterson, we recommend the reappointment of Mr. Francis Dugan of Ohio to represent the construction industry and the appointment of Mr. Marcus Crotts of North Carolina to represent engineering interests.

Francis R. Dugan (Ohio): President, Dugan and Meyers Construction Company. Recommended by the Association of General Contractors of America and Senator Glenn.

Marcus B. Crotts (North Carolina): Partner, Crotts and Saunders Engineering, Inc. Recommended by Governor Hunt, Senator Morgan, Congressman Neal and the Society of Manufacturing Engineers.

RECOMMENDATION:

Reappoint Francis R. Dugan and appoint Marcus B. Crotts to the United States Metric Board.

approve disapprove

Mr. Francis R. Dugan
11148 Kenwood Road
Cincinnati, Ohio 45242

EMPLOYMENT: Presently President of the Dugan
& Meyers Construction Company.

ORGANIZATIONS: President of the Cincinnati Chapter
of AGC and the Associated Contractors
of Ohio.
American Institute of Constructors,
1974 and 1975.
Member of the Cincinnati Chamber of
Commerce and a member of the
American Concrete Institute
American Institute of Architects-
Construction Specifications
Institute-AGC Committee
AGC-Laborers International Negotiating
Committee
Cincinnati Area Tripartite Committee
President of the Cincinnati Area Allied
Construction Industries Council
Chairman of the Construction Industry
Advancement Program for Greater
Cincinnati
Formerly Chairman of the Construction
Education Committee
Education and Qualification Committee
of the National Conference of States
on Building Codes and Standards
Advisor to the Archdiocese of Cincinnati

Paul

Biographical Sketch of MARCUS B. CROTTS

Marcus B. Crotts, a native of Winston-Salem, North Carolina, was graduated from North Carolina State University at Raleigh, North Carolina, with a Bachelor of Mechanical Engineering degree, and from the University of Illinois, Urbana, Illinois, with a Master of Science in Mechanical Engineering. He is a member of Phi Kappa Phi (honorary scholastic fraternity), Theta Tau (professional engineering), Pi Tau Sigma (honorary mechanical engineering).

He has served as president of the North Carolina State University Alumni Association, and is currently serving as a trustee of this University.

He was employed by Duke Power Company, by Babcock and Wilcox Company, and by Western Electric Company. He is presently a partner in the firm of Crotts & Saunders Engineering, Inc., and owner of Crotts Enterprises, Inc.

He is a director of the American Machine Tool Distributors Association, and is a member of the Winston-Salem Chamber of Commerce.

He is a Korean veteran, having served in the United States Air Force as a lieutenant in aircraft maintenance engineering.

He is a life member of the American Society of Mechanical Engineers, and he has served ASME as vice president, and member of council. Also, he is a life member of the Society of Manufacturing Engineers, and is serving as a national director. In 1973, he received the SME Award of Merit. He is a member of the Professional Engineers of North Carolina, the North Carolina Society of Engineers, the Numerical Control Society, the Institution of Production Engineers, (London, England), and has served as president of the Winston-Salem Engineers Club. He is a licensed registered professional engineer in the states of North Carolina, South Carolina, and Virginia. He has written technical papers in the fields of dimensional metrology and metric conversion. He is listed in "Who's Who in Engineering".

He is a Rotarian (past club president), a member of the Forsyth Country Club, a private pilot, and a license plate collector.

He is a member of the First United Church of Christ in Winston-Salem, and has been active in Brotherhood work, and has served as chairman of the Building Committee. He is serving on the Board of Governors of Nazareth Childrens Home.

He is married to the former Miss Margo Jackson of Champaign, Illinois, and they have two children, Van and Laura.

UNITED STATES METRIC BOARDIndependentAUTHORITY: P.L. 94-168, December 23, 1975METHOD: Nominated to the SenateMEMBERS: SEVENTEEN as follows:

The Chairman, a qualified individual who shall be appointed by the President, by and with the advice and consent of the Senate

Sixteen members who shall be appointed by the President, by and with the advice and consent of the Senate, on the following basis:

- c (1) One to be selected from lists of qualified individuals recommended by engineers and organizations representative of engineering interests
- c (2) One to be selected from lists of qualified individuals recommended by scientists, the scientific and technical community, and organizations representative of scientists and technicians
- p (3) One to be selected from a list of qualified individuals recommended by the National Association of Manufacturers or its successor
- p (4) One to be selected from lists of qualified individuals recommended by the United States Chamber of Commerce, or its successor, retailers, and other commercial organizations
- p (5) Two to be selected from lists of qualified individuals recommended by the American Federation of Labor and Congress of Industrial Organizations or its successor, who are representative of workers directly affected by metric conversion, and by other organizations representing labor
- p (6) One to be selected from a list of qualified individuals recommended by the National Governors Conference, the National Council of State Legislatures, and organizations representative of State and local government

Continued

UNITED STATES METRIC BOARDIndependentMEMBERS:
(Continued)

- p (7) Two to be selected from lists of qualified individuals recommended by organizations representative of small business
- c (8) One to be selected from lists of qualified individuals representative of the construction industry
- c (9) One to be selected from a list of qualified individuals recommended by the National Conference on Weights and Measures and standards making organizations
- c (10) One to be selected from lists of qualified individuals recommended by educators, the educational community and organizations representative of educational interests
- (11) Four at-large members to represent consumers and other interests deemed suitable by the President and who shall be qualified individuals

As used above, each "list" shall include the names of at least three individuals for each applicable vacancy.

CHAIRMAN:

Shall be appointed by the President, by and with the advice and consent of the Senate.

TERM:

SIX YEARS, except the terms of office of the members first taking office shall expire as designated by the President at the time of nomination; five at the end of the 2d year; five at the end of the 4th year; and six at the end of the 6th year.

The term of office of the Chairman shall be 6 years

Members, including the Chairman, may be appointed to an additional term of 6 years, in the same manner as the original appointment. Successors to members of the Board shall be appointed in the same manner as the original members and shall have terms of office expiring 6 years from the date of expiration of the terms for which their predecessors were appointed.

Any individual appointed to fill a vacancy occurring prior to the expiration of any term of office shall be appointed for the remainder of that term. (NOT HOLDOVERS)

Continued

UNITED STATES METRIC BOARD

Independent

SALARY:

Members who are not in the regular full-time employ of the U. S. shall be entitled to receive compensation at a rate not to exceed the daily rate for a GS-13, including traveltime. While so serving, on the business of the Board away from their homes or regular places of business, members may be allowed travel expenses, including per diem in lieu of subsistence.

PURPOSE:

Devise and carry out a broad program of planning, coordination, and public education, consistent with other national policies and interests, with the aim of implementing the voluntary conversion to the metric system.

TERMINATION:

The Board shall cease to exist when the Congress, by law, determines that its mission has been accomplished.

THE WHITE HOUSE
WASHINGTON

Law Filing

THE WHITE HOUSE
WASHINGTON 4/7/80

Mr. President:

I have received 3 requests for you today - 2 photos and a meeting drop-by.

oh 1:05 Photo with Curt Wiley and his wife Prisilla. Curt ran Wisc. and is on the way to Mich.

oh 1:10 Photo with Jack Whitehead (request attached from cong. liason)

*After going to
S Grounds -
photo only* 1:15 Drop-by a budget briefing for Philadelphia black leaders (request attached)

Phil

approve disapprove

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for Preservation Purposes**

Oppenheimer & Co., Inc.

ONE NEW YORK PLAZA, NEW YORK CITY 10004, (212) 825-4000, CABLE ADDRESS: MOPENER NEW YORK

MICHAEL R. HOLLIS
VICE PRESIDENT
PUBLIC FINANCE

March 24, 1980

*Phil -
Bring me the
photos
J*

PERSONAL

The President
The White House
Washington, DC

Dear Mr. President:

It was a pleasure visiting with you briefly last Tuesday. As I said then, I was honored to have been asked to serve as the Associate Chief Counsel of the Kemeny Commission. And I am most pleased with your response to the Commission's recommendations.

Enclosed is an excerpt from Jean Kemeny's book. (I've asked the Dartmouth bookstore to send you a copy). It has been a long time and journey (for both of us) since that visit to Dartmouth and New Hampshire.

Highest regards.

Sincerely,

MIKE

MRH: kam
Enc.

*March 18, 1980
1603514*

President Hopkins used to go out the back door in the morning so he wouldn't have to step over it.

President Dickey said he could support it or read it—he couldn't do both.

President Kemeny took it in small doses—and sometimes refused to take it at all.

"It" is the "oldest college newspaper in the country" (1799). *The Dartmouth* has been faithful to a tradition of diametrically opposing the viewpoint of the establishment. Its editors, political gadflies and journalistic giants on campus, continue in that vein after graduation. They have become: a satirical film critic, a political columnist, newsmen with clout, politicians with savvy and novelists of realism. On campus they felt they had a duty to be a bit outrageous. Budd Schulberg, an editor in the thirties, took up a just cause of bad labor practices in Vermont, but admitted to me that part of the fun was galling the President.

Undergraduates are young, reporters get carried away, stories are printed out of context, crusades on all things controversial are seized on with enthusiasm and bludgeoned to death—in A+ prose.

But something is happening. In the last several years the typos have been fewer than in *The New York Times*, the stories are more responsible—and accurate. Maybe John will retire *without* a pithy quote about "it."

"Do you know that you have the first black President of the United States at Dartmouth? His name is Michael Hollis—and he's a freshman." John was astonished, but Reg Murphy, the editor of *The Atlanta Constitution*, went on. "Maynard Jackson (then Deputy Mayor) told me he'd have to run for Mayor before Mike graduated."

At an alumni reception that evening several parents came up, among them a Mrs. Hollis. Intrigued, John suggested that Mike drop into the President's Office—sometime. "Sometime" was John's first day back in town.

Mike Hollis grew up in Georgia when blacks still shuffled

into the gutter to avoid jostling a white; when "colored" meant "sit over there" and "don't come in here." But Mike was always a bit ahead of his time. As a small child, he watched his mother drink from the appropriate water fountain. He didn't. He used the one labeled "white," and a white woman helped him reach—taboo for both.

In his high-school years, before he entered Dartmouth on a scholarship in 1971, he had tried more and accomplished more than almost any teenager in the country—black or white. He gathered awards for everything and, in addition, he was elected president of The Atlanta Youth Congress at age 15, won *The Atlanta Journal Cup* as the best all-round senior and represented the State of Georgia as a delegate to the White House Congress on Youth.

He had some spare time. Michael was the first teenager appointed by the Mayor to serve on the board of the Atlanta Children and Youth Services Commission; he wrote sports articles for *The Atlanta Constitution*; worked nearly a year for the Atlanta Braves gathering statistics, writing and doing public relations; and, as a member of the NAACP, he found jobs for unemployed youths.

Then he came to Dartmouth. Earlier, from a foundation grant, John had established student administrative internships in the offices of the President and the Dean of Students to deal primarily with students. (The scope and number have expanded—now there are interns in almost every administrative office from arts to development.) An intern in the President's Office is a liaison between the President and the student body and must be aware of the mood on campus, keeping the lines of communication open. As a sophomore, Mike became John's intern and stayed two years. (A one-year appointment is usual.)

He was always cheerful, bubbling over with a new idea, a possible project. He had a special gift: equal rapport with blacks and whites. And he could give an invocation or speech that would knock you out of your chair—a young Martin Luther King.

At Dartmouth he was involved on and off campus. He was a

member of the Afro-American Society, he broadcast sports over student radio, he was a director of the group that brought outstanding speakers to the College, he maintained the files on all of Dartmouth's permanent art collections and he spent two terms abroad in the foreign study program, in Sierra Leone and France.

He was cited for academic achievement in three courses. (Professors give out *few* citations.) Michael was one of twelve Senior Fellows, doing an independent thesis, studying the consequences of rapid transit in San Francisco and Atlanta.

During several college Summers, he did some political campaigning. He is always a politician. In March of 1974, he asked John if he could bring in a friend—a fellow southerner—and introduce him to the President of Dartmouth. John was booked at a conference across campus, so it was the office staff, not he, who met a quite unknown Jimmy Carter two years *before* the New Hampshire primary.

Two and a half years later, a jubilant Mike Hollis called the morning after the election from the Atlanta hotel where President-elect Carter was staying to give John some tips on contacts in the new administration—people to see in the White House. He was bubbling over again with excitement—and very useful information.

We keep in touch. Mike just graduated from The University of Virginia Law School where, not surprisingly, he was President of the Law Student Division (for the United States) of the American Bar Association. And he was appointed by Chief Justice Burger as a law student consultant to a special committee studying rules for admission to federal courts. Michael is now practicing law with an excellent firm in Atlanta.

In the early seventies Reg Murphy wrote an editorial in *The Atlanta Constitution*. “. . . mark his name down: Michael Robinson Hollis. The next time you hear it, he may be one of the candidates for high political office . . . black, smart, ambitious, worldly beyond his years . . . Mike Hollis may well be standing before this nation describing his vision of what it could become. . . .”

When Mike reaches that pinnacle—and he will—I'll vote for him. His qualities are many, but two are rare: a true sense of his own worth and a special sweetness.

The Faculty

The attitude of the faculty is different at Dartmouth. Teaching an excited freshman, still open to ideas and not yet veneered with cynicism, is a challenge, not a chore. Excitement is fragile; it needs to be nurtured, not turned off and withered by a bored graduate-student teacher. Most of the nation's universities use graduate students heavily. Cheap labor.

The outstanding researcher who wouldn't know an undergraduate if he bumped into one—who has nightmares about teaching—doesn't belong here. Neither does the teacher whose only piece of research was a Ph.D. thesis.

Putting together a faculty composed of stimulating teachers who also continue doing original work in their field is not easy. The combination is uncommon. Finding professors who feel that an hour spent helping a confused, lost student is not a waste of precious research time, whose first commitment is to their classes, who spend most of their time *on campus*, not *off* touting their achievements and toting up the number of outside consulting jobs, makes recruiting much more difficult. But it can be done.

A faculty member will not get rich on salary. There are children to educate, mortgages to pay off and unbearable property taxes to dig up. Many of the students these professors educate, will, five years out of Dartmouth, be making twice as much as their teachers.

A country that rewards glamour with million-dollar contracts still whines about the modest salary of a professor. "Two courses a term; eight hours of teaching per week! What do they do with all their free time?!"

Dartmouth faculty members spend hours preparing one lecture, they make up and grade their own exams, they read hundreds of papers, they hold office hours for students (and are

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MICHAEL R. HOLLIS
VICE PRESIDENT
PUBLIC FINANCE

March 24, 1980

Ms. Susan Clough.
Assistant to the President
The White House
Washington, D.C.

Dear Susan:

I saw the president last Tuesday, and promised
that I'd send the enclosed.

Hope to see you soon.

Sincerely,

Mike

MRH:kam
Enc.

*I haven't send you
since those "Ba. days."
Take care.*

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 7, 1980

e

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Fitness Report for Admiral Lukash

Attached for your signature is a Navy flag officer's fitness report for Admiral Lukash covering the period 21 January 1977 to 30 September 1979.

The Department of the Navy requested an officer's fitness report to satisfy records requirements. President Ford signed a fitness report for a like period during his term of office. The 30 September 1979 on the attached report coincides with the standard closing date for Navy flag officer fitness reports.

This report has been prepared by Marty Beaman and should be signed in block 21 on the reverse.

ATTACHMENT

Electrostatic Copy Made
for Preservation Purposes

16. PERSONAL QUALITIES:

Admiral Lukash carries out his responsibilities in a dynamic, energetic and outstanding manner. Yet, he conducts his dealings with subordinates, peers and superiors with rare sensitivity. His loyalty, dedication and devotion are unparalleled; and, his friendship valued.

17. PROMOTION POTENTIAL:

I consider Admiral Lukash to be imminently qualified, and entitled, for promotion to vice admiral.

18. FUTURE ASSIGNMENT:

Consideration should be given to his appointment as Surgeon General of the Navy upon termination of his service at the White House.

19. ENTRIES ON THIS REPORT ARE BASED ON (Check appropriate box)

DAILY CONTACT AND CLOSE OBSERVATION FREQUENT OBSERVATION INFREQUENT OBSERVATION RECORDS AND REPORTS ONLY

20. (a) Reports containing adverse matter must be referred for statement pursuant to Art. 1701.8, Navy Regulations and the statement of the officer must be attached to this report.

STATEMENT ATTACHED NOT APPLICABLE

(b) Has officer seen this report? YES NO

21. DATE FORWARDED

SIGNATURE OF REPORTING SENIOR

Jimmy Carter

22. CONCURRENT REPORT:

DATE FORWARDED

SIGNATURE OF JUDGE REPORTING SENIOR

9:00 AM

THE WHITE HOUSE

WASHINGTON

April 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN 

SUBJECT: MEETING WITH PRESIDENT LEOPOLD SENGHOR, PRESIDENT OF SENEGAL, TUESDAY, APRIL 8, 1980 9:00 A.M. OVAL OFFICE

I. PURPOSE

To greet and welcome President Senghor of Senegal.

II. BACKGROUND, PARTICIPANTS AND PRESS

- A. BACKGROUND: President Senghor is in Washington at the invitation of Mayor Marion Barry to officiate at the closing ceremonies of the Senegalese Contemporary Art Exhibit at the Corcoran Art Gallery. Livingston Biddle, Chairman of the National Endowment of the Arts represented the President at that ceremony on Sunday, April 6, 1980. During his June 1978 visit, the President received him for a one-hour call.

A distinguished poet, philosopher, politician and statesman, Leopold Senghor has been President of Senegal since its independence in 1960. Pro-Western and anti-communist, Senghor sees himself as a pragmatic socialist. Throughout his adult life Senghor has pursued a parallel career as a writer and poet. He is know internationally as the apostle of "Negritude" -- the consciousness among blacks of the distinct qualities and values of their heritage. He has received some 35 honorary doctorates from universities around the world, including one from Oxford (1971) and one from Harvard (1972).

- B. PARTICIPANTS: Leopold Senghor, President of Senegal; Ambassador Andre Coulbary, Senegalese Ambassador to the United States; Deputy Assistant Secretary of State Lannon Walker; Ambassador Herman Cohen, United States Ambassador to Senegal; and Alex Toumayan, interpreter. Secretary of State Cyrus Vance will also attend. White House Staff: Louis Martin and Jerry Funk.

C. PRESS: White House Photographer

D. TALKING POINTS: Talking points will be prepared by
Dr. Zbigniew Brzeskiński.

THE WHITE HOUSE
WASHINGTON

08 Apr 80

Frank Moore

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
Stu Eizenstat
Al McDonald
Jack Watson

ADMINISTRATIVELY CONFIDENTIAL

cc Frank
J

THE WHITE HOUSE

WASHINGTON

April 8, 1980

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE
SUBJECT: Weekly Legislative Report

INTRODUCTION

Beginning next week a new section titled Anti-Inflation issues will be added to the report. In this way we can highlight those issues which warrant special attention.

I. DOMESTIC POLICY ISSUES

1. Energy

EMB

Last Tuesday the House conferees made an offer to the Senate conferees on the waiver issue identical to the proposal Dingell outlined to you. Eight Senators sent a letter to Senator Johnston indicating their continued opposition to the waiver, but Johnston and staff members are optimistic that this issue may be resolved shortly.

FY 1981 DOE Authorization

The Senate Energy Subcommittees are expected to continue their respective hearings after the recess. Johnston's subcommittee probably will begin markup the week of April 22. There may be efforts to attach an amendment similar to the one Stockman added in the House (deletion of authority to implement the gasoline tax).

It is not likely that the House Committee will adopt such an amendment, so we can expect it to be resubmitted on the Floor.

Utility Oil Backout

Congressman Dingell's subcommittee on Energy and Power held hearings last Wednesday. DOE, CEQ, and EPA testified for the Administration. Chairman Dingell agrees with the Administration's position that utility oil reduction and acid rain are two important issues that should be considered separately.

Make it
clear that
I will
veto

Subcommittee support for the bill remains soft. Congressmen Stockman, Wirth, and Markey all oppose for varying reasons. Members are being contacted individually on issues raised at the hearings.

2. First Budget Resolution

Senate

The Senate Budget Committee completed markup on the First Budget Resolution Thursday afternoon. The budget totals are shown in Attachment A. When reestimates are accounted for the committee's outlay figure is about \$6 billion below our figure.

For national defense, the committee added \$8.9 billion in BA and \$5.2 billion in outlays. Contrary to our expectations, the committee did not cut Defense during a "second round" of cuts. The Members chose their receipts total to allow a \$10 billion tax cut contingency, with remaining receipts and outlays almost exactly at balance.

In part to offset the Defense increases, the committee recommended \$10.5 billion in other outlay reductions below our revised budget. For the most part, the Republicans voted (sometimes without Senator Bellmon) to sustain cuts, with the help of Senators Hollings, Exon, Hart, and sometimes Chiles and Johnston. Senators Metzenbaum and Moynihan (and sometimes Senators Riegle and Sasser) opposed domestic cuts below our budget and Chairman Muskie's mark, but they could not come close to carrying the committee.

OMB feels that the preferred strategy would be to try to convince Senators Muskie and Bellmon to offer a bipartisan amendment to reduce Defense and restore some of the social cuts. Such a proposal would change some functional totals, but perhaps not the overall total. If this were successful the Resolution would be closer to our totals on the floor and would set the stage for further progress in conference.

House

The Rules Committee is likely to grant a modified closed rule, with provision for the following amendments:

- (1) Republican substitute (variation of Kemp-Roth); ✓
- (2) Black caucus amendment; ✓
- (3) Obey/Simon/Solarz amendment -- add \$900 million in social increases (urban aid, education, fuel assistance) above the House recommendations, with about \$150 million in offsets. ✓

Other possible amendments include:

- (4) Leadership amendment -- add \$500 million for urban aid in an attempt to reconcile the liberal and conservative Democrats; ✓
- (5) Amendment to increase Defense; ✓
- (6) Amendment to strike reconciliation language by authorizing chairmen. ✓

The Rules Committee delayed action until after recess so the Leadership could decide whether or not to sponsor any amendments.

3. Youth Bill

The House Employment Opportunities Subcommittee plans to markup a youth bill on April 17. The full committee plans to consider it sometime before the end of April. The subcommittee is working on a draft bill which could provide for a simple extension for FY 1981 and a mix of current services at a slightly increased funding level for FY 1981-84. They maintain that time restraints make their bill the most expeditious approach. The Republican members are examining their support of this new subcommittee approach and are considering writing a draft of their own. Chairman Waxman has opposed our bill on the grounds that funding is inadequate; his current approach does even less.

Plans for action in the Senate seems less concrete. They may move on the labor portion of the bill, but remain reluctant to consider the education portion.

4. Regulatory Reform

Last Thursday, the Senate Governmental Affairs Committee reported its version of the regulatory reform bill. The vote was 11-0. By prior agreement, the bill has been referred to the Judiciary Committee for 45 days. While Senator Culver's Judiciary Subcommittee reported its own version of regulatory reform last December, the Committee has done little on this subject since. There are a number of significant differences between the two bills, that must be resolved - including competition improvements, regulation flexibility and the Regulatory Policy Board. Because of these issues and Senator Kennedy's continued absence, we do not foresee Senate floor action before June.

In the House, the Judiciary Subcommittee bill should be considered in early May, assuming that we can reach agreement on necessary changes in Title II. We have begun to assess the support for legislative veto and the Bumper's Amendment in the full Committee but will not have a definitive picture until after the recess.

5. Selective Service Registration

More on him - will help

If possible, the prospects for passage of the supplemental appropriation in time to commence registration this spring are even bleaker today than they were last week. Last Tuesday, the House leadership announced that consideration of the First Budget Resolution would be deferred until the week of April 22nd. As a result, the Selective Service Appropriation will have to pass both the full Appropriations Committee and the floor the week of April 14th. Otherwise it is likely to be put off until May. If this happens it will be impossible to commence registration before mid July. At this point, everything rests on the willingness of Chairman Whitten to act on the bill immediately after the Congress returns. As yet, we have no assurance that he will.

6. General Revenue Sharing

The Senate Budget Committee voted today to limit revenue sharing spending in Function 850 to the \$4.6 billion local share. The Committee voted down overwhelmingly a Sasser motion to add back \$900 million that might be used for, among other things, the Administration's \$500 million urban aid program. The Committee voted down, narrowly, a Domenici motion to restore \$900 million on the condition that \$900 million of categorical spending be cut. Thus, the Chairman's mark was preserved and, at least at this stage, both Budget Committees have settled on \$4.6 billion for revenue sharing spending.

II. FOREIGN POLICY ISSUES1. Iran

Don't push it

The Senate Foreign Relations Committee met last Wednesday, but did not consider Senator Church's proposal for a Committee white paper on Iran. They will take up the subject shortly following the recess. As things stand now, the Committee would probably reject the white paper proposal. However, careful consideration should be given to any specific advice we may give the Committee.

Two more Resolutions of Inquiry dealing with Iran were introduced in the House last week. Both were initiated by Congressman George Hansen. One deals with our understandings with the former Shah before his departure from Texas. The other requests all correspondence exchanged with the Iranians during the last couple of weeks. Chairman Zablocki has written requesting our reply, but a heated confrontation does not seem to be in the making. A serious but modest response to the Committee should be satisfactory.

2. Central America

The reprogramming package for El Salvador and Honduras cleared Congressman Long's subcommittee last Thursday. The \$5.7 million military assistance portion for El Salvador passed 6-3. However, three supporters, Obey, McHugh, and Lehman underwent considerable soul searching before voting with us. Inouye's Subcommittee also passed the assistance for El Salvador.

We anticipate both Senate and House agreement to reprogramming \$15 million in development aid for Nicaragua. Action on moving the Central America supplemental authorization conference will take place after the recess.

ADMINISTRATION AND BUDGET RESOLUTIONS TOTALS FOR 1980 AND 1981
(in billions of dollars)

	1980			1981			
	<u>Admin</u>	<u>HBC</u>	<u>SBC</u>	<u>Admin</u>	<u>HBC</u>	<u>SBC</u>	
Receipts.....	532.4	528.8	528.9	628.0	613.8	623.0	13
Outlays.....	568.9	567.0	566.4	611.5	611.8	612.9	14
Deficit (-) or surplus (+).....	-36.5	-38.2	-37.5	16.5	2.0	10.1	16
Budget authority.....	665.8	657.2	653.7	691.3	694.6	687.9	18
							19

NOTE: The 1981 receipts totals of the HBC exclude \$10 billion of receipts from the oil import fee, which is held in reserve for tax cuts. The SBC also assumes that \$10 billion is held in reserve, but includes this amount in the receipt total shown above. The latest Administration estimate of receipts from this fee, which is included in the 1981 receipts total, is \$12.6 billion.

ADMINISTRATION AND CONGRESSIONAL ESTIMATES OF 1981 OUTLAYS BY FUNCTION
(in billions of dollars)

	January Budget	March Update Base	March Update Total	CBO Reestimates 1/	1st Resolution House	1st Resolution Senate	
National defense.....	146.2	152.0	150.5	0.6	147.9	155.7	13
International affairs.....	9.6	10.5	10.1	-0.3	9.6	9.5	14
General science, space, and technology.....	6.4	6.4	6.2	*	6.3	6.1	15
Energy.....	8.1	8.7	6.9	0.2	7.1	6.8	16
Natural resources and environment..	12.8	13.1	12.5	*	12.4	12.0	17
Agriculture.....	2.8	2.2	2.0	0.3	2.3	2.3	18
Commerce and housing credit.....	0.7	0.7	0.4	0.2	-0.1	0.2	19
Transportation.....	20.2	20.2	19.0	0.5	19.5	18.2	20
Community and regional development.	8.8	9.1	8.5	0.9	9.4	9.3	21
Education, training, employment and social services.....	32.0	32.1	30.6	0.2	30.7	28.4	22
Health.....	62.4	62.7	61.9	0.9	61.8	61.9	23
Income security.....	220.0	221.8	220.1	0.2	220.1	218.3	24
Veterans benefits and services.....	21.7	21.7	21.4	-0.2	21.2	21.0	25
Administration of justice.....	4.7	4.7	4.6	*	4.6	4.6	26
General government.....	4.9	4.9	4.8	-0.3	4.6	4.3	27
General purpose fiscal assistance..	9.6	9.6	7.4	-*	6.8	6.8	28
Interest.....	67.2	70.6	68.4	3.8	72.2	72.2	29
Allowances 2/.....	2.6	2.6	1.4	-*	---	---	30
Undistributed offsetting receipts..	-25.1	-24.9	-24.9	0.2	-24.6	-24.7	31
Total.....	615.8	628.7	611.5	7.4	611.8	612.9	32

1/ Rough calculation of the CBO reestimates of the budget that are probably implicit in the House and Senate resolutions. The House does not include the CBO reestimates of health and defense.

2/ The Administration's March budget total for allowances includes \$0.9 billion for the civilian agency pay raise and \$0.5 billion for contingencies. The House includes \$0.8 billion for pay, which is exactly offset by \$0.6 billion in savings from the 2% across-the-board cut in nondefense overhead, and a \$0.2 billion cut in furniture. The Senate assumes \$0.8 billion for civilian agency pay raises, and allocates this amount by function.

* \$50 million or less.

THE WHITE HOUSE

WASHINGTON

April 4, 1980

①
/

MEMORANDUM FOR THE PRESIDENT

FROM: AL MCDONALD *Al*
ANNE WEXLER *Anne*

Attached is this week's report on anti-inflation actions. A copy has been given to Jody for his use with the press.

Attachment

SUMMARY OF ANTI-INFLATION ACTIVITIES

Week of March 31, 1980

Budget Revision

Revision Signature - The President signed on Monday, March 31, for transmission to Congress the revised budget for fiscal year 1981. A general press briefing was conducted by Jim McIntyre and follow-up media interviews were conducted on the MacNeil/Lehrer program and for economic columnists.

Congressional

Presidential briefings - A buffet and briefing session with one-third of the Senate involving the President and economic advisors. This included a series of three briefing sessions to which all members of Congress were invited.

House - The first budget resolution cleared the Rules Committee. Debate on final passage in the House should reconvene after the Easter recess.

Senate - The Budget Committee continued to markup its first resolution, making major changes in the Administration's proposed budget levels for defense, water projects, transportation, and food stamps. The Committee's budget resolution is considerably more conservative than the Administration and House positions.

Outreach

Briefings - About 600 interest groups were briefed on the budget revisions. Although their public positions will oppose reductions, most are concerned that Congress will make even greater cuts.

East Room Events - The President signed the banking reform and the windfall profits tax legislation with anti-inflation remarks before large groups of constituency leaders.

Presidential Speech - The President devoted much of his speech to the Building Trades Unions to the anti-inflation program, being enthusiastically received on the proposal to balance the budget.

Continuing Actions

Grocery and Pharmaceutical Retailers - The President dropped by an Esther Peterson meeting with the grocery and pharmaceutical retail chains on Thursday, April 3. The President expressed his thanks for the price freezes that had already taken place in the industry, and encouraged them to continue this process. As a result, several chains are expected to announce extensions of their freezes.

Corrective Actions - Diamond International, a \$1.3 billion manufacturer of paper products, agreed this week to take corrective action to come into compliance with price standards. Diamond International will reduce its price increases below allowable amounts in the third and fourth quarters to make up for earlier excesses.

Health Industry Follow-up - Fred Kahn is asking accounting firms to reverse their counsel to health industry clients for taking price increases in anticipation of mandatory controls. Fred Kahn's office, DPS and HEW are working on an Administration recommendation for legislation to encourage competition in the health care industry. The industry has asked for assistance in both areas.

Regional

Mailing - Copies of materials explaining the President's revised budget were sent to 1,376 State and local officials by Jack Watson's office.

THE WHITE HOUSE
WASHINGTON

4/8/80

rick--

original of attached was sent with brief cover note from me, via nsc to state dept executariat for forwarding to precht. (official, but not "heavy" official!)

attached is f.y.i., and for your files.

thanks--susan

1970

To Henry Precht = One of the elements of good diplomatic language is to combine conciseness, clarity & accuracy. You have mastered this principle - Jimmy Carter

Angry American Diplomat Had Just One Word for It

By Michael Getler
Washington Post Staff Writer

The State Department is proud of its diplomatic tradition. But yesterday, an official who has spent five months wrestling with the hostage crisis finally exploded in a tense meeting with Iranian officials here.

"Bullshit," he said, in countering an Iranian allegation that the hostages were being protected by the Iranian government.

The expletive broke up a meeting at the State Department in which the Iranians were supposed to have received formal orders expelling all 35 diplomats from this country.

Shortly before President Carter's public announcement of the expulsion, Iranian charge d'affaires Ali Agah had been called to the State Department to receive those orders. Accompanying him was another Iranian official, Mohammed Lavassani. The two met with Deputy Secretary of State Warren Christopher and Henry Precht, director of the office of Iranian Affairs at State.

The Iranians, however, stormed out of the meeting early, refusing to receive the official orders at the meeting and claiming that Precht had "cursed, insulted and used bad words" toward Lavassani during the session.

Agah, visibly angry, later told reporters outside the Iranian embassy: "We will not take any longer to have any of my brothers to be insulted."

Precht, reached by telephone, said that during the meeting both Iranians had been extremely critical of the United States, accusing this country of oppressing Iran and other people of the Third World. "They were saying that some of the hostages would prefer to remain in Iran. A certain tension was in the conversation," Precht explained.

Precht reminded them that the Iranian government at an early stage in the crisis had sent the United States a note that the government would assume responsibility for protecting the

hostages. Precht then expressed dismay that such protection had not worked out.

Lavassani, according to Precht, then said the hostages "are being protected by the government, provoking Precht's one-word outburst.

Later, Agah told reporters outside the Iranian embassy that Iran would comply with the U.S. orders to leave. But, clearly angry from the exchange at State, he said, "The U.S. government does not understand us. They do not understand our revolution. They use language that I am ashamed of. The revolution gave us dignity and by insulting us they are trying to take our dignity away."

Iranian press attache Hossein Ava said the loss of communications between the two governments is "not going to help either Iran or the U.S. Any line of communication could benefit the hostage situation."

1,000 Arrested In Assam Unrest

Reuter

CALCUTTA, April 7—About 1,000 demonstrators, including 600 women, were arrested when they staged a sit down protest outside government offices in India's troubled northeastern Assam state today.

The Press Trust of India reported that the arrests in the state capital of Gauhati were in response to student-led agitation against migrant workers in the state.

As part of the six-month-old agitation, picketing of government offices was resumed five days ago. Round-the-clock picketing at oil installations has been going on since last December.

The students have said they will continue their agitation although the government over the weekend declared Assam a disturbed area and alerted troops to assist police. The central government also issued an order banning strikes in the state.

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Bembastler	\$32.89	\$2.99
Piesporter Michelsberg	\$32.89	\$2.89
Rudeshelmer	\$32.89	\$2.99
Krover Nacktensch	\$32.89	\$2.89
Niersteiner	\$32.89	\$2.99
Liebtraumlisch	\$27.39	\$2.49

Buy 11 Bottles, and get 2 bottles free this week!

BARNEY FETZER'S OTHER CALIFORNIA WINES ARE ON SALE THIS WEEK!

Come in and take your choice of wines cellared and bottled at the Bel Arbre Vineyards in Redwood Valley, California. Barney Fetzer, proprietor.

BEL ARBRES VINEYARDS

- N.V. Vin Rouge - Gold Medal Winner of the 1979 Los Angeles County Fair.
- 1977 Johannisberg Riesling
- 1977 Chamin Blanc • N. V. Burgundy

Your Choice: **\$2.99**

Buy 11 Bottles, Get 2 Free Bottles this week!

17% ALC/VOL (35)

VIN ROUGE
"A DRY RED TABLE WINE"
Made and Bottled at the Vineyard

Bel Arbre Vineyards