

4/22/80 [2]

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note	<p align="center">Ray Jenkins to the President. Re: White House correspondent for the New Republic. (1p.)</p>	4/19/80	3C

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THE WHITE HOUSE
WASHINGTON

April 22, 1980

2:30 p.m.

*Good
J*

MR. PRESIDENT:

We got cloture on
Lubbers - 62 votes.

FRANK MOORE

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

April 22, 1980

good J

MEMORANDUM TO THE PRESIDENT

FROM: RAY JENKINS *R.J.*

SUBJECT: Tom Vail Meeting

Tom Vail sent along his column about your meeting. While sessions such as these aren't always productive, sometimes a little lovin' goes a long way.

Attachment

**Electrostatic Copy Made
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Carter, in chat, says trust, peace are his goals

I had occasion recently to talk with the president of the United States.

Our talk, of about an hour, was off the record so we could discuss the issues of the day in depth, but there are some general observations I can report.

The president seems not to have aged much. He seems to be the virtuous, uncomplicated, simple, direct and calm person he always has been. Most of all, the president seems at peace with himself, completely disciplined. He still favors blue suits and simple dress.

The Oval Office where we met has changed little from my previous visits. The presidential desk is uncluttered and the famous room is adorned with simple decorations from national collections.

So much for looks!

We talked about two major things, namely foreign policy and the state of the American economy. Because all presidents have access to a depth of unpublished information, they are marvelous sources of background information.

President Carter's main point on foreign policy is that the United States is still stronger than Russia militarily.

The president feels that although our defense establishment is still the best and most powerful in the world, the Russians have been building theirs faster than we have during the past 10 to 15 years. It is not appropriate to devulge all the detail President Carter gave me. The important point is that our president thinks that we

Publisher's column



THOMAS VAIL

are still stronger than the Russians but that we must upgrade our defense system now or eventually the Russians might be ahead of us.

While every politician in office tends to defend what he has done, it is significant that this president of the United States thinks we are still the most powerful nation in the world from a military point of view.

There is no doubt President Carter is hardening up on the Russians after the invasion of Afghanistan. He is not willing to say whether the Russians have a grand design of world conquest, or if they might move from Afghanistan into the Middle East. But there is a new and harder attitude in the White House concerning the Russians. This will last until there is a change in Russian actions, including their withdrawal from Afghanistan.

On our economy, President Carter has

an almost identical analysis to his feeling about the state of our military preparedness. The president contends that the United States is still the most productive society in the world. But he points out that our rate of productivity is slowing and is slower than that of several other countries, such as West Germany and Japan. He also points out that we are switching to a service economy and this is not reflected in the productivity figures, which relate to the production of goods.

The White House believes that interest rates are now peaking and expects that by July there will be improvement, perhaps even dramatically improved figures on inflation and interest rates.

President Carter does expect an economic turndown this year, but not as much as in the 1973-74 period.

Of these two major items, foreign policy and the economy, he still sees us as tops in the world but requiring in both areas new efforts to upgrade our defense establishment and to increase productivity through tax cuts, which he plans to hold off until he achieves a balanced budget and a lowering of the inflation rate this year.

It will be easier to measure the accuracy of the presidential assessments as regards the economy than to estimate the soundness of his views as they relate to our defense establishment. We will know by the end of the year whether President Carter's predictions have been correct about the economy. We cannot know, short

of war, whether we are first or second in military preparedness.

I asked President Carter what he would like to be remembered for as president of the United States. This was the same question I asked him when he was running for office three and one-half years ago. The president gave me the same answer as he did then, which is unusual for a politician. He would like to be known mainly as a person who restored trust in our government. He also has included in his top priority that he hopes he can maintain peace during his time in office and beyond. So it is world peace and restoring trust in our government that President Carter still is aiming to accomplish.

I asked if he thought that his interest in human rights have interfered with his understanding of world political realities. He replied that these two matters are related and that most people in the world and most government leaders think every day about some issue involving human rights. President Carter is committed to human rights in a somewhat religious way. His experiences as president have not changed him in this regard.

He seems to have retained a rather good sense of humor. Although a serious person who rarely has taken time out for so-called fun activities, he still sees the humor in things. He seems to me to take himself a little less seriously than President Richard M. Nixon or President Lyndon B. Johnson. Like President Gerald R. Ford, whom I also knew before and after

he became president, Carter has not been changed appreciably by the presidential office.

President Carter rises at 5 a.m. every day and reads until 7 a.m., when he has a short briefing by his assistant for national security affairs, Zbigniew Brzezinski. President Carter carries on through the day, sometimes making it to bed by 11 p.m. but more often going to 12:30 or 1 a.m. He receives calls all through the night, sometimes at 2 or 3 in the morning. His only sporting activity is jogging. He does not use the swimming pool that President Ford shoe-horned in between the Oval Office and the side door White House parking lot.

It is interesting that President Carter has never propagandized his hard work and energy as President John F. Kennedy did. I saw the daily schedules of both men and President Carter's is one of the most rigorous presidential schedules I have seen of our last five presidents.

It was an interesting and informative meeting. Our 39th president comes over as a straightforward, disciplined person who does his homework and responds to events as they occur. He does not seem to have a special objective for America, to change dramatically what we are as a nation or where we are headed, but instead wants to improve what we already have. Mostly, as he has always said, he wants to keep the peace of the world and restore the trust of Americans in their government.

The Carter presidency is as simple and as direct as that.

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THE PLAIN DEALER

THOMAS VAIL Publisher and Editor ROY O. KOPP Business Manager DAVID L. HOPCRAFT Managing Editor

139TH YEAR NO. 104 DAILY 386,194 SUNDAY 447,816

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A case for prison reform

Ohio's prisons are bursting. Overcrowded conditions are planting the seeds for turmoil. Gov. Rhodes and state corrections officials need not be reminded of New Mexico or Attica.

It is little wonder that Rehabilitation and Corrections Director George Denton

lution comes from the urban centers, such as Cleveland and Toledo. It is important to provide easy access for visitations and for keeping family ties. Retention of family ties can be an important ingredient in rehabilitation.

The legislature needs to avoid the

SAVE! Offer expires Tues. April 15, 1980

ME THE TROUBLE of DRAWING A CARTOON TODAY.

Handwritten: 4/5/80

1:00 PM

THE WHITE HOUSE

WASHINGTON

April 19, 1980

MEMORANDUM FOR: THE PRESIDENT AND MRS. CARTER
FROM: GRETCHEN POSTON *GP*
SUBJECT: SCENARIO FOR THE LUNCHEON HONORING
THEIR MAJESTIES, THE KING AND QUEEN
OF THE BELGIANS, APRIL 22, 1980, 1 PM.

12:30 PM Luncheon guests arrive Southwest Gate and are escorted to State Dining Room via Diplomatic Reception Room.
Aperitifs are served.

12:50 PM Official Party arrives White House, proceeds to Blue Room to await official escort to Yellow Oval Room.

12:58 PM THE PRESIDENT AND MRS. CARTER depart living quarters for North Portico.

1:00 PM Their Majesties, the King and Queen of the Belgians, are greeted by THE PRESIDENT AND MRS. CARTER, pause for press photo session, and proceed to Yellow Oval Room.

1:10 PM Guests (save PRINCIPALS) depart Yellow Oval Room for State Dining Room.

1:15 PM ALL PRINCIPALS arrive State Floor via Grand Staircase, pause at foot of stairs for press photo session, proceed directly to position in front of Blue Room under Seal for receiving line.
Guests proceed through receiving line to East Room for seating.
PRINCIPALS are announced into East Room with honors.

1:30 PM *Toasts.

Lunch is served.

(New York Harp Ensemble plays during lunch.)

Dessert is served.

2:30 PM 12-minute musicale by Suzuki violin group.

3:00 PM All guests depart Residence.

*Microphone is for recording as well as amplification.

received 4/22/80

Thomas Teal
Draft A-1; 4/21/80
Scheduled Delivery:
Tue, April 22, 1 PM

Presidential Toast at State Luncheon

for the King and Queen of Belgium

SPEECH DRAFT (TOAST)

Your Majesties, distinguished guests --

It is a great pleasure to welcome to the White House
Their Majesties King Baudouin (Bow-DWAHN, rhymes with pan)
and Queen Fabiola (Fab-YO-la). They are not strangers to our
country. Since his first official visit to the United States
in 1959, the King -- and, since 1960, his Queen -- have made
numerous trips to the United States. I hope that this visit,
brief though it is, will add to their store of pleasant
memories of America. I know it will strengthen the bonds of
friendship that have united our countries and our peoples
over many years.

But our pleasure in welcoming you is far more than official. It is personal as well. Rosalynn and I recall very fondly the warm hospitality you showed us during our visit to Brussels in January 1978.

I am delighted to have another opportunity to meet with His Majesty and with the distinguished Ministers who accompany him.

The King and Queen have come to the United States to inaugurate a series of cultural exhibits and activities called "Belgium Today," which began in Washington on Sunday with a breathtaking, musically choreographed fireworks display on the Mall, and which will continue over the next six weeks from coast to coast. The entire program commemorates the 150th anniversary of Belgium's existence as an independent nation.

As I congratulate the King and Queen on that milestone,

I cannot resist pointing out that the official ties between our two countries go back even further than that. The first U. S. Government "Commercial Agency" was opened in the Belgian port city of Antwerp in 1803 and upgraded to a consulate in 1820 -- making it one of America's oldest overseas establishments. When the Belgians united into an independent kingdom in 1830, the United States was already an old, experienced, worldly-wise nation of 54 years, ready to extend a hand of recognition, welcome, and cooperation.

That spirit of friendship has not flagged in 150 years. Belgium and the United States are united by common interests, common principles, and common purpose. We fought side by side in two devastating world wars, and we work together today in NATO and in other international bodies. We are both committed to the idea of diversity in a context of unity.

We both know the terrible price humanity has too often

paid for discord and division. We also know the practical benefits to both peace and prosperity of cooperation among nations. Brussels is one of a handful of cities -- like New York and Geneva -- that is a true international capital. So Belgium and the United States are united in honoring the principle and, more importantly, the practice of cooperation. As His Majesty pointed out in this house some twenty-one years ago, "We stand together in peace, and for peace."

Today, as the people of the United States shoulder the heavy responsibilities that devolve upon us by virtue of our strength, our history, and our ideals, and as we face the volatile challenge of events in Iran and Afghanistan, we welcome -- indeed we can hardly do without -- the amity, support and cooperation of the people of Belgium.

So we welcome their King and Queen to the United States -- with deep appreciation for a century and a half of excellent

relations, and with warm regard and respect for the nation and the people of Belgium.

Ladies and Gentlemen, it is an honor to ask you to join me in drinking a toast to Their Majesties, the King and the Queen of the Belgians, and to the nation and the people they represent.

#

THE WHITE HOUSE
WASHINGTON

TO THE PRESIDENT

MUSICALE INTERLUDE REMARKS

The New York Harp Ensemble will play during the luncheon. They will remain on the platform for you to thank them before you introduce the musicale. After the introductions they will depart as the children enter.

REMARKS

Many of you have been asking about the wonderful music we have been hearing during lunch. We have been fortunate to have the New York Harp Ensemble play some of the works they have arranged, and which have helped to increase the musical range and popularity of the harp--one of the world's oldest musical instruments.

While they have performed all throughout the United States, Canada, and Mexico; had seven concert tours of Europe; and have played for other heads of state--this is their first visit to the White House. Please join me in welcoming and thanking the ~~four~~^{three} young ladies and the Director of the New York Harp Ensemble. I hope they will return soon.

* * * * *

Also for our entertainment this afternoon we have another ensemble of very young ladies--The Suzuki Violin group, average age 11 years.

While they have not yet had a concert tour, they have played at the White House before, when we had the heads of NATO here in 1978.

And one of them--our daughter Amy--I get to hear just about every day.

As I'm sure you know, a great deal of praise has been given the Suzuki method by music professionals and critics. But I am able to comment from the unique perspective of a parent who has to listen to his child practice. And I am pleased to tell you that it is not only the best, it is the most painless method of teaching music I have ever heard.

I am pleased--and, of course, also proud--to present the return engagement of The Suzuki Violin group at the White House.

THE WHITE HOUSE
WASHINGTON

page two
Remarks

Program for violin concert

Gavotte	Gossec
Perpetual Motion	Suzuki
Waltz	Brahms
Allegro	Fiocco
Theme from "The Witches' Dance"	Paganini
Minuet	Bach

Amy Carter	age 12
Elizabeth Esty	age 13
Cindy Finks	age 14
Anne Kornblut	age 7
Lisa-Beth Lambert	age 8
Katie Lamsdale	age 13

New York Harp Ensemble

Aristid von Wurzler
Barbara von Wurzler
Eva Josler
Sandra Bittermann

22 Apr 80

Lloyd Cutler

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

Rick Hutcheson

cc: Hamilton Jordan
Jody Powell
Zbig Brzezinski
Ed Torres

THE WHITE HOUSE
WASHINGTON

4/21/80

Mr. President:

Brzezinski and Powell concur with
Cutler.

Jody observes: "We may have a
difficult time in explaining why we
were tougher or at least prepared to
be tougher on our own athletes than
on Puerto Rican athletes - if that
should ultimately be our course."

Esteban Torres concurs with
Commissioner Corrada. Puerto Rico
should not be treated any differently
from the rest of the US.

Rick

THE WHITE HOUSE
WASHINGTON

April 21, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER

lnc

SUBJECT: Olympics -- Puerto Rican Committee

As you know, the Puerto Rican Olympic Committee recently voted 21-3 in favor of sending a team to Moscow, but authorized each of its sports governing bodies to make its own independent decision. Several of the governing bodies are reported to favor going.

Although the Puerto Rican Olympic Committee made its decision just before the USOC vote, the story is now receiving feature attention in the United States press and possibly abroad. Several reporters have asked us what we intend to do.

Before the PROC's decision, both the Governor and the Resident Commissioner, Mr. Corrada, had urged the Committee to vote against going, as had the Puerto Rican legislature. Last week Mr. Corrada called me to urge you to issue an order forbidding the PROC to send a team.

Cy Vance, Warren Christopher and I recommend against an order, at least at this time, because of the political sensitivity of the Independence issue in Puerto Rico and because the presence of a Puerto Rican team is not that significant to the success or failure of the boycott. However, we all recommend that you send a letter to the Puerto Rican Olympic Committee along the lines of your letter to the USOC the week before the vote. An updated draft of such a letter is attached.

If you approve the idea of a letter, it may be advisable for the appropriate persons to clear it with the Governor and the Resident Commissioner before it is sent.

JK

LETTER/MAILGRAM TO PUERTO RICAN OLYMPIC COMMITTEE

On April 76 I wrote to the President and Delegates of the United States Olympic Committee urging that the House of Delegates vote against sending American athletes to the Summer Olympic Games in Moscow. As you know, the House of Delegates voted 2-1 against sending a team.

I understand that shortly before this vote the Puerto Rican Olympic Committee voted to allow each of its sports governing bodies to decide whether or not to enter athletes in the Moscow Games. I respectfully but strongly urge that this decision be reconsidered.

The continuing Soviet aggression and brutality in Afghanistan has shocked and horrified nations and people the world over. It jeopardizes the security of the Persian Gulf area and threatens world peace and stability.

In these circumstances, a PROC decision to send a team to Moscow would be against our national interest and would damage our national security. It would indicate to the Soviets -- and to the entire world -- that an important group of American citizens does not support the resolve of the United States to oppose Soviet aggression. It would be perceived as a vindication of the Soviet action, and you can be sure that the Soviets would so portray it. It would weaken the international Olympic movement.

There are times when individuals and nations must stand firm on matters of principle. This is such a time. If we clearly and resolutely show the way, other nations will follow.

American citizens in Puerto Rico and the rest of this nation will applaud a PROC decision to join the USOC in not sending a team to Moscow. So will your Governor and Legislature, which voted to oppose U.S. participation at Moscow. I believe such a decision by the PROC will bring enhanced support for the PROC's efforts thereafter on behalf of the interests of Puerto Rican athletes.

I ask you to join me, the USOC, the U.S. Congress, your Governor and Legislature, and all American citizens in the decision not to participate in Moscow this summer.

Sincerely,

ok
J

1250 APR 6 PM 6 00

12 WHITEHOUSE

14 WHITEHOUSE USH

15 008852S097 1730EST

17 MA 151 HIGH GOVT WHITE HOUSE DC APR 6

18 ZIP

19 OLLAN C CASSELL

20 3400 WEST 86TH STREET

21 INDIANAPOLIS IN 46268

22 I WANT TO EMPHASIZE TO YOU, AS I HAVE TODAY IN A LETTER, TO
23 PRESIDENT KANE, MY FIRM AND CONSIDERED JUDGMENT THAT
24 THE HOUSE OF DELEGATES OF THE U.S. OLYMPIC COMMITTEE SHOULD VOTE NEXT
25 WEEK NOT TO SEND AMERICAN ATHLETES TO THE SUMMER OLYMPIC GAMES IN
26 MOSCOW.

27 THE CONTINUING SOVIET AGGRESSION AND BRUTALITY IN AFGHANISTAN
28 HAS SHOCKED AND HORRIFIED NATIONS AND PEOPLE THE WORLD OVER. IT
29 JEOPARDIZES THE SECURITY OF THE PERSIAN GULF AREA AND THREATENS
30 WORLD PEACE AND STABILITY.

31 IN THESE CIRCUMSTANCES, A USOC DECISION TO SEND A TEAM TO
32 MOSCOW WOULD BE AGAINST OUR NATIONAL INTEREST AND WOULD DAMAGE
33 OUR NATIONAL SECURITY. IT WOULD INDICATE TO THE SOVIETS--AND TO
34 THE ENTIRE WORLD--THAT THE U.S. LACKS THE RESOLVE TO OPPOSE SOVIET
35 AGGRESSION. IT WOULD BE PERCEIVED AS A VINDICATION OF THE SOVIET
36 ACTION, AND YOU CAN BE SURE THAT THE SOVIETS WOULD SO PORTRAY IT.
37 IT WOULD WEAKEN THE INTERNATIONAL OLYMPIC MOVEMENT.

38 THERE ARE TIMES WHEN INDIVIDUALS AND NATIONS MUST STAND FIRM
39 ON MATTERS OF PRINCIPLE. THIS IS SUCH A TIME. IF WE CLEARLY
40 AND RESOLUTELY SHOW THE WAY, OTHER NATIONS WILL FOLLOW.

41 THE AMERICAN PEOPLE WILL APPLAUD A USOC DECISION NOT TO
42 SEND A TEAM TO MOSCOW. SO WILL THE CONGRESS WHICH VOTED OVER-
43 WHELMINGLY TO OPPOSE U.S. PARTICIPATION AT MOSCOW. I BELIEVE
44 SUCH A DECISION BY THE USOC WILL BRING ENHANCED SUPPORT FOR THE
45 USOC'S EFFORTS THEREAFTER ON BEHALF OF THE INTERESTS OF AMERICAN
46 ATHLETES.

47 I ASK YOU TO JOIN ME, THE U.S. CONGRESS, AND THE AMERICAN
48 PEOPLE IN THE DECISION NOT TO PARTICIPATE IN MOSCOW THIS SUMMER.

49 SINCERELY,
50 JIMMY CARTER

51 152 HIGH GOVT WHITE HOUSE DC APR 6

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THE WHITE HOUSE
WASHINGTON

22 Apr 80

Sarah Weddington

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

Rick Hutcheson

cc: The First Lady
Jody Powell
Jack Watson
Fran Voorde
Phil Wise

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Sarah J

Sarah - Bob says prospects in '80 not good in Senate - April 11, 1980

ACTION

House ok. He'll have quiet meeting in a few days to assess prospects to change

MEMORANDUM FOR:

THE PRESIDENT

FROM:

2 or 3 votes. You should

SARAH WEDDINGTON *SW*

SUBJECT:

Stay in touch with Gary Smith

ERA Activities in Florida and Illinois

J

FLORIDA

Publicly the elected pro-ERA leadership in Florida is saying that a vote this year is not likely; they are anxious to avoid active organizing in opposition to ERA. Privately, the Governor, Speaker of the House, and the sponsors of the ERA resolution feel that a vote is critical; the House leadership will likely be anti-ERA next session and the Senate leadership will likely be anti-ERA next session and the Senate leadership will stay in anti-ERA hands.

My staff recently met with Governor Graham's members of his staff. They believe that a few Senators could possibly be reached on the ERA issue; only with more Senate support can we win. The House vote would be favorable with current votes.

Prior Florida votes: In 1979 the House passed ERA 64-52. The Senate has defeated the measure in 1974, 1975, 1977, and 1979 by a vote of 21-19.

Request:

Please call Governor Graham to discuss the Senate vote possibilities, to ask him personally to find the necessary Senate votes, and to state that winning ERA in Florida is personally important to you and that it could be a critical piece in a successful fall election strategy.

RESPONSE: "

I will call Governor Graham and ask him to deliver ERA votes in Florida.

Agree _____

Disagree _____

ILLINOIS

Illinois is scheduled for a vote in late May or early June. The sure vote count in the Senate is 30 with 36 votes needed. In the House it is 102 with 107 needed. Election results in the primary were generally good for ERA.

The legislative leaders have agreed on a program of action which calls hearings by a Committee of the Whole in the Senate and House in early May.

*Graham: "1980 not
days: good collecting
call Gary Smith
Sarah Grant"*

Request:

I request that you meet here with a small group of the Illinois legislators, including Senate President Phil Rock, House Speaker William Redmond, ERA sponsors, Senator Richard Daley, to emphasize the importance of a vote this year.

RESPONSE: I am willing to participate in such a meeting.

Agree Disagree

Not PR event

There are numerous Carter delegates in the Illinois House and Senate who have voted against the ERA for a variety of issues. We are getting polling data for the relevant districts but in most cases these votes do not reflect the constituency.

Request: That you authorize letters to Carter delegates who serve in the legislature asking their support for ERA.

RESPONSE: I am willing for such a letter to be sent.

Agree Disagree

Careful wording

GENERAL REQUEST OF CARTER DELEGATES

We are planning to set up meetings soon with elected Carter delegates. My office will be taking the lead in planning those meetings. At this time we are not requesting that you participate, but I am requesting that you approve my asking the top people who do participate to stress the importance of the ERA, particularly to any groups that include people from the unratified states.

Agree Disagree

cc: Rosalynn Carter
Phil Wise (re scheduling request)

For Filing

P

Phil - An
early & good friend
from Warner Robins.

Q



HYATT REGENCY WASHINGTON
on Capitol Hill

7 February '80

Dear Jimmy:

Sarah and I would like to express how proud we are of you and the job you are doing in these difficult times.

I hope we can someday get together again and talk as we did many times years ago in Warner Robins.

In the meantime, may God grant you wisdom, courage and faith as you continue to lead our country.

Ted Wittich

7
Ted

Robert T. Wilhite
Senior Vice President



Landmark First National Bank
Main Office

One Financial Plaza
P.O. Box 8877
Ft. Lauderdale, Florida 33310
(305) 765-2241

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 15, 1980

TO: Phil Wise
FROM: Dan Tate

Last week I met with a group of businessmen and lawyers from Broward County. The meeting was arranged by Sam Nunn and the Florida Senators, probably for the sole purpose of showing that they had some clout in the White House.

The spokesman for the group was TED WILHITE who is from south Georgia originally and claims to know the President, even to the extent of having been involved in Georgia politics at the same time the President was.

He asked that I see that the President get the attached letter. I pass it along to you since he now resides in Florida and claims to be a personal friend of the President.

9:45 AM

THE WHITE HOUSE

WASHINGTON

April 21, 1980

MEETING WITH SENATOR THOMAS EAGLETON (D-MO.)

Tuesday, April 22, 1980

9:45 a.m.

The Oval Office

From: Frank Moore 

I. PURPOSE

To discuss politics in general, the problem the credit squeeze is creating for the farmers, and some projects in St. Louis and Kansas City that he is concerned with.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Senator Eagleton is generally one of our strongest supporters and was an early endorser. Eagleton's main opponent in his Senate race is the chief executive officer of St. Louis County. He is particularly interested in the following two projects for St. Louis and may also mention an OMB problem he is experiencing.

A. Lambert International Airport -- Senator Eagleton is interested in a \$12 million grant for the extension of a parallel runway at Lambert International Airport in St. Louis. FAA agrees that the project has merit, but does not consider it to be as critical as the Senator would have us believe. The major obstacle at this point is DOT is reluctant to commit such a large amount of discretionary funds to one project until they have a better idea of how much money they will have to work with. They have also not yet approved the EIS and will not move on the project until it is approved.

B. Vanderventer Overpass -- Eagleton is also interested in a \$12.2 million grant next year, and a long-term commitment of about \$30 million, to widen the Vanderventer Overpass in St. Louis. No legislative history has been built for this project and it is competing with many worthwhile projects that have a legislative history for a very small amount of available money.

- C. Kansas City Internal Revenue Service Center -- The Senator is also concerned about an OMB dispute over the cost of a proposed IRS Center in Kansas City. It has been agreed by IRS, GSA and OMB that the Center should be built in downtown Kansas City but the price tag of \$189 million is far more than any comparable IRS Center, in part due to an excess amount of proposed parking facilities. OMB has asked IRS and GSA for a new configuration of the project to bring the cost down to an acceptable level.

Participants: The President, Senator Eagleton, Frank Moore

Press Plan: White House Photo Only

III. TALKING POINTS

You should make no commitments to Senator Eagleton on any of the above matters. The best approach is to listen to what he has to say and tell him you will ask Frank Moore to monitor the progress of the projects.

Senator Eagleton has been identified by Senate staff as a possible amendment to the Senate Budget Resolution. This amendment would be more moderate than the Cranston amendment and could have a better chance of passage. If the occasion arises you might feel Senator Eagleton out on whether he would be interested in participating by sponsoring or co-sponsoring an amendment to the Senate Budget Resolution. Negotiations are still at the staff level.

11:50 AM

THE WHITE HOUSE

WASHINGTON
April 21, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Meeting with Richard Rios, Community Services Administration designate Tuesday, April 22, 1980, 11:50 A.M. (15 minutes) Oval Office

Purpose. To convey to Richard your congratulations and your expectations of him as Director of the Community Services Administration (CSA).

Background. As you know, Grace Olivarez resigned as Director of the Community Services Administration effective March 15. You approved the nomination of Rios in an April 15 memorandum.

Rios' resume is attached at Tab A, a copy of the April 15 memorandum recommending Rios is at Tab B and a brief description of CSA is at Tab C.

Participants. Jack Watson will accompany Mr. Rios

Press. White House photographer only.

Talking Points. As the new Director of CSA, Richard will need to be concerned with the following issues:

- o Moving of the agency to more creative ways of dealing with problems facing the poor;
- o Convincing the network of community action agencies and community development corporations that the Administration is supportive of their efforts;
- o Continuing to improve the management and program performance in the Agency and among the grantees;
- o Building staff morale;
- o Improving the working relationships with other agencies and Departments, OMB and the White House staff;
- o Building the community economic development program; and
- o Identifying innovative ways to help poor people cope with the energy crisis.

Richard is eager to be a valuable member of your Administration and to help in every way possible in your re-election campaign. I had a long discussion with him about some specific problems, priorities and opportunities that require his attention and will stay in touch with him to help him get oriented.

RICHARD J. RIOS

4580 French Creek Road
Shingle Springs, CA 95682
916/677-3279

EMPLOYMENT

February 1978

to

Present

Appointed by Governor Edmund G. Brown, Jr.
CALIFORNIA STATE OFFICE OF ECONOMIC OPPORTUNITY
555 Capitol Mall, Suite 325
Sacramento, CA 95814
916/322-2940

Director

Directly responsible for maintaining and improving an effective state agency assistance program. Charged, under the policy direction of the Office of the Governor, with the responsibility of executing Memo 7501-1 and 6230 in respect to the operation of the State Office of Economic Opportunity and community action programs. Interpret laws, policies, rules and guides governing the programs, standards and scope of services provided by the State in eliminating poverty. Advise the Governor on approval or veto of various programs. Serve as liaison among local, state, and federal governments on anti-poverty program matters. Write extensive reports to the Governor, the legislature and its committees, and other state agencies. Develop policy for monitoring community action programs and contracts and fiscal policy. Advise the Community Services Administration on problems and causes of poverty in the state. Appear before various groups as principle advocate for the anti-poverty program in California. Mobilize resources, coordinate and advocate via State and federal agencies, as well as operate federal and state programs for the benefit of the poor, including research and demonstration programs.

November 1971

to

February 1978

ECONOMIC & SOCIAL OPPORTUNITIES, INC.
1460 Koll Circle
San Jose, CA 95112

Executive Director

Principal operating executive of the Community Action Agency of Santa Clara County, insuring implementation of agency policies and programs. Responsible for the administrative leadership of 130 to 200 employees and administration of \$5 million yearly budget. Serve as spokesperson and advocate for the low-income population to the public and private sectors.

1968 - 71

De ANZA COLLEGE
Cupertino, CA

Director, Multi-Cultural and Educational Opportunity
Program & Services (EOP&S)

Planned, developed and implemented services provided to low-income and minority students. Administered \$140,000 budget and supervised staff of twelve full-time, and fifteen to twenty-five part-time employees. Programs included EOP&S, Neighborhood Youth Corp, Tutorial and College Readiness Program, Vocational Education Act Disadvantaged Programs. Developed proposals for funding from private and governmental agencies and prepared departmental budget.

1966 - 68

SANTA CLARA COUNTY JUVENILE PROBATION DEPARTMENT
San Jose, CA

Group Counselor

Worked with youth prior to and during their incarceration with both the County Probation Department and State Department of Correctional Rehabilitation. Activities included counseling and instruction.

SCHOLASTIC ACHIEVEMENTS

1969 - 70

University of California, Berkeley
Internship Program for Community College Instructor

1965 - 68

San Jose State College
Bachelor of Arts Degree
Sociology Major, Psychology Minor

1962 - 65

Foothill College, Los Altos Hills
Associate of Arts Degree

ACTIVITIES

Secretary of the California Census Project Advisory Council

Region IX Representative to the Executive Staff of the
National SECO Directors Association

Chairman of the National SECO Directors Economic Development
Committee

Member of the State of California Employment Development
Department Executive Staff

Member, National Hispanic Political Caucus

Member, State Chicano Caucus

Member, Mexican American Political Association (MAPA)

Past Activities

President; Vice-President; and Treasurer of the California-Nevada Community Action Executive Directors and Board Chairpersons Association (CAL-NEVA CAA)

California State Democratic Central Committee

Region IX Representative to the National Association of Community Developers Board (NACD)

Commissioner, Santa Clara County Drug Abuse Coordinating Commission

Member, San Jose Metropolitan Manpower Area Planning Council

Member, Association of Mexican-American Educators (AMAE)

Member, Youth Career Action Planning Board (Y-CAP)

Member, American Red Cross Board of Directors

HONORS

Certificate of Commendation for work and involvement with youth and minority community from the President of the United States - 1970

Certificate of Commendation for diligent service to La Raza from MECHA - 1971

Certificate of Merit from Santa Clara County Neighborhood Youth Corps as Director of Outstanding College NYC Programs - 1969

For outstanding ability, accomplishments and service to the community - Sponsored for Listing in Outstanding Young Men in America - 1973

KNTV Citizen of the Month - September 1973 - San Jose, CA

Certificate of Recognition from the Association of Third World Women of Santa Clara County - 1974

Nominated for "Man of the Year 1974"

Resolution of Commendation for Distinguished Service from the Santa Clara County Board of Supervisors - 1974, and again in 1978

Certificate of Appreciation from the Santa Clara County Board of Supervisors for "Devoted Service to the People of the County" - 1975

Certificate of Commendation from Lieutenant Governor Mervyn Dymally for Exceptional Service - 1978

Certificate of Commendation for Outstanding Support from the California Congress of Ex-Offenders - 1980

THE WHITE HOUSE

WASHINGTON

April 15, 1980

MEMORANDUM TO THE PRESIDENT

FROM:

JACK WATSON *Jack*
ARNIE MILLER *Arnie*

SUBJECT:

Director of the Community Services Administration

There are two strong candidates for the position of Director of the Community Services Administration, Richard Rios and Charles Bannerman. We have made extensive reference checks on each and have asked several members of the senior staff to interview them. Both are very capable and would bring different strengths to CSA and to the Administration.

Summaries of their resumes are attached.

Richard Rios is the Director of the California State Office of Economic Opportunity. Prior to that he was Director of a community action agency, Economic and Social Opportunities, Inc., in San Jose.

There has never been a Director of CSA with experience as a director of a community action program. The appointment would bring credibility with the 800 CAP agencies around the country as well as with the state economic opportunity offices.

Mr. Rios brings a significant constituency base with him, as a Chicano, as a Californian and as a CAP director. His strengths are in the management and operational areas. He has a reputation for tough management ability, empathy for the poor and innovation in program design and operation. His experience includes work with urban and rural programs; with economic development, training and traditional service delivery programs; with Black, white, Hispanic, American Indian and Asian groups. He seems to have worked well with and gained respect in all of these areas.

Rios has not been particularly active on the national level. While we are confident of his ability to operate on this level, he will require a longer orientation period than Bannerman will to establish working relationships here and around the country and to learn the federal system.

Charles Bannerman is originally from New York but has lived in Greenville, Mississippi, for fourteen years. He is the Executive Director of Mississippi Action for Community Education. He is also Chairman of the Boards of the Delta Foundation and Delta Development and Management Company.

Bannerman's experience with economic development would be a real asset. He would also be seen by community action agency directors as coming from the ranks, though his ties to that network are not as strong.

His experience is more rural and small town oriented than urban and more specialized in the economic development field than in the broader program services of community action agencies. CSA plays an important role with rural economic development and community action but the agency's programs are primarily aimed at urban areas.

Mr. Bannerman's work has been primarily with rural blacks. His work with other ethnic and racial groups seems to be very limited.

His involvement with organizations such as The Ford Foundation and the National Rural Center, make him more of a national personality. He may, therefore, have an easier adjustment to operating on the Federal level.

The position of Director has been held by an Hispanic since CSA was created. Prior to that the position of Director of OEO was traditionally held by a white male though one Hispanic was appointed to that position by President Nixon.

While there is some reluctance in the Hispanic community to have the position "earmarked" for them, Hispanic leaders do not want to give up the highest ranking position held by an Hispanic. With the departure of Grace Olivarez, not a single agency or Department in the Carter Administration is headed by an Hispanic.

Louis Martin and Bill Spring of Stu's staff believe that Mr. Bannerman is the stronger candidate. John White of OMB believes the two candidates to be equally qualified. Ed Torres joins us in recommending the appointment of Mr. Rios because of the need for an Hispanic in such a leadership position in the Administration and because he is personally and professionally extremely well-qualified for the job.

RECOMMENDATION:

We recommend that you nominate Mr. Richard Rios to be Director of the Community Services Administration.

✓

approve

disapprove

✓

COMMUNITY SERVICES ADMINISTRATION

Background

The Community Services Administration was created by amendments to the Economic Opportunity Act which were effective January 4, 1975. Its creation was a result of the dismantling of the Office of Economic Opportunity, CSAs predecessor agency, by the Nixon Administration. Many of the programs developed by OEO were transferred to other agencies before CSA was created.

The history of OEO/CSA has been marked by innovation of programs for the poor. Programs begun by CSA that are now administered by other agencies and departments include Head Start, Foster Grandparents, VISTA, Legal Services, Job Corps and the Migrant and Season of Farmworker program. Other more recent innovations include the weatherization program and the Energy Crisis Assistance Program.

Operations

The Energy Crisis Assistance Program, budgeted at 1.6 billion this year, is the largest budget at CSA. Current plans are to transfer the administration of this program to HEW.

The next largest expenditure of funds by CSA is in support for the over 800 community action agencies. Their FY 1980 budget for such support is 381.8 million. The proposed FY 81 budget is 394.3 million.

Community development corporations will receive \$44.5 million this fiscal year. An increase to \$48.5 million is proposed for FY 81. The increase is for the competitive venture capital fund.

The agency is currently authorized for 1014 permanent full time employees and now has 940 employed.

Recent budget cuts were held to a minimum in the CSA budget -- \$11 million was cut from a budget of 538.8, a reduction of about 2%. The reduction will be taken in grants for state offices of economic opportunity (with Rios' background as a Director of a state office, this may be a sensitive subject with him), administrative support, demonstration programs and the National Collegiate Athletic Association Youth Sports Program.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

①

April 22, 1980

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: March CPI

The table in my memo last night on the CPI had an error. The annual rate of increase in the CPI in March should be 18.6 percent not the 19.2 shown in the table.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 21, 1980

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}
Subject: March CPI (released at 9:00 a.m., on Tuesday)

As expected, the CPI took another sizable jump in March, 1.4 percent -- the same as in January and February.

There were only a few surprises. Food prices -- which had surprised us by failing to rise at all in January and February -- rose by 1 percent in March, somewhat more than expected. Higher prices for eggs (11.6 percent), fresh fruits and vegetables (2.5 percent) and beef and veal (1.1 percent) led the way. Higher energy, transportation, and interest costs are also pushing up marketing costs.

Energy prices rose by 3 percent, less than January and February (4.6 and 5.1 percent). Gasoline prices rose 3.9 percent compared to over 7 percent in each of the first two months of this year.

Mortgage interest costs rose by over 4 percent and contributed substantially to the CPI increase. The rise in home purchase prices, however, remained at the moderate 0.4 percent pace of February.

All other prices (i.e., all except food, energy, home purchase and home finance) continued to rise at a disturbingly high rate -- 1 percent, about the same as in January and February. This "all other" includes the indirect effects of energy prices (via synthetic fibers, plastics, chemicals, etc.). Nevertheless, price increases in the "all other" category remain somewhat too high for comfort, in terms of assessing what the rate of inflation might be once energy prices and mortgage interest rates begin to behave more reasonably.

The major pattern of increases is summarized below:

(percent increase, annual rate)

<u>Item</u>	<u>1979</u>	<u>1980</u>		
		<u>Jan.</u>	<u>Feb.</u>	<u>March</u>
<u>Total CPI</u>	<u>13.3</u>	<u>18.0</u>	<u>17.7</u>	<u>18.6</u> 19.2
Food	10.2	0.0	-0.5	12.4
Energy ^{1/}	37.4	72.0	81.9	42.9
Home purchase and home finance	21.5	28.5	19.9	28.9
All other ^{2/}	7.5	12.0	11.8	12.4

1/ Direct energy only.

2/ Includes indirect energy effects.

11:15 AM

THE WHITE HOUSE

WASHINGTON

MEETING WITH CONGRESSMAN LES AUCOIN
AND REPRESENTATIVES FROM THE OREGON AND
WASHINGTON BANKERS ASSOCIATIONS

Tuesday, April 22, 1980
11:15 a.m. (10 minutes)
The Cabinet Room

I. PURPOSE:

To make some brief remarks to representatives of the Oregon and Washington Bankers Associations at the personal request of Rep. Les AuCoin (D-Ore.).

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN:

A. BACKGROUND: Les AuCoin has endorsed you and has a 77.1% support rating for the first session of the 96th Congress (rank in party = 61). He has been very supportive of you and consistently votes with us. He recently defended you vigorously at a raucus meeting in Oregon where John Burton spoke on behalf of Senator Kennedy. Despite some very hard questioning and critical comments, he did not waiver in his support. The Congressman asked that you spare a few minutes of your time to speak with the bankers while they are in town for a convention about the economic climate in the nation.

B. PARTICIPANTS: The President, Rep. Les AuCoin, Valerie Pinson, and the attached list of Oregon and Washington Bankers.

C. PRESS PLAN: White House Photographer only.

III. TALKING POINTS:

The Secretary's Office at the Department of Treasury has provided the attached list of talking points on the economy plus a longer set of talking points on the financial reform legislation. Treasury staff could not identify any issues that aren't of general concern within the banking community. Both lists are provided for use at your discretion within the 10 minutes allocated for comments and photos.

OREGON BANKERS ASSOCIATION REPRESENTATIVES

Charlie Walker

Johan Mehlum

William Beck

Ronald Culbertson

Chuck Brummel

Ken Sherman

Frank Brawner

Ella Mae Merritt

Vern Pearson

Doris Bounds

George Baucom

Georgia Gratke

WASHINGTON BANKERS ASSOCIATION REPRESENTATIVES

Robert F. Buck

William Wolford

James Cairns

George Christensen

Gordon Chapman

Mark Greenberg

C. Patrick Craigen

William Davison

Patrick Fahey

Louis Goller

Carl Hanson

Marvin G. Mackey

James Purnell

Russell Scholsstein

John Wagner

Talking Points on the Domestic Outlook

In the early months of the year, inflation increased sharply in the United States, as in most other countries. Expectations about future inflation worsened and our domestic financial markets reacted adversely. It was in response to these dramatic signs of a worsening economic outlook that I acted to intensify our efforts to control inflation:

- Federal Government spending cuts necessary to balance the FY 1981 budget.
- Additional restraints on credit expansion.
- Tightening of the wage-price program.
- Further energy conservation measures.
- Structural changes to enhance productivity, savings and research and development.

It is too soon to expect dramatic results. Under the best of circumstances, the program will take time to become fully effective. But, there are some encouraging signs.

- After initial increases, U.S. interest rates have fallen back sharply from their peaks, suggesting an easing of inflationary expectations.
- Sensitive commodity prices have continued a decline which began earlier in the year.

Some concern is now beginning to be expressed as to the possible depth and duration of a U.S. recession. In its own way this, too, reflects a change in economic and financial attitudes. Only a few months ago, a "no recession" mentality was beginning to emerge, along with a view that U.S. inflation would not be checked. Now the situation is changing.

- There are emerging signs of an economic slowdown. U.S. real GNP rose at about a 1 percent annual rate in the first quarter, but the trend was downward during the quarter.
- Two key sectors--autos and housing--are encountering difficulties.

- However, business capital spending has not been cut back and there are no signs of serious inventory imbalance. A deep recession on the 1974-75 scale seems unlikely.
- A mild downturn in the economy will probably develop in the balance of this year with gradual recovery beginning sometime early next year.

At present, the economy is slowing down, but prices are still rising rapidly. This is the worst of both worlds. In the months to come, however, the rate of inflation will be coming down significantly. This will bring interest rates down to more reasonable levels. Flows of credit will then resume on a more normal scale. The housing and lumber industries should benefit as a consequence. For now, however, our number one priority must be the reduction of inflation.

Talking Points on the Depository Institutions
Reregulation and Monetary Control Act of 1980

One of the most important pieces of financial reform legisla-
tion since World War II.

Significant provisions will help in fight against inflation,
aid small savers, help the housing industry, increase
efficiency and competition of financial institutions.

Reserve requirements on deposits at all depository institu-
tions and access to Fed services and discount and bor-
rowing privileges on equal basis.

Necessary to ensure viability of mechanism for
conducting monetary policy.

Meets Administration objectives of effective monetary
policy tools, universal and (fairly) uniform reserves,
Fed services accessible at realistic price, annual net
cost to taxpayer under \$200 million.

Increases Fed's effectiveness in fight against inflation.

Reg Q phaseout to market rates in six years.

Phaseout strongly supported by Administration's Task Force on Deposit Interest Rate Ceilings and Housing Credit.

Would have preferred more definite schedule for phase-out but realize necessity for some compromises.

When fully phased out, eliminates inequities to small savers.

Encourages savings, important in inflation fight.

Increases funds available for housing by reducing the disintermediation from depository institutions that occurs when market rates exceed ceiling rates; other provisions of the bill give savings institutions expanded asset powers to enable them to compete for funds to counter the threat of disintermediation.

Reduces regulatory burden.

Reduces inefficiencies in financial marketplace.

New and extended transaction account authority.

Support on equity grounds since accompanied by reserve requirements.

Increases institutions efficiency, flexibility.

Increases competition among institutions.

Usury ceiling preemptions necessary because of distorting effect of such ceilings.

Allowing state right of override preserves states rights.

Two problems with usury ceiling preemptions in bill.

- 1) General problem: tying a usury ceiling to the Fed's discount rate may result in conflicting forces in the decision to change the rate and adds to the complexity of the Fed's decision.
- 2) Specific problem with the third preemption, i.e., on loans other than mortgage loans or business and agriculture loans over \$25,000; preemption replaces state usury ceiling with that for national banks if the latter exceeds the former. The national bank ceiling in that case is 1 percent above the

discount rate which in the current environment is still too binding.

Administration considering proposing new legislation to keep usury ceilings in line with marketplace.

Deposit insurance increase to \$100,000 will add stability to current environment.

Higher insurance level will increase confidence, reduce likelihood of a run, and therefore may reduce need for FDIC to use fund.

Provides FDIC with a directive to keep premiums at a minimum subject to condition that ratio of capital to insured deposits not fall below 1.10 percent.

Additional provisions such as financial regulation simplification and truth in lending simplification reduce regulatory burden to institutions. Several specific provisions relating to thrifts, credit unions, and commercial banks, but will not go into detail here.

Overall, bill is a major achievement for Administration fight against inflation and commitment to deregulation.

Helps small savers.

Promotes higher savings rate.

Makes financial markets more efficient.

Removes distortions on credit flows to housing,
business, and agriculture.

Increases competition.

THE WHITE HOUSE

WASHINGTON

April 21, 1980

Dear Gaylord:

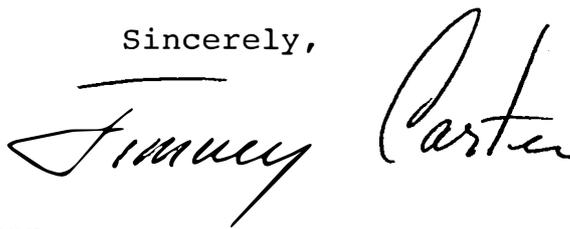
On April 22, 1970, the environmental movement came of age with that remarkable event called Earth Day. As the founder of Earth Day, you are no doubt pleased that one of my first acts of this decade was to declare April 22 of this year to be Earth Day 1980, the tenth anniversary of our celebration of the environment.

On that first Earth Day, millions of people across America showed their deep concern for preserving our environment by participating in teach-ins, clean-ups, bill signings, and scores of other activities. Earth Day 1970 was a watershed in citizen understanding of environmental issues. Since that time we have made dramatic strides in improving the quality of the environment and in protecting our natural resources, but we have a great deal left to do to ensure a safe and bountiful Earth for the future.

Many of the achievements of the first environmental decade are the result of your personal vision and hard work. You certainly deserve the thanks and gratitude of the entire Nation for your efforts on behalf of a cleaner and more beautiful environment. I look forward to your continued leadership in helping us reach our goals for the next environmental decade.

In recognition of your love for our land, your constant commitment to the protection of the environment, and your foresighted concern for the relationship between energy and the environment, I want you to have the enclosed pen and ceremonial copy of the 1980 Earth Day proclamation. Please accept these mementos along with my personal congratulations and the thanks of this and future generations who will benefit from the fruits of your labors.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Gaylord Nelson
United States Senate
Washington, D.C. 20510

22 Apr 80

Jack Watson
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

April 17, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM:

Jack Watson
Arnie Miller

Jack
AM

SUBJECT:

Assistant Secretary for Special Education
and Rehabilitation Services, Department of
Education

We join Secretary Hufstedler in recommending that you select Ed Martin as Assistant Secretary for Special Education and Rehabilitation Services.

After an extensive search, two principal candidates for this post emerged, Martin and Jack Duncan.

Martin, 49, has served as the Office of Education's (OE) Deputy Commissioner for the Handicapped since 1970. In this role he helped develop, enact and implement the landmark Federal legislation providing special education services for handicapped children. He is respected for his management ability and knowledge of the Federal, State and local education system. From 1967 - 70 Martin was the Deputy Director of OE's handicapped programs. He directed the United States House of Representatives Ad-hoc Subcommittee on the Handicapped in 1966, was Co-Director of the University of Alabama's Speech and Hearing Clinic from 1960 - 66 and taught speech at the University of Alabama from 1955 - 57. Martin holds an A.B. from Muhlenberg, an M.A. from Alabama and a Ph.D. from the University of Pittsburgh.

Duncan, 41, is a Washington lawyer who served as John Brademas' Counsel from 1969 - 79. In this position he wrote and reviewed most of the authorizing legislation in the special education and vocational rehabilitation areas. He is popular with many leaders in the handicapped movement and extremely knowledgeable about the Congress. From 1967 - 69 he worked in HEW's rehabilitation programs, served as a lawyer with the Foreign Claims Settlement Commission from 1964 - 67, and practiced law in South Carolina from 1963 - 64. Duncan holds a B.A. from Furman and earned a J.D. at South Carolina.

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Duncan has wide support from key leaders of rehabilitation groups, including the American Coalition of Citizens with Disabilities. Martin is strongly supported by the education community, especially the NEA, and the groups of special educators who teach handicapped children. Duncan's political and creative skills probably outweigh Martin's, while Martin has superior managerial experience and capability.

Shirley believes Martin would be best for the job now because of the management challenges the new Department faces. While she liked Duncan, she felt Martin would bring a needed steady, knowledgeable approach even though he lacks Duncan's political strength. She also points out, however, the preference the NEA and the special educators have for Martin.

We believe this is a close call, but concur with Shirley. Stu prefers Duncan, particularly because of the American Coalition of Citizens with Disabilities strong endorsement of him. Both Martin and Duncan have Congressional support. Frank Moore concurs with Shirley's recommendation.

RECOMMENDATION

We and Shirley Hufstedler recommend that you nominate Ed Martin as Assistant Secretary for Special Education and Rehabilitation Services.

✓ Approve

_____ Disapprove

J

ED MARTIN

Education: Emerson College L.H.D. (Honora Causa) 1974;
University of Pittsburg, Ph.D., Speech
Pathology, 1961; University of Alabama, M.A.
Speech, 1955; Muhlenberg College, A.B., English
Literature, 1953.

Age: 49

Current: Deputy Commissioner for the Education of the
Handicapped, 1974 - present.

Prior: Director, Bureau of Education for the
Handicapped and Associate Commissioner of
Education, 1970 - 1976.

Deputy Director, Bureau of Education for the
Handicapped, 1967 - 1970.

Director, ad hoc Subcommittee on the Handicapped,
United States House of Representatives, 1966.

Co-director, Speech and Hearing Clinic, University
of Alabama, 1960 - 1966.

Instructor, Department of Speech, University of
Alabama, 1955 - 1957.



CABINET ECONOMIC POLICY GROUP

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

April 21, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: G. WILLIAM MILLER *Bill*
CHAIRMAN, ECONOMIC POLICY GROUP

SUBJECT: EPG Activities

I. Meeting on Monday, April 14, 1980

A. Housing

1. Agreed that Administration should support Congressional action to amend Section 235 of the National Housing Act to create a new program that will provide shallower subsidies for the purchase of new homes at the low end of the price range.
2. New Section 235 program to use only existing appropriations, to be of limited duration, and FY 80 and 81 outlays to be fully offset elsewhere in the budget.
3. Administration to continue to oppose appropriations for more expensive Brooke-Cranston program for emergency home purchase assistance.
4. HUD to proceed with amendments to its regulations to make FHA insured loans available to builders with completed but unsold homes.

B. Wage Price Program

1. Update by Fred Kahn on discussions with Mobil.
2. Status report by Fred Kahn on discussions with Ford Motor Company. Corrective action in the form of limitations on executives' compensation announced on Wednesday, February 16.
3. Report by Fred Kahn and Bob Russell on recommendations of Price Advisory Committee.

II. Meeting of Thursday, April 17, 1980

A. Housing

1. Review of HUD proposal to authorize the use of short term tax exempt notes to finance the construction of multi-family subsidized rental housing.

B. Minimum Wages for Alien Agricultural Workers

1. Report by Charlie Schultze on status of DOL's proposed regulations. Comment period to be extended 90 days, and any new method for computing the minimum wage to be brought to EPG before publication by DOL.

C. Wage Price Program

1. Update on discussions with Mobil. Charles Duncan, Fred Kahn, and I to meet with Mobil executives on Monday, April 21.
2. CWPS (Bob Russell) to develop background information on steel wage settlement.
3. Scheduled review of Price Advisory Committee recommendations on increasing the price guideline.

III. Meeting of Friday, April 18, 1980

A. Housing

1. Agreed that authorizing expanded use of short term tax exempt notes to finance the construction of multi-family subsidized rental housing was not desirable.
2. HUD to proceed with reprocessing of outstanding FHA commitments to accommodate higher construction financing costs within the existing subsidized housing program.

THE WHITE HOUSE
WASHINGTON

P

4/18/80

Mr. President:

You questioned having both a meeting and reception for Amb. Nava on the 2 weeker. The meeting involving Nava and Kruegar is very important substantively while a short dropby at a reception is for domestic political benefit.

Phil

approve meeting and reception
 disapprove

J

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THE WHITE HOUSE

WASHINGTON

April 21, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M.*

RE: Registration

This afternoon, the House Rules Committee ordered reported a rule making in order the consideration of the funding for legislation. Chairman Whitten made a strong and forceful presentation on behalf of your proposal, as did Subcommittee Chairman Ed Boland. Congressmen Chris Dodd of Connecticut, Leo Zeferetti of New York, and Jimmy Quillen of Tennessee made special efforts to return today so that we would have a quorum and be able to move the bill prior to the First Budget Resolution. The bill will be on the floor tomorrow. We have a soft count that indicates we will be successful in the full House.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 21, 1980

9

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}
Subject: Advance signals on unemployment

The first sign of a steep economic decline came today. Initial claims for unemployment insurance -- which had been rising gradually -- took a huge (17 percent) jump in the week ending April 12. The data are as follows:

Weekly initial claims
(000's; seasonally adjusted)

January (avg.)	418.9
February (avg.)	383.8
March (avg.)	443.3
April 5	490.5
April 12	574.2

It will take several weeks to confirm that this is not simply a single, erratic piece of data. But if it holds up, it probably foretells a fairly sizable increase in unemployment.

**Electrostatic Copy Made
for Preservation Purposes**

REMARKS - LUNCHEON FOR THE KING & QUEEN OF BELGIUM

APRIL 22, 1980

MANY OF YOU HAVE BEEN ASKING ABOUT THE WONDERFUL MUSIC WE HAVE BEEN HEARING DURING LUNCH. WE HAVE BEEN FORTUNATE TO HAVE THE NEW YORK HARP ENSEMBLE PLAY SOME OF THE WORKS THEY HAVE ARRANGED, AND WHICH HAVE HELPED TO INCREASE THE MUSICAL RANGE AND POPULARITY OF THE HARP -- ONE OF THE WORLD'S OLDEST MUSICAL INSTRUMENTS.

- 2 -

WHILE THEY HAVE PERFORMED ALL THROUGHOUT THE UNITED STATES, CANADA, AND MEXICO; HAD SEVEN CONCERT TOURS OF EUROPE; AND HAVE PLAYED FOR OTHER HEADS OF STATE -- THIS IS THEIR FIRST VISIT TO THE WHITE HOUSE. PLEASE JOIN ME IN WELCOMING AND THANKING THE THREE YOUNG LADIES AND THE DIRECTOR OF THE NEW YORK HARP ENSEMBLE. I HOPE THEY WILL RETURN SOON.

*

*

*

*

ALSO FOR OUR ENTERTAINMENT THIS AFTERNOON WE HAVE ANOTHER ENSEMBLE OF VERY YOUNG LADIES -- THE SUZUKI VIOLIN GROUP, AVERAGE AGE 11 YEARS.

WHILE THEY HAVE NOT YET HAD A CONCERT TOUR, THEY HAVE PLAYED AT THE WHITE HOUSE BEFORE, WHEN WE HAD THE HEADS OF NATO HERE IN 1978.

AND ONE OF THEM -- OUR DAUGHTER AMY -- I GET TO HEAR JUST ABOUT EVERY DAY.

AS I'M SURE YOU KNOW, A GREAT DEAL OF PRAISE HAS BEEN GIVEN THE SUZUKI METHOD BY MUSIC PROFESSIONALS AND CRITICS. BUT I AM ABLE TO COMMENT FROM THE UNIQUE PERSPECTIVE OF A PARENT WHO HAS TO LISTEN TO HIS CHILD PRACTICE. AND I AM PLEASED TO TELL YOU THAT IT IS NOT ONLY THE BEST, IT IS THE MOST PAINLESS METHOD OF TEACHING MUSIC I HAVE EVER HEARD.

I AM PLEASED -- AND, OF COURSE, ALSO PROUD -- TO PRESENT THE RETURN ENGAGEMENT OF THE SUZUKI VIOLIN GROUP AT THE WHITE HOUSE.

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-5-

NEW YORK HARP ENSEMBLE

ARISTID VON WURZLER

BARBARA VON WURZLER

EVA JOSLER

SANDRA BITTERMANN

-6-

PROGRAM FOR VIOLIN CONCERT

GAVOTTE

PERPETUAL MOTION

WALTZ

ALLEGRO

THEME FROM "THE WITCHES' DANCE"

MINUET

GOSSEC

SUZUKI

BRAHMS

FIOCO

PAGANINI

BACH

THE WHITE HOUSE
WASHINGTON

PERSONAL AND ADMINISTRATIVELY
CONFIDENTIAL

April 21, 1980

Mr. President:

I wanted to provide to you,
more cogently than I believe
I did during our meeting
Saturday, the reasons why I
think the no campaigning-ban
is a mistake which should be
reversed.

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1. The no campaign-ban is increasingly viewed by the public purely as a campaign strategy, and there is increasing anger at what they perceive is a "hiding in the White House."
2. The public does not see any need for continuing to stay at the White House full time as the hostage crisis drags out.
3. Since I believe people now view the decision not to campaign as a campaign strategy, the decision to campaign will not have negative public reactions, whatever the press says. Indeed, I think it will be welcomed.
4. There is a substantive need for you to rally public support behind and explain your inflation and Iranian policies. Without such support these policies will not be fully successful.
5. Since you will certainly campaign during the general election, your failure to campaign for the nomination will be viewed by many as an even more calculated campaign strategy. There really is no meaningful distinction between campaigning in the general election and not doing so now. Trying to make the distinction later will impair your credibility far more than deciding now to start campaigning.
6. There are completely honest and legitimate reasons for your now deciding to campaign:
 - a. At the time of your initial decision you had no reason to believe the crisis would last this long. Since it has, it would impair your right to seek re-election to continue your no campaign-ban.
 - b. You need public support to promote and explain your anti-inflation and Iranian policies.
 - c. Erroneous arguments are being made by your opponents which impair your capacity to lead. These must be countered.
 - d. Campaigning will not impair the hostages. You do not need to be at the White House full time as you did in the early months of the crisis.

7. You can explain the change in your policy by saying it is now clear that Khomeini is trying to use the hostage issue to affect the outcome of the November election. And you can indicate that, to make certain Khomeini understands the American people cannot be so manipulated, or divided, you will begin to travel around the country to demonstrate visibly to the Iranians the extent of public support for your actions.

8. This can be done initially by non-campaign events, such as townhall meetings or speeches in non-primary states. Eventually, you will be able to ease into more political, campaign-oriented events. Once the initial spate of stories is written about your decision to leave the White House, I would not expect much commentary about your gradual drifting into more political events. The big story - your leaving the White House - will be behind us, and more political events would soon seem appropriate and natural.

9. The best way to leave initially is through an event connected with the hostage matter. My suggestion would be a meeting with the European leaders of state to discuss the issue. As you know, such a meeting is already scheduled for next week in Luxembourg. On your return, you might stop in New York, for meetings or a speech at the U.N.