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8:00 AM

THE WHITE HOUSE

WASHINGTON

June 4, 1980

MEMORANDUM TO THE PRESIDENT

FROM:

ALFRED E. KAHN

Fred

SUBJECT:

Agenda for tomorrow's breakfast meeting on inflation

I am sorry to have to give you more reading matter than usual, but we have some immediate decisions to make on what to do about CWPS in light of the Senate's vote to kill the authorization for its expansion, and we ought to begin the only slightly longer-term process of thinking about the future of the pay and price standards.

I suggest, therefore, we discuss

1. The options available to us with respect to the size of CWPS and its monitoring activities (see the attached memo from Bob Russell and me, "CWPS options").

2. The four specific pay standards issues outstanding between us and the Pay Advisory Committee (See the attached Eyes Only memo from me to you, "The pay standard -- outstanding issues and longer-term prospects," which summarizes some confidential discussions I held with John Dunlop and leading members of the Pay Advisory Committee.)

3. Some fundamental decisions we are going to have to make in the next month or so about the future of the standards program. (See the enclosed memo from Bob and me, "Long-range options for the standards program.")

Only the first of these involves decisions we will have to make at the meeting, if at all possible.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

June 4, 1980

MEMORANDUM TO THE PRESIDENT

FROM:

ALFRED E. KAHN *Fred*
R. ROBERT RUSSELL *Rb*

SUBJECT: CWPS Options

As you know, on Monday, in part because of a last minute intervention by the AFL-CIO, the Senate overturned its Banking Committee's recommendation that CWPS be permitted its expansion, and instead voted to reauthorize CWPS at our present level; a similar bill is on the House floor and we see no possibility of a more favorable outcome there.

During the past 2 1/2 months, we have been straining our resources to keep the program viable and credible until we could begin the expansion, by vigorously seeking and publicizing corrective actions by non-compliers and by holding regular industry meetings. This has been terribly difficult because the Council has been understaffed -- in large part because the expenses of the Pay and Price Advisory Committee (for which we have not yet gotten a supplemental) have been a substantial drain on an already overly austere budget. We had counted on the expansion authorization to solve these budgetary problems; the setback in the Congress makes it necessary to make some decisions now.

We need your decisions about what to do in the near future, and what we should say publicly about our plans in the light of Congress' refusal to support full expansion.

Option 1: Get our staff back up to our authorized ceiling (233) and do what we can within that limit.

The Senate action maintains our authorized ceiling at 233, but our 1980 appropriation is insufficient to let us reach that level. To get up to 233, therefore, we would have to transfer 40 Council employees to the payrolls of other agencies. OMB has confirmed this requirement, but observes it will be extremely difficult to get CWPS' member agencies to provide this level of support and that some members of Congress might object even to this degree of support for CWPS, in view of the recent Senate vote.

That ceiling was selected to administer a program covering roughly 1350 companies, at a time when both the pay and price standards were generally supported (or at least accepted) by the business community. On March 14, you announced an intensification of the price monitoring, including covering an additional 1400 companies in the \$100 million to \$250 million range, developing a selective prenotification program, establishing a field-audit capability, and reducing turnaround time on exceptions and noncompliance decisions.

Held to 233 people, we would have to cut back on this plan in several ways.

- Instead of scrutinizing every company report, we would have to resort to selective monitoring of the expanded universe of companies. We would concentrate on the larger companies, but any monitoring of the newly reporting ones would have to be at the expense of universal scrutiny of the above \$250 million group. In practice, we would follow up for the smaller ones only in cases where the companies report themselves out of compliance, unless there is specific reason to suspect noncompliance.
- We would not establish a prenotification program or create any field audit teams.
- We would have to discontinue passing on exceptions to the price standards except in cases of noncompliance; this undoubtedly would string out that process.

In short, we can attempt to give the appearance of beefing up the monitoring effort, but in fact would have to allow a substantial number of companies to go unchecked.

To carry on even these levels of activity, we are going to have to rely on computers more than we have in the past. To do this, we need your authorization also to obtain financing help from member agencies of the Council for greater use of computers.

Finally, we need your approval to use member agencies' funds and travel budget authority for essential CWPS and Pay and Price Committee travel. CWPS has virtually no authority remaining within the statutory travel ceiling imposed by the 1980 budget, again because we have not been compensated for the travel costs imposed on us by the Pay and Price Committees -- which were not contemplated when the 1980 budget was enacted.

If you agree with these last two proposals in principle, we will give you a specific request promptly. OMB observes, however, that it will be extremely difficult to raise these dollars as well.

Option 2: Expand the program

An increase of roughly 80 people (which would take us 40 above the 233) would allow us to do a credible job of putting into effect the proposals announced on March 14 -- namely, to establish a limited field audit program (2 teams as opposed to the planned 10), a limited prenotification program (covering roughly 50 companies) and process the forms of all reporting companies. We would, however, not process exception requests from companies in the \$100 million to \$250 million range.

Since the CWPS Act currently authorizes the Council to use resources (staff and/or dollars) of its member agencies or departments, it would be feasible to augment the CWPS staff administratively. Any move in that direction could, however, be seen as constituting an open defiance of Congress, and might provoke a confrontation that could result in Congress deleting the borrowing authority from our statute. Private consultations with a few key Congressmen might of course disclose that this very modest expansion would go unchallenged.

For this option as well as #1, we could do much more with your authorization to obtain the additional computer and travel capability we ask for under the first option.

Option 3: Cut back on the Program

We are now markedly below our ceiling and our present budget cannot support even that limited staff. If we do not get additional funds from other agencies, we will have to cut back further on the staff through RIF procedures, which would mean we would fall short of being able to fulfill even our pre-March 14 responsibilities let alone make any pretense of reviewing the 3000 reports we have received thus far from companies in the \$100-million-to-\$250 million range.

Recommendation

- We do not feel we can recommend a choice between Option 1 and 2 until after we have had our discussion.
- In either event, we recommend the increased funding for computers and travel.
- We should issue a public statement describing the ways in which we will be forced to cut back our plans unless the House reverses the Senate action.

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

June 4, 1980

MEMORANDUM TO THE PRESIDENT

From : Alfred E. Kahn *Fred*
R. Robert Russell *Bob*

Subject : Long Run Options for the Standards Program

It is necessary to start planning now for the third year of the pay/price standards. To this end, we have given some thought to both the past effectiveness of the program and what it is likely to be able to achieve in the future. We have reached the following preliminary conclusions:

- o The standards held down the underlying rate of inflation and the rate of wage inflation by one to two percentage points in the first 1-1/2 years of the program.
- o Public support is, however, clearly waning, as was poignantly illustrated by the Senate action two days ago.
- o There is some doubt about how effective the program is likely to be over the next year. As we move into recession, slack labor and product markets will automatically make the standards less restraining -- and less necessary. This is especially true of the pay standard, because of its substantial relaxation this year. It is becoming increasingly difficult to hold both the pay and the price programs together, because of the inevitable strains and distortions that accumulate with even voluntary guidelines.
- o The Chairman and the business and labor sides of the Pay Advisory Committee are pushing for further relaxation of the pay standard, as described in another paper submitted to you today.
- o Because the pay standard is the cornerstone of the guidelines policy, its relaxation is especially disconcerting. Product prices typically ride on top of labor costs, and the latter account for about three-fourths of total costs, on average.

- o Fred Kahn describes to you in a separate memo the apparent attitude of the Pay Advisory Committee about the continuation of the entire program after October 1, 1980, which makes it important that we decide, independently, where we want to go with it. In this connection, you should know that the AFL-CIO and Heath Larry (the head of business side of the Committee) have urged Congress to abolish the Council on Wage and Price Stability.

Since we do not believe that an effective guidelines program can be held together for a third year without some major restructuring, we focus here on three available options. We urge you not to make a choice now, but want you to have a sense of the kinds of decisions we will have to make in the weeks ahead.

- o Undertake a concerted effort to construct a true social compact with labor and business, in which the business and labor communities would agree to genuine restraint, perhaps in return for certain anti-recession policies that those parties want. This would be very difficult to pull off, but we think it is worth exploring. Its chances of success would depend, among other things, on our ability to persuade representatives of business and labor of our absolute determination to follow a path of fiscal and monetary austerity sufficient to produce something like full employment only if there is genuine restraint in the setting of wages and prices. A given flow of expenditures can support higher or lower levels of real output and employment depending on what happens to prices and wages. The essence of a social compact would be an exchange of agreements for a very restrictive wage (and perhaps price) standard, on the one side, and a commensurate extra amount of real GNP and employment on the other. If business and labor could be convinced that higher inflation means lower output and lower employment, they might agree to a meaningful social compact.
- o Develop a tax incentive plan and send it to the Congress. Although a TIP would not have contributed a lot to the anti-inflation program during the past year and a half (because the problems were not caused by noncompliance), it would probably be helpful over the next year because the problem now lies in the underlying inflation rate, and because eroding public support is going to make it much harder to secure compliance with the voluntary standards. A TIP plan might provide the necessary additional inducement, and thus give the program the shot in the arm needed to keep it alive for another year. The disadvantages of a TIP are that we would have a hard time getting such a proposal through the Congress, and the AFL-CIO has consistently opposed TIPs of all kinds.

- o Keep the program alive through the election and, after a reasonable hiatus, abandon it. We believe that this could be done graciously by announcing that (a) the program had served a useful purpose over the last two years in preventing a major spillover of the oil price explosion into the industrial and service core of the economy, but (b) now that the inflation rate is down (it could well be in the single-digit range over the summer) and labor and product markets are slack, there is no longer a need for the standards, and (c) this kind of regulatory intervention, extended over years, introduces growing inequities, distortions, and inefficiencies that interfere progressively with the long-run attack on inflation.

The easiest way to carry out this approach would be to (1) extend the pay standard through the rest of calendar-year 1980 (we could get a formal recommendation from the Pay Advisory Committee to this effect, on the ground that it was only recently that we adopted the second year pay standard), and (2) announce a new price standard (to take effect October 1, 1980) that restores the nexus between the pay and price standards (this would require a slight relaxation in the price standards -- an action that is being urged upon us by the business community). This policy has the added advantage of putting us out in front of the Pay Advisory Committee.

Whichever of the options is selected, we see no downside risk in proceeding to develop third-year price standards, while there are serious political problems (and, at the least, wasted resources) in thinking about a third-year pay standard. If you agree with this conclusion, we will publish an Issues Paper in early July, discussing only the price standard.

THE WHITE HOUSE

WASHINGTON

June 4, 1980

EYES ONLY

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM TO THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*

SUBJECT: The Pay Standard -- Outstanding Issues and
Longer-Term Prospects

This memo started out as a summary of some conversations I undertook, at EPG's suggestion, with John Dunlop and leading members of the Pay Advisory Committee, to confront in an integrated fashion (rather than piecemeal, issue by issue) the apparent direction of the Committee and its significance for the future of the pay standard.

The recent intervention by the AFL-CIO to defeat the CWPS expansion and to remove our statutory authority to use the contract sanction gives added urgency to these explorations, and to our deciding in the near future what our reaction should be.

Although the conversations will continue, I think it important for you to get a sense of them, even though we are not ready to present you with a series of clearly defined alternative courses of action or recommendations.

The Four Specific Pay Issues

Since I have previously told you about these, I will summarize them here, as briefly as possible:

1. The Committee is going to insist that we permit front-loading of multi-year collective bargaining contracts. That would allow a union a 10½ percent increase in the first year, so long as the average annual increase over the entire contract falls within the 7½ - 9½ range. It was the plain language of the Committee's recommendations (that we accepted) disallowing first year provisions in excess of 9½ percent that helped reconcile us to the unrealistically low 7½ percent evaluation of COLA clauses in these same multi-year contracts.

2. The Committee is also arguing that inequity exceptions granted during the interim period between last October 1, the beginning of the second program year, and our adoption of the $7\frac{1}{2}$ - $9\frac{1}{2}$ range should not be counted in the second-year increases, but should instead be attributed to the first year. As we see it, this would add to the allowable $9\frac{1}{2}$ percent ceiling (which we accepted in part precisely because of the inequities that had arisen under the first-year standards) whatever increment was authorized by CWPS when the standard was still 7 percent, including the automatic one percentage point catch up for non-COLA protected workers, and, if the Committee insists, would therefore give almost all workers a $10\frac{1}{2}$ percent ceiling for the second program year. Our clear understanding that the Committee had agreed to withdraw its previous recommendation on this point was a major consideration in our accepting the remainder of its recommendations for the pay standard. There is still some possibility of compromise on this one.

3. It seems clear the Committee is going to recommend we approve the two-year contract between the Oil Chemical and Atomic Workers Union and the major oil refineries, which provides annual chargeable pay-rate increases of 10.5 percent. The rationalization would have to be either a tandem exception -- linking the wage increases of oil workers with those of auto and steel workers, teamsters, and others -- or as a correction for non-COLA-protected workers. Accepting the tandem argument would set a dangerous precedent, in principle allowing wage increases far in excess of $9\frac{1}{2}$ percent almost as a matter of course; and accepting the non-COLA catch-up would, again, establish an almost universal $10\frac{1}{2}$ percent standard.

In point of fact, the OCAW settlement is in line with the other major settlements during the last year and a half (principally autos, rubber, steel, electrical, and teamsters); but this, of course, is only because of our underevaluation of COLA clauses in each of those others. But, by the same token, our accepting it would further aggravate the inequities between union and non-union workers, and legitimize an increase in the underlying rate of inflation.

4. Finally, there is the continuing issue of sanctions: the business and union members are in effect joined in demanding their withdrawal. The Committee has not made any specific demands yet, but the issue remains a constant irritant: the latest incident was a challenge by a labor member to our continuing to require certificates of compliance as a condition of participating in government procurement. Our agreement with labor had been to leave all regulations in place, subject to our informal agreement not to use the contract sanction "as long as the voluntary process is working."

My Discussions with Dunlop, Donahue and Larry

I began the conversations by summarizing our fears and questions about the direction the PAC seems to be taking, and then unrelated evidences of a decline in the pay program's credibility and effectiveness -- possibly to the disappearing point:

- o I summarized the four outstanding PAC issues and my interpretation of the PAC's apparent positions as involving a serious relaxation of the 7½ - 9½ percent standard. I remonstrated, in particular, that any finding by CWPS that the OCAW settlement was in compliance with the standard, would surely deal at least as crushing a blow to our credibility as had our similar declaration in the case of the Teamsters.
- o I cited evidence that the pay standard is being quite widely ignored. We have, for example, compiled a list of 53 contract settlements in the construction industry in the first quarter of 1980 -- out of 135 -- that range, fairly uniformly, between 10 and 20 percent. And only 30 companies in the entire country, so far, have chosen to report to us, as we had requested, settlements above 8½ percent.
- o I pointed out that while the steel, aluminum and long-shoremen's settlements may all be in compliance with the standards, (because of the 7½ percent COLA evaluation), they will almost certainly cost much more than 10% per year, and everyone knows it.
- o I noted finally, that the news of our having forsworn use of the contract sanction "so long as the voluntary program is working" has encouraged a general view that our standards -- and particularly the pay standard -- can be flouted with total impunity.

I then asked how the Pay Advisory Committee construes its function in these circumstances. Was my assumption incorrect that they were supposed to help us secure compliance with the standards? If their every recommendation is to be a recommendation to relax, how can people be expected to take the standards seriously? If we are asked to forswear the contract sanction, do we not have a right to ask the PAC what it is doing actively to induce restraint?

Indeed, I asked, might the present circumstances call, not for a relaxation of the standard but for a strengthened accord? There is, I submitted, a causal link between higher wage settlements and mounting unemployment. Might not a substantially tighter pay standard -- "while I am dreaming, let me suggest 6 percent" -- be a reasonable price to pay for a relaxation of budgetary policy, the sharp recent declines in interest rates, and a sharply declining rate of CPI increase as well?

The Dunlop-Donahue-Larry Responses

The responses essentially confirmed the attitudes I have already described in discussing the four outstanding pay issues. (I will not extend this memorandum with a listing of their supporting arguments.) They are clearly prepared to fight for front loading, along with retention of the 7½ COLA evaluation. They deny that the intention or effect of their recommendations on the inequity adjustment would be to set up a universal 10½ percent ceiling; but will insist on acceptance of their proposal, at least in the 59 specific cases in which CWPS granted corrections in excess of the automatic 1%. And on OCAW, Tom Donahue asserted that organized labor would "laugh at the whole program" if we held OCAW out of compliance -- in an industry where labor costs are so small a percentage of the total, company profits so large, and the settlement came, involving a non-COLA contract, after a thirteen week strike.

Indeed, Donahue asserted (again with no contradiction from the others), it is not clear how long organized labor can hold out for 7½ - 9½ percent, given the behavior of the CPI since labor accepted it. That observation applies also to my hypothetical suggestion of a tougher social compact with a lower wage standard: even though Tom readily agreed that, say, a 6 percent pay standard would be a price worth paying for a \$40 billion more stimulative fiscal policy and reduced interest rates, he also made it clear that labor was not about to undertake such an act of faith.

The most elaborate response, however, was a long criticism of the mechanical application of "silly, rigid rules" and particularly of arbitrary guidelines arithmetic, under a voluntary program. But when I asked, how would the Pay Advisory Committee propose transmüting the program into something really voluntary that would at the same time elicit restraint, the only responses I got were, first, that it is too late to make a change this year, and the best we can hope to do is "play the string out" for the rest of the year; and, second, that that was something we ought to discuss (and plan to do). And I got a similar response to my challenge to the PAC about how they were supposed to be helping us induce wage restraint; that, too, is on our agenda for our next discussion. Meanwhile, Dunlop said the high construction settlements were something they might indeed wish to look into.

To return to the idea of "playing the string out until the end of the year", it turned out that this meant to all of them extending the present pay standard until the end of calendar 1980. They all argued strenuously (and possibly correctly) that the middle of an election campaign is no time to be trying to resolve the question of a third year. The Committee would be happy to respond in that way to a request from us for a recommendation about the third year standard.

These three key members of the Committee feel strongly, finally, that there should be no third-year pay/price standards and that is the recommendation they will make after the election. There was a curious convergence here of the views of Tom Donahue, who asserted that "wage controls will not control inflation," and Heath Larry, who while disagreeing with that assertion, has spent most of his time in two recent conversations with me asserting (a) that the recession will introduce the necessary discipline in wages, and (b) that we simply have to give employers greater freedom to pay what they have to pay.

Conclusion

These frank statements of the intentions of the leading members of the Pay Committee (who probably do not speak for all the public members but probably do reflect an alliance of labor, business and Dunlop) suggest the importance of our giving intensive thought in the next few weeks to what we want to do about the standards. This is the subject of a separate memo that Bob Russell and I have prepared for you.

THE WHITE HOUSE
WASHINGTON
05 Jun 80

Frank Moore

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

Rick Hutcheson

To Lisa Bordeaux for appropriate
handling.

THE WHITE HOUSE

WASHINGTON

June 4, 1980

Q

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM /LB*
SARAH WEDDINGTON

SUBJECT: BATTLE OF YORKTOWN VICTORY CELEBRATION

Attached is a revised version of the letter submitted to you several weeks ago for your signature. This letter has been reviewed by your speech writers. It is from you to the chairman of the Yorktown Bicentennial Committee expression your support for their celebration. We feel this letter is necessary to convey an appropriate degree of support to the committee.

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

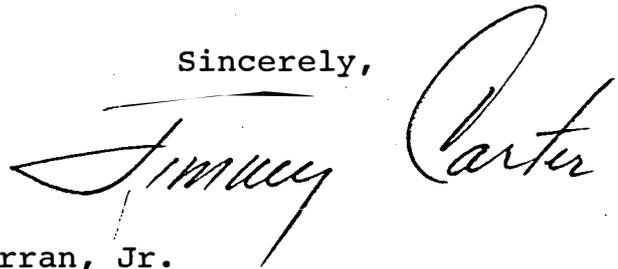
June 4, 1980

To Lewis McMurran

I want to take this opportunity to commend the Yorktown Bicentennial Committee and to lend my support to the Committee in its efforts. It is very heartening to see concerned citizens band together at the local, state, and Federal level in a common effort. It seems particularly appropriate on this occasion -- which commemorates a national effort on the part of our forebears 200 years ago when George Washington's victory at Yorktown signaled the end of our long fight for freedom.

You have my best wishes for a successful celebration.

Sincerely,

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

Mr. Lewis McMurran, Jr.
Chairman
Yorktown Bicentennial Committee
Post Office Box 200
Yorktown, Virginia 23690

THE WHITE HOUSE

WASHINGTON

April 22, 1980

"Acknowledge"
The Committee?
J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*
SARAH WEDDINGTON *SW*

SUBJECT: BATTLE OF YORKTOWN VICTORY CELEBRATION

In October of 1981 this country will celebrate the 200th anniversary of the victory at Yorktown, Va. where Cornwallis surrendered to George Washington. Every fifty years the citizens of Yorktown commemorate this victory with a four day gala celebration.

In the past presidential commissions have been established to organize the celebration and to act as the conduit for generous federal funds. Budget restraints this year and last prevented the establishment of such a commission. Nevertheless, the local citizens have joined with state and federal representatives in forming an ad hoc Bicentennial Committee.

This group has been pursuing various avenues in an attempt to adequately fund the planned events. (In 1931 at the height of the Depression over 400,000 people attended as well as President Hoover and the Governors of all thirteen original colonies.) This ad hoc committee has been working closely with the Departments of State, Defense and Interior. These departments have agreed to support the celebration within present budget constraints.

In addition, a Congressional Joint Resolution calling for a National Day of Celebration will be sent to you shortly. The National Governor's Conference has also adopted a resolution calling for national recognition in 1981 of the victory.

Attached is a letter from you to the Chairman of the Yorktown Committee expressing your support for the celebration. We feel this is necessary to convey an appropriate degree of presidential support to the committee.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

May 14, 1980

To Mr. McMurrans:

I would like to take this opportunity to acknowledge the Yorktown Bicentennial Committee and to lend my support to the Committee and its endeavors. The Committee's plans to celebrate the victory at Yorktown, Virginia where Lord Cornwallis surrendered to George Washington are commendable.

You have my best wishes for a successful celebration.

Sincerely,

Mr. Lewis McMurrans, Jr.
Chairman
Yorktown Bicentennial Committee
Post Office Box 200
Yorktown, Virginia 23690

THE WHITE HOUSE

WASHINGTON

June 5, 1980

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

June 5, 1980

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✓

MEMORANDUM TO THE PRESIDENT

FROM:

JACK WATSON
ARNIE MILLER

Jack
AM

SUBJECT:

Assistant Secretary of State
for Public Affairs

We join with Secretary Muskie in recommending that you nominate William J. Dyess, FSO-1, as Assistant Secretary of State for Public Affairs. Dyess would replace Hodding Carter.

Dyess has served as Deputy Assistant Secretary of State for Public Affairs since 1977.

Secretary Muskie has already decided to appoint John H. Trattner, FSO-2, as Departmental Spokesman, a role which Hodding Carter performed in addition to his responsibilities as Assistant Secretary for Public Affairs.

Zbig Brzezinski concurs.

RECOMMENDATION:

Nominate William J. Dyess as Assistant Secretary of State for Public Affairs.

✓ _____ APPROVE _____ DISAPPROVE

Candidate for Assistant Secretary of State for Public Affairs

NAME: William J. Dyess

AGE: 50

RANK: Foreign Service Officer of Class I

EDUCATION: BA, University of Alabama, 1950
MA, University of Alabama, 1951

LANGUAGES: German

PROFESSIONAL EXPERIENCE:

1977-present	Deputy Assistant Secretary of State for Public Affairs
1975-1977	Executive Director, Bureau of Public Affairs
1973-1975	International Relations Officer, Office of Soviet Affairs
1970-1973	International Relations Officer, Office of Eastern European Affairs
1968-1970	Political Officer, U.S. Mission, Berlin
1967-1968	Political Officer, American Embassy, Moscow
1966-1967	Administrative Officer, American Embassy, Moscow
1963-1965	Political Officer, American Embassy, Coenhagen
1961-1963	Political Officer, American Embassy, Belgrade
1959-1960	Intellicence Research Specialist
1958-1959	Exchange Programs Officer
1953-1956	United States Army

NAME: John H. TRATTNER

AGE: 49

RANK: Foreign Service Information Officer of Class II

EDUCATION: BA, Yale University, 1952

LANGUAGES: French

PROFESSIONAL EXPERIENCE:

1979-present	Executive Assistant to the Deputy Secretary of State
1978-1979	Special Assistant to the Deputy Secretary of State
1977-1978	Deputy Spokesman and Director of the Office of Press Relations
1975-1977	Deputy Director of the Office of Press Relations
1974-1975	Deputy Counselor for Public Affairs, U.S. Mission to NATO
1970-1975	Press Officer, American Embassy, Paris
1969-1970	Branch Public Affairs Officer, American Consulate, Strasbourg
1966-1969	Press Officer, American Embassy, Warsaw
1963-1965	International Radio Information Specialist

(All above with the United States Information Agency and its successor, the United States International Communication Agency)

1957-1963	Newspaper/magazine editor/reporter/columnist
1953-1956	Lieutenant (JG), United States Navy

Stewart/Rubenstein/Carp
Draft A-1; 6/5/80
Scheduled Issue Date:
Thur, June 5

*Stu Eizenstat
Comments*

Veto Statement

TO THE CONGRESS OF THE UNITED STATES:

*Includes
JC notes*

I am returning H.R. 7428, Public Debt Limit Extension Bill, to the Congress without my signature. I regret the need to take this action, because enactment of the debt limit bill is critically important to the financial operations of the federal government. I urge the Congress in the strongest possible terms to return an acceptable bill to my desk promptly, so that unjust hardship to millions of Americans can be avoided.

My action in returning this critical bill is required by an unrelated and wholly unacceptable amendment which would prohibit the imposition of the oil import conservation fee that I announced as part of our comprehensive anti-inflation program on March 14.

As you will recall, that ~~[complex and]~~ carefully conceived

program was worked out in unusually close and detailed cooperation with the Congress. Both the Congressional leaders and I decided then, and I still maintain and am convinced, that a conservation fee on imported oil is important for the energy security, for the economic security, and for the national security of the United States.

We were also well aware that this step, however important to the interest of the nation as a whole, might not be in the individual political interests of many Members, especially in this election year. I acted under my executive authority, thereby shielding the Congress from most of the immediate political repercussions. Thus there can be no doubt among those now attempting to override the oil import conservation fee that this reversal will only encourage more domestic energy consumption, add to our intolerable oil import bill, hinder our efforts for energy security, obstruct our fight against inflation, and be inconsistent with our responsibility

for leadership among the oil consuming nations.

That is why I have stated clearly on several occasions, and repeated yesterday, that if legislation blocking my decision on the oil import conservation fee ^{should be} ~~is~~ sent to me, I ^{would} ~~will~~ be compelled to veto it -- and it is for those very same reasons that I now do so.

The fee on imported oil is an integral part of energy, economic and foreign policy goals that hold important benefits both for the welfare of our citizens and for the security of our nation.

- The fee reduces our imports of foreign oil by 100,000 barrels a day within the first year and much more in future years. Over 40 percent of all the oil consumed in this country is imported. Unless we take this kind of courageous action, we will remain dangerously vulnerable to severe

economic disruptions from terrorism, accident, embargo, war or political strategy.

- ° The United States is a leader in trying to forge a joint program, with our allies, to secure greater energy independence. But we use about half of all the oil consumed in the Western industrial nations, and a larger proportion of gasoline than anywhere else in the world. The oil import fee is a symbol of our own willingness to take the painful steps needed to conserve oil.

If we are to lead, we must act like a leader.

- ° ^{With the full imposition of the oil import conservation fee} The United States ^{would have a 14} ~~now has 4.4~~ cent per gallon ^{gone of 2} tax, ^{The tax} the lowest in the Western world. ^{only} It has been ^{4 cents a gallon} ~~at that level~~ since 1959. In contrast, France has

a \$1.67 per gallon tax. Since the 1973 oil embargo, France has increased its gasoline tax by

more than 160 percent. Italy has a \$1.92 per gallon tax. Since the 1973 embargo, the Italian tax has been increased by more than 200 percent.

→ insert from p. 7

- To the extent that we can convince foreign nations, both the oil producers and consumers, that we mean business in conserving energy and reducing our oil imports, to that extent they will join us in reducing world demand, and in maintaining oil production. A small investment in reducing imported oil now will return great benefits in the future by holding down the price of imported oil, and therefore gasoline, to the American people. [If the Congress should succeed in reversing our determination to make this investment, it would send a clear signal to oil producing nations and oil consuming nations that we do not mean business, that we will not take a

[We must present higher prices by OPEC or make it]

[We shouldn't divert
forecast OPEC
in case if the
oil goes down]

firm stand to conserve oil; ~~and we will pay much~~
~~higher prices for oil, in the future because of that~~
~~reversal.~~

this stance will end up costing Americans more in the

- Unless and until we can control our appetite for imported oil, we will not be able to ^{solve} ~~reduce~~ our inflation problem. In 1979 alone, the price of each barrel of imported oil rose 120 percent -- an average of 10 percent each month. More than 2 points of our, ^{consumer price index (CPI)} ~~CPI~~ increase in 1979 can be attributed directly to the OPEC increases. As long as nearly one out of every two gallons of gasoline we consume comes from abroad, that inflationary "tax" levied by OPEC will continue. This year we will pay \$90 billion for foreign oil -- \$400 for each person in the United States. Along with that \$90 billion, we export jobs and import inflation.

- While the fee will cause a short-term ^{one-time} increase in the ^{COT} ~~CPI~~, the long-term effect of the fee is not inflationary -- it is deflationary. First, the fee will save money that would otherwise be sent to OPEC. Second, the fee is a vital part of an anti-inflation package which is beginning to take hold. To the extent that part of this package is removed, the *financial* impact ^{could} ~~will~~ be serious. ~~[in financial markets here and abroad]~~ The consequence could be an increase in ^{overall} inflationary ~~market~~ pressures.

- The fee has been imposed for energy conservation reasons, but its revenue-raising effect cannot be ignored. The fee serves to allocate a small share of a realistic increase in gasoline prices, not to the energy companies or the exporting nations, but for public use. ~~But~~ ^{Even} with the fee, Americans will in fact be paying lower taxes this year relative

insert at p. 5

to the price of gasoline than they did two decades

ago. ~~Whereas~~ Without the oil import fee, our

long struggle to achieve a balanced budget is in

jeopardy, and it will be more difficult to find

the resources for tax reduction and to provide

needed incentives for investment and productivity

when economic conditions warrant.

- Above all, my Administration and the Congress are together putting in place the energy policy America needs for energy security, for economic security, and for national security. Only by encouraging greater conservation, stimulating new production, and making alternative energy sources competitive, will we eventually stop the price of gasoline from rising. Only if we are prepared to take strong actions and make tough stands now -- like this import conservation fee -- can we assure

adequate supplies of gasoline and limit the
crippling escalation of gasoline prices later.

I recognize the political pressures. I know that this
is a difficult issue for many Members of Congress. Nevertheless,
the oil import conservation fee is good public policy, and it is
good common sense. That was true when we agreed upon it. It is
if anything even more true today, as we see the early tangible,
measurable signs of successes in both our energy and inflation
policies.

Therefore, I urge the Congress to join me in carrying on
the work of enhancing America's energy security, economic
security, and national security by sustaining my veto and
upholding the oil import conservation fee.

###

4:25

THE WHITE HOUSE

WASHINGTON

6/5/80

Mr. President:

Our good friend, Mayor
Jake Godbold of Jacksonville,
is in town. The DNC and
campaign have asked him to
raise \$100,000 of the \$450,
000 goal of your june 30
florida trip. It would be
helpful if you could spend
5 minutes before leaving
for Camp David today with
him to let him know you are
aware of his commitment.

May I schedule?

yes no

Phil

THE WHITE HOUSE
WASHINGTON

SC

Kathy gave
edited cc (orig
writing)
to Rick

THE WHITE HOUSE
WASHINGTON

June 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
Gordon Stewart *Gordoa*

SUBJECT: Presidential Statement:
Veto of Dole Amendment

Scheduled Issue Date:
Thursday, June 5

Your statement for this veto is
attached.

Stewart/Rubenstein/Carp
Draft A-1; 6/5/80
Scheduled Issue Date:
Thur, June 5

*Stu has
edited
copy*


Veto Statement

TO THE CONGRESS OF THE UNITED STATES:

I am returning H.R. 7428, Public Debt Limit Extension Bill, to the Congress without my signature. I regret the need to take this action, because enactment of the debt limit bill is critically important to the financial operations of the federal government. I urge the Congress in the strongest possible terms to return an acceptable bill to my desk promptly, so that unjust hardship to millions of Americans can be avoided.

My action in returning this critical bill is required by an unrelated and wholly unacceptable amendment which would prohibit the imposition of the oil import conservation fee that I announced as part of our comprehensive anti-inflation program on March 14.

As you will recall, that complex and carefully conceived

program was worked out in unusually close and detailed cooperation with the Congress. Both the Congressional leaders and I decided then, and I still maintain and am convinced, that a conservation fee on imported oil is important for the energy security, for the economic security, and for the national security of the United States.

We were also well aware that this step, however important to the interest of the nation as a whole, might not be in the individual political interests of many Members, especially in this election year. I acted under my executive authority, thereby shielding the Congress from most of the immediate political repercussions. Thus there can be no doubt among those now attempting to override the oil import conservation fee that this reversal will only encourage more domestic energy consumption, add to our intolerable oil import bill, hinder our efforts for energy security, obstruct our fight against inflation, and be inconsistent with our responsibility

for leadership among the oil consuming nations.

That is why I have stated clearly on several occasions, and repeated yesterday, that if legislation blocking my decision on the oil import conservation fee is sent to me, I will be compelled to veto it -- and it is for those very same reasons that I now do so.

The fee on imported oil is an integral part of energy, economic and foreign policy goals that hold important benefits both for the welfare of our citizens and for the security of our nation.

- ° The fee reduces our imports of foreign oil by 100,000 barrels a day within the first year and much more in future years. Over 40 percent of all the oil consumed in this country is imported. Unless we take this kind of courageous action, we will remain dangerously vulnerable to severe

economic disruptions from terrorism, accident, embargo, war or political strategy.

- ° The United States is a leader in trying to forge a joint program, with our allies, to secure greater energy independence. But we use about half of all the oil consumed in the Western industrial nations, and a larger proportion of gasoline than anywhere else in the world. The oil import fee is a symbol of our own willingness to take the painful steps needed to conserve oil. If we are to lead, we must act like a leader.

- ° The United States now has a 4 cent per gallon tax, the lowest in the Western world. It has been at that level since 1959. In contrast, France has a \$1.67 per gallon tax. Since the 1973 oil embargo, France has increased its gasoline tax by

more than 160 percent. Italy has a \$1.92 per gallon tax. Since the 1973 embargo, the Italian tax has been increased by more than 200 percent.

- ° To the extent that we can convince foreign nations, both the oil producers and consumers, that we mean business in conserving energy and reducing our oil imports, to that extent they will join us in reducing world demand, and in maintaining oil production. A small investment in reducing imported oil now will return great benefits in the future by holding down the price of imported oil, and therefore gasoline, to the American people. If the Congress should succeed in reversing our determination to make this investment, it would send a clear signal to oil producing nations and oil consuming nations that we do not mean business, that we will not take a

firm stand to conserve oil; and we will pay much higher prices for oil in the future because of that reversal.

- Unless and until we can control our appetite for imported oil, we will not be able to reduce our inflation problem. In 1979 alone, the price of each barrel of imported oil rose 120 percent -- an average of 10 percent each month. More than 2 points of our CIP increase in 1979 can be attributed directly to the OPEC increases. As long as nearly one out of every two gallons of gasoline we consume comes from abroad, that inflationary "tax" levied by OPEC will continue. This year we will pay \$90 billion for foreign oil -- \$400 for each person in the United States. Along with that \$90 billion, we export jobs and import inflation.

- ° While the fee will cause a short-term increase in the CIP, the long-term effect of the fee is not inflationary -- it is deflationary. First, the fee will save money that would otherwise be sent to OPEC. Second, the fee is a vital part of an anti-inflation package which is beginning to take hold. To the extent that part of this package is removed, the impact will be serious, in financial markets here and abroad. The consequence could be an increase in inflationary market pressures.

- ° The fee has been imposed for energy conservation reasons, but its revenue-raising effect cannot be ignored. The fee serves to allocate a small share of a realistic increase in gasoline prices, not to the energy companies or the exporting nations, but for public use. But even with the fee, Americans will in fact be paying lower taxes this year relative

to the price of gasoline than they did two decades ago. Whereas without the oil import fee, our long struggle to achieve a balanced budget is in jeopardy, and it will be more difficult to find the resources for tax reduction and to provide needed incentives for investment and productivity when economic conditions warrant.

- ° Above all, my Administration and the Congress are together putting in place the energy policy America needs for energy security, for economic security, and for national security. Only by encouraging greater conservation, stimulating new production, and making alternative energy sources competitive, will we eventually stop the price of gasoline from rising. Only if we are prepared to take strong actions and make tough stands now -- like this import conservation fee -- can we assure

adequate supplies of gasoline and limit the
crippling escalation of gasoline prices later.

I recognize the political pressures. I know that this
is a difficult issue for many Members of Congress. Nevertheless,
the oil import conservation fee is good public policy, and it is
good common sense. That was true when we agreed upon it. It is
if anything even more true today, as we see the early tangible,
measurable signs of successes in both our energy and inflation
policies.

Therefore, I urge the Congress to join me in carrying on
the work of enhancing America's energy security, economic
security, and national security by sustaining my veto and
upholding the oil import conservation fee.

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[Names in salutation will be updated by Linda Tarr-Whelan by 11 a.m. Thursday]

Approved DRAFT
Hertzberg/Nesmith/Maddox
Draft A-1, 6/4/80
Scheduled Delivery:
Thur, June 4, 3 p.m.
Baltimore Civic Center

White House Conference on Families

Thank you, Jim Guy (Tucker). Bishop (Francis) Stafford (R.C. Auxiliary Bishop of Baltimore), Mayor (Donald) Schaefer, Coretta King, Mario Cuomo, Guadalupe Gibson, Maryann Mahaffey, members of the National Advisory Committee and delegates to this first of three White House conferences on families --

My thanks and the thanks of our Nation go to all of you. I am proud of the job that Jim Guy Tucker and John Carr and thousands of others have done. You have reached out to the heart of America -- not just to the professional experts, *in 48 states and all the territories* but to more than 100,000 people, who have participated in laying the groundwork for this Conference and the Conferences that will follow in Minneapolis and Los Angeles. 1 2

Handwritten signature/initials

We are brought together today by our love and concern

for our families. I do not know of a finer motivation.

Every family is unique. If I ever doubt that, all I have to do is look at my own.

In fact, I was most fortunate. I grew up in a strong, loving family. I had the extra benefit of an extended family ⁱⁿ *Plains, community* and a ~~town~~ ^{community} full of friends who knew and encouraged me. When Rosalynn and I ^{were} ~~got~~ ^{our own} married, and ~~started a~~ family of ~~our own~~, ~~we~~ ^{followed the pattern set by our} grew together -- as parents and ~~now~~ ^{as} grandparents. Our deepest joys today are the times when all of us are together. 

^{have always} We ~~share~~ the hard work and the pleasures and the times of pain. We have our problems and struggles and sadnesses. Every family does. But I know now that we were very lucky, and we still are.

When we think of families, we most often think of a father and a mother and brothers and sisters, living in the

midst of grandparents, aunts, uncles and cousins. That is the standard held up by the Judeo-Christian tradition and by thousands of years of human experience. But that same tradition, that same experience teaches us that there is really no such thing as a perfect family. 354

We ~~do not~~ find the essence of family life [~~in the particular pattern of any particular family.~~ We find it] in the universal need for support -- for nurturing -- for a safe haven for children and old folks -- and for love, a love that does not ask questions or impose qualifications before it is given.

People need that love, just as surely as people need food and shelter and air to breathe.

different circumstances,
That love can be found in many ~~kinds of families.~~ For instance, Rosalynn's father died when she was thirteen. Her mother was left to rear four young children alone. She worked in the school cafeteria, did sewing and finally became

assistant

^ postmistress in Plains to provide income for ~~the~~ ^{her} family.

4 } 5

There were other single-parent families in our town.

I saw the struggle they had, emotionally and financially, to keep the family together and strong. They did not always succeed. I promised myself ~~I would help~~ ^{to struggling} families like that if I ever had a chance.

I also saw families, black and white, that worked hard but still never had enough. I saw the strength that family ties gave them -- and I saw the strains that deprivation put on those ties. And I saw men and women who came to a well-earned retirement with all too little to sustain them in their later years. I vowed to do something about those families, too, if ever I had a chance.

5 } 6

and

Friends, delegates, through this White House Conference on Families, we have our chance to help those families and to help every family in America.

To do that, we must face up to real changes in our society -- changes that present both new problems and new opportunities.

More of our people are living longer. More women, and more mothers, are working outside the home. There are more single-parent households. Our people are more mobile, which often means they are uprooted. Television -- that electronic version of "The Man Who Came to Dinner" -- affects families in ways we are only beginning to understand. Inflation and recession put additional pressures on families. Problems like drug and alcohol abuse, unwanted pregnancy -- even suicide -- have reached down to the very young. Tragic instances of family violence remind us that the bonds of kinship do not

automatically make families a place of nurture. *Some laws and government policies tend to disrupt family life structures. 758*

Yet we must not overlook the *improvements being made* good-things. Much of the

death and disease that once stalked childhood is now either

conquered or greatly reduced. More of our people are better educated than ever before. More families have a chance to share cultural and leisure activities that once were the privilege of only a few. We have made great progress against racial, religious, sexual and age discrimination -- and we are fighting to make more. Both women and men are more free today to fulfill their own and their families' needs in new and challenging ways. Many fathers are discovering the joys *and responsibilities* of greater involvement with their homes and children.

8
9

Families are based on more than blood. They are a kinship of shared experiences, shared dreams, shared joys and sorrows. Most of all, they are based on love that can span vast distances and the barrier of generations.

Families are -- or should be -- where we first learn to live together in harmony and helpfulness. The care and nurture of the young is central to any society, and that has

always been the special responsibility of the family. It is here that motivation, morals, goals and habits are first set. In family life, we find many of the roots of crime and failure and even some health problems -- and also the roots of good habits, achievement, happiness and concern for others.

95
10

I hope we will come out of this conference with a reaffirmation of families as the fundamental building blocks of our society.

I hope we will unite around a commitment to strengthen, not weaken families -- to help, not hinder families -- to lift families up, not drag them down.

Four years ago, I called for this Conference because I was deeply concerned that official America had lost touch with family America. I ^{want} hope the Conference ^{to} will be the catalyst for a new awareness in government of the ^{importance of families and the} needs of families -- and for a period of intense reassessment of

programs and policies. ¹⁰ Where government involvement is helpful, let it be strengthened. Where it is harmful, let it be changed. ¹⁰ S "

No one wants government interference in our personal ~~and family lives~~ ^{affairs.} We do not want government in our kitchens, bedrooms and living rooms, monitoring and controlling family life. But we know that government ~~inevitably~~ does touch our families through the tax system, through public education, through social security and through a whole range of health, housing and human service programs.

As a nation we are faced with serious challenges at home and abroad, challenges that threaten American families in important ways. The solutions we work out will either strengthen or weaken our families. ¹¹ S ¹²

When we get control of inflation, when we create jobs, when we improve education and health care, when we insist on

equal justice under the law for all people, we are helping the American family. When we work for a secure Nation and a peaceful world, we are helping the American family.

The country is looking to you for constructive suggestions about how our society can help -- not just government but our entire society in all its public and private aspects. I

12/13

I hope you will recommend things government can do -- or stop doing -- in order to strengthen families. But I hope you will go deeper. Look for creative, compassionate solutions to the problems of families -- and then consider who or what might best carry them out. I hope you will encourage non-governmental institutions that work to strengthen families -- especially the churches and synagogues which have already done so much. And I hope you will consider the needs not only of troubled families but of all families.

Remember, above all, that in most cases the members of the families themselves should be in the most highly ^{right} place to make the decisions about their own lives.

~~If we can take special care to protect the habitat of an endangered animal species, then we can certainly make a~~

~~commitment to protect the natural environment of the human
species -- our families:~~

13
14 I have no doubt that we can make our country a better
place to rear a family. Starting today, we can help imbue
our Nation and its institutions with a new appreciation and
sensitivity for families.

We can build an America of ^{stronger} families --

... an America where the home is a place of love and
stability, where children are nurtured to responsible citizenship
and husband and wife can share mutual love and growth;

... an America where ⁱⁿ the home ~~is where~~ basic religious
and ethical values are both taught and lived;

... an America where each family is a wellspring of
racial, ethnic and religious understanding, where people who
look and live differently ^{within the community} are embraced as brothers and

sisters. ~~and, what is sometimes harder, as~~ ^{good} neighbors.

14 } 15

We can build an America where parents are partners with the schools in education;

... an America where employees need not have to choose between their responsibilities as workers and as parents;

... an America where the tasks of family life are valued and recognized as important work;

... an America where the powerful forces of inevitable change do not endanger the basic structure of family life;

... and an America where the policies of our national family grow out of the needs of the millions of individual families that make it up.

15 } 14

I will do all I can to ~~help~~ ensure that your work does not end [^{as a} with a bulky government] report which gathers dust on shelves in Washington. In the past, White House Conferences have spurred our country toward constructive change. ~~I want~~

~~this to be such a Conference.~~

sketch {

A unique feature of this Conference is the the follow-up period for implementation and advocacy. This will help ensure that your recommendations get serious and sustained attention.

~~The follow-up period will take your work through March of 1981 -- and I want you to know that I am planning to take up where you leave off.~~

Your deliberations -- and those to follow in Minneapolis and Los Angeles -- are extremely important. America's families are looking to you for ^{strength and support} leadership in the eighties. I hope and pray that out of this [White House] Conference [on Families] will come vigorous, positive directions for American families.

You are here to analyze, to debate, to decide. But you are also here to celebrate the strengths and joys of what brings us together today -- our families. I join you in that celebration.

} wait

Families speech -- new ending

~~... I am planning to take up where you leave off.~~

Your deliberations -- and those to follow in Minneapolis and Los Angeles -- are extremely important. America's families will look to you for ^{strength and support} ~~leadership~~ in the eighties.

Our business at this White House Conference on Families is to analyze, to debate, to decide. There ^{may well} ~~will~~ be controversy and contention. But in the end, we are here out of love -- love for our own families and love for the national family of which each of us is a part. That is why I am confident that the work of this Conference will strengthen family life in our country -- and in the process, will strengthen the Nation itself.

#

Families speech -- new ending #2

... ~~I am planning to take up where you leave off.~~

Your deliberations -- and those to follow in Minneapolis and Los Angeles -- are extremely important.

10
17
Certainly, American families face difficulties, ~~and if that~~

~~were not true, this Conference would not be needed. But in~~

and they will look to you for strength and support in the eighties.
Your recommendations will be very important, but in
the enthusiasm and care that have gone into this event, ~~already,~~

already
we can see something else --

We can see the strength of American families. We can see the commitment of Americans to their own families and to our national family. And we can see the love that I believe will help create a better future for every family in our land.

#

1. WE ARE BROUGHT TOGETHER TODAY ↗
2. BY OUR LOVE & CONCERN FOR OUR FAMILIES.
3. I DO NOT KNOW OF A FINER MOTIVATION.
4. EVERY FAMILY IS UNIQUE.
5. IF I EVER DOUBT THAT,
6. ALL I HAVE TO DO IS LOOK AT MY OWN. ← *PILLY GLORIA, LUTN, MA, ME //*
7. IN FACT, I WAS MOST FORTUNATE.
8. I GREW UP IN A STRONG, LOVING FAMILY.
9. I HAD THE EXTRA BENEFIT OF AN EXTENDED FAMILY IN PLAINS,
10. AND A COMMUNITY FULL OF FRIENDS WHO KNEW & ENCOURAGED ME. /
11. ~~WHEN~~ ROSALYNN ^{& I} WERE MARRIED, *34 YEARS AGO, AND*
12. OUR OWN FAMILY ^{HAS} FOLLOWED THE PATTERN SET BY OUR PARENTS & GRANDPARENTS.
13. OUR DEEPEST JOYS TODAY
14. ARE THE TIMES WHEN ALL OF US ARE TOGETHER. /

1. WE HAVE ALWAYS SHARED THE HARD WORK
AND THE PLEASURES
AND THE TIMES OF PAIN.
2. WE HAVE OUR PROBLEMS
AND STRUGGLES
AND SADNESSES. *ARGUMENTS*
3. EVERY FAMILY DOES.
4. BUT I KNOW NOW THAT WE WERE VERY LUCKY,
5. AND WE STILL ARE. /
6. WHEN WE THINK OF FAMILIES,
7. WE MOST OFTEN THINK OF A FATHER & A MOTHER & BROTHERS & SISTERS,
8. LIVING IN THE MIDST OF GRANDPARENTS, AUNTS, UNCLES & COUSINS.
9. THAT IS THE STANDARD HELD UP BY THE JUDEO-CHRISTIAN TRADITIONS
10. AND BY THOUSANDS OF YEARS OF HUMAN EXPERIENCE. *& OTHER*
11. BUT THAT SAME TRADITION
THAT SAME EXPERIENCE
TEACHES US THAT THERE IS REALLY NO SUCH THING
AS A PERFECT FAMILY. /

1. WE FIND THE ESSENCE OF FAMILY LIFE
2. IN THE UNIVERSAL NEED FOR SUPPORT,
FOR NURTURING,
FOR A SAFE HAVEN FOR CHILDREN & OLD FOLKS,
AND FOR LOVE --
A LOVE THAT DOES NOT ASK QUESTIONS
OR IMPOSE QUALIFICATIONS
BEFORE IT IS GIVEN. /
3. PEOPLE NEED THAT LOVE,
4. JUST AS SURELY AS PEOPLE NEED FOOD & SHELTER & AIR TO BREATHE.
5. THAT LOVE CAN BE FOUND IN MANY DIFFERENT CIRCUMSTANCES.
6. FOR INSTANCE, ROSALYNN'S FATHER DIED WHEN SHE WAS 13,
7. HER MOTHER WAS LEFT TO REAR 4 YOUNG CHILDREN ALONE.
8. SHE WORKED IN THE SCHOOL CAFETERIA,
DID SEWING,
AND FINALLY BECAME ASSISTANT POSTMISTRESS IN PLAINS
TO PROVIDE INCOME FOR HER FAMILY. /

1. THERE WERE OTHER SINGLE-PARENT FAMILIES IN OUR TOWN.
2. I SAW THE STRUGGLE THEY HAD,
3. EMOTIONALLY & FINANCIALLY,
4. TO KEEP THE FAMILY TOGETHER & STRONG.
5. THEY DID NOT ALWAYS SUCCEED.
6. I PROMISED MYSELF TO HELP STRUGGLING FAMILIES LIKE THAT
IF I EVER HAD A CHANCE. /
7. I ALSO SAW FAMILIES,
8. BLACK & WHITE,
9. THAT WORKED HARD BUT STILL NEVER HAD ENOUGH.
10. I SAW THE STRENGTH THAT FAMILY TIES GAVE THEM --
11. AND I SAW THE STRAINS THAT DEPRIVATION PUT ON THOSE TIES.
12. AND I SAW MEN & WOMEN
13. WHO CAME TO A WELL-EARNED RETIREMENT
14. WITH ALL TOO LITTLE TO SUSTAIN THEM IN THEIR LATER YEARS.
15. I VOWED TO DO SOMETHING ABOUT THOSE FAMILIES, TOO,
IF EVER I HAD A CHANCE. /

1. FRIENDS & DELEGATES,
2. THROUGH THIS WHITE HOUSE CONFERENCE ON FAMILIES
3. WE HAVE OUR CHANCE TO HELP THOSE FAMILIES
4. AND TO HELP EVERY FAMILY IN AMERICA.
5. TO DO THAT,
6. WE MUST FACE UP TO REAL CHANGES IN OUR SOCIETY --
7. CHANGES THAT PRESENT BOTH NEW PROBLEMS
AND NEW OPPORTUNITIES. /

1. MORE OF OUR PEOPLE ARE LIVING LONGER.
2. MORE WOMEN, & MORE MOTHERS, ARE WORKING OUTSIDE THE HOME.
3. THERE ARE MORE SINGLE-PARENT HOUSEHOLDS.
4. OUR PEOPLE ARE MORE MOBILE,
5. WHICH OFTEN MEANS THEY ARE UPROOTED.
6. TELEVISION --
7. THAT ELECTRONIC VERSION OF "THE MAN WHO CAME TO DINNER" --
8. AFFECTS FAMILIES IN WAYS WE ARE ONLY BEGINNING TO UNDERSTAND.
9. INFLATION & RECESSION PUT ADDITIONAL PRESSURES ON FAMILIES.
10. PROBLEMS LIKE DRUG & ALCOHOL ABUSE,
UNWANTED PREGNANCY,
EVEN SUICIDE --
HAVE REACHED DOWN TO THE VERY YOUNG. /
11. TRAGIC INSTANCES OF FAMILY VIOLENCE
12. REMIND US THAT THE BONDS OF KINSHIP
13. DO NOT AUTOMATICALLY MAKE FAMILIES A PLACE OF NURTURE.
14. SOME LAWS & GOVERNMENT POLICIES
15. TEND TO DISRUPT FAMILY STRUCTURES. //

1. YET WE MUST NOT OVERLOOK
2. THE IMPROVEMENTS BEING MADE IN FAMILY LIFE.
3. MUCH OF THE DEATH & DISEASE THAT ONCE STALKED CHILDHOOD
4. IS NOW EITHER CONQUERED OR GREATLY REDUCED.
5. MORE OF OUR PEOPLE ARE BETTER EDUCATED THAN EVER BEFORE.
6. MORE FAMILIES HAVE A CHANCE TO SHARE CULTURAL & LEISURE ACTIVITIES
THAT ONCE WERE THE PRIVILEGE OF ONLY A FEW. /
7. WE HAVE MADE GREAT PROGRESS
8. AGAINST RACIAL, RELIGIOUS, SEXUAL & AGE DISCRIMINATION --
9. AND WE ARE FIGHTING TO MAKE MORE. /
10. BOTH WOMEN & MEN ARE MORE FREE TODAY
11. TO FULFILL THEIR OWN & THEIR FAMILIES' NEEDS
IN NEW & CHALLENGING WAYS.
12. MANY FATHERS ARE DISCOVERING THE JOYS & RESPONSIBILITIES
13. OF GREATER INVOLVEMENT WITH THEIR HOMES & CHILDREN. /

TIES

1. FAMILIES ARE BASED ON MORE THAN BLOOD.
2. THEY ARE A KINSHIP OF SHARED EXPERIENCES,
SHARED DREAMS,
SHARED JOYS & SORROWS.
3. MOST OF ALL,
4. THEY ARE BASED ON LOVE
5. THAT CAN SPAN VAST DISTANCES & THE BARRIER OF GENERATIONS.
6. FAMILIES ARE -- OR SHOULD BE --
7. WHERE WE FIRST LEARN TO LIVE TOGETHER
IN HARMONY & HELPFULNESS. /
8. THE CARE & NURTURE OF THE YOUNG IS CENTRAL TO ANY SOCIETY,
9. AND THAT HAS ALWAYS BEEN THE SPECIAL RESPONSIBILITY OF THE FAMILY. /
10. IT IS HERE
11. THAT MOTIVATION, MORALS, GOALS & HABITS
ARE FIRST SET.
12. IN FAMILY LIFE,
13. WE FIND MANY OF THE ROOTS OF CRIME & FAILURE
& EVEN SOME HEALTH PROBLEMS --
14. AND ALSO THE ROOTS OF GOOD HABITS,
ACHIEVEMENT,
HAPPINESS & CONCERN FOR OTHERS. /

1. I HOPE WE WILL COME OUT OF THIS CONFERENCE
2. WITH A REAFFIRMATION OF FAMILIES AS THE FUNDAMENTAL BUILDING BLOCKS
OF OUR SOCIETY.
3. I HOPE WE WILL UNITE AROUND A COMMITMENT
4. TO STRENGTHEN, NOT WEAKEN FAMILIES --
5. TO HELP, NOT HINDER FAMILIES --
6. TO LIFT FAMILIES UP, NOT DRAG THEM DOWN. /
7. FOUR YEARS AGO I CALLED FOR THIS CONFERENCE
8. BECAUSE I WAS DEEPLY CONCERNED THAT OFFICIAL AMERICA
HAD LOST TOUCH WITH FAMILY AMERICA.
9. I WANT THE CONFERENCE TO BE THE CATALYST
10. FOR A NEW AWARENESS IN GOVERNMENT OF THE IMPORTANCE OF FAMILIES
AND THE NEEDS OF FAMILIES --
11. AND FOR A PERIOD OF INTENSE REASSESSMENT OF PROGRAMS & POLICIES.
12. WHERE GOVERNMENT INVOLVEMENT IS HELPFUL,
LET IT BE STRENGTHENED.
13. WHERE IT IS HARMFUL,
LET IT BE CHANGED. /

1. NO ONE WANTS GOVERNMENT INTERFERENCE IN OUR PERSONAL AFFAIRS.
2. WE DO NOT WANT GOVERNMENT IN OUR KITCHENS, BEDROOMS & LIVING ROOMS,
MONITORING & CONTROLLING FAMILY LIFE.
3. BUT WE KNOW THAT GOVERNMENT DOES TOUCH OUR FAMILIES --
4. THROUGH THE TAX SYSTEM,
5. THROUGH PUBLIC EDUCATION,
6. THROUGH SOCIAL SECURITY,
7. AND THROUGH A WHOLE RANGE OF HEALTH, HOUSING & HUMAN SERVICE PROGRAMS. /
8. AS A NATION WE ARE FACED WITH SERIOUS CHALLENGES
AT HOME & ABROAD,
9. CHALLENGES THAT THREATEN AMERICAN FAMILIES IN IMPORTANT WAYS.
10. THE SOLUTIONS WE WORK OUT
11. WILL EITHER STRENGTHEN OR WEAKEN OUR FAMILIES.

1. WHEN WE GET CONTROL OF INFLATION,
2. WHEN WE CREATE JOBS,
3. WHEN WE IMPROVE EDUCATION & HEALTH CARE, *& EQUAL RIGHTS UNDER THE CONSTITUTION*
4. WHEN WE INSIST ON EQUAL JUSTICE UNDER THE LAW, FOR ALL PEOPLE --
5. WE ARE HELPING THE AMERICAN FAMILY. /
6. WHEN WE WORK FOR A SECURE NATION & A PEACEFUL WORLD --
7. WE ARE HELPING THE AMERICAN FAMILY. /
8. THE COUNTRY IS LOOKING TO YOU FOR CONSTRUCTIVE SUGGESTIONS
ABOUT HOW OUR SOCIETY CAN HELP --
9. NOT JUST GOVERNMENT
10. BUT OUR ENTIRE SOCIETY IN ALL ITS PUBLIC & PRIVATE ASPECTS. /

1. I HOPE YOU WILL RECOMMEND
2. THINGS GOVERNMENT CAN DO -- OR STOP DOING --
IN ORDER TO STRENGTHEN FAMILIES.
3. BUT I HOPE YOU WILL GO DEEPER.
4. LOOK FOR CREATIVE, COMPASSIONATE SOLUTIONS
TO THE PROBLEMS OF FAMILIES --
5. AND THEN CONSIDER WHO OR WHAT MIGHT BEST CARRY THEM OUT.
6. I HOPE YOU WILL ENCOURAGE NON-GOVERNMENTAL INSTITUTIONS
THAT WORK TO STRENGTHEN FAMILIES --
7. ESPECIALLY THE CHURCHES & SYNAGOGUES WHICH HAVE ALREADY DONE SO MUCH.
8. AND I HOPE YOU WILL CONSIDER THE NEEDS
9. NOT ONLY OF TROUBLED FAMILIES
10. BUT OF ALL FAMILIES. /
11. REMEMBER, ABOVE ALL,
12. THAT THE MEMBERS OF THE FAMILIES THEMSELVES
13. ARE THE MOST LIKELY ONES TO MAKE THE RIGHT DECISIONS
ABOUT THEIR OWN LIVES. //

1. I HAVE NO DOUBT THAT WE CAN MAKE OUR COUNTRY
A BETTER PLACE TO REAR A FAMILY.
2. STARTING TODAY,
3. WE CAN HELP IMBUE OUR NATION & ITS INSTITUTIONS
4. WITH A NEW APPRECIATION & SENSITIVITY FOR FAMILIES.
5. WE CAN BUILD AN AMERICA OF STRONGER FAMILIES:
6. --AN AMERICA WHERE THE HOME IS A PLACE OF LOVE & STABILITY,
7. WHERE CHILDREN ARE NURTURED TO RESPONSIBLE CITIZENSHIP,
8. AND HUSBAND & WIFE CAN SHARE MUTUAL LOVE & GROWTH;
9. --AN AMERICA WHERE IN THE HOME
10. BASIC RELIGIOUS & ETHICAL VALUES ARE BOTH TAUGHT & LIVED;
11. --AN AMERICA WHERE EACH FAMILY IS A WELLSPRING
12. OF RACIAL, ETHNIC & RELIGIOUS UNDERSTANDING,
13. WHERE PEOPLE WHO LOOK & LIVE DIFFERENTLY WITHIN THE COMMUNITY
ARE EMBRACED AS BROTHERS & SISTERS.

1. WE CAN BUILD AN AMERICA
2. WHERE PARENTS ARE PARTNERS WITH THE SCHOOLS IN EDUCATION.
3. WE CAN BUILD AN AMERICA
4. WHERE THE TASKS OF FAMILY LIFE
5. ARE VALUED & RECOGNIZED AS IMPORTANT WORK;
6. WE CAN BUILD AN AMERICA
7. WHERE EMPLOYEES NEED NOT HAVE TO CHOOSE Z
8. BETWEEN THEIR RESPONSIBILITIES AS WORKERS & AS PARENTS.
9. WE CAN BUILD AN AMERICA
10. WHERE THE POWERFUL FORCES OF INEVITABLE CHANGE
11. DO NOT ENDANGER THE BASIC STRUCTURE OF FAMILY LIFE.
12. AND WE CAN BUILD AN AMERICA
13. WHERE THE POLICIES OF OUR NATIONAL FAMILY
14. GROW OUT OF THE NEEDS OF THE MILLIONS OF INDIVIDUAL FAMILIES
THAT MAKE IT UP. /

1. I WILL DO ALL I CAN
2. TO ENSURE THAT YOUR WORK DOES NOT END >
3. AS A REPORT WHICH GATHERS DUST ON SHELVES IN WASHINGTON.
4. IN THE PAST,
5. WHITE HOUSE CONFERENCES HAVE SPURRED OUR COUNTRY
TOWARD CONSTRUCTIVE CHANGE.
6. YOUR DELIBERATIONS --
7. AND THOSE TO FOLLOW IN MINNEAPOLIS & LOS ANGELES --
8. ARE EXTREMELY IMPORTANT.

1. CERTAINLY, AMERICAN FAMILIES FACE DIFFICULTIES,
2. AND THEY WILL LOOK TO US FOR STRENGTH & SUPPORT IN THE '80s.
3. YOUR RECOMMENDATIONS WILL BE VERY IMPORTANT,
4. BUT IN THE ENTHUSIASM & CARE
5. THAT HAVE GONE INTO THIS EVENT,
6. WE CAN ALREADY SEE SOMETHING ELSE:
7. WE CAN SEE THE STRENGTH OF AMERICAN FAMILIES.
8. WE CAN SEE THE COMMITMENT OF AMERICANS
9. TO THEIR OWN FAMILIES & TO OUR NATIONAL FAMILY.
10. AND WE CAN SEE THE LOVE
11. THAT I BELIEVE WILL HELP CREATE A BETTER FUTURE
FOR EVERY FAMILY IN OUR LAND.

#

THE WHITE HOUSE
WASHINGTON

6-5-80

To C. Schultze

Why is the discount
rate so high?

J

D11

Strength

Key Rates	In percent		Previous Year		dif
	Yesterday	Day	Day	Ago	
PRIME RATE*	13.00	14.00	11.75	+1.25	
DISCOUNT RATE	12.00	12.00	9.50	+2.50	
FEDERAL FUNDS	8.70	11.05	10.17		
3-MO. TREASURY BILLS	7.30	7.60	9.34	-	
6-MO. TREASURY BILLS	7.70	7.90	9.25	-	
TREASURY NOTES	9.94	9.99	8.93	+1.0	
TREASURY BONDS	10.31	10.40	8.93		
BELL SYSTEM BONDS	11.32	11.46	9.50		
MUNICIPAL BONDS	8.20	8.20	6.77		
6-MONTH SAVINGS CERTIFICATES	7.753/8.003				
*split rate: 13.00-14.00					
Salomon Brothers estimates for bellwether issues					

for- Gas than yields on similar Maryland bonds
iced 5 to marketed May 28.
un- Oregon's \$300 million tax-exempt
"c bond issue, which is priced to yield
from 7.40 percent in 1994 to 8.30 percent
in 2008, also did well. Dealers said
with \$5 million of the issue unsold.

THE WHITE HOUSE
WASHINGTON
June 5, 1980

Jody Powell

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

Rick Hutcheson

cc: Phil Wise
Fran Voorde
Zbig Brzezinski

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	<p>Phil Wise to the President. Re: D'Estaing-Brezhnev meeting. (1 p.)</p>	6/5/80	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of Staff Sec.-
 Pres. Handwriting File, "6/5/80 [2]." Box 190

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THE WHITE HOUSE

WASHINGTON

May 13, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Jody Powell *JJP*
SUBJECT: Armand Hammer meeting

I understand that Armand Hammer is distressed that he has not been able to meet with you privately since August, 1978. He apparently has made repeated unsuccessful requests for such a meeting.

Some weeks ago when I called Hammer to ask that he give Jerry Schecter yet another extension of the deadline for reporting to work at Occidental Petroleum so that Schecter could continue to help us on the Iran situation, Hammer raised the issue again, and I told him I was sure that you wanted to meet with him again.

I am requesting that a 15-minute or so meeting be scheduled between you and Hammer. As you know, he has been extremely supportive, and I have the impression that his desire to meet with you privately, and the various rebuffs he has received, continue to bother him quite a bit.

Approve _____

Disapprove _____

OCCIDENTAL PETROLEUM CORPORATION

10889 WILSHIRE BOULEVARD • SUITE 1500

LOS ANGELES, CALIFORNIA 90024

(213) 879-1700 • (213) 477-0066

ARMAND HAMMER
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

May 27, 1980

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I have some additional thoughts about East-West relations and the opportunity to revive the detente process.

As I have expressed in my recent letters, like most Americans, I was deeply concerned by the Afghanistan invasion and the deterioration of detente with the considerable threat to world peace that resulted.

As you may know, since the invasion, I have had the chance to meet with heads of state of both the East and the West in countries where we do business. Among these were Leonid Brezhnev, Eduard Gierek, Valery Giscard d'Estaing, Margaret Thatcher, Bruno Kreisky, Nicolae Ceausescu, and Todor Zhivkov. From these private conferences, I reached the conclusion that some positive elements may exist now to further pursue the dialogue begun with Minister Gromyko by Secretary Muskie, for whom I have the highest regard. Several items confirm my thoughts and indicate to me that there is a reasonable chance for success. These are related to the developments in Afghanistan, to reactions by Americans and the rest of the world to the invasion greater than was anticipated by the Soviets and last, but not least, to President Brezhnev's state of mind and desire for peace. I also learned that both Ceausescu and Gierek have privately expressed their willingness to help in restoration of detente in which both their countries have a clear stake.

I recognize that the task will not be easy and that difficult negotiations will be necessary, but I feel we should not miss the opportunity that appears to be upon us.

Mr. Gierek expressed to me, a few weeks ago, the admiration that

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for Preservation Purposes**

The President

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May 27, 1980

the Polish people and he personally, have for you in his willingness to be of any help that he can.

I am finalizing a trip on June 8 to meet with President Sadat and subsequently King Hassan II on important business matters in their countries. Before making this trip, it is my hope that we will have the chance to see each other privately.

The Third Armand Hammer Conference on Peace and Human Rights will take place in Warsaw on July 4. This follows the previous conferences held in Oslo in 1978 and at Campobello in 1979. I hope you will again send Dr. Lincoln Bloomfield and a message to the group. At this writing, it appears we will be honored by President Lopez Portillo, who told former Premier Edgar Faure in Paris last week that he would make the inaugural address.

I also have some ideas that could keep OPEC from raising prices, thus frustrating the excellent steps you are taking to reduce inflation, unemployment, and the general economic distress which is resulting from the recession.

As always, I continue to be your ardent supporter, as does Frances, who joins me in sending warmest best wishes to you.

Respectfully,

Armand Hammer