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President Jimmy Carter
National Academy of Sciences
Washington, D.C.
Monday, April 23, 1979

I am honored to address this distinguished convocation,
and to join you in observing the 100th anniversary year of
Albert Einstein's birth.

The National Academy of Sciences was already a thriving
institution when Albert Einstein was born.

In 1942, soon after taking out American citizenship,
Dr. Einstein was elected to the Academy, becoming at once its
newest and most eminent member. His coming to the United States
was a matter of considered choice.

In this respect, he was like many thousands of scientists
from all over the world -- drawn to this country by an
atmosphere of intellectual freedom, adventure, and hospitality
for the pursuit of scientific truth.

That atmosphere has invigorated American life from our
nation's beginnings. Scientist-statesmen such as Benjamin Franklin
and Thomas Jefferson were among the authors of our national
independence.

-- Their influence helped....
Their influence helped establish the young American republic as a place where scientific endeavor was not only encouraged, but honored; and it is significant that the Congress and President Lincoln chartered this National Academy of Sciences at the height of our gravest national crisis.

In so doing, they demonstrated a deep understanding of the importance of science to the very survival of the nation.

My own interest in science began long before I ever thought of going into politics. My work as an engineer, naval officer, farmer, and businessman has given me some knowledge of the many ways in which science and technology enrich our lives.

As President, I have become even more aware of that contribution -- and more determined than ever to ensure that it continues.

There is little that we can predict with certainty. But we can be very sure that whatever the future holds, we will be better prepared for it if we pursue a strong national program of support for science and technology.

That is why, even in this time of budgetary restraint, I have remained firmly committed to such a program.

Scientific enterprise has been one of the most important sources of our growth and our present prosperity, and it will also be a key to our future strength -- but we cannot take this for granted.
In this centennial year, it is well to remember that faith in the future was a notable quality of Albert Einstein.

Only an optimist could have undertaken the incredibly ambitious task that Dr. Einstein set for himself: the discovery and explication of the underlying order of the universe.

In his pursuit of that philosopher’s stone, he succeeded in redrawing our map of fundamental reality — with consequences for the lives of men and nations that will continue to be felt for generations to come.

Throughout his life, Dr. Einstein sought not only to discover order in the natural world, but also to promote order in the human world. Einstein the humanitarian has much to teach us as does Einstein the physicist.

He saw the pursuit of science as good in itself;...but he also saw that the uses of science are only as good -- or as bad -- as the moral and political choices that determine those uses.

In his own words: “Concern for man himself and his fate must always form the chief interest of all technical endeavors — in order that the creation of our minds shall be a blessing and not a curse.”

-- The tree of science.....

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The tree of science is always beautiful, but its fruits can be bitter as well as sweet. Our task is to nourish the tree and to harvest the fruits that are sweet. And that task must be shared by all of us -- scientists, engineers, industrial leaders, educators, and public officials alike.

I hope that science and technology in the United States will continue to be shaped by Einstein's vision of knowledge that keeps the good of human beings always at the forefront.

It is in that context that I want to share with you briefly some ideas and observations about basic research; about a strategy for energy technology; about industrial innovation; about scientific cooperation among nations; and about the role of science in helping to control its own most fearsome offspring -- nuclear weapons.

And in each of these areas, I want to ask for your help in mobilizing our scientific resources in the service of American people and the people of the world.

The last President to address a convocation of the National Academy of Sciences, John F. Kennedy, spoke of basic research in these words:
"We realize now," he said, "that progress in technology depends on progress in theory;...that the most abstract investigations can lead to the most concrete results;...and that the vitality of a scientific community springs from its passion to answer science's most fundamental questions."

One month to the day after President Kennedy spoke those words, he was struck down. So began a long period of political trauma in our country,...but in many ways these were exciting years in science and technology -- years of breakthrough discoveries in molecular biology, particle physics, and many other fields,...and of technological progress epitomized by the triumphant landing of men on the moon. Yet for scientists, as for so many of the rest of us, they were also difficult years.

American science found itself beleaguered by two very different kinds of anti-intellectualism: on the one hand by the romantic anti-rationalism of the counterculture;...and, on the other, by the veiled hostility of a national administration that distrusted the academic and scientific community.

The latter presented the more serious threat. Federal policy toward science became infected with a simplistic search for the quick fix.

-- research that seemed to....
Research that seemed to promise a quick payoff was more amply funded, while support of basic research was allowed to decline. The future of our scientific and technological primacy was put at risk.

I came to office determined to reverse that dangerous, short-sighted trend... and today I reaffirm to you my commitment to basic research -- the bedrock of our scientific and technological future.

During the two years of my administration, I have proposed increases of more than 25 percent in our funding of basic research. I have asked the Congress to support this increased funding in order to meet the long-term needs of our nation.

I have also sought to strengthen basic research in the individual federal agencies, ... and to resolve non-budgetary problems that have inhibited research in our universities -- problems of unnecessary regulation and excessive bureaucratic paper-shuffling.

[I am concerned about adequate opportunities for creative young scientists to add to the store of knowledge in their fields.]

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Economists estimate that advances in knowledge have accounted for three-quarters of our country's economic growth in this century.

By itself, that is a decisive reason for us to support the basic research that undergirds our technological might, but the value of basic research is even higher and deeper than meeting payrolls and spawning new industries.

The fundamental concern of basic research is the discovery of truth about the natural universe. The search for truth is a central part of what it means to be human.

No issue illuminates our nation's practical need for science and technology more than the energy problem. Oil remains by far our most important energy source, and we are in the painful situation of relying on a greedy and unreliable foreign cartel for nearly half the oil we use.

As that onrushing river of foreign oil flows into our country a river of money flows out, threatening the health of our economy, the stability of our currency, and even the security of our nation.

-- Science and technology can......
SCIENCE AND TECHNOLOGY CAN CHANGE THAT -- BUT ONLY IF WE COMMIT OURSELVES TO A NATIONAL STRATEGY OF DEVELOPING ENERGY ALTERNATIVES.

WE HAVE SUCH A STRATEGY -- ONE THAT WILL ENABLE US TO MOVE AWAY FROM IMPORTED OIL AND INCREASINGLY TO NON-FOSSIL FUELS -- AND I AM DETERMINED THAT WE WILL PURSUE IT.

OVER THE NEXT DECADE OR SO WE MUST RELY MOSTLY ON EXISTING TECHNOLOGIES, BUT WE WILL PAVE THE WAY FOR FUTURE PROGRESS BY FOSTERING CONSERVATION, DOMESTIC PRODUCTION OF OIL AND GAS, GREATER USE OF COAL, THE SAFETY OF NUCLEAR PLANTS, AND THE USE OF SOLAR POWER.

FROM ABOUT 1990 THROUGH THE SECOND DECADE OF THE NEXT CENTURY, WE WILL PASS THROUGH A DRAMATIC AND SOMETIMES BUMPY PERIOD OF TRANSITION.

CONSERVATION WILL BE FORCED UPON US, AND THE MIX OF OUR ENERGY RESOURCES WILL CHANGE AS WE TURN INCREASINGLY TOWARD UNCONVENTIONAL SOURCES OF FUEL: SYNTHETIC OIL AND GAS FROM COAL, SHALE OIL, AND OTHERS.

MORE EFFICIENT NUCLEAR REACTORS CAN STRETCH OUR URANIUM SUPPLIES.

WE WILL FIND NEW WAYS TO INCREASE THE PRODUCTIVITY OF EACH UNIT OF ENERGY WE USE, AND WE WILL BEGIN TO USE THE SUN FOR A MUCH WIDER VARIETY OF ENERGY PURPOSES.
By the second quarter of the 21st century, we will have learned to rely on clean, essentially inexhaustible sources of energy. The principal candidates include fusion and such solar technologies as photovoltaics.

We are preparing right now for these stages of our energy future. Our energy research and development program is already larger than those of all our allies combined.

But we must do more. That is why I have proposed the creation of an Energy Security Fund to supplement our normal budget mechanisms. The revenues for the Fund will come from a windfall tax on the unearned, excess profits that would otherwise go to the oil companies because of the decontrol of oil prices — over and above any needed incentives for exploration and production.

-- The Energy Security Fund will...
The Energy Security Fund will provide relief to those least able to pay for more costly energy, and large sums will go to finance projects that are important to our energy future—including a regional petroleum reserve, better mass transit, coal and oil shale development, and new incentives for solar techniques, and other basic and applied research.

The Energy Security Fund faces a difficult passage through the Congress.

But we are making progress because the public supports our proposals.

Many of those who only a few weeks ago were dedicated to killing outright the windfall profits tax have now given up on that fight.

But the battle is far from over. Their new strategy seems to be to try to hoodwink the American people by passing a windfall profits tax that is in fact a charade—a tax designed primarily to provide loopholes so the oil companies will get another $4 or $5 billion in unearned profits on top of the $6 billion they would get under decontrol with an honest windfall profits tax.
They will try to pass this charade off on the American people as a "plough back" provision.

But it isn't a "plough back"; it is a "plough under" and a "kick back", and what is going to be plowed under is the Energy Security Fund with its aid to research and to the poor, ... and what is going to be kicked back to the oil companies is the money that would be used to finance those necessary programs.

I ask for your support in the battle to pass an honest windfall profits tax to finance a real Energy Security Fund for our nation.

And I also call on all of you in the scientific and engineering communities to fulfill the trust of the American people by creating the new energy technologies that are so vital to the future well-being of our nation.

We need innovation on a broader scale as well, for new ideas in America are central not only to reducing our dependence on foreign oil, but also to our efforts to control inflation, improve productivity, protect the environment, and ensure the prosperity of our people.

-- We tend to think of the.....

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WE TEND TO THINK OF THE INVENTIVENESS OF AMERICAN INDUSTRY AS A KIND OF INEVITABLE BIRTHRIGHT,...BUT COMPLACENCY IS THE LAST THING WE CAN AFFORD.

TOO MANY OF OUR INDUSTRIES HAVE GONE STALE. INNOVATIVE INDUSTRIES IN COUNTRIES SUCH AS JAPAN AND WEST GERMANY PUT TOO MANY OF OURS TO SHAME. OUR COMPETITIVENESS HAS BEGUN TO SLIP.

WE MUST NURTURE AN ENVIRONMENT IN WHICH THE NEW IDEA AND THE FRESH APPROACH ARE PUT TO USE.

THE FEDERAL GOVERNMENT BEARS A LARGE SHARE OF THIS RESPONSIBILITY. WE MUST CHANGE GOVERNMENT PRACTICES THAT THWART INNOVATION, WHILE ENHANCING GOVERNMENT POLICIES WHICH ENCOURAGE THE DEVELOPMENT OF NEW PRODUCTS AND PROCESSES.

MY ADMINISTRATION IS EXAMINING THIS LONG-NEGLECTED PROBLEM. LAST YEAR, I DIRECTED THE SECRETARY OF COMMERCE TO BEGIN A MAJOR STUDY OF INDUSTRIAL INNOVATION. THAT STUDY -- INVOLVING SOME 30 FEDERAL DEPARTMENTS AND AGENCIES, AND CONSULTATIONS WITH INDUSTRY, LABOR, THE UNIVERSITIES, AND THE PUBLIC -- WILL SOON BE COMPLETED.

I LOOK FORWARD TO REVIEWING THE RECOMMENDATIONS -- AND TO ACTING ON THEM.
Many of you in this room today are leaders of American business and industry, and I call on you to emphasize innovation in the companies you serve.

Like federal support of basic research, industrial investment in basic and applied research -- in new products and processes -- is a practical testament of faith in the future.

Since Kepler's day and before, scientists have been perhaps the most international of all professions in their outlook.

In our own time, the explosion of communications and technology has made international scientific communication both easier and more urgent than ever.

Albert Einstein himself operated on what even then was a modest budget. He needed little more than a few sharpened pencils and a quiet place to think.

But as you know, the task of building upon his work can be much more expensive. Many of the key experiments yet to be done -- in both basic and applied research -- are on a monumental scale. Our choice in the years ahead will be between carrying out the few large projects we can afford on our own -- or doing many more in cooperation with other nations.

-- We must continue to . . . .
WE MUST CONTINUE TO CHOOSE COOPERATION -- FOR REASONS THAT GO BEYOND THE CONSIDERABLE BENEFITS OF SHARING COSTS AND IDEAS.

WITH OUR TRADITIONAL FRIENDS, SCIENTIFIC AND TECHNOLOGICAL COOPERATION CAN STRENGTHEN EXISTING BONDS. WITH OTHERS, IT CAN HELP BRIDGE POLITICAL, IDEOLOGICAL, AND CULTURAL DIVISIONS.

ONE OF THE MOST IMPORTANT PURPOSES OF INTERNATIONAL COOPERATION IN SCIENCE AND TECHNOLOGY IS TO MEET THE DEVELOPMENT NEEDS OF THE POORER COUNTRIES OF THE WORLD.

THE FUTURE OF THE ADVANCED COUNTRIES IS INCREASINGLY TIED UP WITH THAT OF THE DEVELOPING WORLD. YET ONLY ABOUT 1 PERCENT OF THE WORLD'S CIVILIAN RESEARCH AND DEVELOPMENT IS DEVOTED DIRECTLY TO THE PROBLEMS OF THE POORER HALF OF HUMANITY -- PROBLEMS SUCH AS POVERTY, DISEASE, HUNGER, EDUCATION, AND RESOURCE DEVELOPMENT. WE SHOULD BE DOING MORE.

A YEAR AGO, I PROPOSED THE CREATION OF A NEW INSTITUTE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION -- TO MOBILIZE THE TALENTS OF SCIENTISTS AND ENGINEERS IN THIS COUNTRY AND IN THE DEVELOPING WORLD TO ADDRESS THESE CRITICAL PROBLEMS.
Instead of providing relief, we would aid the Third World in building its own corps of development scientists and decision-makers. And we would join them in mutually-beneficial projects in agriculture, medicine, industrialization, and appropriate energy systems.

The Institute for Scientific and Technological Cooperation has been approved by the House of Representatives and is now before the Senate. It needs your full support.

Let me turn now to the use and exploration of space where, as on earth, our purpose is human betterment — material, intellectual, and spiritual.

In the coming era, we will reap a good return on the more than $100 billion the United States has invested in space. From platforms in space we can improve our world. Every year, satellites make new contributions in such areas as agriculture, environmental monitoring, land use, resource discovery, climatology, and communications.

-- With the advent of the.....
WITH THE ADVENT OF THE **Space Shuttle**, we will have an unmatchable ability to work in space. We will see a flowering of research and industrial activities in space,... and we will make quantum jumps in international cooperation, advancing the causes of peace and human development.

MANKIND'S LEAP INTO **space** has changed human consciousness forever. The era of manned exploration of deep space is still well in the future, but our senses are already penetrating the outer reaches of the solar system and beyond.

No one who has seen those breathtaking pictures of Jupiter and its moons sent back by **Voyager 1** could fail to have been surprised and delighted by them.

We can expect many more such surprises,...many more such delights,...as we probe further into the universe and its mysteries.

Finally, let me say that of all the fruits of science, none is more bitter than nuclear weapons.

And of all the responsibilities of nations, none is more urgent than the control of this most terrible menace to our lives and our civilization.
All of us are thankful that the recent accident at the Three Mile Island in Pennsylvania ended without harm to the public. That accident may even have served some positive purposes.

It has of course led us to redouble our determination to improve the safety of nuclear power. Even more importantly, however, it has reminded us vividly of the dreadful consequences of a nuclear war.

We have lived too long with nuclear weapons. We have grown too accustomed to their shadowy presence in our lives. We are too apt to forget what the ultimate horror would be: the instant death of millions, and the agonizing death of millions more;...the destruction of the cultural legacy of mankind;...the poisoning of air and soil and water for many dark generations to come.

In an all-out nuclear exchange, the victim would be nothing less than the past, the present, and the future of our species.

When President Kennedy addressed this body 16 years ago, the Senate had just ratified the first significant step in nuclear arms control -- the atmospheric test ban treaty.

-- The SALT II treaty now.....
THE S.A.L.T. II TREATY NOW NEARING COMPLETION IS PART OF THAT SAME PROCESS -- A LONG, SLOW PROGRESS OF GRADUAL STEPS TOWARD SANITY, BASED ON MUTUAL SELF-INTEREST.

AND AFTER S.A.L.T. II THAT PROCESS WILL CONTINUE WITH A COMPREHENSIVE NUCLEAR TEST BAN AND WITH S.A.L.T. III.

S.A.L.T. II WILL REDUCE THE RISK OF NUCLEAR WAR BY LOWERING LEVELS OF STRATEGIC ARMS, CONSTRaining DEVELOPMENT OF NEW WEAPONS SYSTEMS, AND CONTRIBUTING TO A MORE STABLE POLITICAL RELATIONSHIP WITH THE SOVIET UNION.

Many of the issues involved in assessing the treaty are very complex technically, and the American people will look to the scientific community to help shape an educated public debate.

Many of you devoted much effort to the debate over the S.A.L.T. I agreement, and you played a major role in forming the consensus that developed behind that treaty.

Today I ask you for a renewal of that commitment.

If science gave us nuclear weapons, it is no less true that science has given us the extraordinary means of verifying compliance with treaties governing those weapons.

In the great S.A.L.T. II debate which has already begun, the participation of scientists will be crucial.
ALBERT EINSTEIN ALSO SAID:

"THE IMPORTANCE OF SECURING INTERNATIONAL PEACE WAS RECOGNIZED BY THE REALLY GREAT MEN OF FORMER GENERATIONS. BUT THE TECHNICAL ADVANCES OF OUR TIMES HAVE TURNED THIS ETHICAL POSTULATE INTO A MATTER OF LIFE AND DEATH FOR CIVILIZED MANKIND TODAY, ... AND MADE IT A MORAL DUTY TO TAKE AN ACTIVE PART IN THE SOLUTION OF THE PROBLEM OF PEACE -- A DUTY WHICH NO CONSCIENTIOUS MAN CAN SHIRK."

THOSE WORDS WERE MORE PROPHETIC THAN ANYONE COULD KNOW, FOR THEY WERE SPOKEN MORE THAN A DECADE BEFORE THE EXPLOSION OF THE FIRST ATOMIC BOMB.

I URGE YOU TO HEED THEM AS WE CONCLUDE S.A.L.T. II -- THE NEXT STEP TOWARDS ARMS CONTROL AND PEACE.

AMERICANS ONCE HAD AN UNQUESTIONING FAITH IN SCIENCE AS A SAVIOR.

WE HAVE GROWN MORE SKEPTICAL OF SCIENCE, AS OF SO MUCH ELSE.

BUT WE STILL LOOK TO OUR SCIENTISTS AND ENGINEERS, ... OUR MEDICAL RESEARCHERS AND OUR DOCTORS, ... OUR INVENTORS AND OUR THINKERS, ... TO IMPROVE OUR LIVES AND THE LIVES OF OUR CHILDREN.

-- MY CONCERN FOR THE STATE OF......
MY CONCERN FOR THE STATE OF AMERICAN SCIENCE AND TECHNOLOGY HAS MADE OUR NEW EFFORTS A KEYSSTONE IN BUILDING A NEW AND SOLID FOUNDATION FOR OUR COMMON FUTURE.

I LOOK TO THE MEMBERS OF THIS ACADEMY, TO THE ENTIRE SCIENTIFIC AND ENGINEERING COMMUNITY, TO THE CONGRESS, AND TO THE PEOPLE OF OUR COUNTRY, TO JOIN THESE EFFORTS FOR A GREATER AMERICA.
April 21, 1979

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze

Subject: CEA Weekly Report

Regulation. The Regulatory Analysis Review Group (RARG) executive committee met with the Chairman and staff of the Regulatory Council for an overview of major upcoming regulations. A preliminary list of potential candidates for RARG filings was developed. As it is refined it will be circulated among the agencies. Development of this list revealed wide variation in compliance with portions of your Executive Order 12044 on regulatory reform. You will be hearing from OMB concerning failure of some Departments to list items on the Regulatory Calendar.

On April 19 CWPS filed comments on EPA's proposed diesel particulates standard. CEA staff conducted the analysis and drafted the filing.

Section 125 of the Clean Air Act permits the President, or his designee, to prohibit the use of low-sulfur coal and require the scrubbing of local high-sulfur coal as a means of meeting clean air requirements, if EPA finds that switching to low-sulfur coal would cause significant unemployment or disruption to local coal miners. Such an action both delays the time of compliance with clean air standards and raises electricity rates. EPA is about to make such a finding in the case of four Ohio utilities. CEA and CWPS are now discussing with EPA whether their finding is necessary and whether it creates a bad precedent for the future. There is substantial pressure from the affected area (several mining counties in Southeastern Ohio) for a disruption finding. The issue may come to you shortly. Unlike most other EPA actions, this one -- by statute -- will ultimately require your decision, either directly or by designation.
Energy. Meetings of the Energy Task Force took up a good deal of time. George Eads (Council Member-Designate) took part in briefings of the Senate Energy Committee, the Senate Finance Committee, the House Ways and Means Committee, and the House Committee on Science and Technology. CEA staff is also working on the question of reducing the impact of decontrol on the poor.

Collective Bargaining. On Friday, April 20, I joined Fred Kahn and Ray Marshall in a meeting with rubber company executives. You probably have a report from Ray. In essence, our problem is to keep one company -- UniRoyal -- from signing a standards-busting agreement, thereby forcing the others to go along. We are keeping in almost hourly contact with the developments. Through many sources, direct and indirect, we have conveyed to the companies -- especially UniRoyal -- our intention to mobilize public opinion and the government's contracting power against any parties who broke the guidelines, and particularly to identify by name and to act against the company which led the way. (UniRoyal came within a hair of signing an incredibly inflationary agreement late last week.) This is a critical negotiation. If UniRoyal breaks the line, Firestone must follow (it has a previous no strike "follow-the-leader" agreement with the union). The others, then, couldn't hold out. And if the rubber negotiations bust the guidelines, the chance of holding autos and electrical workers is zero. We have to go all out on this.

Health Insurance. CEA staff and I met with Hale Champion and HEW staff to discuss the NHI proposal. I expressed my strong concern about the failure to provide for any competition between types of plans in basic coverage. Even if only catastrophic coverage is mandated, we can take actions to encourage competition between other plans. For example, we could require that any employer who offers health insurance in addition to the mandated catastrophic coverage must make equal contributions to all plans. Those employees choosing a less expensive plan should then receive additional compensation.
THE WHITE HOUSE
WASHINGTON
April 23, 1979

Chairman Campbell
Stu Eizenstat
Zbig Brzezinski
Jim McIntyre

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

Rick Hutcheson
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Mr. President:

OMB and NSC concur. No comment from DPS.

Rick
MEMORANDUM TO THE PRESIDENT

FROM: Alan K. Campbell

SUBJECT: A. Exclusion of the Agency for International Development from the Senior Executive Service

B. Exclusion of 55 Senior Medical positions in the Department of Medicine and Surgery, Veterans Administration, from the Senior Executive Service

I have received requests for exclusion from the Senior Executive Service from both the Agency for International Development (AID) and the Veterans Administration. These requests, along with our analysis and recommendations are described in pertinent detail below.

A. Agency for International Development

The Agency for International Development has requested an exclusion from the Senior Executive Service for 119 positions within that organization which would normally meet the criteria for inclusion in SES. This figure encompasses the total supergrade and equivalent population of the organization. AID, which currently has a combined personnel system consisting of both Foreign Service and General Schedule positions, has based their request on two considerations: the impending reorganization to establish an International Development Cooperation Agency; and, the absence of a permanent AID Director. Their request for exclusion is of a temporary nature and will terminate no later than January 1, 1980.

I believe the absence of a permanent AID Director in conjunction with the impending reorganization is likely to result in a heightened degree of organizational uncertainty. It appears likely that this uncertainty could have a serious adverse impact upon the conversion
process which would be required by inclusion in the Senior Executive Service at this time. In view of the above, I concur with AID's request for a temporary exclusion from the Senior Executive Service for a period of time not to exceed January 1, 1980.

B. Veterans Administration

The Veterans Administration has requested an indefinite exclusion from the Senior Executive Service for 65 Senior Medical positions in the Department of Medicine and Surgery. Fifty-five positions are located in VA's central office and ten are hospital directors. They are authorized under title 38 of the U.S. Code which specifies that they be filled by qualified doctors of medicine, dental surgery or dental medicine, or registered nurses.

The Veterans Administration claims that there are serious incompatibilities between the title 38 personnel system and the Senior Executive Service authorized under title 5. The areas of concern center upon new staffing and qualifications requirements under SES; OPM involvement in the allocation of SES resources (spaces) for such positions; discrepancies in basic and special medical pay limits; differences in terms and lengths of appointments; and infringement upon VA's ability to prescribe hours of duty, conditions of employment, and leave policies for these positions.

Although I am sympathetic with the difficulties the Veterans Administration might face in bringing these positions into the Senior Executive Service system authorized by title 5, I do not feel that these problems are insurmountable. Indeed, I feel that the Federal Service and the public interest may be better served by bringing these top medical positions into conformity with the system established by Congress for the great majority of Federal executives. Therefore, I recommend at this time that these positions be excluded from the Senior Executive Service, but only for a period of one year—from the implementation of SES—until July 13, 1980. This should be an adequate period for the Veterans Administration to study the feasibility of bringing these positions into the Senior Executive Service.

Recommendations

A. I recommend that you approve the Agency for International Development's request for exclusion from the Senior Executive Service for a period of time not to exceed January 1, 1980. This recommendation is based on the impending reorganization to establish an International Development Cooperation Agency. I further recommend that if the circumstances
on which the proposed exclusion is premised are resolved earlier than January 1, 1980, the term of this exclusion will be reconsidered.

B. I recommend that you approve the Veterans Administration's request for exclusion of 65 Senior Medical positions in the Department of Medicine and Surgery from the Senior Executive Service for a period of one year (i.e., July 13, 1980).

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Electrostatic Copy Made for Preservation Purposes
THE WHITE HOUSE
WASHINGTON

DATE: 12 APR 79

FOR ACTION: STU EIZENSTAT
FRANK MOORE (LES FRANCIS)
ZBIG BRZEZINSKI
JIM McINTYRE
RICHARD PETTIGREW

INFO ONLY: THE VICE PRESIDENT ARNIE MILLER

SUBJECT: CAMPBELL MEMO RE EXCLUSION OF THE AGENCY FOR INTL DEV.
AND 55 SENIOR MEDICAL POSITIONS IN THE VETERANS ADMIN.
FROM THE SENIOR EXECUTIVE SERVICE

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) BY 1200 PM SATURDAY 14 APR 79

ACTION REQUESTED: YOUR COMMENTS
STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:
TO:

☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

OF (Organization)

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

MESSAGE

E. Benoit
No Comment
Campbell memo on exclusion of Intel Inc ....

RECEIVED BY

DATE

TIME

63-109

STANDARD FORM 63 (Rev. 8-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.6
DATE: 12 APR 79

FOR ACTION: STU EIZENSTAT
FRANK MOORE (LES FRANCIS)
ZBIG BRZEZINSKI
JIM MCINTYRE
RICHARD PETTIGREW

INFO ONLY: THE VICE PRESIDENT
ARNIE MILLER

SUBJECT: CAMPBELL MEMO RE EXCLUSION OF THE AGENCY FOR INTL DEV.
AND 55 SENIOR MEDICAL POSITIONS IN THE VETERANS ADMIN.
FROM THE SENIOR EXECUTIVE SERVICE

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:
WASHINGTON

DATE: 12 APR 79
FOR ACTION: STU EIZENSTAT
ZBIG BRZEZINSKI
RICHARD PETTIGREW

INFO ONLY: THE VICE PRESIDENT

SUBJECT: CAMPBELL MEMO RE EXCLUSION OF THE AGENCY FOR INT'L DEV.
AND 55 SENIOR MEDICAL POSITIONS IN THE VETERANS ADMIN.
FROM THE SENIOR EXECUTIVE SERVICE

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (455-7052)
BY: 14 APR 79 - EXTENDED TO 1200PM MONDAY APRIL 16

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

OM B concurs w/
OPM's recommendations
Memorandum

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

TO: Wayne Granquist
FROM: Ed Preston

DATE: April 12, 1979

SUBJECT: AID and VA Exclusions from SES

We have no objection to Scotty Campbell's request for temporary exclusion from the SES of AID's 119 supergrade (and equivalent) positions and VA's 65 senior medical positions in the Department of Medicine and Surgery. We have coordinated this response with the budget program divisions involved.

I recommend a staff response of concurrence to Rick Hutcheson.
MEMORANDUM TO THE PRESIDENT

FROM: Alan K. Campbell
Director

SUBJECT: A. Exclusion of the Agency for International Development from the Senior Executive Service

B. Exclusion of 55 Senior Medical positions in the Department of Medicine and Surgery, Veterans Administration, from the Senior Executive Service

I have received requests for exclusion from the Senior Executive Service from both the Agency for International Development (AID) and the Veterans Administration. These requests, along with our analysis and recommendations are described in pertinent detail below.

A. Agency for International Development

The Agency for International Development has requested an exclusion from the Senior Executive Service for 119 positions within that organization which would normally meet the criteria for inclusion in SES. This figure encompasses the total supergrade and equivalent population of the organization. AID, which currently has a combined personnel system consisting of both Foreign Service and General Schedule positions, has based their request on two considerations: the impending reorganization to establish an International Development Cooperation Agency; and, the absence of a permanent AID Director. Their request for exclusion is of a temporary nature and will terminate no later than January 1, 1980.

I believe the absence of a permanent AID Director in conjunction with the impending reorganization is likely to result in a heightened degree of organizational uncertainty. It appears likely that this uncertainty could have a serious adverse impact upon the conversion
process which would be required by inclusion in the Senior Executive Service at this time. In view of the above, I concur with AID's request for a temporary exclusion from the Senior Executive Service for a period of time not to exceed January 1, 1980.

B. Veterans Administration

The Veterans Administration has requested an indefinite exclusion from the Senior Executive Service for 65 Senior Medical positions in the Department of Medicine and Surgery. Fifty five positions are located in VA's central office and ten are hospital directors. They are authorized under title 38 of the U.S. Code which specifies that they be filled by qualified doctors of medicine, dental surgery or dental medicine, or registered nurses.

The Veterans Administration claims that there are serious incompatibilities between the title 38 personnel system and the Senior Executive Service authorized under title 5. The areas of concern center upon new staffing and qualifications requirements under SES; QPM involvement in the allocation of SES resources (spaces) for such positions; discrepancies in basic and special medical pay limits; differences in terms and lengths of appointments; and infringement upon VA's ability to prescribe hours of duty, conditions of employment; and leave policies for these positions.

Although I am sympathetic with the difficulties the Veterans Administration might face in bringing these positions into the Senior Executive Service system authorized by title 5, I do not feel that these problems are insurmountable. Indeed, I feel that the Federal Service and the public interest may be better served by bringing these top medical positions into conformity with the system established by Congress for the great majority of Federal executives. Therefore, I recommend at this time that these positions be excluded from the Senior Executive Service, but only for a period of one year—until July 13, 1980. This should be an adequate period for the Veterans Administration to study the feasibility of bringing these positions into the Senior Executive Service.

Recommendations

A. I recommend that you approve the Agency for International Development's request for exclusion from the Senior Executive Service for a period of time not to exceed January 1, 1980. This recommendation is based on the impending reorganization to establish an International Development Cooperation Agency. I further recommend that if the circumstances
on which the proposed exclusion is premised are resolved earlier than January 1, 1980, the term of this exclusion will be reconsidered.

B. I recommend that you approve the Veterans Administration's request for exclusion of 65 Senior Medical positions in the Department of Medicine and Surgery from the Senior Executive Service for a period of one year (i.e., July 13, 1980).

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Frank Moore

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

Rick Hutcheson
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| FROM PRESIDENT'S OUTBOX |
| LOG IN/TO PRESIDENT TODAY |
| IMMEDIATE TURNAROUND |
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MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: TELEPHONE CALL - CONGRESSMAN PETER PEYSER

Congressman Peter Peyser (D-New York) telephoned you this morning. I asked Bill Cable to return the call.

During the recess, Peyser and several other members of the New York delegation held hearings on the windfall profits tax and decontrol. Although 22 major oil companies were invited to participate only one appeared (Union Oil of California). Most who declined did so because they did not want to go on record.

The Congressman would like to give you a report on what he believes are some interesting developments that emerged from the hearings.

I recommend that you call Congressman Peyser so that he can report directly to you.

Pete: People don't believe oil companies. Pres. be tough - should invite executives to WH. I listen to them.

Electrostatic Copy Made
for Preservation Purposes
THE WHITE HOUSE
WASHINGTON

April 23, 1979

MR. PRESIDENT:

Meade Esposito, Brooklyn
Party Chair, is having lunch here today. May he drop by at 11:55 a.m. for a 2 minute photo session?

YES ☑ NO

PHIL

Electrostatic Copy Made for Preservation Purposes
THE WHITE HOUSE
WASHINGTON
4/23/79

Frank Moore
Phil Wise

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

Rick Hutcheson
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**FOR STAFFING**

**FOR INFORMATION**

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION -

**ACTION**

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**SECRET**

**CONFIDENTIAL**

**EYES ONLY**

**ADMIN CONFID**
CONGRESSIONAL TELEPHONE CALL

TO: Representative Martin Russo (D., Illinois)

DATE: April 23, 1979

RECOMMENDED BY: Frank Moore, Bill Cable

PURPOSE: To patch up strained relations between the White House and Congressman Russo resulting from Russo's vote on hospital cost containment last year.

BACKGROUND: We have asked for 5 minutes time in your schedule sometime in the next two weeks to meet with Russo. If you make this telephone call today it will be unnecessary for you to meet with him. Marty has told us that this year's hospital cost containment bill meets most of the problems he raised with the bill introduced last year. The reason he voted against the bill was not that he was bought by the hospital industry, but because he thought the bill was defective and needed to be improved.

You might also mention that Tuesday at 10 a.m. the full committee will meet to vote on your standby gas rationing and energy conservation proposal and that you need him to vote with Dingell to give you the authority you are requesting.

DATE OF SUBMISSION: April 23, 1979
Hugh Carter

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

Rick Hutcheson
| FOR STAFFING |
| FOR INFORMATION |
| FROM PRESIDENT'S OUTBOX |
| LOG IN/TO PRESIDENT TODAY |
| IMMEDIATE TURNOVER |
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MEMORANDUM FOR THE PRESIDENT
FROM: HUGH CARTER
SUBJECT: John Simpson

Stu Knight has just informed me that effective July 1, John Simpson will be promoted from Special Agent In Charge, Presidential Protective Division to Assistant Director for Protective Operations.

As of the present time, a replacement for John has not been selected, but I will advise you when such a selection is made.

This is a good promotion for John, and perhaps you may want to congratulate him at your convenience.
THE WHITE HOUSE
WASHINGTON
4/23/79

Jerry Rafshoon

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

Rick Hutcherson

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

Send with eyes only

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MEMORANDUM FOR THE PRESIDENT
FROM: JERRY RAFSHOON

Despite our "kiss and tell" publicity from Jim Fallows, I feel we are getting our speech writing function in better shape.

Rick Hertzberg has evolved into an excellent writer for your style (despite some mis-signals on the first draft of the energy speech). He has an excellent grasp of foreign policy and is sensitive to the disparate views that have to go into domestic speeches.

We also have hired Gordon Stewart, an experienced writer from New York, and Bob Maddox. In addition, Achsah and Walter Shapiro (a detailee from Labor Department) are doing a good job. Bernie Aronson has not worked out and I plan to send him elsewhere.

We have not had a Chief Speechwriter since Fallows left. Unless you disagree, I intend to make Rick Hertzberg Chief Speechwriter and give him responsibility for assigning speeches, writing major addresses and administering the department. He can do it, is a talented writer, and inspires his co-workers. It would be a good shot in the arm for the entire speech department. He is also loyal. He is chagrined at Fallows' lapse in judgement and wants to assure you that he would not do anything like that.

After appointing him, I would like to have him meet with you for a few minutes. Also, I would like to have the new writers meet you.

As Chief Speechwriter, I would like to see Rick working closer with you on communicating to the writers and getting your wishes accomplished. This is important since I will be leaving soon.
THE WHITE HOUSE
WASHINGTON

4/23/79

Jack Watson
Stu Eizenstat

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

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT
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SCHNEIDERS
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WISE
MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
JACK WATSON
SUBJECT: North Carolina Desegregation Case

We met last week with Secretary Califano on the North Carolina desegregation case. We talked through the attached memorandum. Joe feels that if he could get movement on the first three of the four proposals shown on page 6 of the memorandum, HEW would have a good chance of resolving this complicated issue. However, an achievement of this nature would not eliminate a suit being filed by Joe Rauh.

Jack spoke to Joe yesterday to see how discussions between the lawyers are proceeding and to ask whether Joe thinks that a call from you to Governor Hunt would be helpful. Unfortunately, there is not much progress to report with respect to the lawyers' discussions, and Joe does not think that a call from you to Jim Hunt would be appropriate or fruitful at this time. Although we tentatively defer to Joe's judgment on the matter because he is so much closer to the negotiations than we are, we are both concerned about waiting too late for you to ask Jim Hunt for his help in resolving the dispute. If the issues are not settled by April 30th, HEW must begin to withhold funds from North Carolina.

We suggest that you call Joe to underscore your desire to have the matter resolved and to urge Joe to do everything reasonably possible to work out a satisfactory settlement with the State by April 30th. You might also reiterate your willingness to talk with Jim Hunt to ask for his help in the matter.

4-23-79
Joe & Jim Hunt had agreement.
worked out. elder sounded good.
reasonable to me. Bd of pov's would not agree.

Electrostatic Copy Made for Preservation Purposes
MEMORANDUM

North Carolina Desegregation Case

History of the Litigation

In 1970, nine years ago, the Department of Health, Education, and Welfare notified ten states, including North Carolina, that they were continuing to operate racially segregated systems of higher education in violation of the Constitution of the United States and Title VI of the Civil Rights Act of 1964. The Department requested North Carolina and the other states to submit desegregation plans.

In that same year, the NAACP Legal Defense Fund filed suit to compel HEW either to obtain effective plans to desegregate higher education in the states involved, or to institute enforcement proceedings, leading to fund cut-off, against those states which failed to submit such a plan.

For the next three years, North Carolina failed to submit any desegregation plan. On February 16, 1973, the District Court for the District of Columbia (Judge Pratt) ordered HEW to institute, within 120 days, enforcement proceedings against North Carolina and the other states which had not submitted acceptable desegregation plans.

On June 12, 1973, the Court of Appeals for the District of Columbia Circuit, sitting en banc, unanimously affirmed the judgment of the District Court and ordered the Secretary of HEW, within 300 days, to commence enforcement proceedings against any state which did not submit an acceptable desegregation plan.

North Carolina submitted a desegregation plan which HEW accepted in 1974. The NAACP Legal Defense Fund challenged the Department's action in accepting that plan and others.

In April 1977, the United States District Court ruled that the desegregation plans of North Carolina and other states "did not meet important desegregation requirements and...failed to achieve significant progress toward higher education desegregation." The Court then ordered the Department to promulgate criteria for acceptable desegregation plans, to require submission of new plans and to accept or reject those plans within 120 days of their submission.
Criteria

Pursuant to that Court Order, the Department, after consultation with a broad cross-section of educators, promulgated the court-ordered criteria:

- Part I calls on the State to disestablish its dual system in two ways: by enhancing the traditionally black institutions so they attract black and white students for nonracial reasons; and by eliminating educationally unnecessary duplication of programs.

- Parts II and III of the criteria require the State to commit to increase the numbers of white students at the traditionally black schools and to increase the numbers of black students, faculty and non-academic employees at the traditionally white schools.

North Carolina's Plan

In September 1977, North Carolina submitted The Revised North Carolina State Plan for the Further Elimination of Racial Duality in Public Higher Education Systems, Phase II, 1978-83. Pursuant to Court Order, HEW was required by February 3, 1978 to accept or reject the North Carolina plan. On that date, HEW accepted the portion of the State Plan that related to the Community College System, but rejected the portion covering the University System because it did not comply with the court-ordered criteria. HEW advised North Carolina that it would begin administrative enforcement proceedings and begin targeted deferral of new grants if further negotiations did not result in an acceptable desegregation plan within 45 days.

When further negotiations failed to produce an acceptable plan, administrative enforcement proceedings were commenced against the State. Shortly thereafter, those proceedings were dismissed when North Carolina submitted and the Department provisionally accepted the University component of the State Plan. Secretary Califano personally negotiated the final elements of that plan with President Friday.

That acceptance was conditioned, in part, on North Carolina's commitment to undertake a study of program duplication between traditionally black and traditionally
white institutions in the Raleigh-Durham and Greensboro, Winston-Salem areas. North Carolina made a further commitment to ensure that the placement of new programs at the traditionally black institutions and the elimination of educationally unnecessary program duplication would result within five years in a "significant proportion of students in unduplicated programs in traditionally white institutions and traditionally black institutions." Based on those assurances, the Secretary provisionally accepted the May plan.

Current Controversy

Critical to the Secretary's acceptance of the May plan was North Carolina's assurance that it would first study and then eliminate educationally unnecessary program duplication in the UNC system. In its program duplication study submitted to the Department last December, UNC acknowledged that 58 non-core programs at traditionally black schools were duplicated at traditionally white schools in the Raleigh-Durham and Greensboro, Winston-Salem areas. UNC concluded, however, that all of the duplication was educationally necessary. In addition, UNC asserted that the elimination of duplication was not an acceptable desegregation technique.

The keys to desegregating the black institutions under Part I of the criteria are by the elimination of educationally unnecessary program duplication and by the enhancement of the black schools.

HEW adopted the elimination of program duplication as a desegregation technique in the court-ordered criteria because it not only offers the greatest chance of desegregating traditionally black and white institutions that draw students from the same geographic areas, but also (as the Court of Appeals decision required), helps assure that the black schools would not be forced to bear an unfair burden in the desegregation process. Because of the history of their development, the black institutions have been provided with inadequate and often inferior resources, facilities and programs. As long as black and white institutions continue to offer the same programs, white students have little reason to choose any but the traditionally white schools.

Enhancement of the black colleges is necessary for desegregation because the disparity in resources, facilities and programs between the traditionally black and traditionally
white institutions remains. Although the current per capita expenditures for current operations at the five traditionally black institutions are higher than at many of the traditionally white institutions, expenditures for capital construction, renovations, and special projects are not included in those calculations. The State has increased the resources for the traditionally black schools since the University System was unified in 1972, but the traditionally black schools still receive less resources, programs and facilities per school than do the traditionally white schools.

For example, between 1974 and 1979, UNC has authorized 40 new degree programs for the traditionally black schools and 126 for the traditionally white schools--an average of eight new programs for each black school and twelve new programs for each white school.

Also between 1974 and 1979, the State has appropriated $270 million for capital construction at the traditionally white institutions and $35 million for capital construction at the traditionally black institutions--an average of $24 million for each white institution and $7 million for each black institution.

The current inadequacies at the traditionally black institutions have been publicly acknowledged by Governor Hunt. Just last month, he said:

"My heart just aches when I see some of those buildings these children have to go to school in. We have a long way to go in providing adequate facilities at these traditionally black institutions."

And the Raleigh News and Observer noted on March 4:

"The legacy of years of segregation...is visible in countless ways...it can be seen in the grim, depression-era buildings on the campus, in poorly equipped laboratories, in the overly crowded library and in sports facilities which officials say do not equal those found in local public high schools."

Nine years after the current litigation began, the 16 institutions in the University System remain largely one-race schools. At the eleven traditionally white schools,
with a full-time enrollment of 72,567, only six percent of the full-time undergraduates are black and at the five traditionally black schools, with a full-time enrollment of 13,389, only four percent of the full-time undergraduates are white. More than 70 percent of the full-time black undergraduates and less than one percent of the full-time white undergraduates in the University System attend the five traditionally black schools.

It is against this background of continuing racial duality and disparity in resources that North Carolina's current proposals must be evaluated.

**Current Proposals**

UNC has made sufficient commitments to satisfy the requirements of Parts II and III of the criteria (relating to employment and enrollment). Moreover, UNC is making substantial progress towards achieving its goals of increasing black student enrollment at the traditionally white institutions by 150 percent over the life of the five year plan.

With respect to Part I of the criteria, which requires enhancement of the traditionally black institutions, UNC in its May plan pointed out that it had previously authorized planning for 15 new programs at the traditionally black institutions; three in January 1975, four in April 1976 and the remaining eight in November 1977. Since the May plan, UNC has also authorized seven additional programs for planning at the black institutions.

UNC has also offered to spend $20 million, over the next four years, for repairs of facilities at the traditionally black institutions, and one million dollars for new equipment. That $20 million is the amount necessary to do only the most basic repairs identified in a study commissioned by UNC to determine what repairs were necessary on each campus. The need for the repairs was also pointed up during a recent tour of the five campuses by HEW officials at the invitation of the chancellors of the five black institutions.

These current proposals, however, fall far short of promising the traditionally black institutions the unique
programs, resources and facilities they need to compete for students on a non-racial basis. UNC's proposal does not ensure that a significant proportion of students will be in unduplicated programs by the end of four years, nor does it otherwise offer a realistic possibility that the traditionally black institutions will be strengthened and desegregated during the life of the plan.

To satisfy the court-ordered criteria, North Carolina would have to agree:

• to provide the traditionally black schools with new and unduplicated programs,

• to provide them with funds for renovations, new facilities, equipment and other resources,

• to withdraw the authorization already given to traditionally white institutions to plan and develop a few new programs that would compete with planned or existing programs at traditionally black institutions,

• to eliminate specific educationally unnecessary program duplication between traditionally white and black institutions during the last year of the plan only if the steps described above did not result in significant desegregation.

HEW has provided North Carolina with enhancement proposals that are illustrative of those that would satisfy the criteria. HEW suggested many specific new and unique degree programs for each of the five black schools. Some examples of the programs HEW suggested are:

• Doctoral programs in Engineering, Masters programs in Public Affairs and Special Education for North Carolina Agricultural and Technical State University.

• Centers for Graduate Study of Business Administration and Public Administration at Winston-Salem State University.

• Centers for Graduate Study in Education at Elizabeth City State University and Fayetteville State University.
An Institute for Criminal Justice Education and Research at North Carolina Central University.

HEW also suggested illustrative capital improvements for each school. Some examples are:

• A pre-vet school laboratory, nursing school facility, engineering school classroom laboratory facility, and an Art, Music and Humanities Center for North Carolina Agricultural and Technical University.

• Business education building, library addition, fine arts building, teacher education building, Chancellor's residence as well as land acquisition and renovations for Winston-Salem State University.

• Early childhood facility, administration building, student housing and renovations for Elizabeth City State University.

These are just examples of the kind of enhancement necessary. Obviously, the specific programs and enhancement which UNC would provide are matters that UNC must determine as a matter of educational policy. The particular mix of new programs and resources which would offer a realistic possibility of enhancing and desegregating the traditionally black institutions and therefore be acceptable to the Court under Title VI and the criteria would have to be worked out in careful negotiations between UNC and HEW.

North Carolina could do the kind of enhancement which HEW has proposed for roughly the cost of its last two large investments in the traditionally white schools--the School of Veterinary Medicine at North Carolina State University ($32.8 million) and the Medical School at East Carolina University ($50 million).

North Carolina, however, will not agree to commitments of this kind or to the commitment of eliminating specific program duplication at the end of four years if enhancement is insufficient to desegregate the black institutions.

Contrast with Other States

By contrast, HEW has negotiated plans with the states of Virginia, Florida, Arkansas, Oklahoma, and Georgia that
provide substantial possibilities for enhancement and desegregation of the black colleges. For example:

• The Virginia plan provides for sixteen new programs for the two traditionally black institutions and for the elimination of educationally unnecessary program duplication in the Tidewater area.

• The Georgia plan provides for new and unduplicated programs for each of the three traditionally black schools and for the elimination of significant program duplication in the Savannah area.

Current Legal Posture

On March 15, the NAACP Legal Defense Fund filed a motion to have the Secretary adjudicated in civil and criminal contempt for failure to take action on the North Carolina plan. The Secretary was required, therefore, on March 26, to reject the plan in compliance with the Court mandates and Title VI.

When the Secretary rejected the plan, he announced that administrative enforcement proceedings would be commenced against North Carolina. The Secretary, however, announced that he was taking two unusual steps:

• Rather than deferring consideration of all future applications for funds to the UNC System, the Secretary announced that the deferral would be targeted only to funds which would contribute to continuing segregation in the UNC System.

• Rather than beginning the deferral immediately, the deferral of funds would be delayed 30 days after the enforcement proceedings were commenced.

These steps were taken to provide every possible opportunity for negotiations so that protracted litigation could be avoided.

On March 27, the NAACP Legal Defense Fund filed a motion in the District Court for the District of Columbia seeking an order directing the Secretary of HEW, within 30 days, to suspend all forms of HEW aid and assistance to the traditionally white institutions in the UNC System.
BOARD OF GOVERNORS
THE UNIVERSITY OF NORTH CAROLINA

William A. Johnson, Lillington
Chairman

Mrs. Howard Holderness, Greensboro
Vice Chairman

Dr. E. B. Turner, Lumberton
Secretary

Members

Irwin Belk
Charlotte

Luther H. Hodges, Jr.
Charlotte

F. P. Bodenheimer
Raleigh

James E. Holmes
Winston-Salem

Hugh Cannon
Charleston, S. C.

Robert L. "Roddy" Jones
Raleigh

Philip G. Carson
Asheville

John R. Jordan, Jr.
Raleigh

Laurence A. Cobb
Charlotte

Mrs. John L. McCain
Wilson

T. Worth Coltrane
Asheboro

Reginald McCoy
Laurinburg

Wayne A. Corpening
Winston-Salem

Mrs. Hugh Morton
Linville

Mrs. Kathleen R. Crosby
Charlotte

J. Aaron Prevost
Hazelwood

Dr. Hugh S. Daniel, Jr.
Waynesville

Louis T. Randolph
Washington

William A. Dees, Jr.
Goldsboro

Harley F. Shuford, Jr.
Hickory

Charles Z. Flack, Jr.
Forest City

Mnceo A. Sloan
Durham

Jacob H. Froelich, Jr.
High Point

David J. Whichard, II
Greenville

Daniel C. Gunter, Jr.
Gastonia

Mrs. George D. Wilson
Fayetteville

George Watts Hill
Durham

[2 vacancies]
THE WHITE HOUSE
WASHINGTON
4/23/79

Stu Eizenstat

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

Rick Hutcheson
**FOR STAFFING**

**FOR INFORMATION**

**FROM PRESIDENT'S OUTBOX**

**LOG IN/TO PRESIDENT TODAY**

**IMMEDIATE TURNAROUND**

**NO DEADLINE**

**LAST DAY FOR ACTION -**

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COSTANZA  
CRUIKSHANK  
FALLOWS  
FIRST LADY  
GAMMILL  
HARDEN  
HUTCHESON  
JAGODA  
LINDER  
MITCHELL  
MOE  
PETERSON  
PETTIGREW  
PRESS  
RAFSHOON  
SCHNEIDERS  
VOORDE  
WARREN  
WISE
MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Call from Congressman Seiberling Regarding RARE II/Alaska Lands

Congressman Seiberling will call you to urge that the Administration's RARE II recommendations (results of a survey allocating National Forest lands among wilderness and multiple use) be postponed until after the House completes the Alaska Lands Bill. You will be receiving the RARE II recommendations tomorrow night and they are scheduled for announcement on or about April 16th.

Cecil Andrus, Bob Bergland, Frank Moore's staff, and I recommend against agreeing with Seiberling's request for the following reasons:

-- On the merits there is no reason to link RARE II and the Alaska Lands Bill.

-- This delay will not help the Alaska Bill because producer and western interest will be so offended by the RARE II delay that they will redouble their efforts on Alaska.

-- Western and producer interests will be outraged by any further delay in the RARE II process, and our efforts to secure broader support for the Department of Natural Resources -- which are going reasonably well so far -- will be dealt a severe blow.

-- Seiberling's real motive is to delay RARE II in hopes of securing additional wilderness in Washington or Oregon, and to derail our efforts to secure western support for the Department of Natural Resources.
Mr. President:

Frank Moore observes that on a similar antitrust case last year, where there was dissension within the Administration, you took a low profile, allowing the various voices to testify on the Hill. Dan Tate believes this is a Justice issue, and that you should not get involved.

Rick
THE WHITE HOUSE
WASHINGTON

4-20

Susan,

If the President has time

to do this before Monday,

pls give me one Bill a call –

we can have the letter

auto-penned & sent out

before Monday.

Thanks,

[Signature]

Electrostatic Copy Made
for Preservation Purposes
MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
       BOB MALSON
SUBJECT: ILLINOIS BRICK

The Senate Judiciary Committee is scheduled to markup the Illinois Brick bill on Monday April 23 and the Republicans on the Committee have marshalled a major effort to prevent the formation of a quorum. The broad-based coalition and the Congressional sponsors with whom we have been working are very concerned that the opponents might well succeed in their attempts to block a quorum. Last year, under similar circumstances, you sent a letter to the House Judiciary Committee which was very effective at informing the Congressmen and the general public of your commitment to the goal of overturning the Supreme Court's decision. It is generally believed that your letter helped turn the tide in the House Committee.

We have attached a letter for your consideration which we and the Department of Justice would like to send to all members of both Judiciary Committees on Thursday, April 19.

Approved

Disapproved

Electrostatic Copy Made
for Preservation Purposes
To Senator (Congressman) ________

I am writing to ask for your support in favorably reporting the Illinois Brick legislation out of the Judiciary Committee. One of our key weapons in the fight against inflation is effective enforcement of the antitrust laws. Historically, the ability of private parties to bring treble damage actions against antitrust violators has been crucial in deterring illegal conduct. Government criminal and civil actions alone are not sufficient. The Supreme Court's Illinois Brick decision, by barring recovery for all indirect purchasers who have suffered injury due to a violation of the antitrust laws, has significantly undermined the effectiveness of the private damage remedy and, thus, the effectiveness of antitrust enforcement. If our antitrust enforcement efforts are to work well, there must be a broad range of potential plaintiffs, including indirect purchasers, available to challenge those who would violate the law by conspiratorially raising prices.
At this time when we need to devote all possible efforts to controlling the cost-of-living, I am particularly concerned that the antitrust laws be vigorously enforced. Passage of this legislation is essential to this goal.

Sincerely,

Jimmy Carter
THE WHITE HOUSE
WASHINGTON

4/23/79

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

Rick Hutcherson
cc: Arnie Miller
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**FOR STAFFING**

**FOR INFORMATION**

**FROM PRESIDENT'S OUTBOX**

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**NO DEADLINE**

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MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE, BOB THOMSON, MIKE BERMANN

SUBJECT: FEC APPOINTMENT

The Federal Election Campaign Act and the Federal Election Commission have significant effect on every federal election contest. Whether or not the law becomes a burden on the electoral process depends on the manner in which the Commission administers the Act, interprets it with regulations and advisory opinions and handles complaints against candidates and committees. It is fair to say that Commission action can affect the outcome of a particular election. For example, if it moves quickly and publicly to dismiss spurious complaints, the effect on the alleged violator is much less than if it allows the process of evaluating such complaints to drag on endlessly.

All one can expect from a Commissioner is that he or she approach the responsibilities of the office with intelligence, reasonableness and fairness. Frank Reiche, the proposed nominee for a non-Democrat seat on the Commission fits these criteria.

In certain respects, Reiche may be the most qualified person ever considered for appointment to the Commission. His performance as a member and as Chairman of the New Jersey Election Law Enforcement Commission has been applauded by Democrats and Republicans. The several meetings which he has had with members of the White House staff led us to the conclusion that his approach to election law enforcement is both reasonable and responsible. He was on the list submitted by the Republican leadership last fall and again early this year.

A copy of the original memo submitted to you is attached.

Reiche is on the list of candidates submitted by Baker and Rhodes. In an eleventh-hour request, both have made it known that they prefer reappointment of former GOP Congressman Vernon Thomson. However, Thomson was not even on the original Baker-Rhodes list.
We do not believe selection of Reiche will cause a major confrontation with the Republican leadership. They have recommended him for the position and he is far superior in qualifications to Vernon Thomson or anyone else on their list.
THE WHITE HOUSE
WASHINGTON
April 6, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: TIM K AFT
ARNIE MILLER

SUBJECT: Federal Election Commission

On April 30, 1979, two terms will expire on the Federal Election Commission. One seat can be filled by a Democrat, and the other nominee must be a non-Democrat. We have worked closely with Dick Moe, Mike Berman, and Bob Thomson in the screening process.

Democratic Member

Commissioner Tom Harris was appointed to the FEC in 1975. Prior to his appointment he was a labor lawyer. From 1955-1975, he was Associate General Counsel of the AFL-CIO, and from 1948-1955, he was Associate General Counsel of the CIO. Prior to 1948, he worked for the prestigious Washington law firms of Alvord and Alvord, and Covington and Burling.

Mr. Harris, a partisan Democrat, has been conscientious and hard working. He is highly regarded and is clearly seen as the most knowledgeable member of the FEC. He is the "labor" member, and the AFL-CIO strongly supports his reappointment.

Vice President Mondale, Frank Moore, and Landon Butler join us in the following recommendation.

RECOMMENDATION

Nominate Thomas Everett Harris to be a Member of the Federal Election Commission, for a six year term expiring April 30, 1985.

_______ approve  _______ disapprove
Republican Member

You will recall that last Fall Senator Baker submitted a list of seven acceptable candidates for our consideration in filling the two seats then vacant on the Commission. For the non-Democratic seat which will become available on April 30, we have again drawn from Baker's list.

Frank Reiche, an attorney from Princeton, New Jersey, presently serves on the New Jersey Election Law Enforcement Commission. He was initially appointed by former Republican Governor William Cahill, and has been reappointed by Governor Brendon Byrne. Reiche, who is regarded as its best member, is valued for his objectivity and judiciousness. In Commission meetings, his questions are always incisive and intelligent. The opinions that he formulates are helpful to the other members.

In addition to being on the list submitted by the Republican leadership, his appointment is supported by Congressman Frank Thompson, and Governor Byrne.

Vice President Mondale and Frank Moore join us in the following recommendation.

RECOMMENDATION

Nominate Frank Reiche to be a Member of the Federal Election Commission, for a six-year term expiring April 30, 1985.

_____ approve   _____ disapprove
THOMAS EVERETT HARRIS  
Alexandria, Virginia

**EXPERIENCE**

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<tr>
<th>Year</th>
<th>Title and Details</th>
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<tr>
<td>1975 - Present</td>
<td>Commissioner, Federal Election Commission</td>
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<tr>
<td>1955 - 1975</td>
<td>Associate General Counsel, AFL-CIO</td>
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<td>1948 - 1955</td>
<td>Associate General Counsel, CIO</td>
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<tr>
<td>1946 - 1947</td>
<td>Alien Property Division, U.S. Department of Justice</td>
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<td>1946 - 1947</td>
<td>Partner, Alvord &amp; Alvord</td>
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<td>1945 - 1946</td>
<td>U.S. Military Government, Germany</td>
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<td>1943 - 1945</td>
<td>Associate, Cahill, Gordon, Zachry &amp; Parlin, New York City</td>
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<td>1943</td>
<td>Board of Economic Welfare, Casablanca, Morocco</td>
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<td>1942 - 1943</td>
<td>Associate General Counsel, O.P.A.</td>
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<td>1941 - 1942</td>
<td>Associate General Counsel, Federal Communications Commission</td>
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<td>1937 - 1941</td>
<td>U.S. Department of Justice</td>
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<td>1936 - 1937</td>
<td>Associate, Covington and Burling</td>
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<td>1935 - 1936</td>
<td>Law Clerk, The Honorable Harlan Stone, Justice, U.S. Supreme Court</td>
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**EDUCATION**

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<tr>
<td>1935</td>
<td>Columbia Law School, LL.B.</td>
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<td>1932</td>
<td>University of Arkansas, B.A.</td>
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**ACTIVITIES**

Member, National Labor Management Panel, 1965 - 1967  
Member, Administrative Conference, 1968 - 1974

**PERSONAL**

White Male  
Age 67  
Democrat
FRANK P. REICHE  
Princeton, New Jersey  

EXPERIENCE  

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<td>1973 - Present</td>
<td>Commissioner, New Jersey Election Law Enforcement Commission</td>
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<td>1970 - 1972</td>
<td>Member, Governor Cahill's Tax Policy Committee</td>
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<td>1959 - 1961</td>
<td>Attorney, Stryker, Tams &amp; Dill, Camden, New Jersey</td>
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<td>1956</td>
<td>Central Intelligence Agency, Washington, D.C.</td>
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<td>1953 - 1954</td>
<td>United States Navy</td>
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<td>1951 - 1952</td>
<td>Central Intelligence Agency, Washington, D.C.</td>
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EDUCATION  

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<td>George Washington University, Masters Degree in Foreign Affairs</td>
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<td>Williams College, A.B.</td>
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ACTIVITIES  

Past President, Republican Club of Princeton, 1966-1968  
Mercer County Republican Executive Committee, 1968-1972  
Counsel, Princeton Visiting Nurse Association  

PERSONAL  

White Male  
Age 49  
Republican