12/21/79 [1]

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12/21/79

Jack Watson

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

Rick Hutcheson

NAME Martin Luther King, Sr.

216

TITLE

CITY/STATE Atlanta, Georgia

Phone Number--Home (404) 799-3306

Work (404) 688-7263

Other (___)

Requested by Jack Watson

Date of Request 12/20/79

INFO MATION (Continued on back if necessary)

A call to wish "Daddy" King a Happy Birthday. Yesterday was his 80th birthday.

Andy Young also recommends you place this call.

NOTES: (Date of Call 12-20)

Done -
He's happy

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THE WHITE HOUSE

WASHINGTON

December 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Northern Tier Pipeline Decision

I now have prepared the memorandum to you on the Northern Tier Pipeline decision. It contains my recommendations and the recommendations of all the agencies and White House staff.

Because of the enormous paperwork load you have today, I would prefer to hold the memorandum until you return next year. Even if you were to decide the issue today, we would probably want to hold the announcement until the new year, when an appropriate announcement forum could be arranged.

The decision does not need to be made until the end of January. I recommend that you make the decision early in January, so we can have it behind us when you travel to Washington state at the beginning of February.

If you would like, I could send the memorandum, which is lengthy, to you at Camp David; but there is no urgency to do so.

_____ Hold memorandum until return

_____ Send to Camp David

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add to Eizenstat
N Tier memo

11/20 SE memo on key Pres
to want 'tri Jimmy sent in.

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

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

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

		MILLER
		VANCE
		BUTLER
		CAMPBELL
		H. CARTER
		CLOUGH
		CRUIKSHANK
		FIRST LADY
		FRANCIS
		HARDEN
		HERTZBERG
		HUTCHESON
		KAHN
		LINDER
		MARTIN
		MILLER
		MOE
		PETERSON
		PRESS
		SANDERS
		SPETH
		STRAUSS
		TORRES
		VOORDE
		WISE

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

December 19, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Jane Yarn
Acting Chairman

SUBJECT: West-East Crude Oil Transportation System

Of the two West-East crude oil transportation systems being presented to you for your consideration, analyses provided by the agencies indicate that Northern Tier is more environmentally and economically costly than Trans Mountain. DOE analysis of crude oil needs over the next 20 years of the states that would be serviced by the proposed pipelines concludes that the large capacity Northern Tier Pipeline proposal is not necessary because oil needs will not be that great. Resource requirements and economic and environmental costs of constructing and operating the Northern Tier Pipeline are substantially greater than those of the Trans Mountain system. The New York Times characterized the Northern Tier Pipeline proposal as "A Needless 1,500-Mile Ditch" in its December 3 editorial. The agency analyses also conclude that the Northern Tier Pipeline would provide more jobs for Americans and might provide greater national security because it would be wholly within the U.S. rather than partly in Canada.

Both Secretary Andrus and Secretary Goldschmidt have emphasized that the critical test which the two favored pipeline systems--Trans Mountain and Northern Tier--should meet is which one can obtain the necessary private financing. We agree with that position.

We do not believe that such sensible reliance on the market place is achieved if you were to create a preference for the system that objective analysis shows to be the most environmentally and economically costly. In its report to you on the West-East Crude Oil Transportation System, the Federal Trade Commission concluded: "We believe that more than one project should be given expedited permitting approval so that the projects may compete in the financial markets on an equal footing."

We recommend that you approve both pipeline systems originating on the Olympic Peninsula with the conditions recommended by Secretaries Andrus, Goldschmidt, and us, as set out in the decision memorandum.

THE WHITE HOUSE
WASHINGTON

12.21.
'79

Mr. President -

I would normally staff the enclosed, but I fear the implications of "delay"!

Happy Christmas!

Zbig.

This is a Christmas present from me, staff it first!

F.C.

THE WHITE HOUSE
WASHINGTON

MR. PRESIDENT--

I learned today that Paul Hall may only have two weeks to live. No need for a call--I just wanted you to know.

Landon

I called last night

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GUEST LIST FOR LUNCHEON WITH PRESIDENT AND FIRST LADY
FRIDAY, DECEMBER 21, 1979
1:00 P.M.
2nd Floor Family Dining Room

note: the guests will be briefed on foreign and domestic policy by David Rubenstein and Jerry Schecter in the Map Room from 12:15 to 1:00

LIEUTENANT GOVERNOR AND MRS. GEORGE McMILLAN (ANN)
Alabama

GORDON MYRICK
President, Alabama Farm Bureau Association
Montgomery, Alabama

MAYOR RICHARD ARRINGTON
Birmingham, Alabama

JOE REED
Chairman, Alabama Democratic Conference
Montgomery, Alabama

DAVID HOOD
Attorney, and Chairman of Jefferson County Democratic Progressive Council
Birmingham, Alabama

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1:50

LUNCHEON GUESTS -- Background information

Lt. Governor and Mrs. George McMillan (Ann)

-- he hosted the fundraiser for the First Lady in Birmingham in October

-- he is the highest ranking public official in Alabama supporting you

-- very close to Governor James

-- Ann is quite prominent in Birmingham politics in her own right

Gordon Myrick

-- the Farm Bureau is particularly influential in Alabama

-- Myrick has called ahead and asked that a photo be made today for him to run in their Farm Bureau publication

Mayor Richard Arrington

-- newly elected

** -- particularly interested in two federal judgeships in Alabama, both of which they are hoping will be filled by Blacks

Joe Reed

-- Member of Montgomery City Council; and Assistant Director of Alabama Education Association

** -- also extremely interested in judgeships

David Hood

-- was asked by Joe Reed to come as his guest

Note: As you recall, the Alabama Democratic Caucus (Black Democrats) endorsed you overwhelmingly last Saturday.

UDAG GRANTS TO Alabama to be announced this afternoon

Two UDAG grants to Birmingham, Alabama, will be announced this afternoon by Senator Stewart.

One will be to build a parking deck that will serve the Birmingham Post Company for $2,291,500.

The second one under the Historical Preservation Act is to renovate two office buildings in downtown Birmingham. The amount is $300,000.

We will take Lieutenant Governor and Mrs. McMillan and Mayor Arrington to the Hill for the announcement after your luncheon.

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for Preservation Purposes

12:45

BRIEF MEETING WITH ROOSEVELT (ROSIE) GRIER
Oval Office - 12:45 p.m.
Friday, December 21, 1979

From: Sarah Weddington SW

I. PURPOSE: Requested by Rosie Grier to discuss his involvement with this Administration/Campaign

II. BACKGROUND, PARTICIPANTS, PRESS:

A. BACKGROUND: Former Los Angeles Ram. Good friend of Chip Carter.

Strong political ties both in Black community and on Hill.

Traditionally, close ties with Kennedy family. In past, has sought involvement with this Administration, but has become disillusioned with treatment from White House. Was miffed by lack of White House support for Joe Louis Tribute last summer in Las Vegas.

Divorced and recently remarried to former wife (Margie); in process, he has become very religious and seeks confirmation of moral commitment of current Administration.

Did not attend October 24th dinner on grounds that he would prefer to meet with President before making commitment.

B. PARTICIPANTS: Rosie Grier, Sarah Weddington.

C. PRESS: None/White House Photo

III. TALKING POINTS:

1. Inquire about his current community involvement (particularly with youth)
2. Reaffirm moral and leadership commitment of Administration.
3. Ask for his support.
4. Ask if he will make speaking engagements for C/M.

THE WHITE HOUSE

WASHINGTON

December 20, 1979

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for Preservation Purposes

MEMORANDUM TO: THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: RESPONSE TO QUESTIONS ON YOUTH EMPLOYMENT PROPOSALS

In our meeting with you yesterday you raised a number of questions on features of our youth employment proposals. This memo is to provide more detailed answers than the limited time in our briefing permitted and to clarify some of the statements that were made.

1) What does the 644,800 "job gap" for 16-24 year old black youth mean? How does it compare with the more commonly used number of 150,000?

The 644,800 figure represents the number of black youth aged 16-24 living in poverty areas who would need to find employment for this group to have the same employment/population* ratio (E/P) as white 16-24 year olds in non-poverty areas. For white youth living in non-poverty areas the E/P ratio is 64 percent; for blacks living in poor neighborhoods it is 35 percent.

The 150,000 figure represents the number of 16-19 year old black youth who in any month are identified by BLS as unemployed and actively looking for another job. This translates into an unemployment rate of 35 percent for these youth compared with 15 percent for their white counterparts.

Many labor market specialists believe the E/P rate is a better characterization of the disparity that exists between black and white youth than the unemployment rate. The BLS monthly survey only counts those who are actively looking for work. We know that discouragement runs high among minority youth, especially in poor communities. They want to work but don't look for jobs because they know they can't find them. These "discouraged workers" are not counted in the official unemployment rates. But our experience with the YEDPA programs also tells us that when jobs are offered young minorities take full advantage of them.

*There are also some problems with this concept. For example, those in the military aren't included.

2) Why should CETA pay private employers 100% of the salary? Wouldn't it be better to share the cost?

We do intend to require an employer contribution whenever the employer receives economic benefits, as will often be the case. We will be prepared to pay 100% of salary where appropriate for an initial tryout period or where the employer's contribution to training outweighs the benefit of work performed.

As we discussed, our youth proposals are placing greater emphasis than in the past on securing private sector jobs for participants. Traditionally, participants in these programs have worked in fully subsidized "public sector" jobs. While these experiences are often worthwhile, program operators tell us that opportunities for training and developing good work habits are often better in the private sector, particularly for older youth. We will also continue public sector work experience where private jobs cannot be found. We propose to use a variety of means to develop part-time jobs for youth still in school and full-time jobs for those out of school.

a) Direct placement -- job developers in the schools and CETA system will identify the employers with job openings who are willing to hire participants and pay wages directly. The Targeted Tax Credit offers a financial incentive. Efforts will be made to insure that on-the-job training relates to classroom instruction.

b) Private sector work experience -- job developers will also identify employers willing to provide well-supervised internships for young participants. For these youth, the school or prime sponsor would pay the wages and outstation the participants for a brief tryout period. The employer would provide training and supervision, and document the participant's progress and performance on the job. At the end of the tryout period employers would begin contributing to the salary. Use would be made on the on-the-job training contracts and the Targeted Tax Credit. These internships will not be offered free to employers even during the tryout period unless the employers contribution for supervision and training (embodied in an agreement) is greater than the value of the work performed.

3) How will the program insure that training is being provided?

Before a participant is placed in a job, an agreement will be reached between the participants, the employer and the local CETA prime sponsor on the conditions of the employment and the specific skills that are to be acquired. It will be the prime sponsor's responsibility to monitor the participant's progress in achieving these goals through periodic visits with the employer and participant. Cooperative Education has used this model effectively.

4) What part will public sector work experience play in these programs?

While we intend to develop as many jobs as possible in the private sector, we also recognize the limits to this approach. There are a finite number of suitable entry level jobs in most communities. Many inner city and poor rural areas have very few jobs available. We expect that about one-fourth of the in-school jobs and one-third of the out-of-school jobs will be in the private sector. We expect this will improve over time.

However, in the first years of the program we expect a substantial majority of the youth to receive their work experience in the public sector -- including city and county government and the school system itself. A number of opportunities would also be available with non-profit charitable organizations. Building on our experience under YEDPA, our new program would stress work experience which emphasizes productive activity, close supervision, strict accountability and performance from both participants and program operators.

5) What wages will participants be paid?

Current law requires participants in work experience programs to be paid the minimum wage. The law does permit use of exisiting FLSA authority to pay 85 percent of the minimum to 14 and 15 year olds. FLSA also permits the differential to be paid to full-time students employed in service, retailing and agriculture.

Although DOL has serious reservations, we would like to explore the possibility of extending the use of this authority to all in-school youth participating in our new program. This is an issue that will require careful consultation with the AFL-CIO and the Hill before we can formally propose it.

6) Must young people be in school to receive federally assisted employment and training?

Young people of legal school age must be attending and making adequate progress in a certified school to participate in our youth initiative, although it may be a specially designed program ("alternative school") for hard-to-teach students.

For youth above the legal school age who haven't completed high school we will require that they return to school or agree to participate in a program which includes basic education. Progress in mastering reading and writing would be carefully measured (benchmarked). Failure to make adequate progress would mean dismissal from the program.

7) Will there be displacement?

According to CEA, there will be some displacement of other workers by those assisted in our program. However, there is also evidence that inexperienced workers tend to complement rather than substitute for older experienced workers. To the extent that the problem of unemployment is sharply targeted on the disadvantaged and minorities, providing training and job opportunities for them can help restore balance in the labor market. If these young workers are given productive work, their contribution adds to the overall economy, and makes us all richer. Although difficult to enforce, it is worth mentioning that the substitution of federally supported workers for <u>currently</u> employed workers is illegal.

We have reviewed these responses with OMB (Sue Woolsey) and there is agreement on this description of our program.

2:00 P.M.

THE WHITE HOUSE

WASHINGTON

December 21, 1979

MEETING WITH SENATORS ON IRAN

Friday, December 21, 1979
2:00 p.m.(30 minutes)
Oval Office

From: Frank Moore F.M.

I. PURPOSE

Off the record meeting to discuss Iranian situation

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: Senator Robert Byrd requested this meeting and selected the other Senators to be included.

Participants: The President, Secretary Vance, Senator Robert Byrd, Senator Frank Church, Senator Jacob Javits Senator Ted Stevens, Senator John Tower, Senator John Stennis, Frank Moore, Secretary Harold Brown (AT His request)

Press Plan: No press coverage; White House photographer

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~~1:45 PM~~
2:30

THE WHITE HOUSE

WASHINGTON

December 20, 1979

MEETING WITH REP. BILL MOORHEAD
Friday, December 21, 1979
1:45 p.m. (10 minutes)
The Oval Office

From: Frank Moore F.M.M.

I. PURPOSE

To discuss a personal matter with Rep. Moorhead.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Rep. Moorhead has been extremely helpful on four of our highest priority pieces of legislation. He has asked Frank Moore for five to ten minutes of the President's time to discuss something personal. He preferred not to dicuss the subject, even with Frank.

Participants: The President, Rep. Moorhead, Frank Moore.

Press Plan: White House photographer only.

III. ADDITIONAL INFORMATION

Bill Moorhead has taken over as the Dean of the Pennsylvania Congressional Delegation and as such has a great deal of power within the delegation.

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 20, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

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Subject: Consumer Prices in November

Tomorrow (Friday, December 21) at 9:00 a.m., the Bureau of Labor Statistics will release the November figures on consumer prices. The overall index went up 1.0 percent last month, the same as in October.

As you know, the bad actors in the CPI since early this year have been energy, food, and home purchase and finance. Energy prices rose very little last month, mainly because utilities switched to winter pricing schedules that provide lower rates to consumers. Energy commodities (gasoline and fuel oil are the principal ones) rose 1.1 percent, about the same as in October but far below the 3 to 5 percent increases that occurred in some earlier months. Food prices rose 0.5 percent in November, or less than the rise in overall consumer prices. Costs of home purchase and finance, however, rose by 2.3 percent, the largest increase of any month this year. Still larger increases are in store in the months ahead because of the runup of mortgage interest rates since early October.

Outside of these three areas, consumer prices last month increased at an 8.3 percent annual rate, about 1/2 percentage point above the average of the previous three months. There was a huge increase (3.6 percent) in the cost of public transportation, apparently reflecting the effects of higher energy prices on airline, bus and train fares. Auto finance charges also rose considerably.

The Next Several Months

The rise of energy prices has moderated during the past few months, but this has not produced a slowdown in the overall CPI because of huge increases in the costs of home purchase and finance. That will probably continue to be the case for at least two more months. By the time the October-November increase in mortgage interest rates has worked its way through the CPI (it goes in with a substantial lag), the effects of the latest OPEC price increases will be coming along. Bad news on the consumer price front is likely to continue, therefore, for some time longer.

THE WHITE HOUSE
WASHINGTON
21 Dec 79

Fran Voorde

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

Rick Hutcheson

COMMUNITY DEMOCRATIC CLUB

1210 NEPTUNE AVENUE • BROOKLYN, N. Y. 11224

EXECUTIVE MEMBERS
Hon. Sheldon Plotnick
Hon. Marcey Feigenbaum

CONGRESSMAN:
Hon. Stephen Solarz

ASSEMBLYMAN:
Hon. Howard Lasher

STATE SENATORS:
Hon. Donald Halperin
Hon. Martin Solomon

COUNCILMAN:
Hon. Sam Horwitz

PRESIDENT:
Harry Schwartz

December 20, 1079

President Jimmy Carter
White House
Washington, D. C.

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Dear President Carter:

Thank you for extending an invitation, via our Congressman Stephen Solarz, to meet with you today. It is an honor and a privilege to have this opportunity to speak with you and to re-affirm our endorsement of your candidacy for reelection.

We would like to take this opportunity to personally present you with the enclosed invitation. We respectfully request the honor of your presence, together with Mrs. Carter, at the Twelfth Annual Dinner of the Community Democratic Club, Kings County, Inc., 46th Assembly District (Coney Island - Brighton Beach), Brooklyn, New York, Thursday evening, March 6, 1980; just 2½ weeks before Primary Day.

We have chosen to honor as our "Man Of The Year" the Honorable Stanley Fink, Speaker of the New York State Assembly.

Among our guests will be Brooklyn Borough President Howard Golden, several New York City Councilmen and New York State Legislators.

Please be assured of a most warm and enthusiastic reception that evening. The 46th Assemby District supported and worked diligently for your election in 1976. We are one of the largest Democratic Districts in the State of New York and we have publicly endorsed your reelection effort. We will once again be working closely with your staff people in your Brooklyn campaign headquarters.

Thank you, Mr. President, for making this time with you in Washington truly "a day to remember". We sincerely hope you will join us on March 6, 1980 in Brooklyn for "a night to remember".

Respectfully yours,

Sheldon Plotnick

SHELDON PLOTNICK
New York State Committeeman

Marcey Feigenbaum

MARCEY FEIGENBAUM
New York State Committeewoman

P.S. If you accept our invitation, all necessary security arrangements will receive our full cooperation. Please have your staff contact me:

Sheldon Plotnick Business Phone 212-689-2190
Home Phone 212-449-4607
449-4608
Home Address 3851 Cypress Avenue
Brooklyn, New York 11224

Enclosure: Ticket # 992

SHELDON PLOTNICK
State Committeeman

HOWARD LASHER
Assemblyman

MARCEY FEIGENBAUM
State Committeewoman

SAMUEL HORWITZ
Councilman

COMMUNITY DEMOCRATIC CLUB

46th ASSEMBLY DISTRICT

cordially invites you to attend their Twelfth Annual

Dinner Dance

in honor of

"Man of the Year"

HON. STANLEY FINK

SPEAKER, NEW YORK STATE ASSEMBLY

and

"Paul Press Community Service Award"

HON. BERNARD MARCUS

THURSDAY EVENING, MARCH 6, 1980

Cocktails 7:00 P.M. Dinner 8:30 P.M.

MANHATTAN BEACH JEWISH CENTER

60 West End Avenue, Brooklyn, New York

Chairman: Harry Schwartz

Donation $50.00 per person $500.00 per table

Black Tie Optional R.S.V.P. February 21, 1980

Checks payable to: Lois Eisenberg, Treasurer

176

992 Complementary

12/21/79

Hamilton Jordan
Jerry Rafshoon
Bob Strauss
Tim Kraft

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

Rick Hutcheson

cc HJ
Raphoon
Strauss
Kraft

	FOR STAFFING
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	CONFIDENTIAL
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	EYES ONLY

ACTION	FYI	
		VICE PRESIDENT
		JORDAN
		CUTLER
		DONOVAN
		EIZENSTAT
		MCDONALD
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		POWELL
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		ANDRUS
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		KREPS
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		MARTIN
		MILLER
		MOE
		PETERSON
		PRESS
		SANDERS
		SPETH
		STRAUSS
		TORRES
		VOORDE
		WISE

(Maybe) Good idea J

December 20, 1979

MEMORANDUM FOR THE PRESIDENT
BOB STRAUSS
HAMILTON JORDAN
JODY POWELL
TIM KRAFT
CHRIS BROWN

Electrostatic Copy Made for Preservation Purposes

FROM: JERRY RAFSHOON

Although I strongly advocate a "Rose Garden/Stay Close to the White House/Be Presidential" strategy for the campaign and utilizing paid media for the candidate's presence in a state, I have a recommendation that maximizes the few trips that the President makes and effectively uses television.

In reviewing the thirteen or so Town Meetings that the President has held, I was struck and some objective editors were struck by how good the President is in this format. In addition, Kennedy and Brown have given us an issue that is tailor-made -- the TRUTH. Just as in 1976, the TRUTH is a major issue in 1980. Kennedy's lack of ability to answer questions is another issue.

We are now doing spots using footage from town meetings.

I recommend that in each of the major primary states -- starting with New Hampshire -- that the President go in and do one major event: A Town Meeting. This would be paid for by the campaign, not the White House. It would be put together by the local organization (you could have a post-rally to satisfy the supporters who couldn't get into the Town Meeting). The town meeting would last an hour and would be taped by our own crews. Then, we would

edit it down to a tight half-hour and run it on statewide television on the night before the primary. Each town meeting would be structured so that the last five minutes would be a last-minute appeal for votes.

The advantages of this program would be immediacy, the localization, and the two-pronged effect of having a state campaign event and having it run on TV after the President left.

Chris Brown and I talked this over and he is enthusiastic about it. He would like to do this on the Saturday before the New Hampshire primary and re-broadcast on Monday night on Boston television.

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
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	LAST DAY FOR ACTION

to HJ

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ACTION	FYI	
		VICE PRESIDENT
✓		JORDAN
		CUTLER
		DONOVAN
		EIZENSTAT
		MCDONALD
	✓	MOORE
		POWELL
		WATSON
	✓	WEDDINGTON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE
		ANDRUS
		ASKEW
		BERGLAND
		BROWN
		CIVILETTI
		DUNCAN
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		MILLER
		MOE
		PETERSON
		PRESS
		SANDERS
		SPETH
		STRAUSS
		TORRES
		VOORDE
		WISE

THE WHITE HOUSE
WASHINGTON

21 Dec 79

Hamilton Jordan

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

Rick Hutcheson

Frank Moore
Sarah Weddington

THE WHITE HOUSE

WASHINGTON

December 15, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

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I. DOMESTIC POLICY ISSUES

1. Energy

WPT

As you know, we have achieved a major breakthrough on the windfall tax. The Senate has passed a minimum tax amendment that will allow us to claim up to $180 billion of revenue from the bill.

You should also know that Secretary Miller, Secretary Duncan, and Dan Tate on at least two occasions, saved us from defeat by convincing our Senate allies to stand firm.

They were particularly effective Thursday evening in convincing Senator Byrd to seek more revenue from the Republicans.

ESC

Friday, Majority Leader Wright offered an 8-point statement of understanding on the synfuels - Defense Production Act titles of the bill. The conference has tentatively approved the compromise. This is a major step forward.

Now it is reasonable to expect that the conference will reach agreement on, at least, the synfuels section of the bill by recess. They may also reach agreement on some of the out-titles, although it is very doubtful the entire bill can be done by that time.

EMB

The conferees have been working diligently on the Energy Mobilization Board. They are making good progress, having decided that the Board will be composed of three members who will each serve two years and having taken up the "substantive waiver" question. Thus far, the Senate conferees are holding firm on their waiver position. Despite this progress it is still too early to predict when the conference will complete its work.

2. Target Price Bill

A bill to increase price supports for next year's grain crop passed a legislative hurdle Tuesday as the Senate Budget Committee unanimously reported the bill. The Senate is set to consider the measure immediately following the passage of the windfall profits tax bill. Congressman Foley has signaled that he is prepared to accept the Senate version.

3. Small Business Omnibus Bill

This bill, which has been bottled up in the conference committee since June, was reported Thursday. It is expected that this conference report, which contains the provision moving farm disaster lending to FmHA (Huddleston amendment), will be on the House floor Tuesday or Wednesday. The Senate is expected to pass the bill on a voice vote before they adjourn.

4. Chrysler

Scheduled for House floor action on Tuesday. The legislation will be considered under an open rule. We have been working on a floor strategy with the Leadership and representatives of the U.A.W. and Chrysler.

Our desire is to limit the number of options available on the employee contribution issue. The UAW says that a $400 million contribution is all that they could get ratified, and they are seeking to hold it at that level.

Though they might succeed in the House, prospects in the Senate are considerably dimmer. Lugar controls the votes of virtually all of his Republican colleagues on the employee contribution question. He has hinted at compromise but is thinking about something in the neighborhood of $600 million rather than the UAW's $400 million. Senate scheduling remains uncertain especially in light of threats of filibuster by Weicker and others.

Since we announced our proposal we have been in a posture of following the lead of the UAW and Chrysler--desiring neither to pressure the UAW nor to permit ourselves to be put in a position where we could be charged with presenting the company and/or the union with an unworkable package.

Thus far they have not been very successful and we've been helpless to do anything about it. We are hopeful that the company's Friday statement (and the Vice President's statement) warning of the immediacy of financial disaster will provide impetus for all concerned.

5. Klutznick Nomination Chairman

On Friday Howard Cannon decided, at least for the moment, to hold this nomination (and others). He is seeking some indication of flexibility in our opposition to the Aircraft Noise Bill. Secretary Goldschmidt is to meet with him on Monday morning. If Cannon persists in linking the two we may need the intervention of the Vice President.

6. Targeted Fiscal Assistance

Friday, the targeted fiscal assistance bill was put over for consideration until next session. Because of the previously scheduled Chrysler legislation and the volume of anticipated amendments to TFA insufficient time remains for its consideration before Christmas.

7. EDA Reauthorization

The conferees met on Friday but made no progress. The deadlock on the $2 billion standby local Public Works Program and eligibility criteria continues.

II. FOREIGN POLICY ISSUES

1. Iran

Last week brought more resolutions related to the Iran situation, but no breach of overall Congressional support for your efforts. The Refugee Bill of 1979 will be open for amendment on the House floor Tuesday; Iran-related amendments are anticipated to require (or ban) the granting of asylum to the former Shah; to expel Iranian students; or to give special asylum to Iranian minorities. The bill's managers agree with us that this legislation should not become the vehicle for the venting of this emotional issue and that Iran-related amendments should not be adopted. The State Department has written to Chairman Rodino to urge that all Iran-related amendments be put aside.

Potentially more troublesome is Senator Dole's proposed amendment to the Windfall Profits Tax legislation which would mandate an embargo of all U.S. goods to countries holding U.S. diplomats as hostages. It is still not clear whether Dole will press his amendment, but he and other Republicans are obviously troubled by the surge in your popularity from the crisis.

2. SALT, TNF and the Defense Budget

Two events last week, the NATO TNF decision and your announcement of defense spending plans, should improve prospects for ratification of the SALT II Treaty. The TNF decision on modernization and the proposed high levels of defense expenditures will make it easier to work with those concerned about the adequacy of U.S. defense and the commitment of the Allies. The offer of arms control negotiations on TNF should appeal to liberals who have argued SALT II pays inadequate attention to arms control.

The Senate Armed Services Committee was briefed Thursday on the defense spending plans.

3. Rhodesia Sanctions

The State Department has consulted with key Members and has found that most of them want you to support the British effort by lifting sanctions now. However, some members of the Black Caucus want you to wait until the elections are well underway.

If the Patriotic Front agrees to the cease-fire proposal, it is likely the Black Caucus criticism will fade. On the other hand, if you decide not to lift sanctions and the Patriotic Front fails to agree (or the negotiations become unraveled because of military activity in Rhodesia), most in Congress will blame the Administration for not having supported the British in their time of need.

4. Foreign Aid Appropriations Conference

At present, the outlook for early resumption of the Foreign Aid Conference is uncertain. We seem to be on the verge of a compromise that would partially fund the ISTC, but Chairmen Inouye and Long still disagree over Senate cuts in specific AID projects. Apparently other issues have been worked out, and we are hopeful that the Conference will be scheduled early in the week.

5. Central America Supplemental Reported Out by SFRC and HFAC

Both the Senate Foreign Relations Committee and House Foreign Affairs Committee reported bills authorizing $80 million in aid for Central America last week. Although both bills are acceptable to us, Congressional action before Christmas is unlikely. Chairman Zablocki has indicated that he does not intend to ask that the bill be called up until the House returns next year. In the Senate, where the bill is less controversial, the chief problem is the cramped calendar. The State Department is calling on more than 100 House Members who are considered likely swing votes.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

December 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JIM McINTYRE

SUBJECT: Budget Accomplishments

I wanted you to see the overview we prepared of budget trends during your Administration. Some numbers may change slightly over the next month as we refine our FY '80 estimates. The trends, however, will not be significantly affected.

We plan to update this material frequently and add to it, if useful. In January, we will show how your '81 budget decisions affect these trends.

I would like to call one point to your attention. The base against which we measured all the increases except Defense is the FY '78 Ford Budget; Defense growth is measured against your revised FY '78 budget.

cc:
The Vice President
Stu Eizenstat

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DEFENSE

DEFENSE BUDGET TRENDS

TOTAL OBLIGATIONAL AUTHORITY ($ BILLION)

	FY 78 Budget *	FY 80 Latest Estimate	Amount Change	Percent Change
Defense Programs, Total	120.4	138.6	18.2	15.1
General purpose forces	42.0	51.6	9.6	22.5
Air and Sealift	1.7	2.0	.3	17.6
Training	24.2	28.0	3.6	14.8

* As revised by President Carter

Description

This Administration has taken substantial steps to strengthen our armed forces and defense capability. President Carter made a commitment to increase defense spending by 3% annually in real terms over the 1978 level, despite aggressive efforts to restrain overall Federal spending. This level of effort is even more significant in light of both the commitment reached by President Carter and our NATO allies to increase their defense spending, and the strategic arms agreement reached with the Soviet Union to slow down the nuclear arms race.

Specific areas of growth in defense spending reflect changing military circumstances:

-- Improvements in surveillance technology and missile accuracy have made it more difficult to prevent the detection and destruction of our nuclear weapons systems. To counter this, this Administration has funded the MX ICBM, Trident and cruise missiles -- new systems capable of delivering nuclear missiles from greater distances and from mobile launch sites -- even if land-based. Both features reduce the vulnerability of these systems.

-- Due to the lack of land bases near areas of potential conflict, President Carter has also emphasized the need to increase our ability to quickly position troops and equipment wherever an outbreak may occur. The development of larger tanker planes such as KC-10 to refuel fighter craft in flight, improvements to the C-5 and C-141 cargo planes, and increased purchases of

amphibious cargo ships, substantially improve our ability to move resources rapidly to distant trouble spots.

The President has also acted to strengthen our conventional forces. Army procurement has nearly doubled over the 1975 level to support the modernization of Army weaponry. We have strengthened the artillery and anti-tank capability of combat units in Europe, and we plan to triple the amount of equipment pre-positioned in Europe. We are rapidly proceeding toward the acquisition of 3,000 new F-15, F-16, and A-10 aircraft, and have increased shipbuilding funds to support the construction of an average of 17 vessels each year - nearly a 50% increase of this effort. Spending on extensive exercises involving all three services rose 50%.

ECONOMIC DEVELOPMENT

DOMESTIC ECONOMIC DEVELOPMENT BUDGET TRENDS

	OUTLAYS ($ BILLION)			
	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Economic development program	0.3	0.6	0.3	111.7
Community development block grants	3.1	3.4	0.3	8.6
Urban development action grants	---	0.7	0.7	n/a

Description

The Administration has initiated and greatly expanded programs to stimulate private sector development and permanent job creation in economically distressed areas. Recognizing that Federal efforts alone would not work, President Carter proposed the Urban Development Action Grant program to use Federal dollars to leverage private funds. This has been a highly successful program, stimulating nearly 6 dollars of private investment for every Federal dollar spent. Funding for this program has increased 69% since it was initiated.

The Administration has also proposed substantially increased funding for the Commerce Department's Economic Development Administration and placed a greater emphasis on the use of loan guarantees and other tools to induce private development.

EDUCATION

EDUCATION BUDGET TRENDS

OUTLAYS (BILLION $)

	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Education for the disadvantaged	2.3	3.3	1.0	43.5
Bilingual education	0.1	0.2	0.1	93.3
Emergency school aid	0.3	0.3	*	16.5
Education for handicapped	0.4	0.8	0.4	93.3
Higher education and student assistance	2.4	3.7	1.3	58.5

* $50 million or less

Description

President Carter has actively supported increased Federal support for our educational system. This commitment is demonstrated not only by his successful efforts to establish a new Cabinet-level Department of Education, but also by increased funding of ongoing educational programs.

In 1980, this Administration provided $3.3 billion for education to the disadvantaged (ESEA Title I). Its actions also resulted in Congress providing an additional $200 million to be targetted on school systems with extra burdens due to especially high concentrations of low income students.

Funding for bilingual education roughly doubled during this Administration. This program has provided substantial resources for the schooling of our Hispanic children. An additional $12 million has been provided in anticipation of the schooling needs of the growing numbers of Indochinese refugee children.

School desegregation efforts are aided by the emergency school aid program, which funds planning efforts, teacher training and special enrichment programs. Originally targetted on rural Southern schools, this program has been expanded to provide aid to smooth the transition to desegregated schools in Northern urban areas.

Education for the handicapped funds grew to $1.1 billion in 1980. The 1980 totals include funds to pay 12% of the extra costs incurred by States and local educational agencies in educating handicapped children.

Higher Education Student Assistance funds have more than doubled since 1977. In recognition of the increasing burden of college education costs, the Administration recommended -- and the Congress enacted -- an expansion of eligibility requirements to include students from middle income families.

ENERGY

BUDGET TRENDS IN ENERGY PROGRAMS

	OUTLAYS (BILLION $)			
	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Conservation and resource development	2.5	4.0	1.5	60.0
Renewables (including Solar and gasohol)	.3	1.2	.9	250.0
Low income energy assistance	---	1.6	1.6	n/a
Energy crisis intervention	---	0.4	0.4	n/a

Description

The fight against the nation's increasing dependence on insecure energy supplies has been a hallmark of the Carter Administration.

The most significant step President Carter has taken to free the U.S. economy from energy price shocks was off-budget -- the decontrol of oil prices. In response to more accurate market signals, homeowners invested some $4 billion to reduce household energy use, while industry spent nearly an equal amount for the same purpose. U.S. drillings are expected to increase to 50,000 new wells next year -- the highest level in 20 years.

President Carter has aggressively promoted the increased use of solar power. The budget provides for demonstrations and applications to help bring solar technologies into the market place. Tax credits to consumers and businesses will help defray the high purchase cost and thereby induce greater use of solar power.

The Federal strategy to induce greater conservation has also involved a mix of tax credits and programs to develop and demonstrate conservation technologies. Key efforts being supported in 1980 include the development of electric vehicles and advanced automotive engines, industrial waste and heat recovery technologies and efficiency standards for buildings and major appliances.

In recognition of the extra difficulty that low income persons, nonprofit schools and hospitals have in making conservation investments, this Administration has provided $780 million in grants for weatherization assistance. An additional $600 million was provided for energy conservation investments in Federal buildings.

BUDGET TRENDS IN ENVIRONMENTAL PROTECTION

OUTLAYS (BILLION $)

	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Environmental Protection Agency (excluding construction grants)	0.7	1.3	0.6	75.5
Clean Air	0.1	0.2	0.1	73.4
Clean Water	0.2	0.3	0.2	87.1
Hazardous wastes	*	0.1	0.1	450.0
Toxics	*	0.1	0.1	1,242.9

* $50 million or less

Description

The funding levels of environmental programs demonstrate this Administration's strong support for protecting the quality of our land, air and water. This Administration has acted aggressively to implement a cradle-to-grave program to manage hazardous waste disposal. Budget authority has more than quadrupled, and an 88% staff increase was provided for this effort. Radiation budget levels increased 240%, and the program levels to control the manufacture and use of toxic substance increased over 12 times. Budget authority for air programs increased 73%. These funds were spent on R&D, regulatory programs, state grants and enforcement efforts to clean up the air and prevent significant deterioration of air quality in pristine areas. Enforcement programs were also expanded. Funding increased 46%, to $82.4 million in 1980.

BUDGET TRENDS IN HEALTH CARE SERVICES

OUTLAYS (BILLION $)

FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
26.0	50.1	24.0	92.4

Description

In addition to and consistent with President Carter's proposal for a comprehensive National Health Plan, major efforts have been proposed and initiated in the following health areas:

-- Expanded assistance to improve access to health services for those in need. This includes an initiative to expand the Medicaid program to provide preventive health care to over 2 million low income children, youth and expectant mothers.

-- In addition, for discretionary health programs, this Administration proposed expanding Community Health Centers, which provide health care to medically underserved areas with high infant mortality rates, large elderly populations or low income communities; and an additional $59 million to increase the number of doctors, nurses and dentists in our National Health Service Corps. Greater mental health services are also included in the 1980 Budget.

    ° Expanded efforts throughout the Federal Government to promote health and prevent disease, illness and injury. The alarming lack of childhood immunizations during the 70's led to a two year effort, totalling $74 million, to provide polio, measles and diphtheria vaccines to virtually all children under 15 years. Major emphasis has also been placed on reducing smoking and alcohol abuse, preventing dental disease, and improving health education programs, and workplace safety.

BUDGET TRENDS IN HOUSING ASSISTANCE

OUTLAYS IN (BILLION $)

	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Production of subsidized housing	3.0	4.3	1.3	46
Operating expenses	.6	.7	.2	20

Description

The number of units of subsidized housing has risen substantially during this Administration. Nearly 600,000 units have been added, a 22% increase. Funding has been provided for an additional 1,040,000 rental units. Construction starts for HUD subsidized housing increased 44% from 1977, to a total of 180,000 in 1980.

BUDGET TRENDS IN INCOME SECURITY PROGRAMS

OUTLAYS (BILLION $)

	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Social Security and disability insurance	95.7	124.3	28.6	29.9
Nutrition Assistance	7.0	12.4	5.4	77.1
Special supplement Food-WIC	0.3	0.7	0.4	145.8
Food Stamps	4.7	8.1	3.4	72.2

Description

The Administration has proposed a major reform of the welfare system which provides significant improvements in the operation of welfare programs and benefits to the needy. These include establishing a national minimum benefit level for AFDC families, an expanded earned income tax credit for working poor families, and fiscal relief to state and local governments.

The most significant actions taken by President Carter to strengthen social security do not appear on the outlay ledger. The financing reforms accomplished during this Administration have substantially reduced the threat of bankruptcy which faced this retirement program.

President Carter also eliminated the food stamp purchase requirements, thereby increasing participation of the needy. There has also been a dramatic expansion of spending for the special supplemental feeding program for women, infants, and children (WIC). This nutritional assistance program results in significant reductions in infant mortality.

MASS TRANSIT

MASS TRANSIT BUDGET TRENDS

OUTLAYS (Billion $)

FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
2.3	2.6	.3	11.3

Description

This growth includes:

-- An increase of more than 40% ($459M) for grants used primarily for operating expenses of local transit authorities. The Federal Government covers about 13% of the operating expenses of the nation's transit systems.

-- Funds for capital grants and interstate transfer grants have increased 12% ($222M). These extra funds are used to maintain and expand transit bus fleets, modernize, rehabilitate and construct rail transit systems, provide funds for urban initiatives to revitalize downtown areas, and assist urban transportation planning.

-- An additional $1.18 billion is proposed for transit capital projects in 1980 out of Energy Security Trust funds to be raised by the windfall profits tax. These additional funds, which the Administration has asked the Congress to authorize, would mean a 75% expansion of transit capital project funding over 1977 levels.

-- President Carter also proposed a major ridesharing initiative to reduce inefficient auto use. $2.5 billion in funding for this 10 year program would be provided.

RESEARCH

BASIC RESEARCH BUDGET TRENDS

OUTLAYS (Billion $)

FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
3.4	4.6	1.1	33.6

Description

The President has supported a policy of real growth in total Federal support for basic research. Emphasis has been placed on research in the physical and environmental sciences, agriculture, defense and energy.

The bulk of this growth in spending has been targetted to non-governmental research efforts. University and college research programs increased 25%, while industry research grew 40% between 1978 and 1980.

TRAINING/EMPLOYMENT

TRAINING AND EMPLOYMENT ASSISTANCE BUDGET TRENDS

OUTLAYS (Billion $)

	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Training & Employment Assistance	5.3	10.9	5.5	101.8
Employment & Trng Svcs	3.3	4.2	0.9	27.3
Public Service Employment	1.4	4.3	2.9	207.1
Youth Employment Programs	0.7	2.4	1.7	242.9

Description

Reducing unemployment has been a major goal for President Carter. Spending on training and eqmployment assistance programs reflects this priority:

-- Participation in these programs has increased 40%.

-- Programs have been more effectively targetted to aid those who are poorest, who have the highest unemployment rates, or who are the first to be laid off when unemployment rises.

-- Spending for programs of training and placement that aim to place people in permanent, private sector jobs is up to $1 billion, a 31% increase.

-- Youth program funds have more than doubled, demonstrating the high priority this Administration places on reducing the severe unemployment of this group.

VETERANS

BUDGET TRENDS IN VETERANS PROGRAMS

OUTLAYS IN (BILLION $)

	FY 78 Ford Budget	FY 80 Latest Estimate	Amount Change	Percent Change
Benefits and services	18.3	20.6	2.4	12.9
Medical care	5.1	6.3	1.6	22.4

Description

President Carter has brought increased attention to the needs and concerns of the U.S. veterans. To offset the rising cost of living, this Administration raised veterans compensation payments 14.4% and proposed an additional 11.1% increase for 1980. Pension benefits were reformed to insure that the neediest veterans receive adequate stipends. Under this Administration, the veterans pension system was also changed to provide automatic cost-of-living adjustments. Pension benefits have increased 17% over this period.

Medical care spending for veterans has also risen. Eight new nursing homes and another outpatient clinic are now operating. Outpatient visits increased from 15.6 to 17.7 million between 1977 and 1980.

(A) The Security Council must act to enforce its demand that Iran release the hostages. If the world community must support the legal machinery it has established so that the machinery will continue to be relevant.

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DRAFT PRESIDENTIAL STATEMENT

~~SECRET/NODIS~~

cc Jody, Zbig
VP for comments today
J

From the first day that ~~our people~~ the American embassy was invaded, sovereign territory and diplomatic staff were seized as hostages in Iran, we have pursued every ~~diplomatic~~ legal channel available to us to secure their safe and prompt release.

On at least four separate occasions, the world community -- through the United Nations Security Council and through the International Court of Justice -- has expressed itself clearly and firmly in calling upon the Iranian government to release the hostages.

Yet Iran today still stands in arrogant defiance of the world community. It has shown contempt, not only for international law, but for the entire international structure for securing the peaceful resolution of disputes among nations. Kidnappers and terrorists, supported by Iranian officials, ~~They~~ continue to hold our people in an irresponsible attempt at blackmail, under inhumane conditions. With each day that passes, our concern for the ~~their~~ health and well-being grows. of the hostages,

~~We cannot -- and will not -- let this situation continue indefinitely.~~

We have made clear from the beginning

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E.O. 12356, SEC. 3.4(b)
NSC MEMO, 11/24/98, STATE DEPT.
BY ____ NARA, DATE

2/22/91

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that we prefer a peaceful resolution to the other remedies, which are available to us under international law. A peaceful resolution That continues to be our objective, but it ~~But is~~ is now clear that concrete action must be taken by the international community.

Accordingly, I have ~~this (morning)~~ decided to ask for an early meeting of the Security Council ~~for a meeting of the Security Council next week~~ to act upon our request that international economic sanctions be imposed upon Iran under Chapter VII of the United Nations Charter.

The Government of Iran must realize that it cannot flout the expressed will and law of the world community with impunity.

(A) The world community must be prepared to exercise the machinery it has built for the peaceful resolution of disputes or that machinery will become irrelevant.

I can think of no more clear and compelling challenge to the international

The United Nations cannot
Kidnapping, international terrorism and blackmail
supported by a nations government
and encouraged

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community.

The lives of over 50 innocent people are at stake. The foundation of civilized diplomacy is at stake. The integrity of international law is at stake. The credibility of the United Nations is at stake. And at stake, ultimately, is the maintenance of peace in the region.

Again, as we call on the Security Council to act in behalf of international law and of peace, we call ~~also~~ on the Government of Iran to end this crisis by releasing the hostages without further delay.

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