3/19/80

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NOT ISSUED

THE PRESIDENT'S SCHEDULE

Wednesday - March 19, 1980

7:15 — Dr. Zbigniew Brzezinski - The Oval Office.

7:45 — Mr. Frank Moore - The Oval Office.

8:00 (60 min.) — Breakfast/Congressional Foreign Affairs Group. (Mr. Frank Moore) - First Floor Private Dining Room.

9:45 (15 min.) — Congressman Bill D. Burlison - The Oval Office.

10:00 — Mr. Hamilton Jordan and Mr. Frank Moore. The Oval Office.

11:30 (30 min.) — Meeting with Chairmen of the House Appropriations Subcommittees, Speaker Thomas P. O'Neill, Jr. and Majority Leader James C. Wright, Jr. (Mr. Frank Moore) - The Cabinet Room.

12:00 (15 min.) — Reception for Virginia Citizens Group. Diplomatic Reception Room.

1:30 (30 min.) — Mr. Hedley Donovan - The Oval Office.

2:00 (60 min.) — Meeting with Mr. James T. McIntyre, Jr./ Budget Decisions - The Cabinet Room.

THE ATLANTA CONSTITUTION

The South's Standard Newspaper

P.O. BOX 4689
ATLANTA, GEORGIA 30302

HAL GULLIVER
Editor

cc: Hal,
Thanks!
Fran will be
in touch w/ you.
J.
done - 3/19/80

March 11, 1980

The President
The White House
Washington, D.C.

067200

My Dear Mr. President:

I write to suggest that you consider attending the upcoming April session of graduate and undergraduate political science students sponsored by the Center for the Study of the Presidency.

I have taken part on a panel or two with the group in the last couple of years and the several hundred students from over the country are your kind of crowd. They have done their homework and their questions on the whole are better than you get at White House press conferences.

The session will be in Washington at The Hyatt Regency, so you might be able to work it into your schedule with a minimal amount of time. Lord knows it is a busy year but this is the kind of students' group you would genuinely enjoy.

Someone from the Center for the Study of the Presidency has already contacted your scheduling people about this, but I wanted to suggest that this is one you would enjoy if you can work it in.

Very respectfully yours,

Hal

Harold S. Gulliver

HSG/ng

cc: Frances M. Voorde
Director of Scheduling

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WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 801031 14

ID # 067200

Name of Correspondent: Harold L. Wilson

☑ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Personal Check

ROUTE TO:

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
PA Branch	ORIGINATOR	/ /	CP5	A	801031/9
		/ /			/ /
Referral Note:					
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ACTION

DISPOSITION

ACTION CODES:
A - Appropriate Action
C - Comments
D - Draft Response
F - Fact Sheet
I - Info Copy
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

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S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
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Comments: _____

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Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Stephen Slade, ext. 2941.

1/80

20
E Sanders

Congregation Or Ami 3406 N. Huguenot Road Richmond, Va. 23235 272-0017

Congregation Or Ami
Bruce E. Kahn
Rabbi

19 March 1980
2 Nisan 5740

cc Rabbi Kahn
Thank you! This kind message is rare these days, & especially helpful to me.
Jimmy Carter

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

I am distressed by the abuse you have had heaped upon you by my rabbinic colleagues and coreligionists. The Israel-Egyptian accords established because of your titanic efforts should place all who seek the survival of Israel in your debt for decades to come. In addition, many of us Jews must pay more attention to the whole range of political issues that affect the quality of security, justice, peace and well-being for all Americans and all peoples around the world.

This is our prophetic mission: to work toward that day "when every person shall sit under his vine and under his fig tree and none shall make him afraid." Then "they shall not hurt nor destroy in all my holy mountain. For the earth shall be full of the knowledge of the Lord as the waters cover the sea."

Other than by making financial contributions and spreading my view among those to whom I minister, if I can help in any other way I shall be pleased to do so.

In peace and friendship - may your strength be strengthened,

Bruce E. Kahn
Rabbi

BEK/eb

Thanks for support from Rabbi
Handwritten note on original incoming

33-C

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THE WHITE HOUSE
WASHINGTON

9:50 Fri.

3/19/80

Mr. President:

Jody told me he mentioned this group's endorsement to you. Do you want me to schedule 5 minutes for this on friday?

✓ yes ___ no

Phil

THE WHITE HOUSE

WASHINGTON

19 March 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER

SUBJECT: SMALL BUSINESS ENDORSEMENT OF YOUR INFLATION PLAN

The Council of Small and Independent Business Associations (COSIBA) has today agreed upon an endorsement of the President's anti-inflation program (attached). Several member organizations are in the process of gaining approval from their boards and all are expected to sign on.

The member organizations and memberships are listed below:

National Federation of Independent Businesses (NFIB)	600,000
National Small Business Association (NSB)*	50,000
Small Business Legislative Council (SBLC)*	4,000,000
National Association of Small Business Investment Companies (NASBIC)	500
National Association of Women Business Owners*	1,000
Council of Small Business of the Chamber of Commerce of the United States*	500,000
Council of Smaller Enterprises (Ohio)	3,300
Independent Business Association of Wisconson	1,000
Small Business Council of NY State	2,500
Smaller Business Association of New England	1,600
Smaller Manufacturers Council (Pittsburg)	1,500

*denotes approval not received as yet.

Walter Stults, President of COSIBA and of NASBIC believes that all approvals will be in hand by 12:00 noon, Thursday.

One brief meeting

It is suggested that the President meet with representatives of each of these organizations to receive their endorsement. Friday is probably the best day to organize the meeting, however, a meeting Thursday afternoon could be accomplished.

This will be the first major endorsement of your anti-inflation program and will be perceived to be the endorsement of the leadership of 10,000,000 small businesses.

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Breakfast/Congressional Foreign Affairs Group
Wednesday, March 19, 1980

THE WHITE HOUSE
WASHINGTON

Mid E breakfast - Demos 3-19-80
UN vote
C David
ME treaty
Autonomy talks
Settlements
Jerusalem
Palestinians
B/S → U.S.
Sadat's isolation

Sol - land, water, Sec, Terr - Auto
Jack - who will vote in W.B./Gaza

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THE WHITE HOUSE
WASHINGTON

19 Mar 80

Landon Butler

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

Rick Hutcheson

received
3:30 p.m.
3/19/80

THE WHITE HOUSE

WASHINGTON

March 19, 1980

MEMORANDUM FOR SUSAN CLOUGH

FROM: LANDON BUTLER

SUBJECT: KEN BLAYLOCK LETTER
(Attached)

Stu Eizenstat and Scotty Campbell negotiated the wording of this letter with Ken Blaylock, President of the American Federation of Government Employees, as a statement of Presidential policy. There is no new substance in the letter: it is a summary of our present policy for Blaylock's use with his membership. The letter has been cleared by OMB.

In addition, I have reviewed the final draft of the letter with Blaylock.

If possible, the letter should be signed early this afternoon.

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THE WHITE HOUSE

WASHINGTON

March 18, 1980

To Kenneth Blaylock

I share the concern you expressed in your February 7 letter for the well-being and morale of the Federal workforce. Federal employees are competent, hard-working people, and anxious to respond to leadership. I appreciate the support you and AFGE have given to our efforts to improve the effectiveness and efficiency of government.

With the Federal government challenged daily by difficult issues, we can ill-afford to compound our difficulties by creating misunderstandings for those who must wrestle with these issues. Thus, with pleasure, I take the opportunity to address your statement that, "Of all the issues of concern (to Federal employees), the most feared proposal of all is that of universal coverage of Social Security and the adverse effects that it may have on their earned retirement system."

As you know, in 1977 the Ways and Means Committee proposed, but the House of Representatives rejected, a provision to cover almost all workers in the United States under the Social Security system. Currently, Social Security covers approximately 90 percent of all workers, but exempts certain groups, including most Federal employees, many State and local government employees, and employees of some non-profit institutions. In the 1977 Social Security Financing Amendments, the Congress mandated

a study of the feasibility and the desirability of covering the now-excluded ten percent of the nation's workforce. In response to that Congressional mandate, we established the Universal Social Security Study Group. Until its work is finished and carefully evaluated, it would be premature to reach a conclusion on this very complex matter.

However, public discussion of the coverage issue has already crystalized certain basic principles that, in my judgment, must govern any initiative to extend Social Security to Federal workers. These address many of the concerns expressed by AFGE members.

First, I would entertain no proposal that would reduce the benefits of persons already retired or employees eligible to retire. Nor would I entertain any proposal that does not assure the earned benefits of those who are now covered by the Civil Service Retirement system.

Second, I would insist that the Civil Service Retirement system continue to operate as a separate, independently-funded system. The Civil Service Retirement fund will not be merged into Social Security, and the money in the fund must continue to be used exclusively to pay benefits to Federal employees, retirees, and their survivors.

Finally, all of us will need to examine carefully and thoughtfully the Study Group's report. We look forward to complete and thorough consultation on the issues identified in the report with Federal employees, annuitants and their representatives, and you may be assured that this Administration will reach no conclusion on the need for legislation until there has been a thorough and broad-based debate of alternatives.

The Federal government, no less than any other employer in the United States, owes its employees and their families a secure continuity in the legitimate expectations they have earned concerning their income in retirement or in the event of disability or death. This is an obligation to which I am completely committed.

Sincerely,

Jimmy Carter

Mr. Kenneth T. Blaylock
President
American Federation of
Government Employees
1325 Massachusetts Avenue, N.W.
Washington, D.C. 20005

CORRESPONDENCE TRACKING

ID # 064940

☐ O - OUTGOING
☐ H - INTERNAL
☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 80102 1/2

Name of Correspondent: Kenneth T. Blaylock

☑ MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Writes concerning Government Employees fear of Universal Coverage by Social Security and the adverse effects that it may have on their earned retirement systems, urges the Pres. to advise the Federal employees of his positions and intentions re same.

ROUTE TO: Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
AT Butler	ORIGINATOR	80102113		C	80102119
SE Simm	S	80 102119			/ /
Referral Note: Draft Reply from Ste					
SE OMB (re: Simm Slade 2/17)		80103105			/ /
Referral Note:					
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ACTION CODES:
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Code = "A"
Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Stephen Slade, ext. 2941.

1/80

TO DO FOR ALL THAT WHICH NONE CAN DO FOR ONESELF

AFFILIATED WITH THE AFL-CIO

KENNETH T. BLAYLOCK
NATIONAL PRESIDENT

JOSEPH D. GLEASON
EXECUTIVE VICE PRESIDENT

NICHOLAS J. [illegible]
NATIONAL SEC.-TREAS.

1325 MASSACHUSETTS AVE., N.W. · WASHINGTON, D. C. 20005
Telephone: (202) 737-8700

GHINER BUILDING

IN REPLY PLEASE REFER TO:

February 7, 1980

Mr. Jimmy Carter
The President of the
United States
The White House
Washington, D.C. 20500

064940

Dear Mr. President:

I know that you are personally concerned about the image and the effectiveness of the Federal Government. You know that you have the strong support of the American Federation of Government Employees in those concerns.

We are both aware of the fact that the Government is made up of people and that the morale of those people play an important role in their effectiveness.

During this period of anti-Government attitude, inflation, reorganizations, reforms, and budget ceilings, the Federal employees have a difficult time keeping faith in their employer.

Of all the issues of concern above, the most feared proposal of all is that of universal coverage of Social Security and the adverse effects that it may have on their earned retirement system.

The employees fear that the benefits which they have earned and paid for will be eliminated or reduced in the political effort to bail the financially-troubled Social Security program out.

Mr. President, I know that you or your Administration have not taken a position on this issue. I would suggest that one of the more positive actions you could take to help morale of the Federal employees would be to advise them of your position and intentions on this matter.

you are where I personally feel that you would be on this issue, it would be very helpful to you and to the Federal employees at this time.

Sincerely,

Ken Blaylock

Kenneth T. Blaylock
National President

THE WHITE HOUSE
WASHINGTON

19 Mar 80

Stu Eizenstat

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

Rick Hutcheson

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

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

ACTION	FYI	
		VICE PRESIDENT
		JORDAN
		CUTLER
		DONOVAN
/		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

KING & SPALDING
2500 TRUST COMPANY TOWER
ATLANTA, GEORGIA 30303
404/572-4600

1800 M STREET, N.W.
WASHINGTON, D. C. 20036
202/466-7640

Stu- Send Scott an existing packet of material describing our energy program

MEMORANDUM TO: The President
The White House
Washington, D. C.

I enclose a thoughtful letter from Scott Hudgens. He was a supporter of yours here in Georgia. I have never met him in my life so I do not know why he wrote me.

At any rate, his suggestions are orderly, concise and to some extent, in point and you may wish to glance at them.

Griffin B. Bell

GBB:fc
Attachment

March 14, 1980

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for Preservation Purposes

Scott Hudgens
Companies
763-7800
P.O. BOX 20872 • ATLANTA, GA. 30320

March 10, 1980

Honorable Griffin Bell
King & Spalding
2500 Trust Company Tower
Atlanta, GA 30303

Dear Judge Bell:

As one of the first supporters of President Carter, I was invited to the Governor's Mansion, together with Jesse Hill and Herman Russell, when President Carter first decided to run and was one of the first to help in his campaign. I am not one to call on his staff, him, or, for that matter, my Senators or Congressmen, very often. I feel, however, that our economic situation is in such a crisis that at least I should express my views and see if there is anything I can do to help. I know everyone complains and no one ever offers solutions.

Our inflation problem, in my opinion, is caused and will continue to be caused by the energy crisis. I have been privileged, since 1973 when our energy crisis really began, to attend a lot of forums and meetings on the subject of energy.

I have heard, on occasion after occasion, top oil officials say that when oil reached $30 per barrel, we could start producing the energy at home that we need. With an 80 billion dollar deficit in oil to the Middle East and oil at over $30 per barrel average, it is now time to produce that energy at home as if we were in World War III.

In 1941 when World War II started, we didn't have any airplanes, ships, tanks or guns. I had the privilege of being in England a year before the invasion in 1943 and early part of 1944 and, at firsthand, saw all of the gigantic assembly of materials to attack Germany. I then saw these supplies continue from Normandy Beach to link up with the Russians. We became the greatest production nation in the world. We are now appropriating money for

job programs for the young. Our automobile industry and the construction industry are once again in serious difficulty. This, of course, will bring steel and other industries to their knees. I also believe that should the Iran crisis be settled, President Carter's campaign will be in great jeopardy because of the focus on inflation, unemployment and the cost of energy.

HOW DO WE COMBAT THIS?

1) We should start an all out effort, as if we had the third World War, with the same program we had in World War II, to take our 80 billion dollar deficit and spend it here in the United States each year.

2) We should take some of our major organized industries and start them producing the necessary forms of energy that we need which would be:

(a) Coal

(b) Solar

(c) Gasohol

(d) Nuclear power

(e) Heavy oil

(f) Natural gas and oil extracts in every part of Alaska, coastline and elsewhere

(g) Pipelines direct from Alaska through Canada to the United States

HOW DO WE PAY THESE COMPANIES FOR ALL OF THIS AND HOW DO WE GET PEOPLE TO DO IT?

1) We should, if necessary, pay them on a cost plus basis and give them a certain length of time to produce. This we did in World War II.

2) We should give write-offs of 100% for factories, equipment and whatever else is needed to produce this energy.

3) We should encourage new inventions and also encourage new companies which are qualified.

WHAT DO WE ACCOMPLISH BY DOING THIS?

1) We would be free of energy needs from the Middle East in five years at the minimum.

2) We would have three shifts working at all these plants which would give jobs to the young or anyone else who needs a job, reducing unemployment.

3) We would not have the military pressures and would not have to continue to spend sums on the military and drafts that we are now committed.

4) We would once again become the most productive country in the world.

I have talked to many people along these lines. This could be sold to the American people and with this program and a strong desire could, in my opinion, lead us out of the worst crisis our nation has ever faced and one which, if not solved, will deplete our dollars and assets in America and make us even more dependent on the OPEC nations.

I believe in fighting but I do not believe in fighting with lives. We can fight this battle on our home front and President Carter, with support from you and other leaders, can win this battle for independence.

As I said in the beginning, I don't call on you very often, but I am asking your help on this one. I think it is for the benefit of all of us.

Let's start producing our own energy now -- we can do it in five years.

Yours truly,

Scott

D. Scott Hudgens

THE WHITE HOUSE
WASHINGTON

19 Mar 80

Stu Eizenstat

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

Rick Hutcheson

ORIGINAL TO STRIPPING FOR HANDLING AND DELIVERY.

THE WHITE HOUSE

WASHINGTON

March 19, 1980

NOTE TO: THE PRESIDENT

FROM: STU EIZENSTAT
DEBORAH HYATT

Mrs. Harriet O'Donnell is an important supporter of public education in Chicago. We recommend that you sign the attached personal reply to her correspondence. It has been approved by the speechwriters office.

THE WHITE HOUSE

WASHINGTON

March 19, 1980

To Harriet O'Donnell

I want to thank you for your telegram and letter regarding the recent disagreement between the Chicago Teachers Union and the Chicago Board of Education.

The White House received your first communication during the afternoon of Friday, February 8th. We were delighted to discover that very shortly thereafter -- on Sunday, February 10th -- substantial progress in negotiations had prompted the teachers to vote to return to work. We are gratified that a local resolution of differences was possible and that outside intervention was not necessary. I am sure that you share this sentiment.

Given this fortunate turn of events, let me simply thank you and the members of the Chicago Region PTA for your steadfast efforts on behalf of public education. Your interest and support make a significant difference in the lives of students in the Chicago area.

Sincerely,

Jimmy Carter

Mrs. Harriet O'Donnell
President
Chicago Region PTA
Room 1217
127 North Dearborn Street
Chicago, Illinois 60602

THE WHITE HOUSE

WASHINGTON

To Harriet O'Donnell

I want to thank you for your telegram and letter regarding the recent disagreement between the Chicago Teachers Union and the Chicago Board of Education.

The White House received your first communication during the afternoon of Friday, February 8th. We were delighted to discover that very shortly thereafter -- on Sunday, February 10th -- substantial progress in negotiations had prompted the teachers to vote to return to work. We are gratified that a local resolution of differences was possible and that outside intervention was not necessary. I am sure that you share this sentiment.

Given this fortunate turn of events, let me simply thank you and the members of the Chicago Region PTA for your steadfast efforts on behalf of public education. Your interest and support make a significant difference in the lives of students in the Chicago area.

Sincerely,

Mrs. Harriet O'Donnell
President
Chicago Region PTA
Room 1217
127 North Dearborn Street
Chicago, Illinois 60602

THE WHITE HOUSE
WASHINGTON

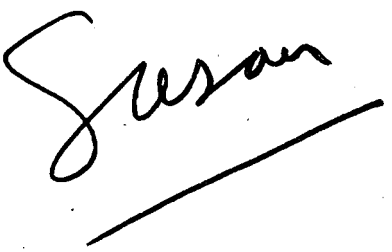
3/19

Rich
Susan Clough -

Attached is an
original, marked-up draft
from the final editing
session on the inaugural
address (done by advisors...
not President's final draft)

- Michael Long

THE WHITE HOUSE
WASHINGTON



Speechwriters
Draft A-1
3/14/80

Inflation Announcement

Today I want to speak very frankly about the persistent high inflation that threatens the economic security of our country.

Since my economic and budget reports in January, rapid changes in world events and economic prospects have made it necessary to intensify our anti-inflation fight. This is a worldwide problem — Japan, Germany, France, Great Britain, Italy — CPI — last 2 reporting months

The inflation we face today is deeply rooted. Its many causes have built up over more than a decade. The most important of these causes are soaring world oil prices, declining productivity growth, and our failure, in government, as individuals and as a society, to live within our means.

We are now handing over some $90 billion a year to foreign oil producers. This is not just a number. We must understand

During the last two reporting months, the increase in the wholesale price index in Japan, Great Britain and Italy have all exceeded 25%. Even in West Germany, the wholesale inflation rate is at least 15%.

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it for what it is -- a serious loss of wealth for our country.

For too long, we tried to hold down the price of domestic oil artificially, by law -- with the result that we became more and more dependent on expensive foreign oil. Because of that deception, our wealth continued to drain away.

We tried to ignore this loss. As individuals and as a society, we kept on trying to spend right up to past levels -- and we filled the gap by borrowing, borrowing, and more borrowing. It was as if we had actually come to believe that a penny borrowed is a penny earned. Because of that deception, our money has come to be worth less and less.

Inflation is a symptom of economic distress. The truth is that we have inflation because our economy is not productive enough to do all the things we demand of it. We want it to give us higher incomes, bigger profits, and bigger government programs in our favorite area.

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The federal government must stop spending money we do not have and borrowing to make up the difference.

What we must now recognize is that we cannot have everything we want at once because we cannot afford everything we want at once.

Our whole society -- the entire American family -- must now by and large begin to live within its means. As individuals and as a Nation, we must begin to spend money according to what we can afford in the long run -- not according to what we can borrow in the short run.

[Like a superb athlete who has gotten out of shape, the American economy has great underlying strength and resiliency. With the right regimen of discipline and restraint -- and with a willingness to accept aching muscles -- our economy can again perform like a champion.]*

The American people are not about to be deceived on this issue. You know as well as I do that there are no quick answers

*Stu and Charlie do not like this metaphor. Jody does.

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to inflation and above all no painless answers. If there were any such solutions, they would have been implemented long ago. We cannot abolish inflation overnight by just passing a law against it. We only a long-term effort -- with the partnership of business and labor, individual citizens, and all branches and levels of government -- can succeed in bringing this problem under control.

I believe that most Americans are now ready to support me and the Congress in doing just that. In the last eight weeks, interest rates have surged to unprecedented heights and inflation has sharply intensified. The situation calls for urgent measures. We must act firmly & decisively, We must demonstrate our country's determination to tackle this problem. We must act quickly, firmly and decisively. We must act now. We must remove any doubt about this nation will to take the needed steps to control inflation.

The intensive anti-inflation program I am announcing today involves five major components:

We cannot accept high rates of inflation as a permanent fact of life

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¶ First, discipline by reduction in the Federal budget.

¶ Second, discipline by restraints on credit.

¶ Third, discipline by wage and price actions.

¶ Fourth, discipline by greater conservation of energy.

¶ Fifth, structural changes to encourage productivity, savings, and research and development.

Let me discuss them one by one.

First, the budget.*

I will soon set forth a revised budget for fiscal year 1981 -- which begins on October 1 of this year -- and it will be a balanced budget, and intend to keep it in balance.

~~As this chart shows, it will be the first~~ Since the last balanced budget ~~in~~ we have adopted in twelve years, ~~-- and only the second since 1961.~~

*Jim McIntyre asked us to make all the budgetary figures in this section tentative pending his final clearance today.

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As you can see, during the past three years we have [~~drastically~~] reduced the Federal deficit. Now, higher inflation requires us to go further.

~~With a balanced budget for 1981 we will thus~~ In twenty years

~~We will thus~~ achieve an objective that has almost always eluded our country ~~for two decades~~ -- in good times and bad, -- a balanced budget.

By the end of this month, I will send to the Congress a major revision in both my 1980 and my 1981 budgets.

[substantial]

I will propose [some $___ billion in]* reductions of budget authority from the current budget, in order to cut spending this fiscal year and next.

I will propose cuts of some [$25] billion in budget authority in the 1981 budget.

*If this figure turns out to be above $3 billion, it should be used; otherwise substitute "significant".

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Together, these proposals will produce more than $__ billion in spending reductions in fiscal 1981 and further reductions in subsequent years. To reach that goal, I will:

¶ Defer, reduce or cancel most of the new or expanded programs [that I had] originally proposed in [my] 1981 budget.

¶ Cut expenditures for personnel, operations and maintenance throughout the government.

¶ Freeze Federal civilian employment immediately, and maintain rigid ceilings so that by the end of [1980] we will have 20,000 fewer Federal employees.

¶ Reduce ongoing spending programs throughout the Federal government.

I [am repeating and putting on an urgent basis my request to] the Congress for [the] savings and revenue measures in the budget

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I submitted in January. I want to stress particularly the legislation needed to hold down hospital costs, to reform Federal pay, and to speed up collections of revenue.

When budget cuts demand sacrifices from many Americans, it is intolerable for some to evade payment of taxes. I will send to the Congress legislation to make sure that taxes that are owed on interest and dividends are actually paid.

I will maintain my commitment to a strong defense and to the three per cent real growth in defense spending which we pledged to our NATO Allies. But the Defense Department will not be immune from budget austerity. In particular, I will require that the Department offset through savings that do not affect our military readiness. A large part of the cost increases they are now facing.

Should an unforeseen international crisis require further increases in military spending, such increases must

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be funded not by additional inflation, but by a special tax on those best able to afford it.]*

Based on our latest estimates of economic and budgetary developments, the actions I have described [spending cuts]** I am proposing will produce a balanced budget in 1981.

In our system, Congress controls the power of the purse. The recent intense efforts of the Congressional leadership and close consultation with Congressional leaders has shown [The close cooperation that the Congress has shown in helping to develop this program] convinced me that the Congress will indeed enact and maintain a balanced budget, as I am recommending. But to ensure that outcome I will use every [constitutional] power at my command:

*This paragraph tries to meet the proposal a lot of the liberal Members of Congress talked about at the meeting last night. Stu and Jody are for it. Charlie thinks it has a lot of problems. He thinks it would be a headline ("Carter Says Next Crisis Will Mean Tax Increase"), robbing the main message of the speech and stressing tax increases instead of budget restraint.

**Charlie says that this paragraph might have to be changed, depending upon your decisions about the defense budget today. If the defense add-on is too large, we will have to use the dividend and interest withholding receipts to reach a balance in the budget. Ideally, however, we would like to be able to make the promise these words contain.

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As I did last week on a popular bill

¶ ~~The American people deserve a balanced budget.~~ I will veto any legislation that exceeds the spending limits consistent with a balanced budget. ~~I will use the veto power against any special interest that endangers that goal.~~

¶ ~~If necessary,~~ I will use my fiscal ~~limited~~ powers under the 1974 Budget Reform Act to hold down ~~budget-busting~~ Federal spending ~~cuts~~ including some expenditures which have previously been authorized. ~~appropriations.~~

¶ ~~And~~ If during the course of the year I judge that these actions and powers are not sufficient, I will ask the Congress for a temporary grant of extraordinary powers to ensure that spending is contained.

Cutting back Federal spending to match revenue is not a cure-all -- but it is an essential first step. The sources of inflation are far too complex to be treated by a single remedy. But nothing will work until the Federal government

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has demonstrated that it can discipline its own spending and borrowing -- not just as a one-year exercise, but as a long-term policy. Together, the ~~Congress and my~~ Administration will do just that. We will dispel the notion that deficits will always be with us.

I want to be absolutely honest about these budget cuts. We have been cutting out waste and fraud, and ~~We are~~ trimming the bureaucratic fat. But this time, there will also have to be cuts in good, worthwhile programs -- programs which I support ~~I believe in~~ very strongly.

I can guarantee each of you listening to me today that when you look at these cuts, you are going to find at least one in a program that you think is very important and worthwhile. And you will be right.

~~That~~ is why, In this critical situation, we must all look beyond even some of our most worthwhile ~~particular~~

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aims to the overriding needs of the whole Nation.

Fighting inflation, in other words, involves more than just giving up some of our selfish concerns. That is the easy part. It involves accepting the limitations reality imposes on some very unselfish concerns as well.

Our second area of action is restraining the growth of credit.

Just as our governments have been borrowing to make ends meet, so have individual Americans. But when we try to beat inflation with borrowed money, we just make the problem worse.

Inflation is fed by credit-financed spending. Consumers have gone into debt too heavily. As inflationary expectations have worsened, businesses and other borrowers are tempted to use credit to finance speculative ventures as well as productive activities.

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The traditional tools used by the Federal Reserve to control money and credit expansion are a basic part of the fight on inflation. But in present circumstances, those tools need to be reinforced so that effective restraint can be achieved in ways that spread the burden reasonably and fairly.

I am therefore using my power under the Credit Control Act of 1969 to authorize the Federal Reserve to impose new restraints on the growth of credit on a limited and carefully targeted basis.

¶ Controls will be authorized for consumer loans other than those secured by homes, automobiles, and other durable goods.

¶ The Federal Reserve will be granted authority to restrain credit extensions by commercial banks that are not members of the Federal Reserve System and by certain other money-market lenders.

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The Chairman of the Federal Reserve, ~~Paul Volcker~~, has ~~also advised me that the Federal Reserve~~ will announce a voluntary program, effective immediately, to restrain excessive growth in loans by larger banks and other lenders. At the same time, the program will encourage the flow of available credit supplies for investment and other productive uses. Special attention will be given to the particular needs of small businesses, farmers, and homebuyers ~~dependent on banks~~. I support these initiatives by the Federal Reserve.

These carefully targeted actions will not damage the productive capacity of our Nation. By helping to curtail excessive uses of credit and dampening inflation, they should -- along with the budgetary measures I announced -- speed prospects for reducing the strains in financial markets.

In addition, I am taking steps to reduce the extension of credit by the Federal governments. Federal loans and loan guarantees will be cut by some [$4 billion] in fiscal 1981.

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As a longer-run measure, I urge Congress to institute the credit budget I proposed in January. It will help us control more effectively the loans and loan guarantees provided by the Federal government, ~~each year~~.

Gold > (Susan leave a blank)

Our third area of action is the voluntary wage and price standards.

E.O. We will not impose

I am firmly opposed to mandatory wage and price controls. Government wage and price controls

fm p16 They have never worked in peacetime. They create unfair economic distortions and hurt productivity. These results always force the controls first to be eased and then dismantled -- while inflation roars ahead.

Controls create inequities -- and the greatest inequity is their effect on the average family. As even the most ardent 13 5/1 advocates of mandatory controls concede, the cost of vital necessities such as food and fuel would be passed on to those

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living on frozen wages and fixed incomes.

Imposing controls is like taking a painkiller to treat a serious injury. It temporarily masks the symptoms, lulling us into ignoring the root causes of the condition. We cannot outlaw inflation, or wish it away with magic formulas.

I do not have authority to impose controls. I do not seek that authority. I will oppose any attempt to provide it.

On the other hand, voluntary wage and price standards offer the flexibility we need to deal with our complex economy.

The Council on Wage and Price Stability has just issued revised pay standards and confirmed an extension of the price standards.

The new pay standards were developed from the recommendation of a Tri-Partite Advisory Committee, with members from business, labor and the public. The Committee unanimously recommended

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standards for pay increases in the range of seven and one-half to nine and one-half per cent, and stated that under normal circumstances increases should average eight and one-half per cent. I am determined to meet that goal.

In the face of last year's 13 per cent increase in the consumer price index, and this year's even higher rate, this unanimous recommendation of the Pay Advisory Committee -- designed to produce an average wage and salary increase of eight and one-half per cent -- reflects a commendable spirit of restraint and cooperation. With business, labor & public support, we can meet this goal & restrain.

I am sharply expanding the price and wage monitoring activities of the Council on Wage and Price Stability. Its current staff of eighty people will be more than tripled. The Council will establish teams of experts to track ~~cost~~ wage and price developments in each major industry. The Council will meet with leaders from specific industries to secure

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their cooperation. Where necessary, we will ask large firms for pre-notification of significant price increases. We will investigate wage and price increases that seem out of line with the standards, and where satisfactory answers are not forthcoming, we will make the facts known to the American people. We will keep flexibility and common sense in our voluntary pay and price standards. But I mean to apply those standards with vigor and toughness to both business and labor.

Our fourth area of action is energy.

The plain truth is that we will never be completely strong at home or secure abroad until we have at last solved our nation's excessive dependence on foreign oil. In the 1980s, that dependence is the vital connection between our foreign and domestic challenges.

Again, the price of imported oil has more than doubled

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in the last 12 months. Last year's increase alone was greater than all other increases since the oil embargo of 1973, combined.

We must forge ahead toward the goal I set last July -- cutting in half the amount of oil we import by 1990. To do this will require increased production of domestic oil, natural gas and coal -- unrelenting efforts for conservation -- and the rapid development of alternative energy sources.

For three years I have fought for a national energy policy to achieve each of these goals. Today, at long last, we are close to enacting such a policy. We must not falter now.

I am asking the Congress to finish without delay the three essential pieces of the energy program ~~I proposed to the people last July~~ -- the Windfall Profits Tax, the Energy Security Corporation, and the Energy Mobilization Board. These bills are cornerstones for our energy security, our national security -- and our fight against inflation.

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I have recently submitted a proposal to Congress to convert electric power plants from oil to coal and other fuels. This too must be done promptly.

But we can never solve our energy dependence unless we meet the problem of excessive gasoline use.

Gasoline is the most important and most wasted petroleum product in the United States. It accounts for some 40 per cent of all the petroleum we use. In almost every other industrial country, the average amount of gasoline used by each citizen is much lower than ours, and the average price is much higher. Americans have done well in the past year in gasoline conservation. But if we are going to further reduce our dependence on foreign oil, we must do better.

Therefore, I am exercising my Presidential authority to impose a gasoline conservation fee on imported oil of $4.62 a barrel. This

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will be applied solely to gasoline in an amount equal to about 10 cents a gallon. The ~~charge~~ fee will not add to the cost of any other oil product. It will not add to oil company profits. It should reduce imports by 100,000 barrels a day by the end of a year, and later by as much as 250,000 barrels per day ~~later~~.

I will submit to Congress a request for a specific gasoline tax which will ~~to~~ replace the conservation ~~charge~~ fee.

The funds from the gasoline conservation charge will be held in reserve or used to reduce the national debt. I do not intend to use these revenues to balance the budget or as a substitute for necessary spending cuts. But these revenues will give the budget a margin of safety -- ensuring that it remains in balance even if conditions or estimates change.

~~Imports are expected to meet 8 million barrels per day. We will~~

Further, we can are now setting new targets for gasoline consumption nationwide which will reduce consumption by 400,000 barrels per day ~~at a maximum of 7 million barrels per day. This will call for a nearly 6 per cent decrease from~~

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~~the 7.4 million barrels actually used in 1979.~~]

This action also underscores a commitment to greater conservation that our friends abroad -- both producing and consuming nations -- ~~have long urged us to make~~. [~~It can~~ also provide the impetus for an internationally-agreed demand restraint program, involving additional actions by all the major oil-importing industrial nations. We have been discussing such a program with our allies; only concerted action by all ~~can achieve the desired reduction in world oil demand.~~]*

[Finally, [~~I have directed~~] the Secretary of Energy [~~to~~ ~~map out~~] an intensified national energy conservation plan. Our aim is to involve every level of government, business,

*Henry Owen wants this language. Secretary Duncan, who spoke with Calderon Berti, president of OPEC, feels strongly about keeping the preceding sentence, but could live without this. Stu and Charlie also like the preceding sentence -- but they hate this bracketed stuff.

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labor -- in fact, every single citizen -- in conserving American energy.*

Our fifth area of action involves long-term structural changes to encourage productivity, savings, and research and development.

In the area of reforming government regulation that interferes with these goals, we have already begun to make progress. Since taking office, I have worked to root out unnecessary government regulations and to make those which are necessary, ~~ones~~ cost-effective -- ~~and so reduce the burden on consumers and businesses.~~ I urge the Congress to ~~make the test of cost-effectiveness mandatory by~~ pass~~ing~~ the Regulatory Reform Act. which will strengthen our efforts.

*Stu is uncertain how far along Duncan is with your request for a conservation plan, and therefore would omit this. Rick and Gordon worry that without this, a tax increase becomes the only conservation measure you talk about.

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As much as possible, we need to let the free enterprise system be free to compete.

We have succeeded in deregulating airlines. I urge the Congress to speed passage of comprehensive bills to cut regulation of banking, trucking, railroads and communications.

We must also encourage savings. The single most important way we can do that is ~~gradually~~ phase out to lift the ceilings that limit the return most small savers can earn. A financial institutions reform bill has just been approved by a House-Senate Conference Committee which accomplishes this goal. I urge its quick passage.

We must face the fact that over the last ten years, the pace of productivity growth in our country slowed sharply. Last year it actually declined, ~~for the first time in ____ years~~.

This trend is an important long-term factor in inflation. It must be reversed.

I am asking my Presidential Commission on an Agenda for the 1980s as part of their work to develop ~~an agenda of~~ specific recommendations for revitalizing the productivity of our economy.

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Insert X, P. 25

Our top priority now is to balance the budget. But once ~~the Congress, in its appropriations and other legislative actions of this session,~~ there confirms that spending limitations have actually been achieved, we can then consider provide tax relief ~~for individuals~~ and business to encourage investment. Through fiscal discipline today, we can free up resources tomorrow for the productivity improving tax reductions our nation needs.

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The challenge before us now is to take a great economy which has been the wonder of the world and put through a strenuous, but necessary period of discipline. Balancing the budget and overall fiscal discipline is our top priority. Once that is assured, I can then propose tax measures to spur greater productivity. Only when the economy has been toughened into shape will it be in a position to bound ahead in full vigor.

Insert X

~~These steps~~ This discipline will not be easy. Our new budgets will be ~~extraordinarily~~ very tight. There are some things we cannot afford -- at least not now. But the most important thing we cannot afford is the national delusion we have been harboring about inflation. We cannot afford the fairy tale that inflation can be passed on to the next ~~guy~~ person -- or to the next generation.

The actions I have outlined involve costs. They involve pain. But the cost of acting is far less than the cost of not acting. The ~~pain~~ temporary pain of sacrifice and discipline is far less --

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Insert Y, P. 26

I am confident that with the steps I am proposing today inflation will come down substantially later this year. As that happens, ~~I believe~~ we can look forward to calmer financial markets and lower interest rates, ~~for buying homes and other goods.~~

for all of us together -- than the still worse, permanent pain of rising inflation. For all of us, but especially for the most needy, inflation is indeed the most cruel tax of all.

If we take these necessary steps against inflation, it will not result in a quick victory. I must tell you very frankly that the results will not show up overnight in terms of stable or lower prices. We must be patient and persistent. But there is one result that will be immediate.

Over the next several months inflation is likely to continue high at a very high level.

By taking control of this problem -- which involves taking control of ourselves -- we can immediately put an end to the fear about the future that afflicts so many of our people and institutions.

Schultze (Y)

In the fight against inflation, what is at stake is more than material wealth or material comfort. What is at stake is whether or not we Americans -- as a Nation, as a people -- will control our own destiny.

In crises abroad, we have always shown our ability to respond with

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With inflation, as with defense and energy, our responsibility is clear:

-- To face the world as it is;

-- To be honest about the hard decisions that are necessary;

-- To make those decisions and to stick to them;

-- And to build together a strong and secure and hopeful future for every American.

steadfastness and courage. We must now show the same determination in meeting the challenge of inflation.

With inflation, as with defense and energy, our responsibility is clear:

¶ To face the world as it is;

¶ To be honest about the hard decisions that are necessary;

¶ To make those decisions and to stick to them;

¶ And to build together a strong and secure and hopeful future for every American.

With more discipline we will prevail in our fight against inflation.

# # #

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11:30 AM

THE WHITE HOUSE

WASHINGTON

March 19, 1980

MEETING WITH SUBCOMMITTEE CHAIRMEN
HOUSE APPROPRIATIONS COMMITTEE

John Slack

Wednesday, March 19, 1980
11:30 a.m.
The Cabinet Room

From: Frank Moore

I. PURPOSE

To discuss your anti-inflation program with the Subcommittee Chairmen of the House Appropriations Committee.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The group selected by the Speaker to consult with us on the budget included primarily the House Leadership and Members of the Budget Committee. Most of the Appropriations Subcommittee Chairmen, who do the "kitchen work" detail involved in enacting the budget, were excluded. This has resulted in increased tension between the Budget and Appropriations Committees.

Because entitlement programs and tax expenditures often go unchecked by the Congress, the Appropriations Subcommittee Chairmen often feel the brunt of Congressional budget cutting pressures within their jurisdictions.

B. Participants: See attached list.

C. Press Plan: White House Photographer.

III. TALKING POINTS

1. The group assembled here has a better understanding of what it takes to put together a budget than any other Congressional group.

2. I'll be meeting with Jim McIntyre and other advisers later today to consider some of the unresolved items of the budget reduction package. I hope to be able to communicate my recommendations to you as soon as they can be compiled in a usable fashion.

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3. The Appropriations Subcommittees have the roughest time in considering the budget. You must act on all the detailed decisions that deeply affect the lives of every constituent and interest group.

4. I need your support to make prudent cuts below my January budget. I especially need your help in moving the 1980 rescission package, which I'll be transmitting as soon as we can pull it all together.

5. And I will support you by pushing the Authorization Committees to enact legislative savings so all the reductions from the '80 budget won't have to come from discretionary programs. I will seek expedited enactment of hosptial cost containment, pay reform, and other pending legislative reforms.

   In addition, I'll veto budget busting authorization bills to ease the pressures in the Appropriations Committee. We must nip pressures to spend at the source.

6. I'm counting on you to help again this year. In the past the Appropriations Committee has been restraint-oriented. Your restraint will be vital to our success in the coming months.

Appropriations Subcommittee Chairman

> A Jamie Whitten, Agriculture

> A Joe Addabbo, Defense

A Julian Dixon, D. C.

A Clarence Long, Foreign Operations

> A Ed Boland, HUD

> A Sid Yates, Interior - Conservation proposals

No William Natcher, Labor

A Adam Benjamin, Legislative Branch

> A Gunn McKay, Military Construction

> A Tom Bevill, Energy Nuclear program.

> A Bob Duncan, Transportation - already specifics? inflated?

> A Tom Steed, Treasury Collect money owed

> A Bill Alexander - for State, Justice, Commerce (in place of Slack)

A Neal Smith " " " "

Speaker O'Neill

Majority Leader Wright

(A = accept)

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THE WHITE HOUSE
WASHINGTON

19 Mar 80

Jody Powell

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

Rick Hutcheson

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

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

ACTION	FYI	
		VICE PRESIDENT
		JORDAN
		CUTLER
		DONOVAN
		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

THE WHITE HOUSE
WASHINGTON

3/18/80

Mr. President:

Hamilton has no objection.

Rick

THE WHITE HOUSE

WASHINGTON

March 10, 1980

Jody
Quick comment
J

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HERTZBERG *Rick*
DAVID RUBENSTEIN *DR*

SUBJECT: Book

Bob Lipshutz asked us to get your clearance and/or comments on the following scenario for the book of excerpts from your speeches and public papers:

Bob will go to the chief executives of mass-market paperback publishers and sound them out on publishing such a book. He will seek a house that would undertake

- to publish the book no later than the convention; and
- to hire a first-class freelance editor to put the book together under our supervision.

Our first choice is Bantam, which published an edition of Why Not The Best and which has the most experience with so-called "instant books." Our next two choices are Avon and Fawcett.

Bob will handle the negotiations on behalf of the Carter Foundation.

✓ approve _____ disapprove

J

In addition, we need to find someone -- preferably a distinguished historian or writer -- to do an introduction. If there is anyone you would particularly like us to ask, or any possibilities occur to you offhand, you might jot them down here.

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

March 18, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre

SUBJECT: Budget Meeting

We are now scheduled for a meeting with you at 2:00 o'clock tomorrow to go over some final budget issues. I have discussed our reductions with Stu and Jack, and briefly with the Vice President, and while some issues remain, we are in substantial agreement.

I will provide you with a book of the reductions tomorrow, but it is highly detailed and purely for information. At the meeting I will provide a much shorter list of the specific issues we'll have to settle.

THE WHITE HOUSE

WASHINGTON

March 18, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE F.M.

SUBJECT: Jim Copeland

Yesterday You asked me who Jim Copeland was. This is not a complete discription of him or his job but as accurate as I can come up with off the top of my head.

Essentially, Copeland took the place on my staff of Les Francis. Ronna Freiberg is his assistant and Lisa Bordeaux also works for him.

Jim writes all briefing papers for Leadership Breakfasts and substantive briefings for Members of Congress. He handles all Congressional Liaison comments on action memorandums. He coordinates the Department and Agency Congressional Liaison meetings and chairs the meetings. He coordinates the work loads of special task forces assigned to CL; manages the vote count efforts on the hill with other White House offices, particularly OMB and DPS; he represents CL at all internal White House meetings. Recently, because Lisa Bordeaux and Ronna Freiberg have been in Mississippi and Vermont, he has been doing all of their work as well as his own.

W.H.

Jim also handles most of our California political business. He commutes to California almost every other weekend on political business and expects to go on a leave of absence without pay to run either half or all of the state of California from April through the primary.

And he does a darn fine job at all of this.

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9:45 AM

THE WHITE HOUSE

WASHINGTON

March 18, 1980 I

MEETING WITH CONGRESSMAN BILL BURLISON (D-MO)

Wednesday, March 19, 1980
9:45 a.m. (15 minutes)
Oval Office

From: Frank Moore F.M.

I. PURPOSE

To discuss intelligence matters

II. PARTICIPANTS AND PRESS PLAN

Participants: The President, Congressman Burlison, Stansfield Turner, Frank Moore

Press Plan: White House photographer only

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CONGRESSIONAL QUARTERLY
Weekly Report

Vol. 38, No. 11 • Pages 705-768 • March 15, 1980



A Balanced Budget?

Fighting Inflation: New Strategy

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8:00 AM

THE WHITE HOUSE

WASHINGTON

March 18, 1980

CONGRESSIONAL FOREIGN AFFAIRS BREAKFAST AND BRIEFING

Wednesday, March 19, 1980
8:00 a.m. (60 minutes)
Family Dining Room

From: Frank Moore

I. PURPOSE

To discuss foreign policy with ranking foreign affairs Congressional members.

II. PARTICIPANTS AND PRESS PLAN

A. Participants: The President, Senators Byrd, Church, Stone, Baker and Javits and Congressmen O'Neill, Wright, Zablocki, Broomfield, and Rhodes, Vice President Mondale, Secretary Vance, Dr. Brzezinski, Frank Moore and Ambassador Linowitz.

B. Press Plan: White House Photo (off the record)

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THE WHITE HOUSE

WASHINGTON

March 18, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore F.M.

SUBJECT: Utility Oil Backout Bill

At tomorrow's Congressional breakfast (Wednesday), it is possible that Senator Byrd will once again raise with you the subject of the utility oil backout bill.

Since he has been intimately involved in the deliberations concerning this legislation and concerned as to the timing of its submission, Senator Byrd requested that we send specifications for legislation as opposed to legislative language. He did this knowing that our formal process of OMB review would delay submission for at least two or three more weeks. He has now requested that we assist him and Senator Ford in drafting legislation which would carry out the intention of the specifications. It is understood that this effort would not be construed as a formal submission of an Administration bill, but rather submission of draft legislation which the Senators can introduce as a starting point for deliberations. Once the draft legislation is introduced it would be followed by a letter from you endorsing it as an accurate representation of your specifications. Legislation accomplishing these objectives has been drafted. It has not gone through the OMB review process where agencies such as EPA and CEQ could have a chance to modify the language. The intention is to enable Senators Byrd and Ford to introduce legislative language which carries out your announced program.

Senator Byrd's main concerns has been that a bill which does not have formal Administration support would provide EPA, CEQ and others with a license to attack the legislation on its merits. However, Senator Byrd feels that the letter from you endorsing the bill as a fair representation of your program would ameliorate this problem.

Senator Jackson would prefer that the Administration submit a bill. This would clearly be unacceptable to Senators Byrd and Ford who do not want to see any further delays in moving this legislation, with time in the legislative calendar becoming woefully short. Senator Jackson is concerned that a bill which

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is not formally labeled an Administration bill would commit the Senators who are sponsoring the bill to the specific provisions of the legislation. His concern is that the specifications are in themselves too vague; thus making many different avenues available to achieve the end result. Some of these measures would be more politically acceptable than others.

Senator Jackson's staff cites the EMB and ESC legislation as examples of where the Administration backed-off of provisions in those bills which were interpreted from specifications of this nature. They want to be sure that members of their Committee are not held responsible for controversial and unpopular provisions in this very complicated bill for which they had no responsibility in drafting. They would prefer that the first version of the bill come from the Administration through normal channels. Senator Byrd is concerned that initiating the normal review process would result in yet another of the interminable delays plaguing the submission of this legislation. Senator Byrd will almost assuredly ask you, contrary to Senator Jackson's wishes, to submit the draft language to his and Senator Ford's staffs so that they might introduce the bill as embodiment of your specifications. This will enable them to commence the legislative process immediately.

Recent conversations with the Senate Energy Committee staff have left Senator Byrd nervous regarding the fate of this legislation. We have done everything that we can to assure him that it is on track, but he may want to discuss this with you directly.

THE WHITE HOUSE
WASHINGTON

19 Mar 80

Stu Eizenstat
Rick Hertzberg

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

Rick Hutcheson

cc: Hamilton Jordan
Lloyd Cutler
Al McDonald
Jody Powell

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
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	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

THE WHITE HOUSE
WASHINGTON

March 19, 1980

To the President

From Jody Powell

THE WHITE HOUSE

WASHINGTON

19 Mar 80

Jody Powell

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

March 10, 1980

Jody
Quick comment
Rick, David -
Tell Bob ok
J

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HERTZBERG
DAVID RUBENSTEIN

SUBJECT: Book

Bob Lipshutz asked us to get your clearance and/or comments on the following scenario for the book of excerpts from your speeches and public papers:

Bob will go to the chief executives of mass-market paperback publishers and sound them out on publishing such a book. He will seek a house that would undertake

- to publish the book no later than the convention; and
- to hire a first-class freelance editor to put the book together under our supervision.

Our first choice is Bantam, which published an edition of Why Not The Best and which has the most experience with so-called "instant books." Our next two choices are Avon and Fawcett.

Bob will handle the negotiations on behalf of the Carter Foundation.

✓ approve _____ disapprove

J

In addition, we need to find someone -- preferably a distinguished historian or writer -- to do an introduction. If there is anyone you would particularly like us to ask, or any possibilities occur to you offhand, you might jot them down here.

I agree with this approach and have discussed it with Rick and David prior to this memo.

J

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THE WHITE HOUSE

WASHINGTON

March 19, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: MICHAEL CARDOZO MHC
DOUG HURON

RE: Census Recruitment Procedures

As you know, Lloyd Cutler is out of the country.

Following our meeting with you and a subsequent meeting with the Vice President on Monday, March 17, we sent Lloyd Cutler's memorandum on census hiring to the Attorney General. That memorandum stated that we understood that Justice had raised questions about the selection procedures now in place, and that we had therefore recommended certain revisions in those procedures.

Earlier today we were advised that the Attorney General has approved the revisions proposed in Lloyd Cutler's memorandum. In addition, we have been informed that, because the old system has been changed, Justice will not initiate a criminal investigation of those responsible for developing the old procedures.

Under those procedures, Census Bureau selecting officials were required to give preference in hiring to applicants recommended by party leaders (assuming the applicants obtained a sufficiently high test score and met certain other selection criteria). Under the new, revised system, selecting officials will be permitted to take party recommendations into account in the hiring process, but they will not be required to do so.

To conduct the census, some 275,000 temporary employees are needed--25,000 crew leaders and 250,000 enumerators. The crew leaders will be responsible for hiring the enumerators (each crew leader selects about ten enumerators), and most of the crew leaders have already been hired under the old system in which preference was required for applicants with party recommendations. Accordingly, it is possible that the actual hiring results for the 250,000 enumerators under the new system will not differ appreciably from what would have occurred under the old procedures.

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The mere fact that Justice has required that a change be made, however, could cause problems with members of Congress, other party officials and the press. We will be working with Frank Moore, Jack Watson and Jody Powell to see that these changes are presented in their most favorable light.

We will also inform Vincent Barabba, the Director of the Census Bureau, that the Attorney General has approved the new procedures and that they should now be implemented.

cc: The Vice President
Lloyd Cutler