

9/24/80

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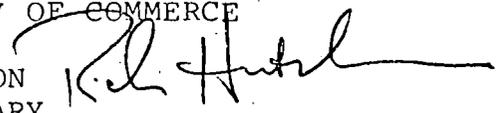
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MEMORANDUM FOR:

THE SECRETARY OF COMMERCE

FROM:

RICK HUTCHESON
STAFF SECRETARY



SUBJECT:

Designation of Channel Islands
Marine Sanctuary

On Saturday, September 20, the President approved the Designation of Channel Islands Marine Sanctuary. Attached for your information is a copy of the approval.

Rec'd in C. L. B. 2/7/40
Original with the President
Since I have not signed it yet

Decision

Approve Designation of Channel Islands Marine
Sanctuary (DOC, CEQ, DPS; OMB, DOE and OSTP
no objections)

Approve Designation except for Ban on Future
Oil and Gas Leasing (DOI)

Disapprove

J

THE WHITE HOUSE

WASHINGTON

September 19, 1980

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for Preservation Purposes**

MEMORANDUM FOR

THE PRESIDENT

FROM:

STU EIZENSTAT *Sh*
R. D. FOLSOM

SUBJECT:

Designation of Channel Islands Marine Sanctuary

Attached to this memo is a decision memo from Secretary Klutznick in which he recommends that you approve his designation of the Channel Islands Marine Sanctuary. The law requires that the President approve the Secretary of Commerce's designation of a marine sanctuary. The Channel Islands are off the coast of southern California in the Santa Barbara Channel. The islands and the surrounding waters have high environmental values.

Klutznick points out that your 1977 Environmental Message instructed the Commerce Department to identify areas of the ocean that deserve designation as marine sanctuaries. This will be the first such designation. The marine sanctuary would surround the northern Channel Islands out to six nautical miles. The designation would allow Commerce to regulate activities within this boundary.

Commerce has consulted with the relevant Federal agencies concerning the proposed designation and published proposed regulations to govern the area.

Oil and Gas Leasing

The regulations include a provision banning all future oil and gas leasing within the boundary of the sanctuary. The Santa Barbara Channel is one of the most promising OCS hydrocarbon areas. There has been extensive leasing and production throughout the channel for a number of years. The area proposed for designation as a marine sanctuary, however, has not been extensively developed and is not a high potential area. It is estimated that the area may contain 11 million barrels of crude oil and 17 billion cubic feet of gas. There have been 35 leases

within the proposed boundary, but 19 have been surrendered without any exploration. Of the remaining 16 leases in effect, only one (owned by Chevron) has any proposed activity. The proposed regulations for governing the marine sanctuary would allow activity to continue on these existing leases.

Aside from the valuable living marine resources that would be protected by this sanctuary, this area of the Santa Barbara Channel is symbolically important. The channel was the site of the destructive 1969 Union Oil rig blowout that sparked the national environmental movement for greater protection of coastal and ocean resources. Many of the living marine resources in the channel suffered serious damage as a result of the blowout. Since 1969, this area has been the focal point of efforts by the State of California, local governments, the environmental community, and considerable citizen activity to achieve better environmental protection.

Recommendation

Commerce, CEQ and we strongly recommend your approval of the designation, including the ban on future oil and gas leasing. OMB, DOE and OSTP have no objection to your approval of the designation. Interior recommends approval of the designation, but without a ban on future leasing. Secretary Andrus has recommended that you not approve a ban on future oil and gas leasing because the Secretary of the Interior has discretionary authority to remove tracts from lease sales on a case-by-case basis. Additionally, opponents of this regulation could argue that it is inconsistent with our national energy policy.

We believe it is unlikely to expect much criticism from prohibiting future leasing in the area. The area contains only a relatively small potential for oil and gas and your action will allow existing lease activity to go forward. Future leasing in this particular area is not likely to occur in any event because of strong state and local opposition. When compared with the environmental values in the area, we agree with Secretary Klutznick that on balance, the merits weigh heavily in favor of making this designation. In view of the strong support for the marine sanctuary in the state, your political opponents would be unlikely to raise the issue.

Secretary Andrus indicated in his weekly report that your decision would be made without knowing what the final regulations say regarding a prohibition on future oil and gas leasing. The regulations in question have been available for public comment since December 1979 and the Department of the Interior and all relevant Federal agencies have consulted extensively since that time with the Commerce Department on the regulation in question. The President is rarely, if ever, required to approve of specific regulations and your approval of Secretary Klutznick's recommendation does not include such an action. However, as a matter

of policy, your approval of Secretary Klutznick's recommendation would include the decision to prohibit future oil and gas leasing which of course would be subsequently reflected in the regulations.

Your approval of this sanctuary would be an important symbolic event as well as an action that would be applauded in California. In addition to the support of the environmental community, the California Congressional delegation (19 House members and Senator Cranston), Governor Brown, and many other members of Congress, have recommended your approval of Secretary Klutznick's recommendation. Approval of the sanctuary would also be a concrete example of your commitment to the "Year of the Coast." Failure to approve the ban on future oil and gas leasing within the sanctuary boundary would nullify the positive reception that you can expect in California and we would recommend that your decision not be announced until after your trip to California.

If you approve this designation, we recommend that it be announced prior to your campaign trip to California next week. Attached to this memorandum is an approval statement that we recommend be released on Saturday, September 20. The speechwriters have approved the statement and we recommend that you sign it. The statement includes a reference to the point that your decision allows existing oil and gas activities to go forward.

Decision

✓ Approve Designation of Channel Islands Marine Sanctuary (DOC, CEQ, DPS; OMB, DOE and OSTP no objections)

⊖ Approve Designation except for Ban on Future Oil and Gas Leasing (DOI)

 Disapprove

✓ Approve release of statement

 Disapprove statement

J
Holt
announcement
until you
have notified
Andrew

THE WHITE HOUSE
WASHINGTON

Rick Hutcheson
The attached was returned in
Mrs. Carter's outbox. It is
being forwarded to you for
appropriate handling.

Madeline MacBean

9-23-80

A handwritten signature in black ink, appearing to be 'M MacBean', written in a cursive style.

THE WHITE HOUSE
WASHINGTON

9/18/80

THE FIRST LADY

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

Rick Hutcheson

SEP 22 1980

THE WHITE HOUSE
WASHINGTON

11/10
J

9/17/80

Mrs. Daley called to say that she thought "Mrs. Carter gave the finest and most sincere speech" she has ever heard -- and "The First Lady did not miss a topic. She spoke about all the things he has done in his Administration, and described very well her feelings about him."

Just f.y.i. -- for you & RSC.

-- SSC

(312) 247-4141
ssc ret call 9/18/80

R

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

9/24/80

FRANK MOORE

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

Rick Hutcheson

NAME Rep. Tip O'Neill

1756

TITLE Speaker of the House

F.M.

CITY/STATE _____

Requested by Frank Moore

Phone Number--Home () _____

Date of Request 9/24/80

Work () _____

Other () _____

INFORMATION (Continued on back if necessary)

Courtesy call - Purpose and elements of your upcoming statement on the Iran-Iraq conflict.

NOTES: (Date of Call 9-24)

done

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STATEMENT ON IRAN/IRAQ

I HAVE MET THIS MORNING WITH MY PRINCIPAL ADVISORS TO
REVIEW THE VERY DANGEROUS SITUATION CREATED BY THE FIGHTING
BETWEEN IRAN AND IRAQ. ALTHOUGH THE UNITED STATES IS IN NO WAY
INVOLVED IN THIS DISPUTE -- AND CHARGES TO THE CONTRARY ARE *OBVIOUSLY*
IT IS IMPORTANT TO MAKE CLEAR
AND TOTALLY FALSE -- ~~OUR POSITION ON THE CONFLICT IS IMPORTANT TO~~
~~MAKE KNOWN CLEARLY.~~

THE FIGHTING BETWEEN IRAN AND IRAQ IS CAUSING NEEDLESS
HARDSHIP AND SUFFERING FOR THE PEOPLE OF BOTH COUNTRIES. IT
REPRESENTS A DANGER TO THE PEACE AND STABILITY OF THE REGION.
THERE SHOULD BE NO OUTSIDE INTERFERENCE IN THIS CONFLICT.
IT SHOULD BE PROMPTLY TERMINATED. ANY GRIEVANCES IRAN AND IRAQ
BETWEEN
~~HAVE~~ SHOULD BE SETTLED AT THE NEGOTIATING TABLE, NOT ON THE BATTLEFIELD.

WE STRONGLY SUPPORT INTERNATIONAL EFFORTS -- ~~YESTERDAY'S OFFER~~ *MONDAY'S STATEMENT*
YESTERDAY'S
BY THE SECRETARY GENERAL OF THE UNITED NATIONS AND ~~AN~~ APPEAL BY THE
PRESIDENT OF THE SECURITY COUNCIL -- TO BRING THE FIGHTING TO A
PROMPT END AND ^{*To*} OBTAIN A NEGOTIATED SETTLEMENT.

CONSULTED
SECRETARY MUSKIE HAS ~~BEEN IN TOUCH~~ WITH A NUMBER OF FOREIGN
MINISTERS IN NEW YORK IN THE PAST SEVERAL DAYS, AND HE IS CONTINUING
THOSE CONTACTS NOW. WE ARE ALSO IN TOUCH WITH MANY OTHER NATIONS
THROUGH OUR EMBASSIES ABROAD. WE WILL CONTINUE TO WORK VIGOROUSLY
WITH THE MANY NATIONS AND INTERNATIONAL ORGANIZATIONS WHO SEEK, AS
WE DO, A SPEEDY END TO THE CONFLICT.

I KNOW THAT THE CONFLICT HAS ALSO CAUSED CONCERN THAT WORLD OIL SUPPLIES MAY BE SEVERLY REDUCED, DRIVING UP OIL PRICES. THIS CONCERN IS NOT JUSTIFIED BY THE PRESENT SITUATION.

IT IS TRUE THAT OIL LOADINGS AT THE PERSIAN GULF PORTS OF IRAQ AND IRAN HAVE BEEN SUSPENDED SINCE THE OUTBREAK OF HOSTILITIES. BUT EVEN IF THIS SUSPENSION PERSISTS FOR A PERIOD OF TIME, ^{THE CONSUMING} ~~WE~~ CAN ^{NATIONS} COMPENSATE FOR ^{THIS} ~~ANY~~ SHORTFALL.

OIL INVENTORIES IN THE WORLD'S MAJOR OIL CONSUMING NATIONS ARE NOW AT AN ALL-TIME HIGH. THE WORLD'S MARGIN OF OIL SUPPLY SECURITY IS MUCH GREATER TODAY THAN IN THE WINTER OF 1978-79 WHEN THE IRANIAN REVOLUTION REDUCED OIL SUPPLIES AT A TIME OF DEPLETED OIL INVENTORIES. OUR GREATER SECURITY TODAY IS DUE IN PART TO ^{ENERGY} ~~GREATER OIL~~ CONSERVATION AND ^{THE} SUBSTITUTION OF OTHER FUELS FOR OIL IN THE U.S. AND OTHER INDUSTRIAL COUNTRIES. THIS HAS FACILITATED THE BUILDING OF ^{RESERVE} STOCKS TO MORE SATISFACTORY LEVELS THAN IN 1979.

HENCE, THERE IS NO REASON FOR A REPETITION OF THE SHORTAGES AND PRICE ESCALATION THAT OCCURRED IN 1979.

OF COURSE, A TOTAL SUSPENSION OF OIL EXPORTS FROM ^{THE OTHER NATIONS} ~~THE~~ PERSIAN GULF WOULD CREATE A SERIOUS THREAT TO THE WORLD'S OIL SUPPLIES AND CONSEQUENTLY TO THE ECONOMIC HEALTH OF ALL NATIONS. IN LIGHT OF THAT, I WANT TO ADD OUR STRONG SUPPORT TO THE DECLARATION ^{WHICH} ~~OF~~ THE ^{9 EUROPEAN COMMUNITY NATIONS} ~~9~~ ~~EUROPEAN COMMUNITY~~ NATIONS MADE YESTERDAY. FREEDOM OF NAVIGATION IN THE PERSIAN GULF IS OF PRIMARY IMPORTANCE FOR THE WHOLE INTERNATIONAL COMMUNITY. IT IS IMPERATIVE THAT THERE BE NO INFRINGEMENT OF THAT FREEDOM ^{OF}

LET ME REPEAT THAT WE HAVE NOT BEEN AND WILL NOT BECOME INVOLVED IN THE CONFLICT BETWEEN IRAN AND IRAQ.

ONE FINAL POINT: IN OUR CONCERN FOR THE DANGEROUS SITUATION CREATED BY THE CONFLICT ~~BETWEEN IRAN AND IRAQ~~, WE HAVE NOT LOST SIGHT OF THE AMERICAN HOSTAGES STILL HELD CAPTIVE IN IRAN. WE CONTINUE OUR WORK FOR THEIR PROMPT RELEASE. AND WE CONTINUE TO HOLD THE GOVERNMENT IN IRAN RESPONSIBLE FOR THEIR SAFETY AND WELL BEING.

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1. I HAVE MET THIS MORNING WITH MY PRINCIPAL ADVISORS
2. TO REVIEW THE VERY DANGEROUS SITUATION CREATED BY THE FIGHTING
BETWEEN IRAN AND IRAQ. /
3. ALTHOUGH THE UNITED STATES IS IN NO WAY INVOLVED IN THIS DISPUTE --
4. AND CHARGES TO THE CONTRARY ARE OBVIOUSLY AND TOTALLY FALSE --
5. IT IS IMPORTANT TO MAKE CLEAR OUR POSITION ON THE CONFLICT. /
6. THE FIGHTING BETWEEN IRAN AND IRAQ IS CAUSING NEEDLESS HARDSHIP &
SUFFERING
7. FOR THE PEOPLE OF BOTH COUNTRIES.
8. IT REPRESENTS A DANGER TO THE PEACE AND STABILITY OF THE REGION.
9. / THERE SHOULD BE NO OUTSIDE INTERFERENCE IN THIS CONFLICT.

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(OVERIT SHOULD BE PROMPTLY...)

- THE FIGHTING
1. ~~H~~, SHOULD BE PROMPTLY TERMINATED.
 2. ANY GRIEVANCES BETWEEN IRAN AND IRAQ SHOULD BE SETTLED AT THE
NEGOTIATING TABLE,
 3. NOT ON THE BATTLEFIELD.
 4. WE STRONGLY SUPPORT INTERNATIONAL EFFORTS -- :
 5. MONDAY'S STATEMENT BY THE SECRETARY GENERAL OF THE UNITED NATIONS &
 6. YESTERDAY'S APPEAL BY THE PRESIDENT OF THE SECURITY COUNCIL --
 7. TO BRING THE FIGHTING TO A PROMPT END AND
 8. TO OBTAIN A NEGOTIATED SETTLEMENT.
 9. SECRETARY MUSKIE HAS CONSULTED WITH A NUMBER OF FOREIGN MINISTERS

Electrostatic Copy Made IN NEW YORK IN THE PAST SEVERAL DAYS,
for Preservation Purposes

(NEXT CARD ...AND HE IS CONTINUING...)

1. AND HE IS CONTINUING THOSE CONTACTS NOW.
2. ~~WE ARE~~ ^{I AM} ALSO IN TOUCH WITH ~~MANY~~ OTHER NATIONS THROUGH OUR EMBASSIES
ABROAD.
3. WE WILL CONTINUE TO WORK VIGOROUSLY WITH THE MANY NATIONS &
4. INTERNATIONAL ORGANIZATIONS WHO SEEK, AS WE DO,
5. A SPEEDY END TO THE CONFLICT.

Electrostatic Copy
for Preservation Purp...

6. { I KNOW THAT THE CONFLICT HAS ALSO CAUSED CONCERN
7. { THAT WORLD OIL SUPPLIES MAY BE SEVERLY REDUCED,
DRIVING UP OIL PRICES.
8. { THIS CONCERN IS NOT JUSTIFIED BY THE PRESENT SITUATION.

(OVER ... IT IS TRUE THAT OIL LOADINGS ...)

1. IT IS TRUE THAT OIL LOADINGS AT THE PERSIAN GULF PORTS OF
2. IRAQ AND IRAN HAVE BEEN SUSPENDED SINCE THE OUTBREAK OF HOSTILITIES.
3. BUT EVEN IF THIS SUSPENSION PERSISTS FOR A PERIOD OF TIME,
4. THE CONSUMING NATIONS CAN COMPENSATE FOR THIS SHORTFALL.
5. OIL INVENTORIES IN THE WORLD'S MAJOR OIL CONSUMING NATIONS
6. ARE NOW AT AN ALL-TIME HIGH.
7. THE WORLD'S MARGIN OF OIL SUPPLY SECURITY IS MUCH GREATER TODAY
8. THAN IN THE WINTER OF 1978-79 WHEN THE IRANIAN REVOLUTION
9. REDUCED OIL SUPPLIES AT A TIME OF DEPLETED OIL INVENTORIES.

(NEXT CARD ...OUR GREATER SECURITY...)

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1. OUR GREATER SECURITY TODAY IS DUE IN PART TO ENERGY CONSERVATION &
2. AND THE SUBSTITUTION OF OTHER FUELS FOR OIL IN THE U.S. &
3. OTHER INDUSTRIAL COUNTRIES.
4. THIS HAS FACILITATED THE BUILDING OF RESERVE STOCKS TO MORE
SATISFACTORY LEVELS THAN IN 1979.

5. } HENCE, THERE IS NO REASON FOR A REPETITION OF THE SHORTAGES &
6. } PRICE ESCALATION THAT OCCURRED IN 1979.

7. { OF COURSE, A TOTAL SUSPENSION OF OIL EXPORTS FROM THE OTHER NATIONS
OF THE PERSIAN GULF
8. { WOULD CREATE A SERIOUS THREAT TO THE WORLD'S OIL SUPPLIES &
9. } CONSEQUENTLY TO THE ECONOMIC HEALTH OF ALL NATIONS.

(OVERIN LIGHT OF THAT,....)

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1. IN LIGHT OF THAT, I WANT TO ADD OUR STRONG SUPPORT TO THE
2. DECLARATION WHICH THE NINE (9) EUROPEAN COMMUNITY NATIONS
MADE YESTERDAY.
3. { FREEDOM OF NAVIGATION IN THE PERSIAN GULF IS OF PRIMARY IMPORTANCE
4. { FOR THE WHOLE INTERNATIONAL COMMUNITY.
5. { IT IS IMPERATIVE THAT THERE BE NO INFRINGEMENT OF THAT FREEDOM
OF PASSAGE.
6. { LET ME REPEAT THAT WE HAVE NOT BEEN AND WILL NOT BECOME INVOLVED
IN THE CONFLICT BETWEEN IRAN & IRAQ.
7. ONE FINAL POINT:
8. IN OUR CONCERN FOR THE DANGEROUS SITUATION CREATED BY THE CONFLICT,
(NEXT CARD WE HAVE NOT)

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FORGOTTEN FOR A MOMENT

1. WE HAVE NOT LOST SIGHT OF THE AMERICAN HOSTAGES STILL HELD CAPTIVE
IN IRAN.
2. WE CONTINUE OUR WORK FOR THEIR PROMPT RELEASE.
3. AND WE CONTINUE TO HOLD THE GOVERNMENT IN IRAN RESPONSIBLE FOR
THEIR SAFETY AND WELL BEING.

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THE WHITE HOUSE
WASHINGTON

P
9/22/80

Mr. President:

A Greenville stop is not needed to carry the state. Going there reduces a stop later on in Penn, Ohio or Ill. where it is needed. Greenville would also force another tobacco statement which would be best to avoid.

Phil

Q
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Rural Policy Development Act Bill Signing

1. ~~CHAIRMAN TALMADGE~~, SENATOR LEAHY, CHAIRMAN FOLEY,
CONGRESSMAN NOLAN, MEMBERS OF CONGRESS, LADIES AND GENTLEMEN:
2. THIS EVENT TODAY BRINGS BACK SOME VERY SPECIAL MEMORIES FOR ME. IT TAKES ME BACK TO THE DAY WHEN, AS GOVERNOR OF GEORGIA, I TESTIFIED BEFORE SENATOR TALMADGE AND THE LATE SENATOR HUMPHREY IN SUPPORT OF THE RURAL DEVELOPMENT ACT OF 1972. THAT LANDMARK BILL EXPANDED THE RURAL DEVELOPMENT MISSION OF THE FARMERS HOME ADMINISTRATION AND GAVE THE SECRETARY OF AGRICULTURE RESPONSIBILITY FOR COORDINATING RURAL DEVELOPMENT ACTIVITIES THROUGHOUT THE FEDERAL GOVERNMENT.
3. UNFORTUNATELY, THE OPPORTUNITY THAT THE RURAL DEVELOPMENT ACT OFFERED TO THOSE OF US WHO SUPPORTED IT WAS NEVER FIRMLY GRASPED. THE BASIC REASON WAS A LACK OF COMMITMENT TO CREATING A COMPREHENSIVE RURAL POLICY THROUGHOUT THE EXECUTIVE BRANCH, AND A LACK OF VISION TO SEE THE TREMENDOUS POTENTIAL OF THE PEOPLE, THE LAND, AND THE COMMUNITIES OF RURAL AMERICA.
4. WHEN I TOOK OFFICE, I SET OUT TO CORRECT THIS -- TO ESTABLISH CONSISTENT, OVERALL APPROACHES TO THE NEEDS OF BOTH OUR CITIES AND OUR RURAL AREAS. NO ONE IN CONTEMPORARY AMERICA ARTICULATED THE NEED FOR SUCH A BALANCED VIEW OF DEVELOPMENT MORE ELOQUENTLY THAN HUBERT HUMPHREY, AND I APPOINTED MEN AND WOMEN TO MY ADMINISTRATION WHO SHARED HIS SENSE OF THE INTERDEPENDENCE OF URBAN AND RURAL AMERICA. THE PRIDE WHICH ALL OF US FEEL TODAY IN WHAT WE HAVE ACCOMPLISHED IS NOT ONLY WELL JUSTIFIED,

BUT DEEPLY PERSONAL.

5. I KNOW HOW IMPORTANT THIS GATHERING IS BECAUSE I KNOW HOW IMPORTANT RURAL AMERICA IS TO OUR COUNTRY. AS AN ORGANIZER OF A SEVEN COUNTY RURAL PLANNING AND DEVELOPMENT COMMISSION, AS A STATE SENATOR REPRESENTING A RURAL DISTRICT, AS A GOVERNOR REPRESENTING A PREDOMINATELY RURAL STATE, AND AS A PRESIDENT -- I KNOW RURAL AMERICA. I KNOW ITS GREATNESS; I KNOW ITS BEAUTY AND STRENGTH. I KNOW ITS RESILIENCE IN TIME OF TRIAL AND TROUBLE AND TESTING. I KNOW THE CHARACTER OF THE PEOPLE WHO LIVE IN RURAL AMERICA, AND THE CRITICALLY IMPORTANT ROLE THEY PLAY IN THE PRODUCTION OF FOOD AND FIBER, OF ENERGY, WOOD, AND MINERALS. I UNDERSTAND THE ULTIMATE STRATEGIC VALUE OF THE LAND, AND WHAT IT MEANS, AS A FORCE FOR PEACE, AND THE BENEFICIAL INFLUENCE OF OUR NATION AROUND THE WORLD. BUT I ALSO KNOW THE PROBLEMS OF RURAL AMERICA -- ITS POCKETS OF POVERTY, ITS PROBLEMS OF ISOLATION, THE HARDSHIPS AND DEPRIVATION OF SOME OF ITS RESIDENTS.

6. SOME OF YOU HAVE HEARD ME SAY THAT THE BIGGEST SINGLE EVENT OF MY CHILDHOOD WAS THE DAY WHEN ELECTRICITY CAME TO MY FAMILY'S FARM. JUST AS WE COUNTED ON THE RURAL ELECTRIFICATION ADMINISTRATION TO LIGHT UP RURAL AMERICA OVER 40 YEARS AGO, SO TODAY WE ARE COUNTING ON THAT AGENCY AND HUNDREDS OF RURAL ELECTRIC COOPERATIVES ACROSS THE NATION, TO HELP US ACHIEVE A FUTURE OF ENERGY INDEPENDENCE. 44% OF ALL RURAL ELECTRIC LOANS EVER MADE BY REA WERE MADE DURING THIS ADMINISTRATION.

7. I ALSO KNOW PERSONALLY THE TREMENDOUS HELP THAT THE FARM SECURITY ADMINISTRATION AND ITS SUCCESSOR, THE FARMERS HOME ADMINISTRATION, HAVE BEEN IN PROVIDING CREDIT TO BUY LAND, PLANT CROPS, AND MODERNIZE EQUIPMENT. TODAY, FMHA IS ASSISTING RURAL FAMILIES BOTH ON AND OFF THE FARM TO BUILD OR REHABILITATE THEIR HOMES, TO BUILD WATER AND SEWER SYSTEMS, AND TO OBTAIN THE NECESSARY CREDIT TO OWN AND OPERATE JOB-PRODUCING BUSINESSES.

8. THE FARMERS HOME ADMINISTRATION, IN COOPERATION WITH OTHER FEDERAL AND STATE AGENCIES, IS FINANCING THE BUILDING OF CLINICS TO MAKE HEALTH CARE MORE ACCESSIBLE AND AFFORDABLE FOR ISOLATED RURAL RESIDENTS, THE BUILDING AND REHABILITATION OF TRANSPORTATION SYSTEMS, AND THE CONSTRUCTION OF GASOHOL PLANTS AND OTHER ENERGY FACILITIES. TO HELP IT UNDERTAKE THESE NEW AND EXPANDED VENTURES, WHILE STILL MEETING ITS TRADITIONAL MANDATE TO SERVE FAMILY FARMERS, WE HAVE PROVIDED RESOURCES TO THE FMHA EQUAL TO HALF OF ALL THE LOANS AND GRANTS EVER MADE DURING ITS 44 YEAR HISTORY.

9. THE RURAL RESOURCES OF THE ECONOMIC DEVELOPMENT ADMINISTRATION HAVE NEARLY DOUBLED DURING MY ADMINISTRATION.

10. MOST IMPORTANT OF ALL, THIS ADMINISTRATION HAS FORGED THE NATION'S FIRST COMPREHENSIVE SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY. WE HAVE ALREADY MADE SIGNIFICANT STRIDES IN ACCOMPLISHING MANY OF THE INITIATIVES -- SUCH AS ENERGY, HEALTH, HOUSING, TRANSPORTATION, AND SERVICES FOR THE ELDERLY -- CALLED FOR IN THAT POLICY. WE HAVE ENTERED INTO A CLOSE PARTNERSHIP WITH THE NATION'S GOVERNORS IN IMPLEMENTING SOLUTIONS TO RURAL PROBLEMS.

11. TODAY, I AM PLEASED TO SIGN THE RURAL DEVELOPMENT POLICY

ACT OF 1980 WHICH PLACES INTO LAW MANY OF THE REFORMS DEVELOPED BY OUR POLICY. IT ALSO CREATES THE POSITION OF UNDER SECRETARY OF AGRICULTURE FOR SMALL COMMUNITY AND RURAL DEVELOPMENT.

*FARMERS
In Home Admin*

12. THIS LEGISLATION WILL ENABLE FMHA TO ASSIST SMALL COMMUNITIES IN ESTABLISHING CIRCUIT RIDER PROGRAMS TO PROVIDE ASSISTANCE IN ECONOMIC AND COMMUNITY DEVELOPMENT. I AM TODAY DIRECTING FMHA TO ACT PROMPTLY TO MAKE FUNDING IMMEDIATELY AVAILABLE FOR CIRCUIT RIDERS. ~~AND IF THIS PROGRAM PROVES TO BE AS VALUABLE AS I BELIEVE IT WILL, I WILL GO BACK TO THE CONGRESS FOR ADDITIONAL CIRCUIT RIDER FUNDING NEXT YEAR.~~ THIS BILL ALSO EXTENDS OUR AUTHORITY TO CONDUCT RURAL DEVELOPMENT RESEARCH AND EXTENSION ACTIVITIES.

13. WHILE WE HAVE MADE GOOD PROGRESS IN IDENTIFYING OUR OBJECTIVES AND CHARTING OUR COURSE, MUCH REMAINS TO BE DONE. WITH THE TOOLS PROVIDED IN THIS BILL AND WITH THE CONTINUED SUPPORT, DEDICATION, AND HARD WORK OF ALL OF YOU AND THE PEOPLE YOU REPRESENT IN THE SMALL TOWNS AND COUNTRYSIDE OF RURAL AMERICA, WE WILL MAKE EVEN MORE PROGRESS IN THE FUTURE.

14. AFTER I SIGN THIS BILL, I WOULD LIKE TO CALL ON SENATOR LEAHY, ONE OF THE SPONSORS OF THIS MEASURE AND A CHAMPION OF RURAL DEVELOPMENT IN CONGRESS, TO SAY A FEW WORDS, AND ON CONGRESSMAN TOM ROLEY, CHAIRMAN OF THE HOUSE AGRICULTURE COMMITTEE.

WES WATKINS

MS GOUVERN / DASCHLE

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September 23, 1980

BILL SIGNING - RURAL DEVELOPMENT POLICY ACT

Wednesday, September 24, 1980

1:30 p.m.

East Room

From: Frank Moore *fm/pd*

I. PRESS PLAN

Full press coverage

II. PARTICIPANTS

Senate

Patrick Leahy

House

Tom Foley
Rick Nolan
Wes Watkins
Ed Jones
Tom Daschle
Beryl Anthony
Frederick Richmond
Danny Rostenkowski
John Paul Hammerschmidt

House and Senate Staff

Representatives of the Department of Agriculture
and the Department of the Interior

Municipal and county officials
Rural electric cooperative managers
Regional planning officials
Farm leaders
Rural campaign coordinators

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We will update the Congressional attendees tomorrow morning.

THE WHITE HOUSE
WASHINGTON

September 23, 1980

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MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
LYNN DAFT *Lynn*
SUBJECT: Enrolled Bill S. 670 - Rural
Development Policy Act

THE BILL

S. 670 legislatively authorizes several key components of the Small Community and Rural Development Policy you announced last December. Provisions of the bill are described in the OMB memorandum.

VOTES IN CONGRESS

The bill passed both Houses by voice vote.

AGENCY AND STAFF RECOMMENDATIONS

OMB, USDA, and DOI recommend approval of the bill. All Senior Staff concur in this recommendation. A signing ceremony will be held in the East Room on the afternoon of Wednesday, September 24. A signing statement, which has been approved by the Speechwriters is attached. We recommend that you sign the bill and use the attached statement.

DECISION

- Sign S. 670 with statement (recommended)
- Sign S. 670
- Veto S. 670

SCENARIO

THE WHITE HOUSE

WASHINGTON

September 23, 1980

MEMORANDUM TO: THE PRESIDENT
FROM: GRETCHEN POSTON *GP*
SUBJECT: SCENARIO FOR RURAL POLICY DEVELOPMENT
BILL SIGNING AND RECEPTION, SEPTEMBER 24,
1980, 1:30 PM.

1:15 PM Guests arrive Southeast Gate and proceed to East Room via Diplomatic Reception Room.

Congressman Foley, Senator Leahy, Deputy Secretary of Agriculture James Williams, and other Members of Congress arrive Northwest Gate and proceed to Blue Room.

Jack Watson arrives State Floor and proceeds to Blue Room.

1:40 PM Mr. Williams is escorted to reserved seating in East Room.

Cong. Foley, Sen. Leahy, other Members of Congress and Jack Watson are escorted to positions on platform behind signing table.

1:45 PM THE PRESIDENT arrives State Floor and proceeds to East Room doorway where HE is announced.

THE PRESIDENT proceeds to podium on platform for remarks.

At conclusion of remarks, THE PRESIDENT moves to table to sign Rural Policy Development Bill.

After the signing, Senator Leahy proceeds to podium for remarks.

Cong. Foley proceeds to podium for remarks.

THE PRESIDENT departs State Floor.

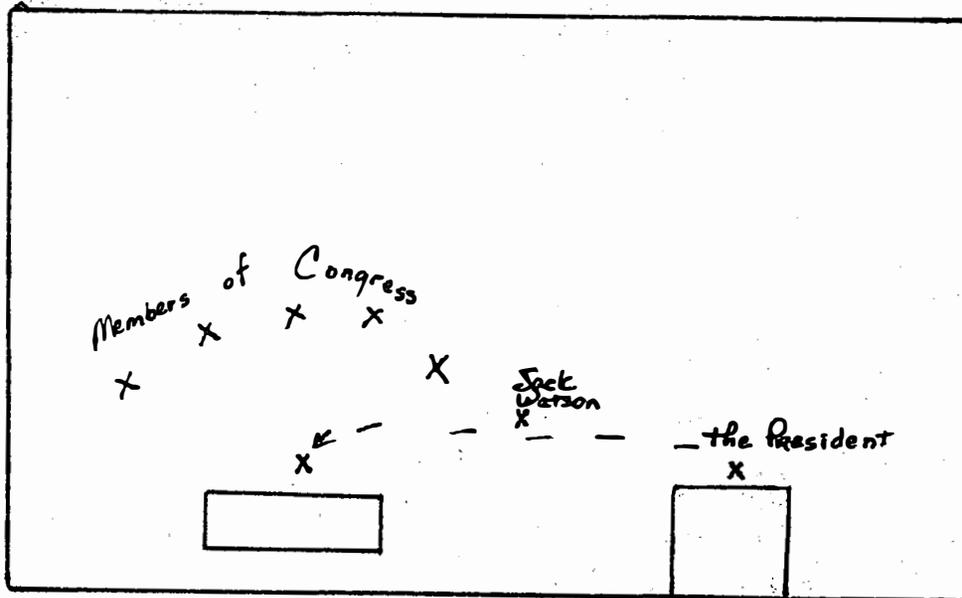
Jack Watson proceeds to podium for concluding remarks.

Guests proceed to State Dining Room for reception.

3:00 PM

All guests depart Residence.

EAST WALL



□ Mr. Williams

* Announcer
EAST ROOM
Doorway

WASHINGTON

9/24/80

PHIL WISE

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

Rick Hutcheson

2119 Leroy Place, Northwest
Washington, D. C. 20008

Phil.
ok
J

September 22, 1980

Dear Mr. President,

I would like to meet
with you for five minutes
to discuss a matter
I don't want to put
in writing.

Yours,

Ray King

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for Preservation Purposes

2:25 PM

THE WHITE HOUSE

WASHINGTON

September 23, 1980

Photo Opportunity

Anthony Diamataris
Wednesday, September 24, 1980
2:25 P.M.
Oval Office

**Electrostatic Copy Made
for Preservation Purposes**

From: Stephen R. Aiello

PURPOSE

To have a photo taken with Mr. Anthony Diamataris, owner/publisher of the Greek Accent magazine and the Greek National Herald, a Greek-American daily.

BACKGROUND

Mr. Diamataris is the owner/publisher of a Greek-American daily, which has a nationwide circulation of over 34,000. They have offices in New York, Athens, Nicosia, and Washington. In addition to the Greek language daily, they also publish a monthly magazine in English. This magazine is a new undertaking by Mr. Diamataris. He began the magazine about 3 months ago, and already the circulation is over 10,000. A copy of magazine is attached.

Mr. Diamataris submitted questions that he would like answered regarding various issues that are of concern to the Greek-American community. The State Department, in concurrence with the NSC, has responded to these questions. They will be submitted to you under separate cover. The responses and the photo will be used in the next issue of the Greek National Herald and the Greek Accent.

PARTICIPANTS

Mr. Diamataris will be escorted by Dr. Stephen R. Aiello.

PRESS PLAN

White House photographer only.

THE WHITE HOUSE

WASHINGTON

September 23, 1980

Photo Opportunity

**Electrostatic Copy Made
for Preservation Purposes**

Stanislaw Walesa
Wednesday, September 24, 1980
2:20 P.M.
Oval Office

From: Stephen R. Aiello

PURPOSE

Mr. Stanislaw (Stanley) Walesa, father of Lech Walesa, leader of the Gdansk striking workers, wishes to thank you for the restraint shown during the recent Polish crisis and for the aid extended to Poland.

BACKGROUND

Mr. Walesa and his wife came to the United States as visitors in 1971. After Mrs. Walesa was killed in an auto accident, Mr. Walesa decided to remain here. He lives in Jersey City and works in a lumber yard. He has just applied for U.S. citizenship.

Mr. Walesa was especially concerned about the recent events in Poland since his three sons are still there. He now wishes to show his appreciation for the manner in which the Administration handled the crisis and for the agricultural credits extended to the Polish people.

Mr. Walesa expressed his interest in personally thanking you for the aid to Congressman Guarini (D-NJ), who helped coordinate this meeting.

PARTICIPANTS

Mr. Walesa will be accompanied by Congressman Guarini, Mr. Harry Bochner (his interpreter), Miss Cellawa Szumiglaszki, (his fiancée). Mr. Roman Pucinski, former Congressman from Illinois and leader of the Polish-American community, and Dr. Stephen R. Aiello will also be present.

PRESS PLAN

The White House photographers will take pictures of you with Mr. Walesa and Congressman Guarini.

2:15 PM

THE WHITE HOUSE
WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

September 24, 1980

PHOTO OPPORTUNITY FOR CLARK GRUENING

September 24, 1980
2:15 p.m.
The Oval Office

From: Frank Moore *FM/ljs*

I. PURPOSE

To be photographed with Clark Gruening (pronounced GREENING), the Democratic nominee for the Senate from Alaska.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: Gruening, a 37-year-old lawyer from Anchorage, defeated incumbent Senator Mike Gravel in the Democratic primary on August 26, after a bitter fight focusing on sources of Gravel's campaign financing (many special interests) and on the Senator's inability to block passage of the Alaskan Lands bill in the Senate. This failure by Gravel played into the hands of Gruening's campaign theme that he was shortchanging Alaska by his ineffectiveness and confrontational politics in Washington.

While Gruening has kept a relatively low profile regarding his own position on Alaskan Lands, he has indicated that he advocates passage of the Senate-passed bill and has made general statements expressing his desire to get the "best deal for all Alaskans." He has mildly accused the Federal government of being unresponsive to Alaskans. While in Washington, he will be meeting with Secretary Andrus, whose office has helped Gruening set up meetings on this issue.

Although many attribute Gravel's defeat to Republican crossover votes, Gruening's victory margin (55% of the vote vs. Gravel's 44%) indicates that crossovers alone were not responsible. Because many of the Republicans who did cross over to vote against Gravel in the primary can be expected to return to the GOP for the general, this race is likely to be very close.

A pre-primary poll placing Gruening head-to-head with banker and 1970 Congressional candidate Frank Murkowski, the Republican nominee, showed Gruening the favorite. However, there was a substantial percentage of undecided votes. The Republicans have targeted the Alaska Senate race and are likely to give Murkowski's race lots of money.

Gruening is the grandson of the late Senator Ernest Gruening, one of the 49th state's founding fathers, whom Gravel had unseated in his initial bid for the Senate in 1968.

Gruening's wife Melinda will be with him at this meeting.

Participants: The President, Clark Gruening, Melinda Gruening, Dan Tate, Evelyn Small

Press Plan: White House photographer, Gruening's film crew

1

SUMMARY OF DAILY POLITICAL REPORTS

September 19-23, 1980

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New York. VP's trip to Rochester went well. See attached poll.

Massachusetts. Kevin White endorsed C/M.

Pennsylvania. Anderson had a poorly-advanced trip to Harrisburg and Allentown. The press observed that he spoke to a half-empty arena, and was picketed by union members while visiting a plant. Pittsburgh papers report that the CMRC campaign will be working out of Mayor Caliguiri's office in Pittsburgh.

Arkansas. Poll: Carter 48, Reagan 39, Anderson 6. No change from a poll two weeks earlier.

Florida. Moshe Dayan will visit S. Florida before the October 7 run-off and will make positive comments about Sen. Stone. We are exploring the possibility of his being helpful to us, as well. The Dade County Commissioner, Barry Shriver, a popular Democrat, has been announced as Reagan's Florida Jewish coordinator.

North Carolina. Mailing was sent to Black pastors asking them to urge their congregations to register to vote. Ted Mondale's campus visits got excellent coverage.

South Carolina. Jesse Jackson getting excellent coverage.

Virginia. M.L. King III received fair coverage in Richmond, working on voter registration.

Ohio. Press reports that Reagan will make 5 visits to Ohio in October.

California. Mickey Kantor very pleased with the President's visit. Coverage of the Torrance town meeting continues to dominate statewide news.

Kansas. Poll: Reagan 44, Carter 26, Anderson 10. Our headquarters opening, with Gov. Carlin, received good coverage.

Nevada. Page one story in Las Vegas: "MX Missile Silos May Explode."

New Hampshire. Good show of unity at the state convention, with Sen. Durkin and Dudley Dudley joining keynoter Sen. Biden in praising the President.

Alabama. Poll: Carter 47, Reagan 34, Anderson 5.

New Mexico. Poll: Reagan 39, Carter 30, Anderson 13.

West Virginia. Two recent polls show similar results:
Carter 36, Reagan 28, Anderson 13
38 26 14

Washington. Sen. Jackson sent a strong pro-Carter telegram to labor leader Marv Williams.

Louisiana. Chip's trip to New Orleans very successful.

Mississippi. Chip received excellent coverage.

Texas. The former head of the Kennedy delegation to NY, Bernardo Euseste, was announced as co-manager of the C/M campaign.

Financial report (in millions).

	money needed	projection	cash-in-hand
DNC	\$8.5	\$6.0	\$1.0
CMRC	2.0	1.6	0.2

Women. Campaign met with feminist groups to organize pro-Carter and anti-Reagan & Anderson messages to their members.

NEW YORK

POLLS: The New York Daily News released the following:

	<u>Anderson</u>	<u>Carter</u>	<u>Reagan</u>	<u>Undecided</u>
City	19%	39%	28%	14%
Suburbs	16%	26%	41%	17%
Nassau	16%	27%	39%	18%
Suffolk	12%	26%	39%	23%
Rockland	29%	24%	29%	18%
Westchester	18%	23%	49%	10%
Upstate	19%	34%	32%	15%
TOTAL	18%	34%	33%	15%
<u>Metro Area</u>				
Manhattan	27%	42%	22%	9%
Queens	20%	36%	29%	15%
Brooklyn	14%	37%	31%	18%
Bronx	15%	45%	28%	12%
Staten Island	23%	27%	36%	14%

Newsday released the following:

	<u>Carter</u>	<u>Reagan</u>	<u>Anderson</u>	<u>Undecided</u>
TOTAL	35%	29%	15%	19%
<u>Political Party</u>				
Democrat	52%	15%	14%	19%
Republican	20%	51%	13%	16%
Independent	21%	28%	25%	26%
<u>Area of State</u>				
Upstate	31%	32%	17%	20%
NYC	49%	23%	14%	14%
Suburbs	23%	36%	14%	27%
Nassau	25%	39%	13%	23%
Suffolk	24%	40%	13%	23%
<u>Voted in 1976</u>				
Carter	54%	16%	13%	18%
Ford	13%	56%	14%	17%
DN Vote	31%	21%	28%	21%
<u>Education</u>				
Some HS	43%	29%	8%	20%
HS	36%	35%	10%	19%
Some College	36%	24%	22%	17%
College	35%	29%	19%	17%
<u>Age</u>				
Less than 25	32%	17%	39%	13%
25-34	44%	19%	19%	18%
35-50	30%	38%	16%	16%
51-65	39%	30%	10%	21%
Over 65	35%	35%	8%	22%
<u>Political Orientation</u>				
Liberal	50%	15%	22%	14%
MOR	33%	30%	16%	21%
Conservative	30%	45%	11%	14%
<u>Income</u>				
Less than \$10,000	41%	22%	11%	25%
\$10,000-\$15,000	44%	20%	15%	20%
\$16,000-\$25,000	34%	32%	19%	14%
\$26,000-\$35,000	35%	38%	13%	13%
Better than \$35,000	32%	31%	20%	18%
<u>Religion</u>				
Catholic	35%	34%	12%	19%
Protestant	33%	33%	15%	19%
Jewish	43%	18%	18%	22%
<u>Race</u>				
White	32%	32%	16%	20%
Black	75%	8%	8%	8%
Hispanic	71%	0%	21%	7%
<u>Sex</u>				
Male	33%	37%	16%	14%
Female	39%	24%	14%	22%

DAILY SCHEDULE

WEDNESDAY, SEPTEMBER 24

V. Pres.	Rochester, MN Providence, RI Boston, MA	Minnesota State AFL-CIO DNC Fundraiser; Political Event w/Gov. Garrahy (Tentative) RON
Chip	Milwaukee, WI Madison, WI	Media Events Interview, WKOW-TV, ABC Affiliate
Landrieu Reagan	Chicago, IL Tyler, TX El Paso, TX Grand Junction, CO	Chicago Homebuilders Event
Bush	Saginaw, MI Philadelphia, PA	
Anderson	New York City Atlantic City, NJ Wash., D.C.	(Tentative)
Lucey	Cincinnati, OH Dayton, OH	

THURSDAY, SEPTEMBER 25

V. Pres.	Boston, MA Portland, ME New Haven, CT Bridgeport, CT Wash., D.C.	MIT Speech Senior Citizens Event Senior Citizens Event
First Lady	Virginia Beach Norfolk, VA	C/M Fundraiser; State Democratic Women Black Voter Registration
Chip	Grand Rapids, MI Kalamazoo, MI Battle Creek, MI Detroit, MI	
D. Aaron Reagan	New York, NY San Jose, CA San Francisco, CA Seattle, WA Portland, OR	Candidates' Forum-American Affairs
Bush	Philadelphia, PA Long Island, NY	
Lucey	South Bend, IN S.E. Chicago Oakpark, IL	

FRIDAY, SEPTEMBER 26

First Lady	Bethlehem, PA Berlin, PA Newark, NJ	Senior Citizens Event Voter Registration Event
Strauss Chip	Dallas, TX Pittsburgh, PA Steubenville, OH Zanesville, OH	State Convention

M. Cleland	Ft. Lauderdale, FL	Democratic Women's Club of Florida
G. Eidenberg	Wheeling, IL	Northfield Co. Democratic Dinner
Reagan	Portland, OR	
	Los Angeles, CA	
Bush	Manchester, NH	
	Burlington, VT	
	Wilmington, DE	
Lucey	Los Angeles, CA	
	Hawaii	

SATURDAY, SEPTEMBER 27

Pres.	Wash., D.C.	Black Caucus Dinner
First Lady	Wash., D.C.	Black Caucus Dinner
Strauss	Houston, TX	Party Events
Weddington	Albany, OR	Oregon Democratic Women
Chip	Zanesville, OH	
	Columbus, OH	Ohio State Convention
R. Marshall	Dayton, OH	
	Toledo, OH	
Landrieu	Baltimore, MD	Maryland AFL-CIO Bull Roast
M. Cleland	New York, NY	Von Steuben Day Parade
Reagan	Santa Barbara, CA	(Ranch)
Bush	Wilmington, DE	
	Fairfield, CT	

SUNDAY, SEPTEMBER 28

Rubenstein	Alexandria, VA	Beth El Hebrew Congregation
A. Young	Chicago, IL	

MONDAY, SEPTEMBER 29

Pres.	New York, NY	ILGWA Convention
First Lady	Dallas, TX	
	Shreveport, LA	
	Jackson, MS	
A. Young	Milwaukee, WI	(Tentative)
Reagan	Texarkana, AR	(Tentative)
	Boise, ID	
Bush	New Orleans, LA	
Lucey	Sacramento, CA	
	San Francisco, CA	

24 Sep 80

JIM MCINTYRE

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

Rick Hutcheson

cc; THE VICE PRESIDENT

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

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

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

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

THE WHITE HOUSE
WASHINGTON

9/23/80

TO: SUSAN CLOUGH

FROM: RICK HUTCHESON

RH

C

OMB would like to get a decision on this by Wednesday afternoon.

I'm sending you this copy on case the President has a chance to look at it today. If not, it will be on his desk when he returns.

**Electrostatic Copy Made
for Preservation Purposes**

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

SEP 22 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM McINTYRE *Jim*

SUBJECT:

Conference Issue on Foreign Service Pay in
H.R. 6790 (Fascell, D - Florida and 3 others)

H.R. 6790, the Administration's Foreign Service (FS) reform bill, is tentatively scheduled for Congressional Conference Tuesday, p.m., September 23. That bill provides the first major restructuring and restatement of the FS personnel and pay authorities since 1946, paralleling the Civil Service Reform Act. The House version strips from the President the authority over linkage between the FS and General Schedule pay systems and instead contains a statutory pay schedule more costly than the pay plan (Tab A) you previously approved. The Senate version retains the Administration proposal to continue Presidential authority over the FS pay system. Enactment of the House version would prompt serious consideration of a veto, which the State Department and the Committees are anxious to avoid.

As a result of Administration negotiations with key House Members, we believe there is a better than even chance the House will recede to the Senate on pay if the Administration can advise the Committees of a specific Presidential decision as to FS comparability that has the support of the Department of State.

OPM and we have developed jointly the compromise pay plan outlined below and reflected in the attached table (Tab B), which has the concurrence of the Secretary of State. In this memorandum, we seek your concurrence in this compromise.

House bill

In addition to removing the President's discretion, the House bill would impose a distorted 10-Class pay schedule that cannot be justified. It would cost an additional \$34 million over current FS pay costs, \$19 million more than the FS pay increases which you decided on earlier this year. It would allow an average pay increase of 12 percent. While this very high option is probably a negotiating tactic for compromise with the Senate, the lowest the House is likely to go without Administration intervention is a package costing \$29.5 million. This is the package that the State Department supported earlier this year in memorandums to you, based on its "Hay Study" of pay comparability.

The House bill passed 239-78. It is a joint recommendation of the House Foreign Affairs and Post Office and Civil Service Committees, and was sponsored by Rep. Leach (R-Iowa) of the latter committee, a former FS officer. He was strongly supported by the other co-sponsors of H.R. 6790, Reps. Schroeder (D - Colorado) and Buchanan (R - Alabama).

Senate bill

The Senate bill, passed by voice vote, retains your basic authority to set FS linkages. The Senate Committee report, however, cites the Hay recommendation as "confirming" that the FS is significantly undergraded compared with the civil service. Its report states the Committee's expectation that the Administration will correct this inequity.

Compromise Plan

The compromise plan, which we have worked out with OPM and State, would cost roughly \$27 million, adding about \$12 million to your earlier proposal. Although expensive, it is premised on linkages we and OPM believe are appropriate although not ideal. The compromise plan would make a one-time increase in FS pay that averages \$2,570 a year, or 9.6 percent.

Discussion

The revised linkages and overall added cost of this compromise are at the upper limit of what we can recommend. They exceed the Administration's original proposal by a wide enough margin to represent a credible compromise offer to the Committee. We believe they are as far as we should go to avoid a veto and obtain the major structural reform of the FS system that H.R. 6790 would provide.

We have worked with the State Department to develop acceptable conference positions on nearly all of the other outstanding differences in the House and Senate bills, and are hopeful the Administration will prevail in most instances. Therefore, successful compromise of the pay issue will enhance chances of enactment of the reform bill before the Congressional Recess. If you concur, we will send a letter to the Conferees outlining the Administration's intention. Having stated this position, we suggest no further bargaining. If this compromise cannot be struck with the Congress, there is the possibility you will get a bill that is a veto candidate.

Scotty Campbell and Secretary Muskie join me in recommending approval of the compromise proposal and will work with us in supporting your decision on the Hill.

Decision

Approve compromise
 Disapprove

*I will have
no reticence
about a veto
J*

Attachments

DECISION

<u>OPTION</u>	Annual recurring budget increase (in millions)	Average annual Pay Increase**	
		\$	%
Option II (State)	\$29.0	\$2,721	10.2%
Option IV (OMB/OPM)	\$15.16	\$1,422	5.33%
Somewhere between Options II and IV	\$22.0*	\$2,100*	7.7%*
Other			

* Approximate

** Over and above the relevant comparability pay increase which is estimated at 6.2 percent for fiscal 1981.

LINKAGE
PROVIDING COMPARABILITY
BETWEEN THE
FOREIGN SERVICE AND THE GENERAL SCHEDULE

<u>Current Grade</u>	<u>Current Linkage</u>	<u>Current First Step Pay*</u>	<u>New Grade</u>	<u>New Linkage</u>	<u>New First Step Pay*</u>
FSS-3		GS-14.40	FS-1	GS-15	GS-15.00
4	GS-13	GS-13.00	2		GS-13.71
5		GS-11.76	3		GS-12.43
6		GS-10.38	4		GS-11.28
7		GS- 8.54	5	GS-9/step 2	GS- 9.34
8	GS- 7	GS- 7.00	6		GS-8.20
FSS-1		GS-14.40	1	GS-15	GS-15.00
2		GS-13.00	2		GS-13.71
3		GS-11.76	3		GS-12.43
4		GS-10.38	4		GS-11.28
5		GS- 9.22	5	GS-9/step 2	GS- 9.34
6		GS- 8.10	6		GS- 8.20
7		GS- 7.02	7		GS- 7.10
8		GS- 5.98	8		GS- 6.03
9		GS- 4.97	9	GS- 5	GS- 5.00
10	GS- 4	GS- 4.00	9	GS- 5	GS- 5.00

* Approximate

DEPARTMENT OF STATE
WASHINGTON

September 22, 1980

MEMORANDUM TO: The President

FROM: Warren Christopher, Acting *WC*

Secretary Muskie and I fully support the compromise \$27.4 million Foreign Service pay comparability option recommended by OMB and OPM for your approval.



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

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Scotty Campbell and Secretary Muskie join me in recommending approval of the compromise proposal and will work with us in supporting your decision on the Hill.

Decision

_____ Approve compromise

_____ Disapprove

Attachments

DECISION

<u>OPTION</u>	Annual recurring budget increase (in millions)	Average annual Pay Increase**	
		\$	%
Option II (State)	\$29.0	\$2,721	10.2%
Option IV (OMB/OPM) <i>J</i>	\$15.16	\$1,422	5.33%
Somewhere between Options II and IV	\$22.0*	\$2,100*	7.7%*
Other			

* Approximate

** Over and above the relevant comparability pay increase which is estimated at 6.2 percent for fiscal 1981.

LINKAGE
PROVIDING COMPARABILITY
BETWEEN THE
FOREIGN SERVICE AND THE GENERAL SCHEDULE

B

<u>Current Grade</u>	<u>Current Linkage</u>	<u>Current First Step Pay*</u>	<u>New Grade</u>	<u>New Linkage</u>	<u>New First Step Pay*</u>
0-3		GS-14.40	FS-1	GS-15	GS-15.00
4	GS-13	GS-13.00	2		GS-13.71
5		GS-11.76	3		GS-12.43
6		GS-10.38	4		GS-11.28
7		GS- 8.54	5	GS-9/step 2	GS- 9.34
8	GS- 7	GS- 7.00	6		GS-8.20
9-1		GS-14.40	1	GS-15	GS-15.00
2		GS-13.00	2		GS-13.71
3		GS-11.76	3		GS-12.43
4		GS-10.38	4		GS-11.28
5		GS- 9.22	5	GS-9/step 2	GS- 9.34
6		GS- 8.10	6		GS- 8.20
7		GS- 7.02	7		GS- 7.10
8		GS- 5.98	8		GS- 6.03
9		GS- 4.97	9	GS- 5	GS- 5.00
10	GS- 4	GS- 4.00	9	GS- 5	GS- 5.00

* Approximate

DEPARTMENT OF STATE
WASHINGTON

September 22, 1980

MEMORANDUM TO: The President

FROM: Warren Christopher, Acting *WC*

Secretary Muskie and I fully support the compromise \$27.4 million Foreign Service pay comparability option recommended by OMB and OPM for your approval.

NSC MEeting, Wednesday, 9/24/80

Electrostatic Copy Made
THE WHITE HOUSE
for Preservation Purposes
WASHINGTON

NSC

9-24-80

Terminate

Dipl & Pol. cr, Islamic

Term integ of Iran

Protect hostages

Peace in Iraq

- SU intrusion

Guarantor (SU)

Co-guarantor (US-SU)

US 1 sup UNSC - Islamic move

St of Hormuz - multinat action

Rahol vs Iran = no boarding

insurance org.

- Iraq: Undo '75 agreement

Topple Khomeni

- Iraq has staying power

UN Naval Force -