

5/28/80

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THE WHITE HOUSE
WASHINGTON

28 May 80

Stu Eizenstat

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

Rick Hutcheson

cc: The Attorney General
Lloyd Cutler

LAST DAY FOR ACTION -- Wednesday, June 4, 1980; OMB and we recommend approval by May 31, because continuing resolution under which FTC now operates expires then.

THE WHITE HOUSE

WASHINGTON

May 27, 1980

*Stu - I presume
Sen & Lloyd are ready to
bring suit (not signing
statement) I am.*

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
SI LAZARUS *SL*

SUBJECT: Enrolled Bill H.R. 2313 -- Federal Trade Commission
Improvements Act of 1980

Sponsor -- Rep. Scheuer (D) New York and five others

THE BILL

This bill authorizes the Federal Trade Commission for fiscal years 1980-82 and imposes various constraints on the Commission's substantive authority and the manner in which it may be exercised. Funding levels authorized by the bill are \$70,000,000 for FY 1980, \$75,000,000 for FY 1981, and \$80,000,000 for FY 1982. Due to differences between the two Houses of Congress and the White House, the FTC has in recent years been operating under a series of continuing resolutions, the most recent of which expires on May 31.

Concerned agencies within the Executive disapprove of most of the restrictions contained in this bill. Nevertheless, the bill meets the criteria you established in your meeting with the conferees late last month. It represents a substantial improvement over the House and Senate bills and an even greater improvement over the original bills introduced prior to the Administration's first assertion of concern about the legislation. The key provisions include:

- A two-house legislative veto for all Commission rules, which purports to be effective without Presidential signature.
- Restrictions limiting the Commission's substantive authority regarding issues before the agency involving the agricultural co-operative, funeral, children's television, and voluntary standard-setting and certification industries. These restrictions do not, however, require the FTC actually to terminate ongoing proceedings -- as the original House and Senate bills required.

- Restrictions which will have the effect of preventing the agency from investigating the insurance industry and of initiating litigation before the Commerce Department to seek cancellation of a trademark on the ground that it has become a generic or common descriptive name.
- Several procedural requirements for the Commission, which will not seriously hamper the agency's ability to function (earlier versions of these provisions could have had such an effect).
- A requirement that, during the life of this authorization, any Commission rules affecting commercial advertising may not be based on the ground that the advertising in question is "unfair," but only on the ground that it is "false or deceptive." Because of the intervention of the Administration, this limitation does not restrict individual cases filed to order that particular parties cease and desist from engaging in specific "unfair" advertising practices. The Senate Commerce Committee is expected to hold hearings to determine whether the term "fairness" should be clarified or narrowed soon.

The bill is described in more detail in OMB's memo, included in the attached materials.

While this bill still bears the imprint of influential lobby groups hostile to various FTC activities, major improvements have been made by your February speech before the Consumer Federation of America, your meeting in April with the conferees, and persistent attention to the issue by White House staff. Consumer and labor groups concerned about the Commission have expressed their appreciation for our effort.

VOTES IN CONGRESS

The conference report passed the House by a vote of 272 to 127 and the Senate by a vote of 74-15.

AGENCY AND STAFF RECOMMENDATIONS

OMB, the Federal Trade Commission, Esther Peterson, the Departments of Agriculture, Justice, and Commerce all recommend approval. We concur. The Small Business Administration and the Office of the U.S. Trade Representative have no objection to approval.

With OMB, Esther Peterson, and the Justice Department, we have drafted a signing statement, which has been edited and approved by the speechwriters. It is attached.

DECISION

Sign H.R. 2313 with attached statement. (Recommended)

Sign H.R. 2313 without statement.

Veto H.R. 2313.

J

THE WHITE HOUSE

WASHINGTON

May 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM : AL MCDONALD 

We took steps today to maximize the individual impact of your decision on the Budget Resolution with your prime supporters, and initial reactions were generally enthusiastic. This effort was supplementary to the the OMB/CL Congressional notifications of your decision, the press backgrounder and announcement by Jim McIntyre and a meeting of Washington representatives called by Anne Wexler to build support for your position in the Congress.

Some 15 additional senior members of the White House staff are busy contacting key influence leaders in major groups intimately concerned with the Budget Resolution. Our aims are to notify them personally of your decision and to emphasize your strong and consistent position in favor of your priorities as outlined in March (in particular sparing cuts in social programs and providing transitional aid for the cities). We will encourage positive communications to their memberships of your decision, any direct Congressional support they can provide by Thursday, and supportive public statements to the press (e.g., several black leaders speaking out today and AFL-CIO statement due tomorrow).

Within the White House staff we are placing calls to heads of organizations in the following groups: Hispanics, Blacks, Jewish, Ethnics, Aged, Consumers, and certain religious and volunteer organizations. In addition, Jack Watson's office is calling key Mayors and Governors and marshaling support from five Cabinet officers who should be particularly enthusiastic about your decision (Labor, HHS, Education, Transportation and HUD).

Our plan calls for telephone calls to between 50-100 of the top influence leaders this afternoon before the evening news. This will be followed up by an additional 400-500 telephone calls in the 48-hour period before the scheduled vote on Thursday.

In addition to the White House and the Cabinet groups, campaign and political officials have also been notified (e.g., state chairs and key supporters).

Although we should expect some heavily negative comments from members of Congress who support the conference report

figures, their harsh statements about your decision should further enhance the value and importance of your decision in the eyes of those we are calling who largely represent traditional Democratic groups.

JAMES M. WALL
EDITOR

407 SOUTH DEARBORN STREET
CHICAGO, ILL. 60605
312 - 427-5380
HOME 312 - 279-7166



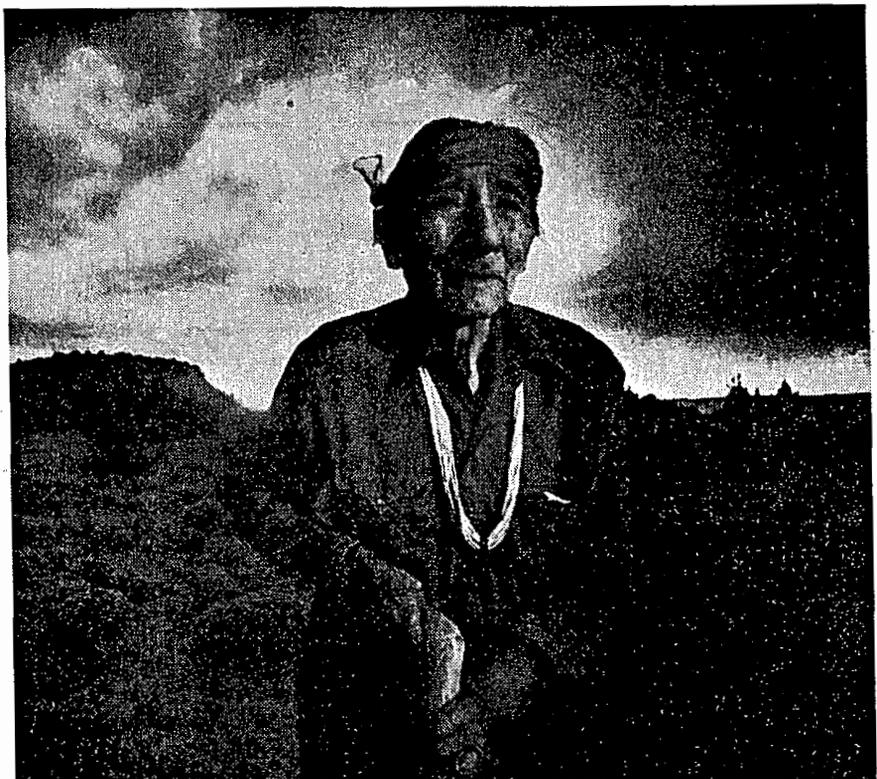
C

Soul-Saving via Video

Jeffrey K. Hadden

Native Americans and Frontier Justice

Frederick A. Norwood



Black Hat, a 106-year-old Navajo medicine man.

- The Princess and PBS
- Drinan, the Churches and Politics
- Repression in Taiwan
- TV Fundamentalism: Supply and Demand

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THE WHITE HOUSE

WASHINGTON

May 27, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM

ANNE WEXLER *Anne*

SUBJECT:

First Budget Resolution Conference Report

Attached is a list of 111 organizations which have joined in support of your position on the First Budget Resolution Conference Report.

Attachment

**Electrostatic Copy Made
for Preservation Purposes**

COMMON CAUSE

NATIONAL ASSOCIATION OF COUNTIES

NATIONAL WOMEN'S POLITICAL CAUCUS

AMERICAN ASSOCIATION OF COLLEGES OF NURSING

AMERICAN SCHOOL FOOD SERVICES ASSOCIATION

COMMITTEE FOR FULL FUNDING OF EDUCATION PROGRAMS

AMERICAN ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES

AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS

AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS

AMERICAN COUNCIL ON EDUCATION

AMERICAN EDUCATIONAL RESEARCH ASSOCIATION

AMERICAN FEDERATION OF TEACHERS

AMERICAN LIBRARY ASSOCIATION

AMERICAN VOCATIONAL ASSOCIATION

ASSOCIATION OF AMERICAN UNIVERSITIES

ASSOCIATION OF MEDIA PRODUCERS

COMMITTEE OF URBAN PROGRAM UNIVERSITIES

NATIONAL SCHOOL BOARDS ASSOCIATION

COMMITTEE FOR EDUCATION, DEVELOPMENT AND RESEARCH

NATIONAL ASSOCIATION OF STATE BOARDS OF EDUCATION

COMMITTEE OF PRIVATE UNIVERSITY STUDENTS

COUNCIL OF GRADUATE SCHOOLS IN THE U.S.

COUNCIL FOR EXCEPTIONAL CHILDREN

COUNCIL OF GREAT CITY SCHOOLS

IMPACTED AREA SCHOOL SERVICES

NATIONAL ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES

NATIONAL ASSOCIATION OF STATE DIRECTORS OF SPECIAL EDUCATION

NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND GRANT COLLEGES

NATIONAL EDUCATION ASSOCIATION
NATIONAL SCHOOL BOARDS ASSOCIATION
NATIONAL LEAGUE OF CITIES
U.S. CONFERENCE OF MAYORS
NATIONAL URBAN COALITION
STATE UNIVERSITY OF NEW YORK
UNITED STATES STUDENT ASSOCIATION
NATIONAL CONSUMERS LEAGUE
NATIONAL COUNCIL OF SENIOR CITIZENS
ASSOCIATION FOR GERONTOLOGY IN HIGHER EDUCATION
NATIONAL COUNCIL ON THE AGING
NATIONAL ASSOCIATION OF AREA AGENCIES ON THE AGING
NATIONAL ASSOCIATION OF STATE UNITS ON AGING
NATIONAL CAUCUS ON BLACK AGED
NATIONAL LOW INCOME HOUSING COALITION
NATIONAL RURAL HOUSING COALITION
NATIONAL EMPLOYMENT LAW PROJECT
NATIONAL ALLIANCE OF COMMUNITY-BASED ORGANIZATIONS
NATIONAL YOUTH WORK ALLIANCE
AMERICAN PUBLIC HEALTH ASSOCIATION
COALITION FOR HEALTH FUNDING
AMERICAN NURSES ASSOCIATION
NATIONAL ASSOCIATION OF LETTER CARRIERS
AMERICAN POSTAL WORKERS UNION
NATIONAL RURAL LETTER CARRIERS ASSOCIATION
MAIL HANDLERS DIVISION-LABORERS INTERNATIONAL
NATIONAL POSTAL SUPERVISORS

NATIONAL LEAGUE OF POSTMASTERS

NATIONAL ASSOCIATION OF POSTMASTERS

ARTHRITIS FOUNDATION

AMERICAN PEDIATRIC SOCIETY

AMERICAN ASSOCIATION OF COLLEGES OF OSTEOPATHIC MEDICINE

AMERICAN ASSOCIATION OF COLLEGES OF PHARMACY

AMERICAN ASSOCIATION OF COLLEGES OF PODIATRIC MEDICINE

AMERICAN ASSOCIATION OF DENTAL SCHOOLS

AMERICAN ASSOCIATION FOR DENTAL RESEARCH

AMERICAN CONGRESS OF REHABILITATION MEDICINE

ASSOCIATION OF AMERICAN VETERINARY MEDICAL COLLEGES

ASSOCIATION OF NURSE ANESTHETISTS

AMERICAN DIABETES ASSOCIATION

AMERICAN OPTOMETRIC ASSOCIATION

AMERICAN PSYCHIATRIC ASSOCIATION

AMERICAN PSYCHOLOGICAL ASSOCIATION

AMERICAN SOCIETY OF ALLIED HEALTH PROFESSIONS

ASSOCIATION OF AMERICAN MEDICAL COLLEGES

CITIZENS FOR THE TREATMENT OF HIGH BLOOD PRESSURE

CYSTIC FIBROSIS ASSOCIATION

ASSOCIATION OF SCHOOLS OF PUBLIC HEALTH

ASSOCIATION OF SCHOOLS OF SOCIAL WORK

NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS

NATIONAL ASSOCIATION OF SOCIAL WORKERS

COUNCIL ON SOCIAL WORK EDUCATION

NATIONAL COMMITTEE AGAINST MENTAL ILLNESS

NATIONAL COMMITTEE FOR RESEARCH IN NEUROLOGICAL COMMUNICATIVE DISEASES

NEW YORK STATE COMMITTEE FOR THE TREATMENT OF HIGH BLOOD PRESSURE

NATIONAL HEALTH EDUCATION COMMITTEE

COALITION OF DIGESTIVE DISEASES ORGANIZATION

ENDOCRINE SOCIETY

SOCIETY FOR NEUROSCIENCE

PLANNED PARENTHOOD FEDERATION

FRIENDS OF EYE RESEARCH REHABILITATION AND TREATMENT

AFL-CIO

UAW

AFSCME

ADA

FOOD RESEARCH AND ACTION CENTER

NATIONAL CONSUMER LAW CENTER

WASHINGTON STATE DEPARTMENT OF EDUCATION

MARYLAND STATE DEPARTMENT OF EDUCATION

SIERRA CLUB

SOLAR LOBBY

NATIONAL TAXPAYERS UNION

NATIONAL NEWSPAPER PUBLISHERS ASSOCIATION

NATIONAL WILDLIFE FEDERATION

NATIONAL RESOURCES DEFENSE COUNCIL

CALIFORNIA STATE DEPARTMENT OF EDUCATION

LEAGUE OF WOMEN VOTERS

ENVIRONMENTAL POLICY CENTER

NATIONAL YOUTH ADVOCACY COALITION

NATIONAL WATER RESOURCES ASSOCIATION

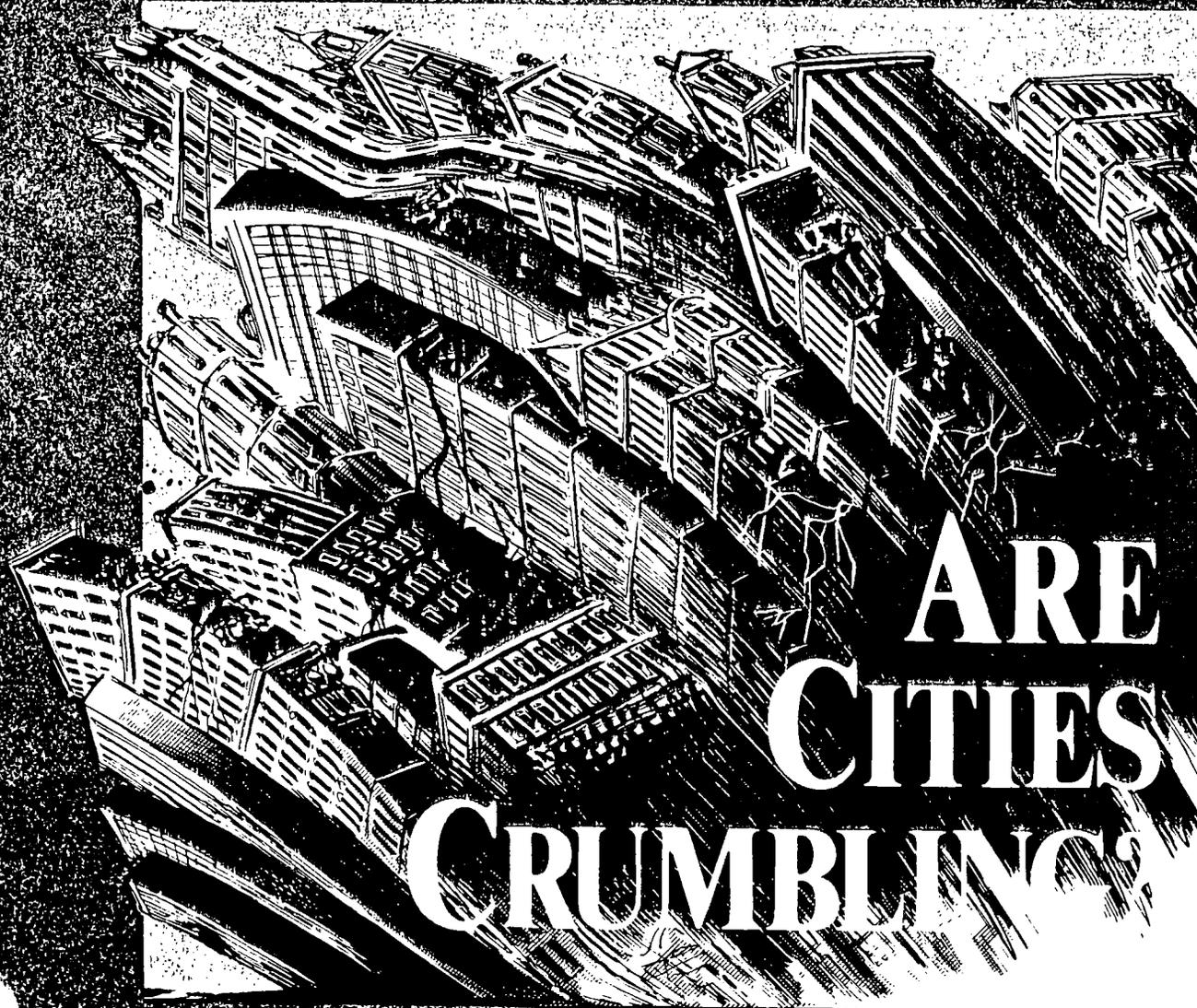
NATIONAL PARKS AND CONSERVATION ASSOCIATION

THE CHILDRENS FOUNDATION

National Journal

Exporting Coal
Business and Health

THE WEEKLY ON POLITICS AND GOVERNMENT MAY 24, 1980/NO. 21



ARE
CITIES
CRUMBLING?

THE WHITE HOUSE

WASHINGTON

May 23, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*
AL MCDONALD *AM*

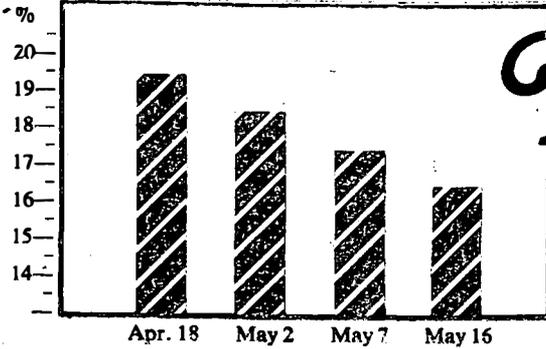
SUBJECT:

INFLATION ACTIVITIES--- WEEK OF MAY 19, 1980

Attached for your information are this week's summary of activities and Inflation Report.

**Electrostatic Copy Made
for Preservation Purposes**

Prime Interest Rate Charged by Banks on Short-Term Business Loans



Inflation Report

Congress Moving Toward Balanced Budget Resolution

Hill Approves Two Food Stamp Measures

The President has signed a supplemental appropriations measure for the current fiscal year which will keep the food stamps program going beyond the beginning of this summer, when previously appropriated funds would have run out. He also has on his desk a measure modifying the food stamps program in ways that are expected to save approximately \$600 million in Fiscal Year 1981.

The supplemental appropriations measure provides \$2.56 billion for the food stamps program this fiscal year, which goes through September 30.

The Administration's recommended modifications, approved by Congress, involve:

—Changing the semi-annual adjustment of the food stamp allotment and standard deduction for eligibility. This is expected to save \$303 million next fiscal year.

The annual adjustment will be based on increases in the Consumer Price Index from January of one year to January of the next, rather than on six-month increases. This change would bring the food stamp program into line with other benefit and assistance programs that are adjusted for cost-of-living increases on an annual basis.

—Elimination of most post-secondary students from the food stamp program. This should save \$60 million. Students who will remain eligible include those who could not be expected to work because they are under 18, over 60, or disabled; who are already working at least half-time but who still qualify; or who have dependents. This change will disqualify about three-fourths of the approximately 200,000 students now receiving food stamps.

Holding the Line on Inflation...

Two Divisions of the Hilton Hotels Corporation have been found out of compliance with the voluntary profits limitations.

The Hotel Division and the Hotel-Casino Division, which are treated as separate compliance units under the program, were found to have exceeded the

See *Holding the Line...*
next page

—Calculating the poverty line (used to determine the net income limit) only once a year, rather than updating it at midyear to reflect CPI changes. This is expected to save \$50 million.

—Dropping the assets limit for most households from \$1,750 to \$1,500, a move that will save about \$20 million. The assets limit for households of two or more with an elderly person will remain at \$3,000.

—Reducing the error rate by imposing sanctions on States having above-average error rates. This will save an estimated \$168 million.

Congress Gives OK to Federal Trade Commission Legislation

The Congress has sent to the President a bill continuing the Federal Trade Commission and many of its functions to protect the consumer.

The Commission has been functioning on a temporary continuing resolution which was required to give Congress time to finish work on the bill.

The authorization bill had been deadlocked for months as some special interests tried to stop major ongoing proceedings or cut back on some of the agency's consumer protection functions.

Last month, when it appeared as if the conferees would adopt a bill unacceptable to the President, he met with them to assist in devising an FTC compromise. An agreement subsequently was reached which conformed to the President's guidelines.

In other action, House and Senate conferees have completed work on a measure providing \$20 billion in Federal funds for synthetic-fuels projects. The bill also provides for major conservation programs and other alternate-energy projects.

The bill is the last of the President's three major legislative pieces designed to reduce U.S. dependence on foreign oil. The windfall profits tax already has been passed and signed into law to convert to public use revenues brought about by the decontrol of domestic oil. House and Senate conferees have agreed on a measure creating an Energy Mobilization Board to cut red tape for critical energy projects.

House and Senate conferees have reached a tentative compromise on a balanced budget resolution which calls for \$613.3 billion in spending for Fiscal Year 1981 and \$613.8 billion in revenues, leaving a surplus of \$500 million.

As a major part of his anti-inflation program, the President has urged adoption of a balanced budget. His revised FY 1981 budget submitted last March called for outlays of \$611.5 billion and base revenues of \$612 billion, for a surplus of \$500 million.

Both the President's budget proposal and the Congress' compromise are balanced without taking into account the \$10.3 billion in anticipated receipts from the gasoline conservation fee. The receipts will be earmarked for possible future tax reductions.

The fee, which the President imposed to cut gasoline consumption, is being challenged by some Congressional committees and in the courts. (The House Ways and Means Committee today approved a resolution of disapproval.) The Federal government is appealing to overturn a recent decision by a U.S. district judge here that blocked the fee from going into effect last Thursday.

The compromise proposes \$153.7 billion in outlays for defense. That is \$5.8 billion more in outlays than that settled on by the House and \$2 billion less than what the Senate proposed to spend. The President requested \$150.5 billion in defense outlays.

The higher amounts for defense are offset by lower amounts than the President proposed in virtually all remaining functions.

Hotels Urged to Restrain Prices, Cooperate with Plan

The President yesterday called upon 19 executives from the hotel and motel industry to restrain their prices and cooperate more fully with the anti-inflation program.

The President said he was disappointed with the hotel and motel industry's performance since its meeting in December with the Ad-

See *Hotels Asked to Cooperate*
next page

100 Groups Agree to Ridesharing Goals to Cut Gas Use

More than 100 private businesses, trade or service associations, and government bodies have agreed to meet the goals of the National Energy Conservation Program announced by the President three weeks ago.

The program is designed to encourage Americans to use less energy and help the nation reduce its dependence on foreign oil.

The President wants to cut gasoline consumption this year by 5.5% and oil imports in one-half by 1990. Currently, high payments for imported oil contribute to the inflation problem, account for increases in the U.S. trade deficit, and weaken the economy.

The organizations which have pledged participation so far will get at least 20% of employees to share rides or use public transit. If a firm or government already has met that goal, it will increase its ridesharing to 40%.

The groups also have pledged to concrete programs to inform employees, customers, and the general public about no- or low-cost conservation methods such as efficient route planning, proper car maintenance, and more economic driving habits. The groups also pledged to take steps to improve the fuel efficiency of their motor vehicle fleets by 10% this year.

President Carter has pledged the Federal government to the same goals.

Those who have agreed so far to participate in the initiative are listed, together with the number of employees or members which they represent, when those numbers are available:

American Driver and Traffic Safety Education Association (2,400)
American Public Transit Association (2,600)
National Steel Corporation (35,900)
United Bus Owners of America (120)
National Association of Fleet Administrators (1,700)
American Automobile Association (20,000,000)
American Textile Manufacturers Institute, Inc.
City of Baltimore
Automobile Importers of America, Inc.
City Council of New Orleans, La.
Rheem Manufacturing Company
Carl Byoir & Associates, Inc.
American Bus Association (550)
American Can Company (48,800)
McDonnell Douglas Corporation (62,200)
Motor Vehicle Manufacturers Association of the United States, Inc. (11)

National School Transportation Association (3,000)
The American Legion (2,700,000)
Phillips Petroleum Company (28,300)
Standard Oil Company of California (46,700)
Honeywell Inc. (77,800)
Boehringer Ingelheim Ltd.
SmithKline Corporation (15,100)
Southwestern Pennsylvania Regional Planning Commission
The Bergen Record
National Association of Manufacturers (13,000)
The Goodyear Tire & Rubber Company (152,000)
RCA Corporation (111,000)
Kerr-McGee Corporation (11,000)
American Telephone and Telegraph Company (946,000)
Libbey-Owens-Ford Company
Digital Equipment Corporation
National Independent Automobile Dealers Association (8,400)
National Committee for Motor Fleet Supervisors Training (400)
Montgomery Ward
Association of American Railroads (243)
American Standard Inc.
Ohio-Kentucky-Indiana Regional Council of Governments
County of Allegheny, Pa.
Regional Planning Commission, New Orleans, La.
Rubber Manufacturers Association, Inc.
Atlanta Regional Commission
Hallmark Cards, Inc. (10,000)
Delta Nu Alpha Transportation Fraternity, Inc., National Headquarters
Traffic Clubs International
International Business Machines Corporation (310,000)
City of New Orleans
Westmoreland Coal Company
Valmont Industries, Inc.
Shepard Chevrolet, Inc., Lake Bluff, Ill.
United States Fidelity and Guaranty Company
Car Care Council (100)
Northwest Airlines, Inc.
Aetna Life Insurance Company (34,500)
American Public Power Association (1,400)
NAFA - Carolina Chapter
Winn-Dixie Stores, Inc. (51,000)
Energy Administration, State of Michigan
General Electric Company (384,000)
Tandy Corporation
Grange Mutual Companies
Philip Morris, Inc.
American Scientific Products
International Multifoods Corporation
American Petroleum Institute (7,500)
Control Data Corporation (41,000)
Pfizer, Inc. (40,200)
Eaton Corporation (46,600)
Ford Motor Company (479,000)
Chicago Association of Commerce & Industry
The Signal Companies, Inc. (57,000)
Allstate Insurance Company

The General Tire & Rubber Company (40,000)
K-Mart Corporation (170,000)
Board of Supervisors, Orange County, Ca.
Employers Mutual Companies
National Restaurant Association
Highway Users Federation for Safety and Mobility (600)
Conoco, Inc.
Johnson and Johnson (60,500)
Taxicab Management
Discover America Travel Organizations, Inc. (1,200)
Connecticut General Life Insurance Company (13,100)
The Prudential Insurance Company of America (63,000)
Standard Brands, Inc.
Transco Companies, Inc.
Texas Medical Center, Inc.
Angelica Uniform Group
Peabody International Corporation
Automotive Information Council (635)
La Petite Academy, CenCor, Inc.
Metropolitan Service District, Portland, Or.
Shell Oil Company (32,400)
Avondale Shipyards, Inc.
Tire Industry Safety Council (16)
Service Station Dealers of America, Inc.
Golden Gate Bridge Highway and Transportation District, San Francisco, Ca.
Atlantic Richfield Company (50,000)
Levi Strauss & Co. (37,100)
Xerox Corporation (103,000)
National Car Rental
State Budget and Control Board, Division of Motor Vehicle Management, Columbia, S.C.
Air Transport Association of America
Gulf Oil Corporation (59,400)
Mr. Glass, Inc.
Recreation Vehicle Industry Association (540)
American Movers Conference (1,000)

Hotels Asked to Cooperate

from Page 1

ministration about holding the line on price increases.

He said that prices have continued to go up, the Council on Wage and Price Stability has unresolved questions about the compliance status of several firms, and some companies have not submitted data to the Council.

During the fourth quarter of 1979, the lodging-while-out-of-town component of the Consumer Price Index increased at a seasonally adjusted annualized rate of 17.6%. During the first three months of 1980, that rate rose to 23.3%.

The Administration wants business to voluntarily hold down pay and price increases within its anti-inflation standards. As part of the program, the Council monitors prices and profits for firms with \$100 million or more in annual sales.

At the meeting, the President noted that room occupancy rates, sales, and profits have been increasing for many hotel and motel firms.

Seventeen hotel and motel companies now fall under the Council's monitoring program. Of those, seven are in compliance with standards. Three are believed out of compliance, four companies have requested delays or not yet provided necessary data, and the status of the remaining three remains unresolved.

The President noted that some companies have taken positive steps since December's meeting, including Holiday Inns which on its own initiative took corrective pricing actions to stay within standards.

Two Hilton Hotels Divisions Not in Compliance

Holding the Line...

from Page 1

allowable profit margins between October 1978 and September of last year.

In making its finding, the Council on Wage and Price Stability declined Hilton's suggestion that it take smaller profits, saying that any corrective action plan must be based on the Council's more restrictive price standards.

Fifteen additional suppliers of drug, health and beauty aids have agreed to put price ceilings on hundreds of their products for an average of 60 to 90 days.

The Administration has urged food and drug suppliers or manufacturers to voluntarily hold down prices as part of its anti-inflation program.

The 15 new suppliers bring to 35 the number of manufacturers or suppliers of drug, health and beauty aids which are participating in the program.

The 15 firms agreed to put ceilings on many product prices after they were contacted by retail drug chains whose representatives met with the President about the program last month.

SUMMARY OF ANTI-INFLATION ACTIVITIES

Week of May 19, 1980

Congress

First Budget Resolution - House and Senate conferees compromised on a balanced budget resolution for fiscal year 1981. It contains substantially more in defense outlays than proposed by the President, less in social program spending, and no money for transitional assistance for cities.

Oil Import Fee - The Ways and Means Committee ordered favorably reported a resolution of disapproval on the oil import fee, 27-7. The resolution goes to the House Rules Committee.

ESC and EMB - The conference committees reached agreement on the ESC and EMB. Final Congressional action is expected during June.

Trucking Deregulation - The House Commerce Committee favorably reported the trucking deregulation bill with few substantive changes from the Senate proposal.

Credit

The Federal Reserve Board announced it would partially dismantle its credit restrictions following improved money market conditions, tumbling interest rates and reduced consumer loans, which were brought about by the President's anti-inflation program. The President called the action "appropriate," and expressed the hope that banks would pass on these reduced rates to their loan customers.

Outreach

Briefings - Anti-inflation actions were included in most White House briefings -- 5 briefings, covering approximately 300 people, 1 with Presidential participation.

Meetings - Administration officials met with representatives of automobile dealers on Wednesday, May 21, to discuss credit problems as a follow up to the President's meeting with auto industry and UAW leaders.

Continuing Actions

Compliance Actions - Two divisions of Hilton Hotels Corporation have been found out of compliance of the voluntary profit limitations. In a separate action, Daimond Shamrock Corporation announced that it would forego price increases during this compliance year in order to come into line with the Administration's voluntary price standards.

Hotel Industry - The President participated in a jawboning/consultative meeting with representatives of the hotel and motel industry, the fifth in a series.

THE WHITE HOUSE
WASHINGTON

28 May 80

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

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

Rick Hutcheson

EYES ONLY



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

May 23, 1980

MEMORANDUM FOR: THE PRESIDENT

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

SUBJECT: Weekly Activity Report
Week of May 17 - May 23, 1980

1. International Energy Agency: I attended the Ministerial IEA meeting this week in Paris. A trip report has been forwarded to you this morning.

2. World Oil Price Increases: As of noon today, every major crude oil exporting country except the United Kingdom has increased its prices. We expect a similar announcement from the United Kingdom soon. The price increases average about \$2.00 per barrel. This raises the average world price to \$31.15 (FOB). We estimate that this round of increases will be likely to add 3 cents to the retail price of a gallon of gasoline or heating oil in the United States. We now project that, at these prices, we will spend about \$89 billion for imported oil in 1980, an increase of \$3 billion over our previous estimates.

3. Gasoline Conservation Fee: We filed our appellate brief in the Court of Appeals for the District of Columbia Circuit on May 20; that appeal will be argued in early June. We have not received a briefing schedule from the Temporary Emergency Court of Appeals, which has jurisdiction over the question of your authority under the Emergency Petroleum Allocation Act.

On the Hill the situation remains unchanged. The House Ways and Means Committee has reported the resolution of disapproval; the Senate has taken no further action.

4. Legislation: The Conference Committee has finally completed its work on S. 932. Final agreements have been reached on all issues, except the Strategic Petroleum Reserve, as to which a tentative agreement has been reached. The tentative agreement on the Reserve would require that we resume filling the Reserve within six months, but it would give us great discretion in how to fill it. The Conferees will reconvene on June 16 to ratify the legislation drafted by the staff and to reach final agreement on the Strategic Petroleum Reserve title. We still expect that you will be able to sign the legislation on July 4.

5. Contingency Planning: We have established a new office for contingency planning within the Department's Economic Regulatory Administration. This Office will prepare step-by-step plans for coping with crude oil shortfalls of different sizes. The Office will concentrate first on the response needed from the Department of Energy; it will then attempt to coordinate the plans of federal, state, and local agencies and private industry.

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

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May 23, 1980

Principal Activities of the Department of Justice
For The Week of May 17 through May 23, 1980

1. Cuban Refugees

Since the announcement of the new policy regarding Cubans and Haitians, 450 boats have been constructively seized, and for the first time, a vessel captain has been arrested. The captain had already made one trip to Cuba and was about to leave on another. He was charged with violating Treasury Regulations and various other criminal laws.

Judicial proceedings to collect the fines levied on arriving vessels will begin next week. We also expect exclusion proceedings for those Cubans who are in detention to begin within 10 to 14 days.

2. Judicial Selection

The Senate confirmed 15 judicial candidates (5 under the new law and 10 regular vacancies) on Wednesday, May 21. This brings the total number of judicial candidates nominated by the President and confirmed by the Senate to 230. Of these 230 federal judgeships 126 were created by the Omnibus Judgeship Act of 1978.

There are currently 61 federal judgeship vacancies (26 under the new law and 35 regular vacancies). 45 candidates are in process, 31 are pending in the Senate, 5 are pending at the White House, with the remainder still under investigation or evaluation. Only 2 omnibus vacancies are still awaiting commission action for preliminary selection.

3. Olympic Boycott

The U.S. District Court for the District of Columbia last week dismissed the action brought by Olympic athletes against the U.S. Olympic Committee in which we appeared on behalf of the U.S. as a friend of the court. This week, the U.S. Court of Appeals for the District of Columbia Circuit affirmed the holding of the District Court.

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4. ABSCAM Indictments

The first indictments resulting from the ABSCAM investigation were handed down by a federal grand jury on May 22. Three members of the Philadelphia City Council and a Philadelphia attorney were indicted for conspiring to influence the official duties of three Council members in return for payments from federal undercover agents. There will be a continuing number of indictments returned over the next four weeks.

5. Cocaine Seizure

On May 20, the border patrol seized 420 pounds of cocaine (retail value \$2 million, street value of \$200 million or more) in the trunk of a Buick at a check point on the main road from the Florida Keys near Florida City. The driver of the car, a law student, was arrested but claims that he was paid \$100 to drive the car to Miami for three other individuals who did not tell him of the contents of the trunk.

6. Law Enforcement Assistance Administration

At Senator Kennedy's direction, the Justice Department authorization bill has been reported out of the Senate Judiciary Committee with an amendment which rejects the approach of phasing out LEAA and continuing the National Institute of Justice and the Bureau of Justice Statistics. Instead, the amendment would not authorize the latter two bodies and would instead divert whatever funds are available to be distributed to states and localities by LEAA. The Department is opposing this change.

7. Meetings and Events

On May 17, the Attorney General gave a commencement address at the University of Michigan Law School on the enforcement of environmental laws. On May 18 the Attorney General gave a commencement address at Notre Dame University which addressed more philosophical issues concerning the limits of specialized knowledge.

On May 19 and 20, the Attorney General was in Miami, Florida, in an effort to contribute to the reduction of tensions in that city. He met with community, law enforcement, and governmental groups, and announced a broad Department of Justice inquiry into allegations of police brutality in the Miami area.



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

May 23, 1980

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

Subject: Weekly Report of Major Departmental Activities

New Demonstration Project for Small Cities Announced. HUD's Office of Public/Private Partnerships will manage a new 20-month demonstration project for cities under 50,000 in population. Announced by Presidential Assistant Jack Watson on May 13, the project will direct federal, state and local public and private resources toward restoring economic vitality to central business districts. Thirty communities will be competitively selected to participate in the project.

Position Taken on Foreign Investment in U.S. Cities. Foreign investors that have decided to invest in the United States will be actively encouraged by the Federal Government to locate in areas with high unemployment and large numbers of low-income residents. I have announced that HUD and the Department of Commerce will work through the White House Interagency Coordinating Council to develop a strategy for informing foreign investors of the incentives for locating in economically-troubled areas. In addition, we will be working with the states to help them strengthen their own information-giving capabilities.

Regional Development Choices Forums Begin. Under Secretary Victor Marrero urged a blue-ribbon panel of distinguished business and government leaders to meet head-on the challenges facing them as advisors to the Federal Government on the physical development options facing this country in the 1980's. Addressing the Council on Development Choices for the '80s at its first regional forum in New York, Mr. Marrero told Council members that HUD and the nation are relying on them to provide "the best vision of what is necessary" and ideas on how best to transform socially sound programs into reality for future generations.

French Cabinet Minister Visits U.S. Yesterday I met with Michel d'Ornano, my French counterpart as Minister of the Environment and Human Ecology. Mr. d'Ornano and the French ambassador joined me for lunch in my suite, then traveled to Baltimore where the Minister received an honorary citizenship from the Mayor.

Moon

Moon Landrieu

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

①

May 23, 1980

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

USSR. The Colombian Agriculture Ministry announced that Colombia and the USSR have signed a contract covering the purchase of 12,000 tons of Colombian boneless meat. In addition, Thai industry sources report that the Thai Commerce Ministry has approved private commercial sales of 110,000 tons of Thai corn to the USSR for delivery in May-July. Loading of up to 60,000 tons of this was reported to have been completed yesterday.

New Zealand announced that no export permits would be issued for corn sales to the USSR, nor would global export permits beyond 61,000 tons already approved be issued for the sale of barley, tallow sales to the USSR would be kept under review and that all other grain exports would be monitored to establish the ultimate destination before export permits were authorized.

The Australian Primary Industry Minister announced that Australia has authorized coarse grain marketing bodies to enter into a limited number of forward export contracts to the Soviet Union. The authorization allows marketing bodies to enter into open destination contracts relating to their 1980/81 crops for up to 25 percent of the tonnage supplies to the Soviet Union from their 1979/80 crops or "traditional" levels. The government will assume all such contracts destined for the Soviet Union. The authorization applies to barley, oats and grain sorghum but not to wheat sales. The Australian Board has sold two million tons of wheat to the USSR for shipment by June this year.

PLANTING. Farmers were able to make good planting progress last week, particularly for corn and soybeans.

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Percent of Crop Acreage Planted as of May 18^{1/}

	: 1980	: Week Ago	: 1979	: Average
Spring wheat	: 90	85	42	66
Corn	: 86	70	58	69
Cotton	: 56	47	61	NA
Rice	: 90	85	79	90
Sorghum	: 35	26	32	34
Soybeans	: 31	15	18	15

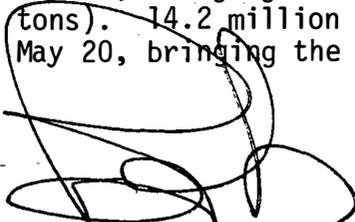
^{1/} States included represent 91 percent of spring wheat excluding durum, 93 percent of corn, 99 percent of cotton, 99 percent of rice, 92 percent of sorghum and 94 percent of soybean crops in 1979.

TIMBER. USDA has initiated a program of salvage and slash sales designed to put loggers back to work and meet the high demand for wood chips in the Pacific Northwest. This program will include modification of existing timber sale and thinning contracts to permit purchasers to take the wood that would otherwise be burned or buried and use it for conversion into chips. This program will also include new sales of downed timber and other salvage. The program would continue for as long as demand for wood chips remained high.

PAY. Next week, USDA will announce that an estimated \$223 million will be shared by 43 States and Puerto Rico as a result of 1980 national forest and national grassland receipts. Interim payments of the state shares of the national forest receipts will be made during October 1980, with the balance paid during December when final figures on the revenues collected during fiscal year 1980 are available.

RESERVE. USDA announced provisions for a new reserve program for barley under which only market prices for feed barley will be used in determining the release and call levels of the commodity. Effective immediately, 1978 and 1979 crop barley which producers have under CCC support loans may be placed in the new reserve and 1980 crop will be eligible for entry into the new reserve at the beginning of harvest.

RETENDER. The CCC retendered 20 million bushels (508,620 tons) of corn May 21, bringing the total retendered to 86 million bushels (2.2 million tons). 14.2 million bushels (386,630 tons) of wheat were retendered May 20, bringing the total to 36 million bushels (979,838 tons).



BOB BERGLAND

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

May 23, 1980

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

SUBJECT: Weekly Report of Major Activities

Appointments

The Senate confirmed the nomination of Michael Timpane as Director of the National Institute of Education on May 21.

The appointment of Martha Keys, Assistant Secretary for Legislation - Designate, has been sent to the Senate.

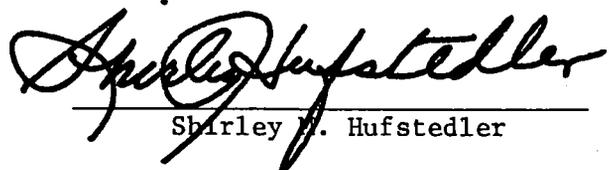
Legislative Action

Within the last week, the House and Senate have approved resolutions disapproving regulations for two additional ED programs (Law-Related Education and Grants to States for Educational Improvement, Resources and Support). Congress has now disapproved regulations for four education programs.

The Department has asked the Attorney General for an opinion on the constitutionality of these actions.

Meeting

On May 20, I had a productive meeting in Mexico City with Fernando Solana, Mexican Secretary of Public Education, on the opportunities for cooperation between our two agencies.


Shirley J. Hufstedler

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THE SECRETARY OF THE TREASURY
WASHINGTON 20220

May 23, 1980

10

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE MARKETS AND THE DOLLAR

- Stocks moved higher in reaction to lower interest rates. The Dow Jones index gained 27.64 points over the week to close today at 854.18. The stock market is up 95.05 points from the April 21 record low of 759.13.
- In the credit markets interest rates declined, with short-term yields dropping sharply to close today below 8 percent. Firmness early in the week reflected an apparent easing in the Federal Reserve's policy stance. The May 22 announcement of modifications to the credit restraint program led to further yield declines.
- In the absence of Congressional action on the debt limit, the Treasury has postponed auctions of \$4 billion of 2-year notes and \$3 billion of 5-year 2-1/2 month notes originally scheduled for May 27 and May 28.
- Most major banks have lowered their prime lending rates to a range of 14-1/2 percent to 15-1/2 percent, down from 16-1/2 percent last week.
- The dollar weakened in terms of most major foreign currencies, despite further reductions in U.S. interest rates.
- Gold in London declined \$4 over the week, closing today at \$509. The May silver contract also declined over the week, down 36 cents to close at \$11.96.

2. CHRYSLER

- On Thursday, May 22, an investment banking syndicate led by Salomon Brothers obtained commitments to purchase the entire \$500 million of Federally-guaranteed Chrysler notes at an interest rate which is 0.75 percent to 1.0 percent greater

than the comparable rate for a U.S. Treasury note with a ten year maturity. The actual issuance of the guarantees will not occur until the 15-day reporting period to Congress has expired (May 27), provided all conditions imposed by the Chrysler Loan Guarantee Board have been met. Chrysler Corporation currently estimates that issuance will occur on June 3, although some additional time may be needed to complete all required transactions.

- . The Senate Banking Committee held an oversight hearing of the Chrysler loan guarantee program on Tuesday, May 20. Although Senator Proxmire was critical of certain terms of the debt restructuring agreements with Chrysler's lenders, Congressional action to overturn the Loan Board's decision is highly unlikely. The House Banking Committee has planned no hearings.

3. OIL IMPORT FEE

- . In a 27-7 vote the House Ways and Means Committee reported Congressman Shannon's joint resolution disapproving the fee.
- . By invoking certain procedural rules, we have managed to delay Rules Committee consideration of the resolution until the first week in June.

4. MULTILATERAL DEVELOPMENT BANKS (MDBs)

- . On Wednesday, May 21, the House approved the MDB Regional Authorization Conference Report in a 224-181 vote. The report passed the Senate on Thursday by a voice vote. The Inter-American Development Bank and the Asian Development Fund were cut 10 and 15 percent, respectively, by the Conference Committee in order to gain the necessary votes for passage.



G. William Miller

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

May 23, 1980

FYI

REPORT TO THE PRESIDENT

Tax Policy: We have previously called attention to the steel industry's drive for an early tax adjustment bill. The recent dramatic deterioration as reflected in a number of steel industry performance measures fuels the industry's complaint that some Administration officials say such an inducement to the industry's modernization is not needed. At this week's quarterly meeting with officials of the National Association of Manufacturers and the Chamber of Commerce, the Associations were urgent in their call for early tax adjustment. I fear that industry senses a near term victory on the Hill causing them to be more concerned with politics and process than with the careful consideration of the substance of an appropriate tax measure which would link adjustment to future modernization needs. I continue to believe in the efficacy of the Administration initiating a dialog with industry to address the content of your future tax proposals.

World Trade Week: Throughout the U.S., officials of the Department emphasized the progress made by the Administration in implementing the Trade Reorganization and talked of the need for private industry to enhance their competitive position and to seek opportunities for improving their export record. Audiences responded well to the concept that the government's role is to provide incentives, review disincentives, promote technological advances, and otherwise facilitate industry's efforts to improve its productivity in achieving its own revitalization.

Minority Enterprise Advisory Committee: Twenty-six leaders of the minority business community attended the first meeting of this committee charged to provide assistance in formulating and refining programs and policies to bolster minority enterprise development. Particular concern was expressed by its members for the status of the Minority Business Development Agency authorizing legislation as well as for the status of EDA's legislation and for the need to build into all program agencies a commitment to leverage their program resources in order to ameliorate what is believed by many to be an adverse and disproportionate impact of the budget cuts upon minority enterprise assistance programs.

Foreign Travel: During the period May 23-June 5, I will chair the meeting of the U.S.-Poland Joint Economic Commission in Warsaw; undertake meetings with economic, trade, and other ministers in Hungary, Italy, and Greece; join State in heading the U.S. Delegation to the OECD Ministerial Meeting in Paris; and attend the first day's session of the ILO in Geneva. In my absence, Deputy Secretary Luther Hodges will be Acting.


Philip M. Klutznick

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

May 23, 1980

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : William J. Beckham, Jr.
Acting Secretary

SUBJECT: Significant Issues for the Week of May 19, 1980

Auto Industry - In cooperation with other Federal agencies, the Department is assembling options to assist the auto industry in the following areas: international trade, regulations, credit availability, taxation, regional economic impact and unemployment. We also are addressing anti-trust, and technology and productivity questions. Based on the reports of participating agencies, we will consult with industry officials in the first week of June and present a report on background, options and recommendations to the Economic Policy Group by June 11.

In view of the tight deadlines, the cooperation of other agencies is appreciated.

Budget - The conference committee agreement on the Budget resolution leaves the Department in much better shape than would have the Senate. The \$400 million transit supplemental for FY-80 was restored. However, we will still fall considerably short of meeting our commitment to transit for at least the first two years of the life of the Windfall Profits Tax.

Miami - In response to Stu Eisenstat's request, the Secretary's regional representative in Miami is meeting with leaders of the Black community to insure that departmental projects, grants, and resources in the area provide the fullest possible minority employment opportunities.

Mt. St. Helens - Transportation damage and cleanup estimates are not yet complete, but initially we have identified \$190 million in highway costs resulting from the volcanic eruption. The emergency highway relief fund has been exhausted for some time and we are obligated to the State of Washington for bridge repairs resulting from another disaster. Secretary Goldschmidt has directed us to quickly assemble a cost estimate since we will need an appropriation.

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Trucking Deregulation - The House Public Works Committee has reported a sound trucking deregulation bill. If the House passes the bill without amendment, the Senate is expected to accept it without a conference. The bill would ease entry to the industry, placing the burden of proof on opponents in an entry case; it would require an applicant to show public or shipper support. Anti-trust immunity for rate bureau consideration of single-line rates ends in 1984. Rate flexibility will not be granted until after the easier entry provision takes effect, thus allowing competitive forces to counter any inflationary impact from rate flexibility. The expanded exemption in the Senate bill for hauling agricultural goods was replaced with a weaker but acceptable provision.

While the Senate-House agreement on the bill is fragile, the progress of the bill so far is a major accomplishment for the Administration.

Highway Program Lawsuits - Six suits have been filed challenging the Department's reallocation of FY-80 highway construction obligations which accompanied our deferral of \$1.1 billion for the fiscal year. As a result of several lower court decisions in favor of the States bringing the suits, we can expect new law suits by other States seeking to protect their interests. We are working with the Justice Department on a strategy for appealing the adverse decisions. Congress is expected to pass its own allocation formula in our FY-80 supplemental appropriation, which will moot the court cases.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

9

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HHS Activities

Visit of Polish Minister of Health. At my invitation the Polish Minister of Health, Dr. Marian Sliwinski, will arrive in the United States on May 27. He will meet with me and senior Department officials to discuss health administration in the United States. He will also observe a double coronary bypass procedure, attend a meeting of the Board of Trustees of the American Medical Association and tour various health facilities.

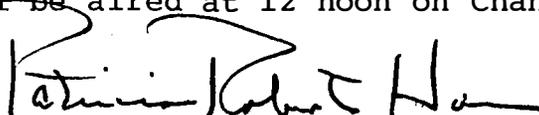
New York State Cash Management. June 17 has been set by Judge Lou Oberdorfer for hearing on the issues involved in the misuse of letter of credit funds by the State of New York. In the suit filed by New York against me and the Department, we entered into a stipulation agreeing to make certain interim payments and reserving all of our rights to recover improperly used funds. The Department has prepared evidence and given legal depositions to the General Counsel for use in the litigation. The General Counsel is preparing a Memorandum of Understanding which will establish ground rules for providing funds to the State until the matter is resolved. To maintain the status quo until a judicial decision, the Department wired \$20 million to the State on Tuesday. We will take all action necessary to recover the Federal funds.

Cuban Arrivals. The Department has deployed 208 personnel to Cuban arrival processing points in Florida, Arkansas and Pennsylvania. Additional personnel will be assigned to Fort McCoy, Wisconsin, when that camp opens this weekend. Next week the Department's daily reports to Jack Watson on the newly arriving Cubans will include comprehensive health statistics and an assessment of our processing costs.

Speech at National Conference on Social Welfare. On Sunday I addressed the 107th Annual Forum of the National Conference on Social Welfare in Cleveland, Ohio. I conveyed your greetings to the Conference and underscored this Administration's commitment to provide social services for the aged, the poor and the handicapped.

Love Canal. Next Tuesday the Under Secretary will meet with Barbara Blum, Deputy Administrator, Environmental Protection Agency, to discuss the findings of the chromosome studies of the Love Canal residents.

Issues and Answers. I will be a guest on ABC's Issues and Answers this Sunday. The program will be aired at 12 noon on Channel 7.


Patricia Roberts Harris

THE WHITE HOUSE

WASHINGTON

May 23, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN

Fred

SUBJECT: Weekly Activities Summary

THE PRICE STANDARDS

Chemicals: On Thursday, the Council announced that Diamond Shamrock Corporation had agreed to forgo \$9.6 million in allowable revenues during our second program year in order to come back in compliance with the price standard. Earlier, the chemical operation of U.S. Steel agreed to forgo \$4 million in profits for the same reason. Both companies attended our meeting.

Oil: During the week Mobil Oil announced it was cutting its gasoline and jet fuel prices two cents a gallon and its heating oil and diesel fuel prices three cents a gallon, to give back the \$30 million to which it had agreed. Earlier, Union Oil of California cut its prices by still larger amounts. Both companies said they cut their prices to stay in compliance with the CWPS standards. We are still reviewing the data to see if the companies are in fact currently in compliance.

THE CPI

I testified before the Joint Economic Committee on Friday on the gratifying April CPI. While warning that too much of the improvement, as in the April PPI, is attributable to sharp declines in the farm prices of food -- declines that can not be sustained -- mortgage interest rates should in the months immediately ahead more than make up for the expected reversal in food prices. I also emphasized the continuing 10% underlying rate, and the policies we are pursuing aimed at attacking that more fundamental problem as well.

Community WASHINGTON, D.C. 20506
Services Administration



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MEMORANDUM FOR THE PRESIDENT

TO: Rick Hutcheson
Staff Secretary

FROM: William W. Allison *WWS*
Acting Director

SUBJECT: Weekly Report of Significant Activity
(May 19 - 23, 1980)

DATE: May 23, 1980

TOO COLD . . . TOO DARK: RISING ENERGY PRICES AND LOW-INCOME HOUSEHOLDS

This new study prepared for the Community Services Administration is being delivered to members of Congress who have CSA related and/or energy related committee assignments. According to the study, next winter the 2.4 million low-income households heating with fuel oil will, under the best of circumstances, pay on an average more than one third of their annual income for home energy expenditures, not counting expenditures for gasoline. If the winter is severe and the price of oil rises to \$2.00 per gallon, which many think it will, this cost would rise to 58 per cent of the \$4,200 mean income of the households below 125% of the poverty guideline. And these are percentages of annual income, based on national averages. During the heating season in colder sections of the country, home energy costs will in many cases exceed the total monthly income of the family. The 8.3 million low-income households heating with natural gas will pay less, but even they will spend on an average about one fifth of their incomes on home energy, and more if the winter is severe.

We at CSA believe the study is significant and should be useful to the Administration and the Congress as consideration is given to future energy assistance programs for the poor.

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

May 23, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth
Jane Yarn
Bob Harris

Gus Speth

SUBJECT: Weekly Report

Flower Garden Banks. Yesterday EPA decided to issue three controversial NPDES (water pollution control) discharge permits for oil and gas operations at the Flower Garden Banks offshore Texas and Louisiana. The Flower Gardens are the only two submerged hills in the northern Gulf that are capped with lush tropical coral reefs. They are considered among the U.S.'s most valuable living marine resources. EPA's permits will allow pollutant discharges from oil and gas operations on the Flower Gardens, but will include conditions opposed by environmentalists as too lax and by industry as too strict. Both groups will probably sue EPA and may seek meetings with White House/EOP staff. Environmentalists believe the Flower Gardens should be a marine sanctuary or a national park or monument (NOAA has the authority to establish a marine sanctuary whose terms could affect the EPA permits). In our view the permit conditions imposed by EPA are inadequate to protect the Banks, especially considering the small oil and gas yields from the tracts at issue. The decision raises the question whether the Administration policy is to allow OCS operations to occur without adequate safeguards to protect unique areas.

Lake Tahoe. You will receive a memorandum that will address the issue of improving the protection of the Lake Tahoe Basin by means of increased federal action. Actions to protect Lake Tahoe and the surrounding basin from increased environmental degradation is strongly favored by California. Lake Tahoe is, in our view, a truly unique and valuable natural resource of national significance, which warrants federal protection.

Love Canal. We are pleased that you decided to provide temporary, rather than permanent, relocation assistance to the Love Canal residents. Your temporary relocation decision has received widespread praise from the environmental and public health communities. However, the chromosomal study which precipitated this latest furor was seriously flawed scientifically. It may lead to questions about whether EPA will be able to fashion objective followup studies to serve as a credible basis for a decision on permanent relocation and eventual revitalization of the area. If the temporary relief is not handled sensitively, it runs the risk of so antagonizing the Love Canal families that they will refuse to participate in the necessary followup studies. We are working with Jack Watson, Frank Press and others to coordinate followup health effects studies that will draw broadly on the resources of the Federal Government. This will help to assure local officials and residents that we intend to provide the technical assistance necessary to resolve the problem over the next year.

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THE WHITE HOUSE
WASHINGTON

28 May 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

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May 23, 1980

ADMINISTRATIVELY
CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *AW*

SUBJECT: ACTIVITIES REPORT --- WEEK ENDING MAY 23, 1980

1. Budget

Congressmen Obey, Edgar, Wirth, and Broadhead conducted a meeting with liberal interest groups. It was characterized by our contacts as an angry meeting, with the Conference Report described as a Republican budget and a cave-in by House conferees on the Defense spending at the expense of domestic programs. All of the groups are joining a fight against the Conference Report in the House, including NEA, UFCW and CWA just to name a few of our friends. Others include the Mayors, the governors, the counties, housing groups, the AFL-CIO, etc. The long-term implications are significant.

2. Registration

Interest groups are working to defeat the "C.O." amendment and to oppose all other floor amendments.

3. Fair Housing

Prior to Rodino's request to hold up the legislation until after the New Jersey primary, we met with the key supporting interest groups to mobilize and target their activities. They will use the holiday break for intensified efforts, particularly on the Sensenbrenner amendment where our vote count does not look very good. We have secured support from the National Brokers Association which has sent out information trying to correct some of the distortions being promulgated by the realtors.

4. Olympics

The Chief Executives Luncheon was a success. We are now following up with those Chief Executives and a group who offered to help but could not attend to give them specific assignments working with the USOC.

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5. Energy Conservation

We have received about 140 responses to our transportation conservation initiatives. This represents a response rate of about 50% which I consider to be a major success. Of course, the real success will come through the follow-up by the agencies.

THE WHITE HOUSE
WASHINGTON

28 May 80

Stu Eizenstat
Jack Watson

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

Rick Hutcheson

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

cc Kay
Jack
Stu
brief comment
J

May 23, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: THE SECRETARY

SUBJECT: Major Departmental Activities *RM*
May 19-23, 1980

Contingency plan for providing selected cities with additional summer employment opportunities for disadvantaged youth. Although the origins of the recent rioting in Miami are complex, this development, together with an economic slow-down, suggests to me the importance of developing in this Department and in other domestic Cabinet agencies, a plan for augmenting existing resources for young people in selected central cities. By early next week, I will have completed a plan using existing resources to add some additional job and training opportunities for unemployed youth. However, I believe that any plan should not just rely on jobs. I would strongly urge that Stu Eizenstat and Jack Watson coordinate a government-wide plan and that if the results are promising, that you make a public announcement of these additional efforts.

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 27, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley *LEG*

Subject: Merchandise Trade Figures for April

Tomorrow (Wednesday, May 28) at 2:30 p. m., the Census Bureau will release the April figures for merchandise trade. The deficit declined sharply further.

The figures published tomorrow will show exports measured free alongside ship (f.a.s.), and imports measured to include cost, insurance, and freight. On this basis the deficit was \$1.9 billion, down from \$3.2 billion in March and \$5.6 billion in February. The report showing both exports and imports on an f.a.s. basis, which will be released two days later, will indicate about the same improvement from March, and a deficit of \$840 million last month.

The April improvement stemmed principally from declining imports. Imports of energy products (mainly oil) fell by over \$1 billion; other imports were generally unchanged or moderately lower. Exports declined slightly; the decline would have been somewhat larger but for a \$200 million rise in gold exports. Since exports had jumped sharply in March, the fact that they held most of that gain last month indicates that export demand is still strong.

The drop in oil imports confirms weekly data from the American Petroleum Institute showing very low oil imports. That is very good news. Declines in other categories of imports in March and April mainly from recession-induced reductions in demand.

Demands for nonfuel imports in the U. S. respond very strongly to changes in the pace of U. S. economic activity. Declines in these imports were therefore to be expected because of the steep recession underway. The fact that oil imports have declined sharply at the same time has led to a larger improvement in the trade balance than anyone had expected. This should help to relieve downward pressures on the dollar in exchange markets, which have been strong recently.

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THE WHITE HOUSE
WASHINGTON

5/28/80

Mr. President:

The word was passed
to me that you agreed to
have the Ted Turner cable
TV interview on Saturday
and to add a taping with
Issues and Answers also.
Is this correct?

yes no

To Camp David afterwards?

yes no

Phil

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THE WHITE HOUSE
WASHINGTON

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THE WHITE HOUSE
WASHINGTON

5/28/80

Do you have any idea when you
expect to be calling Hugh Sidey?
(Apparently his mother is visiting
him, and he just would like a
little idea, so to be certain to
be home, etc.)

per Carolyn Shields
Press Office

*Place call for
1:30 pm*

J

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THE WHITE HOUSE
WASHINGTON

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11:30
5/27/80

THE WHITE HOUSE
WASHINGTON

5/23/80

Mr. President:

The Attorney General
would like 15 minutes early
next week on 2 intelligence
matters. May I schedule?

yes no

Phil



12:20 PM

THE WHITE HOUSE

WASHINGTON
May 27, 1980

MEETING WITH AMERICAN LOGISTICS ASSOCIATION
Wednesday, May 28, 1980
12:20 p.m.
The Oval Office

From: Anne Wexler *AW*

I. PURPOSE

Brief photo opportunity with Robert Reibow (Ree-bo), President of the American Logistics Association.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The American Logistics Association (ALA) is a business organization made up of suppliers to the U.S. Government, particularly the Department of Defense. The ALA's objective is to serve as a communication medium between supply and logistical elements of both private industry and Defense and other Federal agencies. The ALA generally has spoken out in support of our military and veterans initiatives.

B. Participants: Robert Raibow, President, American Logistics Association (ALA)

Richard Steinberg, Vice President, ALA;

Morton Wolfson, Chairman of the Board, ALA;

Richard Scott, Treasurer, ALA;

William Lazarus, Executive Vice President, ALA.

C. Press Plan: White House photographer, AP and UPI.

III. TALKING POINTS

-- Express your appreciation that ALA shares your concern for the well being and basic living standards of our American servicemen and women.

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- Mention your recent visit to the "Nimitz" and support for our servicemen and for increased benefits for military personnel.
- Mention your support for defense budget increases.
- Point out that a strong military defense posture is contingent upon efficient logistical support systems and that we appreciate their work with the Defense Department to this end.

THE WHITE HOUSE

WASHINGTON

May 27, 1980

MEETING WITH OFFICERS OF THE
AMERICAN SOCIETY OF MECHANICAL ENGINEERS

Wednesday, May 28, 1980

12:25 p.m. (3 minutes)

The Oval Office

From: Anne Wexler ^{AW}I. PURPOSE

Brief greeting and photograph with the officers of the American Society of Mechanical Engineers (ASME) and presentation to you of a gold medallion struck in celebration of ASME's 100th anniversary this year.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: The American Society of Mechanical Engineers, founded in 1880, is an educational and technical society consisting of nearly 100,000 practicing engineers, engineering students, and other professionals. Its primary activity is the dissemination of technical knowledge through publications, meetings, and conferences.

To commemorate ASME's 100th anniversary this year the society is striking two gold medallions; one will be presented to you and the other will be presented to the "Engineer of the Century," not yet selected. The medallion will be presented by Donald N. Zweip, President of ASME. The photograph taken will be included in the publications of many engineering societies, representing more than one million engineers.

B. Participants:

Donald N. Zweip, head of the Department of Mechanical Engineering at Worcester Polytechnic Institute and President of ASME;

Kenneth A. Roe, President of the newly-formed American Association of Engineering Societies;

Dr. Rogers B. Finch, Executive Director of ASME;

Charles E. Jones, President-elect of ASME;

Richard Flynn, Attorney, and

Richard Reiman, Staff.

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C. Press Plan: White House photographer.

III. TALKING POINTS

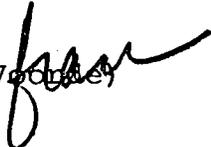
1. Congratulate them on their 100th anniversary celebration.
2. Mention your interest in the presentation of the "Engineer of the Century" award at their Century II/Emerging Technology Conference in San Francisco in August.
3. Thank them for the honor bestowed upon you in being selected as recipient of one of the gold medallions.
4. Mention your own background in the field of engineering.

12:15 PM

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Meeting with the Wurst
and Scott Families
Wednesday, May 28
12:15 p.m.
(3 minutes)
Oval Office

(by: Fran V. )

I. PURPOSE: Greetings and photo opportunity

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background: You and Mrs. Carter stayed with Phyllis and Henry Wurst at their home in Carry, North Carolina during the 1976 campaign. Mrs. Wurst requested this meeting.

Michael and Maurine Scott are from New Castle, England and they are, along with their two sons, here in the United States visiting the Wurst family through the Friendship Force program. Mr. and Mrs. Scott are both school teachers.

B. Participants: Phyllis Wurst
Henry Russell Wurst
Virginia Ray Wurst
Henry Russell Wurst, Jr.
Charles Anthony Wurst
Valarie S. Wurst
Brandon Wurst
Michael Scott
Maurine Scott
Nicholas Michael Scott
Mark Robert Scott

C. Press: White House Photographer

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THE WHITE HOUSE

WASHINGTON

May 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Patricia Barrio
Deputy Press Secretary

SUBJECT: Your Meeting with Non-Washington Editors, Wednesday,
May 28, 1980, 11:30 a.m., The Cabinet Room

The meeting today includes 24 editors and correspondents from 9 states, including 9 people from Michigan. All represent outlets of the Newhouse newspaper chain.

Because of the large number of Michigan newspapers represented, you are likely to be questioned about the following issues in that state: growing unemployment in the auto industry; foreign competition in the auto industry; the Chrysler aid package; the effect of government regulations on the domestic auto industry; inner-city minority youth unemployment; the ELF/Seafarer naval communications proposal; toxic wastes, especially from PBB contamination and pollution of Lake Superior by Reserve Mining Company; milk price supports; and the faltering freight railroad system in the mid-west.

A summary of the Newhouse newspaper chain, and a list of the attendees are attached.

Prior to their meeting with you, the group will be briefed by Rick Neustadt (trucking deregulation) and Jack Watson (refugees). Following your session, the group will meet with Ray Jenkins, Bo Cutter, Kitty Schirmer and Zbigniew Brzezinski. A copy of the full agenda is attached.

There will be a brief photo session for the White House press corps at the beginning of the meeting. I will stop the questioning after 25-minutes to allow time for photos.

Attachments

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NEWHOUSE NEWSPAPERS

Newhouse is one of the largest newspaper chains in the country in terms of circulation. It is a privately held company, and is reportedly the most profitable of all the newspaper groups. There are 27 daily newspapers in the chain, several weeklies in Ohio, 5 radio and 5 television stations, Conde-Nast magazines (Vogue, House & Garden, Mademoiselle) and Parade Magazine, a weekly Sunday newspaper supplement. The daily papers in Michigan, the weeklies in Ohio and Parade Magazine are owned by Booth Newspapers, which was purchased by Newhouse several years ago.

The 27 daily newspapers in the Newhouse chain have a combined daily circulation of more than 2.8 million (2.9 million on Sunday). They are:

Alabama	Birmingham News Huntsville Times Mobile Register and Press
Louisiana	New Orleans Times-Picayune and States-Item
Massachusetts	Springfield Union and News
Michigan (Booth Newspapers)	Ann Arbor News Bay City Times Flint Journal Grand Rapids Press Jackson Citizen Patriot Kalamazoo Gazette Muskegon Chronicle Saginaw News
Mississippi	Pascagoula Mississippi Press
Missouri	St. Louis Globe-Democrat
New Jersey	Jersey City Jersey Journal Newark Star-Ledger
New York	Staten Island Advance Syracuse Post-Standard and Herald-Journal
Oregon	Portland Oregonian and Oregon Journal
Pennsylvania	Harrisburg Patriot and News

ATTENDEES

ALABAMA

Jim Jacobson, editor, Birmingham News. Generally opposed to you. Felt the hostage rescue mission was made solely for personal political reasons. Opposes the MX missile system, and the Muskie appointment. May ask about long-term Cuban refugee settlement plans.

Patrick McCauley, executive editor, Huntsville Times. Supportive of the Muskie nomination, but dubious of the proposed MX system. Concerned about INS policy concerning Mexicans given recent policies in the Cuban refugee situation.

DISTRICT OF COLUMBIA

Bob Fichenberg, editor and bureau chief, Newhouse Newspapers.

Loye Miller, White House correspondent, Newhouse Newspapers.

LOUISIANA

Wilson Harsdorff, associate editor, New Orleans Times-Picayune. Paper has been supportive. May ask about the state of U.S.-Soviet relations following the Muskie/Gromyko meeting earlier this month.

MASSACHUSETTS

David Starr, senior editor, Newhouse Newspapers, Springfield.

Rick Garvey, editor, Springfield News. Garvey intends to ask you about the possibility of the U.S. returning to Canada the Royal Standard of the King of England which was seized from the Government House in Toronto, Canada, during the War of 1812. The flag is presently on display at the USNA. A Royal Mace seized at the same time was returned to Canada in 1934.

Arnold Friedman, editor, Springfield Union. May ask for your views on Senator Kennedy's continued candidacy and a possibly bloody convention this summer.

MICHIGAN

Herb Spendlove, editor, Ann Arbor News. The home of the University of Michigan, he may ask about the status of selective service registration this summer.

David Rogers, chief editorial writer, Bay City Times.

Preston Stephens, editor, Flint Journal. Quite opposed to you; recently writing: "it just seems as if steering the Ship of State through turbulent waters is more than Jimmy Carter can handle."

Michael Lloyd, editor, Grand Rapids Press.

Lou Arkles, editorial page editor, Jackson Citizen Patriot.

Roger Kullenberg, editorial page editor, Kalamazoo Gazette.

Robert Longstaff, editor and bureau chief, Booth Newspapers, Lansing.

Jack Bell, editor, Muskegon Chronicle.

George Arwady, editor, Saginaw News.

MISSOURI

Marty Duggan, editorial page editor, St. Louis Globe-Democrat.

NEW JERSEY

Gus Lockwood, editor, Jersey Journal, Jersey City. Likely to ask about toxic waste disposal problems in New Jersey. The Jersey City area is also affected by auto industry lay-offs.

Mort Pye, editor, Newark Star-Ledger. Concerned about rising unemployment and urban decay, he may ask for your thoughts on the possibility of a "long hot summer" with riots in the streets.

NEW YORK

Peter Harrigan, editorial page editor, Staten Island Advance.

Bill Cotter, editor, Syracuse Herald-Journal. In upstate New York, the spreading recession and the plight of the elderly are of concern.

OREGON

Robert Landauer, senior associate editor, Portland Oregonian. Will likely ask about the level of federal financial relief that can be expected following the Mt. St. Helens disaster.

PENNSYLVANIA

Saul Kohler, editor, Harrisburg Patriot-News. In the shadow of Three Mile Island, he is likely to ask about the local role in determining the future of nuclear energy development, given recent confrontations in Harrisburg and at the Seabrook site in New Hampshire.

THE WHITE HOUSE

WASHINGTON

BRIEFING FOR NEWHOUSE NEWSPAPER EDITORS

May 28, 1980

AGENDA

8:30 a.m.	COFFEE	
8:50 a.m.	WELCOME	PATRICIA Y. BARIO Deputy Press Secretary Office of Media Liaison The White House
9:00 a.m.	THE WHITE HOUSE NEWS SUMMARY	JANET E. McMAHON Editor of the News Summary The White House
9:15 a.m.	TRUCKING DEREGULATION	RICHARD E. NEUSTADT Assistant Director for Government Reform Domestic Policy Staff The White House
10:00 a.m.	BREAK	
10:15 a.m.	CUBAN AND HAITIAN REFUGEES AND THE FEDERAL RESPONSE	JACK WATSON Assistant to the President for Intergovernmental Affairs and Secretary to the Cabinet The White House
11:00 a.m.	BREAK	
11:10 a.m.	EN ROUTE THE CABINET ROOM	
11:30 a.m.	Q & A WITH PRESIDENT CARTER	

THE WHITE HOUSE

WASHINGTON

BRIEFING FOR NEWHOUSE NEWSPAPER EDITORS

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11:00 a.m.	BREAK	
11:10 a.m.	EN ROUTE THE CABINET ROOM	
11:30 a.m.	Q & A WITH PRESIDENT CARTER	

12:00 noon	Q & A WITH RAY JENKINS, Special Assistant to the President	
12:30 p.m.	EN ROUTE 160 OLD EXECUTIVE OFFICE BUILDING	
	FILING TIME	
	BUFFET LUNCH	
1:15 p.m.	THE FISCAL YEAR 1981 BUDGET	W. BOWMAN CUTTER Executive Associate Director for Budget Office of Management and Budget
2:00 p.m.	BREAK	
2:15 p.m.	NATIONAL ENERGY POLICY	KATHERINE P. SCHIRMER Associate Director for Natural Resources, Energy and Science Office of Management and Budget
3:00 p.m.	BREAK	
3:15 p.m.	FOREIGN POLICY ISSUES	ZBIGNIEW BRZEZINSKI Assistant to the President for National Security Affairs The White House
4:00 p.m.	CONCLUDE	

The transcript of the session with the President should be available upon conclusion of the day's briefings at 4:00 p.m.