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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att	From Brzezinski to The President (3 pp) re: Meeting with Hostage Wives OPENED 8/2/93	7/26/80	A

FILE LOCATION

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THE PRESIDENT'S SCHEDULE

Tuesday - July 22, 1980

NOT ISSUED

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

7:57 Photograph with Mr. and Mrs. John Massey/Family
(5 min.) and Mr. Fred Gregg - The Oval Office.

8:00 Breakfast with Congressional Leaders. (Mr. Frank
(60 min.) Moore) - First Floor Private Dining Room.

9:50 Congressman James C. Wright, Jr./Fort Worth
(5 min.) Business and Civic Leaders. (Mr. Frank Moore).
The Family Theater.

10:00 Mr. Jack Watson and Mr. Frank Moore - The Oval Office.

12:00 Lunch with Senator Gary Hart - The Oval Office.

1:15 Mr. Albert Carnesale - The Oval Office.
(15 min.)

4:00 Home Weatherization, Farm Conservation and
(20 min.) Energy Awards Event. (Ms. Anne Wexler).
The East Room.

22 Jul 80

Zbig Brzezinski
Phil Wise
Fran Voorde

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

Rick Hutcheson

~~CONFIDENTIAL~~

10 3768

~~CONFIDENTIAL~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Zb19

July 22, 1980

J

CONFIDENTIAL

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *ZB*
SUBJECT: Meeting with Hostage Wives

The NSC Staff has been in touch with Katherine Keough about a possible meeting with you. She and Louisa Kennedy have several concerns:

-- First, they are embarrassed by the independent foray of several of the hostage wives to the Republican Convention. That was done on an individual basis and did not have the approval or support of the hostage family organization, where it has caused dissension. They wish to assure you personally that they are and will remain non-partisan and that they support you fully as the Commander-in-Chief bearing the responsibility for seeking a resolution to the crisis. (C)

-- Second, they want you to know that they can marshal the support of the hostage family organization for non-partisan backing of U.S. policy under your leadership, and they are prepared to do so. (C)

-- Third, they have scheduled a meeting of the hostage families in Washington on August 1-3. There is growing concern within the FLAG organization about what appears to be a new crunch point in our relations with Iran following the release of Richard Queen and as the Majlis begins to assume its responsibilities. They sense that the moment may be coming for a new gesture of some sort, either by the U.S. or by the "people" of the U.S.--which could be FLAG itself. They are prepared to support you when and if you believe a new initiative is called for, and they are prepared to play a role themselves if you think that would be advisable. (C)

TELL MUSKIE TO PURSUE ()

-- Finally, they wish to assure themselves that the leadership of FLAG is fully "in synch" with your own thinking and that they are not taken by surprise at some point. That underlying assurance will be essential for them to deal effectively with the families ten days from now--although they have no intention of making any public statements or claims about their contacts or any assurances. (C)

CONFIDENTIAL

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
6/30/83 NY HC RE MR-NL-42-187
Jay NARS DATE 1/20/93

~~CONFIDENTIAL~~

FLAG will play an important role in the next several months in keeping U.S. public attention focused where it should be focused-- on the welfare and safety of the hostages--and in opposing short term efforts to make it a political football. Keough and Kennedy have displayed a remarkable degree of sophistication, discretion and judgment under extremely difficult circumstances. Their ability to sustain a sense of purpose and moderation in the hostage families has been a valuable asset, and it may become even more important in the months ahead. (C)

ok

I believe a brief meeting with Keough and Kennedy would be very helpful in maintaining the sense of trust and communication which has been developed over the past month. A rejection of this request, on the other hand, would tend to undercut that sense of mutual confidence. I recommend that you agree to meet with them in the next few days. (U)

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

DATE: July 18, 1980
FROM: Zbigniew Brzezinski
VIA: Phil Wise

MEETING: Call on you by Katherine Keough and Louisa Kennedy, hostage wives and officers the Family Liaison Action Group (FLAG).

DATE: Week of July 21st.

PURPOSE: To assure the President that their public posture is supportive of his strategy.

FORMAT: Oval Office, 15 minutes.
Katherine Keough and Louisa Kennedy.

CABINET PARTICIPATION: State and Dr. Brzezinski.

SPEECH MATERIAL: Briefing material will be provided.

PRESS COVERAGE: White House Photographer.
Meeting to be announced.

STAFF: Dr. Brzezinski.

RECOMMEND: State and Dr. Brzezinski.

OPPOSED: None.

PREVIOUS PARTICIPATION: You formerly met with Keough and Kennedy on May 13, 1980, as members of the FLAG delegation which reported on discussions with European leaders.

BACKGROUND: The leaders of FLAG sense that an important turn in the hostage situation may take place soon, with the seating of the Majlis and the appointment of a government. They are prepared to marshal the support of the hostage families in the event you see an opportunity to make some sort of political gesture to Tehran. A meeting of hostage families is being considered for early August, and they do not want to get out ahead of U.S. policy.

Approve _____

Disapprove _____

Congressional Leaders Breakfast
Tuesady, July 22, 1980

THE WHITE HOUSE
WASHINGTON

Cong breakfast 7-22-80

Superfund

Economy - No tax - Econ program 8^{1/2}/3/9-10

Jerusalem - PM office - Arab/Peace talks

Poland - meat ¹²⁵ ₁₅₉ 3/80 & 11/90 c'65 goal

'80 elections - fundraising vs Campaign

Econ Byrd JT Res - Wright no tax cut

Russell Sen → Conf → veto = Bolling, Williamson no

Bentzen 4-5-3 = Corman - poor

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THE WHITE HOUSE
WASHINGTON

22 Jul 80

FOR THE RECORD

JACK WATSON RECEIVED A COPY
OF THE ATTACHED.

I would like to talk with
you about Lake Aubrey -

W. C. Bankston
It is needed very badly
W.C.B.

P. O. BOX 34180
4747 LBJ FREEWAY

JACK
WATSON

(214) 233-1441
DALLAS, TEXAS 75234

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4:00 P.M.

THE WHITE HOUSE
WASHINGTON

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RESIDENTIAL/AGRICULTURAL ENERGY CONSERVATION KICK-OFF
AND
THE PRESIDENT'S AWARDS FOR ENERGY EFFICIENCY

Tuesday, July 22, 1980
4:00 P.M.

The East Room

From: ANNE WEXLER *AW*

I. PURPOSE

To initiate the residential and agricultural phase of your energy conservation program and to present the first Presidential Awards for Energy Efficiency to 24 organizations with exemplary conservation programs in transportation.

II. BACKGROUND, AUDIENCE, AND PRESS PLAN:

A. Background

On April 29, 1980 you announced an energy conservation program to involve every American and Presidential Awards for Energy Efficiency to be given for outstanding efforts. At that time you initiated a program in the transportation sector designed to reach every American motorist primarily through private sector employees, and announced the formation of the President's Council on Energy Efficiency to give national leadership to the effort.

This event initiates the second phase of this effort targeted at the residential/agricultural communities. The organizations represented in the audience are being asked to encourage householders and farmers, and their communities to carry out energy conservation activities. Every household can save up to 25% of what they now consume and farmers are being asked to save 5% more this year than last year. The agricultural program will also help coordinate residential, transportation and other outreach programs to rural Americans.

Also, at this event you will present 24 Presidential Energy Efficiency Awards for exemplary energy conservation programs in transportation. The award winners were selected by DoE and DoT from nominations submitted by the National Task Force on Ridesharing and program offices with DoE and DoT. These are the first of many that will be presented on your behalf. In connection with this meeting, the 70 members of the President's Council on Energy Efficiency are being announced by the Press office.

B. Audience:

250 businesses and trade associations who deliver products and services to householders (e.g., hardware, lumber, plumbing, heating fuels suppliers); financial institutions; utilities and electric coops; farm, commodity, cooperative, and other agricultural and rural organizations; and neighborhood, civic, and voluntary associations. Also in the audience will be the 24 recipients of the President's Award for Energy Efficiency, and some of the members of the President's Council for Energy Efficiency. See the attached lists.

C. Press Plan:

There will be open press coverage for your remarks and the awards presentations.

III. AGENDA:

Prior to your arrival, Al McDonald will have presided over a panel on the agricultural and residential program. Panel participants are Secretaries Duncan, Landrieu and Bergland; ACTION Director Sam Brown and Fitchburg, Massachusetts Mayor David Gilmartin.

After you complete your remarks you should call to the stage Secretary Goldschmidt and the members present from the President's Council of Energy Efficiency. The members will stand behind you while Secretary Goldschmidt reads the names of the winners and you will present the President's Awards for Energy Efficiency. See the attached agenda. Gretchen Poston has sent you a detailed scenario under separate cover.

IV. TALKING POINTS:

The speechwriters are submitting your talking points under separate cover.

THE WHITE HOUSE

WASHINGTON

RESIDENTIAL/AGRICULTURAL ENERGY CONSERVATION KICK-OFF
AND THE PRESIDENT'S AWARDS FOR ENERGY EFFICIENCY

Tuesday, July 22, 1980
The East Room

AGENDA

3:00 p.m.	Welcome and Introduction	Al McDonald
3:05 p.m.	Overview of Energy Situation and Conservation Program	Secretary Duncan
3:15 p.m.	The Residential Program	Secretary Landrieu
3:25 p.m.	The Agricultural Program	Secretary Bergland
3:35 p.m.	Community Energy Projects	Director Sam Brown
3:42 p.m.	The Fitchburg Program	Mayor David Gilmartin
4:00 p.m.	Remarks	The President
4:10 p.m.	Neil Goldschmidt and Council to Stage	
4:12 p.m.	Awards	The President and Secretary Goldschmidt
4:20 p.m.	Conclude	

THE WHITE HOUSE

WASHINGTON

July 18, 1980

MEMORANDUM TO: THE PRESIDENT
FROM: GRETCHEN POSTON *GP*
SUBJECT: SCENARIO FOR AWARD CEREMONY FOR ENERGY
EFFICIENCY/RECEPTION, TUESDAY, JULY 22,
1980, 3:00 PM.

2:30 PM Guests arrive Southwest Gate and proceed to the East Room for seating.

 The President's Council on Energy Efficiency and Awardees arrive Northwest Gate and proceed to Blue Room via North Portico to be met by Anne Wexler and Al McDonald.

2:55 PM Council Members are escorted to East Room for special seating.

 Awardees are escorted to East Room for special seating.

 Platform participants (Al McDonald, Sec'y Duncan, Sec'y Landrieu, Sec'y Bergland, Sam Brown, Mayor Gilmartin, Robert Delano) and Sec'y Goldschmidt are escorted to seating.

3:00 PM Meeting begins.

4:00 PM THE PRESIDENT arrives State Floor, is announced into East Room, and proceeds to platform for remarks.

4:10 PM At conclusion of remarks, THE PRESIDENT calls Sec'y Goldschmidt to platform and moves to HIS right.

 Council Members move to platform to form semi-circle behind table and podium.
 (Military aide on platform to assist with awards)

 Sec'y Goldschmidt calls names of awardees, aide hands award to THE PRESIDENT, who in turn, gives award to recipient.

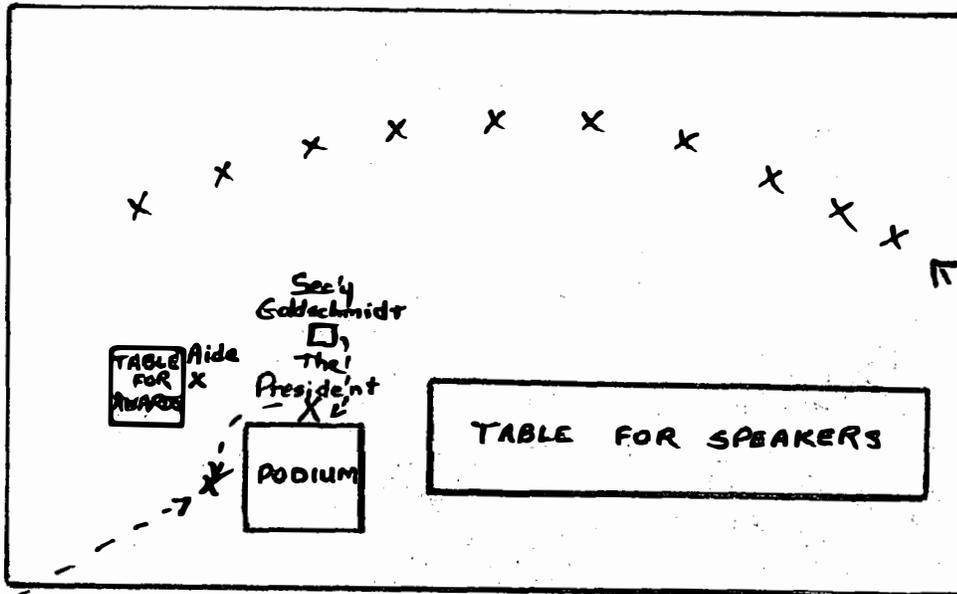
4:20 PM

At conclusion of awards, THE PRESIDENT departs State Floor.

Guests proceed to State Dining Room for reception.

5:00 PM

Guests depart Residence.



Sec'y Mark Kirkpatrick
Sec'y Goldschmidt

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MEMBERS OF THE PRESIDENT'S COUNCIL ON ENERGY EFFICIENCY

Attending Tuesday, July 22, 1980

The East Room

Edward Avila, of Washington, D.C., executive director
of the National Association of Elected Officials;

David Burwell, of Washington, D.C., assistant director
of public works, National Wildlife Federation;

Sam Church, Jr., of Washington, D.C., president of the
United Mine Workers;

Robert S. Colodzin, of Stamford, Connecticut, vice president,
Champion International Corporation;

James B. Creal, of Arlington, Virginia, president, American
Automobile Association;

Andrae Crouch, of Woodland Hills, California, gospel singer;

Pam Dawber, of Los Angeles, actress;

James Porter Dean, of Alcorn County, Mississippi, chairman,
national internal affairs committee, The American Legion,

William C. France, of Daytona Beach, Florida, president,
National Association of Stock Car Auto Racing, Inc.;

Joseph Garrahy, of Narragansett, Rhode Island, governor
of Rhode Island;

Jose Gomez, of Washington, D.C., chairman, National Economic
Development Association;

Margaret L. Gover, of Albuquerque, New Mexico, project
director, Americans for Indian Opportunity;

Roosevelt Grier, of Los Angeles, former football player;

Robert P. Keim, of New York City, president, The Advertising
Council;

David Levinson, of Middletown, Delaware, president Levinson
Corporation;

James Low, of Washington, D.C., president, American Society of Association Executives;

Albert L. McDermott, of Washington, D.C., Washington representative, American Hotel and Motel Association;

Robert Partridge, of Washington, D.C., general manager, National Rural Electric Cooperative Association;

Martha V. Pennino, of Vienna, Virginia, Fairfax County (Virginia) supervisor;

Charles McKinley Reynolds, Jr., of Virginia Beach, Virginia, president, National Bankers Association;

William Ruder, of New York City, president, Ruder and Finn;

Dr. George C. Szego, of Warrenton, Virginia, president, Inter-technology Corporation and Solar Corporation of America;

Cheryl Tiegs, of Los Angeles, California, model;

William D. Toohey, of Washington, D.C., president, Travel Industry Association;

Jack Valenti, of Washington, D.C., president, Motion Picture Association of America, Inc.;

Abraham S. Venable, of Detroit, Michigan, director of urban affairs, General Motors Corporation;

Cale Yarborough, of Olanta, South Carolina, race car driver.

PRESIDENT'S AWARD FOR ENERGY EFFICIENCY

Tuesday, July 22, 1980

The East Room

Organization Receiving Award

Person Accepting

Atlantic Richfield Company, Los Angeles,
California

Joseph P. Downer
Executive Vice President

Central Freight Lines, Waco, Texas

Charles Jaynes
Vice President

The City of Portland, Oregon

Mayor Connie McCready

Coats and Clark, Inc., Atlanta, Georgia

Joseph Valenta
Vice President

Colemann/Goff, Inc., St. Paul, Minnesota

Richard Christian
Vice President

Connecticut Department of Transportation

Commissioner Arthur Powers

Energy Conservation Study Group,
Maintenance Council of the American
Trucking Associations, Greenwich, Connecticut

Bennett C. Whitlock, Jr.
President

Evergone, Inc., Federal Way, Washington

Everett G. Olson
President

Golden Gate Bridge Highway and Transportation
District, San Francisco, California

John Molinari
President

Hallmark Cards, Inc., Kansas City, Missouri

Richard H. Erickson

Institute of Industrial Launderers,
Washington, D.C.

Arthur Cobb
President

Maryland State Police Department,
Pikesville, Maryland

Colonel Thomas Smith

McDonnell Douglas Aircraft, St. Louis,
Missouri

Albert J. Redway
Vice President

Michigan Department of Transportation,
Lansing, Michigan

Commissioner Hannes Meyers

Montana Department of Highway,
Helena, Montana

National Bureau of Standards, U.S.
Department of Commerce, Gaithersburg,
Maryland

The Prudential Insurance Company
of America

Reynolds Electric and Engineering
Company, Las Vegas, Nevada

Seattle First National Bank,
Seattle, Washington

Shemya Air Force Base, United States
Air Force, Shemya AFB, Alaska

Southern New England Telephone Company,
Hartford, Connecticut

Texas Medical Center, Houston, Texas

3M Company, St. Paul, Minnesota

Truck and Bus Fuel Economy Advisory
Committee, Society of Automotive
Engineers, Euclid, Ohio

George Vucanovich
Chairman

Dr. Ernest Ambler
Director

Floyd Bragg
Senior Vice President
of Public Affairs

Harold D. Cunningham
General Manager

Michael C. Berry
President

Lieutenant Colonel
Richard J. Guertin
Base Commander

Alfred Van Sinderen
President

Richard Somerville
Vice President

Robert Owens, Sr.
Transportation Engineer

Joseph Gilbert
Secretary and General
Manager

THE WHITE HOUSE

WASHINGTON

July 21, 1980

MEMORANDUM FOR THE PRESIDENT

FROM : AL MCDONALD *AM*
ANNE WEXLER *AW*
SECRETARY CHARLES DUNCAN*

SUBJECT : Status Report on President's Energy
Conservation Initiative

SUMMARY

Following your persistent encouragement, we have steadily expanded your energy conservation initiatives through a special White House task force into a broad-based effort aimed at taking the conservation message to every citizen possible.

On April 29, you inaugurated in an East Room ceremony the first phase of a high visibility energy conservation outreach program. You announced that the initial program focus would be in the transportation sector, clearly the first priority as our biggest energy consumption area. You also announced as part of a continuing effort, a series of Presidential awards for outstanding achievement in energy conservation and the formation of a President's Council on Energy Efficiency to be comprised of outstanding Americans who would support your efforts to involve individual citizens in energy conservation.

On Tuesday, July 22, you will launch the second phase of the program, recognizing the excellent progress made in transportation conservation and expanding the effort into the residential and agricultural sectors.

In line with your instructions, our goal is to touch every citizen possible with your energy conservation message. We seek to show the President as the visible leader of energy conservation in America calling on each individual to do his part.

The program is being promoted with a vigorous public information effort under an overall Energy Efficiency theme with a unifying "Double E" logo tying program elements together (sample attached). We are working closely with the Advertising Council, and the various media and are now distributing a wide range of printed materials (~~some examples attached~~).

*Approved by staff in Secretary's absence.

We estimate that by the end of the summer we will have reached some 120 million individuals via TV and print campaigns in the 100 largest media markets. In addition, more than 15 million publications will be distributed by federal agencies emphasizing your conservation theme.

To obtain the widest possible participation, we have asked major employers, transportation associations and local governments to make specific commitments to you in transportation conservation and to report back to you on their progress by Labor Day and again by the end of the year. Of the 190 written pledges you have received thus far, about 107 are from major corporations employing some 8 million people. We expect to reach an additional 33 million through a follow-up mail campaign to some 2,000 additional organizations.

A series of Presidential Awards for Energy Efficiency (see sample attached) to be presented in periodic White House ceremonies beginning Tuesday and supplemented by regional presentation ceremonies involving high level federal, state and local officials, will give added impetus to the program. Again, our aim is maximum participation under your personal leadership.

We have sought to make the Presidential awards distinctive by establishing specific criteria for them. Since they are hard to earn, we hope they will be particularly desirable. Your presentation to the first 24 transportation winners on July 22 will be followed by regional presentations to approximately 75 additional transportation recipients throughout the United States during the coming month.

The response to the President's Council on Energy Efficiency has been overwhelmingly positive. Seventy distinguished citizens with wide personal followings (see list attached) have agreed to serve and to promote your program efforts of energy conservation in their personal activities. We will be working closely with individual members of the Council to assure maximum utilization of their talents and enthusiasm through a continuing two-way communications effort.

The following is a more detailed overview of some of the results to date from your energy conservation initiative.

PUBLIC AFFAIRS SUPPORT

DOE, DOT, HUD, the White House and other agencies are providing public affairs support under the unifying Double E logo. Highlights include a comprehensive multi-media program by the Advertising Council, utilizing the logo and the theme "Keep it up America; Little by Little it All Adds Up."

Public service announcements have been distributed to all major TV and radio stations and newspapers (see attached Ad Council materials). In a preliminary report of July 7, the Ad Council indicated that 64 TV stations have already notified their intention to carry an estimated 668 announcements per week -- a very high rate of response according to the Council. Some 190 radio stations have indicated they will broadcast over 2,500 announcements per week. It is too early to assess the print campaign, but 9,000 dailies and weeklies have received Ad Council materials.

These efforts should reach an estimated audience of 120 million by September 1. In addition, editorial kits have been sent to major newspapers. Special news features, printed materials, posters, bumper stickers and brochures are being distributed. Based on our White House task force reports, we estimate that more than 15 million pieces of literature will be distributed by 20 Federal agencies by the end of the summer.

DRIVER EFFICIENCY TRAINING

DOE has held five of the ten driver efficiency teach-ins announced at your April initiative. The first was held on May 7 in Washington; others were held in San Francisco, New York, Philadelphia and Hartford. The remainder are scheduled around the country through October. Based on a leveraging concept of training would-be teachers, the teach-ins aim to motivate public and private sector fleet managers to establish their own training programs. DOE's sampling of participations thus far indicates a strong positive reaction. DOE has received over 200 follow-up requests for information.

DOE is also doubling the capacity of their 2½ day DECAT (Driver Energy Conservation Awareness Training) program in Nevada. Over 300 additional requests for applications and information have come to DOE as a result of the White House initiative. This program trains government and private sector instructors to run their own internal fleet driver training programs.

RIDESHARING

The Department of Transportation is working on three series of ridesharing workshops. The first series of ten regional workshops in May-July was for State and local officials and private sector operators of area-wide ridesharing programs such as those undertaken by Councils of Government.

A second series in the August-October period will be oriented to private sector coordinators at the individual firm level, and a third series for State and local internal programs is being developed for later extension.

DOT is also sponsoring a series of eight two-day workshops for local officials and civic leaders on more comprehensive transportation efficiency techniques (such as ridesharing, traffic flow improvements and bicycle and pedestrian traffic management). The first workshop was held in Boston last week.

DOT has also set up an information center, using an 800 number to provide information on ridesharing. Private sector volunteers provide technical assistance to other companies through a loaned executive program coordinated by the center. Since the establishment of the center in May, over 2700 inquiries have been received.

To support your initiative, DOT will announce this week a series of 22 carpool and vanpool demonstration project grants totalling \$2.1 million in 19 states.

FEDERAL GOVERNMENT

The Interagency Federal Energy Policy Committee chaired by DOE (the "656" Committee) is taking the lead to implement within the Federal Government the goals which you asked others to adopt in April. A Presidential memorandum formally establishing these transportation goals for federal agencies and workers awaits your signature.

GSA is surveying agencies to determine driver training needs with the goal of assuring that all federally employed drivers receive some form of specific energy driving training. Sampling techniques are being used to develop base line data by September 1 on federal employee commuting habits in order to determine what additional steps may be necessary to achieve your goals. A transit promotion plan in the Washington, D.C. area is being developed which can serve as a model for transit plans in other large metropolitan areas.

In May the Department of Transportation sponsored a federal "pool party" to encourage carpooling, vanpooling and mass transit and to provide a means for government employees to sign up to share rides. Over 800 federal employees signed up to participate. There are plans to duplicate this event in others areas of the country and again in Washington in September.

THE PRESIDENT'S COUNCIL ON ENERGY EFFICIENCY

Members of your Council on Energy Efficiency will be announced at the time of the July event. We have designated a federal resource person for each member to assure ongoing personalized treatment and assistance to this important group of individuals. Additionally, the Department of Energy will mail information and speech suggestions to members on a regular basis. We expect individual members of the Council to be highly visible over the coming months.

NEXT STEPS

As we look at our major upcoming priorities, we plan on the following:

1. For the remainder of the summer we will concentrate our efforts on visibly exploiting the program elements already developed in transportation, residential and agriculture.
2. We will seek maximum utilization of the "Energy Efficiency" logo on appropriate government publications and will promote the widespread use of the logo by independent nongovernmental groups such as businesses, clubs and trade associations who are participating in your program.
3. Since the DOE advertising funds have not been appropriated, we will make full use of public service outlets with the Advertising Council's support and exposures, regular press releases on elements of the program and accomplishment reports to the public through a variety of means on what is happening in conservation. Many of these are locally oriented as community and local citizen stories.
4. We will be working actively with individual members of the President's Council on Energy Efficiency and will pursue the plan for continuing Energy Efficiency awards with local press announcements of awards as a regular part of the program.

As a result, we expect the "EE" symbol will become increasingly recognized throughout our country and its messages on how each citizen can help in energy conservation will continue the excellent progress you have already noted.

Talking Points: Residential/Agricultural Conservation Event

1. MEMBERS OF THE COUNCIL FOR ENERGY EFFICIENCY, PANEL MEMBERS, AWARD WINNERS, BUSINESS AND COMMUNITY LEADERS, LADIES AND GENTLEMEN:

2. MILLIONS OF AMERICANS ARE AT LAST REALIZING THAT ENERGY SECURITY IS THE VITAL LINK BETWEEN OUR NATIONAL DEFENSE AND OUR ECONOMIC WELL-BEING. FOR THE PAST THREE-AND-A-HALF YEARS I HAVE FOUGHT FOR A COMPREHENSIVE NATIONAL ENERGY POLICY. THE KEY ELEMENTS OF THAT POLICY ARE NOW IN PLACE.

3. AS PART OF OUR NATIONAL ENERGY POLICY, ONE YEAR AGO I ESTABLISHED A GOAL OF CUTTING OIL IMPORTS IN HALF BY 1990. THANKS TO TOUGH MEASURES ALREADY TAKEN BY THIS ADMINISTRATION -- AND OTHER CONSERVATION EFFORTS MANY OF YOU HAVE HELPED TO LEAD -- AMERICA'S NET OIL IMPORTS ARE DOWN 14.7 PERCENT FOR THE FIRST SIX MONTHS OF 1980 OVER THE SAME PERIOD LAST YEAR.

4. WE MUST KEEP THIS PROGRESS UP. ON APRIL 29, I ANNOUNCED A SERIES OF ENERGY CONSERVATION INITIATIVES, BEGINNING WITH THE TRANSPORTATION SECTOR -- AND I ASKED A DISTINGUISHED GROUP OF LEADERS TO HELP. WE HAVE SO FAR RECEIVED 190 POSITIVE COMMITMENTS INCLUDING 107 CORPORATIONS WITH OVER 8 MILLION EMPLOYEES. MILLIONS OF OTHER INDIVIDUALS ARE BEING REACHED THROUGH SUPPORTING MUNICIPALITIES AND TRADE ASSOCIATIONS. I AM CERTAIN WE WILL MEET OUR OBJECTIVE OF REDUCING OUR NATIONAL AVERAGE DAILY GASOLINE CONSUMPTION BY 5.5 PERCENT THIS YEAR.

5. TODAY, WE ARE BEGINNING THE SECOND PHASE OF OUR CONSERVATION

EFFORT, WHICH WILL SET ENERGY SAVING GOALS FOR HOMES AND FARMS. THE 83 MILLION RESIDENCES IN THE U.S. USE ABOUT 20 PERCENT OF THE NATION'S ENERGY. SIMPLE WEATHERIZATION MEASURES AT LITTLE OR NO COST CAN REDUCE HOME ENERGY CONSUMPTION BY 1/4 IN MOST HOMES. IF EVERYONE WOULD TAKE BASIC CONSERVATION STEPS TO CUT THEIR RESIDENTIAL ENERGY CONSUMPTION BY 25 PERCENT, THEY WOULD SAVE MONEY AND AMERICA WOULD SAVE THE EQUIVALENT OF 2 MILLION BARRELS OF OIL EACH DAY -- AND \$20 BILLION EVERY YEAR (FYI: Based on \$32 per barrel).

6. TAX CREDITS ARE NOW AVAILABLE FOR A VARIETY OF WEATHERIZATION MEASURES THAT CAN SAVE STILL MORE ENERGY. A CREDIT OF 15 PERCENT OF THE FIRST \$2000 SPENT, UP TO A MAXIMUM CREDIT OF \$300, IS AVAILABLE FOR SUCH ACTIONS AS CAULKING WINDOWS AND WEATHERSTRIPPING FOR DOORS. MORE EXPENSIVE AND ELABORATE MEASURES SUCH AS ADDING INSULATION, STORM WINDOWS, DOORS, AND TIME-CONTROL THERMOSTATS ALSO QUALIFY FOR THIS CONSERVATION TAX CREDIT. THERE ARE SIMILAR TAX CREDITS AVAILABLE FOR RESIDENTIAL SOLAR, WIND-POWERED AND GEOTHERMAL INVESTMENTS.

7. FARMERS AND RANCHERS HAVE BEEN IN THE FOREFRONT OF ENERGY CONSERVATION FOR MANY YEARS BECAUSE OF THE DIRECT RELATIONSHIP OF ENERGY TO FARM PRODUCTION COSTS. I AM ASKING FARM ORGANIZATIONS TO EXPAND THEIR ENERGY CONSERVATION PROGRAMS TO MEMBERS, AND TO ENCOURAGE THEM TO REDUCE THEIR ENERGY USE BY AN ADDITIONAL 5 PERCENT THIS YEAR. TODAY I AM ANNOUNCING A PROGRAM TO HELP RURAL ELECTRIC CO-OPS FURTHER THEIR ENERGY CONSERVATION EFFORTS BY PROVIDING LOW-COST WEATHERIZATION LOANS TO THEIR MEMBERS. AND I HAVE ASKED SECRETARY BERGLAND TO BEGIN AN AGRICULTURAL ENERGY

INFORMATION SERVICE. ENERGY USED IN FARM PRODUCTION REPRESENTS ONLY 3 PERCENT OF THE TOTAL CONSUMED IN THE U.S. BUT SINCE ALMOST ALL OF IT (93 PERCENT) IS MOTOR FUEL, A REDUCTION OF 5 PERCENT IN FARM ENERGY CONSUMPTION WOULD BE A SIGNIFICANT SAVINGS IN BARRELS OF IMPORTED OIL.

8. THESE STEPS ARE IN YOUR INTEREST -- AND THE NATION'S INTEREST. I AM ASKING YOU TO HELP ME INVOLVE EVERY AMERICAN IN WORKING TO ACHIEVE OUR ENERGY CONSERVATION GOALS, USING THE MEASURES OUTLINED BY THE SPEAKERS YOU HAVE HEARD AND IN THE MATERIALS YOU HAVE RECEIVED TODAY.

9. TO AID IN RECOGNIZING AND ENCOURAGING ENERGY CONSERVATION WE HAVE ESTABLISHED BOTH A PRESIDENT'S COUNCIL ON ENERGY EFFICIENCY AND THE PRESIDENT'S AWARDS FOR ENERGY EFFICIENCY. THIS IS A PROUD FIRST DAY FOR BOTH.

10. OUR FIRST SERIES OF AWARDS WILL RECOGNIZE OUTSTANDING ACCOMPLISHMENTS IN ENERGY EFFICIENCY IN THE TRANSPORTATION SECTOR. AWARDS FOR ACCOMPLISHMENTS IN RESIDENTIAL AND AGRICULTURAL CONSERVATION WILL ALSO BE MADE.

11. I WANT TO INVITE SECRETARY GOLDSCHMIDT TO ASSIST ME IN PRESENTING THE TRANSPORTATION AWARDS, AND I ASK THAT THE MEMBERS OF THE COUNCIL ON ENERGY EFFICIENCY JOIN US ON THE PLATFORM FOR THE PRESENTATION.

#



The President's Award for Energy Efficiency

Is Awarded To

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*In recognition of outstanding contribution
to America's economic and national security
through exemplary leadership in the national effort
to achieve energy efficiency.*

The White House



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

July 21, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM: John P. White 

SUBJECT: Report on First Day of Registration

The first day of draft registration has gone smoothly.

As we planned, the staggered registration schedule kept long lines from developing. Registration adds only 7% to the normal workload of the post office. The information materials and training of personnel appear to have passed this first test successfully.

There have been numerous demonstrations at post offices, but most have been small with press often outnumbering demonstrators. The largest demonstration was at the New York City main post office. Sixty-one people had been arrested in the northeast region by 5 p.m., mainly in Boston.

We will keep you informed over the next two weeks as necessary.

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

July 21, 1980

C
/

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}
Subject: New Orders for Durable Goods in June

Tomorrow (Tuesday, July 22) the Census Bureau will release June figures on new orders for durable goods. Total new orders for durables declined 2.8 percent -- a more modest drop than the average 6.8 percent decline registered in April and May. Overall, the slide in new orders for durables has now lasted for five months with June orders now standing nearly 20 percent below their January peak.

The primary source of the decline was in aircraft and parts, reflecting a substantial drop in defense orders. Excluding transportation, new orders rose slightly, largely reflecting gains in primary metals. Nevertheless, this is only modestly cheering. Outside of defense, new orders were still running behind shipments. Moreover, the slow slide in new orders for business capital goods continued into June.

On the whole, new orders for durables still present some worrisome signs. This stands in contrast to the fragmentary more favorable news on housing starts and retail sales reported earlier. Mixed signals of this sort are typical for this stage of a recession. We are not yet out of the woods.

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9:50 AM

THE WHITE HOUSE

WASHINGTON

July 21, 1980

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GREETING FOR FT. WORTH CIVIC LEADERS

Tuesday, July 22, 1980

9:50 a.m.

Family Theater

From: Frank Moore *F.M./pd*

I. PURPOSE

To greet Ft. Worth business and civic leaders at the request of Congressman Jim Wright.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: This is the fourth annual visit to Washington of this group of Ft. Worth business and civic leaders (two years ago, they met with the Vice President and last year they received a briefing by Administration officials). The group consists of company presidents and vice presidents, city council members, doctors, lawyers, educators, and three county commissioners. The group also includes Jack Tinsley, the editor of the Star-Telegram, who presented you with your "Ft. Worth, I love You" t-shirt.

The group represents a cross-section of Democrats and a few Republicans who are politically influential in Ft. Worth, Dallas, Houston and Austin. They are especially defense-minded (the S16 and the F1-11 are made in Ft. Worth) and had a Defense Department briefing on Monday and will tour Andrews Tuesday afternoon.

Following your greeting, Bill Albers, Fred Kahn and David Rubenstein will brief the group.

B. Participants

Cong. Jim Wright
Frank Moore

Mrs. Lynn Grants, real estate
Tom Barnes, VP, First National Bank, Ft. Worth
Jay Allen, E.H. Carter Engineering Firm
Madell Bailey, M.D.
Willard Glazer, investments
Mr. and Mrs. Dave Bloxom, Fab-crete, Inc.
Mr. and Mrs. Joe Box, banking, real estate, former mayor of Grapevine, Texas

Dr. I. Carl Candoli, Superintendent of Schools
E. Blake Byrne, Mgr., KXAS TV (NBC)
Dave Clemens, manufacturer of brick
Jerry Dunn, Mayor, Benbrook
A. Lynn Gregory, Tarrant County Commissioner
B.D. Griffin, Tarrant County Commissioner
Dr. Jack F. Hardwick, M.D.
Keith Kähle, LTV Vaught Corp.
Mrs. Sam Kite, real estate
Sam Keith, Dir. of Plant Facilities, General Dynamics
Bettye McCann, wife of former Mayor of Ft. Worth
John McMillan, owner, Coors Beer
Mary Meadows, real estate and investments
Dr. H. Richard O'Neal, orthodontist and Pres., Ft. Worth School Board

Morris B. Parker, architect
Mr. and Mrs. Lee Paulsel, owns lumber company and manufactures mobile homes
Joy Roberts, housewife
Travis B. Sanford, M.D.
Tommy Taylor, Associate Superintendent of Schools
Jack Tinsley, editor, Star-Telegram
Mr. and Mrs. William Turner, owner, Allied Fence Co.
J.E. Vestal, VP, Dynallectron Corp.
Mr. and Mrs. Lawrence D. White, architect and engineer
Dr. Gene Wood, orthodontist
Louis Zapata, city councilman
Dick Anderson, Tarrant County Commissioner

C. Press Plan

White House photo only

III. TALKING POINTS

1. Welcome them to the Family Theater for the third year in a row; you are happy that this year your schedule permits you to meet with them.
2. Hope they enjoyed their private tour of the White House (they have a tour just prior to your greeting).
3. Mention your trip to Ft. Worth and the especially close personal and working relationship you have with their Congressman, Jim Wright.

THE WHITE HOUSE

WASHINGTON

July 21, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM:

GENE EIDENBERG

SUBJECT:

University of North Carolina Settlement
Efforts

This long-standing dispute between the Federal government and the University of North Carolina has not been settled -- most recently because the University's Board Chairman was opposed to negotiating several of the issues.

University President, Bill Friday, called me early last week to report that a new Board Chairman had just been installed and to determine whether it would be possible to resume quietly settlement negotiations.

In response, I have met with Shirley and she sent a member of her staff to North Carolina to meet with Friday. As a result of that meeting, Friday and Shirley believe it is possible (not probable) that a basis for settlement can be negotiated.

Negotiations at this time will be extraordinarily difficult because an administrative law judge will begin taking public testimony in the case on Tuesday, July 22nd. Having entered a formal stage of the legal process, lawyers for both sides will be uncomfortable with side negotiations that might compromise their respective cases.

A negotiated agreement mooting the need for an adversary process and the imposition of sanctions is to be preferred. This is what you have sought from the beginning of your Administration.

Following consultations with Lloyd Cutler, Ben Civiletti, Stu, and Jack, I have advised Shirley to proceed with these negotiations. I have advised Bill Friday that we are prepared to pursue them and have urged both to do everything in their power to keep the fact of the negotiations quiet so that they have a chance to succeed.

At the right time, I will advise Jim Hunt of what is occurring. His assistance with some members of the University's board and with the state legislature will be essential in the selling of an agreement.

I will continue to work closely with Shirley as this process unfolds and will keep you advised of significant developments. If an agreement is possible, we should be able to reach it by the end of August or in early September.

8:00 AM

THE WHITE HOUSE

WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, July 22, 1980

8:00 a.m.

State Dining Room

From: Frank Moore

I. PRESS PLAN

White House Photographer.

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II. PARTICIPANTS

List will be submitted on Monday.

III. INTRODUCTION

The purpose of Tuesday's breakfast should be to acquaint the Leadership with your desire to see the Administration and Congressional Democrats agree quickly on an economic adjustment program.

You should only briefly touch on the other legislative matters cited below.

IV. AGENDA

A. ALASKA LANDS

The Senate is expected to begin consideration of the Alaska Lands bill on Monday. We are supporting five strengthening amendments. Vote counts on these unfortunately do not look promising.

The first strengthening amendment to be considered will probably be one restoring wetlands and watersheds to the National Wildlife Refuge System. Though the "Refuge Amendment" would only slightly improve the committee bill, its passage could provide some momentum for the strengthening amendments to follow.

I will brief you on the situation on Tuesday morning.

B. SUPERFUND

The bill has cleared four committees in the House and is ready for the Rules Committee. A problem related to the reconciliation process has developed between the Ways and Means and Public Works Committees. You should note that this is a priority program and that passage will help many Members. You should then ask the House Leadership to help expedite the bill.

C. RAIL REGULATORY REFORM

The House is expected to resume consideration of the Rail bill on Monday. I will brief you on its status on Tuesday before the breakfast.

D. THE ECONOMY

- o During the recess I did what most of you did during your "district work period." I met with large numbers of my constituents, engaged in some foreign travel, and took a few days off. I also took some time to watch television.

What I saw and heard supplemented many of the thoughts I relayed to you when we last met.

- o I remain convinced that we should not endeavor to enact a tax bill in this session. We have too few working days, too many different views would have to be considered, and the atmosphere is already much too partisan. Any tax bill would almost certainly be torn asunder by special interests and political influences.
- o I am also more convinced than ever that we must develop a Democratic program. We watched the Republicans last week. They are together; they have agreed on the elements of an economic program on which they will run. If we are to prevail, we need to rapidly move toward a consensus on how we as Democrats will address the problem of unacceptably high unemployment rates while continuing our battle against inflation.
- o In the Mid-Session Review of the Budget which OMB released yesterday (Monday, July 21), no allowance has been included for a tax cut.

I made the decision not to include an allowance to slow down the stampede for the irresponsible Republican election year tax cuts and to allow time for the consultations with the Democratic Congressional Leadership.

The mere talk of tax cuts has probably been responsible for some of the increases in interest rates since mid-June and some of the recent weakness of the dollar.

- o The Mid-Session Review Document, highlights of which have been handed out, is a straightforward update of the budget to reflect completed Congressional actions since March, recent experience on the rate of spending for Federal programs, and revised economic assumptions.

I should emphasize that I do not consider the projections of the economic performance of the economy acceptable. The Mid-Session Review Document will show unemployment holding at the 8.5% level by the end of Fiscal Year 1981; real growth of between 2.5% and 3.0%, and inflation as measured by the CPI between 9% and 10%.

Bill Miller, Jim McIntyre, and Charlie Schultze will be testifying this week before the Ways and Means Committee, Senate Finance Committee, the two Budget Committees, and the Joint Economic Committee on the Mid-Session Review.

- o In our Party there are significant differences of opinion as to how we should address these problems. I believe that we must resolve these differences quickly. I would like to see us forge a consensus before the Democratic Convention. That is my goal. I hope you will join me in realizing it.
- o Some of my staff is already consulting with the Senate Economic Task Forces. I have asked Bill Miller, Stu, Jim and Frank to meet with many Members of both houses in the next few days. They and their staffs have been instructed to listen. They will gather reaction to this week's economic testimony and listen to Members' thoughts on how we should proceed.
- o I will place a special value on your advice as fellow leaders of our Party and look to you for assistance. Ours is a large challenge--but it is one that we will meet successfully.

note: Attached is a list of consultations we have planned for the next few days.

SENATEHOUSELEADERSHIP

Byrd - Miller
 Cranston - Moore

O'Neill - Miller
 Wright - Miller, Moore
 Brademas - Miller
 Foley - Miller

TASK FORCE

Bentsen - Miller

BUDGET

Hollings - Miller, Moore
 Magnuson - WH C/L, OMB
 Chiles - Treasury, OMB
 Biden - WH C/L, OMB
 Johnston - WH C/L, OMB
 Sasser - WH C/L, OMB
 Hart - WH C/L, OMB
 Metzenbaum - WH C/L, OMB
 Riegle - Wh C/L, OMB
 Moynihan - Treasury, OMB
 Exon - WH C/L, OMB

Giaimo - Miller/McIntyre
 Ashley - WH C/L, OMB
 Stokes - WH C/L, OMB
 Holtzman - WH C/L, OMB
 Obey - WH C/L, OMB
 Simon - WH C/L, OMB
 Mineta - WH C/L, OMB
 Mattox - WH C/L, OMB
 Jones - Treasury, OMB
 Solarz - WH C/L, OMB
 Brodhead - Treasury, OMB
 Wirth - WH C/L, OMB
 Panetta - WH C/L, OMB
 Gephardt - Treasury, OMB
 Nelson - WH C/L, OMB
 Gray - WH C/L, OMB

FINANCE

Long - Miller
 Talmadge - Treasury
 Ribicoff - Treasury
 Byrd - Treasury
 Nelson - Treasury
 Gravel - Treasury
 Bentson - Treasury
 Matsunaga - Treasury
 Moynihan - Treasury
 Baucus - Treasury
 Boren - Treasury
 Bradley - Treasury

WAYS & MEANS

Ullman - Miller
 Rostenkowski - Treasury
 Vanik - Treasury
 Corman - Treasury
 Gibbons - Treasury
 Pickle - Treasury
 Rangel - Treasury
 Cotter - Treasury
 Stark - Treasury
 Jones - Treasury
 Jacobs - Treasury
 Fisher - Treasury
 Ford - Treasury
 Holland - Treasury
 Brodhead - Treasury
 Jenkins - Treasury
 Gephardt - Treasury
 Lederer - Treasury
 Downey - Treasury

SENATE

HOUSE

WAYS & MEANS (Con'd)

Heftel - Treasury
 Fowler - Treasury
 Guarini - Treasury
 Shannon - Treasury
 Russo - Treasury

APPROPRIATIONS

Magnuson
 Stennis
 Byrd
 Proxmire
 Inouye
 Hollings
 Bayh
 Eagleton
 Chiles
 Johnston
 Huddleston
 Burdick
 Leahy
 Sasser
 DeConcini
 Bumpers
 Durkin

Selected
Members

WH C/L

&

OMB

&

Eisenstat

Boland
 Natcher
 Steed
 Smith
 Giaimo
 Addabbo
 Patten
 Long
 Yates
 Obey
 Roybal
 Stokes
 McKay
 Bevill
 Chappell
 Burlison
 Alexander
 Murtha
 Traxler
 Duncan
 Early
 Wilson
 Boggs
 Benjamin
 Dicks
 McHugh
 Ginn
 Lehman
 Hightower
 Jenrette
 Sabo
 Dixon
 Stewart
 Fazio

Selected
Members

WH C/L

&

OMB

&

Eisenstat

THE WHITE HOUSE

WASHINGTON

July 21, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: FRANK MOORE
SUBJECT: LEADERSHIP BREAKFAST
ADDITIONAL ITEMS FOR DISCUSSION

A. DEFENSE AUTHORIZATION CONFERENCE (scheduled to begin on Wednesday)

The House-passed bill is \$6.2 billion over at \$53 billion. The Senate bill is \$5.0 billion over at \$51.8 billion but includes authorizing language for an 11.7 percent military pay raise and other benefits equating to an additional \$1.5 billion not covered under the authorization dollar limit. The defense budget is always susceptible to adjustment given its scope of coverage, but we should not get caught up in an election year frenzy to simply add without looking at the overall impact on the defense program.

- o There are several conference items that could significantly improve the defense authorization bill. The Senate position on our future bomber force is acceptable whereas the House-passed bill directing the start-up of a modified B-1 is not.
- o We see no strategic value in the Senate position with respect to the expansion of our Minuteman III missile force. Given the current development status of the Navy's F-18 Fighter aircraft, we would prefer the lower Senate procurement quantity.
- o Given our aim of developing a new class of attack submarine, it is difficult to support adding two more of the existing SSN-688 class ships.
- o If we are to modernize our forces and keep them technologically up to date, we have to be able to stop building the old systems and transition to the new. This is not only true for submarines but for old aircraft such as the A-6, A-7 and C-130 added by the House and not the Senate.

B. THE ECONOMY

Your comment on the Weekly Legislative Report indicated that work on spending proposals was not to go forward without your approval. Stu has provided the following talking points in addition to those we gave you earlier, should you wish to use them:

- o The program we develop must be one that looks toward and provides for recovery from the recession and long-term growth. In proposing it, we will consult closely with the Congress, so that the result is a program that all Democrats can support.
- o While the bulk of our proposal will consist of tax measures that enhance long-term growth, speed the recovery and provide relief to those most deeply hurt by inflation, we will consider as well whether to propose a small spending package that helps achieve these same long-term goals. Programs that we might consider include:

--Construction of additional port facilities for coal exports

--Energy-efficient rail and other transportation improvements, and

--Weatherization and other energy conservation programs.

C. FAIR HOUSING

Senate Judiciary Committee consideration is scheduled for Wednesday. You should tell the Majority Leader that we will work closely with the Committee in an effort to get a quorum and to improve the subcommittee-passed bill.

D. GRAIN EMBARGO

We expect attempts in both houses to cut off funds for activities related to enforcing the grain embargo. Attached are talking points on the impact on the Soviet economy.

Impact of the Grain Embargo on the Soviet Economy

Soviet Grain Requirements. The 1979 Soviet grain harvest of 179 million metric tons (MMT) was the smallest since 1975 --48 MMT below plan and 58 below the record 1978 crop. We originally estimated that the Soviets would import 36 MMT during the period October 1979-September 1980, the fourth year of the US/Soviet long-term grain agreement. Of that 36 MMT, the Soviets planned to buy 25 MMT from the U.S. The President's decision to limit exports to the 8MMT ceiling established in the agreement denied the USSR 17 MMT of grain.

Since January, the USSR has been able to replace only 6.2 MMT of the 17 MMT. We estimate that the Soviets will be able to replace no more than 8 MMT by September 30, leaving them with a shortfall of about 9 MMT.

Impact on Soviet Meat Production. We now expect a drop in Soviet meat production of 300,000-500,000 tons or 2-3% below the 1979 level as a result of the grain suspension, last year's poor harvest, and prospects only for an average crop (210-220 MMT) in 1980. Published statistics show that since February meat production has steadily declined in comparison with 1979. In May, total meat output was 5.6% below May 1979. The situation worsened in June: production was down 10.7% from the previous year. Total Soviet meat production has still not reached the 1965 goal.

By January 1981, livestock inventories may be down by 2-3%. Official Soviet data indicate that in June the number of swine on state and collective farms was 2% below 1979. Cattle and hog slaughter weights are declining due to the tight feed situation.

During the 1979/80 crop year, the Soviets were forced to draw down their strategic grain reserves at record levels. Based on current crop prospects, plus estimated grain import availabilities in 1980/81, we see little, if any, chance of rebuilding those reserves without a further cut in meat production in 1980.

Impact on Soviet Meat Consumption. The 1979 crop failure and the partial grain embargo have caused a serious setback in Soviet plans to improve the availability of meat and other animal products to the Soviet consumer. Per capita meat consumption will remain at the 1975 level of 125 lbs. compared with 156-159 lbs. in Hungary and Poland and 244 lbs. in the U.S. With meat production falling over the short term, it seems highly unlikely that the Soviets will be able to meet planned production and consumption goals for sometime.

Food Shortages. There are numerous -- and growing -- reports about food shortages in the USSR. We believe that these shortages are partly due to our grain suspension. Below is a sampling of such reports:

o Our Embassy in Moscow reports poor meat supplies in Moscow during July before the Olympics. Embassy contacts claim that the shortages of meat and dairy products, are "the worst in many years." The situation is worse outside the capital with a complete absence of beef in some major tourist hotels. Shortages have driven meat prices up at collective farm markets to such an extent that local authorities are imposing ceilings.

o Officials from the Consulate General in Leningrad visited a collective farm market at Novgorod on July 9 at mid-day and found no milk products for sale. Only one vendor had any meat and that was nearly spoiled pork fat selling at the equivalent of \$4.90 per pound. Yet Novgorod consumers were in line to buy the pork. They commented that the state stores had not had any meat for "weeks." One vendor laughed when asked where meat could be found.

o Recent emigres claim that shortages have worsened. Three hour lines and local rationing systems are common when meat is available.

o Letters to relatives in the West indicate a complete absence of meat in provincial state stores and a heavy reliance on private plots or the collective farm market.

o According to Western news reports, strikes in May at the Togliatti and Gorkiy auto and truck plants are attributed to food shortages. Local authorities brought in fresh food and other supplies in response to the protests.

o First Party Secretary Masherov from Belorussia said in a speech that grain production had fallen 40% short of needs and threatened to create an "almost complete lack of livestock products for sale to the public." He also admitted "interruptions" in the supply of milk and expressed alarm at the continuing decline in the number of privately owned cows.

o Masherov noted that the Belorussian Central Committee had been receiving letters "expressing anxiety over shortcomings in supplies of livestock products for the city population." These letters were sometimes in very "emotional form" with "rash evaluations and conclusions."

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, July 22, 1980

PARTICIPANTS

The President

Senator Robert C. Byrd
Senator Alan Cranston
Senator Warren G. Magnuson
Senator Daniel Inouye
Senator Russell Long
Senator Lloyd Bentsen
Senator Ernest Hollings
Senator Wendell Ford

Speaker Thomas P. O'Neill, Jr.
Congressman Jim Wright
Congressman John Brademas
Congressman Daniel Rostenkowski
Congressman Tom Foley
Congressman Robert Giaimo
Congressman Al Ullman
Congressman Jim Corman
Congressman Richard Bolling
Congressman Jamie Whitten

Secretary Bill Miller
Stu Eizenstat
Jim McIntyre
Zbig Brzezinski
Frank Moore
John White
Al McDonald
Bill Smith
Dan Tate
Bill Cable
Jim Free
Bob Schule

THE WHITE HOUSE
WASHINGTON

C

July 22, 1980

MR. PRESIDENT:

WE BEAT A MOTION
TO TABLE THE TSONGAS REFUGEE
AMENDMENT - 64 TO 33.

FRANK

**Electrostatic Copy Made
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called at 11:35 am
replied P's message

THE WHITE HOUSE
WASHINGTON

July 22, 1980

Phil
J

MR. PRESIDENT:

Ambassador McHenry called this morning. He leaves at noon for Botswana but wanted to brief you by phone on his recent conversations with Castro. He said if you did not have time, Muskie had been briefed by him. NSC is worried about a phone conversation's being intercepted and suggests a written report. Shall I

_____ set up call.

✓ *reason I prefer* _____ *That for security*
inform McHenry ~~your morning schedule does not permit call and have~~ Muskie relay information.

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PHIL

THE WHITE HOUSE

WASHINGTON

July 21, 1980

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MEETING WITH SENATOR GARY HART (D-Colorado)

Tuesday, July 22, 1980
Noon Oval Office
30 Minutes (Luncheon)

From: Frank Moore

I. PURPOSE

To discuss Senator Hart's reelection campaign. Senator Hart's seat has been targeted by the Republicans as one of the more vulnerable and his campaign is considered to be in some trouble.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background

This is likely to be an extremely close race in the fall. Hart has been targeted by the Right to Life Amendment people. In addition, he has been attacked for talking like a conservative, while voting like a liberal. Four out of ten voters in Colorado are new and have never had a chance to vote for Hart. Consequently, there is no loyalty factor at work here.

With so many strong Republicans in the field (there are seven Republican opponents including Howard "Bo" Calloway - former Secretary of the Army and U.S. Congressman from Georgia; Mary Estill Buchanan - Secretary of State; and Sam Zakhem - Denver State legislator), the result is likely to be a nasty primary and will help the Democrats in the long run. Buchanan and Calloway have been going at each other strongly and definitely seem to be hurting each other.

Calloway has been endorsed by former President Ford and by Senator Armstrong. Many people question the wisdom of this early move on Armstrong's part and it could hurt him in the future.

Participants

The President
Senator Gary Hart

Press Plan

White House photo.

III. TALKING POINTS

The Senator is not anxious to "waste" your time to discuss any matters that he is working on at the present time. He will come to the meeting without an agenda and is flattered that you would have him in for lunch and a chat focusing on his reelection campaign and related issues.

Certainly, he would be interested in your views with respect to the economy and how it should be managed in the coming months.

He is also a key Member of the Senate with respect to the defense authorization bill which will come to conference this week. His major area of interest is in naval affairs. As you may recall, he has supported the building of small carriers as opposed to the large nuclear carriers and believes that the F-15 (the Navy fighter) is a boondoggle.

Senator Hart is a co-sponsor of Senator Tsongas' amendment regarding the Douglas Arctic Wildlife Range, but we are not confident of his support on other key Administration amendments. You may want to pursue these with him.

1:15

THE WHITE HOUSE

WASHINGTON

July 22, 1980

MEETING WITH AL CARNESALE

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Tuesday, July 22, 1980
1:15 a.m. (15 minutes)
The Oval Office

FROM: Frank Press
Arnie Miller

I. PURPOSE

To meet your minee for the Chairman of the Nuclear
Regulatory Commission.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Al Carnesale was nominated July 18, 1980 to be the
Chairman of the Nuclear Regulatory Commission. His
hearing is expected to be scheduled sometime in the
next two weeks.

Carnesale is a Professor of Public Policy at Harvard
University and Associate Director of the Harvard
Center for Science and International Affairs. He is
a nuclear engineer and represented the Administration
in Vienna on the Non-Proliferation talks.

B. Participants Al Carnesale

C. Press Plan: None

III. TALKING POINTS

A. You should emphasize your views on the importance
of nuclear energy and how much attention should be
placed on nuclear safety and enforcement.

B. You should explore with him his views about the
Nuclear Regulatory Commission and issues facing
nuclear energy.

C. You should ask Carnesale to implement the Kemeny
recommendation that you approved and to work with
the Nuclear Safety Oversight Commission chaired by
Governor Babbitt.

ALBERT CARNESALE

EXPERIENCE

1974 - Date Harvard University, Professor of Public,
John F. Kennedy School of Government

1972 - 74 North Carolina State University, Raleigh,
North Carolina

1969 - 72 U.S. Arms Control and Disarmament Agency,
Washington, D.C.

1962 - 69 North Carolina State University, Raleigh,
North Carolina

1957 - 62 Martin Marietta Corporation, Baltimore,
Maryland, Senior Engineer, Nuclear Division

OTHER ACTIVITIES

Member, Council on Foreign Relations

Exceptional Achievement Award, U.S. Arms Control and
Disarmament Agency, (1970 - 71 and 72)

EDUCATION

1957 B.M.E., The Cooper Union

1962 Drexel Institute

1966 Ph.D., North Carolina State University

1979 A.M., Harvard University

PERSONAL

White Male
Age 44
Democrat

THE WHITE HOUSE
WASHINGTON
22 Jul 80

Jack Watson
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

July 18, 1980

Q

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*
ARNIE MILLER *AM*

**Electrostatic Copy Made
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SUBJECT:

Presidential Appointment

We join Pat Harris in recommending Richard Lowe to be the Inspector General of the Department of Health and Human Services.

Mr. Lowe has served as the Deputy Inspector General at the Department of Health, Education, and Welfare and has been the Acting Inspector General at Health and Human Services for the past seven months. Prior to that, he was the Chief of the Trial Division of the New York County District Attorney's Office in New York City.

Jim McIntyre strongly supports Lowe for this position. Former HEW Inspector General, Tom Morris, also supports Lowe's candidacy. Benjamin Civiletti believes that Lowe has done an acceptable job as the Deputy Inspector General but is not strong enough for them to support his promotion with enthusiasm. However, he does not oppose Lowe for this position.

Congressman Rangel enthusiastically endorses Mr. Lowe for this position.

RECOMMENDATION:

We recommend that you nominate Richard Lowe to serve as the Inspector General of the Department of Health and Human Services.

approve

disapprove

RICHARD B. LOWE III
Washington, D.C.

EXPERIENCE:

1979 - Present Acting Inspector General,
Department of Health and
Human Services.

1979 Deputy Inspector General,
Department of Health and
Human Services.

1979 Chief, Early Case Assessment
Bureau, New York County
District Attorney's Office.

1976 - 1979 Chief, Trials Division, New
York County District
Attorney's Office.

1973 Chief, Major Felony Program,
New York County District
Attorney's Office.

1967 Trial Attorney, Supreme Court
Bureau, New York County
District Attorney's Office.

EDUCATION:

1967 J.D., St. John's University
School of Law.

1964 B.S., University of Wisconsin.

PERSONAL:

Black Male
Age 39
Democrat



THE SECRETARY OF ENERGY
WASHINGTON, D.C.

①
/

July 22, 1980

**Electrostatic Copy Made
for Preservation Purposes**

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

Dear Mr. President:

Please find attached the Atlantic
Richfield letter to which I referred
last evening.

Yours very truly,

A handwritten signature in cursive script, appearing to read "C. W. Duncan, Jr.", written in black ink.

Charles W. Duncan, Jr.

Attachment

Atlantic Richfield Company 115 South Flower Street
Los Angeles, California 90071
Telephone 213-456-1750

Robert E. Wycoff
Executive Vice President

SAMPLE

July 16, 1980

The Honorable Donald Stewart
110 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Stewart:

It is the judgment of Atlantic Richfield Company that the forthcoming Senate deliberations on the Alaska d-2 lands bill, especially as it relates to the William O. Douglas Arctic Wildlife Range, could profoundly impact the vital interests of the nation.

As you know, the House-passed version prohibits evaluation of the Range's oil and gas potential, presumably based on fears that such activities may deleteriously affect the Wildlife of the area. We consider such fears to be unfounded.

Recognizing the exceptional petroleum potential of the Range, the Senate Energy and Natural Resources Committee bill (S. 9) would allow environmentally responsible seismic studies, and thus represents, in our view, a constructive compromise. We respectfully encourage you to cast an affirmative vote for this bill in its present form.

America's domestic energy problems (and our less publicized but no less pressing mineral dependence), plus the looming global resource crisis and its special burden on developing countries, cause us to view withdrawal of more than 100 million uninventoried acres of Alaska lands with the gravest reservations. We oppose the House bill and the amendments proposed to the Senate Committee version which would lock up additional acreage without ever knowing its hydrocarbon or mineral potential.

Clearly, this nation must not destroy the environment in order to preserve our industrial way of life. However, our experience in Alaska tells us existing federal and state environmental laws provide firm guarantees that we can explore for and develop secure American-owned natural resources in harmony with the environment.

Our views on oil and gas investigation of the William O. Douglas Arctic Wildlife Range are elaborated in the attachment to this letter.

Very truly yours,

Robert E. Wycoff

ATLANTIC RICHFIELD COMPANY'S VIEWS ON OIL AND GAS INVESTIGATION
OF THE WILLIAM O. DOUGLAS ARCTIC WILDLIFE RANGE

Much controversy has developed over prospective oil and gas investigation along the coastal plain of the William O. Douglas Arctic Wildlife Range on the North Slope of Alaska. Atlantic Richfield Company believes that an objective analysis of this issue is needed at this time.

Two key points summarize our position on the future of the William O. Douglas Arctic Wildlife Range.

- (1) The oil and gas resource potential of the Range appears one of the most promising in the United States. Seismic investigation should begin at the earliest possible time.
- (2) Oil and gas activities within the Range will not destroy the environment or reduce the wildlife populations in the area. The oil industry's track record at the Prudhoe Bay field and our experience with the Trans-Alaska Pipeline demonstrate that oil and gas activities can coexist with wildlife in arctic areas.

Our analysis addresses these two basic questions:

(1) Oil and gas potential

There have been several divergent estimates made of the oil and gas potential in the Wildlife Range including a recently released Department of Interior report appraising the petroleum potential of the Range. In our view this report is unjustly pessimistic when one considers that insufficient information is available to assess the Range's hydrocarbon potential. There is no subsurface geological or seismic data available from within the Wildlife Range itself. Therefore, quantitative estimates made at the current time without the benefit of subsurface geologic or seismic data should be considered very speculative. Current data does indicate the possibility of very large hydrocarbon accumulations along the Northern portion of the coastal plain of the Range, especially in the area south and east of Barter Island (see attached map).

During the testimony on February 22, 1979 before the House Subcommittee on Fisheries and Wildlife Conservation of the House Committee on Merchant Marine and Fisheries, Dr. Ross G. Schaff, Alaska State Geologist, stated "In our opinion, the coastal plain of this range and the adjacent area offshore has the greatest potential for oil and gas of any area in the United States." This assessment was reinforced by data contained in the November 1979 report by the U.S. Geological Survey and the State of Alaska Geological Survey (Open File Report No. 79-1634) according to Dr. Schaff. Atlantic Richfield agrees with this view.

The foregoing assessment appears at odds with assertions by spokespersons for environmental organizations that the Range's oil and gas potential is minimal. However, the existence of Prudhoe Bay to the west, the recent discoveries at Point Thompson and Flaxman Island between Prudhoe Bay and the Range, and the Canadian discoveries in the MacKenzie area just east of the Range, plus substantial discoveries in the Canadian Beaufort Sea, all lend credence to the probability that significant oil and gas accumulations are present in the geologically similar north coastal plain of the Range. In fact, extrapolation of data from these discoveries implies an excellent probability for discovery of petroleum in the Range.

In view of this nation's continued dependence on foreign oil imports (roughly 50 percent of our daily requirements), the vulnerability that results (witness Iran), and the severe drain on our economy to pay our import bill (approximately \$70 billion in 1979), Atlantic Richfield Company believes that the United States cannot afford to bypass summarily any prospective domestic area, thereby leaving its oil and gas potential untested. If the Range "has the highest oil and gas potential in the United States," then the area must be tested and its potential evaluated before any irrevocable land use decisions are made.

The "Alaska National Interest Lands Conservation Act," as reported by the Senate Energy and Natural Resources Committee, would authorize the Secretary of the Interior to establish guidelines for conducting surface geological and seismic exploration in the Range. Within five years of enactment, the Secretary would be required to submit a report to Congress identifying areas within the Range that have oil and gas production potential, presenting estimates of these reserves, and recommending whether further exploration and development activities should be permitted. We agree that seismic work is needed to help define prospective areas. This work should proceed with all possible dispatch.

Contrary to the apparent belief of some persons, areas with oil and gas potential cannot be held in a "bank" awaiting quick development in response to some future need. On the contrary, petroleum exploration and development is a long, slow, complex process which unavoidably requires years of lead-time from the beginning of exploration to the onset of production. Therefore, to make a contribution to the nation's energy needs several years from today, timeliness of the beginning of exploration in the Range is of the essence.

(2) Environmental risks:

Although the environmental community has argued that oil and gas exploration and development in the Range will result in its "ruin" and that the Porcupine Caribou herd which summers and calves along the Arctic Coastal Plain will be adversely affected, logic and experience

do not support their arguments.

An analysis of a recent Caribou Treaty Draft Environmental Impact Statement, jointly prepared by the State and Interior Departments, indicates that the area with high potential for hydrocarbon accumulation in the Range overlaps less than 10 percent of the calving area. This is displayed on the attached map. Moreover, Arctic seismic work can only be conducted in the winter when the tundra is frozen and the caribou are further south. Thus, no real conflict exists in fact between resource evaluation of the Range and wildlife concerns.

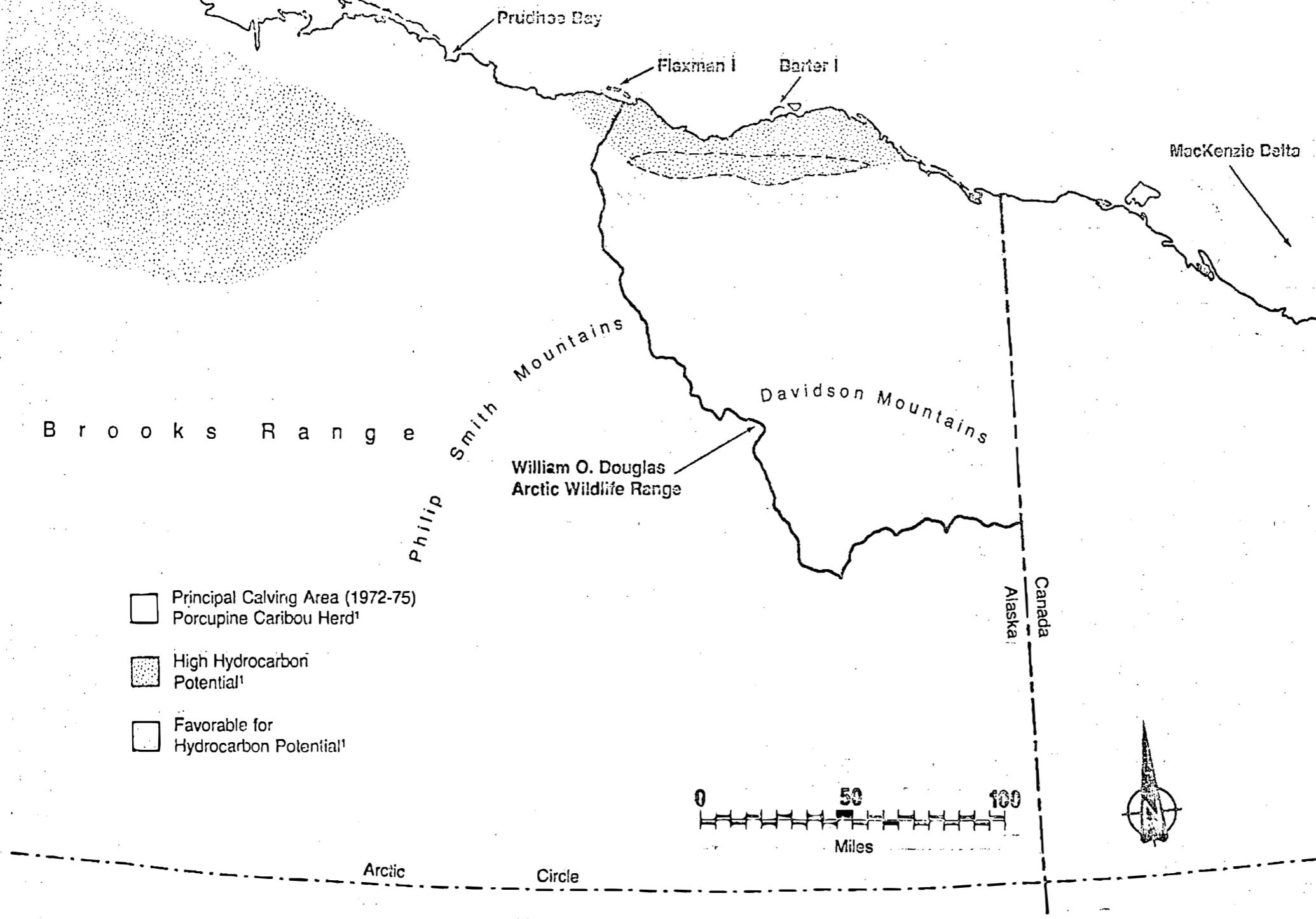
As to the environmental effects of development, experience at Prudhoe Bay and along the Trans-Alaska Pipeline has shown clearly that wildlife can continue to exist and actually thrive in concert with environmentally responsible oil and gas development. Mr. Angus Gavin, a qualified and renowned wildlife biologist, has conducted a ten-year study at Prudhoe Bay. This study demonstrated that the caribou population in the area has not been detrimentally affected by oil and gas development. The Central Arctic caribou herd, which summers in the Prudhoe Bay area, has remained at about 5,000 animals since development at Prudhoe Bay commenced 10 years ago.

Furthermore, oil exploration conducted by the Navy in the National Petroleum Reserve-Alaska in the 1950's apparently did not preclude growth of the Western Arctic caribou herd, which reached 240,000 animals by 1970--despite the fact that this work was done at a time when the environmental effects of man's activities were given little, if any, consideration. The contention that Arctic oil and gas development will perforce adversely affect the wildlife resources of the area is demonstrably untrue.

Our analysis of this issue clearly suggests that environmentally responsible seismic investigation of the coastal plain of the Range should proceed at the earliest possible date. This nation's failure to at least evaluate the oil and gas potential of this highly promising area could prove to be a costly and unnecessary mistake.

July 1980

Attachment



- Principal Calving Area (1972-75)
Porcupine Caribou Herd¹
- High Hydrocarbon Potential¹
- Favorable for Hydrocarbon Potential¹



¹Draft environmental impact statement for the agreement between the United States and Canada for the conservation of Migratory Caribou, March 1980, prepared by Department of State in cooperation with USFWS, Department of Interior.

THE WHITE HOUSE
WASHINGTON
22 Jul 80

Secretary Hufstedler
Stu Eizenstat
Gene Eidenberg
Lloyd Cutler
Jim McIntyre
Frank Moore

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

Rick Hutcheson

cc: The Attorney General

MEMORANDUM OF CALL

TO:

YOU WERE CALLED BY—

YOU WERE VISITED BY—

OF (Organization)

PLEASE CALL → PHONE NO. CODE/EXT. _____ FTS

WILL CALL AGAIN

IS WAITING TO SEE YOU

RETURNED YOUR CALL

WISHES AN APPOINTMENT

MESSAGE

RECEIVED BY

DATE

TIME

Hufsteden

Eidenby

Curtin

Ey stat

O

Mc I

CL

A. G.

THE WHITE HOUSE
WASHINGTON

7/22/80

Mr. President:

The Attorney General, Culter, Eizenstat, Eidenberg and McIntyre concur.

OMB adds that the "Education Appeal Board regulation will give Justice the test case if wanted. It's clearly the strongest ground of the four."

CL also concurs but believes that "this action is not likely to please the Congress."

Fred Kahn has no comment.

Rick/Bill

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

Electrostatic Copy Made
for Preservation Purposes

TO : The President

FROM : Shirley M. Hufstедler
Secretary of Education 

SUBJECT: Proposed Action on Education Regulations Disapproved
by Congress

ACTION REQUESTED: Review and Approval

At your request, I have discussed this situation with both Lloyd Cutler and Ben Civiletti. The three of us agree with the steps outlined in this memorandum.

BACKGROUND

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- o Arts Education, 45 FR 22742 (April 3, 1980)
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- o Education Appeal Board, 45 FR 22634 (April 3, 1980)
Congress wanted a rigid 30-day appeal period, compared with the regulation which permits an extension of this filing time for good cause shown.

Immediately thereafter, I requested an Attorney General's opinion on the constitutionality of Congress' actions. In a June 6 opinion, he informed me that such disapprovals of

administrative regulations are without legal effect and should be ignored. Accordingly, I instructed the Department to disregard the vetoes and implement the four regulations as originally submitted to Congress, while at the same time restating my determination to consider carefully the substantive concerns expressed by Congress in all phases of the Department's rule-making efforts. This posture in turn generated strong criticism among several members of Congress, who considered it was an "arrogant" defiance of legitimate Congressional powers.

During the past few weeks, I have reviewed the situation in detail before formulating the following strategy. The actions I recommend support fully the Administration's position that such Congressional vetoes are illegal. In no case are we complying with the vetoes themselves, since to do so would undermine the validity of the entire regulations in question. On the other hand, these steps reflect our sensitivity to specific Congressional objections to the technical features of these four regulations.

SPECIFIC STEPS TO BE TAKEN

Arts Education and Law-Related Education: We will implement the original regulations as written for FY 1980. Shortly, we will issue a Notice of Proposed Rulemaking (NPRM) to govern both programs during FY 1981. This will enable interested members of the public and Congress to comment in detail on our procedures. I share some of Congress' concerns about the length and prescriptiveness of these regulations. However, changing the current rules now would unnecessarily complicate and delay the award of grants this year, since all applications have already been received by ED and reviewed by outside panels.

Title IV-B: We will issue an immediate limited amendment to exclude the eligibility of gymnasium equipment under Title IV, as suggested by Congress. Upon re-examination, I agree that original Congressional intent was clear in this area. This technical amendment will cure the defect in our earlier regulation without questioning its overall validity.

Education Appeal Board: No change will be made in these regulations. Permitting an extension of filing time for good cause shown is consistent with equity and due process for state and local educational agencies appealing the loss of funds. We think the intent of Congress in enacting legislation for the Education Appeal Board was to extend the procedures of the then

existing Title I Audit Hearing Board to additional programs; those procedures provided for extension of the 30-day period in exceptional cases. The statute permits the Secretary to adopt procedural rules such as those in the disputed regulations [20 USC 1234 (e)].

Approve

Disapprove



**Electrostatic Copy Made
for Preservation Purposes**

WASHINGTON

DATE: 18 JUL 80

FOR ACTION: ATTORNEY GENL CIVILETTI

LLOYD CUTLER

attached concur

STU EIZENSTAT

concur

FRANK MOORE

JIM MCINTYRE

attached

GENE EIDENBERG

concur

Kahn - no comment

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT: HUFSTEDLER MEMO RE PROPOSED ACTION ON EDUCATION REGULATIONS DISAPPROVED BY CONGRESS

++++
+ 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:

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Reck/Bill -

This is our comment -- but recommend
strongly that this not go in --
it's a very minor issue.

Alice

ID 893707

THE WHITE HOUSE

WASHINGTON

*McIntyre
White*

(action) Wellford

DATE: 18 JUL 80

FOR ACTION: ATTORNEY GENL CIVILETTI

LLOYD CUTLER

STU ELZENSTAT

FRANK MOORE

JIM MCINTYRE

GENE EIDENBERG



INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT: HUFSTEDLER MEMO RE PROPOSED ACTION ON EDUCATION
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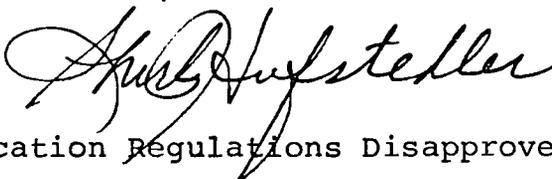
STAFF RESPONSE: I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

I presume that the Education Appeal Board regulation will give Justice the test case it wanted. It's clearly the strongest ground of the four.

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

TO : The President

FROM : Shirley M. Hufstedler
Secretary of Education 

SUBJECT: Proposed Action on Education Regulations Disapproved
by Congress

ACTION REQUESTED: Review and Approval

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existing Title I Audit Hearing Board to additional programs; those procedures provided for extension of the 30-day period in exceptional cases. The statute permits the Secretary to adopt procedural rules such as those in the disputed regulations [20 USC 1234 (e)].

Approve _____

Disapprove _____

THE WHITE HOUSE

WASHINGTON

July 18, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: GENE EIDENBERG

SUBJECT: Secretary Hufstedler's Memorandum regarding
Proposed Action on Education Regulations
Disapproved by Congress

I concur with Secretary Hufstedler in this matter. These proposed actions preserve the integrity of your position viz. one-House vetos, and solve the substantive problems in a sensible way.

DATE: 18 JUL 80

FOR ACTION: ATTORNEY GENL CIVILETTI LLOYD CUTLER

STU ELZENSTAT FRANK MOORE

JIM MCINTYRE GENE EIDENBERG

INFO ONLY: THE VICE PRESIDENT JACK WATSON

SUBJECT: HUFSTEDLER MEMO RE PROPOSED ACTION ON EDUCATION
REGULATIONS DISAPPROVED BY CONGRESS

+++++
+ 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:

*These proposed actions
preserve the integrity of the
President's position viz. we-house veto -
& solve the substantive problems in a sensible way -
GC*

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

TO : The President

FROM : Shirley M. Hufstedler
Secretary of Education *Shirley M. Hufstedler*

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Approve _____

Disapprove _____

cc: LMC
7/18

L-122
prepare
brief comment

DATE: 13 JUL 69

FOR ACTION: ATTORNEY GENL CIVILETTI

LLOYD CUTLER

STU EIGENSTAT

FRANK MOORE

JIM MCINTYRE

GENE EIDENBERG

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT: HURSTEDLER MEMO RE PROPOSED ACTION ON EDUCATION
REGULATIONS DISAPPROVED BY CONGRESS

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
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ACTION REQUESTED: IMMEDIATE TURNAROUND

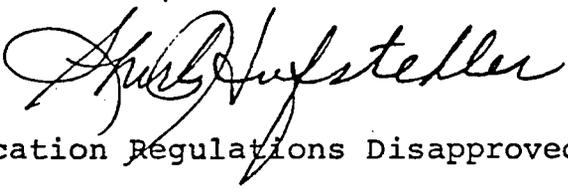
STAFF RESPONSE: (✓) I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Lloyd N Cutler

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

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Secretary of Education 

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Approve _____

Disapprove _____

cc: LMC
A/15

THE WHITE HOUSE

WASHINGTON

DATE: 13 JUL 80

FOR ACTION: ATTORNEY GENL CIVILETTI

LLOYD CUTLER

STU EIZENSTAT

FRANK MOORE

JIM MCINTYRE

GENE EIDENBERG

INFO ONLY: THE VICE PRESIDENT

JACK WATSON

SUBJECT: HUFSTEDLER MEMO RE PROPOSED ACTION ON EDUCATION
REGULATIONS DISAPPROVED BY CONGRESS

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+ RESPONSE DJE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

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

PLEASE NOTE OTHER COMMENTS BELOW:

As Secretary Hufstedler notes, I agree with the approach she proposes to take. Her actions, while reflecting a sensitivity to Congressional concerns, reaffirm the Administration's position that Congressional vetoes are illegal. They do not jeopardize a legal challenge, although I believe that such a challenge is unlikely in the case of these vetoes.

LMC

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

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BACKGROUND

Earlier this spring, Congress disapproved four Department of Education regulations:

- o Arts Education, 45 FR 22742 (April 3, 1980)
Congress complained about the length and prescriptiveness of these regulations, e.g., inclusion of a matching requirement.
- o Law-Related Education, 45 FR 27880 (April 24, 1980)
Concerns were similar to Arts Education.
- o Title IV of the Elementary and Secondary Education Act, 45 FR 23604 (April 7, 1980)
Congress did not want to allow funds to buy gymnasium equipment, although expenditures for musical instruments were acceptable if used for instructional purposes.
- o Education Appeal Board, 45 FR 22634 (April 3, 1980)
Congress wanted a rigid 30-day appeal period, compared with the regulation which permits an extension of this filing time for good cause shown.

Immediately thereafter, I requested an Attorney General's opinion on the constitutionality of Congress' actions. In a June 6 opinion, he informed me that such disapprovals of

administrative regulations are without legal effect and should be ignored. Accordingly, I instructed the Department to disregard the vetoes and implement the four regulations as originally submitted to Congress, while at the same time restating my determination to consider carefully the substantive concerns expressed by Congress in all phases of the Department's rule-making efforts. This posture in turn generated strong criticism among several members of Congress, who considered it was an "arrogant" defiance of legitimate Congressional powers.

During the past few weeks, I have reviewed the situation in detail before formulating the following strategy. The actions I recommend support fully the Administration's position that such Congressional vetoes are illegal. In no case are we complying with the vetoes themselves, since to do so would undermine the validity of the entire regulations in question. On the other hand, these steps reflect our sensitivity to specific Congressional objections to the technical features of these four regulations.

SPECIFIC STEPS TO BE TAKEN

Arts Education and Law-Related Education: We will implement the original regulations as written for FY 1980. Shortly, we will issue a Notice of Proposed Rulemaking (NPRM) to govern both programs during FY 1981. This will enable interested members of the public and Congress to comment in detail on our procedures. I share some of Congress' concerns about the length and prescriptiveness of these regulations. However, changing the current rules now would unnecessarily complicate and delay the award of grants this year, since all applications have already been received by ED and reviewed by outside panels.

Title IV-B: We will issue an immediate limited amendment to exclude the eligibility of gymnasium equipment under Title IV, as suggested by Congress. Upon re-examination, I agree that original Congressional intent was clear in this area. This technical amendment will cure the defect in our earlier regulation without questioning its overall validity.

Education Appeal Board: No change will be made in these regulations. Permitting an extension of filing time for good cause shown is consistent with equity and due process for state and local educational agencies appealing the loss of funds. We think the intent of Congress in enacting legislation for the Education Appeal Board was to extend the procedures of the then

existing Title I Audit Hearing Board to additional programs; those procedures provided for extension of the 30-day period in exceptional cases. The statute permits the Secretary to adopt procedural rules such as those in the disputed regulations [20 USC 1234 (e)].

Approve _____

Disapprove _____

MEMORANDUM
OF CALL

TO:

Whoever

YOU WERE CALLED BY— YOU WERE VISITED BY—

Kathy R.

OF (Organization)

- PLEASE CALL → PHONE NO. _____ FTS
CODE/EXT. _____
- WILL CALL AGAIN IS WAITING TO SEE YOU
- RETURNED YOUR CALL WISHES AN APPOINTMENT

MESSAGE

DPS concurs
on Scothy
Campbell memo

RECEIVED BY

Sh

DATE

7-17

TIME

→ This action
is not likely
to please
the congress.
