

4/30/79 [1]

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THE PRESIDENT'S SCHEDULE

Monday - April 30, 1979

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

8:30 Mr. Frank Moore - The Oval Office.

11:30 Secretary Brock Adams. (Mr. Jack Watson).
(15 min.) The Oval Office.

12:00 Lunch with Vice President Walter F. Mondale.
(60 min.) The Oval Office.

4:00 News Conference. (Mr. Jody Powell).
(30 min.) Room 450, EOB.

5:15 Former President Gerald R. Ford - The Oval Office.

OPENING STATEMENT FOR NEWS CONFERENCE 4/30/79

Last month

At the beginning of March, I sent to the Congress, at its request, a standby gasoline rationing plan. This plan would give us the ability to respond to unanticipated -- but possible -- gasoline shortages. Without the plan, possibly six months would have to be needlessly lost in developing and implementing a substitute rationing plan if a major supply disruption occurs.

whether we will have ^{even} a standby plan to deal with an emergency, if we are in default.
[The Senate Energy Committee has already approved the rationing plan I proposed, and I hope that the full Senate will soon follow suit. In the House Commerce Committee, however, the rationing plan has not been approved.] Tomorrow, the Committee *will have a very important vote to determine* will vote again on the plan.

for
It is imperative to our nation's energy preparedness that [the House Commerce] Committee *stand by* [vote to] approve this gasoline rationing plan.

It is a simple matter of common sense for us to do every-

thing we can do to reduce our vulnerability to another oil embargo, Middle East crisis, or production shortfall.

We do not face any of those contingencies now, ~~But this~~ past weekend, there were gasoline shortages in parts of the country, and the possibility that these shortages will continue is real. We do not now anticipate that these shortages will be ~~so severe as to require rationing.~~ ^{but} Nevertheless, we must be prepared for the worst. We must make certain that gasoline can be distributed promptly and equitably in case of an energy emergency. ~~That is why we must have a sound rationing plan that is ready to go.~~

~~I recognize that~~ No one likes gasoline rationing, and we will avoid it if at all possible, ^{will not} but I do not propose to hide from my responsibility to the nation. ~~And the nation needs~~ Congress likewise ^{needs} to shoulder its part of this responsibility.

~~I know~~ It is not easy to vote for a rationing plan, ^{but} the tough votes are never easy. ^{this is one of those times when} ~~But in some critical matters,~~

national priorities must transcend immediate political problems or parochial concerns. ~~This is certainly one of those instances.~~

The nation's attention will properly be focused on the House Commerce Committee tomorrow, ^{and wise members} I ~~(am urging)~~ the Committee to place ~~its~~ responsibility to our country above all other concerns, and vote to approve the ^{standby} rationing plan.

I also urge Congress to pass the three other standby conservation plans I submitted last month. I am particularly concerned about the possibility that the standby plan for gasoline conservation might be killed.

This plan would be implemented only in states that fail to develop their own plans for conserving gasoline, and then only if there are severe shortages. But ~~again~~, we face the possibility of gasoline shortages this summer ^{and common sense} ~~(and) Commerce~~ tells us that both ~~cannot see each other there is something wrong~~ ^{our} ~~my~~ the Administration and the Congress must do ~~their~~ part if we are to be ready.

I believe that the members of Congress recognize that there
is a serious need for energy ~~conservation~~^{preparedness}. I also believe that
the country will have a hard time understanding why Congress is
~~(so) reluctant to do (anything) to meet that need.~~^{if}
^{what is needed}

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

APR 27 1979

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *J. McIntyre*
SUBJECT: OMB Activities Report

Panama Canal Treaty Costs. We have completed our preliminary assessment of the treaty implementation costs. We will coordinate with State and Defense prior to my meeting with you on Tuesday so that we may discuss it at that time.

Trade Reorganization Proposals. On Thursday we distributed a decision memorandum on Reorganizing the Trade Functions of the Government for review and comment to EOP senior staff and those agencies and departments with major trade roles. We anticipate forwarding the proposals for your review early next week.

Mental Health Legislation. OMB has cleared the Administration's proposed mental health legislation. After consultations among HEW, the PCMH Director, White House staff and OMB, the original HEW draft was extensively rewritten to reflect more accurately the emphasis of the PCMH report. Final editing has been completed by HEW staff, and the bill is now awaiting the Secretary's signature for transmittal to Congress.

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8:45 AM

THE WHITE HOUSE
WASHINGTON
April 29, 1979

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MEETING WITH SENATOR ABRAHAM RIBICOFF
Monday, April 30, 1979
8:45 a.m. (15 minutes)
The Oval Office

From: Frank Moore FM/BoB

I. PURPOSE

To conclude your discussions with Senator Ribicoff about a method of proceeding on DNR and to give him tentative assurances about your position on trade reorganization.

II. PARTICIPANTS, PRESS PLAN AND BACKGROUND

A. Participants: The President, Senator Ribicoff, Jim McIntyre and Frank Moore.

B. Press Plan: White House Photo only.

C. Background:

1. General

We are sure you share our profound hope that after this meeting we can finally take some action on DNR after weeks of negotiation with Senator Ribicoff and his Committee. The Senator expects the meeting to yield a compromise on our method of proceeding with DNR, and also expects you will give him some assurances about your position on trade reorganization and its timing.

2. Department of Natural Resources

The current status of our effort to sell DNR is as follows. We have been successful in gaining endorsements from the good government community as expressed by leading editorials in Eastern newspapers. Moreover, we have support from conservation and environmental groups, but none of these groups place DNR as their top priority in 1979. We have made some progress with resource user groups, but the most we can currently expect from them is benign neutrality towards DNR. Support from western governors, such as Lamm and Evans, has been encouraging, but there is no evidence they are willing to actively and strongly push for DNR in their states. In short, the level of public support for DNR is not discouraging, but it is not encouraging either. (

The political realities on the Hill are as follows:

- a. As yet, we have virtually no support in the House or Senate of sufficient intensity to provide a counterweight to the entrenched jurisdictional opposition of the agriculture and appropriation committees and Senators from the west and south.
- b. It is now evident that the DNR proposal is running upstream against a strong flow of anti-regulation/anti-conservation feeling on the Hill. Interior is widely regarded as a conservation department, despite the efforts of Secretary Andrus to emphasize balance between conservation and development.
- c. Under no circumstances will Senator Ribicoff accept a reorganization plan alone - his determination on this point has hardened since your last meeting with him.
- d. With the continuing opposition of Senators Byrd and Ribicoff to use of reorganization authority, a DNR plan would be defeated overwhelmingly in the Senate.
- e. Even without their procedural objection, a DNR plan including the Forest Service may well be defeated; only a major Administration effort would give us a slim possibility of victory.
- f. Almost certainly, it would be impossible to create a DNR with the Forest Service by normal legislation. The odds are considerably higher that DNR legislation without the Forest Service could pass.

Clearly, the most positive scenario now possible for DNR would require convincing Senator Ribicoff to accept a reorganization plan with legislation and to agree that the full Senate would vote on the plan first. This position, combined with some assurances about trade reorganization, is the one we have pushed with Ribicoff and his staff. Since this is probably the only legislative framework in which DNR is politically viable, we recommend that you make every effort to gain Senator Ribicoff's acceptance of it on Monday.

Unfortunately, we now believe he is not likely to accept this scenario and will reject any effective use of plan authority.

Assuming Ribicoff rejects our suggestion that he proceed with both plan and legislation, we have the following two options: (See attached options paper)

(1) Submit legislation, holding a plan in reserve in case of a Senate filibuster, and mount a major effort to pass the legislation with the Forest Service intact. This is likely to be as far as Ribicoff will want to go on the use of a plan.

(2) Abandon any real hope of passing DNR by submitting a plan over the objections of Byrd and Ribicoff, by not submitting DNR at all, or by sending up lower priority DNR legislation and letting Congress share the blame for scuttling the idea.

3. Trade Reorganization

Ribicoff's trade bill would gather all the import relief, export promotion, export regulation, international trade negotiations and international policy making of the government in a new department. These functions include STR, most of the trade responsibilities of State, Treasury, Commerce; some of the ITC, Customs, Ex-Im Bank and OPIC. We understand that Ribicoff would be willing to support transfer of these functions to Commerce.

An interagency task force headed by John White is working on a decision memo for you. Most of the agencies are not supportive of the Ribicoff approach. A trade reorganization of Ribicoff's scope may have profound policy and political impacts (e.g., protectionism vs. free trade; more export subsidies). Hence, it is likely that our position will be less dramatic than Ribicoff has proposed.

III. TALKING POINTS

1. You should open by inquiring about his health. He has had minor surgery on his leg.
2. You should thank him for his splendid work on the Department of Education bill. The bill was on the Senate floor Thursday and will be voted on Monday. So far, Ribicoff has beaten all amendments.
3. Sometime in the conversation, you should ask about his trip to the Mid-East. He is rumored to have promised Begin he would sponsor forgiveness for half the FMS credits going to Israel under the Treaty.
4. On DNR you should open as follows:

"I know you have been reluctant to accept use of a reorganization plan for the Department of Natural Resources. However, legislation

will be bogged down for months and I have other priorities that prevent me from spending a lot of time on passing legislation. Also, the likelihood that the Forest Service will remain intact with legislation is minimal. I propose the following for DNR:

- "a. Legislation would be introduced in early May. It would include the transfers of NOAA and the Forest Service to Interior, the change of name, organizational changes associated with the transfer and statements of mission and policy.
- "b. I would like you to introduce the bill by request and help as much as you can in rounding up cosponsors and helping us get the support of key Senate leaders like Senators Byrd, Jackson, Percy and Magnuson.
- "c. Under this proposal you would hold hearings and mark up the legislation by early June. At that time I will send a reorganization plan to the Congress incorporating the transfers and the organizational aspects of the markup, to the extent the bill is consistent with my proposal.
- "d. Your Committee would hold hearings on the plan and report both the plan and the legislation promptly and (hopefully) favorably. The plan would be called up and voted on first. Only then would the legislation be called up. If the plan passes, that will force early and timely consideration of the legislation. (Ribicoff would prefer the reverse order, using a plan only if legislation appears stuck.)
- "e. Jack Brooks won't like this. But I will try to convince him to go along. He feels a plan is more expeditious and fears that legislation will face (1) multiple referrals, (2) a bloody floor fight and (3) the prospects of parliamentary delay. I cannot promise that he will act either quickly or favorably on the Senate legislation at this time. However, he will act on the plan, according to our most recent information."

5. If Ribicoff rejects this scenario, then your fall-back position will depend on what you have done with the attached options paper.

6. "I have asked my advisors to recommend to me an Administration position on trade by the end of the month. I have instructed them to carefully study your bill as well as other kinds of changes that could be administratively accomplished (e.g., higher priorities for trade matters, better coordination of existing units). Although I haven't decided yet what to do about trade reorganization, I will be very reluctant to take on another departmental reorganization until we have finally decided on a method of proceeding with DNR.

THE WHITE HOUSE

WASHINGTON

April 29, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM TO: THE PRESIDENT

FROM: JIM MCINTYRE
FRANK MOORE

SUBJECT: Options if Senator Ribicoff Rejects Use
of Plan for DNR

As stated in your briefing paper, we believe Senator Ribicoff is not likely to agree to any effective use of reorganization plan authority for DNR. In that event, you have two options:

1. Agree to proceed with legislation, holding a plan in reserve (probable Ribicoff approach), and mount a high priority effort to pass the legislation with the Forest Service intact.
2. Abandon any real hope of passing DNR this Congress and try to minimize our losses.

A. OPTION ONE - High Priority Legislation With Plan in Reserve

The only condition under which Ribicoff is likely to countenance submission of a plan would be as a forcing mechanism in the event DNR legislation became stymied by a filibuster or other procedural delay. Under this scenario, Ribicoff would announce that he was introducing our DNR legislation by request and that the Administration was holding a plan in reserve to be used if dilatory tactics prevented the Senate from acting on the legislation.

The prospect of a "reserve plan" might help us move intact DNR legislation on the floor. However, there is a substantial risk that the committee would delete the Forest Service from the legislation. If so, there is no realistic chance that we could reverse the result through a subsequent plan. Also, as you know, Brooks does not want to use legislation to accomplish DNR and will certainly not act if the Senate fails to pass the legislation. Nevertheless, to give a sense of what the Ribicoff proposal would involve, its steps are listed below in chronological order:

- May 15 - Ribicoff introduces Administration's DNR bill by request, with a joint statement that the DNR plan is also being developed and will be held in reserve if dilatory tactics prevent the Senate from acting

expeditiously on the legislation.

Ribicoff begins DNR hearings before May recess.

June - hearings on DNR are completed.

By August 7 recess - Ribicoff completes markup of DNR.

September - Senate votes on DNR.

B. OPTION TWO - Abandon Any Real Hope of Passing DNR This Congress and Minimize Losses

This option could be accomplished in the following three ways:

1. Submit a plan over the objections of Ribicoff and Byrd. We would be badly beaten in the Senate. We could blame the loss on Congress and special interests and show we tried. On the other hand, the effect will damage relations with the Senate leadership when SALT and MTN are pending. In the worst case scenario, Senator Ribicoff could report the plan adversely within 48 hours after we send it up and immediately ask the Senate to reject it on procedural grounds. He would do this while promising to consider legislation with all deliberate speed. We could be dead in the water before Brooks even holds hearings. A more likely scenario is that we would get hostile Senate hearings and then face swift disapproval. This strategy would result in the first defeat of a reorganization plan by Congress and could also jeopardize extension of our reorganization authority.
2. Do not submit the DNR proposal. This could be done outright, blaming Congress for resisting a plan, citing special interest opposition, and pointing out that legislation would take too long and disrupt government too much. This option would make you vulnerable to charges that we never even tried to get Congressional approval of a major Administration initiative and could lead to charges that you are backing off meaningful reorganization altogether.
3. Submit lower priority DNR legislation. Under this option, you would inform Ribicoff and Byrd that you have taken their advice and will submit legislation rather than a plan. You would admit that it is unlikely this Congress will act on the legislation. However, you would express the hope that Congressional hearings can be held and express confidence that these deliberations will reveal the basic merit in the plan and lay the groundwork for favorable Congressional action sometime in the future.

This option would also subject you to criticism and charges

of weakness, but it would also shift some of the blame to Congress for failing to act on the legislation.

OPTIONS FOR DECISION

If Senator Ribicoff rejects our plan and legislation approach, should we

_____ accept Ribicoff approach for proceeding with legislation and mount a major effort to pass it?

_____ abandon any real hope of passing DNR by

_____ submitting a plan over the objections of Byrd and Ribicoff?

_____ not submitting the DNR proposal?

_____ submitting legislation but not making a major effort to pass it this Congress?

STAFF RECOMMENDATIONS

Option 1 _____

Option 2a _____

Option 2b Secretary Andrus (but says to do what you think best politically)

Option 2c Jim McIntyre, Frank Moore

DICK PETTIGREW'S COMMENTS

If Ribicoff absolutely refuses to do the full DNR by plan plus legislation on the model of Civil Service Reform, I recommend you make a final compromise offer, consisting of the following two components:

First, that you submit a plan that does only two things: (1) renames the Department of Interior as the Department of Natural Resources, and (2) transfers either the Forest Service (the most desirable from the standpoint of fully addressing DNR this year) or NOAA (also justifiable because the trade reorganization that I have recommended involves refining the Commerce mission by enhancing its trade function, and NOAA needs to be removed from the Department at the same time to eliminate split jurisdiction with the Department of Interior and to consolidate offshore oil leasing responsibility.)

Second, you agreed to submit legislation concurrently that: (1) transfers the other agency not covered by the plan; (2) restructures the DNR internally; and (3) creates an organic act for the Department.

Ribicoff is in a very poor position to argue that this compromise violates the spirit of the reorganization authority act. Yet, it saves face for him and the Senate leadership while creating an action-forcing mechanism to advance all of DNR this year.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 27, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

Subject: The Index of Leading Economic Indicators in March.

Monday (April 30) at 11:00 a. m., the Commerce Department will release the index of leading economic indicators for March. The index declined 0.5 percent last month, largely because of weakness in the growth of money balances and liquid assets.

The index has now declined 3 months in a row and in 4 of the past 5 months. Throughout this period, the index has been heavily affected by the very low growth of the money stock. As we have indicated to you on numerous occasions, we do not regard this as a signal of basic weakness in the economy. Rather, it reflects the efforts of the public to hold cash balances in interest-bearing forms, and financial innovations that have made it easier for the public to accomplish that objective. In the past several weeks, the money stock has begun to grow rapidly again, and so this negative influence on the index of leading indicators will not be present in April.

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THE WHITE HOUSE

WASHINGTON

April 28, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *JW*

SUBJECT: Weekly Report

Follow-up on Mobile Home Placement in Jackson, Mississippi

We were able by c.o.b. on Wednesday (the day you met with Mayor Danks) to resolve the problem that prevented the location of temporary housing on the Pearl River flood plain. The Mayor was very appreciative of your quick intervention. ✓

Export Expansion and the Export Administration Act

George Busbee is very concerned that the Administration's proposed amendments to the Export Administration Act represent a step backward from your pledge to the Governors to remove obstacles to expanded export opportunity.

George expressed his grave concerns to Charlie Kirbo who called me on Thursday. George is testifying on the Hill on Tuesday afternoon on behalf of the National Governors' Association.

Basically, George and his advisors on this matter (Dean Rusk and colleagues from the Rusk Center) view the Export Administration Act Amendments as an opportunity to loosen export controls and to streamline the export licensing process. The Administration's view has been that the Export Administration Act is not the vehicle to accomplish these worthy objectives. Fundamentally the Export Administration Act is the mechanism that grants statutory authority to the President to control exports to protect national security and to serve larger foreign policy interests. The Export Administration Act process is restrictive with respect to 10% (at most) of our export business.

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I am working with Zbig's staff to try to persuade George that the Governors need to support MTN and not focus as heavily as they are on the Export Administration Act. I am not at all sure I will be able to convince him because he feels so strongly on the issue.

Three Mile Island Commission

Your brief meeting with the Three Mile Island Commission went very well; the Commission is off to an excellent start.

Recent Trips

The week before last I made several trips.

California. I spent three very productive days in California, visiting San Francisco, Oakland, San Jose, Fresno, Los Angeles, Santa Ana (in Orange County), and San Diego.

In each city, I had informal meetings with local government officials (mayors, county supervisors, city council members, etc.) in which I made brief remarks and then took questions. The groups ranged in size from 35 - 200.

I also had private meetings with Mayors Lionel Wilson of Oakland, Diane Feinstein of San Francisco, and Janet Grey Hayes of San Jose.

I also had extended private sessions with Dick O'Neil, Chairman of the California Democratic Party, and with Nancy Pelosi, who chairs the Northern Democratic Party and who is the next likely state chair.

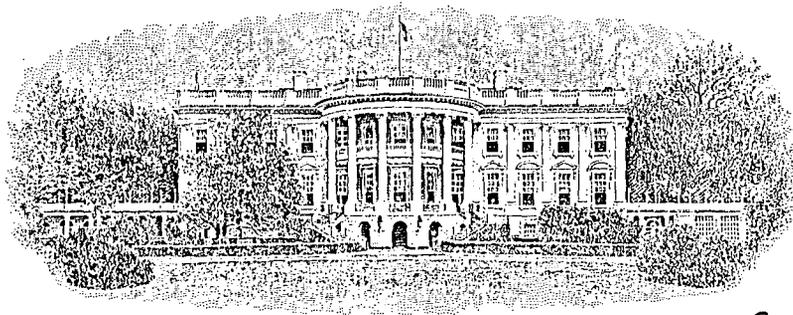
We have a lot of political work to do in California, but I am convinced that it is doable.

Atlanta. I also spoke to the National Conference of Black Mayors annual meeting in Atlanta. The Conference represents the 178 black mayors in the country.

While there, I was presented with an award for our work in small towns and rural areas. As you know, most of the black mayors represent small, rural communities.

Hershey, Pennsylvania. Finally, I went to Hershey, Pa. and spoke to 1600 Township Supervisors at their annual meeting.

Following the Hershey speech, I went to Harrisburg to meet with the Democratic leadership of the Pennsylvania House and Senate. As with California, we have a lot of work to do, but we can engage the active support of Pennsylvania elected officials if we work at it.



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Annual Dinner
OF THE
White House
Correspondents' Association

★ ★ ★

WASHINGTON HILTON HOTEL
SATURDAY, APRIL 28, 1979
WASHINGTON, D.C.

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THE WHITE HOUSE

WASHINGTON

April 27, 1979

MEETING WITH JOHN W. MACY

Monday, April 30, 1979
11:15 a.m. (15 minutes)
The Oval Office

From: Arnie Miller

I. PURPOSE

To interview him for the position of Director, Federal Emergency Management Agency (FEMA).

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: FEMA was established by Executive Order on March 31, 1979. The first FEMA Director will be confronted with the following major challenges:

- . Establish a major new agency and define and communicate its mission to agency staff, the Congress, state and local officials and the public
- . Integrate natural disaster and civil defense planning
- . Develop before-the-fact hazard mitigation programs as an alternative to after-the-fact disaster relief
- . Revive the moribund civil defense system
- . Improve federal relations with state and local officials in the emergency preparedness area
- . Spur other departments and agencies to improve their disaster planning and response.

Macy's resume is attached at Tab A, a copy of the April 23 memorandum recommending Macy, including comments about him, at Tab B, and a brief description of FEMA at Tab C.

B. Participants: John Macy and Arnie Miller.

C. Press Plan: None

III. TALKING POINTS

1. What are his views on civil defense. How should our civil defense policies relate to our overall national security posture?
2. What are the major management challenges initially confronting FEMA, and how would he approach them?
3. What does he feel the Federal role should be in natural disaster planning and response? (How can it be limited?)
4. What was the nature of his work in Iran?

Tab A

JOHN W. MACY, JR.

HOME ADDRESS: 1127 Langley Lane
McLean, Virginia 22101

BUSINESS ADDRESS: 1629 K Street, N.W.
Washington, D.C. 20006

DATE AND PLACE OF BIRTH: April 6, 1917, Chicago, Illinois

FAMILY: Married to Joyce Hagen of Rochester, New York
Children: Thomas, Mary D., Susan, Richard

EDUCATION: B.A. Wesleyan University, Middletown, Connecticut 1938
with honors, high distinction in history, distinction
in government, Phi Beta Kappa,
Graduate study in public administration at the American
University and government internship in Washington,
National Institute of Public Affairs, 1938-39

Honorary LL.D.: Cornell College (1964), Colgate
University (1965), Allegheny College (1965),
Dartmouth College (1966), Eastern Kentucky
University (1966), University of Delaware (1967),
Wesleyan University (1967), Indiana State
University (1968), Ithaca College (1969),
St. John's University (1969), Austin College (1972)

FEDERAL EMPLOYMENT: 1939-40 Social Security Board, Administrative Assistant
1940-43 War Department, Civilian Personnel Division,
and Field Office Manager to Assistant Director
1946-47
1947-51 Atomic Energy Commission, Los Alamos Project,
Director of Personnel and Organization and
Assistant to the Manager
1951-53 Department of the Army, Special Assistant
to the Secretary for Management Improvement
and Engineering
1953-58 U.S. Civil Service Commission, Executive
Director
1961-69 U.S. Civil Service Commission, Chairman
The White House: while serving as Chairman
of the Civil Service Commission, additional
assignment as Special Assistant to the
President with responsibility for search
and evaluation of candidates for presidential
appointment

MILITARY
SERVICE:

1943-46 U.S. Air Force, Private to Captain, with duty in the Air Transport Command as Personnel Officer and with the U.S. Military Advisory Group in China for technical assistance in the organization of National Defense for Nationalist China

INTERNATIONAL
SERVICE:

1959 International Institute of Administrative Sciences, Chairman of U.S. Delegation, Triennial Congress, Weisbaden, Germany
1960 U.S. Agency for International Development, Special Consultant on career development to the Spanish Government in company with Clarence Randall and Rocco Siciliano, 1960
1964-69 International Civil Service Advisory Board, Member by appointment of the UN Secretary-General

EDUCATIONAL
EMPLOYMENT:

1958-61 Wesleyan University, Executive Vice President and Instructor in Government
1959-61 Consultant to the Fund for Adult Education
1970-73 Commission on Non-Traditional Study, Member
1971-73 Commission on Faculty Tenure, Co-Chairman
1958-74 Consultant, Lecturer and Visitor: Harvard University, M.I.T., Yale University, University of California at Berkeley, Stanford University, University of Arizona, University of Chicago, University of Notre Dame, Austin College
1954-75 Member of Governing Board at Wesleyan University, Bennett College, George Mason University

PRIVATE
EMPLOYMENT:

1969-72 Corporation for Public Broadcasting, President
1973-75 Council of Better Business Bureaus, President
1972-77 American Stock Exchange, Public Member, Board of Governors
1975-79 Development and Resources Corporation, project manager for Public Sector Management contract with Government of Iran, 1975-79; also President of firm
1979- Public Management Consultant

PROFESSIONAL
ASSOCIATIONS:

- 1940- American Society for Public Administration,
Member; 1958-59 National Chairman
- 1939- International Public Personnel Association,
Member
- 1954- Society for the Advancement of Management,
Member
- 1969- National Association of Educational
Broadcasters, Member

PUBLICATIONS:

- Public Service, The Human Side of Government, Harper &
Row, 1971
- Faculty Tenure, co-author with W. R. Keast,
Jossey-Bass, 1973
- To Irrigate a Wasteland, The Struggle to Create a
System of Public Television in the United States,
University of California Press, 1974

HONORS:

- Presidential Medal of Freedom, 1969

March 1, 1979

Tab B

THE WHITE HOUSE

WASHINGTON

April 23, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT
ARNIE MILLER ~~AAA~~

SUBJECT: Director of the Federal Emergency Management Agency (FEMA)

We contacted Pat Lucey, Scott Matheson, Bob McKinney and Mike O'Callaghan regarding the FEMA directorship but each declined.

Following further consultations, we recommend that you nominate John Macy.

Macy, 62, has a distinguished record as a public manager. He began his career as a civil servant with the Social Security Board in 1939 and worked his way up through the Federal career service. He has served as: Director of Personnel and Organization of the Los Alamos Project; Assistant to the Secretary of Army for Management Improvement; and Executive Director of the Civil Service Commission. From 1961-69 he served as the Commission's Chairman and from 1964 acted concurrently as President Johnson's Special Assistant for Personnel. Macy was President of the Corporation for Public Broadcasting from 1969-72, and is highly regarded for his efforts to protect CPB's independence from political influence.

In addition to his Federal experience, Macy served as Wesleyan University's Executive Vice President from 1958-1961, has held important positions on various international boards and commissions, been a member of the American Stock Exchange, and President of the Council of Better Business Bureaus. Since 1975, he has worked with David Lillienthal as a management consultant to the Government of Iran.

Macy's wide experience would ensure that FEMA's domestic relief and civil defense functions would receive balanced attention. He has a solid appreciation for the difficulties that have plagued these areas. His intellectual and organizational skills would contribute to new and innovative

attempts to resolve them. Macy brings a record of effective work with the Congress. He would adeptly handle inter-governmental relations. Most importantly, however, he is a proven public manager who can both guide FEMA through its initial birth pains and by his own standing immediately create a feeling of confidence about the agency.

RECOMMENDATION:

We recommend that you nominate John W. Macy as Director of the Federal Emergency Management Agency. The Vice President, Jim McIntyre, and Jack Watson concur. Zbig Brzezinski would prefer that we approach Wesley Posvar, an earlier candidate, who asked to be removed from consideration. Macy has agreed to accept if you choose to nominate him.

_____ approve _____ disapprove

If you approve, we also recommend that you meet with Macy.

_____ approve _____ disapprove

During our search, we approached Wayne Granquist, OMB's Associate Director for Management. He indicated an interest. He would be a strong director, though in our judgment not comparable to John Macy. Wayne played a major role in formulating and promoting the civil service reforms, led the work on the regulatory reform initiative and has provided leadership on other management improvements in such areas as advisory committee reduction, cash management and State and local planning requirements. We believe that outstanding Administration officials should be promoted and are working with John White for a new, challenging assignment for Wayne.

COMMENTS ON JOHN MACY

Elmer Staats, Comptroller General, General Accounting Office

John Macy would be an excellent appointment. He knows the Federal government very well, including the Pentagon, and has always maintained excellent relations on the Hill.

Arthur Flemming, Chairman, U.S. Commission on Civil Rights
(former Director, Office of Defense Mobilization)

John Macy is a "superior person." He's an extremely able negotiator and has a real appreciation for the issues in the civil defense area. Macy would bring instant credibility to FEMA and credit to the Administration because of his experience and reputation for integrity and sound management.

Scotty Campbell, Director, Office of Personnel Management

He would be "fantastic" in the job! Macy is an outstanding public servant.

George Christian, LBJ's Press Secretary

Macy is very competent and well-organized. He had good relationships with the Congress, and would be a very good appointment to any major position.

George Elsey, President, American Red Cross

Macy would be the "perfect appointment." He is an outstanding manager, sensitive to the issues, knows both the domestic and national security sides, and is excellent in his dealings with other people. Macy's appointment would bring immediate credibility to FEMA and put it on the map. He would serve the President very well.

David Lillienthal, Resources Development Corporation, Wash.,
D.C. (Owner of firm Macy has worked for since 1975, and a
former Secretary of Defense)

Macy has great stamina and sustained ability to work and re-work solutions to problems. He has maintained a "brutal" schedule shuttling back and forth to Iran, yet remained intellectually and physically sharp. I have the "highest possible" respect and admiration for Macy.

Clark Clifford, Wash., D.C. Lawyer, former Secretary of Defense

I think "very highly" of Macy. Macy has good judgment, is dependable and his loyalties are excellent. He did very well as President of CPB. Macy has never been involved in squabbles, handles himself with skill, and generally is a "top-flight fellow."

Tab C

THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

BACKGROUND

- . Created last fall under Reorganization Plan 3 with no Senate objection and only 40 negative votes in the House.
- . Enjoyed the universal support of Governors and interest groups.
- . Executive Order establishing FEMA issued March 31, 1979.

WHAT IS FEMA?

- . Merges 5 separate agencies into a new independent agency reporting directly to the President.
- . Will ally closely-related Federal programs involved with mitigation, preparedness, and response to national emergencies ranging from natural and man-made disasters to nuclear attack.
- . Includes the following agencies:
 - Defense Civil Preparedness Agency (DOD): runs the national civil defense program (830 employees; \$98 million budget).
 - Federal Preparedness Agency (GSA): exercises President's civilian emergency powers (860 employees; \$41 million).
 - Federal Disaster Assistance Administration (HUD): runs the domestic disaster relief program (170 employees, \$280 million).
 - Federal Insurance Administration (HUD): operates national flood insurance and crime and riot insurance programs (340 employees, \$157 million).
 - U.S. Fire Administration (Commerce): fire research and prevention (125 employees, \$17 million).
 - Also includes a half-dozen programs from weather service, new earthquake and dam safety programs, emergency broadcast system, and some responsibility for domestic large-scale terrorism.
- . Total Personnel = 2,400
- . Total Budget = \$600 million

THE DIRECTOR

- . Level II (comparable to head of OMB, VA, NASA, and EPA), reporting directly to the President.
- . Will chair White House Emergency Committee (members: Brzezinski, Watson, Eizenstat, McIntyre), which will be decision-making focal point during national emergencies.
- . Will manage agency with major regional presence (10 regional offices with 1,200 staff).

THE WHITE HOUSE
WASHINGTON
April 24, 1979

File -
FEMA

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ARNIE MILLER
FROM: HUGH CARTER 
SUBJECT: John W. Macy, Jr.

I had a very good interview with John Macy this morning. My observations are as follows:

1. He has a very broad-based government experience, and is someone familiar with continuity in government questions. I feel this is a plus.
2. Apparently, his politics are suitable to us. He feels that this is more of a professional oriented job, as opposed to a political oriented job. However, he understands politics. I like his attitude in this area.
3. His health is of some concern to me. He is 62 years old, and is on medication for a heart condition. He does, however, appear to be a person with a lot of vitality.
4. The company he was recently the president of obviously made a rather serious misjudgment in the Iranian project they were working on. I feel that John is somewhat embarrassed by this. If he is appointed to the FEMA job, his failure over this could possibly be used to embarrass the President

Overall, I feel he is acceptable for the job. However, I also feel that we could find someone who would be better, but we could do worse.

THE WHITE HOUSE
WASHINGTON
30 April 79

STu Eizenstat
Jack Watson
Frank Press
Phil Wise

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

Rick Hutcheson

Fran Voorde



FOR ACTION
FYI

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

	VICE PRESIDENT
	JORDAN
X	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	RAFSHOON
X	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
X	PRESS
	SANDERS
	WARREN
	WEDDINGTON
X	WISE
X	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE
WASHINGTON

To Phil. F. Press, Tech, Sta.
I will meet in Auto
Readers. No commitment re
financing, research or
public hearings at this
time. You all meet in
Brook to prepare joint
briefing for me prior to
the May meeting

J

Electrostatic Copy Made
for Preservation Purposes

11:30 AM



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

April 25, 1979

C

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Automotive Summit

A large, handwritten signature in black ink, which appears to be 'Brock Adams', is written over the 'THROUGH' and 'FROM' lines of the memorandum.

We have reached a landmark agreement with the automobile industry on the new auto initiative. In the attached memo, I report to you on the progress of the initiative and ask that you set aside one hour during the month of May to meet with the Presidents of Ford, GM, American Motors, and Chrysler to announce this agreement on national automobile research policy. The preferable date would be May 14, the beginning of National Transportation Week.

This research effort will have no budget consequences in FY 1980 and is a logical complement and addition to your energy program.

The specific details of the program, including the long-term funding levels, will be worked out through the normal budget and policy review process during the remainder of 1979. I propose that you announce the specifics of the program and any legislative proposals in your January, 1980, State of the Union message.

I also suggest that this effort be augmented with a presidentially-appointed task force which will spend this year traveling to all parts of the country seeking public participation and involvement in the auto initiative and support for your energy policy. This is a technique that has worked well for the Department of Transportation in the last two years. We have used it as a means of developing a constituency for major initiatives.

I would also like to meet and discuss with you the contents of this memo on Monday if at all possible. I will call Phil today to see if this can be done.

Attachment

Electrostatic Copy Made
for Preservation Purposes



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

April 25, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Automotive Initiative

A large, stylized handwritten signature in black ink, appearing to read 'Brock Adams', positioned over the 'FROM' and 'SUBJECT' lines of the memorandum.

This is a nation designed for the automobile. In the suburbs and the countryside, Americans must drive in order to shop, work or play. To most Americans, the automobile is as essential as food and shelter.

The energy crisis is perceived by many as a direct attack on their precious mobility. This perception, in my view, is a major obstacle to our efforts to generate popular support for the policies needed to reduce our dependence on imported oil.

I am writing to ask for your personal support and participation in an historic challenge -- to engage government, industry, the scientific community and the public in a cooperative effort to greatly advance automotive technology during the next decade.

Specifically, I ask that you convene a meeting at the White House sometime in May (preferably during National Transportation Week, May 14 to 18) to announce an agreement in principle between the government and the auto industry to co-operate in an accelerated research effort to develop the technology for a fuel-efficient automobile. The spadework has been done and such an agreement is at hand. This meeting would be a logical and popular follow-on to your announcement of a national energy policy.

The Need For A Fuel-Efficient Automobile

Over the course of the initiative, this question has been raised: Aren't we trying to get people out of their automobiles? If so, why build them a better one?

During the next decade, we will greatly expand public transportation services in both rural and urban areas. We are making a major

investment in bus and rail mass transit for our cities. We will introduce the first high-speed inter-city rail service in the densely populated Northeast Corridor. We will make rail passenger service more efficient and attractive in other parts of the country. Through de-regulation, the energy efficiency and financial attractiveness of airline travel have been substantially improved. We will pursue policies to improve and expand the market for inter-city buses. But most of America -- under any conceivable scenario -- will still rely on the automobile to move into the Twenty-first century.

Consider these realities:

- 88% of all passenger miles traveled today are traveled by automobiles. Our efforts to improve public transportation are important and necessary but, for the foreseeable future, the share of passenger miles traveled by the automobile will not be reduced below 80%.
- 52% of our annual petroleum use goes for transportation and 52% of the transportation consumption is attributed to the automobile. The most cost-effective means of cutting petroleum consumption in the transportation sector is the development of fuel-efficient automobiles.
- Transit investment, and new policies on the use of the automobile (such as your Federal parking policy) will be complementary to a new auto development, since they will be encouraging maximum use of transit and will shift urban development patterns towards greater conservation. The remaining auto use will represent the truly captive users.
- Most Americans have no practical transportation alternative to their car. To them, the choice is drive or don't move. The average American family now spends more on transportation than food. This reality has been a consistent source of opposition to those energy conservation policies that involve scarcity or price. By adopting this initiative, we demonstrate that we are determined to preserve their mobility.
- Significant advances in automotive technology are possible. A Federal commitment of \$5 billion over the next decade for a co-operative research effort based on a co-ordinated agenda of engine, fuel and structures research should produce a major breakthrough. It would also be a source of new trained engineers for the talent-starved industry. All this could be achieved for less than we spend in the Federal aid to highways program each year.

What Has Already Been Accomplished

As you know, on December 5 of last year I challenged the automobile industry to re-invent the car. At first, the challenge was greeted with skepticism by the industry. That skepticism has faded in the face

of ominous world events affecting the supply of petroleum and our efforts to work with industry. The American automobile industry now accepts and supports the development of a national automotive research program tied to a specific agenda which we have developed. It took five months of intensive study and negotiations to reach this point. These are the highlights:

1. After the December speech, I called together an informal, government-wide task force which included the Departments of Transportation, Energy, Justice and Commerce, EPA, the Federal Trade Commission and the White House Science Advisor. Other interested parties -- including the Domestic Policy Staff -- were invited to participate as time and interest allowed. This task force has met regularly, chaired by DOT Asst. Secretary Terry Bracy, and has achieved a degree of federal co-ordination on auto policy which might provide a model for future intra-government initiatives.

2. On behalf of the Administration, I convened a major scientific conference on the automobile in Boston in February. The conference, chaired by Dr. Ray Blisplinghoff of the National Academy of Engineering, was attended by more than 700 of the world's leading experts on automotive technology, and was designed to identify promising directions in automotive research. It is ready for your review.

3. In March, I led the government task force on a fact-finding trip to Detroit. We spent two days meeting with the top executives of Ford and General Motors and toured their research facilities. This visit substantially improved communications between government and industry and helped further identify areas where government efforts are necessary.

4. In March and April, major hearings on the auto initiative were held by the House and Senate Commerce Committees and the House Committee on Science and Technology. Additional hearings have been scheduled and there is growing interest and support for a major auto research initiative on Capitol Hill.

What Needs To Be Done

1. Unveiling of a National Automotive Research Program at the White House -- May 1979.

Presidential leadership is critical to the success of this initiative at this point. A meeting at the White House with the heads of the auto companies is now appropriate and would achieve the following:

-- Public statements of support from Ford, General Motors, Chrysler and American Motors for a cooperative program of basic automotive research to reduce petroleum consumption and preserve the mobility of all Americans.

-- Dramatization, for the benefit of the public, of your commitment to preserve their mobility as a logical and positive part of your energy policy.

-- Endorsements of presidential efforts in this area by leading figures on Capitol Hill, and widespread editorial support throughout the country.

-- Statements of support for this presidential initiative by leading scientists, university presidents and others who have been involved in the process of developing this initiative.

-- Release of our own three-volume research blueprint which will guide the effort.

This meeting would result in an agreement in principle with the details of the research program to be worked out during the remainder of the year in consultation with the American people.

2. A Six Month Consultation with the Public.

I would propose to lead a broadbased Presidential Commission into all parts of the country, from June through November 1979, to solicit comments, recommendations and suggestions from the people on the auto initiative. The Commission would hold hearings, take testimony, investigate inventions, and consult with all interested parties on the shape the program should take.

To the American people, the automobile is a symbol of both personal freedom and economic travail. As gasoline prices rise, they will drive less but they will not and, in fact, they cannot abandon their cars. They will strongly approve of our efforts to develop a better automobile if they feel that they are participating in the effort. The positive feelings generated by this initiative can help provide a base of support for the entire energy program.

This commission should include representatives of government, industry, Congress, Academia and the scientific community. The Ford Motor Company has already agreed to participate. The Commission would also work closely with the Office of Management and Budget in preparing the final presidential program. All of this can happen without the expenditure of any program money from the FY '80 budget.

3. Announcement of Presidential Program in the January 1980 State of the Union Message.

With a strong constituency for this effort developed, you would announce and outline the program in next year's State of the Union Message and next year's Budget.

Conclusion

When I first called for a breakthrough in auto technology, I anticipated and found a hostile audience in Detroit. I proposed a "summit meeting" in the Spring to debate and air government and industry positions. No such public debate is necessary now. World events and our efforts have achieved the kind of agreement that I had hoped the "summit meeting" would lead to.

I am now optimistic that, with your personal leadership, we can launch a program which will protect the mobility of the American people well into the 21st century.

OMB:

OMB recommends against Presidential involvement at this time. They note that the Secretary's proposal calls for a \$5 billion, 10 year package, with little knowledge beyond the broad outline of a program to improve automobile fuel efficiency. Many questions remain unanswered, including: "what...is needed; what are the specific objectives; what is the proper federal involvement in...(this) industry; and what will the program really cost; " (e.g., OSTP \$50-100 million a year in 2-3 years; DOE suggest \$15 million per year; DOT \$5 billion or \$500 million a year beginning in 1981).

OMB also believes that the public relations campaign outlined by Adams, including a Presidential Commission to tour the country, is "inconsistent with rational discussion and consideration of the need for and content of a 'basic research' program. Any commitment to such an effort should be avoided." They add that including this initiative in the 1980 State of the Union "should be deferred until a specific program has been laid out and approved."

OMB "does not believe the program is yet ready to be presented for the President's consideration and decision."

FRANK PRESS:

Frank believes that, "We will not develop a radically different car with an expensive new crash research program. If a new car is to be developed, it will take a basic research program... which takes time and cannot absorb billions of dollars." In 1970, President Nixon announced a crash program for a "virtually pollution free car" -- most were disappointed because it was more presentation than substance. Frank believes that a "summit meeting" with industry leaders would be a good idea "if the basic elements of a good program can be developed beforehand."

Frank suggests that the basic principles of a program be formulated before you meet with industry "based on collaborative work in university and industrial laboratories and to be jointly financed by government and industry...Such a program would follow prudent R & D policy" as practiced by the government where major new developments are preceded by broad research programs. He notes that the proposed Presidential Commission is not necessary from an R & D standpoint or of gaining political support "if the basic initiative is sound."

TIM KRAFT has no comment. A memo from EIZENSTAT and WATSON is attached.

THE WHITE HOUSE

WASHINGTON

April 28, 1979

MEMORANDUM FOR: THE PRESIDENT

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

SUBJECT: Adams Memo Requesting Your Participation
in New "Automotive Initiative"

For some time Secretary Adams has been advocating a joint government-industry effort to develop a "new automobile", i.e. a highly fuel efficient vehicle for the decades ahead. In the attached memorandum he recommends that you participate in a "summit meeting" between leaders of the auto industry and the government to kick off such an effort. Brock proposes that the meeting would be followed by a six month public consultation period and announcement of a research program in the January 1980 State of the Union.

Frank Press argues, and we agree, that sound R&D policy requires much more extensive planning before any joint development project is undertaken. We need to know more about the areas of research focus, the level of effort and the nature of the government role before initiating the project. Frank suggests that the spring budget review process would be one mechanism for generating and reviewing such a proposal; we agree.

Although we believe that this project may have merit and could be highly attractive politically, we also believe that it would be prudent to postpone your involvement until firm plans are complete. The payoffs for the effort are uncertain and far in the future. In addition, many people still believe that the future will require us to get out of automobiles rather than redesign them. Before you meet with industry leaders, we need to know more about what can be accomplished and how the government can help.

Because of these uncertainties, we recommend that you ask Brock to submit a detailed research proposal to you through the OMB spring review process. In the meantime, we can initiate greater contacts with the industry to nail down the nature and depth of their own commitment. When these steps have been taken it may be appropriate for you to meet with industry leaders to bless the initiation of the project.

ID 791631

THE WHITE HOUSE

WASHINGTON

DATE: 26 APR 79

FOR ACTION: STU EIZENSTAT

TIM KRAFT *nc*

*Join +
memo
MGM*

JACK WATSON *Stu*

JIM MCINTYRE *attended*

JERRY RAFSHOON

PHIL WISE *attended*

FRAN VOORDE

INFO ONLY: THE VICE PRESIDENT

JODY POWELL

FRANK MOORE (LES FRANCIS)

FRANK PRESS *attended*

ARNIE MILLER

ANNE WEXLER

SUBJECT: ADAMS MEMO RE AUTOMOTIVE SUMMIT

+++++

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

+ BY: 1200 PM SATURDAY 28 APR 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

ID 791631

THE WHITE HOUSE

WASHINGTON

DATE: 26 APR 79

FOR ACTION: STU EIZENSTAT

TIM KRAFT

JACK WATSON

JIM MCINTYRE

JERRY RAFSHOON

PHIL WISE

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+ BY: 1200 PM SATURDAY 28 APR 79 +

+++++

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

PLEASE NOTE OTHER COMMENTS BELOW:

Rich,
Stu file a meety is not necessary - see
his comments, Phil



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

April 25, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Automotive Summit

A handwritten signature in black ink, appearing to read 'Brock Adams', written over the 'THROUGH' and 'FROM' lines of the memorandum.

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This research effort will have no budget consequences in FY 1980 and is a logical complement and addition to your energy program.

The specific details of the program, including the long-term funding levels, will be worked out through the normal budget and policy review process during the remainder of 1979. I propose that you announce the specifics of the program and any legislative proposals in your January, 1980, State of the Union message.

I also suggest that this effort be augmented with a presidentially-appointed task force which will spend this year traveling to all parts of the country seeking public participation and involvement in the auto initiative and support for your energy policy. This is a technique that has worked well for the Department of Transportation in the last two years. We have used it as a means of developing a constituency for major initiatives.

I would also like to meet and discuss with you the contents of this memo on Monday if at all possible. I will call Phil today to see if this can be done.

Attachment



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

April 25, 1979

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FROM: Brock Adams

SUBJECT: Automotive Initiative

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I am writing to ask for your personal support and participation in an historic challenge -- to engage government, industry, the scientific community and the public in a cooperative effort to greatly advance automotive technology during the next decade.

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of ominous world events affecting the supply of petroleum and our efforts to work with industry. The American automobile industry now accepts and supports the development of a national automotive research program tied to a specific agenda which we have developed. It took five months of intensive study and negotiations to reach this point. These are the highlights:

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4. In March and April, major hearings on the auto initiative were held by the House and Senate Commerce Committees and the House Committee on Science and Technology. Additional hearings have been scheduled and there is growing interest and support for a major auto research initiative on Capitol Hill.

What Needs To Be Done

1. Unveiling of a National Automotive Research Program at the White House -- May 1979.

Presidential leadership is critical to the success of this initiative at this point. A meeting at the White House with the heads of the auto companies is now appropriate and would achieve the following:

-- Public statements of support from Ford, General Motors, Chrysler and American Motors for a cooperative program of basic automotive research to reduce petroleum consumption and preserve the mobility of all Americans.

-- Dramatization, for the benefit of the public, of your commitment to preserve their mobility as a logical and positive part of your energy policy.

-- Endorsements of presidential efforts in this area by leading figures on Capitol Hill, and widespread editorial support throughout the country.

-- Statements of support for this presidential initiative by leading scientists, university presidents and others who have been involved in the process of developing this initiative.

-- Release of our own three-volume research blueprint which will guide the effort.

This meeting would result in an agreement in principle with the details of the research program to be worked out during the remainder of the year in consultation with the American people.

2. A Six Month Consultation with the Public.

I would propose to lead a broadbased Presidential Commission into all parts of the country, from June through November 1979, to solicit comments, recommendations and suggestions from the people on the auto initiative. The Commission would hold hearings, take testimony, investigate inventions, and consult with all interested parties on the shape the program should take.

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This commission should include representatives of government, industry, Congress, Academia and the scientific community. The Ford Motor Company has already agreed to participate. The Commission would also work closely with the Office of Management and Budget in preparing the final presidential program. All of this can happen without the expenditure of any program money from the FY '80 budget.

3. Announcement of Presidential Program in the January 1980 State of the Union Message.

With a strong constituency for this effort developed, you would announce and outline the program in next year's State of the Union Message and next year's Budget.

Conclusion

When I first called for a breakthrough in auto technology, I anticipated and found a hostile audience in Detroit. I proposed a "summit meeting" in the Spring to debate and air government and industry positions. No such public debate is necessary now. World events and our efforts have achieved the kind of agreement that I had hoped the "summit meeting" would lead to.

I am now optimistic that, with your personal leadership, we can launch a program which will protect the mobility of the American people well into the 21st century.



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

APR 27 1979

MEMORANDUM FOR: Rick Hutcheson
FROM: W. Bowman Cutter *W. Bowman Cutter*
SUBJECT: Adams Memo Re Automotive Summit

We recommend against any Presidential involvement in an automobile summit at this time.

The Secretary proposes to have the President commit to a \$5 billion, ten year program, with little knowledge of what he is really buying other than the broad outlines of a program to improve automobile fuel efficiency. Such basic questions have not been answered as: what, in fact, is needed; what are the specific objectives; what is the proper Federal involvement with the nation's largest and richest industry; and what will the program really cost (e.g., Mr. Press recommends a maximum of \$50-100 million a year in three to five years; DOE suggests maybe \$15 million per year; Secretary Adams, however, is proposing a \$5 billion or \$500 million a year program starting in 1981.) Contrary to the Secretary's memorandum, we do not believe the program is yet ready to be presented for the President's consideration and decision.

To date, what has been done is to lay out a public relations campaign. To continue and to escalate this effort, the Secretary is proposing a Presidential Commission to tour the country and solicit support from the public. This type of public relations effort is inconsistent with rational discussion and consideration of the need for and content of a "basic research" program. Any commitment to such an effort should be avoided.

Finally, any consideration of including the Secretary's initiative in the State of the Union in 1980 should be deferred until a specific program has been laid out and approved.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY

WASHINGTON, D.C. 20500

April 27, 1979

NOTE FOR RICK HUTCHESON

FROM: Frank Press *FP*

SUBJECT: Automotive Summit

The attached Memorandum for the President should be included with the package related to Brock Adam's memo of April 25 on the Automotive Summit.

Attachment

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY

WASHINGTON, D.C. 20500

April 27, 1979

MEMORANDUM FOR THE PRESIDENT

FROM : Frank Press *FP*

SUBJECT: Brock Adams' Automotive Summit Proposal

I have closely followed the development of Brock's automotive initiative since his December 5 speech. I have met with Brock on it and members of my staff have met several times with members of his.

We will not develop a radically different car with an expensive new crash research program. If a new car is to be developed, it will take a basic research program, of the sort which takes time, and which cannot absorb billions of dollars. In 1970, President Nixon announced a crash program to develop "a virtually pollution-free automobile;" it was more presentation than substance, and was a disappointment to most involved. However, a "summit meeting" with automotive industry leaders does appear to me a reasonable idea if the basic elements of a good program can be developed beforehand.

I therefore recommend that you ask Brock to have the basic principles of a program formulated before you meet with auto industry leaders. The program should be based on collaborative work in universities and industrial laboratories, to be jointly financed by government and industry. It should emphasize the basic areas in automotive technology which will improve fuel economy, lower emissions, or improve safety. These include thermodynamics, combustion, fluid flow, structures, energy storage, materials science, and friction and wear. Such a program would follow prudent R&D policy, as practiced by the Department of Defense and the National Aeronautics and Space Administration, where major new developments are preceded by broad research programs.

Brock should obtain industry agreement to share the costs of the effort before your meeting with industry leaders. The overall level of effort should be determined by the capacity of the scientific and technical community to do good work in these areas. I estimate this as on the order of \$100 million per year. Any more than this would be a waste.

A partnership between the auto industry and the government along these lines could have just as much public impact as Brock's proposed "reinvention of the car." In addition, it is technically and fiscally sound and does not promise more than it can deliver.

As for the proposed Presidential task force or commission, it is not necessary from the standpoint of R&D planning, or of gaining political support, if the basic initiative is sound.

Whatever route you choose, I will work with Brock to develop the best possible program.

THE WHITE HOUSE

WASHINGTON

27 April 1979

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MEMORANDUM FOR THE PRESIDENT

FROM:

RICK HUTCHESON

Bill Simon for RH

SUBJECT:

Status of Presidential Requests

RAFSHOON:

1. (3/24) The President wants some publicity on the deaf reading titles on t.v. The President will help; check with Califano -- In Progress, (will wait another month or so until the equipment is ready to market).
2. (4/6) Prepare a brief hardhitting paragraph on "taking the energy issue to the country" -- Done.

done

KRAFT:

1. (4/6) The President agrees; proceed accordingly on Admiral Rickover's memo regarding a replacement for the Commissioner of Education -- In Progress.

MCINTYRE:

(3/27) Move fast to conclude approval for funding options for the Mideast treaty; do not liberalize packages -- Done.

done

H. CARTER:

1. (3/29) Comment on Zbig's memo regarding emergency procedures related to Zbig's movements and related activities -- Done; (Hugh and Zbig have discussed, nothing more expected).

done

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EIZENSTAT:

1. (4/6) Assess Admiral Rickover's memo concerning the Renegotiation Act (and the extension thereof) -- In Progress, (expected 5/1).
2. (4/10) a) Please organize and coordinate the effort for passage of the windfall profits tax and the establishment of the energy security fund; b) get everyone to use same language as underlined; c) advise on how to move on the Alaska/Mexico/Japan swap -- In Progress, (with Energy Task Force).
3. (4/26) Give the President a copy of his statement on meat import quotas -- Done. *Done*

LIPSHUTZ:

1. (4/26) Include Congress Corman's recommendation of Judge Harry Pregerson to the 9th Circuit Court of Appeals with future memo to the President -- Message Conveyed. *Done*

WATSON:

1. (4/25) Check with Mayor Danks about the placement of mobile homes in Jackson -- Done. *Done*

THE FIRST LADY:

1. (4/26) Please help Jean Young on the International Year of the Child. Check with Stu; the President is also available. Maybe Betty Bumpers and others could pitch in -- In Progress.

ATTORNEY GENERAL BELL:

1. (1/17) Comment on the memo from IOB Chairman Tom Farmer -- Done (4/13). *Done*
2. (2/7) (and McIntyre) On the proposal to establish a council to coordinate efforts of the Inspectors General and others to combat waste and fraud:
a) another council? b) possible to combine with positive aspect of efficiency and better government?
c) how does Scotty Campbell feel about this? d) let an executive committee group meet to discuss and report to the President -- Done. *Done*

3. (3/24) It is ok with the President if you (or Leonel sent by you) consult with Portillo regarding the border situation; consult with Vance -- In Progress, (with State Department Task Force).

done

JORDAN:

1. (2/24) Move on selecting a director for FEMA -- In Progress, (John Macy to meet with you on 4/30).

MOORE:

1. (4/25) (and Rafshon) Disseminate the President's letter to Congress on the CRBR widely; get PR support -- Done.

*I've seen
no news*

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THE WHITE HOUSE
WASHINGTON

April 30, 1979

5:55 p.m.

MR. PRESIDENT

JIM McINTYRE CALLED. THE SENATE
PASSED THE EDUCATION DEPT. BILL
TODAY BY A VOTE OF 72 TO 21.
THERE WERE SOME MINOR AMENDMENTS
BUT NOTHING SUBSTANTIVELY AFFECTED
OUR PROPOSAL.

PHIL

THE WHITE HOUSE
WASHINGTON

APRIL 30, 1979

6:10 P.M.

MR. PRESIDENT

MRS. COLGROVE CALLED. SHE'S
AT THE HOSPITAL AND WANTS THE
DOCTOR TO TALK TO YOU ABOUT
HER HUSBAND'S CONDITION.
THE DOCTOR WILL BE THERE
ANOTHER HOUR.

PHIL

THE WHITE HOUSE
WASHINGTON

APRIL 30, 1979
1:15 P.M.

MR. PRESIDENT

SECRETARY BROWN CALLED.

PHIL

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meeting with senator ribicoff
4/30/79

THE WHITE HOUSE
WASHINGTON

Ribicoff 4-30-79
Health, DOE - NIDE
Public + Benefits +
Ribicoff has blocked
DNR + Forest + Ribicoff +
DNR legs out Forest +
Plan on total now -
Propose: a) Leg Early May + Rib
+ Name, NOAA, Forest
b) Make up - Early June then Plan
c) Vote on plan first
d) Trade options quickly

Plan + name, NOAA, +

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LAST MONTH I SENT TO THE CONGRESS, AT ITS REQUEST, A STANDBY GASOLINE RATIONING PLAN. THIS PLAN WOULD GIVE US THE ABILITY TO RESPOND TO UNANTICIPATED -- BUT POSSIBLE -- GASOLINE SHORTAGES. WITHOUT THE PLAN, POSSIBLY SIX MONTHS WOULD HAVE TO BE NEEDLESSLY LOST IN DEVELOPING AND IMPLEMENTING A SUBSTITUTE RATIONING PLAN IF A MAJOR SUPPLY DISRUPTION OCCURS.

TOMORROW, THE HOUSE COMMERCE COMMITTEE WILL HAVE A VERY IMPORTANT VOTE TO DETERMINE WHETHER WE WILL HAVE EVEN A STANDBY PLAN TO DEAL WITH AN EMERGENCY. IT IS IMPERATIVE FOR OUR NATION'S ENERGY PREPAREDNESS THAT THE COMMITTEE APPROVE THIS STANDBY GASOLINE RATIONING PLAN.

BOTH HAVE TO APPROVE

(=OVER=) (IT IS A SIMPLE)

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IT IS A SIMPLE MATTER OF COMMON SENSE FOR US TO DO EVERYTHING WE CAN TO REDUCE OUR VULNERABILITY TO ANOTHER OIL EMBARGO, MIDDLE EAST CRISIS, OR PRODUCTION SHORTFALL.

WE DO NOT FACE ANY OF THOSE CONTINGENCIES NOW, BUT WE MUST BE PREPARED FOR THE WORST. WE MUST MAKE CERTAIN THAT GASOLINE CAN BE DISTRIBUTED PROMPTLY AND EQUITABLY IN CASE OF AN EMERGENCY.

NO ONE LIKES GASOLINE RATIONING AND WE WILL AVOID IT IF AT ALL POSSIBLE, BUT I WILL NOT HIDE FROM MY RESPONSIBILITY TO THE NATION. CONGRESS LIKELIKE NEEDS TO SHOULDER ITS PART OF THIS RESPONSIBILITY.

IT IS NOT EASY TO VOTE FOR A RATIONING PLAN, BUT THE TOUGH VOTES ARE NEVER EASY. ~~THIS IS ONE OF THOSE TIMES WHEN NATIONAL PRIORITIES MUST TRANSCEND IMMEDIATE PROBLEMS OR PAROCHIAL CONCERNS.~~

(=NEW CARD=) (THE NATION'S.....)

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THE NATION'S ATTENTION WILL PROPERLY BE FOCUSED ON THE HOUSE COMMERCE COMMITTEE TOMORROW, AND I URGE THE MEMBERS TO PLACE RESPONSIBILITY TO OUR COUNTRY ABOVE ALL OTHER CONCERNS, AND VOTE TO APPROVE THE STANDBY RATIONING PLAN.

I ALSO URGE CONGRESS TO PASS THE THREE OTHER STANDBY CONSERVATION PLANS I SUBMITTED LAST MONTH. I AM PARTICULARLY CONCERNED ABOUT THE POSSIBILITY THAT THE STANDBY PLAN FOR GASOLINE CONSERVATION MIGHT BE KILLED.

ENERGY

THIS PLAN WOULD BE IMPLEMENTED ONLY IN STATES THAT FAIL TO DEVELOP THEIR OWN PLANS FOR CONSERVING GASOLINE, AND THEN ONLY IF THERE ARE SEVERE SHORTAGES.

BUT WE FACE THE POSSIBILITY OF GASOLINE SHORTAGES THIS SUMMER, AND COMMON SENSE TELLS US THAT BOTH MY ADMINISTRATION AND THE CONGRESS MUST DO OUR PART IF WE ARE TO BE READY.

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