

4/29/80 [2]

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FILE LOCATION
 Carter Presidential Papers- Staff Offices, Office of Staff Sec.-
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29 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 28, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON

ARNIE MILLER

SUBJECT:

National Council on the Humanities

There are three vacancies for the National Council on Humanities. Adelaide Gulliver, whom you approved in March, is unable to serve. Instead we recommend Samuel D. Cook.

In the March memorandum, you told us to find an Hispanic, and we recommend Louise Año Nuevo Kerr.

Samuel D. Cook (Louisiana) President of Dillard University. Trustee of the Martin Luther King Jr. Center for Social Change. Formerly Professor of Political Science at Duke and at Atlanta University where he was chairman of the Department. Former member of the Southern Growth Policies Board and the Southern Regional Council Executive Committee. Past President of the Southern Political Science Association. Louis Martin concurs.

Louise Ano Nuevo Kerr (Illinois) Assistant Professor of History at Loyola University of Chicago. Co-Founder and former Chair of the Chicago Colloquium on Latin America. Member of the Illinois Council on Humanities. Ed Torres concurs.

Marcus Cohn (District of Columbia) Partner in Cohn and Marks, Attorneys. Joe Duffy and Bob Strauss recommend him strongly. You had originally questioned his inclusion on the list since we had no Hispanic. We have added an Hispanic and recommend that you approve his nomination.

RECOMMENDATION:

Nominate Samuel D. Cook, Louise A. N. Kerr and Marcus Cohn to be members of the National Council on Humanities. Joe Duffy concurs.

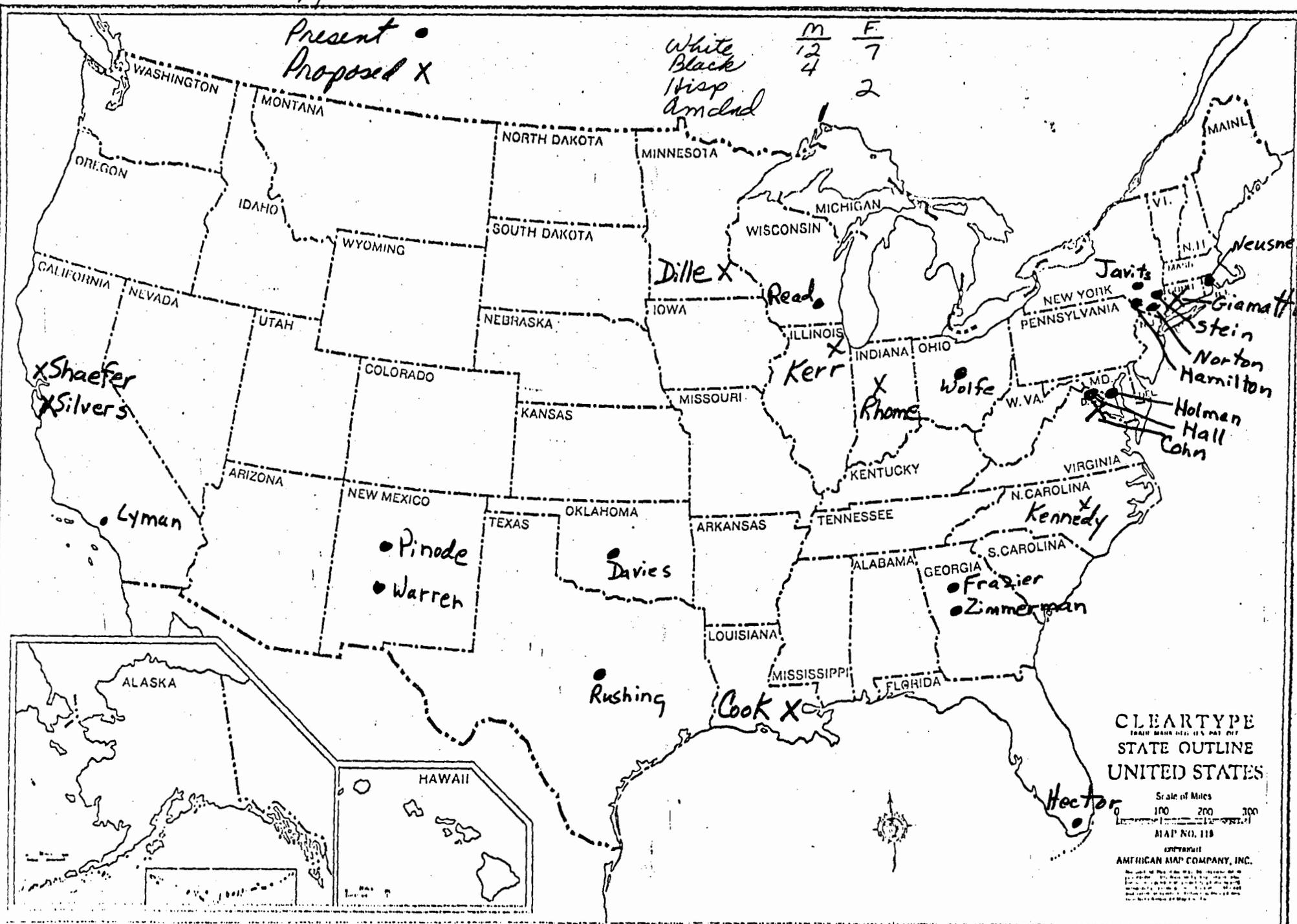
✓
_____ approve

_____ disapprove

National Council on Humanities (26 members)

Present •
Proposed X

White	M	F
Black	12	7
Hispanic	4	
Am. Indian		2



CLEARTYPE
STATE OUTLINE
UNITED STATES

Scale of Miles
0 100 200 300
MAP NO. 118

AMERICAN MAP COMPANY, INC.

COOK, Samuel Dubois, univ. pres., polit scientist; b. Griffin,
Ga. Nov. 21, 1923; s. Manuel and Mary Beatrice (Daniel) c; A.B.,
Morehouse Coll. 1948, LL.D. 1972; M.A. Ohio State U., 1950,
children-Samuel DuBois, Karen Jarcelyn. Asso. prof. polit. sci. So.
U., 1955-56; prof., chrm. dept. polit. sci. Atlanta U., 1956-66; asso.
prof. Duke U., Durham, N.C., 1966-71, prof. 1971-74 pres. Dillard
U., New Orleans, 1975-; vis. prof. U. Ill. 1962-63 U. Calif. Los
Angeles, summer 1966; program officer higher edn. and research Ford
Found. 1969-71; cons. in field. Mem. So. Growth Policies Bd.,
1972-73, N.C. Council on Goals and Policies, 1971-74; mem. exec.
com. So. Regional Council, 1967-69; trustee Martin Luther King Jr.
Center for Social Change, 1968-; bd. dirs. Council for Library
Resources, 1976-; mem. advisory council Jt. Center for Polit.
Studies, 1972-75. Served with U.S. Army, 1953-55. Fellow
Rockefeller Found., Ford Found., Social Sci. Research Council, So.
Edn. Found., Omega Psi Phi Nat. Mem. Am. Polit. Sci. Assn. (past
mem. exec. council), Conf. Black Polit. Scientists, Assn. for Study
Afro-Am. Life and History (mem. exec. council), So. Polit Sci. Assn.
(past pres.), Pi Sigma Alpha, Phi Beta Kappa, Omicron Delta Phi,
Omega Psi Phi Sigma Pi Phi. Democrat. Baptist. Contrbr. articles to
profl. journs. and anthologies. Home: 2601 Gentilly Blvd. New Orleans
LA 70122 Office: Dillard U 2601 Gentilly Blvd New Orleans LA
70122

Louise Año Nuevo Kerr

921 Monroe Street
Evanston, Illinois 60202

Birth Date: December 24, 1938
Marital Status: Married
Two daughters
(9 and 13)

DEGREES:

B.A. (Sociology), University of California, Los Angeles, 1960
M.A. (History), University of California, Los Angeles, 1966
Ph.D. (History), University of Illinois, Chicago Circle, 1976

TEACHING EXPERIENCE

Teaching Assistant in History, University of California,
Los Angeles, 1963-64
Teaching Assistant in History, University of Illinois, Chicago
Circle, 1971-72
Instructor in History, Loyola University of Chicago, 1973-76
Instructor (Exchange Faculty), Northeastern Illinois University,
1974-75
Instructor, Newberry Library-Chicago Historical Society, 1976-77
Visiting Assistant Professor, Colorado College, 1977
Assistant Professor, Loyola University of Chicago, 1976--

SCHOLARSHIPS, FELLOWSHIPS, GRANTS

Salsipuedes Four-Year Scholarship, 1956-60
Soroptomists Four-Year Scholarship, 1956-60
Woodrow Wilson Teaching Fellowship, 1962-63
Ford Foundation Dissertation Fellowship, 1972-73
Newberry-NEH Public Affairs Grant (co-recipient), 1976-77,
renewed for 1977-79
Mellon Foundation Grant, 1976-78
National Chicano Council on Higher Education Grant, 1977-78

PAPERS

"Chicanos in the Urban Industrial Mid-West: Chicago," Newberry
Library Family History Colloquium, March, 1973
"The Ethnic Family," Newberry Library Summer Institute in Family
and Community History, June 1973
"Chicanos in Chicago: 1920-1970," Organization of American
Historians, Denver, April, 1974
"Chicano Immigration to Chicago since 1945," American Historical
Association, Chicago, December, 1974
"Chicanos in the Midwest," Conference on Chicanos in the Midwest,
University of Iowa, April, 1975
"Ethnic Groups in Illinois: A Bicentennial Perspective,"
Illinois State Genealogical Society, Springfield, October, 1975
"Youth Gangs: Their evolution from Recreation to Terror,"
International Conference on Violence and Terrorism, Glassboro,
New Jersey, April, 1976

- Chicago, December, 1976
- "Latinos in Illinois," Illinois International Women's Year Conference, Normal, Ill., June 10, 1977
- "Housing: For Whom? Why? How?" Third Annual Statewide Conference, Illinois Commission on Human Relations, Chicago, June, 1977
- "Using Community History to Shape the Future," Oral History Association, San Diego, October, 1977

PANELS AND INVITED PARTICIPATION

- Panelist, Conference on La Mujer Chicano, Notre Dame University, April, 1975
- Panelist, Workshops on Oral History, University of Chicago, February, 1976
- Invited Participant, 1976 International Conference on the United States in the World, Smithsonian Institute, Washington, D.C. October, 1976
- Commentator, "Living History: Baptism by Total Immersion," American Studies Association, Boston, October, 1977
- Chair, "The Catholic Church and the Minorities of the Southwest," American Catholic Historical Association, Dallas, December, 1977

PUBLICATIONS

- "Chicanos in Chicago: A Brief History," Journal of Ethnic Studies, 2 (Winter 75), 22-32.
- (Review) "Spanish Speaking People of Chicago." Chicago History, N.S. 4 (1974), p. 43.
- "Los Chicanos en Chicago, 1920-1970." In Aztlan, Historia Del Pueblo Chicano, 1910 al Presente. Mexico, D.F.: Secretaria de Educacion Publica, 1976
- "Assimilation Aborted, Chicanos in Chicago 1939-1954." In The Ethnic Frontier. (eds., Peter D'A Jones and Melvin Holli), Grand Rapids, Michigan: William B. Eerdmans Publishing Company, (Forthcoming) Summer, 1977.
- "Guidelines for Oral History," Newberry Library Working Paper, Fall, 1977.
- "Housing: For Whom? Why? How?" To be published in the Report of the Annual Statewide Meeting, Illinois Commission on Human Relations, June, 1977.

Work IN PROGRESS

- Invited Article, "Varieties of Ethnic Self-Perception: Chicanos in Chicago," Ethnicity, Spring, 1979
- Revision of Dissertation, "The Chicano Experience in Chicago: 1920-1970."
- Revision and editing of Chicanos in the City, co-edited with Pedro Castillo of the University of California at Santa Cruz (Manuscript complete).

UNDER CONTRACT

- Chicanos, University of Indiana University Press (grant-supported leave to complete manuscript Jan. to Aug. 1978).

- "Speaking of Spanish," WBBM Radio Interview, December, 1974
- "Perspective," WLS-TV Interview, June, 1976
- "Barbara Suiter Show," WCIU Radio Interview (Paoria) May, 1977
- "Common Ground," WBBM-TV Interview, June, 1977
- "Knowledge," Co-Producer and Participant, WMAQ-TV, June, 1977

PROFESSIONAL DEVELOPMENT

- Newberry Library Family History Institute, Chicago, Summer, 1972.
For training in quantitative methods of historical analysis.
- Oral History Association Workshops, Ottawa, September, 1976.
For Training in Methods and Problems in Oral History.
- Smithsonian Workshops on "Kin and Community," (Invited Participant),
Washington, D.C., June, 1976.
Training in methods of teaching and doing research in family
and community history.
- Newberry Conference on Teaching State and Community History,
January, 1977.
Training in methods of teaching community history.

PROFESSIONAL ORGANIZATIONS

- Phi Alpha Theta
- Organization of American Historians
- American Historical Association
- Chicago Colloquium on Latin America: Co-Founder, 1975; Vice
Chairman, 1975-76; Chairman, 1976-77

DEPARTMENTAL AND UNIVERSITY SERVICE

- Member, Departmental Committee on Undergraduate Programs, 1975-77
- Member, Departmental Committee on the Core Curriculum, 1974-76
- Member, Departmental Committee on Undergraduate Counseling, 1976--
- Member, Vice President LeBlanc's Committee on Latino Undergraduate
Programs, 1976-77
- Member, Latino Advisor Search Committee, 1975-76

COMMUNITY ACTIVITIES

- American Issues Forum, Family in Chicago History, Chicago, May,
1976
- Member, PTA, ML King School, Evanston, 1976-77
- Board Member, PTA, Nichols School, Evanston, 1976-77
- Commissioner, Business District Redevelopment Commission, Evanston,
1976-78

OUTSIDE REFERENCES: TEACHING

- Mark Friedberger, Newberry, Chicago
- Dean Rudy de la Garza, Colorado College, Colorado Springs, Colorado

Humbert Nelli, Department of History, University of Kentucky

Pedro Castillo, Department of History, University of California
at Santa Cruz

Carlos Cortes, Department of Mexican American Studies, University
of California at Riverside

1. Education

University of Oklahoma (1931-1934)
Phi Beta Kappa
Recipient of Distinguished Service Citation (1973)

University of Chicago, A.B. (1935)
University of Chicago Law School, J.D. cum laude (1938)
Legislative Editor, University of Chicago Law Review
Coif
Bigelow Fellowship
Nathan Berkman Award

Harvard Law School (Graduate Fellowship), LL.M. (1940)

2. Teaching, Lecturing and Writing

Professorial Lecturer in Law, Graduate School of Public
Law, George Washington University (1966 -)
Lecturer at Annenberg School of Communications
Lecturer, panelist and participant at University of
Colorado Conference on World Affairs (1964-1977)
Lecturer and Fellow at Wilton Park Conference, Sussex,
England, 1967
Lecturer at School of Economics and Social Sciences,
Hebrew University, Jerusalem (1969)
Resource Panelist at Aspen Institute for Humanistic Studies
Program Chairman, Federal Communications Bar Association
Seminars on Social Issues (1967-1972)
Moderator at Young Presidents' Organization Seminar (1969)
Author of various articles in Saturday Review, The Alfred
I. duPont-Columbia University Survey of Broadcast
Journalism 1969-1970, The Reporter, Television Quarterly,
Georgetown Law Review, Syracuse Law Review, Rutgers
Journal of Computers and the Law, Washington Post "Out-
look" section.

3. Organizations

Member of Executive Committee of Washington Lawyers' Commit-
tee for Civil Rights Under Law (1972 -)

Member of Board of Trustees and Executive Committee of
Greater Washington Educational Television Association,
Inc., licensee of WETA (1969 -)

Member of Editorial Board of Educational Broadcasting Review (1965-1973)

Member, Antioch School of Law Board of Governors (1977 -)

Member of the Board of Visitors and Executive Planning Committee of University of Oklahoma (1969-1976)

President, Federal Communications Bar Association (1973-1974)

Member of Board of Governors of Hebrew Union College (1973 - 1977)

Chairman of Sponsors of The Cortez A. M. Ewing Foundation (1966 -)

Member of Board of Trustees of Community Psychiatric Clinic, Montgomery County, Maryland (1969-1974)

Member of National Executive Committee and Board of Governors of American Jewish Committee (1966 -)

Member of Board of Trustees of Arena Stage (1974 -)

Vice Chairman of The Development Council of the Law School, University of Chicago (1974 -)

Member of the Council of the Friends of the Folger Library (1974 -)

Chairman of the Committee on Communications Law of the American Bar Association's Science & Technology Section (1974 -)

4. Clubs

Cosmos Club, Washington, D.C.

Federal City Club, Washington, D.C.

International Club, Washington, D.C.

5. Profession

Partner, Cohn and Marks (1944 -)

Law Department, Federal Communications Commission (1940 - 1944)

Member of Oklahoma, District of Columbia and Supreme Court Bars.

THE WHITE HOUSE

WASHINGTON

March 5, 1980

MEMORANDUM TO THE PRESIDENT

FROM: JACK WATSON
ARNIE MILLER HF

SUBJECT: National Council on Humanities

There are nine vacancies on the National Council on Humanities. We have worked closely with Joe Duffey in compiling a list of candidates that will be most helpful to him and the Endowment.

We are recommending a group of high level, well-respected people in the academic field. They include a Black, an Italian, and two people from the West Coast. Later we intend to recommend an Hispanic for your consideration. The slate which follows has also been approved by Stu Eizenstat.

Marcus Cohn (D.C.): Partner, Cohn and Marks attorneys. Lecturer, Graduate School of Public Law, George Washington University. Active in cultural and educational programs in Washington.

Roland Dille, Ph.D. (Minnesota): President and Professor of English, Moorhead State University. Recommended by the Vice President and the American Association of State Colleges and Universities.

Bartlett Giamatti, Ph.D. (Connecticut): President Yale University. Background in English and Literature.

Adelaide Cromwell Gulliver, Ph.D. (Massachusetts): Director, Afro-American Studies and Professor of Sociology, Boston University. Nationally known scholar in Black studies.

Philip A. Schaefer (California): Stockbroker and Vice President of Bear, Stearns & Company. Member of first Peace Corps in Kenya. Active in various Jewish organizations.

George A. Kennedy, Ph.D. (North Carolina): Paddison Professor of Classics, University of North Carolina. President, American Philological Association, Chairman, Board of Governors, University of North Carolina Press. Recommended by Bill Friday; approved by Governor Hunt.

Frances D. Rhome, Ph.D. (Indiana): Director of Affirmative Action and Associate Professor of English, Indiana University. Active in local and national women's rights activities. Recommended by Birch Bayh.

Anita Silvers, Ph.D. (California): Professor of Philosophy, San Francisco State University. Received Distinguished California Humanist Award in 1978 from California Humanities Council.

RECOMMENDATION:

Nominate the slate as listed above to be Members of the National Council on the Humanities.

_____ approve

_____ disapprove

THE WHITE HOUSE
WASHINGTON

29 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 28, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON
ARNIE MILLER

Jack
~~AAA~~

SUBJECT:

Nomination of Michael Blouin as Assistant
Director of the Community Services Admin-
istration

We recommend the nomination of Mr. Michael Blouin to the position of Assistant Director for Community Action of the Community Services Administration. Richard Rios, the intended nominee as Director of CSA, joins us in this recommendation.

The Assistant Director for Community Action administers the funding of \$370 million to over 800 community action agencies. The Assistant Director is also responsible for the development of demonstration programs and the administration of the Community Food and Nutrition Service, rural housing programs and Senior Opportunities and Services.

Mr. Blouin served two terms, 1974-1978, in the United States House of Representatives from the 2nd Congressional District of Iowa. He served on the Subcommittee on Elementary, Secondary and Vocational Education and the Select Committee on Migrant and Seasonal Farmworkers. This and other community level experience provide Blouin with the expertise necessary to serve in this position.

Blouin has previously served the Administration as Director of Information Security Oversight. A summary of Blouin's resume is attached.

Mr. Blouin has been an active supporter of yours and of the Administration. We are confident that in this position he will continue to be.

RECOMMENDATION:

We recommend that you nominate Michael Blouin as Assistant Director for Community Action of CSA.

approve

disapprove

MICHAEL T. BLOUIN

34 years old

Married, 2 children

EMPLOYMENT:

February 1980 - Present

Consultant to Assistant Secretary/
Bureau of Indian Affairs, Department
of Interior

January 1979 -
December 1979

Director, Information Security
Oversight, General Services Administration

January 1975 -
January 1979

Member of Congress, 2nd District of
Iowa

1970 - 1974

Advertising Consultant, Dubuque, Iowa

1968 - 1972

Member, Iowa House of Representatives

1972 - 1974

Member, Iowa State Senate

EDUCATION:

B.A. 1966

Loras College,
Dubuque, Iowa

THE WHITE HOUSE
WASHINGTON

MCD
has copy

THE WHITE HOUSE
WASHINGTON

4-26-80

Al.

Whenever I sign a
letter or cable I
want

- a) it sent, or
- b) to be notified
immediately why it
will not be sent.

J.C.

1:00 PM

THE WHITE HOUSE

WASHINGTON

April 28, 1980

C
-

MEMORANDUM FOR THE PRESIDENT

FROM: AL MOSES 

SUBJECT: Meeting with Ezer Weizman.

I spoke at length with Ezer Weizman yesterday prior to our speeches before the Jewish National Fund annual dinner in Minneapolis. I was substituting for the Vice President.

I mentioned to Weizman the need for Israel to get Haddad under control, (he was aware of your letter to Prime Minister Begin). Weizman replied that, in his opinion, Haddad should run South Lebanon. UNIFIL has not properly performed its function of keeping the PLO, out of the area south of the Litani River, and Syrian support for the PLO has led to the present unstable condition. He was scornful of the Irish whom he claims have been ineffective in controlling the PLO, and have gotten themselves involved in a feud with the local Moslem (Shia) villagers.

During his speech before the JNF, Weizman strongly supported your attempt to rescue the hostages in Iran, adding that no one without full access to the information should try to second guess your action. This drew applause from the crowd of 1,000.

LA

5 pro

Read all
J

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3135534180 TDBN FARMINGTON HILLS MI 24 04-25 0724A EST

PMS PRESIDENT CARTER

WHITE HOUSE DC

DEAR MR PRESIDENT

GOD BLESS YOU WHAT YOU ARE DOING NOW TAKES GREAT COURAGE YOU HAVE MY
PRAYERS AND MY SUPPORT

LUCY MCRAE FARMINGTON HILLS MI

NNNN

THE WHITE HOUSE
WASHINGTON

Phil has

seen.

THE WHITE HOUSE
WASHINGTON

①

April 29, 1980

MR. PRESIDENT:

Ambassador Philip Alston
called this morning to send you
his and Elkin's support, as well
as that of Carolyn and Don Carter
who are visiting them.

PHIL

THE WHITE HOUSE

WASHINGTON

April 29, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *FM*

SUBJECT: Registration

Registration carried in Proxmire's sub-
committee 8-4 this morning.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

29 Apr 80

Charlie Schultze

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

Rick Hutcheson

cc: Susan Clough

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	FOR APPROPRIATE HANDLING
<input type="checkbox"/>	LAST DAY FOR ACTION

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

ACTION
FYI

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	CUTLER
<input type="checkbox"/>	DONOVAN
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	MCDONALD
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEDDINGTON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
<input checked="" type="checkbox"/>	MCINTYRE
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<input type="checkbox"/>	ANDRUS
<input type="checkbox"/>	ASKEW
<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CIVILETTI
<input type="checkbox"/>	DUNCAN
<input type="checkbox"/>	GOLDSCHMIDT
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	LANDRIEU
<input type="checkbox"/>	MARSHALL

<input type="checkbox"/>	MILLER
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<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CAMPBELL
<input type="checkbox"/>	H. CARTER
<input checked="" type="checkbox"/>	CLOUGH
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	FRANCIS
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HERTZBERG
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	KAHN
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MARTIN
<input type="checkbox"/>	MILLER
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SANDERS
<input type="checkbox"/>	SPETH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	TORRES
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WISE

productivity, averaged over all workers in all industries, is close to that in the U.S., while there is still a substantial gap for other countries.

The Growth of Productivity

Although the U.S. still has the highest level of productivity, the lead has narrowed substantially, especially in the case of France and Germany. To some extent one would expect our earlier postwar lead to have been narrowed, as other countries put into widespread use U.S. industrial technology, and, in the process, experienced very rapid productivity gains. But some of the "gap-narrowing" of recent years has also been due to the virtual absence of productivity growth in the U.S. during that period.

Productivity Growth (GNP/worker) (percent per year)

	<u>1963-73</u>	<u>1973-80</u>	<u>Change</u>
U.S.A.	1.9	-0.1	-2.0
Germany	4.6	3.1	-1.5
France	4.6	2.6	-2.0
Japan	8.7	3.4	-5.3
Italy	5.4	1.6	-3.8
U.K.	3.0	0	-3.0

Productivity growth has slowed in all the major countries, but remained positive except in the U.S. and the U.K., where it fell to zero. As a consequence the productivity gap continued to narrow between the U.S. and all other countries except the U.K.

Implications

The fact that U.S. productivity growth in the past six to eight years has slowed to a virtual standstill is not itself a cause for despair. While it is inevitable that productivity growth in a "mature" economy should be less than in a still-developing economy, I see no reason why productivity growth in the United States should cease. Even though we do not understand all the reasons for its slowdown, we can pursue policies aimed at improving productivity growth. The payoffs will not be dramatic, speedy, or even certain. But the economic and social consequences of a continued failure of productivity to grow require that we address the problem.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 29, 1980

*Charlie -
good memo
route to
others
J*

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

At last week's "inflation breakfast" you were interested in a comparison of productivity levels and rates of growth among major countries. This memo gives a brief summary of the subject.

The Level of Productivity

It is difficult to compare the overall level of productivity (output per person at work) in one country with that of another. We measure U.S. output in dollars, German output in marks. For purposes of comparing output and productivity, you can't use exchange rates to convert from marks to dollars. Broadly, exchange rates are based on the relative value of goods and services exchanged in international trade. But a very large part of output in each country consists of goods and services that do not enter into international trade (construction, medical care, truck transportation, retail trade, haircuts, etc.). To make the proper comparison, it is necessary to convert all the major categories of German output into American prices or vice-versa. A few studies have attempted to do this, and the data below are based upon those studies (which we have extrapolated to the present time).

Table 1 shows estimates of relative productivity levels (GNP per worker) among the major industrial countries in 1973, and an estimate for 1980 based on some recent OECD projections.

(GNP/worker: U.S. = 100)

	<u>1973</u>	<u>1980</u>
U.S.A.	100	100
Germany	73.4	91.5
France	75.9	91.4
Japan	53.2	67.7
Italy	56.4	63.4
U.K.	55.5	55.9

Given the very great difficulties of comparing productivity levels among countries, the values in the table ought not to be taken too literally. It is probably true that French and German

9:55 AM

THE WHITE HOUSE
WASHINGTON

GREETING OF POSTER CHILD FOR BETTER HEARING AND SPEECH MONTH

~~Tuesday~~
~~Monday~~, April ²⁹~~28~~, 1980
9:55 a.m.
Oval Office

From: Anne Wexler *AW*

I. PURPOSE

Brief greeting and photo with Marcy Knox, the Council for Better Hearing and Speech Month poster child.

II. BACKGROUND

The month of May is designated each year as National Better Hearing and Speech Month through a Presidential message. The 1980 Poster Child is Marcy Knox, age 5, from York, Pennsylvania. Marcy suffers from a bilateral hearing loss, discovered when she was 18 months old. Although she wears a hearing aid, she communicates largely through sign language. You will communicate with her through her teacher, Dorlas Riley.

Also joining Marcy Knox will be Keenan Wynn, the television and movie actor and Chairman of the Better Hearing and Speech Month program. Wynn, currently appearing in the television program "Dallas," suffers from a hearing loss stemming from years of motorcycle racing.

The Council for Better Hearing and Speech Month is an umbrella organization under which volunteers across the country will implement local special events and public information projects. These organizations have over 13 million members and serve 22 million Americans with hearing and speech problems. Better Hearing and Speech Month will be initiated May 1 with ceremonies at Lafayette Park. Keenan Wynn will read your message and lead a procession of hearing and speech volunteers in front of the White House to publicize better speech and hearing efforts.

III. PARTICIPANTS, PRESS PLAN, AND AGENDA

- A. Participants: Marcy Knox, Better Hearing and Speech Month Poster Child, and her family: Jeff Stumpt, her stepfather; Raeanne Knox, her mother; and, Mindy Knox, her sister.
- Keenan Wynn, television actor and Chairman, Better Hearing and Speech Month, and his wife, Sharley.
- Joseph Rizzo, Chairman, Council for Better Hearing and Speech Month.
- Dorlas Riley, Marcy Knox's speech therapist.
- Debbie Williams, Public Affairs Director, Council for Better Hearing and Speech Month.
- B. Press Plan: White House photographer, AP and UPI.
- C. Agenda: Marcy will be bringing a Better Hearing and Speech poster for you.

IV. TALKING POINTS

1. I want to commend the Council for Better Hearing and Speech Month for its efforts to educate the public on the causes and prevention of hearing loss.
2. I also want to commend the speech therapists across the country who have worked with Americans with hearing losses so that they remain productive members of our society.

NAME Senator Daniel Patrick Moynihan

1405

TITLE Democrat - New York

CITY/STATE _____

Requested by Frank Moore *FM*

Phone Number--Home (202) 543-3836 (Washington)

Date of Request 4/28/80

Work (202) 224-4451

Other (212) 661-5150

INFORMATION (Continued on back if necessary)

When Senator Moynihan learned of the rescue attempt, he immediately issued a statement praising the effort and supporting your handling of the situation. His was one of the first positive statements and came at a time when much attention was being given to the critical statements of Senators Church, Percy and others. Of course, Senator Moynihan's favorable remarks were helpful in New York and with the political groups with which he is associated. Additionally, his statement offset the criticism of Senator Jackson. The Vice President has recommended (over)

NOTES: (Date of Call 4-29)

"Glad to help -
Need to move on SALT
Cutter would make good Sec of State"

that you call Senator Moynihan as well as other Senators who made early supportive statements. When I saw Senator Moynihan at the briefing on the rescue mission last Friday, I indicated that you would probably be calling him and he was extremely pleased.

THE WHITE HOUSE
WASHINGTON

4/7/80

Mr. President:

Al McDonald sent this request to me and implied you had already agreed to the event. Shall I move forward and schedule this energy conservation event?

yes no

Phil

J

~~12/30~~

12-12:30
4/14

4/29

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(30 min)

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

April 1, 1980

FOR : PHIL WISE
FROM : AL MCDONALD^Q
ANNE WEXLER^{AW}
SUBJECT: Presidential Event on Energy Conservation

We would like to set up a major energy conservation event in the East Room on April 14. The event would enable the President to emphasize efforts that organizations and individual citizens can do to conserve energy in the key transportation sector as we approach the summer driving season.

In addition, the President would announce that he will create an Energy Efficiency Council and a Presidential Energy Efficiency Awards Program to provide recognition to individuals, industry, and private sector organizations that have taken significant steps to conserve energy.

The event would be closely tied in with the President's anti-inflation program.

The invitation list would include members of the President's National Task Force on Ridesharing, 150 CEOs of firms with successful ridesharing/driver awareness programs and 200 representatives from business, industry, labor unions, automobile associations, travel associations, transit associations, state and local governments, etc.

In addition to the President, speakers would include Secretaries Duncan and Goldschmidt, Mayor Tom Bradley (Chairman of the National Task Force on Ridesharing) and possibly Thornton Bradshaw of ARCO, who has been a leader in transportation conservation programs.

The President would seek specific pledges of support from CEOs for national transportation conservation efforts. They would be asked to report back to the President on the progress of their efforts by Labor Day and again by the end of the year.

A newly established WH Task Force on Energy Conservation Outreach, which we co-chair with Secretary Duncan, has developed a series of supporting events to assure continued

momentum over the six to eight week period following the Presidential launch and to provide a firm base for ongoing programs in other sectors of the economy. The support events will include regional follow-up visits by the Secretaries of DOE, DOT, DOC, HUD and USDA to meet with corporate executives at the local level. A series of workshops and training sessions throughout the United States will also be undertaken along with other program and media activities.

The President has said that conservation is the cornerstone of his energy policy, and this program will give tangible form to his longstanding exhortations about the importance of conservation. With the WH Task Force in place we are confident that a serious and sustained program can be mounted which will generate massive grassroots participation in energy conservation and which will result in measurable savings of energy resources.



CABINET ECONOMIC POLICY GROUP

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

April 25, 1980

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: G. WILLIAM MILLER *Bob Carswell for*
CHAIRMAN, ECONOMIC POLICY GROUP

SUBJECT: EPG Activities

I. Meeting of Monday, April 21, 1980

A. Commodities regulation

1. Presentation by Bob Carswell on financial futures, forwards and commodities markets.
2. Bob Carswell to develop an agenda for a high level commission consisting of senior representatives of both the Government and the private sector.

B. Automotive industry

1. Presentation by Neil Goldschmidt on the outlook for the automotive industry.
2. EPG Deputies to work with DOT on the economic analysis necessary for recommendations on policy changes.

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THE WHITE HOUSE
WASHINGTON

1/31/80

Mr. President:

Rosalynn sent me a note
indicating that Floyd Hudgens
wanted to see you for 5 minutes.
A subject matter was not
indicated. Do you want me to
schedule?

yes no

J

PHIL

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THE WHITE HOUSE
WASHINGTON

PHIL WISE

The attached was returned in
Mrs. Carter's outbox. It is
being forwarded to you for
appropriate handling.

Madeline MacBean

1-23-80

Madeline -

Who is Floyd Hudgens?

Phil

La. State Senator

O: (404) 327-5135

H (404) 689-6141

THE WHITE HOUSE
WASHINGTON

Phil -

Floyd Hudgens wants
5 min. with Pres.

He will fly to Washington.

R

THE WHITE HOUSE
WASHINGTON

29 Apr 80

Anne Wexler

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 26, 1980

9
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MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*

SUBJECT:

Activities Report -- Week Ending April 25, 1980

1. First 1981 Budget Resolution -- House - We brought together about 40 key representatives from labor, environmental, religious, elderly, State and local, women and consumer groups to coordinate with their efforts on the House Budget Resolution. Jim McIntyre, Frank Moore and I laid out our strategy. They will work with us to try to pass the Obey Amendment and to oppose the Holt Amendment. They will also seek to pass the other liberal amendments and might oppose the budget resolution even if Obey passes and Holt fails. We do not believe that they will be successful in these other efforts. Working together in the House on Obey and Holt will be important in developing a joint effort later in the Senate to preserve our budget priorities.

The business community is supporting the reconciliation language in the House budget. Ted Brophy of GTE, Chairman of the Business Roundtable's Tax Committee, sent a telegram to business leaders urging support for reconciliation and we have followed up through meetings with Washington business representatives. Also, a few business lobbyists are working in opposition to the Holt Amendment while the remainder are staying neutral.

We have also organized a cross-section of foreign policy, religious and corporate representatives to oppose the Quillen Amendment.

2. Iran. We called many institutional leaders before they had a chance to comment. Most expressed support for the rescue effort and for national unity. This includes the leaders of all the major veterans and retired military organizations, a cross-section of national religious leaders, leaders of civic organizations like the Jaycees, Rotary, Kiwanis and Lions, and leaders of foreign policy groups. Some of the more liberal religious and foreign policy groups were not supportive, but there are others in this category who also expressed support. We have drafted a letter to respond to statements of support, but some will not issue formal

statements. Individuals expressing support which will be of interest to you are: Archbishop Iakovos, Avery Post (United Church of Christ), Bill Sharpless (United Nations Association), John Isaacs (Council for a Livable World), Terry Bechtol (President of the United States Jaycees), Mrs. Bruce Laingen, Frank Hamilton (National Commander, American Legion), Howard Vander Clute (Commander, Veterans of Foreign Wars).

3. Fair Housing Legislation. We met with the Fair Housing Coalition on developing their House head count for the floor vote which now is expected for the week of May 7 or May 14. I am contacting business leaders about supporting fair housing legislation as they have in the past on other civil rights legislation.

THE WHITE HOUSE
WASHINGTON

29 Apr 80

The Vice President
Hamilton Jordan
Jody Powell
Al McDonald
Stu Eizenstat
arah 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 THE TREASURY
WASHINGTON 20220

April 25, 1980

C

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR AND THE MARKETS

- . The dollar declined on the announcement of the Iranian embassy rescue attempt but was immediately steadied by German and Swiss intervention. Treasury and the Fed continued the intervention operations in New York, but market volumes were light, and the intervention was small.
- . Earlier in the week, the dollar fell, responding primarily to the sharp decline of U.S. interest rates. Market sensitivity to U.S. interest rates was heightened by the report that U.S. consumer prices continued to rise by 1.4 percent in March. U.S. intervention was moderate.
- . Gold prices, which were trending upward, increased by about \$30 per ounce following the announcement of the Iranian operation. Buying pressure, however, did not appear to be heavy. Gold closed in London at \$546.
- . The Dow Jones Industrial average gained 40.2 points this week to close at 803.58. The index has rebounded 44.5 points from its April 21 two-year low.
- . Major banks continue to post a 19-1/2 percent prime rate, despite Chase Manhattan's move this Wednesday to 19 percent.
- . Interest rates were mixed. Short-term yields declined in response to an easing in credit by the Federal Reserve. Yields on longer maturities, however, increased slightly.

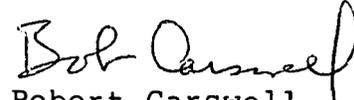
2. SECRETARY MILLER IN HAMBURG

- . Secretary Miller is scheduled to return Saturday from the Hamburg meetings of the IMF Interim Committee and the IMF/IBRD Development Committee where discussions focused on the Substitution Account, recycling, and use of IMF gold. He will be reporting to you directly about the results of his trip.

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3. CHRYSLER

- . Negotiations between the Loan Guarantee Board, Chrysler, the Company's banks, and others are proceeding on a continuous basis. Progress has been made, particularly with the banks, but numerous issues remain to be resolved.
- . Friday or Saturday, Chrysler will submit a formal request for issuance of a commitment for approximately \$500 million of guaranteed loans.
- . The Guarantee Board will meet Monday or Tuesday to determine whether it can act favorably on Chrysler's request.


Robert Carswell
Acting Secretary



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

1

April 25, 1980

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Neil Goldschmidt

A handwritten signature in dark ink, appearing to read "Neil Goldschmidt", is written over the "FROM" line and extends into the "SUBJECT" line.

SUBJECT: Significant Issues for the Week of April 21

FY 1980 Supplemental Appropriations - House Appropriations Subcommittee Chairman Duncan marked up our FY 1980 Supplemental request this week and made several serious changes to our proposed Budget revisions. The \$675 million transit energy initiative was reduced by \$270 million in order to add \$300 million to the obligation ceiling in the highway program. This action seriously distorts our program priorities and undermines our commitment to transit constituency for their support of the Windfall Profits Tax bill.

The Committee rescinded \$75 million of the existing appropriation for our rail restructuring program. This will make it far more difficult to successfully restructure the Milwaukee and Rock Island Railroads.

In addition, the Committee allowed only \$12.5 million of our \$21.3 million request for the Pollution Fund. These funds are used by us and by EPA to clean up spills of oil or hazardous substances in our waters. This reduction was made on the basis that we should collect our costs from the Mexican Government for our work in the Campeche spill.

These cuts if sustained would seriously damage our programs and I am working on a strategy to recover our losses with your staff and OMB.

Highway Budget Deferral Litigation - We have now been sued by five states (Vermont, Maine, New Mexico, California and Arkansas) which are attempting to enjoin the allocation formula being used by the Federal Highway Administration to divide the Federal Aid Highway obligation authority remaining in Fiscal Year 1980.

We will argue to the courts, and carry the message to the public, that there is sufficient highway money available to continue existing construction until June 1, and still have flexibility to reallocate according to the formula of the plaintiffs at that time. No construction need stop and no jobs need be lost until June 1. By that time, Congress may have acted to ratify our reallocation or to give us other guidance.

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Sierra Club V. Hassell - A suit has been filed by environmental groups to stop construction of a proposed 32 million dollar bridge to Dauphin Island, Alabama, because of alleged environmental violations. Plaintiffs assert that the Department failed to examine alternatives to the proposed bridge, including a ferry system, that would minimize environmental harm and restrict unwise and costly development in wetlands and the floodplain. The old bridge was destroyed by Hurricane Fredrick on February 12, 1979. The new bridge is to replace the old bridge and is funded by Federal Disaster Relief Funds.

Midwest Rail Restructuring - House and Senate committee leaders have agreed on a process for resolving the dispute over new high-speed rail corridors which has held up our Rock Island labor protection legislation. While we still have to insure that an expensive new rail corridors program is not enacted, we can at least look toward enactment of the Rock Island bill. This movement on the part of the committees, plus our continued meetings with rail labor, seems to have forestalled any immediate threat that labor would walk away from the agreements we presently have in place to allow interim operations on the Rock Island.

Ridesharing - Between now and the end of July, the Department will provide training and technical assistance workshops on ridesharing throughout the country. We have scheduled a National Conference on Ridesharing for October in San Francisco. The Department is sponsoring ridesharing demonstration projects in 17 states. Next week I will be in Denver to enlist corporate chief executives in the ridesharing effort, and make a number of public appearances promoting ridesharing. I have instituted a DOT ridesharing program and will promote Federal agency ridesharing at an event during National Transportation Week. We will continue to push the Executive Loan Program to foster use of ridesharing by private companies. In short, we are now converting a good idea into energy conservation actions.

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

FYI

April 25, 1980

REPORT TO THE PRESIDENT

Sir John King: Per your request Under Secretary Herzstein and I met with Sir John King and his associate. Their briefing on export opportunities was excellent and we will rely on them for additional information as our export plans evolve.

Sri Lanka: We have been involved in the negotiations with the Minister of Trade of Sri Lanka regarding restraints on the import of apparel from Sri Lanka and today reached a satisfactory agreement. Even in the context of our present economic situation the problem of trade with the Third World is in need of comprehensive review. As we come out of our "recession" and improve our productivity, Third World markets may prove important safety valves to the industrial countries, as well as to the Third World countries, in coping with competitive trade programs.

Antidumping-Japanese Televisions: Early next week and prior to Prime Minister Ohira's visit, I hope to announce settlement of the Japanese television antidumping case, the oldest, largest, and too-long pending action involving 110 importers. Settlement will end a difficult problem and be welcomed by the Japanese government, Japanese manufacturers and most importers. Criticism is expected from one labor coalition and some Members of Congress. Our General Counsel has done a magnificent job in working with the Japanese producers and the American importers to achieve compromises with regard to a series of very difficult problems.

Export Trading Companies: Attorney General Civiletti and I reached satisfactory agreement regarding the participation of the Justice Department in the granting of exceptions to antitrust laws as they apply to export trading companies. I believe the Administration's position will be applauded by the business community and well received in Congress. Successful passage of Administration supported legislation will make a profound contribution to increasing U.S. exports particularly by small business.

U.S.-Romanian Joint Economic Commission: Vice Premier Burtica was impressed by his meetings with you and Vice President Mondale, and found very meaningful his high-level discussions with the Vice President. The successful meeting of the Joint Commission included discussions of U.S. export controls, extension of MFN from a one- to a three-year basis, Ex-Im Bank credits, provision of information on their five-year plan, and general business facilitation problems. Prior to the meetings, contracts involving 40 U.S. companies and valued at \$120 million were signed with the Romanians, representing a positive trade balance to the U.S. of \$85 million.

Philip W. Klutznick
Secretary of Commerce

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

April 25, 1980

Principal Activities of the Department of Justice
For The Week of April 19 through April 25, 1980

1. Meetings and Events

The Attorney General addressed the Northeastern University School of Law Alumni Association on the subject of clinical legal education on April 19, in Boston, Massachusetts. On April 23, the Attorney General was awarded an honorary degree by St. Johns University Law School in New York.

2. Civil Rights Developments

In Philadelphia this week, the Department filed an appeal from the District Court's ruling that the Department lacked standing to sue the city for systematic relief from police misconduct. In Memphis, the Department entered into a consent decree under which the city's police department will improve its internal procedures for dealing with claims of police brutality and for police use of deadly force.

The Department also sent a letter to the city of Chicago this week stating that the city is in violation of Titles IV and VI of the Civil Rights Act, and urging the city to enter into negotiations with the Department on a plan to desegregate the school system so as to avoid litigation.

The Department entered into a consent decree holding in abeyance until June 1 the suit that it filed in South Carolina last week seeking to alter voting arrangements for the 1980 elections for the state senate. Prior to June 1, the Department will review the suit in light of the Supreme Court's recent decision restricting the bringing of voting rights suits.

The Department also announced this week a new policy of notifying affected parties of the disposition of investigations of alleged police misconduct. Once an investigation of alleged misconduct has been completed and a decision made not to prosecute,

notification letters will be sent to the victim, the complainant and the law enforcement officer who was the subject of the investigation. We expect about 11,000 such notifications to be made annually.

3. Legislative Developments

The House Judiciary Committee met April 23 to begin consideration of the comprehensive criminal code reform bill. This marks the first time in the long history of efforts to obtain reform of the criminal code that consideration of the matter has gone this far in the House.

The Attorney General participated in the statutorily required Cabinet-level consultation with the House Judiciary Committee on the admission of refugees to the United States.

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

25 April 1980

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

SUBJECT: Weekly Report of Major Activities

Appointments

This week nominations were completed for the following people: Daniel B. Taylor, Assistant Secretary for Vocational and Adult Education-designate; Edwin W. Martin, Assistant Secretary for Special Education and Rehabilitative Services-designate; and Cynthia G. Brown, Assistant Secretary for Civil Rights-designate.

On April 30 the Senate Labor and Human Resources Committee will hold confirmation hearings for Steven Minter, Under Secretary-designate; F. James Rutherford, Assistant Secretary for Educational Research and Improvement-designate; Thomas Minter, Assistant Secretary for Elementary and Secondary Education-designate; and Albert Bowker, Assistant Secretary for Postsecondary Education-designate.

My recommendation for Inspector General will be forwarded under separate cover early next week. This will complete the selections for the top management positions in the Department.

Consultations

On April 22 I met with Representative Elliot Levitas, Chairman of the House Subcommittee on Public Buildings and Grounds. Representative Levitas has publicly opposed further leasing of office space in the District of Columbia by Federal agencies, but based on our meeting I believe he may be agreeable to our limited leasing prospectus.

Appropriations

This week I appeared before the Senate and House Labor-HEW Appropriations subcommittees to present the revised FY 81 budget.

Page 2 -- Memorandum for the President

Legislation

The House Subcommittee on Elementary, Secondary and Vocational Education has postponed its April 24 mark-up of the education Title of the Youth Act until April 29 in order to provide the Democrats on the subcommittee with an opportunity to review a major Republican proposal. Representative Hawkins' subcommittee has already reported the labor title of the Act to full committee.

On April 22 the House Education and Labor Committee reported a bill to reauthorize the National Institute of Education for a period of five years.


Shirley W. Hufstetler

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

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April 25, 1980

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Weekly Report

Earth Day. Millions of Americans in over 1,000 communities in every state participated in events marking the 10th anniversary of Earth Day on Tuesday, April 22. I spoke at the main rallies in New York City and here in Washington. Jane delivered an evening keynote speech at Stetson University in Florida. Bob participated in events in western Pennsylvania, West Virginia, and Minnesota over the preceding weekend and on Earth Day. Your January 1 Earth Day Proclamation was widely quoted in the press.

Integrated Pest Management. The Council will release next week a major report on Integrated Pest Management (IPM). In your 1977 Environmental Message, you instructed the Council to review pest management activities and to recommend actions which the federal government can take to improve their safety and effectiveness. This report implements your directive and finds that IPM is a sound strategy which is already providing cost-effective, environmentally sound solutions for a variety of pest control problems. We recommend a series of federal actions to encourage greater use of IPM in agriculture, forestry, urban areas, and human health programs.

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Community WASHINGTON, D.C. 20506
Services Administration



10

MEMORANDUM FOR THE PRESIDENT

TO: Rick Hutcheson
Staff Secretary

FROM: William W. Allison *W. Allison*
Acting Director

SUBJECT: Weekly Report of Significant Activity
(April 21-25, 1980)

DATE: April 25, 1980

OPTIMAL WEATHERIZATION RESEARCH STUDY:

The final report of the Optimal Weatherization Research Study conducted by the National Bureau of Standards with the Community Services Administration has just been submitted. This study establishes a guideline for systematically analyzing the economic viability of alternative methods of weatherizing low-income housing.

Low-income homes in 15 cities were weatherized with a variety of currently available methods of weatherizing low-income homes. Some of these methods include insulation, weather stripping and caulking and installation of storm windows and doors. The 15 cities were scientifically selected to be representative of major climate and subclimate areas within this country.

As a result CSA now knows which mix of weatherizing techniques are likely to produce the largest amount of energy savings per dollar spent in each of these regions. These guidelines will assist CSA in planning a Weatherization Demonstration Program that balances energy savings against weatherization costs.

A copy of the report ~~is attached.~~



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

April 25, 1980

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

Subject: Weekly Report of Major Departmental Activities

Senate Passes Amendments to Emergency Home Purchase Assistance Authority. On Tuesday, April 22, the Senate passed amendments updating the authorities contained in the Emergency Home Purchase Assistance Authority Act (popularly known as Brooke-Cranston). Amendments which revise the Section 235 program to provide short-term aid to the ailing construction industry were attached to the bill. The legislation passed on an 89-5 vote.

Testimony on FY 1981 Budget Begins. Hearings on the Department's FY 1981 budget request were initiated on Wednesday, April 23, when I testified before the HUD Subcommittee of the House Appropriations Committee. In my remarks I stated that a healthy private sector is the key to healthy urban areas and that local communities should shape programs to meet needs with the widest latitude possible. These are principles which HUD now uses to achieve orderly growth, preserve neighborhoods and stimulate economic development. On May 1, I will appear before the HUD Subcommittee of the Senate Appropriations Committee to discuss the 1981 budget.

Fair Housing Bill Progresses. The Senate Constitution Subcommittee will mark up the Fair Housing Amendments Act of 1980 on Friday, April 25. The Subcommittee is expected to report a compromise version of the administrative hearing powers that would authorize the President to appoint a commission composed of three administrative law judges to conduct trials. Such an amendment is intended to insulate the administrative process further from possible agency influence. A similar measure was reported by the House Judiciary Committee.

Moon

Moon Landrieu

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

April 25, 1980

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

USSR. The Soviet Statistical Board reports that bad weather has considerably delayed USSR spring work and that only some 10 million hectares had been sown as of April 21, including 4.5 million hectares of grains and pulses (not corn) and 2.6 million hectares of cotton.

PRICES. The all food component of the Consumer Price Index (CPI) rose 1 percent on a seasonally adjusted basis, following 2 months of no change in the index. Grocery store prices rose 1.1 percent after 2 consecutive months of slight declines. Prices rose for beef, eggs, fresh and processed fruits and vegetables, sugar, cereal and bakery products, eggs and dairy products. Pork prices were unchanged, while processed poultry prices declined.

MEAT. The American Farm Bureau Federation (AFBF) asked food retailers to offer special prices on meat and poultry due to plentiful supplies and reduced farm prices. The AFBF urged them to quickly reflect price changes at the meat counter and help consumers fight inflation.

RURAL DEVELOPMENT ITEMS DRAFTED. The rural development staff has completed eight action agenda items for addition to your small community and rural development policy statement.

Six of the items dealt with small family farmers, one with RC&D, and one with providing resource data to rural communities for planning growth and protection of important farmlands.


BOB BERGLAND

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U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

①

April 25, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: THE SECRETARY OF LABOR *RL*

SUBJECT: Major Departmental Activities
April 21-25, 1980

Department of Labor representatives and I testified this week before our House and Senate Appropriations Committees on our revised 1980 budget resolutions. Although some members wanted to debate the cuts, I think we were able to put them in perspective -- especially the fact that the job cuts were marginal given the size of the increases under this Administration and our important new youth and private sector initiatives.

As indicated in my memo to you earlier this week, the main trouble spot is Trade Adjustment, which I believe we should resolve as soon as possible. The Trade Adjustment issue raises the need for a more rational economic adjustment policy. I am preparing a new recommendation for you on this issue.

We split the labor vote with Kennedy in Pennsylvania. We could have done better. I have been discussing this issue with our union supporters. I believe we can do much better in the future, especially in California, New Jersey, and Ohio, where I plan to concentrate my efforts.

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

April 25, 1980

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HEW Activities

Cuban Refugees. HEW and the Department of State estimate that 500 or more Cuban refugees are arriving daily in Miami. The Office of Refugee Resettlement has been able to process the refugees without problem. Questions have been raised whether the arriving Cubans qualify as refugees. Until the status of their political asylum is decided, the Department cannot authorize assistance to the Cubans. The Department is accepting, but not processing, the applications until that policy decision is made. If the Department of State and Immigration and Naturalization Services decide that this group is to be treated in a way similar to the Haitian refugees, it is unlikely that we can provide services for them under the Refugee Act. Such a policy decision would create an intensely volatile situation in Southern Florida as the number of Cuban refugees is expected to exceed the initial 3,500 ceiling.

Budget Revisions. On Tuesday I testified before the House Labor-Health, Education, and Welfare Appropriations Subcommittee on the FY '80 and '81 Department revisions. I supported the Administration's position and assured the members that further justification for the revisions have been prepared for upcoming deliberations.

Patricia Roberts Harris



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

C

April 25, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: CHARLES W. DUNCAN, JR.
JOHN C. SAWHILL

SUBJECT: Weekly Activity Report
Week of April 19 - April 25, 1980

1. Gasoline Conservation Fee: On Thursday, April 24, I testified before a joint hearing of the Trade Subcommittee of the House Committee on Ways and Means (Rep. Vanik) and the Energy and Power Subcommittee of the House Committee on Interstate and Foreign Commerce (Rep. Dingell). The questioning was intensive and the sentiment against the fee appeared substantial. I believe, however, we can defeat attempts to limit your authority to impose the fee under Section 232(b) of the Trade Expansion Act. It will require close attention throughout the rest of this session. I will invite key members of the Administration interested in this matter to a meeting of the Energy Coordinating Committee next week to coordinate a campaign. On a related matter, the Stockman amendment to our Civilian Authorization bill, which would prohibit you from imposing the gasoline conservation fee, was accepted by the full House Interstate and Foreign Commerce Committee in its mark-up of the Bill.

2. Strategic Petroleum Reserve: Today I testified before the Energy and Power Subcommittee of the House Committee on Interstate and Foreign Commerce on our policy with respect to oil purchases for the Strategic Petroleum Reserve. I explained the rationale for not resuming filling the Reserve in the immediate future, outlining a portion of our reasoning in executive session. The Committee appeared to accept our argument but Congressional pressure to commence filling the Reserve this summer will be intense. The Special Adviser to the Secretary appointed to handle negotiations on filling the Reserve is now on board.

3. Conservation: The first "audit" of the Conservation Objectives Paper which I had prepared at the end of last year shows some substantial accomplishments:

- over 12 million pieces of conservation literature distributed to the public;
- 39 workshops, seminars, or conferences held;
- 5550 grants, totaling \$135 million, awarded;
- 217 prototype or demonstration systems; and
- 18 reports on research and development projects received.

Next week we will begin a similar quarterly review of the objectives set out in our newly-published Solar Objectives Paper.

Our efforts to get a paid advertising conservation campaign met with some success this week. The House Committee on Interstate and Foreign Commerce completed its markup on our Civilian Authorization Bill. It turned aside an effort to prohibit paid advertising and adopted an amendment expressly permitting a "program to inform the public of specific methods of conserving energy, particularly energy used for residential and transportation purposes."

4. International Energy Agency Ministerial meeting: The International Energy Agency Governing Board met informally on April 23 to review preparations for the May 21-22 Ministerial meeting. Current oil market conditions and the possible loss of Iranian oil led delegations to agree that the Ministerial should be prepared to consider whether Agency action is necessary to deal with the immediate problem. On the medium-term issue of 1981 oil import targets, attempts to reach a compromise are continuing, and were given additional impetus by the potential loss of Iranian oil. A growing number of countries supported a compromise, further isolating the Germans, who continue to oppose 1981 targets unless an actual supply shortfall is projected. On the longer term issues, there is continued opposition from Germany and the United Kingdom to a reduction in the 1985 overall oil import target. The meeting also welcomed Portugal as the 21st member of the International Energy Agency and review the results of the report of the International Energy Technology Group.
5. Gasoline Rationing Plan: Interagency review of the Standby Gasoline Rationing plan has been concluded; and, following review by the Energy Coordinating Committee today, the plan will be submitted for your approval and transmission to Congress.
6. Algerian Liquefied Natural Gas Imports: Negotiations continue with Algeria and with Mexico. Our discussions with the Algerians were inconclusive: they insist on a natural gas price equivalent to their crude oil; we maintain that the price must allow the imported and reliquified gas to compete successfully in the United States, where it will face competition from relatively inexpensive residual fuel oil. Discussions will continue next week in Washington.
7. Watercraft Restrictions: That part of our Standby Emergency Energy Conservation Plan that barred weekend recreational boating -- but not other recreational activities -- has been withdrawn for further study. This provision had been a point of irritation, particularly in States with many lakes, and public comments focused on the unfairness of singling out boating and on the small savings in gasoline.
8. Alaska Natural Gas Pipeline Negotiations: Representatives of the sponsors of the Alaskan portion of the pipeline, the North Slope producing companies, and the State of Alaska met today with John Sawhill to continue their negotiations. The parties have agreed in principle to a joint operating agreement for the design and engineering work. The parties will exchange positions on issues relating to project financing and a schedule for resolving those issues over the next few days. They will meet with us again on May 15 to discuss a final design and engineering agreement and their progress toward an agreed statement on the financing issues.
9. Anti-Nuclear Demonstration: The Forrestal Building and the Pentagon will be the main targets of a major demonstration next Monday, April 28, protesting both nuclear weapons and power. We have dealt, successfully and peacefully, with such demonstrations in the past, and will attempt to do so again.
10. Trips: Next week I will participate in campaign functions in Chicago, Shreveport, and in Houston and will meet in Chicago with business executives on transportation conservation as part of the White House Task Force on Energy Conservation Outreach. John Sawhill will participate in a campaign event in Dallas.

THE WHITE HOUSE
WASHINGTON

29 Apr 80

Frank Moore

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Al McDonald
Jack Watson

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

April 26, 1980

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ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Energy

ESC

The Conference is scheduled to resume on Tuesday, April 29 to consider a series of joint staff recommendations on almost all of the outstanding issues with regard to Title V. (Conservation) and Title IX (Solar Bank).

Senators Jackson, Johnston and Church, and Congressman Foley met to discuss Titles II and III (Biomass/Alcohol Fuels). No agreement was reached on the gallon threshold for division of responsibility between USDA and DOE.

EMB

The Conference plans to meet Tuesday and complete all remaining work on the EMB.

Utility Oil Backout

The Senate Energy Committee held hearings Wednesday and Friday. Both the House and the Senate have completed all hearings. Markup has not been scheduled, but the Senate probably will proceed soon.

2. Selective Service

As you know, the House passed the transfer of funds 218-188. Senator Proxmire's Appropriations Subcommittee is scheduled to markup the resolution Tuesday. Unless the full Appropriations Committee completes action by the end of this week, we will not be able to commence registration in June. We are still uncertain we have the votes necessary to succeed in either the full committee or subcommittee.

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3. Regulatory Reform

Despite repeated requests from the Administration, Senator Levin went ahead and attempted to have his government-wide legislative review (veto) bill (S. 1945) marked up in the Governmental Affairs Committee this week. Due largely to Senator Jackson's efforts no vetoes were taken and the matter was put off for consideration at a later date. In the interim, we will continue our efforts to defeat the bill.

The Senate Judiciary Committee is scheduled to commence markup of S. 2147 (Senator Culver's bill) on May 7th. The House Judiciary Committee will hold a day of general debate on the Administration's bill (HR 3263) this Tuesday, but will not commence markup until Congressman Jack Brooks returns on May 6th.

4. MDB Authorization

Treasury CL is now conducting consultations with Congress and other groups to determine the best way to proceed with the MDB. Meanwhile the FY '81 Authorization requests for IDA VI (\$3.24 billion over three years), the African Development Bank (\$90 million over five years) and the proposed new treatment of callable capital are progressing through Committee markups. The Senate Foreign Relations Committee is scheduled to consider the IDA bill Wednesday. Although the Gonzalez Subcommittee has reported the bill in the House, there is no indication that Henry Reuss intends to schedule this bill (or IMF) before the May 15 budget deadline.

5. Rail Deregulation

The draft Rail Regulatory Reform bill prepared by the staff of the Transportation Subcommittee of House Commerce has finally emerged. After a preliminary review the bill appears to be acceptable. The railroad industry is generally supportive of the bill and plans to work for it. The Subcommittee expects to markup the bill next Tuesday.

6. Targeted Fiscal Assistance

We are trying to persuade Chairman Long to name Senate conferees as soon as possible. Senator Long has said he does not intend to do so until both Houses have voted on the Budget Resolution.

It is very important that a conference be held before May 15 so that we can begin to work on a supplemental appropriation for the 1980 TFA program.

Congressman Jack Brooks has indicated he is willing to hold a conference as soon as Senator Long appoints conferees.

This seems to be a classical case of "chicken and egg" with both Long and Brooks promising that they will be helpful, as soon as the other one is ready.

7. Hearings

Representative Foley (D-Wash), has scheduled three consecutive days of hearings -- beginning Tuesday -- on what he called the "crisis" in the farm economy. Foley said his committee would call witnesses from the Administration, national farm organizations and the banking and financial communities. Secretary Bergland will testify Thursday.

8. Youth Bill

The House Education Subcommittee met Thursday to consider the education portion of the youth bill, but when Congressman Goodling offered a substitute that had not yet been studied by the Labor Subcommittee members, they agreed to postpone the markup until Tuesday. DOL does not feel this was a delay tactic, but rather a sign that all members still want a compatible two-part bill.

II. ANTI-INFLATION ISSUES

1. First Budget Resolution

House

On Wednesday, the House approved the rule for consideration of the resolution by a vote of 261-143, limiting the number of amendments to eleven. General debate on the resolution took place Thursday; voting is expected to start Tuesday. The House Budget Committee is concerned that the 1980 Giaimo "technical amendment" may not pass, so they plan to make a more visible campaign to garner support. We plan to assist them.

Senate

Senate Democrats are waiting for the results of the Holt amendment vote before finalizing their floor strategy on the resolution. The options available to the Administration on the Senate resolution include the following:

- (1) Support the Cranston amendment (which provides major restorations to non-defense functions and does dip into the oil import fee revenues);
- (2) Urge Cranston to modify his amendment to make it more palatable to the Senate;
- (3) Actively secure a sponsor for the more moderate Appropriations/Human Resources Committee staff amendment (Chiles, Johnston, and Eagleton have all declined to sponsor so far); and

- (4) State our dissatisfaction with the Senate resolution, without actively supporting an amendment.

2. Appropriations

The House Appropriations Subcommittees are planning to complete markups early next week on the 1980 supplemental and rescissions. The full committee will markup about May 9. Floor action is anticipated the week of May 15. The Senate Appropriations Committee will hold subcommittee markups after each House subcommittee completes action.

3. Defense

The Senate Armed Services Subcommittees have begun to markup in closed session. In addition to the CX program, the Navy F-18 aircraft program is under attack. Senator Cannon has accused the Navy of lying about the magnitude of the cost overrun in this program (\$11 billion). Indications are that they will attempt to reduce the quantity by as many as 184 F-18s in the next five years.

The House Armed Services Committee added 24 F-18s to the 48 requested in our budget. Hopefully, Canada's selection of F-18s for its Air Force and Senator Cannon's support will help to defeat this budget increase.

4. Import Fee Legislation

Secretary Duncan testified Thursday before the Trade Subcommittee of the Ways and Means Committee. While the hearings were not hostile, victory will not be easy if the matter goes to a vote. Secretaries Miller and Duncan are scheduled to see Congressman Shannon Tuesday.

Treasury has been working with the Republicans and feels that we may be able to gain control over the House situation.

Work in the Senate will begin with a meeting with Senator Long.

5. Interest Rates

The subject of high interest rates is becoming the dominant political issue to Members up for reelection. Senator Magnuson has introduced a resolution asking the Federal Reserve to lower interest rates. Senator Byrd has requested assistance in this matter, and Secretary Miller may offer to brief concerned Senators.

6. Veto Candidate

The House-passed version of the Rock Island Railroad labor protection bill contains almost \$1 billion in unrequested authority for additional AMTRAK service along "new, emerging corridors."

The Senate Commerce Committee has agreed to markup its version of the bill on Tuesday. We believe Senator Cannon will reduce the \$1 billion spending initiative contained in the Florio bill to only a \$5 million level, authorizing a study of additional AMTRAK service. Senate floor action is anticipated on May 5.

The conference is tentatively scheduled for May 12. The final bill could contain substantial new spending for AMTRAK that could not be supported by the Administration. Thus, this bill could be a veto candidate.

III. FOREIGN POLICY ISSUES

1. Cuba/Haiti

Fast-breaking developments in Cuba and the perceived lack of a consistent policy are creating an atmosphere of confusion and frustration on the Hill. The situation is further complicated by the status of the Haitian asylees and the growing pressure from the black community. There is, at the same time, considerable appreciation of the potential problems we face and of the difficulties in balancing the demands of the Cuban community and the blacks on one hand and complying with the immigration and refugee laws allocating scarce resources on the other.

Members of the Florida delegation are being deluged with calls and inquiries and are looking to the Administration for firm leadership. Some feel that we are now equivocating by not cracking down on the illegal transport by boat of Cubans, and point out that passions are being fueled by inflammatory broadcasts from local Cuban radio stations.

2. Central American Supplemental

The House leadership postponed consideration of the Central American supplemental Tuesday because of developments in Nicaragua. In addition, Senator Edward Zorinsky, the bill's most active supporter, has prepared a floor statement expressing his disillusion with the Nicaragua leadership because of the recent closing of La Prensa, the only independent newspaper in Nicaragua.

3. FY-80 Foreign Assistance Appropriations

We are once again receiving conflicting signals from the Hill on how to proceed with Foreign Assistance Appropriations for FY-80. Congressman Doc Long would like to return the Conference Report to committee for further cuts and then take it to the floor. Dave Obey also seems to favor a scaled down version of the Conference Report. House passage of the Conference Report (even if reduced further) is very much in doubt. Other Members strongly recommend that we seek funding for a few critical programs via the omnibus supplemental which the House Appropriations Committee will consider this week. Going the omnibus route would give us the advantage of combining the most urgent foreign policy needs with top priority domestic programs.

4. Liberia

Initial concern in the Congress following the coup in Liberia turned to outrage in the wake of the executions by the Doe regime. Majority Leader Wright issued a particularly strong condemnation of the action; one of a growing number of statements on the Hill critical of the course Doe is taking. The State Department has been keeping the Congress abreast of developments and has offered a special briefing for the Black Caucus.

Steve Solarz has blasted the Department for "shocking and shameful" behavior because of their alleged failure to grant asylum to Cecil Dennis, Liberia's former Foreign Minister. A hearing on this matter has been set by the African Subcommittee of the HFAC for Tuesday.

IV. MISCELLANEOUS

Lyle Gramley - Federal Reserve Board

Gramley met with Stewart and Culver during the past week. Both indicated high regard for Gramley's personal qualifications but said that they will continue to oppose the nomination. Reasons cited include opposition to the Fed's current policies; a belief that the Board's membership should be geographically balanced; and a concern that someone on the Board have had direct experience with agriculture and/or small business.

We now have five firm votes on the 15 Member Banking Committee -- Proxmire, Williams, Tsongas, Morgan and Stevenson. If the Republicans refrain from making the nomination a partisan issue we have a chance of picking up two or three more votes by the scheduled vote on Wednesday. Reigle and Sarbanes are also possibilities.

self copy
Carter Library

4/28/80
12:15 p.m.

Mr. President---

Jody suggests that if you are asked about the fact that the Iranians displayed the bodies, you say:

This was a despicable act by depraved and uncivilized individuals. Their actions bring dishonor on themselves, not on the fallen American warriors.

I think this vividly demonstrates to the entire world the type of people we have been trying to deal with for nearly six months.

That's really all I have to say on that at this time. I do not want to dignify their behavior with further comment.

Jody also suggests that you be thinking ahead of time on what you wish to say, what phrases you wish to use, before your visit to the burn victims. He notes that it will probably be an emotional experience, and that you will probably want to set a theme of renewed dedication and be uplifting when you come out and talk to the press. One item you could use, he said, is:

As I have said over and over again there is no way to deal with the problems this country faces at home and abroad without sacrifice. These people and the eight who died demonstrate sacrifice far beyond that which most of us will be called upon to make, and as such, they are a source of inspiration and renewed dedication for all of us. Throughout the history of our country it is men like these who have sacrificed to build and protect this country.

Finally, Jody said that Secretary Vance's statement was brief, supportive, gracious and closely followed the language of his letter of resignation. He will be transmitting a text but wanted you to know that.

Rx

VZCZCAFA02

UNCLASSIFIED

THE PRESIDENT

7:30 p.m.

OO WTE
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FM HENRY OWEN
TO THE PRESIDENT
ZEM
UNCLAS WH80478

APRIL 28, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY OWEN
TOM EHRLICH

SUBJECT: TALKING POINTS FOR MEETINGS WITH HOUSE MEMBERS
AND THE CONGRESSIONAL LEADERSHIP: MONDAY APRIL
28, 7:30 P.M.

YOUR FOREIGN ASSISTANCE PROGRAM IS IN SERIOUS TROUBLE ON THE HILL.
ALL YOUR ADVISORS URGE THAT YOU MAKE THE FOLLOWING POINTS TONIGHT
AT YOUR MEETING WITH HOUSE MEMBERS:

-- I CANNOT CONDUCT US FOREIGN POLICY WITHOUT SECURITY
AND DEVELOPMENT ASSISTANCE. DEFENSE EXPENDITURES ARE NOT ENOUGH:
WITHOUT FOREIGN ASSISTANCE WE ARE FORCED TO WALK ON ONE LEG.

-- FOR OUR 1981 PROGRAMS WE NEED FIRM RESISTANCE TO
ALL AMENDMENTS THAT WOULD REDUCE THE FIRST BUDGET RESOLUTION
BELOW THE LEVEL RECOMMENDED BY THE HOUSE BUDGET COMMITTEE.
THE HOLT AND QUILLEN AMENDMENTS WOULD REQUIRE MASSIVE REDUCTIONS
IN ALL ASSISTANCE PROGRAMS, INCLUDING AID TO ISRAEL AND EGYPT.

-- FOR OUR 1980 PROGRAMS WE STILL NEED OUR 1980 APPROPRI-
ATIONS. IT IS RIDICULOUS THAT IN THESE TIMES WE ARE DEALING WITH
1980 PROBLEMS WITH 1979 DOLLARS. COUNTRIES THAT COUNT ON US FOR
SUPPORT WILL BE FORCED TO REDUCE THEIR PROGRAMS WHILE WE ARE URGING
THEM TO JOIN US IN STANDING AGAINST AGGRESSION. WE NEED:

(A) APPROVAL OF THE 1980 THIRD BUDGET RESOLUTION AT THE
HOUSE BUDGET COMMITTEE LEVEL, WHICH WILL ALLOW ENOUGH
FUNDS FOR YOUR AID PROGRAM. IT WILL SHOW OUR RESOLVE AND
IS IMPORTANT TO OUR NATIONAL INTEREST

(B) APPROVAL BY THE HOUSE OF THE AUTHORIZATION BILL FOR
THE REGIONAL DEVELOPMENT BANKS IN AFRICA, ASIA, AND LATIN
AMERICA. (TWICE REJECTED BY THE HOUSE, THIS BILL WILL COME
UP AGAIN AFTER CONSULTATIONS WITH KEY HOUSE MEMBERS; IT IS
ESSENTIAL, SINCE THE AMOUNTS HAVE ALREADY BEEN

END OF PAGE 01

NEGOTIATED WITH OTHER COUNTRIES.)

-- US WORLD LEADERSHIP IS AT STAKE IN ALL THESE ISSUES.

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FM THE SITUATION ROOM
TO THE PRESIDENT
ZEM
UNCLAS WH80476

THE PRESIDENT

APRIL 28 1980

UNCLASSIFIED

STATEMENT BY
THE HONORABLE CYRUS R. VANCE
SECRETARY OF STATE
UPON HIS RESIGNATION
WASHINGTON, D.C.
APRIL 28, 1980

(APPLAUSE AT ARRIVAL OF SECRETARY VANCE.)

SECRETARY VANCE: GOOD MORNING.

I BELIEVE THAT ALL OF YOU HAVE RECEIVED COPIES OF MY LETTER TO THE PRESIDENT AND THE PRESIDENT'S LETTER TO ME.

I HAVE THE GREATEST ADMIRATION FOR THE PRESIDENT, AND I AM MOST GRATEFUL FOR THE OPPORTUNITY WHICH HE HAS GIVEN ME TO SERVE HIM AND OUR NATION.

AS I LEAVE OFFICE, I'M PROUD TO HAVE BEEN ABLE TO PARTICIPATE IN THE IMPORTANT FOREIGN POLICY ACTIONS AND NEW DIRECTIONS WHICH HAVE BEEN TAKEN UNDER PRESIDENT CARTER'S LEADERSHIP. THEY ARE IMPORTANT, NOT ONLY FOR THE PRESENT, BUT FOR THE FUTURE OF OUR NATION AS WELL.

AS YOU KNOW, I COULD NOT SUPPORT THE DIFFICULT DECISION TAKEN BY THE PRESIDENT ON THE RESCUE OPERATION IN IRAN. I, THEREFORE, SUBMITTED MY RESIGNATION TO THE PRESIDENT LAST WEEK. I HAVE TOLD THE PRESIDENT THAT I CONTINUE TO SUPPORT FULLY HIS POLICIES ON OTHER FOREIGN POLICY ISSUES. I HAVE ASSURED HIM THAT HE CAN COUNT ON MY SUPPORT FOR HIS CONTINUED LEADERSHIP OF OUR NATION. HE WILL ALWAYS HAVE MY DEEPEST RESPECT AND AFFECTION.

THANK YOU ALL WHOM I HAVE GOTTEN TO KNOW WELL OVER THESE LAST THREE AND A HALF YEARS. THAT HAS ALSO BEEN A PLEASURE FOR ME.

Q MR. SECRETARY, WHAT IS IT ABOUT THE RESCUE MISSION THAT YOU COULD NOT SUPPORT?

SECRETARY VANCE: I DO NOT WANT TO GO INTO DETAILS. I THINK MY POSITION IS VERY CLEAR ON THAT, AND THAT'S ALL I WANT TO

END OF PAGE 01

SAY, THANK YOU VERY MUCH.

Q IS ANYBODY ELSE LEAVING WITH YOU, SIR?

SECRETARY VANCE: NO.

I HOPE THAT EVERYONE IN THE DEPARTMENT WILL STAY AND SUPPORT THE ACTING SECRETARY AND THE PRESIDENT, AND I'M GOING TO TELL HIM THAT.

Q ARE YOU GOING BACK TO WALL STREET, SIR?

A I HAVEN'T MADE UP MY MIND WHAT I'M GOING TO DO. THAT MIGHT WELL BE THE CASE.

(AT 11:40 THE STATEMENT CONCLUDED.)

0390
#3173

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8:00 AM

THE WHITE HOUSE

WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, April 29, 1980

8:00 a.m.

Family Dining Room

From: Frank Moore

I. PRESS PLAN

White House Photographer

II. PARTICIPANTS

See attached list.

III. INTRODUCTION

This Leadership Breakfast should be used to refocus attention on important domestic issues. The Congress is heading into the last two intense months before the conventions. The budget and other "at home" issues must return to the forefront. It is strongly felt, however, that you should commence the breakfast with a few kind words about Cy Vance.

IV. AGENDA

Attached is an extra copy of the talking points you received for the buffet and briefing Monday night. The budget should comprise the major portion of the discussion. Also, the following should be mentioned:

A. EDA REAUTHORIZATION

As you know the EDA reauthorizing legislation has been locked in conference since last year. Secretary Klutznick has been trying to schedule a meeting with Congressman Roe, who has been somewhat uncooperative. Please ask the Speaker to bring the subject up with Roe. If there is any room for movement on Roe's part, he should be encouraged to meet with Klutznick.

B. COWPS REAUTHORIZATION

COWPS reauthorization will be marked up in the House Banking Committee on Wednesday and the Senate Banking Committee next Monday. We are seeking a \$5.5 million FY'80 supplemental and a \$25 million appropriations for FY'81. (FY'80 appropriations to date are close to \$9 million.) Personnel will go from 233 to more than 600. Support for our proposal is very thin at this point, and a word of urgency from you would be very helpful. Senator Cranston, in particular, could be helpful with the Members of the Banking Committee.

C. REGISTRATION

You should mention that it is very important that the Senate Appropriations Committee vote out your registration bill. Senator Magnuson, Chairman of the Committee, is known to be opposed to registration. He is scheduled to meet with Jim McIntyre and General Meyer, Army Chief of Staff, immediately following the breakfast.

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, April 29, 1980

PARTICIPANTS

The President
The Vice President

Senator Alan Cranston
Senator Daniel Inouye
Senator Warren Magnuson

Speaker Thomas P. O'Neill, Jr.
Congressman Jim Wright
Congressman John Brademas
Congressman Thomas Foley

Stu Eizenstat
Jim McIntyre
Zbig Brzezinski
Alonzo McDonald
Bill Smith
Frank Moore
John White
Bill Cable
Dan Tate
Valerie Pinson
Bob Schule

THE WHITE HOUSE

WASHINGTON

April 28, 1980

BUFFET AND BRIEFING WITH SELECTED MEMBERS OF THE HOUSE

Monday, April 28, 1980

7:00 p.m.

The State Floor

From: Frank Moore

I. PURPOSE

To discuss the First Budget Resolution and energy issues.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: You will be briefing a targeted group of House Democrats this evening on the pending Budget Resolution votes this week in the House and on various energy issues, particularly the oil import fee. We have attached substantial background information from Jim McIntyre on the Budget Resolution. The Department of Energy has provided material on the fee.

Both Jim and John Sawhill from DOE will be there this evening to provide technical expertise.

Participants: List of members on attached page.

Press Plan: White House photographer only.

III. TALKING POINTS

1. I'd like to commend Chairman Giaimo and the entire Budget Committee for its courage in reporting a budget resolution in balance.
2. The House Budget Resolution in general is very close to my revised budget both in total and in major priorities. The outlay number is almost identical to mine (within \$300 million). Consequently, I will support Chairman Giaimo and the Budget Committee on the House floor in every area but one, the Obey amendment.

3. Obey Amendment: I support it because it provides for my \$500 million Transitional Assistance Program to protect local governments against abrupt financial dislocation from ending the State share of General Revenue Sharing. This is the only vehicle to add these funds to the House resolution.
4. Giaimo Technical Amendment: I support it because it takes into account the later 1980 estimates in my revised budget, which were not available during the Committee mark-up. The Amendment also provides for trade adjustment assistance for which I will transmit a budget amendment shortly.
5. Holt Amendment: I strongly oppose it. It makes the House resolution too much like the Senate resolution, which will make it difficult to move toward my budget priorities in Conference.

The Holt Amendment increases defense spending significantly above my revised budget and makes unacceptable and unrealistic reductions in social and other programs. I am sure that the Budget Committee's defense number will result in adequate Defense spending after conference with the Senate. Thus, I cannot support any amendment to increase Defense spending above my budget in the House. (Jim McIntyre will provide some Qs and As on the Holt Amendment and other items on Monday.)

7. Conable/Quillen Amendments: I oppose. Both restore all of General Revenue Sharing in equally unacceptable ways.
8. Udall Amendment: I oppose. Passage of the amendment will take away the teeth of the budget resolution to ensure that the legislative savings recommended by me and the Budget Committee will actually take place.

We need to assure the budget is balanced next September as well as this April or May.

9. It is important that the Congress act expeditiously on the Budget Resolution for two reasons:
 - (a) It will send a signal to the American people that the Federal Government has its fiscal house in order. This is an essential element of my anti-inflation plan.

- (b) There are serious funding shortfalls in 1980 for food stamps, black lung, disaster relief (SBA & FEMA) and the space shuttle. Swift action on the revised 1980 resolution is necessary to prevent severe program disruptions.

ENERGY ISSUES

1. Energy Mobilization Board: After nearly five months of deliberations, Conferees met on April 23 and resolved all outstanding issues with the exception of extremely minor items. The Senate made a counter-offer to the House offer on issues involving the "grandfather" provision waiver authority, streamlining and state siting. The vote on the Senate side of the Conference to make the counter offer to the House was 9 to 8. The House Conferees agreed to accept the Senate counter offer by a vote of 12 to 5. The Conference is scheduled to meet again on April 29, and is expected to complete its work that day. They are expected to finish and have the bill at the White House by late May. You should commend the Members on their work as it has been as extremely difficult area in which to achieve legislative compromise.
 2. Energy Security Corporation: The Conference is scheduled to resume on Thursday, May 1 to consider a series of joint staff recommendations on all of the outstanding issues with regard to Titles V (Conservation) and Title IX (Solar Bank) with the following exceptions:
 - o Banks: The Conference will have to decide whether or not there will be grants.
 - o Utility program: The staff will report in disagreement on issues of financing, supply and installation.
 - o Weatherization program: Staff will report in disagreement on the role of Community Action (CAP) agencies.
 - o The Bradley Energy Efficiency program and the Metzenbaum time of transfer requirement are open issues to be considered by the Conferees.
- The staffs have neared completion on all other out titles and the conference should finish within one month. You should ask the members to finish by Memorial Day.
3. Utility Oil Backout: The House Commerce Subcommittee on Energy and Power held hearings on April 2 on H.R. 6930, the Powerplant Fuel Conservation Act of 1980. Hearings continued on April 18 and 21, with Deputy Secretary Sawhill testifying April 21.

The Johnston Energy Subcommittee held hearings on its oil backout bill, S. 2470, on April 23. Witnesses included Deputy Secretary Sawhill, Douglas Costle, EPA, and Alice Rivlin, Congressional Budget Office, among others. During the hearing, Mr. Costle indicated that he could not endorse S. 2470. Hearings will continue April 25 with testimony with outside witnesses.

The Senate Environment and Public Works Subcommittee on Environmental Pollution held hearings on S. 2470 on April 21 and 24. Chairman Muskie's concerns were primarily environmental in nature, including whether acid rain control can be achieved without amendment in the Clean Air Act; emission standards for coal; and the lack of state/local options in the case of federally mandated powerplant conversions.

The Administration considers this extremely important legislation. In spite of the short legislative calendar, you hope that the Congress will do everything possible to expedite immediate mark-up on this bill.

4. Oil Import Fee: We recommend you give special emphasis to the oil import fee this evening. As you know, the fee is under attack in both the House and the Senate on two fronts. There is an attempt to pass a Resolution of Disapproval of the fee. This is essentially a two house veto subject to your veto. Consequently it would take a two-thirds majority of both Houses to sustain the joint Resolution.

The second challenge is to DOE's authority to target the fee on gasoline by using the entitlements program. This is the amendment that was placed on the DOE authorization bill in the House.

We also expect challenges during the appropriations process.

Chairman Long has expressed strong opposition to the fee and Chairman Ullman, once a supporter, waived during Secretary Duncan's testimony before the Ways & Means Committee last Thursday.

Following are the best points to make in support of the fee. They are taken from Secretary Duncan's testimony which is attached in case you have time to read it in its entirety.

- (a) The Gasoline fee is an effective conservation measure. The fee imposed on gasoline consumption goes to the heart of the problem. Almost half of our total petroleum supply is consumed in the form of gasoline.

Because gasoline is price elastic and so much of its use is discretionary, it has the greatest potential for conservation. Progress in reducing our level of imports without cutting back on gasoline consumption.

We project the gasoline conservation fee will reduce gasoline consumption by approximately 100,000 barrels per day by the end of the first year. By the end of the third year, the fee or the motor fuels tax (that is proposed to be substituted for the fee) is expected to reduce gasoline consumption by up to 250,000 barrels per day.

- (b) We need the gasoline fee to help protect our economy. Americans will spend approximately 90 billions dollars this year for imported oil -- up 50 percent over last year and up over 1000 percent since 1973. This drain of United States dollars to foreign oil producers is a major cause of inflation and threatens our economy as does no other single factor.

The cost of oil has risen dramatically and the forecast of diminishing supplies would indicate that it is extremely unlikely that oil is going to get any cheaper ever. In December 1978 the price of imported oil was \$13 a barrel. In January 1980, 13 months later, it was \$30 a barrel and the price today in April averages about \$32 a barrel. This is nearly a 150 percent increase in only 16 months.

The gasoline conservation fee is an important step toward slowing the drain of United States dollars to foreign producers. It will do that by slowing consumption. Every barrel of oil that we conserve means one less barrel of oil that we import. Every barrel of oil that we conserve saves an average of 30 United States dollars that otherwise would leave this country.

- (c) We need the gasoline fee to help protect our foreign policy and national security interests. It is very important to make the point here that even if our economy were not in its present condition, we would have to take this and other conservation steps to protect our foreign policy and national security interests.

The gasoline conservation fee will reduce pressure on world crude prices, help our allies and demonstrate the willingness of the United States to make sacrifices to curtail gasoline use. By taking our own domestic actions to control consumption, we are reinforcing our underlying national resolve not to let our necessity for oil affect our international actions, or let others think they can.

The international situation is fragile and it is not improving. We no longer buy oil from Iran. Several oil producing nations, including Kuwait, Algeria and Venezuela, have cut their production. Saudi Arabia continues to reevaluate its production levels.

We are attempting to forge a strong consensus among consuming nations. We cannot ask or expect others to help take pressure off the international oil market unless we are willing to take tough measures ourselves.

All the consuming countries have significant gasoline taxes. We often forget how stiff those taxes are. While we debate a 10 cent per gallon tax in the United States,

- The Germans pay a tax of \$1.14 per gallon;
- The French pay a tax of \$1.62 per gallon;
- The Italians pay a tax of \$1.83 per gallon; and
- The British pay a tax of \$.89 per gallon.

(d) Preserving the authority to plan the fee only on gasoline: Finally, let me say a few words about the attempt to curtail my use of the entitlements program to target the fee to gasoline. Of all oil products, our demand for gasoline is the most elastic. Americans are going a good job conserving gasoline, but we must do a better job for reasons I have outlined above.

However, we do not need to further burden consumers of heating oil and fuels other than gasoline. They are already paying high prices and consuming much less as a result.

That is why we have proposed a complicated but workable program for placing the fee only on gasoling where we need it the most. As you know, we will make use of an entitlements program to effect this targeting. If you have questions about how the entitlements mechanism will work, John Sawhill is here to explain it to you in more details.

ATTENDEES

Dan Akaka
Don Albosta
Bill Alexander
Glenn Anderson
Ike Andrews
Frank Annunzio
Beryl Anthony
Doug Applegate
Gene Atkinson
Doug Barnard
Mike Barnes
Berkley Bedell
Adam Benjamin
Charlie Bennett
Tom Bevill
Mario Biaggi
Lindy Boggs
Eddie Boland
Dick Bolling
Bill Boner
Don Bonker
Marilyn Lloyd Bouquard
John Brademas
John Breaux
Bill Burlison
Bob Carr
John Cavanaugh
Bill Chappell
Tony Coehlo
Bill Cotter
Norm D'Amours
Tom Daschle
Mendel Davis
Kika de la Garza
Butler Derrick
Norm Dicks
Brian Donnelly
Robert Duncan
Joe Early
Glenn English
Allen Ertel
Billy Lee Evans
Dave Evans
Dante Fascell
Joe Fisher
Floyd Fithian
Ronnie Flipppo

Jim Florio
Tom Foley
Harold Ford
Wyche Fowler
Martin Frost
Don Fuqua
Joe Gaydos
Dick Gephardt
Sam Gibbons
Bo Ginn
Henry Gonzalez
Al Gore
Lamar Gudger
Lee Hamilton
Kent Hance
Jim Hanley
Tom Harkin
Bill Hefner
Cec Heftel
Jack Hightower
Jim Howard
Jerry Huckaby
Bill Hughes
Earl Hutto
Ed Jenkins
John Jenrette
Ed Jones
Jim Jones
Walter Jones
Dale Kildee
Ray Kogovsek
John La Falce
Buddy Leach
Ray Lederer
Bill Lehman
Elliott Levitas
Jim Lloyd
Clarence Long
Gillis Long
Mike Lowry
Tom Luken
Stan Lundine
Dawson Mathis
Jim Mattox
Ron Mazzoli
Mike McCormack
Gunn McKay

Bob Mollohan
Austin Murphy
Jack Murtha
Raphael Musto
Ozzie Myers
Steve Neal
Bill Nichols
Mary Rose Oakar
Thomas P. O'Neill, Jr.
Dave Obey
Jerry Patterson
Claude Pepper
Carl Perkins
Jake Pickle
Rich Preyer
Nick Rahall
Bill Ratchford
Robert Roe
Charlie Rose
Danny Rostenkowski
Marty Russo
Jim Santini
Pat Schroeder
Phil Sharp
Richard Shelby
Paul Simon
Neal Smith
Ed Stack
Harley Stagers
Tom Steed
Charlie Stenholm
Al Swift
Mike Synar
Al Ullman
Harold Volkmer
Wes Watkins
Jim Weaver
Charlie Whitley
Jamie Whitten
Pat Williams
Charlie Wilson (TX)
Lester Wolff
Jim Wright
Gus Yatron
Bob Young
Leo Zeferetti

FACT SHEET

House Budget Resolution

Overview

The House will begin consideration this week of the Budget Resolution reported by the House Budget Committee on March 26. The budget totals recommended by the Committee are as follows:

(\$ in billions)

	<u>President's March Revisions</u>	<u>House Budget Committee Recommendations</u>
Receipts	628.0	624.1*
Outlays	611.5	611.8
Surplus	<u>16.5</u>	<u>12.3*</u>

*Adjusted to include House Committee allowance of \$10.3 billion of receipts from the oil import fee, to put on a comparable basis with the President's proposal.

The Committee's outlay totals are almost identical to the Administration's March budget revisions. In addition, most of the Committee's spending priorities are similar to those of the Administration.

Major differences between the President and the House Committee are that the Committee has 1) lower figures for Defense (which we expect to be restored in conference); 2) a deeper cut in postal subsidies; and 3) no provision for transitional assistance for local governments. However, these and other reductions are offset by higher estimates.

Administration's Position on Floor AmendmentsObey Amendment

The Administration supports the Obey amendment as printed in the Congressional Record of April 21. It provides \$500 million to fund the President's transitional assistance program to protect local governments against the abrupt financial dislocation resulting from ending the State share of General Revenue Sharing.

The amendment provides offsetting revenue increases (also in the President's budget) to cover the additional spending from the cities' program and other smaller domestic spending increases.

Holt Amendment

The Holt amendment increases Defense spending above the March update to an unnecessary and unacceptable level with severe offsetting reductions in other functions. The Administration strongly opposes this amendment (see separate fact sheet on Holt amendment).

Other Amendments

We also support the Chairman's 1980 technical amendment which incorporates new information available to the committee since its mark-up. Except for the Obey amendment, the Administration will support Chairman Giaimo in opposing all other 1981 amendments. In addition to the Holt amendment, these objectionable amendments include the Conable and Quillen amendments, which would restore all of the State share of General Revenue Sharing in different, but equally objectionable ways.

CBO Re-estimates

The Congressional Budget Office has recently re-estimated the cost of the President's budget. They state that the cost of the policies in the March Budget Revisions will be higher than the President predicts. The President's estimates were carefully constructed in January and reviewed again during the development of the budget revisions. The Administration believes its estimates are accurate as any other estimates now available to the Congress.

Overall Goal

The Administration's ultimate goal in working with the Congress on this Budget Resolution is to see a resolution approved in conference which is as close as possible to the President's budget both in totals and in individual spending priorities.

Appropriate actions will be taken to support Senate floor amendments in line with the Administration's goal.

The Holt Substitute

The Holt-Gramm substitute would raise the defense function by \$5.1 billion (outlays) and reduce non-defense functions by the same amount.

The following table is reproduced from the Gramm-Holt Dear Colleague letter of April 21, 1980:

	<u>Outlays</u> (dollars in billions)
A) Changes in the National Defense function:	
1) To pay for increased fuel costs for defense operations	+\$3.1
2) To allow the Department of Defense to absorb the cost of FY 1981 civilian and military pay increases at the historic rate of 20 percent, one-half the rate proposed by the Budget Committee	+ 0.6
3) To restore Budget Committee cuts in defense purchases	+ 1.0
4) To restore Budget Committee cuts in Department of Defense personnel and operating costs	<u>+ 0.4</u>
TOTAL ADDITIONS	+\$5.1
B) Changes in other functions:	
1) To reduce bureaucratic overhead across the board by cutting travel and transportation, printing and reproduction and equipment purchases	-\$1.7
2) To reduce funding for non-military foreign and multilateral aid (excludes aid to Egypt and Israel)	- 0.6
3) To reduce the regulatory budgets of 17 major regulatory agencies by approximately 20 percent across the board	- 0.5
4) To reduce CETA Public Service Employment jobs	- 1.7
5) To eliminate double counting of free school meals in computation of food stamp benefits	<u>- 0.6</u>
TOTAL REDUCTIONS	-\$5.1
C) NET CHANGE IN OUTLAYS	\$0.0

There are several points worth noting about the effects of these reductions in the following categories:

1) Overhead:

The \$1.7 billion reduction in overhead is applied to a relatively small portion of the budget since it excludes major functions. The cut would fall on functions containing about one-quarter of the personnel costs in the budget, and a similar proportion of other operating costs. As a result, the decrease would harshly affect essential operations of the Government. To illustrate the disproportionate nature of the cut, \$1.7 billion is roughly equal to 10 percent of the personnel costs of the affected functions. When added to the House Budget Committee recommendations, this cut would severely affect efficient operations or the ability to provide adequate services.

2) Foreign and Multilateral Aid:

When added to reductions in international affairs spending already taken by the House Budget Committee, this would total a \$1.1 billion reduction in these programs. If new programs cannot be reduced (as Rep. Holt indicates), cuts of up to 50% would be required in programs such as refugee relief, P.L. 480 concessional sales, AID development programs, and contributions to multilateral development banks.

3) Regulatory Budgets of 17 Regulatory Agencies:

The intent of this amendment is to reduce the funds available for regulatory activities in these agencies. A 20 percent cut will have very disruptive effects on regulatory programs. It would almost certainly add new delays in the regulatory process, to inhibit the use of innovative techniques such as flexible standards for small business, and reverse much of the regulatory reform progress made to date.

4) CETA Public Service Employment:

The President's March budget was designed to meet current economic conditions (forecasting a mild recession) by providing 149,000 jobs for the cyclically unemployed. This amendment would strike all funds for these jobs.

5) Food Stamp Benefits:

This reduction would have the effect of cutting food stamp benefits by \$600 million. It would lower benefits for families with growing children, by tailoring benefits to school attendance and available school lunches. Such tailoring of the program would also have high administrative costs.

Revised
April 22, 1980

Obey Amendment

(in millions of dollars)

Revenues

+800--foreign tax deduction on oil

Spending

-425--consultants, film procurement, GSA, and printing

Increases:	<u>Budget Authority</u>	<u>Outlays</u>
Revenue sharing	+500	+500
Mass transit	+ 80	+ 50
Youth employment programs	+200	+144
Elderly nutrition	+ 25	+ 25
Fuel assistance	+ 50	+ 50
Land & water conservation fund	+150	+ 75
Military personnel	+ 60	+ 60
Rural elderly housing	+150	+ 15
Child health	+ 40	+ 40
EPA sewer construction	+150	+ 25
Rural water and sewer	+ 16	+ 16
VA benefits, research & staffing	+ 78	+ 75
Impact aid	+100	+ 90

Total changes

Revenues +800
Outlays -700

Surplus +100

Budget authority +1100

Objectionable Amendments to Restore
the State Share of General Revenue Sharing

1. Quillen Amendment: Would restore the full \$1.7 billion in outlays for the State Share. Offsetting reductions would be made in 1) the international affairs function — \$1.2 billion in outlays; and 2) the general science, space, and technology function — \$.5 billion in outlays.

Discussion: When added to the House Budget Committee's \$.5 billion reduction, the total international affairs function reduction would be \$1.7 billion — 24 percent of the Administration's budget request of \$10.1 billion.

If the cuts were to be taken only in foreign aid, nearly every program would be cut in half. Some examples would be Egyptian and Israeli economic aid and military aid; P.L. 480 concessional food sales; and refugee relief programs, especially for Cambodia, Afghanistan, and Somalia.

The cuts might be spread more broadly over the international affairs area, allowing for less drastic reductions in foreign aid, but making large cuts in Export-Import Bank commitments. Even just a \$100 million cut in the Bank's '81 outlays would mean cutting new loan commitments by \$2 billion — about half the total new program.

2. Conable Amendment: Would also restore the full \$1.7 billion in outlays for the State Share. The offsetting cuts would be in "allowances" to be applied to unspecified categorical programs.

Discussion: Since the categorical programs affected are unknown, it is impossible to predict the harmful effects of such a provision. However, it is clearly an unacceptable method of maintaining funds to be available to state governments.

GASOLINE CONSERVATION FEE

Nature of Fee

The fee will be \$4.62 per barrel on imported crude oil. The cost of this fee will be shifted entirely to the production of gasoline. The expected effect of the fee on gasoline prices will be about 10 cents a gallon. Imports of gasoline will also be subject to a charge, equal in amount to the expected average impact of the fee on gasoline of 10 cents a gallon, or \$4.20 per barrel.

The conservation fee is temporary; the President will submit to the Congress legislation to establish a tax on motor fuels. When that tax is enacted the fee will be removed. Such tax legislation would have the same favorable effect of reducing petroleum imports but would eliminate the need for the complex administrative regulations to shift the cost of the import fee to gasoline.

The fee is effective for gasoline produced or imported and crude oil imported after 12:01 a.m., March 15, 1980. A Presidential Proclamation providing the framework for the detailed mechanisms of the plan will be issued in the next few days, effective March 15, 1980.

These actions are taken under authority of Section 232(b) of the Trade Expansion Act, and of the Emergency Petroleum Allocation Act (EPAA). The Trade Expansion Act gives the President authority to take action to adjust levels of imports that threaten national security. Such adjustments can be made through the imposition of an import fee, and the establishment of a program to shift the fee to gasoline. The EPAA provides the President with authority to impose price and allocation controls on crude oil and refined products.

In accordance with the Trade Expansion Act, the Secretary of the Treasury conducted an investigation last year into the Nation's dependence on oil imports and concluded that the levels of such imports threaten national security.

Shifting the entire cost of the fee to gasoline will focus the fee on the product which provides the greatest conservation potential without unduly affecting the economy. The expected effect of the conservation fee followed by the motor fuels tax, is to reduce gasoline and diesel consumption and imports by approximately 100,000 barrels a day by the end of the first year, and up to 250,000 barrels by the end of the third year.

The fee will raise the price of gasoline by about 10 cents per gallon, effective May 15, 1980. The direct effect of this increase will raise overall consumer prices by about 1/2 percentage point. The majority of this increase will be reflected in the CPI during May and June. Over the following year additional (but much smaller) indirect effects will be felt elsewhere in the economy, as gasoline costs are passed on. In total, these direct and indirect effects will increase the CPI by about 3/4 of one percentage point.

There are certain offsetting factors, however. To the extent we can reduce our appetite for imported oil and bring supply and demand into balance, pressure on OPEC to raise prices will decrease. This fee will not only produce additional demand restraint, it demonstrates the willingness of the United States to make sacrifices to curtail gasoline use. This is an important element in securing the international cooperation that is vital if we are truly to bring the oil price explosion under control.

The program will not cause the price of uncontrolled domestic crude oil to rise, since the entitlements program will shift the entire fee to gasoline producers and reimburse crude oil importers to the extent that they do not produce gasoline.

The measure will also increase federal revenues by just over \$10 billion annually.

(MORE)

How the Cost of the Fee Will be Shifted from Crude Oil Imports
to Gasoline Production

The entire burden of the crude oil import fee will be shifted from importers to gasoline producers. This will be accomplished through a mechanism similar to, but separate from, the current Entitlements Program — a system of payments among refiners designed generally to equalize their crude oil costs.

The mechanism will require importers of crude oil to pay the import fee to the Government. At the same time, however, the importers will be reimbursed for this expense by gasoline producers, who will be required, for each barrel of gasoline produced (whether from domestic or imported crude oil), to purchase an "entitlement" to produce gasoline from any firm which imports crude oil. As a result of the entitlement program, refiners and regions that are dependent upon imported oil will not be disproportionately affected by the new import fee.

104 Res. 551
FINAL

STATEMENT OF
CHARLES W. DUNCAN, JR.
SECRETARY OF ENERGY
DEPARTMENT OF ENERGY

BEFORE THE
SUBCOMMITTEE ON TRADE
COMMITTEE ON WAYS AND MEANS
AND THE
SUBCOMMITTEE ON ENERGY
AND POWER
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVE

APRIL 24, 1980

STATEMENT OF
CHARLES W. DUNCAN, JR.
SECRETARY OF ENERGY
BEFORE THE
SUBCOMMITTEE ON TRADE
COMMITTEE ON WAYS AND MEANS
AND THE
SUBCOMMITTEE ON ENERGY AND POWER
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES

April 24, 1980

Mr. Chairmen and members of the Subcommittees:

I appreciate this opportunity to testify before both Subcommittees on the President's gasoline conservation fee program.

I know the members of the Committees present here this morning are familiar with the authority under which the gasoline conservation fee was imposed and the mechanics of the entitlement system under which it is shifted from crude oil imports to domestic production of gasoline. I would therefore like to address the policy questions raised by the fee and I want to make three fundamental points:

- (1) The gasoline fee is an effective conservation measure;
- (2) We need it right now to help protect our economy;
and
- (3) We need it long term to help protect our foreign policy and national security interests.

We can differ about some aspects of this program, but it seems to me that the facts supporting these three points are straightforward and compelling.

1. The gasoline fee is an effective conservation measure.

The fee imposed on gasoline consumption goes to the heart of the problem. Almost half of our total petroleum supply is consumed in the form of gasoline. Because gasoline is price

elastic and so much of its use is discretionary, it has the greatest potential for conservation. Progress in reducing our level of imports without cutting into economic productivity, will have to be achieved by cutting back on gasoline consumption.

We project the gasoline conservation fee will reduce gasoline consumption by approximately 100,000 barrels per day by the end of the first year. By the end of the third year, the fee or the motor fuels tax (that is proposed to be substituted for the fee) is expected to reduce gasoline consumption by up to 250,000 barrels per day.

Permit me to speak plainly. We all favor conservation but we back off when it comes time to support effective measures to promote conservation. None of us like raising taxes to promote conservation.

- Rhetoric and moral suasion do not promote conservation;
- More regulations could promote conservation, but more regulation interferes with the freedom of your constituents;
- More public spending could promote conservation, but we all are involved in a painful process of cutting back on government spending.

The unpleasant fact is that the gasoline tax, as much as we might like to deny it, is the best available means to get on with this important national priority.

Right now inventories of crude oil and gasoline are at high levels. We are in a period where supply and demand are in —

balance, and once again we hear voices arguing that there is no need to take any steps now to reduce gasoline consumption. We cannot allow ourselves to become complacent, to be lulled into believing that our energy problems are over every time the gas lines disappear and stations begin staying open longer. Our need to conserve will be with us for many years and it has to be reinforced by economic measures like the gasoline fee, by public information and leadership.

2. We need the gasoline fee to help protect our economy.

Americans will spend approximately 90 billion dollars this year for imported oil--up 50 percent over last year and up over 1000 percent since 1973. This drain of United States dollars to foreign oil producers is a major cause of inflation and threatens our economy as does no other single factor.

The cost of oil has risen dramatically and the forecast of diminishing supplies would indicate that it is extremely unlikely that oil is going to get any cheaper ever. In December 1978 the price of imported oil was \$13 a barrel. In January 1980, 13 months later, it was \$30 a barrel and the price today in April averages about \$32 a barrel. This is nearly a 150 percent increase in only 16 months.

Sometimes people have a hard time grasping exactly what a large amount \$90 billion really is. A couple of examples are appropriate. It's \$10 million an hour. The total combined assets of General Motors, Ford, IBM and General Electric are about \$90 billion. The net income of the entire Fortune 500 companies--all 500 combined--is less than \$80 billion. \$90

billion is two and one-half times all the money we are spending in 1980 for all the equipment for the Army, the Navy, the Air Force and the Marine Corps combined. This \$90 billion cost of energy has more to do with our inflation rate, the value of the dollar, and our balance of payments deficit than any other economic component.

The gasoline conservation fee is an important step toward slowing the drain of United States dollars to foreign producers. It will do that by slowing consumption. Every barrel of oil that we conserve means one less barrel of oil that we import. Every barrel of oil that we conserve saves an average of 30 United States dollars that otherwise would leave this country. Ultimately, this saves jobs and it saves economic hardships. It is the right long term course for this country, and I believe that to be an empirical fact.

3. We need the gasoline fee to help protect our foreign policy and national security interests.

It is very important to make the point here that even if our economy were not in its present condition, we would have to take this and other conservation steps to protect our foreign policy and national security interests.

The gasoline conservation fee will reduce pressure on world crude prices, help our allies, and demonstrate the willingness of the United States to make sacrifices to curtail gasoline use. By taking our own domestic actions to control consumption, we are reinforcing our underlying national resolve not to let our necessity for oil affect our international actions, or let others think they can.

The international situation is fragile and it is not improving. We no longer buy oil from Iran. Several oil producing nations, including Kuwait, Algeria, and Venezuela, have cut their production. Saudi Arabia continues to reevaluate its production levels.

We are attempting to forge a strong consensus among consuming nations. We cannot ask or expect others to help take pressure off the international oil market unless we are willing to take tough measures ourselves.

All the consuming countries have significant gasoline taxes. We often forget how stiff those taxes are. While we debate a 10 cent per gallon tax in the United States,

- The Germans pay a tax of \$1.14 per gallon;
- The French pay a tax of \$1.62 per gallon;
- The Italians pay a tax of \$1.83 per gallon; and
- The British pay a tax of \$.89 per gallon.

I noticed in this mornings paper that the Israelis, with a 117 per cent inflation rate, increased the price of their gasoline 36 per cent and they are expecting another increase this summer.

I am not suggesting that we raise taxes here to that level, but we should keep our concerns in perspective and heed the experience of other countries.

International response to the President's action to impose the gasoline conservation fee has been very positive. Support is growing in the International Energy Agency for year-by-year and

country-by-country commitments to ratchet down demand and to distribute equitably the burden of any shortages.

We must to strike down the expectations of leverage that dependence on foreign oil creates with respect to our ^{ix} foreign policy. Only firm, tough measures like the gasoline conservation fee will do that.

It is our assessment that the gasoline conservation fee is necessary, efficient, and effective. We have built in flexibility to deal with unforeseen circumstances in the future, and the Administration will be transmitting permanent tax legislation to Congress. This legislative proposal will enable the Congress to address this program over the longer term. I know that the pressures on each of you from interest groups who have their eye on the short term will be intense. I know that the short-term price effects are of great concern to you. But we must not fall back; we must not waiver in our determination to get gasoline consumption down; and in my judgment we must have the gasoline import fee to achieve our domestic, international, and national security objectives.

96TH CONGRESS
2D SESSION

H. J. RES. 531

Disapproving the imposition, effective March 15, 1980, by the President of fees
on the importation of crude oil and gasoline.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1980

Mr. SHANNON (for himself, Mr. MOORE, Mr. MOFFETT, Mr. STOCKMAN, Mr. COTTER, Mr. BROWN of Ohio, Mr. ECKHARDT, and Mr. EMEY) introduced the following joint resolution; which was referred to the Committee on Ways and Means

JOINT RESOLUTION

Disapproving the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline.

- 1 *Resolved by the Senate and House of Representatives*
- 2 *of the United States of America in Congress assembled,*
- 3 That the Congress disapproves the action taken under section
- 4 232 of the Trade Expansion Act of 1962 with respect to
- 5 petroleum imports under Proclamation Numbered 4744 dated
- 6 April 2, 1980.

○



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

7:30 PM

[Handwritten mark]

April 28, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*
SUBJECT: Your briefing for Congressional
leaders -- questions on the
defense budget

You are likely to be asked this evening about the adequacy of your defense budget, and why you continue to oppose the Holt amendment.

The attached Q's & A's are my suggestions on how to respond.

**Electrostatic Copy Made
for Preservation Purposes**

- Q. Doesn't the tragedy of last week's mechanical failures on our helicopters mean that even your present growing defense budget is inadequate in the area of Operations and Maintenance (O&M) funding?
- A. Last week's tragedy occurred during an extremely challenging set of conditions. Our men and our equipment performed well even in the face of those conditions. As Secretary Brown said, we are not looking for scapegoats.

(FYI: The above is the "high road" answer, which we recommend. While we do not recommend you use them, other relevant facts are:

- The Carter Administration has placed more emphasis and money on readiness than any in recent memory.
- The Congress cut over one billion dollars in specific operational readiness programs in this year's (1980) defense budget, plus other reductions which ultimately lead to less money available for maintenance.
- We have requested \$3B in Supplemental O&M funding (\$.74B in Jan., \$2.38B in March) for this year, to insure that higher fuel costs and inflation do not lead to a reduced level of operations and maintenance).

Q. Why aren't you supporting the HOLT AMENDMENT to the House Budget Committee 1st. Resolution, especially in light of last week's events in Iran?

(Defense Function -- includes DOE weapons, etc. -- numbers for 1981 Budget Authority are: March Admin. Request - \$164.5B, House Budget Cte. - \$160.8B, HOLT Amend. \$166.6B)

A. I believe all of us recognize the need to bring government spending into balance, and in doing that for 1981, we have had to reduce a wide variety of domestic programs. the HOLT AMENDMENT makes substantial further reductions which, while stated in rather innocuous sounding administrative terms, will force agencies to cut still more of their real programs. While I am concerned that the House Budget Committee has reduced Defense levels from those I requested, I am confident that the budget conferees can arrive at a defense total consistent with my program (FYI: Senate Budget Cte. is at \$173.4B for defense), and can do so without the kinds of further domestic cuts contained in the HOLT AMENDMENT.

THE WHITE HOUSE

WASHINGTON

April 29, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *FM*

We suggest at least the following people for consultation on the Secretary of State decision:

SENATE

HOUSE

- | | |
|--|---|
| <ul style="list-style-type: none"> > *Byrd <i>talked to Ed Mon pm</i> > *Baker <i>The hell you say!</i> Cranston <i>...great!</i> Magnuson *Inouye Stennis > *Jackson <i>Th for calling - cool</i> > *Church <i>fine choice - cool</i> > *Moynihan <i>remarkable, wonderful!</i> > *Sarbanes Stone Stevens Packwood Garn Tower > *Javits <i>very good!</i> > *Goldwater <i>hell of a good choice!</i> > Biden <i>great!</i> | <ul style="list-style-type: none"> > *O'Neill > *Rhodes <i>very pleased</i> > *Zablocki <i>excellent</i> > *Broomfield <i>!! great!</i> > *Wright <i>fine</i> Brademas Foley Whitten Price Boland Long (Md) |
|--|---|

> Cy Vance
> H. Brown

I placed an asterisk by the ones I think you absolutely should call. The Vice President, Lloyd Cutler, Brian Atwood and I can call the others and our endorsees.

Frank recommends that you make them all, because it's "not going to hold". I've asked Frank to have his office notify Operators of names, in sequence beginning with those asterisked.

However, if you decide not to call some of the names listed above -- please let us know on attached copy which ones should be made by someone else. (Or on this memo, and I'll just make a quick copy for Frank.)

--SSC

PRESS CONF 4-29-80
RESCUE MISSION
BEFORE ?'S - ATTEMPTED

SHARE DISAPPOINTMENT - TERMINATION
GRIEF - CASUALTIES

PROUD - COURAGE/ABILITY

PREPARED/DID DUTY

MY RESP. LAUNCH/TERMINATE
FIELD COMM AGREED

REGRET OUTCOME - NOT EFFORT

DEEPER FAILURE - NOT TO TRY

SHARED BY TEAM - SUN

MSG. REGRET. THANKS - REQUEST

CHALLENGES REQUIRE SACRIFICE

SUPREME SACRIFICE/FREEDOM

NOT GOAL - NOT CONQUER/DESTROY

EIGHT DEAD - RELEASED 44

COMPARE TO GHOULS' CONDUCT

DISGUST, CONTEMPT - DESECRATE ^{BODIES}

SHAME, DISHONOR ON THEMSELVES

AS PATIENT, RESTRAINED - PREFER

PEACEFUL SOLUTION - JAPAN PUNISHING
ITSELF

REMEMBER = TAKE NECESSARY STEPS

Press Conference/Termination/Rescue Mission
April 29, 1980