

Memoranda (No date 2)

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TO ACT. I AM GOING TO ANNOUNCE TOMORROW THAT THE DEPARTMENT OF COMMERCE WILL DISCLOSE THOSE COMPANIES THAT HAVE PARTICIPATED IN THE ARAB BOYCOTT."

2. COMMERCE DEPARTMENT OFFICIALS HAVE ALSO TOLD US UNOFFICIALLY THAT NOTHING IS LIKELY TO BE RELEASED IN THE NEAR FUTURE -- AT LEAST NOT BEFORE THE ELECTION.

3. AT 1:30 THIS AFTERNOON, SENATORS PROXMIRE AND STEVENSON AND REPRESENTATIVES BINGHAM AND ROSENTHAL WILL HOLD A PRESS CONFERENCE TO EMPHASIZE THE COMPLETE FRAUD AND DISTORTION OF FORD'S BOYCOTT ANSWER LAST NIGHT AND TO SET FORTH THE COMPLETE RECORD OF ITS EFFORTS TO SABOTAGE ANY ATTEMPTS TO PREVENT COMPLIANCE WITH THE BOYCOTT. SIMILAR STATEMENTS BY BINGHAM AND ROSENTHAL HAVE ALREADY MADE THE WIRES. THEY ARE HOPING THAT

4. SENATOR RIBICOFF HAS APPEARED ON NBC AND CBS TODAY AND IS ISSUING A PRESS RELEASE ATTACKING FORD FOR TAKING CREDIT FOR THE RIBICOFF-BROCK ANTI-BOYCOTT PROVISION OF THE TAX REFORM BILL. THE RELEASE POINTS OUT THAT STATE, TREASURY AND COMMERCE OFFICIALS VEHEMENTLY LOBBIED TO KILL THAT PROVISION AND THAT THE ADMINISTRATION AT ONE POINT SUGGESTED IT MIGHT ~~BE~~ THE RIBICOFF STATEMENT ALSO POINTS OUT THAT THE EXTENSION OF THE EXPORT ADMINISTRATION ACT WHICH THE ADMINISTRATION WAS SUCCESSFUL IN KILLING BEFORE THE END OF THE SESSION CONTAINED A RIDER THAT WOULD HAVE PUT UNILATERAL LIMITS ON NUCLEAR PROLIFERATION, AS WELL AS REQUIRING THE U.S. TO ATTEMPT TO NEGOTIATE AN INTERNATIONAL AGREEMENT ON THE SUBJECT.

VETO THE ENTIRE TAX REFORM BILL IF IT CONTAINED THE RIBICOFF-BROCK AMENDMENT.

5. THE PRESS HAS ALSO BEEN GETTING THE REACTION OF JEWISH GROUPS. E.G., CBS INTENDS TO INTERVIEW THE HEAD OF THE ANTI DEFAMATION LEAGUE AT 3:00 P.M.

6. TO REITERATE AND UPDATE INFORMATION PROVIDED TO YOU YESTERDAY, IT TURNS OUT THAT FORD ISSUED AN EXECUTIVE ORDER LAST THURSDAY THAT CONTINUES IN EFFECT THE ANTI-BOYCOTT AND OTHER EXPORT CONTROL REGULATIONS THAT HAD BEEN ISSUED BY THE DEPARTMENT OF COMMERCE UNDER THE EXPORT ADMINISTRATION ACT. (THE ANTI-BOYCOTT REGULATIONS PREVIOUSLY IN EFFECT AND NOW EXTENDED BY THE EXECUTIVE ORDER ONLY REQUESTED -- BUT DID NOT REQUIRE -- U.S. FIRMS TO REPORT BOYCOTT COMPLIANCE.)

SINCE THE EXPORT ADMINISTRATION ACT HAS EXPIRED, THE EXECUTIVE ORDER IS BASED ON THE AUTHORITY OF THE TRADING WITH THE ENEMY ACT, WHICH ALLOWS THE PRESIDENT TO IMPOSE CERTAIN RESTRICTIONS ON EXPORTS IF A STATE OF NATIONAL EMERGENCY HAS BEEN DECLARED. FORD IS RELYING ON TRUMAN'S COLD WAR DECLARATION OF NATIONAL EMERGENCY AND THE STATE OF EMERGENCY DECLARED BY NIXON AT THE TIME OF THE ARAB EMBARGO. KNOWLEDGEABLE INTERNATIONAL LAWYERS HAVE SUBSTANTIAL DOUBTS ABOUT FORD'S LEGAL AUTHORITY TO TAKE THIS ACTION. IT WILL UNDOUBTEDLY BE CHALLENGED BY THE FIRST FIRM THE ADMINISTRATION TRIES TO ENFORCE THE EXECUTIVE ORDER AGAINST. IN ADDITION TO THE ANTI-BOYCOTT PROVISIONS, THE EXPORT ADMINISTRATION ACT, AND NOW THE EXECUTIVE ORDER, PROVIDES THE LEGAL BASIS BY WHICH THE GOVERNMENT CAN PREVENT U.S. FIRMS FROM EXPORTING SUCH THINGS AS THE TECHNOLOGY FOR NON-NUCLEAR WEAPONS SYSTEMS.

FROM: DOUG ROBINSON, JAY CARLSON

THRU: AL STERN

HERE IS THE REBUTAL TO FORD'S OUTRAGEDUS REMARKS LAST NIGHT CONCERNING HIS RECORD ON THE ARAB BOYCOTT.

PERHAPS THE CRUELEST AND MOST EGREGIOUS EXAMPLE OF FORD ADMINISTRATION DECEPTION IN THIS CAMPAIGN WAS MR. FORD'S GROSS DISTORTION LAST NIGHT OF THE ADMINISTRATION'S POSITION CONCERNING THE ARAB BOYCOTT.

LET'S LOOK AT THE FACTS:

--SINCE THE BEGINNING OF HIS ADMINISTRATION, MR. FORD HAS HAD AUTHORITY UNDER THE EXPORT ADMINISTRATION ACT TO PROHIBIT U.S. FIRMS FROM COMPLYING WITH THE IMMORAL ARAB BOYCOTT. IT WAS NOT UNTIL NOVEMBER OF LAST YEAR, HOWEVER, THAT MR. FORD TOOK ANY ACTION WHATSOEVER UNDER THE ACT. EVEN THEN, HE DID NOT PROHIBIT COMPLIANCE WITH THE BOYCOTT BUT ONLY ISSUED REGULATIONS REQUESTING, BUT NOT REQUIRING, COMPANIES TO REPORT THEIR COMPLIANCE WITH IT. SINCE THAT DATE, THE REPORTS FROM THOSE COMPANIES THAT HAVE BOTHERED TO REPORT INDICATE A 94 PERCENT COMPLIANCE RATE WITH THE BOYCOTT.

--THIS YEAR, THREE DIFFERENT CONGRESSIONAL COMMITTEES, AFTER THOROUGHLY INVESTIGATING THE FORD ADMINISTRATION'S IMPLEMENTATION OF THE ARAB BOYCOTT PROVISIONS OF THE EXPORT ACT, DETERMINED THAT ITS ENFORCEMENT WAS AT BEST TOTALLY INEFFECTUAL AND AT WORST ACTUALLY ASSISTED U.S. FIRMS IN COMPLYING WITH THE BOYCOTT.

--MR FORD SAID LAST NIGHT THAT ON MONDAY OF THIS WEEK HE SIGNED A TAX BILL THAT INCLUDED AN AMENDMENT THAT WILL PREVENT U.S. COMPANIES FROM TAKING A TAX DEDUCTION IF THEY HAVE IN ANY WAY COOPERATED WITH THE ARAB BOYCOTT. WHAT HE FAILED TO MENTION WAS THAT THE FORD ADMINISTRATION OPENLY AND VEHEMENTLY OPPOSED THE INCLUSION OF THAT PARTICULAR PROVISION IN THE TAX BILL.

--LAST NIGHT MR. FORD TOLD THE AMERICAN PEOPLE THAT HIS ADMINISTRATION WENT TO CAPITOL HILL TO CONVINCE THE CONGRESS THAT WE SHOULD HAVE AN AMENDMENT TO THE EXPORT ADMINISTRATION ACT THAT WOULD TAKE STRONG AND EFFECTIVE ACTION AGAINST THOSE WHO PARTICIPATE OR COOPERATE WITH THE ARAB BOYCOTT. THIS STATEMENT INDICATES EITHER MR. FORD'S INABILITY TO STATE THE FACTS ACCURATELY OR HOW TOTALLY OUT OF TOUCH HE IS WITH WHAT IS GOING ON IN HIS OWN ADMINISTRATION. THE FACT IS THAT BOTH THE HOUSE AND SENATE PASSED, OVER THE STRONG OBJECTIONS OF THE FORD ADMINISTRATION, PROVISIONS THAT WOULD HAVE DEALT EFFECTIVELY WITH THE BOYCOTT BY PROHIBITING AMERICAN FIRMS FROM COMPLYING WITH IT. THEREAFTER, IT WAS ONLY THROUGH ADMINISTRATION REPRESENTATIVES IN CONGRESS, ACTING AT THE BEHEST OF THE ADMINISTRATION, THAT CONGRESS WAS PREVENTED FROM COMPLETING ACTION ON THE EXPORT ACT BEFORE ITS SEPTEMBER 30, 1976 EXPIRATION. AS A RESULT, NOT ONLY WAS THE CONGRESS SURREPTICIOUSLY PREVENTED FROM REQUIRING THE ADMINISTRATION TO TAKE EFFECTIVE ACTION AGAINST THE BOYCOTT, BUT IT ALLOWED THE ENTIRE EXPORT ADMINISTRATION ACT TO EXPIRE, THUS MAKING IT POSSIBLE NOT ONLY FOR U.S. FIRMS TO CARRY OUT THE IMMORAL PURPOSES OF THE ARAB BOYCOTT, BUT TO EXPORT AMERICAN TECHNOLOGY WITH RESPECT TO WEAPONS SYSTEM AND OTHER MATTERS TO FOREIGN POWERS WITHOUT RESTRAINT.

--WITH 94 PERCENT OF ALL COMPANIES COMPLYING WITH BOYCOTT REQUESTS, IT DOES NO GOOD TO DISCLOSE THE NAMES OF THESE COMPANIES NOW.

MR. FORD'S ACTION IN

RELEASING THOSE NAMES IS AN ACT OF DESPERATION DICTATED ONLY BY POLITICAL EXPEDIENCY. UP UNTIL NOW, THE ADMINISTRATION HAD TO BE CITED FOR CONTEMPT BEFORE IT WOULD RELEASE THE NAMES EVEN TO A CONGRESSIONAL COMMITTEE. THE DECISION TO RELEASE THE NAMES NOW, AT THE HEIGHT OF THE CAMPAIGN, WAS SO COMPLETELY DEVOID OF RATIONAL POLICY DISCUSSION THAT IT CAUGHT THE COMMERCE DEPARTMENT COMPLETELY BY SURPRISE.

which is responsible for enforcing the Export Administration Act,

IN THE CARTER ADMINISTRATION, THERE WILL BE NO KNUCKLING UNDER TO AN ARAB BOYCOTT OR TO ARAB BLACKMAIL. IT IS MY BELIEF THAT THE AMERICAN PEOPLE ARE WILLING TO ACCEPT SACRIFICE IN ORDER TO PRESERVE THEIR INDEPENDENCE. THE CARTER ADMINISTRATION WILL NOT, MERELY FOR THE SAKE OF PRIVATE BUSINESS INTERESTS IN THE ARAB COUNTRIES, TURN OUR BACKS ON OUR FRIENDS ABROAD OR OUR CITIZENS AT HOME.

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ACTION:

(F)

Memoto Stu Eizenstat

FromL Kitty

Re: Carter Statement on Increased Revenues to States ~~xxx~~ from
OCS Leasing

Background: Governor Carter may or not be aware that there
is currently no ~~formula in effect for distributing OCS~~ *automatic revenue sharing program for distributing OCS*
revenues to the states. ~~Such a plan was considered earlier in the~~ *All monies from OCS leasing go to the general*
treasury. ~~year by the Senate and rejected because a different scheme~~

~~was proposed in the Coastal Zone.~~

(This summer, however,)
Congress has, ~~however,~~ enacted ~~xxx~~ amendments to the Coastal
Zone Management Act which provide significant assistance to
coastal states to help them mitigate adverse effects of energy
development, including OCS ~~development~~ exploration and production.

That bill authorizes ~~a~~ a total of \$1.2 billion in federal aid
which comes ~~from~~ from direct appropriations. \$800 million
is loan and bond guarantee authority over 10 years for state
planning and impact assistance, ~~whereas~~ \$400 million ~~is~~ automatic
grant assistance to states over 8 years, and the \$50 million
based
available each year is to be divided ~~on the basis of a formula--~~

~~several factors relating to~~ the amount of OCS leasing, production,
and the number of new ~~xxx~~ jobs created in ~~the~~ *each coastal* state as a result
of new or expanded ~~xxx~~ OCS activities. The Louisiana delegation

was unhappy with ~~this proposal since~~ the final version of the
bill since it ~~received~~ *provides* fewer dollars than ~~it would have under~~ *earlier versions*
~~original formulations of~~ the bill. Louisiana still wants a

~~leasing revenue sharing provision,~~ *from OCS leasing,* and feels that the Coastal
Zone legislation is a bad compromise. *It is worth noting that* →

~~Unfortunately,~~ Louisiana *is* in a minority on this issue. *13 arguments is favor of*
Revenue-Sharing are countered by

of the total \$400 million in automatic grants,
\$188 million goes to ^{the} Gulf states, \$112 million to
Alaska, \$56 million to ^{the} Atlantic Coast + \$43 million
to ^{the} Pacific Coastal States.

TO PLANE

~~JO PAULA WATSON~~
~~JO ANNE HURLEY~~
~~ANN KIKER~~

STATEMENT BY JIMMY CARTER

TO BE TELECOPIED
TO STU ON PLANE
W/NOTE: "FOR

SUNDAY
A.M.
RELEASE"

Over the past several weeks, we have been in close touch with the offices of Governor Carey and Mayor Beame over the concept recently proposed by MAC's Chairman, Felix Rohatyn, to refinance New York City's outstanding debt.

The issues involved are complex, and there can not be any quick decisions, but it is clear enough at this point that the concepts embodied in the Rohatyn proposal merit serious consideration.

Mr. Ford has apparently not grasped the potential virtue of putting the city's finances on a longterm stable basis by stretching out debt service payments. His cavalier rejection of the Rohatyn plan, while consonant with his "drop dead" attitude toward New York, is unwarranted and short-sighted. It reflects a continuing insensitivity to the impact of cuts in police, fire, sanitation and education services on peoples' lives. It reflects a persisting disinterest in keeping middle-income taxpayers and businesses from fleeing the city.

It is important to frame the question properly. The question is not whether the federal government ought to be involved in New York's finances; it already is, through \$2.3 billion in seasonal loans. The question is what form of involvement is least intrusive, is most likely to avoid devastating cutbacks in services, while

it places New York's finances on a sound fiscal footing that will permit re-entry into the bond market.

There's a certain logic to the notion that a city cannot liquidate a decade's worth of debt in three years without creating massive dislocations.

It would be inappropriate to consider any federal action which removed the pressure to achieve further cost reductions and management reform. But New York City has already reduced its municipal workforce by 20% and imposed \$500 million in added taxes, and the magnitude of the cuts to come is enormous and not widely understood. It is essential that the budget be balanced without destroying the city's economic base.

The goal of a balanced budget is not interfered with in any sense by the Rohatyn plan: the City will still have to match its enormous budget cuts of the past twelve months with further significant cuts. But the Rohatyn plan does appear to allow a balanced budget to be put in place that will not require the drastic social and economic upheaval now facing the City.

Similarly, the goal of a return to the municipal bond market is not in any way impeded by the Rohatyn plan. To the contrary, from our initial review of the plan, it seems clear that the City -- by being placed on a much sounder financial footing -- will more readily be able to return to the market as a well-rated borrower.

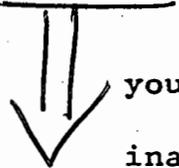
We will continue to review different fiscal arrangements with state and city officials as well as outside experts to help us in determining what action is most appropriate. A number of important questions remain unanswered. For example, we must consider whether a debt stretchout would require the full federal guarantee envisioned by the Rohatyn proposal, or whether alternate forms of security, which might include a federal role, might be feasible.

As I indicated last spring, after the election I will meet with Governor Carey and Mayor Beame to discuss the alternatives and to review the status of the city's finances at that time.

~~END~~ END

4

which are very poor, even as large as state boundaries, and certainly communities, and cities and counties, and also individual kinds of children, who come from families where opportunities have been scarce, and to let the Federal allocation of money as it increases --I hope very rapidly in the next few years---be designed to compensate, as much as possible, for that inequity in tax money per child which is so crucial to provide equality of opportunity, but I'm heavily committed to that, and I think my record as Governor, and as a state legislator would testify to that fact.



Ryor: You indicated in your written response, as well as in your conversation, here today, that the Federal share was simply inadequate--(yes)--what would you see as an appropriate level of expenditure for the government in paying for public education in the United States?

Carter: It would be hard for me to put a particular or special figure on it at this point, without studying the whole budgetary process and assessing mulit priorities. I know what the NEA goal is, which I think would cost an additional \$18-\$20 billion dollars, above and beyond the present allocation of funds. I think that's a good goal, but I can't say just in what number of years it might be achieved. There are some interim things that can be done, however, to let money be made available to education without delay. One would be to remove the prohibitions against the use of revenue-sharing money for education. This would release to communities which have that urge a substantial amount of money to be used specifically for our children, which it can't be done--which can't be done now; and I think we ought to also elevate the department in the

TO: MILT GWIRTZMAN
FROM: OLIVER MILLER -- NEA TRANSCRIPT

Give to Al

TO: Stu Eizenstat ~~Pat Anderson~~
FOR: Governor Carter
FROM: David Berg
RE: Meeting with Indian Leaders

~~The Indian vote comprises 14% of New Mexico's total vote and~~
We advise a cautious approach to these 20 Indian leaders; there are too many explosive issues to risk a Q&A ^{and} a formal statement will be regarded as condescending and reminiscent of ^{a previous} Richard Nixon's ^{such as Indian water rights} ~~meeting in 1970, as~~ ^{many votes in the non-Indian population.} ~~and~~ a misstep on any of the issues could conceivably cost us ^{the state} ~~the state~~ such as regards the water rights of Indians. ^{We suggest} ~~I suggest~~ the following format, including that ~~the~~ ^{you} ~~Governor~~ remain seated and coatless throughout the meeting. ~~The~~ ^{You} ~~Governor~~ should open with a brief statement and then ask for guidance from the Indian leaders on subjects that are suggested below. There are a few issues that ~~we~~ ^{you} can take positions on that are quite clear -- but an "information-seeking" meeting will be ^{very} well-received, ~~primarily~~ ^{because} ~~because~~ Indians are not used to being ^{STEP} ~~listened to.~~

OPENING STATEMENT

1

As the Democratic candidate for President, I recognize the unique relationship between the federal government and Native Americans, and I believe that to the greatest extent possible, programs for Indian tribes should be designed, implemented, and managed by Indian tribes. Indian people should be able to make their own decisions about budget priorities, the operation of their schools, the best use of their land, water, and mineral resources, and the direction of their economic development. I am committed to a substantive program of self-determination without the threat of termination.

As part of my reorganization of government, I will review and revise as necessary the federal laws relating to American Indians and the functions and purposes of the Bureau of Indian Affairs. The guiding principles of my review will be a strengthened reaffirmation of our legal and moral trust responsibilities to the American Indians, and a strong personal respect for the dignity of each of our first Americans.

Most importantly
I will not take unilateral action on any issue regarding Indian affairs, or Indian programs without full consultation with tribal representatives. Ours will be a government of participation, of action, of program involvement, and of true self-government.

~~As a start~~ As a start in that direction -- of participatory government -- I now turn to you. I have some specific questions of my own and I want to listen to those things that matter most to you. I'm here to learn and I ask your help.

A. The following *material* ~~background~~ suggests subject matters ~~the Governor~~ *you* may wish to comment upon and inquire about:

1. In the 1950's, the Bureau of Indian Affairs' Indian Relocation Program, *called* *"termination"* removed Indians from reservations to distant urban areas to be trained for jobs which generally turned out to be non-existent. ~~The program was designed to get rid of the "Indian problem" by getting rid of the Indians.~~ The *result* of sending Indian people with a totally different culture into the cities *was the creation of* ~~only created~~ additional ghettos in those cities. (It is interesting to note that all of the militant American Indian Movement Chapters were organized in those relocation cities by the bitter children of relocated Indian families.)

The outstanding example of a terminated Indian tribe is that of the Menominees of Wisconsin; following

Do NOT Track

termination, with the end of federal trust protection of their natural resources and their lands, the Menominees lost ^{most of their land and} all of their money (\$10 million). ~~They~~ sold a great deal of their land to non-Indians, and ~~wound up~~ ^{they became} wards of county and state government. ^{finally} Congress acted to restore the Menominees trust protection in December, ~~of~~ 1973.

~~NA~~ In 1970, following policy trends set by Presidents Kennedy and Johnson, President Nixon ^{in 1970} formalized a federal policy of "self-determination" ^{without remuneration} ~~for~~

~~Indians throughout America.~~ Your commitment to this policy may be received skeptically because Nixon did ^{little to include Indians} ~~little~~ to implement the concept ^{governmental} ~~by including Indians in the decision-making process,~~ ^{However they are grateful to him} ~~as it affected their lives.~~ You should be familiar with examples of some ill-advised governmental programs foisted on them?

~~For instance,~~ HUD has built countless units of substandard, high-density family dwellings on tribal land. These projects were often located in small clusters on as many as ^{25,000} ~~100,000~~ square miles.

b. EDA provided funds for industrial parks on many tribal lands such as the Pine Ridge, Cheyenne and Rosebud -- which were poorly located ^{in most instances} and ~~consistently~~ failed. Very little job training was provided and this led to disastrous labor-management relations.

c. EDA also provided funds for a motel built on tribal lands in South Dakota -- without conducting a market survey first. The motel failed.

~~2~~ ^{IAA} The federal bureaucracy is honeycombed with programs relating to Indian affairs. ^{In addition to PIA} HUD, DOC, HEW, LEAA all control grants related to Indians. Additionally, there are 12 Bureau of Indian Affairs offices nationwide, which give the area directors vast powers over funding.

of Indian projects. Eight-eight percent of federal money ^{allocated} ~~designed~~ for Indian tribes is in administration while 12% goes directly to Indians. It is unknown at this time how much of the 88% is actually filtering down to the tribes, but the Abourezk Commission tentatively estimates that \$112 million can be shifted away from bureaucratic waste and channeled into direct services for Indian tribes. ^{(The commission's findings will be released in 1977).} Below are ~~some two~~ of the most obvious examples of the failure of the government to provide adequate ^{health and legal} services.

^{Indian} 6. The public health service in HEW is responsible for health care. The incidence of tuberculosis among Native Americans is 7.3 times higher than that for all U.S. citizens; "otitis media", an easily ^{prevented infection} ~~treated disease~~ that causes deafness commonly infects Indian children; the infant mortality rate is ^{much higher than} ~~1.1 times~~ the national average; their life expectancy is six years less than all other Americans; per capita expenditures for Indian health purposes are 25% below those of the non-Indian community, and presently there's only one physician for every 988 Indians compared with a national average of one doctor for every 600 non-Indian persons.

^{the failure to deliver adequate legal services. These} 7. The Indians are also concerned about ~~the conflict of interest~~ existing ~~in the Department of the Interior between Indian rights,~~ for which the U.S. is trustee, and non-Indian interests such as ~~those defended by the Bureau of Reclamation, Bureau of Land Management and the Bureau of Mines,~~ ^{which are often antagonistic to their own.} It is inconceivable that an attorney from ^{DIA or BIA} ~~the Department of Interior~~ when dealing with these competing interests, could act in the best interest of his client, the American Indian, ^{when dealing with the competing interests of BLM, ~~Bureau of Reclamation~~, BOM and other agencies. The conflict} You might suggest the need to establish a separate and distinct legal department outside the Department of Interior to end this problem.

* of interest is obvious.

to the

To Stu Eizenstat for Governor Carter, Jody Powell

From Dick Holbrooke

Please note the following sentence from Dole's comments yesterday, which virtually gives away the game on Yugoslavia: Wehn asked if he would favor sending troops into Yugoslavia, Dole replied: "The answer is no, but I wouldn't tell them in advance what I had in mind."

TO: Stu Eizenstat for Governor Carter, Jody Powell

From: Dick Holbrooke

Subject: Rebuttals to Dole and supporting statements on Yugoslavia

Following is status of efforts you requested concerning statements on Yugoslavia and anti-Dole.

Church--you already have his strong statement of yesterday on Yugoslavia.

Symington--Is releasing statement on World War II today, which Joe Duffey will be putting on nationwide radio network. Symington expresses strong sense of outrage as veteran of four American wars, and supports Mondale call for Ford to repudiate Dole's statement.

Lane Kirkland--preparing statement for either his or George Meany's issuance *on WWII*.

Senator Bob Byrd--is in Rhode Island today, on Dole's trail, and will make statements along the way *on WWII*.

Senator Bentsen--will make statements today in Texas *on WWII*.

John Tunney--Joe Duffey is trying to reach.

Mo Udall--will make statements today *on both issues*.

Paul Nitze--has sent letter to Washington Post protesting Kraft's column on Yugoslavia in yesterday's papers.

Governor Harriman--will make radio statements today on Yugoslavia. We will send you text, which will refer to Harriman's long association with Tito and support Governor Carter strongly.

~~Senator McGovern--we are trying to reach.~~

Commnet; I think that although more can be done, this plus the natural comments coming in without these efforts should suffice. Please let us know if you want more.

To: Jim Fallows

From: Orin Kramer

Re: Northeast Governors' Coalition

Si indicated that you would call me at 10:45 a.m. to receive what is missing here: namely, specific impacts of Ford actions on the Northeast. Each of the actions listed below impacts disproportionately on the Northeast, but figures are not available now.

1. JOBS

Veto of initial public works bill, the Public Works Employment Act of 1975, which provided \$6.3 billion for jobs over several years. The bill would have created between 600,000 and 800,000 new jobs. Ford signed a smaller bill today - an unnecessary delay that retarded economic recovery and kept hundreds of thousands unemployed.

Ford's proposed 1977 budget would have phased out 260,000 emergency public service jobs and 100,000 summer youth jobs.

2. HOUSING

The Administration has devoted all its housing efforts to the Section 8 program, which has proven a dismal failure. As of September 30, 1976, the program was supposed to have provided housing for 400,000 families; as of June, 1976, only 23,000 families had been aided.

3. UNEMPLOYMENT COMPENSATION

Ford FY 1977 proposed budget would have eliminated 26 weeks of federal compensation for unemployment.

4. TRANSPORTATION

Ford FY 1977 proposed budget would have changed regulations on use of UMTA money. Under existing arrangement, 90% of such funds may be devoted to operating budgets, which is important to the older transportation systems of the Northeast; FY1977 proposal would have lowered ceiling to 50%.

5. REDUCTION IN FEDERAL AID

When inflation is taken into account, Ford FY 1977 proposed budget would have cut appropriations by the following amounts below 1976 levels:

community and regional development - 7.8% in real dollars
law enforcement and justice - 9.5% in real dollars
educ. training, employment and social services - 18.3% in real dollars

6. FAILURE TO ENACT WELFARE REFORM

Carter proposal would immediately eliminate local share and phase down state share, as revenues allow.

7. FAILURE TO ENACT HEALTH CARE REFORM

An increasing percentage of personnel costs for public employees go for medical benefits.

NEW ORLEANS, LA. -- Democratic Presidential nominee Jimmy Carter released the following statement today.

Mr. Ford claims that he will provide tax relief for

To: Laura or Carolyn

From: Bob Ginsburg

The press release on taxes (New Orleans)
sent on the telecopier is not legible.

would you please type news release
into computer.

Phil Zeidman for

TO: Stu Eizenstat for Governor Carter

and Jody Powell

From: Dick Holbrooke

At Stu Eizenstat's we

~~As requested~~ you requested I am trying to get maximum number

of senior Democrats to make statements ^{on} Yugoslavia and ^{statements} anti-Dole

~~in reference to~~ his comments about World War II. The following

statement ^{on Yugoslavia was} released by Frank Church's office in Washington,

^{by Senator Church} was made ~~by Church~~ this morning at the Los Angeles City Hall.

Clark Clifford made the contact on our behalf to ~~me~~ suggest statement.

Lou Hoar

213 824-87624

TO Stu Eizenstat for Governor Carter Information copy to Jody Powell

FROM: ~~Stu Eizenstat~~

From: Dick Holbrooke

Zbig Brzezinski called to make two suggestions which he ~~strongly should be~~ ^{wants passed to} passed ~~on to~~ Governor Carter. The first, which I told him was almost certainly out of the question, was that Governor Carter should have a televised session with some of his top economic and foreign policy advisors on Sunday to show his seriousness.

The second suggestion was that if the first ^{idea} was not taken, ~~that~~ Governor Carter ^{should} authorize two press conferences on Sunday, in ~~either~~ New York, of his advisors in the economic and foreign policy fields. In Zbig's view, these press conferences would show the seriousness of the campaign and its focus on issues, and reinforce those aspects of the campaign effort. It would "flesh out" the broad outlines of policy. ^{Zbig} He is concerned that the strong substantive side to the campaign has been lost in the personalities which have become so much of an issue.

Brzezinski suggests for the foreign policy press conference himself, Henry Owen, Cy Vance, Harold Brown, and Dick Gardner. ~~Henry Owen strongly~~ endorses this idea.

COMMENT: While I understand the concerns ^d which have lead Zbig and Henry Owen to make this suggestion, I do not think it would be wise, raising ^{RAISE} as it might [^] unanswerable questions., and perhaps suggesting ~~more~~ more than would be useful about specific policies. My concern here is not ~~a~~ a routine one against details, but a specific worry about this approach. I have encouraged Zbig, Harold, and many others to do whatever they can on their own [^] in the remaining days, but an "authorized" press conference would only detract from the campaign at the last moment.

However, Brzezinski and Owen ~~do~~ want the suggestion forwarded to you ^{personally for} ~~approval or~~ consideration.

(X)

Zbig believes this

would also have

the "indirect benefit

of ~~the~~ showing the

wide range of talent

available to ~~the~~ Carter

Administration."

To: Jody Powell
Thru: Stu ~~XXXXXXXXXX~~ ~~XXXXXX~~ Eizenstat
From: Doug Robinson
Re: Arab Boycott Statement

The following statement is a follow-up on President Ford's speech to B'nai B'rith yesterday and our prior statements on this issue. It should help to keep us on the offensive on this issue.

It is suggested that you might release it in connection with the next Arab boycott news or when in New York or Florida.

MEMORANDUM

TO: Stu Eizenstat
FROM: Doug Robinson
RE: Ford's statement on possibility of Arab oil embargo

President Ford's statement at his Wednesday news conference about the possibility of another Arab oil embargo indicates how out of touch with reality he is, and should be pounced on by Governor Carter if it comes up tonight.

What Ford said is as follows:

"My answer would be that I would not tolerate an Arab oil embargo, But I add very quickly, in the current atmosphere, because of the leadership of the Ford Administration, you aren't going to have an Arab oil embargo.

In 1973 we had the Yom Kippur war. That was settled. We had the Sinai I agreement followed by the Sinai II agreement. This Administration, in the Sinai II agreement, was able to expand the peace effort in the Middle East, because the Arab nations on the one hand and Israel on the other trust the Ford Administration.

You won't find among Arab nations today the same attitude that prevailed at the time of the Yom Kippur war. And you won't find the possibilities of another Middle East war today that you had in 1973. So the probabilities of an Arab oil embargo are virtually nil because of the leadership of this Administration.

Now furthermore, I do not agree with the proposed recommendations of Mr. Carter if there was one. He says he would cut off food, he would cut off trade, he would cut off military arms. I think we can avoid any Arab oil embargo and not have to resort to cutting off food that American farmers have produced and sell abroad in order to help our economy here at home."

There are several things that could be said in response to this:

--Our reliance on imports has increased from about 36 percent at the time of the embargo to about 44 percent today. Our reliance on oil from the Arab countries has increased from about 7 percent to 16 percent. We do not yet have any oil stockpiled to protect against another embargo. That, plus the fact that even Secretary Kissinger believes pressures are mounting in the Middle East for another war, make it clear that Ford's statement that the chances for another embargo is nil is about as insightful as Neville Chamberlain's statements about peace for our time.

-- It is totally inconsistent with what his own aides on energy policy are saying with regard to the possibility of another embargo. For example, according to our AP wire story, only the day before in Louisville, Secretary of the Interior

Thomas Kleppe said in a campaign speech on Ford's behalf:

"We have to destroy some myths, /including/ the myth that this /country's/ dependence on imports does not threaten our political independence and national security /and/ the myth that we are somehow safe from future oil embargoes ... We all wish these myths were true, ... but wishing will not make it so."

FEA Administrator Frank Zarb, in a speech in Denver on September 20, cited the rising import figures and said:

"Our economic and political vulnerability becomes an even bigger target for the use of oil as a weapon."

"The last embargo cost our economy \$35 billion to \$40 billion and helped trigger a recession. Another embargo, involving even more imports, could be devastating ..."

"Now that may sound overly dramatic, but if you consider the facts and implications of those facts, it becomes instead a frightening and very dangerous prospect."

"The outlook for import vulnerability is not promising in the short run."

-- The Ford Administration's own morally bankrupt policies in the Middle East reflect its considerable fear of the consequences of another embargo. In order to obtain the "trust" of the Arab nations Ford referred to in his press conference, we have had to escalate the arms race in the Middle East and turn our back on our allies and our moral principles. When the Senate Foreign Relations Committee was pressured by the Administration into not blocking the sale of 650 maverick missiles to Saudi Arabia on September 27, Vice President Rockefeller, who was instrumental in getting Chairman John Sparkman to go along with the Administration, was quoted by Sparkman as saying the Administration is "greatly disturbed" by possible Senate intervention in view of the "tremendous power (Saudi Arabia) has over oil." Last Wednesday, in testimony before a House Commerce subcommittee, Secretary Richardson cited the country's dependence on the Arab countries for oil as a principal reason why the Administration has not imposed an outright prohibition on compliance with the Arab boycott.

To: Stu Eizenstat
From: Orin Kramer
Re: Statement for Alexandria, Va.

As I have traveled across the country, I have heard thousands and thousands of Americans say they don't believe the federal government can be made to work again. This pessimism about government is so widespread that many people have lost faith in the very idea of public service. The word "bureaucrat" has become a pejorative word, almost an insult.

It wasn't always like this, and it doesn't have to be anymore. The federal government can be well managed. It can be efficient. It can be responsive. It can once again be a source of pride to the public and to the public servant.

The Republicans talk about management, but their eight-year record of federal administration has been dominated by politics, deference to special interests, and passive tolerance of program inadequacies. They have done nothing to reduce the 1500 categorical programs that get advice from the 1240 commissions and boards. In fact, in the last two years they added 86 more agencies.

They have made little progress in controlling the paperwork explosion that costs the government \$15 billion per year. They have added to the 9000 federal laws that require people to fill out 4504 different federal forms, which generate records which would fill 11 Washington Monuments each year.

No wonder the public is confused and angry. But the greatest burden is borne by the thousands of dedicated and competent federal employees who labor daily under the most frustrating working conditions.

I want to talk today about what government reorganization will

mean to the thousands of federal public servants. I share the public's disillusionment with its government -- and I know that you do too. But the backlash should not be directed against government employees, who want to do a good job, but against the barriers that hold them back.

If I am elected President, I intend to work with career public servants to plan a comprehensive and thorough reform and reorganization of the federal government. Today I would like to discuss some of the elements which ought to be considered. A number of these steps were part of the reorganization program I adopted in Georgia.

First, we need to reverse a process which has happened too often in recent years. Countless numbers of able and dedicated civil servants have seen their responsibility and authority taken over by a small palace guard of Presidential advisors. If government is to work properly again, there must be literally thousands of "centers of leadership" -- points at which people have the responsibility to make things work, and the authority to make it happen.

Second, we must create a system to continually reevaluate the usefulness and size of government programs. This is called "zero-based budgeting." In Georgia, the most enthusiastic supporters of zero-based budgeting, and the force which has made it an effective management tool - have been the state civil servants. Zero-based budgeting has worked because it has given each shop foreman or state patrol corporal or the person in charge of a seed laboratory a chance to analyze what they are doing and how the productivity of their program could be improved. All the way up the line, people have a chance to suggest ways to improve the quality of their services. It is a process of continuing reassessment, in which all

responsible employees participate.

Third, we need to make sure that each agency, division, bureau -- and each individual federal official -- has a strong incentive to make government more efficient and responsive. This we can do by providing cash bonuses to individuals who save the government money and by assuring that when areas are identified which require lower expenditures or fewer resources, that all these resources are not simply taken away, but are redirected toward more productive uses. In Georgia, we did not cut the number of employees, though we did curtail the pace at which state employment had been growing. Although the growth rate of state employment fell during my Administration by nearly two-thirds, no one lost his or her job.

We didn't make government work by putting people out of work. We made it work by letting people be more efficient: quadrupling the number of mentally retarded helped by community training centers, tripling the number of people receiving treatment for alcoholism, tripling the number of high schools providing vocational education - without increasing State income, sales or property taxes. In fact, in 1973 we rebated \$50 million in property taxes.

With your support, we can refocus the resources of the federal government, and begin to remove the bureaucratic yoke from federal employees. We can create a government that allows them to achieve their first objective: to serve the public interest.

To: Stu Eizenstat

From: Doug Robinson

President Ford announced late last night that he was signing the antitrust bill. From a political standpoint it would have been better if he had vetoed it, but I think it is still possible to make something of the complete hypocrisy of his action in signing it, in a statement along the lines of the following.

* * *

Speech language:

I am glad to see that President Ford decided at the last minute to sign the antitrust enforcement bill, as I urged him to do last Tuesday. However, the American people should realize that Mr. Ford's action was not based on principle but on political expediency. Mr. Ford signed the antitrust enforcement bill because, as one of his advisors was quoted as saying earlier this week, "All we need is Jimmy Carter to say we are soft on price fixers."

The Ford Administration's antitrust chief originally supported an even stronger version of the bill last year. He had the rug pulled out from under him, however, when Mr. Ford met with a group of business leaders in Chicago known to be opponents of the bill on the eve of the important Illinois primary. A few days after the meeting and just before the primary, Mr. Ford publicly announced his strong reservations about the bill. Since then, Mr. Ford and his running mate have done everything they could to keep the bill from reaching Mr. Ford's desk.

Thus, Mr. Ford's action in signing the antitrust enforcement bill at the height of the campaign should not be allowed to obscure the cozy relationship that exists between the Ford administration and big business, or the fact that the bill would not have been signed at any other time.

Background statement:

I am glad to see that President Ford decided at the last minute to sign the antitrust enforcement bill, as I urged him to do last Tuesday. However, the American people should realize that Mr. Ford's action was not based on principle but on political expediency. Mr. Ford signed the antitrust enforcement bill because, as one of his advisors was quoted ~~announcing~~ in the Wall Street Journal as saying earlier this week, "All we need is Jimmy Carter to say we are soft on price fixers."

Even in announcing he would sign it, however, Mr. Ford complained that the princip^{al} feature of the bill -- permitting state attorneys general to file suits under the antitrust laws on behalf of all of a state's citizens who have been injured by price fixing -- was of "dubious merit." In truth, the only thing wrong with the bill is that it has been weakened over the past several months as a result of intense lobbying by big business, with the support of its chief ally, the Ford Administration. But the bill still represents the most significant advancement in antitrust enforcement in 25 years.

Price fixing is still rampant in this country. Mr. Ford's own antitrust chief said, upon taking office four years ago, that he was "shocked" and "appalled" at the amount of illegal price fixing that was occurring in the business community. Upon leaving office this past July, he said "I'm still appalled." The provisions of the bill allowing state attorneys general to sue on behalf of all injured consumers within a state would be a useful tool in fighting inflation and making corporations account for the profits they make by price fixing. That is why those provisions have been so vehemently opposed by big business, but so strongly supported by all 50 state attorneys general and by labor and consumer organizations.

The bill was also strongly endorsed at one time by the Justice Department. But in March of this year, Mr. Ford, after meeting on the eve of the Illinois primary with Illinois business leaders opposed to the bill, pulled the rug out from under his Antitrust Division and announced his "strong reservations" about the bill. Both Mr. Ford and his running mate have since done everything they could to sidetrack the bill, including having Mr. Dole take time out from his campaigning only a month ago to vote against cutting off a filibuster designed to kill the bill.

Thus, Mr. Ford's action in signing the antitrust enforcement bill at the height of the campaign should not be allowed to obscure the cozy relationship that exists between the Ford Administration and big business and the fact that the bill would not have been signed at any other time.

Jimmy Carter means what he says about antitrust enforcement. The antitrust enforcement bill will make the antitrust laws a more useful weapon in the fight against the inflation that Mr. Ford claims to be so worried about. A Carter administration would put the bill to good use to attack the anticompetitive practices that are adding to the inflation and other enormous economic burdens that have been placed on consumers by 8 years of Republican economic policies.

TO: STU EIZENSTAT; MILT GWIRTZMAN
FOR: GOVERNOR CARTER
RE: MEETING WITH LDS LEADERSHIP

You will be meeting with the First Presidency of the Church of Latter Day Saints, a group of 3 men who are the leadership of the church.

(1) Spencer W. Kimball-- he has been president of the church since 1973. He presides over a 3.5 million membership worldwide-- 2.8 million in this country. He has traveled in nearly every country. In 57, he underwent an operation for cancer of the throat and lost a vocal cord; you should be aware that he speaks with a very hoarse voice. Kimball appoints two counselors to preside with him, they are:

(2) N. Eldon Tanner -- a former industrial and political leader in Canada, he became a U.S. citizen in 66 and first counselor since 72

(3) Marion G. Romney-- he has been second counselor since 72 and one of the guiding forces behind the church's widely known "self-help" program (described below).

It would be well received if you followed church protocol and addressed all 3 men as "president" before their name.

President Kimball is considered to be a prophet. He is in direct communication with the Lord and receives revelations.

Issues of Concern to the Church--

(1) The family is considered to be the cornerstone of the nation and of their religion. Marriage and the family unit are seen as existing for "time and eternity" and not just for the duration of earthly life. The church directs that every Monday night should be set aside as family home evening. The church is very concerned about the deterioration of the family as an institution in our society. If you can assure them of your personal concern and indicate, for example, that your administration will consider all programs in light of their impact on the family, it will be very well received.

(2) The importance of moral behavior and living in accordance to ethical standards is of paramount importance to the church.

moral leadership-- an indication that you as President would be guided by moral principles -- a renewed commitment to ethical leadership-- would be well received.

anti-pornography-- the church has led a strong drive against pornography in the state-- church assignments include picketing movie houses which show pornographic films.

abortion--the church is totally opposed to abortion. Although the church has not publically come out in favor of a constitutional amendment, they would if the issue came to the point where their own membership could vote on it. The church's opposition to E.R.A. caused its defeat in the state. The church is opposed to any form of birth control other than the rhythm method, so you may want to speak about your own personal attitudes on abortion rather than stressing the federal government's role in disseminating birth control information.

(3) The importance of the work ethic and self-reliance are strong and basic values for this religious community. However, for those times when a member does fall ill and cannot be cared for by his family, the church has set up one of the most extensive welfare programs (read "self-help" programs-- which is how you should refer to it. This program provides food, clothing and shelter. A member is encouraged to work in the program while receiving its services if at all possible in order to maintain his self-respect. A Mormon will first turn to his family for help, then to the church. Mormons are actively discouraged from going on public welfare as it is considered to be an abuse of the taxpayers' money. The community takes great pride in this program, and any comments you feel that you can make about it would be very well received.

(4) A final program in which the church takes great pride is its missionary program. Young people are encouraged to give two years of their life to mission programs both at home and overseas, in which they attempt to win new converts to

the faith. Those involved support themselves during this time, assuring an active commitment on the part of those that go. There are presently some 25,000 young missionaries around the world.

TAXATION OF CHURCH PROPERTY

A question may arise on your statement about taxing church property, since the LDS Church owns a good deal of land and has various business enterprises. You should know that the L.D.S. Church for over 50 years has voluntarily paid taxes on their business enterprises. The only marginal issue that could come up is the fact that Utah does not tax "welfare farms", which are operated by voluntary labor, and the produce is given to those in need. Some non-church people object to this, since it does involve a substantial amount of land that is taken off the property tax rolls. If pressed to comment you can say that this is a local issue, and you understand that the State of Utah agrees that these farms do not qualify as a business enterprise, and you stand on your general principle that if a religious or philanthropic organization is engaged in nonprofit activity, its property should be tax free.

TO: Jimmy Carter

FROM: DeJongh Franklin

Senator Humphrey will be operated on Thursday morning at 8:00 a.m. at Sloan-Kettering Memorial Hospital. You may wish to call him Tuesday or Wednesday at 212/794-7081, room unknown.

If she has not already done so, Rosalynn can reach Muriel Humphrey at 202/554-3302 on Tuesday and Wednesday mornings -- thereafter, at the hospital in New York.

DeJongh

To: Pat Anderson

From: ~~Kelly Schirmer~~

Thru: ~~Michelle Schwartzman~~ Phil Zedman

Re: ~~Background for San Diego Zoo~~

~~Attached below are several suggestions for Gov. Center~~
~~remarks at the San Diego Zoo. The Urban Parks issue~~
~~is the hardest of the items mentioned & can go out as~~
1. History of the zoo. ~~& release. The whale~~

In two weeks the zoo will be 60 years old.
is perhaps the country's finest and
The zoo has a superb reputation as ~~being~~ one of this country's

most modern ~~xxx~~ and innovative zoos, providing a good habitat for
the animals, and ~~making progress xxxxxxxx~~ successfully proving new
techniques for the reproduction of endangered species which are in
captivity.

The zoo has some 3 million visitors per year, over half of whom
visit the zoo free. ~~Therx~~ Its program to admit children under 16 free,
and to issue passes for senior citizens has encouraged use of the zoo
In addition, some 160,000 military personnel, and families receiving
public assistance need pay no entry fee. Bonifide educational organizations
and members of the zoological society may visit the zoo without charge.
Overall 53% of the ~~xpax~~ people who visit the zoo get in free.

~~The zoo has accomplishe~~ accomplishments have come about through
the dedication of the people of San Diego. Very little help has been
given by the Federal government

The federal government has given very little assistance to the
San Diego zoo (a private, non-~~xxx~~ profit organization). Its accomplishments
are attributable to the dedication and interest of the people of San
Diego, and those who had the vision and determination 60 years ago
to create, within an urban environment, a place where people can
appreciate and learn about animals.

Wildlife Preservation
2. ~~Urban parks and recreation areas.~~

~~The attached releasexxxx details the poor Ford record in~~
~~providing parks, zoos and recreation areas,~~

Wildlife + Endangered Species Preservation

The preservation and management of this nation's wealth of wildlife is ~~is~~ a responsibility which the Republicans have failed to ~~take~~ seriously over the last eight years. They have fallen down in the maintenance of our wildlife refuges, have kept the lid on monies for the Land and Water Conservation Fund which would help states and local governments preserve wildlife areas, and have ~~accomplish~~ dragged their feet in the ~~xxxxxx~~ implementation of our laws to protect endangered species, managing only to come up ~~with~~ with a system of red tape which hampers the efforts of those who really care about animals such as the experts here at the San Diego Zoo.

It is now estimated that there is an \$83 million backlog in maintenance of facilities in ~~our~~ our national wildlife areas. The ~~Republicans has~~ staffing for our wildlife management areas has decreased by 7% over the last 3 years, even though visitor use is increasing at a rate of over a million per year.

I ~~Our national wildlife system is~~ want to be able to be proud of our national wildlife system, and proud that we ~~have a country which~~ cares enough about the natural beauty of this earth and all living things that we have established a National Wildlife System. ~~By But I am discouraged discouraged that we have permitted our system to become so deteriorated, so bureaucratized that positive steps which can be taken to our progress~~
Our system began with the establishment of a three acre refuge, Pelican Island in Florida in 1903. Today ~~our system~~ covers over some 34 million acres in 379 different areas. The primary

objectives ~~of~~ of the refuge ~~xxxx~~ system is to preserve and manage the vital habitat of endangered species ~~such as the whooping crane~~

or threatened

and millions of waterfowl and other wildlife. The Refuge system provides recreational, educational, historical and scenic opportunities for the benefitx of the entire nation.

During my administration as Governor of Georgia, we added 12 new wildlife management areas to thex state system, expanding land for this use by one third, to 1.1 million acrés. ~~And as-~~

~~Governor, I aponsored and saw passed~~ During my term the Georgia ~~General~~ Georgia *We enacted* ~~Assembly~~ passed the Georgia Endangered Wildlife Act of 1973

authorizing protection of rare and endangered species of plants and wildlife.

~~animals.~~ We organized the first State of Georgia Conference on Endaggered Species, providing an oppportunity for specialists and interested citizens to contribute to the palnning and development of the endangered species program.,

~~0-7~~ I believe

Abundant and diverse fish, wildlife and plant species are essential to our enjoyment of the natural world as well as to our own survival. Each species is unique and plays a role in the earth's ecosystem. Our fish wildlife and plant resources act as indicators of the health of our environment -- when their survival is endangered, it is like the canary in the coal mine -- it is time ~~xxx~~ for all of us to be concerned about the quality of our environment.

The Carter Administration will turn the previous attitude of neglect into one of concern. The Refuge System lacks a mandate as to the purposes and objectives for its management. The System requires an independent organizational identity within the Fish and Wildlife Service and more realistic funding and manpower ceilings. Presently the morale of Refuge System employees is low because of the vacillating priorities within the Fish and Wildlife Service.

The Carter Administration will address these problems. More importantly, the Carter Administration will bring a conservation philosophy to the White House. I believe this is what the National Wildlife Refuges--and all the federally owned lands--most need.

3. Whales

Millions of Californians watch the ~~California~~ ^{Bay} Gray Whales migrate up and down the coast each year. The Gray Whale was designated the official state marine mammal this year. Yet these spectacular mammals

have been mercilessly exploited by the ~~Japanese and Soviet Union~~ ^{foreign} fishing industry-- whaling industry, ^{particularly the Japanese + the} ~~The President presently~~ ^{Russians} has the authority to ~~Carter should come out~~ ^{I am} firmly committed

to using ~~all sanction~~-- all economic means available to halt commercial whaling, including the threat of an embargo of fishery products from

offending nations. This ^{Sanction} ~~sanction~~ is already available ⁱⁿ to the arsenal ~~of Presidential authority~~ ^{of Presidential authority} ~~President~~, but Ford has been unwilling to use it. ~~Might also~~ ^{Gov. Carter should also}

^{I was pleased to learn} ~~mention~~ that Governor ~~xxx~~ Brown has designated November 20 as ^{the day} ~~Whale Day~~ ^{for California to celebrate the whale.} ~~I hope that xxx~~ I will then be able, as President

~~elect to give the weight of the office whi~~ ^{I hope} Carter can say that ^{I will} by that time he ~~hopes to~~ be the President elect, and ^{I intend} as such can lend the weight of the presidency, at least prospectively, to the efforts to save the whales initiated in California.

SEND

)OFF

TO; Milt Gwirtzman, Phil Zeidman

~~From~~ For : Pat Anderson

From: Kitty Schirmer

Thru: Stu Eizenstat

Re: Background for California Zoo Remarks

Below are several suggestions for Gov. Carter's remarks at
the ~~xxxx~~ San Diego Zoo. ^{1. History of the Zoo - 2. a} ~~The Urban Parks statement is one which~~
~~we have been anxious to make for some time~~ ^{short statement on preservation of wildlife} ~~a number of Congressmen~~
^{and 3. material on whales.} ~~are interested in seeing it pushed (Bennet Johnston in particular)~~
~~and it helps the compassion theme. It is about the hardest news~~
~~item I can come up with that relates to zoos. (The other choices~~
~~were endangered species and wildlife management which, while important~~
Whales are a good, and relatively uncontroversial issue.
~~are pretty fluffy.) The material on the whales is a freebee issue.~~

There is almost no opposition to a strong stance to protect the
whales, and it is of tremendous emotional and symbolic importance
in California. Gov. Brown will proclaim Nov. 20 as "California
Celebrates the Whale" Day and publicity will be gearing up for
that over the weekend and next week.

TO: Jody Powell
Thru: Stu Eizenstat
From Dick Holbrooke

and also padding
"from the intelligence"
from the "showing to"
back, & up, "as stated"
of "score" "staring"
about the "American"
at budget "campaign"
time.

In refernce to the continuing discussion of how and where Governor Carter would reduce the defense budget, you and he should be aware of the fact that \$3 Billion of the FY 77 budget was put in by the Administration solely as "cut insurance." Thus, one way to make a really significant reduction is simply to submit an honest budget, It could also be pointed out that such padding is the typical "political business as usual"--the type of political charade that should be ended, etc. Source for this information: The New York Times, February 4, 1976, article by Les Gelb, citing a memorandum prepared by OMB which labelled \$3 billion of the budget as "cut insurance." In same memo OMB recommended that Ford set military spending authority at \$110 billion--but Ford increased it by \$2.7 billion. OMB memo was written in October 1975.

Secondly, there is ~~extra~~ mileage to be gotten out of the "Texas primary" additions to the budget--^{five} ships, mostly frigates, that were added to the budget after it was originally submitted, timed to help Ford during his tough primary battles with Reagan in Texas and elsewhere. Ford could be challenged to answer "What happened between January and the summer that required the addition of those five ships to the budget?"

These items
and the administration's wishy-washy.

60 extra minutes
missing (ASIF million)
that would easily
break the Vietnam
line on AFVs, or go
into storage in 1954.

**JIMMY
CARTER
WALTER
MONDALE**



Leaders, for a change.

TO: ^v JODY POWELL & STU EISENSTAT

FROM: BOB HAUELY & BETTY RAINWATER

RE: EXCERPTS FROM ^{BUSBEE'S} A THURSDAY
10/~~22~~ 28/76 MEDICAID
PRESS CONFERENCE

MEMORANDUM

TO : Governor Carter
FROM : Oliver Miller
THROUGH: Al Stern
SUBJECT: Support Prices for Wheat

Our advisors in the Senate Agriculture Committee and on various consulting firms report rumors that President Ford may be getting ready to announce an increase in loan support levels for wheat and possibly other grains. I asked them to get support for these rumors. Here is their report:

1. The price of wheat futures has fallen from \$4.32/bu. exactly one year ago to \$3.94 last July to ^{\$2.75}~~\$2.94~~ last Friday. The price farmers receive is probably closer to \$2.60/bu. Wheat farmers are alarmed. They are finding it more and more difficult to obtain credit. There have already been numerous requests for acreage controls.
2. Dole has repeatedly told audiences in the Midwest that he has "taken the matter of support prices up with the President."
3. Last week, Ford's Advisory Committee on Wheat met with Secretary Butz and Director of ASCS Frick. The Committee, which consists overwhelmingly of Republican appointees, reportedly advised Ford that if he wanted the votes from the wheat belt, he would have to do something about the present unrealistic price support levels.
4. One of our advisors found out from two or three sources that papers were being prepared by Butz' department for discussion by the advisory group leading to a recommendation to the President.
5. A contact at the USDA told one of our advisors that "if something was going to be done, it would be done for all grains, not just wheat."

Ford's Options. The law gives the Secretary of Agriculture the authority to raise the price support loan level to 100% of parity (i.e. to \$4. /bu.).

Ford has the option of increasing loan rates for the 1977 crop, for the just-harvested 1976 crop or for both.

Although he stands to gain politically from raising support price levels, John Schnittker feels that he is personally disinclined to raise the support price levels.

TO

Jody Powell + Pat Anderson
FROM STU EISENSTAT

Ford will sign the "sunshine" bill
AT NOON TODAY. He did nothing to
ASSIST ITS passage AND NOTHING TO
broaden ITS coverage - IT ONLY covers
regulatory agencies. We should
state that it should be strengthened
TO COVER THE ENTIRE GOVERNMENTAL
process, and blast him for his passive posture on the matter.

Jody --

John Deveraux (works in Sen. Culver's office in Council Bluffs, Iowa) called at 1:20 today to report the attached A.P. wire story on JC's stand on abortion. The story ran in the Council Bluffs Non-Parleil ^(pg. 2) on Monday Feb. 9, and in the Sioux City Journal ^(pg. A-11) on Sunday, Feb. 8. The paragraph we need to worry about is as follows:

"I never have taken but one position on the issue (of abortion). My statements don't completely please the right-to-life people," Carter said. "My statemnts don't completely please the abortionists. But my position has never changed. I think abortion's wrong. I don't think government ought to do anythin to end abortions."

GM

2/10

1:40

79
EAM

February 17

The Carter campaign office in Atlanta received a series of questions from the Energy Action Committee on February 16. We were told this morning by officials at the Committee that our responses had to be in to them by tomorrow morning or their advertisements would go to press without our answers. In response, we sent the following telegram to James Flug, director of the Energy Action Committee, this afternoon:

"Dear Mr. Flug --

The Carter campaign received your questionnaire dated February 10 late yesterday afternoon (February 16). We were informed this morning that we had to complete it in one day to meet your deadline. I'm sure you will agree that Governor Carter needs more time to respond fully. We will be unable to meet this unreasonable deadline.

Steven Stark
Issues Coordinator

Governor Carter plans to answer the questionnaire fully as soon as possible.

Steven Stark
Steven Stark

83M ^{3/2}

To Jody --

I have sent you a copy of the questionnaire (sorry for my notes on it) as well as a suggested letter for the press you can distribute. I sent the telegram to Flug, as well as Tom Winship at the Globe and the political editor at the Union-Leader. You may want to give them a call so they'll know what this is all about.

You can get me at the office or at home (404-261-1675).

ste
Steve

W

(81M)

3/2

MEMORANDUM

FROM: STU EIZENSTAT
RE: PUBLIC WORKS VETO OVERRIDE

IT is important that you become established in the eyes of the media and in the eyes of the voter as THE Democrat to be looked to for responses from the Democratic Party to President's Ford's actions. This has the added benefit of putting you above the other Democratic candidates who are busy cutting each other down.

In this regard, while you want to avoid the notion that you are another Senator or Congressman, you should come out strongly against Ford's veto of the Public Works Bill, before the House vote on Thursday. This could give you the opportunity to criticize Ford as the most-veto prone President in our history, to state that we cannot have the type of Presidential leadership we need when his philosophy is a negative one, and to state in general terms your agreement with the need to create public jobs, particularly with the counter-cyclical provisions in the bill to help areas of high unemployment. With each reduction of 1% in the unemployment rate, we gain some \$13 billion in tax revenue.

82M

3/2

Jody --

Here is the energy paper on New England which I think is good and can get some good press copy. Jimmy approved it, although you will want to tell him that I have changed two sections at the urging of Joe Browder, one of our top experts in this field, and Stu. The section about regional mechanisms to deal with energy facilities has been softened somewhat. Joe said that was a hot and controversial issue that Jimmy shouldn't get involved in until he has considered all the options carefully. Replacing it is a graf on increased reliance on coal production which Joe thinks is important and was neglected in the statement. He said last year one company in Mass. had to import coal from South Africa.

The section on natural gas has been removed. Stu says and I agree that his position statement doesn't add anything to the whole piece.

Stu would also like Jimmy, extemporaneously maybe, to say, "We should explore a compensation mechanism for New England to assist their overdependence on imported oil and the energy penalty they pay through no fault of their own." SUCH A COMMENT IS NOT IN THE PAPER ITSELF SO USE IT AS YOU SEE FIT.

Steve

Rick -

Sam said with regard to
Health Statement. -

- 1) Call Richard Harder
(Dir of Human Resources)
- 2) Speak to Steve Chandler, who
knows a lot about J.C. record
in the area.
- 3) It will be nec. to call Polly
to get anything on a future plan.

[Signature]
4/18
12:30

Spoke to Dr. Persons -
He's pretty quick on his feet and
doesn't need everything solidly on paper.
He asks that we especially address ourselves
to dental matters ^(elucidation) and supplement it
with general medical info (e.g. he
noted his favorable response to Jimmie's
comments on long term hospitalization of retarded
children, the last time he was in N.C.) Mar 1:00

103M 4/1/68
3rd June
copy

From: Sheldon Toibb
Master of Laws Student in Labor Law at Georgetown University
909 25th St. N.W. Washington, D. C. 20037
To: Rob Pirth

Subject: Campaign suggestions concerning Jewish voters and Labor issues

I. Attracting the Jewish Constituency

In the Miami and New York City areas exist very large concentrations of Jewish voters. In New York, especially, attracting a respectable percentage of this vote is necessary for a good result as Jews cast 40% of the Democratic primary vote. At present, Senator Jackson has made substantial inroads in getting this vote. It will not be possible to overcome Senator Jackson in this area. However, it is essential that the Governor take steps to establish himself as a strong number two candidate on Jewish issues. No other candidate has done so as yet. Without downgrading Senator Jackson, it must be shown that the Jewish constituency is not his sole domain and that the Governor has strong positions on Jewish issues as well. I have heard Senator Jackson's campaign is complaining that the Governor is doing better among Miami's Jewish voters than he deserves to be doing. Making an early showing in this area is vital for another practical reason. If Senator Jackson folds before the California primary, the Governor will be in a very strong position to carry the majority of the over half million Jewish population of Los Angeles County. In 1972, in the last Field poll Senator McGovern had approximately a 20% edge over Senator Humphrey. Yet his winning margin was only 3%. What happened? In one of the last televised California debates Senator Humphrey exposed Senator McGovern's previous position of favoring the internationalizing of Jerusalem. In the primary vote,

Arguments on both sides are all too clear as evidenced by President Ford's veto and by Secretary of Labor Dunlop's resignation.

The major argument against allowing such picketing, which is in effect a secondary boycott as has been ruled for over 20 years by the Supreme Court, is that such picketing would drive small general contractors and subcontractors who were not unionized out of business as they could not afford the high rates which the international construction unions would impose of them as they had with larger contractors.

6. Age Discrimination of 1967-- It presently covers only employees from 40 to 65; consider a possible expansion of coverage, e.g. 35-69. This could be a very popular move.

I am more than willing to consult with anyone on any of the points or suggestions raised in this memo.

~~standards~~ pension plan members ~~standards~~/in their collective bargaining capacities by trading pension for wages in negotiations. This is particularly so during a recession. A new study of the Act with appropriate amendments should be taken.

4. Right to work-Section 14(b) of the Taft-Hartley Act

This is THE contraversial issue. The basic arguments on both sides are well known. There are two possible middle positions which have not been discussed, but both sides could likely be unhappy at any compromise. They are: 1. Prohibit states from outlawing agency shops as compared to union shops, with a modified dues procedure. This way any new employees would not have to join a union but they would have to pay an amount less than the regular union dues (e.g. 1/2) to the union for the benefits they did receive as a result of the union's collective bargaining efforts.

The modified dues would cover the gains these nonunionized employees received as a result by employer application of the union negotiated benefits to them. The union would therefore be reimbursed the costs of collective bargaining while the employees retained their freedom of nonorganization.

AND/OR 2. legalizing this or / straight union shops altogether/ but even (forbidding states to outlaw union shops)

providing for mandatory union elections every 6 years, two contract bar terms of 3 years each. This way unions would not become locked in for perpetuity as presently is the case because decertification petitions and petitions repealing unions shop provisions in contracts to the National Labor Relations Board are extremely rare. This is somewhat due to union control over the membership and the illegality of employer assistance to decertification drives under the National Labor Relations Act. Such mandatory elections would promote employee freedom. A union would have its union or agency shop, but would be accountable every six years in trying to keep it.

5. Common Situs Picketing for Construction Trades--88-b-4 of the National Labor Relations Act

will certainly be a plus.

8. California--I have a couple of contacts from the head Humphrey Jewish campaign people in 1972 in Los Angeles. I do not know of their plans, but certainly they could be at least able to provide others who might be willing to help. I have friends also from 1972 who are now located in Cleveland and New Orleans.

9. *I am willing to write any ads or papers, depending on what is needed.*
LABOR LAW ISSUES

1. There are going to be more employees whose collective bargaining contracts run out in 1976 than in quite a few years. Strikes in some industries are probable. A moderate position might be that without igniting new inflation, labor should not be denied its fair share at the bargaining table despite the recession.

2. Equal Pay Act (between sexes)--No one has touched on this. Because of the jurisdictional limitations and the exemptions of the Fair Labor Standards Act to which the Equal Pay Act was tacked on, there is no across the board coverage of the law. Expanding the scope of this Act would be big with women everywhere.

3.. Pension Reform Act--It's a mess. Its employer contribution and standards are so strict that many small employers are terminating the employee plans because they cannot meet the funding requirements. It is actually hurting the employees of these employers. The Act has created a bureaucratic nightmare with the Labor Department, Pension Benefit Guaranty Corporation, Secretary of the Treasury and the IRS ~~and~~ all involved. Moreover under a possible broad interpretation of the fiduciary standards of the Act, ^{States} collective bargaining agents of unions and employers, who are also fiduciaries under the Act's very expansive definition of fiduciary, could be violating the sole benefit

3. Rabbi David Luchins, Assistant Professor of Political Science at Touro College in New York, was head of Senator Humphrey's successful Jewish campaign in 1972 and later was one of the National Co-Chairmen of Democrats for Nixon. He is also one of my closest friends. Although he is strongly uncommitted at the moment, he has resisted Jackson's active appeal of his support. Getting his help in the long would give you a whole network of volunteers. I am sure he would be willing to meet with the Governor.

4. Every time a New York mayoral campaign occurs, the candidates go to have an audience with the Lubavitcher Rabbi in Brooklyn. He is head of a small very religious Orthodox sect, but his reputation and character cover the entire New York area. His stature among Jews in New York can only be compared to the Pope for Catholics. Seeking such a meeting would create good publicity with the Jewish Press, the major Orthodox Jewish publication in New York. My cousin is a member of the Lubavitch movement and I could ask him advice in arranging such a meeting with the Governor.

5. Rabbi Seymour Siegel, of the Jewish Theological Seminary and one of the foremost Conservative Jewish Rabbis in America supported President Nixon and spoke at his inauguration. I think I have good contacts for the Governor to meet with him. Speaking at the Seminary wouldn't hurt either.

6. On Monday night March 15th, is the happy Jewish festival of Purim. Last year 20,000 college students had services and socializing at Columbia University. Leafleting there with strong pro-Jewish fliers, very possibly along with an appearance by Chip or the Governor himself could produce votes, volunteers and good publicity.

7. Passover is in the middle of April, two weeks after New York. Make reference to the lack of Matzos, the Passover bread, for Russian Jews

5. In any large city there are Jewish retirement centers or apartment complexes. As older Jewish voters vote heavily, leafleting such areas as the Blair House in Washington is important.

6. Taking out large ads in all ^{local} Jewish newspapers quoting the Governor and possibly showing a picture of him near a ^{historical or religious} Jewish monument in Israel from last year is very important. Besides providing publicity, such ads can be duplicated and distributed door to door or posted in key places as already mentioned. The most essential paper in New York is the Jewish Press, a weekly publication. This paper must be solicited constantly.

New York

Because of my contacts I think I could provide the following:

1. A speaking engagement at Yeshiva University (Orthodox). Although most students are probably pro-Jackson, it will show unusual interest to speak there. A polite and courteous reception to a packed auditorium is always the rule when a major presidential, senatorial or mayoral speaker comes. Press is always there for good coverage. I might suggest a short meeting with the editors of the college newspaper, THE COMMENTATOR. This has never been done. If a favorable article would result, it can be xeroxed many times and be distributed widely. As I graduated from Yeshiva University and know the Dean, I probably can arrange a speaking engagement. As I was on THE COMMENTATOR editorial board, I know how flattered they would be by an interview offer.
2. My former Rabbi from St. Louis is now Rabbi of the biggest Orthodox synagogue in Brooklyn and is also vice-president of the Rabbinical Council of America. I could try getting a date at his synagogue. I could also attempt to get at least a meeting with some of the most important Orthodox congregational Rabbis in the New York area.

hated by all Jews as they are only 4% of the national population. Usage of quotas for minorities necessarily cuts back on the number of Jews which would be employed; especially in the higher professions. McGovern got killed on this issue in 1972.

8. Humane Animal Slaughtering-- Be strongly against it. It conflicts with the Jewish ritual of Kosher slaughtering and even a no-stand on this issue would be devastating.

Jewish Campaign Tactics

1. ~~Never~~ campaign in a Jewish neighborhood (e.g. parts of Miami Beach, Brooklyn and Queens) on Friday night, Saturday or on Jewish holidays. It's a very good way of alienating many Orthodox Jews in the area. Making mentions of this plan might be good public relations.
2. When campaigning in Jewish areas, watch what the Governor eats. ~~McGovern ate a kosher hotdog (meat) with a glass of milk. It was~~ widely publicized and remembered later. ~~Do not/eat a dairy product when~~ eating any meat in a Jewish neighborhood as it is one of the major violations of the laws of keeping kosher. ~~have the Governor~~
3. Find a yarmulka (skull cap) for the Governor that will not look on him as if he never wore one in his life. Most candidates wear a large ugly black ones which has a point in the center which sticks up in the air. This type does not lay flat. I suggest procuring a knit yarmulka which would lay flat on the round rear on the and would be attached by a bobby pin to a lock of hair. A soft brown color would be preferable as it would compliment the Governor's hair color.
4. Kosher meat markets and delicatessens are good places to circulate campaign literature. Politely ask permission from a proprietor to leave various leaflets from which customers can take copies. A very friendly owner might let a flier be posted near the entrance.

Senator Humphrey swept Los Angeles County although he lost the rest of the state. The Jewish vote went to Humphrey by a vast majority.

The Major Issues

1. The Middle East-- Attack the \$5 billion arms cut to Israel proposed by the President. Oppose placing undue pressure on Israel in negotiating a settlement that may provide false hopes and an illusory appearance of peace for a short period but would undermine Israel's long-term military security and stability. Come out against the internationalizing of Jerusalem. Finally, never mention Palestinian rights or the creation of a third state on the West Bank of the Jordan River. Any such statement will hurt severely and will long be remembered.
2. Employment Discrimination--Favor vigorous prosecution of suits against American companies which discriminate on the hiring of Jews on the orders of Arabs. No one has made much of this yet.
3. Soviet Jewry-- Soviet Jewish immigration has come to almost a half. Aside from the Jackson Amendment tying this issue to "most favored nation" trade status, new diplomatic moves must be taken to change the present low emigration.
4. Moynihan-- Jackson has strongly supported Moynihan's conduct at the U.N. A little more vocal support from the Governor plus a few cracks at the behind the door politics at the State Department certainly would not hurt.
5. Public Housing--In New York, never mention putting low-income housing in middle class areas. It can kill. Be silent. The only middle class areas left in New York are Italian and Jewish.
6. Aid to Parochial Schools Reform and Conservative Jews are against it; Orthodox Jews are strongly for it. Either way you both win and lose. *Catholic FIVE are strong in NY, Jewish elsewhere*
7. Quotas in Employment--The usage of quotas in employment is

LAND USE AND URBAN DEVELOPMENT

The following individuals have agreed to provide advice on land use and urban development when called upon. Most of them are not yet committed to Carter and some (e.g. Schussheim, Gorham, Downs) are not in a position to take a formal stand on a candidate in any case; but they are willing to advise any candidate who is interested in their professional input. If at any time a list of formal advisers were to be compiled and/or released, please check with the individuals directly whether they are willing to be so listed, or contact Kas Kalba.

William Gorham, President
The Urban Institute
2100 M Street, N.W.
Washington, D.C.

tel. (202) 223-1950
urban policy

Peter Wolf, Director
Institute of Architecture and
Urban Studies
8 West 40th Street
New York, New York

tel. (212) 947-0765
urban designer

John Costonis
Visiting Prof. of Law and Urban Design
Bolt Hall
University of Calif. at Berkeley
Berkeley, California

tel. (415) 642-5733
sec. (415) 642-0921
land use law
national growth policy

Anthony Downs, Chairman
Real Estate Research Corporation
72 W. Adams Street
Chicago, Illinois 60603

tel. (312) 346-5885
home (312) 381-5065
urban development
housing
land use
equal opportunity

Robert Einsweiler
Robert Einsweiler Associates
100 Yorktown Office Court
Minneapolis, St. Paul

tel. (612) 835-4211
home (612) 825-7050
(formerly President, American Institute of Planners)
land use
metropolitan planning
urban development

Lawrence Susskind
Assoc. Prof. of Urban Studies and
Planning
Massachusetts Institute of Technology
Cambridge, Massachusetts 02139

tel. (617) 253-2036
home (617) 738-6369
(working with Democratic Platform Committee)
national growth policy
land use
urban development

David A. Crane
The Crane Design Group
3501 W. Alabama Street
Houston, Texas 77027

tel. (713) 527-4876
home (713) 783-5017
(currently Dean of Architecture, Rice University)
urban design
urban renewal

John Safer
Corporate Realty Associates, Inc.
Shirlington Shopping Center
Arlington, Virginia 22206

tel. (703) 578-4240
home (301) 493-4093
housing and shopping center
development

Kas Kalba
Kalba Bowen Associates, Inc.
12 Arrow Street
Cambridge, Massachusetts 02138

tel. (617) 661-2624
home (617) 965-0961
(also Lecturer on City Planning, Harvard)
predicted Carter would win
in early 1975

Morton J. Schussheim
Congressional Research Service
Library of Congress
Washington, D.C.

tel. (202) 426-5000
housing policy

Lawrence D. Mann
Professor of City and Regional
Planning
Gund Hall
Harvard University

tel. (617) 495-4531
home (617) 659-7435
intergovernmental relations
urban social programs
regional planning

~~Memorandum~~

Memorandum to Pat Anderson

From: Jay Carbon

Thru: Stu Eizastat

Information Memorandum - -)
Subject: A Drop in Steel
Output

Teds

The ~~NYT~~ ~~to~~ September
21 of NYT ~~to~~ reported
that steel production continues
to drop, falling 4.6
percent lower for the
week ending September 18.
This drop means only
78 percent of the nation's
steel producing ~~cap~~ capacity was
in use.

~~THIS~~

This information could be used in connection with the information sent to you last regarding the decline in ~~steel~~ orders for steel and ~~the~~ layoffs in the steel industry.

Insert

← That was made clear by Mr. Ford in the recent debate, when he accused this bill of being inflationary, of destroying private sector jobs, and of creating make-work, dead end jobs. If Mr. Ford followed ~~the~~ that Republican ^{reasoning,} ~~and~~ ~~the~~ ~~polls~~ instead of ~~the~~ the polls, ^{which} showing voters want this bill, he would he have vetoed it a ~~second~~ third time.

MEMORANDUM

To: Issues Section
From: Stu Eizenstat
Re: Middle-Class America

At my request, Ted Sky, a well known attorney in town, has suggested several proposals which will be of great interest to the middle-class American -- who is going to decide this election. We must show these Americans that they are as much a part of our program for the 1970's as are the poor.

Particular attention should be paid to Mr. Sky's suggestion for National Income Protection Insurance (p. 4, Appendix), Crime Insurance (p. 6, Appendix), and for a Changing Neighborhoods Program (pp. 7-8, Appendix).

The theme of a program for the man in the middle is worthy of a major speech. In any event, several of these programs are worthy of mention in almost every speech.

September 4, 1968

August 9, 1968

MEMORANDUM TO STUART EIZENSTAT

FROM: THEODORE SKY

Re: "Bill of Rights for the Man in the Middle"

1. Many middle-class voters (particularly urban or suburban homeowners with moderate incomes, say \$6,000-\$10,000) may be enticed by the political approach offered by George Wallace. ^{1/} Votes for Wallace may be at the expense of Mr. Humphrey (see attached Novak and Evans article). To reach at least some of these voters with a positive program to neutralize Wallace-type solutions, this memorandum suggests, for consideration, that Mr. Humphrey propose a Bill of Rights for the Man in the Middle, a comprehensive program to reassure moderate income persons that in its quest for solutions to urban problems rooted in poverty, his administration will not forget those who are non-poor, non-^{2/} young but non-rich.

^{1/} Median family yearly income was \$8,000 in 1967. Article, "600,000 Fewer Families Lived in Poverty in '67, U. S. Says," Washington Post, August 9, 1968, p. A23

^{2/} Such a program is not an appeal to a "backlash" vote. On the contrary, many non-white Americans are in lower or moderate middle income brackets and may feel that over-emphasis on the War on Poverty does not meet their needs. In 1966 almost 30% of non-white families had income of over \$7,000 and over 12% income of over \$10,000. 1968 Manpower Report of the President, 62, 65 (Chart 14). The Washington Post article cited above states that median family income for Negroes in 1967 was \$4,900.

2. Emphasis may be placed on at least four separate aspects of this proposal, the first three of which are amplified in the Appendix:

(a) Existing federal activities which aid moderate income persons but need adjustments to eligibility requirements and increased funding in order to be of greater assistance in such areas as homeownership subsidies, college scholarships, social security, etc..

(b) New policies to help more moderate income Americans weather such financial crises as sending their children to college or providing for their families in periods of extended illness.

(c) A positive program which addresses itself directly and in a constructive way to the anxieties of moderate income Americans arising from crime and other ferment in urban society. 3/

(d) Some institutional machinery for making the Government more responsive and accessible to the complaints of middle-class Americans, such as an "Ombudsman" in the Executive Office of the President for the Man in the Middle.

3. Serious risks are inherent in proposing such a program. By recognizing the particular needs of moderate income Americans, Mr. Humphrey may be accused of appealing to a particular class or of retreating from his firm commitment to deal effectively with the poverty-rooted urban crisis. Some might construe such proposals directed to the need of moderate income Americans as an attempt to "buy" the Wallace vote.

Mr. Humphrey must categorically reject the notion, embraced by Mr. Wallace, that the aspirations of one group of Americans, can be built upon the shattered hopes of another. At the same time, there may be a legitimate basis for the complaint that the "great unwashed middle" is being forgotten in the sound and fury over the ghettos, a complaint to which the next administration must respond.

3/ It is recognized, of course, that a primary concern of large segments of moderate income America is crime, particularly urban street crime and violence, and that an appeal to the forgotten man in the middle must deal with this concern. The most effective anti-crime program
(continued)

In this context a "Bill of Rights for the Man in the Middle" represents one facet of a pledge that, while fully committed to the elimination of urban decay and poverty, the new administration will at the same time recognize the needs of all Americans, including those of modest means. More particularly, it must be clear that programs for assisting moderate income Americans will be funded in such a way as not to draw resources from the Marshall Plan for the Cities and other urban programs.

4. In any event, in view of the stakes, the risks suggested should not preclude an initial glance at this proposal. If the proposal seems to justify further consideration, then more intensive research into the components suggested in the Appendix will be needed.

3/ (continued) will be an effective -- and massive -- anti-poverty program which, along with tightening and expansion of law enforcement machinery, will make the irregular economy a less attractive alternative for those imprisoned in our urban slums. This approach is probably an inevitable one for Mr. Humphrey. One suspects, however, that it will be a hard idea to sell to many moderate income Americans, particularly when crime rates appear to be rising despite increased spending for anti-poverty activities. While the crime issue must be faced, the need for recognizing other issues, which particularly concern moderate income Americans and which might respond to creative federal policies, seems evident. At least, this is the reasoning which underlies the analysis in this memo.

Rowland Evans and Robert Novak

Support for Wallace in the East May Be Dangerously Underrated

PROVIDENCE, R.I.—The danger of badly underestimating respectable voter support for George Wallace in the industrial East was dramatically shown in a survey we conducted here last week, just before Wallace's campaign visit.

On the surface, the segregationist third-party candidate from Alabama scored miserably—only two convinced Wallace voters among the 53 we sampled.

One of those we talked to, a house painter in a neat, lower-middle income suburb, told us: "From what I hear about Wallace, he's dangerous. They say he's a racist."

But the day after Wallace came here for a one-hour TV interview and a nighttime rally, this same voter sang quite a different tune.

"Wallace said he was against busing school children and he said we have a right to sell our house to any one we want. You know, just might vote for that man."

Clearly, for this particular voter, a 1964 Johnson Democrat, Wallace's whirlwind campaign here wrought something of a miracle. From Wallace-hater he became a Wallace fan—perhaps even a Wallace voter. And this explains why Northern Democratic politicians, who watched the former Alabama Governor score so well up north in the presidential primaries four years ago, should be highly suspicious of polls that say Wallace won't draw in the big Northern cities this year.

On the external evidence of our sample, taken with the help of an Oliver Quayle professional pollster, Wallace is scarcely any threat at all, running at less than 4 per cent of the total vote. Furthermore, both declared Wallace voters were Republicans who backed Barry Goldwater in 1964.

But the external evidence, as our before-and-after interview with that house painter indicates, conceals deep philosophic conflicts over the race issue in the minds of many voters who, as respectable citizens, just do not like to admit they would ever vote for Wallace-style solutions.

No fewer than 16 of the 40 Democratic voters who went to the polls for Lyndon Johnson in 1964 had something good to say about Wallace. They admired his candor, his outspokenness, his "idealism," his "tough line on riots and crime," his "sincerity."

He says what he thinks," a young trained nurse told us, and then launched into an attack on "welfare cheaters" (an idiom meaning Negroes).

A RETIRED GUARD at one of the local mills at first shied away from talking about Wallace. "I don't know anything about him." But a few minutes later, warming up to the subject, he blurted out: "He does a good job on segregation."

What this suggests is that more than one-third of the 1964 Johnson voters we sampled have not closed their minds to George Wallace. And among the eleven 1964 Goldwater votes that turned up in our sample, there were far stronger pro-Wallace sentiments.

"It cost me \$120 to put up those lights," a salesman who voted for Goldwater, and now leans toward Richard M. Nixon, told us, pointing to an elaborate flood-light system fixed to the roof of his garage. "I've been broken into three times in this house and I won't let my wife walk the dog at night outside the range of those lights. Wallace is tough. He'd get to the heart of this thing. Any more mass shootings like Cleveland and I might switch to Wallace."

These symptoms of white backlash came before Wallace saturated the Providence press and television with his one-day visit and before his rally last Thursday night almost broke up in warfare between an angry platoon of screaming Negro militants and the several thousand Rhode Islanders, who had come to hear him speak. The ferocity of that demonstration against Wallace only made the backlash burn brighter.

In short, if the voters here are a reasonable facsimile of lower middle-income whites in other major Eastern cities, Wallace could make deep inroads in the industrial, Democratic Northeast. They are frightened and receptive, and no one is more skilled than Wallace at exploiting the fears and anti-black hostilities of whites frightened at the Negro revolution.



Novak

Evans

APPENDIX

Components of a "Bill of Rights for the Man in the Middle."

I. Existing Programs, Some of Which Might Be Expanded.

Moderate income Americans are potential beneficiaries of many existing federal programs in such areas as employment, housing, education and health. However, family income limits for participation in some of these programs are pegged in such a way as to limit participation of families of moderate means. Mr. Humphrey might stress those programs in the enactment of a number of which he has been instrumental, and might suggest the expansion, implementation and funding of such programs so as to benefit more moderate income Americans. The following list is illustrative:

A. Employment

1. Labor laws in the field of labor management relations favorable to unions and collective bargaining. 1/
2. Small business programs and other forms of assistance designed to foster the small entrepreneur.
3. Tax and other laws favorable to corporate employee pension and profit sharing plans. (There is presently a movement afoot to tighten protections available to participants in pension plans going beyond the Welfare and Pension Plan Disclosure Act.)
4. Prohibition against age discrimination in the Age Discrimination in Employment Act of 1967.
5. Economic policies which have brought unprecedented prosperity in which moderate income Americans share.

1/ The minimum wage law (Fair Labor Standards Act) may not affect moderate income wage earners directly since the annual minimum wage (\$1.60) is still near poverty levels. However, the law may push the total wage level up, and so draw more people into moderate income levels.

B. Housing (Homeownership).

1. FHA mortgage insurance and other programs to assist in the financing of homes purchased by moderate income families.

2. Recently enacted homeownership assistance programs for low and moderate income families under the Housing and Urban Development Act of 1968. (Title 1 provides for subsidy payments to mortgagees to help defray the monthly expenses of homeownership for families with adjusted annual income of up to \$7,800. 2/ Eligibility for participation in this program might be liberalized so as to embrace somewhat higher income levels in order to assist more moderate income families.)

C. Education.

1. Aid to elementary and secondary schools under the Elementary and Secondary Education Act of 1965. (While this is primarily directed to compensatory education program in schools having concentrations of low income families, it probably has a "ripple effect" in areas where moderate income families reside.)

2. Financial assistance to needy students in institutions of higher education under the Higher Education Act of 1965 (to be expanded by the Higher Education Amendments of 1968) which provides educational opportunity scholarships for the benefit of needy students; an insured loan program for students; and a work-study program to provide federal funds to pay wages of students who work in colleges. These programs, however, largely benefit those whose families are in the below \$7,000 level so that consideration should be given as to whether to expand the reach of these programs to provide greater benefit to moderate income Americans in line with Mr. Humphrey's program to provide all with higher education regardless of need. 3/

D. Health and Social Security

1. The Medicare program, which provides relief from catastrophic medical bills for many moderate income citizens and their families. This program may need expanding to provide more coverage in the event of long-term illness. (Mr. Humphrey introduced one of the earliest medicare proposals in Congress.)

2/ See H. Rept. No. 1123, 90th Cong., 2d Sess. 9 (1968).

3/ It appears that during fiscal 1967 about 40% of the recipients of student assistance from the above HEW higher education programs were from families with incomes of more than \$6,000 and 23% from families with income over \$7,500. However, many of these are probably relatively large families. See attached letter from HEW.

2. Social Security. (OASDI program recently liberalized by 1967 amendments.) However, the maximum benefits (\$218 for top bracket) appear unrealistic for moderate income persons. The whole program should be upgraded by providing for more realistic benefits on retirement so as to provide real security for those who depend on it. Other items for consideration are (1) an increase in the amounts which OASDI beneficiaries can earn and still be eligible for benefits, a kind of proposal which Mr. Humphrey has supported in the past, (2) cost of living increases, and (3) relaxation of restrictions on total family benefits, particularly in case of elderly retirees who contemplate marriage but cannot do so because of loss of social security benefits. 4/

II. New Programs

The following proposals proceed on the assumption that, as far as the Federal Government is concerned, moderate income Americans are somewhat less concerned about the source of their daily bread than they are about financial crises brought on by such events as higher education needs or loss of livelihood due to disability.

1. Tax credit for college expenses. In addition to expanding the opportunities for federal college scholarship assistance to students from moderate income families, consideration should be given to proposing a federal income tax credit covering a meaningful portion of the tuition expenses incurred by moderate income parents. The credit could be adjusted downward as income rises so that moderate income families would obtain the major benefit. The principal advantage of such a proposal is that it would provide relief for families of modest means saddled with rising college tuition costs without the intervention of an additional federal system of regulation and administration to handle the funds. 5/

4/ Several of these proposals are reflected in the Republican platform.

5/ The Republicans have adopted a tax credit proposal in their platform. Principal arguments against such a proposal are revenue loss and the questionable use of the Internal Revenue Code to achieve social policy. On the other hand, in an age of increasing tuition expenses, there is some justification in saying that college expenses, like medical expenses and interest expenses on a home mortgage, are extraordinary drains on

2. National Income Protection Insurance. While social security provides income disability payments, for some present levels of protection do not permit a family breadwinner to maintain his income at normal/levels during periods of extended disability (heart attack, etc.) Waiting period requirements and other restrictions may render the social security disability program unrealistic in its application to moderate income citizens. A greater degree of protection should be afforded. Many private organizations (e.g., the ABA) maintain voluntary insurance programs whereby for a reasonable premium members can obtain insurance against such disability which provides for insurance payments during disability approximating their regular income level. Such coverage is also available through private companies. However, a program of Government supported income protection insurance, supplementary to social security operated through private insurers and put on a voluntary basis might be welcomed by moderate income Americans to whom it is not otherwise available.

3. "Shared Regulation" to Protect the Consumer. A host of federal statutes (such as the Federal Trade Commission Act, the securities laws and the food and drug laws) protect all Americans, and particularly moderate income Americans, against fraud and overreaching in the market place. During the

5/ (continued) on income which should be recognized in the allocation of itemized deductions. If the Internal Revenue Code is to be cluttered with exceptions, some ought to favor the man in the middle. During the 90th Congress, a good number of bills propose tax/ ^{either} deductions and or tax credits for college expenses including S.835 (Sen. Ribicoff) which has received serious consideration in the Senate sessions but has been opposed by the Administration.

6/ Naturally, a study must be made to determine whether such a program is feasible.

Democratic tenure this consumer protection has been supplemented by the Truth in Packaging law and the Truth in Lending law and amendments to the Food and Drug laws. Mr. Humphrey may assure effective implementation of these laws by pledging the appointment of vigorous administrators to enforce them. However, these laws may not sufficiently reach down to the day to day transactions that affect middle class consumers. Greater emphasis in the area of federal and state cooperation in consumer protection regulation by way of a system of "regulation sharing," in which the states would play a greater role would seem an appropriate facet of a Bill of Rights for the Man in the Middle.

III. Programs Directed to Special Concerns

A program directed toward moderate income Americans would not be relevant to the concerns of that group unless it came to grips with anxieties about two highly charged issues: (1) crime in the streets (including urban riots) and (2) "destruction of property values" in rapidly integrating neighborhoods.

1. Crime. Crime afflicts all Americans. If any "class" is disproportionately victimized, it is the poor urban slum dweller, not the suburban resident of moderate means. Accordingly, Mr. Humphrey's position on/control ^{crime} cannot cater to one segment of the populace. Certain proposals, however, may be particularly relevant to those potential victims of crime who are of moderate means.

a. Property insurance. Thus, property loss due to crime and vandalism may be particularly harsh on the small merchant and the struggling homeowner. Inability of such persons to obtain vital property insurance in riot-affected areas is of special concern. As part of the Housing and Urban Development Act of 1968, Congress has recently established a National Insurance Development Corporation designed to generate adequate insurance

protection at reasonable rates in riot affected areas. Mr. Humphrey should, as part of his anti-crime program, pledge the early and effective implementation of this program and should further undertake that if it does not succeed in providing the needed protection, his Administration will develop a workable program.^{7/}

b. Crime insurance. In addition, thought should be given to a proposal calling for Government supported insurance for otherwise unprotected victims of crimes, particularly, of crimes of violence (muggings, etc.), on the theory that crime is the result of the accumulated neglect of our society the burden of which particular individuals in the society should not bear.

c. Anti-crime measures. These proposals will backfire (since Mr. Humphrey would appear to be accepting the inevitability of crime in the U.S.) unless they are accompanied by trenchant and easily grasped proposals to control crime, particularly crimes of violence. Clearly, jingoistic attacks on the Supreme Court, shrill cries for emasculation of the Bill of Rights and demands for a domestic Army of Occupation (bayonets fixed), while appealing to many, are solutions unworthy of a serious candidate for President.^{8/} Perhaps, however, straightforward approaches along the lines of more judges, more prosecutors and more policemen to hasten processing

^{7/} For a full recitation of the problems facing small businessmen and homeowners (apparently persons of moderate means) in riot affected areas, see President's National Advisory Panel on Insurance in Riot-Affected Areas, "Meeting the Insurance Crisis of Our Cities" (1968).

^{8/} A study of life in ~~the~~ Mr. Wallace's Alabama might provide some interesting insights as to how well such a program works.

of criminal proceedings;^{9/} a war against recidivists (particularly those who repeat crimes of violence) and some tightening of the bail reform act may reach some.

d. "Responsible Society." Americans of all shades of opinion are bone tired of irresponsibility from the Right and from the Left, from black militants and white militants. A call for a return to responsibility may strike a responsive chord from the man in the middle who is caught in the crossfire of irresponsibility. Indeed, we cannot complete the New Deal or the Fair Deal or bridge the New Frontier, or attain the Great Society without first having established on these shores a Responsible Society. A plea by Mr. Humphrey for a "Responsible Society" would not simply be a polite substitute for a demand for "law and order." Rather it would imply that irresponsibility breeds irresponsibility, that neglect of the cities leads to urban riots which in turn stiffen resistance to progress in the cities, and that the cycle of neglect and "backlash" must be broken by responsibility on the part of all. Both a Marshall Plan for the Cities and cessation of urban violence are ingredients of a Responsible Society.

2. "Changing Neighborhoods." Often neighborhoods in which integration is moving forward at a rapid pace undergo problems connected with this trans-

^{9/} After all, Republicans strongly participated in budget cuts/affecting Federal crime enforcement personnel. and manpower freezes

formation, including "flights" of white residents to the suburbs, declines in property values, pressures on schools, community antagonisms, etc. Many of these problems are based on anxieties which do not respond to governmental programs. However, to the extent that government has any meaningful role in such circumstances, the resources of the Federal Government might be enlisted in a "Changing Neighborhoods" Program designed to maximize promptly the impact of federal and local funds and services in the housing, urban development, community organization and education areas in a neighborhood in flux. The purpose of such a program would not be to keep black people out but to keep white people in. The types of activities contemplated might include bloc grants to affected school systems to assure that schools will not only be maintained at the pre-integration level, but will have additional services to meet the challenges of a neighborhood in flux; grants to support community organizations seeking to stem wholesale flight and "forced sales" of real estate; grants to promote parks and other community facilities and services through cooperative efforts with local administrations. ^{10/} Naturally, considerable thought must be given to such a proposal and care must be taken to avoid the appearance of condescension to both white and non-white groups.

^{10/} To a degree, some federal agencies are probably authorized to do something of this sort, particularly HUD. However, the full resources of the Government cannot be committed. For example, the Elementary and Secondary Education Act of 1965 is not structured to channel funds to changing neighborhoods as such and apparently there is no Office of Education program which does this (conversation with OE official).



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

August 2, 1968

Dear Mr. Sky:

Per our telephone conversation, I enclose a copy of a tabulation of NDSL, EOG, and CWS awards, by level of family income, for the fiscal year 1967. This was hand-tabulated in October of 1967. A tabulation for the fiscal year 1968, just closed, should be available later in the year, perhaps also in October.

I also enclose a Senate committee print which includes some references to income levels as they relate to student aid awards.

Please call me again if you think I can be of further help.

Sincerely yours,

A handwritten signature in cursive script that reads "Herman R. Allen".

Herman R. Allen
Information Officer
Bureau of Higher Education

Mr. Theodore Sky
710 Ring Building
1200 18th Street, N.W.
Washington, D.C. 20036

Enclosures

FAMILY INCOME BY PROGRAM

INCOME	NDSJ (1)	FOG (2)	CMS (3)	DUPLICATED TOTAL	%	UNDUPLICATED TOTAL
\$ 0 -2,999	\$ 92,967	\$ 35,026	\$ 90,234	218,227	27%	164,769
\$ 3,000-5,999	114,114	52,163	105,760	272,037	34%	207,487
\$ 6,000-7,499	65,117	20,511	43,901	129,529	16%	97,641
\$ 7,500-8,999	50,029	10,688	23,521	84,238	10%	61,025
\$ 9,000 and over	<u>72,132</u>	<u>4,670</u>	<u>26,060</u>	<u>102,862</u>	<u>13%</u>	<u>79,333</u>
TOTAL	<u>\$394,359</u>	<u>\$123,058</u>	<u>\$289,476</u>	806,893	100%	610,255

61% under \$ 6,000 (approx. 372,000 students)

77% under \$ 7,500 (approx. 470,000 students)

TO: Milt Gwartzman
From: Nick MacNeil

Subject: Press release ~~and telegram~~
on Bishop Lamont in
Rhodesia sent to Jody
Lowell earlier today.

Dick Holbrooke ~~then~~ tells me
I should have sent this to you.
Would you please check to see if ~~it~~
~~it~~ went out, and if the cable
went to ~~Lamont~~ Bishop Lamont,
and a copy of the release was
sent to Bishop ~~&~~ James Rausch
Secretary General of the National
Conference of Catholic Bishops?
Many thanks.

1
n
Va - Long Joe Fisher (Dent)

Va

To: Mitt / Phil Zedem

For: from your
file

From: You

Re: Identical to Ford Ann Arbor Address

President Ford stated in his ~~pe~~ speech in Ann Arbor last night that the American people are "ready for the simple truth, simply stated," and that "they will demand specifics, not smiles; performance, not promises." I could not agree more. The wonder is why President Ford then went on to engage in ^{unrealistic} deception after deception on the Administration record over the past two years; why he ^{made} ~~smoothed~~ his way through a candy-coated description of the worst two-year period in our economic history since the Great Depression; and why he offered the American people only faint-hearted ^{abysmal} ~~after promise that was~~ promises ~~that were~~ totally inconsistent with his performance -- or, more accurate, ^{abysmal} his non-performance over the past two years.

TO: JIM FALLOWS

FROM: OLIVER MILLER

Carter's speaking time at the NEA conference is only 7 minutes - according to scheduling. No major speech possible.

Will send outline for shortened statement with next transmission

To: Stu Eizenstat
From: Doug Robinson, Jay Carlson

Update on Arabs boycott situation:

1. This morning the Commerce Department held
~~low~~
a press conference in which it announced that
(a) it was taken by surprise by Ford's announcement
last night that the names of firms that complied
with the boycott would be released, and (b) the
Commerce Department "assumes" that Ford was

That means
the \$1,000
boycott
compliance
reports already
on file
with the
Department
will remain
secret.

referring only to disclosure of names of firms that
comply with the boycott prospectively, and that
is how Commerce intends to construe it unless

it hears otherwise from the White House. The
White House has so far been silent this
morning, what Ford said last night was:

"Because the Congress failed to act, I am
going to announce tomorrow that the Department
of Commerce will disclose those companies
that have participated in the Arab boycott."

2. Commerce Department officials have also

and Ford has
been inaccessible,
but Assistant
Press Secretary
John Carlson
said in
California that
the Commerce
Department
construction
is correct.

told us unofficially that nothing is likely to be released in the near future -- at least not before the election.

3. At 1:30 this afternoon, Senators Puvion and Stevenson and Representatives Bingham and Rosenthal will hold a press conference to emphasize the ~~the~~ complete fraud and distortion of Ford's boycott answer last night and to set forth the complete record of its efforts to sabotage any attempts to ~~prevent~~ ^{prevent} compliance with the boycott. Similar statements by Bingham and Rosenthal have already made the wires. They are happening now.

has appeared on NBC and CBS today and
4. Senator Ribicoff is issuing a press release Ribicoff-Brock attacking Ford for taking credit for the anti-boycott provision of the tax reform bill. ~~The~~ ^{The release} points out that State, Treasury and Commerce officials vehemently lobbied to kill that provision and

that the Administration at one point suggested it might even veto the entire tax reform bill because of that one provision. The Ribicoff statement also points out that the Administration's ^{successful} ~~efforts to~~ ~~add the~~ extension of the Export Administration Act ~~caused the bill to lapse~~ which the Administration was successful in killing before the end of the session contained a rider that would have put ^{unilateral} limits on ~~the~~ nuclear proliferation, as well as requiring the U.S. to attempt to negotiate an international agreement on the subject.

5. The press has also been getting the reaction of Jewish groups. E.g., CBS intends to interview the head of the Anti Defamation League at 3 p.m.

6. To ^{reiterate and update} ~~correct~~ information provided to you yesterday, it turns out that Ford issued

an executive order last Thursday that continues in effect the anti-boycott and other ^{export control} regulations that had been issued by the Department of Commerce under the Export Administration Act. (The anti-boycott regulations previously in effect and now extended by the executive order ~~was~~ only requested -- but did not require -- U.S. firms to report boycott compliance.)

Since the Export Administration Act has expired,

the executive order is based on the authority

of the Trading with the Enemy Act, which

allows the President to ~~to~~ impose certain

restrictions on exports if a state of ^{national} emergency

has been declared. Ford is relying on Truman's

Cold War declaration of national emergency

and the state of emergency declared by Nixon

at the time of the Arab embargos. Knowledgeable

international lawyers have substantial doubts

about Ford's legal authority to take this action.

It will undoubtedly be challenged by the first firm

The Administration tries to enforce the Executive order against. In addition to the anti-boycott provisions, the Export Administration Act, and now ~~possibly~~ the executive order, provides the legal basis by which the government can prevent U.S. firms from exporting such things as the technology for non-nuclear weapons systems.

It should also be noted that the Export Adminis-
tration Act that the Administration allowed to expire
last week contained other ^{important} provisions besides the
anti-boycott authority. For example, it gave the
Department of Commerce authority to prohibit U.S. firms
from exporting products that would ~~allow~~ ^{disclose to} foreign countries
~~to have~~ the technology of our non-nuclear ~~regulate~~ ~~use~~
weapons systems. This authority is now included
within the President's executive order, but is ~~not~~
of the same dubious legality as the boycott ~~pro-~~
reporting provisions.

NOTE:
STU: There will be only about 11 people in attendance
and ^{per al and Philip} formal address is unnecessary; Please notify us
of those subjects he discusses for release by Wurfel.

Rabbi Joseph H. Lookstein
President

Synagogue Council of America
432 Park Avenue South
New York, New York 10016

Dear Rabbi Lookstein:

I appreciate the opportunity to respond to your letter of September 9, 1976, because the issue you have raised is an important one.

I recognize that many White Americans of Jewish faith, as well as many others, have some concern about my religious beliefs. Perhaps, in the case of many Jews, this comes in part from tragic events of the past in the South such as the Leo Frank case, as well as from obvious anti-Semitism that existed many years ago. Perhaps, in part, it is simply a lack of ^{complete} knowledge about my background and religion.

I have always abhorred discrimination of all kinds, racial, religious or ethnic. When I left the United States

Navy to manage the family business after my father's death,
I was boycotted and nearly sent into financial ruin, because
of my refusal and the refusal of my wife to join the White
Citizens Council. My wife and I urged the integration of
the churches attended.

When I was elected Governor, I ~~asked~~ ^{asked} a Rabbi to
give the participation in my inauguration - a historic action
from state, and appointed Jews, blacks, and other minorities
to major positions in state government and to judgeships ⁱⁿ which,
unfortunately, they ^{never} had ~~unfortunately~~ the opportunity to serve.

As Governor, I never used my official position to
express ^{or sponsor} my religious beliefs, nor would I ever do this as
President.

My religion holds fast ~~to~~, as do I, to the basic
tenet that church and state must be ^{kept} separate at all times.

This is a belief I have always followed, and always will. For
example, I do not support constitutional amendments to overturn the Supreme Court decision
of personally believe ^{in the sanctity of} every religion, Jewish, Protestant,

Catholic, Moslem and any other. Every person has the right, which I ~~will~~ always fully supported, to worship God in his own way, without interference, or, indeed, not to worship if

he chooses. ~~The only religion is better than another.~~

on our differences, so

It makes the country unique and great. This diversity must be maintained. I do believe my own personal faith is, which arises, in

part,

from the moral teachings of the Jewish religion and the Old Testament, has given me a sense of appreciation for a restoration of moral and ethical values upon which this country

was founded. But these values in the public and political arena could be expressed in a more ^{depersonalized} ~~allegorical~~ sense. I am proud of it as a citizen.

The South has changed. Once the State of Georgia gave John Kennedy, ^{Catholic,} the biggest majority of any State in the Union, including Massachusetts.

As a Southerner, I know what discrimination is like. I certainly trust, in the American and in the Judeo-Christian tradition, that my ~~own~~ religion in which I was born would not preclude me from ^{the office of} President of the United States.

To Jay
To Gody, Pat, Mill,

Major General Sharon of Israel is in U.S.
~~He~~ He would like to meet with ~~Gov.~~
Gov. Carter. ~~for~~ He was the General who
crossed the canal in the '73 war and
is a hero in Israel and among the
Jewish community here. He has status as
a folk hero. We strongly recommend
that he be given $\frac{1}{2}$ hour of the
Governor's time, possibly ~~on~~ in Washington
on the sixteenth. He is willing to
travel as necessary to ~~meet~~ the
meeting. He has been invited to the
White House ~~and~~ but he would
also like to meet with us. ^{He leaves at end of the week.} Please
^{respond on}
~~confirm~~ this appointment at once.

To: Eisenstat or Zeidman
From: Rubenstein

Examples of bills Ford vetoed as
inflationary:

- 1) Public Works Employment Act of '76 - \$3.5 billion authorized - create 400,000 jobs (overridden)
- 2) Public Works Employment Act of '75 - \$6.3 billion authorized - create 600,000 - 800,000 jobs
- 3) Emergency Employment Act of '75 - appropriate \$5.3 billion for emergency jobs - create 1 million full and part time jobs - 840,000 summer jobs
- 4) Emergency Housing Act of '75 - appropriate \$1.2 billion in housing assistance (interest and mortgage payment subsidies)
- 5) Education Division Appropriations for FY '76 - appropriate \$7.9 billion for federal education programs (overridden)
- 6) National School Lunch and Child Nutrition Act Amendments - increase number of children eligible for school lunch program (overridden)
- 7) Labor and HEW Appropriations for FY '76 - ~~provide~~ appropriate \$4.5 billion for these departments' operating budgets (~~overridden~~ overridden)
- 8) Nurse Training Act of '75 - appropriate \$25 million for grants and loans for nurses' training
- 9) Veterans Education Benefits - provide

950

Non-veto actions. Effort to impound \$40 billion of funds appropriated for health care, education, housing and job-training, opposition to actual health insurance and consumer protection Agency, & grain embargo

increased educational benefits for post-war veterans and Vietnam War veterans (overridden) 10) Exor and HEW Appropriation for FY '77 - appropriate \$56 billion for those departments (overridden yesterday)

Examples of F ~~what Ford has not considered~~

1) Deficit: Deficit budgets - Ford has proposed the largest deficit budgets in country's history, has not vetoed any bill involving military appropriations -

2) \$100 billion Energy Independence Authority - to enable private corporations to develop new energy sources (Congress did not act) \$8 billion Nuclear Fuel Assurance Act - provide funds to enable private consortium of companies to explore uranium enrichment process (Congress did not act)

3) White House staff budget - grew to \$305 million FY '76 (current \$16.5 million (Ford bought 90 positions) 3,500? cost overrun on reorganizing Vice President's home

6) \$2-5 billion waste and Frank in Medicaid program. Fail and you prices Biggest budget deficits in nation's history (\$65 billion for FY '76) Increase in Medicare costs to recipients

Fact that not one price fixing indictment has occurred since Ford took office

Ford proposal

Ford proposal

Implied

Proposed

11) \$18 billion of foreign arms sales in last 2 yrs.

12) Examples of waste in Defense budget:

- a) \$14 million for maintenance of military golf courses
- b) \$200 million for 14,000 amphibious trucks which actually sink
- c) \$24 billion for building and \$170 billion for maintaining fleet of B-1 bombers
- d) \$3 billion budget "padding" in FY '77 ~~military~~ defense budget (for negotiation purposes)

To: Stu Eizenstat

From: Doug Robinson

Subject: Ford's Statement on Possibility of Arabs Oil Embargo

President Ford's statement at ~~the~~ his Wednesday news conference about the possibility of another Arabs oil embargo indicates how out of touch with reality

he is, ~~It is impossible that she will and should~~

~~be panned on by~~ ^{Governor Carter} if it comes up tonight.

What Ford said is as follows:



There are several things that ~~should~~ ^{could} be said in

response to this:

-- Our reliance on imports has increased from about 36 percent at the time of the embargo to about 44 percent today. Our reliance on oil from the Arab countries has increased from about 7 percent to 16 percent. We do not yet have any oil stockpiled to protect against another embargo. That, plus the fact that even Secretary Kissinger believes pressures are mounting in the Middle East for another war, makes it clear that Ford's statement that the chances for another -- It is totally inconsistent with what his

own aides on energy policy are saying with regard to
according to an AP wire story,

the possibility of another embargo. For example, only the

day before yesterday in Louisville Secretary of the Interior

embargo is not as
insightful
as Neville
Chamberlain's
statements
about
peace for our
time.

Thomas Kleppe said in a campaign speech on Ford's behalf:

"We have to destroy some myths, [including] the myth that this [country's] dependence on imports does not threaten our political independence and national security [and] the myth that we are somehow safe from future oil embargoes. . . . We all wish these myths were true, . . . but wishing will not make it so."

FBA Administrator Frank Zarb, in a ~~statement~~ speech in Denver on September 20, ~~also~~ cited the rising import figures and said:

"Our economic and political vulnerability becomes an even bigger target for the use of oil as a weapon."

"The last embargo cost our economy \$35 billion to \$40 billion and helped trigger a recession. Another embargo, involving even more imports, could be devastating. . . ."

"Now that may sound awfully dramatic, but if you consider the facts and implications of those facts, it ~~is~~ becomes instead a frightening and very dangerous prospect."

"The outlook for import vulnerability is not promising in the short run."

-- The Ford administration's own morally bankrupt policies in the Middle East reflect its considerable fear of

the consequences of another embargo. ~~Because of the daily~~

~~threat of the possibility of a devastating embargo,~~

~~and~~ In order to obtain the "trust" of the Arab nations Ford

referred to in ~~his~~ his press conference, we have had to

escalate the arms race in the Middle East and turn our

backs on our allies and our moral principles. When

Foreign Relations Committee

The Senate, was pressured by the administration into not

blocking the sale of 650 Hawk missiles to Saudi Arabia

on September 27, Vice President Rockefeller, who was

instrumental in getting Chairman John Spaulman to go

along with the ~~the~~ administration, was quoted by

Spaulman as saying the administration is "greatly disturbed"

by possible Senate ~~sale~~ intervention in view of the "dominant

power (Saudi Arabia) has over oil." Last Wednesday,

in testimony before a House Commerce subcommittee, Secretary

Richards cited the country's dependence on the

Arab countries for oil as ^{a principal} ~~another~~ reason why the administration

has not imposed an outright prohibition on compliance with

the Arab boycott.

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5. During the debate, Mr. Keft asked President Ford if he wasn't surprised at the occurrence of the economic "punch" and the increase in unemployment. Mr. Ford never answered the question. The answer, ~~never~~ however, is clearly "yes."

~~Dr~~ In July, the Ford Administration officially forecast that the unemployment rate would be 7.3% this year and the economic growth rate 6.8%. (New York Times, July 17). The unemployment rate

is now 7.8% — the increase
over 7.3% amounts to 475,000
more workers ~~to~~ employed than
the Ford Administration predicted
just 3 months ago. The
4% economic growth rate for
the quarter just ended is far
below their expectations earlier
this year. It is now clear
that the growth rate for the
entire year will be at least a full
point below the Administration's
July prediction. This means a
loss ~~of~~ to the American economy

of ~~at least~~ approximately \$12 billion
in real ~~goods~~ output (adjusted for
inflation).

To Stu. + Phil.

Leon Wiener awaiting your phone

call in Wilmington Del. 302-764-9430

According to H. Bookbinder Ford will

issue Exec Order on Boycott before debate.

AL - Please send to Stu if you think
it is worthwhile (& do.)

om

~~AL (Stu)~~ TO: STO ERZBASTAT (AL STORN)
FROM: OUIVER MILLER
RE: DEBATES -- GRAIN INSPECTION

Last night President Ford signed a grain
inspection bill which mandates stronger criminal
penalties for ~~those who defraud~~ quality & weighing
fraud & tightens up the grain inspection system.

Ford is likely to take credit ^{signing} for this bill during the
debate. Carter should be aware that not only
but when the bill was up for consideration
did Ford wait 28 days to sign the bill, he

sent his Secretary of Agriculture and his Under
Secretary of Agriculture around to various members of
the relevant joint Committee to try to ^{PERSUADE} ~~convince~~ them ^{TO} defeat
the bill.

TO: STU EIZENSTAT
FROM: DAVID RUBENSTEIN

THE 10th percent ^{projected} unemployment figure for 1978 was set forth in a chart on p. 155 of the the 1976 (September) Report of the Council on Environmental Quality. That Council is part of the Executive Office of the President. Ford transmitted copies of the Report to all Congressmen and Senators. At the time the Report was given to the President by the Council, Russell Peterson was the Council's Chairman.

The chart on p. 155 (There is no text reciting the 10% figure) was based entirely on an econometric model prepared for the Council by Michael Evans of Chase Manhattan Bank's Econometric Division.

To: Stu E.

Jody P.

~~For Ballroom~~ From: OK

If Mr. Ford thinks there is no Soviet domination of Eastern Europe, let him listen to the voices of those captive nations.

let him listen to the Hungarians, who could have told Mr. Ford about freedom 20 years ago when their aspirations were crushed by Soviet tanks and soldiers.

let him listen to the Czechs, who could have taught Mr. Ford about liberty 8 years ago when their dreams of self-determination were crushed by an invading Soviet army.

let him listen to the Russian commanders, as they explain the presence of ~~the~~ ³⁰ Soviet divisions in Eastern Europe, 70 more on ~~Soviet~~ ^{Soviet - Eastern} European borders, and 100 more in the Soviet Union designated for use in Eastern Europe.

And let him read the Brezhnev Doctrine.

~~To~~

Covering up the violations of the Helsinki Accord by denying ~~the~~ what every Eastern European knows, ~~and~~ by denying what every American of Eastern European descent understands, is the most blatant repudiation of ~~the~~ ^{America's} ~~fundamental~~ most ~~basic~~ ~~principles~~ values treasures.

TO: Eze. J. A.
THRU: Steer
FROM: Roberts

President Ford's decision to allow the sale to China of a sophisticated computer system is yet another example of a foreign policy steeped in secrecy and ^{privately} unconcerned about nuclear proliferation. It is no wonder that, in an election campaign where Mr. Ford is trying to run away from his foreign policy ^{record}, he was unwilling to allow a public announcement of the decision.

~~The secrecy surrounding the decision~~

The secrecy surrounding this ~~rather~~ important decision confirms what I have been saying since the start of this campaign: Mr. Ford is unwilling to involve the Congress and the public in the making of a foreign policy. In this instance, ~~the~~ Congress was in no way consulted; ~~Congress~~ ~~was~~ ~~not~~ ~~consulted~~ ~~at~~ ~~all~~ ~~and~~ ~~the~~ ~~Chinese~~ ~~had~~ ~~already~~ ~~been~~ ~~informed~~ ~~in~~ ~~the~~ ~~same~~ ~~way~~ ~~as~~ ~~the~~ ~~other~~ ~~countries~~.

only after the Chinese had already been informed, thus making any change diplomatically impossible. ~~But~~ ~~the~~ ~~public~~ ~~reaction~~ ~~to~~ ~~a~~ ~~possible~~ ~~sale~~ ~~was~~ ~~never~~ ~~permitted~~ like the pardon of Mr. Nixon, the decision possibility of such a decision was kept from the public until it was irreversible. When Mr. Ford spoke, in our ~~past~~ foreign policy debate, of not selling equipment with military capabilities to China, he might have informed the public that he was considering an exception for computers. ~~Regretably~~, he did not.

Beyond Mr. Ford's passion for a secret ~~foreign policy~~ foreign policy decisions, I am ~~equally~~ concerned about his lack of real passion for stopping ~~nuclear~~ world-wide nuclear proliferation. Just this week ~~he~~ ^{Mr. Ford} announced a last-minute program to ~~halt~~ ~~stop~~ ~~days~~ in office, a ~~last~~ ^{last minute} ~~minute~~ program ~~that~~ ~~to~~ halt nuclear proliferation. As I said when that program was announced, it was much too little, ~~and~~ much too late. But I had at least hoped that Mr. Ford was at ~~last~~ last becoming sensitive to the basic problem of proliferation of nuclear weapons.

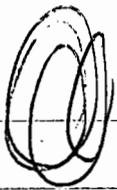
This latest decision shows my hope was ~~unjustified~~ unjustified. Based on the news accounts I have read ~~that~~ ~~Mr. Ford~~ ~~has~~ ~~failed~~ ~~to~~ ~~obtain~~ ~~firm~~ ~~enforceable~~ ~~guarantees~~ ~~that~~ ~~the~~ ~~computers~~ ~~will~~ ~~not~~ ~~be~~ ~~used~~ ~~to~~ ~~improve~~ ~~and~~ ~~expand~~ ~~China's~~ ~~own~~ ~~nuclear~~ ~~weapons~~ ~~program~~. As the President's National Security Advisor admitted, the ~~monitoring~~ monitoring and inspection standards for this sale ~~are~~ are less stringent than those normally required of sales to Communist nations. For instance, only two American officials, from the company manufacturing the computers, will be allowed to monitor their use, and then only for a limited period.

Failed to obtain ~~firm~~ firm, enforceable guarantees that the computers, will not be used to improve and expand China's own nuclear ~~weapons~~ ^{program}. As the President's National Security Advisor admitted, the ~~monitoring~~ monitoring and inspection standards for this sale ~~are~~ are less stringent than those normally required of sales to Communist nations. For instance, only two American officials, from the company manufacturing the computers, will be allowed to monitor their use, and then only for a limited period.

Had the decision been mine to make as President, I would have consulted with Congress, informed the public in advance of the

which are used by this

Similar models of which are used in the American nuclear weapons program



Memo

To: Jody Powell

From: Paul Jensen

Re: Housing and Urban Development

Tonight in the debate, President Ford pointed to the increase in housing starts as a signal for economic recovery and urban development. The single fact to support this proposition was the September increase in housing starts - the adjusted annual average for September - was 1.8 million units, the highest in 2 1/2 years.

Several points to rebut should be made:

- The September figures represent some improvement, but housing has been in a depression for 2 1/2 years. In 1975 housing starts were at a 30 year low. Housing starts for the entire year of 1976 are estimated to be in the range of 1.4 - 1.5 million - a million short of what it is estimated we need just to house the new and young families that have been formed this year and will be formed between now and 1985.

(The Governor said a 35 year low).

• Mr Ford chose to ignore the fact that it is the skyrocketing costs of housing and ^{high} mortgage interest rates which have priced Americans out of the housing market. In 1968, just before the Republicans took office, the median price of a new home was \$22,000. Today, that same home costs \$49,000 -- a 100 percent increase. In September, conventional mortgage rates went up for the third consecutive month so they are still above 9 percent. The price of new homes also continue to skyrocket. The price of a new home in September exceeded \$50,000 for the first time ever.

¶ President Ford also mentioned the Presidential Commission on Urban Development and Neighborhood Revitalization as an element in his urban policy. The Commission released its report yesterday. The basic point to be made is that it is another study. Ford has been president for over 2 years and America's cities have continued to decline. The best he can muster is a Presidential Commission report which ignores the basic problem of joblessness and poverty in our nation's central cities.

Memo to: Pat Anderson

From: Bob Havel

Subject: Medicare / Medicaid Anti-Fraud Act

Last Friday, Talmadge and 39 co-sponsors introduced S3801, the Medicare / Medicaid Anti-Fraud Act, which will be considered in a Senate Finance Committee session which will begin tomorrow morning at 9:30.

S3801 is a bill which amends Titles 18 & 19 of the Social Security Act to change penalties for fraudulent activities against the Medicare and Medicaid programs from misdemeanors to felonies, along with other reforms. It contains six sections. The misdemeanor / felony provision is Section 5.

The bill is free-standing so far, but may be offered in committee as an amendment to a House bill.

To: Gov. Carter, Judy Powell, M. It. Gandyman,
Floors: Stu Eysenbach Pat Anderson
Re: Move to the Right

We have gotten a tremendous amount of negative feedback from liberals ^{around the country} on your statements on the Budget, Court.

Everyone ^{they} can live with your balanced budget ideas and many other conservative themes (family, neighborhood, etc.). They can also live with - and would support - strong statements about letting potential criminals back out on the streets carrying guns, etc.

However, we know holden liberals rather in part because of confidence you would not appoint judges like Rehnquist.

It is one thing to move to the right. But we cannot try to become or as conservative as Ford. If this is the perception, there will be no reason for liberals and moderates to support you ever again.

Also, the perception is that the move is simply a calculated political effort to stop your liberal wing. This perception should be avoided.

FROM: MARY KING
TO: MILT GWIRTZMAN
THRU: AL STERN

STATEMENT GOVERNOR CARTER'S APPROVAL

Explanation for need of statement:

The Hyde Amendment now before Congress would place an absolute ban on use of federal monies for abortion services with no qualifications. Thus, even in cases where the woman would die if not aborted, or where there was rape or incest, ^{A ABORTION WOULD BE PROHIBITED AND} a poor woman could not be treated under Medicaid. ^{THERE IS TALK OF ADDING} Even though an exemption ^{OPPOSING SUCH A RULE} may be added to cover a life-saving situation, Congress is moving in an area where there are both federal district court decisions and a pending Supreme Court decision.

Federal courts in seven (7) states have ruled on constitutional grounds that the states may not exempt coverage of abortion services under Medicaid. On a statutory basis, that is, whether the language of Title XIX requires such payment, the courts are divided. By the end of this term the Supreme Court will have ruled on this question.

A statement should be available because proponents of the Hyde Amendment are publicly justifying their position as being based on your position. In addition, many who would not normally raise their voices in support of the abortion issue, are concerned about a "two-class" system of care. *The statement should not be used unless necessary.*

Recommended statement:

My position on the abortion issue is already well known. I personally disapprove of abortion. I believe government should direct its efforts toward minimizing the need for abortions through better family planning, adoption procedures and contraception. I do not personally favor the use of Medicaid funds for abortion. ^{But} in my view ~~it would be wise~~ ^{it would be wise} for Congress to ~~refrain~~ ^{wait} from placing a ban on the use of Medicaid money at this time. ^{as it has agreed to do this term.} The Supreme Court ~~has agreed to~~ consider ^S the legality of such a limitation ^A and several federal courts have already placed in question the constitutionality of such a prohibition. ^{on} Legislating ~~on~~ this matter now only serves to confuse an already difficult issue.

To: Milt Quibzyman / Phil Bedner
From: Gov Carter
John Baswell
Pat Anderson
Kramer Johnson

Background Memo

I. Overview

~~(A)~~
The Civil Aeronautics Board was created in 1938 to promote the growth of aviation ^{and} ~~it~~ maintain ^{reasonable} fares ~~at~~ ^{levels} sufficiently low to allow ~~unlimited~~ public access to air travel.

(A) (i)

II. Legislative Outlook

~~Most people expect~~

Deregulation proposals are moving through Congress relatively smoothly, and a reform proposal basically acceptable to Ford is likely to pass in 1977.

The Senate Judiciary Subcommittee on Administrative Practice and Procedure, chaired by Senator Kennedy, concluded in a February, 1976 report that excessive federal control have stifled industry growth and consumer choice. The Department of Transportation and the CAB have submitted ~~separate~~ proposals based on similar conclusions. Chairmen of the Senate and House subcommittees on aviation have announced they would file proposals. There is, in short, general agreement on the need to allow companies more freedom to set fares, and determine routes.

President Ford sent Congress legislation ^{on May 12} ~~asking~~ it to set a timetable for review of all the regulatory agencies. That proposal will not be enacted this year.

III. The Basic Argument: Should There Be More Competition?

A. The Theory - (B)

B. Empirical Evidence

~~The California~~ ^{The California} example cited in the statement illustrates the proposition that intra-state routes (unregulated by CAB) are less expensive than interstate routes.

The airlines argue that special circumstances have led to low fares in California and Texas. These include better weather, denser traffic, etc. The Kennedy Subcommittee

IV. CAB Procedural Problems

A. Delay - more than two-thirds of all major route applications on the CAB docket in early 1975 had been pending for more than 2 years. More than one-quarter had been pending at least 5 years.

B. Lack of Standards - The Kennedy Subcommittee concluded that the CAB lacks consistent standards in route cases. There is

~~C. Route Moratorium - from 1969 to 1974 the Board implemented a "route moratorium," a general refusal to even begin applications for new routes. The Kennedy Subcommittee criticized the Board~~
a need for clearer ~~and~~ ^{less restrictive} and clearer route award standards.

a need for less restrictive and clearer route award standards.

C. Rate Policy

The problem is that the CAB has developed rigid rules for what constitutes a "reasonable" fare for an industry that is a) competitive b) composed of companies with different routes, costs and revenues, and c) faces continuously changing cost and demand conditions. Formal general rules reduce the administrative workload but keep air fares unreasonably high. Thus the efficacy of free market competition. Classical ratemaking, which sets prices to generate required revenues, ^{works best} ~~only works~~ when applied to a single firm, not a ^{diverse} ~~complex~~ industry.

examined these arguments and found they accounted for less than half the fare differences.

C. Counter Arguments

(C) insert

The Kennedy Subcommittee rejected those claims. Regarding ~~the~~ ^{reduced} service to small communities, on the basis of studies submitted by United Air Lines and the Air Transport Association, the Subcommittee concluded that a more competitive system might lead major trunk carriers to seek to discontinue service over routes accounting for no more than $\frac{1}{2}\%$ of revenue passenger-miles now flown. Services over such routes ~~and~~ would not terminate but would be supplied by commuter carriers. We can argue that direct subsidies should not be needed, but even if they were, the several million dollars a year of direct subsidies cannot compare with an annual savings of over a billion dollars through deregulation.

D. Safety

Safety is the primary responsibility, not of the CAB, but the FAA. We are not recommending any reduction in rigid safety requirements.

E. Capital Needs

~~Some~~ ^{Proponents} of deregulation contend that increased competition will not undermine the financing of new aircraft. It will, however, create difficulties for individual firms when compared with CAB's sheltered environment (no major airline has ever gone bankrupt). Thus the need for a gradual transition to a more competitive environment.

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Memorandum To: Milt Gwirtman

For: Tedy Powell
Pat Anderson

Thru: Stu Eisenstat

~~Subject~~

From: Jay Carlson

Subject: Steel Demand and
~~Personal Income~~
Personal Income

Two new economic

signals show continued

economic stagnation. ~~is~~ The

statement which follows

is for immediate release.

STATEMENT ON STEEL DEMAND AND PERSONAL INCOME

Economic signals continue to show a stalled economy. In fact, notwithstanding Republican protestations to the contrary, most economic news is bad.

Thursday's ~~announcement~~ news was no exception.

First, ^{it WAS announced that} the steel industry is suffering from sluggish orders and worker lay-offs. Steel facilities at present are ~~only~~ operating at only 81 % of capacity; sagging demand has been such that United States Steel, Bethlehem Steel, Jones and Laughlin and Youngstown have laid off over 1000 workers in just the past few weeks.

Second, ^{the} Commerce Department ^{released} figures ^{show} ^{ing} that personal income grew by the smallest margin in 13 months during August. With inflation increasing faster than personal income, family incomes are falling behind inflation once again. When that happens, people buy fewer goods and factory production necessarily declines. An ominous sign.

Is this part of the solid economy which Mr. Ford fantasizes about?

4 — Surely the voters will not be fooled by Republican rhetoric when most of the facts--including a declining economic growth rate and serious inflation and unemployment [—] show the contrary.

TO: Jim Fallows
FROM: Owen Miller
RE: NEA speech

I have two messages from the NEA leadership.

2. Be sure that if we talk about ^{THE} decline in basic skills, that you thoroughly absolve teachers and educational organizations. The fault lies in lack of interest ^{AND} leadership and in outright government neglect, which has hamstringing educators & prevented them from doing their job.

1. Be sure that Jimmy is aware of, and mentions in the speech, that this is not merely an endorsement. The NEA is actively mobilizing teachers in every Congressional District to get out the vote for Carter. Carter must acknowledge.

3. Let me hear ^{or see} a draft ^{or outline} of the speech as soon as feasible.

CC ICC; SEND
SP.

On computer
ASAR

To: Stu Eizenstat
From: Governor Carter
From: Kitty Schirmer
Re: Ford Nuclear Proliferation Proposal

We have received strong indications that Ford will ~~make~~ announce his long-awaited nuclear proliferation proposal ~~publicly~~ tomorrow in Cincinnati. I have a draft copy of the ^{Ford} statement and suggest that we ~~make the following release as soon~~ ^{Respond as outlined below} as ~~Ford's statement is issued~~ ^{possible after the} Ford makes his announcement.

Break
STATEMENT

Rather than trying to discuss details of the two proposals - which only removes the entire issue from public comprehension - ^{I suggest that our} response be simple, but hard-hitting.

While I can only be encouraged that ~~the President~~ ^{Mr. Ford} has finally acknowledged that ~~at last formally acknowledged~~ the spread of nuclear weapons is as an issue worthy of Presidential concern, Mr. Ford's statement today is ^{too little too late. It is} but a pale echo of the strong and responsible policies I have ^{repeatedly outlined} suggested to control nuclear proliferation.

During the Ford Presidency three events occurred which have gone a long way toward proving ^{right} those who say that a bomb for every country is inevitable. ^A India exploded a nuclear weapon without ^{my} sanction or even ^a formal protest from the United States. ~~In fact~~ ^{still} our own State Department is ~~now the~~ ^{advocating new} ~~principal advocate for sending additional~~ ^{sales} nuclear supplies to India, even though ~~the~~ India used ~~the~~ U.S. materials to make its first weapon, and ^{we have no assurances she} ~~has not agreed to any safeguards~~ ^{will refrain from doing it again.} ~~to refrain from doing it again.~~

The ~~French~~ French have agreed to sell ~~to~~ Pakistan a plant

which would enable that country to make the bomb. West
Germany has arranged a similar sale with Brazil. ~~But~~ ^{But} throughout
the negotiations for these ~~exports of highly sensitive nuclear~~ ^{sales}
~~technology~~ President Ford and Secretary Kissinger failed to ~~object~~ ^{to object}
~~to make U.S. objections to the deals known~~ ^{on behalf of our country.} In fact, the
President's proposal today contains no reference to ~~xxx and~~ ^{to} or suggestions for dealing
with ~~these events~~ ^{serious proliferation problems.} ~~nor means to ensure that xxx~~
~~even though they are as significant which occurred during~~
~~his Presidency.~~

I find it hard to believe that election year politics ^{haven't}
~~hasn't~~ entered into the timing of this proposal. ^{I am sorry} ~~I find it~~
~~odd~~ ^{wasn't} that this statement couldn't have been issued before
the foreign policy debate or at least before our general
debate last Friday. ~~This would have given~~ ^{reserved} The American
people a chance ~~to discuss and~~ ^{to} evaluate the difference ~~between~~
~~our views on an issue which~~ ^{our views on an issue which}
~~is vital to our national security and~~
to world peace.

I'd like to enumerate a few of those differences

~~As~~ As a nuclear engineer, I recognize the benefits, but
also the risks of nuclear ~~power~~ ^{power}. ~~While~~ ^{continue to}
we will have to ~~rely on~~ ^{rely on} nuclear reactors to ~~provide~~
~~some of our energy~~ ^{to} meet some of our electricity needs, I will
seek to keep our dependence ~~on~~ ^{on} this energy source to
a minimum. Mr. Ford, on the other hand, ~~strongly~~
advocates increased use of nuclear power both ~~at home~~
and in all other countries of the world.

I believe that energy conservation, and a shift to
coal can ~~provide~~ ^{provide} significant assistance to
our country in meeting our energy needs. Mr. Ford, in his

advocacy of nuclear power, does not even mention coal as a source of supply, and ~~fixes~~ pays only lip service to energy conservation.

do not believe we should go ahead with

I ~~do not believe that the United States should make a~~

~~decision to go ahead on any basis -- commercial or demonstration --~~

(only non-weapons)

and until

with ~~the xxxxx~~ recycling of plutonium from waste reactor fuel *unless it is clearly shown to be necessary, safe + economical.* ~~it is this technology-~~ Even Mr. Ford's statement today suggests

~~that ~~xxxxxxx~~ a decision to ~~use~~ use this technology should~~

~~be deferred and should not be exported to non-weapons countries,~~

Mr. Ford's proposal today

~~and yet he hints at a prep only~~ thinly disguises a massive

\$1 billion dollar governmental program to go ahead with ~~xxx~~

plutonium recycle on a ~~so-called~~ so-called demonstration basis.

Even the Wall Street Journal described this proposal

~~Such a decision~~ says to the rest of the world -- and to our

Such a proposal

own people -- do as we ~~w~~ say, not as we do.

believe that the

I ~~xxxxxx~~ believe that the United States must provide

strong leadership, using our own exports of nuclear fuel

and technology, to persuade ~~xxxxx~~ other countries ~~to stop~~ or sell

not to seek/the technology ~~xxx~~ to make the bomb. Mr. Ford

lists only a few criteria, which he ~~does not~~ *want* pledge to apply

to all countries, in a ~~gingerly~~ attempt to appear sincerely

committed to ~~putting the U.S. back into a ~~xxx~~ leadership~~

~~role in~~ preventing the spread of nuclear weapons.

Had Mr. Ford made today's proposal two years ago, the statement which Mr. Ford today

issued would have been a step in the right direction. Today

it is a shortsighted, campaign inspired attempt to correct

the timid record of the past. I believe that in spite of

the complexities of this issue, the American people understand

the fundamental dangers posed by widespread availability of

nuclear weapons, ~~India, Pakistan, Brazil, Egypt, Taiwan,~~ *and*

Korea ~~and all of ~~xxxx~~ these countries~~ have expressed interest

in the bomb. ~~We cannot and must not continue to key our policies~~

"Perfectly awful"

23

24

~~The US cannot afford to relegate this issue~~

~~policies on this critical issue to election-year interest~~

~~and the interests of the nuclear industry.~~

NOA *They understand that we have 2*

~~A tough job ~~xxxxxxxxxxxx~~ lies ahead in undoing the
the problems which have already been left to fester. I will---~~

~~provide the leadership and the surefootedness to ensure that
the United States once ~~xxx~~ again is able to use its--~~

The President's excuses that Congress failed to act, when
in fact the ~~oppose~~ it was the White House ~~xxx~~ ^{opposed} ~~which killed~~

his program to *will not wash. His attempts to disguise*

~~congressional action on nuclear proliferation, that we must~~

~~bail out our nuclear industry and encourage its expansion~~

~~as a means of controlling the spread of nuclear weapons, will~~

~~not wash with the American R people.~~

The proposals which I made at the United Nations last
May and again in San Diego this September are the firm commitments
~~and clear~~ which this country needs to lead this nation --
and all other nations, away from the unacceptable dangers of
nuclear ~~xx~~ war and nuclear terrorism.

To: Stu Eizenstat

From: Kitty Schirmer

Re: Comparison of Carter and Ford Nuclear Proliferation policies

1. Nuclear Fuel Reprocessing

-- Ford ~~holds open~~, *only that, disguises interest in,* and by previous accounts would ~~xxx~~ favors, ~~seem-to-favor~~ a demonstration program for reprocessing of

spent fuel rods. This would involve a government purchase of the partially completed private reprocessing facility at Barnwell South Carolina and the operation of this plant with the participation of other countries. ~~Ford-would-use-the-plant~~

Since the ~~xxxxx~~ facility would be owned by the U.S. Government, it would not be subject to the licensing requirements of the nuclear regulatory commission. *It would demonstrate* ~~civilian~~

-- Carter does not favor/reprocessing of ~~xxxx~~ spent fuel rods to extract plutonium until ~~xxx~~ the need for, the ~~safety-of,-and-the-xxx-~~ economics and the safety of this ~~a~~ technology has been established. Carter would ~~xxxxx~~ postpone a decision to physically operate a reprocessing plant on any basis until these factors have had full public hearing and evaluation.

2. Control of Exports

-- Ford ~~xxxxxx~~ *gives lists* several criteria which he would apply on a discretionary basis *to US commitments for* for new exports of nuclear fuel and technology. He *fails to pledge* states that these criteria *will* may not be applied

Thereby ~~xxx~~ permitting the U.S. to continue doing exactly what it now does if the President so desires. in all cases ~~but merely lists the criteria as factors which would influence the U.S. to make a positive decision on sales.~~

-- Carter states that he would make no new ~~xx~~ commitments

U.S. interest in this technology, and not have the
effect of discouraging ~~and~~ other nations' ~~interest in~~ from seeking
Reprocessing capability.

for the sale of nuclear technology or fuel to countries which ~~if~~ refuse to forego nuclear explosives, ~~to~~ to refrain from national nuclear ~~reprocessing~~ reprocessing, and to place their nuclear facilities under IAEA safeguards. *This pledges the U.S. to using its assistance as a means of persuading other countries to adhere*

3. Moratorium on international reprocessing and uranium enrichment

-- Ford calls for a moratorium of "at least three years" on reprocessing and uranium enrichment by ~~countries which not-~~ *non-* weapons countries, ~~but qualified this by saying that in some cases~~ *but* is silent on whether he ~~would~~ would seek to apply such a moratorium retroactively to the French and West Germany ~~agreements~~ agreements to sell reprocessing plants to Pakistan and Brazil respectively.

-- Carter also calls for a moratorium on national sale or purchase of reprocessing and uranium enrichment technology ~~and would apply~~ *but also spells out his* ~~states~~ his belief that ~~the~~ the moratorium should apply to the French and West German deals.

4. Uranium ~~Enrichment~~ Enrichment by private companies

-- Ford supports enlargement of the present government-owned ~~plant~~ *plant* at Portsmouth ~~Ohio~~ Ohio, but ~~is still interested in pursuing~~ *will still* ~~the~~ ~~the~~ a program which would provide federal subsidy for private ~~entry-into-~~ companies to own and operate uranium enrichment facilities.

-- Carter supports the Portsmouth enlargement, ~~but~~ *and will ensure its funding by* ~~would not try~~ *the controversial Ford proposal* ~~to encourage~~ private companies ~~to get into this~~ *the enrichment. Carter does not* ~~and does not~~ believe that the proposal for private ownership of these facilities is sound *given the extreme sensitivity of this technology.*

to strict non-proliferation standards.

5. Breeder

-- Ford continues to support full-scale development of the liquid metal fast breeder reactor, which requires plutonium and would make a decision to go ahead with reprocessing ~~and~~ inevitable.

-- Carter believes that our emphasis on the breeder should be reduced ~~x~~ and converted into a long term, possibly multinational effort. Only if it is proven to be economical + safe should we make a decision to commercialize the breeder →

6. Nuclear test ban

-- Ford makes no mention of any attempts to negotiate a comprehensive nuclear test ban with the USSR.

-- Carter states his belief that the U.S. can and should attempt to negotiate such a ban, and also, through the SALT talks, reduce strategic nuclear forces and technology.

Carter's energy policies in the meantime will emphasize development of technologies such as solar, geothermal, and fast clean-up to avoid ~~long~~ long-range dependence on nuclear fission + particularly the breeder.

TO: Eisenhower Halbrooke
FROM: Rubenstein

today

Ford's handlers have been saying that Ford will be under restraints in tonight's debate because of the great weight attached abroad to what he says. (In other words, Ford cannot afford to be ~~aggressive~~ aggressive because he might make a costly mistake; but Carter is not under such restraints.

This argument is being made to prepare ~~viewers~~ reporters and viewers for a defensive, plodding Ford performance, and it really should not be allowed to pass. You can no doubt think of rebuttals, but here are a few:

(Card possibly losing)

1) ~~No mistake Ford makes is~~ Any mistake Ford might make can be corrected immediately after the debate; it is ridiculous to imply that our allies or enemies will take immediate action or will alter long-standing plans based on what Ford says in a debate (and which is not subsequently supported by the White House and Kissinger). ~~or~~ ~~or~~ ~~or~~

2) Foreign nations are no more impetuous or irrational than American citizens or domestic organizations. Why did Ford's people not ~~make~~ make the same argument about the domestic debate?

3) Carter is as much a ^{also} world figure as Ford. Whatever Carter says will be given immediate attention abroad, and he therefore cannot afford ~~to~~ to make a mistake ^{any} ~~more~~ than Ford. The fact that Carter is not less

yet in charge of American foreign policy does not mean his words will be weighed any less.

4) In 1960, ~~the~~ Nixon showed no restraint in foreign affairs debate (example: Quemoy and ^{the} Matsu) ~~and~~

Special Note:

White House staffers have today been trying to fail out ~~the~~ information about the political leanings of the Subcommittee which issued the GAO Mayaguez Report and GAO. ~~This~~ Ford may try to make the argument that these bodies are Democratic creations.

In defense, it can be said that the Subcommittee has had a long record of examining foreign crisis management, with the purpose of preventing another Tonkin Gulf Resolution.

The Subcommittee is now also looking at the recent Korean incident. In addition, GAO (which admittedly is ~~an~~ arm of Congress) has a long the auditing arm

record of bipartisanship. Its current ~~head~~ Director, Elmer Staats, has been there since 1966 ~~at~~ (appointed by Johnson); neither Ford nor Nixon have tried to remove him.

hypocrisy

406-248-1685

TO GOV CARTER
FROM OLIVER MILLER
RE DROUGHT.

I spoke with Jim Webster of Sen. Fulbright the
Senate Agriculture Committee and with Sen McGovern
agricultural aide ~~re~~ the drought.

~~The drought~~

~~Biography~~

~~Damage~~

Administrative policy. In his ~~view~~ Farmers are
~~is upset~~ On July 28, Secretary of Agriculture
Butz recommended to the Senate Ag. Committee
that the 1977 farm bill scrap all disaster
programs and replace them with expanded
crop insurance.

On ~~the~~ 30 day later on August 31, ~~Butz~~

~~When Butz's assistant~~ one of Butz's subordinates
Walter Dicks, announced that no new
crop insurance policies would be issued for the
1976-1977 crop year.

Farmers see these moves as ^{hypocrisy} duplicity ~~and~~
~~part of the~~ by the Ford Administration.

~~the point~~ ~~Both sources say that you need not~~
a. Do not Both sources advise against taking a
specific position on the Administration's refusal to
issue new crop insurance policies. ~~In general,~~
county, only in some areas, 90% of the farmers
but in general, few farmers (less than 10%)
decided to take out crop insurance before the
drought. That they have ^{now} been caught short, ~~and~~
~~penalty to take~~ those that refused have simply
been caught short.

~~Your position if asked~~

~~My~~

Suggested position

I am fully aware that (name of state) has lost xxx% of its corn crop, yyy% of its wheat crop etc.

This is the kind of disaster farmers and ranchers should not have to shoulder alone.

My Secretary of Agriculture will send to the Congress a legislative package that makes sense out of the overlapping, confused and often conflicting ^{disaster} programs which even taken together do not solve the problems that farmers face year after year. We need an end to incomprehensible paperwork, conflicting standards, and confusing criteria that "broadenize" the present disaster protection programs." ~~Matthews has held hearings on the disaster~~

Themes:

1. We need to streamline disaster protection programs. ~~so that~~ they
2. We need a Secretary of Agriculture who once again who ^{actively} cares about the problems of the family farm.

WVS
MST
MIC
BILLY

WVS
MST
BILLY
NOT

Memo:

To: Governor Corbin
From: Paul Jensen
Re: UAW Strike

Conversations yesterday with Steve Schlossberg, the UAW General Counsel suggest the high likelihood of a UAW strike against Ford Motor Company beginning midnight tonight. Questions will certainly arise regarding your views of the situation, and a decision will have to be made on whether or not it is in your best interests to visit a picket line.

With respect to a recommended statement the labor representatives argue the common sense posture that you need not and should not make any statements on the merits of either side's positions. In line with this view, your response could be:

I know both Leonard Woodcock and Henry Ford personally and respect their judgement and dedication as leaders in their industry. Both parties in these negotiations are mature, well educated, and have the welfare of the auto industry as their greatest concern. I know that they will - and I urge them to work and resolve their differences as soon as possible so any adverse impact on the auto industry and the economy can be avoided.

To: Phil Zeidman / Milt Quinzman

From: Dan Kramer

The median price for a single-family dwelling rose from \$22,000 in 1968 to \$44,000 in 1976. The average price rose from \$23,400 in 1970 to \$46,000 in 1975.

Median figure - 100% increase - is obviously better.

Rick & Stu.

Check over the 8. minute
speech I made at Austin in
1974 & use these notes &
jottings to comprise a draft.
Have rough for me when I
return. I'll then smooth it up.

Return these rough notes to
me also

J.C.

p.s. These are completely at random - More
important items marked with *.

P.P.S. I need Law Journal
article when I return
for N.H. I'll finish both over
442-

J

Notes for energy speech

We must Assess cost: benefit ratio for energy supplies.
* (Dr Odum says we have expended more energy than ^{has been} obtained from atomic power)

We must Consolidate ~~the~~ energy functions of federal
* government into one department

" Conserve ^{oil} by import quotas. ^{state energy offices make} wholesale level
* allocations. ^{then} price increases by taxation if needed

" * Require gasoline mileage increases by law
More than 1/2 petroleum used in transportation.

" * Increase use of rail & public transportation systems

" Enforce insulation requirements on buildings

" * ^{change toward} Flat rate structure for electricity supplies

" ^{increase} Efficiency of electric power plants and other industrial users

" Label appliances with efficiency rating

" * ^{reduce} Growth rate in energy consumption should be reduced to not more than 2%

* Not necessary to be totally energy independent by 1985, but should be free from blackmail which could be caused by an Arab nation boycott.

Known or estimated oil reserves about 45 cubic miles, or 35-year supply as now projected. Recent explorations disappointing, and ^{US} reserve estimates recently halved.

Clean & accessible coal about 200 year supply

By 1990, about $\frac{1}{3}$ electricity to come from nuclear plants. (Now energy from nuclear about same as from burning wood)

Now get ~ 17% of our energy from imported oil, only 5% from Arab sources nations.

* Certainly not necessary to initiate war to obtain Arab oil.

U.S. is still largest producer of petroleum.

We still pay \$2 or \$3 less than consumers in either Europe or Japan

French have annual monetary ceiling on oil imports - a tighter restraint than limit on import quantity.

Federal regulations sometimes require waste, such as ^{motor} trucks making empty return trips.

* We need major shift toward rail transport, but following ^{establishment of} priorities for minimum labor disruptions (in auto workers, etc)

* Multinational exchange & sharing of R & D efforts in energy - (we need this)

We import about 40% of our oil; Europe & Japan almost 100%

We now pay lowest prices for energy than ever again in our lifetime.

* Freeze present level of purchases from other nations - cut consumption as we channel increasing amount of imported oil into salt dome storage.

Travelled from Tokyo to Kyoto (360 miles in about 3 hours) & saw many homes with solar heating units on roofs.

Any energy which we can delay consuming will enhance future reserves & reduce ^{future} dependence on nuclear power

Any nuclear power plant should incorporate all safety precautions devised by ADM Rickover for early models; for instance;

- *
a) Nuclear reactor below ground level.
b) Siting in less populated areas
c) Standardization of design
d) Fulltime AEC person having independent & sole responsibility to shut down plant in case of abnormality

Our atomic plants use light water with enriched Uranium. Others use heavy water with regular Uranium 238

AEC can produce adequate enriched U_2 for next ten years.

* Any shift away from atomic weapon production or toward use of heavy water reactors can extend this time. Should approach private production of fuel with great caution.

In recent years $\frac{2}{3}$ of all federal funds for energy research went for atomic power. primarily for the LMFR (Liquid Metal Fast Breeder Reactor.)

* The LMFR project ~~also~~ should be severely reduced or eliminated

Federal Government itself should set an example in all agencies in conservation & energy efficiency.

* Only international R & D cooperation now seems to be in thermo nuclear (fusion) research. USSR is leading in progress on plasma containment of the fusion process. ~~Practical~~

Practical benefits from fusion power will not come until next century, but is important to pursue.

We need international conference on energy research & development.

Overall efficiency of energy use in U.S. is less than 50%.

* In FY 1973 we spent > 100 times as much on nuclear ^{energy} research as on solar energy (\$470 million vs \$4 mil)
60 times as much on LMFBR alone (\$250 Mil in FY 73, \$374 Mil in FY 74)

Energy imports sap our economic strength & create unemployment & inflation.

Japanese stratified charge engine developed by Honda is extremely clean and efficient - we should emulate

Ford is honest & sincere - honestly & sincerely wrong.

Congress is inherently incapable of leadership

Close link must be established between R & D programs and actual need.

* We must concentrate more on employment stabilization & increased employment opportunities as we explore changes in the energy field.

* Breeder reactors will not be economically feasible until natural uranium costs are 50% of present costs.

* Before 1973 Arab oil embargo we imported about 25% of our crude oil. Now increased to ^{more than 35%} ~~almost 50%~~.

* Just economic, ~~the~~ psychological and political consequences of a major nuclear disaster would be far more devastating than a total oil embargo from the Middle East. must maintain rigid safety rules.

Just to obtain 1 million bbl oil per day from shale we would have ~~to~~ increased mining equal to total tons of coal now produced. Also, massive increases in water consumption would be required in the Colorado area.

* Potential savings in insulation & equipment efficiency can save 1 1/2 million bbl/day in heating & cooling buildings.

* With known technology, industrial energy use can be reduced by at least 20%. (Potential savings 2 million bbl/day by 1985)

European Economic Community has proposed 7% ^{annual} ~~total~~ oil import reduction by 1976. Their success depends on our joining in this effort.

Energy Conservation is completely compatible with environmental quality, and with ~~the~~ economic wellbeing.

We have hardly scratched the surface on recycling materials.

When we had to cut wood to burn, we never wasted it. In the 1950's I collected power bills. Almost $\frac{1}{2}$ families paid minimum monthly bill of \$1.00.

On average, only 31% of oil in domestic reservoirs is recovered. An increase to 40% would eliminate almost all present need for oil imports.

* Energy wasted is 85% in transportation, 65% in generating electricity, and more than 50% overall in U.S.

By installing economically advisable insulation in buildings, we could reduce space heating & cooling by 40% - (7% of total US energy use).

* Water heating alone is 4% of total US energy use. Presently available solar units can replace $\frac{1}{2}$ of this need from fossil fuels.

Some high rise buildings are grossly wasting energy. World Trade Center in NYC uses more than Schenectady (pop. 100,000).

Use of electricity instead of fossil fuels is inherently wasteful

* Future demands for electricity are being grossly overestimated by power companies and this costs consumers enormous rate increases. Also, resulting construction encourages future waste.

* Costs of promotional advertising, ^{to increase energy use} should be paid out of final profits and not as a legitimate power company business expense.

* We have a national energy policy - devised by the electric power companies and the oil companies -
"Use more energy and pay more for what you use"

* Our major immediate thrust must be to derive maximum needed electrical energy from coal, while meeting environmental standards.

Main source of electricity will be fossil fuels, at least until the year 2000.

* We do not need deregulation of the prices for existing supplies of oil or natural gas.

1

2249 Haven Ridge MW

My Pa left on P-38e Battle

405th left on Haven Ridge
Vernon or street.

ROUGH DRAFT OF PROPOSED SPEECH BY

GOVERNOR CARTER, 10 JULY 1975, NATIONAL PRESS CLUB 18-063 (cont)

Ladies and Gentlemen of the National Press Club:

It is an honor and a privilege for me to be invited again to address the members of this club.

In my talk last December I touched upon a wide range of policy questions. A major point that I made was that the political leaders in this country do not trust the people. My campaign travels in the last seven months have verified this finding. We are a strong and resilient people. We have great dreams and the strength to realize them. But these great attributes are not being tapped by our politicians. These men do not trust the people. They are fearful of the people. And they are afraid to give the people bad news - especially when this bad news reflects on their competence in office.

Today I am going to discuss a "bad news" situation which is not being fully exposed to public scrutiny. I refer to the energy question.

The energy crisis (and it is a crisis brought about by incredible bungling) is steadily worsening. We are slipping deeper and deeper into the morass of dependence upon the Arab oil-producing nations. They are draining our domestic economy, they are bending our foreign policy, and the situation totally threatens our way of life and our most solemn vows to other nations.

Our leaders are doing very little to rectify this situation.

The President's energy bill is unsatisfactory. Besides being subjectively weak it is presented in an omnibus manner that the President knows full well cannot be handled in Congress with its sub-

IC comments did not xerox,
written in blue ink

committee system. Through decontrol of natural gas and oil prices his program purports to stimulate the rapid development of new gas and oil fields. It is debatable that this would occur. It is not ^{obvious} ~~debatable~~ that the administration program is inflationary and probably recessionary as well. Furthermore, the President's program does not adequately address the matter of developing new energy sources other than oil and gas.

The Congressional energy program, at this stage, is a jumble. The House ~~was unable to develop a firm program with teeth. The~~ ^{and} Senate has a multiplicity of bills, ~~not too well-integrated.~~ ^{but} House and Senate coordination is non-existent. Petty and self-serving considerations seem to dominate. Our political leaders are failing in their responsibility to the Republic.

It is time that the American people were advised in straightforward terms just what our real energy situation is.

- Our domestic gas and oil resources are dwindling and are not being made up so far by new discoveries. They may never be. Alaskan oil will help but it will not solve our problems.

- Our dependence upon foreign sources of oil supply, particularly the Arab nations, is increasing.

- Our ~~legitimate energy~~ ^{energy demands} needs due to a growing energy-consuming population will increase considerably over the next ten years once the current recession is cured. Curing the recession, however, is in itself dependent upon minimizing the enormous dollar drain from our pockets going to the oil producing nations.

- We have urged our friends and allies of the industrialized world to reduce their dependence upon OPEC oil. Yet, so far, we

have done nothing ourselves along these lines.

- We are drifting aimlessly and without leadership into a situation where, should the Arab nations choose once again to impose an embargo, our economy and our private lives could be thrown into dangerous chaos.

What must we do?

We must take a fresh approach to the energy problem.

Both the President's program and the current Congressional approach are deficient in terms of conservation of energy, the development of new sources of energy, and husbanding what oil and gas we have left.

Additionally both sets of programs limit themselves mostly to the solution of our energy problem by private industry. The government contribution in both cases is minimal.

This approach is foredoomed to failure. Private industry can ~~neither generate the funds nor borrow the money necessary to lift us on to the new plateau of energy availability that our destiny demands.~~ has neither the capability nor the inclination to meet these needs

It has been estimated that something on the order of 90 billion dollars a year for fifteen years would be required for this. All of American industry taken together probably generates no more than 70 billion dollars profit in a "good year." And the 2.2 billion dollars a year augmentation proposed by the Administration is less than a token contribution towards energy self-sufficiency. Last year the energy industry invested about 25 billion dollars in energy development but a large portion of this was made overseas. With this money spent overseas went a sizeable number of trained men and oil field equipment badly needed in the United States.

- 3 -

The President seems obsessed with the idea of raising the prices of imported and domestic oil and domestic natural gas.

The President seems obsessed with the idea of raising the prices of natural gas and of imported and domestic oil.

~~This brings up the next major problem left unattended by our current leadership.~~ Conglomerates with large investments in OPEC country oil fields cannot be relied upon to produce alternative sources of energy within the United States. ~~As a matter of fact,~~

conglomerates with investments in a number of energy areas such as oil, coal, and shale cannot be relied upon to emphasize development of the energy source most appropriate to this country's well-being and security. They are not in business to defend the United States. They are in business to make money---a purpose which I applaud because it is good for the country---but one must not be blind to the business facts of life. Our leaders are building our energy edifice on foundations of sand. The strangle hold of the conglomerates on our energy situation must be broken.

So, I recommend a partnership between government and business to develop a new energy age. But government must take the lead in this partnership and it must control it so that it answers the basic needs of our people and our economy: ample energy from secure domestic sources at a reasonable price.

I envision three stages to an optimum U.S. energy program.

The first stage covers the decade between now and 1985. The second stage covers the period from 1985 to the year 2000. The third stage follows the year 2000.

For practical security and economic reasons we must immediately commence crash measures to reduce our energy and monetary vulnerability. But for the welfare of our children and their children after them we must also today put in motion undertakings that will provide a new era of plentiful and cheap energy as we close the doors on the twentieth century. While we think we need oil and

natural gas today, future generations will have even more pressing requirements for those precious hydrocarbons. We must leave a decent legacy.

Here are the things we must undertake immediately.

710
- We must inaugurate a mandatory oil and natural gas conservation program. Rationing of gasoline and controlled allocation of oil products and natural gas should be placed in effect to reduce consumption and to expedite transition, where feasible, to other energy sources.

720
Rationing can be accomplished by the issue of coupons permitting purchase of gasoline at a given price with coupons and a much higher (tax-raised) price without coupons. Coupons would be transferable and could be sold. They would be initially issued on the basis of individual statements of need. The accuracy of these statements would be individually audited in a random manner similar to what is done for our income taxes. No neighborhood spying would be involved, no local bureaucracy would be needed; regional offices would suffice. The tax receipts from this and other energy taxes would go to an energy development fund. Our

conservation aim should be to reduce oil and natural gas consumption ^{for fuel} by 6 million barrels of oil equivalent per day by 1985. This is not a total energy use reduction. It is an oil and natural gas consumption reduction sought in the realization that we rely unduly on these hydrocarbons when other potential energy riches literally surround us.

- We must tax automobiles by weight and engine displacement to force attrition of "gas guzzlers."

- For each ^{six} barrel of oil which we import, we must allocate a

~~quarter of a barrel~~ to the development of a national strategic reserve until we have achieved a full year's stock--largely in salt domes. The oil and gas import quota system should be reestablished and imports should be carefully regulated to meet national requirements always with the realization that imports ~~might~~ have been stopped before and may well be again. But until we establish our strategic reserve it is pointless to ~~reduce~~ ^{eliminate} imports if they are available. Our naval oil reserves should be developed but not used ~~consumed~~.

- To permit us to achieve a significant reduction in oil and gas consumption without crippling the economy, we must move rapidly to expand our coal mining capability and we must convert utilities, factories, and mills to coal burning as quickly and as extensively as possible. Government subsidies and ~~tax~~ ^{tax} incentives are needed here for equitable treatment but the changeover should be mandatory where it is possible and not left to choice. Furthermore those changeovers should be accompanied by thorough environmental protection measures as dictated by the quality of the coal used.

I think the President's veto of the Strip Mining Bill was ill-advised and I am chagrined to see no action forthcoming on improving the Mine Safety Act. The only action in Washington today seems to be negative in nature.

- Decontrol the price of natural gas to stop the unhealthy trend towards overuse of this vanishing resource. Retain oil price controls but raise domestic oil prices sufficiently to restore the exploration incentives lost by repeal of the Oil Depletion Act. While I do not believe that it is suitable for our energy companies to be in de facto control of our national energy program, I fully recognize their value, the expertise of their trained personnel,

and their need for profits if they are to serve the nation well.

I note with concern that currently the average profits of our oil companies are about 38% lower than this time last year. The great profit jumps of last year were much criticized but were necessary for the operation of these corporations in the face of rising costs.

Join in a multinational production
- ~~Establish a government-led major production effort for the liquefaction and gasification of coal.~~ *liquefaction and gasification of coal.* The idea that great research and development efforts are still necessary to provide commercially useful gasification *and liquefaction* plants is incorrect. At least 14 large plants are operating in Europe, the Mid-East, Africa and India. Industry cannot handle this program without major government assistance, financing, and assurance that there will be a profitable market for their product.

~~Regionally the North-Eastern sector of the country would probably initially benefit most from the gasification program. Here it could serve to make up petroleum and gas import reductions since it is that region which receives the most foreign imports.~~

- ~~Restore momentum to the nuclear power electric generating plant program by ensuring adequate emergency cooling and the clearing away of the legal, regulatory, and ill-conceived public opinion barriers that have effectively crippled our nuclear power program.~~

Japan, the only nation to have experienced a nuclear tragedy, generates 38% of her electric power by nuclear reactors. President

Ford has called for the 200 nuclear power plants on line by 1985. We presently have only 55 plants operating in this country, work on planned plants has halted, and the Federal Government is taking no steps to provide the opportunity, incentive, and rest of the

capital needed to put our utilities firmly back on the track. I estimate that with effective leadership we can have 230 nuclear-powered generating plants in operation by 1985. This would mean that about 30% of our electric power would be generated by nuclear fission. This would reduce oil demand by 7 million barrels per day. There is, environmentally speaking, no cleaner or safer means available today of generating electric power. As in the case of coal, we must use our uranium to avoid energy starvation.

- Intensify research and development and then expedite production of long range electric power transmission systems with low power loss. The liquid helium system is an example. What we must aim for is the development of great transcontinental electric power transmission grids so that we can share power on a demand basis East and West as we currently do on a North - South basis along the East Coast. Taking account of time zone differences this means that we could maximize the use of available generating capacity. Concurrently with this program should be renewed emphasis on increasing the efficiency of all ~~(nuclear powered and conventionally powered)~~ electric generating plants. We can no longer afford to throw away some 65% of basic energy in the form of heat. Additionally, in many cases this lost heat acts as a pollutant which environmentally and economically speaking, we need not tolerate.

The steps I have detailed must be undertaken now to show appreciable results by 1985. They will not, in themselves, give us complete energy independence by 1985--this has been a false promise made by the Administration. But they will ensure us a position where we would not be crippled by another Arab oil embargo

and held hostage by a handful of despotic rulers. We would not be crippled by such an embargo today but would be forced to tighten out belts. Once our economy starts ^{moving} ~~moving~~ again (and this in-itself may be dependent upon how much money flows out of the country for oil) we will be ^{faced} ~~forced~~ with increased energy demands despite our best efforts at rationing and conservation. While our birth rate is not increasing, ~~the population~~, the number of people entering into the high energy consuming age group (20-35) will continue to grow by about 12 million people between now and 1985. It is this condition that will make us unbearably vulnerable to an embargo if we do not get to work. ~~This is what we~~ ^{this} must not allow to occur.

~~You may ask why I have not discussed solar power, geothermal power, fusion power, breeder reactors, or shale oil.~~

~~It is not because I do not think these advances important. They are very important but they will not give short term results. Advances in recent years in fusion science, for instance, have been extremely promising and there is growing confidence that a fusion power electric generating plant can be operational before the year 2000. But the prospective capability to produce practically unlimited cheap power for ourselves and the rest of the world's nations is a dream whose realization will come at our children's hands in the 21st century. Our job is to start the process, to fund it, to support it, and to monitor it. I think we should now initiate a large scale federal program for fusion power.~~

Concerning the breeder reactor program, I think that it requires a thorough review. This review should consider whether the

Nixon Administration decision to place all bets on one prototype was warranted. The review should restudy the safety aspects of these reactors which are not inherently self-controlling as are our present-day slow neutron water-moderated reactors. And we must consider the possibility that advances in fusion power may obviate the necessity for the breeder reactors altogether.

Our oil bearing shale resources must be developed. Recent advances in oil extraction technology obviate the necessity for the huge quantities of oil once thought necessary. Specific acts aimed at shale resource development are needed and the program should be closely monitored along with a ^{coal} liquification ^{ACTION} program to determine which ^{PROGRAMS} powers to push hardest. But the government must go ahead and start this. Industry does not have the required capital and cannot afford the risks involved.

As for solar and geothermal energy, ~~the Solar Energy Research, Development Act of 1974 and the Geothermal Research, Development, and Demonstration Act of 1974 are both adequate pieces of legislation although they could stand somewhat amplified funding. It is important to realize that while important environmentally neither~~ of these energy sources show prospect of being able to handle ^{on increasing} ~~over~~ ^{portion} ~~2 or 3%~~ of our national energy needs ^{during the years ahead} before about 1995.

We must cut back on our oil and gas usage and we must develop alternative sources of energy - both on an emergency basis. We must stockpile oil rapidly. It could be cut off at any moment. We must conserve oil and gas so that we will have a supply for petrochemicals many decades in the future. Government must take any active lead in new energy developments. We cannot leave basic decisions to develop new energy to private companies and the vaga-

ries of the market place.

Our best efforts at finding new oil and gas -- and we are not making this effort now -- will no more than barely meet the present supply. [Economists tell us that a sea of oil lies waiting in Saudi Arabia and Iran. These are the same gentlemen who in 1973 advised us that an embargo by an oil cartel was economically impossible.]

Taken in the context of total world needs over the next twenty-five years the plentitude of oil picture is misleading. Oil prices will not come down substantially. They will instead rise. The elementary laws of economics have been overtaken by the imperatives of politics and the OPEC nations know that they possess an irreplaceable commodity. Our efforts to free ourselves from dependence upon OPEC oil is to their ultimate advantage and has the additional virtue of removing us from competition with Western Europe and Japan whose dependence upon OPEC is already so great that they cannot free themselves from the situation. We can and we must and, eventually, we will provide sources of cheap energy that will literally lift mankind to new levels of well-being.

Our people have great dreams and great strength and, given good leadership, they can climb to any heights. The energy situation is a tough one but I believe that it can be mastered. I believe the American people are ready to be told that sacrifice lies ahead and that great rewards in terms of human progress will repay such sacrifices.

- END -

To: Governor Jimmy Carter
Jody Powell
Stu Eizenstat

From: Orin Kramer

Re; Approach to Urban Policy

I have attached some possible ideas for short statements on urban policy. If you could indicate which, if any, are of interest, I will have them developed more fully.

The orchestration of positions on urban policy is as important as the substance of the proposals. I would suggest a series of events, including 1) formation and announcement of a task force that includes mayors, minorities, academic experts, labor and is a visible group; 2) preparation by the task force of a series of proposals, with enough input from the campaign to insure compatibility, and release of these reports; 3) a public meeting of the Governor with the task force; 4) another major statements on the cities, such as the excellent statement delivered in New York; and 5) consolidation of the proposals and specifics into an overall position paper.

This scenario is not special. The point is that the identification of the Governor with these issues by a series of events is probably more important in terms of the northern industrial states than the details of what he proposes.