

1/24/80

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THE PRESIDENT'S SCHEDULE

NOT ISSUED

Thursday - January 24, 1980

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

9:15 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.

✓ 10:00

Arrival Ceremony for His Excellency Francesco Cossiga, President of the Council of Ministers of the Italian Republic - The South Grounds

✓ 10:30
(60 min.)

Meeting with Prime Minister Francesco Cossiga.
(Dr. Zbigniew Brzezinski) - The Cabinet Room.

✓ 12:15
(10 min.)

Drop-by Mrs. Rosalynn Carter's Luncheon for
the Committee on Mental Retardation.
The Residence.

✓ # 2:15
(10 min.)

Drop-by Briefing for Florida Power and Light
Group. (Ms. Anne Wexler) - The Roosevelt Room.

✓ 7:30

Dinner Honoring His Excellency Francesco Cossiga (BLACK TIE) - The State Floor.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

9
1

January 21, 1980

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: The Effect of Energy Price Increases
on Inflation

In your Meet the Press interview you said that "... all the increase, for all practical purposes, in the inflation rate since I have been in office has been directly attributable to increases in OPEC oil prices."

This is an overstatement.

1. The consumer price index.

| | <u>1976</u> | <u>1977</u> | <u>1978</u> | <u>1979*</u> |
|--------------------------|-------------|-------------|-------------|--------------|
| All items | 4.8 | 6.8 | 9.0 | 13.1 |
| All, excluding energy | 4.6 | 6.8 | 9.2 | 10.6 |

*Rate through November.

2. The consumer price index tends to give very great importance to rising home prices and mortgage interest rates. It treats the purchase of a home as if it were completely a consumer good rather than also being an investment, a rise in whose price is a capital gain as well as a cost. In 1979, this treatment added significantly to inflation as measured by the CPI. As part of the GNP statistics, the Department of Commerce publishes a comprehensive price index for consumer purchases of goods and services. It goes by the formidable name of the "fixed-weight price index for personal consumption expenditures." That index uses rent as the measure of the cost of housing services, and shows much less acceleration of inflation:

**Electrostatic Copy Made
for Preservation Purposes**

Department of Commerce Price Index
for Consumer Expenditures

| | <u>1976</u> | <u>1977</u> | <u>1978</u> | <u>1979</u> |
|--------------------|-------------|-------------|-------------|-------------|
| Total | 4.5 | 6.1 | 8.0 | 10.8 |
| Total, less energy | 4.5 | 6.0 | 8.0 | 8.0 |

As you can see, consumer inflation -- as measured by this index -- is well below double digits, and is no higher than in 1978. But it is still substantially larger than 1976.

3. The 1976 increase in both indexes was held down by a short-lived decline in meat prices. Cattlemen were liquidating their herds, and supplies were temporarily high. (We paid for this in 1978 with a large meat price rise.) The Department of Commerce index, excluding both food and energy, shows much less of a rise in inflation from 1976.

Department of Commerce Index,
Excluding Food and Energy

| <u>1976</u> | <u>1977</u> | <u>1978</u> | <u>1979</u> |
|-------------|-------------|-------------|-------------|
| 5.9 | 6.0 | 6.8 | 7.8 |

As you can see, the increase in 1979 is not affected, but the 1976 increase is lifted to about 6 percent.

4. So far all of these measures eliminate energy price rises from the index. The "energy" category is not the same as "OPEC oil prices"; it encompasses both more and less:

- o The "energy" category includes the prices of natural gas and electricity, both of which are rising fairly sharply.

- o It also includes the effect on consumer energy prices of increases in domestic crude oil prices; these are not so huge in 1979 but will be very large in 1980.
- o It excludes many of the indirect effects of OPEC oil price increases: e.g., higher petrochemical feedstock costs leading to higher prices for apparel made from synthetic fibers.

5. In summary, a large part of the 1979 rise in inflation to double-digit levels is due to:

- (a) energy
- (b) the CPI component for housing prices and mortgage interest rates.

Excluding energy and treating housing costs on the basis of rental equivalency, the 1979 inflation rate was about 8 percent.

This is far below the 13 percent shown by the CPI, but still a good bit higher than 1976.



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

C

MEMORANDUM FOR: THE PRESIDENT
FROM: John P. White 
Deputy Director
SUBJECT: Peacetime Registration

BACKGROUND

In mid-1978, the Armed Services Committees became increasingly concerned over whether the services could maintain the active and reserve forces on a volunteer basis. The concerns included the quality of the active force the reduced manning in the Reserves (both Selected Reserve Forces and the Individual Ready Reserve pool), and the adequacy of the Selective Service System (SSS) in the event of mobilization.

These developments culminated in attempts in September 1979 by the Armed Services Committees to mandate peacetime registration. The Administration worked to defeat this effort, in part by acceding to an amendment to the Defense Authorization Act of 1980 requiring the President to transmit a plan and legislation for Selective Service Reform by February 9, 1980. The tone of the debate in the House was essentially that peacetime registration may be necessary, but there are procedural, legal and substantive issues (e.g., inclusion of women) that have to be worked out in 1980 before actually starting registration.

ISSUES

There are two issues: First, can the SSS deliver sufficient inductees (untrained manpower) in mobilization without peacetime registration? Second, should we move away from the volunteer concept?

RESULTS OF ANALYSIS

An interagency task force drawn principally from DoD, SSS and OMB, and including several other agencies, has been working since last October to develop a set of plans and actions so that SSS can accomplish its mission.

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for Preservation Purposes

In terms of the first issue, there is no justification for peacetime registration. Given the system enhancements called for in the plan, SSS can meet and exceed the agreed upon DoD requirements. A comparison shows:

Registration/Classification/Examination Options

| <u>Defense Department Requirement</u> | <u>First Inductee by M+30</u> | <u>100,000 by M+60</u> | <u>650,000 by M+180</u> |
|---|---------------------------------------|----------------------------|-----------------------------|
| A. <u>Post</u> -Mobilization Registration | M+17 | M+33 | M+124 |
| B. <u>Pre</u> -Mobilization Registration | M+10 | M+26 | M+117 |
| C. Pre-Mobilization Registration with Classification | M+10 | M+26 | M+117 |
| D. Pre-Mobilization Registration with Classification and Physi- cal Examination | M+10 | M+17 | M+117 |

As the chart shows, even the "least obtrusive" approach, Post-Mobilization Registration, meets and even exceeds the DoD requirement. In terms of monthly deliveries of inductees, SSS can with post-mobilization registration deliver an estimated 81,000 by M+30 and with pre-mobilization registration and processing 125,000 by M+30. Thereafter, both options are the same: 187,500 each month with the limiting factor being the ability of DoD's examining stations to process registrants, not SSS's ability to call them there.

Selective Service's plan involves interagency agreements which are already negotiated and signed; the installation of a computer; appointment and training of local board members, and installation of about 435 ADP terminals in the field. The remaining steps are planned to be completed by September 1982, but could be accelerated. Testing of plan components will begin this year.

PEACETIME REGISTRATION, CLASSIFICATION, AND EXAMINATION

Peacetime, or pre-mobilization, registration would involve from 2 to 4 million people going to local post offices to register. If peacetime classification takes place, SSS will require a field structure and an appeals process. More than 1,800 local boards and 434 area offices will be set up, and some 97 appeal boards.

Examination has the greatest impact. It is costly and intrusive, and will require most of those registered to report to an Armed Forces Examination Station.

Perhaps the greatest impact of peacetime processing is that it forces us to face here and now the issue of registering women. Peacetime processing without including women would be subject to legal challenge, even in a "pre-ERA" environment. Moreover, while registration and classification in a peacetime setting are likely to be seen as intrusive and annoying, physical examinations of women in the AFEESSs without the urgency of a national emergency are likely to be viewed by a majority as intolerable.

Finally, peacetime processing, even just registration, makes an enforcement program necessary. Enforcement of laws which a significant portion of the population views as distasteful or unnecessary has a high probability of causing turmoil, dissent and high costs to achieve the ends desired.

While pre-mobilization registration appears unnecessary, it could have benefits in terms of the world situation, or if the basic decision is made to abandon the All Volunteer Force (although the analysis does not recommend that this be done). Obviously, it also has serious costs.

RECOMMENDATION

Our recommendation will be to rely upon post-mobilization registration and subsequent processing. In addition, in recognition of the world situation, we will recommend that the President's February 9 report should:

- ° Stress our major commitment to meet the DoD mobilization requirements.
- ° Accelerate the upgrading of SSS by immediately acquiring the field data terminals and master computer, and beginning this year to appoint and train local board members.
- ° Outline the program for testing the system in peacetime with DoD.
- ° Emphasize equity in SSS operations. SSS will study and review its appeals process and develop programs for conscientious objector alternate service in line with the equity concept.
- ° Propose legislative changes to streamline the SSS and allow the registration of women.

CONCLUSION

This proposal for enhanced SSS capabilities for post-mobilization registration will meet the stated DoD mobilization requirements without having to reinstitute peacetime registration, classification, and/or examination. It also mitigates the volatile issues of registering women and legal enforcement to the extent that these become "wartime" or "state of emergency" questions. In weighing any recommendations to go beyond this approach, then, the tradeoff you face is essentially between the benefits derived from calling for an immediate expansion of the population's involvement in potential mobilization (i.e., peacetime registration) and the costs associated with having to debate the "draft-related" issues of registration, women, conscription, etc., in the present environment.

THE WHITE HOUSE
WASHINGTON

24 Jan 80

Hamilton Jordan

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

Rick Hutcheson

cc: Zbig Brzezinski
Phil Wise

OCCIDENTAL PETROLEUM CORPORATION

10889 WILSHIRE BOULEVARD • SUITE 1500

LOS ANGELES, CALIFORNIA 90024

(213) 879-1700 • (213) 477-0066

ARMAND HAMMER
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

January 24, 1980

*Ham -
Let him
discuss with
either Cyp or
Ehig
J*

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

Dear Mr. President:

I spent an interesting hour with Ambassador Dobrynin last night and we developed some thoughts which might help to lessen the current tensions. I would be happy to report these to you personally or your designee. I will be in New York Thursday and Friday and could easily return to Washington on short notice.

Congratulations on your State of the Union message. Frances and I were at the British Embassy for dinner with Roy Jenkins and the Ambassador brought in the TVs so his dinner guests could watch what all agreed was an impressive performance. Everyone was with you.

With my continued expression of friendship and support, I am

Respectfully,

Armand Hammer

THE WHITE HOUSE
WASHINGTON

1/24/80

For The Record:

Jody received a copy of the
attached.

THE WHITE HOUSE
WASHINGTON

Jody
J

January 24, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL *JJP*

We have scheduled a series of appearances and interviews for Cy and Zbig stretching into next week to follow up on your speech. At present, the only major gap is the Sunday shows.

I have had Hodding ask Cy to do Issues and Answers. He has been reluctant to do it. I fear that the Secretary of State will not be sufficiently visible in the follow-up, which could refuel the "whose policy is it" question.

Would you be willing to mention this to him by phone or tomorrow at the foreign policy breakfast? Alternatively, I could call him directly on your behalf.

| | |
|------------------|---------------|
| I'll talk to him | _____ |
| You call him | _____ ✓ _____ |
| Forget it | _____ |

Tell him I would like for him to do it if it's convenient for him
J

10:00 A.M.

THE WHITE HOUSE

WASHINGTON

January 19, 1980

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER
FROM: GRETCHEN POSTON *Gp*
SUBJECT: SCENARIO FOR THE ARRIVAL CEREMONY HONORING
PRIME MINISTER COSSIGA OF ITALY
JANUARY 24, 1980 at 10:00 AM

9:30 AM Welcoming and Official Parties arrive White House,
South Lawn.

9:50 AM Official Party preceding the Prime Minister arrives
White House, and takes positions on the South Lawn.

9:57 AM THE PRESIDENT AND MRS. CARTER arrive at the Diplomatic
Reception Room.

9:59 AM THE PRESIDENT AND MRS. CARTER are announced, and
enter grounds to edge of red carpet.

(Music - "Man of the Hour")

10:00 AM The motorcade carrying the Prime Minister arrives -
fanfare. Official introductions.

THE PRINCIPALS (3) proceed onto platform and into
positions for honors.

(Italian National Anthem)
(U.S. National Anthem)
(19 Gun Salute)

THE PRESIDENT and the Prime Minister descend platform
for inspection of Troops. Return to platform for remarks.

(All PRINCIPALS into new positions -
see attached.)

Following remarks, PRINCIPALS return to positions facing
south as Commander of Troops closes ceremony.

ALL PRINCIPALS descend platform, ascend stairs to South
Portico Balcony for press photo session. Continue into
Blue Room for receiving line.

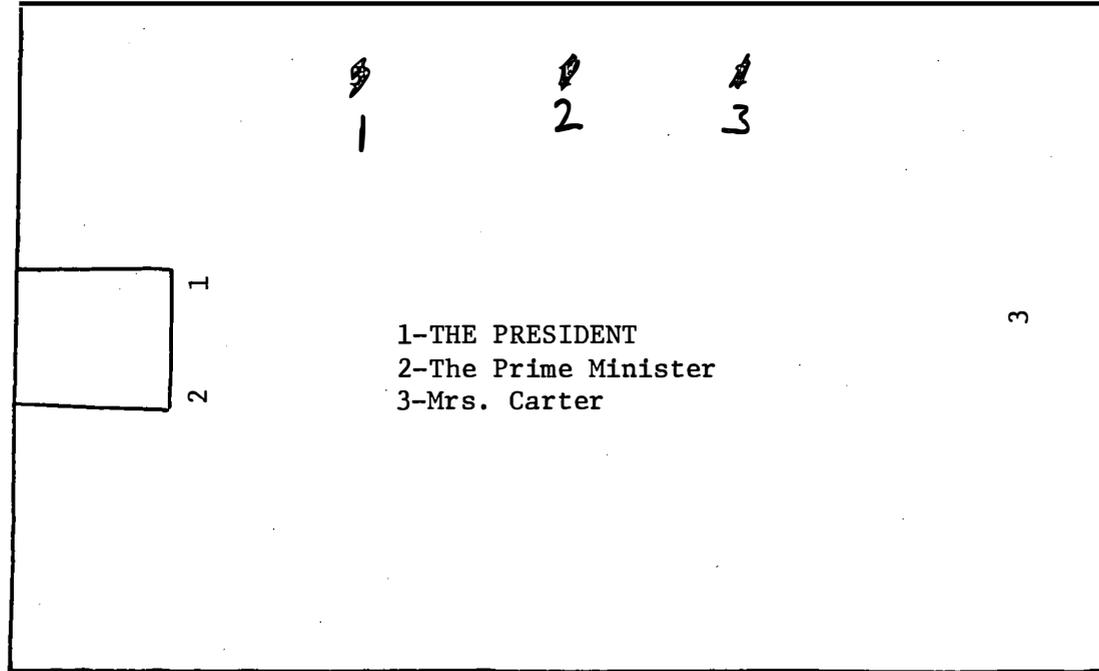
10:30 AM Coffee is served in Blue Room.

10:45 AM THE PRESIDENT and Prime Minister Cossiga depart State Floor for Oval Office.

MRS. CARTER departs State Floor.

SOUTH LAWN

SOUTH LAWN



DIPLOMATIC ENTRANCE

THE WHITE HOUSE

WASHINGTON

January 19, 1980

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER

FROM: GRETCHEN POSTON

SUBJECT: RAIN PLAN - ARRIVAL CEREMONY IN HONOR OF
PRIME MINISTER COSSIGA OF ITALY
JANUARY 24, 1980 AT 10:00 AM

In the event of rain, the Prime Minister will arrive at the North Portico. Following your greeting at the North Portico, all PRINCIPALS should proceed down the Cross Hall and into the East Room.

As you enter (pausing for announcements) the platform will be directly in front of you, and the Official Parties will be on your right. On the platform, please note that your positions will be different from those at an outside ceremony. The diagram below shows your positions on the platform, facing the Cross Hall and press pens.

Coffee after the ceremony will be in the Blue Room.

PRESS

PRESS

LECTERN

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3

1-Mrs. Carter
2-THE PRESIDENT
3-The Prime Minister

Bob Rackleff
Draft A-1; 1/21/80
Scheduled delivery:
Thur., Jan. 24, 10:30 A.M.

President Carter's Statement for Arrival of Cossiga

It is a great honor for me, on behalf of the American people, to welcome to the United States the Prime Minister of Italy, ^{the} Francesco Cossiga [Fran-CHESS-ko Ko-SEE-ga].

The United States has no closer friend and ally than the Republic of Italy. Close ties of culture, kinship, trade, and political alliance unite us in a very special relationship.

That special relationship has never been more important than it is today. These are difficult and sobering days that test the courage of free people and free nations. World order is threatened by a spiral of violence -- violence to the independence of sovereign nations -- and terrorist violence to basic human rights and the rule of law.

Our societies also face the urgent challenge to find new solutions to problems of energy, inflation, and unemployment. We must find these solutions together in new forms of cooperation if we are to meet our economic and social needs.

Your visit is especially welcome because of your Presidency of the European Community. Italy is also the chairman and host of the economic summit of the principal industrialized democracies that will take place in Venice in June. Before the Venice meeting, I will visit Rome, and I thank you again for your kind invitation.

We are grateful, Mr. Prime Minister, for your leadership at a time when Italy has such important responsibilities in international affairs. Our distinguished guest belongs to a new generation of Italian political leaders.

He is a learned professor of constitutional law. He has served for the last 22 years as a member of the Italian

Parliament. His service as Prime Minister of Italy these last six months has earned him many friends and admirers. It has placed him in the first rank ^{among} of the world's distinguished statesmen.

This is my first meeting with Prime Minister Cossiga, but we are not strangers to one another. In the last few months we have exchanged views by telephone and by letter on the most urgent international questions -- on the need to counter the Soviet military by modernizing NATO's theater nuclear forces, on the lawless seizure of our embassy and the holding of American hostages in Tehran, and on the naked Soviet aggression in Afghanistan.

There is an old Sardinian saying: "Su veru amigu si connoschet in sas adversidades." In English, it means: One comes to know a true friend in moments of adversity.

In these difficult days, Prime Minister Cossiga has

indeed been a true friend, not only in words but in deeds.

Under his leadership, the people of Italy have stood firmly together with the people of the United States, just as we have done with the people of Italy amid other threats to our collective security and welfare.

Our discussions that begin shortly seek to build on our long-standing ties of friendship. These ties led three years ago to a comprehensive set of programs we call the "Strategy of Cooperation."

Through this cooperation, we intend to reduce our dependence on imported oil by joint projects in solar energy, coal technologies, and energy conservation. We are seeking to enlarge our two-way flow of trade and investment.

We are cooperating to improve the health of our citizens and combat the scourge of drug abuse. We are expanding our exchanges of students, scholars and young leaders. We are

helping to strengthen the teaching of one another's languages,
history, and culture in our schools and universities.

But most of all, the Prime Minister and I will be
discussing how the United States and our Western partners
can work together in the grave political and economic crisis
that now confronts us.

We are both keenly aware that the peace and prosperity
of Europe and the United States are indivisible. Our security
is your security. And your security is, irrevocably, ours.

Mr. Prime Minister, it is in that spirit of cooperation
and solidarity that I welcome you today and look forward to
our important meetings.

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SUGGESTED REMARKS FOR THE PRESIDENT
AT THE MEETING WITH PRIME MINISTER COSSIGA

off
cc's to
Staff Secretary
8:55 am
12/18/80
R

We are very pleased with the progress of the ten programs our two governments have underway in the "Strategy of Cooperation" and which are summarized in this document which Ambassador Gardner has given you. We would like to move forward on all of them. We believe it would be particularly useful at this time to focus on:

- making progress in cooperative energy research and development, particular in solar, coal, and conservation technologies;
- measures to control the international drug traffic and to improve our respective national efforts at drug treatment and rehabilitation;
- expanded cultural and educational exchange, including a new project for the teaching of Italian and English on our respective television networks;
- a new joint program to assist Italian livestock production which will help reduce your meat deficit and enlarge our feedgrains exports;
- and the investment mission we are sending under Nat Samuels in April to examine possibilities for U.S. private investment in the Italian South.

If you agree, we will emphasize these points in our White House press release.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

January 23, 1980

DROP-BY LUNCHEON FOR THE PRESIDENT'S
COMMITTEE ON MENTAL RETARDATION

Thursday, January 24, 1980

12:30 P.M.

Residence

FROM: Kathy Cade

I. PURPOSE

To express support for the work of the President's Committee on Mental Retardation and demonstrate concern for meeting the needs of the approximately 6 million retarded people in this country.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: Initiated by President Kennedy and finally established by Executive Order in 1966, the President's Committee on Mental Retardation has a mandate to advise and assist the President on all matters related to this field and to mobilize public support for mental retardation activities. It reports annually to the President. It has 21 citizen members and six ex-officio members: the Secretaries of HEW, Labor and HUD; the Attorney General; and the Directors of CSA and ACTION.

Mrs. Carter has worked closely with the Committee in support of its activities. The Committee is quite proud of its responsibility to report directly to you and has been anxious for some time to meet personally with you. All of the Committee members are now Carter appointees. This luncheon affords the opportunity to highlight their efforts.

Seven new members will be sworn in by the Undersecretary of HEW at the close of the luncheon.

- B. Participants: (See attached list.)
C. Press Plan: White House Photographer

III. TALKING POINTS

(See Attached.)

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PRESIDENT'S COMMITTEE ON MENTAL RETARDATION

LUNCHEON PARTICIPANTS

January 24, 1980

Mrs. Rosalynn Carter

Committee Members

N. Lorraine Beebe, Lansing, Michigan

Andrew I. T. Chang, Aiea, Hawaii

Henry V. Cobb, Ph.D., Chapel Hill, South Carolina

Herbert J. Cohen, M.D., New Rochelle, New York

Ruth W. Diggs, Ph.D., Norfolk, Virginia

Jean K. Elder, Ph.D., Marquette, Michigan

Robert G. Jordan, M.D., Germantown, Tennessee

Shirley C. Miller, Atlanta, Georgia

Ana Navarro, M.D., Hato Rey, Puerto Rico

Dolores Norley-vanDyk, Washington, D. C.

Anderson W. Pollard, Pasadena, California

Ludwig Rothbein, Denver, Colorado

Eunice Kennedy Shriver, Rockville, Maryland

Florence, K. Simons, Alexandria, Virginia

Aileen A. Weiss, Columbia, South Carolina

Samuel Whitman, Cleveland Heights, Ohio

PRESIDENT'S COMMITTEE ON MENTAL RETARDATION
LUNCHEON PARTICIPANTS
Page 2

Ex-Officio Members

Andrew J. Barrick, Department of Justice

Theodore M. Jones, Community Services Administration

Emerson Markham, ACTION

Nathan Stark, Undersecretary of HEW

June Wakeford, Department of Labor

David R. Williamson, HUD

New Committee Members to be Sworn In

Harvey A. Abrams, Miami Shores, Florida

Janet Allen-Spilka, Utica, New York (Executive Assistant to Mayor
Stephen Pawlinga)

G. Thomas Bellamy, Ph.D., Eugene, Oregon

Marlene Frances Kopman, St. Louis, Missouri

Guy M. McKhann, M.D., Baltimore, Maryland

Alba A. Ortiz, Ph.D., Dallas, Texas

Edward F. Zigler, Ph.D., Hamden, Connecticut

Fred Krause, Executive Director, President's Committee on Mental Retardation

THE WHITE HOUSE
WASHINGTON

January 22, 1980

MEMORANDUM FOR THE PRESIDENT

From: Al McDonald
Rick Hertzberg
Chris Matthewse^{gm}

Subject: Presidential Talking
Points: Mental
Retardation Lunch

Scheduled delivery:
Thur, Jan 24, 1980
12:30 P.M.

The Presidential Talking Points for
this occasion are attached.

Clearances

Ray Jenkins
David Rubenstein
Kit Dobelle

THE WHITE HOUSE
WASHINGTON

January 24, 1980

TO: Rick Hutcheson
FROM: Kathy Cade
RE: President's Committee on Mental
Retardation Luncheon

After consultation with Phil
Wise, I advise that the only
person the President should
recognize is the Chairman of
the Committee, Dr. Herbert Cohen.

Chris Matthews
Draft A-1; 1/22/80
Scheduled Delivery:
Thur, Jan. 24, 12:30 P.M.

Talking Points

President's Committee on Mental Retardation

1. DR. HERBERT COHEN (Committee Vice Chairman); ~~SHIRLEY MILLER (wife of Lt. Gov. Miller); DR. ROBERT JORDAN (Hamilton's cousin). [This list will be updated in writing no later than 9:30 A.M. on Thursday by Kathy Cade x2207.]~~
2. ROSALYNN HAS BEEN KEEPING ME INFORMED OF THE FINE WORK YOU ARE DOING ON MENTAL RETARDATION. IT IS A ROLE THAT SHE PLAYED WHEN I WAS GOVERNOR, AND CONTINUES TO PLAY -- QUITE WELL -- HERE IN THE WHITE HOUSE. I WANT TO APPLAUD YOU FOR YOUR FINE ACCOMPLISHMENTS. I PARTICULARLY WANT TO PRAISE THE REPORT YOU PRODUCED LAST YEAR ON "MENTAL RETARDATION PROGRAMS THAT WORK."
3. THERE ARE SIX MILLION PERSONS IN THE UNITED STATES -- ROUGHLY THREE PERCENT OF THE POPULATION -- WHO ARE MENTALLY RETARDED. THE WAY WE TREAT THESE CITIZENS TELLS US A GREAT DEAL ABOUT OUR COMPASSION AND HUMANITY AS A SOCIETY.
4. THANKS TO THE GOOD WORK OF THIS COMMITTEE, OUR SOCIETY IS DISPELLING THE NOTION THAT THE RETARDED PERSON CANNOT FUNCTION IN SOCIETY. WE ARE RECOGNIZING THAT THE GREATEST NUMBER OF THE RETARDED CAN LEAD FULL AND PRODUCTIVE LIVES.
5. WE HAVE MADE PARTICULAR PROGRESS ON TWO FRONTS:
 - ¶ IN EDUCATION, WE ARE PROVING THAT MANY RETARDED YOUNG PEOPLE CAN BE "MAINSTREAMED" WITH OTHER CHILDREN.

¶ IN EMPLOYMENT, WE ARE PROVING THAT RETARDED PEOPLE CAN BE BOTH SKILLED AND DEPENDABLE WORKERS. THEY CAN HOLD THEIR OWN IN COMPETITIVE JOB MARKETS.

6. OUR MAJOR OPPORTUNITY FOR THE FUTURE LIES IN THE AREA OF PREVENTION. THE PUBLIC NEEDS TO UNDERSTAND THAT RETARDATION IS OFTEN CAUSED BY ENVIRONMENTAL FACTORS. IT CAN BE CORRECTED IN THE SAME WAY. BY GETTING HELP TO CHILDREN EARLY, AND BY PROVIDING ADEQUATE FOLLOW-UP PROGRAMS, WE CAN OVERCOME THE EFFECTS OF EARLY DEPRIVATION.

7. WE ALSO NEED TO CONTINUE OUR WORK TO ELIMINATE THE STIGMA ATTACHED TO THE TERM "RETARDED." ONE WAY IS TO PROMOTE THOSE PROGRAMS THAT GET RETARDED PERSONS OUT OF OUR INSTITUTIONS AND INTO THE COMMUNITY AS A WHOLE. WE ALSO NEED TO ENCOURAGE THOSE GROUPS WHO SERVE AS ADVOCATES FOR THE MENTALLY RETARDED.

8. 1981 IS THE INTERNATIONAL YEAR OF DISABLED PERSONS. I PROMISE YOU THAT I WILL DO MY BEST TO ENSURE THAT YOUR EFFORTS RECEIVE THE BROAD PUBLIC ATTENTION THEY DESERVE.

#

THE WHITE HOUSE
WASHINGTON

1/24/80

The Vice President

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

Rick Hutcheson



THE VICE PRESIDENT
WASHINGTON

January 21, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT

SUBJECT: CALL TO SENATOR MUSKIE

*did not
use any
J*

Senator Muskie has requested to speak to you personally before you use any budget deficit figures in the State of the Union message.

**Electrostatic Copy Made
for Preservation Purposes**

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *DWW*

SUBJECT: Drop-By at Briefing for
Florida Power & Light Group

The Florida Power & Light Company is extremely supportive of Governor Graham and you. Their PAC has already made maximum contributions to your campaign, has helped in the caucuses and will be helping you in the Florida primary on March 11.

2:15 pm

THE WHITE HOUSE

WASHINGTON

January 23, 1980

DROP-BY AT BRIEFING FOR FLORIDA POWER & LIGHT GROUP

Thursday, January 24, 1980

2:15 p.m. (10 minutes)

Roosevelt Room

FROM: ANNE WEXLER *DWW*

I. PURPOSE

Greeting, ~~remarks and individual photographs~~ with Division Vice Presidents of the Florida Power & Light Company and their wives.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Florida Power & Light Company, incorporated in 1925, is engaged primarily in the electric utility business. The company today supplies service to approximately 700 communities, and more than 2 million customers along the east and lower west coasts of Florida (Jacksonville to Miami on the East and Sarasota to Miami on the West). These Vice Presidents are meeting in Washington to have a dialogue with the government.

Bob Tallon, Group Vice President, is the coordinator of the Energy Task Force of the Florida State Chamber of Commerce, which under his leadership, supported the National Energy Plan, particularly deregulation of natural gas in 1977, and the bulk of your energy legislation in 1979. Florida Power & Light is involved in a large energy conservation program called "Watt Wise". They are a strong nuclear company with 3 nuclear plants in operation and 1 plant under construction. 20% of all electricity in Florida is provided by nuclear energy. They are converting 1 of their plants from oil to coal/oil mixture. This plant will be on line within the next 3 months.

Dick Sewell, their Washington Representative, is also the new President of the Business Government Relations Council, a prestigious Washington organization for Corporate Representatives. He supports you and your legislative program in general.

For the hour preceeding your entrance, David Rubenstein and I will have briefed the group on your domestic policy initiatives and accomplishments.

Participants: See attached list.

Press Plan: Individual photographs requested.

III. TALKING POINTS

~~Will be~~ *Have been* furnished by the Speechwriters.

FLORIDA POWER & LIGHT GROUP

Larry H. Adams (Betsy)
Vice President, Southern Division (Miami)

Ken R. Beasley
Vice President, Western Division (Sarasota)

Joe C. Collier
Director, Marketing and Energy Conservation (Miami)

Tracy Danese *
Vice President, Public Affairs (Miami)

Cheryl Fahl
Washington Representative's Office

John Francis
Director, Corporate Communications (Miami)

R. E. (Bob) Lloyd
Director, Commercial Operations (Miami)

Ted R. Moffatt, Jr. (Patsy)
Vice President, Eastern Division (West Palm Beach)

Don O'Neal **
Public Affairs Department (Miami)

Joe N. Scott
Vice President, Northeastern Division (Daytona Beach)

J. R. (Dick) Sewell (Margaret)
Washington Representative

J. G. (Jim) Spencer, Jr. (Bernice)
Senior Vice President (Miami)

George E. Sullivan
Vice President, Southeastern Division (Fort Lauderdale)

R. E. (Bob) Tallon (Audry)
Group Vice President (Miami)

Anne Wexler, Assistant to the President
Richard Reiman, Staff

* Carter delegate to Florida State Convention.

** Working the State for Carter/Mondale.

TALKING POINTS

THE WHITE HOUSE
WASHINGTON

January 22, 1980

MEMORANDUM FOR THE PRESIDENT

From: Al McDonald
Rick Hertzberg
Bob Rackleff *BR*

Subject: Presidential Talking
Points: Florida
Power & Light

Scheduled delivery:
Thur, Jan 24, 1980
2 P.M.

The Presidential Talking Points for
this occasion are attached.

Clearances

Anne Wexler
Ray Jenkins
David Rubenstein
David Aaron

[No salutations.]

Bob Rackleff
Draft A-1; 1/22/80
Scheduled Delivery:
Thur, Jan. 24, 2 P.M.

Talking Points: Florida Power and Light Drop-by

1. I AM GLAD TO HAVE THIS CHANCE TO MEET WITH YOU. I HAVE HEARD MANY REPORTS OF YOUR HELP IN ENERGY MATTERS, AND I WANTED TO THANK YOU PERSONALLY. I ALSO WANTED TO BRIEF YOU ON OUR RAPIDLY-CHANGING INTERNATIONAL SITUATION. I SPENT MOST OF LAST NIGHT'S STATE OF THE UNION ADDRESS ON THIS SUBJECT BECAUSE I STRONGLY BELIEVE IN BUILDING A CONGRESSIONAL AND PUBLIC CONSENSUS BEHIND OUR FOREIGN POLICY.

2. THE 1980'S HAS ALL THE EARMARKS OF A TURBULENT DECADE, IN WHICH THE SOVIETS COULD CHOOSE TO CONFRONT US IN KEY REGIONS OF THE WORLD. WE MUST ENSURE A STRONG DEFENSE, FIRM ALLIANCES, AND WORLD OPINION WITH US TO FACE THESE CHALLENGES. THAT MEANS CONTINUING THE POLICIES BEGUN WHEN I TOOK OFFICE: REVITALIZING OUR NATO ALLIANCE, REVERSING THE DECADE-LONG DECLINE IN REAL DEFENSE SPENDING, REBUILDING GOOD RELATIONS WITH THE THIRD WORLD, AND SEEKING A PEACEFUL AND LASTING SETTLEMENT OF DIFFERENCES BETWEEN ISRAEL AND ARAB NATIONS.

3. THE IMMEDIATE THREAT TO OUR NATIONAL SECURITY IN IRAN AND AFGHANISTAN REQUIRES SEVERAL SPECIFIC STEPS AS WELL:
¶ WE WILL BE FIRM IN DEMANDING RELEASE OF AMERICANS HELD HOSTAGE IN TEHRAN. WE WILL NOT BOW TO TERRORISM THERE OR IN ANY OTHER PART OF THE WORLD.

- ¶ WE ARE ALSO MAKING CLEAR TO IRANIAN LEADERS THAT THE SOVIET UNION, NOT THE U.S., THREATENS THEIR FREEDOM. PROVIDED THE HOSTAGES ARE FREED, WE STAND READY TO HELP DETER THAT SOVIET THREAT.
- ¶ WE AFFIRM THAT EVERY NATION OF THAT REGION THAT SEEKS TO PROTECT ITS INDEPENDENCE FROM THE SOVIETS CAN COUNT ON OUR SUPPORT. THAT CAN INCLUDE COOPERATIVE SECURITY ARRANGEMENTS FOR THE REGION.
- ¶ FINALLY, WE WILL NOT RELENT IN OPPOSING SOVIET EXPANSION INTO A REGION OF THE WORLD WHICH PRODUCES TWO-THIRDS OF ALL OIL IMPORTED BY THE FREE WORLD.

4. THE NATIONAL SECURITY CHALLENGES OF THE 1980'S REQUIRE MORE THAN MILITARY AND DIPLOMATIC RESOLVE. TO BE STRONG OVERSEAS, WE MUST BE STRONG AT HOME. AS I HAVE POINTED OUT FOR THREE YEARS, WE MUST HAVE ENERGY SECURITY, TO PROTECT THE U.S. FROM OIL CUTOFFS AND TO REDUCE THE STRAIN ON WORLD OIL MARKETS BY OUR EXCESSIVE CONSUMPTION. THE 1977 NATIONAL ENERGY PLAN AND THE PROGRAM NOW BEFORE CONGRESS CAN ACHIEVE THAT GOAL BY CUTTING OUR OIL IMPORTS IN HALF BY THE END OF THIS DECADE.

5. FLORIDA POWER & LIGHT HAS BEEN A STRONG SUPPORTER OF MY ENERGY GOALS. ~~BOB TALLON~~, AS CHAIRMAN OF THE FLORIDA CHAMBER OF COMMERCE ENERGY TASK FORCE, HAS HELPED IN BUILDING OUR SUPPORT IN CONGRESS. I HAVE ALSO BEEN PLEASED WITH YOUR CORPORATE ENERGY POLICIES: YOUR BALANCED NUCLEAR PROGRAM, CONVERSION OF AN OIL-BURNING PLANT TO A MIXTURE

(Tallon will not be there)

OF COAL AND OIL, AND YOUR "WATT-WISE" ENERGY CONSERVATION PROGRAM. I LOOK FORWARD TO HEARING ABOUT MORE FLORIDA POWER & LIGHT SUCCESSES IN FACING OUR ENERGY CHALLENGES.

THE WHITE HOUSE
WASHINGTON

1/24/80

The Vice President

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

Rick Hutcheson

cc: Zbig Brzezinski

THE WHITE HOUSE
WASHINGTON

1/24/80

patti --

i do not know who brought
these in to the president
or gave them to him, wherever.

however, please send me
cc back if you don't mind

thanks-ssc

HUGH E. DE FAZIO, JR.
COUNSELLOR AT LAW

*Fritz -
Follow up
on these*

HUGH E. DeFAZIO
DAVID C. PENNELLA

LAKELAND SAVINGS & LOAN BLDG.
100 EAST BLACKWELL STREET
DOVER, NEW JERSEY 07801
(201) 361-5727

January 22, 1980

Mr. Jimmy Carter
President
The White House
Washington, D.C. 20050

Re: Wheat Sales

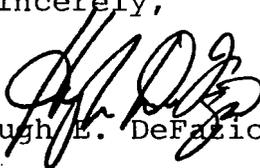
Dear President Carter:

Last week I wrote to you regarding concessionary wheat sales to the Western African Economic Community (see attachment). Those African communities requested a minimum purchase of one million ton of wheat.

In addition to that sale, I represent interests in Morocco that would also like to purchase an additional one million ton of wheat.

I would ask that you give these two requests your consideration.

Sincerely,


Hugh E. DeFazio, Jr.

HED:jmm
Attachment

HUGH E. DE FAZIO, JR.

COUNSELLOR AT LAW

HUGH E. DEFAZIO
DAVID C. PENNELLA

LAKELAND SAVINGS & LOAN BLDG.
100 EAST BLACKWELL STREET
DOVER, NEW JERSEY 07801
(201) 361-5727

January 15, 1980

Mr. Jimmy Carter
President
The White House
Washington, D.C.

Re: Request for Concessionary
Wheat Sales

Dear President Carter:

I have been contacted by General Gnassingby Eyadema, President of Togo and the founder of C.E.D.E.A.O., the Western African Economic Community. President Eyadema, on behalf of the sixteen (16) member African Economic Community, is seeking to purchase a minimum of one million metric ton of wheat and other commodities as they become available.

The President's overture is made as a result of the embargo you placed on the sale of wheat and other commodities to Russia. Most of the countries in the economic Community are poor countries of the Sahel which receive no rain or water. Of course, concessionary sales would also be included to Morocco and Nigeria.

It would seem that the sales to these countries would:

1. Stabilize the commodity market here in the United States;
2. Assist these poor countries at purchasing at concessionary prices with long-term credits;
3. Increase our foreign presence and influence with these Third World countries during these difficult times; and
4. Penetrate, through American foreign assistance, oil producing countries which are influenced by the U.S.S.R.

On behalf of the President of Togo and these other African countries, I urge you to consider their request for foreign assistance.

Sincerely,

Hugh E. DeFazio, Jr.

HED:jmm

1-24-80

To Pat Harris

We should en-
courage this -

J. C.

cc: STU Eizenstat
JACK WATSON

Peoples Drug Considers Starting HMO

By Merrill Brown
Washington Post Staff Writer

Peoples Drug Stores, which last year became the nation's first drug chain to put dentists in some of its outlets, is considering starting a health maintenance program, another industry first, company President

Sheldon Fantle said yesterday.

Fantle said the company is considering the idea in light of the growing dental business in five of its outlets and its optical services in a number of other stores. The optical business, which operated at a loss during the first two years, is now showing a

profit, Fantle said.

Fantle's remarks, offered in a presentation to analysts at Ferris & Co. Inc., emphasized the growth of the drug store chain, which now runs 483 outlets in 13 states and the District, and is looking for continuing expansion in the coming decade.

In fact, Fantle predicted that the company would operate 1000 units by the end of the current decade and expected sales in excess of \$2 billion by 1990. For the fiscal year ending Sept. 30, 1979, the company reported sales of more than \$441 million.

In

THE WASHINGTON POST

Thursday, January 24, 1980

B5

B4

See PEOPLES, B5, Col. 2

Peoples Looking For 'Any Viable Chain' to Acquire

PEOPLES, From B1

Fantle said Peoples is interested in acquiring "any viable chain." He said "acquisitions are absolutely necessary" if the company is to continue an expansion program.

Last October, the company announced the purchase of the controlling interest of 80 Haag Drug Co. stores, an Indianapolis-based chain. That purchase of 68 percent of Haag, cost Peoples about \$5 million, company Vice President Robert Arensmeyer told the Ferris analysts.

Fantle said the company hopes to purchase the remaining shares of Haag within a month.

Calling drug store health care the "wave of the future," Fantle said Peoples already offers customer dental, optical, hearing and convalescent aid services and is already, in effect, a mini health maintenance organization.

But getting into the business of broadening those services into a full-fledged HMO is under study within the corporate staff, Fantle said. He noted that such a development would be three to five years away and said the fixed-cost health care program could be a logical next step in Peoples' growth.

He also said that the company would open 25 to 30 new stores this year, in addition to remodeling 50 to 100 others.

Fantle said he expected continued growth of the chain's "mini-combos," stores offering limited grocery purchases, and said the grocery service would soon be provided in 25 to 30 percent of Peoples' outlets.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

January 23, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: New Orders for Durable Goods

The December figures for new orders received by producers of durable goods will be released tomorrow (Thursday, January 24) at 3:30 P.M.

Total new orders for durables increased 0.6 percent last month. There was a huge increase in orders for commercial aircraft and parts, a large decline in autos (reflecting lower shipments to dealers), and a sharp drop in defense orders. Excluding these volatile changes, orders were about unchanged last month. Orders for nondefense capital goods (excluding aircraft and parts) were down about 1-1/2 percent.

The level of these orders in December is about the same as it was last June. Since prices have risen, the real volume of orders is down, probably around 5 percent. The drop reflects both trimming of capital investment plans and efforts by business to keep inventories in balance with sales.

The recent downward trend of orders is not steep enough to signal impending recession. But it does suggest a relatively weak economy, with moderately declining output of durable goods, in the early part of this year.

10:40

THE WHITE HOUSE
WASHINGTON

Immediate members of Justice Douglas'
family attending services are:

- Cathleen Douglas - wife
- William O. Douglas, Jr. - son
- Millie Read - daughter
- Martha Bost - sister

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S ATTENDANCE AT
FUNERAL SERVICES FOR THE
HON. WILLIAM O. DOUGLAS

NATIONAL PRESBYTERIAN CHURCH
WASHINGTON, D. C.

JANUARY 23, 1980

10:40 am

The President boards motorcade on
the South Grounds.

MOTORCADE DEPARTS en route National
Presbyterian Church.

(Driving time: 15 minutes)

10:55 am

MOTORCADE ARRIVES National Presbyterian
Church.

PRESS POOL COVERAGE
CLOSED ARRIVAL

The President will be
met by:

Rev. Edward L. R. Elson,
Chaplain of the U.S.
Senate

The President, escorted by Rev. Elson,
proceeds inside to holding area.

10:58 am

The President proceeds down center aisle
and takes his seat.

11:00 am

Funeral Service begins.

PRESS POOL COVERAGE

12:15 pm Service concludes.

12:17 pm The President proceeds down center aisle en route motorcade for boarding.

12:20 pm MOTORCADE DEPARTS en route South Grounds.
(Driving time: 15 minutes)

12:35 pm MOTORCADE ARRIVES South Grounds.

59

(F.Y.I.) -10:40

EXECUTIVE 3P (4)

FBI/Panama Canal

THE WHITE HOUSE
WASHINGTON

PR5-21
FG 2-33
2-7-78

To Justice William O. Douglas

Thank you for your note about the Panama Canal and our relations with the people of Panama. The new treaties are a crucial issue.

I look forward to learning about President Eisenhower's experience.

With admiration and personal good wishes,

Jimmy Carter

The Honorable William O. Douglas
Supreme Court of the United States
Washington, D.C. 20543

FEB 8 1978

Panama Canal treaties & looking forward to learning about President Eisenhower's experience re Panama - handwritten

7802081320

Supreme Court of the United States
Washington, D. C. 20543

SC
CHAMBERS OF
JUSTICE WILLIAM O. DOUGLAS

February 3, 1978

Dear Mr President:

I thought your statement on the Panama Canal on television was superb. The message was clear and it should have a powerful impact on the country.

I know Panama very intimately. I think I have been in every village in the country. When I was first there in 1953, the anti-American attitude was very pronounced, due to the colonial attitude of our people toward the natives.

When the opportunity comes, I'll tell you of an episode at the White House involving the Panama situation under President Eisenhower. The story will substantiate the position you have taken on the Canal.

With warm and affectionate regards,

W. Douglas

President Jimmy Carter
The White House
Washington, D. C.

THE WHITE HOUSE
WASHINGTON
24 Jan 80

Alfred Kahn
Charlie Schultze

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

Rick Hutcheson

cc: Jack Gentry
Bob Russell

THE WHITE HOUSE

WASHINGTON

January 22, 1980

cc Fred
Charlie
J

MEMORANDUM FOR THE PRESIDENT

From: Fred Kahn *Fred*
Jack Gentry *JG*
Bob Russell *BR*
Charlie Schultze *CLS*

Subject: The Pay Advisory Committee's Recommended
Pay Standard

We feel we had better report to you, before you read about it in the papers, the outcome of today's public meeting of the Pay Advisory Committee, which eventuated in a unanimous adoption of a recommended pay standard. Bill Miller has convened a meeting of your economic advisers to get a recommendation to you Thursday.

As you know, the Committee had already agreed in principle on a 7-1/2 to 9-1/2 percent range; and it seemed to us its acceptability would depend importantly on the criteria to be developed. All of your economic advisers have been attempting to influence the consultations, in hope of getting acceptable principles of distribution within the range.

The statement of principles that has emerged is troublesome; some of us would use stronger adjectives. A copy of the statement is attached. The main problems are:

1. The insufficiency of its criteria for placing wage increases within that range. It does say: "Settlements or wage determinations in the normal circumstances should be expected to average about the midpoint... (8.5 percent)." This language represents a compromise between the union people, who wanted no reference to the midpoint as having any significance at all, and the business representatives, who wanted 8.5 percent to be the standard. From our standpoint, the problem is that the language is so vague, the CWPS people feel they could not administer it, and

management would have serious difficulty knowing what it means. On the other hand, if we had simply promulgated an 8-1/2 percent norm, with highly specific criteria for exceeding it, labor at least would have flatly refused to go along.

2. The vagueness of this goal is compounded by the immediately succeeding instruction that in settling on pay increases within the range, the parties should consider, as "appropriate to their situation, cost of living, ability to pay, profits, competitive conditions, productivity, labor availability, comparable compensation in other establishments, etc." If in a voluntary, essentially self-administered system, the parties may "consider" all these factors, including "the cost of living" (13 percent?) in settling within the 7-1/2 - 9-1/2 percent range, it is difficult to see that the standard is not really 9-1/2 percent, subject as always to the fact that in some circumstances management may succeed for reasons of their own (or be forced by competitive conditions in their product markets) in holding to a lower rate -- which would of course happen with or without the standards.

3. You will recall that in the intervening period between the first and (still to come) second year pay standards, CWPS has been permitting employers to administer a 1 percent catchup for workers not protected by COLA clauses, whose wage increases complied with the first year standard. The new principles state that this "1 percent equity adjustment for non-COLA groups should continue... The resulting pay increase should be considered as part of the first program year increase for computational purposes." Observe this means that for 80 - 90 percent of the work force, the second year ranges would become 8-1/2 - 10-1/2 percent, because it would exclude this 1 percent catchup from the second year calculation. (We should add that one of the business members assures us this was not the intention; but that is clearly what it says.)

4. Finally, there remains the problem of what inflation rate to assume in determining the cost of cost-of-living adjustment clauses. The Pay Committee recommends 7-1/2 percent. This means that in 1980, when your budget projects a CPI increase of 10-1/2 percent (rather than the assumed 7-1/2 percent here recommended), a strong union with a two-thirds COLA clause could obtain, in effect, an 11-1/2 percent pay increase (9-1/2 percent -- the top of the range -- plus two-thirds of the difference between the 10-1/2 percent based COLA recompense they would actually receive and the 7-1/2 percent at which it would be valued). The steel workers (with an 80 percent COLA) could get 11.9 percent. John Dunlop tried to establish the principle that unions with COLAs would be expected to settle at the lower end of the range, but labor refused.

We do not ask you to make any kind of decision now. We clearly can consider four possibilities: rejection, acceptance, partial acceptance (e.g., accept the range but develop workable criteria ourselves), or a return for clarification or further negotiation. Please do not decide until all of your advisers have a chance to make their recommendations. Only the first of these alternatives, we think, would be clearly incompatible with your favorably mentioning the Accord in your State of the Union address.

*Seems
best*

Attachment

PRINCIPLES FOR VOLUNTARY PAY STABILIZATION DURING 1980

A voluntary pay stabilization program for 1980 with the active participation of labor and management should comprise the following principles.

1. The criteria for a general wage or salary increase in a unit of employees have always involved, in collective bargaining or in private or public determinations, a variety of considerations such as cost-of-living, ability to pay, profits, competitive conditions, productivity, labor availability, comparable compensation in other establishments, etc.
2. The principles for a general wage or salary increase in a unit have always led to a scattering or to a range of adjustments. That was the case in 1978 and 1979, and there is every reason that 1980 will witness the same pattern. There is no basis for the proposition that settlements in collective bargaining or in private or public management determinations will tend to cluster at the bottom or the top of the range standard, any more than they have clustered about a single number.
3. In 1980 the country is in a period of austerity and all economic policies must conform to this reality. Hence, the general pay standard should be comprised of a range of 7.5-9.5%. Settlements or wage determinations in the normal circumstances should be expected to average about the midpoint of the range (8.5%). In settlements or management determinations reached within the range, collective bargaining parties and managements determining pay unilaterally should consider the criteria set forth in paragraph 1 above appropriate to their situation.
4. Pay adjustments below the low end of the range may occur in circumstances involving criteria such as industry practice, prevailing competitive conditions, ability to pay considerations, prior levels of settlement, etc.
5. Pay adjustments above the range may occur in circumstances involving the following criteria: productivity improvements, acute labor shortage, gross inequity or undue hardship. Such adjustments with appropriate justification may be subject to government review based on these criteria. Policy issues regarding the interpretation of these criteria, or the application of additional criteria for classes of cases, will be considered by the Pay Advisory Committee during the period ahead.

6. The Tandem exception and low wage and increment exemption regulations as revised are an integral part of the program. Tandem and carry-over from the first program year may be self-administered within or above the range.
7. For purposes of determining conformity with the voluntary program, the following additional recommendations are proposed:
 - (a) Cost of living formula generated increases should be estimated using a 7.5% costing assumption.
 - (b) The 1% equity adjustment for non-COLA groups should continue on a self-administered basis for those who qualified but have not yet availed themselves of the adjustment. The resulting pay increase should be considered as part of the first program year increase for computational purposes.
 - (c) The first year of multiyear agreements should conform with the criteria outlined for the second program year. The collective bargaining parties should continue the historical relationship of deferred increases to first year increases.
8. As previously stated, the Committee recognizes the need for continuing consultation with the view toward appropriate coordination of pay and price policies.
9. The Committee is of the view that 1980 should be a transitional year and that a return to free bargaining and free market policies is desirable as soon as conditions permit.
10. The Committee intends next to review the procedures used to judge the conformance of parties with this program and will make appropriate recommendations including a procedure for referral to the Committee of cases that may involve policy issues.
11. All economic policies of private groups, and governments as well, are made on some presumptions as to the economic outlook and expectations. Significant changes in the outlook are likely to induce different policies. Wage policies, standards and specific decisions are no exception. The views and recommendations outlined above are based upon the presumptions represented by the Administration of some moderation in inflation rates towards the end of the year, or at least no increase in the rate. The Committee will continue to monitor the inflationary outlook and economic circumstances and will make additional recommendation as appropriate.

* * * * *

These recommended pay standards are made with the recognition that a voluntary program can succeed only (1) if it is voluntary in fact, and (2) if there is genuine commitment toward its objective.

Hence we affirm our appreciation of the importance to the nation of achieving the objective of reducing inflation throughout the economy as soon as practical.

Moreover, we recognize that this objective cannot be achieved unless all segments of the economy, including government policy, reflect their fair measure of support.

It is the intent of Labor and Management to make its proportionate share of contribution through these new pay standards.

* * * * *

THE WHITE HOUSE
WASHINGTON
24 Jan 80

Jody Powell

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

Rick Hutcheson

cc: Lloyd Cutler

FRANK E. FOWLER

REPRESENTING
ANDREW WYETH

P. O. BOX 247
LOOKOUT MOUNTAIN
TENNESSEE 37350

TELEPHONES
615-821-3081
615-821-7179

cc Joly
?
J

January 21, 1980

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

Dear President Carter,

Being in total support of your position on the Olympics, I have a suggestion that might appease those persons that would be emotionally supportive of the athletes going to Moscow in face of the current world situation and would be appreciated by the athletes themselves.

I have noticed that almost all of the athletes interviewed are supportive of whatever decision you make. However, on Sunday, January 20th, Senator Kennedy alluded to the fact that we should go to Moscow "and bring home the gold."

I feel the athletes are indicative of the kind of people that have made us a proud and strong nation. My suggestion is that they need not go to Moscow for the gold. We should have our tryouts, assemble our team and if you decide not to send our representatives, award each of the team members a gold "peace" medal. This would be something that each person could be proud of for years to come, knowing that it was "won" on behalf of world peace. This would also ease some of the pain that each might have knowing they had worked toward 1980 for years.

I hope you find some merit in this suggestion.

Warmest personal regards,


Frank E. Fowler

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

January 23, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

The information I gave you relating to the problems and timing of lowering the trigger for implementing rationing was based on a survey done by Frank Moore's own staff. I attach a copy of the memorandum from Bob Schule of Frank's staff to Kitty Schirmer of my staff which was the basis of our recommendation to you.

We neither tried to provide you an independent assessment nor did we simply talk off the top of our head. We rely on Frank Moore's staff for these judgments.

Moreover, Frank or his staff attends all of the Energy Coordinating Committee meetings where this issue has been discussed.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

*file
S. 1030*

January 16, 1980

TO: Kitty Schirmer
FROM: Bob Schule *BS*
SUBJECT: Amendments to S. 1030

Per our conversation of yesterday, I have made inquiries on the Hill regarding the President's comments on S. 1030. As you had guessed, enthusiasm for a legislative remedy to the trigger is very restrained. The overwhelming consensus is that amendments to S. 1030 at this time are unnecessary and politically unwise.

Senator Johnston told me that the targets are too high. However, the trigger was the price for obtaining a bill. At the same time he believes that the law provides for insurance against real emergencies through expedited procedures. Senator Johnston does not advise us to seek amendments to S. 1030. Rather, he suggests that we submit the plan to the Committee for discussion, emphasizing what the Administration substantively wants to accomplish immediately. After appropriate consideration he would favor and work for additional amendments if warranted.

Both the majority and minority of the Senate Energy and Natural Resources Committee said approximately the same thing. The Committee feels very strongly that further amendments to S. 1030 are not necessary because a mechanism for changing the trigger is in the law. They feel the Administration does not fully understand how the law works. The President can still submit a rationing plan to the Congress if there is a less than 20 percent shortfall in the supply of gasoline. This action would be subject to a concurrent resolution. The Committee feels that this would be an advantage over an amendment to the law because it could not be bottled up in Committee or prevented from reaching the floor. If we could not pass a concurrent resolution, chances are we could not pass an amendment in any case. In addition, the Committee feels submitting the legislation would open up the law to several amendments which would be destructive to the purposes of the original law. Congress would take the Administration's proposals for further amendments as a signal that it's about to impose rationing on the American people. The Senators would

then attempt to alleviate their special concerns through a series of weakening amendments.

I talked to members of the Energy and Power Subcommittee staff who feel that an attempt to amend S. 1030 would be a disaster and they made the following points:

- (1) Below a 20% shortfall the President can still submit a rationing plan to the Congress so in effect there is no trigger.
- (2) Expedited procedures are easier to pass than legislation.
- (3) History shows that there is no support for eliminating the trigger in the House; and
- (4) Submitting amendments would open up the law to several weakening amendments and would not be worth the risk.

While the House is not necessarily enamored of the 20% trigger, the Members feel that this battle was settled in conference and feel it would be unwise to reopen the old wounds resulting from that battle.

One way of saving face as a result of the President's remarks could be to put them in the context of the new law, saying that the President's statement was that he would have no hesitancy to seek rationing authority even if the gasoline shortfall was below 20% if he felt that it was in the best interests of the country.

Due to the recess, many Members are difficult to reach. As I am able to contact them, I will keep you informed of their advice on this matter.

cc: Dan Tate

THE WHITE HOUSE
WASHINGTON

January 22, 1980

Mr. President:

You might find the thoughts
contained in the attached
interesting.

A handwritten signature in black ink, consisting of a stylized 'Z' followed by a 'B' and a period.

Zbigniew Brzezinski

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

January 22, 1980

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI
FROM: JERRY SCHECTER *JS*
SUBJECT: Your Talk to the DNC Today

A couple of points that you made this afternoon before your standing ovation at the DNC Finance Committee today are worthy of your attention and repetition in future talks about our relations with the Soviet Union.

First, you made the point that in looking back at our relations with the Soviet Union, acquiescence and lack of precision in defining our goals leads to confrontation. Firm stands with precise, careful drawing of the lines has led to detente, cooperation and accommodation.

Second, you stressed the importance of not viewing our relationship with the Soviet Union in terms of violent swings between euphoria and despair. You said that the cold war was never dead and that detente shouldn't be buried. The elements of cooperation and competition are inherent in our relationship with the Soviet Union and will remain so for years to come.

J. G. III

9

1334 EST#
440237 BAMIH UI
21267 JORHTL JO

M

PLEASE DELIVER TO MILITARY AIDES OFFICE, THE WHITE HOUSE

THE HONORABLE JIMMY CARTER
PRESIDENT OF THE UNITED STATES
THE WHITE HOUSE
WASHINGTON, D.C. U S A

- 1. CONGRATULATIONS ON YOUR IOWA VICTORY
 - 2. GLAD TO KNOW THAT YOU KEPT YOUR WORD TO SENATOR TED.
- REGARDS

INDUSTRIAL DEVELOPMENT GROUP CULTURAL EXCHANGE VISIT
TO THE MIDDLE EAST
MRS. RUTH CARTER STAPLETON
MRS. NID BAHIEH
MR. CLIFF CUSTER
DR. JOHN CALHOUN
MR. SAM BAHIEH, DELEGATION LEADER
C/O ROOM 633
INTERCONTINENTAL HOTEL, AMMAN - JORDAN

21267 JORHTL JO#
440237 BAMIH UI
NNH