

**9/15/80 [1]**

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THE WHITE HOUSE  
WASHINGTON

15 sep 80

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

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

Rick Hutcheson

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



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SEP 12 1980

MEMORANDUM FOR THE PRESIDENT

TO: Rick Hutcheson  
Staff Secretary

FROM: Richard J. Rios  
Director

SUBJECT: National Rural Housing Initiative (Housing)

RR/wwa

CSA has awarded 20 grants to community based organizations to establish state-wide coalitions to aid in the fight for decent housing for our rural poor.

The \$20,000 - \$25,000 programs will focus on increasing housing resources for the poor, targeting and increasing the availability and access to limited funds, building coalitions in the public and private sectors and assuring low-income representation on housing policy-making boards.

In addition to the smaller grants, CSA also awarded a national grant to the National Rural Housing Coalition. This group will provide training and technical assistance to the state-wide coalitions and help direct and give a focus to the overall effort.

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

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September 12, 1980

MEMORANDUM TO THE PRESIDENT

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THROUGH Rick Hutcheson  
Staff Secretary

SUBJECT: Weekly Report

U.S. CROP. Based on conditions as of September 1, the 1980 corn crop is forecast at 6.53 billion bushels, down 2 percent from last month as hot weather caused pollination problems in parts of the Corn Belt and reduced yield prospects there and along the East Coast and in southern crop areas. Soybean prospects were reduced 3 percent from last month at 1.83 billion bushels, as improved prospects in parts of the Corn Belt were more than offset by reduced prospects in most south central States and Atlantic States. Cotton production was also forecast lower at 11.69 million bales, down 9 percent from last month. Prospects declined during August in all producing areas except the western States. All wheat production was estimated at 2.35 billion bushels, with improved prospects for winter, durum and other spring wheat during August.

Forecaster	Corn	Soybeans	Wheat	Cotton
	----- Billion bushels -----			--Million bales--
1979	7.764	2.268	2.142	14.775
1980				
<u>USDA:</u>				
July	7.284	---	2.317	---
Aug.	6.646	1.880	2.325	12.713
Sept.	6.534	1.831	2.354	11.689
<u>Private:</u>				
Ch. Bd. T.	6.4	1.83	2.33	---
Leslie	6.59	1.80	---	---
McQuigg	6.00	1.90	2.23	---
Cotton, Inc.	---	---	---	12.8
Ave., Conn.				
Houses	---	---	---	12.0

World Crop. Total world grain production for 1980/81 is forecast at 1,561 million tons, slightly higher than last month's projection and nearly 2 percent larger than the 1979/80 harvest. Crop prospects have improved in Western Europe and Canada in the past month and deteriorated in the United States and China. The most likely outcome for 1980 Soviet grain production remains at about 210.0 million metric tons. World oilseed production is estimated at 164 million metric tons for 1980/81, primarily reflecting reduced prospects for the United States. This is down 3 million tons from the August estimate and 12 million tons below the 1979/80 crop. Global cotton production this season is projected at 63.4 million bales, down 1.5 million from last month's estimate. Continued hot, dry weather in the United States and excessive rain in China have caused significant deterioration in crop prospects since August 1. These declines more than offset improved crop conditions in Pakistan.

WORLD GRAIN CROPS UNCHANGED, OILSEED AND COTTON PROSPECTS DECLINE

Region	1978/79	1979/80		1980/81 proj.	
		1978/79	est.	Aug.	Sept.
<u>Total grains (Million metric tons) 1/</u>					
World	1,579.8	1,519.8	1,558	1,561	
United States	273.0	299.0	267	265	
Rest of world	1,306.8	1,220.8	1,291	1,296	
<u>Oilseeds (Million metric tons)</u>					
World	155.8	176.6	166.8	164.2	
United States	58.4	72.3	59.6	57.6	
Rest of world	97.4	104.4	107.2	106.6	
<u>Cotton (Million bales)</u>					
World	60.0	65.5	64.9	63.4	
United States	10.9	14.6	12.8	11.7	
Rest of world	49.1	50.9	52.1	51.7	

1/ Includes rice on a rough basis.

RESERVE. All producers with grain in the farmer-owned reserve now will be given 90 days between the time their grain is called from the reserve and the deadline for redeeming that grain. Previously, farmers who entered their grain in the reserve before January 7 and had not converted to a new reserve contract had only 30 days after a call to settle their reserve loan accounts. The new extended call period will provide for orderly marketing of grain should prices reach their respective reserve call levels.

Oats entered in the farmer-owned grain reserve after August 24 now are in reserve release status. Oats will remain in release at least through November 3, at which time USDA will review the market situation to determine if the release should remain in effect. Producers will continue to earn storage payments on their reserve oats at least through the end of October.

Wheat and barley producers with grain in the farmer-held reserve are eligible for full reserve benefits, and will continue to receive storage payments on reserve grain until a sufficient quantity is placed in the farmer-owned reserve to move farm prices above release prices.

CHINA. The Notocias Argentinas News Agency reports that the 4-year agreement signed in Peking last week by Argentine Grain Board President Lacroze calls for Argentina to sell China between 1 and 1 1/2 million tons of grains and oilseeds annually during 1981 to 1984. Under the new agreement, China will take between 700,000 and 1 million tons of wheat a year, with remainder soybeans and corn at the buyers' option. This replaces a 3-year pact under which China takes up to 1 million tons of wheat and corn annually.

USSR. The USSR has purchased additional quantities of US wheat and corn for delivery in 1980/81, bringing totals under the fifth year of Agreement to 1.21 million tons of wheat and 2.81 million tons of corn.

  
JIM WILLIAMS  
Acting Secretary



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

September 12, 1980

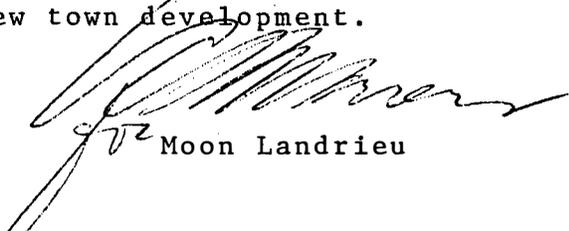
MEMORANDUM FOR: The President  
Attention: Rick Hutcheson, Staff Secretary

Subject: Weekly Report of Major Departmental Activities

\$687 million to finance housing units for elderly and handicapped. HUD announced the award of \$687 million to finance more than 17,900 housing units for the elderly and handicapped in 45 states and Puerto Rico. Of the 324 non-profit sponsoring organizations selected, 53 are minority sponsors. The reservations were made under HUD's Section 202 program, which offers direct Federal loans to finance rental housing for the elderly and handicapped.

GNMA accepts offers for \$140 million under Tandem Program. On September 5, GNMA accepted offers for \$140 million under the Section 8 assisted Tandem program. Commitments were issued for 34 projects which exhausted the funds in just over 30 minutes. The previous day, \$78 million was released under the Targeted Tandem program and \$32 million under the Section 8/UDAG Assistance program.

Bilateral agreement on housing completed with Mexico and USSR. Under the Agreement for Cooperation in Housing and Urban Development, the Assistant to the Secretary for International Affairs met in Mexico City to conduct workshops on land use control and urban growth management techniques. Also, Housing representatives from the Soviet Union met in Washington with the Office of International Affairs to review final drafts of a joint report on management of new town development.

  
Moon Landrieu

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THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

September 12, 1980

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FYI

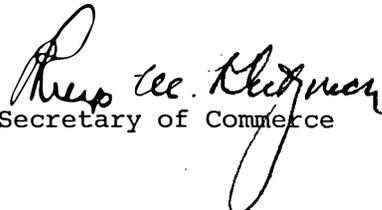
REPORT TO THE PRESIDENT

Auto Industry: Secretary Marshall and I have each assigned members of our staffs to work with Secretary Goldschmidt in addressing the details involved in establishing the auto tripartite committee. The matter could be more complicated than anticipated because of prior antitrust rulings which raise questions as to the extent of allowable participation by some of the manufacturers. We believe this is solvable.

Steel Caucus: I discussed with the House Steel Caucus the status of our efforts to develop an Administration steel policy without going into the details of today's submission to the EPG. The Caucus was very appreciative of the progress being made. Having felt left out of things, they were also appreciative of not only my but also of Stu Eizenstat's recent meeting with them.

Export Trading Company: Our problems in the House now seem under control. Following my meeting with Chairman Rodino, we believe that the Judiciary Committee is prepared to move the bill. I will meet next week with Congressman Reuss, Chairman of the Committee on Banking, Finance and Urban Affairs. I believe there is still a fair chance the bill will be enacted in November.

Shrimp Industry: The industry has approached us arguing that the dramatic increase in the price of diesel fuel and the decline in the demand for shrimp are about to cause a significant number of bankruptcies. We met with a large contingent of industry representatives and concur that their problems are serious. We are working to determine appropriate near-term actions and hope to develop a program for implementation within a month.

  
Secretary of Commerce

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# CABINET ECONOMIC POLICY GROUP

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

September 12, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: G. WILLIAM MILLER *Bill*  
CHAIRMAN, ECONOMIC POLICY GROUP

SUBJECT: EPG Activities

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Meetings of September 10 and 11, 1980

- o Reviewed list of possible candidates for the Economic Revitalization Board. EPG recommendations will be incorporated in the Presidential Personnel Office memorandum separately being sent to you.
- o Considered the following organizational issues relating to the Board:
  - At appropriate time in the future, Administration should consider supporting legislation which would exempt the Board from "sunshine" provisions of the Federal Advisory Committee Act. In the interim the Board will be organized pursuant to the Federal Advisory Committee Act. Target date for final documentation is the week of September 15.
  - Initial number of members of the Board should be 18, five from business, five from labor, and eight from the general public. Charter of the Board to permit additional persons for a total of 20.
  - Duration of the Board to be the two year maximum permitted by law.
  - Although the Board will be a Presidential advisory committee, substantive liaison will be with the Chairman of the Economic Policy Group. GSA will provide necessary administrative support services, and initial funding to be from unanticipated needs fund.

- Initial staffing for Board, subject to discussions I will have with Lane Kirkland and Irv Shapiro, will consist of two professionals and one support person. Using personnel currently on Treasury's payroll should minimize expenses, which OMB estimates will be approximately \$260,000 a year. This assumes no additional cost for personnel, office space, telephone, office equipment and supplies.
- o Approved extension of the pay and price standards through the end of the calendar year. The 7-1/2 - 9-1/2% range for the pay standard will not be changed. The price standard will be modified to provide greater flexibility and will also deal with special problems of petroleum refiners. Target date for announcement is during the week of September 15.



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

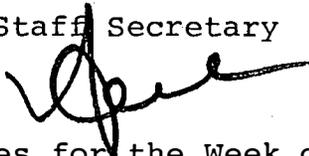
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September 12, 1980

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MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Neil Goldschmidt 

SUBJECT: Significant Issues for the Week of September 8

Rail Reform Legislation - On September 9 the House overwhelmingly passed the Staggers Rail Act of 1980 to substantially reduce government regulation of railroads. The bill also contains important provisions on the Rock Island and Milwaukee bankruptcies, ConRail labor protection, and future rail financial assistance programs. The major effort by utilities to increase ICC jurisdiction over railroad rates was defeated by 296 to 83. An unacceptable legislative veto provision governing ICC and Department of Transportation rulemaking was added on the floor but we have reasonably good prospects for deleting it in conference.

Senator Long is showing some reluctance to proceed through a quick conference. Ideally, we would hope to clear the bill for a signing ceremony, which I strongly recommend, around October 1.

White House staff and the Department's Congressional Relations staff performed superbly in turning around our earlier defeat on the key sections of the bill. Fred Kroll and his Brotherhood of Railway and Airline Clerks also did yeoman's work, motivated primarily by concern over the future of ConRail.

Civil Aviation Agreement with China - U.S. and People's Republic of China negotiators initialed a civil air transport agreement in Beijing on Monday, September 8, which will allow resumption of scheduled flights between the two countries for the first time since 1949. The agreement calls for the Chinese national airline (CAAC) and one U.S.-designated airline to share a route between specified points in the U.S. (New York, San Francisco, Los Angeles and Honolulu), and Beijing and Shanghai, with Tokyo as an intermediate point. Initial service will be two flights per week for both CAAC

and the U.S. carrier, increasing to four flights per week with the addition of a second U.S. carrier after two years. The agreement realizes the Administration's procompetitive objectives, while acknowledging the unique nature of the Chinese aviation situation.

I understand that a joint signing ceremony, presumably with Vice Premier Bo Yibo, for this agreement and for the recently concluded textile and maritime agreements and consular affairs treaty, is scheduled for September 17.

Transportation Planning under the Clean Air Act - EPA and DOT have signed the eighth in a series of joint policy statements designed to integrate transportation-related air quality planning requirements into the overall urban transportation planning process conducted by state and local governments. The latest policy statement provides guidance to state and local officials on meeting "basic transportation needs" of citizens as Clear Air Act transportation control strategies are implemented. The new policy statement will help more than 30 cities which will not meet air quality standards by 1982, and which have received an EPA extension until 1987, to develop programs for ensuring mobility of citizens while at the same time implementing transportation control measures to reduce air pollution.

Of more immediate significance is the major controversy in New York over "basic transportation needs." EPA has issued a notice of sanction against the city due to inadequacies of its "basic transportation needs" plan. Although EPA's comment period has closed, the City may logically seek an opportunity to reassess its plan, subject to EPA approval, under the newly announced policy.



THE SECRETARY OF THE TREASURY  
WASHINGTON

September 12, 1980

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MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. <u>THE MARKETS AND THE DOLLAR</u>	Today's Close	Change Since 9/5
Dow Jones Industrial Average	936.52	-4.44
Prime Rate	12 to 12-1/4%	0 to 1/4%
Gold (London)	\$689.00	+\$39.00
Silver (COMEX)	\$ 20.75	+\$ 3.41

- . Citibank raised the prime rate by 1/4 percentage point to 12-1/4%. The majority of the banking industry have matched the increase.
- . The Japanese yen has risen to its highest levels in 16 months, continuing a trend which began this spring. Capital, including substantial amounts from the Mid-East, is being attracted by an improved outlook for the Japanese economy and relatively high interest rates. The dollar remained firm in active markets, nevertheless, against other major currencies.
- . Speculative activity increased in the gold, silver and other metals markets, attributable in part to renewed global inflationary pressures and apprehension about possible OPEC decisions on oil prices and supplies.

2. NEW YORK CITY LOAN GUARANTEES

- . Mayor Koch and I met Wednesday morning to discuss extending further loan guarantees to New York City. The Senate Banking Committee amendment prohibiting further guarantees may become a complicating factor. I am giving both matters my personal attention and will be making a final decision later this month.

3. MILLER TRIP TO CLEVELAND

- . In support of your Economic Renewal program, I was in Cleveland today to speak before the Cleveland City Club,

meet with the Plain Dealer editorial board, tape a segment for the WEWS TV noon news show, and hold a general news conference. The trip contributed further to public understanding and acceptance of your program.

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

G. William Miller

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

September 12, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth  
Jane Yarn  
Bob Harris

SUBJECT: Weekly Report

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Meeting with Environmental Leaders. Your meeting with environmental leaders on Wednesday was an unqualified success. If this reaffirmation of support is to be realized in campaign support, it is important that we follow up on the issues that they raised and, in particular, seek to accomplish two goals. First, we need to do all we can to accommodate their interest in the legislative issues that they raised. We will work closely with Stu and Frank to accomplish this task. A word from you to Stu and Frank that you want to be as responsive as possible would be helpful and appreciated. Second, we need to assist in conveying the personal endorsements of the national environmental leaders to the extensive and active grass roots environmental and conservation constituencies across the nation. We are working now to develop environmental committees in various states, to contact the grass roots environmental and conservation activists to bring them into the campaign, and to ensure active and frequent participation by us in state activities during the campaign.

California Wilderness Legislation/Coastal Zone Management Act Reauthorization. I call your attention to two of the legislative issues raised by the environmental leaders because quick resolution of the outstanding issues within the Administration would enable you to make important announcements during your September 22-23 trip to California, where environmentalists are an important force. Pending in the Senate is the California Wilderness legislation that would establish 3.5 million acres of wilderness. The bill would also resolve a difficult legal issue threatening the Administration's RARE-II wilderness proposals. The House passed the bill by voice vote. In order for Senator Cranston to take effective leadership of the bill in the Senate and assure passage this session, we need to make clear our support for the bill. The Coastal Zone Management Act reauthorization has passed the Senate and awaits floor action in the House. The Senate bill is closer to the Administration's original position on this legislation. If we are to have a conference and a bill this session, it is important to get floor action in the House. Strong Administration support for such action would help immeasurably towards this goal, given the crowded Congressional calendars.

Economic Revitalization Board. I have been working with Anne, Arnie, Stu, and others on selecting members for the Board. In addition to business and labor leaders, it is important that the Board have members who have a healthy concern for the power of big business and big labor, who appreciate the importance of our regulatory programs, and who can represent the communities and constituencies which would be affected by the Board's recommendations.



# Office of the Attorney General

Washington, D. C. 20530

September 12, 1980

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## Principal Activities of the Department of Justice for the week of September 6 through September 12, 1980

### 1. Meetings and Events

On September 10, the Attorney General addressed Ralph Nader's Public Citizen Forum in Washington on the topic of the Department's efforts in the area of white-collar crime and environmental and consumer protection.

On September 11, the Attorney General met with Mrs. Coretta Scott King regarding the Department's support for the Martin Luther King, Jr. Center for Social Change. The Attorney General pledged his full personal support for the Center.

On September 12, the Attorney General addressed local and state police graduates of the FBI National Academy in Quantico on the topic of local and federal cooperation in law enforcement.

### 2. White-Collar Crime Priorities

On September 10, the Attorney General released a comprehensive analysis and report on white-collar crime and identified 27 types of white-collar crimes to receive high priority for federal investigation and prosecution. The white-collar crime priorities were developed and are being implemented jointly with other federal law enforcement agencies.

### 3. Cuban Refugees

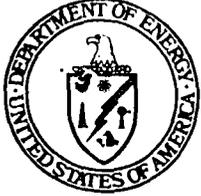
The first of 180 Cuban minors at Fort Indiantown Gap, Pennsylvania were released to sponsors on September 11 after resolution by the INS, State Department and Pennsylvania officials of problems concerning their eligibility for release. Concerns had been raised as to whether the minors would be released to a sponsor in light of their age.

### 4. Klan Indictments

On September 10, a federal grand jury in Detroit returned a six-count indictment against five members of the Ku Klux Klan on charges of harassing two blacks.

### 5. Civil Rights

The Department promulgated LEAA regulations explicitly barring police agencies from receiving federal funds if they have engaged in physical abuse or summary punishment of any individual because of race, color, religion, national origin or sex.



THE SECRETARY OF ENERGY  
WASHINGTON, D.C. 20585

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September 12, 1980

MEMORANDUM FOR: THE PRESIDENT

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

SUBJECT: Weekly Activity Report  
Week of September 6 - September 12, 1980

I. Legislation:

- o The Strategic Petroleum Reserve will be the subject of hearings by the House Commerce Subcommittee on Energy and Power next Monday and Friday. Members of the Subcommittee are concerned about what they believe is the Administration's reluctance to fill the Reserve. Senator Byrd is also reported to be disturbed about our pace in filling the Reserve. It is reported that he may be unwilling to approve funds in the Department's appropriation for the Reserve because of this.
- o We are cautiously optimistic that a comprehensive House bill on nuclear waste management that meets our minimum requirements may be forthcoming before the end of the session. The Senate has already passed an adequate bill.
- o The chances for action on the Utility Oil Backout legislation are not good. Chairman Dingell of the Energy and Power Subcommittee has still not moved to bring the bill up for markup.
- o John Sawhill will testify on the Coal Export Task Force on Tuesday, September 16, before the Senate Energy Committee.

2. Synthetic Fuels Corporation: John Sawhill's confirmation hearings are scheduled for Thursday, September 18, at 8:30 a.m. before the Senate Energy Committee.

3. Sun and Phillips Petroleum Settlements: Comprehensive negotiated settlements of regulatory disputes under the Mandatory Petroleum Pricing and Allocation Regulations were achieved this week for Phillips Petroleum (covering 1973 - 1979) and Sun Oil Company (covering 1973 - 1980). The Consent Orders call for remedial action through cash payments and through reductions in costs allowable in gasoline and propane sales.

4. Oil Vulnerability Study: As we reported last week, we have been studying additional steps to reduce our vulnerability to oil import disruptions. I believe that this topic is of sufficient importance and interest that the Cabinet would benefit from a briefing on it. The briefing would be sensitive because it includes some controversial proposals. We could provide the briefing anytime after October 1.

5. Trips: Secretary Duncan spoke at a luncheon sponsored by the Chase Manhattan Bank on Wednesday and held a press conference refuting some erroneous charges about the Administration's energy policy. He is in Dallas today to dedicate a photovoltaic project with Congressman Wright and to speak at Southern Methodist University. On Monday he will tour a solar home in Phoenix, Arizona, and next Monday visit photovoltaic facilities in Los Angeles.



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

September 12, 1980

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HHS Activities

Problems Facing the Department as the New Fiscal Year Approaches Without an Appropriation. I have written the Director of the OMB about the extremely serious interruptions of Health and Human Services programs that will result from failure of Congress to take necessary appropriations action prior to the beginning of the next fiscal year. Key members of Congress have also been briefed informally of the practical consequences for HHS of the Attorney General's opinion that the Federal Government cannot obligate funds in the absence of an appropriation except for close-down operations or activities that are essential for life and safety. We have identified the activity and programs that we believe we would be able to continue in the absence of an appropriation, but I have asked the OMB Director for further aid in determining how to avoid the massive problems that would result from close-down of the major portion of this Department's programs.

New York Letter-of-Credit Litigation. The Department of Justice, the Treasury Department, and this Department have decided not to appeal the District Court decision of July 11, 1980 which overturned the Department's effort to reduce New York State's letter-of-credit requirements. While the scope of the District Court's opinion is narrow in its application, the Justice Department believed that review by the Court of Appeals might lead to a broader opinion on State due process rights under the letter-of-credit system. Departmental Cash Management Systems will be revised to insure that similar problems do not arise in the future.

Drug Therapy in Cancer Research. The Department has approved use of THC (tetrahydrocannabinol) capsules for experimental treatment of nausea in cancer patients undergoing drug therapy. The capsules contain a synthetic form of THC which is naturally found in marijuana and appears to help in alleviating the aftereffects of chemotherapy, such as nausea and vomiting. Of the 200,000 people who undergo chemotherapy each year, one-fourth have been helped by treatment with conventional drugs. All such use must be approved by the National Cancer Institute.

Department's Civil Rights Investigation of Sydenham Hospital.

Today, the Department will issue a letter of findings on its civil rights investigation of Sydenham Hospital in New York City. The letter notifies the City that the Office for Civil Rights found that the closing of Sydenham Hospital will not have a disproportionate effect on minority patients and, therefore, will not violate Title VI of the Civil Rights Act of 1964. The City is continuing to explore alternate plans for the operation of the facility by a community group.

  
Patricia Roberts Harris

THE SECRETARY OF EDUCATION  
WASHINGTON, D.C. 20202

SEP 18 1981

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MEMORANDUM TO THE PRESIDENT

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SUBJECT: Weekly Report of ED Major Activities

Legislation

Higher Education Reauthorization

Senate and House conferees on the Higher Education Act reauthorization bill (H.R. 5192) were appointed, following the September 4 defeat of the conference report. Another conference on the bill will be held on September 16. House and Senate action could follow shortly thereafter.

Youth Act

The Senate Subcommittee on Education (Pell) plans to mark up the Youth Act, H.R. 6711, on September 18 and 19. A previous mark-up was postponed after the defeat of the higher education reauthorization.

Appropriations

The House Appropriations Committee (Whitten) will probably report a continuing resolution for the Department early next week. House action could take place later in the week. Anti-Department amendments, similar to those offered on the House floor to the 1981 Appropriations Bills, are expected.

Regulations

Lau Hearings

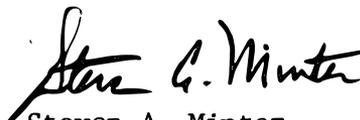
Secretary Hufstedler opened hearings on the proposed Lau regulations in San Antonio, Texas on Monday, September 8. These hearings are designed to obtain first-hand reactions of interested groups and individuals to the rules which are to prevent discrimination against non-English proficient

school children. Hearings were also held in New York and Denver this week, with additional hearings scheduled for San Francisco, New Orleans and Chicago next week. The proposed rules will remain open to public comment until October 20, 1980. A particular problem brought out in the Texas hearings is the burden of educating undocumented aliens. This issue was described in detail in the briefing materials for your Corpus Christi Town Meeting.

#### Meetings/Speeches

The Secretary met with the Chicago Board of Education at a luncheon meeting hosted by the Illinois Congressional Delegation. The meeting went very well and dealt with general issues such as funding and Departmental procedures for making education policy. The Board seemed supportive of the proposed Lau regulation, although they stopped short of taking a public position on this issue.

Today, the Secretary is dedicating the postal stamp commemorating the creation of the Education Department in Franklin, Massachusetts. Next week she will be campaigning for Congressmen Ford and Obey and addressing the International Union of Electrical Workers in Detroit.



Steven A. Minter  
Acting Secretary

9:50 PM

THE WHITE HOUSE  
WASHINGTON  
September 12, 1980

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The National  
Italian-American Foundation Banquet

Saturday, September 13, 1980  
Washington Hilton  
9:50 P.M.

From; Stephen R. Aiello *SR*

#### PURPOSE

To address the third bi-annual dinner of the National Italian-American Foundation.

#### BACKGROUND

The National Italian-American Foundation is one of the largest cultural, educational, social organizations of Italian-Americans in the U.S. The Foundation devotes itself to the following program:

- it coordinates activities of Italian-Americans in all cultural, social, political levels of American life.
- it monitors writings and publications to ensure that a negative influence is not cast upon the character and ethnicity of Italian-Americans.
- it informs and educates members of the community on various domestic and foreign policy issues.
- it promotes the history, heritage and accomplishments of Italian-Americans.

The Italian-American Congressional Delegation fully supports the work of the Foundation. You attended the Foundation banquet in '76 along with President Ford and Mr. Mondale. You were unable to attend the banquet in '78 because of the Camp David Peace negotiations. The Foundation is non-partisan, and this is their second international conference.

The banquet will honor various prominent members of the Italian-American community: Business - Alex Giacco; Science - Dr. Margaret Giannini; Labor - Robert Georgine; Education - Dr. Pellegrino; Humanitarian Services - Vincent Marotta; Public Service - John Volpe; Arts - Henry Fonda. A special award will be presented to retiring Congressman Giaimo.

PARTICIPANTS

Over 2000 persons will be attending the banquet including outstanding leaders of the various Italian-American organizations, and prominent leaders of the community such as Jen0 Paulucci and Mayor Joe Alioto. Archbishop Hickey, newly appointed Archbishop of Washington, D.C. will be there. In addition, about 30 members of the Italian-American Congressional delegation will be present, including Rodino and Annunzio.

Vice President Mondale will be at the banquet. Former Governor Ronald Reagan will also be present.

PRESS

The banquet will be covered by local and national media. It will also be taped by RAI, the national Italian TV, for showing throughout Italy. Representatives of major Italian-American press will also be covering this event.

AGENDA

You will be introduced by Congressman Rodino. There will be several speakers prior to your coming, including Governor Reagan.

TALKING POINTS

The speechwriters will be submitting your remarks under separate cover with our concurrence.

THE WHITE HOUSE  
WASHINGTON

C

September 13, 1980

MEMORANDUM FOR THE PRESIDENT

Electrostatic Copy Made  
for Preservation Purposes

FROM : JACK WATSON *Jack*  
AL MCDONALD

SUBJECT : Federal Supplementary Benefits

We support the option which provides a nationwide extension of federal supplementary benefits. Our primary reasons for favoring this option are as follows:

- 1) Public Perception: On the basis of your initial speech and subsequent remarks to groups, the general public's understanding is that the unemployed throughout the country will be eligible for an additional 13 weeks of coverage should their 39 weeks run out. If there is a differentiation by state, or a failure to qualify for technical reasons, we fear that it will be widely interpreted as a step back from your promise and a failure to show compassion for our unemployed commensurate with the seriousness of our current economic problems.
- 2) Individual Equity: For needy persons under identical individual circumstances to be treated differently depending on what state they live in will appear inequitable. It will be difficult to defend a policy in which an unemployed worker in Michigan would qualify (because of a higher state-wide unemployment level) but one in New York would not.
- 3) Congressional Support: Only 12 states would be covered by the higher targeted trigger and only 20 by the lower trigger. Even the latter would leave the Senators and Representatives from 30 states basically against our position since many of them will feel that their states and districts are being mistreated. Even if organized labor and our own party leaders could be brought along initially with the targeted idea, their support will likely waver because they won't be able to withstand the local pressures from those states excluded. This will probably lead to a losing confrontation with Congress which has already been unusually restrained in its reactions to your delay in tax reductions and your decision against a stimulus package to create public works jobs.

- 4) Cost/Compassion Relationship: If the economic situation improves, as some economists are predicting, the actual costs of the program next year will be at the lower end of the estimated range. If on the other hand, the economic situation stagnates or deteriorates, there will be a legitimate demand for federal assistance, and the higher costs will be justified to protect our unemployed through a longer recession period. There is a direct relationship between the likely cost levels that will be incurred and the appropriate extent of governmental response to the situation -- an improving situation means lower costs; a bad situation justifies the higher costs.
- 5) Identification with the People: Throughout the Democratic primaries, your opponents argued that you had not identified sufficiently with our unemployed citizens and their plight. Consequently, there was widespread relief and appreciation by your supporters for the FSB expansion as a part of the recent economic package. We have not heard a single complaint about its probable costs from the business community or economists since most Americans now support a direct government effort during extreme situations to ease the plight of those hit hardest.

If we take the cheapest technical alternative at this juncture, thereby excluding people in a majority of our states where pockets of the unemployed are just as needy and merit assistance just as much as those in eligible states, this would misrepresent your concerns about working people and your genuine identification with their needs. Your actions with respect to the unemployed are widely viewed as one of the best, if not the best, measures of your sensitivity and concern for working people who have been hard hit by the recession.

The Vice President, Pat Caddell, Hamilton Jordan, Jody Powell, Anne Wexler, Secretary Miller and Gene Eidenberg support this position.

JIMMY CARTER

September 13, 1980

To Dick Davis

Your loyal, vocal support of me and my Administration in Virginia has been superb! I will not forget your hard work and willingness to take the heat. You have my admiration as well as my appreciation.

I am confident that we will be successful in November -- and thanks to you -- in Virginia!

Please give my love to Martha.

Best wishes,

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy", with a horizontal line above it.

The Honorable Richard J. Davis  
Chairman  
Democratic Party of Virginia  
701 East Franklin Street  
Richmond, Virginia 23219



DEMOCRATIC PARTY  
OF VIRGINIA

RICHARD J. DAVIS  
State Chairman

701 East Franklin Street  
Richmond, Virginia 23219  
(804) 644-1966

September 9, 1980

*President Carter  
c/o Ms. Susan Clough  
Secretary to the President  
Washington, D.C. 20500*

*Dear Mr. President,*

*From the enclosure you can see that the campaign in Virginia is becoming very heated. On Saturday, I made seven appearances through the state responding to these and other equally vicious charges. It is my hope that something can happen to give encouragement to the ship-building activities in Virginia and that you will permit me to share in such an announcement.*

*You have my continued support in any way you think appropriate.*

*My best wishes to you.*

*Sincerely,*

*Richard J. Davis*

**RJD:lc**

# Davis blasted by Coleman on ship jobs

By JERRY ALLEY  
Ledger-Star Staff Writer

RICHMOND — Virginia Attorney General J. Marshall Coleman today accused State Democratic Chairman Richard J. Davis of "being more concerned about the welfare of the people of Pennsylvania than of the people of his own state."

Coleman's sharp attack on the former Portsmouth mayor came a day after Davis supported President Carter's decision to have the aircraft carriers Forrester and Saratoga refitted at the Philadelphia Naval Shipyard rather than in Newport News.

Coleman, a Republican who is the odds-on favorite to be his party's nominee for governor next year, accused Davis, who is expected to run for lieutenant governor, of having a "cavalier attitude" about the welfare of Virginia's 40,000 shipyard workers.

Davis is one of the leaders of the Virginia campaign to re-elect Carter. Coleman is involved in the Virginia campaign for Republican presidential challenger Ronald Reagan.

Not only were Coleman's remarks among the sharpest made in the presidential campaign in Virginia to date, they also appeared to be the opening volley for the 1981 state races.

At a press conference Thursday, Davis said, "Unemployment in Philadelphia is much worse than it is here. Our own Newport News shipyard already has a good program of work."

Davis, said Coleman, "apologizes for the Carter decision by claiming that the people of Philadelphia need jobs more than the people of Virginia. I am surprised that someone who is expected to seek statewide office in Virginia next year would take such a cavalier attitude."

Coleman said Carter's decision to have the carriers overhauled in Philadelphia "exalts politics over government efficiency. Let Mr. Davis explain to Virginia's 40,000 shipyard workers why he supports taking jobs away from them—even though they can do the work better and more cheaply—because of political decisions made in the White House."

PLEASE RETURN TO ME FOR MAILING, ETC.

THANKS, GISELE

*This time,  
ok, but the  
answer is too  
effusive*

*J*

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

9/15/80

JACK WATSON  
ARNIE MILLER

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

Rick Hutcheson

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

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

ACTION  
FYI

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

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



Joseph S. Bracewell

HOME: 3123 Tangley Avenue  
Houston, TX 77005

AGE: 33

EDUCATION: 1965 - 1969 BA Cum Laude, Harvard  
1969 - 1971 MBA, Stanford

EMPLOYMENT: 1975 - Present Chairman of the Board and Chief  
Executive Officer, First National  
Bank of West University Place,  
Houston  
1972 - Present President of Family Investment  
Company, Brinco Corporation,  
Houston  
1972 - 1975 Executive Vice President and  
Director, Metropolitan National  
Bank, Houston  
1971 - 1972 Corporate Planning and Acquisition  
Analyst, Anderson, Clayton and Co.,  
Houston

OTHER ACTIVITIES:

President, Member of the Board of Trustees, The  
Chinquapin School

Industry Representative, Texas Energy and Natural  
Resources Advisory Council

Legislative Committee, Texas Bankers Association

Chairman, City Personnel Board, City of West  
University Place, Texas

Lecturer, Economics and Business Administration,  
University of St. Thomas, Houston

White, Male  
Democrat

THE WHITE HOUSE  
WASHINGTON

SUSAN

PLS SIGN THESE LETTERS. (I'LL  
GET THEM DATED ON MONDAY.)

RICK

THE WHITE HOUSE  
WASHINGTON

9/14/80

Rick --

You may want to have the  
letters dated for 9/13/80.

Also, please let Stu et al  
know that on letters for  
Governors (& Mayor) -- the  
first line should be  
"To Governor \_\_\_\_\_"

(President feels strongly  
about making these two titles  
part of his "to line"...but  
others with just first/last names  
unless noted as "exception" in  
guidelines) (federal judges yes,  
other, depends on situation)

Thanks -- Susan

THE WHITE HOUSE  
WASHINGTON

9/15/80

STU EIZENSTAT

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

September 13, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT  
JEFFREY FARROW

*Stu*  
*JFR*

SUBJECT:

Attached letter to Pacific Development Conference  
Co-Sponsors

Attached is a letter regarding the report of the Pacific Basin Development Conference which the Administration co-sponsored with the four governors of the American Pacific islands in February. The conference of Federal, insular and private sector representatives adopted the regional development strategy detailed in the report. We accepted the report on your behalf August 7 at a meeting attended by Governor Ariyoshi, Senator Inouye and others in which the Administration was praised for this initiative.

We request that you sign the letters which have been cleared by the speechwriters.

Attachments

THE WHITE HOUSE

WASHINGTON

To Peter Coleman

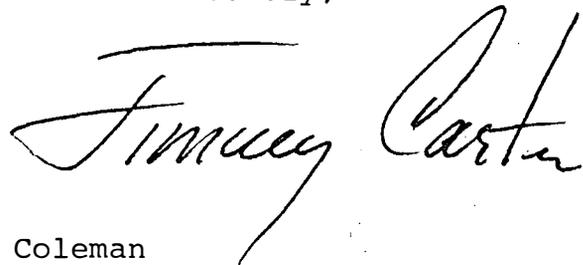
Stu Eizenstat has given me the Final Report of the Pacific Basin Development Conference which he accepted on my behalf.

In my welcoming message to the Kuilima meeting, I noted that at long last the Federal and insular governments and the private sector were joining together to plan the balanced and beneficial development of the American Pacific. I am pleased now to receive this evidence of your success in establishing an ongoing regional partnership, with follow-up efforts being coordinated by the Pacific Basin Development Council.

I am committed to the full involvement of my Administration in the transformation of the spirit and plans of Kuilima into real progress for the people of the American Pacific. My Domestic Policy Staff is reviewing the recommendations contained in the report and will work with you on their refinement and implementation to achieve our shared goals.

Please accept my thanks for your leadership in this important, cooperative initiative.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Peter Coleman  
Governor of American Samoa  
Pago Pago, American Samoa 96799

THE WHITE HOUSE

WASHINGTON

To Paul Calvo

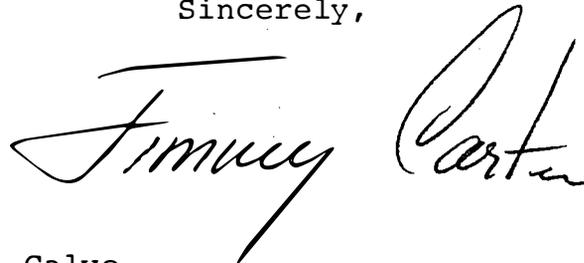
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Please accept my thanks for your leadership in this important, cooperative initiative.

Sincerely,

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The Honorable Paul Calvo  
Governor of Guam  
Agana, Guam 96910

THE WHITE HOUSE

WASHINGTON

To Carlos Camacho

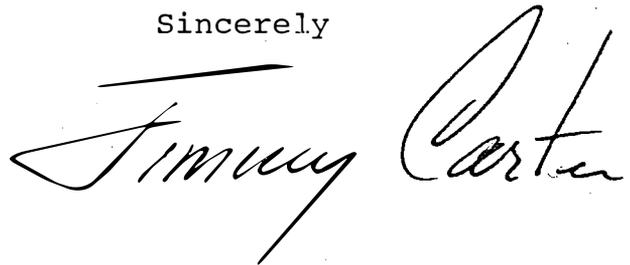
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Sincerely

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The Honorable Carlos Camacho  
Governor of the Commonwealth  
of the Northern Mariana Islands  
Saipan, Mariana Islands 96950

THE WHITE HOUSE

WASHINGTON

To George Ariyoshi

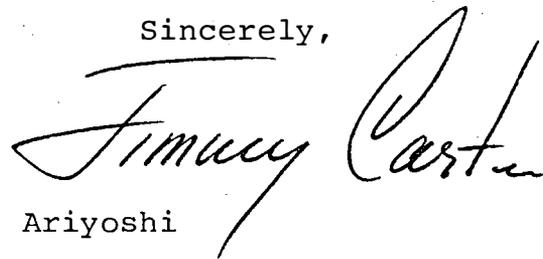
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Sincerely,

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The Honorable George Ariyoshi  
Governor of Hawaii  
Honolulu, Hawaii 96813

THE WHITE HOUSE

WASHINGTON

To Jim Joseph

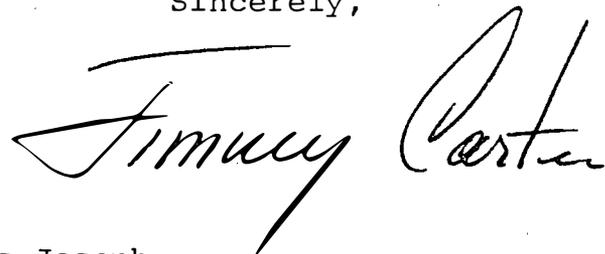
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The Honorable James Joseph  
Under Secretary of the Interior  
Washington, D.C. 20240

THE WHITE HOUSE

WASHINGTON

To Luther Hodges

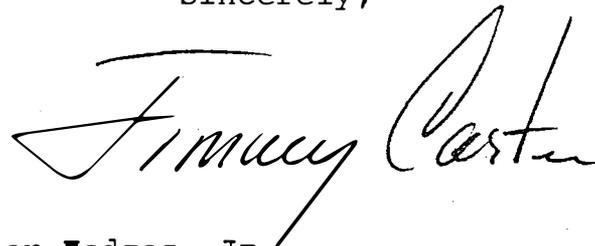
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Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name below.

The Honorable Luther Hodges, Jr.  
Deputy Secretary of Commerce  
Washington, D.C. 20230