

**5/6/80 [1]**

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THE PRESIDENT'S SCHEDULE

NOT ISSUED

Tuesday - May 6, 1980

7:30

Dr. Zbigniew Brzezinski - The Oval Office.

Bob  
Pruitt ✓  
9:30  
(20 min.)

Meeting with the Florida Delegation.  
(Mr. Frank Moore and Mr. Jack Watson).  
The Cabinet Room.

10:00

Mr. Hamilton Jordan and Mr. Frank Moore - Oval Office.

11:15  
(30 min.)

Meeting with Vice President Walter F.  
Mondale, Admiral Stansfield Turner,  
Dr. Zbigniew Brzezinski and Mr. Hamilton  
Jordan - The Oval Office.

✓ 11:55  
12:00  
(60 min.)

Lunch with Vice President Walter F. Mondale,  
Secretary William Miller, Federal Reserve  
Board Chairman Paul Volcker, Mr. Charles  
Schultze, Mr. James McIntyre, and Dr. Alfred  
Kahn - The Cabinet Room.

1:30  
(10 min.)

His Excellency Joseph M.A.H. Luns, Secretary  
General of NATO. (Dr. Zbigniew Brzezinski).  
The Oval Office.

no  
# 3:10

Photograph with Mr. Wayne Colony - The Oval Office.

✓ 3:15  
(15 min.)

Issues Briefing for Community Leaders.  
(Ms. Anne Wexler) - The East Room.

S.W. gate  
energy briefing 1:45

THE WHITE HOUSE  
WASHINGTON

5/6/80

Members of the 1980 Club --

Enclosed is your telegram  
with President Carter's  
note -- sent with his  
best regards!

  
-- Susan Clough

THE WHITE HOUSE

Mr. William H. Owens  
Chairman  
The 1980 Club  
Post Office Box 52872  
Atlanta, GA 30355

THE WHITE HOUSE  
WASHINGTON

5/5/80

dan chew/rhonda bush --

please find out where to  
forward to and send orig.  
telegram w/susan clough's  
note. cc files.

thanks

suzanne brooke

*before*  
*mailing,*  
*pl. call me in*  
*to whether to send*  
*orig. or cc. I*  
*want to double*  
*chk. + she's gone.*  
*Thanks - Suzanne*  
*2/2/80*

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PMS PRESIDENT CARTER, CARE SUSAN CLOUGH

WHITE HOUSE

WASHINGTON DC

WE SUPPORT YOUR EFFORTS TO FREE THE HOSTAGES IN IRAN AND YOUR  
CONTINUED GOOD WORK AS OUR PRESIDENT

THE 1300 MEMBERS OF THE 1980 CLUB

0255 EST

NNNN

*To 1980 Club  
Thank you!  
Jimmy*

THE WHITE HOUSE  
WASHINGTON

May 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald  
Rick Hertzberg  
Achsah Nesmith *AN*

SUBJECT: Presidential Talking  
Points: Reception  
for Labor Council  
for Latin American  
Advancement

Scheduled Delivery:  
Thur, May 8, 2:30 PM  
East Room

Your talking points for this occasion  
are attached.

Clearances

Esteban Torres  
Landon Butler  
Ray Jenkins  
David Rubenstein

[No salutations]

Achsah Nesmith  
A-1 5/6/80  
Scheduled Delivery:  
Thurs, May 8, 2:30 PM

Labor Council for Latin American Advancement

1. I HAVE LOOKED FORWARD TO THIS OPPORTUNITY TO EXTEND TO ALL THE LEADERS OF THE LABOR COUNCIL FOR LATIN AMERICAN ADVANCEMENT UNA MUY CALUROSA BIENVENIDA [a very warm welcome] (Oo-nah Mwee Cah-loo-ros-sah Bee-en-ve-nee-dah) BECAUSE I APPRECIATE THE IMPORTANCE OF YOUR MISSION AND YOUR COMMITMENT. JACK OTERO HAS BEEN A VALUABLE MEMBER OF MY COMMISSION ON IMMIGRATION POLICY. I APPRECIATE HIS FORTHRIGHTNESS AND SUPPORT (one of earliest to announce last September) AND SHARE HIS OVERRIDING CONCERN FOR THE SPANISH-SPEAKING WORKER.
2. I AM DEEPLY CONSCIOUS OF THE PROBLEMS YOU FACE, THE SOLUTIONS YOU SEEK AND THE IMPORTANT CONTRIBUTIONS THAT HAVE BEEN MADE BY HISPANIC TRADE UNIONISTS IN THE STRUGGLE FOR POLITICAL, ECONOMIC AND SOCIAL JUSTICE. THAT IS ONE REASON I BROUGHT ESTEBAN TORRES, FORMERLY OF THE UAW, WHICH WAS ONE OF YOUR FOUNDING MEMBERS, TO THE WHITE HOUSE TO HELP ME DEAL WITH THESE ISSUES ON A CONTINUING BASIS.
3. SINCE IT WAS ESTABLISHED IN 1973, LACLAA HAS SPREAD ACROSS THE COUNTRY, WITH CHAPTERS NOW IN 22 STATES. YOU HAVE MADE GREAT STRIDES IN VOTER REGISTRATION, VOTER EDUCATION AND GET-OUT-THE-VOTE CAMPAIGNS, AND BECOME A POTENT VOICE WITHIN THE AMERICAN LABOR MOVEMENT. WE STOOD TOGETHER IN FIGHTING EVERY ATTEMPT IN THE CONGRESS TO WEAKEN THE DAVIS-BACON ACT AND IN THE FIGHT FOR LABOR LAW REFORM.
4. THE TRAINING AND PREPARATION OF OUR YOUNG PEOPLE TO LEAD

PRODUCTIVE, REWARDING LIVES IS ONE OF MY HIGHEST PRIORITIES. THAT IS WHY WE HAVE INCREASED FEDERAL FUNDING OF EDUCATION BY MORE THAN 70%, LARGELY TO TEACH BASIC SKILLS TO DISADVANTAGED YOUNGSTERS AND TO HELP STUDENTS FROM LOW AND MIDDLE INCOME FAMILIES GO TO COLLEGE, AND TO IMPROVE BI-LINGUAL EDUCATION.

5. YOUNG PEOPLE MAKE UP AN ESPECIALLY HIGH PROPORTION OF THE HISPANIC POPULATION, AND UNEMPLOYMENT AMONG HISPANIC TEENAGERS RUNS HIGHER THAN THE NATIONAL AVERAGE (19.1% compared to 16.1% for all teenagers and 36.5% for black teenagers). AS A RESULT OF NEW YOUTH PROGRAMS ESTABLISHED BY MY ADMINISTRATION, ALMOST 70,000 ADDITIONAL HISPANIC YOUTH RECEIVED EMPLOYMENT AND TRAINING SERVICES IN FY 79. OUR NEW \$2 BILLION YOUTH INITIATIVE WILL BE CONCENTRATED IN AREAS WITH THE GREATEST POVERTY AND UNEMPLOYMENT, AND YOUNG PEOPLE WITH LANGUAGE BARRIERS WILL BE GIVEN PRIORITY.

6. OVERALL HISPANIC EMPLOYMENT HAS BEEN INCREASING AT A RATE MORE THAN DOUBLE THAT FOR THE POPULATION AS A WHOLE. OF THE 9 MILLION NEW JOBS CREATED IN THIS COUNTRY IN THE LAST THREE YEARS, ONE MILLION OF THEM WENT TO HISPANICS.

7. WHEN, AS PRESIDENT, I JOINED WITH AMERICA'S LABOR LEADERS IN SIGNING A HISTORIC NATIONAL ACCORD, I PROMISED YOU THAT IN EVERY ECONOMIC DECISION I MAKE, LABOR WILL BE A FULL PARTNER FROM THE BEGINNING TO THE END. I DEMONSTRATED MY COMMITMENT WHEN I REVISED THE FEDERAL BUDGET.

8. ALL OF THE PROGRESS WE HAVE MADE IS THREATENED BY INFLATION. OUR ENERGY PROBLEMS ADD DIRECTLY TO INFLATION. TO DEAL WITH OUR NUMBER ONE DOMESTIC PROBLEM, I HAVE PUT IN PLACE A TOUGH PROGRAM

OF GASOLINE CONSERVATION, VOLUNTARY WAGE AND PRICE RESTRAINTS, CREDIT RESTRAINTS, STRUCTURAL ECONOMIC REFORMS AND A BALANCED FEDERAL BUDGET.

WE ARE PROTECTING THE MOST VULNERABLE, BUT THIS NECESSARY PROGRAM WILL INVOLVE SOME SHARED SACRIFICES FOR MOST AMERICANS. WE CAN TURN THE TIDE IF WE WORK TOGETHER. WE HAVE THE OPPORTUNITY TO MAKE INFLATION A TEMPORARY PROBLEM, TO ACCOMPLISH A MAJOR REALIGNMENT IN OUR ECONOMIC LIFE. IN THE DECADES AHEAD, THAT CAN MAKE POSSIBLE UNPRECEDENTED EXPANSION, AND ALONG WITH IT, CONTINUED PROGRESS TOWARD OUR GOALS OF SOCIAL JUSTICE.

9. EVENTS IN IRAN AND ELSEWHERE IN THAT REGION UNDERSCORE THE URGENCY OF CONFRONTING OUR SERIOUS PROBLEMS AT HOME. THE PLIGHT OF OUR HOSTAGES REMAINS IN MY MIND AND HEART DAILY. I DEEPLY REGRET THAT OUR RESCUE MISSION DID NOT SUCCEED, BUT I HAVE NO REGRETS WHATEVER THAT WE TRIED. I AM SICKENED BY THE CALLOUS DESECRATION OF THE BODIES OF THE DEAD AMERICANS, CARRIED OUT BY MEN WHO CLAIM TO BE RELIGIOUS LEADERS. OUR NATION REMAINS DETERMINED TO BRING OUR PEOPLE SAFELY HOME.

MY FIRST RESPONSIBILITY AS PRESIDENT IS TO MAINTAIN OUR NATION'S SECURITY. HISPANIC-AMERICANS HAVE ALWAYS ACCEPTED MORE THAN THEIR SHARE OF THE BURDEN OF MAINTAINING MILITARY SECURITY, IN PEACE AND WAR. THAT RESPONSIBILITY ALSO INCLUDES ENERGY SECURITY AND ECONOMIC SECURITY. TO BE STRONG OVERSEAS, WE MUST BE STRONG AT HOME. JUST AS YOU HAVE FOUGHT BESIDE ME IN THE FIGHT FOR SOCIAL JUSTICE, I AM DEPENDING ON YOU TO HELP ME IN THIS BATTLE AS WELL.

# # #

THE WHITE HOUSE

WASHINGTON

*Number involved?  
J*

SCHEDULE PROPOSAL

DATE: APRIL 8, 1980

FROM: AMBASSADOR ESTEBAN E. TORRES

RAUL R. TAPIA *and*

VIA: PHIL WISE *Phil*

*ok  
J*

MEETING: Drop-by (2:00 - 3:30 p.m.)

DATE: Thursday, May 8, 1980

PURPOSE: The Labor Council on Latin American Advancement (LACLAA) is an Hispanic support group of the AFL-CIO and independent unions such as the U.A.W. Their primary objective is to assure labor presence in the Hispanic community and Hispanic presence in the labor unions. LACLAA has 72 chapters in 26 states throughout the country. Ambassador Torres would like to host a reception at the White House for the members of LACLAA who will be in Washington to attend their national convention. It is important that President Carter drop by at this reception to briefly meet with LACLAA members which would further enhance our community outreach efforts with a group representing a broad, diverse spectrum of the Hispanic labor community.

FORMAT: Drop-by in the East Room

CABINET: None

SPEECH MATERIAL: Talking points will be prepared by the Office of Hispanic Affairs in conjunction with the Presidential speechwriters.

PRESS COVERAGE: White House photographers

STAFF: Raul R. Tapia

RECOMMEND: Ambassador Esteban E. Torres

PREVIOUS PARTICIPATION: The President may have met with individual members of LACLAA but President Carter has not meet with LACLAA as a group.

BACKGROUND: None

THE WHITE HOUSE  
WASHINGTON

4/23/80

Mr. President:

There would be 150 -  
200 people present at this  
event.

Phil

2:30  
P dph

THE WHITE HOUSE  
WASHINGTON

Date: 4/24/80

MEMORANDUM FOR: ESTEBAN TORRES \*\*\*\*\*  
FROM: PHIL WISE *fw*  
SUBJECT: Approved Presidential Activity

Please take the necessary steps to implement the following and confirm with Mrs. Nell Yates, ext. 2699. The appropriate briefing paper should be submitted to Rick Hutcheson by 4:00 p.m. of the preceding day.

Meeting: Dropby at W. H. Reception for the Labor Council for Latin American Advancement.

Date: Thurs., May 8      Time: 2:30 p.m.      Duration: 15 mins.

Location: East Room.

Press Coverage: Coordinate with Press Office.

Purpose: To be covered in briefing paper.      \*\*\*\*\* Coordinate with Gretchen Poston.

NOTE: FOLLOWING THE PRESIDENT'S MEETING, PLEASE SUBMIT TO PHIL WISE A CONFIRMED LIST OF ACTUAL PARTICIPANTS, INCLUDING STAFF OR ADMINISTRATION ATTENDEES. INCLUDE FULL NAMES AND BUSINESS TITLES FOR NON-WHITE HOUSE PARTICIPANTS.

CC: Fran Voorde      Jack Watson      Tom Teal  
Nell Yates      Stuart Eizenstat      Anne Edwards  
Rick Hutcheson      Anne Wexler      WHCA  
Bar Hamilton      Jordan      Alonzo McDonald      Jerry Parr  
Sarah Weddington      Janet Tendorson      Gretchen Poston  
Jody Powell      Penny Milder      Rex Scouten  
Rex Cranum      Rex Chulien      Donaldson

THE WHITE HOUSE  
WASHINGTON

5/6/80

TO: THE PRESIDENT

FROM: HAMILTON JORDAN

The attached is FYI.

OFFICE OF THE VICE PRESIDENT  
WASHINGTON

April 30, 1980

MEMORANDUM FOR THE VICE PRESIDENT

FROM: AL EISELE

RE: Your Domestic Travel Since Labor Day, 1979

Here are the updated statistics for your domestic travel since Labor Day 1979, as you requested. The figures do not include your trip to Panama or your recent ski vacation in Vail.

Since returning from the PRC last September 3, you have visited 32 different states and traveled approximately 103,500 miles on behalf of the President and the Carter-Mondale Campaign.

In the period from September 10, 1979 through the end of April, you have been on the road at least part of 92 days, including six days in September, 12 in October, 10 in November, 8 in December, 14 in January, 16 in February, 18 in March and 8 in April.

You have visited Minnesota more frequently than any other state (17 separate days), followed by New York (15), Illinois and Iowa (11), New Hampshire and Pennsylvania (9), Wisconsin (6), Maine (5), Ohio (4), Michigan, New Jersey and Texas (3), Colorado, Indiana, Missouri and Georgia (2), and one day each in Alabama, Arkansas, California, Connecticut, Florida, Idaho, Kansas, Louisiana, Maryland, Massachusetts, Oklahoma, Oregon, South Carolina, Vermont, Virginia and Washington. Incidentally, the only two states that you have never visited as Vice President are Delaware and Wyoming.

During this same time period, you have given more than 175 speeches; attended approximately 125 Carter-Mondale receptions, fund raisers and organizational meetings; and held more than 170 news conferences, individual interviews and meetings with editorial boards.

#####

2:15 5/11/80

THE WHITE HOUSE

WASHINGTON

May 5, 1980

1  
930

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *JW*  
Frank Moore *F. Moore*  
*FR*

On Friday the Florida delegation requested to meet with you about the Cuban/Haitian situation in Florida. They are deeply concerned about this issue and have been getting a great deal of criticism back home for their "failure" to deal effectively with this issue.

Their constituents are concerned with:

1. The difference in treatment between Cubans and Haitians.
2. The financial burden on the local communities.
3. The various reports of large numbers of criminals entering this country.
4. The uncertainty about the eventual number of people who might be allowed in and how they will be absorbed into the community in terms of jobs and housing.

We strongly urge that you meet briefly today or tomorrow with the delegation to hear their concerns. Jack, Vic Palmieri and John Macy would brief the group before your arrival.

While there are other Hill groups interested in this issue (Black caucus, Foreign Affairs, Judiciary, Appropriations, Human Resources) we feel that it is possible and appropriate to focus attention on the Florida problems at this time.

*✓*  
\_\_\_\_\_  
APPROVE

\_\_\_\_\_  
DISAPPROVE

2638

THE WHITE HOUSE  
WASHINGTON

5/6/80

Mr. President:

While at Camp David  
did you agree to a meeting  
this week with Muskie and  
Christopher to discuss talks  
with Gromyko in Vienna?

yes  no

Phil

*Fri may be  
ok.*

*F*

*2681*

THE WHITE HOUSE  
WASHINGTON

06 May 80

Al McDonald  
Rick Hertzberg

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

Rick Hutcheson

2560

THE WHITE HOUSE  
WASHINGTON

May 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald *AM*  
Rick Hertzberg *Rick*  
Gordon Stewart *Gordon*  
Bob Rackleff *BR*

SUBJECT: Presidential Speeches  
in Philadelphia:  
¶ World Affairs Council  
¶ Town Meeting

Attached for your modification and approval are suggested strategies for the above speeches.

PRESIDENTIAL SPEECH STRATEGY

ad  
J

WORLD AFFAIRS COUNCIL OF PHILADELPHIA  
(Group or Event)

Friday, May 9, 1980  
(Date)

1 P.M.  
(Time)

Fairmont or Sheraton  
(Place)

Hertzberg/Stewart/Lake/Aaron  
(Speechwriter)

- ¶ Audience description: 1200 business and professional people interested in foreign affairs.
- ¶ Purpose: To set forth the consistent, fixed points that have guided and will continue to guide American foreign policy regardless of specific crises.
- ¶ Theme: America's goal is a stable, peaceful world, in which the rights of individuals and the prosperity of nations can be realized. To reach this goal, we must pursue policies that are neither rigid and cynical nor naive and sentimental. That is precisely the direction in which the six principles I will reaffirm today will take us.
- ¶ Main topics:
  - 1) Cooperation with the industrial democracies.
  - 2) Firmness and balance in our dealings with the Soviets.
  - 3) Commitment to the needs and concerns of the Third World.
  - 4) Pursuit of peace in the Middle East and elsewhere.
  - 5) Dedication to both military security and nuclear arms control.
  - 6) Recognition of the role of economic forces such as inflation and energy dependence in world affairs.
- ¶ Tone: Clear, consistent, comprehensive.
- ¶ Length: 15-20 minutes.
- ¶ Notes: Input and collaboration is being sought from State and NSC and will be included in A-1 draft.

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for Preservation Purposes**

ok

PRESIDENTIAL SPEECH STRATEGY

PHILADELPHIA TOWN MEETING

(Group or Event)

Friday, May 9, 1980

(Date)

3 P.M.

(Time)

Temple University

(Place)

Bob Rackleff

(Speechwriter)

- ¶ Audience description: 1200 citizens chosen at random.
- ¶ Purpose: Introductory remarks before taking questions from the audience.
- ¶ Theme: The President's overriding concern is our nation's security. We seek to preserve this security during a period of rapid change that has made many old solutions obsolete and that challenges us to prepare for what can be a bright and prosperous future.
- ¶ Main topics:
- International security: Iran and Afghanistan underscore our need for a foreign policy of resolve and understanding, backed by military strength.
- Energy security: We have almost completed the nation's first energy policy, which can cut in half our reliance on imports, improve conservation, and rebuild our base of domestic energy supplies.
- Economic security: Recent progress against inflation will help combat recession and limits its impact on working families. We must make further efforts along present lines, keeping in mind the long-term goals neglected previous administrations. We need stable prices and jobs to ensure the fruits of an expanding economy to every American.
- The 1980s can be a decade of great prosperity and achievement, a decade that future generations will look back on and thank us for.
- ¶ Tone: Forceful, determined, decisive.
- ¶ Length: 6-8 minutes.

8:00 AM

THE WHITE HOUSE  
WASHINGTON

done  
J

May 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Senator Robert Byrd/Oil Import Fee

If the opportunity arises during your meeting tomorrow morning with Senator Robert Byrd, you should discuss the present situation in the Senate regarding the oil import fee.

Senator Byrd has informed us through my staff and the Vice President's office that it's not at all clear to the Leader that you intend to maintain your support of the oil import fee. Senator Byrd's office claims to have heard from several sources, including Senator Long, that you will not insist on this authority. While we have done everything possible to correct this misapprehension, I suggest you make the following points to Senator Byrd.

1. I have made my position clear on a number of occasions, most recently at the last leadership breakfast, that I support and will fight for the oil import fee.
2. We will oppose any attempt during consideration of the Senate Budget Resolution to delete or restrict my authority in any way.
3. The oil import fee is extremely important to our country for national security reasons. The United States must send a signal to the OPEC nations that we are resolved to curb our consumption of foreign oil. If we do not act, we will surely face immediate resumption of OPEC price increases.
4. I know that a tax on gasoline is unpopular in an election year. If I were not convinced that it was absolutely necessary, I would not have ordered its imposition. I also know that this would be a very difficult position for Congress to support. As a result, I have used a mechanism for the remainder of this fiscal year which Congress does not have to act upon.

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5. It's important for the Federal government to capture funds as a result of increased gasoline prices instead of private industry.

6. From an energy conservation standpoint, the tax makes sense. The Department of Energy has estimated that the United States can save 100,000 barrels per day of gasoline immediately, and an estimated 200,000 to 300,000 barrels per day in the immediate future. The United States cannot afford at this time to send the OPEC nations the wrong signal.

THE WHITE HOUSE  
WASHINGTON

*Rick  
J*

May 2, 1980

MEMORANDUM FOR: THE PRESIDENT  
FROM: RICK HUTCHESON *Bill Simon for RH*  
SUBJECT: Status of Presidential Requests

WATSON:

(3/10) Concerning the vacancy of the National Council on Humanities, why not an Hispanic instead of Marcus Cohen? -- Done (4/29 with appointment of Louise Ano Nuevo Kerr). *done*

(4/9) Meet with Mr. Edward Cernic, Co-Chairman of the Flood Recovery Association, and get his ideas regarding funding assistance under the Federal Disaster Act; possible photo opportunity. -- Both Done. *done*

(4/22) Respond to letter from Frank Mustaro regarding General Revenue Sharing payments to Township of Springfield. -- Done. (Attached) *done*

(5/2) Appoint Bob McKinney to the Board of Directors of the Federal National Mortgage Association. -- In Progress.

MCINTYRE:

(4/16) Inform Jody for PR regarding Seventh 1980 Special Message Under the Impoundment Control Act of 1974. -- Done. *done*

EIZENSTAT:

(4/14) Assess for the President, the letter from Berkley Bedell and concerned citizens of Northwest Iowa regarding agricultural economy in their areas. -- In Progress, (expected early May; Lynn Daft is working on a memo addressing the loan rate for corn and other issues.)

(4/16) Draft standard answer to letter from John D. Rockefeller, IV, regarding possible elimination of LEAA funding. -- Done. *done*

(4/16) Draft brief reply to Senator Eagleton regarding agricultural policy. -- Done. *done*

BRZEZINSKI:

(3/31) Meet with McIntyre and submit to the President a complete picture of what is proposed in the Oman package. -- Done. *done*

BROWN:

(4/2) Check on exceptions in DOD regarding contract with Mobil oil, and let the President know if there is a problem. -- Done. *done*

Cutler:

(4/30) Introduce legislation to lower the salary of the Secretary of State. -- Done. *done*

MOORE:

(4/28) Go all out on the Selective Service Registration. Get Harold Brown to help; try to change "no's" to abstain if not "yea's". -- In Progress.

April 25, 1980

Dear Commissioner Mustaro:

Thank you for expressing your concerns about the general revenue sharing program to President Carter. He asked me to respond for him to the issues raised in your letter.

The President has always been -- and remains -- firmly committed to the principle of providing general financial aid to hard-pressed local governments. His decisions on the general revenue sharing program strongly reflect that commitment.

He decided that the \$2.3 billion State share of the \$6.9 billion existing program should not be extended, but he is seeking a five-year renewal of -- and a temporary increase in -- the very important \$4.6 billion local portion of the program.

The President's proposal would provide an annual \$5.1 billion to local governments during fiscal years 1981 and 1982. This local program includes a \$500 million increase intended to cushion localities from the adverse impact of eliminating the State share. This two-year transitional assistance would provide the phase-in approach which you suggest in your letter to the President.

I am enclosing for your information a copy of the President's message to the Congress transmitting his general revenue sharing proposal. After reading this, I hope you will understand all the factors involved in the President's decision.

Of particular importance to your township are the changes which the President is proposing to make in the local program's allocation formula. The enclosed Treasury factsheet describes the types of modifications we are proposing. The basic purpose of these adjustments is to channel more revenue sharing funds to the most fiscally distressed areas within each State -- that is, those localities with heavy service responsibilities, low per capita income and very high tax effort.

The recent tax increases which you refer to in your letter will be reflected as a higher tax effort factor in your township's allocation in future years under the revised formula. However, Springfield Township's per capita income is a good deal higher than the State average; and compared to other, hard-pressed localities in the State, Springfield's degree of distress, though significant, is not as great. Therefore, overall, Springfield Township will experience a net reduction in its allocation under the President's program.

According to Treasury figures, Springfield Township received approximately \$195,000 in its FY 1979 local revenue sharing payment. This allocation will drop to approximately \$125,000 during fiscal year 1981 under the President's proposal.

The President's determined efforts to combat inflation and to balance the Federal budget after so many years of Federal deficit spending impose many difficult choices on us all. I know you and the citizens of Springfield Township share his determination to be successful in those efforts. The President needs and appreciates your help.

Thank you for writing.

Sincerely,

Jack H. Watson, Jr.  
Assistant to the President  
for Intergovernmental Affairs

Commissioner Frank L. Mustaro  
President, Township of Springfield, 50 Powell Rd, Springfield, PA 19064  
Enclosures: 2

VS/JHW/aw

bcc: Virginia Straus with copy incoming mail  
Regina Purcell  
Central Files

*Rick Hutcherson*

NAME

Mrs. Richard ("Sis") Daley

1418

TITLE wife of former Mayor of Chicago

Requested by Bob Strauss

CITY/STATE Chicago, Illinois

Date of Request 4/30

Phone Number--Home (312) 247-4141

Work ( )

Other ( )

**INFORMATION (Continued on back if necessary)**

I would like you to call Mrs. Richard ("Sis") Daley, wife of the former Mayor of Chicago. Sis called me last week to tell me of her complete support of you, especially your handling of the Iranian situation. You should tell her I passed along her comments and thank her for her kind words.

NOTES: (Date of Call 5-5)

done

THE WHITE HOUSE  
WASHINGTON

06 May 80

Jack Watson

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

Rick Hutcheson

PLEASE TELL DICK CELESTE OF  
THE PRESIDENT'S DECISION

THE WHITE HOUSE

WASHINGTON

May 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Peace Corps in Egypt

---

When you met with Dick Celeste recently, you made some mention (I think) about having briefly discussed the possible use of Peace Corps volunteers in Egypt. When Dick subsequently asked me if he should follow-up on such a possibility, I checked with the National Security Council staff to see if there was any mention in their written accounts of your meeting with President Sadat of such a discussion; there is none.

Would you like Dick to explore such a possibility with the Egyptian Government, after, of course, touching the necessary bases at State?

Yes  No

*J*

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2559

# Peace Corps

Washington, D.C. 20525

May 2, 1980

LIMITED OFFICIAL USE

070938

## MEMORANDUM

TO : The President

FROM : Richard F. Celeste, Peace Corps Director  
*Rich Celeste*

SUBJECT: Peace Corps and Egypt

In our meeting, you mentioned that you had discussed Peace Corps with President Sadat. I have not been able to track down a report of that conversation. Is specific follow-up required?

We have access to an experienced person in the private sector (CARE) who could conduct a preliminary programming visit, and we have the capacity--due to our problems in El Salvador (security) and Brazil (diplomatic)--to consider the assignment of a modest number of volunteers, if you believe consideration of these steps appropriate.

Thank you.

11:55 Am

THE WHITE HOUSE

WASHINGTON

May 5, 1980

Meeting with David P. Reynolds  
(Reynolds Metals Company) and  
Ira Davidson (Kaiser Aluminum and  
Chemical Corporation)

Tuesday, May 6, 1980  
11:55 a.m.  
Oval Office

From: Anne Wexler *AW*  
Alfred E. Kahn

I. PURPOSE

To thank both aluminum executives for announcing price rollbacks in order to stay in compliance with your voluntary price program. Both companies announced rollbacks on Monday, May 5, 1980.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: At the April 24 meeting with leaders of the metals and metal products industries, you asked the major aluminum companies to continue to comply with your voluntary standards program, even though it would require real sacrifice on their part.

Reynolds and Kaiser had announced price increases to be effective April 1. However, when the Council on Wage and Price Stability tightened the price standard in late March to discourage anticipatory increases, neither aluminum company could sustain those increases and continue to comply with the tightened price standard. Thus, in response to your April 24 request, both companies acting independently chose to rollback part of their increases until July 1. (Alcoa, the third large aluminum producer, appears in compliance without a rollback.)

These actions represent commendable voluntary restraint. Even with their full April 1 increases, the price they were receiving for aluminum domestically was substantially lower than they could receive on the world market. Because of the disparity between

the domestic and world prices, we are monitoring the import-export situation to insure that the aluminum companies are not exporting and re-importing the same aluminum.

B. Participants: David P. Reynolds, Chief Executive Officer, Reynolds Metals Company; Ira Davidson, Executive Vice President, Kaiser Aluminum and Chemical Corporation; Anne Wexler, Assistant to the President; Reynolds and Davidson attended the April 24 metals meeting. Mr. Reynolds sat next to you.

C. Press Plan: White House press pool and photographers.

### III. TALKING POINTS

Talking points are attached.

## TALKING POINTS FOR THE PRESIDENT

1. I am pleased to welcome Mr. David P. Reynolds, chief executive officer at Reynolds Metals and Mr. Ira Davidson, Executive Vice President at Kaiser Aluminum to the White House. Both of their companies have taken commendable voluntary action to strengthen our national effort to control inflation.
2. On April 24, I met with a number of leaders of the metals and metal products industries, including both of these gentlemen. At that time I commended the aluminum producers for choosing to follow our guidelines program even though a strong export market can pay a higher price than the COWPS guidelines provide. I further noted that their price restraint had meant some sacrifice and I asked them to continue it.
3. The decisions by Reynolds and Kaiser -- come to independently -- to rollback voluntarily, portions of their price increases that took effect April 1 will allow both companies to stay in compliance with our program.
4. These rollbacks represent the kind of responsible corporate action that will help us bring inflation under control. Because aluminum is a basic product in our economy, the benefits of these

actions will be felt in other industries, as well. These commendable actions of price restraint by these two important companies are an important contribution to our voluntary program.

3:15 PM

THE WHITE HOUSE

WASHINGTON

May 5, 1980

BRIEFING FOR COMMUNITY LEADERS ON  
INFLATION & ENERGY POLICY

Tuesday, May 6, 1980  
3:15 p.m.  
The East Room

From: ANNE WEXLER *Anne*

I. PURPOSE

To brief a cross-section of community leaders on our inflation and energy policies, making the linkage between the two issues.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: We have structured this issues briefing to reflect the linkage between inflation and energy issues.

Charlie Schultze will give an overview of the inflation situation, concluding with the importance of reducing our energy consumption. After Charlie's remarks, Charles Duncan will make the linkage to your energy policy, emphasizing the need for swift conclusion of the remaining energy legislative matters. He will link our dependence on foreign oil to inflation and national security issues.

- B. Participants: About 250 community leaders from around the nation are expected. The states of California, Ohio, and New Jersey will be particularly well-represented.

- C. Press Plan: White House Photo and Press Pool for your opening remarks. Press attendance at any Q & A session will be decided by Jody tomorrow.

III. AGENDA

I will open the briefing at 1:45 p.m. Messrs. Schultze and Duncan will then follow with their presentations. Charles Duncan will be answering questions when you arrive. After your remarks and a question and answer session (if you choose to hold one), there will be a reception in the State Dining Room. (See attached agenda)

IV. TALKING POINTS

Talking points prepared by the speechwriters, working with my office, have been submitted separately.

BRIEFING FOR COMMUNITY LEADERS

May 6, 1980  
The East Room

Agenda

1:45 P.m.	Opening Remarks	Anne Wexler
1:47 p.m.	The Problem of Inflation and the Administration's Policies	Charles Schultze
2:00 p.m.	Questions and Answers	Charles Schultze
2:30 p.m.	The Energy Situation and The President's Energy Policy	Charles Duncan
2:45 p.m.	Questions and Answers	Charles Duncan
3:15 p.m.	Remarks	The President
3:30 p.m.	Questions and Answers (Optional)	The President

Reception -- The State Dining Room

THE WHITE HOUSE  
WASHINGTON

May 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald  
Rick Hertzberg  
Bob Rackleff

SUBJECT: Presidential Talking  
Points: Issues  
Briefing for Community  
Leaders

~~Scheduled Delivery:~~  
Tue, May 6, 3:15 PM  
East Room

Some changes have been made in these talking points to take recent events into account. A revised version (A-2) is attached with the new material underlined in red.

Clearance of new material

NSC Staff (Aaron)

[No salutations]

Bob Rackleff  
Draft A-2; 5/5/80  
Scheduled Delivery:  
Tues, May 6, 3:15 PM

Talking Points for Community Leaders Issues Briefing

1. LET ME BEGIN WITH A FEW WORDS ABOUT IRAN. THE  
SUCCESSFUL FREEING OF 19 HOSTAGES IN LONDON BY THE BRITISH  
GOVERNMENT IS AN INSPIRATION TO THE WORLD. IT WAS AN OUTSTANDING  
EXAMPLE OF A GOVERNMENT EXERCISING ITS RESPONSIBILITY AS HOST  
TO A DIPLOMATIC COMMUNITY. IF ANYONE DRAWS A LESSON FROM  
THIS, LET IT BE THE LEADERS OF IRAN, WHO HAVE FLOUTED THEIR  
RESPONSIBILITIES AND ALLOWED AN OUTRAGE TO CONTINUE.

2. LET THEM ALSO DRAW A LESSON FROM OUR ATTEMPTED RESCUE  
OF OUR FELLOW CITIZENS: DO NOT DOUBT OUR NATIONAL UNITY OR  
THE SERIOUSNESS OF OUR INTENTIONS. WE INTEND TO PURSUE EVERY  
MEANS AVAILABLE TO OUR NATION. WE WANT OUR CITIZENS RETURNED  
TO FREEDOM AND TO THEIR FAMILIES.

3. THE EVENTS IN IRAN AND ELSEWHERE IN THAT REGION  
UNDERScore THE URGENCY OF CONFRONTING OUR SERIOUS PROBLEMS AT  
HOME. TO BE STRONG OVERSEAS, WE MUST BE STRONG AT HOME.

4. THIS YEAR, WE WILL SPEND ABOUT \$90 BILLION FOR IMPORTED  
OIL. THAT IS A TREMENDOUS DRAIN OF CAPITAL, MORE THAN THE  
TOTAL NET EARNINGS LAST YEAR OF THE "FORTUNE 500" CORPORATIONS.  
PUT ANOTHER WAY, IT IS ABOUT \$400 FOR EVERY MAN, WOMAN, AND  
CHILD IN AMERICA -- MONEY THAT WILL NOT GO DIRECTLY BACK INTO  
OUR ECONOMY TO STIMULATE INVESTMENT AND CREATE NEW JOBS.

TALKING POINTS

5. THAT IS WHY I HAVE FOUGHT FOR A NATIONAL ENERGY POLICY FOR THREE YEARS, AN EFFORT THAT IS NOW PAYING OFF. WITH MY INITIATIVES NOW IN PLACE AND BEFORE CONGRESS, WE CAN CUT THOSE IMPORTS BY ONE-HALF BY 1990 AND SUSTAIN MUCH MORE OF OUR ENERGY NEEDS WITH AMERICAN-PRODUCED ENERGY. WE NOW HAVE A WINDFALL PROFITS TAX, BUT STILL NEED THE ENERGY SECURITY CORPORATION AND ENERGY MOBILIZATION BOARD, ISSUES NOW BEFORE THE HOUSE-SENATE CONFERENCE COMMITTEE.

6. OUR ENERGY PROBLEMS ADD DIRECTLY TO INFLATION, OUR MOST SERIOUS DOMESTIC PROBLEM. INFLATION REQUIRES US TO CONFRONT REALITY DIRECTLY. THAT IS WHY I HAVE PUT IN PLACE A TOUGH PROGRAM OF CREDIT RESTRAINTS, GASOLINE CONSERVATION, VOLUNTARY WAGE AND PRICE RESTRAINT, STRUCTURAL ECONOMIC REFORMS, AND A BALANCED FEDERAL BUDGET.

7. FOR MOST AMERICANS, MY PROGRAM WILL MEAN SOME SHARED SACRIFICES. WE ARE PROTECTING THOSE MOST VULNERABLE, BUT FOR THE REST OF US, WE MUST DO OUR PART. IT IS A WORKABLE AND NECESSARY PROGRAM. IT CAN BEGIN TO TURN THE TIDE, BUT ONLY IF WE, AS A PEOPLE, RESOLVE TO DO OUR PART.

8. LET US KEEP IN MIND WHAT IS AT STAKE IN THIS BATTLE. WE HAVE THE OPPORTUNITY TO MAKE INFLATION A TEMPORARY PROBLEM, TO ACCOMPLISH A MAJOR REALIGNMENT IN OUR ECONOMIC LIFE. THAT IN TURN CAN MAKE POSSIBLE, IN THE DECADES AHEAD, UNPRECEDENTED ECONOMIC EXPANSION AND, WITH IT, CONTINUED PROGRESS TOWARD OUR GOALS OF SOCIAL JUSTICE. WE MUST BEGIN ANEW OUR EFFORTS TO MAKE OUR GREAT NATION EVEN GREATER.

THE WHITE HOUSE

WASHINGTON

May 5, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Request for an Emergency Declaration on the Cuban Refugee Problem in Florida

Attached is a letter to you from John Macy, Director of the Federal Emergency Management Agency, recommending that an emergency be declared for the State of Florida under Public Law 93-288. I recommend that you approve the declaration by signing the attached letter to Mr. Macy. OMB concurs with the recommendation.

9:30 PM

THE WHITE HOUSE  
WASHINGTON

May 5, 1980

MEETING WITH THE FLORIDA CONGRESSIONAL DELEGATION

May 6, 1980  
9:30 a.m. (20 minutes)  
Cabinet Room

From: Frank Moore *F.M./BK*  
Jack Watson *Jack*

I. PURPOSE

To discuss the Cuban and Haitian refugee situation.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: The Florida Congressional delegation has been besieged by its constituents about the refugee influx in Florida. Although various members of the Administration have met several times with the Members, they requested a meeting with you to discuss the situation. Other Members of Congress have different views on this issue and we will have to begin an intensive consultation process with them.

Participants: The President, Members of the Florida Congressional delegation, Ambassador Palmieri, John Macy, Frank Moore, Jack Watson and Gene Eidenberg.

Press Plan: White House Photographer

III. ISSUES FOR DISCUSSION

Attached

You are meeting with the Florida Congressional delegation to discuss the massive influx of Cuban refugees in the past ten days. As you can imagine, the delegation is beset with constituent inquiries and expressions of concern.

The status of the influx is as follows:

- As of 3:00 p.m. yesterday (May 5), approximately 15,000 Cubans had entered the country via the sealift;
- Nearly 4,000 were at Key West being given initial processing and transportation to Miami and Eglin AFB;
- Over 2,000 have been transported to Eglin's tent city which is being expanded to a capacity of 15,000 over the next two weeks;
- The remainder are in the Miami area being held in a variety of shelters, national guard armories and the like;
- We plan to resettle as many refugees as possible as soon as possible, after processing is completed;
- Transport from Key West to Eglin is being handled by Commercial aircraft under contract, with military air transport being used to supplement, as necessary; transport from Key West to Miami is by bus convoy;
- The interagency task force is working well and cooperation with State and local agencies continues at a high level, although there are (and will be) inevitable strains in handling this massive problem.

The meeting will begin at 9:00 a.m. with a briefing by Jack on the overall status of the processing staging of the refugee population. Jack will also announce and explain the Emergency Assistance Declaration for Florida. Jack has to leave the meeting at 9:20 a.m. to catch a plane, and Gene will assume the chair. (As you know, Gene has just returned from 4 days in Florida.)

We have attached suggested Q&A's covering major issues likely to be raised during the meeting. We suggest the following as talking points for your opening of the meeting.

## Talking Points

### Cuban Situation

- o I have valued the advice many of you have given through Frank, Jack, and others, and I wanted to take this opportunity to get directly in touch with you. I have set up a special Task Force under Jack Watson, involving Vic Palmieri and John Macy from FEMA, and high level representatives from all participating agencies, to manage the U.S. government's response to this problem. We have a person from FEMA on the ground in Florida who has been coordinating the effort there.
- o I faced three general policy options when it became clear that the Government of Cuba intended to allow large numbers of dissatisfied Cubans to come to the U.S. by Cuban/American boats:
  - First, we could have welcomed all these Cubans, as we had done in the mid-1960's. When added to the 230,000 refugees who will arrive this year from other countries, this would have been too much of a burden for our country, and indeed, it could be viewed as inconsistent with the Refugee Act of 1980;
  - Second, we could have tried to slam the door by invoking national emergency authority by sending the Cuban/American boats back to Cuba. This option is clearly inconsistent with our humanitarian concerns and would have probably led to a sharp, and perhaps violent, reaction by the Cuban/American community.
- o We adopted the following broad approach to try to manage this problem better:
  1. To discourage the Cuban/American community from sending boats by making it clear that such boat passages would not be safe. We are continuing in the effort to work with the Cuban/American community to discourage the "sealift;"
  2. We would treat all those Cubans who arrived in a humane manner;
  3. We opened up a dialogue with the Cuban/American community in the hope that we would make them understand that they were playing into Castro's hands and that we would seek alternative ways for orderly evacuation of Cuban refugees.

4. We would seek to maximize international pressure on Castro to resume an orderly and peaceful evacuation of refugees;
5. To try to work with interested nations to structure an international humanitarian effort. The Costa Rican Government has called a conference on this subject for Thursday, and we will be sending a delegation. We will begin negotiations with the Cuban Government at an appropriate time, but it is useful to keep in mind that it serves only Castro's interest to make this a U.S.-Cuban problem. For purposes of resettlement and for foreign policy reasons, it would be much more desirable for the U.S. if this problem evokes an international, rather than just a U.S., response.

#### Haitian Situation

- o There may be 40,000 Haitians in Florida and another 100,000 to 200,000 in the Northeast United States, many of whom, like the Cubans, entered the country illegally.
- o Some Haitians have arrived by boat in recent times, and the publicity has generated charges that the Haitians were discriminated against compared to Cubans.
- o Until May 2, the Federal authorities were incorrectly giving cash assistance and other benefits to all Cubans who arrived, apparently believing that the provision of the old law presuming them all to be refugees still obtained (under the new law this is no longer the case). The Haitians received only minimal health and social services.
- o Approximately 10,000 Haitians are under a Federal court stay against deportation in Florida.
- o As of May 2, all incoming Haitians and Cubans have been treated identically. We are trying to work out equitable arrangements to solve the problems of federal reimbursement for benefits to the refugees.

## Questions and Answers

### Status

Q. WHAT IS YOUR POLICY REGARDING RECEIVING THE CUBAN BOAT PEOPLE?

A. My policy is simple and straightforward:

- As a humanitarian nation we will receive these refugees, even while seeking to discourage unsafe boat trips across the Florida straits;
- Those seeking political asylum are being processed as asylum applicants by INS;
- Case-by-case determinations will be made as to the merits of each application, as the law requires;
- The U.S. government will not throw people back into the sea or prevent them from landing. This policy holds for Cubans, Haitians or others;
- Obviously the new law, which I signed a few weeks ago, did not contemplate the kind of situation we are facing in South Florida. I will need to work with the Congress in addressing many unanswered questions raised by the influx of Cubans and Haitians.

### Benefits

Q. WHAT FEDERAL ASSISTANCE WILL BE PROVIDED TO OFFSET THE COSTS TO STATE AND LOCAL GOVERNMENT IN MEETING THE NEEDS OF THE REFUGEES?

A. The new refugee law provides no federal assistance for individual asylum applicants prior to their being determined to be "refugees" under the law.

However, the situation we face is extraordinary, and I have asked OMB to review available legal authority to see whether we can lawfully provide some assistance to individuals awaiting refugee determinations. Just yesterday, we announced that asylum applicants are eligible for Food Stamps because the Food Stamp Act recognizes immigration parolee status. We believe applicants for asylum meet the legal test for Food Stamp benefits. These benefits will be of major help to Dade County and Florida in forestalling major state and local costs. In addition, some health services will be provided through public health facilities.

Of course, all people being held in federal facilities at Key West, Miami, or Eglin AFB will have all their food, housing, and clothing needs met by the Federal government while they remain under federal jurisdiction.

## Resettlement

Q. HOW WILL YOU HANDLE THE RESETTLEMENT OF THIS POPULATION?

A. Ambassador Victor Palmieri, working with the interagency task force I set up under Jack Watson's direction has lead responsibility to manage the resettlement program for both Cubans and Haitians. My policy, while status determinations are pending, is as follows:

- Individuals entering the country will be received humanely and processed in federal reception centers. One had been established in Miami for the Haitian population before the Cuban influx. We now have centers in Key West, Miami, and Eglin AFB for the Cuban population;
- Recognizing that it will require many weeks for all the people who have entered the country to have their status determinations made, we will seek to relocate these people seeking asylum in our country in a balanced way across the country;
- We will try to reunite Cuban families wherever possible. Early statistics suggest that approximately 40% of the Cuban influx have family ties in South Florida.

## Group Refugee Status

Q. WILL YOU GRANT REFUGEE STATUS TO HAITIAN AND CUBAN BOAT PEOPLE AS A GROUP TO SOLVE THESE PROBLEMS POSED BY CASE-BY-CASE REVIEW AND BENEFIT LIMITATIONS?

A. Whether special action is required to deal with this South Florida situation is a question we need to consider carefully. I would like to hear your views on the matter, but I am not prepared to make any commitments at this time.

THE WHITE HOUSE

WASHINGTON

May 5, 1980

MEMBERS OF CONGRESS ATTENDING MAY 6 MEETING ON REFUGEES

Senator Lawton Chiles

Senator Richard Stone

Congressman Skip Bafalis

Congressman Charles Bennett

Congressman Dante Fascell

Congressman Sam Gibbons

Congressman Earl Hutto

Congressman Andy Ireland

Congressman Richard Kelly

Congressman William Lehman

Congressman Daniel Mica

Congressman Bill Nelson

Congressman Claude Pepper

Congressman Edward Stack

Congressman Bill Young

ORDER

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Pursuant to the provisions of Public Law 92-218  
of December 23, 1971, I hereby designate Henry C. Pitot  
as Chairman of the National Cancer Advisory Board for  
the term expiring March 9, 1982.

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in black ink and is positioned to the right of the main text block.

THE WHITE HOUSE,

THE WHITE HOUSE  
WASHINGTON

5/10/80

For the Record:

The original signed Supplemental was given to Tom Jones for appropriate action. Tim McIntyre also received a cc for action.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 6, 1980

*Jim - We should  
administer the law as  
strictly as possible  
in order to minimize  
abuse & excessive  
cost  
J*

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Appropriations Needed for Trade Adjustment  
Assistance Benefits

Attached for your approval are appropriations requests which would reflect your recent decision to provide funds to pay trade adjustment assistance benefits which are required by the Trade Act of 1974. This Act provides assistance to U.S. workers who are unemployed because of increased imports of foreign made goods. The number of such workers, primarily in the auto industry, expected to qualify for such benefits has exceeded the estimate made during the preparation of the 1981 budget. These income maintenance benefits make up the difference between regular unemployment benefits and 70 percent of the workers regular salary. The \$1.4 billion increase in 1980 would be partially offset by a 1980 decrease of \$102 million in the Black lung disability trust fund made possible by a decline in the rate of approval of claims for black lung benefits. These proposals would not increase personnel ceilings for the Department of Labor but would increase 1980 outlays by a total of \$1.0 billion and 1981 outlays by a total of \$417 million.

Recommendation

That you sign the letter transmitting this proposal to the Congress.

THE WHITE HOUSE

WASHINGTON

May 2, 1980

1

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *Anne*

AL MCDONALD *Al*

SUBJECT: Inflation Activities --- Week of April 28, 1980

Attached for your information are this week's summary of activities and Inflation Report.

# SUMMARY OF ANTI-INFLATION ACTIVITIES

Week of April 28, 1980

## Congressional

House - This week, the Giaimo amendment, adjusting 1980 figures in the First Budget Resolution, was passed. The Obey amendment, which the Administration favored, was defeated by 12 votes. All other amendments opposed by the Administration were defeated. The House is expected to complete action on the resolution on Tuesday, May 6.

Senate - Senate Floor action on the First Budget Resolution will follow that of the House.

## Outreach

Briefings - Anti-inflation actions were included in most White House briefings -- 14 briefings, covering approximately 1,480 people; 5 with Presidential participation.

## Continuing Actions

Accounting Industry - The President participated in a Fred Kahn meeting with representatives of the major accounting firms. President urged accounting firms to help their clients comply with the voluntary wage/price standards program.

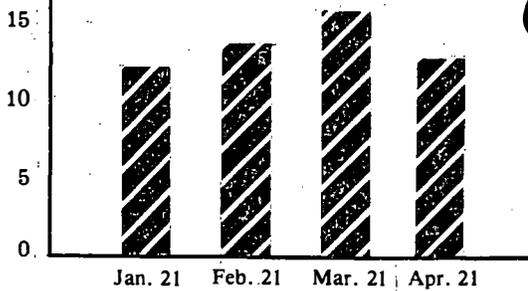
Metals Industry - Following last week's consultative/jawboning session with the nonferrous metals industry, one major aluminum producer has indicated that it will voluntarily roll back prices. Other producers are expected to follow.

## Compliance Actions

The Holiday Inn hotel chain announced this week that it will take action to reduce planned price increases to remain in compliance with the first year price standards. In a separate action, the Hyatt chain was scored by Fred Kahn for failing to comply or cooperate with the voluntary wage/price standards program.

## Media

Over 4,700 copies of the first Inflation Report were circulated last week to print media, interest groups, and federal officials around the country.



# Inflation Report

No. 2

The White House Press Office

May 1, 1980

## Americans Urged to Drive Efficiently, Share Rides in Move to Cut Gas Waste

The President Tuesday announced a major initiative to encourage Americans to use less energy and help the nation reduce its dependence on foreign oil.

Currently, high payments for imported oil contribute to the inflation problem, account for increases in the U.S. trade deficit, and weaken the economy. The President wants to reduce oil imports by one-half by 1990 through energy conservation, increased domestic oil and natural gas production, and development of alternative energy sources.

**His goal** is to cut gasoline consumption this year by 5.5%.

He spoke at the White House to 250 leaders from business, labor, government, and trade associations to urge citizen cooperation for the National Energy Conservation Program.

The initiative's first phase aims at saving transportation energy. Later phases will focus on cutting agricultural and residential energy use.

The transportation conservation program has four parts:

- **Ridesharing**—The Administration will ask private employers and State and local governments to commit to the President their efforts to get at least 20% of employees to share rides or use public transit. If a firm or government already has met that goal, it will be asked to increase its ridesharing to 40%.

The Transportation Department says the nation could save 22.5 million gallons of gasoline per workday if each single driver carried one passenger in his car. The Department says carpools and vanpools today save 3.5 billion gallons of gasoline annually.

- **Driver Efficiency**—The Administration hopes to increase fuel economy by 10% to 20% by getting trade and service

*See Ridesharing Urged next page*



*Symbol for energy conservation program will appear in a public service advertising campaign to encourage conservation of gasoline.*

## Administration, Industries Discuss Lower Costs, Voluntary Price Curbs

Noting that copper and lead prices have dipped recently, the President last week urged metal products producers using those elements to pass on lower costs to consumers.

Meeting with 20 producers of nonferrous metals and metal products, he encouraged them to hold down price increases and commended aluminum producers who have kept prices below the world aluminum price in order to comply with anti-inflation standards.

As a result of the meeting, inflation adviser Alfred Kahn is working with the producers on their suggestions about how they may cut some of their costs.

The metals meeting was the third in a series to urge leaders of the nation's basic industries to voluntarily hold down prices.

*See Price Curbs Discussed next page*

## Holding the Line on Prices...

**Holiday Inns** on its own initiative has taken corrective actions to bring itself back into compliance with the voluntary price standards.

The Council on Wage and Price Stability said Holiday Inns inadvertently exceeded the standard, but has begun a discount coupon saving plan to return money to customers and has revised its pricing policies to ensure compliance.

The President made the announcement when meeting today with representatives of 15 of the nation's largest certified

## Budget Amendment Defeated

The House of Representatives today voted to defeat an amendment to the budget resolution which would have added \$5.1 billion to defense spending next year, offsetting domestic outlays by the same amount.

The House resolution is closely in line with the President's balanced budget request.

The Administration opposed cuts in domestic spending as proposed by the Gramm-Holt substitute. It has recommended a significant increase in defense spending over several years, calling for a more than 3% real increase in FY 1981 outlays.

A compromise has been reached to permit the Federal Trade Commission to continue its operations which had been threatened by legislative proceedings. Yesterday was the last day of its formal funding.

The FTC's funding has been deadlocked for several months in Congress over attempts by special interest lobbyists to curtail some FTC consumer protection functions. In an effort to break the deadlock, the President convened a meeting with senior conferees. Progress was made and yesterday a compromise bill was reported to House and Senate.

hotels and motels nationally with annual revenues of almost \$700 million.

**Four more food manufacturers** or suppliers have agreed voluntarily to put price ceilings on numerous products for up to 90 days, including Libby, McNeill and Libby; Gerber Products; Whitman's Chocolates; and Hub City Foods.

In addition, seven more manufacturers or suppliers of drug, health and beauty aids have joined in the Administration's effort to voluntarily hold down prices.

This weekly newsletter is prepared by the Office of Media Liaison in the White House Press Office. Please direct inquiries to Patricia Bario or Karen Ahn, 162 Old Executive Office Building, Washington, D.C. 20500 (202)

# Consumer Gains Cited in Report

Regulatory reform in the past two years has meant a major change in the way business and government relate and has saved consumers and industry many millions of dollars.

These changes are in a report issued Monday by the U.S. Regulatory Council.

Made up of 36 regulatory agencies, the Council was established by the President in 1978 as part of his overall regulatory reform program. That program has stressed economic deregulation, improved

regulatory management, and innovative techniques for achieving regulatory goals. It has abolished unnecessary regulation and made necessary regulation more cost-effective.

When regulation hinders competition, consumer prices are forced up. Airline deregulation has saved consumers \$4 billion to \$5 billion in the last two years. The Congressional Budget Office estimates that substantial deregulation of trucking would save \$8 billion. Significant deregulation is underway in the area of financial institutions and communications. The report also says:

- Many reforms have reduced paperwork and cut red tape. For example, the

Treasury Department has cut by 40% the financial reporting requirements for small banks.

- Agencies report trying to reduce regulatory overlap, inconsistency, and duplication.

- Where no Congressional action is required, the Administration has achieved many cost-effective reforms. Among others, the Federal Communications Commission has dropped regulations on small cable subscriber systems and made it easier for new firms to get into the telegram services business. Consumers also now can buy telephone receivers rather than lease them from telephone companies.

## Oil Imports Down, Trade Deficit Declines

The U.S. trade deficit fell from \$5.6 billion in February to \$3.2 billion in March. The fall was due mainly to a rise in exports and a decrease in oil imports.

Exports rose by \$1.3 billion to \$18.5 billion as sales in agricultural commodities and manufactured goods rose. Petroleum imports were down by \$400 million—from 8.8 million barrels a day in February to 7.5 million barrels a day in March.

• • •

**In other action**, the interest ceiling on government-backed mortgages for single-family dwellings Monday was lowered from 14% to 13%.

The rate's decrease is the first since 1976. According to the Department of Housing and Urban Development, it means that up to 1 million more home purchasers may be able to qualify for mortgages.

The rate applies to mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration.

• • •

## Price Curbs Discussed

from Page 1

The President already has met with leaders from the health care and industrial chemical industries.

Chemical manufacturers are setting up a task force to work on cost-reducing proposals with the Administration. In addition, the Department of Health, Education, and Welfare is working with the hospital industries' Voluntary Effort to agree upon voluntary guidelines for reducing hospital costs.

The Administration is scheduled to meet soon with leaders from the fertilizer, farm machinery, hotel-motel, construction, and electrical machinery

## More Companies Put Ceiling on Prices

Holding the Line...  
from Page 1

**Officials this week** discussed the anti-inflation program with about 150 additional firms having annual sales of \$100 million or more. They want these firms voluntarily to keep wage and price increases within pay and price standards.

Six briefings have been held this month for 650 companies with annual sales of \$100 million or more whose prices and profits now will be monitored by the Council on Wage and Price Stability. The President recently expanded the program which originally monitored data only from firms having yearly sales of \$250 million or more.

• • •

**Grocers Supply Company**, a Houston, Texas, wholesale grocery distributor, has agreed to restrain price increases during

the six months beginning April 1 in order to comply with voluntary anti-inflation standards.

• • •

**The Council on Wage and Price Stability** reports that the 3-year contract signed by United Steelworkers and the steel industry gives workers an average 7.7% annual increase in wages and fringe benefits, thereby remaining within the pay standard.

That standard permits pay increases of 7.5% to 9.5% yearly.

The Council based its determination on an evaluation of cost-of-living clauses at 7.5%, a figure recommended by the Pay Advisory Committee, which is composed of representatives from business, labor, and the public.

• • •

## Ridesharing Urged to Cut Energy Use

from Page 1

groups, government, and private business to inform employees, customers, and the general public about no- or low-cost conservation methods such as efficient route planning, proper car maintenance, and more economic driving habits. For a fee, Energy Department officials will teach these techniques to representatives of employers who have motor vehicle fleets.

Later this year, the groups will be asked to report on their progress on these and other areas, including an Administration proposal that they improve the average mileage efficiency for their motor vehicle fleets by 10% in 1980.

- **Federal Government**—With 450,000 motor vehicles, it will meet ridesharing and driver efficiency goals and take added steps, such as requiring that new govern-

and using more gasohol.

- **Energy Efficiency Awards**—To encourage participation, they will be presented to citizens or organizations demonstrating outstanding leadership in the nation's effort to conserve energy.

**In addition** to the White House briefing, Cabinet Secretaries this week held three regional meetings with local companies and governments to urge them to participate in the Administration's initiative.

The meetings were held in New Orleans, Louisiana, chaired by Secretary of Commerce Philip Klutznick; Chicago, Illinois, chaired by Secretary of Energy Charles Duncan; and Denver, Colorado, chaired by Secretary of Transportation Neil Goldschmidt.