

10/6/80 [1]

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memo	<p>From Brzezinski to The President (one page) re: West German Elections</p> <p align="center">OPENED 8/12/93</p>	10/4/80	-A-

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WASHINGTON

10/06/80

ZBIG BRZEZINSKI

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

Rick Hutcheson

CONFIDENTIAL

~~CONFIDENTIAL~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

CONFIDENTIAL

October 4, 1980

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

FRG Election

In the highly likely event that Schmidt and Genscher win the German election on Sunday, I suggest that you call Schmidt Monday morning and congratulate him. Ed Muskie will be doing the same with Genscher. Your formal message of congratulations will await the formation of a new government. Since Schmidt has said he will be coming to New York on November 16-20 to receive the Family of Man Award, you may also wish to invite him to Washington during that period for a talk. I will get the word to you early Monday morning to go ahead with the call when I am sure that the election results are definitive. (C)

Jones
J

DECLASSIFIED

E.O. 12958, Sec. 3.4

PER *7/23/83 NLC/H* BY *MR-NLC-92-195*
BY *[Signature]* MAR. DATE *7/2/83*

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~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

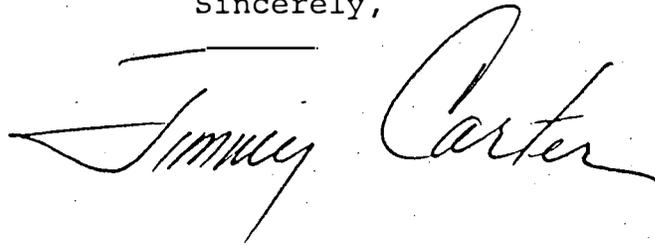
October 6, 1980

To the Girls and Boys of
Mrs. Spurlock's Class

Thank you for your recent letters.
It was great hearing from all of you.
Keep up the good work!

With best wishes,

Sincerely,



To the Pupils of Mrs. Spurlock's
Second Grade Class
Donnelsville Elementary School
Donnelsville, Ohio 45319

85 handwritten
p.s. I like being President,
and will appreciate your
help with my Campaign.
You live in a wonderful
Country! J.C.
8010071835

THE WHITE HOUSE
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10/3/80

Attached was left in
limo yesterday. Did you
promise to deal with it
personally -- or was it
left behind by a guest who
rode with you?

we

thanks -- ssc

*Write
to class -
LMS*

*J
attached*

THE WHITE HOUSE
WASHINGTON

10/06/80

STU EIZENSTAT
DAVID RUBENSTEIN

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

Rick Hutcheson

CC: PHIL WISE

	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 <i>D.R.</i>
		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

David
J

Memo to : The President
From: David Rubenstein
Subject: Follow-up call to Flint Townhall Questioner

Yesterday at the townhall meeting, you indicated to the Teamster questioner concerned about TRA benefits that you would call him today with an answer. I have checked with the Labor Department on a possible response; the Department confirms what we thought yesterday--that workers who provide services--like truckdrivers--are not covered now by TRA and would not be covered by the position we took on the Vanik bill. As you know, our position on that bill was simply to extend TRA benefits to employees of suppliers to companies affected or injured by imports if 50% of the suppliers' sales were to these injured companies. The Vanik bill would have gone beyond that position and included service workers.

We opposed that further expansion of the TRA benefits because of the great difficulty in determining the limits of coverage, the budgetary cost, the basic concept of TRA benefits (to protect those dealing in products moving in international trade), and the fact that those providing services can much more readily find alternative jobs or business.

I would recommend that you call the questioner, explain our enormous commitment to the TRA program (gone from about \$250 million a year to nearly \$2 billion), our concern about increasing costs further, and our desire and programs to get the auto industry back on its feet promptly so that Teamsters and others who have been affected by the auto slump will soon be back to normal, if not in a better position. You might also mention that we are concerned about the needs of Teamsters, and worked closely with them in developing the trucking deregulation legislation.

His name is Clarence Murphey; his number in Flint is 313-785-6745.

Gave him message
He's disappointed
Said he will support Cfr because
of answer I gave two little girls.
May come by oval office for
photo - Tell Phil

THE WHITE HOUSE
WASHINGTON

10/06/80

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

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

Rick Hutcheson

ADMINISTRATIVELY CONFIDENTIAL



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

C
/

October 3, 1980

MEMORANDUM TO THE PRESIDENT

**Electrostatic Copy Made
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THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

PRICES. Prices received by farmers rose 2 percent in September, the smallest increase since May. Higher prices for soybeans, corn, milk, lettuce, cotton and eggs more than offset lower prices for cattle, potatoes and hogs. Prices paid by farmers rose 1.1 percent in September from August and were 12.2 percent above last September. Contributing most to the increase were higher prices for feed, seed, feeder livestock and farm equipment.

MILK. The price support for milk with a milkfat content of 3.5 percent has been increased to \$12.80 per cwt. for the new marketing year beginning October 1, up from \$12.07. The change was made in line with legal requirements.

INDIA. India's Minister of State for Agriculture and Rural Reconstruction indicated that India will not import wheat to meet the present shortage in West Bengal and Tamil Nadu states. The official added that there were adequate wheat stocks in the producing states of Punjab and Haryana.

A handwritten signature in cursive script, appearing to read "Jim Williams".

JIM WILLIAMS
Acting Secretary



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

C

October 3, 1980

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MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Thomas G. Allison
Acting Secretary

A handwritten signature in black ink, reading "Thomas G. Allison", is written over the typed name in the "FROM" field.

SUBJECT: Significant Issues for the Week of September 29

Rail Regulatory Reform - Passage of the rail bill in the waning moments prior to the Congressional recess and despite last minute roadblocks testifies to the force of the idea and to the hard work of White House and DOT staff.

DOT Appropriations - With passage of the Department's appropriation on the final day of Congress, we become the only Department not dependent on a Continuing Resolution.

Pending Legislation - The following departmental bills came close but were not completed before Congress adjourned: airport development, authorization for the National Highway Traffic Safety Administration, hazardous materials transportation authorization, mass transit authorization, and the oil and chemical spills "Superfund". Secretary Goldschmidt will submit to you next week a more detailed scoreboard on transportation legislation. We hope some of these bills can be enacted when Congress returns following the election.

National Energy Transportation Study - Jointly with the Department of Energy, we this week released to the public the National Energy Transportation Study which you mandated in April, 1977. In releasing the report, Secretary Goldschmidt stated: "Taken on a first-things-first basis, this report emphasizes the need to increase the railroad's capacity to respond to the vastly increased coal-hauling demands of the next decade. The Administration's legislation on rail deregulation is aimed at helping the railroads meet that goal." Other significant findings in the report include the following:

- * Coal traffic in the west will dramatically increase. Specific rail corridors needing capacity increases are noted. Appalachian coal traffic will increase at a slower rate, but still double by 1990. Western communities on some rail lines will be heavily impacted by increased coal traffic.
- * Crude oil traffic will increase only slightly, but will shift geographically. Alaskan and California shipments eastward and to the Gulf region will increase, as will shipments from the Gulf region northward.
- * Use of natural gas will decline, but pipeline construction in the Upper Plains states will be needed due to shifts in distributional patterns.
- * There will be no capacity problems with shipment of nuclear fuel and wastes, but a strong Federal role to insure safety is required. (The Department this year took one step by proposing a rule to preempt inconsistent state and local restrictions on shipment of radioactive materials.)

Liberty City (Miami) Grant - The Department has ready for announcement a relatively small grant to begin construction of a transit maintenance facility in the area of last spring's riots in Miami. The significance of the grant is the innovative and experimental efforts we will make to utilize minority contractors and to get unemployed project area citizens into permanent transit-related jobs.

Aviation Negotiations with the Philippines - Negotiations this past week appear to have achieved a dramatic breakthrough in what has been an often strained and excessively restrictive aviation relationship with the Republic of the Philippines. The liberal new arrangements will increase significantly the number of U.S. airlines permitted to fly to the Philippines and the number of flights available, will substantially liberalize pricing, and will increase routing flexibility. The agreement represents a major step in the advancement of the Administration's international aviation policy.



THE SECRETARY OF THE TREASURY

WASHINGTON

October 3, 1980

C
/

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. <u>THE MARKETS AND THE DOLLAR</u>	<u>Today's Close</u>	<u>Change Since 9/19</u>
Dow Jones Industrial Average	\$950.68	+\$10.58
Prime Rate	13-1/2% to 14%	+1/2% to +1%
Gold (London)	\$662.00	-\$31.50
Silver (COMEX) (October Contract)	\$ 20.20	\$- 0.55

- Most major banks increased their prime rate to 13 1/2 percent. Citibank has increased its rate to 14 percent.
 - Money supply figures released this afternoon (for the week of September 24) show the aggregates declining: M-1A by \$3.4 billion and M-1B by \$3.6 billion. These declines break a string of eight weekly increases and have had a very positive impact on fixed income prices in after-hours trading. The bond markets will probably continue to improve next week as well.
 - Treasury securities rallied strongly upon news that September producer prices declined 0.2 percent.
 - Stock prices staged a mild recovery from last week's sharp sell off. Concern over the inflationary impact of a possible Iran-Iraq inspired oil supply shortage was mitigated by Saudi Arabia's decision to increase production.
 - Over the week, the dollar was mixed in London. It was firm against the German mark and depreciated 2 percent against the Japanese yen. Today after-hours, however, the dollar declined in response to market impressions that U.S. monetary policy would be easing.
2. IMF/WORLD BANK JOINT ANNUAL MEETING
- The Fund/Bank meeting was a success from our point of view. It endorsed the larger role we advocate for these institutions in dealing with the "recycling" process and in promoting needed structural adjustment in member economies. Widespread support was also voiced for strengthened Bank activity in the energy area.

- . Your statement to the meeting was extremely helpful in underscoring the importance we place on protecting the integrity and competence of the Bank and Fund in the "global negotiations" context. However, some of the issues of special interest to LDCs, particularly concerning SDR allocations, were appropriately advanced and, after further preparatory work, will be ready for consideration at the next IMF Interim Committee meeting in May.
- . As reported separately, the PLO observer issue has been settled non-confrontationally, at least for now.

3. NEW YORK CITY

- . On October 2, Treasury issued a \$300 million guarantee of New York City debt following the resolution of a series of thorny Congressional issues earlier in the week. A total of \$1.05 billion in loan guarantees to New York has now been issued. There remains \$600 million of unissued guarantees, which the City is expected to request next year.

4. POST-ELECTION LEGISLATIVE ITEMS

- . The Congress has recessed without completing action on several high priority Administration legislative measures which we will be pursuing in coordination with Frank Moore and OMB when Congress returns in November. In particular, our high priority items for passage are: General Revenue Sharing, IMF and Multilateral Development Banks Appropriations, IDA VI Authorization, and the FY 81 Treasury Appropriation.

5. U.S.-SAUDI ARABIAN DIALOGUE

- . Today, Saudi Finance Minister Abalkhail and I hosted the opening session of a two-day "Dialogue" between forty U.S. and Saudi private sector leaders in business, finance, and academia. Organized under the auspices of the U.S.-Saudi Arabian Joint Commission on Economic Cooperation, these off-the-record discussions are designed to promote understanding between the private sectors of each country in a manner similar to what the Joint Commission has done at the governmental level.



G. William Miller



THE SECRETARY
WASHINGTON, D.C. 20202

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OCT 3 1980

MEMORANDUM TO THE PRESIDENT

SUBJECT: Weekly Report of ED Major Activities

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MANAGEMENT INITIATIVES

In our first meeting last fall, we discussed our mutual desire to make the Department of Education a model for affirmative action. I am pleased to report that women and minorities currently occupy 40 of the Department's 67 positions at the Deputy Assistant Secretary rank and above (60%).

This impressive accomplishment has resulted from a joint effort with your Personnel Office, and I particularly want to recognize Decker Anstrom of Arnie Miller's staff for his assistance. While some specific areas still need improvement, the overall record is a very strong example of the affirmative action achievement of your Administration. A complete statistical overview of these accomplishments is attached.

REGULATIONS

Public hearings on the proposed Lau regulations have been completed, and comments continue to be received by the Department. The public comment period ends October 20, 1980.

LEGISLATION

- o Included in the Department's FY 1981 Continuing Resolution on Appropriations was an amendment submitted by Senator Chiles on the proposed Lau regulations. The amendment provides that no funds available to the Department "shall be used to adopt or enforce any final regulations which replace the current Lau remedies...before June 1, 1981." Additionally, the Conference Committee report indicates that any reference by the Chiles amendment to the "Lau remedies" is not to be interpreted as either ratifying or prohibiting the "remedies." The Department is currently reviewing the implication of this amendment for the development of the regulations.

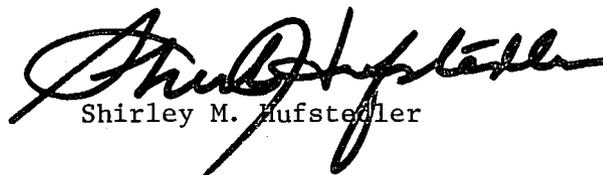
- o On October 1, the House passed the Senate version of H.R. 7859, (Stack) a bill providing educational assistance to Cuban and Haitian refugees children and adults. This bill should complement the efforts this Department has already initiated to help communities such as Miami cope with the added costs incurred in educating this new group.

HISPANIC INITIATIVE

The Department has continued its support of the successful "Villa Alegre" series with an award of \$818,000 to Bilingual Children's Television.

MEETINGS AND SPEECHES

- o The Swearing-in ceremony for the Intergovernmental Council on Education was conducted on September 29, 1980. I welcomed the new members, followed by remarks by the Vice President. Membership of the Advisory Council includes Florida's Governor, the Honorable Robert Graham, Chairman, and Mayor Richard Hatcher of Gary, Indiana.
- o Attached is a complete schedule of my speaking engagements between now and the end of the month. In addition, I have urged all other Senior Principal Officers to make themselves available for meetings and speeches to key constituent groups of the Department.



Shirley M. Hufstetler

Attachments

DEPARTMENT OF EDUCATION

Affirmative Action Statistics

Deputy Assistant Secretaries and Above

(Positions Filled as of September 30, 1980)

	<u>Positions Filled</u>	<u>Percentage</u>
Women and Minorities	40	59.7%
White Males	<u>27</u>	<u>40.3%</u>
TOTALS	67	100.0%

	<u>Positions Filled</u>	<u>Percentage</u>
Males	46	68.7%
Females	<u>21</u>	<u>31.3%</u>
TOTALS	67	100.0%

	<u>Positions Filled</u>	<u>Percentage</u>
Handicapped	2	3.0%
Non-Handicapped	<u>65</u>	<u>97.0%</u>
TOTALS	67	100.0%

	<u>Positions Filled</u>		<u>Total</u>	<u>Percentage of Total</u>
	<u>Male</u>	<u>Female</u>		
American Indian	1	0	1	1.5%
Asian	0	1	1	1.5%
Black	13	2	15	22.4%
Hispanic	5	1	6	9.0%
Caucasian	<u>27</u>	<u>17</u>	<u>44</u>	<u>65.6%</u>
TOTALS	46	21	67	100.0%

SECRETARY HUSTEDLER'S SPEAKING ENGAGEMENTS

<u>DATE</u>	<u>EVENT</u>	<u>LOCATION</u>
October 4, 1980	Address to the Federated Democratic Women of Ohio	Columbus, OH
October 5, 1980	"Celebration of Life" Dinner - speech (sponsored by the leadership of the Philadelphia Jewish Community)	Philadelphia, PA
October 8, 1980	Hunter College/Installation of Donna Shalala - speech	New York, NY
October 9, 1980	American Council on Education - speech (Hyatt Regency)	San Francisco, CA
October 9, 1980	Campaign for Congressman Jim Corman	Los Angeles, CA
October 10, 1980	Women of Wall Street West, Inc. - speech (Century Plaza Hotel)	Los Angeles, CA
October 11, 1980	North Carolina School of Science and Mathematics Dedication Ceremony (with Gov. James B. Hunt)	Raleigh-Durham, NC
October 11, 1980	All Candidates Dinner	Richland, WA
October 15, 1980	Town Meeting on Education and Other Activities with Senator Claiborne Pell	Rhode Island
October 20, 1980	Shirley M. Hufstedler Day	Albuquerque, NM
October 21, 1980	Magazine Publishers Association - speech (Canyon Hotel)	Palm Springs, CA
October 22, 1980	League of Women Voters of California - (Century Plaza Hotel)	Los Angeles, CA
October 23, 1980	Women's American Organization for Rehabilitation through Training (ORT) - speech (Hyatt Regency Houston)	Houston, TX
October 24-26, 1980	Campaign in Texas with Liz Carpenter	Texas
October 29, 1980	To Receive the Justice Lodge B'Nai B'rith Annual Award	Philadelphia, PA
October 31, 1980	National Coalition of ESEA Title I Parents - speech (Galt House)	Louisville, KY



THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

C

October 3, 1980

MEMORANDUM FOR: THE PRESIDENT

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

A handwritten signature in black ink, appearing to read "C. W. Duncan, Jr.", written over the printed name.

SUBJECT: Weekly Activity Report
Week of September 26 - October 3, 1980

1. Strategic Petroleum Reserve: The Reserve now contains 91.9 million net barrels of oil. As of yesterday, the Defense Fuel Supply Center (DFSC) had awarded contracts for 23,725,000 barrels of oil, an amount equivalent to a daily fill rate for the next year of 65,000 barrels. The DFSC is reopening solicitations today for the remaining 12,275,000 barrels because it believed the remaining bids under the first solicitation were at least \$4 per barrel too high. The solicitation will remain open for 5 to 7 days, with awards expected by October 10 through 12. We expect that the 23,725,000 barrels now under contract will enter the Reserve between now and December at an average rate of 161,000 barrels per day. The daily fill rate will not exceed 300,000 barrels.

Senator Dole introduced legislation on September 26 requiring that the Reserve be filled at a rate of 300,000 barrels per day. He may offer this bill as an amendment to the Interior and Related Agencies Appropriations bill during the lame duck session.

2. Legislation: The following is a status report on our major legislative proposals.

- o The Energy and Water Development Appropriations Act and the West Valley Demonstration Project Act were signed this week.
- o The FY 1981/82 Department of Energy Authorization for National Security Programs, the Energy Management Partnership Act, and the Interior and Related Agencies Appropriations bill are expected to pass during the lame duck session. The first two require House action; the last requires Senate action.
- o Two other bills may pass during the lame duck session. The Pacific Northwest Power Act is awaiting House action. Nuclear waste management legislation is also awaiting House action. It is still caught between conflicting bills offered by Congressmen McCormack and Udall.
- o There are five significant energy-related bills that we do not expect to see enacted during the lame duck session: the energy mobilization board, the utility oil backout legislation, coal slurry pipeline legislation, coal severance tax legislation, and tar sands legislation.

3. Synthetic Fuels Solicitations: Tuesday was the last day for proposals under our \$300,000,000 solicitation for synthetic fuels feasibility studies and cooperative agreements. We received approximately 1050 proposals, compared with 971 for the first solicitation. 70 percent were for feasibility studies; 30 percent were for cooperative agreements. We will announce the winners in about two months.

We expect to release within the next few days the final solicitations for \$5 billion in purchase commitments, loan guarantees, and price guarantees for synthetic fuels under the Defense Production Act and the Federal Nonnuclear Research and Development Act.

4. Alaska Natural Gas Transportation System: The North Dakota Public Service Commission has ordered the route of the Eastern Leg of the Pipeline altered from that approved by the FERC. The Federal Inspector and the FERC have sued in federal district court, seeking to have that order overturned because it conflicts with federal law. The federal plaintiffs will file for summary judgment later this month. They are optimistic that they will prevail. If, however, the North Dakota order stands, the company believes that the necessary changes would delay the project a year and increase its cost substantially.

The Northern Border company announced its order for pipe for the Eastern Leg this week. It will buy about 580 thousand tons of steel, valued at near \$490 million. Of this, \$300 million in orders will go to three U.S. mills. The Congressional Steel Caucus has been briefed and reportedly reacted favorably.

5. Minority Banks: Next week we will complete arrangements to deposit \$16 million to \$20 million in oil company overcharge settlement funds in 75 minority owned banks pending final disposition of the funds. This program was conceived by our Office of Minority Economic Impact.

6. Conservation and Solar Energy: On September 30, for the first time in its history, the Office of Conservation and Solar Energy was at its full authorized strength, 630 employees.

7. Chairman and Board of the Synfuels Corporation: I urge you to make recess appointments except for those which obviously should be deferred. To not move forward with these appointments would defer urgently needed progress in this area and make more difficult any response to political or substantive allegations that you did not move as expeditiously as possible.

8. Trips: I traveled to Venezuela Tuesday and Wednesday. I met with President Herrera Campins, Minister of Energy and Mines Calderon Berti, and the President and Directors of Petroleos de Venezuela. Our discussions centered on bilateral research and development cooperation, the market for Venezuelan crude and residual fuel oil, Venezuela's development plans for heavy oil, Western Hemisphere cooperation, and compensation for U.S. oil companies. I believe our talks were useful.

Next Tuesday I will be in Palm Beach, Florida, to address the Interstate Natural Gas Association.



Office of the Attorney General
Washington, D. C. 20530

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October 3, 1980

Principal Activities of the Department of Justice
For the Week of September 27 through October 3, 1980

1. Meetings and Events

On October 1 the Attorney General swore in Dr. Harry Scarr as the Director of the Bureau of Justice Statistics.

On October 3, the Attorney General received The Man of The Year Award from the Italian-American Bar Association of Northern California in San Francisco.

2. Judicial Selections

The Senate confirmed 10 judicial candidates on September 29. This brings the total number of judicial candidates nominated by the President and confirmed by the Senate to 264. Of these 264 judgeships, 142 were created by the Omnibus Judgeship Act of 1978. There are currently 30 judicial vacancies.

The President has vastly increased female and minority representation on the federal bench. He has thus far appointed 41 women, 38 Blacks and 16 Hispanics. When Congress recessed, 17 judicial candidates remained before the Judiciary Committee for review. Of these 17, three are Black and one is Hispanic.

3. Refugees

The Land and Natural Resources Division is coordinating the efforts of five federal agencies to respond to three lawsuits, one of them initiated by the Commonwealth of Puerto Rico, filed this week in Federal District Court in San Juan, Puerto Rico. The lawsuits seek to enjoin the sending of the Cuban and Haitian refugees to Fort Allen, claiming non-compliance with various environmental laws. A hearing is set for October 6 in San Juan.

4. Drug Enforcement

Three men and a woman were arrested aboard a Panamanian ship 385 miles east of New York Harbor and charged under a

new federal law that makes it a crime for United States citizens aboard ships on the high seas to possess narcotics with an intent to distribute them in the U.S. Thirty tons of marijuana were found on the ship. This is believed to be the first application of the law which seeks to stem the increasing flow of narcotics on the high seas. If convicted, each of the accused could be imprisoned for five years and fined \$15,000.

5. Legislation

On October 2 the House voted final Congressional approval of "graymail" legislation which provides judicial procedures for the handling of classified information in criminal cases involving intelligence matters. The goal of the legislation is to discourage criminal defendants from "graymailing" the government by threatening to reveal government secrets in open court, forcing the government to drop charges rather than let the secrets be exposed.

On October 1, Congress approved legislation which would split the Fifth Circuit Court of Appeals into two separate courts of appeal. The new Fifth Circuit, based in Atlanta, will consist of the states of Alabama, Florida, and Georgia. The new 11th Circuit, based in New Orleans, will consist of Louisiana, Mississippi, Texas and the Canal Zone. The division was necessary because of the Circuit's growing case load and resulting administrative problems.

The Equal Access to Justice Act, which the Department has long opposed, was included as part of the Small Business Minority Contracting Bill sent to the President for signature. Under the Act, successful litigants against the U.S. government could recover their attorneys' fees from the Treasury in most civil actions and agency adjudications unless the government could affirmatively demonstrate that its litigative positions were "substantially justified."

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

October 3, 1980

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FYI

REPORT TO THE PRESIDENT

Economic Development Administration (EDA): I fear that the failure of the Congressional Conference Committee to report out the EDA legislation could be tragic should urgent situations arise in the short term. I am hopeful, however, that a bill will pass when Congress reconvenes. Assistant Secretary for Economic Development Robert Hall and your staff deserve a great deal of credit for having brought the legislation as far as they did.

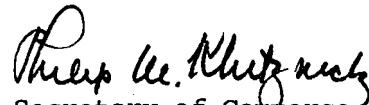
OECD: There is general agreement in the importance of the two topics that dominated my discussion with OECD Director General Von Lennepe: 1) the status of positive adjustment policies of industrialized countries; and 2) the need to reach practical decisions on the issue of favorable financing terms as a hidden subsidy in international trade. The Director General indicated there to be problems in his discussions with our Western European allies on the latter point.

Fisheries: As a part of our program of Commerce-Industry consultations, we will meet on Monday for the first time with representatives of the fishing industry to establish a continuing dialogue. Our purpose is to help develop a long-term program to improve the competitiveness and profitability of the domestic industry, with an emphasis on technology development and export promotion. I will address the specific problems being faced by particular segments of the industry, and the question of redressing our trade deficit in fisheries products. We also have under consideration a program aimed at alleviating the immediate, severe problems of the shrimp fishermen.

Forecasting Industrial Dislocations: Our work with such disparate industries as automobiles, steel, aerospace, aluminum and fisheries underscores the need to identify emerging sectoral problems in sufficient time so as to be able to address them in advance. This requires an early warning capability which can forecast three to five years in advance the performance of specific industrial sectors. We are working to upgrade and refine our capabilities in this area.

Steel: Our indications are that your steel program has been very favorably received by the industry and the communities dependent upon it. I am concerned only about the tendency of the press to misrepresent what the TPM actually is and to portray the increase in the TPM level as a government induced price rise. Following from your announcement, we are expediting our assessment of the industry's proposal for a TPM for specialty steel, and have initiated work to implement your other commitments.

I have now inspected two steel installations, the advanced Inland blast furnace in Indiana and the improved Republic Steel facility in Cleveland. These visits have raised in my mind significant questions as to the reasonableness of the costs and scheduling imposed on the industry by some environmental regulations. I witnessed, for example, polluted water taken from a river to be returned, after use, in potable form only to be immediately recontaminated. The merit of forcing some to reach a standard far in advance of that imposed upon others along the same waterway appears subject to challenge. I will discuss the issues this brings to mind at the appropriate time with the Administrator of EPA.


Secretary of Commerce

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

October 3, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth
Jane Yarn
Bob Harris

Gus Speth

Electrostatic Copy Made
for Preservation Purposes

SUBJECT: Weekly Report

1. Recent Activities That Emphasize Your Environmental Record.

a. Trips. Last week I spoke in Philadelphia to state environmental leaders on the Administration's environmental record. I will be leaving shortly for a week-long trip to speak at a series of environmental conferences and conventions in Washington, Idaho, Michigan, and Massachusetts. Jane recently returned from a long trip to Alaska, Washington, Arizona, and Florida where she spoke about the Administration's environmental record to wide audiences.

b. Press Interviews. All of us have been giving press interviews in the places we have travelled to discussing major Administration initiatives and achievements and comparing and contrasting your environmental record with those of Reagan and Anderson. In addition, we have recently been interviewed by the New York Times, the AP, and the solar advocates' newspaper Sun Times.

2. Platform Comparison. We have prepared a careful and detailed comparison of the Democratic and Republican platform positions on environmental and energy issues; a copy is attached. This comparison makes abundantly clear why you received the endorsement of 22 national environmental leaders and why we are seeking to mobilize environmental grass roots support for your campaign.

3. Campaign-Related Environmental Issues. There are several key legislative environmental issues which ought to be resolved in the very near future so that you can take credit for them in the campaign rather than allowing Congress to get all of the credit in the lame duck session. These are:

- o support for a strong California Wilderness Bill
- o support for the Senate's Barrier Island protection bill
- o support for the Omnibus Rivers Bill.

Another helpful action you could take would be to sign the Lake Tahoe Executive Order in California.

Mr. President - You will be pleased to hear of Congressman John Seiberling's impromptu comment the other day, as we shared a platform: "Jimmy Carter is the most environmental President this country has ever had, and we should be very thankful. His Global 2000 Report is a fine example of his Presidential leadership."

Am

DEMOCRATIC/REPUBLICAN PLATFORMS:
A Comparison of Their Treatment of Environmental and Energy Issues

The Democratic and Republican Platform positions on environmental and energy issues present clear choices. The Democratic Platform devotes 3 pages to the "Environment" and makes strong environmental protection pledges in many areas. This contrasts with a half-page discussion in the Republican Platform that is heavily qualified and lacking in specifics. When the Republican Platform is specific, as with the Clean Air Act, it is hostile to environmental objectives.

A comparison of specific elements of the two platforms follows:

Democratic

Republican

Regulation
and Regulatory
Reform

Strong commitment to environmental regulation. "We must strive to ensure that environmental regulations cost no more than necessary and are streamlined to eliminate waste, duplication, and delay. We must not lose sight of the fact that the benefits of these regulations far outweigh their costs. We must work to reform regulation without deforming it." Also: "We support the allocation of adequate resources to the Environmental Protection Agency and other environmental agencies sufficient to carry out their mandates."

Basic hostility to regulation. Characterizes the current situation as "a crisis of overregulation." "We propose to enact a temporary moratorium on all new federal regulations that diminish the supply of goods and services and add significantly to inflation. Such a moratorium will be consistent with the goal of achieving a safe and healthy working environment." Also: "The crushing burden of excessive federal regulations such as many of those imposed on farmers, ranchers, foresters, and commercial fishermen by OSHA, EPA, the Departments of Agriculture, Labor, Justice, Interior, and other government entities are unrealistic and unnecessary." Also: "While the new environmental policies have resulted in improving air quality, cleaner waters, and more careful analysis of toxic chemicals, the price paid has far exceeded the direct and necessary cost of designing and installing new control technology."

Clean Air

"We support strict adherence to automobile pollution standards." "We will support policies to eliminate acid rain pollution from power plant emissions."

"Republicans support...revision of cumbersome and overly stringent Clean Air Act regulations."

Toxic
Chemicals

"We will seek a strong 'super-fund' law [for hazardous wastes cleanup] financed by government and industry." Also: "We will implement vigorously the Toxic Substances Control Act."

No pledge. See above.

Democratic

OSHA

The Platform "strongly opposes and urges all actions to defeat legislation which weakens OSHA's critical protections" Also: "we will not limit [OSHA's] scope for any reasons...."

Energy Conservation

"We must make energy conservation our highest priority." "Conservation must remain the cornerstone of our national energy supply." Specific support is given to:

- o 55 mph speed limit;
- o "massive residential energy conservation grant program";
- o financial incentives for industry for energy efficiency improvements;
- o implementation of Building Energy Performance Standards (BEPS);
- o direct economic assistance for improving transportation efficiency

Solar Energy

"Our national goal of having 20% of our energy from renewable resources in the year 2000 must become a working target, not a forgotten slogan." "Solar energy use must be increased, and strong efforts, including continued financial support, must be undertaken to make certain that we achieve the goal of having solar energy account for 20% of our total energy by the year 2000." There is a commitment "to a federal program for solar or other renewable resources that exceed the federal commitment to synthetic fuels." Supports renewable resource commercialization.

Republican

"We believe that the arbitrary and high-handed tactics used by OSHA bureaucrats must end."

More stress is placed on the need to "maximize our domestic energy production capability" than on conservation. "Finally, in conjunction with this all-out production initiative, we must strive to maximize conservation and efficient use/energy." The Republican Platform opposes various energy conservation proposals:

- o oppose the 55 mph speed limit; supports having each state set speed limit
- o "We reject unequivocally punitive gasoline and other energy taxes designed to artificially suppress energy consumption."
- o Oppose "the position of the Democrats which is to conserve through government fiat."

Solar energy and renewable resources are mentioned only weakly in the four-page energy section:

- o "We also believe the government must continue supporting productive research to speed the development of renewable energy technologies, including solar energy...."
- o "In the longer term, renewable resources must be brought significantly on line to replace conventional sources."

Democratic

Republican

Nuclear Power

Emphasizes ensuring safety. Commits that "as alternative fuels become available in the future, we will retire nuclear power plants in an orderly manner." Accords "the highest priority to dealing with the nuclear waste disposal problem" and commits to continuing the Administration's step-by-step approach. Pledges that "The NRC shall issue no license or permits for new nuclear plants until the Kemeny Commission recommendations are fully implemented." Does not support the breeder reactor or CRBR. Does not support nuclear reprocessing.

"We support accelerated use of nuclear energy through technologies that have been proven efficient and safe." Goal is "to assure the continued availability of this important energy source." Encourages "the research, development, and demonstration of the breeder reactor." Claims that "technical solutions to [nuclear waste disposal and storage and reprocessing of spent fuel] exist." "Republicans will also move toward the reprocessing of spent fuel."

Synthetic Fuels

"Major new efforts must be launched to develop synthetic and alternative renewable energy sources. In pursuing a strong program of synthetic fuel plants we must also be sensitive to environmental and water concerns."

"Republicans will continue to support the development of new technologies to develop liquid, gaseous, and solid hydrocarbons which can be derived from coal, oil shale, and tar sands. The decontrol of oil and gas prices will eliminate any necessity for government support for a synthetic fuel industry except possibly for limited demonstration projects. Clean air, water, waste disposal, mine reclamation, and leasing rules must be made rational and final to accelerate private investment."

Outer Continental Oil & Gas Leasing

"Offshore energy leasing and development should be conditioned on full protection of the environment and marine resources. Lease sales should proceed only after appropriate safeguards necessary to preserve and protect vital natural resources are put in place."

No promise of environmental concern regarding OCS oil gas leasing. Expresses concern with "withdrawal of a massive amount of the most promising federal lands from prospective energy development, including the rich potential of the Outer Continental Shelf" and with "restrictive leasing policies."

Land and Water Conservation Fund

"We will fund adequately the Land and Water Conservation Fund to protect our national park system."

No pledge.

Coastal Protection

"We must move decisively to protect our.... coastline from overdevelopment and mismanagement. Major efforts are now underway to solve such problems as....development on our barrier islands."

No pledge.

Democratic

Republican

Global
Issues

Reflects an understanding of and concern for global environmental issues. "New efforts at home and abroad will be required in the early 1980's to face squarely such global problems as the destruction of forests, the loss of countless irreplaceable species, growing world population, acid rain, and carbon dioxide buildup." "To defend against environmental risks that cross national frontiers, international cooperation must be extended to new areas, such as acid rain, deforestation, and desertification, buildup of carbon dioxide in the atmosphere, thinning of the ozone shield, air and water pollution, oil spills, chemicals in the environment, and disposal of radioactive waste."

No pledge.



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

October 3, 1980

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

Subject: Weekly Report of Major Departmental Activities

\$6 Million Awarded Under Congregate Housing Services Program. Eighteen awards for the Congregate Housing Services Program were announced by the Department. The awards were made to seven Public Housing Authorities, seven Section 202 project sponsors and four projects for the handicapped under the 202 program. Another \$3 million will be allocated for new construction later this winter.

GNMA Commits \$2.15 Billion. On September 30, all remaining GNMA Section 8 (Program 25) and Targeted Tandem (Program 27) program funds were committed for FY 1980. This means that GNMA committed \$2.15 billion over the past fiscal year in support of FHA-insured multi-family housing.

\$23 Million Awarded to Reduce Dependency on Foreign Oil. In an effort to further reduce national consumption of oil, HUD has awarded more than \$23 million to 47 public housing authorities for modernization of oil heating systems. The funds will be used to upgrade or replace oil-fired heating plants with systems capable of using alternate fuels.

Grants Awarded for Revitalization. Forty-six local neighborhood groups in urban and rural areas will share \$5.4 million for revitalization projects, the Department announced on October 2. The grants, awarded under the Neighborhood Self-help Development Program, are expected to leverage \$46 million in additional funds from the public and private sectors.

HANDI-TAP Seminars Extended. HUD's highly successful HANDI-TAP Seminars have been scheduled for eight additional cities. The "how to's" of increasing the supply of suitable housing for the Nation's handicapped citizens will be presented at sessions running from late October to early February. More than 1,500 people attended the ten seminars given earlier this year.

Jane M. Shew
for Moon Landrieu

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

October 3, 1980

C

MEMORANDUM FOR THE PRESIDENT

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for Preservation Purposes

SUBJECT: Weekly Report of HHS Activities

Health Care Grant Awarded to Metropolitan Hospital. Secretary Harris notified Governor Carey and Mayor Koch that the Department will provide \$8.9 million in support of a joint project to improve health care delivery services in New York City's Harlem and East Harlem neighborhoods. The project will expand Medicaid eligibility and increase access to quality health care at Metropolitan Hospital.

Long Term Care Grant Awards. The Secretary inaugurated the National Long Term Care Demonstration Program and announced the award of \$12 million to 27 states. The demonstration program, totaling approximately \$150 million over the next five years, will test innovative ways of planning, reorganizing and financing services to millions of elderly and chronically disabled persons.

Cuban Entrants. Based on our discussion with Gene Eidenberg, the Department is proceeding to arrange placements in Maryland for 100 Cuban mentally ill individuals. Plans for placement of the remainder of the mentally ill should be finalized next week.

Low-Income Energy Assistance. The Department will award \$1.7 billion in block grants to states to aid low-income families in meeting the rising costs of home energy. The grants allow states the flexibility to design programs to meet the particular needs of their residents. The block grants are part of the Home Energy Assistance Program, authorized earlier this year by the Crude Oil Windfall Profit Tax Act.

Secretary's Trip to Detroit. The Secretary is in Michigan today meeting with State and local officials, touring redevelopment areas, and appearing on several radio and television talk shows. She is visiting a new cancer facility at Wayne State University and will address those involved in health care on cancer treatment, hospice payment and patient care. She also is participating in the opening of the Detroit Carter/Mondale Headquarters.

Nathan J. Stark
Acting Secretary

Community WASHINGTON, D.C. 20506
Services Administration



C

October 3, 1980

**Electrostatic Copy Made
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MEMORANDUM TO THE PRESIDENT

TO: Rick Hutcheson
Staff Secretary

FROM: Richard J. Rios
Director

SUBJ: Rural Development Loan Fund

The Community Services Administration made \$20 million in loans to nineteen successful applicants through the Rural Development Loan Fund. These loans were made to community based organizations to (1) establish revolving loan programs designed to meet the needs of low income rural areas, with community based organizations serving as a financial intermediary or (2) provide direct financing for economic developments of the BCO.

Both of these purposes will help to achieve the President's goal as stated in his Small Community and Rural Development Policy "by providing a favorable climate for business and economic development" since a lack of access to adequate financial resources has been a chronic problem in rural America.

The loans are repayable for stated terms up to thirty years. Interest will be set at 1% for the first five years, enabling the CBO to absorb administrative costs and to develop stability as a lending institution and/or developer. It is hoped that as these economic development projects enhance the rural economic base they will provide opportunities and jobs for the rural poor.

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

October 3, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: THE SECRETARY OF LABOR **M**

SUBJECT: Major Departmental Activities
September 29 - October 3, 1980

Continuing to campaign. In the past week I have been to Ohio, Illinois and Texas and I will return to southern Illinois this weekend. The response of labor audiences has been good and I remain optimistic that a substantial majority of union households will support your re-election. At the same time, we have a way to go in States like Michigan, Ohio and Pennsylvania. Next week I will be in Massachusetts, Pennsylvania and Wheeling, West Virginia.

Conclusion of Senate Permanent Investigation Subcommittee inquiry into Teamster Central States Pension Fund. After two full days of hearings this week, the Nunn subcommittee has concluded its oversight of our investigation. I am very pleased with the outcome of this hearing and the press reports.

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THE WHITE HOUSE
WASHINGTON

10/06/80

FRANK MOORE
TOM DONILON
ALICIA SMITH

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

Rick Hutcheson

NAME _____

1800

Senator David Pryor

Frank Moore

TITLE Senator from Arkansas

DONILON

CITY/STATE _____

Requested by Jim Free

Phone Number--Home (202) 229-3228

Date of Request 9/30/80

Work (202) 224-2353

Other () _____

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INFORMATION (Continued on back if necessary)

Until recently, Senator Pryor has kept his distance from the Carter/Mondale campaign. His appearance with you during your visit to Arkansas on September 19 marked the first time he had been willing to be associated with our campaign. Since that meeting was cordial, we would like now to encourage the Senator to provide more visible support. Our state coordinator, Vaughn McQuary, would like to meet with representatives from Sen. Pryor's Arkansas office to discuss ways to work together during the remainder of the campaign. A call from you would help expedite such cooperation. You might ask for his endorsement and visible support.

NOTES: (Date of Call 10-5)

*Eager to help. Will do so at every
stop. His staff will work in Vaughn*

NAME _____

1799

Frank Moore
DONILON

Senator Dale Bumpers
Senator from Arkansas

TITLE _____

Requested by Jim Free

CITY/STATE _____

Date of Request 9/30/80

Phone Number--Home (301) 229-4906

Work (202) 224-4843

Other () _____

INFORMATION (Continued on back if necessary)

Until recently, Senator Bumpers has kept his distance from the Carter/Mondale campaign. His appearance with you during your visit to Arkansas on September 19 marked the first time he had been willing to be associated with our campaign. Since that meeting was cordial, we would like now to encourage the Senator to provide more visible support. Our state coordinator, Vaughn McQuary, would like to meet with representatives from Senator Bumpers' Arkansas office to discuss ways to work together during the remainder of the campaign. A call from you would help expedite such cooperation.

NOTES: (Date of Call 10-5)

*Glad to help -
Will act as surrogate on occasion. (Have
Stauss call) Staff will coordinate & liaison person
assigned*

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for Preservation Purposes

NAME SENATOR HOWELL HEFLIN

1813

TITLE _____

DTAS

Requested by D. Tate/J. Free

CITY/STATE D-Alabama

Date of Request 10/3/80

Phone Number--Home (202) 547-6724

Work (202) 224-4124

**Electrostatic Copy Made
for Preservation Purposes**

Other (205) 383-0476 (Alabama)

INFORMATION (Continued on back if necessary)

Tom Koker, Senator Howell Heflin's Executive Assistant, is in Alabama on a permanent basis. Tom has broad experience in Alabama politics and is well respected among all factions of the Democratic party down in Alabama. His stronghold is the conservative Democratic faction in the Jim Allen and George Wallace mold. Tom would be willing to help our campaign in Alabama, and he would be a great addition to our staff there. Jim Free and I request that you call Senator Heflin and ask if he would permit Tom to work for our

NOTES: (Date of Call 10-5)

*ok if no ethics violation -
May have to take leave of absence -
Dan or Jim check w Tom*

campaign between now and the election.

**Electrostatic Copy Made
for Preservation Purposes**

10/06/80

STU EIZENSTAT
FRANK MOORE

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

Rick Hutcheson

CC: THE VICE PRESIDENT
AL MCDONALD
JACK WATSON

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

October 3, 1980

C

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

Electrostatic Copy Made
for Preservation Purposes

FROM: FRANK MOORE
STU EIZENSTAT

FM/swp
Stu

SUBJECT: Weekly Legislative Report

INTRODUCTION

With the Senate recessing on Wednesday and the House on Thursday, it was finally time to bid farewell to the Congress -- until November 12th.

All told, this last week on the Hill was a good one for us. Although we had a suspenseful wait, several more pieces of our priority legislation moved into the "win" column, and we were successful in averting consideration of a tax cut bill before the election. Our priority list now looks like this:

Passed

Continuing Resolution
Mental Health System Act
Rail Deregulation
Higher Education
Cuban-Haitian Refugees

Pending

Alaska Lands CHAPS
FSB
EDA
Revenue Sharing
Youth
Fair Housing
Superfund

We can expect several of the bills in the "pending" column to move to the "passed" column following action during the lame duck session.

I. DOMESTIC POLICY ISSUES

1. Contingency Planning for Possible Disruption of Oil Supplies

Because of the uncertainty over future oil supplies due to the Iran/Iraq conflict, Stu and Secretary Duncan have convened a group (including DOD, State, CIA, NSC and CEA) to monitor the developments in the international oil markets and to assess the appropriate level of our response. We remain convinced that no

formal government action is necessary at this time. But we have developed a catalogue of possible response measures and their resulting energy savings. We are now studying each of these possible measures in detail in terms of its domestic and international effects. We are also doing all of the staff work necessary to be able to select and implement our first-level responses as rapidly as possible, in case the situation changes.

2. Alaska Lands

Although negotiations continued up until the last minute, agreement on a compromise Alaska Lands bill could not be reached before the Congress recessed. Thursday, however, Congressman Udall introduced a package of amendments which he hopes both houses of Congress will accept during the lame duck session. Udall's strategy calls for both houses to pass the amendments and then for the House to approve the Senate version of the full Alaska bill. This strategy would enable the House and Senate to reach a compromise without a formal conference, which would be subject to a filibuster by the opposition.

3. Mental Health Systems Act

As you know, on Tuesday the House passed, 380 to 25, the conference report on the Mental Health Systems Act, clearing the measure for your signature. A bill-signing ceremony is planned for Tuesday.

4. Rail Deregulation

After lengthy negotiations, staffs last Friday were able to piece together a conference report on our Rail Deregulation bill. The conference report was filed in the Senate late last Friday. Since the House was not in session, the report could not be filed there until Monday. Led by Congressman Florio, the managers of the bill in the House went to the Rules Committee and were successful in obtaining a waiver to the three-day layover requirement, enabling the bill to be brought to the House floor on Tuesday. The motion to consider the bill passed easily, 380-12, and the conference report whistled through on a voice vote.

When the bill went to the Senate, Senator Burdick and other Senators from northern tier states raised objections to a provision in the bill affecting rail service in the Power River Basin system and threatened to filibuster the bill. Last-minute negotiations resolved Burdick's problems, and the conference report passed on Wednesday, 61-8. We are recommending a bill-signing ceremony. The last day for signature is October 14.

In addition to the deregulation provisions, the bill provides a two-year, \$600 million authorization for railroad assistance to be administered by the Federal Railroad Administration. This does not provide the targeted assistance FRA wanted, but it is more responsive to shippers who were concerned that railroads would use restructuring assistance to cut unprofitable lines and consolidate service, to the detriment of rural and agricultural communities. The rail bill also includes amendments on the Rock Island Transition and Employment Assistance Act designed to expedite employee protection agreements on the Rock Island Railroad and a \$329 million FY '81 authorization for ConRail.

5. Cuban-Haitian Refugees

On Wednesday, by a vote of 303 to 94, the House passed under suspension the refugee education assistance bill, clearing the measure for your signature. Again, we are recommending a bill-signing ceremony.

6. Fair Housing

The Majority Leader announced at his regular Saturday morning press conference last week that he would bring up the Fair Housing bill after the Congress reconvenes, and when, in his judgment, the bill will pass. We are working with civil rights groups to ensure that this information is passed along and to build additional support for enactment. Efforts to remove HUD's administrative enforcement powers will probably lose by a narrow margin. A House-Senate conference will be necessary to iron out differences in the two bills.

7. Youth

Senator Williams' Human Resources Committee reported out a Youth Employment bill last week with only one dissenting vote. Senator Hatch, with support from conservative Republicans Armstrong and Humphrey, succeeded in delaying Senate consideration of the bill by asking that Senator Williams agree to support a non-germane amendment for a youth subminimum wage. Any such amendment is strongly opposed by organized labor, and Chairman Williams would not agree to lend his support. We now hope that Senator Byrd will agree to take up the Youth Bill in the lame duck session.

While it is inevitable that a youth subminimum wage amendment will be offered at that time, it will be easier to defeat in a post-election session. We may ask you to seek a commitment from Senator Byrd to bring the bill up.

8. Superfund

As the Congress recessed, Superfund, which had passed the House, remained trapped in procedural and jurisdictional problems in the Senate. An important step toward the resolution of the problems in the Senate has been taken, however, and the possibility of action during the lame duck session remains.

The Senate Finance Committee has received the referral of the bill that it sought, but it must act by November 21. That deadline gives us a chance of working out the remaining problems without the pressures of the election.

9. Surface Transportation Act of 1980

Although the House failed to act on the transit bill before the recess, we are hopeful that we can get a bill through during the lame duck session. We are working with the staffs of House and Senate committees to begin an informal conference to settle the principal differences before the lame duck session begins. The issues in controversy include a service-oriented formula for operating assistance, "Buy America" provisions, and the 504 "access for the handicapped" regulations. The major funding differences between the two bills will have to await House floor action before a settlement can be reached.

10. Airport Development Aid Program

Congress recessed without reauthorizing the Airport Development Aid Program (ADAP), and the program lapsed with the end of the fiscal year. The current 8% ticket tax drops to 5%, and the assets in the trust fund are frozen with the exception of expenditures for the FAA's Operations and Maintenance, Facilities and Equipment, and Research and Development accounts, which are provided for in the appropriations bill.

This legislation has been the subject of much disagreement. Senator Cannon, over our objections, wants to remove the tax on passenger tickets and limit the number of airports that are eligible for federal development assistance. We are hopeful that a bill can be brought up in both houses after the election. We are working to resolve the disputes.

11. EDA

Final agreement on the EDA bill could not be reached before the recess. Differences have been narrowed to approximately six relatively small issues. The Senate conferees caucused on Wednesday and subsequently sent a letter to Congressman Roe outlining their position on the remaining differences but indicated there was room for further discussion.

It appears that the principal obstacle to agreement was the reluctance of the Senate Public Works conferees (Senators Randolph and Burdick) to take a conference report to the floor without any Republican support. They preferred to wait until after the election, when they expect Republican opposition to disappear. Our objective will be to keep the conferees' staff working on a final product during the recess with hopes of passage during the lame duck session.

12. Domestic Violence

Time ran out before the Senate could pass the conference report on the domestic violence bill. The House had passed the bill on Wednesday, 276 to 117. Senate action will await the return of Congress for the lame duck session.

13. Stanford Daily Legislation

Another success this week was House and Senate passage of the conference report on the Privacy Protection Act, or Stanford Daily legislation. We were intensely involved in last-minute negotiations with Senate Republicans who threatened to not sign the conference report because of their displeasure with some of the language, and with Congressman George Danielson, who objected to some parts of the bill. The conference report provides an acceptable compromise and is widely supported by the media. This is another bill for which a signing ceremony is being considered. The last day for signature is October 14.

14. Court Reform

A negotiated version of our court reform bill, which would create a new, specialized federal appeals court and a new trial court, was about to be considered by the Senate this week when Senator Bumpers unexpectedly offered his amendment on judicial review of administrative agency actions. We managed to get the bill pulled from the Senate floor. There is a chance that the bill could be considered during the lame duck session.

15. Attorneys' Fees

On Wednesday, the House agreed to the conference report on the Small Business Minority Contracting bill. Included as Title II of the bill was the House Judiciary Committee's version of the Equal Access to Justice Act (attorneys' fees), which we have long opposed. The Senate also agreed to the conference report, and the measure is on its way to your desk.

We are currently reviewing the legislation and will make a recommendation as to whether the bill should be signed.

16. Housing and Community Development Act

On Tuesday, both the House and Senate passed the conference report on the Housing and Community Development Act Amendments. In order to assure passage of the bill prior to the recess, the conference report was modified to provide a five-year, rather than permanent, extension of the Home Mortgage Disclosure Act. This bill is another candidate for a bill-signing ceremony.

17. Social Security

Last Friday, the Senate passed legislation which redistributes revenue from the payroll tax so that a greater percentage is directed into the ailing retirement trust fund and less into the more viable disability trust fund. The House had passed this bill in June. The reallocations would be effective for two years and would keep the retirement trust fund solvent until August 1982, allowing time for structural reforms next year. Without this measure, the retirement fund would be unable to meet benefit payments in late 1981. The last day for signing this bill is October 11.

18. Regulatory Reform

Last-minute efforts to work out an acceptable compromise on regulatory reform bill in the Senate, based on the joint bill agreed to by the AFL-CIO and the Business Roundtable, failed to produce complete agreement in time for the recess. Most issues were settled, but differences remained in two areas: (1) proposals, opposed by the agencies, to add certain procedures for issuance of major new rules; and, (2) Senator Bumpers' amendment opposed by the agencies and Justice, to expand judicial review of agency rulemaking decisions.

In the House, a bill was reported last week from House Judiciary. It contains a version of the Bumpers amendment improved over previous submissions but which is still unacceptable to Justice. Apart from other comparatively minor problems, the bill is acceptable to us. Prior to reporting the bill, the Judiciary Committee substituted for the two-house legislative veto provision a provision for veto of major rules through a joint resolution (which requires Presidential signature to be effective).

19. Paperwork Reduction

Efforts this week to secure Senate passage of the paperwork bill, which had already passed the House, were unsuccessful. Various Republican Senators refused to support a time agreement necessary to pass the bill without amendments, a partisan ploy to deny you a victory on this politically attractive measure.

20. Drug Policy: Southwest Asian Heroin

As part of this initiative, OMB has agreed with our suggestion that we make available \$10 million to New York, Connecticut, New Jersey, Maryland and the District of Columbia to reduce the waiting lists for heroin treatment and strengthen State and local law enforcement. We are working on the details of the package.

Although there is anecdotal evidence that Southwest Asian heroin is having some effect on other cities such as Miami and Indianapolis, the major problem is limited to these four states and the District. We are working with Gene Eidenberg to determine the best forum and timing to make an announcement of the assistance. We have briefed Governor Carey's staff on our plans. We suggest that we deal with the Florida situation separately.

21. Coastal Zone Management Act

The Congress passed the Coastal Zone Management Reauthorization bill this week by unanimous consent, clearing it for your signature. While the bill does contain some objectionable provisions, it is vastly improved over an earlier version. A bill-signing ceremony is under consideration.

22. American Fisheries Promotion Act

On October 2, Senators Stevens, Magnuson, Packwood and Cannon signed a letter addressed to Congressman Breaux urging an informal "mini-conference" during the special session to work out differences in the Senate and House versions of the American Fisheries Promotion Act. Although we have agreed to the House version (passed September 23) aimed at regulating foreign fish catches within the U.S. 200-mile zone, some provisions of the Senate bill (passed September 30) also met with our approval.

23. Synfuels Board Nominations

Senate Majority Leader Byrd on Wednesday called up the nomination of John Sawhill to be Chairman of the Synthetic Fuels Corporation. The nomination ran into a filibuster by Senator Hatfield because of our refusal to agree to a Republican demand to put off appointment of three of the seven Board members. After three hours, Byrd pulled the nomination from the floor. Senator Hart also presented a problem with his demand that the vacant seventh position on the Board go to a westerner.

II. ECONOMIC ISSUES

1. Steel Announcement

The public reaction to your steel announcement was generally very positive. The program was supported in public statements by the steel industry, by the Steelworkers, and by members of the Steel Caucus. Although the program was described by the national press as primarily a political move and given mixed, though favorable, treatment, the regional press was excellent. We had extensive and very favorable coverage in Pittsburgh, Cleveland, and other steel-producing areas. We sent surrogates to over a dozen steel-making communities the day after the announcement, and they were generally widely and favorably covered. Gene Eidenberg and Pat Bario will send you a full report in a few days.

If imitation is the sincerest form of flattery, then perhaps the strongest demonstration of the importance of the package came from Senators Melcher, Baucus, and Domenici, and Congressmen Williams and Santini, who comprise the Copper Caucus. On Thursday, they demanded an immediate meeting with Stu and asked for creation of a similar tripartite advisory committee for the copper industry.

2. Unemployment Insurance Benefits

Efforts to pass a FSB program before the election foundered Thursday morning when Chairman Corman, with AFL-CIO and UAW support, refused to accept Republican amendments forced on the bill in the Senate by threat of filibuster. Since the Senate recessed at 2:00 a.m. Thursday, the House faced a take-it-or-leave-it decision on the bill.

Senators Levin and Riegle had negotiated a deal with Senator Boren to allow the FSB bill to go forward in return for support for modest changes in the permanent EB program. On the floor,

conservative Republican Senators demanded further concessions, including the requirement that minimum wage jobs be accepted by those on the FSB program and a further revision of the national trigger on the EB program that could work against California.

The bill will now be considered in a House-Senate conference when the Congress reconvenes November 12th.

3. Revenue Sharing

Neither House nor Senate floor action on the revenue sharing bill occurred before the recess. The Senate's inaction was due to the Majority Leader's fear that any revenue measure would be a target for a tax-cut amendment. The House did not act because Congressman Brooks was reluctant to bring the bill to the floor for fear that the state share would be restored. Brooks believes our chances of beating the state share will be much greater after the election.

4. Tax Cut

Senator Byrd's success in preventing a vote on a tax cut bill by Republicans eager to bring up the issue prior to the election continued throughout the week. Byrd accomplished this by deciding not to bring to the floor any revenue measures to which the GOP could try to add a tax-cut rider. It is unclear whether the tax cut bill will be considered during the lame duck session.

As a result of this maneuvering in the Senate, many revenue measures which had cleared the House as well as the Senate Finance Committee were put on hold. Included among these are a number of Administration-backed measures, which will have to wait for consideration until after the election.

5. Appropriations

Status of 1981 Bills

Public Law:

Continuing Resolution
Energy and Water

In conference:

HUD-Independent Agencies

Enrolled:

Military Construction
Transportation

Reported by Senate full committee:

State-Justice
Interior
Treasury-Postal
D.C.

5. Appropriations (con't)

Passed House:

Agriculture
 Legislative
 Labor-HHS-Education
 Defense
 IMF bill

Reported by House full committee:

Foreign Assistance

Continuing Resolution

The Continuing Resolution enacted Wednesday poses no major budgetary problems. It contains acceptable report language on New York City loan guarantees and COWPS and includes the preferred Senate position of higher funding for foreign assistance. The only objectionable features from the Administration's standpoint are riders dealing with bilingual education and school prayer.

Overall Assessment

From a budgetary standpoint, the 1981 appropriations bills in aggregate are the most restrained of any year in the first term. Most are under your revised budget request as we score them, and those that are over (e.g. House version of Labor-HHS and Interior bills) are well within acceptable ranges. The only exception to budget restraint is the Defense Appropriations bill, but we are hopeful the final version of this bill will eliminate many of the add-ons in the authorization bill.

Several bills contain objectionable riders. These include the McDade amendment on Congressional apportionment in the Treasury-Postal bill and prohibitions on busing and the grain embargo in the State-Justice bill. OMB will be preparing a thorough analysis of these riders during the recess. This will include recommendations to you on which ones warrant consideration of veto.

6. Reconciliation

The 100 conferees have reached agreement on about 60-70% of the issues in conference. Major unresolved questions include COLA savings, the degree of permanency of child nutrition savings, and highway budget authority. We are hopeful that this bill can be enacted early in the post-election session.

III. FOREIGN AFFAIRS, DEFENSE, AND INTELLIGENCE ISSUES

1. Nicaragua

Wednesday's hearings on Nicaragua before Congressman Yatron's HFAC subcommittee went relatively well, despite attempts by Congressmen Bauman and Young to cast your terrorism certification on Nicaragua in the worst possible political light.

The lead-off witness, Bob Bauman, termed your decision "simply a political act" flying in the face of the real evidence. He accused you of "purposely and willfully violating the law." Neither Bauman nor Young, however, managed to present compelling new evidence to substantiate their position. Brian Atwood testified on behalf of the Administration and explained with expertise and humor the difficult problems faced in the certification procedure. In the closed session both DIA and CIA presentations made a circumstantial case for official government involvement but nothing said contradicted our position that conclusive evidence does not exist. We may not have heard the last from the opponents of aid to Nicaragua.

The tough tussle we have had on the terrorist certification since the appropriations bill was passed in August, and the subsequent Somoza assassination, highlights the battle we are going to have to protect the proposed \$45 million in economic assistance for FY 81. Opponents are likely to focus, in particular, on the \$25 million ESF component.

2. Kim Dae Jung

Congressman Tony Hall and 18 co-sponsors have introduced a resolution (HCR 443) disapproving of the \$88 million FMS cash sale of aircraft spare parts for Korea now pending before the Congress. Hall noted that his resolution was an attempt to "indicate grave concern about what is happening in South Korea." A discussion of the Kim trial did not materialize as expected.

Congressman Wolff and his colleagues decided not to address South Korean issues in the Wolff-Bonker hearing on human rights in communist countries in Asia held on Wednesday, choosing instead to draft a new letter to President Chun calling for clemency for Kim. Wolff's letter, which is expected to be co-signed by all Members of the Asia and Pacific Subcommittee, warns that "should events in South Korea continue on a negative course, in particular, should the death sentence now facing Kim Dae Jung be carried out, the traditionally strong relationship between the United States and the Republic of Korea could itself be put in jeopardy." Once the letter is signed, we will be asked to convey it to Ambassador Gleysteen for transmittal to Chun.

We anticipate continued strong Hill interest in the Kim case as it makes its way through the appeal process. Accordingly, we will wait for a more propitious time to proceed with our Section 42(b) Congressional notification of the F5E/F co-production arrangement with the ROK.

3. IMF and IDA VI

The Senate, in its waning hours, failed to pass the IMF appropriations bill because of Senator Garn's objection, despite heavy pressure from Treasury, other Republicans and prominent private sector leaders, including active Reagan supporters. Chances are fairly good that the Senate will act favorably on the bill after the election if Garn can be mollified. Speculation abounds on the real reason for Garn's obstructionism. One theory is that Garn will hold the bill hostage to obtain higher ExIm Bank levels.

The IDA VI authorization, which funds the soft-loan window of the World Bank, will face rough going if it comes to the House floor in the special session. Many of the same uncertainties that surround the foreign assistance appropriation also afflict this bill. It is known to be a target for House conservatives and the Banking Committee will not take it to the floor unless the Administration can guarantee the votes. All in all, it promises to be a difficult time, assuming that the bill can even be sandwiched into a heavy and unpredictable schedule.

4. Refugees: Cooled But Not Iced

With the closing of Mariel Harbor and the passage of the Stone/Fascell amendments, some of the Hill heat on the Cuban entrants has dissipated. On a related front, following the Fiscal '81 refugee consultations, both the House and Senate Judiciary Committees have made strong pleas for greater efforts to internationalize the problem. Additionally, the House expressed discomfort over the monthly intake target of 14,000 Indochinese refugees and warned against using refugee resettlement monies for Cuban/Haitian entrants.

5. "Peace Through Strength" Resolution Deferred

House Foreign Affairs Committee consideration of the "Peace Through Strength" resolution, originally scheduled for earlier this week, was again deferred when Congressman Stratton, its sponsor, was unable to testify before the Committee. It is most unlikely that there will be further action on the resolution during the special session. Republican interest will be largely dissipated after the elections and the issue will probably disappear.

6. Nominations

Before recessing for the November elections, the Senate confirmed the following nominations: Francis Meehan (Poland), Thomas Boyatt (Colombia), Edwin Corr (Peru), Harry Shlaudeman (Argentina), and Harry Thayer (Singapore). The Senate decided to hold the following nominees until after the recess: David Simcox (Mozambique), Arthur Woodruff (Central African Republic), John Burroughs (Malawi), Henry Precht (Mauritania) and the UNGA representatives and alternate representatives. Since the Senate will be in recess for more than 30 days, the possibility of recess appointments does exist.

Still awaiting Committee action are John Matlock (Czechoslovakia), Robert Frosch (rank of Ambassador/Head U.S. Delegation to UN Outer Space Conference), Jack Kubisch (rank of Ambassador/U.S. Special Negotiator for U.S.-Spanish Treaty of Friendship and Cooperation), and Sally Shelton (St. Lucia). These can be taken up by the Senate Foreign Relations Committee when Congress convenes its special session after November 12, depending on the outcome of the election. A Committee report on Robert Gershenson (Uruguay) is being prepared and is scheduled to be filed when Congress returns after the recess.

7. Intelligence Oversight

On Tuesday, the House passed the Intelligence Authorization conference report, which contains compromise language revising the laws governing Congressional oversight of U.S. spy agencies. This action cleared the legislation for your signature and ended a lengthy dispute over the issue.

8. Foreign Service Reform Act

The Foreign Service Reform Act received final Congressional action this week when the House passed the conference report on Tuesday. This legislation makes changes in pay, promotion, and labor relations practices in the Foreign Service and establishes a new Senior Foreign Service similar to the federal government's Senior Executive Service. Not since 1946 has there been legislation making changes in the U.S. Foreign Service.

9. Hostage Relief Act

Also on its way to your desk is the Hostage Relief Act, which the Senate adopted on Tuesday. This bill, which provides comprehensive benefits to the hostages being held in Iran as well as to American personnel who may be held hostage in the future, is one that we are considering for a bill-signing ceremony.

10. Military Construction Authorization

The House on Wednesday gave final approval to the Military Construction authorization conference report which contains the controversial binary weapons facility language. This bill has arrived at the White House. The last day for signing is October 15th.

IV. MISCELLANEOUS

1. This Week's Mailings to the Hill

- o Materials on the Steel Policy Announcement
- o CMRC Talking Points on Reagan's Iowa Farm Speech
(To all Democrats)
- o CMRC Bob Bergland's Response to Reagan's Farm Speech
(To all Democrats)

2. Troublesome Bills

Over the past several months, OMB has identified approximately 35 bills considered to be seriously objectionable. The list of bills has been reviewed weekly in a meeting attended by OMB, CL, DPS, and several other WH offices. CL, OMB, and the Budget Task Force have then worked with the departments and the Congress to try to improve these bills or delay their enactment.

Over two-thirds of the bills identified as troublesome did not reach your desk prior to the current recess. In addition, some that did come down (e.g. Higher Education, Foreign Service Act) were significantly improved over previous versions. Thus, the process of identifying and closely tracking objectionable bills appears to have been a useful exercise for this session of Congress.

The list of troublesome bills itself differs from that of two years ago in that there are many fewer budget-busting authorization bills on the list. This restraint is reflective of Congress' general acceptance of the budget reductions and philosophy associated with your March budget.

WEEK OF NOVEMBER 10

TENTATIVE SCHEDULE FOR THE HOUSE

Monday and Tuesday Not in Session

Wednesday and Balance of Week

H.R. 7854	Foreign Assistance Appropriations, FY '81
S. 885	Pacific Northwest Electric Power Planning and Conservation Act
H.R. 7112	State and Local Fiscal Assistance Amendments
H.R. 6417	Surface Transportation Act of 1980
H.R. 5615	Intelligence Identities Protection Act
H.R. 6915	Revision of Federal Criminal Code

Conference Report on H.R. 7765 - Budget Reconciliation

The House will adjourn by 3:00 p.m. on Friday

TENTATIVE SCHEDULE FOR THE SENATE

Monday and Tuesday Not in Session

Wednesday and Balance of Week

H.R. 7584	State, Justice, Commerce Appropriations
H.R. 7724	Interior Appropriations

Second Concurrent Budget Resolution

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<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	FOR APPROPRIATE HANDLING
<input type="checkbox"/>	LAST DAY FOR ACTION

<input checked="" type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

ACTION
FYI

<input checked="" type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	CUTLER
<input type="checkbox"/>	DONOVAN
<input type="checkbox"/>	EIDENBERG
<input checked="" type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	MCDONALD
<input checked="" type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
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<input type="checkbox"/>	SPETH
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<input type="checkbox"/>	TORRES
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WISE

THE WHITE HOUSE

WASHINGTON

October 3, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM: GENE EIDENBERG

Gene

SUBJECT: Bankhead Forest Industries, Inc.

You asked me to check on the problems encountered by Bankhead Forest Industries, Inc., of Grayson, Alabama, in securing needed federal assistance to keep its sawmill from going into bankruptcy. Congressman Bevill called this situation to your attention.

The Farmers Home Administration and the Grayson bank have worked out an arrangement involving a federal loan guarantee which should help Bankhead Forest Industries through its present difficulties. Congressman Bevill and other appropriate parties have been notified.

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