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THE WHITE HOUSE

WASHINGTON

August 1, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*
AL MCDONALD *my*

SUBJECT:

INFLATION ACTIVITIES --- WEEK OF JULY 28, 1980

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

not submitted

DF

SUMMARY OF ANTI-INFLATION ACTIVITIES

Week of July 28, 1980

Congress

Appropriations Bills - The Congress continued work on appropriations bills this week. The House has now passed eight of 13 appropriations bills before it.

Energy

SRC II - The President and representatives of Japan and West Germany signed an agreement to fund the second synthetic refining of coal demonstration plant. The plant will be the largest plant producing liquid fuel from high sulfur coal with U.S. technology.

Outreach

Briefings - Anti-inflation actions were included in nine White House briefings, covering approximately 750 people, three with Presidential involvement.

Continuing Actions

Compliance Actions - The Council on Wage and Price Stability announced that Grain Milled Products, a unit of Con Agra Corporation, has agreed to take corrective action to make up for the extent that its prices exceeded the first year standards. Con Agra is a food processor located in Omaha, Nebraska.

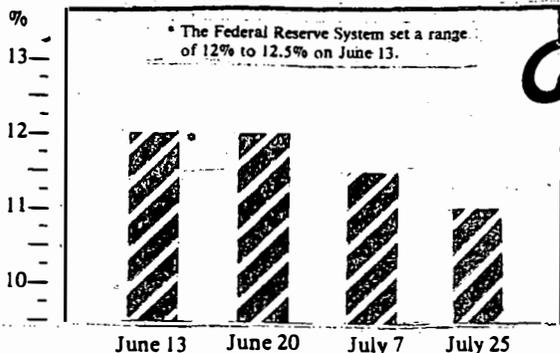
3rd Year Wage/Price Standards - The period for comment on the 3rd year standards closed on Friday, August 1. COWPS staff will review the some 40 comments received and revise the standards for publication as interim final rules in early September.

Economic Indicators

The index of leading economic indicators rose for the first time in a year. Statistics released Friday showed an increase in employment of 460,000 and an increase in the labor force of 660,000, for an unemployment rate of 7.8 percent. Figures issued earlier in the week revealed exports at record levels and oil imports down some 25 percent over the same period last year. These encouraging economic indicators show a moderation in the effects of the recession and the prospects for economic growth.

Some key interest rates have increased this week, with further action evident by the Federal Reserve to keep money supply growth within moderate levels.

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



Inflation Report

Three-Nation Synthetic Fuels Plant Agreement Signed

Leaders from Japan and the Federal Republic of Germany today joined the President in signing an agreement to launch the first internationally sponsored commercial advanced synthetic liquid fuels plant. The plant will produce the equivalent of 20,000 barrels of oil in alternate fuels daily.

When completed in 1984, it will turn 6,000 tons of high-sulfur bituminous coal—which is found in the eastern and mid-western U.S.—into liquid fuel suitable for use in manufacturing gasoline, home-heating oil, and boiler fuel.

Speaking at the White House signing ceremony, President Carter said the three-nation agreement is “an indication of concrete movement that will put into action the commitments made by industrialized consuming nations last year at the Tokyo Summit and more recently, this year’s Venice Economic Summit.”

At both meetings, world leaders agreed to increase use of coal in order to reduce their dependence on foreign oil.

The President has set a goal of cutting U.S. oil imports from an estimated 13 million barrels a day by 1990 to under 5 million barrels a day through the development of synthetic fuels and alternate energy sources, more energy conservation, and increased domestic oil and natural gas production.

The President said the project, which will cost more than \$1 billion, is expected to create 3,500 construction jobs and employ 500 persons in the Morgantown, West Virginia, area when it is finished.

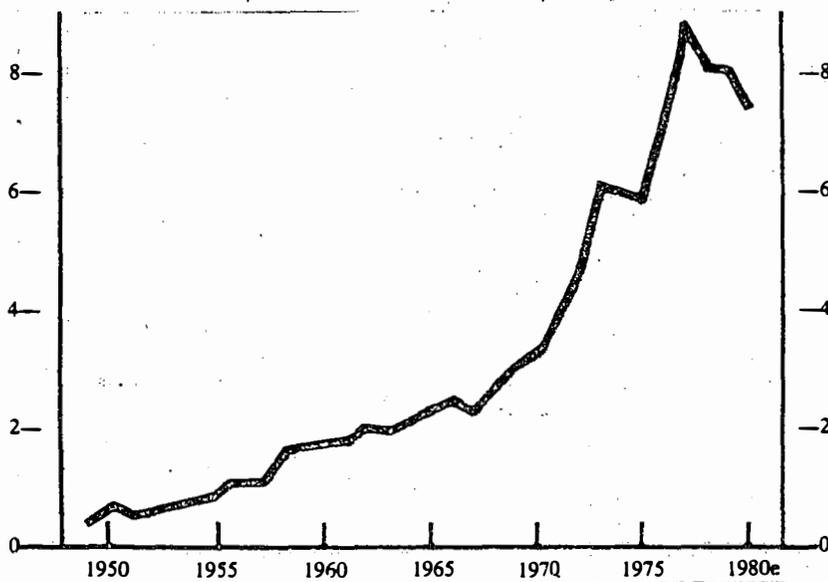
Germany and Japan each will share 25% of the project’s costs. Gulf Oil Corporation will join with the German industrial firms of Ruhrkohle AG and VEBA and a group of Japanese companies represented initially by Mitsui in providing up to \$100 million. The U.S. Department of Energy will fund the remaining costs for the project and supporting research.

Pending completion of ongoing environmental studies, plant construction is scheduled to begin next spring. The plant will use a variation of the Solvent Refined Coal Process, one of the most advanced techniques in a new generation of synthetic-fuel technologies being developed by the Energy Department.

A parallel effort to build a similar-sized plant in Kentucky to use a second variation of the process also is underway with funding from the Energy Department, the Commonwealth of Kentucky, and the International Coal Refining Company.

Volume of Total Petroleum Imports, 1949-1980*

Imports in millions of barrels per day



*millions of barrels per day on the DOE net trade basis

As this chart shows, the U.S. recently has begun to reduce its reliance on foreign oil. High payments for oil imports are a major reason for the inflation rate. Domestic supply problems in energy began to appear in the early 1970s. As a result, oil imports rose to 6 million barrels a day in 1973, declined slightly during the 1973-1975 recession, and then climbed in 1977 to more than 8 million barrels per day. This year, oil imports may fall to the level of a little more than 7 million barrels a day.

During the first 199 days of 1980, net imports of crude and petroleum products were 14.7% lower than they were during the same period last year. For the four weeks ending July 18, net imports of crude and product were down 25% from last year, standing at 5.6 million barrels a day compared to 7.5 million barrels a day during the same 1979 period.

Holding the Line on Inflation...

Another 60 companies have agreed to participate in the first phase of President Carter’s energy conservation initiative to cut energy waste in the nation. That phase aims to reduce transportation energy use.

The additional firms bring to more than 240 the number of organizations which have agreed to meet the initial phase’s goals: to get at least 20% of employees to rideshare or use public transit and to inform employees, customers, and the general public about efficient driving techniques, proper route planning, and proper automobile maintenance.

Last week, the President announced the initiative’s second phase to reduce energy use in the home and on the farm.

• • •

Circle K Corporation, a gasoline and grocery retailer based in Phoenix, has been found out of compliance with the voluntary price standards.

The Council on Wage and Price Stability said the firm exceeded the allowable percentage gross margin during the first year of the anti-inflation pay and price standards program.

Congress Working on Appropriation Bills for FY 1981

Legislation to provide funding for the Federal government for Fiscal Year 1981 beginning October 1 is proceeding through the Congress. Thirteen separate appropriations bills totaling about \$400 billion are now before the Congress.

The status of those bills is:

**Passed by the House,
Awaiting Senate Action**

H.R. 7591 Agriculture Bill (passed House

on July 30)

H.R. 7590 Energy and Water Development Bill (passed House on June 25)

H.R. 7631 HUD-Independent Agencies Bill (passed House on July 28)

H.R. 7593 Legislative Branch Bill (passed House on July 21)

H.R. 7592 Military Construction Bill (passed House on June 27)

H.R. 7584 State-Justice Bill (passed

House on July 23)

Reported by House Appropriations Committee, Awaiting House Floor Action

H.R. 7854 Foreign Operations Bill

H.R. 7724 Interior Bill

H.R. 7831 Transportation and Related Agencies Bill

H.R. 7583 Treasury-Postal Service Bill
Awaiting House Subcommittee Action

District of Columbia Bill

Labor-HHS-Education Bill

Currently in House

Subcommittee Mark-up

Defense Bill

Members of President's Council Will Encourage Additional Energy Conservation by Americans

Some 70 persons have agreed to serve as members of the President's Council for Energy Efficiency.

As members, these well-known Americans through their public activities will encourage other citizens to conserve energy.

The Council is one part of President Carter's National Energy Conservation Program, which is designed to get Americans to cut energy waste and help the nation reduce its dependence on foreign oil.

Last week, the President announced the Program's second phase which aims at conserving energy used in the home and on the farm. The President hopes to get at least 25% of Americans to use additional energy-conservation measures at home. He also wants farmers to intensify their conservation efforts to save an additional 5% of energy used on the farm.

The Program's first phase, announced last April, urged Americans to reduce transportation energy use by ridesharing, using public transit, and driving more efficiently.

The President's Council for Energy Efficiency includes:

Ansel Adams, photographer

Edward Avila, executive director, National Association of Elected Officials

Jose Bahamonde, television producer

Bobby Bare, country singer

William Beebe, chairman of the board, Delta Airlines

Lina Bombeck, humorist and author

David Burwell, assistant director of public works, National Wildlife Federation

William Clinton, governor of Arkansas

Sam Church, Jr., president, United Mine Workers

Robert Colodzin, vice president, Champion International Corporation

James Craig, Olympic gold medalist

James Creal, president, American Automobile Association

Andrae Crouch, gospel singer

Pam Dawber, actress

James Porter Dean, chairman of the national internal affairs committee, The American Legion

Charles DiBona, president, American Petroleum Institute

Kirk Douglas, actor

Erik Estrada, actor

William France, president, National Association of Stock Car Auto Racing, Inc.

Donald Frisbee, chairman, Pacific Power and Light Company

Joseph Garrahy, governor of Rhode Island

Jose Gomez, chairman, National Economic Development Association

Margaret Gover, project director, Americans for Indian Opportunity

Roosevelt Griener, former football player

Earl Hines, jazz musician

Don Ho, entertainer

C. C. Hope, Jr., president, American Bankers Association

Maynard Jackson, mayor of Atlanta

John Johnson, publisher

Olaf Kaasa, president, American Association of Retired Persons

Robert Keim, president, The Advertising Council

Robert Kirby, chairman of the board, Westinghouse Electric Corporation

Lane Kirkland, president, AFL-CIO

George Latimer, mayor of St. Paul

David Levinson, president, Levinson Corporation

Arthur Levitt, Jr., chairman, American Stock Exchange

Nancy Lopez, professional golfer

James Low, president, American Society of Association Executives

Albert McDermott, Washington, D.C., representative, American Hotel and Motel Association

Marshall McDonald, chairman of the board, Florida Power and Light Company

Sanford Noyes McDonnell, president, McDonnell Douglas Corporation

Mary Tyler Moore, actress

Robert Partridge, general manager, National Rural Electric Cooperative Association

Linus Pauling, scientist

Martha Pennino, Fairfax County, Va., supervisor

Timatha Pierce, president, American Women in Television and Radio

Mary Elizabeth Powers, senior editor for consumer affairs, *Good Housekeeping* magazine

Leontyne Price, opera singer

Dan Rankow, secretary general, Jaycees International

William Kane Reilly, president, Conservation Foundation

Burt Reynolds, actor

Charles McKinley Reynolds, Jr., president, National Bankers Association

David Roderick, chairman, United States Steel Corporation

Charles Royer, mayor of Seattle

William Ruder, president, Ruder and Finn

Harvey Ruvin, Dade County, Fla., commissioner

Dr. Jonas Salk, scientist

Neil Simon, playwright

Stephen Stills, singer

Dr. George Szego, president, Intertechnology Corporation and Solar Corporation of America

Cheryl Tiegs, model

William Tcohey, president, Travel Industry Association

Alexander Trowbridge, president, National Association of Manufacturers

Ted Turner, businessman and sportsman

Jack Valenti, president, Motion Picture Association of America, Inc.

Sarah Vaughn, singer

Abraham Venable, director of urban affairs, General Motors Corporation

Edward Vilella, dancer

isabelle Weber, director of the energy department, League of Women Voters

Cale Yarborough, race-car driver

Economic Indicators Rise 2.5%

The Index of Leading Economic Indicators rose in June by 2.5%—the first increase since June of last year and the largest since June of 1975.

Secretary of Commerce Philip Klutznick said the Index's rise "reinforces evidence which has been emerging over the past several weeks that the low point of the recession may be reached sooner than many have predicted.

"I am encouraged by signs that the downturn may soon be over, but must caution that output and employment are likely to decline further before growth resumes later this year.

"We are continuing to give careful attention to designing tax policies and other measures which can be instituted next year to foster stronger growth while still permitting further progress against inflation."

Natural Gas Pipeline Oked

President Carter and Canadian Prime Minister Trudeau have moved to begin construction on what eventually will be the world's longest natural-gas pipeline running from Prudhoe Bay in Alaska through British Columbia and Alberta to the United States.

The Canadian government has approved construction of the pipeline's first major segment—which will enable U.S. consumers in 33 States to begin receiving additional natural gas from Canada by 1981 equivalent to 200,000 barrels of crude oil a day.

"The United States...stands ready to take appropriate additional steps necessary for completion of the Alaska Natural Gas Transportation System," the President said in a letter to the Prime Minister earlier this month.

"The United States' energy requirements and the current unacceptable level of dependence on oil imports require that the project be completed without delay."

Eventually, the entire system—which President Carter approved in 1977—will bring about 2.4 billion cubic feet of Alaskan natural gas to U.S. consumers daily beginning in 1985. This natural gas will replace more than 400,000 barrels of foreign oil daily.

The 4,800-mile natural-gas pipeline is an important part of the President's program for national energy security. The 26 trillion cubic feet of natural gas from Alaska's North Slope represent 10% of the nation's reserves.

THE WHITE HOUSE

WASHINGTON

August 1, 1980

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AL MCDONALD *AM*

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THE WHITE HOUSE
WASHINGTON
29 Jul 80

Fran Voorde

Please respond to the Secretary re
his request for a meeting with
the President and the U.S. Industrial
Payroll Savings Committee.

Thanks.

Rick Hutcheson's office

DF
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WASHINGTON

DATE: 25 JUL 80

FOR ACTION: FRAN VOORDE

PHIL WISE

INFO ONLY:

SUBJECT: MILLER MEMO RE REQUEST THAT YOU MEET WITH THE U.S. INDUSTRIAL PAYROLL SAVINGS COMMITTEE

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM MONDAY 28 JUL 80 +
+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

*Will look at w/ 2-week diff —
fran*

THE WHITE HOUSE
WASHINGTON

not submitted
to be submitted
in next weekly
reports



3838

THE WHITE HOUSE
WASHINGTON

Ask Team
respond to
Miller to

WASHINGTON

DATE: 25 JUL 80

FOR ACTION: FRAN VOORDE

PHIL WISE

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PLEASE NOTE OTHER COMMENTS BELOW:

Presidential
Oct 15 is being held for possible ONCA fundraisers
for lunch & Dinner outside Washington
Phil Wise



THE SECRETARY OF THE TREASURY
WASHINGTON

July 24, 1980

MEMORANDUM FOR THE PRESIDENT

Subject: Request that you meet with the U.S. Industrial Payroll Savings Committee -- October 15, 1980

The annual meeting of the U.S. Industrial Payroll Savings Committee will be held on October 15, 1980, to honor National Chairman E. Robert Kinney and the 1980 Committee for their outstanding work over the past year, as well as to launch 1981 National Chairman James G. Affleck and his Committee on the 1981 campaign.

A short meeting between you and the Committee (100-125 attending members) during or after the annual meeting program would give much deserved recognition to the invaluable volunteer work done by this group of business leaders. (The attached 1980 promotional brochure indicates the Committee membership.) The volatile economic conditions of the past year have made it increasingly difficult to recruit top business leaders for the Committee. A demonstration of your strong support for the savings bonds program would contribute a great deal to our continuing recruitment efforts.

Presidents Kennedy, Johnson, and Ford have met with the Committee, but prior obligations have prevented you from meeting with this group during the last three years.

The annual meeting will be held at the State Department from 11:45 a.m. until approximately 3:00 p.m. I recommend that you meet with the group at the White House at 4:00 p.m. If it is more convenient to your schedule, we would be happy to meet with you at the State Department or at the White House any time between 11:45 a.m. and 4:30 p.m.

file

G. William Miller

Approve _____ Disapprove _____

Attachment

*Pete Rose - 1980 Saving Bond
Camp. April 9, 1980*

M. Ali - April 10, 1979

ID 803861

THE WHITE HOUSE

PAGE A01

WASHINGTON

DATE: 25 JUL 80

FOR ACTION: FRAN VOORDE

PHIL WISE

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

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

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

	MILLER
	MUSKIE
	AIELLO
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	FIRST LADY
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	MARTIN
	MILLER
	MOE
	MOSES
	PETERSON
	PRESS
	RECORDS
	SANDERS
	SHEPPARD
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE



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Attachment

Lead into a secure future.

Take stock in America

with Series EE, the bond that doubles.

