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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brown to The President (2 pp.) re: Weekly Activities of Sec. of Defense/enclosed in Hutcheson to Mondale 9/9/80	9/5/80	A

FILE LOCATION

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memo

From Brown to The President (2 pp.) re: Weekly
Activities of Sec. of Defense/enclosed in Hut-
cheson to Mondale 9/2/80

A

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THE WHITE HOUSE
WASHINGTON

9/9/80

STU EIZENSTAT
FRANK MOORE

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

September 8, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT
FRANK MOORE

Stu
FM/b.11

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SUBJECT: Telephone Call to Congressman Ashley

The Senate and House have passed different versions of the 1981 housing authorization bill, and the conferees will begin serious deliberations this week. Title V of the Senate version contains various provisions protecting condominium and cooperative owners, including the legislation long sought by the Administration to address the problems of Florida condominium owners with "unconscionable" long-term recreation leases. In essence, the key provision would permit owners with recreation leases to seek a judicial determination as to whether such leases are unconscionable. Chairman Ashley has consistently and strongly opposed Title V, including the provision regarding recreation leases. His concerns are that this legislation addresses the problems of one state which ought to be resolved locally, and that the bill would impair lease contracts and is thus unconstitutional.

Our understanding is that Ashley is likely to react favorably to an appeal from you on a predominantly political basis to support in some form the recreation lease provisions.

(Talking points are included on the attached telephone call card.)

SUMMARY OF DAILY POLITICAL REPORT

September 8, 1980

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9/9/80 Daily Political Meeting

Discussion of whether the President should personally address the debate issue, after the League announces its debate terms.

Miller and Schultze will be asked to do Wednesday morning shows and a press conference to comment on Reagan's economic speech today.

Some thought that the press will be sounding a 'Reagan's staff is keeping him under wraps' theme for a while. Strauss said that the President will need to do another press conference shortly for the President to be perceived as less "under wraps" than Reagan.

Pennsylvania. Cong. Pepper gave a good speech defending the President's record with Seniors while campaigning with Chip 9/7.

Massachusetts. Kevin White not yet ready to endorse, playing hard to get.

Maine. Kennedy will call Gov. Brennan and ask him to co-chair our campaign with House Speaker John Martin.

The South. Anderson workers are calling Black leaders.

Illinois. Reagan had a private dinner with Ford in Chicago last night. Goldschmidt lunch with a Jewish group went well. Mayor Byrne is to introduce the VP today at the Democratic State Convention. St. Senator Richard Newhouse is refusing to meet with State Coordinator Mike Casey.

Wisconsin. Statewide poll (8/29-9/3) shows Reagan 36, Carter 32, Anderson 22.

California. Latest Field Poll shows Reagan 39, Carter 29, Anderson 28. A press flap over the weekend involving a story quoting our Oregon coordinator saying that California is our 4th best prospect in the West after Hawaii, Oregon and Washington, in that order; adds to the 'lack of commitment' perception. United Farm Workers endorsed C/M with Marshall in attendance; however, Marshall was booed while Lucey received a standing ovation. MAPA endorsed C/M with Torres in attendance.

Hawaii. Inouye praised the President's policies in a speech before the National Association of Home Builders.

Nebraska. Labor leaders and former Kennedy supporters are being helpful.

New Mexico. Republicans claim to have recruited 400 door-to-door canvassers for their "Commitment 80" GOTV strategy in the state.

Oklahoma. Ford will attend an RNC fundraiser in Oklahoma City. Tulsa poll shows Reagan 53, Carter 40, Anderson 8. Boren has been unwilling to receive our state coordinator.

Oregon. Anderson has an expensive downtown Portland headquarters.

South Dakota. Anderson has a headquarters manned by volunteers. Ford to campaign for McGovern's opponent next week.

Texas. Latest polls show Carter trailing Reagan by 5%, with Anderson at 9%. C/M is holding regional press conferences in major Texas media markets featuring Hobby, Hill, Yarborough, Bullock and Armstrong. Reagan will visit San Antonio 9/16 and announce "Democrats for Reagan," featuring Allen Shivers and Ben Barnes. Anderson has a headquarters open in Austin; he seems to be pulling equally from Reagan and Carter.

Washington. Seattle Times poll shows Reagan-Carter-Anderson at 42-30-20%. A CBS poll shows 31-26-18%.

DAILY SCHEDULE

TUESDAY, SEPTEMBER 9

Pres.	Perth Amboy, NJ	Rally; Dedicate Steel Plant
V. Pres.	Peoria, IL Chicago	Labor Meetings State Senator Candidate Daley; Illinois Democratic State Convention; RON
Chip Reagan	Virginia Chicago Milwaukee, WI Cleveland, OH	Econ. Speech, International Council of Businesses Polish Neighborhood Walk; Fire Station Remarks RON

WEDNESDAY, SEPTEMBER 10

V. Pres.	Columbus, OH Buffalo, NY	County/State Breakfast; Tour IBW Plant Economic Development
1st Lady	Charlotte, NC Birmingham, AL Gadsden, AL	CMRC Reception Woman's Auxilliary, National Baptist Convention CMRC HQ Grand Opening
Chip Reagan	Virginia Cleveland, OH Youngstown, OH Buffalo, NY	Economic Policy Speech
Bush Lucey	Denver, CO Boise, ID	Western Coal Transport Conference; Public Reception

THURSDAY, SEPTEMBER 11

Chip Reagan	Tennessee Buffalo, NY Pittsburgh, PA Washington, D.C.
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FRIDAY, SEPTEMBER 12 (No travel scheduled.)

SATURDAY, SEPTEMBER 13

Pres.	Washington, D.C.	Italian/American Dinner; Willie Nelson Concert
V. Pres.	Washington, D.C.	Italian/American Dinner
1st Lady	Huntington, WV Syracuse, NY Hartford, CT	Parade; Fundraiser Democratic State Committee Fundraiser

SUNDAY, SEPTEMBER 14 (No travel scheduled.)

MONDAY, SEPTEMBER 15

Pres.	Corpus Christi Houston, TX Atlanta, GA	Town Meeting Fundraiser School Dedication; Aunt Cissy Fundraiser; Kirbo Fundraiser
V. Pres. Ford	New York, NY St. Louis, MO	U. N. Event; Long Island Event; Other NYC Events Campaign for Kit Bond, GOP Candidate for Governor

THE WHITE HOUSE
WASHINGTON

September 5, 1980

D.K.
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MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
Rick Hertzberg
Chris Matthews

SUBJECT: Presidential Speech:
Senior Executive
Service Awards

Scheduled delivery:
Tue, Sept 9, 1980
2:30 p.m.

Your speech for this occasion is
attached.

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

Clearances

Alan Campbell
David Rubenstein
Staff for Gene Eidenberg

[No salutations.]

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Chris Matthews
Draft A-1; 9/5/80
Scheduled Delivery:
Wed, Sept 9, 2:30 PM
Rose Garden

3:15

Talking Points

Senior Executive Service Ceremony

1. I CAME TO THE PRESIDENCY DETERMINED TO MAKE GOVERNMENT MORE RESPONSIVE TO THE PUBLIC, AND ALSO MORE EFFICIENT.
2. SINCE TAKING OFFICE, I HAVE SEEN REPEATEDLY THAT THE KEY TO MORE EFFECTIVE GOVERNMENT IS OUR CREATION OF A MORE PRODUCTIVE, MORE DYNAMIC, MORE COST-CONSCIOUS FEDERAL WORKFORCE.
3. IN 1978, I SIGNED LEGISLATION OVERHAULING THE FEDERAL CIVIL SERVICE FOR THE FIRST TIME IN A HUNDRED YEARS. IT WAS A LANDMARK ACHIEVEMENT -- ONE OF THE MOST SIGNIFICANT OF THIS ADMINISTRATION.
4. THE CIVIL SERVICE REFORM ACT GIVES FEDERAL MANAGERS SOME OF THE SAME MANAGEMENT INCENTIVES THAT PROVE EFFECTIVE IN THE PRIVATE SECTOR. IT EMPHASIZES PERFORMANCE, NOT LONGEVITY. IT LETS US SELECT INDIVIDUAL PUBLIC SERVANTS, REWARD THEM, AND THEREBY -- IN A POSITIVE WAY -- ENCOURAGE OTHERS TO EXCEL.
5. TODAY'S CEREMONY IS UNPRECEDENTED. IT IS ALSO LONG OVERDUE. TOO OFTEN, WE SINGLE OUT FEDERAL MANAGERS ONLY WHEN THERE HAS BEEN A PROBLEM. WE FOCUS ATTENTION ONLY ON THEIR SHORTCOMINGS.
6. THIS IS NO WAY TO RUN A GOVERNMENT -- OR ANY ENTERPRISE. FEDERAL MANAGERS EXERT AN ENORMOUS INFLUENCE ON US. THEIR RESPONSIBILITIES ARE OFTEN STAGGERING. SOME OF THEM ARE THE MOST IMPORTANT EXECUTIVES IN AMERICA. WHERE WE FIND EXCELLENCE, WE NEED TO ACKNOWLEDGE AND REWARD THAT EXCELLENCE -- PUBLICLY.

7. I AM PLEASED TO PRESENT THE "DISTINGUISHED EXECUTIVE" AWARDS TODAY TO 49 MEN AND WOMEN. YOUR SERVICE TO OUR COUNTRY HAS BEEN TRULY DISTINGUISHED. YOU ARE THE BEST OF THE GOVERNMENT'S SENIOR EXECUTIVES -- THE BEST OF THE BEST:

¶ HAROLD DENTON, OF NRC, HAS WON WIDE PRAISE FOR HIS PERFORMANCE FOLLOWING THE THREE MILE ISLAND ACCIDENT.

¶ CHRIS KRAFT, OF NASA, MADE SPACE TRAVEL THE SAFEST TRANSPORTATION OF ALL. HE WAS PRINCIPAL ORGANIZER OF THE MISSION CONTROL CENTER IN HOUSTON AND DIRECTED THE SUCCESSFUL MERCURY, GEMINI AND APOLLO SPACE MISSIONS.

¶ CLAUDE FARINHA SAVED THE U.S. AIR FORCE \$28 MILLION THROUGH BETTER LOGISTICS MANAGEMENT.

¶ CHARLES SWINBURN, OF D.O.T, SAVED TAXPAYERS \$100 MILLION BY RESTRUCTURING THE AMTRACK ROUTE SYSTEM.

8. THESE AWARDS ARE A SOLID INVESTMENT FOR OUR COUNTRY. THE MILLIONS OF DOLLARS YOU 49 PEOPLE HAVE SAVED THE TAXPAYER COULD FUND THE SENIOR EXECUTIVE BONUSES FOR MANY DECADES.

9. IN HONORING YOU, I HOPE TO ENCOURAGE ALL PUBLIC SERVANTS TO HIGHER LEVELS OF ACCOMPLISHMENT. I ALSO WANT TO MAKE YOUR EXCELLENCE KNOWN TO YOUR EMPLOYERS, THE AMERICAN PEOPLE.

11. [PRESENT AWARDS, WITH ALAN CAMPBELL.]

#

3:15 PM

THE WHITE HOUSE

WASHINGTON

September 8, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: GENE EIDENBERG



SUBJECT: Senior Executive Service Awards Ceremony,
3:15 p.m., Rose Garden

EIDENBERG memo

Purpose

The purpose of this ceremony is to recognize 49 career members of the Senior Executive Service (SES), and to mark an important milestone in implementing the Civil Service Reform Act.

Background

You will be expected to make brief remarks (talking points attached), and then invite the award winners to join you for a group photograph to conclude the ceremony. Prior to your arrival, Scotty Campbell will present the certificates to each of the recipients. The recipients, members of the Cabinet and Congress will attend a pre-ceremony reception.

The Civil Service Reform Act abolished longevity pay increases for the 8,500 top federal managers in the SES and provided for lump-sum cash bonuses for exceptional performance. The Act authorizes \$20,000 for Presidential Distinguished Rank Awards for up to one percent of the SES and \$10,000 for Meritorious Presidential Awards for up to five percent of the SES.

These Presidential bonuses will be the first awarded under the new Reform Act. There are 49 winners of the Distinguished Award and 206 of the Meritorious Award.

Participants

Approximately 300 people will attend including members of Congress, department and agency heads, the Presidential Rank Awards panel, award winners and one guest each, members of the public service interest groups and other invited guests.

Press

There will be open press coverage.

THE WHITE HOUSE

WASHINGTON

September 8, 1980

MEMORANDUM TO: THE PRESIDENT
FROM: GRETCHEN POSTON *Gp - rlf*
SUBJECT: SCENARIO FOR SENIOR EXECUTIVE SERVICE
AWARD CEREMONY, SEPTEMBER 9, 1980, 2:15 PM.

1:45 PM Awardees arrive Southwest Gate and are directed to Diplomatic Reception Room.

2:00 PM Awardees are lined up by Agency and are escorted to seating in Rose Garden.

2:15 PM Guests arrive Southwest Gate and are directed to Rose Garden.

Cabinet members and Members of Congress arrive Northwest Gate and are escorted to special seating in Rose Garden.

2:30 PM Mr. Scott Campbell proceeds to podium to make remarks.

2:40 PM Mr. Campbell moves to front of podium and calls a representative of the Department of State to join him.
(Social aide reads names of awardees and succeeding Agency representatives and their awardees.)

Awardees proceed to podium to receive certificates.
(Social aide hands certificate to Mr. Campbell who in turn hands it to awardee.)

3:15 PM THE PRESIDENT is announced into Rose Garden and proceeds to podium for remarks.

At conclusion of remarks, THE PRESIDENT calls awardees to stand behind HIM for photograph.

3:30 PM THE PRESIDENT departs Rose Garden.

Guests proceed with reception.

4:00 PM All guests depart South Lawn.

In the event of rain, the ceremony will follow the same time schedule and format in Room 450 EOB. There will be no reception if it should rain.



National Conference on Soviet Jewry

Chairman

Burton S. Levinson, Los Angeles

Vice-Chairpersons

Beatrice Feldman, Hodossah

Donald Lefton, Miami

Jacqueline K. Levine, National Jewish
Community Relations Advisory Council

Joseph Smukler, Philadelphia

Nan Wood, National Council of Jewish Women

Treasurer

Charlotte Jacobson, World Zionist Organization
American Section

Financial Secretary

Margery Kohrman, Women's American ORT

Secretary

Rabbi David Hill, National Council
of Young Israel

Immediate Past Chairman

Eugene Gold, New York City

Executive Director

Jerry Goodman

Washington Representative

Marina Wallach Newmyer

Executive Committee

(In Addition to the Officers)

Gerald Flanzbaum, Anti-Defamation League
of B'nai B'rith

Alan Gould, Oakland, California

Murray Gross, Jewish Labor Committee/
Workmen's Circle

Lawrence Jackier, Detroit

Nicholas Lane, Pittsburgh

Frieda Leemon, Pioneer Women

Jules Lippert, Union of American
Hebrew Congregations

Richard Nelter, Los Angeles

Rabbi Norman Patz, Metropolitan New Jersey

Mervin Riseman, American Jewish Committee

Herbert Rosenthal, Dallas

Herbert Setow, New Haven

Nancy Steiner, Denver

Joel J. Sprayregen, Chicago

Robert Sugarman, B'nai B'rith

Former Chairmen

*Label Katz, (deceased), B'nai B'rith

Stanley H. Lowell,

American Jewish Congress

Richard Maass,

American Jewish Committee

George Maislen,*

United Synagogue of America

Rabbi Israel Miller,*

American Zionist Federation

Rabbi Herschel Schacter,*

Religious Zionists of America

Lewis H. Weinstein,* Boston

*American Jewish Conference
on Soviet Jewry

Ex-Officio

Marvin E. Frankel,

National Lawyers Committee

for Soviet Jewry

Sol Goldstein,

Washington Advisory Committee

Betty Golomb,

Task Force on Education and Culture

Bernard White,

Washington Advisory Committee

Greater New York Conference

On Soviet Jewry

September 4, 1980

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

Dear Mr. President:

The National Conference on Soviet Jewry is most appreciative of your invitation to meet, today, in recognition of the struggle of the Jewish minority in the Soviet Union. The efforts and the penalties many have suffered demonstrate a kind of heroism in the continuing effort to achieve dignity and fundamental human rights.

Jewish emigration from the USSR has been drastically cut in the last eight months and the arrests of Jewish emigration activists, among others, continue to spread. There is little doubt that this will cause additional tensions in an already troubled world. We, therefore, request that you convey our concerns, and those of millions of American citizens, in all religious, racial and ethnic groups, to Soviet authorities. The turn-about in Soviet behavior, as compared to the seeming progress last year, must not be ignored by concerned individuals.

Mr. President, we welcome the appointment of a strong delegation to the forthcoming Madrid Conference to review the practices of the signatory nations to the Helsinki Final Act. We hope you will convey to our delegation the commitment of this nation to continue to uphold the human rights provisions of the Act, in addition to economic and security matters, and especially in regard to family reunion and the right to leave. This has been U.S. policy, and we are convinced that a continuation will help those individuals most affected.

I have the honor, Mr. President, of enclosing an aide memoire which summarizes our views at greater length.

Respectfully,

Burton S. Levinson
National Chairman

bsl/rb



'Next Year in Jerusalem'

In March and April, during interrogation, the chief investigators warned me that in the position I have taken during investigation, and held to here in court, I would be threatened with execution by firing squad, or at least 15 years. If I would agree to cooperate with the investigation for the purpose of destroying the Jewish emigration movement, they promised me early freedom and a quick reunion with my wife.

Five years ago, I submitted my application for exit to Israel. Now I'm further than ever from my dream. It would seem to be cause for regret. But it is absolutely otherwise. I am happy. I am happy that I lived honestly, in peace with my conscience: I never compromised my soul, even under the threat of death.

I am happy that I helped people. I am proud that I knew and worked with such honest, brave and courageous people as Sakharov, Orlov, Ginzburg, who are carrying on the traditions of the Russian intelligentsia. I am fortunate to have been witness to the process of the liberation of Jews of the U.S.S.R.

I hope that the absurd accusation against me and the entire Jewish emigration movement will not hinder the liberation of my people. My near ones and friends know how I wanted to exchange activity in the emigration movement for a life with my wife, Avital, in Israel.

For more than 2,000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, every year they have repeated, "Next year in Jerusalem." Now, when I am further than ever from my people, from Avital, facing many arduous years of imprisonment, I say, turning to my people, my Avital: Next year in Jerusalem.

Now, I turn to you, the court, who were required to confirm a predetermined sentence: to you I have nothing to say.

Anatoly B. Shcharansky
Moscow — July 14, 1978

NATIONAL CONFERENCE ON SOVIET JEWRY

AIDE MEMOIRE

SUBMITTED TO

PRESIDENT JIMMY CARTER

SEPTEMBER 4, 1980

In the belief that human rights -- and the pursuit of the granting of fundamental human liberties to the peoples of all nations -- remains a cornerstone concern of U.S. foreign policy, the National Conference on Soviet Jewry submits the following points for consideration by our Government. These reflect the views of our constituency of 39 national membership organizations, and nearly 300 local affiliated community relations councils and federations throughout the country.

- A. Current Emigration Situation: 1979 was a record year for Jewish emigration from the USSR -- 51,320 Jews arrived in Vienna, with Israeli visas, for a monthly average of over 4,200. Yet, sometime early last summer a decision to cut down the rate of emigration was, apparently, also made. The number of visas issued by the Dutch Embassy, representing Israel in the USSR, began to drop. In November it was 3,600 and in December 3,330. This drop in visas was soon felt in Vienna, the first arrival point in the West.

Careful analysis suggests that the new restrictions, implemented months before the Soviet invasion of Afghanistan, were not necessarily connected to changes in Soviet foreign policy. While we cannot ignore the impact on emigration of the present international climate, we do not see the cutback as a reaction to U.S. measures undertaken after the Soviet invasion of Afghanistan last December.

ARRIVALS IN VIENNA

	<u>1979</u>	<u>1980</u>	<u>Decrease</u>
January	3,722	2,803	24.7%
February	3,837	3,023	21.2%
March	4,418	3,049	31.0%
April	4,296	2,469	42.5%
May	4,163	1,976	52.5%
June	4,358	1,767	59.5%
July	4,068	1,205	70.4%
August	4,711	770	83.7%

The precipitous decrease in emigration essentially reflects the introduction of a new demand for an invitation (visov) from a "close (or first degree) relative",

as well as administrative and bureaucratic obstacles. An invitation is the necessary first step for most people to leave. The application of "insufficient kinship" to reject the invitations began in May 1979, in Odessa, and slowly spread to Kharkov and Kiev, then to Kishinev and Tashkent. It has already touched Moscow, and has been applied in Leningrad. Initial applications have been rejected if the invitation is signed by a relative other than spouse, parents, children or siblings. In addition, exit visas were denied to those who were able to apply. (In Kiev, only parents and children qualified). As a result, in the beginning of 1980 Odessa, Kiev and Kharkov were virtually closed to emigration.

Soviet authorities are unquestionably using the fact that in the last few years many Jews arrived in Vienna with invitations from relatives in Israel, but have gone elsewhere. Consequently, they are not able to provide their closest relatives still in the USSR with Israeli invitations. "First degree kinship" refusals, while widely reported, have mostly affected cities and towns in the Ukraine, where the drop-out rate had reached 95 - 96%.

Most of the recently refused families do not know how to publicize their plight, or are frightened to do so. They are not from among the activist group and generally are not psychologically prepared for the life of a "refusenik" and the struggle for aliya to Israel. The total number of Jews affected by the new restrictions has reached the tens of thousands, including those who receive a refusal, as well as those whose initial applications are not accepted. After the introduction of the new restrictions, many Jews decided to postpone submitting their applications.

Invitation Patterns: In regard to the number of invitations, in the period 1974 - 1977, an average of 39,000 new ones were sent annually from Israel, for a monthly average of 3,200. This increased in 1978 to 107,212 invitations, for a monthly average of 8,900. In 1979 there was a further increase, and 96,000 were sent in the first eight months, bringing the average monthly to 12,000.

In the last four months of 1979, the number of requests for invitations to be sent to the USSR from Israel began to decline, reflecting the new demand for invitations from "close relatives". In total 128,900 invitations were sent in 1979, but a drop in requests continued through the first half of 1980. In the first four months of this year 17,200 invitations were requested by Soviet Jews and sent from Israel.

The following chart indicates that the number of Jews asking for invitations from their relatives in Israel is in direct relationship to their chances of receiving an exit visa. When the chances decrease, fewer people dare request an invitation.

ISRAELI INVITATIONS SENT TO THE USSR (Monthly Averages)

<u>1974 - 1977</u>	<u>1978</u>	<u>1979</u>	<u>1979</u>	<u>1980</u>
		Jan.-Aug.	Sept.-Dec.	Jan.-Apr.
3,200	8,900	12,000	8,200	4,300

If we confine ourselves to the official Jewish population figure of 1,811,000 according to the January 1979 census, and deduct the 1979 emigration, 370,000 out of an official total of 1.8 million remaining Jews have already considered emigration, amounting to 20% of the present Jewish population. /Using the official data (2,150,000 in the 1970 census), we estimate that 10.5% (225,466) have left since January 1970./

B. Request for Redress - Emigration

- 1) The harassment, punitive action and intimidation leveled against persons wishing to emigrate from any country subscribing to the UN Charter and the Helsinki Final Act, is a violation of the basic right of people to choose where they will live. The Government of the United States should continue to expose violations of the free emigration principle wherever they occur. We believe this has been helpful in the past.
- 2) In regard to the USSR,
 - a) Those individuals refused permission to emigrate or imprisoned as a consequence of having attempted to obtain permission to emigrate must be granted permission to emigrate.
 - b) The number of visas must rise to correspond to the number of applications, thus preventing the creation of new "refuseniks."
 - c) Future visas should be issued without discrimination according to race, religion, national origin, profession, place of residence, etc., on a first-come, first-serve basis.
 - d) No artificial impediments such as those which have been applied in the last eight months, should be placed in the path of those wishing to emigrate. Such practices as arbitrarily redefining procedures, preventing applicants from obtaining official forms, intercepting letters from abroad with required documents, etc. should cease.

C. Anti-Semitism

The vitriolic campaign in the USSR vilifying the Jewish people, the Jewish religion and the State of Israel must be condemned. Today, the USSR is among the largest producers and disseminators of anti-Semitic materials in the world. Its campaign of slander, conducted in the mass media and publications, is a serious threat to the status and security of Jews in the USSR.

A parallel expression of anti-Semitism is the increased evidence of discrimination practiced against Jews in admission to higher education facilities and in employment and promotion.

The existence of racial and religious bigotry in the USSR demands a strong response from the U.S. and the family of nations to ensure that Soviet authorities halt these policies and practices.

D. Jewish Culture and Religious Rights

For decades Soviet authorities have suppressed the Jewish religion and culture and forced assimilation. The USSR is the only country with a Jewish community in which there is not a single approved Jewish school, or means for passing on Jewish history and tradition. This policy is in conflict with the Soviet Union's own constitution and various international agreements, including the Helsinki Final Act and the UNESCO Convention, to which the USSR is a signatory. Every effort should be made to seek an end to discrimination in culture, religion,

and education. We urge our Government to use all appropriate international bodies and forums.

E. Government Agencies

The Department of State should be charged with the continuing responsibility of monitoring the position of Soviet Jews and others seeking to exercise their rights to leave or to be reunited with friends and family. Further, in pursuit of our official foreign policy goals, the Department of State should continue to express concern over the plight of beleaguered Soviet Jews, using private and public platforms.

The Department of Commerce must continue to exercise rigorous control over the export of scientific and technological devices to the USSR in accordance with the provisions of the Export Administration Act of 1979. We expect the Department of Treasury to pursue potential new agreements with the Soviet Union in the area of East-West trade in line with existing legislation and the controls imposed by that legislation.

F. Jackson-Vanik Amendment

The Jackson-Vanik amendment to the Trade Act of 1974 provides an adequate framework for encouraging further Soviet performance in the area of emigration and should not be modified. Should the level of emigration continue to improve, and should the Soviet Government now free the remaining POCs and allow the refuseniks and their families to emigrate, and should the President receive the assurances that meet the test of the existing waiver provision of the law, including implementation of emigration procedures free from harassment, the USSR could receive the trade benefits it seeks on the annual basis now provided by the law.

G. Monitoring Developments

Violations of the rights of Soviet Jews and others in the USSR should provide a serious and substantive portion of the international review of implementation of the Helsinki Final Act upcoming in Madrid in November, 1980. As the Review Conference progresses, systematic documentation of abuses of international law should take place and be shared with representatives of other signatory governments.

We are pleased that this country will have a strong delegation, including elected officials and representatives of the Administration, as well as interested persons and groups in the voluntary sector.

The United States Government should continue to take an active interest in human rights observances around the globe. The promotion of human rights goals should constitute a critical part of our foreign policy commitment in the years ahead.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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SEP 8 1980

**Electrostatic Copy Made
for Preservation Purposes**

MEMORANDUM FOR THE PRESIDENT

FROM: JIM McINTYRE 

SUBJECT: Effect of Republican Tax Proposals on the
1985 Budget

Attached is the analysis we discussed with you, during our Spring Budget Review, of the effects that various Republican tax proposals would have on the 1985 Budget. I have used this material in a speech, and have also made it available to the Cabinet and Senior Staff members. It has received wide distribution.

Attachment

IMPLICATIONS OF THE REPUBLICAN PROPOSALS FOR THE 1985 BUDGET

SUMMARY

The analysis is divided into two parts. The first part analyzes effects on the 1985 Federal budget of proposals made by Governor Reagan or contained in the Republican platform. This analysis is based upon the economic assumptions used in the Administration's current budget projections and shows that the Republican proposals would require enormous and therefore unrealistic cuts if large deficits were to be avoided. The second part examines the likelihood that a substantial acceleration of economic growth would result from these proposals and mitigate these budgetary effects.

Part I - A 1985 Republican Budget

The Republican tax cut proposals would reduce budget receipts by at least \$285 billion in 1985. This estimate takes into account only the major and reasonably well specified proposals and does not include about a dozen other tax proposals mentioned in the Republican platform. Receipts in 1985 are estimated at \$732 billion.

Because the Republicans are also committed to budget balance, 1985 Federal spending would presumably not exceed \$732 billion. This level is roughly 25 percent below projected spending in 1985 under current Presidential policy.

Any future Administration would continue to pay interest on the public debt; net interest payments would come to about \$60 billion. Governor Reagan's defense proposals would cost roughly \$50 billion more than the President's program in 1985, or about \$300 billion. Given this commitment of \$360 billion, the Republicans would have to cut about 40 percent from the non-defense budget to achieve balance.

Governor Reagan has pledged to protect the Social Security system. Assuming also that he proposed funding most existing retirement and health programs, as well as unemployment assistance funded by earmarked taxes, only enough room would be left in the budget to pay for the absolute minimum, or "core functions," of the Federal government--for example, the courts, the Congress, and the prison system. All other programs would have to be eliminated.

Part II - The Tax Cut and Economic Growth

Some proponents of the Republican tax proposals have argued that such drastic spending cuts would be unnecessary because

the tax cuts would make the economy grow so fast that the tax cuts would "pay for themselves" through higher incomes and tax receipts. In order to fully offset the tax reductions (in excess of those which would be consistent with the President's budgetary projections) real GNP would have to grow at an average annual rate of about 7-1/2 percent from 1980 to 1985 under current projections of inflation. This seems highly improbable on the basis of historical experience--it implies growth nearly 40 percent more rapid than during 1961 to 1966, the five years of most rapid growth in the postwar period.

Such a rapid acceleration of growth itself implies implausible increases in labor supplies, the capital stock, or productivity. For example, if productivity grows according to recent trends, employment would have to increase at an average annual rate of 6.4 percent for five years. This would require employment growth nearly 2-1/2 times as rapid as during the postwar record-setting period 1974 to 1979 and would require that employment be about 90 percent of the 18-64 year age group by 1985, and over 100 percent by 1987.

On the other hand, if employment were to grow at the record 2.4 percent rate achieved in the past five years, productivity would have to grow at an average annual rate of 5.3 percent per year. This is more than half-again as fast as the 3.4 percent postwar record rate of growth which occurred during 1961-1966. Given normal relationships between the capital stock and labor productivity, it also suggests an increase in business fixed investment from its current share of about 10 percent of GNP to roughly 20 - 25 percent, which does not appear economically plausible or physically feasible.

The proposed tax cuts, to generate additional non-inflationary economic activity to "pay for themselves," therefore require growth of the labor force, capital stock, or productivity well outside the bounds of historical experience or reasonable projections. Consequently, such tax cuts would have to be accompanied by extremely large program eliminations and reductions if budgetary balance were to be achieved. The alternative to such large budget cuts would be equally large, and presumably inflationary, budget deficits.

This hypothetical budget is then compared with outlays and receipts under current Presidential policy, which projects receipts of \$1,053 billion and outlays of \$946 billion in 1985.

The budget constructed below is based upon what is publicly known of Governor Reagan's and the Republican platform's tax reduction and defense spending plans, and the commitment to balance the Federal budget. Some of the tax reduction and defense spending proposals are specified more completely than others. This analysis has incorporated only major proposals with enough specificity to allow an informed estimate to be made of budgetary costs. For instance, the Republican platform contains references to about fifteen tax reduction policies which are not included in the tax reductions incorporated below. The analysis, therefore, provides a relatively conservative estimate of static budgetary impact.

In carrying out the analysis, it is assumed that budgetary balance would be attained by 1985, the last budget of the next Presidential term. Estimates of receipts and outlays are based on the long-range economic assumptions underlying the Mid-Session Review of the 1981 Budget and, therefore, exclude possible feedback effects on the economy resulting from budgetary policies during 1982-1985 that incorporate such Republican proposals. The budgetary implications of any such feedback effects are discussed in the second part of this paper.

Part I: The Federal Budget and Republican Tax and Spending Proposals

Table 1 provides projected 1985 receipts under the Republican proposals, and shows their relation to 1985 receipts estimated in the Mid-Session Review. It is assumed that the Republicans would drop Administration tax proposals contained in the Mid-Session Review, thereby reducing the 1985 receipts estimate by about \$36 billion. The Republican tax proposals include a 30% reduction in individual income taxes over a 3-year period and subsequent indexation (Roth-Kemp), liberalization of depreciation schedules (10-5-3), elimination of the marriage penalty, reduction of estate and gift taxes, charitable contributions deductions for non-itemizers, and major exemptions from the windfall profit tax. These proposals reduce receipts by about \$285 billion by 1985, leaving a budget receipt total of \$732 billion.

Table 1.--1985 RECEIPTS ESTIMATES UNDER ADMINISTRATION
PROPOSALS, CURRENT SERVICES AND REAGAN BUDGET
(in billions of dollars)

Mid-Session Review estimate <u>1/</u>	1,053
Less effects of Administration proposals but with extension of expiring legislation.....	<u>36</u>
Current services estimate.....	1,017
Less effects of Reagan tax proposals:	
Reagan-Roth-Kemp.....	201
10-5-3.....	50
Eliminate marriage tax penalty.....	20
Charitable contributions deduction for non-itemizers.....	5
Offsets to above due to reduced tax rates...	-7
Reduce estate and gift taxes.....	6
Exemptions from windfall profit tax.....	<u>10</u>
Subtotal, effects of Reagan tax proposals.....	<u>285</u>
Republican budget receipts estimate.....	732

1/ The Mid-Session Review current services receipts estimates are based upon current laws apart from the extension of expiring legislation. However, tax reductions would be required during the 1981-85 period to reduce tax burdens and allow economic growth consistent with the Mid-Session Review economic assumptions. While the exact size of these reductions cannot be projected with accuracy far in advance, reductions of \$80 to \$120 billion from the current services level would be roughly consistent with the outlay projections and economic assumptions.

In the remainder of this discussion we assume that if the Republicans contemplate both enactment of their tax reductions and budget balance, then Federal spending cannot exceed \$732 billion in 1985.

Although the Republicans have not been specific about their budgetary policies, enough is known to sketch the general outlines of a 1985 Republican budget. Table 2 provides estimates of 1985 outlays for a Republican budget which is consistent with most of Governor Reagan's spending commitments, and compares it with the current Administration budget projection for the same year.

Table 2.--COMPOSITION OF 1985 BUDGET OUTLAYS
UNDER CURRENT PRESIDENTIAL POLICY AND REPUBLICAN BUDGET
(in billions of dollars)

	Administration Budget	Republican Budget	Difference
Defense.....	248	299	51
Net interest.....	59	59	---
Payments for individuals...	482	360	-122
All other.....	157	15	-142
 Total outlays*.....	 946	 734	 -212

* Parts may not sum to total due to rounding.

In order to carry out the pledge to balance the 1985 budget and substantially reduce taxes, total outlays would have to be reduced \$212 billion, about 25%. Nondefense outlays would have to be cut about 40%.

The distribution of spending presented in Table 2 was derived as follows:

- A. Governor Reagan has proposed substantial defense spending increases over the Administration's commitments. We assume a Republican defense outlay total of \$299 billion for 1985 (which adds five percentage points per year to the real growth of the current 1982-1985 defense outlay estimates). While this is admittedly an estimate, we do not believe that the specifics mentioned in the Republican platform could be achieved for any less, and could well cost more.
- B. It would be essential for the Federal Government to honor its obligation to pay interest on the public debt. Therefore, no change is made in the Administration's interest estimate of \$59 billion, which assumed balanced budgets during 1982-1985. This is probably a

conservative estimate; if the proposed tax reductions led to large deficits before 1985, this figure would be higher.

- C. Governor Reagan has pledged to protect the Social Security system. We assume that he would fund most retirement and health programs. This does not include all of the programs which Governor Reagan has supported, for example, there is no room in the budget for many veterans programs, which he has vowed to expand.
- D. Finally, some minimum level of Federal Government activity would have to continue. We assume that the Republicans do not intend to dismantle, for example, the Courts, the Legislature and the Coast Guard. We estimate that a minimum core government that must be retained would cost about \$15 billion (after including sizable offsetting receipts).

Table 3 provides a possible 1985 Republican budget that maintains a "core government" and provides higher defense spending. Besides reducing discretionary nondefense spending from \$157 billion to \$15 billion, this budget would fund only the transfer programs for unemployment, retirement, and medical care. This budget represents a reduction from current estimates of \$212 billion in outlays and 466 thousand civilian Federal employees, eliminating roughly 40% of the nondefense budget and 25% of the Federal civilian work force.

Table 4 provides a list of agencies and programs eliminated under the Republican budget.

Table 3.--COMPOSITION OF POSSIBLE REAGAN/REPUBLICAN
1985 BUDGET

	<u>Outlays</u> (\$ billions)	<u>Federal</u> <u>Employment</u> (thousands)
Defense	299	889
Net interest.....	59	---
Relatively uncontrollable payments for individuals:		
Social security and railroad retirement.....	219	
Federal employee retirement and insurance (excluding veterans compensation).....	28	
Medical care (medicare and medicaid)	96	
Unemployment assistance (excluding Federal unemployment benefits and allowances) <u>1/</u>	<u>17</u>	
Subtotal, uncontrollable payments for individuals.....	360	85
Core government:		
Legislative and judiciary.....	2	32
Treasury (IRS, Customs, Secret Service, etc.).....	3	112
Federal Aviation Administration.....	4	57
Justice (FBI, Federal Prison System, etc.).....	2	55
Coast Guard.....	2	7
State (conduct of foreign affairs)..	1	22
Other (net).....	<u>*</u>	<u>216</u>
Subtotal, core government.....	<u>15</u>	<u>501</u>
Total.....	734	1,475
Surplus or deficit (-).....	-2	
Reductions required from current budget estimates.....	(212)	(466)

* This figure of less than \$500 million is net of offsetting receipts.

1/ This program is funded by a tax earmarked for UI benefits. It would be unrealistic to suppose that this tax would continue after the program was eliminated. Thus, elimination of these benefits would probably not provide budgetary resources for funding an alternative program.

Table 4.--AGENCIES AND PROGRAMS ELIMINATED UNDER
REPUBLICAN CORE GOVERNMENT BUDGET

Agencies Virtually Eliminated:

Education, including:
Elementary and Secondary Education
Education for the Handicapped and Rehabilitation Services
Adult and Vocational Education

Energy (nondefense functions) including:
General Science Research and Development
Energy Research and Development
Energy Conservation
Strategic Petroleum Reserve

NASA, including:
Space Flight (the Space Shuttle)
Space Science, Applications and Technology
Air Transportation

EPA, including:
Sewage Treatment Plant Construction Grants
Oil Hazard Liability Fund

HUD, including:
Community Development Grants
Solar and Conservation Loan Subsidies
FHA and GNMA Housing Programs

Corps of Engineers, including:
Flood Control Construction, Operation, and Maintenance

Commerce (except Census and Patent Office), including:
Economic Development Assistance
NOAA
Maritime Administration

Small Business Administration, including:
Business Loans and Investments
Disaster Loans

Veterans Administration, including:
Veterans Compensation and Pensions
Veterans Housing and Readjustment Benefits (GI Bill)
Veterans Hospital and Medical Care

Export-Import Bank

National Science Foundation

Table 4 (continued)

Major Programs Eliminated in Other Agencies:

International Assistance
General Revenue Sharing
CETA
Urban Mass Transit
Federal-aid Highways
Highway and Traffic Safety
National Institutes of Health
Social Service Grants
Farm Price Supports of the Commodity Credit Corporation
Farmers Home Administration
Child Nutrition Programs
Food Stamps
Supplemental Security Income
Public Assistance
Federal Unemployment Benefits and Allowances

Administration Proposals Eliminated:

National Health Plan
Welfare Reform

Part II: Economic Effects of the Republican Tax Proposals

Some have argued that the spending cuts described above would be unnecessary because the lower tax rates would increase GNP enough to largely or wholly offset the \$285 billion static revenue loss. This argument also maintains that the lower tax rates would increase economic capacity and output commensurately with GNP; the increases in GNP would take the form of real output increases rather than simply higher inflation. This part of the analysis investigates these assertions.

First, as noted above, a significant tax reduction will be necessary by 1985 in order to maintain the economic growth assumed in the Mid-Session Review. CEA estimates that a cut of about \$80 to \$120 billion from current service receipts would be consistent with the budget outlays and the 1985 GNP projected in the Mid-Session Review. The Republicans' tax cut proposal is \$185 billion larger than the midpoint of that range.

In order to make up that \$185 billion difference in receipts, nominal GNP would have to increase about one trillion, or about 23%, in 1985 compared to the Mid-Session Review estimate. To achieve this level in 1985, nominal GNP would have to increase 11% between 1980 and 1985, an average growth rate of 16.1% per year.

Is this likely to occur? Economic analysis of tax reductions indicates that there will be a "multiplier" effect of tax cuts on GNP. That is, a tax cut of one dollar will, under normal conditions, produce more than a one dollar increase in the money value of GNP. Leaving aside for the moment the question of whether this increase takes the form of higher real GNP or higher inflation, most economic analyses and forecasting models indicate that each dollar of tax cut, after a lag of a year or so, adds two dollars or a little less to total spending and to the money value of GNP. A net tax cut of \$185 billion would therefore add about \$350-\$370 billion, or 8-1/2%, to nominal GNP. This would increase tax receipts by about 9%, or \$65-\$70 billion, offsetting less than two-fifths of the projected revenue shortfall of \$185 billion. We are not aware of any convincing theoretical or historical arguments for the "missing" \$115-\$120 billion in revenues.

However, for the sake of argument, let us suppose that the 16.1% annual increase in nominal GNP needed to offset the revenue loss were to occur. The important question is how that nominal growth was split between inflation and growth in real economic activity. What might a 16.1% increase in nominal GNP mean for real GNP growth and inflation?

Suppose, for the moment, that real growth was unaffected by the proposed tax cuts. If real GNP grows at an annual rate of 3.0%

from 1980 to 1985, as projected by the Mid-Session Review, inflation would have to average 12.7% to make up the revenue shortfall. By 1985 prices would be 23% higher than projected in the Mid-Session Review.

Even if the proposed tax cuts increase real GNP growth substantially in comparison with historical experience, a high rate of inflation would be necessary to make up the revenue loss. The most rapid five year growth of real GNP in the postwar period was 5.4% per year, between 1961 and 1966. If the economy were to grow at this rate in 1980-1985, inflation would have to average 10.2% to make up the revenue shortfall. By 1985 prices would be 10% higher than projected in the Mid-Session Review. Moreover, both of these cases assume that budget outlays do not respond to the higher inflation, which would then erode the real value of all government spending. In fact, over half of the budget is automatically indexed to inflation, and a large part of the rest of the budget (including the defense budget) would respond to higher inflation through administrative and Congressional action. Realistically, then, inflation would have to be much higher than 10% if a 1985 Reagan budget were to be balanced.

It seems unlikely that the proponents of this plan would wish to propose cutting government taxes, only to subject taxpayers to the more burdensome tax of inflation. In fact, some proponents of the plan have asserted that it would not raise inflation. What real GNP growth rate is implied by this assertion? If inflation were to average 8.1% from 1980-85, as projected in the Mid-Session Review, real GNP would have to increase at an average annual rate of 7.4% over this period.

On the basis of historical experience this growth of real GNP seems unlikely to occur. It implies real economic growth nearly 40% more rapid than in the record-setting years 1961 to 1966. Only once in the entire recorded peacetime history of the U.S. did real GNP grow faster than 7.4% per year. This was from 1921 to 1926 when real GNP grew at an average annual rate of 7.9%. At this time there was an extraordinary excess of economic capacity -- it is estimated that the unemployment rate fell ten percentage points between 1920 and 1926. This fact alone illustrates the extraordinary increase in factor supplies which is implied by the argument that tax cuts can pay for themselves without increasing inflation.

A further insight into the plausibility of the 7.4% rate of economic growth implied by the claim that the proposed tax cut would neither increase inflation nor reduce tax receipts may be gained by examining the implied employment and productivity growth, since these are the sources of growth in real GNP.

If productivity were to grow at an average annual rate of 1.3% per year, as it has in the past five years, and weekly hours

decline 0.4% per year according to trend, employment would have to increase 6.4% per year. This is more than 2-1/2 times the highest five-year period of employment growth in postwar history, during 1974 to 1979, when employment grew 2.4% per year. It also implies 1985 employment equal to about 95% of the population aged 18 to 64, compared to about 70% in 1979. (Employment growth at this rate would make employment greater than the 18-64 year population by 1987.)

It is clearly arguable that recent disappointing productivity will be improved in the future. What rates of growth are implied by the argument that tax cuts can pay for themselves? If employment were to grow at the record 2.4% annual rate experienced during the past five years, and weekly hours decline according to trend, productivity would have to grow at an annual rate of about 5.3%. This would, of course, be highly desirable, but the historical record suggests that it is improbable. It is more than half again as rapid as the 3.4% postwar record rate of productivity growth, which occurred between 1960 and 1965, and more than 2-1/2 times as rapid as the average rate of 2.0% during the entire postwar period.

Given recent trends, an immediate return to productivity growth of about 2% per year would be thought a significant improvement; an additional 3.3% per year, or 18% over five years, does not seem plausible.

The plausibility of this dramatic increase may be considered by examining the expansion in business investment necessary both to provide the additional labor force with capital equipment and to raise productivity 5.3% per year from 1980 to 1985.

In actual fact, of course, it would be impossible to achieve an enormous increase in the capital stock in five years. Planning, designing, ordering, and producing major industrial facilities in the proper balance and mix cannot be done that rapidly. Still, for the sake of argument, let us ignore this difficulty. How much of an increase in business investment would be necessary?

Based upon a conventional economic analysis of the relationship between the capital stock per worker and productivity, it appears that equipping the labor force with enough capital to achieve this level of productivity by 1985 would require a massive increase in the share of GNP devoted to business fixed investment, from its current share of around 10 percent to about 20-25%. An immediate and sustained increase to 20-25% of GNP does not seem plausible.

In summary, projections that the proposed tax cut would raise real output and incomes by an amount necessary to recoup all or even the larger part of the revenue shortfall imply changes in the growth of employment, the capital stock, or productivity

which are far outside the bounds of historical experience or reasonable expectations. There is no doubt that tax cuts totalling \$285 billion by 1985, and the proposed increase in defense spending, would produce a significant increase in nominal GNP and tax receipts, but these increases would stem much more from higher inflation than from more rapid real economic growth. To avoid this higher inflation, massive reductions and eliminations of government programs, as listed in table 4, would have to occur. Reductions of this size would imply a radical change in the role of government in American society. The alternative would be a series of massive and inflationary budget deficits, through which the tax cuts and defense spending might be financed by higher inflation.

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

CABINET SUMMARIES

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
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<input checked="" type="checkbox"/>	VICE PRESIDENT
<input checked="" type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	CUTLER
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	HUFSTEDLER
	LANDRIEU
	MARSHALL

	MILLER
	MUSKIE
	AIELLO
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	FIRST LADY
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	SHEPPARD
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE
WASHINGTON

9/9/80

THE VICE PRESIDENT
LLOYD CUTLER
GENE EIDENBERG
STU EIZENSTAT
AL MCDONALD
FRANK MOORE
JODY POWELL
JACK WATSON
SARAH WEDDINGTON
ANNE WEXLER
JIM MCINTYRE
ALFRED KAHN

The attached was received in our
office and is forwarded to you
for your information.

Rick Hutcheson

EYES ONLY

Community WASHINGTON, D.C. 20506
Services Administration



①
✓

MEMORANDUM TO: Rick Hutcheson
Staff Secretary

FROM: Richard J. Rios
Director

SUBJECT: Weekly Report of Significant Activities

DATE: September 5, 1980

RR/work

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Housing

CSA provided a grant of \$820,000 to the Harlem Commonwealth Council as part of a private and public funding partnership to help the Council complete 111 units of housing for low and moderate income families. CSA money will be used to cover closing costs on the project. HUD has committed 5 million dollars to insure a part of the underlying loans and to provide rents subsidies for qualifying tenants. The rest of the equity financing will be provided by a syndicated partnership of private investors. It is expected that the project will be completed by late 1981.

Health

CSA provided a \$300,000 grant to TELACU to train 100 outreach workers to provide basic health care services to the poor and working poor of East Los Angeles. In East Los Angeles the doctor patient ratio is 20,000 to one and low income persons in need of medical care often do not obtain it because of lack of funds or because of language barriers.

The outreach workers funded by this program will be trained by doctors to diagnose certain common illness and refer patients who need additional medical help. The outreach workers will be residents of the local community and will be able to identify with the people that they seek to help.

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THE WHITE HOUSE
WASHINGTON

September 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN

Fed

SUBJECT: Weekly Activities Report

Appearances and Trips

I appeared on the MacNeil-Lehrer Report last week to explain and defend your new package of economic policies against criticisms from the Reagan (Alan Greenspan) and Anderson (John Walker) camps. My objective assessment is that I laid more gloves on them than they did on me.

I also journeyed to Alabama this week to carry the same message to the Rotary Club in Birmingham and the Chamber of Commerce in Anniston. Both audiences were large -- the biggest they'd ever had, they told me -- and very responsive.

Wage/Price Program

As you know our most important recent compliance efforts involved W. R. Grace & Co. We are still awaiting their formal request for reconsideration. This past week Republic Gypsum Company of Dallas, Texas, agreed to take corrective price action.

We have just finished summarizing the public comments we received on our Issues Paper about the third year program. I will be meeting next week with Bill Miller, John Dunlop and Al Sommers to come to agreement -- I hope, to ratify our previous agreement -- to extend the standards with only some essential changes on the price side at least through the end of the year.

Regulatory Reform

My staff has been working actively with Jack Watson's to revitalize the small scale hydroelectric development project that was part of your May 1979 Rural Initiatives. At a conference last week in Boston, which my staff attended, DOE Assistant Secretary for Resource Applications Ruth Davis told 250 people that the small hydro project had been stalled "until the President asked Fred Kahn to get involved." (In logic, we call this the post hoc ergo propter hoc fallacy: If event B happens after A, it must have been caused

by A. I point out the fallacy only to you, and no one else.) The important thing is that we will have plans to you soon for a public event at which the Administration can announce some genuine accomplishments.

We also have some concrete results to tell you about arising out of the housing regulatory reform demonstration projects that we helped HUD sponsor and conduct. In Shreveport model homes will open on September 15 at prices \$15,000 lower than comparable houses built by the same company under "normal" circumstances. In Hayward, California, the mayor is so pleased with the results -- houses normally selling for \$97,000 will go for \$65,000 -- that she is initiating one-stop processing for all residential building permits.



Office of the Attorney General

Washington, D. C. 20530

September 5, 1980

Principal Activities of the Department of Justice
for the week of August 30 through September 5, 1980

1. ABSCAM

The trial of Representative John W. Jenrette, Jr., the second resulting from the ABSCAM investigation, began on September 4.

2. Covert Agents Identities Bill

The House Judiciary Committee adopted the covert agents identity bill on September 3. The Attorney General advised the Committee that the bill's prohibition of disclosures by non-government employees and/or those derived from non-classified sources are constitutional. Hearings before the Senate Judiciary Committee are scheduled for next week.

3. Haitian Refugee Case

The Department filed a notice of intent to appeal the district court's decision in Haitian Refugee Center v. Civiletti with the Fifth Circuit Court of Appeals. This case, decided by District Court Judge King, held that the Administration's policy toward and the Department's procedures for processing Haitian boat people violated the Constitution.

4. Chattanooga Newspapers

On September 2, the Attorney General issued an interim decision, indicating that he will approve unimplemented portions of a joint operating arrangement between the Chattanooga Times and the Chattanooga News-Free Press.

5. Soviet Sales Indictment

A Federal grand jury in Los Angeles indicted two persons for selling sophisticated laser mirrors for the benefit of the Soviet Union. The mirrors, which were sold through a West German contact, are used to detect laser beams.

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Veterans
Administration
SEPTEMBER 3 - 1980

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TO : The President
THRU : Rick Hutcheson, Staff Secretary
FROM : Administrator of Veterans Affairs

Max DeLaney

VA Presidential Update

VA Physicians - Your veto of the VA Health Care Amendments of 1980 bill and the override resulted in considerable comment. Before the override vote Senate and House Chairmen Cranston and Roberts along with other members denounced the veto in floor speeches. A "Dear Colleague" letter was sent by the Chairmen to all members rebutting the statements made in the veto message. They especially challenged the costs citing CBO estimates that the increase would be closer to \$40 million rather than \$80, and the bill would provide an average increase of 20% vs. 38% in bonuses to VA physicians.

The Washington Post said, "... sponsors of the legislation in both bodies said the president was just plain wrong in his analysis of the bill." Media stories throughout the country quoted legislators and leaders of veterans organizations. Senator Cranston was quoted, "The President received singularly bad advice and took inappropriate action." Chairman Roberts, "Despite this campaign rhetoric, the President's veto is just the latest in a series of broken pledges, crippling budget cuts, across the board personnel losses, and general program reductions imposed on the VA health care system and veterans by Carter and his Office of Management and Budget over the past three years." Rep. "Sonny" Montgomery, "It seems the Administration is playing games with a very important piece of legislation." Rep. Heckler, "The veto confounds my imagination in view of a shortage of more than 700 VA doctors."

New Legion Commander Michael J. Kogutec told the legislators before the override vote "... that he was appalled by the veto of the proposal...." He said the President's veto message "grossly misrepresented" comparative physician salary figures. Of the override he said, "I am pleased with the Congressional action and am confident that the act will help alleviate the critical shortage of health care personnel in the VA medical system.

VFW's new Commander, T. C. Selman said that he was also appalled by the veto, "particularly, in view of the cost-saving provision therein of \$109 million. The President's rationale that mid-career VA physicians could earn 30 percent more than the maximum authorized salary for Armed Forces physicians, is in my opinion, a transparent coloring of the facts and untenable."

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202
AUG 29

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MEMORANDUM TO THE PRESIDENT

SUBJECT : Weekly Report of ED Major Activities

Legislation

Youth Act

The House passed H.R. 6711, the Youth Act, on August 26 with a vote of 337 to 51. The House rejected amendments to delete the education title and eliminate vocational education from the program. Senate subcommittee mark-up is expected on September 9.

Higher Education

The House passed the conference report on H.R. 5192, the Higher Education Act Reauthorization. Senate action on the conference report is anticipated during the week of September 8.

FY 1981 Appropriations

The Department of Education's FY 1981 appropriations bill, H.R. 7998, was passed by the House on August 21 on a 320 to 83 vote. A major amendment by Rep. John Ashbrook (R-Ohio) was adopted on a vote of 213 to 194; it would prohibit the Department from implementing regulations requiring state and local education agencies to address the educational needs of students with limited English-speaking ability through any approach other than intensive instruction in English. The intent is to preempt the recent proposed civil rights language minority (Lau) regulations which would require school districts to provide transitional bilingual education services, or an approach of equal merit, to children with limited English proficiency.

The House also adopted Rep. Elliott Levitas' (D-Georgia) amendment which bars the use of funds to implement any regulations which Congress has disapproved.

Activities and Speeches: Upcoming

<u>Date</u>	<u>Group/Purpose</u>	<u>City</u>
September 8, 1980	Opening Remarks for <u>Lau</u> Regulation Hearings	San Antonio, Texas
September 12, 1980	American Education Stamp Dedication Ceremony	Franklin, Maine


Shirley M. Hufstедler



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

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September 5, 1980

MEMORANDUM FOR THE PRESIDENT

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SUBJECT: Weekly Report of HHS Activities

Domestic Violence Bill Supported by the Administration Passes the Senate. Last night, S. 1843 passed the Senate in a close vote (46-42). The legislation must now go to Conference to resolve the differences between the House and Senate versions on domestic violence and two unrelated Senate provisions on national voluntary service and child kidnapping.

Tripartite Meeting. Representatives from the Department will participate in a tripartite meeting hosted by the Canadian government, September 8-9, in Toronto. The tripartite meetings, initiated in 1969 and held biannually, provide a forum for exchanging regulatory and administrative information between the Food and Drug Administration and comparable agencies in the United Kingdom and Canada.

Heat Wave Morbidity and Mortality Studies. The Department has completed field investigations of heat wave morbidity and mortality. An analysis of the case control study will help identify individuals at high risk of severe heat-caused illness and assist in future public health recommendations and prevention measures.

Speeches. Last Tuesday, the Secretary presented the keynote address before the Blacks In Government Convention in Washington, D.C. She was in Chicago yesterday to speak at a testimonial honoring Roland W. Burris, who was named "man of the year" by Goodwill Industries. Both speeches stressed the many concerns that this Administration shares with the Black community and the important stake that Blacks have in the outcome of the election.


Nathan J. Stark
Acting Secretary



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

Q

September 5, 1980

MEMORANDUM TO THE PRESIDENT

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THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

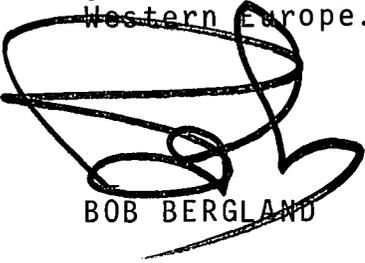
PRICES. Prices received by farmers rose 3.6 percent in August, the fourth consecutive monthly increase. Contributing most to the increases were higher prices for hogs, cattle, corn, eggs, potatoes and soybeans. Prices paid by farmers rose 1.4 percent in August, reflecting higher prices for feed and feeder livestock. August's index of prices paid was 13 percent above a year earlier.

Large supplies of noncitrus fruit mean that U.S. grower prices for fresh and processing fruit this fall will stay below year-earlier levels. Total 1980 noncitrus production is forecast to be marginally above last year's large crop. Remaining supplies of fresh citrus will be ample until the fall harvest begins. In addition, Florida citrus groves generally are in good to excellent condition, so another relatively large crop could materialize in 1980/81. In August, the index of prices received by growers for fresh and processing fruit was 207 (1967 = 100), 27 percent below August 1979. Nevertheless, retail prices will stay higher than those last year as marketing and distribution costs continue to increase.

SUGAR. World sugar output in 1980/81 is expected to total 87 to 92 million metric tons, up from an estimated 85.4 million in 1979/80. Consumption is placed at around 92 million tons, up 1 percent from last year. Thus, a stock drawdown of 2 to 3 million tons, or about 8 to 10 percent is likely.

ARGENTINA. A delegation of Argentine grain officials left Peking on Monday for Moscow after signing a new 4-year grain agreement with China. The new pact will cover the period

January 30, 1981 to December 1, 1984 and will replace the current agreement due to expire at the end of this year. No quantities were released, but industry sources expect the tonnage to be increased from the present 1 million tons of wheat and corn annually. The Argentine mission is expected to spend 1 day in Moscow discussing a problem of grain delivery with Soviet officials before going on to Western Europe.



BOB BERGLAND

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

September 5, 1980

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FYI

REPORT TO THE PRESIDENT

Steel: It appears that a satisfactory conclusion has been reached with the EPA clearing the way, if these reports are correct, to removing within the next few days, the last obstacle to unanimity among the members of the Steel Tripartite Committee.

Business Consultations: On behalf of the Committee for Economic Development, Fletcher Byrom, President and other representatives of its Executive Committee, expressed to me their support for your economic program. They recognize it to be a significant, positive step. At their request we will establish through the Department of Commerce a focal point for continued discussion with the Administration aimed at the refinement and furtherance of your initiatives. The CED is one of the most influential and progressive business organizations, and I am encouraged by their commitment to cooperate as evidenced by this overture.

Similarly, I was pleased by the comments of Richard Leshner, President of the U.S. Chamber of Commerce, with whom I appeared during a Chamber of Commerce radio show on productivity. Leshner expressed overall support for your economic program particularly its investment provisions and those other aspects directed at enhancing industrial productivity.

Export Trading Companies: Administration supported ETC legislation passed in the Senate 77 to 0, a margin which will assist us in our effort to avoid delays which could threaten final action this year in the House. We continue to be optimistic.

Census: Mayor Koch requested a meeting at which we amicably discussed his proposed approaches for improving what he believes to be a serious undercount problem in New York City. Our experience with prior notification of local jurisdictions in an effort to improve the quality of the count has been a complicated process. We hope to learn some lessons from this experience.

Budget: We are preparing a detailed graphic explication of the changing mandates and programs of the Department for presentation along with our budget to the OMB leadership. This will provide an important point of departure for a mutual discussion of DoC programs and our views as to their implications for the 1982 budget.

DoC Productivity Initiatives: Referencing your economic program, I announced Thursday initiatives to establish in cooperation with the private sector three generic technology centers of high priority to industry. The first will advance the technology of powder metal processing, of particular importance to the automotive industry, as well as to virtually every other manufacturing sector. The second will address welding and joining technologies, used in industries representing approximately one-third of our GNP. The third will focus on tribology -- lubrication, friction and wear -- and will potentially enhance the quality and the energy efficiency of all products with moving parts. I also announced the Center for Utilization of Federal Technology, the Productivity Reference Service and two Corporations for Innovation Development, all aimed at furthering the utilization of existing technology by U.S. industries.


Secretary of Commerce



THE SECRETARY OF THE TREASURY

WASHINGTON

September 5, 1980

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MEMORANDUM FOR THE PRESIDENT

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Subject: Highlights of Treasury Activities for Preservation Purposes

1. <u>THE MARKETS AND THE DOLLAR</u>	Today's Close	Change Since 8/29
Dow Jones Industrial Average	940.96	+8.37
Prime rate	11 1/2 to 12%	0 to +1/2%
Gold (London)	\$650.00	+20.00
Silver (COMEX)	\$ 17.34	+ 1.06

- . The pace of trading in the credit markets remained moderate. Most interest rates moved lower over the week on the belief that the Federal Reserve has stopped tightening monetary policy, although Citibank and more than a dozen other major banks raised their prime rate 1/2 percentage point to 12 percent.
- . Foreign exchange markets remain generally quiet and well balanced. Most major foreign currencies appreciated slightly although U.K. sterling reached its highest level in more than five years. There was no significant pressure on the dollar and no need for U.S. intervention in the market.

2. EXPORT TRADING COMPANY ACT

- . On September 3, the Senate by unanimous vote passed legislation aiding small and medium-sized businesses to export more competitively by permitting the formation of export trading companies in which banks can hold an equity interest. The bill now goes to the House Banking Committee.

3. VISIT OF PRC VICE PREMIER BO YIBO

- . Vice Premier Bo Yibo will be in Washington September 14-18 for the first meeting of the U.S.-China Joint Economic Committee, which Bo and I co-chair. In a separate memorandum to Dr. Brzezinski I have endorsed the Chinese request that you meet with Vice Premier Bo. They are particularly eager to see you and also view such a meeting as reciprocating for Premier Hua Guofeng's meeting with Secretary Blumenthal in March 1979.

4. SECRET SERVICE CANDIDATE AND SPOUSE PROTECTION

- . In response to a request from Ambassador Bush, the Secret Service began protection for Mrs. Bush on September 3.

A handwritten signature in black ink, appearing to read "Bill", written in a cursive style.

G. William Miller



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

cc Neil
Q

September 5, 1980

MEMORANDUM FOR THE PRESIDENT

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THROUGH: Rick Hutcheson, Staff Secretary

FROM : Neil Goldschmidt *Neil*

SUBJECT: Significant Issues for the Week of September 1

Rail Regulatory Reform Bill - After a series of procedural delays by opponents of the bill, Speaker O'Neill conceded that the House would not complete action today but announced that he intended to get a vote on the bill next Tuesday. However, Representative Eckhardt is unwilling to agree to an end to delaying tactics Tuesday. We expect utilities to again use the delay to lobby members, but we will not let up in our efforts to hold the recent converts to our cause who now give us a slight majority. The key to the vote next Tuesday will be the number of members absent for primaries. We are assessing how those prospective absentees will affect us. The leadership of the American Association of Railroads worked hard and effectively this last week to keep a united and active rail industry lobby for the bill.

Governor Reagan and the Auto Industry - Last week Governor Reagan, while in Detroit, called for the repeal of "thousands" of regulations which he claimed have damaged the auto industry. He also reversed previous stands he has taken by endorsing our aid package for Chrysler and by calling for actions to restrain Japanese auto imports. I took a hard shot at him on all three points and intend to hammer away again at his simplistic - and unacceptable to the public - view that we should scrap regulations wholesale. I am convinced that your record on regulatory reform is fully supported by the public and that is a contrast with Reagan which we should continue to draw. The public selectively supports basic and effective regulations to protect lives and the environment and to save energy while questioning "nuisance" regulations whose impact seems trivial, or counterproductive.

Civil Air Negotiations with China - Chinese negotiators in Beijing have taken a hard line against our desired number of U.S. flights to China through Tokyo and also have attempted to reopen previously settled issues. There have been representations to the Chinese Ambassador seeking greater cooperation from the Chinese negotiators.

*Be sure
our
demands
are reasonable*



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

Q

September 5, 1980

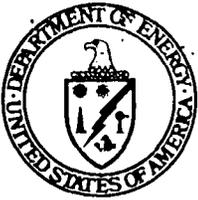
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MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

Standard Government-wide Audit Guide Drafted. On August 29, 1980, a draft Standard Government-wide Guide for Audits of Contracting for Consulting Services was distributed to about 20 Federal departments and agencies for review and comment. The audit guide, requested by OMB Director McIntyre, was developed under the direction of the HUD Office of Inspector General. The audit guide was developed for use by Federal audit organizations. It will assess the effectiveness of management controls over the use of consulting service contracts by Executive Branch departments and agencies.

Moon
Moon Landrieu



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

C

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September 5, 1980

MEMORANDUM FOR: THE PRESIDENT

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

SUBJECT: Weekly Activity Report
Week of August 30 - September 5, 1980

1. Synthetic Fuels Solicitation: We released draft solicitations seeking proposals for \$5 billion in loan guarantees, price supports, and purchase commitments for synthetic fuels production that Congress appropriated in July. This program is on schedule. We expect to receive proposals in December 1980 and make selections promptly.

2. Strategic Petroleum Reserve: The Defense Fuel Supply Center (DoD) opened bids on the solicitation for oil for the SPR through exchanges for oil from the Naval Petroleum Reserve (NPR). This program is on schedule. We are attempting to accelerate the next steps in procurement so that this oil will begin to enter the SPR in October.

The first NPR oil, acquired for the SPR through cancellation of Pacific Refining's contract, is now moving through a complicated chain of pipelines. We expect it to arrive at the Reserve in early October.

3. Natural Gas: This week Algeria proposed a price of \$3.20 per thousand cubic feet FOB Algeria, which is 10 cents per thousand cubic feet above our last offer. The gas importing companies have agreed to absorb an additional 10 cents of the cost, bringing their contribution to 50 cents per thousand cubic feet. This would make the regasified cost \$4.54 per thousand cubic feet, which is 7 cents above the Canadian and Mexican border prices. We are now assessing whether this price would adversely affect our imports from those countries.

Four major gas transmission companies joined the Alaska Natural Gas Transportation System consortium this week. This increases the assets of the sponsoring companies substantially.

5. Minority and Native American Affairs: I spoke on Thursday to the annual meeting of the Council of Energy Resource Tribes, which represents 25 tribes.

The Department recently awarded energy research contracts totaling \$320,000 to five minority universities: Atlanta University, Jackson State University, Kentucky State University, Prairie View A & M University, and Virginia Union University. This is a good start on involving minority universities in our energy research program.

6. Oil Vulnerability Study: Our Office of Policy and Evaluation has made, at my request, an assessment of practical alternatives to lessen our dependence on imported oil during the coming decade. I asked for, and the assessment provides, quantification of potential import reductions for 1985 and 1990 from each of a wide range of actions the federal government could take. Some aspects of the study will be controversial and I do not plan to release it until 1981. We will brief your staff on this study at their convenience.

7. Trips: I joined Senator Birch Bayh and Congressman John Brademas in South Bend on Wednesday to make alcohol fuels program awards. I then went to Chicago to speak to 200 chief executive officers of electric utilities at a meeting of the Edison Electric Institute. Next Wednesday I will talk with the Board of Directors of Chase Manhattan Bank. On Friday at the Dallas/Ft. Worth Airport, I will dedicate a photovoltaic project in which Congressman Wright has a special interest. While in Dallas I will make a speech at Southern Methodist University.

John Sawhill will travel to England to meet with Sir David Steel, the Chairman of British Petroleum, and participate in discussions of international energy policy with the Kuwaiti oil minister, the Secretary General of OPEC, and the Secretary General of OAPEC.

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U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

Ray
ok
J

September 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR *Ry*

SUBJECT: Major Departmental Activities
September 1-5, 1980

Teamsters Central States Pension Fund investigation. You may recall that early in the Administration I worked aggressively to protect and prohibit the misuse of the money in this pension fund. The actions we took included the removal of the old trustees of the Fund, the transfer of responsibility for asset management to independent money managers and the filing of a civil suit against the old trustees in order to recover the misspent money. Since these actions, we initiated an investigation of the Teamsters Health and Welfare Fund and the new trustees and vigorously pursued the civil suit against the old trustees. Our investigation has regularly been a subject of oversight hearings by the Senate Permanent Investigation Subcommittee, chaired by Senator Nunn and by a House subcommittee. We are now facing our semi-annual review by the Nunn subcommittee. So far this hearing has been marked by unsubstantiated allegations of misconduct, innuendo and star-chamber like interrogations of Departmental employees. This has had a chilling effect on our investigation and our employees. Senator Nunn and I have discussed the manner in which he is proceeding and I have strongly expressed my opposition to their procedures. Today I indicated that I would oppose any individual off-the-record interviews with Departmental staff and that we should conclude this investigation by a public hearing in which I would testify and any other staff would be available to the subcommittee. He suggested that this would not be acceptable to him and he will either subpoena Departmental employees or talk to you about this issue. I believe that you should not get involved in this matter. We will resist the subpoenas and I

am prepared to stand in contempt of Congress if that proves necessary. We have reviewed our legal position with the Justice Department and they are prepared to support us in court. We have also informed the White House Counsel's office of this matter. In any event, I will testify publicly at some point in the hearings.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

September 8, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
Rick Hertzberg

SUBJECT: Presidential Talking
Points: Signing Ceremony
DOD Compensation Bill

Salutations Update

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

Attached is a SECOND copy of the first page of these talking points with changes indicated in red.

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.

[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

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 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

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SUMMARY OF DAILY POLITICAL REPORTS

September 3-7

SUMMARY OF CAMPAIGN DAILY POLITICAL REPORT

8:00 AM political meeting, 9/8/80

Jordan to work on getting New York labor and political leaders to blast "deal" between Anderson and the Liberals.

Pat Harris will be asked to attack Reagan today on the social security issue. Last week Reagan denied having ever said that he would make Social Security voluntary.

Jody expressed concern that we are still behind the curve on the "Stealth" issue.

California. Vice President's trip went well. At a "unity press conference," Jerry Brown gave a strong pro-Carter (not just anti-Reagan) pitch. Most Kennedy supporters are on board. Willie Brown will be N. California co-chair. However, Art Torres and Richard Alatorre, key Hispanic Kennedy supporters, are upset over appointment matters and not yet with us. Phil Burton is likely to endorse C/M, Ron Dellums is not. Some of our supporters are complaining in print about a lack of commitment to the California campaign. The Herman Sillas story is playing badly with the Hispanic community.

Oregon. Late August Oregonian poll shows Reagan 34, Carter 28, Anderson 16. VP made some progress in meetings bringing the Kennedy and Carter supporters together. Former Gov. Bob Straub and new State Chairman Joe Smith are helping.

Alabama. Fob James' son wrote a letter to several newspapers declaring that Carter precipitated Reagan's remarks about the KKK and that Reagan did nothing wrong.

Arkansas. Bill Clinton held a press conference to knock down an erroneous story that the Army was to withdraw military guards from Fort Chaffee, the Cuban refugee camp.

Florida. Florida newspaper poll shows Carter-Reagan tied at 44% each head-on, and tied at 38% in a 3-way race with Anderson at 8%. The top issue in Florida is the Cuban refugee situation. Reagan got fairly good coverage of his 9/4 trip.

Louisiana. Reagan received positive trip coverage. AFL-CIO President Vic Bussie sent a mailing endorsing C/M to his 196,000 members.

Mississippi. Our voter registration program not off the ground.

Illinois. Pat Harris was in Chicago September 4-5 and made a good speech at a dinner honoring Roland Burris. In response to a question about the transfer of a military field to O'Hare, Mayor Byrne said "it shows how sensitive the President is to the people of Chicago." State coordinator Mike Casey had good meetings with George Dunn, Jack Touhy, Bill Daley, Todd Renfrew. Dunn is letting Casey work out of his office for a few days.

Missouri. Positive press since the President's visit.

Ohio. Anderson is getting a lot of media support on the debate issue. Cuyahoga County Chairman Tim Hagan was quoted as saying that Carter was the worst President of this century, but still better than Reagan. Hagan claims he said worst Democratic President of the century.

Pennsylvania. President's trip received good coverage.

Iowa. State Chairman Ed Campbell thinks the state can be won. Kennedy supporters are coming over. Reagan campaign is off to a slow start, but Anderson has an office with several paid employees.

Maine. Gov. Joe Brennan and Rodney Quinn are not being cooperative.

New York. Staffing is on schedule. DOL's Ernie Green joins the staff this week.

THE WHITE HOUSE
WASHINGTON

The attached was received in
our office and is forwarded
to you for your information.

Rick Hutcheson

Letter
canaled

THE WHITE HOUSE
WASHINGTON

9-9-80

To Morris Sheats

I have carefully
considered your recom-
mendation. Because of
political allegations &
the sensitivity of the
hostage question now in
the Iran matter, I've
decided not to call for
a day of prayer at this
time.

Best wishes,

& Thanks - Jimmy Carter

THE WHITE HOUSE
WASHINGTON

9/9/80

FRANK MOORE
STU EIZENSTAT
PHIL WISE

The attached was received in
our office and is forwarded
to you for your information.

Rick Hutcheson

RH

NAME Thomas L. Ashley

1682

TITLE Congressman

Requested by Stu Eizenstat
Frank Moore *Stu*
FK

CITY/STATE (D) Toledo, OH

Date of Request 9/8/80

Phone Number--Home ()

Work (202) 225-4146

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Other ()

INFORMATION (Continued on back if necessary)

TALKING POINTS

- o This is an extremely important issue in Florida, particularly in the Southern part of the State. We worked hard to have Senator Williams push this bill through the Senate Banking Committee last winter, and enactment would fulfill a commitment dating from 1975.
- o With respect to the States' rights issue, Florida has exhausted all legislative attempts to resolve the problem, and Title V is endorsed by the highest officials of the State, including the Attorney General.

(over)

NOTES: (Date of Call 9-9)

*Will do what he can -
"If it's Constitutional, why can Fla Legislature
take care of it?"*

- o The Justice Department has opined twice that the measure is constitutional.
- o In response to developers' concerns, the standards of unconscionability focus only on "gross disparities" between the obligation incurred and the value received by lessees.
- o We will actively support Ashley's efforts to conclude action on the housing bill prior to the October recess. If this proves impossible, it is extremely important to us that the recreation lease issue be resolved prior to the recess.

NOTE: It is conceivable, albeit unlikely, that Ashley will link the recreation lease provisions to withdrawal of Administration opposition to the new middle-income housing subsidy program which the House has included in the authorization bill; a similar provision was reported out of the Senate Banking Committee but defeated, 47-23, on the Senate floor. There are conflicting views within the Administration as to whether we should alter our position on the middle-income housing program, which is a key Ashley priority. In deference to CEA and OMB, which strongly oppose the new program, we urge that you not make any commitment on the middle-income initiative until we put the opposing views before you for decision.

Executive Copy Made
for Departmental Review

THE WHITE HOUSE
WASHINGTON

*J Called
J*

9/9/80

Mr. President --

Rex & Susan Granum had their
baby girl 11:03 pm last night.

Caesarian section...
7 pounds, 12 ounces.

(Jody may have already told you
about this.)

Name is Alexis Kathryn Granum.

We'll get address and have
letter done for you to sign, and
RSC's office to send baby cup.

Thought you might be interested
in calling Rex also. Everyone's
been interested/concerned,
especially since Susan was 3 weeks
overdue.

--SSC

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THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

Sept. 9, 1980

Dear Mr. President:

I am deeply grateful for your gracious and flattering letter of September 5. My family will treasure it as a tribute from one they know that I respect and admire greatly.

Though the hours are long and the work demanding I appreciate the opportunity you have given me to serve in your administration. There is no greater joy than to contribute, no matter its limitation, to the welfare of our nation and its people.

Most cordially,
Phil Klutznick

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SCOTTY CAMPBELL

1. I CAME TO THE PRESIDENCY
2. DETERMINED TO MAKE GOVERNMENT MORE RESPONSIVE TO THE PUBLIC --
3. AND ALSO MORE EFFICIENT. /
4. SINCE TAKING OFFICE,
5. I HAVE SEEN REPEATEDLY THAT THE KEY TO MORE EFFECTIVE GOVERNMENT = HAS BEEN
6. ~~IS~~ OUR CREATION OF A MORE PRODUCTIVE... MORE DYNAMIC...
7. MORE COST-CONSCIOUS FEDERAL WORKFORCE. //
8. { IN 1978, I SIGNED LEGISLATION ↘
9. OVERHAULING THE FEDERAL CIVIL SERVICE FOR THE 1ST TIME IN A HUNDRED YEARS.
10. IT WAS A LANDMARK ACHIEVEMENT --
11. ONE OF THE MOST SIGNIFICANT OF THIS ADMINISTRATION. //

(=OVER=) (THE CIVIL SERVICE.....)

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1. THE CIVIL SERVICE REFORM ACT
2. { GIVES FEDERAL MANAGERS SOME OF THE SAME MANAGEMENT INCENTIVES
3. { THAT PROVE EFFECTIVE IN THE PRIVATE SECTORY.
4. IT EMPHASIZES PERFORMANCE -- NOT LONGEVITY.
5. { IT LETS US SELECT INDIVIDUAL PUBLIC SERVANTS, REWARD THEM,
6. { AND THEREBY -- IN A POSITIVE WAY -- ENCOURAGE OTHERS TO EXCEL. //
7. TODAY'S CEREMONY IS UNPRECEDENTED.
8. IT IS ALSO LONG OVERDUE.
9. { TOO OFTEN, WE SINGLE OUT FEDERAL MANAGERS
10. { ONLY WHEN THERE HAS BEEN A PROBLEM.
11. WE FOCUS ATTENTION ONLY ON THEIR SHORTCOMINGS. /

(=NEW CARD=) (THIS IS NO WAY.....)

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*Electrostatic Copy Made
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1. THIS IS NO WAY TO RUN A GOVERNMENT -- OR ANY ENTERPRISE.
2. FEDERAL MANAGERS EXERT AN ENORMOUS INFLUENCE ON US.
3. THEIR RESPONSIBILITIES ARE OFTEN STAGGERING.
4. SOME OF THEM ARE THE MOST IMPORTANT EXECUTIVES IN AMERICA.
5. { WHERE WE FIND EXCELLENCE,
6. { WE NEED TO ACKNOWLEDGE & REWARD THAT EXCELLENCE -- PUBLICLY *of ceremony*
7. { I AM PLEASED TO PRESENT THE "DISTINBUISHED EXECUTIVE" AWARDS TODAY.
8. { TO 49 MEN & WOMEN, *SC FOR* LET ME SAY THAT
9. YOUR SERVICE TO OUR COUNTRY HAS BEEN TRULY DISTINGUISHED.
10. YOU ARE THE BEST OF THE GOVERNMENT'S SENIOR EXECUTIVES.--
11. THE BEST OF THE BEST: →

(=OVER=) (--HAROLD DENTON.....)

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1. { HAROLD DENTON, OF "NRC" HAS WON WIDE PRAISE
2. { FOR HIS PERFORMANCE FOLLOWING THE "THREE MILE ISLAND" ACCIDENT, /
3. { CHRIS KRAFT, OF "NASA", MADE SPACE TRAVEL THE SAFEST TRANSPORTATION OF ALL.
4. { HE WAS PRINCIPAL ORGANIZER OF THE MISSION CONTROL CENTER IN HOUSTON
5. { AND DIRECTED THE SUCCESSFUL "MERCURY", "GEMINI" & "APOLLO" SPACE MISSIONS, /
6. { CLAUDE FARINHA SAVED THE "U.S." AIRFORCE \$28 MILLION
7. { THROUGH BETTER LOGISTICS MANAGEMENT. /
8. { CHARLES SWINBURN, OF "D.O.T." SAVED TAXPAYERS \$100 MILLION
9. { BY RESTRU TURING THE "AMTRACK" ROUTE SYSTEM. //

(=NEW CARD=) (THESE AWARDS ARE.....)

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1. THESE AWARDS ARE A SOLID INVESTMENT FOR OUR COUNTRY.
2. { THE MILLIONS OF DOLLARS YOU 49 PEOPLE HAVE SAVED THE TAXPAYER
3. { COULD FUND THE SENIOR EXECUTIVE BONUSES FOR MANY DECADES. /
4. { IN HONORING YOU,
5. { I HOPE TO ENCOURAGE ALL PUBLIC SERVANTS TO HIGHER LEVELS OF ACCOMPLISHMENT.
6. I ALSO WANT TO MAKE YOUR EXCELLENCE KNOWN TO YOUR EMPLOYERS --
THE AMERICAN PEOPLE. /

#

(Present Awards -- With Alan (Scotty) Campbell)

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