

5/7/80 [1]

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Wednesday - May 7, 1980

7:30 Dr. Zbigniew Brzezinski - The Oval Office.

no mem
8:00 Dr. Alfred Kahn - The Oval Office.
(15 min.)

✓ # 9:45 Mr. Jim Rouse, Chairman, Re-election Campaign
(10 min.) in Maryland. (Mr. Jack Watson) - Oval Office.

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

✓ # 11:00 Meeting with Secretary Neil Goldschmidt et al/
8:30 (45 min.) Auto Industry. (Mr. Jack Watson) - Cabinet Room.

✓ 12:15 Photograph with the Goodwill Graduate of the
(3 min.) Year. (Ms. Anne Wexler) - The Oval Office.

✓ 12:20 Photograph with Ambassador Gordon Beyer.
(3 min.) (Dr. Zbigniew Brzezinski) - The Oval Office.

✓ 12:25 Photograph with Multiple Sclerosis Society's
(3 min.) 1980 Mother and Father of the Year. (Ms. Anne
Wexler) - The Oval Office.

12:30 Lunch with Mrs. Rosalynn Carter - Oval Office.
(60 min.)

F # 2:55 Mr. Lester Bernstein, Newsweek, and Assistant
(5 min.) Editors. (Mr. Jody Powell) - The Oval Office.

✓ 3:00 Celebration Marking the Inauguration of the
(20 min.) Department of Education. (Ms. Anne Wexler).
The South Grounds

9:30-10:00 only
8:30 Gala Marking the Inauguration of the Department
of Education. (Ms. Anne Wexler) - The South Grounds.
(Business Suit)

cc sent 5/7/80
to files

The New York Times
229 WEST 43 STREET
NEW YORK, N.Y. 10036

cc: Abe Rosen that
Thank you. My
lunch with you
was pleasant and
helpful.

Jimmy

April 28, 1980

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

070952

My dear Mr. President:

When we met over lunch about a week ago, I realized, of course, that you were carrying great burdens. But just how great they were I did not understand until I heard the news about the rescue mission to Iran.

Suddenly, the memory of your kindness, courtesy and your willingness to discuss any topic I brought up, took on a very special poignancy. Grace under pressure always has been and always will be a particular mark of character and distinction.

I know that there are no words that can alleviate the stresses under which you live. But there remains, somehow, the desire to reach out and make some human contact with an individual so severely tested and who means so much to his country. This letter goes not only with my warmest thanks for the time you took to talk with me but with the most heartfelt wishes of encouragement and hope.

Sincerely,

A. M. Rosenthal

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

ID # 070952

- O - OUTGOING
- H - INTERNAL
- I - INCOMING
Date Correspondence Received (YY/MM/DD) 80 105 106

Name of Correspondent: A. M. Rosenthal

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

Subject: Personal

ROUTE TO:	ACTION	DISPOSITION		
Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>✓ PR Clou</u>	ORIGINATOR	<u>80 105 107</u>	<u>RH</u>	<u>CP3 C 80, 105, 07</u> BA
_____	_____	_____	_____	_____
_____	Referral Note:	_____	_____	_____
_____	Referral Note:	_____	_____	_____
_____	Referral Note:	_____	_____	_____
_____	Referral Note:	_____	_____	_____

- | | | |
|--|--|---|
| ACTION CODES:
A - Appropriate Action
C - Comments
D - Draft Response
F - Fact Sheet | I - Info Copy
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply | DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended |
|--|--|---|

FOR OUTGOING CORRESPONDENCE:
 Type of Response = Initials of Signer
 Code = "A"
 Completion Date = Date of Outgoing

Comments: Expresses appreciation for his meeting with the President and offers him encouragement and hope. RH

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

EDUCATION DAY RECEPTION MAY 7, 1980 8:30PM

*WEATHER - ON
TIME
HAPPINESS*

1. SECRETARY HUFSTEDLER, MEMBERS OF CONGRESS, GUESTS:
2. { GEORGE WASHINGTON, IN THE 1ST STATE OF THE UNION MESSAGE EVER GIVEN,
SAID THIS ABOUT EDUCATION:
3. { "KNOWLEDGE IS IN EVERY COUNTRY THE SUREST BASIS OF PUBLIC HAPPINESS."
4. { THOMAS JEFFERSON SPOKE WITH EQUAL FORCE ON THE SUBJECT OF EDUCATION.
5. { "NO (MORE) SURE FOUNDATION CAN BE DEvised FOR THE PRESERVATION
OF FREEDOM & HAPPINESS."
6. { BOTH WASHINGTON (OUR 1ST PRESIDENT),
7. { AND THOMAS JEFFERSON (CERTAINLY ONE OF OUR MOST INTELLECTUALLY GIFTED),
8. { RECOGNIZED WHAT EDUCATION CAN MEAN --
9. { NOT JUST TO INDIVIDUALS, BUT TO A DEMOCRATIC NATION.

(=OVER=) (THIS EVENING.....)

Electrostatic Copy Made
for Preservation Purposes

1. THIS EVENING, WE CELEBRATE A MILESTONE:
THE FORMATION OF THE DEPARTMENT OF EDUCATION.
2. { FOR THE 1st TIME,
3. { EDUCATION WILL NOW BE ACCORDED THE SAME STATURE IN OUR AMERICAN GOVERNMENT
4. { THAT MOST AMERICANS -- AND MOST PRESIDENTS --
5. { HAVE THEMSELVES ACCORDED IT FOR MORE THAN 200 YEARS.
6. EDUCATION IS THE BEST POSSIBLE INVESTMENT IN OUR NATION'S FUTURE.
7. { IT IS THE STRONGEST FOUNDATION
8. { NOT ONLY OF OUR ECONOMIC & TECHNOLOGICAL ADVANCEMENT,
BUT OF OUR DEMOCRACY ITSELF.

(=NEW CARD=) (NO SOCIETY CAN GOVERN.....)

1. (MENTION OF MISS JULIA COLEMAN)
2. TONIGHT WE WILL CELEBRATE ACHIEVEMENT.
3. { THE EMINENT PEOPLE WHO WILL COME TO THIS STAGE
4. { HAVE ALL EXCELLED IN THEIR CHOSEN AREAS OF ACCOMPLISHMENT.
5. THEY HAVE ALL LEFT THEIR MARK UPON OUR TIME.
6. { BUT TONIGHT, OUR ULTIMATE OBJECTIVE IS TO CELEBRATE
7. { THE TEACHERS WHO LED THEM ON THEIR WAY TO EXCELLENCE.
8. EACH DISTINGUISHED AMERICAN WHO WILL FACE YOU ON THIS PLATFORM
WAS ASKED THE SAME QUESTION:
9. { WILL YOU COME TO WASHINGTON AND PAY TRIBUTE
10. { TO THAT ONE TEACHER WHO MOST INFLUENCED YOUR LIFE?

(=NEW CARD=) (EACH OF THE PERFORMERS.....)

1. { EACH OF THE PERFORMERS WILL INTRODUCE THE TEACHER
2. { AND TELL US WHAT THAT TEACHER DID.
3. { SOME OF THE TEACHERS ARE HERE THEMSELVES
TO RECEIVE FROM THEIR ILLUSTRIOUS STUDENTS
4. { AN ACKNOWLEDGEMENT OF THE STUDENT'S -- AND THE NATION'S -- GRATITUDE.
5. { OUR GOAL IS TO HONOR NOT JUST THESE TEACHERS,
6. { BUT ALL THOSE LIKE THEM ACROSS THE COUNTRY
7. { WHO ARE QUIETLY & PATIENTLY PREPARING OUR NATION'S FUTURE.

#

Common Principles	Commitments
Heritage	
History	Happiness
Challenges	
Opportunities	

07 May 80

Hedley Donovan
Jim McIntrye

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

Rick Hutcheson

cc: Stu Eizenstat
Zbig Brzezinski

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
X	DONOVAN
X	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
X	BRZEZINSKI
X	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 6, 1980

②

MEMORANDUM FOR: THE PRESIDENT
FROM: Jim McIntyre *Jim*
SUBJECT: The Asia Foundation

Because of Congressional refusal to continue to fund The Asia Foundation (TAF) in AID's budget for 1981, OMB instructed State to include it in their presentation. During the preparation of the 1981 budget last fall, State ranked a grant to TAF last in its priorities, well outside the funds available. Consequently, it was not included in your budget transmittal to the Congress in February. Based on an Eizenstat/Donovan/Aaron memo, you decided on February 8 that State should seek funds for one more year. OMB conveyed that decision to the State Department at once. The Department did not, however, transmit to OMB the necessary draft legislation and budget amendment for transmittal to the Congress.

During the March revision of the 1981 budget, State was required to cut a number of approved programs, and did not include TAF among the few increases which they did submit.

On March 24, we acknowledged that the Department had made no provisions for a 1981 grant to the Foundation, and informed State that if the Department believed that a grant was of high priority, any budget amendment proposal should be accompanied by an offsetting reduction elsewhere. Because of the extreme difficulties we have encountered in Congress regarding the foreign affairs budget, the Department has proposed no TAF amendment or offset.

I believe State's judgment is correct as to their own internal priorities. Even if we ask the Department to include TAF (either through our giving them \$4M in new money or asking them to offset), their support for the Foundation in the Congressional process will be lukewarm at best. (As you know, Congress "borrowed" \$7M of State's money last week to keep FTC alive, and we may not get those funds back anytime soon). Given our ongoing struggle to secure Hill funding of high priority foreign affairs supplementals (refugees, Persia Gulf base access, military assistance, etc.), I do not hold much hope that TAF can be added to the State budget in the present environment. If you want to direct State to fund it nonetheless, I feel strongly that you should instruct Chris to identify offsets. Only in this way can we hope to persuade the Appropriations Committees to consider our request.

On balance, however, I would not recommend your approving this grant, particularly in light of State's judgment about its priority and given the overall foreign affairs budget environment.

Options

- Terminate now (1981) U.S. budget grants to TAF
- Add \$4M to State budget for TAF, using new money. 
- Add \$4M to State budget, through offsets.

THE WHITE HOUSE

WASHINGTON

April 30, 1980

TO: THE PRESIDENT

FROM: HEDLEY DONOVAN *HD*Subject: The Asia Foundation

On February 6 Stu Eizenstat, Zbigniew Brzezinski and I sent you a memo recommending that the Asia Foundation be given \$4.1 million in a supplemental budget request for FY 1981, Tab A. Jim McIntyre recommended against the request on February 7, Tab B. Your response was to write to McIntyre "Jim -- Let's keep them going this year. Let State have sole responsibility in the next budget and make them face ZBB screening then."

Since that decision, as we appreciate, budget retrenchments have been consuming much of OMB's attention. Stu Eizenstat, David Aaron and I believed, however, that your instructions to McIntyre still stood, and so on April 8 we wrote to him, Tab C, and asked what he was doing to implement your instructions to keep The Asia Foundation going through FY81. We have had no reply to that memo, but have been told informally that it is OMB's view that the budget cut nullifies policy instructions received prior to it. This may or may not be the case. We believe, however, that The Asia Foundation is a valuable organization that should be sustained even though other budgetary cuts are reducing and delaying a wide variety of programs.

To remind you of some of The Asia Foundation accomplishments, here are some highlights and recent activities:

- o It was created at the initiative of the USG in 1951 and today it has the most extensive program in Asia of any American grant making organization. It has status agreements with most of the governments of Asia and an infrastructure of 12 offices from Korea to Pakistan.
- o Government studies have concluded that The Asia Foundation is well known and trusted by Asians and its wide acceptance gives it accessibility to sensitive sectors of Asian society not open to the USG.
- o The Asia Foundation activities complement and supplement official U.S. programs and it attempts to be responsible to special requests from the USG. For example,

The Asia Foundation has greatly expanded its human rights program during your Administration. It now has the most extensive American program in Asia concerned with the rule of law, the administration of Justice, and the status of women and minorities. Patt Derian has said that "without The Asia Foundation, there would be no regional American human rights program in Asia." The Asia Foundation now has some 60 individual projects in virtually every country in Asia in the human rights field.

The Asia Foundation is in the process of expanding its contacts with Islamic leaders and institutions and has made more grants over the years to Islamic groups from Pakistan to the Phillipines than any American organization. It has the potential to be a "broker between these groups and the U.S." In Pakistan planning is underway for new legal aid for the rural and urban poor.

To strengthen U.S. ties with China, The Asia Foundation has arranged to open a cost-sharing program in China and the groundwork for several major programs in the area of law, diplomacy, foreign trade, science and library development has been laid within various PRC ministries. Ambassador Woodcock has cabled that "The Asia Foundation initiatives fully support Embassy Peking's priority objectives."

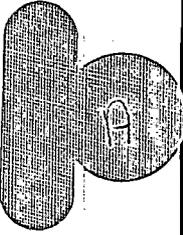
- o In addition to the requested general grant, The Asia Foundation also administers program of special projects funded by AID, ICA and the Japan-U.S. Friendship Commission. The Asia Foundation also receives support in kind from American corporations and its Book Programs for Asia supported by the American book publishing industry is the largest in the world by far.

Other programs of particular interest to State, AID, and ICA will also come to an end, many of them in mid-stream. This could be a potential embarrassment given the number of Asian governments and institutions currently involved with The Asia Foundation supported projects.

We firmly believe that the range of activities that the Asia Foundation has undertaken should be continued and that it would make no sense, given the current emphasis you have placed in the human rights field to kill the organization now implementing such a wide variety of activities which support your policies. We emphasize that the entire Asia Foundation will be terminated after 29 years of useful work unless your earlier decision to fund it is carried out.

RECOMMENDATION

We recommend that your decision, to fund The Asia Foundation for FY 1981 and to let them face ZBB screening in the next year be implemented. We think that OMB should make funding available for The Asia Foundation for FY 1981, still keeping it under State Department auspices. This funding would be granted with the understanding that The Asia Foundation would work closely with members of Congress so as to arrange a more permanent and stable basis of support to The Asia Foundation in the years beyond FY81.



Al Stern

log
S
C
B
D
als.

THE WHITE HOUSE
WASHINGTON

February 6, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: HEDLEY DONOVAN *[Signature]*
STU EIZENSTAT *[Signature]*
ZBIG BRZEZINSKI *[Signature]*
SUBJECT: Asia Foundation Budget

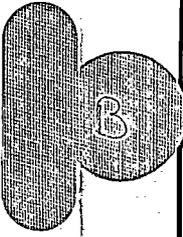
At the request of NSC and DPS, you met with the trustees of the Asia Foundation on April 10, 1978 in the Roosevelt Room. Your praise of their program and offer of support was enthusiastically received by them and through their programs and information network by the constituency they serve. Their program is described in the attached letter.

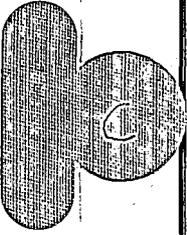
In the FY 81 budget, a program was not included in the State Department which we feel should have been. The Asia Foundation, whose major operating funds traditionally come from the U.S. Government, was previously funded by AID. Since their programs were not solely directed to the poorest of the poor, the present mission of AID, the Congress ordered last year that the Asia Foundation not be funded in AID for 1981. Nor were the Asia Foundation's programs entirely cultural, which would logically place them in the International Communications Agency. State and ICA indicated support in principle for the Asia Foundation but refused to fund the program within their budgets. OMB then instructed State to consider the Asia Foundation in its budget. Given the constraints on all budgets this year and the fact that State had not asked for the Asia Foundation, State therefore did not rank it high on its list of priorities. When the final budget was arrived at, it was not included as an item. When OMB asked State to reconsider its ranking, it declined, and did not appeal this issue to you. The result of this budgetary-bureaucratic snarl is that there are no funds in the budget for the Asia Foundation.

The consequence is that the Asia Foundation will go out of business. All relevant area bureaus at State, and the Secretary of State, as well as NSC and ICA, had agreed that its functions were important and that it should be continued. If we are to continue to use the Foundation in support of our policy goals, we ought to find a way to continue our support. We ask your decision on the following options:

_____ Allow the Asian Foundation to go out of
existence. (OMB)

_____ Include funds (\$4 million) for the Asia
Foundation in a supplemental budget request
early enough in the budget cycle to allow its
continuation with some reprogramming at State
Department to bridge the gap. (Donovan, NSC,
State, DPS)







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

FEB 7 1980

MEMORANDUM FOR: THE PRESIDENT
 FROM: James T. McIntyre, Jr.
 SUBJECT: The Asia Foundation Budget

Jim

Let's keep going this. Let state have responsibility in next & make them for ZBB set

The memorandum from Hedley Donovan, Stu Eizenstat, and Zbig Brzezinski points out that the 1981 Budget contains no funding for basic support for the Asia Foundation. However, rather than being the result of a "budgetary-bureaucratic snarl", the ZBB process forced the State Department to rank the Foundation explicitly against competing requirements.

The State Department, after conducting a major staff study of the Foundation, ranked it last of the Department's 169 ZBB packages. While the regional bureaus continue to support the Foundation, we believe the Department, viewing its world-wide responsibilities, will continue to assign these activities a low priority. If we fund the Foundation this year, we will have the same priority problem next year, because State is very concerned about maintaining its ongoing programs.

There are two long-term alternatives for funding the Asia Foundation outside the State Department.

The first is to place it under the International Communication Agency. ICA appears reluctant to assume responsibility for the Foundation, because it engages in activities outside the ICA mandate. Furthermore, ICA has indicated it too would rank the Foundation lower than its ongoing activities.

The second alternative is to remove the Foundation from the ZBB process. This would require establishing a separate statutory agency to provide Federal grants to the Foundation. We would not support the creation of a new government agency to carry out programs ranked very low by the relevant agencies.

We believe that the unwillingness of agencies to rank the Foundation above their marginal programs is the best available measure of its lack of relative priority. To approve this funding now would weaken the priority setting feature of the ZBB process. Therefore, we recommend against forcing State or ICA to modify their ZBB ranking and against creating a new government agency.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

April 8, 1980

MEMORANDUM FOR: JAMES T. McINTYRE, JR.

FROM: HEDLEY DONOVAN ✓
STUART EIZENSTAT *Stu*
DAVID AARON ~~SA~~

SUBJECT: The Asia Foundation

In February, the President directed that funding be granted for the Asia Foundation for FY 81, but that in future years it would have to compete in ZBB rankings submitted by the Department of State (Tab A). The President's note to OMB reads: "Jim - Let's keep them going this year. Let State have sole responsibility in next budget & make them face ZBB screening then."

No action has yet been taken to restore the funds. The Department of State, which received telephone notification from OMB of the President's February decision, was preparing paper work for the supplementary budget request which they understood would be submitted at a later time. State, believing that the Presidential decision to maintain funding for the Asia Foundation in FY 81 would not be questioned, made no mention of the Asia Foundation in its FY 81 submissions submitted to OMB as part of the budget cut exercise.

The leadership of the Asia Foundation has been told that the President's February decision gave them a year's grace period in which to arrange a more reliable basis for its funding. They agree that the Foundation cannot compete (and should not be made to compete) in a ZBB ranking which pits it against such things as State Department's travel funds and building construction. Unless prompt action is taken, the Foundation could suddenly find itself deprived of the year of grace the Presidential decision gave it through FY 81.

Please let us know what steps are being taken or what further paper work OMB requires from State in order to put the President's decision into effect.

Attachment

MEMORANDUM

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

May 5, 1980

FOR : HEDLEY DONOVAN
FROM : AL MCDONALD *AM*
SUBJECT: The Asia Foundation

Jim McIntyre has suggested that he will look personally into the Asia Foundation situation and has asked that we hold up on a memorandum to the President until he has had an opportunity to do this.

It would be appreciated, therefore, if you would follow through with Jim on this item rather than involving the President at this point.

THE WHITE HOUSE

WASHINGTON

Date: May 2, 1980

MEMORANDUM

FOR ACTION:

Al McDonald
Jim McIntyre *Hold til COB
5/5*

FOR INFORMATION:

The Vice President
Stu Eizenstat
Zbig Brzezinski *nc 5/2*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Donovan Memo Re: The Asia Foundation

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 PM

DAY: Monday

DATE: May 5, 1980

ACTION REQUESTED:

Other: Your comments

STAFF RESPONSE:

I concur. No comment.
Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

WH Copies



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

MAY 6 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: Jim McIntyre /s/
SUBJECT: The Asia Foundation

Because of Congressional refusal to continue to fund The Asia Foundation (TAF) in AID's budget for 1981, OMB instructed State to include it in their presentation. During the preparation of the 1981 budget last fall, State ranked a grant to TAF last in its priorities, well outside the funds available. Consequently, it was not included in your budget transmittal to the Congress in February. Based on an Eizenstat/Donovan/Aaron memo, you decided on February 8 that State should seek funds for one more year. OMB conveyed that decision to the State Department at once. The Department did not, however, transmit to OMB the necessary draft legislation and budget amendment for transmittal to the Congress.

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I believe State's judgment is correct as to their own internal priorities. Even if we ask the Department to include TAF (either through our giving them \$4M in new money or asking them to offset), their support for the Foundation in the Congressional process will be lukewarm at best. (As you know, Congress "borrowed" \$7M of State's money last week to keep FTC alive, and we may not get those funds back anytime soon). Given our ongoing struggle to secure Hill funding of high priority foreign affairs supplementals (refugees, Persia Gulf base access, military assistance, etc.), I do not hold much hope that TAF can be added to the State budget in the present environment. If you want to direct State to fund it nonetheless, I feel strongly that you should instruct Chris to identify offsets. Only in this way can we hope to persuade the Appropriations Committees to consider our request.

On balance, however, I would not recommend your approving this grant, particularly in light of State's judgment about its priority and given the overall foreign affairs budget environment.

Options

_____ Terminate now (1981) U.S. budget grants to TAF

_____ Add \$4M to State budget for TAF, using new money.

_____ Add \$4M to State budget, through offsets.

ID 800338

THE WHITE HOUSE

WASHINGTON

DATE: 07 FEB 80

FOR ACTION: JIM MCINTYRE

INFO ONLY:

SUBJECT: DONOVAN, EIZENSTAT, BRZEZINSKI MEMO RE ASIA FOUNDATION
BUDGET

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON
07 May 80

Stu Eizenstat

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

Rick Hutcheson

ORIGINALS TO EV SMALL FOR HANDLING
AND DELIVERY.

THE WHITE HOUSE

WASHINGTON

May 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*

SUBJECT:

LETTERS TO CARL PERKINS, GUS HAWKINS,
JIM JEFFORDS AND BILL GOODLING

On May 6th Carl Perkins and members of the House Education and Labor Committee completed work on our Youth Act. This action was accomplished after extensive and successful negotiation between the Committee, the Administration and a broad coalition of interest groups.

The Committee's bill is very close to our initial proposal and has broad support within the Committee from both Republican and Democratic members. Congressman Jim Jeffords (R-VT) and Bill Goodling (R-PA) were instrumental in achieving this bipartisan coalition. We have also retained the support of the civil rights and education communities.

I recommend sending the attached letters to Congressmen Perkins, Hawkins, Jeffords and Goodling. Their continued support and cooperation is critical if we are to succeed in moving the legislation through the House. I know they will appreciate your recognition of the work they have done to date.

The letters have been cleared through Congressional Liaison and the Speechwriter's Office.

(FOUR SIGNATURES REQUESTED)

THE WHITE HOUSE

WASHINGTON

May 7, 1980

Dear Carl:

I want to thank you for your leadership and commend you and other members of the Committee for the excellent job you have done in moving our youth employment legislation forward. I am particularly pleased with the broad bipartisan support you have developed for these proposals.

One of the most important challenges facing us in the coming months is to ensure that our young people have the education, training and work experience they will need to compete effectively in the labor market of the 1980s. With your continued help and support, I believe we will successfully meet this challenge.

Sincerely,



The Honorable Carl Perkins
Chairman
Committee on Education and Labor
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 7, 1980

Dear Gus:

I want to thank you and other Members of your committee for your leadership and the excellent job you have done in moving our youth employment legislation forward. I am particularly pleased with the broad bipartisan support you have developed for these proposals.

One of the most important challenges facing us in the coming months is to ensure that our young people have the education, training and work experience they will need to compete effectively in the labor market of the 1980s. With your continued help and support, I believe we will successfully meet this challenge.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy", with a horizontal line above it.

The Honorable Augustus Hawkins
Chairman
Subcommittee on Employment
Opportunities
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 7, 1980

Dear Bill:

I want to thank you for the excellent work you have done in moving our youth employment legislation forward. Your commitment to a program that will ensure greater cooperation between employment, training and education is gratifying.

One of the most important challenges facing us in the coming months is to ensure that our young people have the education, training and work experience they will need to compete effectively in the labor market of the 1980s. With your continued help and support, I believe we will successfully meet this challenge.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy", with a horizontal line above it.

The Honorable William Goodling
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 7, 1980

Dear Jim:

I want to thank you for the excellent work you have done in moving our youth employment legislation forward. Your commitment to a program that will ensure greater cooperation between employment, training and education is gratifying.

One of the most important challenges facing us in the coming months is to ensure that our young people have the education, training and work experience they will need to compete effectively in the labor market of the 1980s. With your continued help and support, I believe we will successfully meet this challenge.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy", with a horizontal line above it.

The Honorable James Jeffords
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

07 May 80

Scotty Campbell

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

Rick Hutcheson

cc: The Vice President
Stu Eizenstat
Frank Moore
Jim McIntyre

THE WHITE HOUSE
WASHINGTON

5/7/80

Mr. President:

CL and Stu Eizenstat think you should be aware of the problem described by Scotty Campbell, but do not recommend that you take any action at this time.

Rick

United States of America
**Office of
Personnel Management**

Washington, D.C. 20415

May 2, 1980

In Reply Refer To:

Your Reference:

*cc Scotty - No action
me now - will help
necessary* *by when*

MEMORANDUM FOR THE PRESIDENT

FROM: Alan K. Campbell
Director



SUBJECT: Bonus Payments for Outstanding Members of the
Senior Executive Service

This is to inform you of a serious Congressional threat to the successful implementation of the Civil Service Reform Act and to request your assistance in overcoming the problem.

As you know, the Civil Service Reform Act contains provisions that would permit the most outstanding senior executives to receive financial bonuses and Presidential rank awards for truly exceptional performance. The Act also places stringent limitations on the payment of the bonuses: no agency can give bonuses to more than 50 percent of their Senior Executive Service members; no "political" appointees are eligible for bonuses; Presidential ranks--Meritorious and Distinguished--are limited to 5 percent and 1 percent respectively, of the government-wide total of Senior Executives, with the sum total of salary plus bonuses being limited by the law.

Recently, there has been an effort in the House of Representatives, led primarily by a few staff members, to deny bonuses to members of the Senior Executive Service. This would be done by inserting restrictive language in the Fiscal Year 1980 Supplemental Appropriations Bill. The Subcommittee on Treasury, Postal Service, and General Government, chaired by Tom Steed, has actually taken a tentative vote to this effect. We have been working hard to have this vote reversed and also, have begun conversations on the Senate side in an effort to head off any move of this kind there.

Both critics and supporters of Civil Service Reform view the payment of Senior Executive Service bonuses as a crucial test of your determination--as well as Congress'--to implement the various provisions of the Act. Failure to pay these bonuses will give credence to the claim of many skeptics that the government's executives were tricked into joining the Senior Executive Service. Moreover, many will be convinced that we do not intend to honor our promise to provide financial rewards for truly outstanding

**Electrostatic Copy Made
for Preservation Purposes**

performance. Given the central role to be played by top managers in making the reform effective, any failure to implement fully the provisions of the Senior Executive Service will jeopardize all of the other aspects of the reform effort. The successful implementation of such key features as the improved systems for appraising performance, merit pay for middle-level managers, and the new labor relations provisions depends largely on the effective operation of the Senior Executive Service. A painstaking review of the performance of these executives is still underway but we expect agencies to be very restrained in making recommendations for bonus payments this first year, realizing full well that the credibility and future of the Senior Executive Service is at stake.

We have contacted Chairman Steed and all of the other members of his Subcommittee. With the help of a letter from Jim McIntyre, the personal intervention of some Cabinet members, and the assistance of Congressmen Mo Udall, Jim Hanley, Bill Ford, and Ed Derwinski, we believe we have been able to convince the Subcommittee to reverse its tentative decision. Mr. Steed has promised to reopen the issue. There remains, however, the possibility that language denying the use of any appropriated funds for Senior Executive bonuses will be included in other Subcommittee actions or will surface at the full committee level in the House.

I believe a call from you to Jamie Whitten, Chairman of the House Appropriations Committee, indicating your interest in this matter would be very helpful. If, in the next two or three days, Chairman Whitten were made aware of your concern that the Congress not undermine the successful implementation of Civil Service Reform, I am optimistic that any action that would prohibit bonus payments can be stopped at the full committee level.

THE WHITE HOUSE
WASHINGTON

Thomson called again -
Frank Moore wants the
memo to go in - but
not have the P call
Whitten - C.L. would
prefer to send note
instead.

Call Thomson if you've
a question x7866

~~Hold for letter
to Whittier from~~

~~Thomson~~

Summary

THE WHITE HOUSE
WASHINGTON

5/6

Hold - on Bob

Thompson; he will
call by Wed AM re
what CL preference is.

DPS will have comment
tonight

ID 802521

THE WHITE HOUSE

WASHINGTON

DATE: 02 MAY 80

FOR ACTION: STU EIZENSTAT

JIM MCINTYRE

FRANK MOORE

*Cable -
a note to Whitten would
be helpful*

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT: CAMPBELL MEMO RE BONUS PAYMENTS FOR OUTSTANDING MEMBERS
OF THE SENIOR EXECUTIVE ORDER

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM MONDAY 05 MAY 80 +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Checked hand-written note up package but don't stall out

ACTION
FYI

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	FOR APPROPRIATE HANDLING
<input type="checkbox"/>	LAST DAY FOR ACTION

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

<input checked="" type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	CUTLER
<input type="checkbox"/>	DONOVAN
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<input checked="" type="checkbox"/>	MOORE
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<input checked="" type="checkbox"/>	WEXLER
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<input type="checkbox"/>	ASKEW
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<input type="checkbox"/>	LANDRIEU
<input type="checkbox"/>	MARSHALL

<input type="checkbox"/>	MILLER
<input type="checkbox"/>	VANCE
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CAMPBELL
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	FRANCIS
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HERTZBERG
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	KAHN
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MARTIN
<input type="checkbox"/>	MILLER
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SANDERS
<input type="checkbox"/>	SPETH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	TORRES
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WISE

THE WHITE HOUSE
WASHINGTON

①

6 May 1980

Mr. President:

Stu is coordinating the release of the gas rationing plan which you approved today, and has asked me to hold the letters to Congress until Friday or Monday.

Rick



Hired Hand

Prayer for Carter

By GLENN SHELTON

You know, Lord, he is a good man, honest and clean, who truly loves you and his brothers on earth, with a job that would tax even the abilities of your most competent angels.

We realize he makes mistakes, Lord, but, we submit, his frailties are the frailties of finite men, deficiencies in method, perhaps, but certainly not of heart.

Therefore in this, his darkest hour, we pray that you will be with him, Lord, even as he is pledged to be with you.

As a faithful adherent to your word, he has sought to apply the teachings of your son Jesus in his long and frustrating negotiations with a lawless people, and in so doing has exercised, we believe, a magnificent patience and restraint in an effort to honor your admonition that we show love even to an enemy with no love for us.

And this just might be a cause of his troubles now, Lord. If so, let it be, we pray, that which shortly will bring him the success his efforts deserve.

We sadly and humbly confess, Lord, that America and Americans are less than perfect (perfection being a quintessence unattainable by men and governments) but our's is a nation of people that believes in you and your resurrected son, a nation founded on liberty and justice, champion of human rights and the intrinsic worth of the individual, a country into which even

See PRAYER, Page 2A

Hired Hand

Prayer for Carter

FROM PAGE 1

now is pouring the wretched refuse of other lands, yearning to breathe free.

Believing this, we realize our heavy responsibility and the implicit mandate to share these blessings with the rest of the world.

If we have somehow fallen short of our obligations, we pray for your forgiveness and beseech your guidance, now and in the future.

In the meantime, Lord, be with our President, sustain him in his sorrow and frustration, and give him new strength and wisdom that he might more efficiently execute his terrible office. Inspire his countrymen to rally behind him at this time of his discouragement that he may yet find a way to bring his kidnaped people safely home and restore once more friendly relations and co-operation between America and that confused and tortured mideast nation that holds his countrymen hostage.

This is our prayer, Lord. But, our pleas notwithstanding, your will, not our's, be done.

DEMOCRATIC

NATIONAL COMMITTEE

1625 Massachusetts Avenue, N.W. Washington, D.C. 20036 (202) 797-5900

JOHN C. WHITE
Chairman

Dear Mr. President,
Clenn Shelton is a
daily columnist, widely read,
with the Wichita Falls, Texas
newspaper.

a long time friend of
mine.

I thought you might like
to read something that was not
written in Washington D.C. -
your friend
John -

PHIL HAS SEEN; ZBIG HAS COPY

THE WHITE HOUSE
WASHINGTON

May 6, 1980

MR. PRESIDENT:

Cong. Peyser (d-N.Y.) called you today to say that he and a group of Congressmen have a bargaining point which they think you might use with the Iranians. He and the group are ready to make this known through the Swiss Government, but wanted to apprise you of it first. Bill Cable recommends you return the Cong.'s call.

President will call _____

Ask Warren Christopher to call ²⁶¹⁹_____ ✓

PHIL

12:15 PM

THE WHITE HOUSE
WASHINGTON
MEETING WITH GOODWILL GRADUATE OF THE YEAR

Wednesday, May 7, 1980
12:15 p.m.
The Oval Office

From: ANNE WEXLER *AW*

I. PURPOSE

To greet the Goodwill Graduate of the Year, Helen Holliday of St. Petersburg, Florida; and to note National Goodwill Week, May 4-10.

II. BACKGROUND

Although Presidents traditionally have met with the Goodwill Graduate, your schedule has not permitted a meeting until this year.

Helen Holliday, who suffers from Turner's Syndrome, began training with Goodwill in 1976. She has since acquired her high school diploma and a degree in clerical work from a vocational college. Holliday presently works as a clerk-typist in the Neutron Devices Department of General Electric in Florida.

Founded in 1902, Goodwill Industries of America, Inc. now has 167 chapters in the United States and 38 affiliates in other countries. This organization is the largest network of privately operated vocational rehabilitation workshops in the world.

III. PARTICIPANTS AND PRESS PLAN

A. Participants: Helen Holliday, Goodwill Graduate of the Year;

Olive Holliday, mother of the Goodwill Graduate;

Dean Phillips, President of Goodwill Industries;

Joseph Pouliot (Poo-le-o), Executive Vice President of Goodwill Industries;

Jean Richards, Executive Director, St. Petersburg Goodwill Industries;

Bob Barrie, Manager, Federal Legislative Relations, General Electric;

Andrea Heid, Director of Public Relations, Goodwill Industries.

B. Press Plan: White House photographer, AP and UPI.

IV. TALKING POINTS

1. Congratulate Helen Holliday for her achievement as the outstanding Goodwill Graduate of the Year.
2. Commend Goodwill Industries for its work to improve the quality of life for handicapped people through job training. Since 1902, Goodwill has sponsored programs of rehabilitation for the handicapped to assist them in achieving both independence and personal dignity.
3. The theme of National Goodwill Week this year is "Investment in People for A Proud America." My Administration is dedicated to helping handicapped citizens. We are determined to strengthen vocational guidance and rehabilitation as essential ingredients of our national program.
4. (Excerpted from your speech to the Committee on Employment of the Handicapped):

You here today understand the truth and the pain of that statement. You have triumphed over limitations, sometimes very severe limitations, and you now work productively to help shape the world, to reshape the world so that it can be a better place not only to you but for others. Your will and your determination have been forged in the fires of adversity and you must not be full participants in every aspect of a life of this nation and I'm determined to assure that that goal will be reached.

Wednesday - 8:30 p.m.

THE WHITE HOUSE
WASHINGTON

May 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
Rick Hertzberg
Chris Matthews

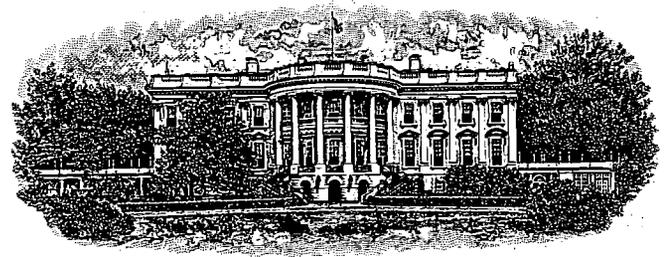
SUBJECT: Presidential Talking
Points: Education
Day Reception

Scheduled Delivery:
Wed, May 7, 8:30 PM

Your talking points for this reception
are attached.

Clearances

Secretary of Education
David Rubenstein
Ray Jenkins
Staff for Anne Wexler



THE PRESIDENT AND MRS. CARTER

welcome you to

THE WHITE HOUSE

On the occasion of

SALUTE TO LEARNING DAY

May 7, 1980

Chris Matthews
Draft A-1, 5/5/80
Scheduled Delivery:
Wed, May 7, 3 P.M.
South Lawn

Education Day

Senator Ribicoff, Senator Claiborne Pell, Congressman
Jack Brooks, Secretary Hufstedler, Jim McIntyre.

There is an old saying that "victory has a hundred
fathers." From the looks of this crowd, we may adjust that
saying a little.

Let me congratulate the more than a thousand fathers --
and mothers -- of the Department of Education.

It was you, and those millions you represent, who made
this wonderful celebration possible. You gave of your time,
your energies, your spirits. In the end, it was this personal
investment on your part that made all the difference: between

[The salutations will be updated
no later than 11 AM Wednesday
by John Ryor, x2800.]

Chris Matthews
Draft A-1, 5/5/80
Scheduled Delivery:
Wed, May 7, 3 P.M.
South Lawn

*to New Cabinet
& members of
Congress will attend.*

Education Day

Speaker ~~R~~ O'Neill, Senator ~~R~~ Byrd, ~~Senator Ribicoff~~, Senator

~~Williams~~, Senator ~~R~~ Percy, ~~Senator Pell~~, Senator ~~R~~ Schweiker,

~~Congressman Brooks~~, Congressman ~~R~~ Horton, Congressman ~~R~~ Perkins,

?- Congressman ~~R~~ Natcher, ~~Secretary Hufstedler~~, ~~Jim McIntyre~~, *other*
friends of education.

There is an old saying that "victory has a hundred
fathers." From the looks of this crowd, *let me* we may adjust that
saying a little, *and*

Let me congratulate the more than a thousand fathers --
and mothers -- of the Department of Education.

It was *the* you, and those millions you represent, *have* who made
this wonderful celebration possible. You gave of your time,
your energies, your spirits, *and you* [In the end, it was this personal
investment on your part that] made *all* the difference *!* between

~~[victory and defeat for the Department;]~~ between victory and defeat for American education.

You have a right to cherish this personal investment -- and this personal victory it made possible -- for the rest of your lives.

Because of you, there is today a full-fledged, Cabinet-level Department of Education, *and*

~~[Because of you, there is today]~~ a chair in the ~~[West Wing of the]~~ White House, in the Cabinet room, marked "Secretary of Education."

Because of you, the voice of education, the concerns of education, the needs of education, *will be more clearly* ~~are~~ heard and represented at the highest possible level.

~~[The victory we celebrate today was not an easy one. There were many who fought us, all along the way. There are some~~

~~who still oppose the department, who promise to destroy it
-- if they get their chance.~~

~~But they are not going to get that chance. With your support, with the support of those millions of people in our country who care dearly about education, this great new Department will not only continue; it will flourish. It will win credit for those who fought so hard for it. It will win increasing respect and support from those others who did not.]~~

For the new department, today marks a commencement. ~~[As~~
~~Americans, as people interested in education.]~~ ^{This} It is a time to
look not at our achievement, but at what we face in the future.

Today our nation confronts serious challenges. We are being tested overseas and ~~[tested]~~ at home. We see a new and vicious form of international terrorism in Tehran. We confront a brutal and dangerous aggression in Southwest Asia that has

taken thousands of lives and threatens world peace.

2 (3)
3

We are threatened economically as well, by an excessive dependence on foreign oil, and by a global inflation that results from that dependence.

Certainly these are awesome challenges. ~~Certainly they present an awesome educational challenge as well~~ But this is not the first generation to face severe tests. This is not the first generation of Americans required to make difficult adjustments to new conditions. This is not the first generation to seek the new opportunities that accompany change.

Ours is a nation born ⁱⁿ of a rough and rugged wilderness; a nation that has endured a bloody and bitter civil war; the Great Depression; two World Wars; and, more recently, social and economic changes of both stunning dimensions and whirlwind speed.

3(4)
4

Our nation has done more than simply endure these historic challenges. We have prevailed. We have grown stronger as a nation -- in every way. And, with each new test, we have become ever more devoted to those fundamental beliefs -- of freedom, democracy, and human rights -- that have guided us since the earliest days of our republic.

~~Time and again, we have been tested as a people.~~ Time and again, we have adapted to change. Time and again, we have exploited the new opportunities that come with change. And, always, we Americans have seen the vital role that education must play in our progress.

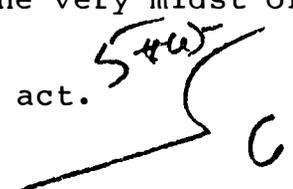
4(5)
5

Almost two hundred years ago, even as the early pioneers *struggled just to exist,* ~~[first moved westward across our great continent]~~ each new settlement ~~[was required to]~~ *begin to* put aside a specific portion of land for the building and maintenance of schools.

This commitment to education ^{is} part of our nation's

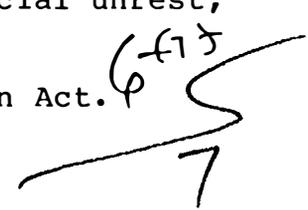
heritage. -- ~~It~~ is something we have honored in times of strife as well as in times of peace.

It was Abraham Lincoln who ^{said that} ~~called~~ education ^{is} the most important subject ^{in which} ~~that~~ we, as a people, can be engaged. ~~in.~~

It was President Lincoln who, at the very midst of the Civil War, signed the land-grant college act. 

It was Franklin Roosevelt who, in the climactic days of World War II, signed the GI bill.

It was Dwight Eisenhower who, in the difficult and disturbing months following the Soviet launching of Sputnik, signed the National Defense Education Act.

It was Lyndon Johnson who, in a time of great social unrest, signed the landmark Elementary and Secondary Education Act. 

In each period of our history, ~~we saw the~~ new opportunities ~~that~~ accompanied the new challenges. In each period, we saw

the vital role ^{of} ~~that~~ education ~~must play~~ ^{realizing} in exploiting these great new opportunities.

In the last century, Americans ^{knew} ~~saw~~ that the opening of the West could bring the development of a new agriculture.

In the 1940s, Americans decided that those who shared the risks of ^{battle} ~~war~~ should ~~rightly~~ share the opportunities of a college education after the war.

In the 1950s, Americans saw the challenge of Soviet technology, and rose to that challenge with a major new commitment to the natural sciences.

In the 1960s, Americans ^{faced} ~~saw~~ the great challenge of long overdue social change, and resolved to meet that challenge with a dramatic new commitment to the educationally disadvantaged.

~~Throughout our history, our country has seized the opportunity to invest in education.]~~ Time and again ~~that~~ ^{our}

investment ^{in education} has paid off ~~rich~~ rich dividends.

It is no coincidence that the same nation that ~~[from~~
~~its earliest beginnings]~~ set aside land and other resources
for education should one day set the living standard for the
world;

~~[It is no coincidence that the same nation]~~ that devoted
itself to science would one day lead the world's scientific
and technological explosion;

~~[It is no coincidence]~~ that ~~[the nation with the foresight~~
~~to]~~ construct^{ed} the land-grant college system a century ago is
today the breadbasket of the world;

~~[It is no coincidence that the nation]~~ that set the world
standard for free public schools, while protecting educational
diversity, should set the world standard for democratic
government as well;

^{and} ~~[It is no coincidence]~~ ^{nation} that a ^{knows} people that appreciates the importance of education should one day form a Department of Education.

$\frac{y(a)}{q(10)}$

Finally, it is also no coincidence that those who argue that the solutions to our nation's problems are obvious, that our nation's challenges lend themselves to simple notions and simplistic solutions should be the same people who opposed this department, ~~[and have promised to destroy it.]~~

Most Americans know ~~[better. They know]~~ the value of education not just in triggering economic and social progress, but in strengthening ~~our~~ democracy ^{and freedom,} ~~itself.~~

Education does more than add to the skills of our labor force κ or ~~[add]~~ to the gross national product. Its contribution is more basic than that. Education is the way ~~[that]~~ our society regenerates itself, the way it recreates itself. In the words of Thomas Jefferson, it is the very "engine" of

our democratic government.

Without education, democratic society would be inconceivable.

9(10)
10(11)

Sometimes we place too heavy a load on our schools. But the fact remains that the schools are ~~the place~~ where society speaks to itself. The schools are the place where the American people take new strength from the American past, from the whole common experience of mankind. The schools are the place where Americans develop the intellectual and moral ^{force} ~~tools~~ to face the future.

Our country ^{constantly} faces ~~many~~ new challenges. If we are to prevail against these ^{our} challenges, we need ~~to make~~ a tough new commitment to education in America. ~~We need to care for it, to nurture it.~~

We are on the cutting edge of change -- of progress.

10(11)
11(12)

~~I am convinced that~~ the new Department of Education can

be the ~~great~~ catalyst for this new commitment. It will make education programs more responsive. It will make those who administer these programs more accountable. Most important of all, it will attract heightened attention to education and the challenges it faces today.

~~Taking advantage of this added national attention to education is the challenge that lies ahead.~~ In exploiting this ~~great~~ new opportunity, we are only ~~now~~ crossing the starting line.

Those of you here today -- teachers, administrators, members of school boards, ^{parents} and others -- have fought many battles on behalf of education in our country. ~~These battles~~ have been long and hard. They have been won not because of decisions made by a few people here in Washington but because millions of people across this country cared enough to ~~get~~ involved, ~~because people were willing to~~ give of their time,

to give of their energy, to give of their spirit.

That fight [~~should go on. — It~~] must go on -- because what happens in American education affects the future [~~not just of the classroom but~~] of our country itself.

12 (13)
13 (14)

[~~Every thinking person in our country knows that the problems we face right now do not lend themselves to simple answers.~~] Like it or not, it has been our fortune to live in complex and rapidly changing times. If we are to master these times, we ~~need~~^{must} face up to these challenges as they really are.

Today, [~~I call upon all parents, students, teachers, administrators, legislators other public officials and private citizens to dedicate ourselves anew to building an educational system that will cherish young people, instill self-discipline, and prepare students for the world of tomorrow.~~] { Let us

dedicate ourselves to an educational system that encourages

scientific curiosity, fosters artistic creativity, supports research, rewards good teaching, and honors intellectual accomplishment.

By making this commitment we pass on a tradition of educational excellence and equal opportunity, ^{which} ~~we pass on the~~ ~~tools that~~ Americans of the next century will need to make their own contributions to life, liberty and the pursuit of happiness in our country.

[Pause]

It is my pleasure now to introduce the person who is doing such an excellent job for me and for education, the first Secretary of Education, Shirley Hufstedler.

#

1. SENATOR RIBICOFF, SENATOR CLAIBORNE PELL,

CONGRESSMAN JACK BROOKS, SECRETARY HUFSTEDLER, *SEE HARRIS,*

~~JIM McINTYRE~~, OTHER FRIENDS OF EDUCATION:

2. THERE IS AN OLD SAYING THAT "VICTORY HAS A HUNDRED FATHERS."

3. { FROM THE LOOKS OF THIS CROWD, LET ME ADJUST THAT SAYING A LITTLE,

4. { AND CONGRATULATE THE MORE THAN A THOUSAND FATHERS -- AND MOTHERS --

OF THE DEPARTMENT OF EDUCATION. /

*LORLITA
LYNN &
MRS
BUCHHE*

5. YOU AND THE MILLIONS YOU REPRESENT HAVE MADE THIS CELEBRATION POSSIBLE.

6. { YOU GAVE OF YOUR TIME, YOUR ENERGIES, YOUR SPIRITS,

7. { AND YOU MADE THE DIFFERENCE:

BETWEEN VICTORY & DEFEAT FOR AMERICAN EDUCATION.

8. { YOU HAVE A RIGHT TO CHERISH THIS PERSONAL INVESTMENT

9. { -- AND THIS PERSONAL VICTORY IT MADE POSSIBLE --

FOR THE REST OF YOUR LIVES. //

I THANK YOU, & CONGRATULATE YOU!

1. { BECAUSE OF YOU, THERE IS TODAY
2. { A FULL-FLEDGED, CABINET-LEVEL DEPARTMENT OF EDUCATION,
3. { AND A CHAIR IN THE WHITE HOUSE, IN THE CABINET ROOM,
MARKED "SECRETARY OF EDUCATION".
OUTSTANDING SECRETARY TO FILL IT? //
4. { BECAUSE OF YOU,
5. { THE VOICE OF EDUCATION, THE CONCERNS OF EDUCATION, THE NEEDS OF EDUCATION,
6. { WILL BE MORE CLEARLY HEARD & REPRESENTED AT THE HIGHEST POSSIBLE LEVEL. /
7. FOR THE NEW DEPARTMENT, TODAY MARKS A COMMENCEMENT.
8. { THIS IS A TIME TO LOOK NOT AT OUR ACHIEVEMENT,
9. { BUT AT WHAT WE FACE IN THE FUTURE.

10. TODAY OUR NATION CONFRONTS SERIOUS CHALLENGES.
11. WE ARE BEING TESTED OVERSEAS & AT HOME.
12. WE SEE A NEW & VICIOUS FORM OF INTERNATIONAL TERRORISM IN TEHRAN.
13. { WE CONFRONT A BRUTAL & DANGEROUS AGGRESSION IN SOUTHWEST ASIA
14. { THAT HAS TAKEN THOUSANDS OF LIVES & THREATENS WORLD PEACE. /

1. { WE ARE THREATENED ECONOMICALLY AS WELL,
2. { BY AN EXCESSIVE DEPENDENCE ON FOREIGN OIL,
3. { AND BY A GLOBAL INFLATION THAT RESULTS FROM THAT DEPENDENCE. /
4. CERTAINLY THESE ARE AWESOME CHALLENGES.
5. BUT THIS IS NOT THE 1ST GENERATION TO FACE SEVERE TESTS.
6. { THIS IS NOT THE 1ST GENERATION OF AMERICANS ↗
7. { REQUIRED TO MAKE DIFFICULT ADJUSTMENTS TO NEW CONDITIONS.
8. { THIS IS NOT THE 1ST GENERATION
9. { TO SEEK THE NEW OPPORTUNITIES THAT ACCOMPANY CHANGE. //
10. { OURS IS A NATION BORN IN A ROUGH & RUGGED WILDERNESS;
11. { A NATION THAT HAS ENDURED A BLOODY & BITTER CIVIL WAR;
12. { THE GREAT DEPRESSION; TWO WORLD WARS;
13. { AND, MORE RECENTLY, SOCIAL & ECONOMIC CHANGES, & *POLITICAL SHOCKS*
OF BOTH STUNNING DIMENSIONS & WHIRLWIND SPEED.

1. OUR NATION HAS DONE MORE THAN SIMPLY ENDURE THESE HISTORIC CHALLENGES.
2. WE HAVE PREVAILED. //
3. WE HAVE GROWN STRONGER AS A NATION -- IN EVERY WAY.
4. AND, WITH EACH NEW TEST,
5. WE HAVE BECOME EVER MORE DEVOTED TO THOSE FUNDAMENTAL BELIEFS ✓
6. -- OF FREEDOM, DEMOCRACY, & HUMAN RIGHTS --
7. THAT HAVE GUIDED US SINCE THE EARLIEST DAYS OF OUR REPUBLIC. /
8. TIME & AGAIN, WE HAVE ADAPTED TO CHANGE.
9. TIME & AGAIN, WE HAVE EXPLOITED THE NEW OPPORTUNITIES THAT COME WITH CHANGE.
10. AND, ALWAYS, WE AMERICANS HAVE SEEN THE VITAL ROLE
THAT EDUCATION MUST PLAY IN OUR PROGRESS. /

SURVIVE

1. { ALMOST 200 YEARS AGO, EVEN AS THE EARLY PIONEERS STRUGGLED JUST TO ~~EXIST~~,
2. { NEW SETTLEMENTS BEGAN TO PUT ASIDE A SPECIFIC PORTION OF LAND
FOR THE BUILDING & MAINTENANCE OF SCHOOLS.
3. { THIS COMMITMENT TO EDUCATION
4. { -- PART OF OUR NATION'S HERITAGE --
5. { IS SOMETHING WE HAVE HONORED IN TIMES OF STRIFE
AS WELL AS IN TIMES OF PEACE. /
6. { IT WAS ABRAHAM LINCOLN
7. { WHO SAID THAT EDUCATION IS THE MOST IMPORTANT SUBJECT
8. { IN WHICH WE, AS A PEOPLE, CAN BE ENGAGED.
9. { IT WAS PRESIDENT LINCOLN
10. { WHO, AT THE VERY MIDST OF THE CIVIL WAR,
SIGNED THE LAND-GRANT COLLEGE ACT.

1. { IT WAS FRANKLIN ROOSEVELT
2. { WHO, IN THE CLIMACTIC DAYS OF WORLD WAR "II",
SIGNED THE "G.I." BILL.
3. { IT WAS DWIGHT EISENHOWER
4. { WHO, IN THE DIFFICULT & DISTURBING MONTHS
FOLLOWING THE SOVIET LAUNCHING OF "SPUTNIK",
SIGNED THE NATIONAL DEFENSE EDUCATION ACT.
5. { IT WAS LYNDON JOHNSON
6. { WHO, IN A TIME OF GREAT SOCIAL UNREST,
SIGNED THE LANDMARK ELEMENTARY & SECONDARY EDUCATION ACT.

1. IN EACH PERIOD OF OUR HISTORY,
NEW OPPORTUNITIES ACCOMPANIED THE NEW CHALLENGES.
2. IN EACH PERIOD, WE SAW THE VITAL ROLE OF EDUCATION
IN REALIZING THOSE GREAT NEW OPPORTUNITIES. /
3. { IN THE LAST CENTURY, AMERICANS KNEW THAT THE OPENING OF THE WEST ↘
4. { COULD BRING THE DEVELOPMENT OF A NEW AGRICULTURE.
5. { IN THE 1940s, AMERICANS DECIDED THAT THOSE WHO SHARED THE RISKS OF BATTLE
6. { SHOULD SHARE THE OPPORTUNITIES OF A COLLEGE EDUCATION AFTER THE WAR.
7. { IN THE 1950s, AMERICANS SAW THE CHALLENGE OF SOVIET TECHNOLOGY,
8. { AND ROSE TO THAT CHALLENGE WITH A MAJOR NEW COMMITMENT
TO THE NATURAL SCIENCES.
9. { IN THE 1960s, AMERICANS FACED THE GREAT CHALLENGE
OF LONG OVERDUE SOCIAL CHANGE,
10. { AND RESOLVED TO MEET THAT CHALLENGE
11. { WITH A DRAMATIC NEW COMMITMENT TO THE EDUCATIONALLY DISADVANTAGED. //

1. TIME & AGAIN OUR INVESTMENT IN EDUCATION HAS PAID RICH DIVIDENDS.
2. { IT IS NO COINCIDENCE THAT THE SAME NATION
3. { THAT SET ASIDE LAND & OTHER RESOURCES FOR EDUCATION
4. { SHOULD ONE DAY SET THE LIVING STANDARD FOR THE WORLD;...
5. { THAT DEVOTED ITSELF TO SCIENCE
6. { WOULD ONE DAY LEAD THE WORLD'S SCIENTIFIC & TECHNOLOGICAL EXPLOSION;...
7. { THAT CONSTRUCTED THE LAND-GRANT COLLEGE SYSTEM A CENTURY AGO
8. { IS TODAY THE BREADBASKET OF THE WORLD;...
9. { THAT SET THE WORLD STANDARD FOR FREE PUBLIC SCHOOLS,
10. { WHILE PROTECTING EDUCATIONAL DIVERSITY,
11. { SHOULD SET THE WORLD STANDARD FOR DEMOCRATIC GOVERNMENT AS WELL;...
12. { AND THAT A NATION THAT KNOWS THE IMPORTANCE OF EDUCATION
12. { SHOULD ONE DAY FORM A "DEPARTMENT OF EDUCATION". /

1. FINALLY, IT IS ALSO NO COINCIDENCE THAT THOSE WHO ARGUE ≥
2. THAT THE SOLUTIONS TO OUR NATION'S PROBLEMS ARE OBVIOUS,
3. THAT OUR NATION'S CHALLENGES LEND THEMSELVES
TO SIMPLE NOTIONS & SIMPLISTIC SOLUTIONS,
4. SHOULD BE THE SAME PEOPLE WHO OPPOSED THIS DEPARTMENT. /
5. MOST AMERICANS KNOW THE VALUE OF EDUCATION
6. NOT JUST IN TRIGGERING ECONOMIC & SOCIAL PROGRESS,
7. BUT IN STRENGTHENING DEMOCRACY & FREEDOM. /
8. EDUCATION DOES MORE THAN ADD TO THE SKILLS OF OUR LABOR FORCE
OR TO THE GROSS NATIONAL PRODUCT.
9. ITS CONTRIBUTION IS MORE BASIC THAN THAT.
10. EDUCATION IS THE WAY OUR SOCIETY REGENERATES ITSELF,
11. THE WAY IT RECREATES ITSELF. /
12. IN THE WORDS OF THOMAS JEFFERSON,
IT IS THE VERY "ENGINE" OF OUR DEMOCRATIC GOVERNMENT.
13. WITHOUT EDUCATION, DEMOCRATIC SOCIETY WOULD BE INCONCEIVABLE. /

Do

1. SOMETIMES WE PLACE TOO HEAVY A LOAD ON OUR SCHOOLS.
2. BUT THE FACT REMAINS THAT THE SCHOOLS ARE WHERE SOCIETY SPEAKS TO ITSELF.
3. THE SCHOOLS ARE THE PLACE WHERE THE AMERICAN PEOPLE
4. TAKE NEW STRENGTH FROM THE AMERICAN PAST,
FROM THE WHOLE COMMON EXPERIENCE OF MANKIND.
5. THE SCHOOLS ARE THE PLACE
6. WHERE AMERICANS DEVELOP THE INTELLECTUAL & MORAL FORCE
TO FACE THE FUTURE. /
7. OUR COUNTRY CONSTANTLY FACES NEW CHALLENGES.
8. WE ARE ON THE CUTTING EDGE OF CHANGE -- OF PROGRESS.
9. IF WE ARE TO PREVAIL AGAINST OUR CHALLENGES,
10. WE NEED A TOUGH NEW COMMITMENT TO EDUCATION IN AMERICA.

DEEP & ENDURING

1. THE NEW DEPARTMENT OF EDUCATION CAN BE THE CATALYST FOR THIS NEW COMMITMENT.
2. IT WILL MAKE EDUCATION PROGRAMS MORE RESPONSIVE.
3. IT WILL MAKE THOSE WHO ADMINISTER THESE PROGRAMS MORE ACCOUNTABLE.
4. MOST IMPORTANT OF ALL,
5. IT WILL HEIGHTEN ATTENTION TO EDUCATION & THE CHALLENGES IT FACES TODAY. *^ WE FACE*
6. IN EXPLOITING THIS NEW OPPORTUNITY,
WE ARE ^{NOW} ONLY CROSSING THE STARTING LINE. //
7. THOSE OF YOU HERE TODAY
8. -- TEACHERS, ADMINISTRATORS,
MEMBERS OF SCHOOL BOARDS, PARENTS, & OTHERS --
9. HAVE FOUGHT MANY BATTLES ON BEHALF OF EDUCATION IN OUR COUNTRY. /

1. { LIKE IT OR NOT,
2. { IT HAS BEEN OUR FORTUNE TO LIVE IN COMPLEX & RAPIDLY CHANGING TIMES.
3. { IF WE ARE TO MASTER THESE TIMES,
4. { WE MUST FACE UP TO THE CHALLENGES AS THEY REALLY ARE.
5. { TODAY, LET US DEDICATE OURSELVES TO AN EDUCATIONAL SYSTEM
6. { THAT ENCOURAGES SCIENTIFIC CURIOSITY,
FOSTERS ARTISTIC CREATIVITY,
SUPPORTS RESEARCH,
REWARDS GOOD TEACHING,
AND HONORS INTELLECTUAL ACCOMPLISHMENT. /
7. { BY MAKING THIS COMMITMENT
8. { WE PASS ON A TRADITION OF EDUCATIONAL EXCELLENCE & EQUAL OPPORTUNITY ↗
9. { WHICH AMERICANS OF THE NEXT CENTURY ↗
10. { WILL NEED TO MAKE THEIR OWN CONTRIBUTIONS
11. { TO LIFE, LIBERTY, & THE PURSUIT OF HAPPINESS IN OUR COUNTRY. //
12. { IT IS MY PLEASURE NOW TO INTRODUCE THE PERSON WHO IS DOING
13. { SUCH AN EXCELLENT JOB FOR ME & FOR EDUCATION --
14. { THE 1st SECRETARY OF EDUCATION, SHIRLEY HUFSTEDLER.

#

[The salutations will be updated
no later than 5:30 PM on Wednes-
day by John Ryor, x2800.]

Chris Matthews
Draft A-1, 5/5/80
Scheduled Delivery:
Wed, May 7, 8:30 PM
East Room

*Susan
Cards
J
(dave
ll)*

Education Day Reception

1. SECRETARY HUFSTEDLER, MEMBERS OF CONGRESS, GUESTS:

2. GEORGE WASHINGTON, IN THE FIRST STATE OF THE UNION
MESSAGE EVER GIVEN, SAID THIS ABOUT EDUCATION: "KNOWLEDGE IS
IN EVERY COUNTRY THE SUREST BASIS OF PUBLIC HAPPINESS."

THOMAS JEFFERSON SPOKE WITH EQUAL FORCE ON THE SUBJECT
OF EDUCATION. "NO (MORE) SURE FOUNDATION CAN BE DEvised
FOR THE PRESERVATION OF FREEDOM AND HAPPINESS."

3. BOTH WASHINGTON, OUR FIRST PRESIDENT, AND THOMAS
JEFFERSON, CERTAINLY ONE OF OUR MOST INTELLECTUALLY GIFTED,
~~PLACED EQUALLY HIGH STOCK IN THE VALUE OF EDUCATION.~~ THEY
education
RECOGNIZED WHAT ^AIT CAN MEAN, NOT JUST TO INDIVIDUALS, BUT
democratic
TO A YOUNG NATION.

2 4. THIS EVENING, WE CELEBRATE A MILESTONE: THE FORMATION
OF THE DEPARTMENT OF EDUCATION. FOR THE FIRST TIME, EDUCATION
WILL NOW BE ACCORDED THE SAME STATURE IN OUR AMERICAN GOVERNMENT
THAT MOST AMERICANS -- AND MOST PRESIDENTS -- HAVE THEMSELVES
ACCORDED IT FOR MORE THAN TWO HUNDRED YEARS.

5. EDUCATION IS THE BEST POSSIBLE INVESTMENT IN OUR
NATION'S FUTURE. IT IS THE STRONGEST FOUNDATION, NOT ONLY
OF OUR ECONOMIC AND TECHNOLOGICAL ADVANCEMENT, BUT OF OUR
DEMOCRACY ITSELF. NO SOCIETY CAN GOVERN ITSELF EFFECTIVELY

THAT DOES NOT SHARE A BROAD UNDERSTANDING OF ITS HISTORY,
ITS HERITAGE, ITS SHARED OBJECTIVES, ITS COMMON OBSTACLES.

6. *The* THIS EVENING'S PROGRAM WILL ILLUSTRATE THE VALUE OF
EDUCATION IN HUMAN TERMS. EACH OF US IN THIS ROOM CAN REMEMBER
A PERSON WHO HAS INSPIRED US AT ONE TIME OR ANOTHER IN OUR
LIVES. IN SOME CASES, THE PERSON CAME ALONG AT JUST THE RIGHT
TIME AND BELIEVED IN US AND ENCOURAGED US TO BEGIN EXPLORING
THE WONDERS OF OUR WORLD, THE WONDERS OF LITERATURE, OF SCIENCE,
OF THE ARTS. MORE OFTEN THAN NOT, THIS PERSON WAS A TEACHER
OF OURS.

7. [MENTION OF MISS JULIA COLEMAN.]

8. TONIGHT WE WILL CELEBRATE ACHIEVEMENT. THE EMINENT
PEOPLE WHO WILL COME TO THIS STAGE HAVE ALL EXCELLED IN THEIR
CHOSEN AREAS OF ACCOMPLISHMENT. THEY HAVE ALL LEFT THEIR MARK
UPON OUR TIME. BUT TONIGHT, OUR ULTIMATE OBJECTIVE IS TO
CELEBRATE THE TEACHERS WHO LED THEM ON THEIR WAY TO EXCELLENCE.

9. EACH DISTINGUISHED AMERICAN WHO WILL FACE YOU ON
THIS PLATFORM WAS ASKED THE SAME QUESTION: WILL YOU COME TO
WASHINGTON AND PAY TRIBUTE TO THAT ONE TEACHER WHO MOST
INFLUENCED YOUR LIFE?

4
6
10. EACH OF THE PERFORMERS WILL *introduce* ~~TELL YOU WHO~~ THE TEACHER
tell us
IS AND ^A WHAT THAT TEACHER DID. SOME OF THE TEACHERS ARE HERE
THEMSELVES TO RECEIVE FROM THEIR ILLUSTRIOUS STUDENTS AN
ACKNOWLEDGEMENT OF THE STUDENT'S -- AND THE NATION'S --
GRATITUDE.

11. OUR GOAL IS TO HONOR NOT JUST THESE TEACHERS, BUT ALL
THOSE ^{like them} ACROSS THE COUNTRY WHO ^{in the classroom} ARE QUIETLY ^{and} PATIENTLY PREPARING
OUR NATION'S FUTURE.

#

2:55pm

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: RAY JENKINS R.J.

SUBJECT: Meeting with Newsweek editors

Your meeting with four Newsweek editors, at 2:55 p.m. for five minutes, will include the following:

- Lester Bernstein, editor, who has been the magazine's chief editor now for less than a year.
- Steve Shepard, a senior editor whose jurisdiction is national affairs.
- Kenneth Auchincloss, managing editor, who was guest at a dinner session with you about a year ago.
- Maynard Parker, executive editor.

They understand that this is purely a social call and there are to be no stories or quotes.

9:45 AM

THE WHITE HOUSE
WASHINGTON

C

BRIEF MEETING WITH JIM ROUSE
Oval Office - 9:45 am
Wednesday, May 7, 1980
10 minutes

By: Jack Watson *JW*
Arnie Miller *AM*

I. PURPOSE: Rouse requested the meeting originally to urge you to leave the White House in order to start campaigning. He now wants to talk about the future direction of the campaign.

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background Jim Rouse has recently retired as Chairman of the Board of the Rouse Company. They specialize in inner city shopping malls. As you know, Rouse built Columbia, Maryland. His wife's name is Patti.

Rouse was your Maryland Finance Chair in 1976 and is Chairman of the Maryland campaign this year. He has traveled extensively around the state speaking on your behalf.

He feels strongly that your record of accomplishments simply isn't being properly told by the campaign surrogates. By meeting with members of your Administration, he wrote the attached editorial. He stayed up until 4:00 am one night to finish this piece.

B. Participants: None

C. Press: None/White House Photo

III. TALKING POINTS

1. Thank him for his tireless efforts in organizing the Maryland campaign.
2. Ask him to continue his good work on your behalf.
3. Ask his advice on how we can do better in the months ahead.

12:25 PM

THE WHITE HOUSE
WASHINGTON

May 6, 1980

Board Member, National Capital
Sclerosis Society;

MEETING WITH MULTIPLE SCLEROSIS MOTHER AND FATHER OF THE YEAR

Wednesday, May 7, 1980

12:25 p.m.
The Oval Office

FROM: ANNE WEXLER AW

I. PURPOSE

To greet the Multiple Sclerosis Mother and Father of the Year, Ann Howell of New Orleans and Rick Douglas of Wilton, Connecticut.

II. BACKGROUND

This event occurs annually and you have met with the MS Mother and Father of the Year in 1978 and 1979. This meeting also marks the beginning of the 1980 MS Hope Chest Campaign May 11.

This year's recipients have been selected because of their ability to remain active members of their community in spite of their disability. Ann Howell of New Orleans raises two children and serves as Administrator of the Lafourche Home for the Aged. Rick Douglas of Wilton, Connecticut is the father of two children and the Advertising Manager of British Airways.

III. PARTICIPANTS, PRESS PLAN AND AGENDA

- A. Participants: Ann Howell, MS Mother of the Year, her husband, Monroe, her children Jeanne (11) and Monroe (9), and her mother Jane Hebert;

- Rick Douglas, MS Father of the Year, his wife, Barbara, and his children, Catherine (13) and David (10);

- Mrs. Frank (Barbara) Sinatra, wife National Campaign Chairman, Frank Sinatra who could not attend due to his filming schedule in New York; Oscar Dystel, former Chairman, Bantam Books and Mrs. Sinatra's escort; Father Thomas Rooney, also accompanying Mrs. Sinatra;

THE WHITE HOUSE

WASHINGTON

May 6, 1980

Mr. President:

I already have made some progress in focusing the government's attention on the problems of the auto industry. Since I last discussed this issue with you, I have done the following:

1. Convened a meeting of the regulatory agencies, at which I asked them to review upcoming and existing regulations that affect the auto industry. This work should be completed shortly.
2. Asked Secretary Goldschmidt to brief the EPG on the auto industry problems, which was done a week ago. I expect the EPG's preliminary review of the auto industry to be completed within the next few days.

Stu

A handwritten signature in cursive script, appearing to read "Stu".

11:00 AM

①

THE WHITE HOUSE

WASHINGTON

May 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
JACK WATSON *JW*

SUBJECT: Meeting on the Auto Industry
May 7, 1980
11:00 a.m.
Cabinet Room

Purpose

The briefing is designed to provide background information for your meeting with the auto industry executives and the UAW leadership on Wednesday, May 14. It also is designed to allow you to shape generally the Administration's response to the employment problems in the auto industry.

Participants

Neil Goldschmidt
Bill Johnston (Assistant Secretary, DOT)
Alan Webber (Special Assistant to Secretary Goldschmidt)
Robert Carswell (Deputy Secretary of the Treasury.
Secretary Miller is in Yugoslavia)

Curt Hessler (Assistant Secretary of Treasury for Economic Policy)
Roger Altman (Assistant Secretary of Treasury for Domestic Finance)

Jack Watson
Stu Eizenstat
Jim McIntyre
Charlie Schultze
Henry Owen
Landon Butler
Bruce Kirschenbaum
Ralph Schlosstein

Background

The automobile industry has experienced significant economic problems in the last few months including substantial layoffs, several major plant closings, a significant decline in profits, and an increasing penetration into American markets by imports, particularly from Japan. These problems are concentrated in a few key states in the industrial Midwest and Northeast (Michigan, Ohio, Indiana, New Jersey).

To a certain extent, the problems currently experienced by the auto industry are short-term and transitional. They have been caused by two factors:

1. The onset of the recession and high interest rates, which have had a particularly significant effect on auto sales and production;
2. The inability of the domestic industry to produce enough fuel-efficient, front-wheel drive vehicles to meet the demands of American consumers.

Nevertheless, there are some disturbing trends affecting the long-term outlook for the auto industry in this country. As Secretary Goldschmidt's presentation will demonstrate, it is quite possible that the auto companies will not make sufficient new investments in small car capacity in this country to replace the large-car capacity that is being shut-down. This is particularly true of Ford, which might decide to place most of its new investments overseas. Such a development in this critical industry would have a detrimental effect on our growth of output and jobs and on our balance-of-payments. For this reason, we strongly recommend that you focus your questions and comments on the longer-term issues confronting the industry and what can be done to create a more favorable investment climate for domestic and foreign auto investments.

As a result of the industry's current problems, substantial pressure is building within Congress, the industry and labor to provide special help to the auto companies. The principal proposals offered by these interests are import restraints, regulatory relief, tax relief and other forms of government aid. Due to the recession and the current lack of capacity to manufacture small cars, we believe that there is relatively little that can be done about the auto industry's short-term problems.

Nevertheless, it is important to realize that the Administration's sensitivity to the short-term problems faced by the industry will greatly affect their perception of whether a favorable investment climate will exist in this country in the longer-term. The auto companies now are making decisions that will guide their investments four to five years in the future. It would be very constructive if the Administration is sensitive enough to the industry's short-term concerns to demonstrate a strong commitment to help them achieve long-term viability in this country.

Finally, we want to emphasize that creating a favorable investment climate in this country is not a one-way street in which the government makes all the concessions. One of the purposes of next week's meeting is the possibility of forming a government, industry, and labor partnership to encourage auto investments in this country and to maintain jobs and production in this critical industry. To ensure that next week's meeting is successful, you should ask Secretary Goldschmidt and Treasury to provide to you by next Monday:

- A list of governmental policies that we could explore to improve the investment climate for auto manufacturers in this country. This list would include areas of importance to the auto industry;
- Suggestions for concessions that you could explore with the manufacturers to ensure that they invest in economically viable plants in this country;
- Suggestions for concessions that you could explore with labor to improve productivity and the investment climate in this country.

THE WHITE HOUSE
WASHINGTON

07 May 80

Frank Moore

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

Rick Hutcheson

cc: Zbig Brzezinski

THE WHITE HOUSE

WASHINGTON

May 6, 1980

MEMORANDUM FOR: THE PRESIDENT

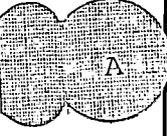
FROM: HENRY OWEN ^{HO}
FRANK MOORE ^{F.M.-BR}

SUBJECT: Letter to Congressman Clarence Long

Congressman Long has asked the Administration to reverse its decision to close the Fort Howard Veterans Administration Hospital. Jim McIntyre has agreed to reopen the issue and let it be known that we are doing so. Doc Long has specifically asked for a letter from you which he would then make public. His request does make sense in substance and for other reasons.

RECOMMENDATION

That you sign the letter at Tab A. It has been cleared through Speechwriters.



THE WHITE HOUSE

WASHINGTON

May 7, 1980

Dear Congressman Long:

Thank you for your letter suggesting that the Fort Howard Veterans Administration Hospital not be closed in 1985. I was glad to learn of the fine work being done at this hospital, and have directed that the question of its closing be reexamined. I have asked the people who are working on this issue in the Executive Branch to stay in close touch with you, so as to benefit from your extensive knowledge of this facility.

Sincerely,



The Honorable Clarence D. Long
House of Representatives
Washington, D.C. 20515