

9/8/80 [3]

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THE WHITE HOUSE
WASHINGTON

9/5/80

Rick --

Copy given to Jack Watson...
attached for info & file.

(copy also given to Phil Wise)

--SSC

CC-JW. 9/5/80
003 - JW

THE WHITE HOUSE
WASHINGTON

9-5-80

Jack - See me at
9 a.m. re SSC
chairman

J

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FOR THE RECORD:

THE ATTACHED WAS RETURNED IN
THE PRESIDENT'S OUTBOX TODAY.

9/8/80

NAME Harold (Bizz) Johnson
Chairman, Committee on Public
Works and Transportation

TITLE _____

CITY/STATE Roseville, California

Phone Number--Home () _____

Work () 225-3076

Other () _____

Requested by Moore/Cable

Date of Request 9/4/80

11664

INFORMATION (Continued on back if necessary)

Bizz Johnson voted for the Eckhardt amendment which gutted the rail deregulation bill reported from Committee. He was concerned that the bill's provisions would provide inadequate protection against railroad rate increases for Northern California ports as well as other ports around the country. The Department of Transportation has been talking with Johnson about language to solve this port problem which will be included in the Staggers-Rahall compromise.

NOTES: (Date of Call _____)

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*Frank says
Cancel His ok*

Another potential problem he had concerning water carriers will also be resolved in the compromise. As a result of these developments, Biz has indicated that he will probably vote for the compromise and the bill.

TALKING POINTS

1. I want to thank you for the outstanding work you have done with the Department of Transportation in working out a compromise on the rail deregulation bill that will provide additional protection for ports.
2. Your support for the Staggers-Rahall compromise, including the language on the port issue, is critically important, and we greatly appreciate it. Other significant amendments to the compromise must be opposed.
3. I hope it will be possible for you to speak on behalf of the compromise on the House floor, as well as to members of the Public Works Committee.
4. This bill is vitally important to the country's transportation needs and the economy, and it is very important to me personally. Thanks again.

**Electrostatic Copy Made
for Preservation Purposes**

11:30 PM

THE WHITE HOUSE
WASHINGTON

Meeting with the Officers of the
National Rural Electric Cooperative Association

Monday, September 8, 1980
The ~~Cabinet Room~~ Roosevelt Room
(15 minutes)
1:30 PM

From: Stu Eizenstat *Stu*
Lynn Daft *Lynn*

I. PURPOSE OF THE MEETING

The primary purpose of this meeting is to film a short message to the 8,000 to 10,000 people who will participate in the 9 regional meetings of the National Rural Electric Cooperative Association (NRECA) to be held over the next two months.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN, AND MEETING FORMAT

Background. As you know, the NRECA is a politically potent force in rural America. They have generally been on good terms with your Administration, frequently providing important support. Out of courtesy, they have also invited Governor Reagan to provide a film clip for use at the same meetings. However, they are decidedly partial to your candidacy.

The NRECA submitted a list of five issues that are of special interest to their members, including suggested positions. A copy of their submission is attached (Tab A). In drafting the script for your remarks, we have tried to be responsive to these points. However, we did not include a couple points they had suggested. We avoided any commitment to future funding levels. Although the insured loans were funded at their ceiling level in each fiscal year for the period 1977 through 1979, we reduced it in FY 1980 by \$75 million. Allocation decisions for FY 1981 are yet to be made. Neither did we act on their suggestion that a Commission be established to review the regulatory process.

In your conversation with the NRECA officers you might want to make a couple additional points: (1) reassure them that we will continue to work closely with the Association leadership and will consult with them in advance of critical decisions and (2) indicate that while safety must always come first with nuclear power, we have made good progress in implementing the recommendations of the Kemeny Commission report and that you feel we should proceed with those power plants that are on order... that nuclear power is an option we must preserve.

The REA conservation loan program that is mentioned in the script appears to offer great promise. Under this program, borrowers can request extensions of principal payments to make funds available for loans to members to cover the costs of labor and material for various energy conservation measures. Since June 11, 1980, when the program was started, REA has received applications from 38 borrowers for extensions that would permit them to make conservation loans of up to \$12 million over the next two years.

A table comparing the level of funding for the overall REA electrification program for the last four fiscal years and the four preceding fiscal years is attached at Tab B. These numbers illustrate the dramatic growth that has occurred over this period.

Participants. Dalton Knight, President (Louisiana)
Angus Hastings, Vice President (Florida)
Guy Lewis, Jr., Secretary/Treasurer (Virginia)
Robert Partridge, Executive Vice President
(Washington, D.C.)
The Vice President
(tentative drop-by following filming)
Secretary Bergland
Lynn Daft

Press Plan. White House photographer only.

Foremat. After greeting the officers of the NRECA, we suggest that you deliver your remarks for the camera. The film crew and teleprompter will be set up in advance. White House media advisors recommend that you address your remarks directly to the camera, acknowledging the presence of the NRECA officers only at the conclusion of the script. The cameras will be turned off when you complete your remarks, leaving a few minutes for conversation with the NRECA officers.

June 9, 1980

The National Rural Electric Cooperative Association submits the following list of major points for consideration, as issues of high priority interest among its 1,000 member-systems:

1. Funding of REA Insured Loan Program

Current program provides floor of \$850 million for insured program and a ceiling of \$1 billion. Rural electric leaders need assurance that funding up to ceiling level will be made in the current fiscal year and in the future, with no change in loan ratios.

2. Future REA Program

Suggest statement indicating current REA program under PL 93-32 will be continued during next four years in office. If changes are required, they will be worked out with rural electric leaders ahead of any action by the Administration.

3. Reassessment of Regulatory Process

Regulation in public and consumer interest is needed, but process in many instances has become counterproductive, doubling and tripling power plant construction time and dramatically increasing costs to consumers. Process is currently hindering the President's initiatives toward goal of curbing U. S. dependence on oil imports. Suggest statement that the regulatory process and its impact will be reexamined to pinpoint needed changes. A Presidential Commission for this task would be appropriate.

4. Nuclear Power

Suggest statement of support for moving ahead in timely manner with nuclear power development to meet nation's future energy requirements. A Chairman of the NRC fully knowledgeable of the importance of protecting the nuclear option to meet our energy needs is needed.

5. Low Head Hydro-Power Development

Suggest a reiteration of President Carter's Delta Queen statement. Program needs to be funded at a level of at least \$100 million a year. Should also include development of low head potential at existing federal projects. Program of this nature would make significant contribution to national energy program, utilizing a renewable resource.

RURAL ELECTRIFICATION LOANS AND GUARANTEES
(In Millions of Dollars)

| | Fiscal Years | | | | 4-Year Total |
|---------------|-------------------|--------------|----------------|----------------|----------------|
| | <u>1973</u> | <u>1974</u> | <u>1975</u> | <u>1976</u> | |
| Insured loans | 617.9 | 618.6 | 700.0 | 750.0 | 2,686.4 |
| Guarantees | <u> </u> | <u>974.4</u> | <u>1,206.3</u> | <u>1,241.5</u> | <u>3,422.2</u> |
| | 617.9 | 1,593.0 | 1,906.3 | 1,991.5* | 6,108.8 |

| | Fiscal Years | | | | 4-Year Total |
|---------------|----------------|----------------|----------------|-------------------|--------------------|
| | <u>1977</u> | <u>1978</u> | <u>1979</u> | <u>1980</u> | |
| Insured loans | 850.0 | 900.0 | 1,000.0 | 925.0(e) | 3,675.0(e) |
| Guarantees | <u>3,985.5</u> | <u>2,309.1</u> | <u>5,429.7</u> | <u>5,000.0(e)</u> | <u>16,724.3(e)</u> |
| | 4,835.5* | 3,209.1 | 6,429.7 | 5,925.0(e) | 20,399.3(e) |

*Does not include financing during the transition quarter between FY 76 and FY 77.

September 3, 1980

1980 NRECA Regional Meetings

Region I-IV

September 4-5

Detroit Plaza
Detroit, Michigan

Encompasses states of: Delaware, District of Columbia,
Maine, Maryland, New Hampshire, New Jersey, New York,
North Carolina, Pennsylvania, Vermont, Virginia,
Indiana, Michigan, Ohio, West Virginia

Sessions: September 4 - 9:00 a.m. - 12:00 noon

1:30 p.m. - 4:30 p.m.

September 5 - 9:00 a.m. - 10:00 a.m.

Business Session follows

Approximate attendance -- 900

Region II-III

September 11-12

Galt House
Louisville, Kentucky

Encompasses states of: Florida, Georgia, South Carolina,
Alabama, Kentucky, Mississippi, Tennessee

Sessions: September 11 - 9:00 a.m. - 12:00 noon

1:30 p.m. - 4:30 p.m.

September 12 - 9:00 a.m. - 10:15 a.m.

Business Session follows

Approximate attendance -- 1100

Region X

September 29-30

Hilton Inn
Albuquerque, New Mexico

Encompasses states of: Arizona, New Mexico, Texas

Sessions: September 29 - 1:30 p.m. - 5:00 p.m.

September 30 - 9:00 a.m. - 10:45 a.m.

Business Session follows

Approximate attendance -- 550

Region IX

October 9-10

Holiday Inn West
Billings, Montana

Encompasses states of: Alaska, California, Idaho, Montana,
Nevada, Oregon, Utah, Washington

Sessions: October 9 - 9:00 a.m. - 12:00 noon

1:30 p.m. - 4:30 p.m.

October 10 - 9:00 a.m. - 10:15 a.m.

Business Session follows

Approximate attendance -- 400

Region VII

October 13-14

Red Lion Inn
Omaha, Nebraska

Encompasses states of: Colorado, Kansas, Nebraska,
Wyoming

Sessions: October 13 - 1:30 p.m. - 5:00 p.m.
October 14 - 8:30 a.m. - 9:15 a.m.

Business Session follows

Approximate attendance -- 500

Region VIII

October 20-21

Radisson Muehlebach
Kansas City, Missouri

Encompasses states of: Arkansas, Louisiana, Missouri,
Oklahoma

Sessions: October 20 - 1:30 p.m. - 5:00 p.m.
October 21 - 9:00 a.m. - 10:30 a.m.

Business Session follows

Approximate attendance -- 750

Region V-VI

November 13-14

Leamington Hotel
Minneapolis, Minnesota

Encompasses states of: Illinois, Iowa, Wisconsin,
Minnesota, North Dakota, South Dakota

Sessions: November 13 - 9:00 a.m. - 12:00 noon
1:30 p.m. - 4:30 p.m.

November 14 - 9:00 a.m. - 10:15 a.m.

Business Session follows

Approximate attendance -- 1000

REA

Mr. President,

I think the tone and rhetoric may be as important as the figures and specifics. I've suggested a word or two at the beginning on rural values that supports our theme of "no easy answers" and a line at the end that hits the theme of building on the progress and tough ~~decisions~~ decisions of the past 3 1/2 years.

I tried to type you up an outline sheet that you could use during the taping to remind you of the major points. It won't make sense until you've read the text.

JP

WELCOME

CHILDHOOD FARM REA

RECORD:

BERGLAND AND FERAGEN

LOANS AND GUARANTEES \$20B

3X PREVIOUS FOUR YEARS.

CONSERVATION, CUT IMPORTS 24%,

REA CONS. LOAN PROGRAM

COAL

SMALL HYDRO, 100 IN '81, 30

SOON

WINDFALL TAX

REGULATIONS & RED TAPE, REA

CUT 1/4, EMB.

CONCLUSION, LETS GET ON

WITH THE JOB WE'VE BEGUN

1. CHAIRMAN STENNIS...CHAIRMAN PRICE...SENATOR NUNN...
2. SECRETARY BROWN...JOINT CHIEFS OF STAFF & THEIR SENIOR ENLISTED ADVISERS --
3. I AM VERY PLEASED TO BE SIGNING INTO LAW TODAY *MILITARY PERSONNEL MANAGE*
4. THIS IMPORTANT LEGISLATION -- THE (NUNN-WARNER) BILL -- *& COMPENSATION BILL*
5. THAT WILL INCREASE BENEFITS FOR OUR MEN & WOMEN IN UNIFORM. // *RECRUITMENT/RETENTION*
6. WITH THE SUPPORT OF THE CONGRESS,
7. WE HAVE MADE GREAT PROGRESS IN STRENGTHENING OUR NATION'S DEFENSE.
8. OUR SUSTAINED, REAL INCREASES IN DEFENSE SPENDING
9. HAVE ENCOURAGED INCREASES BY OUR ALLIES.
10. MY 5-YEAR DEFENSE PLAN WILL CARRY THIS GROWTH FORWARD,
11. ADDING OVER \$100 BILLION IN REAL DOLLAR INCREASES FOR DEFENSE BY 1985. //
12. BUT DOLLARS ALONE COULD NEVER ENSURE OUR SECURITY.
13. PEOPLE -- THE MEN & WOMEN IN MILITARY SERVICE --
14. ARE THE HEART & SOUL OF THAT STRENGTH.
15. THEIR WORK, SACRIFICE & DEDICATION TO DUTY
16. ARE THE KEYS TO THE MILITARY POWER OF THE UNITED STATES.
17. THROUGH THIS LEGISLATION,
18. OUR NATION REAFFIRMS ITS STRONG SUPPORT FOR THESE MEN & WOMEN.
19. IT AUTHORIZES \$700 MILLION IN INCREASED BENEFITS
20. THAT WILL ALLEVIATE FINANCIAL HARDSHIP
21. THAT OUR MEN & WOMEN IN UNIFORM HAVE TOO OFTEN FACED. // *HAVE JUST SIGNED*
22. TOGETHER WITH THE ~~11.7%~~ MILITARY PAY RAISE I WILL SOON SIGN INTO LAW, ✓
23. AND THE REST OF MY LEGISLATIVE & BUDGET PROPOSALS ON MILITARY COMPENSATION,
24. TOTAL PAY & BENEFITS WILL GO UP THIS FISCAL YEAR 1981 BY OVER \$4 BILLION. //

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S. B'DAY

1. THESE ARE THE BIGGEST SINGLE INCREASES IN HISTORY -- WHETHER IN WAR OR PEACE. /
2. { FOR THE AVERAGE ENLISTED PERSON,
3. { THE PAY RAISE WILL BE ALMOST \$1,600 -- MORE THAN A 13% INCREASE. /
4. { TO SUPPLEMENT THE HIGHER PAY, THIS LEGISLATION
5. { NUNN WARNER WILL MAKE IMPORTANT CHANGES IN MILITARY BENEFITS. /
6. { FOR PEOPLE IN HIGH COST AREAS, WE ARE RAISING
7. { HOUSING ALLOWANCES, WILL GO UP AN AVERAGE OF \$40 A MONTH -- A 20% INCREASE.
8. { IN SOME CASES THE INCREASE WILL BE EVEN GREATER. /
9. { REIMBURSEMENT FOR TRAVEL & TRANSPORTATION --
10. { WHICH MANY PEOPLE HAD TO PAY OUT OF THEIR OWN POCKETS -- WILL NOW BE MUCH HIGHER,
11. { SPECIAL PAY & BONUSES FOR CAREER MILITARY PEOPLE
12. { WHO SERVE AT SEA, ON FLIGHT DUTY, OR IN CRITICAL SKILLS
13. { WILL BE SIGNIFICANTLY INCREASED AS WELL. /
14. { I WANT TO ACK^{NOWLEDGE} THE STRONG LEADERSHIP & HARD WORK OF MANY MEMBERS OF CONGRESS --
15. { ESPECIALLY, OF COURSE, SENS. SAM NUNN & JOHN WARNER, & BILL NICHOLS IN THE HOUSE.
16. HISTORY RECORDS THE HEROISM & SACRIFICE OF THOSE WHO HAVE SERVED IN BATTLE.
17. BUT THERE ARE MANY KINDS OF HEROISM -- MANY KINDS OF SACRIFICE.
18. THE DEDICATION & EFFECTIVENESS
19. { OF THOSE WHO SERVE IN TIMES OF PEACE TO PREVENT WAR
20. { ARE LESS OFTEN RECOGNIZED -- BUT JUST AS IMPORTANT. /
21. { AS I SAID TO THE CREW OF THE "USS NIMITZ" ON MEMORIAL DAY,
22. { PAY OR BENEFITS OR PRIVILEGES CAN NEVER FULLY REWARD
23. { THOSE WHO PUT THEIR LIVES ON THE LINE IN THE SERVICE OF OUR COUNTRY.
24. BUT THOSE WHO DO SO MUST BE ADEQUATELY COMPENSATED.
25. { THIS IS IMPORTANT NOT ONLY FOR REASONS OF FAIRNESS,
26. { BUT ALSO AS A MATTER OF NATIONAL SECURITY.
27. THIS LEGISLATION GOES A LONG WAY TOWARD ACHIEVING THAT GOAL. //

#

Please note that neither Senator Warner nor Congressman Nichols will be present.

This list is accurate as of 1:15 p.m. today, Monday, Sept 8.

Also, Senator Nunn's office tells us that today is Sen Nunn's birthday. He was born Sept 8, 1938 in Perry, Ga.

("ADVISERS" IS PREFERRED DOD USAGE)

THE WHITE HOUSE
WASHINGTON

September 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
Rick Hertzberg

SUBJECT: Presidential Talking
Points: Signing Ceremony
DOD Compensation Bill

Scheduled Delivery:
Mon, Sept 8, 2:15 p.m.
Cabinet Room

Your talking points for this bill signing are attached.

Copies have been sent to Jerry Rafshoon and Pat Caddell. Jody will write his comments on this copy before giving it to you.

Clearances

Defense Dept
Frank Moore
John White



[Salutations will be updated no later than 11 a.m. Monday by Patty de Souza, x7750.]

Hertzberg/Rogoff
A-1; 9/5/80
Scheduled Delivery:
Mon., Sept. 8, 2:15 PM
Cabinet Room

Nunn-Warner (DOD Compensation) Bill Signing *static Copy Made for Preservation Purposes*
Talking Points

TALKING POINTS

1. CHAIRMAN STENNIS, CHAIRMAN PRICE, SENATOR NUNN, ~~SENATOR WARNER, CONGRESSMAN NICHOLS~~, SECRETARY BROWN, JOINT CHIEFS OF STAFF AND THEIR SENIOR ENLISTED ^{ADVISERS} ~~PERSONNEL~~ --

2. I AM VERY PLEASED TO BE SIGNING INTO LAW TODAY THIS IMPORTANT LEGISLATION -- THE NUNN-WARNER BILL -- THAT WILL INCREASE BENEFITS FOR OUR MEN AND WOMEN IN UNIFORM.

3. WITH THE SUPPORT OF THE CONGRESS, WE HAVE MADE GREAT PROGRESS IN STRENGTHENING OUR NATION'S DEFENSE.

¶ OUR SUSTAINED, REAL INCREASES IN DEFENSE SPENDING HAVE ENCOURAGED INCREASES BY OUR ALLIES.

¶ MY FIVE-YEAR DEFENSE PLAN WILL CARRY THIS GROWTH FORWARD, ADDING OVER \$100 BILLION IN REAL DOLLAR INCREASES FOR DEFENSE BY 1985.

4. BUT DOLLARS ALONE COULD NEVER ^{ENSURE OUR SECURITY.} [MAKE OUR ARMED FORCES AS STRONG AS THEY ARE] PEOPLE -- THE MEN AND WOMEN IN MILITARY SERVICE -- ARE THE HEART AND SOUL OF THAT STRENGTH. THEIR WORK, SACRIFICE AND DEDICATION TO DUTY ARE THE KEYS TO THE MILITARY POWER OF THE UNITED STATES.

5. THROUGH THIS LEGISLATION, OUR NATION REAFFIRMS ITS STRONG SUPPORT FOR THESE MEN AND WOMEN. IT AUTHORIZES \$700 MILLION

(fig.ii. - today is Sam Nunn's Birthday - Bonus 9/8/80 in Room 2000)

IN INCREASED BENEFITS THAT WILL ALLEVIATE FINANCIAL HARDSHIP THAT OUR MEN AND WOMEN IN UNIFORM HAVE TOO OFTEN FACED.

6. TOGETHER WITH THE 11.7% MILITARY PAY RAISE I ^{HAVE SIGNED} ~~WILL SOON~~ ~~SIGN~~ INTO LAW,* AND THE REST OF MY LEGISLATIVE AND BUDGET PROPOSALS ON MILITARY COMPENSATION, TOTAL PAY AND BENEFITS WILL GO UP THIS YEAR [fiscal 1981] BY OVER \$4 BILLION. ←

¶ FOR THE AVERAGE ENLISTED PERSON, THE PAY RAISE WILL BE ALMOST \$1,600 -- MORE THAN A 13% INCREASE.

¶ THESE ARE THE BIGGEST SINGLE INCREASES IN HISTORY, WHETHER IN WAR OR PEACE.

7. TO SUPPLEMENT THE HIGHER PAY, NUNN-WARNER WILL MAKE IMPORTANT CHANGES IN MILITARY BENEFITS.

¶ FOR PEOPLE IN HIGH COST AREAS, HOUSING ALLOWANCES WILL GO UP AN AVERAGE OF \$40 A MONTH -- A 20% INCREASE. IN SOME CASES THE INCREASE WILL BE EVEN GREATER.

¶ REIMBURSEMENT FOR TRAVEL AND TRANSPORTATION -- WHICH MANY PEOPLE HAD TO PAY OUT OF THEIR OWN POCKETS -- WILL NOW BE MUCH HIGHER.

¶ SPECIAL PAY AND BONUSES FOR CAREER MILITARY PEOPLE WHO SERVE AT SEA, ON FLIGHT DUTY, OR IN CRITICAL SKILLS WILL BE SIGNIFICANTLY INCREASED AS WELL.

*Or, if you sign the Defense Authorization Monday, HAVE TODAY SIGNED INTO LAW...

8. I WANT TO ACKNOWLEDGE THE STRONG LEADERSHIP AND HARD WORK OF MANY MEMBERS OF CONGRESS -- ESPECIALLY, OF COURSE, SENATORS SAM NUNN AND JOHN WARNER, AND BILL NICHOLS IN THE HOUSE.

9. HISTORY RECORDS THE HEROISM AND SACRIFICE OF THOSE WHO HAVE SERVED IN BATTLE. BUT THERE ARE MANY KINDS OF HEROISM -- MANY KINDS OF SACRIFICE. THE DEDICATION AND EFFECTIVENESS OF THOSE WHO SERVE IN TIMES OF PEACE TO PREVENT WAR ARE LESS OFTEN RECOGNIZED -- BUT JUST AS IMPORTANT.

10. AS I SAID TO THE CREW OF THE U-S-S NIMITZ ON MEMORIAL DAY, PAY OR BENEFITS OR PRIVILEGES CAN NEVER FULLY REWARD THOSE WHO PUT THEIR LIVES ON THE LINE IN THE SERVICE OF OUR COUNTRY. BUT THOSE WHO DO SO MUST BE ADEQUATELY COMPENSATED. THIS IS IMPORTANT NOT ONLY FOR REASONS OF FAIRNESS, BUT ALSO AS A MATTER OF NATIONAL SECURITY. THIS LEGISLATION GOES A LONG WAY TOWARD ACHIEVING THAT GOAL.

#

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Achsah Nesmith
Draft A-1; 9/3/80
Scheduled Delivery:
Mon, Sept 9, 2 PM

Meeting with Officers of the
National Rural Electric Cooperative Association

Jody -
Cut some
more

J

I welcome this opportunity to speak to you as you gather
in your regional meetings of the National Rural Electric
Cooperative Association. [~~I remember well your warm welcome in
1975 when I appeared at your annual meeting.~~]

Like many of you, I grew up on a farm that did not have
electricity, and I will never forget the day the lights came on,
nor will I forget the impact the Rural Electric Cooperative,
which my father was a director of, had on our lives. It brought
us electricity that freed us from much of the drudgery that had
been commonplace in our lives, it brought us power to do things
we had never done before, it involved everyone in our community
in a cooperative effort to make our lives better.

Since that first wonderful day when the lights came on,
I have witnessed the crucial role of electric cooperatives

in rural development during a period of dramatic change in rural

~~_____~~
America. In my home state and throughout the nation, electric

~~_____~~
co-ops have brought new industries, new jobs, new hope and

~~_____~~
opportunities to our people. I have always cherished the

~~_____~~
independent spirit and the strong values, ^{of rural Americans,} and longed to see the ~~them~~

~~_____~~
great potential of rural America fulfilled in ways that would

~~_____~~
not destroy the beautiful land we loved or the values we prized,

~~_____~~
but would build constructively on them.

We know about hard work, that there can't be something for nothing, there is no easy, simple, cost-free way to deal with our problems.

When I was campaigning for the Presidency back in 1976, I

pledged my strong support of the REA program. [In December, 1978,

~~_____~~
when I met with your leaders in the East Room of the White House,

~~_____~~
I again made that pledge and assured you that REA would remain

~~_____~~
in the Department of Agriculture where it belongs, and that we

~~_____~~
would work closely with your leaders to strengthen and expand

~~_____~~
the REA program.]

I am proud to report that my Administration has followed

*and the leadership of Bob Bergland
and Bob Ferguson* FERAGEN

through on that commitment. With your help, we have built a proud record of accomplishment over the past 4 years. We have a Secretary of Agriculture in Bob Bergland who knows and understands the value of cooperatives. We have an REA Administrator in Bob Ferguson who has many years of experience in the rural electric program.

We also have an extremely vigorous and relevant REA program.

During the past 3 1/2 years REA has loaned or guaranteed loans of ~~for~~ over \$20 billion for rural electrification. This is more than three times the amount provided during the previous 4 years of the preceding Administration. In fact, it is nearly half the total loan activity of the REA since its establishment.

[In December of last year, I became the first President in our Nation's history to adopt a national rural policy, a policy in which energy availability is a key factor.

We are committed to a strong and effective rural electric

~~program using both REA loan funds and guarantees as well as
encouraging those resources you have developed through the
Cooperative Finance Corporation and other supplemental sources.]~~

Conservation^{too} is an essential part of cutting our dangerous
dependence on foreign oil and the inflation it produces. I am

proud that we have been able to cut oil imports 24 per cent this

year, and that we ~~have an energy policy in place and have begun~~
have more oil and gas wells being drilled
today than at any time in the past 25 years.
~~to make progress toward using alternative energy sources.~~

The REA energy conservation loan program that was launched
in June ~~holds tremendous promise.~~ I encourage you to take full
advantage of ~~the opportunity it affords~~ to help your members
conserve our fuel supplies. ~~Conservation is a challenge worthy~~
~~of our best efforts. It is vital to the future of our nation.~~

We must work together to make sure the power is there
when we need it to do the work that needs to be done. I am
~~determined that rural people will have adequate energy. Toward~~

~~this end,~~ We must ^{also} make better use of our vast coal reserves
-- many of them in economically undeveloped rural areas.

We are working on

~~We must also develop~~ small-scale hydro-electric power, in many cases using existing small dams, and ~~developing other alternative sources of energy.~~ [~~I earlier set a goal of financing 100 small-scale hydro projects by the end of 1981 — 300 by the end of 1983.~~ soon small hydro-electric projects, and 30 of these within the next month or so, as well as loans for feasibility studies. I will also make up to 200 Corps of Engineers and 30 Department of Interior dams available for ~~non-federal~~ development of hydropower.

~~[These small-scale hydro-electric power plants have many advantages. They are environmentally clean, they are based on an inexhaustible source of energy, and they help us in our fight against inflation. They will not only help reduce expensive imports of foreign oil, but will serve as a catalyst for local economic development and job creation in America's rural areas.]~~

It'd mention the wind-fall tax every chance I get. We will want to make Reagan's opposition an issue later. JSP

Of course the key to having the funds to do what we need to do in energy is the windfall tax. We had a tough fight to get it passed, now we have to

I have fought hard to remove obsolete and unnecessary regulations that inhibit needed progress. We have ^{already} eliminated more than one-fourth of REA's own regulations. ~~[by 27 per cent,]~~

make sure it isn't sabotaged by western amendment

As you know, I have ^{also} proposed creation of an Energy Mobilization Board which would cut unnecessary delays in power-plant construction and other energy ^{projects.} ~~development activities.~~ I intend to keep pressing for that authority. We will not sacrifice the environmental quality that lies at the heart of rural America's unique attraction to us all, but we must strive to make that protection as cost-effective as we possibly can.

~~[In recent years, our rural areas have become the fastest growing, most dynamic segment of our Nation, with increasingly diversified economies that have made it possible for more and more of our people to find rewarding jobs and build good lives for themselves and their children. You and your organization have helped make this a reality.]~~

*National Rural Electric
Cooperatives,
your*
[I expect] ^E the ^A NRECA, with its long experience and its

commitment to improving the lives of people in rural America, [to
must play
have] ^A a major part in the development of future energy sources.

Your association was born in creative innovation that insisted
ways could be found to meet our people's needs. We did it then
and we can do it now. [~~You have continued to meet the changing~~
needs of rural America.]

For my part, let me affirm to you what I told your leaders
and repeated again today
at the White House in December, 1978^A-- REA is one of the two
best programs the Government ever devised (the other is Social
Security) and you, my friends, have given it the good reputation
it has today. We cannot stop now. A strong rural America
depends on the continuation of a strong and viable REA program
-- and with your help I am determined to make it even stronger
and more effective in the future. *I LOOK FORWARD TO*

*CONTINUING TO WORK WITH YOU TO FINISH THE
JOB WE'VE BEGUN--IN FACING UP TO THE
TOUGH CHALLENGES OUR COUNTRY FACES.*

WASHINGTON

9/8/80

SECRETARY ANDRUS

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Frank Moore

Administratively Concluded



THE SECRETARY OF THE INTERIOR
WASHINGTON

September 5, 1980

cc Cecil
C

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Weekly Report

As you know, I have not burdened you with weekly reports of a superfluous nature, but there are three items that must be brought to your personal attention.

(1) The Alaska bill, as passed by the Senate, is being held in the House as an insurance policy if future negotiations for improvement fail. Any additions will be handled in a separate bill. The current Senate compromise is acceptable, but our environmental friends want to try for more and we are cooperating with the understanding that we do not endanger our present position. You will have a bill this year.

good

(2) There is a marine sanctuary proposal coming to your desk that has a "sleeper" provision. That provision would have a categorical prohibition against oil and gas leasing. Under the OCS amendments that you proposed in 1978, we have the power to deny leasing in environmentally sensitive areas. To make the prohibition statutory would give the oil industry and your political opponents another opportunity to say that the Carter Administration is tying up domestic oil reserves. I support the proposal except for this one aspect. We don't need the added heartburn!

*So what
is recom-
mendation?*

(3) The Reclamation Law Reform, H.R. 6520, is being held in the Rules Committee because White House Staff has asked that it be held. Mr. President, this is a mistake and a serious mistake when the newspapers are aware that we, the Administration, are holding it from the floor.

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The House Committee bill is unacceptable in its present form. Bob Bergland, Mo Udall, Al Ullman, myself and others are confident that changes can and will be made on the floor. The Senate bill has a "cap" on acreage but doesn't have a "residency" or "participation" clause. We feel this can be accomplished in conference. The acreage "cap" will probably be larger than we want, but acceptable.

The worst case scenario would be a final product that did not have a "cap" or "residency" provision. If this happened, and I don't think it will, you could veto the bill and do it in a manner that places your Administration on the side of the family farmer and opposed to foreign investors and large national corporations controlling a subsidy that is supposed to go to the American farmer who works his own farm.

Please keep in mind, if there is no bill, I am under court order to enforce the existing law which will be unpopular with all reclamation farmers. Studies that have been conducted which show that 98 percent of the owners of land in Federal Reclamation projects owning less than 320 acres own 73 percent of the land and 2 percent with ownerships greater than 320 acres own 27 percent of land. For farm operations which includes owned and leased land, 97 percent of the operations are less than 960 acres and farm 69 percent of the land while the 3 percent larger than 960 acres farm 31 percent of the land.


CECIL D. ANDRUS

Cecil. You need to talk to Frank.
Stu & Ham re HR 6520. Then
advise me -

J

THE WHITE HOUSE
WASHINGTON

08 Sep 80

Jody Powell
Bob Strauss

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

Rick Hutcheson

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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 |

+ Bob Strauss

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| | STRAUSS |
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| | VOORDE |
| | WISE |

MORRIS SHEATS

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P.O. BOX 635
MANSFIELD, TEXAS 76063
(817) 477-3656

cc Jody
Bob
Advise - Soon
J

MEMO

TO: President Carter
FROM: Morris Sheats
DATE: August 5, 1980

Mr. President, as we met today in the Roosevelt Room, all leaders agreed that your greatest strength is moral character. Such terms as "personal integrity," "devotion to truth," and "authentic Christian" were used to describe you.

At one point Mrs. Carter said, "We need to look for opportunities for the President to demonstrate true moral leadership." At that point I wanted to share an idea, but we ran out of time.

Sir, I believe a sound idea to demonstrate "true moral leadership" would be as follows:

1. Call a National Day of Prayer and Fasting (as President Lincoln did) for the release of our hostages.
2. You personally make the call over national television.
3. Call the day for a twenty-four hour period including Saturday and Sunday, September 20-21.
4. September 20 is Yom Kippur - a natural day for reconciliation including prayer and fasting on the part of the Jews.
5. Sunday, September 21, ask all ministers to lead their congregations in prayer and fasting of the noon meal. That time would be spent by you and your family in fasting and you would ask all believers to follow your example.

"Is this not the fast which I chose,
To loosen the bond of wickedness,
To undo the bands of the yoke,
And to let the oppressed go free,
And break every yoke?

Is it not to divide your bread with the hungry,
And bring the homeless poor into the house;
When you see the naked, to cover him;
And not to hide yourself from your own flesh?

Then your light will break out like the dawn,
And your recovery will speedily spring forth;
And your righteousness will go before you;
The glory of the Lord will be your rear guard.

Isaiah 58: 6,7,8

Results:

1. 96% of Americans believe in an Almighty God - they would admire you for leading in asking His help.
2. Your "true moral leadership" would be demonstrated. This act of leadership done in sincerity and humility on your part would devastate your critics on the far right; i.e., Moral Majority, Religious Roundtable, Conservative Digest people.
3. The open honesty and deep concern for our hostages would be felt even by the media as was the case when you spoke to the nation on August 4 about Billy. The pluses outweigh the minuses even in the press.

It occurs to me that you may be advised that this action would be interpreted negatively politically. However, may I give you a simple illustration to think about.

If you were driving on ice and you began to skid, by impulse you would want to turn the wheel against the direction of the skid to compensate for the skid. Actually, that is the worst thing to do. That makes the skid worse. The best thing to do is to turn the wheel in the direction of the skid. In other words, what seems right is wrong and what seems wrong is right.

"For My thoughts are not your thoughts,
Neither are your ways My ways," declares the Lord.
"For as the heavens are higher than the earth,
So are My ways higher than your ways,
And My thoughts than your thoughts.

Isaiah 55: 8,9

Mr. President, we must have God's help. You know that and pray for His help daily. Everytime I have been with you I have sensed your deep reliance upon God daily. Sir, let that come through to the country in a call to prayer and fasting. It could well be the salvation of our country and the "act of faith" to keep you in the White House.

We need you. Prayerfully, consider this suggestion. Whatever your decision - I support you 110%.

Sincerely,



Morris Sheats

MS/ks

P.S. I want to serve you in any way you deem helpful. I'm articulate and learn fast.

THE WHITE HOUSE
WASHINGTON

September 5, 1980

MEMORANDUM FOR JODY POWELL

FROM: Al McDonald
Rick Hertzberg
Achsah Nesmith *AK*

SUBJECT: National Rural Electric Coops

Since the President will not be doing a separate shorter taping of these remarks, Anne Edwards feels they should be shorter. Lynn Daft on the Domestic Policy Staff concurs with these cuts if the President wants to make them shorter.

The added line on the last page is designed to let the camera pan out to the NRECA officials at the conclusion.

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for Preservation Purposes

Achsah Nesmith
Draft A-1; 9/3/80
Scheduled Delivery:
Mon, Sept 9, 2 PM

2.00
1.30

Meeting with Officers of the
National Rural Electric Cooperative Association

I welcome this opportunity to speak to you as you gather in your regional meetings of the National Rural Electric Cooperative Association.

Like many of you, I grew up on a farm that did not have electricity, and I will never forget the day the lights came on, nor will I forget the impact the Rural Electric Cooperative, of which my father was a director, had on our lives. It brought us electricity that freed us from much of the drudgery that had been commonplace in our lives, it brought us power to do things we had never done before, it involved everyone in our community in a cooperative effort to make our lives better.

Since that first wonderful day when the lights came on, I have witnessed the crucial role of electric cooperatives in rural development during a period of dramatic change in rural America. In my home state and throughout the nation, electric

co-ops have brought new industries, new jobs, new hope and opportunities to our people. I have always cherished the independent spirit and the strong values of rural America.

We know about hard work, that there can't be something for nothing, there is no easy, simple, cost-free way to deal with our problems.

When I was campaigning for the Presidency back in 1976, I pledged my strong support of the REA program.

I am proud to report that my Administration has followed through on that commitment. With your help, and the leadership of Bob Bergland and Bob Feragen, we have built an extremely vigorous REA program. During the past 3-1/2 years REA has loaned or guaranteed loans of over \$20 billion for rural electrification. This is more than three times the amount provided during the previous four years of the preceding Administration.

Conservation too is an essential part of cutting our dangerous dependence on foreign oil and the inflation it produces.

-3-

I am proud that we have been able to cut oil imports 24 percent this year, and that we have more oil and gas wells being drilled today than at anytime in the past 25 years.

I encourage you to take full advantage of the REA energy conservation loan program that was launched in June to help your members conserve our fuel supplies.

We must also make better use of our vast coal reserves -- many of them in economically undeveloped rural areas.

We are working on small-scale hydro-electric power, in many cases using existing small dams. We will soon be announcing 30 small hydro-electric projects, and I will also make up to 200 Corps of Engineers ^{dams} and 30 Department of Interior dams available for development of hydropower.

Of course, the key to having the funds to do what we need to do in energy is the windfall ^{profits} tax. We had a tough fight to get it passed. Now we have to make sure it isn't sabotaged by weakening amendments.

As you know, I have also proposed creation of an Energy Mobilization Board which would cut unnecessary delays in power-plant construction and other energy projects. I intend to keep pressing for that authority. We will not sacrifice the environmental quality that lies at the heart of rural America's unique attraction to us all, but we must strive to make that protection as cost-effective as we possibly can.

I have fought hard to remove obsolete and unnecessary regulations that inhibit needed progress. We have already eliminated more than one-fourth of REA's own regulations.

The National Rural Electric Cooperatives, with your long experience and commitment to improving the lives of people in rural America, must play a major part in the development of future energy sources. Your association was born in creative innovation that insisted ways could be found to meet our people's needs. We did it then, and we can do it now.

For my part, let me affirm to you what I told your leaders at the White House in December, 1978 and repeated again today -- REA is one of the two best programs the Government ever devised (the other is Social Security) and you, my friends, have given it the good reputation it has today. We cannot stop now. A strong rural America depends on the continuation of a strong and viable REA program -- and with your help I am determined to make it even stronger and more effective in the future. I look forward to continuing to work with you to finish the job we've begun -- in facing up to the tough challenges our country faces.

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THE WHITE HOUSE
WASHINGTON

08 Sep 80

Al McDonald
Jack Watson

The attached was returned in
the President's outbox today
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Rick Hutcheson

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THE WHITE HOUSE

WASHINGTON

September 4, 1980

Mr. President:

I thought the attached would be of
interest to you.

Jach

Good -
@
/

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September 4, 1980

MEMORANDUM FOR : JACK WATSON
FROM : AL MCDONALD *AM*
SUBJECT : External Communications on Steel

9/4
Al - excellent -
stay close to
it to see that
the President gets
maximum credit
fact

We have the following events and announcements coming along of particular importance to the steel industry.

✓ 1. Ray Marshall will have his public affairs office keep up with each of the recalls of workers. He will be making statements welcoming these developments and identifying the Administration and our interest in steel with these recalls. He is also doing this in each of the communities in which he is visiting, beginning last Friday in Pittsburgh. Although this will make little national press, it should play in regional and local press quite positively.

✓ 2. The President will be in New Jersey for the opening of a new steel plant at Perth Amboy next Tuesday. Phil Klutznick will go to East Chicago towards the end of next week for the opening of Inland Steel Company's new plant which is billed as the "most modern in the world." These events can be used as a one-two punch to illustrate our industrial revitalization theme as it pertains to the steel industry.

✓ 3. By our present timetable, we should have a decision memorandum ready for the President by the end of next week. He could make an announcement of his decision on the trade question early the following week. >>> ?

4. Representatives Gaydos and Murtha are being briefed by Frank Moore, Bob Herzstein and myself next week so they will be well armed to back vocally and enthusiastically within the Steel Caucus developments in the industry.

5. Roderick is also talking with Gaydos and others, indicating his intention about mid-September to publicly acclaim the President's steel policy and also to endorse him for re-election.

If we can fit all of these pieces of the puzzle together successfully, we should have repaired the damage we caused ourselves with the steel industry and be in pretty good shape well before the end of September.

cc: Dick Moe

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 4, 1980

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/

EYES ONLY

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MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: Unemployment and Producer Prices in August
(to be released at 9:00 a.m. on Friday)

Unemployment

The unemployment rate fell to 7.6 percent in August from 7.8 percent in July. For four months now the unemployment rate has hovered in the 7.6 to 7.8 percent range.

As measured by the survey of households, employment held steady, maintaining its large gains in July. The labor force fell by 200,000, so unemployment declined. The survey of employment at business establishments showed a good gain of 250,000. Aggregate hours worked in manufacturing establishments -- which is a good indicator of what's happening to production -- rose by a healthy 1.8 percent, after declining steadily since December. The gains were widespread throughout most industries.

We cannot draw conclusions from one month's data. It may be an erratic blip -- and higher interest rates could still give us trouble. But if this month's pattern holds up, the recession may have hit bottom in July. If so, it will have been the shortest recession (January to July) in postwar history. There were two 8-month recessions; the average was 10-1/2 months.

Producer Prices

A very large rise, 4.4 percent, in wholesale food prices led the way to a substantial 1.5 percent increase in the finished goods component of the PPI. Finished goods except food rose a more moderate 0.7 percent.

Meat prices surged -- beef and veal up 10 percent, pork up 17 percent. However, weekly retail price data collected by USDA show much smaller, though still substantial, price increases for meat at the grocery store. We now expect CPI food prices to show a rise of 1-1/2 to 2 percent in August. We have been expecting a large food price rise for some time, and a 1-1/2 percent increase was incorporated in our latest forecast for a 6-7 percent overall CPI rise (annual rate) in August.

Energy prices went up 0.2 percent; gasoline prices fell slightly. Outside of food and energy, finished goods prices rose at a disappointing 9.8 percent annual rate, better than the prior two months, but still high.

On balance, the price news is not very good, but much of it had been expected.

White House Reaction

I am sending the attached suggestion for reaction to Jody Powell. I think we can cautiously suggest that things may be better than are commonly being forecast.

Attachment

Suggested Reaction on Unemployment
and Producer Prices in August

The drop in unemployment and the rise in hours of work were a welcome development.

For four months now the unemployment rate has fluctuated between 7.6 to 7.8 percent, rather than continuing to increase as called for in almost every economic forecast, including that presented by the Administration in its mid-year budget review. Other data on sales and orders in the last month or so have also been relatively favorable.

It would be premature to change the official forecast on the basis of limited data. Nevertheless, recent developments hold out some hope that the recession may end sooner and be somewhat smaller than commonly forecast.

The higher wholesale prices of food will be showing up on grocery store shelves. These will be partly offset by a much slower rise in energy prices, and some price moderation elsewhere. We still expect moderate CPI increases for the next several months. But the August PPI data again remind us that we have two problems to deal with -- inflation as well as unemployment. The President's recently announced economic recovery proposals were designed with that point clearly in mind.

THE WHITE HOUSE

WASHINGTON

September 8, 1980

MEMORANDUM FOR

THE PRESIDENT

FROM:

STU EIZENSTAT

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SUBJECT:

Alaska Lands

Anne, Secretary Andrus, Gus and I met Friday with the leadership of the environmental Alaska Coalition to review the status of the Alaska Lands bill. A key issue raised by the Coalition representatives was the need for them and the Administration to continue to work together towards the goal of achieving the best bill we can from the Congress. We all agreed to be supportive of House efforts to improve the Senate bill, but that we would take our cue for any public statements from Chairman Udall. Udall is now quietly exploring options for improving the Senate bill with key Senate leaders.

As part of this overall strategy it is particularly important that you be perceived as remaining in favor of the best bill that can be achieved. I would therefore recommend that you avoid making any statements that could be construed by our environmental friends as a weakening of our position (i.e. that we find the Senate bill acceptable). Politically, we need to maintain a strong alliance with them on this issue.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 4, 1980

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EYES ONLY

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MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

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(to be released at 9:00 a.m. on Friday)

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We cannot draw conclusions from one month's data. It may be an erratic blip -- and higher interest rates could still give us trouble. But if this month's pattern holds up, the recession may have hit bottom in July. If so, it will have been the shortest recession (January to July) in postwar history. There were two 8-month recessions; the average was 10-1/2 months.

Producer Prices

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U. W.

PW-ECONOMY 1STLD-WRITETHRU 9-5

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--RESTARTING--

URGENT

(UNEMPLOYMENT; WHOLESALE INFLATION DOWN IN AUGUST)

BY ANDREW M. NIBLEY

WASHINGTON (UPI) -- THE NATION'S UNEMPLOYMENT RATE EDGED DOWN TO 7.6 PERCENT IN AUGUST WHILE INFLATION AT THE WHOLESALE LEVEL RAGED ON AT A MORE THAN 20 PERCENT ANNUAL RATE, THE GOVERNMENT REPORTED TODAY.

THE BUREAU OF LABOR STATISTICS SAID THE UNEMPLOYMENT RATE DROPE FROM 7.8 PERCENT IN JULY TO 7.6 PERCENT LAST MONTH, REDUCING THE NUMBER OF JOBLESS AMERICANS BY 188,000 PERSONS TO 8 MILLION.

TOTAL EMPLOYMENT HELD STEADY, ALTHOUGH UNEMPLOYMENT IN THE HARD-HIT CONSTRUCTION INDUSTRY JUMPED TO MORE THAN 18 PERCENT.

IN ANOTHER REPORT, THE LABOR DEPARTMENT SAID ITS PRODUCER PRICE INDEX ROSE A SEASONALLY ADJUSTED 1.5 PERCENT IN AUGUST, WHICH TRANSLATES INTO A COMPOUND ANNUAL INFLATION RATE OF 20.2 PERCENT AT THE WHOLESALE LEVEL.

THIS WAS ONLY A SLIGHT IMPROVEMENT OVER JULY WHEN WHOLESALE PRICES JUMPED 1.7 PERCENT -- A 22.5 PERCENT ANNUAL RATE.

ALTHOUGH MOST GENERAL UNEMPLOYMENT CATEGORIES SHOWED IMPROVEMENT OVER THE MONTH, TEEN-AGERS AND BLACK AND OTHER MINORITY YOUTHS SHOWED INCREASES. THE TEEN-AGE RATE INCREASED FROM 19 PERCENT TO 19.1 PERCENT, WHILE THE MINORITY YOUTH RATE INCREASED NEARLY A FULL PERCENTAGE POINT TO 37.4 PERCENT.

THE MANUFACTURING INDUSTRIES SHOWED THE GREATEST IMPROVEMENT IN UNEMPLOYMENT, WITNESSING A DROP OF NEARLY A POINT TO 9.3 PERCENT, BUT IN THE CONSTRUCTION INDUSTRY, WHICH HAS SEEN A STEADY RISE SINCE FEBRUARY, THE RATE ESCALATED 2.2 PERCENTAGE POINTS TO 18.3 PERCENT IN AUGUST.

ANOTHER POSITIVE SIGN CAME IN THE MANUFACTURING WORKWEEK, WHICH ROSE 0.5 HOURS TO 39.6 HOURS, THE FIRST INCREASE IN THE FACTORY WORKWEEK SINCE JANUARY.

THE LARGE INCREASES IN PRODUCER PRICES IN JULY AND AUGUST WERE IN MARKED CONTRAST TO JUNE'S MODERATE 0.8 PERCENT RISE. THE DEPARTMENT ALSO REVISED ITS MAY FIGURES, SAYING PRODUCER PRICES DID NOT RISE AT ALL THAT MONTH.

THE INDEX NOW STANDS AT 249. THIS MEANS THE SAME GOODS THAT COST \$100 AT THE WHOLESALE LEVEL 13 YEARS AGO NOW SELL FOR \$249.

ALMOST TWO-THIRDS OF THE INCREASE IN PRODUCER PRICES IN AUGUST WAS CAUSED BY A 4.4 PERCENT JUMP IN FOOD PRICES -- THE SECOND STRAIGHT MONTH THEY HAVE SHOT UP.

MOST ECONOMISTS EXPECT FOOD PRICES TO CONTINUE TO RISE SHARPLY IN THE MONTHS AHEAD, APPLYING EVEN MORE UPWARD PRESSURE ON THE OVERALL INFLATION RATE. FURTHERMORE, BIG INCREASES IN WHOLESALE FOOD PRICES HAVE A TENDENCY TO SHOW UP EARLIER QUICKLY AT THE GROCERY STORE LEVEL.

THIS IS FOR YOUR INFO,
MATERIAL HAS BEEN
PUT ON TELEPROMPTER.

THE WHITE HOUSE
WASHINGTON

September 5, 1980

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ADMINISTRATIVELY RESTRICTED

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Quarterly Security Violation Report

For your information, attached is the quarterly security violation report.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

September 5, 1980

ADMINISTRATIVELY RESTRICTED

MEMORANDUM FOR:

MARY HOYT

FROM:

HUGH CARTER *HC*

SUBJECT:

Security Violation Quarterly Report

The President has asked that I make you aware of the following security violations:

| <u>Date</u> | <u>Name</u> | <u>Nature of Violation</u> |
|-------------|---------------|---------------------------------------|
| 7/19 | Paul Costello | Confidential teletypes found on shelf |

THE WHITE HOUSE
WASHINGTON

September 5, 1980

ADMINISTRATIVELY RESTRICTED

MEMORANDUM FOR: FRANK MOORE
FROM: HUGH CARTER *HC*
SUBJECT: Security Violation Quarterly Report

The President has asked that I make you aware of the following security violations:

| <u>Date</u> | <u>Name</u> | <u>Nature of Violation</u> |
|-------------|-----------------|------------------------------|
| 7/26 | Sallie Phillips | Secret document left on desk |

THE WHITE HOUSE
WASHINGTON

September 5, 1980

ADMINISTRATIVELY RESTRICTED

MEMORANDUM FOR: AL MOSES
FROM: HUGH CARTER *HC*
SUBJECT: Security Violation Quarterly Report

The President has asked that I make you aware of the following security violations:

| <u>Date</u> | <u>Name</u> | <u>Nature of Violation</u> |
|-------------|-------------|---|
| 7/23 | Al Moses | Secret and Confidential documents left on table |

THE WHITE HOUSE

WASHINGTON

September 5, 1980

ADMINISTRATIVELY RESTRICTED

MEMORANDUM FOR: JACK WATSON
FROM: HUGH CARTER *HC*
SUBJECT: Security Violation Quarterly Report

The President has asked that I make you aware of the following security violations:

| <u>Date</u> | <u>Name</u> | <u>Nature of Violation</u> |
|-------------|---------------|--|
| 7/18 | Jack Watson | Cabinet containing Secret documents found open |
| 8/28 | Cynthia Smith | Confidential document found on desk |
| 8/29 | Jack Watson | Secret document found on top of desk |

THE WHITE HOUSE

WASHINGTON

September 5, 1980

ADMINISTRATIVELY RESTRICTED

MEMORANDUM FOR:

AL BROWN

FROM:

HUGH CARTER *HC*

SUBJECT:

Security Violation Quarterly Report

The President has asked that I make you aware of the following security violations:

| <u>Date</u> | <u>Name</u> | <u>Nature of Violation</u> |
|-------------|-------------|--|
| 8/4 | Ed Sanders | Safe containing classified material found open |