

10/26/78

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THE PRESIDENT'S SCHEDULE

Thursday - October 26, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

10:00 Signing Ceremony for S. 555, Ethics in
(10 min.) Government Act of 1978. (Mr. Frank Moore).
The Cabinet Room.

10:35 Depart South Grounds via Helicopter
en route Andrews AFB, Tennessee and Florida.

MIAMI BEACH RALLY 10-26-78
BOB SHEVIN

BOB GRAHAM - DICK STONE -

CLAUDE PEPPER - BILL LENMAN

DANTE FASCELL - ED STACK -

MAYOR HABER - CHAN DURAN

Gov - GREAT WORK OF R ASKEW

103 JOBS -

UNDERDOG - 9 CAND. "CHUTZ PAN"

CHAN ED COM. WORKED AS TEACHER

EC DEV - RESOURCES -

FREEZE PROPERTY TAXES

LAW ENFORCEMENT - CRIME

ELDERLY = BOB GRAHAM

CLAUDE PEPPER - BUEN HOMBRE -
CANDIDATO. LE NECESITAMOS EN EL CONG

COURAGE - VISION - COMPASSION - ELDERLY
TRADE, ETC. E LATIN AMERICA

BILL LENMAN - E CP, FRIEND OF ISRAEL
BUDGET / CIVIL SERV.

DANTE FASCELL - INT REL

ED STACK - ATTY - GRAD BUS ADMIN - INTELLIGENCE
DICK STONE

FLORIDA

GOOD TEAM -

WHAT YOU WANT IN GOVT

NATION TO BE PROUD OF? HUMAN RIGHTS
STRONG ^{EST} DEFENSE?

GOVT OFFICIALS AVOID CORRUPTION? ^{ETHICS}

PUT PEOPLE BACK TO WORK?

REFORM CIV SERV, CONTROL BUREAUCRACY,
COMPETITION → FREE ENT. SYS?

CONTROL NUCLEAR WEAPONS?

CUT FED DEFICIT?

CUT TAXES?

KEEP SOUND SOC SEC SYSTEM?

GET CONTROL OF ENERGY PROBS?

CONTROL INFLATION

PEACE /US/ MID EAST?

GET OUT VOTE

NATION - STRONG, PROUD, SECURE

NASHVILLE RALLY

10/26/78

Gov BLANTON - SEN SASSER, GORE,
CONG JONES, FORD, GORE = Lloyd
ADMIN JAY SOLOMON: MAYOR FULTON.
SPKR MC WHERTER - L.G. WILDER

CHMN FARRIS - CHMN JOHN WHITE
JEFF DAVIS

ANY DEMO → TENN HOME COMING
ANDREW JACKSON - COURAGE, INDEP:
FRONTIER - PATRIOT. ^{COMMON} LITTLE PEOPLE
TODAY SAME SPIRIT

TENN → DEMO PARTY

TENN - PRIMARY VICTORY

GA - TENN CLOSE (OPEN) SHERMAN

JAMES K POLK - CORDELL HULL - KEF AUVER
ALBERT GORE - FRANK CLEMENT (BOB)

DICK FULTON → NASHVILLE (MAYBELLE)

BILL FARRIS - CONF - MEMPHIS. DEC

AL BISSELL. MAYOR, OAK RIDGE - KEITH PSC

JAY SOLOMON - ADMIN GEN SERV ADM
GOV'T; MONEY = NOBODY'S \$

CONTRACTS > BIDS

JAKE BUTCHER - HUMBLE FAMILY -
SPIRIT OF TENN - IND, DEV, POSITIVE
ST = 0 > 65

JIM SASSER = APPROP - BUDGET - CIV SERV ^{chm}

JANE ESKIND \$ SR. SEN. = 9 CANDIDATES
TOUGH, COMPETENT, TENN, COM MAN - A. JACOB

N^o / MARILYN LLOYD

N^o / HAROLD FORD - W & MEANS

ED JONES. DEAN - AG

ALBERT GORE JR - SC & TECH

SLATE = BILL BOWER, NASHV. NEXT

RON ARLENE, GORDON BALL,

MARGARET FRANCIS

VOLUNTEER STATE. NO DEATHS

PEACE, STRENGTH = ALLIES, SALT

MID EAST = CONGRESS VS SAUD, BEGIN

JOB - REORG - AG - ENERGY -

CIV SERV - AIRLINE - ED. HOUSING

BUDGET, ZBB, ANTI INFLATION
TAX, WAITE

FUND RAISER = SASSER WITH RUNNING

BUTCHER - FARMERS, WORKING PEOPLE

GOV'T SERVICES (SONYA) CAMPAIGN

TIRELESS, AGGRESSIVE - OPPONENTS SUPPORT

JANE ESKIND = NO CHANCE(?) - PRIMARY

LONG INVOLVED IN GOV'T

1976 VOTER REG. + 250,000

LONG TIME A. JACKSON'S STATE 25 / 60V

THE WHITE HOUSE

WASHINGTON

10-26-78

To Frank Fitzsimmons

I was encouraged by your anti-inflation statement yesterday.

We will work hard to get agreements to cooperate from all employer and labor groups. I believe the guidelines are reasonable, and if followed will benefit us all. The federal government will fulfill its role.

Sincerely,
Jimmy Carter

THE WHITE HOUSE

Mr. Frank E. Fitzsimmons
International Brotherhood of Teamsters,
Chauffeurs, Warehousemen & Helpers of
America
2500 Louisiana Avenue, N.W.
Washington, D.C.

THE WHITE HOUSE
WASHINGTON

10/26/78

Stu Eizenstat

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

Rick Hutcheson

cc: Jody Powell
Pat Bario
Zbig Brzezinski
Bob Linder

THE WHITE HOUSE
WASHINGTON
October 25, 1978

*Stu. We need
maximum positive
PR in Phillipines
on this
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
ELLEN GOLDSTEIN
SUBJECT: Enrolled Bill H.R. 5029 - Veterans Administration Programs Extension Act of 1978

THE BILL

H.R. 5029 will extend VA office and medical programs in the Phillipines, which have been provided by the VA since 1948. The Congress reduced substantially the 1978 budget request for these programs and last year both GAO and VA recommended against further extensions. No funds for these programs have been requested by VA in the FY '79 or '80 budgets. The extension of authority in this bill will also permit VA to maintain its regional office in Manila.

This bill also extends until September 30, 1981, VA's authority to enter into special-pay agreements with their physicians and dentists. The Administration had requested only a one-year extension, pending the development of a Government-wide physician pay system. The Congress also passed two other special pay bills for federal physicians in the closing hours of the session. H.R. 5029 also extends VA's authority for contract medical care in Puerto Rico and the Virgin Islands and makes VA's contract authority in Alaska and Hawaii permanent. The VA will be required to conduct a study and evaluation of health care needs of veterans in Puerto Rico and the Virgin Islands. GAO has found that VA contract services in Puerto Rico and the Virgin Islands exceeded those in any of the 48 states.

H.R. 5029 also extends and liberalizes the Veterans Readjustment Appointment (VRA), which provides for excepted appointments in the Federal civil service for Vietnam-era veterans who are educationally disadvantaged. As part of our PRM, you recently sent a memorandum to the heads of all agencies and

departments asking them to make greater use of VRA. Provisions in this bill will extend the VRA for three years, liberalizes requirements for disabled Vietnam-era veterans, strengthens enforcement provisions, and extends eligibility to those veterans with "other than dishonorable" discharges rather than discharges issued "under honorable conditions" as we had requested.

In addition to these program extensions, H.R. 5029 provides for "such sums" for FY '79 to meet all outstanding VA commitments under its program of assistance to medical schools and other institutions. We sought funds in the FY '78 and '79 budgets to meet such commitments. The bill also authorizes a \$5 million appropriation to implement the restructured pension program, currently awaiting your signature.

H.R. 5029 authorizes appropriations totaling \$71.3 million in FY '79, \$14.5 million in FY '80, and \$19.8 million in FY '81.

VOTES IN CONGRESS

H.R. 5029 passed the House and Senate by voice vote.

AGENCY AND STAFF RECOMMENDATIONS

VA, OMB, and State all approve H.R. 5029; Labor has no objection. The Civil Service Commission also recommends that you sign this bill, despite their concern over extending the VRA to veterans with lower discharges than we had recommended. CSC recognizes, however, Congress' intent to make this provision consistent with eligibility requirements for veterans benefit entitlements. We also recommend that you sign H.R. 5029; Frank and Bob agree.

DECISION

Sign H.R. 5029
 Veto H.R. 5029



THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

October 25, 1978

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM:

Charlie Schultze *CLS*

SUBJECT:

September Merchandise Trade Deficit
(to be released Thursday afternoon)

The September trade balance rose very slightly -- to \$1.69 billion from \$1.62 billion in August. Both imports and exports increased by about \$1 billion. The recent statistics are:

(billions of \$; monthly average)

	<u>Exports</u>	<u>Imports</u>	<u>Balance</u>
1977	10.1	12.3	-2.2
1978 1Q	10.3	13.5	-3.2
2Q	11.8	14.1	-2.2
3Q	12.6	14.7	-2.1
July	11.8	14.8	-3.0
August	12.5	14.1	-1.6
September	13.4	15.1	-1.7

I will not have the details until tomorrow.

The major gain in August was maintained in September. Oil imports probably rose sharply, but the higher imports were matched by higher exports. That is good news. I can't pretend to forecast how the foreign exchange markets will react to these data. The first trading day after the Congress enacted a large capital gains cut the stock market fell 21 points. And after your anti-inflation speech, the dollar fell by 1-1/2 percent. (Foreign exchange holders probably wanted either a budget and monetary program tight enough to halt economic growth or the imposition of wage and price controls.) There's no use trying to outguess this kind of psychology.

THE WHITE HOUSE
WASHINGTON

October 26, 1978

Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat
Jack Watson
Charlie Schultze
Bob Linder

THE WHITE HOUSE
WASHINGTON

Mr. President:

CEA and DPS concur.

Rick/Bill



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

24 OCT 1978

*Jim - In the
future let me
make a decision
before it is an-
nounced to the
press.*

J.C.

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

James T. McIntyre, Jr. *Jim*

SUBJECT:

Limitation on Federal civilian hiring

A memorandum to the Heads of Executive Branch Departments and Agencies is attached. It follows up on the reduction in Federal civilian hiring announced in your anti-inflation address on this evening. A proposed press release is also attached.

OMB will issue implementing instructions. The hiring restriction applies only to full-time permanent employment. It does not include the other employment categories (such as part-time, temporary, and intermittent employees). This is necessary to allow agency heads some flexibility in meeting temporary peak workloads and to avoid negating our efforts to find more opportunities for part-time employment.

Recommendation

That you sign the attached memorandum.

Attachments

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

There is no more important goal for my Administration than restraining inflation. A crucial part of this effort is managing government more efficiently. With that goal in mind, I am imposing an indefinite limitation on the hiring of Federal civilian workers, as of October 25, 1978.

I ask that you limit the number of new full-time permanent appointments in your agency to not more than 50 percent of the new vacancies occurring after October 25, 1978. In other words, for each two new vacancies, you may appoint one new permanent employee. You may not fill such vacancies as exist on October 24, 1978 except by use of the appointments permitted as a result of new vacancies.

I am instructing the Office of Management and Budget and the Civil Service Commission to issue instructions on this directive. In addition, I delegate authority to the Director of the Office of Management and Budget to grant specific exemptions in a very limited number of cases, when such exemptions are necessary to assure that essential services are provided and fundamental needs are met.

I ask that, as you carry out this directive, you do it in a way that protects the operations in your agency that directly affect the public -- for example, Social Security claims processing and check issuance, and veterans' benefit payments. You should absorb as much of the impact as possible in the support and overhead operations of your agency.

It is within your power to determine whether the government succeeds in this part of the battle against inflation. I urge you to do everything possible to assign your staff where the need is greatest, so that vital and basic

services may continue uninterrupted. Contracting with firms and institutions outside the government must not be used to circumvent the intent of this directive.

I urge you to give this matter your personal attention and support.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

10/26/78

Stu Eizenstat
Bob Lipshutz

The attached was returned in
the President's outbox today
and is forwarded to you for
your information. The signed
original has been given to
Bob Linder for appropriate
handling.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE

WASHINGTON

October 25, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *of L*
STU EIZENSTAT *Stu/P.R.*

RE: CAB Decision: Transatlantic Fare
Revisions Proposed by:
Trans World Airlines, Inc.,
National Airlines, Inc.,
Compagnie Nationale Air France,
Deutsche Lufthansa Aktiengesellschaft,
Societe Anonyme Belge d'Exploitation de
la Navigation Aerienne, and
Scandinavian Airlines System
(Docket 33720)

The CAB proposes to suspend 5 to 6 percent increases in transatlantic economy fares proposed by the carriers listed above. While the Board has permitted increases in first class and discount fares, the economy fare increases have been disapproved because those fares still include an allowance to protect less efficient airlines and also to cover mandatory, extra services--such as unlimited stopovers and circuitous routing--that many passengers do not want or use.

Identical issues have been presented twice in the last two months and you approved the Board's suspension in both cases. Interested agencies have no objection to the proposed order, and we recommend that you approve it by taking no action (the decision becomes final unless you disapprove it by October 30).

Approve the Board's order Disapprove

[Handwritten signature]

9
1

FBIS 118

ISRAEL: BEGIN SPEAKS ON FLESHING OUT SETTLEMENTS IN WEST BANK

TA261942Y JERUSALEM DOMESTIC TELEVISION SERVICE IN HEBREW 1900 GMT
26 OCT 78 TA

(TEXT) PRIME MINISTER MENAHEM BEGIN SAID LESS THAN AN HOUR
AGO, AT AN ELECTION MEETING IN TEL AVIV (MUNICIPAL ELECTION--FBIS),
THAT OUR RIGHT TO JEWISH SETTLEMENTS IN JUDAEA AND SAMARIA
WILL BE MAINTAINED. HE ADDED THAT THE FLESHING OUT OF SETTLEMENTS
NOW DOES NOT CONTRADICT DECISIONS ACHIEVED AT CAMP DAVID. OUR
CORRESPONDENT DAN FAVIV BRINGS US FURTHER DETAILS OF THE REMARKS
THE PRIME MINISTER MADE ON THE MATTER OF FLESHING OUT THE
SETTLEMENTS. (BEGIN RECORDING)

(BEGIN) I WANT TO ANNOUNCE THAT I HAVE NOT YET RECEIVED FROM
THE SECRETARY OF STATE THE LETTER MENTIONED ON ISRAELI RADIO
REGARDING THE CABINET DECISION WHICH WAS UNANIMOUSLY ACCEPTED
YESTERDAY, WITH THE AGREEMENT OF ALL THE MINISTERS, WITHOUT ANY
EXCEPTION, TO ADD POPULATION TO OUR SETTLEMENTS IN JUDAEA AND
SAMARIA. (APPLAUSE) AFTER I RECEIVE THAT LETTER I WILL REPLY
TO IT, BUT I WANT TO SAY THIS EVENING, TO YOU AND TO ALL THE CITIZENS
OF ISRAEL AND ALSO TO OTHER NATIONS, THE JEWISH PEOPLE HAS A FULL
RIGHT, WHICH CANNOT BE REFUTED, TO SETTLE IN THE WHOLE OF ERETZ
YISRA'EL, IN JUDAEA, SAMARIA AND GAZA. (APPLAUSE) THIS RIGHT HAS
BEEN MAINTAINED AND WILL BE MAINTAINED AND WHEN I WAS IN CAMP
DAVID, I SPECIFICALLY INFORMED THE PRESIDENT OF THE UNITED STATES
THAT OVER THE COMING 3 MONTHS WE WOULD ADD HUNDREDS OF FAMILIES
TO THE SETTLEMENTS IN EXISTENCE IN JUDAEA AND SAMARIA AND WHAT I
SAID TO THE PRESIDENT OF THE UNITED STATES, THIS IS WHAT WE ARE
DOING. (END RECORDING)

26 OCT 2015Z GJS/MT