

8/1/80

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Revised:
8/1/80
9:00 a.m.

THE PRESIDENT'S SCHEDULE

Friday - August 1, 1980

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:30 Breakfast with Vice President Walter F. Mondale,
(90 min.) Secretaries Edmund S. Muskie and Harold Brown,
Dr. Zbigniew Brzezinski, Mr. Hedley Donovan and
Mr. Jack Watson - The Cabinet Room.

9:28 Photograph with Congressman Robert Matsui.
(2 min.) (Mr. Frank Moore) - The Oval Office.

9:30 Meeting with House Congressional Group.
(15 min.) (Mr. Frank Moore) - The State Dining Room.

9:45 Meeting with Charles Rangel/Black Caucus Members.
(3 min.) (Mr. Frank Moore) - The Red Room.

10:00 Mr. Jack Watson and Mr. Frank Moore - Oval Office.

11:30 Photograph with the Commodores. (Ms. Sarah
(5 min.) Weddington) - The Oval Office.

11:35 Photograph with Ms. Norma Bork, Democratic
(3 min.) Congressional Candidate, Second District of
California. (Mr. Frank Moore) - The Oval Office.

5:00 Reception for Carter Delegates - The State Floor.

5:45 Depart South Grounds via Helicopter en route
Camp David.

THE WHITE HOUSE
WASHINGTON

7/31/80

to
central files --

original photo returned
to al friendly.

copy of all of attached
given to phil wise re
scheduling.

--SSC

THE WHITE HOUSE
WASHINGTON

July 29, 1980

TO: SUSAN CLOUGH
FROM: ALFRED FRIENDLY

THE WHITE HOUSE
WASHINGTON

July 29, 1980

Susan,

Thank you very much for
letting me extend the favor
from you of a Presidential
autograph on a photo for
my son, Christopher, whose
Heath's birthday is August 7.
The real reason for imposing
on your time is that Christopher
professes not to believe that
I work for the President.

Gratefully
Alfred

for Preservation Purposes

WITH CONGRATULATIONS TO MY FRIEND
CHRISTOPHER FRIENDLY 8/80

(Al Friendly's 9 year old son)

(Al notes: "The real reason for imposing
on your time is that Christopher professes
not to believe that I work for the President.

Gratefully, "Al")

(10th b-day in August)

*bring him to
see me J*



Congratulations to
my friend Christopher Friendly

Jimmy Carter

August 1980

THE WHITE HOUSE
WASHINGTON

01 Aug 80

FOR THE RECORD

CC TO BUCKNELL VIA NSC.
CC SENT TO EIZENSTAT ALSO.

THE WHITE HOUSE
WASHINGTON

8/1/80

rick hutcherson --

do you want to send
attached copy to
bucknell...or since it's
resulting from incoming
correspondence, do you want
me to?

thanks--susan clough

*(H me, pls return
cc of incoming)*

THE WHITE HOUSE

WASHINGTON

July 22, 1980

MEMORANDUM FOR

THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Energy Security Act Letter from
Howard Bucknell

The Department of Energy and the Department of Defense are moving ahead very rapidly to make commitments through the Defense Fuels Supply Center (DFSC) until the Synthetic Fuels Corporation (SFC) is fully operational, as Dr. Bucknell suggested. Secretary Brown's memo, which is attached, gives you the details of this arrangement.

I should add one cautionary note, however. Our long-term goal is to have an effective SFC, implementing a set of clear and consistent policies.

I want to make sure that the DFSC's activities do not effectively predetermine the SFC's long-term energy strategy. I will urge that it concentrate its funding in accepted technological areas with which DOE is comfortable. The truly innovative large-scale funding activities should be left to the SFC.

2

Attachment

**Electrostatic Copy Made
for Preservation Purposes**



THE SECRETARY OF DEFENSE

3990

WASHINGTON, D.C. 20301

23 JUN 1980

cc Howard Bucknell
J.C.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Energy Security Act (S. 932)

In response to your request for brief comment on the June 10 letter you received from Dr. Howard Bucknell (attached), I have reviewed DoD involvement with DoE on synthetic fuels and the implementation of S. 932. The Department of Defense, with the agreement of the Department of Energy, has already decided to do essentially what Dr. Bucknell proposes:

- The Defense Fuel Supply Center (DFSC) has been procuring synthetic test fuels since 1970 and, under the Defense Authorization Act, has the authority to contract on an annual basis for military specification synthetic fuels.
- Through the DFSC, DoD is planning to act on behalf of DoE to make long-term commitments for synthetic fuels until the Synthetic Fuels Corporation becomes operational.
- DFSC is prepared to issue a request for proposal (RFP) for long-term guaranteed purchases of synthetic fuel within 30 days after you sign S. 932 into law. Under this new authority DoD, and subsequently the Synthetic Fuels Corporation, can make long-term loan guarantees and guaranteed purchases for synthetic fuels under multi-year contracts.

Harold Brown

Attachment

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The Ohio State University

3990
Program for Energy Research,
Education, and Public Service

Oxley Hall

17 June 4712 Neil Avenue
Columbus, Ohio 43210

Phone 614 422-5485

June 10, 1980

*cc Harold, Stu
brief comment
J*

James E. Carter
President of the United States
The White House
Washington, D.C. 20500

Dear Jimmy:

It seems as though the omnibus energy bill will pass. I understand that if all goes well you plan to sign the bill on July 4, Independence Day for 1980. This would be, I think, an appropriate and meaningful gesture--but still a gesture.

I would suggest that in order to put teeth into the gesture and to establish the necessary momentum for the urgent development of synthetic fuels, you direct the Defense Fuel Supply Center through the Department of Defense to contractually implement procurement of synthetic fuels simultaneously with your signing the bill. This would demonstrate a real determination to have the Defense Department get on with this business under provisions of the Defense Production Act while the Synthetic Fuel Corporation is being formed.

Failing such a decisive move, besides giving the "nuts and berries" fringe groups hope that you are not serious about developing synthetic fuels, there is the likelihood that DOD will back off from its responsibilities and that subsequent implementation of the bill will be hindered by squabbles over turf between DOE and TVA. Some of this has already begun.

Warm personal regards.

Sincerely,

Howard Bucknell III
Director, Energy and
National Security Project

THE WHITEHOUSE
WASHINGTON

01 Aug 80

Secretary Miller
Jim McIntyre
Charlie Schultze
Stu Eizenstat

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

July 31, 1980

cc Bill, Jim
Charlie
Sta
J

MEMORANDUM TO THE PRESIDENT

FROM: Frank Press *FP*

**Electrostatic Copy Made
for Preservation Purposes**

SUBJECT: The R&D Component of Industrial Policy

New knowledge of the kind created by R&D was responsible for as much as 30% of the growth of our GNP from 1950 to 1970. Yet the R&D/GNP ratio for the U.S. has been decreasing since 1969, in contrast to upward trends in most large industrialized nations. All of your advisers believe that we should include measures to spur R&D as part of your industrial policy, but differ as to the methods and degree of effort.

Historically, Treasury has opposed special purpose tax measures, yet most industrialized countries have used this approach along with direct funding to spur R&D and innovation. Current conditions and anticipated conditions require imaginative thinking. For this reason, I believe that several measures are needed to address different parts of the problem, involving both tax incentives and direct grants:

- . You should now propose tax incentives to increase the formation of small, high technology firms of the sort that have provided a large share of the nation's innovation, productivity growth, and new jobs over the past several decades. (From 1969 to 1976 the annual number of new publicly financed small high technology companies formed fell from 200 to less than 10, with only a small increase since 1976.)
- . Tax incentives should be proposed to stimulate the private sector to increase industrial R&D. Economic uncertainty and regulatory technology requirements have siphoned funds away from R&D supporting new product development. As part of this effort, we should encourage links between industry and the major research universities to stimulate breakthroughs with major market potential. (The new biotechnology industry began with university-based DNA research 10 years ago and the next generation of integrated circuits will be based on breakthroughs at the molecular level, of the sort which universities alone are capable of.) Tax credits are a very important complement to Federal grants for these purposes, since they support R&D decisions made by the company managers who are more oriented toward product development than are government officials.
- . It would now be appropriate to initiate one or two more government-industry cooperative research endeavors similar to the Cooperative Automotive Research Program. Such efforts target public and private sector funds to a particular industry; a candidate is in the extractive minerals area.

- . The NSF Small Business Innovation Research Program and the University-Industry Cooperative Program have been highly successful in supporting a variety of research ideas with possible commercial significance. The former helps firms which for one reason or another cannot claim tax credits or draw necessary research funding; the latter joins university-industry teams to create new technologies with market potential. You should commit yourself to a substantial increase in the budgets of these two programs.
- . Overall basic research funding is our single most important effort to stay ahead of our competitors; you should restate your commitment to real growth in Federal support.
- . The science and engineering departments of research universities have much to contribute directly to innovation and productivity. In several crucial areas where we expect rapid technology development we should now initiate a new targeted research program in universities. Examples include microelectronics, advanced materials, and biological products.

In aggregate, these measures would require on the order of \$1.5 billion in tax credits and \$400 million in additional research grants. They are small but important complements to the larger efforts aimed at stimulating the turnover of our capital stock because they would improve the level of technology embodied in these new investments and also lead to entirely new products and processes.

THE WHITE HOUSE
WASHINGTON

FS dictated for
9:28 AM

August 1, 1980

MR. PRESIDENT:

ok
J

Congressman Matsui wanted personally to tell you of his support, per Frank Moore.

PHIL

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

August 1, 1980
8:00 a.m.

MR. PRESIDENT:

ok
J

Amb. Alston called this morning to let you know he and Elkin are thinking of you. John McCormally and Bobby Smith were with them earlier for lunch and they are all backing and supporting you.

PHIL

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

July 31, 1980

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EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}
Subject: Employment and Unemployment in July
(to be released at 9 a.m., Friday, July 1)

The unemployment rate in July edged up only 0.1 percent, to 7.8 percent. This month the two different employment surveys tell two different stories.

Survey of Households

Total employment rose by 460 thousand (400 thousand nonfarm). The labor force rose even faster, by 660 thousand, so unemployment increased slightly. In June both labor force and employment had fallen; the July increase in both categories simply restored labor force and employment to their approximate May levels.

Survey of Business Firms

Employment in nonfarm business establishments fell by 240 thousand. Virtually all of the decline, however, is explained in the number of people on strike, and the termination of temporary jobs for 90,000 Census workers. Apart from these special factors, nonfarm employment was about unchanged.

Employment fell among manufacturing firms, but -- after four months of decline -- rose in retail trade.

Aggregate hours worked in the nonfarm economy declined by 0.6 percent in July, a slower fall than in the prior three months. In manufacturing the same phenomenon occurred -- the decline in aggregate hours continued but at a slower pace.

In sum, while the statistics are a bit confusing, they reflect a significant slowing in the pace of economic decline during July. I doubt, however, that the large rise in employment shown in the household survey accurately reflects the real world.

Wages

The index of straight-time hourly wages rose only 0.2 percent in July. This series is very erratic from month to month, however. Over the the past six months this measure of wages has risen at a 9.3 percent annual rate.

THE WHITE HOUSE
WASHINGTON

01 Aug 80

JACK WATSON AND ARNIE MILLER
RECEIVED A COPY OF THE ATTACHED.

	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
X	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
A	MILLER
	MOE
	MOSES
	PETERSON
	PRESS
	RECORDS
	SANDERS
	SHEPPARD
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE
WASHINGTON

July 31, 1980

*Jack - In
Serious re the
excessive number
of appointments from
Minnesota - See me*

MEMORANDUM TO THE PRESIDENT

FROM: JACK WATSON *Jack*
ARNIE MILLER *AM*

SUBJECT: Public Printer

Recently, you accepted the resignation of John Boyle as Public Printer. In conducting our search for his replacement we worked closely with the printing industry, Senator Pell, who serves as Chairman of the Joint Committee on Printing, and Landon Butler. We sought candidates with technical competence in printing and bookbinding, strong management experience including bottom-line responsibility, and an ability to relate to external constituencies of the Government Printing Office.

Gerald R. Dillon (Democrat - Minnesota) is president of a family-owned printing company he started thirty years ago, that currently grosses \$12 million annually. The company does business in all fifty states and several other countries. Dillon is very active in a wide variety of community activities and was once an unsuccessful candidate for Mayor of Minneapolis.

His nomination would be acceptable to the industry and Senator Pell.

Fritz, Frank Moore and Landon Butler concur with the following recommendation.

RECOMMENDATION:

Nominate Gerald R. Dillon, of Minnesota, as Public Printer of the Government Printing Office.

_____ APPROVE

_____ DISAPPROVE

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THE WHITE HOUSE
WASHINGTON

01 Aug 80

FOR THE RECORD

STU EIZENSTAT RECEIVED A COPY
OF THE ATTACHED.

THE WHITE HOUSE

WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

July 31, 1980

*Stu -
Deliver note
message from
my note to
you
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

Possible Voluntary Limitation on Japanese
Automobile Imports

After the brief meeting which you called this morning with the Vice President, Secretary Miller, Charlie Schultze and Al McDonald, I called Reubin Askew as I indicated I would.

We will be having a 5:30 meeting today to discuss the situation further. Despite the fact that this whole situation has come about purely by the initiatives of the Japanese, Ambassador Askew has told me that there may be significant anti-trust questions unless the restrictions which the Japanese have proposed are actually done by government order. While it has been my understanding from the communication I have had that these restrictions would be imposed by the Japanese government, this and other legal issues should be carefully researched to avoid any anti-trust problems.

In addition, there is considerable sentiment from Charlie and Reubin that it would be a mistake to begin negotiations with the Japanese over the level of restraint they themselves have proposed. For one thing, any level would be unacceptable for those domestic elements wishing to cutback on imports unless it extended through 1981. More important, the July 28 memorandum from Mr. Murase to Jojo Konoshima seems to imply some ongoing commitment not to impose an OMA in return for voluntary restraints.

There was also a concern that we take no action from our side that would appear to be participating in a restraint agreement before the ITC has even made its findings. This would be a policy reversal and would subject you to criticism on this with little commensurate gain given the level of import restrictions involved.

I will keep you informed of the results of the 5:30 meeting. But I would suggest the following: a Justice Department representative, probably John Shenefield, be invited to the 5:30 meeting, because of the potentially difficult legal issues involved. I think that we could count on their confidentiality in this case.

I also think that we should not communicate back today on this issue but do an expeditious review of the issues involved and then respond fully. We will double-check the question of whether the suggested restraints will be imposed by the government as opposed to agreement by the Japanese firms themselves. While this is our understanding from Mr. Keefe's communication, we will try to confirm it.

5:45 PM

THE WHITE HOUSE
WASHINGTON

July 31, 1980

MEMORANDUM FOR THE PRESIDENT AND FIRST LADY

From: Betty Rainwater

Subject: Brief Greeting and Photo with Don and Carol Grantham and family of Augusta, Georgia
Friday, August 1, 1980
5:45 P.M. (2 minutes)
Diplomatic Reception Room

Don has brought his family to Washington for a vacation, with the specific hope of having them see you briefly.

The family includes wife Carol, daughter Zoe, age 15, and son Dag, age 9.

As you recall, you appointed Don to the Georgia Ports Authority when you were governor. His only previous visit to the White House, of which I am aware, was for the briefing on the Panama Canal Treaties.

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THE WHITE HOUSE
WASHINGTON
01 Aug 80

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

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

Rick Hutcheson

EYES ONLY

ADMINISTRATIVELY CONFIDENTIAL

- 3991

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

July 25, 1980

C
/

FYI

REPORT TO THE PRESIDENT

Los Angeles, Tax Policy and the Economy: I was struck by the negativism of the questions regarding Administration tax policy at my L.A. news conference, at my meetings with the L.A. Chamber of Commerce, and with the Editorial Boards of the L.A. Herald-Examiner and L.A. Times. They clearly did not understand 1) why the Administration felt it could not now address the matter of future tax cuts; and 2) even given a sound rationale for deferral, why the Administration, in their mind, refused to say "what it had in mind." Those sympathetic to the Administration were very uneasy as to the prospect of going into the campaign without addressing the subject. In general, there appeared both on the part of members of the L.A. press and some in the business community a complete lack of understanding of the basic, underlying strength of the economy; and, a pervasive feeling of frustration due to their inability to reconcile the economic strength of their region with the downturn in the Nation.

My speeches both to the Chamber of Commerce and later to their Executive Board were positive, upbeat and well received. I characterized the economic downturn in regional and sectoral terms, discussed the underlying strengths and resiliency of our economy, and pointed to actions being taken to redress the decline in the competitiveness of some of our industries. The spirit of my talk was reflected in some positive economic and employment statistics given me by the Chief Economist of the Los Angeles Chamber of Commerce which if confirmed may be helpful to us during the months ahead.

I also had a good private meeting with L.A. Mayor Bradley and was able to reassure him of our intention to fund a significant African Trade Development program to L.A. I announced this intention during my news conference where I was accompanied by the Mayor.

China Trade: My announcement of your approval of liberalized export licensing guidelines for trade with China was very well received by the more than 100 industrial representatives who attended the meeting of the Department's Advisory Committee on East West Trade; and by the media representatives attending my Los Angeles press conference at which the formal announcement was made on Thursday. The announcement was viewed as a very positive and hopeful step in the context of the present climate of uncertainty regarding the future of East-West trade given our actions against the Soviet Union.

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Japanese Auto-Parts Missions: In preparation for the forthcoming visit of the Japanese auto-parts trade and investment missions, we met this week with representatives of a cross section of U.S. auto-parts manufacturers who are particularly concerned about their inability to supply parts for the domestic replacement market due to what they believe to be "deals" struck between the Japanese auto manufacturers and their U.S. dealers. It is my belief, given the depressed state of the auto-parts industry in the U.S., that the opening of the replacement parts market for Japanese automobiles should be one of our prime objectives in our discussions with the missions. In general, we believe that the buying mission should lead to significant purchases of American parts; and that the investment mission should concentrate on U.S. production, preferably in concert with or by domestic manufacturers, of parts for Japanese cars both here and in Japan. This was reaffirmed to the Japanese this week.

Steel: Monday's successful meeting of the Steel Tripartite Committee was marked by significant agreements regarding the content of the committee's final report. We hope this will enable EPG consideration, during the last week of August, of specific recommendations in the areas of capital formation, trade, technology development and demonstrations, environmental regulations, and worker and community adjustment.

Economic Development Administration: I am becoming increasingly concerned about the continuing deadlock over the EDA authorizing legislation because of its adverse impact upon our ability to provide essential community and industry assistance.


Philip M. Klutznick



Office of the Attorney General

Washington, D. C. 20530

July 25, 1980

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

1. Meetings and Events

The Attorney General met with a group of prominent publishers, journalists, and authors on July 23 to discuss their continuing concerns about the recent decision of the Supreme Court allowing the government to obtain the profits from books published by present or former intelligence agency employees who have failed to honor contracts requiring them to submit their writings for review before publication. The Attorney General disclosed during this meeting that the Department of Justice is preparing guidelines for the litigation of these cases, which will demonstrate restraint in the exercise of the government's powers in this area.

On July 25, the Attorney General released a document entitled "Principles of Prosecution," which will inform the public for the first time of the general standards applied by federal prosecutors in deciding which crimes to prosecute and on what theories to litigate cases, among other matters. This document is intended to reinforce the view that the broad discretion necessarily exercised by criminal prosecutors is being reasonably used by the federal government.

2. Iranian Assassination

The killing on Tuesday, July 22, of Ali Tabatabai was quickly solved by the FBI. Two arrests have been made, and a third suspect, Daoud Salahuddin, is still being sought.

3. Racial Violence in Chattanooga, Tennessee

The FBI, with the guidance of the Civil Rights Division, is investigating the situation in Chattanooga, Tennessee, where three nights of violence have resulted from the acquittal by an all-white state jury of two Klu Klux Klansmen charged with wounding four black women.

4. Border Patrol Agent Indictments

A federal grand jury in San Diego, California, has indicted three U.S. Border Patrol Agents for beating illegal aliens and one American citizen at an Immigration and Naturalization Service checkpoint near that city. The case was developed through the use of two Hispanic INS agents in an undercover operation, in which they posed as illegal aliens passing through the checkpoint.

5. Belgian Pleads to Commercial Espionage

On July 7 in Alexandria, Virginia, Marc Andre DeGeyter, a Belgian citizen who was apprehended May 18 in New York after a year long investigation, pleaded guilty to a violation of the Export Administration Act. The defendant had been charged with illegal sale of guarded data of a Reston, Virginia, firm concerning computer technology for the Soviet Union. He admitted paying \$500,000 to an undercover agent posing as an employee of the firm. He was charged with seeking to obtain a highly valuable decoding device, and was apprehended at Kennedy airport with the purported material he was seeking.



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

Q

July 25, 1980

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MEMORANDUM TO THE PRESIDENT

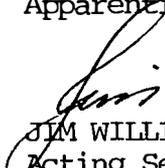
THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

^D
I/A TO LOAN USSR SHIPS THIS FALL. The President of the International Longshoremen's Association (ILA) recently stated that the ILA will not boycott ships or U.S. cargo bound for the USSR this fall.

EXPORTS. Although U.S. spring planted crops in 1980 are not expected to match last year's record output, exports of food grains and feed-stuffs are expected to reach new records. USDA currently projects corn exports to total 2.6 billion bushels, for the 1980/1981 season, compared with 1979/80's 2.4 billion. U.S. wheat exports are currently forecast to reach a record 1.45 billion bushels up from 1979/80's 1.375 billion. Soybean exports for the new season are projected to range between 825 and 900 million bushels compared with the 1979/80 level of 850 million bushels. This increase in demand for U.S. grains and soybeans reflects prospective reductions in 1980/81 crops in several major wheat exporting countries and expanded food and feed requirements in importing nations.

FIRST FIFTH-AGREEMENT YEAR SALES TO USSR. The Soviet Union purchased 100,000 tons of corn and 100,000 tons of wheat for delivery in 1980/81, sources speculated that the USSR may have actually almost completed purchases of 500,000 tons of corn and 300,000 to 500,000 tons of wheat instead of the 100,000 tons each of wheat and corn announced by USDA. The sources also indicated that the sales may be to test the export licensing procedure for the fifth Agreement year, and that if the procedure runs smoothly, the balance of allowable grain sales to the USSR will be priced fairly soon. Commerce issued license yesterday. Apparently they have a good system in place.


JIM WILLIAMS
Acting Secretary



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

July 25, 1980

9
1

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
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SUBJECT: Weekly Report of HHS Activities

Visit of Nigerian Health Delegation. The Nigerian Ministry of Health Delegation met with me and senior staff from the Department to discuss health cooperation between the two countries. The meetings constitute the health portion of the US-Nigerian Bilateral Economic Talks which were held by the Vice President in Nigeria.

Joint HHS/HUD Conference Announced on the Mentally Disabled. Secretary Moon Landrieu and I announced today a national conference to be held in Washington, D.C., July 30-August 1 on linkages between subsidized housing and health and human services for the mentally disabled. The conference will announce a \$110 million joint demonstration program to Governors, Congressmen, and grantees from the 39 States slated to receive funding.

Departmental Efforts to Reduce Heat Related Deaths. We have extended the operating hours for AoA nutrition sites in the States with the highest incidence of heat related deaths, and have redirected funding for the purchase of fans for the elderly and needy in other States. The Department has also sent a team of epidemiologists to Texas, Arkansas, and Missouri to assess the incidence of these deaths. Since there is no common diagnostic criteria used by States to determine the deaths, a case-by-case study is being conducted to determine a precise medical explanation for the deaths which have been reported.

Heroin Influx. National Institute on Drug Abuse indicators show that the increased supply of heroin into the U.S. from Pakistan, Afghanistan, and Iran is having a major impact on four north-eastern cities: New York, Washington, Baltimore, and Newark. Emergency room episodes and drug related deaths in these cities have increased by approximately 40 percent over the past 24 months. A Departmental task force is exploring methods to meet present and future treatment demands caused by the increased usage of the drug.

Resettlement of Cubans and Haitians Proceeding Smoothly.
During the past week 498 Haitians and 507 Cubans arrived in the country; 4,592 arrivals were resettled. As of today, there are 29,606 Cubans in processing centers and 89,176 had been resettled.

Love Canal. The Department has signed an agreement with the University of Buffalo authorizing them to spend \$280,000 through August 1980 in planning and preparing for medical studies of residents of Love Canal. The agreement calls for the studies to begin on August 4.

A handwritten signature in cursive script that reads "Patricia Roberts Harris". The signature is written in black ink and is positioned above the printed name.

Patricia Roberts Harris



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

July 25, 1980

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MEMORANDUM FOR: THE PRESIDENT

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

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

CW Duncan

1. Alaska Natural Gas Transportation System: Construction of the prebuild sections will begin next week on the Western Leg and in April on the Eastern Leg. The next occasion for the Department's intervention will probably occur late this year or early next year, when we expect the negotiations between the producers and the sponsor on financing to become rather intense. We are considering the best ways to use the Government's leverage in that event.
2. Algerian Liquefied Natural Gas Negotiations: Our negotiations with the Algerians made their first progress last week, when the Algerians indicated a willingness to defer temporarily their demand for equivalent prices for crude oil and for natural gas. They continue, however, to seek a price too high for their reliquified gas to compete with other fuels in our markets. A fourth round of meetings will be held in Algiers, probably in early August.

We have learned that Gaz de France has been approached by the Algerians to buy liquified gas from the project dedicated to our imports. The Departments of State and Energy have told the French government that any such purchases would cause us serious problems.

3. Legislative Matters:

- o The Standby Gasoline Rationing Plan continues to move slowly through the House. Markup of the resolutions of disapproval was scheduled for July 24, but has been postponed for an indefinite period. We expect that a discharge motion will soon be offered on the House floor to speed consideration of the resolution.
- o We continue our efforts on the Energy Mobilization Board. I have spoken to many industrial leaders in an effort to convince them to lobby more strongly for the bill. The reactions have been favorable in most cases. However, some industry representatives have indicated that they would withdraw their support for the bill if it re-emerges in form designed to win votes from environmentally inclined representatives.
- o Chairman Dingell introduced his redrafted version of the Administration's utility oil backout legislation on July 24. House Coal Caucus members are concerned that the Dingell legislation may give too much to environmentalists. Markup of the legislation is scheduled to occur next Tuesday and Wednesday.

- o In light of OMB's mid-session budget review, Senator Johnston is concerned about the commitment of the Administration to fill the Strategic Petroleum Reserve at the rate required by the Energy Security Act. The review set the budget outlay level at \$ 0.5 billion, rather than the \$ 1.23 billion needed to meet the required fill target. We are writing to and meeting with key Senators on this issue. We are not concerned about meeting the rate required by the Act, but we are worried that Congress may not appropriate the \$2.3 billion we need to fill the Reserve at the substantially higher rate that current market conditions would allow. In our contacts with the Congress, we are stressing the importance of the fill appropriation.

4. Research and Development: We have had several interesting results in our research and development programs.

- o The Exxon Donor Solvent plant for coal liquefaction in Baytown, Texas continues to run very well. The plant operated all last week without interruption, liquefying coal at the rate of 210 tons per day.
- o Bottoming cycle hardware began on-the-road fuel evaluations in large diesel trucks. This equipment uses the heat from an engine's exhaust in a second cycle to increase the engine's power. The early results are encouraging. Fuel economy has risen by nearly 20 percent, from 4.8 miles per gallon to about 5.7 miles per gallon.
- o A micellar-polymer field demonstration of chemical tertiary recovery is showing good results. The demonstration, being conducted in Long Beach, California, has shown that injection of these substances can increase oil production and decrease water production by substantial amounts. Although the economics of this method cannot yet be determined, it is a very promising development in our efforts to get more oil out of known fields. We plan a public announcement concerning these tests at the end of this month.

4. Israel-U.S. Solar Research and Development Agreements: Israel and the United States have agreed to enter into three research and development agreements in fields where they have extensive experience and we have increasing interest. The Israeli Embassy is ready to sign agreements dealing with luminescent solar collectors, anaerobic digestion demonstrations, and passive solar cooling. The projects will cost us \$2.9 million over the next three years. We are considering how to organize the signing ceremony.

5. Travel: I traveled last week to Alberta and to Alaska. My discussions with Premier Lougheed in Alberta were very friendly. He advised me and Ambassador Towe that British Columbia and Alberta would henceforth act jointly on pricing and supply issues. This is, of course, involved in the political relationship between Ottawa and the provinces. We see it as positive because Alberta and British Columbia both desire to ship maximum quantities of gas at competitive prices. We have argued against further price increases this year for Canadian gas and I am cautiously optimistic that we have been successful. We have been careful, of course, to balance our dealings with Ottawa and with the provinces.

John Sawhill accompanied the Vice President in Nigeria and the Cape Verde Islands on the annual Bilateral Agreements Meetings. Energy was the major issue and several agreements on technical and research matters were executed.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

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July 25, 1980

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MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : William J. Beckham, Jr.
Acting Secretary

SUBJECT: Significant Issues for the Week of July 21

Rail Regulatory Reform - After losing a close vote on Congressman Eckhardt's amendment to re-regulate freight rates, Congressman Florio pulled the rail deregulation bill from the floor. An acceptable compromise with Congressman Eckhardt is almost certainly unreachable. The rail industry will oppose the bill if the Eckhardt amendment is not eliminated or substantially improved. Working with Stu Eizenstat, who has met directly with Congressman Florio, we will prepare an amendment to get back as much as possible of what we lost in the Eckhardt amendment. The rail bill also is the vehicle for important items for ConRail and the midwest railroads, and we will underscore this with Members of Congress. We hope to get the bill back on the floor next week but scheduling is uncertain. We may need to call on your direct assistance.

55-MPH Speed Limit - In view of the Republican platform's opposition to the 55-mph speed limit, the Secretary intends to highlight for the press and the public next week the energy and lives saved by enforcement of 55-mph.

Auto Industry Progress - We are working as expeditiously as possible on the creation of the Automobile Industry Committee. We have received responses from all of the auto companies listing their five priorities for the Committee's agenda. We are also getting good cooperation from the Federal agencies involved, particularly the Department of Labor, in developing a proposal for the structure and composition of the Committee. We are hoping that the Committee can be formally announced in the first week of August.

In a separate but related matter, the Secretary briefed members of the House and Senate from auto industry states on the contents of your Detroit announcement. Trade policy continues to be of particular concern.



THE SECRETARY OF THE TREASURY

WASHINGTON
July 25, 1980

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MEMORANDUM FOR THE PRESIDENT

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Subject: Highlights of Treasury Activities

1. <u>THE MARKETS AND THE DOLLAR</u>	Today's Close	Change Since 7/18
Dow Jones Industrial Average	918.09	-5.89
Prime Rate	10 3/4 to 11%	-3/4 to 1/2%
Gold (London)	\$650.00	+\$43.50
Silver	\$ 16.55	+\$ 1.03

- . The dollar closed mixed in London. It weakened slightly against the German mark and Swiss franc. It strengthened 2.48 percent against the Japanese yen over the week. Only modest Treasury and Federal Reserve intervention was required.
- . Interest rates in the credit markets posted modest increases due to lack of retail demand and participants' confusion over the Federal Reserve's monetary stance.

2. TAX CUT

- . Democrats on the House Ways and Means Committee are generally in support of your "go slow" approach to the issue. However, Senate Democrats have more or less painted themselves into a corner by having adopted a directive in caucus which instructs the Senate Finance Committee to report a tax cut proposal by September 3.
- . The conventional wisdom is that, barring a stampede, Congress will not act on a tax cut until after the election, possibly at a post-election session.

3. SECRET SERVICE CANDIDATE PROTECTION

- . We are working with the leadership of the House and Senate to secure passage of the bill requested by the Reagan for President Campaign to authorize immediate Secret Service protection for Mrs. Reagan. The House Judiciary Committee ordered the bill reported today, adding a technical amendment to remove the requirement that the spouse be a nominee of a "major" party. Floor action is expected on Monday.

- . The Senate will consider the bill early next week without committee consideration. Senator Chiles is expected to offer an amendment prohibiting the Secretary of the Treasury from ordering protection for any individual except those enumerated in the statute. We are opposing this amendment which could well delay enactment of the legislation and, therefore, protection of Mrs. Reagan.
- . Secret Service protection for Vice Presidential candidate George Bush commenced at 12:20 a.m. on July 17, 1980.



G. William Miller



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

July 25, 1980

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

**Electrostatic Copy Made
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Subject: Weekly Report of Major Departmental Activities

New Energy Initiatives Underway. Immediately following the July 22 kick-off of your Residential Energy Conservation Outreach Program, HUD hosted the first meeting of the Board of Directors of the Solar Energy and Energy Conservation Bank. In addition to myself, other members of the Board present were Energy Secretary Duncan and Commerce Secretary Klutznick. Existing as a separate entity within HUD, the Bank will provide financial assistance to encourage the installation of solar and energy conservation improvements in residential, commercial and agricultural buildings.

Chronically Mentally Ill Served. I have announced the allocation of additional funding to serve the housing needs of chronically mentally ill persons in 29 states, the District of Columbia and Puerto Rico. Under this plan direct loans will be shared with community-based organizations to produce new and rehabilitated housing units for the chronically mentally ill. In addition, HUD will reserve up to \$5 million in Section 8 rental housing assistance funds for such individuals.

HUD and HHS Cooperate in Conference. A national conference on the housing, health and social services needs of mentally disabled persons will be jointly sponsored by the Departments of Housing and Urban Development and Health and Human Services in Washington on July 30 - August 1. The conference will focus on a \$110 million HUD/HHS demonstration program which links subsidized housing with health and human services.

HUD and DOL Also Collaborate on Urban Needs. Three inner-city neighborhood organizations will receive \$1.4 million to extend a youth employment demonstration program under the 1977 Youth Employment and Demonstration Projects Act. Part of an interagency agreement between HUD's Office of Neighborhood Self-Help Development and the Labor Department's Office of Youth Programs, the grant awards will go to organizations in St. Louis, Los Angeles and Atlanta.

Development Choices Council Outlines Options. The Council on Development Choices for the '80s has chosen seven physical development options that represent those approaches which best respond to stated objectives. These options include: (1) accelerating infill, rehabilitation, reuse and redevelopment in established communities; (2) increasing compactness of fringe and nonmetropolitan growth; (3) increasing the mix of land uses; (4) increasing transit availability; (5) conserving and maintaining existing structures and facilities; (6) producing housing to accommodate the needs of diverse American households; (7) encouraging development of satellite communities. These new directions are substantially different from most of the policies and practices that have shaped development for the past 30 years and respond to the Council's top priority -- energy conservation -- as well as to other new demographic, resource and economic constraints expected in the coming decade.

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Moon Landrieu

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

July 25, 1980

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of ED Major Activities

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Legislation

Higher Education: House-Senate conferees are now meeting to resolve differences between the two versions of the five-year reauthorization of the Higher Education Act. Conferees have reached a compromise on Title III, the Strengthening Developing Institutions program, which appears compatible with the Administration's proposal. The conferees also agreed to a five-year extension of the National Institute of Education.

The conferees are considering Title IV, the student assistance programs, today, Friday, July 25.

Youth Act: Though placed on the House floor schedule for this week, it appears unlikely that the administration's Youth Act of 1980 (H.R. 6711) will be considered by the House before the August recess. Senate subcommittee staffers are drafting a substitute bill. Senate subcommittee mark-up remains possible in early August.

Cuban-Haitian Refugees: The House Subcommittee on Elementary-Secondary Education (Perkins) has unanimously reported a bill, H.R. 7425, a new program of educational assistance to Cuban-Haitian refugees. Full committee action will take place on July 29. The Department sent a letter opposing the bill as drafted prior to subcommittee mark-up.

1981 Appropriations: Subcommittee action on the 1981 Labor/HHS/Education Appropriations bill is not expected until September. This bill will be one of the last appropriations bills that the House will consider.

Regulations

Lau Regulations (Bilingual Education): I will be meeting with the Congressional Hispanic Caucus on Wednesday, July 30 to brief them on the key elements of the proposed Lau Regulations. In addition, I have advised both Gene Eidenberg and Stu Eizenstat of our proposed strategy on both the regulation itself as well as the related public hearings. We will schedule six one-day public comment hearings on the proposed Lau Rules during the second week of September for New York, Chicago, New Orleans, San Antonio, Denver and San Francisco.

Congressionally-Disapproved Regulations: We have notified members of Congress of our proposed course of action for resolving the dispute over the four Congressionally-disapproved regulations. I will keep you informed of any other major subsequent developments.

Civil Rights Enforcement: The Office of Civil Rights has begun its administrative enforcement proceedings in the North Carolina Higher Education Case. I will keep your staff informed of any significant developments relating to this case.

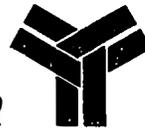
Speeches

I spoke to the Pennsylvania State Board of Education via a tele-conference hook up on Thursday, July 24. I had a luncheon discussion with the White House fellows on Friday, July 25 and toured Gallaudet College on that same day.



Shirley M. Hufstader

Community WASHINGTON, D.C. 20506
Services Administration



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MEMORANDUM FOR THE PRESIDENT

TO: Rick Hutcheson
Staff Secretary

FROM: Richard J. Rios
Director

SUBJ: Rios' Trip to Atlanta

DATE: **APR 25 1980**

RR/WWW

On July 24, 1980 Richard Rios, the Director of CSA, visited Atlanta to discuss the operation of current CSA programs and his thoughts for new initiatives with various government and community leaders.

In the morning he met with Georgia Governor, George Busbee, to discuss the effects of the current heatwave on the elderly and low-income residents of the state. Rios pledged that further aid would be forthcoming to meet the crisis caused by the continuing heatwave.

At noon he addressed 75 community leaders and elected officials at a luncheon sponsored by the Atlanta CAP, Economic Opportunity of Atlanta. Rios spoke about the important role in job training that CAPs must continue to play in this period of high unemployment and reduced federal spending.

Finally, in the evening Rios addressed 1,000 people as the keynote speakers of the 14th annual Banquet of the Southeastern CAP Associations. Rios outlined objectives he would like to achieve including geographical expansion of the CAP program, greater job creation, and greater opportunities for the handicapped.

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

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July 25, 1980

MEMORANDUM FOR THE PRESIDENT

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FROM:

Gus Speth
Jane Yarn
Bob Harris



SUBJECT:

Weekly Report

Global 2000 Report. Yesterday, the Global 2000 Report was released to the public. A reception for several hundred leaders from the international, business, and environmental communities, the Congress and the Administration was held in the Treaty Room where Ed Muskie and I delivered brief statements. Among the dignitaries present was Robert McNamara, who gave brief remarks which affirmed and underscored the conclusions of the Global 2000 Report. He also reinforced Ed Muskie's call for an increased commitment, including resources, to the needs of the less developed countries. Press coverage of the Report was excellent; CBS Evening News presented in detail the basic findings of the Report. I am attaching the lead editorial in today's Washington Post. The Task Force you established to develop recommendations for addressing the problems identified by the Global 2000 Report is off to an auspicious beginning.

Ground Water Contamination. Evidence is accumulating that hazardous waste disposal sites threaten the safety of drinking water supply wells nationwide: in almost every state wells have been closed due to such contamination. Bob testified this week on chemical contamination of the nation's ground water resources before Toby Moffett's Subcommittee on Environment, Energy, and Natural Resources and will testify next week before Henry Waxman's Subcommittee. We are preparing a report on this problem. EPA is developing a ground water strategy. Both of these efforts should be completed by the end of the year.

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20 MILLION - CLOSED

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INDIV. PLEDGES - HONOR
42 STATES

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Mc CULSKI - WINOGRAD

VOTE ON RULES, CREDENTIALS,
PLATFORM, CHARTER, '84

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DELEGATES

8-1-80

TH. 9-10 MOS AGO

YOU'VE WON - MY TIME

FRITZ

DEBATE, OR

UNITE ON ISSUES

Δ - CUTTING EDGE

TRUTH

PRINCIPLE

VISION

ACTION

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Carter/Mondale Delegates 8/1/80

Regular Foreign Affairs Breakfast
Friday, August 1, 1980

THE WHITE HOUSE
WASHINGTON

For Aff breakfast 9-1-80

- > Jerusalem - peace talks
- > Hostages - Iranian demonstrators
- > Bolivia / Argentina
- > Peru
- > Liberia Doe → Moscow =
- > Cuba
- > Somalia
- > Greece → NATO
- > Su → Olympics
- > Gromyko Pt
- > Nippon/Armedo → Fu → Su
- > Foreign Ldrs - JC vs RR
Greece - Saudi - L Iran - Cuba - Su - PRC
- > Jamaica - Kaiser Alum - Andy

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THE WHITE HOUSE
WASHINGTON

OUT FROM PRESIDENT AUGUST 1,
1980.

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ARTHUR M. OKUN

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