

12/10/79 [2]

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THE WHITE HOUSE

WASHINGTON

12/10/79

The Vice President
Hamilton Jordan
Al McDonald
Jody Powell
Lloyd Cutler
Anne Wexler
Stu Eizenstat
Sarah Weddington
Hedley Donovan
Frank Moore
Jack Watson
Alfred Kahn
Jim McIntyre
Charlie Schultze

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

5568

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

cc Charles

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December 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

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Subject: CEA Weekly Report

Economic and Energy Policy Consultations

Much of our staff has been working with EPG in developing and evaluating the effects of alternative energy and budgetary proposals for 1980. Also, together with other EPG members, I have been sounding out various members of Congress. Secretary Miller, on behalf of the EPG, will be giving you a fuller report.

Steel

On Friday, December 7 representatives from the steel industry met, at their request, with me, EPA Administrator Costle, Undersecretary Katz, Deputy Secretary Hodges, Stu, Fred Kahn, and Assistant Secretary of the Treasury Altman to ask for additional assistance in three areas: trade, environment, and accelerated depreciation.

*Watch
inflation -
ignore steel
threats*

Trade: They want the trigger price mechanism revised to give them more protection. If that does not happen they claim they will file individual dumping suits. (U.S. Steel has already made public statements to this effect). I told them that the government would have a position developed on this issue within the next 3 to 4 weeks. (Interested agencies are meeting Monday to begin hammering out a position.)

Environment: They want various actions from EPA. We told them that Kahn and Schultze would review their requests with Costle and give them a response.

Accelerated depreciation: This was not discussed in detail. They want more favorable depreciation rules and allege that we could do so administratively. Without completely foreclosing any review of their positions, we told them that depreciation reform should be considered on a national policy basis, not as a piecemeal change industry by industry.

Oil Imports

CEA has completed, and the EPG will discuss on December 13, a paper analyzing the various impacts of the choice of mechanism for enforcing the quota. You should be receiving a memo on this at the end of the week.

THE WHITE HOUSE
WASHINGTON

12/10/79

Secretary Duncan

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

Rick Hutcheson



THE SECRETARY OF ENERGY
WASHINGTON, D.C.

cc Charles

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December 7, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: CHARLES W. DUNCAN, JR.
SUBJECT: Weekly Activity Report
December 1-7, 1979

Criticized almost universally for being too lenient
Advise

1. Conservation efforts in response to Iran situation. The state gasoline targets were delivered to the governors. We expect to have the consultation process completed in about two weeks. That will permit us to address, at an ECC meeting on December 21, the issues of whether to change our methodology, whether to adjust the targets at the current national reduction level, whether to set a greater national reduction level, and whether to make the targets mandatory.

The gasoline rationing plan was published today for public comment as scheduled. Our next target is a final rule published the first week in February.

John has accelerated the long-range contingency planning and expects to have a draft plan available in two weeks.

2. International Energy Agency. I will be leaving for Paris Saturday evening; bilaterals with the French, British, Canadians, Germans, Japanese, and Italians begin Sunday at 1 p.m. The IEA session is scheduled on Monday at 10 a.m. I will be returning to Washington Monday evening. As we discussed this afternoon, I believe the chances for reaching a successful conclusion are reasonable, including a binding commitment to country targets and a mechanism for downward revision based on availability of oil.

3. Alaska Natural Gas Transportation System. Martin Lipton, the DOE special negotiator, had a very successful meeting with the pipeline sponsors who have agreed to almost all of the conditions that Lipton believes are required. He also met with the producers who were receptive to our suggested financing plan and who will provide their response to the plan within the next 10 days.

4. Weatherization: The Under Secretary is undertaking a high priority management overhaul of our weatherization programs for low and middle income houses. We will set state-by-state and project-by-project output objectives for each quarter of calendar year 1980, and we will meet them.

5. Press. I held press conferences in Las Vegas, Albuquerque, Oklahoma City and Washington this week to explain recent energy initiatives including the gas rationing plan and the state gasoline targets.

6. Other meetings: I travelled with Bob Strauss to Oklahoma City and to Austin, Texas this week to speak about energy matters at various functions.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

cc Watson
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December 7, 1979

FYI

REPORT TO THE PRESIDENT

A special steel task force to coordinate the Federal, industry, and labor response to the recently announced steel plant layoffs was created this week at a meeting of the Worker and Community Adjustment Subcommittee of the Steel Tripartite Committee. Representatives of each sector are committed to active participation in the work of the task force, with Commerce and Labor as the lead Federal agencies; U.S. Steel and Jones and Laughlin Steel representing the steel industry; and the United Steel Workers (USWA) from organized labor. In addition to assuring that Federal aid is coordinated appropriately with the worker benefits provided for by union agreements, the task force will determine which specific actions should be taken by each sector and will develop detailed information on the various layoffs. This will enable the task force to set priorities for the timing and types of aid needed. We are optimistic that this genuinely tripartite effort will result in an effective and efficient response to the dislocations threatened by these layoffs.

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Nominations for many of the Department's top level positions have not yet gone to the Hill. Nominations for the Secretary of Commerce, the Deputy Secretary and the General Counsel will be sent to the Hill expeditiously. The Department's other unfilled positions include the Under Secretary for Trade and the three Assistant Secretaryships for the international trade function. To the extent necessary, you may want to consider making recess appointments so the nominees can be in place and functioning officially during the period of time between when their nominations are sent to the Hill and when they likely would be confirmed--in February 1980.

The overall prospects for successful passage of the China legislation continue to look positive although there have been some questions and concerns over the assurances issue. Initial favorable committee action should occur shortly. Floor action is not likely until January or February although it could occur earlier. Final approval should have occurred by the end of February.

I am pleased to report that the jurisdictional problems in the House and Senate were overcome at least temporarily this week, and the House and Senate named Conferees on their respective bills to expand EDA along the lines proposed by the Administration. We are very appreciative of the efforts made by you, the Vice President, and Frank Moore's staff to break the impasse in the House. This week's action clears the way for the Conference on the bill to begin next week. We are hopeful that Conference agreement on a final bill will be reached in time to permit passage prior to the Christmas recess. However, as you know, this will require resolution of the two very difficult issues of eligibility for EDA aid and the \$2 billion countercyclical program favored by the House. It is possible that the Conference could deadlock on the countercyclical program, thereby delaying action until Congress returns from the Christmas recess, which would adversely impact the proposed program.


Luther H. Hodges, Jr.
Acting Secretary



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410
December 7, 1979

cc M = Intyger

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

Subject: Weekly Report of Major Departmental Activities

HUD Promotes Urban Partnership Concept. A \$20,325,000 public-private partnership to aid reinvestment in six neighborhoods in New York City, Philadelphia, Cleveland and Chicago was announced on November 30. Joining HUD Assistant Secretary Geno Baroni in announcing this partnership were William O. Bailey, President of Aetna Life and Casualty Co. and Gale Cincotta, Executive Director of the National Training and Information Center. Major components of this package include a \$20 million commitment from Aetna to underwrite insurance and provide long-term financing for new and rehabilitated housing; \$225,000 in seed money from Aetna and NTIC to the neighborhood groups to hire real estate development personnel in each target neighborhood; \$100,000 in self-help technical assistance from HUD and management and other technical assistance from HUD's new Office of Public-Private Partnerships.

I have announced the appointment of Phillip Morrow, former executive director of the Upper Albany Community Organizations in Hartford, as director of the new Public-Private Partnerships Office. The aim of this office is to increase the involvement of the private sector in Federal programs, including those of HUD.

How have other agencies done?
Significant Energy Savings Realized. HUD's fourth quarter energy conservation performance report forwarded to the Department of Energy on November 15 showed a reduction of 66,700 gallons in gasoline used over the FY 1978 base line period. This represents a 9.7 percent savings in the amount of gasoline consumed. In the six-month period April 1 through September 30, HUD realized a 12 percent reduction in gasoline used, an energy savings which is 2 percent above the President's 10 percent petroleum reduction requirement for Federal agencies. We anticipate achieving a similar reduction in use of petroleum fuels in the next six-month period.

Congregate Housing Services Program Awards Announced. Last week 38 out of 64 applicants for funding under HUD's Congregate Housing Services Program were approved. Eleven awards go to rural areas and 27 to urban areas. Five of the projects funded will service non-elderly handicapped persons, while 33 projects will be for the elderly. Through this special program residents of public housing or of projects funded under our Section 202 housing subsidy program for the elderly and handicapped will receive two meals daily and other supportive services such as personal assistance, housekeeping and transportation.

Officials Testify on Troubled Multifamily Projects. Several recent stories in the Washington press have focused attention on HUD's handling of troubled multifamily projects such as the Clifton Terrace Apartments. On Wednesday, Assistant Secretary Lawrence B. Simons and I were joined by other HUD staff in testifying before a Senate subcommittee on this topic. In my testimony I assured subcommittee members that the recently publicized reports do not constitute grounds for placing doubt on "the basic integrity and soundness of the housing programs or the overall competence of the Department's management."

Moon

Moon Landrieu

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

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December 7, 1979

THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

FROM: Douglas M. Costle

Last Monday, I announced final approval of the "bubble" policy, a new approach to controlling industrial air pollution which I wrote to you about when it was proposed last year. Because the policy is a significant, concrete example of your regulatory reform efforts, I am bringing it to your attention once again.

EPA, historically, set emission limitations on each pollution source within a plant, such as a smokestack or coke oven. The bubble policy instead limits only the total pollution emitted from an imaginary bubble placed over a plant. Within the bubble, management can tailor a plan to its own facility, focusing anti-pollution efforts on sources that are least costly to control. This approach should:

- o save money (DuPont, for example, predicts its annual pollution costs will be reduced by 40%);
- o encourage industry to create innovative pollution control technologies; and
- o not increase (and perhaps reduce) overall pollution.

Public response to the new policy generally has been very favorable. We have received letters of support from several business leaders (Irving Shapiro of DuPont and William Verity of Armco Steel), prominent economists (Paul Samuelson, Otto Eckstein and John Dunlop), and William Reilly, President of the Conservation Foundation. While some environmentalists have reserved judgment on the policy until we demonstrate it can be effectively enforced, I have been assured enforcement will not be a major problem and thus anticipate their eventual support. It's a responsible "big step," but not everything industry wanted.

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Community WASHINGTON, D.C. 20506
Services Administration



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MEMORANDUM FOR: The President

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez
Director

Do by Jones

SUBJECT: Weekly Report of Significant Agency Activities,
November 30 through December 7, 1979

Undocumented Worker Publication

Last year, the Community Services Administration conducted one of the Agency's poverty symposia on the subject of undocumented workers. Last week the Agency published the scholarly presentation from that symposium. The publication, entitled The Problem of the Undocumented Workers, was compiled for the Agency by the Latin American Institute of the University of New Mexico. This publication reviews the literature and theory regarding clandestine migration from Mexico, surveys methodological approaches to the study of undocumented worker problems, assesses the substantive impact of clandestine migrations from Mexico and highlights policy issues and proposed solutions to problems identified. Since undocumented workers tend to be among the nation's poorest people, their welfare has been of major concern to CSA.

A copy of the publication is ~~attached~~. It will receive wide distribution to scholars, agency grantees and elected officials.

Hispanic American Democrats Conference

The Director will attend the Hispanic American Democrats Convention in Denver on December 7, 1979 to represent the Administration. The Director will attend a number of workshops on housing, health, welfare and employment and will attend a reception for delegates that evening.

~~Attachment~~



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

December 7, 1979

MEMORANDUM FOR THE PRESIDENT

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THROUGH: Rick Hutcheson, Staff Secretary

FROM : Neil Goldschmidt

SUBJECT: Significant Issues for the Week of December 3

Northeast Corridor Project - At a joint press conference with Senator Pell, Congressman Florio and President Alan Boyd of Amtrak, Federal Railroad Administrator Jack Sullivan announced submission of Administration legislation to add \$750 million to the authorization for the rail improvement project between Washington, D.C. and Boston. The additional authorization, bringing the total project authorization to \$2.5 billion, was made necessary by the impact of inflation in recent years as well as inadequate cost estimates in the original legislation. Under the proposed new authorization, the trip times goals established in the original legislation for rail passenger service between Washington and New York, and between New York and Boston will be met, and station improvements will be completed. I have directed the Federal Railroad Administration to aggressively pursue opportunities in the Corridor for joint economic development projects consistent with your urban policy. Senator Pell and Congressman Florio were very supportive of the Administration request, and Congressman Florio promised action early next year.

Nomination of Ted Lutz for UMTA Administrator - Ted Lutz, your nominee for Administrator of the Urban Mass Transportation Administration, appeared before the Senate Banking Committee on Thursday for his confirmation hearing. The Committee appeared to be very supportive and I expect no opposition when the full Senate votes to confirm, hopefully next week.

During my introduction of Lutz, Committee Chairman Proxmire questioned me about departmental policy in awarding discretionary grants in light of my remarks about Chicago Mayor Jane Byrne. As on previous occasions, I reiterated that my personal problems with Mayor Byrne are entirely separate from the process and criteria we use for awarding grants, and that all discretionary grants will continue to be awarded on the basis of merit, need, and public benefit.

Trucking Legislation - The Senate Commerce Committee has reported to the full Senate truck safety and household goods mover bills. The truck safety bill includes many of the safety provisions that were in the Administration's overall regulatory reform bill. Passage, with some modifications we still are seeking, will neutralize some of the safety arguments against regulatory reform. The household movers bill is far

less satisfactory, and our best hope for getting legislation closer to the Administration position lies in the House.

Cooperative Auto Research Program - Following up my visits with the Presidents of General Motors and Ford Motor Company, I have asked Frank Press to develop recommendations for assuring the soundness of the Department of Transportation's management of the auto research program. His recommendations will add to the cooperation and interest initially expressed by the auto executives.

Rail Regulatory Reform Legislation - Senator Long evidently intends to propose an amendment which would further weaken the Committee-passed bill by imposing a ceiling on coal rates. This is shaping up as the major battle when the bill reaches the floor of the Senate, probably the week of December 17. Senator Long's amendment will be opposed strongly by the railroads, who may oppose the entire bill if the amendment is adopted. We have discussed strategies for fighting the amendment with White House staff.



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

December 7, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

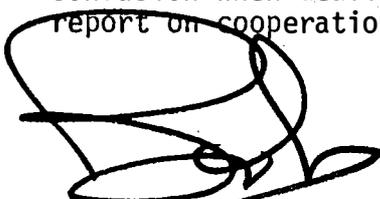
SUBJECT: Weekly Report

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MEAT. Near record supplies of red meat and poultry are forecast for 1980. This should slow retail price rises.

INCOME. Prices paid to farmers rose 1/2 of one percent in November after a 2 percent drop in October.

COOPERATION: The Forest Service, Soil Conservation Service and the Bureau of Land Management met this week to finalize suggestions on how the agencies can work more closely together and eliminate public confusion when dealing with one or more of the agencies. A final report on cooperation will be completed by December 17.



BOB BERGLAND



December 7, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HEW Activities

Policy Interpretation Announced on Title IX Athletic Provisions. I held a press conference on December 4 to announce HEW's policy interpretation regarding the athletic provisions of Title IX of the Education Amendments of 1972. The final policy is the result of extensive review of comments on a proposed policy issued last December and consultations with several groups. The Department will be pursuing complaints of sex discrimination in athletic programs in two ways: (1) through investigation of complaints filed with the Department and (2) through self-initiated compliance reviews of selected institutions.

Congressional Action Expected on CHAP. On December 6, the House began consideration of the Child Health Assurance Program (CHAP) and took action on the following two amendments: (1) adopted by a vote of 217-169 a Volkmer amendment to prohibit Federal Medicaid payments for abortion, except when the life of the mother is endangered, and (2) defeated by a vote of 152-226 a Stockman amendment to change CHAP from an entitlement to a grant program with an annual authorization. The House is expected to complete consideration of CHAP on December 11.

Meeting with the National Dental Association. I met with representatives of the National Dental Association (NDA) this week. NDA representatives expressed concern about the comprehensiveness of the dental care provisions included in the National Health Plan. In the absence of a national plan, the NDA feels that dental care should be covered by Medicare and Medicaid. I pointed out to the NDA that Phase I of the Administration's National Health Plan includes comprehensive dental care for all low income children to age 18. I also assured the NDA that the Administration was committed to increasing the numbers of qualified blacks in policy-making positions in the Federal government.

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Meeting with Blue Cross/Blue Shield and the Health Insurance Association of America. Today I met with Walter McNerney, President of Blue Cross/Blue Shield, Louis Stevens, Chairman of the Board of the Health Insurance Association of America (HIAA), and Robert Froehlke, President of HIAA. We discussed their concerns with our National Health Plan legislation and agreed to continue consultations on both the technical aspects of the bill and on legislative strategy for its enactment.

HEW Employee Receives Rockefeller Award. Assistant Surgeon General Emery A. Johnson, Director of the Indian Health Service of the Health Services Administration, PHS, was one of seven Americans who received the prestigious Rockefeller Public Service Award. The Rockefeller award is considered to be one of the highest honors for citizens working in the public interest.



Patricia Roberts Harris

THE WHITE HOUSE

WASHINGTON

December 7, 1979

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MEMORANDUM FOR THE PRESIDENT

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FROM: ALFRED E. KAHN *Fred*

SUBJECT: Weekly Activities Summary

Meeting with soft drink and beer representatives

Wednesday I met with representatives of the soft drink and beer industries to talk about their recent price increases. Those prices have gone up about 11% over the past 13 months, and accelerated more recently -- rising between 2 and 3.3% in the last two months alone. We've received many complaints about this from bottlers and wholesalers as well as the public.

While it appears that most of the companies are in compliance with the price standard, I called on them for extra restraint, in light of the disturbing fact that much of the increases seem to have been caused by a sharp increase in promotional competition, which has been inducing the public to shift to much more expensive products like light beer. Some brewers have simply dropped their popular priced beers. I encouraged them not merely to exercise restraint, but to emphasize economy in their appeals.

I think the meeting was a useful one, and we plan to continue close monitoring of these two highly concentrated industries. I also plan to hold similar meetings with other industries in the future; I'll keep you advised.

Hospital cost containment and health care initiatives

We have been working with HEW, DPS, and OMB on a memo to you recommending next steps on hospital cost containment. Everyone is agreed we should suggest you use the occasion of a public statement about the House defeat of our bill to announce many of the anti-inflation administrative initiatives previously identified by an EOP working group I assembled earlier this year to recommend measures for attacking inflation in health care costs. We are trying to complete a draft by Monday, December 10.

The price standards

The CWPS Price Monitoring Office prepared a report on the steel industry, which we circulated to several of your advisors. The report focuses on the effects of the price standard on the industry's ability to expand its production capacity and modernize its facilities.

Two companies took pricing actions this week to bring themselves back into compliance with the price standard. Faberge, Inc., a producer of household and personal products, including men's and women's cosmetics, significantly reduced prices on certain product lines during the fourth quarter of the first program year. And the American subsidiary of Burroughs Wellcome Company, a British chemical manufacturer, also restrained its price increases in the second half of the program year, after receiving a notice of probable non-compliance last August 31.

In addition, the Council announced that Alumax, Inc., a manufacturer of aluminum mill shapes and forms with annual sales in excess of \$500 million, and Boston Distributors, an Ohio general-merchandise wholesaler both failed to comply with the first-year standard.

CWPS regulatory filings

During the past several weeks, we have filed comments with DOE on its proposed experimental new sequential bidding system for Outer Continental Shelf oil and gas; with the ICC, urging it (at least until greater deregulation can take effect) to develop new rate-of-return standards that would curtail excessive trucking profits; with DOI, suggesting that certain sediment-control requirements of its strip-mining regulations may be impossible to achieve and should be reexamined; and with the National Highway Traffic Safety Administration, asking them to make some additional calculations to determine the cost-effectiveness of 2.5 mph and 5.0 mph bumper standards.

Anhydrous Ammonia

My staff worked with subgroups of the Trade Policy Committee on a memorandum urging you to reverse a decision by the ITC that would impose a quota on imports of ammonia from the USSR, and instead direct the ITC to monitor import levels. I think we have an opportunity here to avoid inflationary protectionism and the increases in fertilizer cost that could result from imposing a quota.



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

December 7, 1979

Principal Activities of the Department of Justice
for the week of December 3 through December 7, 1979

1. Meetings and Events

The Attorney General chaired, with Congressman Hamilton Fish, ten hours of hearings in Miami, Florida of the Select Commission on Immigration and Refugee Policy. The principal issue was whether Haitians arriving in this country are political or economic refugees. Both immigrant groups and the government of Haiti were represented. On December 7, the Attorney General signed a memorandum of understanding creating, for the first time, a formal mechanism for the sharing of investigative and other information between the various levels of law enforcement in this country.

2. Judicial Selection

There are 23 judicial vacancies (6 under the new law and 17 regular vacancies) that have not yet been presented to the President for tentative approval. The Senate during this Congress has confirmed 129 judicial appointments (108 under the new law and 21 regular vacancies).

3. Iranian Students

As of Thursday, December 6, 46,362 Iranian students had been interviewed by the Immigration and Naturalization Service (INS). Of these, 5,614 have been determined to be deportable; 3,217 are pending verification of their immigration status; 387 have requested asylum; 43 have made voluntary departures which have been verified; and 8 have actually been deported.

The U.S. District Court for the District of Columbia (Judge Joyce Hens Green) is expected to rule next week on a motion to permanently enjoin enforcement of the regulations requiring reporting by Iranian non-immigrant student aliens.

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4. Taiwan Treaty

The Solicitor General's Office this week filed in the Supreme Court our opposition to the petition for a writ of certiorari which has been filed by Senator Goldwater et al.

5. Cambodian Refugees

Fifty-two Cambodians are scheduled to leave Viet Nam during December for parole in the U.S. as refugees. These are the first of about 250 refugees in Indochina who have been accepted for entry into this country.

6. Puerto Rico Attack on Navy Personnel

After meeting together on December 6, the Attorney General and the Governor of Puerto Rico issued a joint statement promising that their respective investigative authorities would treat the matter as one of "great urgency and priority," and that the investigators "will persist until these criminals are apprehended."



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

December 7, 1979

~~Whelan, New, Mohr, Poon, S.H.
Econ x Jan
VCA -> Jan (D. Herman)
Appham, V. Nam~~

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR AND THE MARKETS

- The dollar which reached record lows against the German mark early on Monday has now strengthened substantially against all major European currencies. Moderate U.S., German and Swiss intervention late last week and on Monday appeared to have deterred speculative selling.
- The Japanese yen appreciated significantly this week after many days of massive Japanese intervention.
- Stocks advanced sharply on renewed hopes of a peaceful settlement to the Iranian crisis. Increased institutional investment was also sparked by the dollar's recovery against the major European currencies.
- Citibank, matching Chase, has reduced its prime rate 1/4 percentage point to 15-1/4 percent. Several major banks are now following suit.
- In the credit markets, yields on the short maturities were mixed while yields on longer-dated issues declined. At week's end, the bond rally faded on news of an unexpected 0.2 percent November decline in unemployment.

2. CHRYSLER

- Chrysler and the U.A.W. apparently have agreed to push a compromise proposal to try to sidetrack the Senate bill. The compromise would contain the requirement for private contributions but would replace the wage freeze with a \$400 million "contribution" by the U.A.W. and a small ESOP.

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3. WINDFALL PROFITS TAX

- . The Senate continued action on the Windfall Profits Tax. The Senate approved Senator Bradley's amendment raising the tax rate on tier two oil to 75 percent. This measure is expected to raise an additional \$22.5 billion in revenues. The Senate has also voted to extend the phase-out period into the mid-1990's. This amendment would raise to \$214 billion the level at which the tax would phase out.
- . We are doing vote counts on both "plowback" in general and also a minimum tax. Exemptions for state-owned lands and the plowback contingency on minimum are key issues in Senate passage, and there is a threat of filibuster by both the Republicans and oil-producing state Senators.

4. MULTILATERAL DEVELOPMENT BANKS

- . The House-Senate Conference Committee has been suspended due to the deadlock over funding levels. If Congress adjourns without enacting a foreign aid bill, we must resort to a continuing resolution in which funding levels are inadequate.

5. TARGETED FISCAL ASSISTANCE

- . The House Committee on Government Operations reported out the Anti-Recession and Targeted Fiscal Assistance legislation providing up to \$1 billion in countercyclical aid to state and local governments if the economy falls into a recession and a lump sum payment of \$250 million to cities and counties with high unemployment rates.
- . We hope to move this high priority bill to the Floor late next week.


Gene Godley
Acting Secretary

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

December 7, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: THE SECRETARY OF LABOR 

SUBJECT: Departmental Activities
Week of Dec. 3-7

The Department has no significant activities
to report for this week.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

November 26, 1979

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MEMORANDUM FOR: THE PRESIDENT
FROM: Jim McIntyre *Jim*
SUBJECT: OMB Activities Report

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SALT and the Defense Budget: At the request of Senator Cranston, last Tuesday Harold Brown and I met with Senator Cranston's group of Senate SALT supporters. Harold did an excellent job of presenting the highlights of the defense program, and I rounded out the picture very generally on the rest of the budget. It was a useful discussion, with two specific points of interest to you:

- Senator Muskie plans to make a floor speech this week analyzing the budget environment for the coming decade -- emphasizing the size of the deficit, defense spending, uncontrollables and tax burdens. I will talk to him about the need to "accentuate the positive", particularly the impact of our projected higher defense spending on other factors.
- Senator Levin again argued that he (and probably others) might have to oppose a "sense of the Senate" resolution supporting our five year defense spending projection unless we also "preview" our domestic programs. We argued that such a resolution, coming in the heat of the SALT debate, would not represent a binding commitment on his part or that of any other Senator to a subsequent defense budget. Carl's discomfort with our argument indicates we may have a problem with this issue, since the passage of such a resolution is likely to be a quid pro quo for people like Sam Nunn.

THE WHITE HOUSE
WASHINGTON

11/26/79

Frank Moore
Stu Eizenstat

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

Rick Hutcheson

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

cc Frank
Stu
J

November 23, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth
Jane Yarn
Robert Harris

Duo Speth

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SUBJECT: Weekly Report

Confirmation of Bob Harris. Last Friday, the Senate confirmed your nomination of Bob Harris to be the third member of the Council. Jane and I are delighted to have him join us and are particularly pleased with the expeditious approval by the Senate. During Bob's courtesy calls and his hearings, he was well received by the Senators and frequently complimented.

Substantive waiver and the EMB. By far the most difficult and significant EMB issue for conference is the fact that the House bill establishes a process for waiver of Federal substantive laws and the Senate bill does not. You have repeatedly stated that you oppose substantive waivers and the House provision. Nevertheless, our credibility on this issue has been hurt by some of the early statements of Administration lobbyists, by Jim Wright's assertions during the House debate that the Energy Department does favor such waivers, and by the failure of the Eckhardt amendment on the House floor while we successfully won other floor votes.

Our effort to eliminate the House substantive waiver provision would be greatly strengthened if, on the eve of the conference, you issued a short statement reaffirming your long-held opposition to substantive waiver and directed Administration lobbyists to use all their powers to defeat such a provision. I suggest the following:

"The House and Senate are about to begin their conference on legislation of great importance to the Nation, to create the Energy Mobilization Board. My Administration has worked long and hard in cooperation with the Congress to enact this vital measure.

"One major outstanding difference remains between the House and Senate bills--that of substantive waiver. The House bill provides that the Board may waive the application of Federal substantive laws. The Senate bill has no such provision. While the House bill was improved during the course of its passage by requiring approval of the waiver by the President and the concurrence of both Houses of Congress, the provision remains objectionable. It creates a mechanism for waiving the laws carefully crafted over the past decade to protect the Nation's air and water and the beauty and integrity of our land. ~~Never before in American history has Congress come so close to authorizing so few to do so much to imperil American the Beautiful.~~ I urge the Congress not to adopt this provision."

Frank,
Stu
Domaud

Our thoughts and prayers are with you in this difficult period. Gus

THE WHITE HOUSE

WASHINGTON

11/26/79

Secretary Goldschmidt
Jim McIntyre

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

Rick Hutcheson

ADMINISTRATIVELY CONFIDENTIAL



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590
November 23, 1979

cc Neil
Jim MC
J

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MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Neil Goldschmidt

SUBJECT: Significant Issues for the Week of November 19

Get M&M type
to help -
Let Congress
know clearly
if it is
unacceptable

Aviation Noise Legislation - Both Houses have now appointed conferees on Senator Cannon's Aviation Noise Bill. Although the lineup of conferees is not in our favor, we will continue to work to modify the bill and finally to defeat it on the House Floor.

Pipeline Safety Legislation - Congress passed legislation authorizing the Department of Transportation's pipeline safety activities. Substantial industry opposition and differences between the House and the Senate had to be overcome to achieve this significant victory for the Administration. I strongly recommend a White House signing ceremony.

Rail Deregulation - In preparation for markup next Tuesday, staff of the Senate Commerce Committee has prepared for Members a package of proposed amendments to the Committee's draft bill. We are still engaged in discussions on a number of provisions which are unsettled or unacceptable. The Committee intends to submit a bill to the Senate Floor in early December.

Rock Island Railroad - I have recommended to the Interstate Commerce Commission a continuation of directed service on the Rock Island for another 90 days to allow solvent carriers which wish to purchase segments of the Rock Island to complete arrangements and begin operations in March. There is some sentiment within the ICC for a severe cut in service beginning December 3. Such cuts would create operational problems, complicate a final restructuring, impede progress towards an acceptable package of labor protection for Rock Island employees, and put pressure on Congress to enact legislation similar to that to continue service on the Milwaukee. Legislation can be costly and disruptive of our best chance to achieve a sound restructuring of the Rock Island.

Oil Spill in Turkish Waters - Following a collision between a Greek freighter and a Romanian oil tanker in the Straits of Bosphorus, the Coast Guard has provided expert assistance in response to a request from the Government of Turkey. The Government of Turkey is concerned about further explosions on the disabled tanker and subsequent spillage of the remaining 300,000 barrels of oil still on board.

Seizure of Mexican Fishing Vessel - On November 20, the Coast Guard seized a Mexican vessel, apparently fishing without a permit within the U.S. Fishery Conservation Zone. The vessel is at the Port Isabel Coast Guard station.

Joint DOE/DOT Conference with Governors on Coal Transportation - Secretary Duncan and I met this week to plan for a conference with Governors on December 14 on the transportation of coal. The agenda for the conference includes Administration policy on rail rates and regulations for hauling coal, particularly as reflected in rail deregulation legislation; funding improvements to coal haul roads and coal rail grade crossings; and adequacy of rail service to coal shippers. The conference will serve to exchange information with Governors and inform them of Administration policy. It is an important milestone in efforts Secretary Duncan and I are making to coordinate our policies and activities in support of your national priorities.

*Be careful. Our fishing vessels
are very susceptible to seizure
off Mexico & Costa Rica -*

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THE SECRETARY OF ENERGY
WASHINGTON, D.C.

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November 23, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: CHARLES W. DUNCAN, JR.
SUBJECT: Weekly Activity Report
November 19 - 23, 1979

A handwritten signature in black ink, appearing to read "C. W. Duncan, Jr.", with a date "11/23/79" written below it.

- Iran situation: Work to set state conservation targets, to provide technical assistance to states in devising their conservation plans, and to implement the gasoline rationing authority is proceeding on schedule. We are scheduling a series of meetings with the chief executives of major energy consuming industries, utility executives, and state utility regulatory commission officials for the purpose of urging specific voluntary actions that would contribute to the conservation effort. The paid advertising program with respect to conservation is in place and the first ads will be appearing before Christmas.
- International Energy Agency: At the Board of Governors meeting on November 16, the members agreed, at the urging of the United States, to hold a Ministerial meeting involving both energy secretaries and foreign ministers on December 10 in Paris for the purpose of unveiling a major new demand restraint program. The United States put forth a proposal whereby all IEA nations would adopt 1980 import targets, and then those targets would be adopted quarterly on a pro rata basis to take into account the actual availability of world oil supplies. Each nation would also present those policies which it would be firmly committed to adopting to ensure that such targets were met.

A working group has been established which is meeting in Paris this weekend, will meet again next weekend to be followed by another governing board meeting on December 3, all in preparation for the December 10 ministerial.
- Jet fuel: There may be some substantial difficulties with the supply of jet fuel in the coming weeks. The Defense Fuel Supply Center has had difficulty in getting contract coverage for

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JP-4 and JP-5. Last week we contacted 27 refiners to find additional supplies and Defense will be following up on that effort in the coming week. Fuel supply is inadequate to support expanded airline service to Guam. We are working with the Guam Energy Office to resolve the problem. We will also issue a Notice of Inquiry regarding the availability of jet fuel for new entrants in the airline industry generally. Shell has raised the price of jet fuel at Kennedy Airport very substantially; we will hold a public hearing to give adversely affected parties an opportunity to comment on whether the Department should take action with respect to these price increases.

4. Decontrol: The Economic Regulatory Administration will shortly issue the final rule to deregulate butane and natural gasoline. Our proposal to deregulate motor gasoline is under discussion within the EPG.

5. Gasoline Stocks: The last two weeks' figures indicate that crude oil stocks have increased, while both gasoline and middle distillate stocks have decreased. Despite the decrease, middle distillate stocks remain above last year's supply, and significantly above our minimum acceptable levels. However, motor gasoline stocks are below last year's level by about two percent, and below our minimum acceptable level. We are contacting the refiners and will be prepared to take appropriate action should the trend continue.



Office of the Attorney General

Washington, D. C. 20530

November 23, 1979

Principal Activities of the Department of Justice for the Week of November 17 through November 23

1. Iran

On Monday, the D. C. Court of Appeals upheld the government's ban of Iranian-related demonstrations in front of the White House or other sensitive areas. The march proceeded without incident the next day.

On Wednesday, a class action suit was filed by three Iranians seeking to enjoin the Attorney General's order that Iranian students report and verify their status. They allege violation of the First, Fifth and Fourteenth Amendments. The suit will have no immediate effect on the reporting requirements.

As of Tuesday, 14,466 Iranian students have reported to the Immigration and Naturalization Service. 11,086 of these were in status, 1,784 were found deportable, 1,596 are pending verification. Voluntary departure has been granted to 221 students; 17 of these departures have been verified. Three students have been deported. There have been 220 requests for asylum.

2. Meetings and Events

The twenty-five largest U.S. Attorney's Offices held a conference in San Diego between November 19 and 21. The Attorney General was unable to attend as planned because of the crisis in Iran. However, the Acting Deputy Attorney General and heads of the divisions and offices in the Department did attend.

On Wednesday, the Attorney General met with leaders of the Council of Jewish Federations and Hias, a Jewish refugee organization. They were concerned about Jewish Iranians who might be subject to persecution if deported back to Iran. The meeting was informative and useful.

3. Judicial Selection

There are 27 judicial vacancies (6 under the new law and 21 regular vacancies) that have not yet been presented to the President for tentative approval. The Senate during this Congress has confirmed 115 judicial appointments (98 under the new law and 17 regular vacancies). There are 8 candidates ready to present to the President.

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4. Title IX Suits

The first two suits against sex discrimination in education to be joined by the federal government were filed this week. On Monday, the Department joined a private suit against Texas A&M University challenging the exclusion of women students from the Texas Aggie band and three other elite organizations of the ROTC Corps of Cadets at the University.

On Tuesday, the Department joined a private suit charging the University of Alaska with discrimination against women athletes, especially the basketball team, by giving them less assistance.

5. Peonage Conviction in Louisiana

Connie Ray Alford pled guilty on Wednesday to one count of peonage in Monroe, Louisiana for shackling and chaining illegal Mexican aliens who were working off an alleged debt on his ranch. Two of Alford's employees were also indicted.

6. Couple Indicted for Bilking Defense Department of More Than \$2 Million

On November 7, Michael Leon Gamble, former fiscal administrator for the Defense Department's Civilian Health and Medical Program, and his wife, Jacqueline, both now believed to be in Thailand, were indicted on charges of embezzling more than \$2 million in medical expenses while stationed in Denver. The couple instructed persons eligible for medical health benefits to fill out only the top section of medical forms on which the defendants then inflated prices or included services not rendered before submitting the claims. Payments were then made to a post office box used by the Gambles. The scheme was uncovered when a military beneficiary noticed that the government was charged for medical services not provided to his child.

7. Acceptance of Dallas Reapportionment Plan

On Tuesday, the Assistant Attorney General for Civil Rights, Drew Days, informed the City of Dallas that the last in a series of proposals to change its process of selecting city council members was consistent with the legal standards of the Voting Rights Act of 1965. A review by the Department of a change in the selection process is required by the Act. The plan will provide for eight single member districts and three at large seats in place of an eleven at large seat system. The accepted plan gives the minority community a fair opportunity to elect three members of the council.

8. Revocation of Nazis' Citizenship Sought

The Department brought three actions this week to have the American citizenship of three alleged Nazis revoked: Karl Linnas in Long Island, New York, Bohdan Koziy in Miami, Florida and Wolodymir Osidach in Philadelphia, Pennsylvania.

Community WASHINGTON, D.C. 20506
Services Administration



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23 NOV 1979

MEMORANDUM TO THE PRESIDENT

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ATTENTION: Rick Hutchenson
Staff Secretary

FROM: *Frank Jones, for*
Graciela (Grace) Olivarez
Director

SUBJECT: Weekly Report of Significant Agency Activities
(November 19-23, 1979)

DATE:

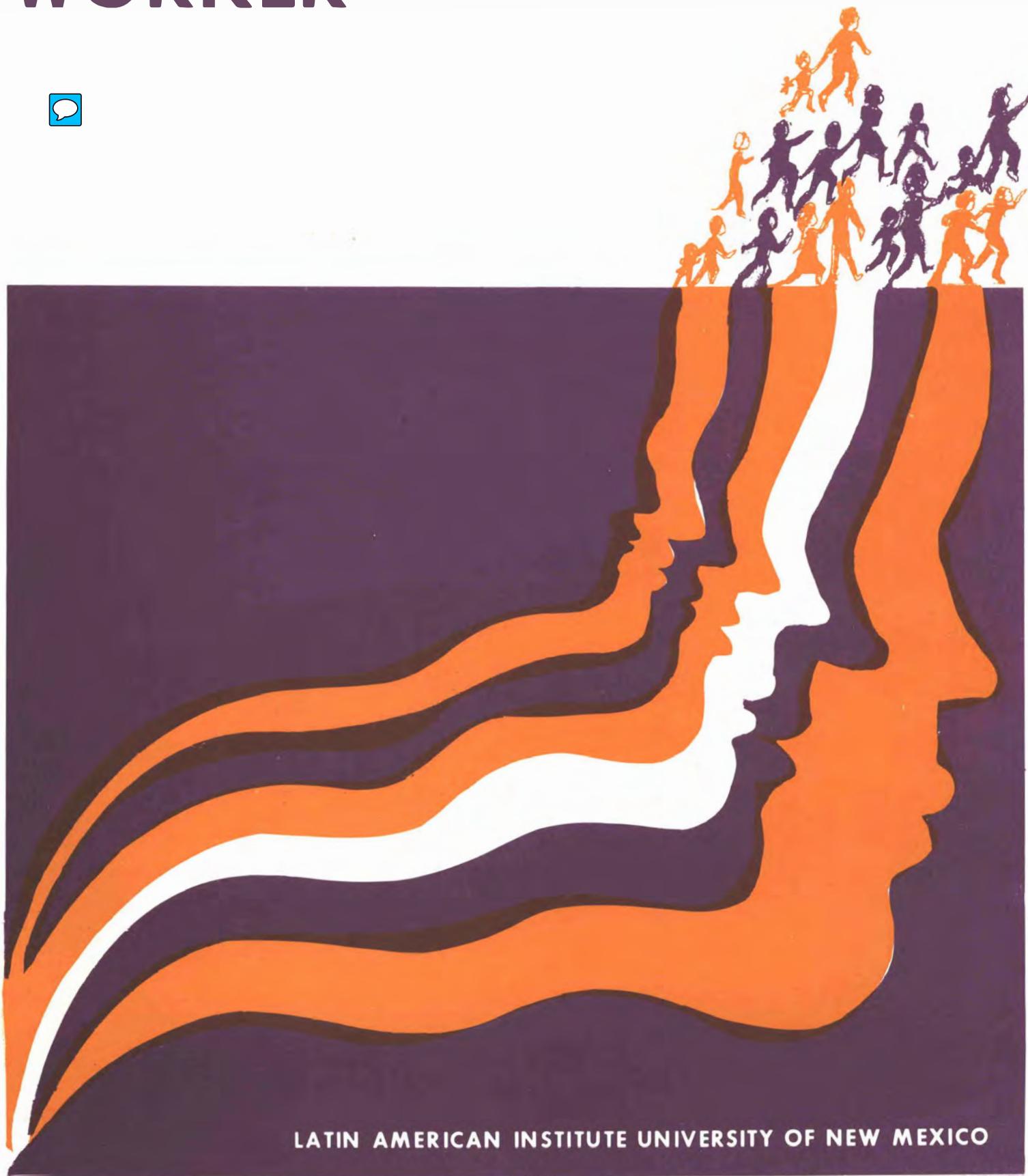
HEALTH SERVICES

CSA signed an agreement with EDA which will provide \$150,000 for the EDA funded Opportunity Development Association of Brooklyn, New York, to aid in the completion of its health care facility. ODA has renovated a number of dilapidated buildings and turned them into a modern hospital. This health care facility will provide an out patient clinic, medicare and medical care, comprehensive health maintenance service, day care facilities and transportation services to and from the hospital for the low-income population it serves.

RURAL TRANSPORTATION

CSA has been using its network of CAAs to help implement the President's Rural Transportation Initiative. CAAs have provided transportation services to the elderly and handicapped to help take advantage of social service programs such as health and nutrition programs and for social outings such as shopping. Buses have also been used to transport children participating in the headstart program. At a meeting of the Inter-Agency Coordinating Committee for the project, CSA was singled out as the Agency which had done the most towards meeting its responsibility under the Inter-Agency agreement on Rural Transportation.

The Problem of the
**UNDOCUMENTED
WORKER**



LATIN AMERICAN INSTITUTE UNIVERSITY OF NEW MEXICO

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