

5/11/79 [2]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 5/11/79
[1]; Container 116

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

THE WHITE HOUSE
WASHINGTON

5-11-79

To Jerry

re Movie:

No Comment

J. C.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

Phil has
seen

THE WHITE HOUSE
WASHINGTON

done
J

MAY 10, 1979

10:50 A.M.

MR. PRESIDENT

MRS. PETERSON WILL NOT

BE AVAILABLE UNTIL ABOUT

2:30 P.M. THE OPERATOR

WILL REPLACE THE CALL

AFTER THE CREDENTIALS

CEREMONY.

PHIL

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

5/11/79

Zbig Brzezinski

The attached is forwarded to
you for your information and
appropriate handling.

Please forward the attached
copy to Secretary Vance.

Rick Hutcheson

Cy:

Cy - Thanks -
Tell Marshall I
understand
J

At the request of Hodding Carter, I met with the Godfrey Sperling group at breakfast yesterday. Hodding reported afterwards that it was a useful session, mainly for background.

Bradsher asked a question along these lines: "Since Brezhnev is obviously a mummy, isn't the whole idea of a summit a big fraud?" I replied that it was an important occasion whatever the state of Brezhnev's health, and that it involved the engagement of the two governments at many levels. It should be noted that out of 20 or 25 reporters there, only Bradsher wrote a story along these lines. His other quotes are equally unreliable.

In answer to the President's question about my motivations and purposes, please tell him that my intention is to be helpful. If he doesn't think I am, I would be only too happy to go back to the University.

Marshall



ASSISTANT SECRETARY OF STATE

WASHINGTON, D.C. 20520

Mr. Secretary,

Marshall is taking a bum rap.

The article is standard Star fare these days. The reporters have said what they believe to be the situation, then thrown in a few quotes from a public official, out of context and without reference to the question which provoked them, which seem to support the reporters' thesis.

The fact is that no other article or broadcast of Marshall's appearance suggested anything approximating what is carried in the Star. I, for one, think that the vote is therefore about 25 to one in favor of the proposition that the Star piece, insofar as it relates to Marshall, is a hype, since the other 25 or so participants at the breakfast did not hear him the same way.

Haldin

THE WHITE HOUSE
WASHINGTON
5/11/79

The First Lady

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

Rick Hutcheson

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

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT
EIZENSTAT
JORDAN
KRAFT
LIPSHUTZ
MOORE
POWELL
WATSON
WEXLER
BRZEZINSKI
MCINTYRE
SCHULTZE

ARAGON
BOURNE
BUTLER
H. CARTER
CLOUGH
COSTANZA
CRUIKSHANK
FALLOWS
FIRST LADY
GAMMILL
HARDEN
HUTCHESON
JAGODA
LINDER
MITCHELL
MOE
PETERSON
PETTIGREW
PRESS
RAFSHOON
SCHNEIDERS
VOORDE
WARREN
WISE

ADAMS
ANDRUS
BELL
BERGLAND
BLUMENTHAL
BROWN
CALIFANO
HARRIS
KREPS
MARSHALL
SCHLESINGER
STRAUSS
VANCE

THE WHITE HOUSE

WASHINGTON

May 8, 1979

Ros

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

Per your request, I have listed below the details of my upcoming wedding which we discussed the other day. Glenna and I would love to have you and Rosalynn attend, if you can, but certainly understand if you are not able to make it.

Bride's name: Glenna Garrett

Wedding date: Saturday, May 19th - 11:00 a.m.

Location: Ferry Pass Methodist Church
Davis Highway
Pensacola, Florida

Luncheon: Pensacola Country Club
Bay View Room
Pensacola, Florida
12:30 p.m.

Bride's parents: Mr. and Mrs. Otis Philip Garrett
6317 N. Chapel Street
Pensacola, Florida 32504
904+476-5328

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

5/11/79

Jack Watson

Arnie Miller

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

Rick Hutcheson

cc: Tim Kraft

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

EIZENSTAT

✓ KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

✓ 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

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY

THE WHITE HOUSE

WASHINGTON

May 11, 1979

Q

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*
GENE EIDENBERG *Gene*

SUBJECT:

Appointment of the Twelfth Member to
The Three Mile Island Commission

We recommend that you appoint Ms. Carolyn Lewis as the twelfth member of the Commission to investigate the accident at the Three Mile Island nuclear reactor.

Ms. Lewis is currently on the faculty of the Columbia Graduate School of Journalism. She was previously a reporter for the Public Broadcasting System where she was well-known and highly regarded for her coverage of the Watergate hearings and for her coverage of the Hill in general. Ms. Lewis comes highly recommended by her colleagues at Columbia and PBS. She is married, has two children, and is in her 40's. She is willing to serve, if asked.

Jody concurs with this recommendation. Bob Lipshutz has run a background check. (We apologize for getting this to you so late. The FBI check, which did clear her, took longer than we expected.) Arnie Miller concurs.

Approve _____

Disapprove _____

J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

11 May 79

Jack Watson

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

Rick Hutcheson

Frank Moore

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

ACTION
FYI

		ADMIN CONFID
		CONFIDENTIAL
		SECRET
		EYES ONLY

		VICE PRESIDENT
		EIZENSTAT
		JORDAN
		KRAFT
		LIPSHUTZ
		X MOORE
		POWELL
		X WATSON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE

		ARAGON
		BOURNE
		BUTLER
		H. CARTER
		CLOUGH
		COSTANZA
		CRUIKSHANK
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HUTCHESON
		JAGODA
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		PRESS
		RAFSHOON
		SCHNEIDERS
		VOORDE
		WARREN
		WISE

		ADAMS
		ANDRUS
		BELL
		BERGLAND
		BLUMENTHAL
		BROWN
		CALIFANO
		HARRIS
		KREPS
		MARSHALL
		SCHLESINGER
		STRAUSS
		VANCE

THE WHITE HOUSE

WASHINGTON

May 10, 1979

Jack
I agree EDA
should be
financially
responsible
J

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*
FRANK MOORE

SUBJECT:

Representative Morgan Murphy/
Wisconsin Steel Company

Background

Wisconsin Steel Company is located in Chicago, Illinois. It produces steel bars for which there is currently a great demand. The Company employs approximately 3,700 people.

The plant requires major modernization, including the installation of pollution control equipment. If the modernization does not take place, it is highly probable that the plant will go out of business.

The Company is now owned by ENVIRODYNE, which purchased it from International Harvester. International Harvester sold it for a token sum of \$1,000, since its real purpose was to incur large tax write-offs and, more importantly, to rid itself of significant pension liabilities. International Harvester is still deeply involved, however, since it holds a note from Wisconsin Steel for \$50-million.

Federal Role

Wisconsin Steel has applied to EDA for a \$90-million loan guarantee under the steel loan program you established in late 1977. After an extensive review of working capital and other cash requirements, EDA's consultants recommended an increased need of \$30-million above the \$90-million. EDA has, therefore, recently notified Wisconsin Steel that the extra \$30-million should be obtained through \$20-million from International Harvester and perhaps \$10-million from UDAG. (The City has applied for this grant. UDAG -- assuming the EDA loan package is concluded -- is very interested in pursuing the project.)

**Electrostatic Copy Made
for Preservation Purposes**

Status/Outlook

Bob Hall of EDA says this is a high risk and very complex deal. The risk is high because of the high debt loan which is already in place. The complexity stems from the International Harvester windfall from write-offs and relief of pension liability. Bob feels strongly that International Harvester should share part of the financing needs. Once a general agreement is reached on broad terms (if it is), it would then take 60-90 days to negotiate the necessary detailed arrangements.

EDA is meeting with the Company officials on Monday. Assuming the company agrees to meet the additional financing and other requirements, Bob Hall believes that the loan can be concluded by the end of June.

Based on our discussions with Bob Hall and the \$90-million exposure the government would have under the loan guarantee, we believe that EDA's posture in the matter is reasonable and proper.

I have asked Bob for a report following EDA's meeting with the Company officials on Monday.

2:00 PM

THE WHITE HOUSE

WASHINGTON

May 10, 1979

MEETING WITH GOVERNOR FOB JAMES, ALABAMA

Friday, May 11, 1979
2:00 p.m. (15 minutes)
The Oval Office

From: Jim Free *J.F.*

I. PURPOSE

Courtesy call by Governor Fob James. He is here for the Alabama State Constituency Briefing.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Forrest Hood James, Jr., "Fob", became Governor of Alabama after defeating Republican candidate Gay Hunt in November. The multimillionaire industrialist succeeded George Wallace and broke a sixteen year reign of political domination by the Wallace organization.

James, who until two years ago was a member of the Republican state committee and a leading GOP fundraiser, ran a media-oriented campaign using an old school bus as his campaign symbol. He was a political novice in a field of pros, and pledged to bring a "new beginning to Alabama" and advocated a "war on illiteracy" in the state.

The forty-five year old Governor was born in Lanett, Alabama and was an All-American halfback at Auburn University. He graduated in 1955 with a degree in civil engineering, and then played professional football in Canada. In 1958 he returned to Alabama and in 1962 he started his own company which manufactured plastic barbells. His wife's name is Bobbie and they have three children.

The Governor is here with a group of over 100 leaders from Alabama for a state briefing. They will have already heard from Stu Eizenstat, Alfred Kahn, and Zbigniew Brzezinski. The Governor will have spent thirty minutes with Jack Watson before your meeting.

Page two
Governor Fob James

Governor James is extremely conservative. He publicly stated that one-half of the state budget could be cut with no damaging effects. His favorite subject seems to be about his administrative budget policy.

Participants: The President, Governor James, Jim Free.

Press Plan: Full Press Coverage.

III. TALKING POINTS

1. Inquire how the briefing is going and thank the Governor for coming. Also, thank him for the cooperation and help which his staff provided in helping us organize the briefing.
2. Refer to your fight to cut the deficit from sixty-six billion dollars in 1977 to under thirty billion dollars this year.
3. Ask for his help and advice from his point of view, i. e. as a newly elected Governor from the South.
4. Ask for his continued support and counsel.

2:15 PM

THE WHITE HOUSE

WASHINGTON

May 10, 1979

MEETING WITH OPINION LEADERS AND ACTIVISTS FROM
ALABAMA

Friday, May 11, 1979
2:15 P.M. (20 minutes)
The East Room

From: Tim Kraft TK

I. PURPOSE

To promote among these Alabama leaders a sense of identity with you and your Administration, a sense of a team working together, and a sense of urgency about actively supporting the Administration across the board.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: This is the ninth in a series of meetings for civic and political leaders from the states. Your first was in August of 1978.
- B. Participants: A cross section of civic, community, and political leaders (guest list attached). Both Governor Fob James and former Governor George Wallace are expected.
- C. Press Plan: No press.

III. TALKING POINTS

Uppermost on this audience's mind will be economic issues. You should emphasize your commitment to controlling inflation, tightening and streamlining the federal government, and bringing the budget into balance.

These are your neighbors from back home, and they will appreciate the personal references.

attachments:

agenda
quest list

**Electrostatic Copy Made
for Preservation Purposes**

AGENDA

FRIDAY, MAY 11, 1979

Host: TIM KRAFT
Assistant to the President

10:50 A.M.

HAMILTON JORDAN
Assistant to the President

11:00 A.M.

DR. ZBIGNIEW BRZEZINSKI
Assistant to the President for
National Security Affairs

11:45 A.M.

DR. ALFRED KAHN
Advisor to the President on Inflation
and Chairman of Council on Wage and
Price Stability

12:30 P.M.

STU EIZENSTAT
Assistant to the President for
Domestic Affairs and Policy

12:55 P.M.

JODY POWELL
Press Secretary to the President

1:15 P.M.

Walk to State Floor, The White House,
for buffet lunch

2:15 P.M.

PRESIDENT CARTER

Attendees at the Alabama State Constituents Briefing

Governor Fob James

Lieutenant Governor George McMillan

E. E. Money - American Agriculture Movement

Oakley Melton - President-elect, Alabama State Bar

Sally Mitchell - President, Alabama State PTA

Tom Wright - businessman

Charles Whatley - farmer

Annie Laurie Gunter - State Treasurer

Autrey McMillan - owner, McMillan's Big and Tall

Mike McCartney - President, McCartney Construction Company, Inc.

Tom Gloor - President, Jefferson County Commission

Ben Collier - Director, Alabama Development Office

Fred Gray - attorney

Finis St. John - President Pro Tem, Alabama State Senate

Don Waldrop - attorney

Cal James - President, Diversified Products Corporation

Bob Faulk - attorney

Bill Thrash - President, Alabama State Building and Construction Trades Council

Ed Mauldin - Chairman, First Colbert National Bank; former Co-Chairman, Alabama Farmers for Carter-Mondale in '76

Richard Manley - State Representative; attorney

A. Jay Cooper - Mayor of Prichard

Jerry Ray - Commissioner of Labor

Ray Jenkins - Editor, Montgomery Advertiser-Journal

Bill Smith - State Senator

H. W. Pearce - President, H. W. Pearce, Inc.

Pat Williamson - City Councilwoman

Lawrence Haygood - Chairman, Macon County Commission

Luther Foster - President, Tuskegee Institute

Lambert Mims - Mayor of Mobile

Bettye Frink - State Auditor

Bill Blount - Executive Assistant to the Governor

George Bagley - Executive Secretary-Treasurer, Alabama Baptist Convention

Broox Garrett - attorney; former Carter delegate

C. C. Torbert - Chief Justice, Alabama Supreme Court

James Klinefelter - attorney

Ryan deGraffenried - attorney

Jim North - attorney

John McMillan - State Representative

Patricia McKenzie - Mayor of Atmore

Johnny Ford - Mayor of Tuskegee

Hinton Mitchem - State Senator
John Moore - Senior Vice President, Southeastern Capital, Inc.
Robert Edington - attorney
Pat Edington
Ted Taylor - trial lawyer
Edward Selfe - attorney
Dan Rogers - attorney
Charlotte Dominick - Treasurer, Jefferson County
Bill King - President, Public Systems, Inc.
Robert Webb - psychiatrist, Psychology Associates
Paul Hubbert - Executive Secretary, Alabama Education Association
Joe Reed - Associate Executive Secretary, Alabama Education Association
Jimmy Gewin - attorney
John Harrell Bell - attorney
James Ray - State Representative
Jack Venable - State Representative
Jordan Brooks - Vice President, First Birmingham Securities
Goodwin Myrick - President, Alabama Farm Bureau Federation
Luke Childrey - President, C-Con Services
Alice Reynolds - City Councilwoman
Charles Gilmer - State Representative
Gary Cooper - Commissioner of the State Department of Pensions and Security
Mason Davis - attorney
Dot Moore - Democratic National Committee
Hal Bloom - Executive Assistant to the Speaker of the Alabama House of Representatives
Joe Carothers - State Representative
Joe McCorquodale - Speaker of the Alabama House of Representatives
Gene Oswalt - Executive Assistant to the Lieutenant Governor
Ray Jones - owner, G. W. Jones and Son Engineering Company
William Drinkard - State Representative
U. W. Clemon - State Senator; Chairman, Judiciary Committee, Alabama State Senate
Bobby Davis - Director, State Planning and Federal Programs
Thomas Sandusky - State Representative
Walter Owens - State Representative; Chairman, Ways and Means Committee, Alabama House of Representatives
Robert Gafford - State Representative; Chairman, Banking Committee, Alabama House of Representatives

Claude Burns - attorney
William Agee - Anniston
Robert Bailey - State Senator
Donald Holmes - State Senator
A. E. Burgess
H. A. Alexander - Vice President, League of Municipalities
Charles Cumming - Huntsville
Dorothy Carmichael - Democratic National Committee
Louphenia Thomas - Democratic National Committee
Donald Bryan - Executive Assistant to the Governor
Robert James - Vice President, American Diversified Service Corporation
Richard Arrington - City Councilman
Edward Hardin - attorney
Earl Hilliard - State Representative; Chairman, House Black Caucus
Michael Figures - State Senator
David Hood - Judge, Municipal Court; Chairman, Jefferson County Black
Caucus
Louise Lindblom - Executive Director, State Democratic Committee
Ellen Laden - Alabama Legal Services Corporation
Joe Davis - Mayor of Huntsville
Phillip Kelley - State Representative
Frederick Enslin - attorney
Hollis Jackson - attorney
Andrew Hayden - Mayor of Uniontown
George Bailes - Democratic State Party Chair
David James
Kitty Nicrosi - President, League of Women Voters
A. G. Trammel - Secretary-Treasurer, Alabama AFL-CIO
Claude Marsh - owner, Cavett and Marsh (coal company)
Herman Harris - City Councilman
Palmer Hamilton - Mobile
Robert Lowder - Montgomery
Knox Argo - attorney
Judson Salter
Donald Richards
Carol Richards
Leroy Sims
Bay Lott - attorney
James Knight - attorney
Max Pope - Birmingham
Alex Newton - attorney
Dorah Rosen

Clarence Small - attorney
Ellene Winn - attorney; Birmingham
Horace Culpepper
Roy Greene - Phenix City
Bernice Johnson - Birmingham
Bishop Furman Stough
Joe Ford - junior college dean
Rufus Lewis - United States Marshal
Jerome Tucker - State Representative
Jane Katz - Montgomery
Ruby Noonan - Public Information Officer, CETA; Mobile
Brandt Ayers - Anniston Star
Edwin Dixon - Executive Vice President, Harbert Corporation
Luther Oliver - Councilman
Martha Ellen Johnson
Michael House - Administrative Assistant to Senator Howell Heflin
Margaret Holloway - Office of Senator Howell Heflin
Michael Bolin - Birmingham
Wilmer Cody - Superintendent of Schools; Birmingham
Arthur Shores - attorney
David Vann - Mayor of Birmingham
William Musgrove - attorney
Cain Kennedy - State Representative
James Barton - Birmingham
Albert McDonald - State Senator
Shirley McDonald (Mrs. Albert McDonald)
Neal Wade - Birmingham
Emory Folmar - Mayor of Montgomery
Larry Keener - State Senator
Randy Partin - Birmingham
Betty Johnson - Executive Secretary to Congressman Tom Bevill
Frank Toohey - Aide to Congressman Ronnie Flippo
William Rasco - Administrative Assistant to Congressman Ronnie Flippo
Dan Dutko - Administrative Assistant to Senator Donald Stewart
Linwood Smith
Billy Joe Camp - Aide to former Governor George Wallace
Elvin Stanton - Administrative Assistant to former Governor George Wallace
Congressman Tom Bevill
Governor George Wallace - former Governor of Alabama
David Horton - teacher
Rubin Hanan - President, Alabama League of Aging Citizens
Thomas Reed - President, NAACP; National Board Member; State
Representative

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

①
✓

May 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

Subject: Retail Sales in April

At 3:00 p. m. this afternoon (Thursday, May 10), the Census Bureau released estimated retail sales figures for April. The numbers indicate that consumer spending, adjusted for inflation, remains relatively flat. Outside of autos, there has been relatively little increase in retail buying (in real terms) since December.

Total retail sales rose 0.5 percent in April. Auto sales were down; unit sales of new cars fell from an extraordinarily high 12.6 million annual rate in March to 11.1 million in April. Sales, excluding autos rose 1.0 percent. While we do not yet have consumer price data for April, it is likely that the 1 percent gain reflects mainly price increases. For furniture and other household durables, sales were stronger than for nondurables.

The sideways movement of consumer buying so far this year may prove to be a temporary lull. Rapidly increasing food and energy prices, however, are moderating the rise of consumer purchasing power, and that is taking its toll of retail sales. Given the need to develop more slack in markets to give the price standards a better chance to work, this slowdown in consumer buying is not unwelcome.

**Electrostatic Copy Made
for Preservation Purposes**

1:15 PM

THE WHITE HOUSE

WASHINGTON

May 7, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Walter W. Wurfel *WW*

SUBJECT: Your half-hour with non-Washington Editors
and Broadcasters in the Cabinet Room, Friday,
May 11, 1:15 p.m.

This group, from 16 states, is half broadcasters, including the news director of NBC-owned WNBC-TV, New York, and CBS-owned KMOX-TV, St. Louis. (Newsmen from KMOX-TV spent two days at the White House this week taping a special on how the White House responds to mail and phone calls from individual citizens.)

Of special interest among the editors attending is Merrill Lockhard, political editor of the Nashua, N.H., Telegraph, the largest daily outside Manchester.

Before meeting with you the group will be briefed on MTN (Alan Wolff), SALT (Brzezinski and Roger Molander), DNR (Kitty Schirmer and Guy Martin). Afterwards they will hear from Mary Frances Berry and Hale Champion.

There will be a brief White House photo session at the start. I will stop the questioning after 25 minutes to allow for the regular one-on-one photo session.

The agenda and list of participants are attached.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

EDITORS' BRIEFING

May 11, 1979

AGENDA

8:30-8:45 a.m. Coffee

8:45-9:00 a.m. WALT WURFEL
Deputy Press Secretary

PATRICIA Y. BARIO
Associate Press Secretary
Office of Media Liaison

PATRICIA E. BAUER
Editor
White House News Summary

9:00-9:45 a.m. ALAN W. WOLFF
Deputy Special Representative for
Trade Negotiations
The White House

9:45-10:15 a.m. ZBIGNIEW BRZEZINSKI
Assistant to the President for
National Security Affairs
The White House

10:15-10:45 a.m. ROGER MOLANDER
Member
National Security Council Staff
The White House

10:45-11:00 a.m. Break

11:00-11:45 a.m. KATHERINE P. SCHIRMER
Associate Director, Energy and Natural
Resources
Domestic Policy Staff
The White House

11:45-12:30 p.m. GUY R. MARTIN
Assistant Secretary of the Interior for
Land and Water Resources
Department of the Interior

12:30-1:00 p.m. Lunch

1:00-1:15 p.m. En Route to Cabinet Room

1:15-1:45 p.m. Q AND A SESSION WITH PRESIDENT CARTER

1:45-2:15 p.m. Filing Time

2:15-3:00 p.m. MARY FRANCES BERRY
Assistant Secretary for Education
Department of Health, Education and Welfare

3:00-3:45 p.m. HALE CHAMPION
Under Secretary
Department of Health, Education and Welfare

ALABAMA:

Ray Jenkins, editorial page editor, daily Montgomery Advertiser. Conservative paper in a Republican area. Concerns: selective service registration, future of Maxwell Air Force base, SALT, Tennessee-Tombigbee Waterway. Alabama's legislature has supported a constitutional amendment to balance the federal budget.

CALIFORNIA:

Roger Aldi, news director, KDAY Radio, Los Angeles. Black-owned, belongs to the National Black Network. Interested in the current gasoline shortage in Los Angeles.

Chauncey Bailey, editor, weekly California Voice, Oakland. Black-owned, tends to be liberal. Concerns: the gasoline shortage, DOL commitment to institute a Job Corps training center in Oakland. Oakland has a decaying urban center with a large percentage of poor and minorities.

David Halvorsen, managing editor, San Francisco Examiner (Hearst). Conservative to moderate paper, second largest of the Hearst chain. Concerns: CETA funds, energy (gasoline shortage), off-shore oil drilling, SALT, China trade, Indo-China refugees, federal budget.

INDIANA:

Fremont Power, executive editor, Indianapolis News (Central Newspapers). Fremont is a liberal columnist as well as a liberal leader in the community. Recent editorials have centered on social security reform and the slowness of the federal bureaucracy. Other concerns: senior citizens, energy (Fremont is not a fan of big oil), community and urban development.

KENTUCKY:

R. Todd Duvall, editorial page editor, daily Frankfort State Journal. Moderate to conservative paper. Concerns: coal utilization, recent flood in Frankfort, reducing interest rates for SBA disaster loans.

LOUISIANA:

Jeff Stierman, news director, KEEL Radio, Shreveport, a Multimedia Radio station.

MASSACHUSETTS:

Jack Fitzgerald, news director, WRKO(AM) Radio, Boston.

Barbara Yagerman, political editor, daily Salem Evening News. Tends to have a liberal editorial policy. Concerns: deregulation of domestic oil prices, EPA and regulatory reform, gasoline rationing, labor interests, and industry.

MINNESOTA: Dave Cook, program director, WMFG Radio, Hibbing.

James L. Vance, publisher, Worthington Daily Globe. Republican paper in western Minnesota. Concerns: big beef producing area (farmers are content with present price level), MTN, energy, other agricultural interests.

MISSOURI: Fred Burrows, news director, KMOX-TV, St. Louis. CBS owned and operated station - 13th largest market.

NEW HAMPSHIRE: Merrill Lockhard, political editor, daily Nashua Telegraph. Conservative paper and community. Concerns: energy (alternative energy, wood stove tax credit, home heating oil, hydro-electric power).

NEW JERSEY: Bill Schirmann, vice president for news, WHWH Radio, Princeton.

Nick De Rienzo, general manager, WCRV Radio, Washington.

NEW MEXICO: Gordon Greaves, editor, daily Portales News Tribune. Moderate to conservative paper. Concerns: agriculture (feed grains and wheat), water policy, Cannon Air Force Base (20 miles away - substantial employer), US-70 (confusion on funding), defense.

NEW YORK: Michael St. Peter, news director, WEBR Radio, Buffalo. All news station.

Burton H. Blazar, editor, daily Elmira Star-Gazette (Gannett). Conservative, urban, blue-collar community. Concerns: recent prison strike (settled last week), economic/urban development, urban revitalization (still recovering from severe flood in '72).

Norman Fein, news director, WNBC-TV, New York City.

PENNSYLVANIA: John Brockway, editor, weekly Citizen Press. Conservative paper and community; blue-collar town. Concerns: federal spending, energy, inflation, Harrisburg accident. Brockway's pet issue is "Why do they have guards at the Federal Building in Williamsport?"

SOUTH CAROLINA: Paul Wright, news director, WMUU Radio, Greenville.

TENNESSEE: R. Jack Fishman, editor/publisher, daily Morristown Citizen Tribune. Conservative Republican paper which has supported Administration efforts to reduce federal spending while increasing the defense budget. Concerns: textile and chemical industries, TVA, labor, coal mining (major industry), OSHA, state prison under construction nearby. Bob Clements nomination to the TVA Board of Directors was very popular in this region.

VIRGINIA: Paul Draisey, news director, WAGE Radio, Leesburg, UPI.

1:15 PM

C

THE WHITE HOUSE
WASHINGTON

May 11, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
LYNN DAFT *Lynn*
SUBJECT: Mandatory Diesel Allocation Program

At 10:00 this morning, the Departments of Energy and Agriculture announced immediate implementation of a mandatory diesel allocation program that will entitle agricultural users to 100 percent of their diesel fuel requirements. It was agreed by all interested agencies that the threat of a major disruption in food production was of sufficient high probability that such action was warranted. We have attached a brief statement that you might want to include in your opening remarks before the Editors' group at 1:15 this afternoon. Background information is also attached.

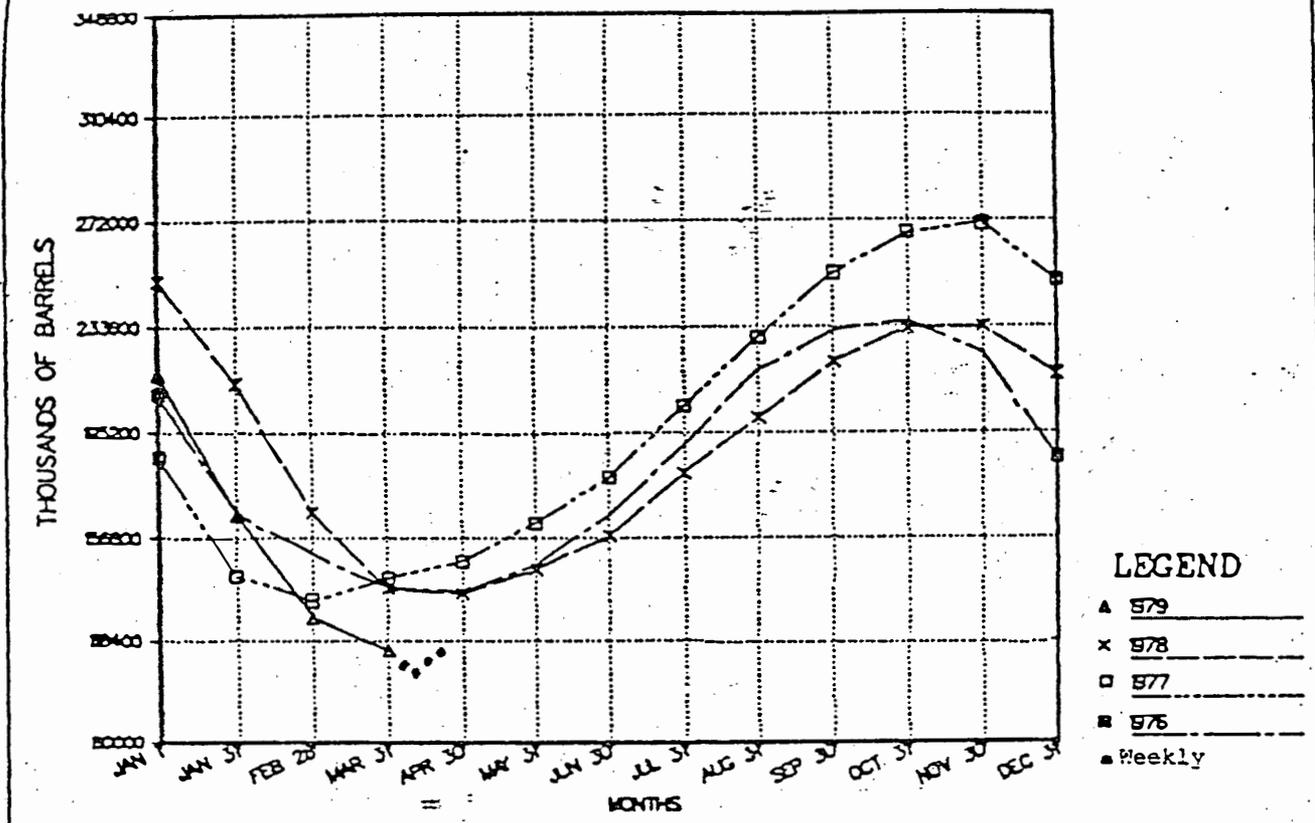
This action will be very popular within the farm community.

**Electrostatic Copy Made
for Preservation Purposes**

I don't believe I have to tell anyone here that our nation faces a serious, serious energy problem. An example of that problem is the threat of a shortage of diesel fuel for use by farmers in planting Spring crops. The potential seriousness of this problem has been increased by widespread delays in getting crops planted due to abnormally wet weather in many areas. For example, in the States of Illinois, Iowa, and Indiana, plantings as of May 4 were only about one-third of normal. In the Northern Great Plains, they are even further behind. This means that the planting time will be greatly compressed, thereby placing great pressure on already limited diesel fuel supplies. Any further delay in planting is likely to adversely affect crop yields ... an outcome that we must do everything we can to avoid.

As I said during my visit to Iowa last week, I do not intend to allow agricultural production to be disrupted by a shortage of petroleum. Toward this end, I have this morning directed the Secretary of Energy to immediately implement a Federal mandatory diesel allocation program that will entitle farmers and others in the food and agricultural sector to 100 percent of their diesel fuel requirements. This program will remain effective through July 31 and is taken under standby authority. This action will have the effect of requiring wholesale suppliers of diesel fuel to provide local distributors and retailers with supplies sufficient to meet farmers' needs.

CHART 1
MIDDLE DISTILLATE STOCKS



MIDDLE DISTILLATE STOCKS

	1975	1976	1977	1978	1979
JANUARY	199,715	165,428	142,975 R	213,411	164,963 RP
FEBRUARY	179,696	159,439	133,246 R	165,639	127,862 P
MARCH	161,111	138,306	141,876 R	137,877	114,972*
APRIL	146,214	137,249	146,223 R	136,240	
MAY	152,027	147,057	162,222 R	145,046	
JUNE	163,306	165,064	178,835 R	157,515	
JULY	161,472	190,861	204,875 R	180,513	
AUGUST	197,323	217,930	229,783 R	209,351	
SEPTEMBER	229,732	232,239	252,783	220,794	
OCTOBER	226,113	235,599	267,392	233,066	
NOVEMBER	235,749	223,648	270,571	233,224	
DECEMBER	234,787	185,948	250,260 R	216,248 P	

WEEK ENDING:

APR 6, 1979	113,938*
APR 13, 1979	112,499*
APR 20, 1979	114,442*
APR 27, 1979	115,460*

SOURCE DATA: ROM/OME PETROLEUM STATEMENT, MONTHLY, EXCEPT AS FOLLOWS:

R - PRELIMINARY DOE STATISTICS

RP - BASED ON API STATISTICS, TO BE REPLACED
WITH THE DATA AS AVAILABLE

P - REVISED

CHART 2

Effect of delayed corn planting
on yield

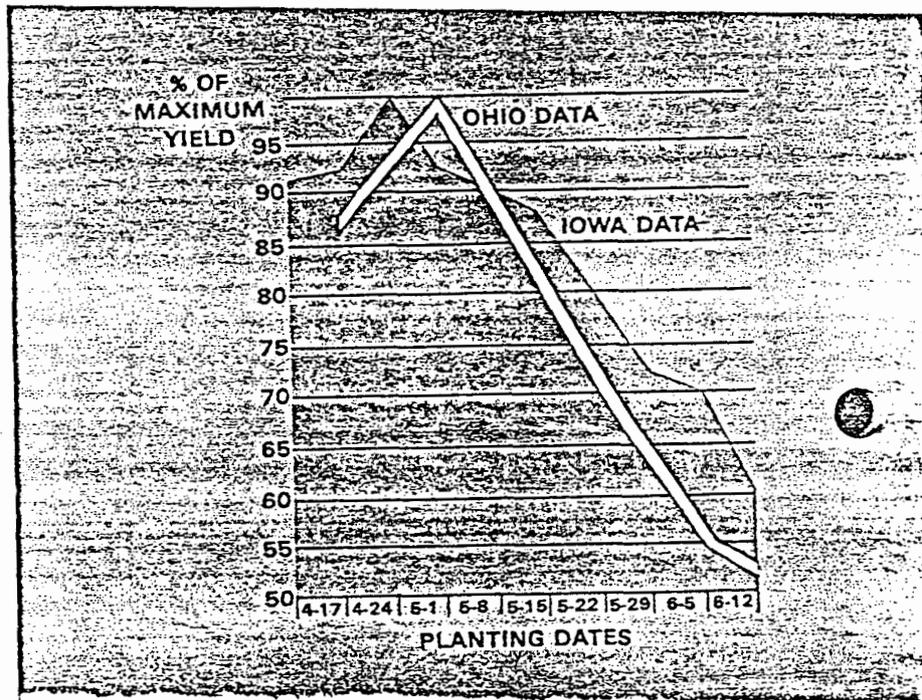


Table 1— Plantings Completed ^{1/}

States	April 29, 1979	Percent of Normal	Percent of Normal	May 4, 1979	Percent of Normal	Percent of Normal
		Percent				
Arkansas.....	5	15	33	11	27	41
Colorado.....	11	14	79	32	43	74
Idaho.....	44	50	88	64	64	100
Illinois.....	2	11	18	3	23	13
Indiana.....	0	6	0	6	17	35
Iowa.....	4	12	33	10	30	33
Michigan.....	4	12	33	7	22	32
Minnesota.....	1	15	7	3	28	11
Missouri.....	1	12	8	6	38	16
Montan.....	0	31	0	7	50	14
North Dakota..	0	21	0	1	31	3
Ohio.....	14	25	56	15	26	58
South Dakota..	15	35	43	33	50	66
Wisconsin.....	6	10	60	7	18	39

^{1/} Based on composite of all reported crops.

Table 2-- Corn Planting Completed

States	April 29 : 1979	Normal	Percent : of normal :	May 4 : 1979	Normal	Percent : of Normal
Colorado.....:	-	-	-	33	44	33
Georgia.....:	94	79	119	95	86	110
Illinois.....:	0	19	5	4	41	10
Indiana.....:	0	10	0	10	30	33
Iowa.....:	0	11	0	8	40	20
Kansas.....:	10	15	67	20	30	67
Kentucky.....:	9	32	28	22	46	48
Michigan.....:	1	5	20	2	15	13
Minnesota.....:	0	7	0	1	31	3
Missouri.....:	5	34	15	8	47	17
Nebraska.....:				10	20	50
North Carolina...:	92	70	104	87	80	109
Ohio.....:	10	20	50	20	35	57
Pennsylvania.....:	5	8	63	15	13	115
South Dakota.....:	-	-	-	0	6	0
Virginia.....:	37	40	86	55	58	95
Wisconsin.....:	-	-	-	1	10	10
13 States.....:	7	15	43	17 States 13	35	37

Spring Wheat

Idaho.....:	50	50	100	70	70	100
Minnesota.....:	1	37	3	6	52	12
Montana.....:	1	35	3	5	50	8
North Dakota.....:	0-5	19	0-20	1	33	3
South Dakota.....:	18	37	37	49	80	61
5 States.....:	5	31	16	13	47	28

Table 3— Diesel Fuel Balance May 1979

State	May 1979 <u>1/</u> Estimated Farm Requirement <u>1,000 gallons</u>	May 1979 <u>2/</u> Allotment All Uses <u>1,000 gallons</u>	Farm Requirement As a Percent Of Total Allotment <u>Percent</u>
Arkansas.....	18,150	34,482	53
Colorado.....	11,072	35,968	30
Georgia.....	7,092	65,473	11
Idaho.....	4,367	15,846	28
Illinois.....	54,772	150,877	36
Indiana.....	27,618	101,931	27
Iowa.....	50,576	61,173	83
Kansas.....	15,801	39,480	40
Kentucky.....	7,798	62,546	12
Michigan.....	16,094	84,698	19
Minnesota.....	43,374	80,152	54
Mississippi...	14,848	36,612	41
Missouri.....	25,332	58,918	43
Montana.....	10,608	20,782	51
Nebraska.....	24,133	36,915	65
North Carolina:	10,251	83,399	12
North Dakota..:	28,389	26,245	108
Ohio.....	17,598	142,825	12
Oregon.....	3,955	46,981	8
Pennsylvania..:	3,955	238,138	2
South Dakota..:	18,628	22,120	84
Tennessee.....	9,453	74,781	13
Wisconsin.....	13,292	63,367	21
Wyoming.....	2,088	18,992	11

1/ Source: ESCS, USDA. 2/ Source: DOE.

Table 4--State Diesel Fuel Set-aside as a Percentage of Farm Requirements

State	May 1979 State Diesel Set-aside	May 1979 Farm Demand	Set-aside as Percentage of: Farm Requirements
	1,000 Gallons	1,000 Gallons	
Arkansas.....	2,101	18,150	12
Colorado.....	1,439	11,072	13
Idaho.....	634	4,367	15
Illinois.....	6,035	54,772	11
Indiana.....	4,077	27,618	15
Iowa.....	2,447	50,576	5
Kansas.....	1,579	15,801	10
Kentucky.....	2,502	7,798	32
Michigan.....	3,386	16,094	21
Minnesota.....	3,206	43,374	7
Missouri.....	2,356	25,332	9
Montana.....	831	10,608	8
Nebraska.....	1,477	24,133	6
North Dakota.....	1,050	10,251	10
Ohio.....	5,713	17,598	32
Oregon.....	1,879	3,955	48
Pennsylvania.....	9,525	3,955	241
South Dakota.....	885	18,628	5
Tennessee.....	2,991	9,453	32
Wisconsin.....	2,775	13,292	21
Wyoming.....	759	2,088	36

Table 5

Farm storage capacities of diesel fuel and gasoline

State	1974 ^{1/} Storage on Farms : 1,000 Gallons	As Percent of May Normal Requirements
Alabama.....	2,356	35
Alaska.....	18	
Arizona.....	1,696	250
Arkansas.....	6,705	37
California.....	13,094	79
Colorado.....	4,453	49
Connecticut.....	137	11
Delaware.....	310	62
Florida.....	4,249	42
Georgia.....	4,186	57
Hawaii.....	622	254
Idaho.....	4,413	125
Illinois.....	19,897	56
Indiana.....	8,405	48
Iowa.....	16,504	41
Kansas.....	13,361	105
Kentucky.....	2,385	43
Louisiana.....	3,854	34
Maine.....	400	98
Maryland.....	1,059	81
Massachusetts.....	151	65
Michigan.....	5,722	52
Minnesota.....	12,444	42
Mississippi.....	5,423	37
Missouri.....	7,363	47
Montana.....	6,001	100
Nebraska.....	13,132	72
Nevada.....	341	31
New Hampshire.....	70	108
New Jersey.....	467	71
New Mexico.....	1,000	53
New York.....	2,818	72
North Carolina.....	4,560	39
North Dakota.....	14,809	74
Ohio.....	7,551	57
Oklahoma.....	5,033	106
Oregon.....	3,266	113
Pennsylvania.....	2,849	113
Rhode Island.....	31	163
South Carolina.....	1,852	47
South Dakota.....	6,559	56
Tennessee.....	3,577	49
Texas.....	16,865	108
Utah.....	926	56
Vermont.....	382	203
Virginia.....	1,863	29
Washington.....	6,558	133
West Virginia.....	172	51
Wisconsin.....	5,454	49
Wyoming.....	1,100	53

^{1/} 1974 Census of Agriculture. It is believed that substantial increases have been made to storage capacity since 1974.



NEWS

U.S. DEPARTMENT OF AGRICULTURE

DIESEL FUEL FOR AGRICULTURAL PRODUCTION GIVEN HIGHEST PRIORITY

Weld. Bates

WASHINGTON, May 11--Secretary of Agriculture Bob Bergland announced today that the Department of Energy (DOE) is immediately implementing a Federal mandatory diesel allocation program that will entitle farmers and others in the food and agriculture sector of our economy to 100 percent of their diesel fuel requirements.

"Planting of corn, spring wheat, and other grains is already several weeks behind schedule because of the wet weather in the Midwest," Bergland said, "and serious problems have developed. Any shortages of diesel fuel could result in serious market disruptions."

"Last Friday in Des Moines, Iowa, President Carter said that he would not allow agricultural production to be disrupted by a shortage of petroleum. Today we are moving to fulfill the President's commitment," Bergland said.

The DOE action today means that wholesale suppliers of diesel fuel will be required to provide local distributors and retailers with supplies sufficient to meet farmers' needs. If necessary, major oil company refineries can be instructed to move supplies to wholesale suppliers in agricultural areas.

"The Agricultural Stabilization and Conservation Service (ASCS) county offices will report farmers' planted acreages and provide other information that will assist in the effective implementation of the agricultural priority and provide this, upon request, to fuel dealers, state energy offices, and the Department of Energy for added fuel supplies," Bergland said.

Bergland said county ASCS offices will continue to work closely with the Department of Energy and state energy offices in order to ensure that food and fiber production is maintained.

FOR IMMEDIATE RELEASE
MAY 11, 1979

**DOE ADOPTS SPECIAL RULE REQUIRING 100 PERCENT
ALLOCATION OF DISTILLATE NEEDS
FOR AGRICULTURAL PRODUCTION**

The Department of Energy's (DOE) Economic Regulatory Administration today adopted a special rule effective immediately that requires suppliers to provide end users with 100 percent of current requirements for middle distillate oil used in agricultural production.

In announcing the adoption of the special rule, ERA said it will also give immediate consideration to a proposal for providing for the middle distillate and gasoline requirements of certain other consumers, especially ground passenger mass transportation services.

Middle distillate inventories currently total 117 million barrels, the lowest level in four years. Moreover, the effects of the supply situation are especially acute for agricultural production because unfavorable weather conditions have compressed the spring planting season, which normally extends over two months, into a one month period.

The special rule, called Special Rule No. 9, will remain in effect until July 31 but ERA will seek public comment on whether an extension beyond that date would be appropriate. A public hearing will be held on the new rule and on the desirability of providing for the fuel requirements of other consumers such as energy producers, emergency services, space heating for medical and nursing buildings and ground passenger mass transportation services.

It will be held May 18, starting at 9:30 a.m., in Room GE-086 of the Forrestal Building, 1000 Independence Ave., S.W., Washington, D.C. Requests to appear at the hearing are due by 4:30 p.m. May 16. Oral statements are due by 9:30 a.m., May 18.

(MORE)

Written comments with respect to the proposals on ground passenger mass transportation services are due by 4:30 p.m. May 21. Written comments with respect to all other issues are due by 4:30 p.m. June 15, 1979.

Written comments should be directed to DOE, Economic Regulatory Administration, Office of Public Hearing Management, Docket #ERA-R-79-25, Room 2313, 2000 M Street, N.W., Washington, D.C. 20461.

- DOE -

News Media Contact: Jack Vandenberg, 202/252-5806

634-7170

5/11/79 notes and by President for
~~announcement~~ 10 min

SHOCKED

THE WHITE HOUSE
WASHINGTON

EMBARRASSED

2 YRS - SOME - NO OIL

PROBE GAS - CONG NOT ACTED

SEN → HOUSE ~~DO~~ REFUSED

UNPREPARED - POTENTIALLY DEFENSELESS

95% 40% THANK COURAGE "YES"

ONLY CONCLUSION - BY-TA-O'N-DIA-
90L

UNWILLING FACE RESPON.

IF INTER^{ATION} NO PLAN =

STATES - FARMERS - HANDICAPPED

NOT PREDICTING, BUT ^{MAY} HEAD "SAND"

NOW? REJECTED - STAND BY

FAULT NOT IN MERIT, BUT IN

CONGRESS - NATIONAL INTEREST VS

PAROCIAL & POL TIMIDITY

NOT EASY - REQUIRES COURAGE

^{ANY} NO ONE ^{WHO} WANTS ACTION - LEAVE SENSES

NOT PREPARED, IRRESPONSIBLE

NO NEED ^{PRESENTLY} SUBMIT ANOTHER

HOUSE AVOID TOUGH ISSUE

CHALLENGE - ^{COND - 90 DAYS -} MY ASSISTANCE

WHEN & IF

TEST OF CONG. COMPETENCE & WILL

May 11, 1979

Energy Proposal two years ago - Some decisions, but
no action on oil -
Part of present problem because ~~no action yet~~
Congress has not yet been willing to act on oil

THE HOUSE VOTE YESTERDAY, ~~KILLING THE GASOLINE RATIONING~~
~~ALREADY APPROVED BY THE SENATE~~
PLAN LEAVES THIS COUNTRY IN A DANGEROUSLY UNPREPARED STATE --
IF A SEVERE ENERGY SUPPLY DISRUPTION OCCURS, THE NATION HAS
NO MEANS TO ENSURE ITS CITIZENS THAT GASOLINE WILL BE
DISTRIBUTED EQUITABLY AND EFFICIENTLY.

*potentially
defenseless
against
severe
gasoline
shortage*

95% of Reps voted "no" 40% Demos - Nation should thank the ones who demonstrated courage to vote "yes"

THE ONLY CONCLUSION I CAN DRAW FROM THIS VOTE, ALONG
WITH THE VOTES AGAINST ~~THE~~ STANDBY CONSERVATION PLANS I

SUBMITTED -- IS THAT, THE CONGRESS, DESPITE THE COURAGEOUS
EFFORTS OF *Sen. Byrd and Sen. Jackson,* SPEAKER O'NEILL AND THE DEMOCRATIC LEADERSHIP AND
OF MEMBERS LIKE CHAIRMAN JOHN DINGELL *and Dick Bolling --- the congress* IS UNWILLING TO FACE
UP TO ITS ~~JOB~~ *responsibility* ON ENERGY. APPARENTLY A MAJORITY OF THE HOUSE
SIMPLY PREFERS TO IGNORE THE NATION'S PROBLEMS ~~APPARENTLY~~ *and hope that*
THEY BELIEVE THEY CAN WISH A CRISIS AWAY. *the crisis will go away!*

should be a
IF THERE ~~IS~~ *a* MAJOR SUPPLY INTERRUPTION WE WILL HAVE
NO PLAN FOR DISTRIBUTING ~~THAT~~ MORE LIMITED SUPPLY, NO PLAN
FOR ENSURING THAT ALL STATES ARE TREATED FAIRLY IN THEIR
SCRAMBLE FOR GASOLINE, AND NO PLAN FOR ENSURING SUPPLIES FOR
ESSENTIAL USERS -- FOR FARMERS, FOR THE HANDICAPPED, FOR
MEDICAL EMERGENCIES, FOR NATURAL DISASTERS.

I AM NOT PREDICTING ANOTHER SEVERE SUPPLY DISRUPTION.
BUT WE CANNOT PUT OUR HEAD IN THE SAND, AND PRETEND ~~IT IS~~ *as the House has done*
~~IMPOSSIBLE.~~ ~~IT APPEARS~~ THAT A MAJORITY OF THE HOUSE BELIEVES
WE CAN. *That the threat does not exist.*

The Congress has rejected

WHERE DOES THAT LEAVE US NOW? ~~THREE OF THE FOUR~~
~~STANDY CONSERVATION PLANS I PROPOSED WERE NOT APPROVED BY~~ *WHICH COULD*
NOT EVEN BE IMPLEMENTED WHEN NECESSARY UNLESS THE CONGRESS AGREES.
~~CONGRESS. I THINK THE FAULT LIES NOT WITH THE MERITS OF~~
THOSE PLANS, BUT WITH A CONGRESS WHICH ~~WAS~~ ^{IS} WILLING, AND IN
SOME CASES EAGER, TO IGNORE THE NATIONAL INTEREST IN FAVOR
OF PAROCHIAL, NARROW CONCERNS, *OR BECAUSE OF POLITICAL*
timidity.

I RECOGNIZE THAT SOME OF THE VOTES ~~MEMBERS WERE ASKED~~
~~TO CAST~~ WERE NOT POLITICALLY EASY. BUT ^{*dealing with*} DEVELOPING A SOUND
ENERGY ~~POLICY~~ IS NEVER GOING TO BE ~~POLITICALLY~~ EASY. IT
REQUIRES ^{*Courageous*} MEMBERS TO LOOK BEYOND, ~~ON OCCASION,~~ THEIR LOCAL
NEEDS AND TOWORRY ABOUT THE COUNTRY'S NEEDS. ~~PEOPLE WHO~~
~~WANT AN EASY, NON CONTROVERSIAL LIFE, FAR FROM TOUGH~~
~~DECISIONS OUGHT TO LOOK FOR SOME LINE OF WORK OTHER THAN~~
~~GOVERNING THE COUNTRY.~~ *I AM NOT NOW* ~~CONFIDENT~~
~~THAT~~ THE MAJORITY OF MEMBERS ARE WILLING TO DO THAT

* →

need

I SEE NO ~~POINT~~ UNDER THE PRESENT CIRCUMSTANCES ~~IN~~ *for me to*
~~MY~~ SUBMITTING ANOTHER GASOLINE RATIONING PLAN. I AM CONVINCED
THAT THE HOUSE VOTE WAS NOT AGAINST A PARTICULAR PLAN, IT
WAS SIMPLY AN ATTEMPT TO AVOID A TOUGH ISSUE. ~~REASON~~
~~HOWEVER,~~ I CHALLENGE THE CONGRESS TO RECOGNIZE
ITS ^{*own*} MANDATE OF 1975 AND TO PRESENT TO ME WITHIN THE 90 DAYS A
~~ITS OWN~~ GASOLINE RATIONING PLAN -- A PLAN THAT WILL FAIRLY
AND EFFICIENTLY PROTECT US AGAINST A SEVERE SUPPLY DISRUPTION.

~~THE AM. PEOPLE DID NOT ELECT THEIR REPRESENTATIVES~~

C. G. has some concerns about this line.

~~TO COME TO WASHINGTON TO AVOID TOUGH DECISIONS.~~

I will

~~OF COURSE THIS ADMINISTRATION IS READY TO PROVIDE~~
~~WHATEVER ASSISTANCE THEY REQUEST~~ ^{need} IF AND WHEN THE CONGRESS
IS PREPARED TO DEAL SERIOUSLY WITH THIS PROBLEM.

#

*

ANYONE WHO WANTS TO RATION
GASOLINE HAS TAKEN LEAVE OF HIS
SENSES. BUT ANYONE WHO IS NOT
PREPARED TO RATION GASOLINE AS
~~A LAST RESORT~~ IN AN EMERGENCY
SITUATION IS IRRESPONSIBLE.

5/11/79

ENERGY PROPOSAL TWO YEARS AGO. SOME DECISIONS, BUT NO ACTION ON OIL.

PART OF PRESENT PROBLEM IS BECAUSE CONGRESS HAS NOT YET BEEN WILLING TO ACT ON OIL.

THE HOUSE VOTED YESTERDAY TO REFUSE TO GIVE ME AUTHORITY TO DEVELOP A GASOLINE RATIONING PLAN. THIS LEAVES OUR COUNTRY IN A DANGEROUSLY UNPREPARED STATE -- POTENTIALLY DEFENSELESS AGAINST SEVERE GASOLINE SHORTAGES.

IF A SEVERE ENERGY SUPPLY DISRUPTION SHOULD OCCUR, THE NATION HAS NO MEANS TO DISTRIBUTE GASOLINE EQUITABLY AND EFFICIENTLY.

95% OF THE REPUBLICANS VOTED "NO", 40% OF THE DEMOCRATS VOTED "NO". OUR NATION SHOULD THANK THE ONES WHO HAD THE COURAGE TO VOTE "YES".

THE ONLY CONCLUSION I CAN DRAW IS THAT DESPITE THE COURAGEOUS EFFORTS OF SENATOR BYRD AND SENATOR JACKSON, SPEAKER O'NEILL AND THE DEMOCRATIC LEADERSHIP, AND MEMBERS LIKE CHAIRMEN JOHN DINGELL AND DICK BOLLING -- THE CONGRESS IS UNWILLING TO FACE UP TO ITS RESPONSIBILITY ON ENERGY.

APPARENTLY A MAJORITY OF THE HOUSE SIMPLY REFUSES TO IGNORE THE NATION'S PROBLEMS, AND HOPE THAT THE CRISIS WILL GO AWAY!

IF THERE SHOULD BE A MAJOR SUPPLY INTERRUPTION, WE WILL HAVE NO PLAN FOR DISTRIBUTING A MORE LIMITED SUPPLY, ...NO PLAN FOR ENSURING THAT ALL STATES ARE TREATED FAIRLY IN THEIR SCRAMBLE FOR GASOLINE; ... AND NO PLAN FOR ENSURING SUPPLIES FOR ESSENTIAL USERS -- FOR FARMERS, FOR THE HANDICAPPED, FOR MEDICAL EMERGENCIES, FOR NATURAL DISASTERS.

-- I AM NOT PREDICTING ANOTHER....

I AM NOT PREDICTING ANOTHER SEVERE SUPPLY DISRUPTION, BUT WE CANNOT PUT OUR HEAD IN THE SAND AS THE HOUSE HAS DONE AND PRETEND THAT THE THREAT DOES NOT EXIST.

WHERE DOES THAT LEAVE US NOW? THE CONGRESS HAS REJECTED STANDBY PLANS WHICH COULD NOT EVEN BE IMPLEMENTED WHEN NECESSARY UNLESS THE CONGRESS AGREES.

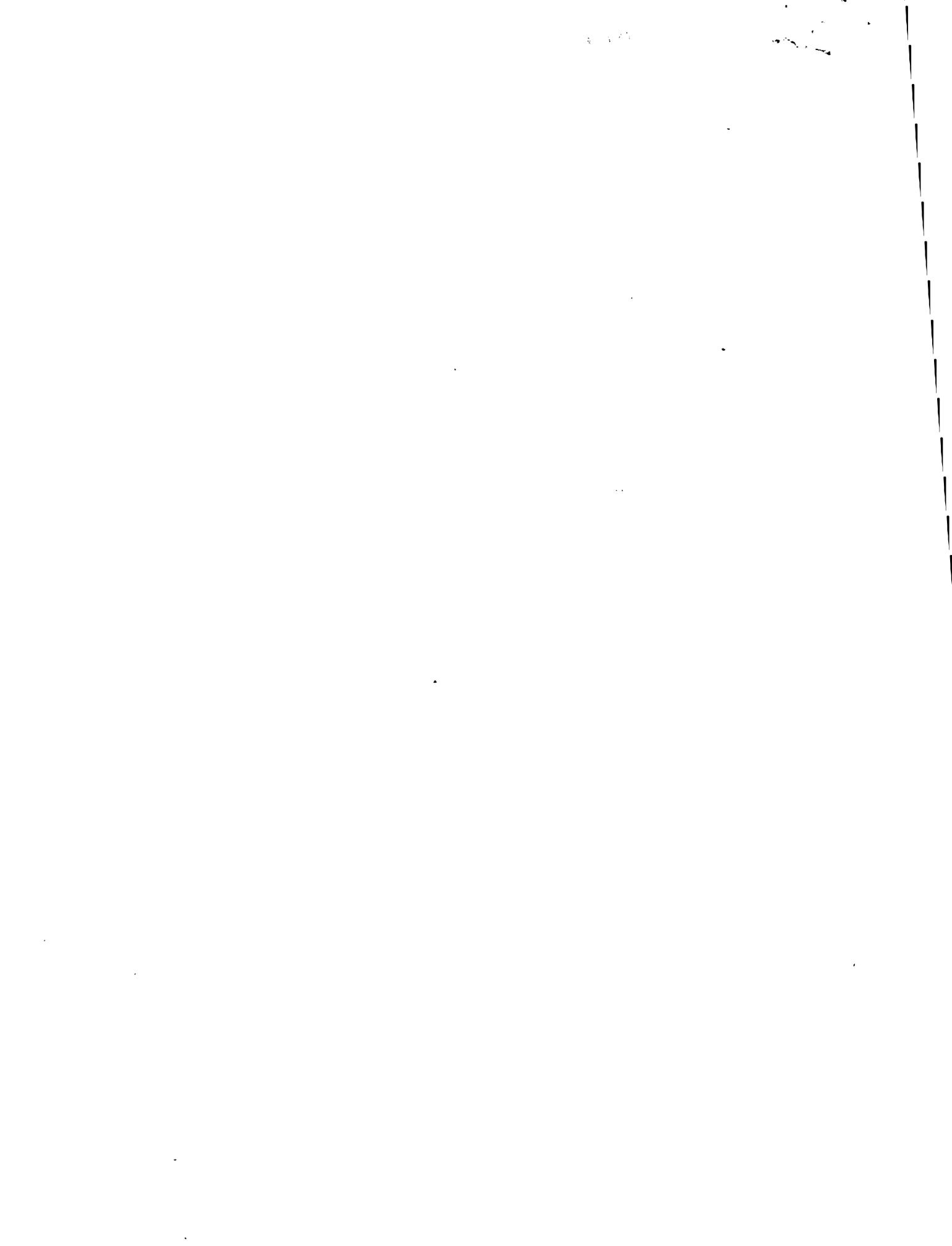
THE FAULT LIES NOT WITH THE MERITS OF THOSE PLANS, BUT WITH A CONGRESS WHICH IS WILLING TO IGNORE THE NATIONAL INTEREST IN FAVOR OF PAROCHIAL, NARROW CONCERNS OR BECAUSE OF POLITICAL TIMIDITY.

I RECOGNIZE THAT SOME OF THE VOTES WERE NOT POLITICALLY EASY, BUT DEALING WITH ENERGY IS NEVER GOING TO BE EASY. IT REQUIRES COURAGEOUS MEMBERS TO LOOK BEYOND THEIR LOCAL NEEDS AND TO WORRY ABOUT THE COUNTRY'S NEEDS. I AM NOT NOW CONFIDENT THAT THE MAJORITY OF MEMBERS ARE WILLING TO DO THAT.

ANYONE WHO WANTS TO RATION GASOLINE HAS TAKEN LEAVE OF HIS SENSES. BUT ANYONE WHO IS NOT PREPARED TO RATION GASOLINE IN AN EMERGENCY SITUATION IS IRRESPONSIBLE.

I SEE NO NEED UNDER THE PRESENT CIRCUMSTANCES FOR ME TO SUBMIT ANOTHER GASOLINE RATIONING PLAN. I AM CONVINCED THAT THE HOUSE VOTE WAS NOT AGAINST A PARTICULAR PLAN;...IT WAS SIMPLY AN ATTEMPT TO AVOID A TOUGH ISSUE. HOWEVER, I CHALLENGE THE CONGRESS TO RECOGNIZE ITS OWN MANDATE OF 1975 AND TO PRESENT TO ME WITHIN THE 90 DAYS A GASOLINE RATIONING PLAN -- A PLAN THAT WILL FAIRLY AND EFFICIENTLY PROTECT US AGAINST A SEVERE SUPPLY DISRUPTION.

I WILL PROVIDE ASSISTANCE THEY NEED IF AND WHEN THE CONGRESS IS PREPARED TO DEAL SERIOUSLY WITH THIS PROBLEM.



5/11/79

ENERGY PROPOSAL TWO YEARS AGO, SOME DECISIONS, BUT NO ACTION ON OIL.

PART OF PRESENT PROBLEM IS BECAUSE CONGRESS HAS NOT YET BEEN WILLING TO ACT ON OIL.

THE HOUSE VOTED YESTERDAY TO REFUSE TO GIVE ME AUTHORITY TO DEVELOP A GASOLINE RATIONING PLAN. THIS LEAVES OUR COUNTRY IN A DANGEROUSLY UNPREPARED STATE -- POTENTIALLY DEFENSELESS AGAINST SEVERE GASOLINE SHORTAGES.

IF A SEVERE ENERGY SUPPLY DISRUPTION SHOULD OCCUR, THE NATION HAS NO MEANS TO DISTRIBUTE GASOLINE EQUITABLY AND EFFICIENTLY.

95% OF THE REPUBLICANS VOTED "NO". 40% OF THE DEMOCRATS VOTED "NO". OUR NATION SHOULD THANK THE ONES WHO HAD THE COURAGE TO VOTE "YES".

THE ONLY CONCLUSION I CAN DRAW IS THAT DESPITE THE COURAGEOUS EFFORTS OF SENATOR BYRD AND SENATOR JACKSON, SPEAKER O'NEILL AND THE DEMOCRATIC LEADERSHIP, AND MEMBERS LIKE CHAIRMEN JOHN DINGELL AND DICK BOLLING -- THE CONGRESS IS UNWILLING TO FACE UP TO ITS RESPONSIBILITY ON ENERGY.

APPARENTLY A MAJORITY OF THE HOUSE SIMPLY REFUSES TO IGNORE THE NATION'S PROBLEMS, AND HOPE THAT THE CRISIS WILL GO AWAY!

IF THERE SHOULD BE A MAJOR SUPPLY INTERRUPTION, WE WILL HAVE NO PLAN FOR DISTRIBUTING A MORE LIMITED SUPPLY, ...NO PLAN FOR ENSURING THAT ALL STATES ARE TREATED FAIRLY IN THEIR SCRAMBLE FOR GASOLINE; ... AND NO PLAN FOR ENSURING SUPPLIES FOR ESSENTIAL USERS -- FOR FARMERS, FOR THE HANDICAPPED, FOR MEDICAL EMERGENCIES, FOR NATURAL DISASTERS.

-- I AM NOT PREDICTING ANOTHER....

I AM NOT PREDICTING ANOTHER SEVERE SUPPLY DISRUPTION. BUT WE CANNOT PUT OUR HEAD IN THE SAND AS THE HOUSE HAS DONE AND PRETEND THAT THE THREAT DOES NOT EXIST.

WHERE DOES THAT LEAVE US NOW? THE CONGRESS HAS REJECTED STANDBY PLANS WHICH COULD NOT EVEN BE IMPLEMENTED WHEN NECESSARY UNLESS THE CONGRESS AGREES.

THE FAULT LIES NOT WITH THE MERITS OF THOSE PLANS, BUT WITH A CONGRESS WHICH IS WILLING TO IGNORE THE NATIONAL INTEREST IN FAVOR OF PAROCHIAL, NARROW CONCERNS OR BECAUSE OF POLITICAL TIMIDITY.

I RECOGNIZE THAT SOME OF THE VOTES WERE NOT POLITICALLY EASY. BUT DEALING WITH ENERGY IS NEVER GOING TO BE EASY. IT REQUIRES COURAGEOUS MEMBERS TO LOOK BEYOND THEIR LOCAL NEEDS AND TO WORRY ABOUT THE COUNTRY'S NEEDS. I AM NOT NOW CONFIDENT THAT THE MAJORITY OF MEMBERS ARE WILLING TO DO THAT.

ANYONE WHO WANTS TO RATION GASOLINE HAS TAKEN LEAVE OF HIS SENSES. BUT ANYONE WHO IS NOT PREPARED TO RATION GASOLINE IN AN EMERGENCY SITUATION IS IRRESPONSIBLE.

I SEE NO NEED UNDER THE PRESENT CIRCUMSTANCES FOR ME TO SUBMIT ANOTHER GASOLINE RATIONING PLAN. I AM CONVINCED THAT THE HOUSE VOTE WAS NOT AGAINST A PARTICULAR PLAN;...IT WAS SIMPLY AN ATTEMPT TO AVOID A TOUGH ISSUE. HOWEVER, I CHALLENGE THE CONGRESS TO RECOGNIZE ITS OWN MANDATE OF 1975 AND TO PRESENT TO ME WITHIN THE 90 DAYS A GASOLINE RATIONING PLAN -- A PLAN THAT WILL FAIRLY AND EFFICIENTLY PROTECT US AGAINST A SEVERE SUPPLY DISRUPTION.

I WILL PROVIDE ASSISTANCE THEY NEED IF AND WHEN THE CONGRESS IS PREPARED TO DEAL SERIOUSLY WITH THIS PROBLEM.

THE WHITE HOUSE
WASHINGTON
11 May 79

Zbig Brzezinski

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

Rick Hutcheson

Jody Powell
Jerry Rafshoon
Phil Wise
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

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

 POWELL RAFSHOON

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

PRESS

SANDERS

WARREN

WEDDINGTON

 WISE VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY

THE WHITE HOUSE
WASHINGTON

Mr. President:

I don't see anyway to avoid this because of the precedent set before other economic summits. However the next 2 months are going to be exhausting and I am going to be very tight with add-on requests such as this.

Phil

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 10, 1979

at a late date
C

MEMORANDUM FOR: THE PRESIDENT
THROUGH: JODY POWELL *J.P.*
JERRY RAFSHOON *J.R.*
FROM: JERRY SCHECTER *J.S.*
SUBJECT: Presidential Interviews with Japanese
Television and Newspapers Prior to the
Economic Summit

For the past two years (and at an accelerated pace in recent weeks), there have been a series of requests for interviews with you from Japanese TV and newspapers. Your state visit to Japan and the Economic Summit provide the right setting for these interviews. They will introduce you to the Japanese public and allow you to provide a perspective on U.S.-Japanese relations as well as your overall goals for the summit.

After a careful assessment of the requests, we recommend that you:

1. Grant a half hour television interview to NHK, the government-owned broadcasting network. They have the best reputation and would assure a serious, thoughtful format with a prime time showing.
2. Consider meeting for a half hour interview with the three leading newspapers in Japan: the Asahi Shimbun, the Yomiuri, and the Mainichi.

We would provide you with a general outline of the questions and answers in advance. We plan to structure the interviews to establish a positive and constructive atmosphere for your visit and the Economic Summit.

- Approve interview with Japanese TV
 Approve interview with Japanese newspapers
 Disapprove

J

9:35 AM

THE WHITE HOUSE

WASHINGTON

May 10, 1979

MEETING WITH THE CONGRESSIONAL SENIOR CITIZEN INTERNS

Friday, May 11, 1979

9:35 a.m. (5 minutes)

The Rose Garden

From: Frank Moore *J.m/pc*

I. PURPOSE

To greet the congressional senior citizen interns following their White House tour.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: This is the seventh year for the bipartisan congressional senior citizen intern program. The interns, who will spend two weeks in Washington, will work in congressional offices as well as attend a series of briefings on subjects of special interest to the elderly. Topics will include consumer problems as they affect the elderly, medicare/medicaid and health care, ACTION, nursing homes and long term care, social security, housing, physical fitness and transportation. The program is designed so that when the interns return home, they can share their experience with fellow seniors as well as apply what they have learned to the benefit of their community.

A number of Administration officials are addressing the senior citizen interns. On Tuesday, May 8, Nelson Cruikshank gave an overview on aging. Esther Peterson discussed consumer problems and the elderly on Wednesday, May 9. In addition, representatives from the Administration on Aging, the Department of Health, Education & Welfare, the Department of Housing & Urban Development, and the Department of Transportation will address the interns concerning their various programs which affect seniors.

Participants: The President, Nelson Cruikshank, 160 interns, Valerie Pinson, and three staff members from the office of Rep. Bud Hillis (R-Indiana), the prime sponsor of the program.

Press Plan: Full press coverage.

III. TALKING POINTS

See attached

IV. ADDITIONAL INFORMATION

Valerie Pinson will address the interns after their tour and until you arrive.

THE WHITE HOUSE

WASHINGTON

May 10, 1979

MEMORANDUM TO THE PRESIDENT

FROM: WALTER SHAPIRO ^{WS}

SUBJECT: Talking Points: Senior Citizen Interns
5/11/79

1. I want to welcome you to the White House which, as you know, really belongs to the people of the United States. The senior citizen intern program is an excellent illustration of the rule that good government programs do not have to be big programs. The program started six years ago with about a dozen members of the House and Senate participating. This year more than 125 legislators had senior citizen interns and the idea keeps growing. This program reflects two important realities -- that learning is a life-long process and that retired Americans still can make a major contribution to our society. Our goal must be to continue to develop innovative ways of taking advantage of your experience, energy, talent and abilities.

2. As President, I have had my share of difficult problems to solve where the solutions were not always politically popular. One of the most important of these was the necessity to reform the financing of the Social Security system. There was no active, visible coalition calling for an improved system of Social Security funding. Instead, there was just the dim recognition that unless we did something now the entire system would face the spectre of bankruptcy in the 1980's. No one likes paying higher taxes. But I am proud of what we have done to put the Social Security system back on a secure fiscal basis.

3. Inflation is a problem that is particularly acute for retired people. You do not have an employer to give you annual cost-of-living adjustments in your salary. You watch inflation erode the value of a lifetime of accumulated savings. One thing we have done to lessen this problem is to make Social Security inflation-proof. Thanks to the Social Security legislation we passed in 1977, your monthly checks beginning in July will contain a cost-of-living adjustment to compensate you for the previous year's rate

of inflation. Obviously, adjustments like these are not a way of solving our underlying inflation problems. But, as we as a nation grapple with this problem, it is important that retired Americans should not be asked to make disproportionate sacrifices.

4. There is one other issue that I want to mention this morning and that is hospital cost containment. Some of you may believe that this issue isn't really relevant to senior citizens since most of your medical bills are paid by Medicare. Nothing could be further from the truth. The price of almost every product we buy is inflated by the astronomical costs of hospitalization since these costs are reflected in the health insurance benefits that most employers pay. For example, health insurance premiums make up a larger portion of the cost of a new car than the steel that is used to produce it. Hospital cost containment is one of the most important ways that we can put a cap on inflationary pressures in the economy. I hope it is an issue that you will actively support.

#

11:00 AM.

THE WHITE HOUSE

WASHINGTON

May 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Agenda for the Cabinet Meeting:
Friday, May 11, 1979
11:00 a.m. Cabinet Room

All members of the Cabinet are expected to attend this special meeting except Secretary Blumenthal, who will be represented by Deputy Secretary Carswell, Secretary Kreps, who will be represented by Under Secretary-designate Luther Hodges, Secretary Califano, who will be represented by Under Secretary Hale Champion, and Ambassador Strauss, who will be represented by his Deputy Alan Wolff.

You will open the meeting with a few remarks about the significance of the SALT agreement and the importance you place on each Cabinet member becoming knowledgeable about the agreement in order to assist in getting Senate ratification.

You will then turn the meeting over to the Vice President. Secretaries Vance and Brown will then brief the Cabinet on the negotiations and will conclude the meeting with a question and answer period.

cc: Vice President

**Electrostatic Copy Made
for Preservation Purposes**

Congressional Senior Citizen Interns
5/11/79

THE WHITE HOUSE
WASHINGTON

5-11-79

Senior Citizen Interns
7th year

good, not necessarily big

learning lifelong
energy, talent, abilities

Social Security vs bankruptcy
inflation proof

Hospital cost -

Health > steel - in auto cost

Consumer - health - transportation -
housing &

jobs - inflation - peace - Security

Ambassadors

Electrostatic Copy Made
for Preservation Purposes

regular Foreign Affairs Breakfast 5/11/79

THE WHITE HOUSE
WASHINGTON

For Aff Breakfast 5-11-79

- > SALT
- > Ltr → Brezhnev
- > Ltr → Thatcher
- > Ltr → Khalid
- > Kneps, PRC
- > Panama
- > Rhodesia
- > MBFR
- > Hassan-Khalid-Amb
- > Turkey, Schmidt
- > Cyprus
- > N/S Korea
- > Lebanon - US weapons
- > NY basing

Electrostatic Copy Made
for Preservation Purposes