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<table>
<thead>
<tr>
<th>FORM OF DOCUMENT</th>
<th>CORRESPONDENTS OR TITLE</th>
<th>DATE</th>
<th>RESTRICTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>memo w/att.</td>
<td>From Brzezinski to The President ('9pp.) re: The FRG 'Basic Law'</td>
<td>5/3/79</td>
<td>A</td>
</tr>
</tbody>
</table>

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File 5/8/79 BOX 129

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THE PRESIDENT'S SCHEDULE
Tuesday - May 8, 1979

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

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

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

9:15    Meeting with Senator Robert C. Byrd et al.
(15 min.) (Mr. Frank Moore) - The Cabinet Room.

11:30   Mr. Jody Powell - The Oval Office.

1:00    Mr. James McIntyre - The Oval Office.
(20 min.)

1:30    Drop-By Briefing for Black Leaders from
(15 min.) Texas, Oklahoma and Louisiana. (Mr. Louis Martin) - The State Dining Room.

7:30    Briefing for House Members/Panama Authorization.
(60 min.) (Mr. Frank Moore) - The East Room.
08 May 79

Frank Moore

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

Rick Hutcheson
To: Mr. O'Neill  
From: Ari

1. FY '80 Budget: Appropriations Committee on track for floor action beginning June 13th.

   First Budget Resolution: Committee resolution, as amended thusfar provides for a $24.6 billion deficit. Hope to complete floor action today. All damaging amendments have been defeated.

2. Panama Canal: Granted a rule, with five hours of debate. Floor action possible week of May 21st. Much work to be done.


5. Energy Contingency Plans: Plan relating to thermostat settings is scheduled for floor action tomorrow. As to rationing, Dick Bolling has called a Rules Committee meeting for tomorrow morning to take the extraordinary step of packaging the original plan and the amendment, providing for a single vote of approval. Assuming Senate approval, rationing will be on the floor Thursday. A whip count is underway.

6. Windfall Profits Tax: Ways and Means begins hearings tomorrow. Plan is to move the tax through the House in July (possibly in late June), and then move a separate bill deciding how to spend the revenue.

7. Oil Decontrol: Commerce committee rejected an amendment to the DOE authorization prohibiting decontrol on a 21-21 vote (18-9 among Democrats). A Democratic Caucus will consider this issue, probably on May 16th.

8. SBA Authorization: Will be considered in Rules tomorrow. OMB and Neal Smith have apparently reached agreement.

9. Department of Education: Bolling opposed but will not block; probably will delay.

OTHER MAJOR LEGISLATION:

   National Health Insurance (await Administration proposal)  
   Welfare Reform (await Administration proposal; Cornman and Ullman apparently agreed)  
   Trade Agreement (planning floor action in July)  
   Rail Deregulation (pending in Florio subcommittee)  
   Department of Natural Resources (Strong opposition; will probably be disapproved if submitted under reorganization authority)  
   Public Financing (Committee closely divided)  
   Intelligence Charters (await Administration proposal)  
   Criminal Code Reform  
   Nuclear Waste Management  
   Nuclear Licensing  
   160 Acre Amendment  
   Sugar Bill (reported by Agriculture; also in Vanik subcommittee)  
   Regulatory Reform (in Danielson subcommittee; competing with Federal Torts Claim Act for priority)  
   Revolving Door Amendments (scheduled for floor Friday)  
   Countercyclical  
   Federal Pay Comparability

LEGISLATION APPROVED:

Council on Wage and Price Stability  
Countervailing Duties  
China-Taiwan  
Debt Limit  
First recission for FY '79  

Electrostatic Copy Made for Preservation Purposes
Memorandum for the President

From: Stu Eisenstat
Diana Elmes
Joe Onek

Subject: The Mental Health Systems Act

Attached is the proposed Mental Health Message to Congress submitting the new Mental Health Systems Act. The Message has been reviewed by Mrs. Carter and Tom Bryant, as well as by speechwriters. The bill reflects numerous recommendations of the President's Commission on Mental Health. It establishes a partnership between federal and state governments and permits more flexible federal funding of community mental health services. More specifically, the bill provides:

1. Care for the chronically mentally ill through project grants which will assist states in planning, developing and coordinating a system of mental health and support services that will enable chronically mentally ill people to live outside of an institutional setting; improving the competency of personnel providing services to the chronically mentally ill; and identifying those chronically mentally ill in need of services.

2. Prevention and mental health promotion through project grants for the development of state and local programs.

3. More effective state management of mental health services through project grants to improve data and information systems, planning and enforcement of performance standards.

4. Developing community-based mental health services through project grants for:
   -- development of comprehensive services for all residents of a designated area
   -- assisting ambulatory health care centers in providing mental health services
development of services for one or more priority groups, e.g., elderly, drug abusers.

5. Comprehensive State Mental Health Plans which will outline mental health services and needs, plans for coordinating the provision of mental health services, the legal rights of the mentally disabled, and plans for protecting the employment rights of workers adversely affected by actions taken to emphasize outpatient treatment.

This bill responds to the Commission's recommendations regarding organization and delivery of mental health services. A number of the other recommendations, such as in the areas of research, training, and insurance coverage, are addressed in other legislative initiatives and in the 1980 budget. The Commission's recommendation that advocacy systems for the representation of mentally disabled individuals be established is not yet ready for implementation.

We believe it would be appropriate to launch this legislation from the White House. You and Mrs. Carter could make brief statements in the press room; Secretary Califano could describe the legislation in greater detail and answer questions.

Do you wish to participate in the briefing on this legislation?

_____ Yes

_____ No
Date: 5/4/72

FOR ACTION:
Jerry Ratliff
Dulwise

FOR INFORMATION:
The First Lady

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat memo re The Mental Health Systems Act

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE

DATE: TURNAROUND

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)
<table>
<thead>
<tr>
<th>ADMIN CONFID</th>
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<th>SECRET</th>
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</table>

**ACTION**

- FYI

**VICE PRESIDENT**
- Eizenstat
- Jordan
- Kraft
- Lipshutz
- Moore
- Powell
- Watson
- Wexler
- Brzezinski
- McIntyre
- Schultze

**ADAMS**
- ANDRUS
- Bell
- Bergland
- Blumenthal
- Brown
- Califano
- Harris
- Kreps
- Marshall
- Schlesinger
- Strauss
- Vance

**FIRST LADY**
- Gammill
- Harden
- Hutcheson

**MCINTYRE**
- Jagoda
- Linder
- Mitchell
- MoE
- Peterson
- Pettigrew
- Press
- Rafshoon
- Schneiders
- Voorde
- Warren
- Wise
THE WHITE HOUSE
WASHINGTON

Returned from
Mrs. Carter

5-7
10:05 AM
Date: 5/4/72

FOR ACTION:

Jerry Ratcliff
DeWise

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eigenstat memo re The Mental Health Systems Act

---

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME:
DAY: IMMEDIATE
DATE: TURNAROUND

ACTION REQUESTED:

__ Your comments

Other:

STAFF RESPONSE:

__ I concur.

Please note other comments below:

I hope Jimmy could announce from White House early in week.

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

We will hold the message until we hear back from you.

Rick Hutcheson

cc: The First Lady
Phil Wise

Transmitted 5/15
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3. **More effective state management of mental health services** through project grants to improve data and information systems, planning and enforcement of performance standards.

4. **Developing community-based mental health services** through project grants for:

   - development of comprehensive services for all residents of a designated area

   - assisting ambulatory health care centers in providing mental health services
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We believe it would be appropriate to launch this legislation from the White House. You and Mrs. Carter could make brief statements in the press room; Secretary Califano could describe the legislation in greater detail and answer questions.

Do you wish to participate in the briefing on this legislation?

_____ Yes

_____ No
THE WHITE HOUSE
WASHINGTON

L'ship Breakfast

> Hosp. Cost - Jenking - Fowler - Cotter - Pickle - Gibbons / Senate +

> Gas rationing - quorum? - Repubs? -

ANTRAC - Conston + Byrd

> Alaska lands. - "To" - Denning - Wright

> SALT - Church more - act in '79 -

> Rhodesia

> DNR - (Checkney) Byrd

Budget $24 b deficit

Panama

Thermostat setting

Dept of Ed

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meeting with reps of coal producing states 5/8/79, 9:15 a.m.

THE WHITE HOUSE
WASHINGTON

5-7-79

Coef. - CCV standards

CO2, SO2, NOx

WVa., Ky., Ohio, Tenn., Ind., Md., Va., Okla., Ill.

12% reduction - 10% annual

John: Same position a year ago

Earl - less emphasis

Sterns Staff: Hi-Lo standards w/6

25% uniform - 50% removed

Harry: VA - 33 mmpgh Postpone Ship. Less Gas

OSM-60 short - R&D on coal

John: Equal scrubbing reg needed

Young: E. suite

Int. energy - Corn - Coal

Lumber on Coal

Nuclear Coal, less oil, more gasoline
Dec need to keep homes in com.urity.

Lizan

Schweiter Gagne

Howard - uneven standards tough don't relax

Sassen - Scrubbers ok.

Henry: old vs potential
THE WHITE HOUSE
WASHINGTON

CLiff Alexander

101 Pan Can Co, nonexistent
3000 employees not paid
Unable to set tolls
Citizens not protected—no

Pan Can Comm exr. 10/1/79

Gen McCaffrey

Best mil relations ever
Police/mil staff coop
Areas to be released 10/1
Pan active role def/pac war
US senior partner

Pan mil is really police force
Pan will take over later
Need a means place of coop 
Efficiency
Don't need adversary

Ambassador

Coop excellent
Pres Lyco here tomorrow
26 Committee working in Panama
THE WHITE HOUSE
WASHINGTON

Civil air: Cemetery, Prison Xch
Pan attitude, US Citizens
Civic clubs, support - lines, etc
Econ stagnation to be broken
US C & C organization
Civ elect in 1984
No torture, arbitrary court, etc

Where does $500 m come from
Toll fee increases - 14% +
Pan pay for Xfer of projects
Anti US trends since treaty?
Consequences of no treaty
120/now 60 yrs ago: Pay forw. Tolls?
Pan 12 mil = may they ask us today for
TC, Don't punish

How Pan press elected
Mill bases - 22 sites
Treaty of bases - We keep bases, use
incl command & inter

briefing for house members/panama authorization 5/8/79
briefing for house members/
panama authorization
5/8/79

Panama mtg 2 100 Corps 5-8-75
Mr. Sam Alexander - 6th, MacArthur - 7th, Moss

1. Treaty in effect
2. Panama Canal - Pan Territory U.S. operate > 2000
   Then defend
Legis - meet US commitments
Ship - Cons. Farm - Coast
Self ports -
US/Pan Civilian workers
Mil of US - Egypt, etc.
Jack Murphy, Derwinski, Bowen
Costs: $4 bil, $870 ml, $350 ml
Pan - closer - Truck Mill, Panama
Form Ass't - 28 Jul
$5 ml EMS - defend Canal

Electrostatic Copy Made
for Preservation Purposes
DATE: 08 MAY 79

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

TIM KRAFT

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

SUBJECT: ATTORNEY GENERAL BELL MEMO RE INITIAL APPOINTMENTS TO LIFETIME JUDGESHIPS IN THE FEDERAL COURTS (AGE PROBLEMS)

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

BY:

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:
MEMORANDUM TO THE PRESIDENT:

Re: Initial Appointments to Lifetime Judgeships in the Federal Courts (Age Problems)

For your information, our research indicates that beginning with President Truman in the last part of his Administration, every President has followed the rule that no one would receive an initial appointment as a federal judge after he or she reached his or her sixty-fourth birthday. I attach a copy of the rule as I found it here in the Justice Department.

I can find no record of an appointment in modern times where the person appointed was over sixty-four and was receiving an initial appointment. Senator Kennedy has cited the case of Charles Evans Hughes being appointed as Chief Justice when he was sixty-seven. The fact is that he had been on the Supreme Court at a previous time and had resigned to run for President. He, in effect, was reappointed.

We have a Congressman from California, Congressman Danielson, who is over sixty-four and who was left off the Ninth Circuit Judge list and is insisting on your adding his name. We have a nominee from Arizona who has excellent credentials and is sixty-five. His name is Udall and the Mormons are urging him. We have a woman from Louisiana who is sixty-six and is highly regarded, although we would not likely suggest her to you because the two Senators are insisting on someone else and you have nominated two women to the Fifth Circuit in recent weeks.

I believe that you would be well advised to hold to the rule of sixty-four. It would be extremely difficult to administer exceptions on an ad hoc basis. We are all living longer but the thought is that in
return for lifetime full pay, one should be expected to put in ten to fifteen years of full time service in a difficult assignment.

Respectfully,

Griffin B. Bell

Enclosure
With respect to the age of prospective candidates, the Committee believes that an individual 60 years of age or over should not receive an initial appointment to a lifetime judgeship in a Federal Court unless he merits a rating of "Well Qualified" or "Exceptionally Well Qualified" and is in excellent health and, in no event, should he be eligible for such appointment after he has reached his 64th birthday. (emphasis added)
5-8-79

G.

I don't understand Shulman's
a) motivations 
  purpose or
b) his authority to
  speak for you and
  me.

Please explain.

J. C.

Transmitted via Brzezinski's office.
U.S. Expects Less Now From Brezhnev Summit

By Henry S. Brubaker
Washington Star Staff Writer

As the summit for signing SALT II draws closer, U.S. officials are becoming more optimistic about their expectations for discussions between President Carter and Soviet leader Leonid I. Brezhnev because of Brezhnev's poor health.

The general-secretary of the Soviet Communist Party, and Soviet president is reportedly in too uncertain health for the United States to plan on the wide-ranging talks originally envisaged for the summit.

Summit business is likely to be limited to signing the new strategic arms limitations treaty, consideration of a prospective SALT III treaty, and trying to tidy up a few other arms control matters.

But subjects like the collision of Soviet and American interests in the Middle East, Southern Africa and Southeast Asia might receive only cursory treatment by the two leaders if discussed at all.

Secretary of State Cyrus R. Vance's chief adviser on Soviet affairs, Marshall D. Shulman, said today that a summit provides occasion for lower-ranking officials of the two governments to focus on problems between them. The encounter of the two leaders faces to face might be less significant than the speeding up of consideration of problems by the two governments, Shulman said.

Brezhnev reportedly was unable to hold much substantive discussion with the last foreign visitor, French President Valery Giscard d'Estaing, two weeks ago. Sources said he looked dazed part of the time, seemed a bit unsteady and generally lacked the alertness needed for effective international negotiations.

SINCE FOREIGNERS see the 72-year-old Russian only irregularly, it was unclear whether Giscard happened to catch him in a particularly bad spell. Brezhnev's health has fluctuated in recent years — but now even the high points seem to be lowering.

See BREZHEV, A-8

Challenged Her Arrest on Metro

By Allan Frank
Washington Star Staff Writer

A Washington woman who claimed she was improperly arrested 19 months ago for illegally eating an apple on the Metro was awarded $30,000 yesterday by a U.S. District Court jury.

After two days of hearing testimony and nearly two hours of deliberation, a panel of five women and one man awarded $30,000 to Victoria A. Churchville, who had claimed she was improperly arrested by a Metro transit policeman at the Eastern Market stop.

The saga of Churchville, a journalist who declined after the verdict to identify her employer, began on a winter morning — Nov. 1, 1977 — shortly before 8 a.m. When she bought an umbrella and an apple from a vendor near the Farragut West station.

SHE TESTIFIED before Senior U.S. District Judge Howard F. Corcoran that she took two bites of her apple on the train at the Farragut West station and was approached by transit police officer Thomas Hamlin, who warned her eating was illegal.

Churchville said she moved to another car because Hamlin was following her and that he arrested her at Eastern Market for disorderly conduct aboard.

If Chairwoman Vida M. Beardsley had not been impressed by the prosecution's performance, she might not have agreed to a trial.

After the verdict, Churchville said she was shaking hands with her lawyer, Matthew J. O'Brien, when a couple of her friends arrived at 2 a.m. to get her for a ride. She said she was later picked up by the cab at 4 a.m. and that she was picked up for a ride at 4 a.m. and that she was picked up for a ride at the Eastern Market stop.
THE WHITE HOUSE
WASHINGTON
May 7, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Meeting with Anthony Solomon
Under Secretary of the Treasury

I attach my April 18 memorandum outlining some of the reasons for your meeting with Tony Solomon. I think that he is particularly concerned about the lack of organization of economic policy making within the government.
THE WHITE HOUSE
WASHINGTON
April 18, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Anthony Solomon, Under Secretary of the Treasury

I would like to strongly recommend you have a private 30 minute meeting shortly after you come back with Under Secretary of the Treasury Tony Solomon. He has some very important views on the economy you should hear.

Tony is an extremely respected economist who is the chief policy person at the Treasury. He designed two of the most effective economic policies we have had - the steel program and the November 1 dollar program. He was Assistant Secretary of State under Presidents Kennedy and Johnson and had the ear on a frequent basis of both Presidents on economic matters.

He feels somewhat frustrated that he has not had the opportunity to develop a relationship with you and believes he has something to add. His views are sound and his insights are very important for you to hear directly. I am certain you would benefit from such a meeting and I know it would help boost his morale and help keep him in his position.

[Signature]

Approve  Disapprove
MEMORANDUM FOR THE PRESIDENT
FROM: FRANK MOORE
SUBJECT: GASOLINE RATIONING PLAN

FOR YOUR INFORMATION

Late this morning the Senate Energy Committee took up three motions with respect to the standby gasoline rationing plan and our proposed amendment thereto.

First, they refused to report favorably our proposed amendment by a vote of 4 to 12.

Second, they adopted a Johnston motion to report unfavorably our proposed amendment by a vote of 15 to 2.

Third, they adopted a Johnston amendment to withdraw the Committee's approval of our original plan last week by a vote of 10 to 8.

We expect that the full Senate will take up the resolution to approve our original plan and the resolution to approve our proposed amendment shortly. Prospects for Senate adoption are dim given the Energy Committee's overwhelming votes against our position this morning. Senator Jackson will fight vigorously for us.

Body will study them!
PARTICIPANTS LIST

Farmers

> Harvey Gardner = what if the = target price = 75% =
Jerry Harrison
Arlos Kent
> Robert O'Hara = the set aside date =
Erwin Thamm = meet & farmers =
> Pat Walker
> * Herb Weil = cost of producing = [calculation]
  $75/acre - $7/acre + $.07/acre = $67.92
  $8/acre + $70 = $78

Observers

State Senator Gilmer Capps, Oklahoma =
State Representative Willie Rogers, Oklahoma

Staff

Stu Eizenstat
Lynn Daft

International feed grain agreement:

family farm = 2/4 = 2/3%
exports = embargo
on the import

Electrostatic Copy Made
for Preservation Purposes
THE WHITE HOUSE
WASHINGTON
08 May 79

Jim McIntyre

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

Rick Hutcheson

Frank Moore
Zbig Brzezinski
Jerry Rafshoon
THE WHITE HOUSE
WASHINGTON

5/7/59

Mr. President:

Rafshoon believes that "we must be honest with the people; no one is going to be fooled by the phased down presumption."

CL concurs with McIntyre; Hamilton has no comment.

Brzezinski's comments are attached.

Rick/Bill
MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr.
SUBJECT: Costs of the Panama Canal Treaty

You asked me to look into the question of Panama Canal treaty implementation costs. As you know, the Administration has been criticized for citing two different estimates in our presentation to the Congress -- one of $350 million in February of 1978 and a more recent one of $870 million in March of this year.

We have taken a hard look at the $870 million estimate. This figure was originally provided in support of testimony by Under Secretaries Duncan and Christopher. It has since been widely disseminated in media packages, informal discussions, and responses to Congressional staff inquiries. There are a number of adjustments (both plus and minus) which could be made to this estimate, but the net result is a new estimate of $850 million, which is so close to the old $870 million that we see no reason to change.

However, the $870 million estimate assumes that DOD will maintain its full presence and operation in Panama right up to the year 2000. A gradual phase down of the U.S. presence in Panama is more likely. By assuming a phased withdrawal for about the last 10 years (1990-2000) the total estimate can be reduced to approximately the $350 million figure provided to the Congress by Secretaries Brown, Vance and Alexander in February, 1978. The rate and timing of withdrawal can be adjusted to yield whatever final dollar estimate is desired. For example, a 3% annual phase down starting in 1981 would reduce the $870 million figure to $350 million. If this approach is taken, we may be accused of "creative bookkeeping".

The question, therefore, as we see it is whether we should: (1) merely reaffirm the $870 million estimate, or (2) add the "phase down assumption" for a total estimate of $350 million.

\[
\begin{array}{c}
\square & $870 \text{ million} \\
\square & $350 \text{ million}
\end{array}
\]

If you prefer, the two concepts can be tied together by indicating that the Administration's outside estimate is $870 million but that the total costs can be significantly reduced (e.g. to $350 million) by a gradual phase-down in the outyears - situation permitting.
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

ACTION

May 7, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Jim McIntyre's Memo on the Cost of Implementing Panama Canal Treaty

In my analysis of the costs of implementing the Panama Canal Treaty, I have concluded that the Treaty can be implemented over the period 1979-2000 at an estimated incremental cost to the US Government of about $360M. This compares closely with the $350M estimate provided to the Congress by Secretaries Vance, Brown and Alexander in February 1978. Note that the $350M was defined at that time by the Secretaries as the appropriations impact of the Treaty from 1979-2000, not as incremental Treaty costs. Interpreted narrowly, the figures do not correspond, and we probably would be criticized for "managing" the final total if we choose now to adopt officially the lower cost figure. (The $360M reflects certain reductions in the cost of running the Canal and assumes that DOD will begin a phased drawdown in Panama activities in 1989. The rate of timing of the withdrawal can be adjusted to yield whatever final dollar estimate is desired. The $360M was derived from a 3 percent activity decrease over the ten-year period 1989-1999.)

It is important to keep in mind that regardless of whether you decide to simply reaffirm the $870.7M estimate, or to add a gradual phased-down assumption, and change our cost estimate to $360M, there is no current budgetary impact, i.e., the budget request that Congress is now considering will be unchanged -- what would be changed is our rationale in testimony on the overall treaty costs for 1979-2000.

I tend to believe that the better course of action is to maintain our $870.7M estimate as our top line but to respond to Congressional questions by saying that Canal treaty costs may be reduced to the $350M level if circumstances in the out-years allow a gradual phase-down in DOD activities.
I understand that some in Defense are rather unhappy with the possibility of an explicit phase-down assumption. It would be prudent, I believe, to talk with Harold on this issue before you make up your mind on our Treaty cost strategy. The full support of the entire Department of Defense on this issue is most important.

RECOMMENDATION

-- That you obtain from Harold assurances that Defense can support the phase-down assumption for 1989-1999.

-- That you maintain the $870.7M as our top-line cost figure while holding out the possibility that costs can be reduced in the out years.
INFO ONLY:

SUBJECT: MCINTYRE MEMO RE COSTS OF THE PANAMA CANAL TREATY

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM SATURDAY 05 MAY 79 +

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:
Rafshoon's comment on the cost of the Panama canal goes likes this:

"we must be honest with the people, no one is going to be fooled by the phased down presumption."
MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr. (Signed)
SUBJECT: Costs of the Panama Canal Treaty

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\[ \begin{array}{c}
| \text{ } | \text{ } | \\
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| $350 \text{ million} | \\
\end{array} \]

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Jody Powell

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

Rick Hutcheson

The original has been sent to stripping for mailing.

cc: Stripping
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

April 25, 1979

TO: Jody Powell
FROM: Patricia Mario
RE: Presidential letter to Amon Carter Evans

As you will see by the attached, Amon Carter Evans, president of the Tennessean, took the President up on his personal invitation to make suggestions for alleviating the energy problem.

At Walt's request--after no action from Domestic Policy on this--Jim Purks drafted a Presidential reply. It has now cleared the speechwriters and is attached. If you approve, we can get this out. It is a month since the mailgram was received, as you will note.
To Amon Carter Evans

Thank you for your telegram submitting suggestions to aid the Administration's efforts to lead our Nation towards an effective and equitable energy plan.

As you know, energy has long been one of my major concerns. Although not all of my energy proposals were accepted by the Congress last year, particularly on oil, we have made some headway since I urged the people of our Nation to accept the necessity of cutting oil usage.

Last month I submitted a stand-by conservation plan which provides for a gasoline rationing system should we need it. Earlier this month I submitted to the Congress additional energy proposals to help ease our continuing dependence on foreign oil supplies.

Your suggestion for a major research and development project dedicated to exploring the use of alternate sources of energy is well taken. I provided for this in my April 5 energy proposals in the form of the Energy Security Fund. Congressional passage of the windfall profits tax and the establishment of the Energy Security Fund would allow us to nearly double the investments we are making in energy research and development.

Work in solar energy is an important part of our efforts. In my budget for Fiscal 1980 I had already requested an appropriation of more than $3.6 billion for energy research and technology development. In that same budget proposal, I called for a government-wide increase of 40% in outlays for solar energy research and development because I believe that solar energy can, in time, make a significant contribution as a clean and renewable source of energy. The Energy Security Fund would also finance research and development of other energy sources that are available in some sections of our Nation -- such as geothermal energy, wood products, and small-scale hydroelectric power -- as well as helping us find ways to turn our abundant coal resources into new and cleaner energy supplies.
I appreciate your suggestion that the Tennessee Valley Authority can play a significant role in experimenting with the practical uses of solar energy. I agree with your conclusions on TVA's unlimited potential. As I said when I visited Knoxville last May 22, the TVA "has that rare combination of skills needed to protect and to perfect our energy systems. Its power people can work shoulder to shoulder with its experts in biology, community development, pollution control, land use and other fields necessary to carry out energy demonstrations that will again set standards of excellence for our entire Nation." We will certainly keep your proposal for TVA in mind.

I recall our conversation in Nashville, and am pleased you took the time to give me your thoughtful and timely suggestions. I hope you won't hesitate to do it again on matters you feel ought to be brought to my attention.

Best wishes to you and The Tennessean.

Sincerely,

[Signature]

Mr. Amon Carter Evans  
President  
The Tennessean  
1100 Broadway  
Nashville, Tennessee 37202
I HOPE YOU WILL RECALL THAT DURING OUR CONVERSATION AT THE TIME OF YOUR POLITICAL VISIT TO NASHVILLE LAST YEAR YOU INVITED ANY SUGGESTIONS REGARDING PROBLEMS CONFRONTING YOUR ADMINISTRATION. I NOW TAKE ADVANTAGE OF THAT INVITATION.

IN GENERAL TERMS MY NEWSPAPER SUPPORTS YOU AND YOUR ADMINISTRATION ON ISSUES. THERE IS ONE SPECIFIC AREA, HOWEVER, ABOUT WHICH I HAVE GRAVE CONCERN. IT IS IN THE SPECIFIC AREA OF NATIONAL ENERGY POLICY. MY NEWSPAPER AND I FEAR THAT THE
PRESENT COURSE WILL INJURE YOUR STANDING WITH THE AMERICAN PEOPLE AND ULTIMATELY SEVERELY DAMAGE OUR COUNTRY.

LET ME URGE YOU TO INCLUDE A CLEAR CHALLENGE TO THE AMERICAN PEOPLE THAT REFLECTS DECISIVE INITIATIVES AS WELL AS A WILLINGNESS TO SACRIFICE.

I UNDERSTAND THAT VERY SOON YOU WILL MAKE A MAJOR ENERGY POLICY STATEMENT.

I RECOMMEND FOUR RATHER SIMPLE BASIC POINTS:

1) BECAUSE THIS COUNTRY FACES MAJOR, LONG-TERM ENERGY RESOURCE SHORTAGES THERE NEEDS TO BE AN IMMEDIATE CALL UPON THE AMERICAN PEOPLE TO CONSERVE--both by voluntary actions and by government sanction and mandate--ALL ENERGY RESOURCES WHICH ARE BEING DEPLETED.

2) WITH SHORTAGE OF ENERGY RESOURCES IT IS NONSENSE TO BELIEVE
That the nation can produce its way out of the present crisis. To do so merely creates another larger, future crisis.

3) This nation needs and must have a major research and development project dedicated to exploring the use of alternate sources of energy at the earliest possible moment, emphasizing first and foremost solar energy. Such a solar project should be funded at least in the amount of government monies equal to that now being expended on nuclear research and development. Nuclear energy as we know can be depended upon only as an intermediate bridge to the future energy needs of the nation.

4) The Tennessee Valley Authority has been experimenting with practical uses of solar energy using limited existing technology. TVA has the ability to play the major role in such a solar research and development project. TVA should be given the
DIRECTIVE TO INITIATE A MAJOR EFFORT DEMONSTRATING THAT SOLAR ENERGY HAS THE POTENTIAL TO CURB EXCESSIVELY HIGH COSTS NOW IMPOSED BY NUCLEAR, OIL, NATURAL GAS AND COAL. SUCH A PROGRAM WOULD SAY TO EVERY AMERICAN CITIZEN THAT YOUR ADMINISTRATION IS COMMITTED TO AN ECONOMICALLY STRONG AND ENERGY INDEPENDENT NATION.

I HAVE DISCUSSED THIS WITH SOME MEMBERS OF YOUR STAFF WHO HAVE URGED ME TO COMMUNICATE THESE THOUGHTS DIRECTLY TO YOU.

THE PEOPLE OF THIS COUNTRY ARE AS GOOD AND AS DECENT AS YOU SUGGESTED THEY WERE DURING YOUR CAMPAIGN. IN THE SAME SENSE THAT THEY WERE WILLING TO ACCEPT THE CHALLENGE OF PRESIDENT KENNEDY THAT THE U.S. GOVERNMENT TAKE US TO THE MOON IN LESS THAN A DECADE, THEY ARE NOW, IN MY OPINION, READY TO ACCEPT THE CHALLENGE REQUIRED TO HAVE THE SUN BROUGHT TO US.

AMON CARTER EVANS, PRESIDENT
To Amon Carter Evans

Thank you for your telegram submitting suggestions for this Administration's efforts to lead our nation towards an effective and equitable energy plan. I recall our conversation in Nashville and am pleased that you took the time to give me your thoughtful and timely suggestions.

Energy has been one of my major concerns since taking office. Although not all of my energy proposals were accepted by the Congress last year, particularly on oil, we have made some headway since I urged people to accept the necessity of cutting oil usage.

Last month I submitted a stand-by conservation plan which provides for a gasoline rationing system should we need it. Earlier this month I submitted to the Congress additional energy proposals to help ease our continuing dependence on foreign oil supplies.

Your suggestion for a major research and development project dedicated to exploring the use of alternate sources of energy is well taken. I provided for this in my April 5 energy proposals through the Energy Security Fund. Congressional passage of the excess profits tax and the establishment of the Energy Security Fund would allow us to nearly double the investments we are making in energy research and development. Work in solar energy is an important part of our efforts. In my budget for Fiscal 1980 I had already requested the Congress to appropriate more than $3.6 billion for energy research and technology development. In that same budget proposal, I called for a government-wide increase of 40% in outlays for solar energy research and development because I believe that solar energy can, in time, make a significant contribution as a clean and renewable source of energy. The Energy Security Fund also finance research and development of other energy sources that are available in some sections of our nation, such as geothermal energy, wood products, and small-scale hydroelectric power as well as helping us find ways to turn our abundant coal resources into new and cleaner energy supplies.
I appreciate your suggestion that the Tennessee Valley Authority can play a significant role in experimenting with the practical uses of solar energy. I agree with your conclusions on TVA's unlimited potential. As I said when I visited Knoxville last May 22, "TVA "has that rare combination of skills needed to protect and to perfect our energy systems. Its power people can work shoulder to shoulder with its experts in biology, community development, pollution control, land use and other fields necessary to carry out energy demonstrations that will again set standards of excellence for our entire nation." We will certainly keep your proposal for TVA in mind.

I hope you will not hesitate to share your thoughts with me or bring matters you feel are important to my attention on this or other subjects.

I recall our conversation in Nashville, and am pleased you took the time to give me your thoughtful & timely suggestions. I hope you won't hesitate to do it again on matters you feel ought to be brought to my attention.

Best wishes to you and The Tennessean.

Mr. Amon Carter Evans
President
The Tennessean
1100 Broadway
Nashville, TN. 37202
THE WHITE HOUSE
WASHINGTON

May 7, 1979

MEETING WITH SOUTHERN BLACK LEADERS

Tuesday, May 9, 1979
1:30 P.M.
East Room

From: Louis Martin

I. PURPOSE

To brief this group on the status of Administration programs and legislation of particular interest to the Black community and to encourage their support.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: This is the second meeting you have held with Black leaders from the states. The first was October 25, 1978, with North Carolina, South Carolina, Tennessee, and Mississippi.

B. Participants: Approximately 150 political and civic leaders from Texas, Oklahoma, and Louisiana (guest list attached).

C. Press Plan: Selected members of the Black press will be in the audience. No White House press corps.

III. TALKING POINTS

Talking points are attached.

The receiving line will follow your remarks.

Attachments:

agenda
guest list
talking points
AGENDA
TUESDAY, MAY 8, 1979

10:30 A.M. Welcome by Louis Martin
10:35 A.M. Jack Watson
11:00 A.M. Secretary Pat Harris
11:30 A.M. Bill Dyess (on SALT)
11:45 A.M. Break for coffee
12:15 P.M. Introduction of Staff
12:30 P.M. Hamilton Jordan
1:00 P.M. Walk to East Room
1:30 P.M. President Carter
followed by buffet lunch on State Floor
2:30 P.M. end of meeting
MEMORANDUM FOR THE PRESIDENT

FROM: WALTER SHAPIRO

SUBJECT: Dropby with Black Elected Leaders

Tuesday, May 8, 1979

1. This is the second meeting that I have had with elected black public officials. I am particularly interested in your problems, concerns and insights because your election is part of the greatest political revolution of our times. Black participation has completely transformed the politics of the South. Today black elected officials represent the frontline of the civil rights movement. I have said many times that I would not have been elected Governor of Georgia had it not been for the Voting Rights Act of 1964.

2. I understand that you have had a busy morning of briefings. They are somewhat of an occupational hazard for visitors to the White House, but I hope they have given you a better understanding of what this Administration is doing to bring our nation closer to true equality. I would like to take a few moments to talk about some issues that are of particular concern to me.

3. Each of you comes from states that are our leading oil producers and will benefit from the higher prices that will come from decontrol of oil. But you can well understand why these increased revenues must be shared with all the people -- not just those wealthy enough to own oil stock. That is why I hope I have your support in the fight for a windfall profits tax and an Energy Security Fund. This is the most crucial issue now before the Congress and I hope you will let your representatives in Congress know how you feel.

4. This Administration believes in civil rights. We are not only concerned with making existing laws work better, but we also want to make sure that the laws themselves are tough enough to do the job. That is why we are firmly supporting efforts in Congress to give HUD the power to issue "cease and desist" orders in housing discrimination cases.
5. We share a conviction that largely black colleges and universities should not be a victim of our progress toward civil rights. We are committed to spending $120 million a year to support these historically black institutions. In January, I sent a memorandum to each department asking that they take special steps to support these important colleges and universities.

6. The number of black elected officials is one measure of our progress toward equality. The number of blacks appointed to important positions in the Federal government is another. One area of particular concern is the Federal judiciary. I am proud that for the first time in our history we are naming black judges to the Federal bench in the deep South. We are also appointing blacks to the independent regulatory agencies -- an area where there has been virtually no black representation in the past.

7. Economic justice is as important as political representation. We need to expand and support minority business enterprises. We intend to triple Federal procurement by minority firms by 1980 to a total of $3 billion annually. I continue to be concerned that black unemployment is more than double that for whites. I am heartened, however, that we have created more than 100,000 jobs for black teen-agers since I took office.
## Attendees for Texas, Oklahoma, and Louisiana Briefing

**May 8, 1979**

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<tr>
<th>NAME</th>
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<tr>
<td>Adams, John Hurst</td>
<td>Bishop African Methodist Episcopal Church</td>
<td>Waco, Texas</td>
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<td>Alexander, Avery C.</td>
<td>State Representative District 93</td>
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<td>Allen, Billy</td>
<td>President Minority Search, Inc.</td>
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<td>Anderson, Julia</td>
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<td>Ashley, L. G.</td>
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<td>Atkins, Hannah D.</td>
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<td>Bajoie, Diana F.</td>
<td>State Representative District 91</td>
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<td>Barney, Clarence L.</td>
<td>President New Orleans Urban League</td>
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<td>Bean, Floyd</td>
<td>Executive Director, Dallas Chamber of Commerce</td>
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<td>Benton, Leonard D.</td>
<td>Executive Director Urban League</td>
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<td>Bobb, John</td>
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<td>Bowser, Palmer</td>
<td>Executive Assistant to the Mayor</td>
<td>Houston, Texas</td>
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<td>Boyd, Alva</td>
<td>Business Development Specialist Energy Conservation and Housing Foundation</td>
<td>Oklahoma City, Oklahoma</td>
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<td>Bradford, Earle</td>
<td>Acting Grand Master, Louisiana Prince Hall Mason</td>
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<td>Bradford, James E.</td>
<td>County Supervisor</td>
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<td>Broussard, Alton</td>
<td>Vice President, St. Landry Parish Police Juror</td>
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<td>Brown, Louis J.</td>
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<td>Bryan, Trevor</td>
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<td>Burlew, Mark</td>
<td>Owner of Business Import/Export Broker</td>
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<td>Burroughs, Roberta</td>
<td>Assistant Division Chief</td>
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<td>Houston City Planning Department</td>
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<td>Calloway, Arie</td>
<td>Director, Project OVER Operation Voter Education and Registration</td>
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<td>Carter, Lenora</td>
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<td>Carter, Marie</td>
<td>Reading Consultant, New Orleans Parish School Board</td>
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<td>Cearcy, Patricia</td>
<td>Vice President, Coalition of Labor Union Women</td>
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<td>Chandler, Wayne, Sr.</td>
<td>Vice Chairman, State Board of Public Affairs</td>
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<td>Chappelle, T. Oscar, Sr.</td>
<td>Reverend - President Morningstar Baptist State Church</td>
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<td>Connor, George C., Jr.</td>
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<td>Cook, Samuel DuBois</td>
<td>President Dillard University</td>
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<td>Committee on International Affairs - NAACP</td>
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<td>Cooper, Gordon</td>
<td>Management Consultant, Corporate Management, Limited</td>
<td>New Orleans, Louisiana</td>
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<td>Copelin, Sherman</td>
<td>President, Oklahoma City NAACP</td>
<td>Oklahoma City, Oklahoma</td>
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<td>Crawford, Theodosia</td>
<td>Vice Chairman, State Democratic Committee</td>
<td>Fort Worth, Texas</td>
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<td>Davis, Earalyn Riles</td>
<td>State Representative District 67</td>
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<td>Delpit, Joseph E.</td>
<td>Chief, Minority Business Enterprise Regional Planning Commission</td>
<td>New Orleans, Louisiana</td>
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<td>Dupre, Emilo</td>
<td>Member, Democratic State Central Committee</td>
<td>Baton Rouge, Louisiana</td>
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<td>Edwards, James H.</td>
<td>Assistant to the Mayor of New Orleans</td>
<td>New Orleans, Louisiana</td>
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<td>Gardner, Ronald</td>
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<td>President, Together, Inc. (Promotional Firm)</td>
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<td>Hall, Anthony W., Jr.</td>
<td>Director, Southern Texas Laborers Council</td>
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<td>President, Texas College</td>
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<td>President United for Action</td>
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<td>President, Wiley College</td>
<td>Marshall, Texas</td>
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<td>Haywood, Ernest</td>
<td>Attorney at HEW</td>
<td>Dallas, Texas</td>
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<td>Architect, Haywood, Jordan, McCowan, Inc.</td>
<td>San Antonio, Texas</td>
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<td>Henderson, Johnnie</td>
<td>Director, Human Relations Texas AFL-CIO</td>
<td>Texas City, Texas</td>
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<td>Higgins, Clarence, Dr.</td>
<td>Pediatrician</td>
<td>Houston, Texas</td>
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<td>Houston, Texas</td>
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<td>Norman, Oklahoma</td>
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<td>Hill, Fannie</td>
<td>Associate Director, Tulsa RSVP</td>
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<td>Hornbeak, Ruby</td>
<td>Semi-Retired Real Estate Broker</td>
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<td>Hudson, Samuel W.</td>
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<td>Jasper, Thomas</td>
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<td>Benjamin Jeffers</td>
<td>President, Ben Jeffers, Inc.</td>
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<td>Jefferson, Andrew</td>
<td>Judge</td>
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<td>Jemison, T. J.</td>
<td>General Secretary, National Baptist Convention, USA</td>
<td>Baton Rouge, Louisiana</td>
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<td>Johnson, A. Visiano</td>
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<td>Johnson, Joseph, Jr.</td>
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<td>New Orleans, Louisiana</td>
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<td>Jones, Jesse, Dr.</td>
<td>Professor of Chemistry</td>
<td>Dallas, Texas</td>
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<td>Knight, E. M.</td>
<td>Gulf Coast Community Services</td>
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<td>Lakey, O. H., Reverend</td>
<td>Editor, Christian Index</td>
<td>Dallas, Texas</td>
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<td>Lawe, Theodore</td>
<td>Director, City of Dallas Action Center</td>
<td>Dallas, Texas</td>
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<td>Lawson, William, Reverend</td>
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<td>Project Director, Hunt County Committee on Aging</td>
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<td>State Representative District 73</td>
<td>Tulsa, Oklahoma</td>
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<td>McKinzie, Myrtle J.</td>
<td>Assistant City Attorney City of Houston</td>
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<td>McRae, Arlington</td>
<td>C.P.A., Arlington, McRae and Company</td>
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<td>Mitchell, Byron</td>
<td>Executive Director, Social Work and Community Development</td>
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<td>Moore, Prentis, Reverend</td>
<td>Pilgrim United Church of Christ</td>
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<td>Morial, Ernest</td>
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<td>New Orleans, Louisiana</td>
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<td>Murphy, Harriet Mitchell Moore</td>
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<tr>
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<tr>
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<td>Houston, Texas</td>
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<td>Director, American Foundation of Negro Affairs</td>
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<td>Pendleton, Louis C., Dr.</td>
<td>State Senator, District 48</td>
<td>Shreveport, Louisiana</td>
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<tr>
<td>Porter, E. Melvin</td>
<td>State Representative, District 7A</td>
<td>Oklahoma City, Oklahoma</td>
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<tr>
<td>Price, Albert J.</td>
<td>President, Missionary Baptist General Convention of Texas</td>
<td>Beaumont, Texas</td>
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<td>Price, Moses L., Dr.</td>
<td>Librarian, FAA</td>
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<td>Pringle, Alma</td>
<td>National President, LINKS, Inc.</td>
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<td>Purnell, Julia</td>
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<td>Baton Rouge, Louisiana</td>
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<td>Rains, Alice</td>
<td>President Jarvis Christian College</td>
<td>Houston, Texas</td>
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<td>Rand, E. W., Dr.</td>
<td>Special Assistant to Lloyd Bentsen</td>
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<td>Robinson, James</td>
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<td>Director, Business and Management of Magnet School</td>
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<td>Robinson, Press, Ph.D.</td>
<td>Instructor</td>
<td>Baton Rouge, Louisiana</td>
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<td>Sawyer, Granville, Dr.</td>
<td>President, Southern University</td>
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<tr>
<td>Scobey, Leon</td>
<td>President, A. Phillip Randolph Institute</td>
<td>Oklahoma City, Oklahoma</td>
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<td>Singleton, James M.</td>
<td>City Councilman, District 3</td>
<td>New Orleans, Louisiana</td>
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<td>Smart, Annie</td>
<td>Welfare Rights Representative Louisiana Hunger Coalition</td>
<td>Baton Rouge, Louisiana</td>
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<td>Smith, Clifton</td>
<td>Director, Community Relations KPRC-TV</td>
<td>Houston, Texas</td>
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<td>Smith, George</td>
<td>President, George Smith Pipe Company</td>
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<td>President, TIPS</td>
<td>New Orleans, Louisiana</td>
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<td>Sterling, E. S.</td>
<td>Chairman, National Security Bank</td>
<td>Tyler, Texas</td>
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<td>Stone, Jesse, Dr.</td>
<td>President, Southern University</td>
<td>Baton Rouge, Louisiana</td>
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<td>Talbot, Théodore A.</td>
<td>Vice President, Human Resources Texas State Technical Institute</td>
<td>Waco, Texas</td>
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<td>Taylor, Dorothy</td>
<td>Former State Representative</td>
<td>New Orleans, Louisiana</td>
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<td>Baton Rouge, Louisiana</td>
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<td>Thomas, Alvin I.</td>
<td>President</td>
<td>Prairie View, Texas</td>
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<td>Thompson, Delores</td>
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<td>Thompson, George</td>
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<td>Baton Rouge, Louisiana</td>
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<td>Director, North Texas Commission Dallas Black Chamber of Commerce</td>
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<td>Williams, Palmer L.</td>
<td>Director, Management Systems and Services - Hertz Office</td>
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<td>President, Interdenominational Ministerial Alliance of Dallas</td>
<td>Dallas, Texas</td>
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<td>Wyche, Zelma C.</td>
<td>City Alderman</td>
<td>Tallulah, Louisiana</td>
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<tr>
<td>Young, Albert Z.</td>
<td>Assistant Secretary, State Department of Health and Human Resources</td>
<td>Baton Rouge, Louisiana</td>
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THE WHITE HOUSE
WASHINGTON
08 May 79

The First Lady
Gretchen Poston

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

Rick Hutcheson

Frank Moore
<table>
<thead>
<tr>
<th>FOR STAFFING</th>
<th>FOR INFORMATION</th>
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<td>LOG IN/TO PRESIDENT TODAY</td>
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<td>WARREN</td>
<td>WISE</td>
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5-8-79

To Gretchen

Speaker O'Neill recommends we have Dave McKenna (jazz pianist) perform at our next jazz concert.

[Signature]

Electrostatic Copy Made for Preservation Purposes
THE WHITE HOUSE  
WASHINGTON  
08 May 79

Frank Moore

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 -

ACTION

VICE PRESIDENT
EIZENSTAT
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MITCHELL
MOE
PETERSON
PETTIGREW
PRESS
RAFSHOON
SCHNEIDERS
VOORDE
WARREN
WISE
TO: Senator Patrick Leahy (D-Vt)

DATE: As soon as possible

RECOMMENDED BY: Frank Moore

PURPOSE: To receive messages from Georgi Vins, the recently-released Soviet dissident

BACKGROUND: Senator Leahy recently met with Mr. Vins in Vermont. Vins asked that the Senator relay several messages to you upon his return to Washington.

The call should not take over 3-4 minutes.

DATE OF SUBMISSION: May 7, 1979

[Signature]

Vins concerned re Pres. knowing significance of his faith as Leader of U.S.

Electrostatic Copy Made for Preservation Purposes
THE WHITE HOUSE
WASHINGTON
08 May 79

Stu Eizenstat

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

Rick Hutcheson
THE WHITE HOUSE  
WASHINGTON  
May 7, 1979  

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT  

Attached is an Op-Ed piece cleared by OMB and DOE which would focus on the positive uses of the Fund.

Also attached is an insert which Jody wrote in an attempt to clarify your statement on decontrol and to make clear that the Administration is of one mind on this issue. I agree this insert should be added since there is now considerable confusion on the Hill about whether we still favor decontrol and consternation by some, such as Congressman Dingell, who have fought for what they considered to be our position against extending controls.

Jody suggested that you should review this insert and the paragraph already in the proposed article on decontrol, to see if it states the policy in the way you desire.

Attachment
THE WINDFALL PROFITS TAX, THE ENERGY SECURITY FUND AND THE THRUST OF A PLOWBACK

The President's proposal for a windfall profits tax to be used in an Energy Security Trust Fund is one of the most critical legislative proposals the Congress has considered in many years, because it offers real hope of energy security for Americans.

The windfall tax is an excise tax equal to 50% of the difference between the current controlled price of domestic oil, and the price which the oil receives under the decontrol schedule the President has announced. In addition to taxing revenues from decontrol, the President's proposal contains an "OPEC tax" which would recapture 50% of all increases in oil industry revenue due to future OPEC price increases. There are virtually no exceptions to the tax on oil discovered since 1973, and the only ones to "old oil" discovered before 1973 are to encourage immediate additional production. The impacts of the windfall profits tax are substantial:

- It would decrease the amount the oil industry would keep of every dollar of revenue from decontrol from 43 cents per dollar to 29 cents per dollar.

- It would reduce by 30 percent the amount of money which the oil industry would keep as a result of decontrol if OPEC prices do not increase beyond 1979 and by over 40 percent if OPEC prices increase by three percent in real terms each year.

The President's decision to phase-out controls and its cumbersome entitlements system was not politically easy but it was right. Under controls, our growing appetite for cheap oil increased our dependence on foreign supplies each year since the Arab oil embargo. Decontrol will stop that subsidy that controls provide for imported oil, increase production of domestic oil, spur conservation, lower U. S. balance of payments, and encourage development of the alternate energy sources on which our future must depend. It also provides some windfall profits. Equity demands that the Congress pass a windfall tax to recapture for public these windfall profits.
Predictably, there is now in the Congress and elsewhere considerable agitation to extend controls or remove the President's power to begin phased decontrol. A chance to appear to be voting against increased prices is understandably attractive to elected officials. Such agitation is a waste of time, since any such effort will certainly face a Senate filibuster. More importantly, simply passing a measure to extend controls fails to deal with the basic problem of lessening our ever-worsening dependence on foreign oil. The President presented Congress in April of 1977 with measures to reduce this dependence through a crude oil equalization tax and an industrial users tax. These proposals were not enacted. The time for ducking the tough issues is past. Since it would not be accompanied by measures to encourage conservation, reduce imports, increase domestic production and support alternatives to petroleum, the extension of controls fails to encourage production and conservation, reduce imports, and stimulate alternatives to petroleum.
The windfall tax will provide substantial revenues, otherwise unavailable, to help solve our critical energy problems. The President has proposed the creation of an Energy Security Trust Fund into which the windfall tax revenues will be funneled to help protect low-income Americans against rising energy prices; to accelerate the availability of energy efficient mass transit; and, most importantly for our future energy security, to finance a greatly accelerated effort to develop alternate energy sources. Only with this massive effort can we limit our dependence on foreign crude oil.

The President will strongly oppose a "plowback" of windfall revenues from the windfall tax to the oil industry, for several reasons. First, as the President has pointed out repeatedly, decontrol will provide $6 billion to the oil industry over the next three years -- even after the windfall tax is collected -- to encourage additional production. A plowback credit against the windfall tax would provide more revenues than are reasonably necessary to encourage additional production and defeat the basic purpose of the windfall tax. Second, a plowback feature presents enormous administrative complexities, requiring complex definitions of base period and qualifying investments. A "plowback" will likely produce no more oil -- only more work for accountants. Third, every dollar taken away by a plowback credit from the Energy Security Trust Fund is a dollar less available for the massive technological effort needed to make our country energy secure.

Our nation's greatest assets are brains and ingenuity. Under the President's proposal we would immediately expand efforts for a wide variety of alternative energy measures.

The critical point to recognize is that our oil companies will not spend large sums of their windfall revenues to assist low income Americans hardest hit by rising energy costs, or for increased mass transit investments, or in investments in developing alternate energy sources. The good Lord only put so much crude oil on earth. We must accelerate our development of solar energy, oil shale, synthetic technologies, and ways to transform our vast coal resources into clean fuels. The private sector will not do this accelerated research without government support, and the government cannot afford to do enough unless the windfall profits tax is enacted. A plowback will deprive the government of the resources needed to encourage this effort and will extend our dependence on foreign crude oil production.
These technology investments are critical to our future energy independence, but they provide insufficient immediate financial returns to be attractive for the private sector alone. Only through the revenues from a windfall tax can the public sector encourage the private sector to take the necessary risk in new energy technologies. When oil companies do enter a high technology area they generally do so only if they receive federal government subsidies. We also hope the Energy Security Trust Fund will encourage a large number of new energy technologies by private firms other than the major oil giants, so that energy supplies will be increasingly diversified and not controlled by a handful of large oil companies.

With the Energy Security Fund and the windfall profits tax which will provide resources for it, we can protect against the day when the world's demand for crude oil outstrips available supplies. We have no time to waste. We must have alternatives ready by then. A plowback would further delay that day. Congress should act now to enact a strong and balanced windfall tax together with an Energy Security Fund.
CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, May 8, 1979
8:00 a.m.
Family Dining Room

From: Frank Moore

I. PRESS PLAN

White House Photographer

II. PARTICIPANTS

See attached list.

III. AGENDA

1. Hospital Cost Containment

The Ways and Means Committee met twice Monday to determine whether a majority (19) was ready to mark-up the bill rather than send it back to subcommittee. They were unable to reach a decision, and we remain in the position of needing three votes out of the following five people:

- Ed Jenkins
- Wyche Fowler
- Bill Cotter
- Jake Pickle
- Sam Gibbons

All seem genuinely interested in finding a workable solution.

You should mention that you know the Leadership has been working diligently on this issue, and ask them to continue their efforts.

But you should also mention that you find it peculiar that there are Members who have been voting for budget cuts in worthwhile social programs while refusing to support legislation designed to curb hospital costs.
2. **Rationing Plan**

**House**

WHCL has met with Bolling about the rule for the amendment to the rationing plan. Bill Cable, Eliot Cutler and Bolling will meet this morning to go over the details. The plan will be considered by the Democratic caucus of the Rules Committee and by the full Committee tomorrow. It will go to the floor Thursday.

**Senate**

The Senate Energy Committee will meet at 10:00 this morning to vote on the amended plan. The plan could reach the floor today.

You should thank the Leadership for their help and urge their continued support.

3. **AMTRAK**

As reported to you earlier, the Senate Commerce Committee voted against sending a resolution of disapproval to the floor. Because of this Committee action it will be difficult for such a resolution to get to the floor, unless Byrd wants it. Senator Byrd has been uncertain about our AMTRAK plan from the beginning. In addition, Senator Cranston has notified Senator Cannon that he will try to get a resolution of disapproval to the floor.

You should talk privately to Byrd and if possible to Cranston to convince them to let the committee action stand.

4. **Alaska Lands**

Votes on amendments and final passage are still scheduled for Wednesday and Thursday on the House floor. Many Members remain undecided.

You should mention this to the Leadership, particularly Congressmen Wright and Rostenkowski. You should personally ask Rostenkowski for his vote.
5. **SALT**

You may want to bring the Leadership up-to-date on the status of the SALT negotiations.

6. **Rhodesia**

You should urge the Leadership to prevent any language that would lift the Rhodesian sanctions from reaching the floor until you have had time to make an orderly and lawful determination under Case-Javits.
CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, May 8, 1979

PARTICIPANTS

The President
The Vice President

Senator Robert C. Byrd
Senator Warren Magnuson
Senator Alan Cranston

Speaker Thomas P. O'Neill, Jr.
Congressman James Wright
Congressman Thomas Foley *
Congressman John Brademas
Congressman Dan Rostenkowski
Congresswoman Shirley Chisholm

Secretary Andrus
Chairman John White
Zbig Brzezinski
Jody Powell
Stu Eizenstat
Jim McIntyre
Frank Moore
Dan Tate
Bob Thomson
Bill Cable
Jim Free
Bill Smith

* will be arriving late
MEMORANDUM FOR THE PRESIDENT

Here is a rundown on the individuals who have indicated to me that they intend to resign their present positions:

Hale Champion intends to return to his former post as Vice President of Harvard for the next academic year. He wants to leave before July 1 for a variety of reasons: the ethics law, the fact that he is fifty-six years of age with no money and very little retirement, and his wife's desire to return to Cambridge. He and I have been a special team, with strengths to fill each other's weaknesses, total and mutual trust and respect, and complete confidence in each other. I told Hale you wanted to talk to him and would have your office get in touch with him.

Dr. Ernest Boyer, Commissioner of Education, announced some time ago that he would leave next January to become President of the Carnegie Foundation. Because of the ethics law, he now plans to leave before July 1.

Dr. Patricia Graham, Director of the National Institute of Education, intends to return to Harvard for the next academic year. Her husband was just given a post teaching at M.I.T. and since they have not worked in the same city for several years, she wishes to join him. She is also interested in educational administration as well as educational policy and wants to leave before July 1 to avoid the application of the new ethics law.

Thomas D. Morris, Inspector General, wants to leave that post and come up and work for me as an Assistant for Special Projects. Tom Morris has been an extraordinarily capable individual, one of a handful who understands computer systems and complex programs well enough to run the Inspector General's office. He will wait until we can find a suitable replacement.
Peter Libassi, General Counsel, wants to leave before July 1 to enter private practice as a Washington lawyer. He will leave before July 1 to avoid the impact of the new ethics law.

I believe the other Presidential appointees will stay at least for another year.

Several of the health people have talked to me about their departure, but I have so far been able to convince most to stay. None of the Presidential appointees in the health area has decided to leave. If the amendments are made to the ethics law, they will stay; if not, some will leave before July 1.

In replacing these appointees, I will endeavor to maintain the high quality of personnel we have so far attracted at the top and to meet your affirmative action goals.

Unless you indicate otherwise, I will not recruit for the education positions; I think such recruiting should await the designation of a new Secretary of Education.

Joseph A. Califano, Jr.
MEMORANDUM FOR THE RECORD

FROM: BOB LI

RE: Goldwater

As you are aware, the plaintiffs in this litigation have alleged that you have failed to produce certain materials through discovery. The leg strength and we have produced some materials but have refused to provide others. Secretary Vance has signed an affidavit denying to produce documents and claiming privilege over them. These documents are State Department internal memoranda, memoranda to you, and cables between our government, the PRC, and the Taiwanese. Secretary Vance wanted you to be informed of his actions because of the political sensitivity of this lawsuit.

You will recall that you have signed affidavits in two other cases claiming privilege. In this case because the Secretary himself was involved in the majority of the memoranda and cables, he can claim the privilege for you.

Even the documents we will produce in this case are produced pursuant to a Protective Order of the court. The Protective Order keeps the documents under seal and only the plaintiffs and the court have access to them. They cannot be released or discussed. The documents we will produce are excerpts from cables relating to visits to Peking by congressional delegations and private Americans.

Electrostatic Copy Made for Preservation Purposes
THE WHITE HOUSE
WASHINGTON
May 7, 1979

MEETING WITH SENATOR ROBERT BYRD, et al
Tuesday, May 8, 1979
9:15 a.m. (15 minutes)
The Cabinet Room

From: Stu Eizenstat
Frank Moore

I. PURPOSE
This meeting was requested by Senator Byrd to express his concern over the maximum emission limit ("ceiling") that must be set as part of the New Source Performance Standard (NSPS) for electric utility boilers. You were briefed on this regulation by EPA last week. The Senator may also raise other coal issues.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: EPA is under court order to promulgate a revised NSPS (including a maximum emission limit) by June 1.

-- Under the current NSPS, new utility boilers can emit no more than 1.2 pounds of sulfur dioxide (SO₂) per million BTU of heat input.

-- Senator Byrd believes that if this limit is lowered, a substantial percentage of the high sulfur coal reserves in Northern West Virginia will not be saleable. The actual percentage depends on the degree of utility conservatism and scrubber capability assumed. Under the most conservative plausible assumptions, 38% of Northern West Virginia coal reserves would be "lost" if the emissions limit was reduced to 1.0 pounds of SO₂ per million BTU.
-- Under the same conservative assumptions, the following percentage of coal reserves would be unsaleable in other affected states:

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<td>Ohio</td>
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<td>Illinois</td>
<td>38%</td>
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<td>Indiana</td>
<td>24%</td>
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-- EPA's own analysis suggests smaller, but still significant, impacts on coal reserves if the ceiling is reduced to 1.0 pounds SO₂ per million BTU. According to EPA, roughly 20% of the coal reserves in Ohio, Illinois, Indiana and Northern West Virginia would be unsaleable under conservative assumptions.

-- According to EPA's analysis the environmental and economic differences between a 1.2 pound SO₂ ceiling and a 1.0 pound SO₂ ceiling are insignificant.

-- Stu and Doug have had several meetings with Senator Byrd on this issue. Byrd knows that we are committed to setting a standard that does not keep a significant proportion of Eastern high sulfur coal reserves out of the market.

B. **Participants:** See attached list.

C. **Press Plan:** White House photographer only.

III. **TALKING POINTS**

Doug Castle already favors setting a ceiling that solves Senator Byrd's problem. He has communicated this to Senator Byrd. Since direct presidential involvement in EPA rulemaking decisions is a very hot issue, and there is no need for your involvement here, you should make it clear that the decision is Doug's to make. However, you should show an understanding of the coal industry's problems.

1. Thank you for taking the time to explain your concerns over this important regulatory issue to me and my staff.

2. The Clean Air Act requires that energy, economic and environmental considerations be balanced in setting New Source Performance Standards. I
know that Doug is carefully considering the energy and economic implications of this decision.

3. As Senator Byrd can tell you, Doug holds the view that the standard should be set at a level that does not significantly reduce our usable coal reserves. This position is completely consistent with Administration policy, and my own personal views.

4. Increased coal production is an essential element of our energy plan. The Government must do more to promote increased production of coal, which is by far our most abundant fossil fuel resource.

5. In recent years, the growth of coal production has been inadequate. Therefore, I have asked the major federal regulatory agencies in the coal sector -- DOI, DOE, and EPA -- to report to me by early June how coal production, development, and the use can be increased. I have also established a Presidential Commission on Coal.

6. I hope that you will continue to remain in close touch with the Administration on matters concerning the vitality of the coal industry. The overall health of our economy requires that we maintain a healthy coal sector.
B. Participants:

The Vice President
Stu Eizenstat
Frank Moore

Senators:

Robert C. Byrd (D) W.Va.
Jennings Randolph (D) W.Va.
Howard Baker (R) Tenn.
Jim Sasser (D) Tenn.
Harry Byrd (I) Va.
John Warner (R) Va.
John Danforth (R) Mo.
Wendell Ford (D) Ky.
Dee Huddleston (D) Ky.
Richard Schweiker (R) Pa.
John Heinz (R) Pa.
Richard Lugar (R) Ind.
Donald Stewart (D) Ala.
Dale Bumpers (D) Ark.
David Pryor (D) Ark.
John Glenn (D) Ohio
Howard Metzenbaum (D) Ohio
David Boren (D) Okla.
Henry Bellmon (R) Okla.
Milton Young (R) N.Dak.
Charles Percy (R) Ill.
The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: The First Lady
Jerry Rafshoon
MEMORANDUM TO THE FIRST LADY

FROM: Mary E. King

SUBJECT: Henry Brandon

May 3, 1979

I am writing you concerning a friend of Peter's and mine: Henry Brandon. He is the Associate Editor and Washington Correspondent for the Sunday Times of London and is writing a book about contemporary world leaders and the problems of global leadership in our time. He would very much like to interview the President but understands that the pressures of immediate journalism make a request such as this seem less vital.

Peter and I think very highly of him (and his wife, Muffie) and Peter suggested that I contact you directly to ask your help in facilitating the setting up of an interview with the President.

Henry is one of the world's most distinguished and respected journalists. We find him intellectually honest, cautious, and a person of depth. He has interviewed the President one time before when his Editor-in-Chief, Sir Denis Hamilton, was with him. At that time he met you.
Henry's interview, in addition to forming part of the book, could also be published separately. Even if the Sunday Times is still suspended, he would have no difficulty placing it with the New York Times Magazine (this would also mean a reprint in the Washington Star) or in a leading publication overseas.

Others that he has already interviewed such as Chancellor Schmidt, Harold Macmillan, and Margaret Thatcher had no objections to their interviews being published separately. President Giscard d'Estaing of France limited publication of his interview to the book. It would be entirely up to the President to decide. For the book the interview would not be used as an intact interview. Quotes would be distributed over several chapters according to their theme. Some of the themes include, "the governability of the world", "the art of leadership", the uses of history, the role of intellectuals, the news media as instruments of leadership, etc. Henry would have no objections to the President making stylistic corrections in the transcript.

Both Peter and I hope that it will be possible for the President to find an hour to spend with this individual whom we so much admire.
May 4, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ

RE: Executive Orders Entitled:
   (1) Drug Policy Functions
   (2) Printing Services Within the Executive Office

(1) The first attached Order, prepared at Stu's request, vests in the Associate Director for Drug Policy the primary responsibility within the Domestic Policy Staff for the drug policy functions transferred to the staff by Reorganization Plan No. 1 of 1977. Senator Riegle has agreed not to introduce legislation affecting drug policy functions if this Order is signed.

(2) The second attached Order would transfer support services relating to printing and duplication from the Office of Administration to the Department of the Navy. OA has proposed this change because of savings which can be achieved for printing and duplicating costs.

Justice and OMB have approved both Orders. We recommend that you sign them.

_____ Approve       _____ Disapprove

(TWO SIGNATURES NEEDED)
DATE: 07 MAY 79

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT STU EIZENSTAT
RICHARD HARDEN

SUBJECT: EXECUTIVE ORDERS: DRUG POLICY FUNCTIONS; PRINTING SERVICES WITHIN THE EXECUTIVE OFFICE

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

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

PLEASE NOTE OTHER COMMENTS BELOW:

Bump typed 5/17
MR. PRESIDENT:

Evan is unable to participate in this meeting, as he is attending, with Governor Jim Hunt, a fundraiser for us in North Carolina.
May 8, 1979
MEETING WITH JACKIE WALSH
Oval Office
2:30 p.m. (5 minutes)
by: Tim Kraft

I. PURPOSE:
Brief introductory meeting with Jack Walsh.

II. PARTICIPANTS, BACKGROUND, PRESS:

A. PARTICIPANTS: Jack Walsh

B. BACKGROUND: Jack Walsh has been hired as the Political Director of the campaign committee. He is in his early 40's, an Irish Catholic who has been involved in politics all of his adult life: campaign manager for Kevin White in 1971 (he has known Joe Timilty for 20 years and is personally friendly with him - has campaigned for Joe in the past, but will stay out of the race this time); field director for Michael Dukakis in 1974; political director for Birch Bayh in 1976.

Jackie is the former Chairman of the Election Commission for the City of Boston. He is a lecturer at the Kennedy School of Politics at Harvard. He is a Kennedy/Humphrey liberal Democrat, personally close to Jim King and Pat Caddell. (Evan has known him for ten years.)

He was brought to our attention by Speaker O'Neill in a private conversation with Evan. Jack believes, as does O'Neill, that if there is going to be a Democratic President in 1981, it will be Jimmy Carter. He wants to have a role in the campaign that will bring to light his belief that we need to focus on how to run an incumbent campaign, as opposed to a challenger's campaign, because if we continue to do everything correctly, as we did in 1976, we will lose all the primaries, getting about 30-37% of the vote. He is a very loyal politician who comes from the school of "your word is your bond".
Jack ran for public office once: last year for State Senate in Massachusetts, but he was defeated by a reactionary Democrat in the primary.

He is a consultant for Lt. Governor O'Neill's national operation dealing with union organizers to fight the constitutional amendment for a balanced budget in midwestern states. He has served as a consultant for the National Service Employees Union (who are definitely not our friends).

If Jack has any major policy difference with the Administration, it would be on national health insurance, from a personal point of view (when he was 13 his family was almost forced into bankruptcy when his father had to be hospitalized for over a year).

Jack's concern of being culturally different from the senior staff has been ameliorated by lengthy, personal, one-on-one conversations with Hamilton, Stu, Jody, and Tim. He is most enthusiastic about politics and will do most of the talking if you want him to.

C. PRESS: None/ White House Photo

III. TALKING POINTS:

1. Express your gratitude that Jack has joined the campaign to complement Evan with the rank and file Democratic organizations, as exemplified by the Speaker and the late Senator Humphrey.

2. Stress your belief in the traditions of the Democratic party and that you look forward to a second term unfettered by re-election.
THE WHITE HOUSE  
WASHINGTON  
May 8, 1979

MEMORANDUM FOR THE PRESIDENT
FROM: BOB LIPSHUTZ  
RE: Initial Appointments to Lifetime Judgeships in the Federal Courts (Age Problems)

I have the following comments concerning the Attorney General's memorandum to you.

1. The rule concerning age cited by the Attorney General in his memorandum to you is an ABA rule, not a Justice Department rule (the "Committee" referred to in the rule, which is attached to Judge Bell's memorandum, is the ABA Standing Committee on the Federal Judiciary). Justice Departments in different administrations have chosen to follow the rule. You have specifically rejected it in our own guidelines.

2. The Attorney General seems to suggest that a judge appointed after age 64 may be able to retire at full salary soon after his appointment. The law (28 U.S.C. 371, 372) states that a judge may retire at 65, after 15 years of service, and at 70, after 10 years of service. There is no provision that allows a judge to retire before 10 years of service. A judge at any age may retire because of a disability, but he would receive only half pay if he has served fewer than 10 years.

3. There are several judges who have been elevated from the District Court bench to the Circuit Court of Appeals after the age of 64. If age is in fact the only issue, there does not seem to be a reason to discriminate against individuals who have not served on the District bench.

You have received a memorandum from me and from other members of the staff stating the reasons why age alone should not prohibit nomination of a candidate for a federal judgeship in view of our stated policies on age discrimination and mandatory retirement.

I urge you not to reject a candidate because of an arbitrary age rule set by the ABA. Age is a factor which should be considered like race and sex in affirmative action, but it should not be the sole deciding factor.
Tim Kraft

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

Rick Hutcheson
cc: Phil - Riffe page
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Bob Fennelly was the first State Senator in New Hampshire to support you in 1975-76. He was about the only elected official from the Seacoast area not included in the receiving line during your recent trip to Portsmouth, or in any way acknowledged. We should not be surprised to read in the Washington Post that he is not (yet) supporting you. He should be called for a chat, preferable while the Senate is in session. (Weekdays from about 10:00 a.m. to 2 p.m.)


Governor Gallen and his aide, Peter Goelz, met with Chris Brown last week. Gallen was asked to consider serving as the Chairman of the campaign in New Hampshire. We need to have a visible head for a focal point up there. Chris Brown will be returning to New Hampshire this week and would like to be able to move ahead with Gov. Gallen.

NOTES: Will do so. (?) Waiting for Chris to come back = LHT campaign Cut out grass roots = Be cautious about big names running campaign - However, he will do what I ask him in final decision.
Telephone Calls - Week of May 7, 1979 - Page two

Mayor Bill Morris
Mayor of Shelby County
Memphis, Tennessee
(o) 901/528-3500
(h) 901/682-8486

Morris is becoming the most popular politician in the Memphis area. His support would be important for 1980. He is a Democrat but tries to remain an Independent. The Administration did not close the Memphis Naval Air Station which everyone expected. It was good news for the county. Senator Sasser took all of the credit but the Mayor would be pleased to hear from you.

NOTES: Demo party more unified = Sasser strong. Will help in future - told Chip. Can help also among County Officials

C. E. (Buddy) Newman
Speaker, Mississippi House of Representatives
(o) 601/354-6152
(h) 601/636-0345

Now that Senator Eastland has retired and Governor Finch is a lame duck, Speaker Newman is about the only state-wide politician with any clout. Newman is an Eastland person who is very conservative. He was not active for us in 1976, but has indicated his support for 1980. A call from you inquiring about the flooding and explaining our flexibility on the interest rate for disaster loans would be politically beneficial.

NOTES: Prob & MO slowly receding at Speaker's home area - used pumps in area. Look into open primary bill - will support. Pres has political probs.
Bob Lipshutz

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

Rick Hutcheson

cc: Tim Kraft
    Frank Moore
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MEMORANDUM TO THE PRESIDENT
FROM: BOB LIPSHUTZ
RE: Strom Thurmond's receipt of a second letter urging membership in "The President's Club" mailed by the DNC

You have indicated a personal interest in the response to Senator Thurmond's letter of April 18 regarding his receipt of a second letter regarding "The President's Club".

Attached is the letter which I have prepared to send to Senator Thurmond in response, if you approve.

APPROVE    DISAPPROVE

Electrostatic Copy Made for Preservation Purposes
Dear Strom:

Thank you for your recent letter to the President concerning your second invitation to join "The President's Club." I am enclosing a copy of a letter I sent to Congressman Ertel, who had also inquired about the DNC's use of stationery bearing a White House letterhead.

We are, of course, disappointed that you have again found it necessary to decline this invitation, but we are confident that the success of the President's policies will ultimately persuade you to reconsider your decision.

'Sincerely,

Robert J. Lipshutz
Counsel to the President

The Honorable Strom Thurmond
United States Senate
Washington, D.C. 20510
Dear Congressman Ertel:

Thank you for your recent letter to the President regarding the mailing which the Democratic National Committee sent out over the President's signature. As you know, the DNC paid for all costs associated with the mailing, and a disclaimer to that effect was clearly printed on the letter itself. The mailing also conformed to the requirements of Federal law in all other respects.

In order to avoid even the suggestion of impropriety, however, the DNC has decided that any future mailings over the President's signature will not contain references in the letterhead or return address to the White House, the Executive Office of the President or similar official entities.

Thank you for your interest in this matter and for your continued support.

Sincerely,

Robert J. Lipsetz
Counsel to the President

The Honorable Allen E. Ertel
U. S. House of Representatives
Washington, D. C. 20515
The President
The White House
Washington, D.C.

Dear Mr. President:

When I declined last month your magnanimous offer of membership in "The President's Club," just for contributing a few dollars to the Democratic National Committee, I thought I had barred myself from the White House for all time—well, for the next 21 months, anyway. Now that I have received yet another letter from you urging me again to "make a contribution and join The President's Club," I feel doubly flattered to be such a sought-after subject for your own personal "club."

The blandishments of your letter, setting forth such a long list of glowing accomplishments for your Administration, are a lure of considerable impact. After all, to be invited into association with such a heady group of achievers by the President of the United States, himself, using his own White House stationery, is a powerful enticement.

However, I am sure you will recall from my letter of response to your invitation last month, I have serious reservations about two of your policies—domestic and foreign—as well as so many of the problems and failures which you neglected to mention in your letter.

Furthermore, I still feel, as a practical matter, that membership in your "President's Club" would be a bad investment since the organization will be going out of existence at the end of 1980.

It was nice of you to keep trying but I must decline your invitation again.

Respectfully,

Strom Thurmond

Strom Thurmond