[7/25/80-Not Submitted-DF]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: [7/25/80-Not Submitted-DF]; Container 169

To See Complete Finding Aid:
http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	~~From Owen to The President (one page) re: Resumption of Strategic Petroleum Reserve Filling~~ opened per RAC NLC-126-22-8-1-8 1/9/14	7/25/80	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File [7/25/80-Not Submitted-DF] BOX 196

RESTRICTION CODES

(A) Closed by Executive Order 12356 governing access to national security information.
(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE WHITE HOUSE

WASHINGTON

July 25, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER Anne
AL MCDONALD Al

SUBJECT: INFLATION ACTIVITIES --- WEEK OF JUNE 21, 1980

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

not submitted

SUMMARY OF ANTI-INFLATION ACTIVITIES

Week of July 21, 1980

Congress

Mid-Session Review - Secretary Miller, OMB Director McIntyre, and CEA Chairman Schultze testified before the House Ways and Means, Senate Finance, Budget, and Joint Economic Committees. Administration spokesmen reiterated that while a tax cut might be desirable in 1981, we do not believe an appropriate bill could be fashioned in the few remaining days of this session of Congress.

Rail Deregulation - The House briefly considered the rail deregulation bill, but further action has been delayed until next week.

Outreach

Briefings - Anti-inflation actions were included in most White House briefings -- 6 briefings, covering approximately 450 people, 3 with Presidential involvement.

Media - Chairman Schultze appeared on the "MacNeil/Lehrer Report" to discuss inflation and our economic policy on Monday, July 21 and on ABC's "Good Morning America" on Tuesday. Director McIntyre appeared on the CBS "Morning News" on Tuesday to discuss the mid-session budget review.

Energy

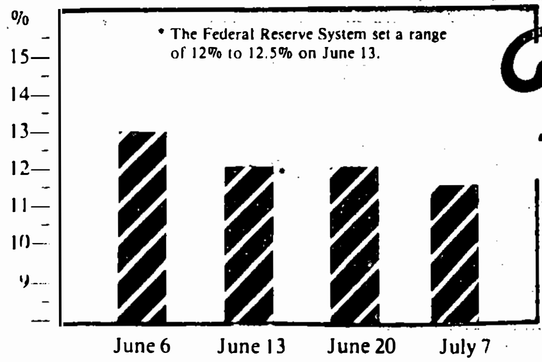
Canadian Gas Pipeline - On Friday, July 18, the Canadian Government announced its preliminary approval of the financing arrangements for the prebuilt portion of the Alaska/Canada natural gas pipeline. When fully built, this pipeline would provide the United States with 5% of its total consumption of natural gas.

Economic Indicators

Prime Rate - As interest rates on bank funds continued to fall this week, the prime rate was lowered by several large banks to 10-3/4.

(7/25/80)

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



Inflation Report

No. 13 The White House Press Office July 24, 1980

President Urges Energy Conservation in Homes, on Farms

President Carter Tuesday announced a multi-pronged program that he hopes will get at least one of every four Americans to use additional energy-saving measures in the home.

In announcing the second phase of the National Energy Conservation Program, the President also encouraged farmers to intensify their conservation efforts to save an additional 5% of energy used on the farm.

He urged neighborhood, civic, and voluntary groups to work toward getting at least 25% of community residents to cut energy waste at home. The President also asked industry, financial institutions, and public utilities to support the program with funds, materials, and technical assistance.

In addition, the President encouraged farm groups to expand energy-cutting activities to make certain that at least 25% of their members practice conservation.

The energy conservation initiative is designed to encourage Americans to use less energy and help the nation reduce its dependence on foreign oil. Nearly 200 organizations, including some of the nation's largest corporations representing at least 8 million employes, have signed on for the program's first phase aimed at cutting transportation energy waste. That phase emphasized ridesharing and use of public transit and more efficient driving techniques.

President Carter wants to cut U.S. oil imports by one-half by 1990. This would help reduce the high payments for imported oil which contribute to the inflation problem, account for increases in the U.S. trade deficit, and weaken the economy.

Currently, residences account for 20% of annual U.S. energy consumption. The Department of Energy says that up to 25% of energy used in the home could be saved if Americans adopted simple no- or low-cost conservation measures.

Home areas with the greatest potential for energy savings include: heating and cooling systems, hot-water heaters, washers and dryers, building insulation, storm windows, weatherstripping and caulking, use of "flow restrictors" to cut hot-water consumption in showers and kitchen sinks, and kitchen appliances.

Persons seeking information on the initiative may telephone the President's Clearinghouse for Community Energy Efficiency toll-free at (800) 424-9040.

Mid-Session Economic Review Goes to Congress; Shows Inflation Slowing, Budget Deficit Up

Under the requirements of the 1974 Congressional Budget Act, the Administration has submitted to the Congress the Mid-Session Review of the Budget. This document provides revised estimates of expenditures and revenues for Fiscal Years 1980 and 1981. The revision is based on actual spending patterns to date and a revised economic forecast.

The Administration's revised forecast predicts an inflation rate of 12% over the four quarters of 1980, falling to 9.8% for 1981. Unemployment is expected to be at 8.5% in the fourth quarter of 1980 and at the same level in 1981.

For the budget as a whole, the Review estimates that the 1980 budget deficit will be about $61 billion—or $26 billion over that estimated in March—and for 1981 will be about $30 billion, instead of the $16.5 billion surplus estimated. The budget deficit is strongly affected by the nation's growth and unemployment rate. The Review reported several causes for the new figures:

—Estimated tax receipts are down about $24 billion in 1981, largely because of lower incomes resulting from current economic conditions and from the action by the Congress to repeal the President's gasoline conservation fee.

—Estimated outlays (expenditures) have risen partly because of increased payments for unemployment benefits and other programs that cushion the recession.

—Estimated outlays for 1980 and 1981 also have increased because of higher costs for defense programs and accelerated spending by the Department of Defense. There have been increased costs for fuel and military pay and allowances and for increased operations in the Persian Gulf/Indian Ocean area.

In line with the President's commitment to real growth in defense spending, Defense Department outlays will be higher in both years.

—Outlays also are expected to rise because of several unanticipated events, such as the Mount St. Helens disaster, other natural disasters, and the recent arrival of foreign nationals.

Administration spokesmen have said that the outlook for 1981 is not satisfac-

*See **Review Shows Inflation Slowing** next page*

Holding the Line on Inflation...

About 200 representatives from Federal regulatory departments and agencies attended a conference on innovative regulatory techniques sponsored on Tuesday by the U.S. Regulatory Council.

The participants attended workshops to learn how and where more flexible, innovative methods can be substituted for traditional means of meeting regulatory goals.

The conference was organized to implement the President's recent memorandum to Executive departments and agencies directing them to make greater use of these market-oriented methods. The Administration believes that using alternative approaches when possible can save money, cut red tape, and encourage private ingenuity to work to find better ways of meeting regulatory goals.

The Council says it has found to be most workable eight such techniques which can be used as alternatives to traditional regulation. On October 1, it must report to the President on what progress the agencies have made in increasing use of these innovative techniques.

• • •

Holly Farm Foods has taken corrective price action in order to remain in compliance with the Administration's voluntary standards. The action extends from June 1 through August 31.

Holly Farm Foods will hold its gross margin below the allowable level in order to offset an excess during part of the last program year.

25 Groups Win Transportation Energy Efficiency Awards

Twenty-five organizations this week received the President's Award for Energy Efficiency for their programs to reduce transportation energy use.

These were the first Awards for Energy Efficiency presented. Additional Awards will be given later this year to other groups which also have organized exceptional programs to cut energy waste.

Many of the winners have set up ridesharing programs for employes and have improved the fuel efficiency of their company vehicles through better driving techniques and public education.

The winners include:

Atlantic Richfield Company: In 1973, it began subsidizing bus fares for employes and in 1976, it organized a Los Angeles-area vanpool program with other private and public groups. Some 67% of its Los Angeles employes rideshare or use public transit to and from work.

Central Freight Lines, Waco, TX: The firm has trained its drivers in fuel-efficient techniques and uses innovative fuel-saving devices in its vehicles.

Champion Spark Plug Company, Toledo, OH: Since 1975, it has tested more than 30,000 vehicles to determine the impact of engine conditions on fuel consumption and emissions as part of its Mobile Proving Ground test program.

City of Portland, OR: It has linked comprehensive transportation planning with meeting energy efficiency goals and with its urban development policy. In the last decade, it has created a downtown "transit mall" and a city-wide ridesharing program; a light-rail transit system is being planned.

Coats and Clark, Atlanta, GA: The company hires its drivers on a conditional basis until the drivers have attained certain fuel-economy goals. Monthly reports are compiled on each driver's fuel economy.

Coleman/Goff, St. Paul, MN: This advertising/public relations firm conducted a three-day demonstration using specially equipped trucks to call attention to fuel-economy techniques. It is involved in other energy-conservation promotional campaigns in St. Paul and San Francisco.

Connecticut Department of Transportation: Since 1973, it has provided free carpool matching and consultation services to private employers, a program which has resulted in a 20% increase in ridesharing in these firms. The State also has taken other steps to encourage ridesharing.

Energy Conservation Study Group, Maintenance Council of the American Trucking Associations, Greenwich, CT: Maintenance and operational executives from hundreds of trucking firms meet three times a year to discuss low-cost, efficient fleet operation.

Evergone, Federal Way, WA: This U.S. Postal Service contractor has installed fuel-economy devices on its three-truck fleet, significantly boosting fuel economy.

Golden Gate Bridge Highway and Transportation District, San Francisco, CA: Due partly to a decade-old ridesharing promotional campaign, 10,000 additional commuters now cross the Bridge daily although the number of vehicles using the Bridge has not risen. Currently, 65% of commuters using the Bridge ride in carpools, vanpools, club buses, or on public transit.

Hallmark Cards, Kansas City, MO: It has encouraged ridesharing and public transportation by offering a computerized matching system for those wishing to rideshare, by permitting employes to buy public-transit passes through payroll deductions, and by supporting the operation of 50 employe vanpools. By the end of this year, 33% of its employes will share rides or use buses.

Institute of Industrial Launderers, Washington, DC: At least 150 member companies have sent representatives to a route-alignment training course to learn how better route planning can save fuel.

Maryland State Police Department: This was the first State police department in the nation to send staff members to the Department of Energy's Driver Energy Conservation Awareness Training (DECAT) Program; it has trained 1,400 fleet drivers and sponsored training sessions for fleet operators from other organizations.

McDonnell Douglas Aircraft, St. Louis, MO: About 33% of its St. Louis employes rideshare or use public transit; partly because of its encouragement of these programs.

Michigan Department of Transportation: It operates the largest State-employe vanpool program in the nation, serving 1,300 workers with 118 vans and saving about 900,000 gallons of gasoline annually. It also allocated more than $500,000 for 20 State-wide ridesharing planning offices to assist private and public employes.

Montana Department of Highways: It has set up a driver-efficiency training program for State employes.

National Bureau of Standards, U.S. Department of Commerce: The agency cut its gasoline consumption between April 1, 1979, and March 31, 1980, over the same period a year earlier by 40% without curtailing official duties.

The Prudential Insurance Company of America, Newark, NJ: The firm operates one of the largest vanpool programs in the country. It estimates about 50% of its employes use car- or vanpools, 40% use public transit, and 10% remain single drivers.

Reynolds Electric and Engineering Company, Las Vegas, NV: It funds a driver-efficiency training program which so far has reached 3,000 Nevada drivers and almost 100 Nevada driving instructors.

Seattle First National Bank: It will spend $600,000 this year for its "Bus With Us" program to subsidize public-transit passes for more than 40% of its employes. It says that during the program's first year (it began in November of last year), it will have saved 750,000 gallons of gasoline and 12 million miles which employes otherwise would have driven.

Shemya Air Force Base, Alaska: Personnel have cut gasoline consumption by almost 25% between April 1, 1979, and March 31, 1980, over the previous year, by walking, consolidating driving trips, and saving in other ways.

Southern New England Telephone Company, Hartford, CT: Since 1971, the firm has promoted alternate means of commuting; 37% of its employes use public transit or car- and vanpools.

Texas Medical Center, Houston, TX: A multi-employer transportation program was organized there two years ago to encourage vanpooling, to supply discounts for public-transit passes, and to provide a computerized carpool matching program.

3M Company, St. Paul, MN: Its model vanpool program has increased from six vans in 1973 to 135 vans today. 3M Senior Transportation Engineer Robert Owens is regarded as the "father of vanpooling" and his work has made him a leader in commuter transportation around the world.

Truck and Bus Fuel Economy Advisory Committee, Society of Automotive Engineers, Euclid, OH: Composed of 40 representatives from the truck- and bus-manufacturing industry, this committee develops fuel-economy test procedures for new devices and concepts.

Loan Guarantee Approved for Coal-to-Gas Plant

The Department of Energy has given a conditional commitment to guarantee a $250 million loan to finance part of the first-year construction costs for the Great Plains Coal Gasification Plant in North Dakota.

This will be the first large commercial plant in the nation to produce pipeline-quality (high Btu) gas from coal. The $1.4 billion plant is expected to produce 137.5 million cubic feet of synthetic gas daily from abundant reserves of lignite coal in the area.

The action is part of the Carter Administration's efforts to develop alternate energy sources and reduce the nation's dependence on foreign oil.

The loan guarantee's final approval is conditional upon the completion of, among other things, the National Environmental Policy Act process and upon the plant consortium's gaining firm commitments for full funding from private or other sources. Five gas pipeline companies make up the consortium.

June Housing Starts Up 30%

Privately owned housing was started in June at an annual rate of almost 1.2 million units—a 30% increase over May.

In addition, new privately owned housing construction permits were issued in June at an annual rate of almost 1.1 million units—a 28% increase over May.

While Secretary of Commerce Philip Klutznick said the data show that the housing industry is responding to lower interest rates and reviving home sales, he cautioned against "a feeling of overconfidence" and emphasized "the need for continued fiscal restraint given our continuing concern over the underlying rate of inflation."

CPI Rises Slightly in June

The Consumer Price Index rose by 1% in June. This is an annual rate of 12.4%.

The Department of Labor pointed out that the June CPI still reflects mortgage rate increases of earlier months. The CPI excluding mortgage financing increased at a 7.3% annual rate.

The May and June decline in interest rates should result in smaller CPI figures in the next few months.

Review Shows Inflation Slowing

from Page 1

tory, and that they are working with the Congress to develop a long-term policy response to improve recovery. Although Administration economists indicated that it is quite likely that a tax cut may be desirable in 1981, they stressed the importance of a carefully designed tax cut and the difficulty of enacting such a cut during the few remaining days of this Congressional session.

THE WHITE HOUSE
WASHINGTON

DEAD FILE -- MEMO NOT SUBMITTED
(TOO LATE)

MEMORANDUM 4416 28

THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

INFORMATION

July 25, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY OWEN

SUBJECT: Resumption of SPR-Filling (C)

I endorse Charles Duncan's plan for resumption of Strategic Petroleum Reserve-filling and recommend that in approving it you underline his point about the need for a cautious start, so as to avoid provoking Saudi accusations of bad faith or a cut-back in Arab oil production. This means, I believe:

-- Limiting the early (October-November) contracting to about 100,000 bd of either direct acquisition of NPR oil or swaps of NPR oil for non-Arab oil, unless Charles Duncan's talks with Yamani in September lay the basis for a larger program; and

-- Avoiding public statements detailing our procurement plan, which would invite press stories that we are going to hit the general market for imported crude, possibly including Saudi or other Arab oil. (C)

We will maintain a continuing review of the SPR fill rate's impact on oil prices. (C)

~~CONFIDENTIAL~~
Review on
July 25, 1986

DECLASSIFIED
Per; Rac Project
ESDN; NLC-126-22-8-1-8
BY [initials] NARA DATE 1/2/14