

**6/1/79**

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENT(S) OR TITLE	DATE	RESTRICTION
memo	From Brzezinski to The President (one page) re: Meeting with Ambassador West <i>OPENGO 2/17/93</i>	5/31/79	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.-Pres. Handwriting File  
6/1/79 BOX 134

RESTRICTION CODES

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1:15 PM

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

~~CONFIDENTIAL~~

May 31, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI   
SUBJECT: Your Meeting with Ambassador West

The following talking points are suggested for your meeting with Ambassador West at 1:15 on Friday, June 1:

-- We need to keep working to relieve the strains which differences over the peace process have placed on our Saudi relationship.

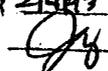
-- I understand that before we can expect any real Saudi confidence in our approach, we must demonstrate credible progress in the West Bank - Palestinian negotiations. In the meantime, I want Ambassador Strauss to be in frequent contact with the Saudis.

-- I hope that the Saudis have been reassured by our recent demonstrations of concern for their security. I realize there are regional political factors which limit our response, particularly sensitivity about American military presence.

-- I hope that it will be possible to have an effective dialogue with the Saudis on oil prices and production. If reports that the Saudis are prepared to increase production prove to be true, this would be a positive development and I would want the SAudis to know that we appreciate their efforts. (C)

~~CONFIDENTIAL~~

To be reviewed on May 31, 1985

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
PER 2/4/83 NLS HY RE MR TNL-92-100  
BY  NARS, DATE 7/23/83

here

THE WHITE HOUSE  
WASHINGTON

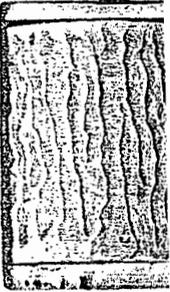
01 Jun 79

Ambassador Strauss

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

Rick Hutcheson

Tim Kraft  
Arnie Miller



11

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<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION

FOR ACTION  
FYI

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<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS  
WASHINGTON  
20506

①

May 8, 1979

MEMORANDUM TO THE PRESIDENT

FROM: Robert S. Strauss

RE: Appointment of textile program advisers

Our white paper on the textile program includes a statement that "the President will appoint a high-level business-labor-government group to identify and give public attention to the problems affecting the competitiveness of the industry." I believe we should move forward with the appointment of this group to fulfill that commitment.

After checking with the industry, I feel confident we can work with the group who helped develop the white paper, plus one addition (that being the president of the American Textile Manufacturers Institute, changing from year to year). The membership from the private sector would be:

- Murray Finley, president of Amalgamated Clothing and Textile Workers Union
- Sol (Chick) Chaiken, president of the International Ladies Garment Workers Union
- Bill Klopman, Chairman of Burlington Industries and Chairman of the ATMI international trade committee
- John Woltz, Chairman of Quality Mills and immediate past president of the American Apparel Manufacturers Association
- Morris Bryan, Chairman of Jefferson Mills and president of ATMI
- Dr. Dave Barnes, vice-president of DuPont

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Page Two

From the government, I should think this could be left informal, since agency responsibilities remain constant; but for the present, the STR, the Secretary of Commerce, the Undersecretary of State for Economic Affairs and the Assistant to the President for Domestic Affairs would be an appropriate core group.

Arnie Miller concurs.

approve  disapprove

J

Keep this whole  
thing as informal  
as possible.  
We do not need  
another "Commission"!

J

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ID 791972

THE WHITE HOUSE  
WASHINGTON

DATE: 11 MAY 79

FOR ACTION: TIM KRAFT

ARNIE MILLER

~~Appointment~~

concern

2/15  
Adan Textile (New)  
+ with 3/22 w/  
Textile  
Vince (clerk)

INFO ONLY:

SUBJECT: STRAUSS MEMO RE APPOINTMENT OF TEXTILE PROGRAM ADVISORS

no extra orders  
May not have  
to do anything?  
no official  
papers  
needed  
Per Ruth  
Permit  
S/S

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

+ BY: 1200 PM MONDAY 14 MAY 79 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

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ID 791972

THE WHITE HOUSE

WASHINGTON

DATE: 11 MAY 79

FOR ACTION: TIM KRAFT

ARNIE MILLER

INFO ONLY:

SUBJECT: STRAUSS MEMO RE APPOINTMENT OF TEXTILE PROGRAM ADVISORS

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM MONDAY 14 MAY 79 +  
+++++

ACTION REQUESTED: ~~YOUR COMMENTS~~

STAFF RESPONSE:  I CONCUR.  NO COMMENT.  HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

24

11

THE WHITE HOUSE  
WASHINGTON

May 31, 1979

ACTION

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI *ZB.*  
SUBJECT: Letter from Senator Goldwater

Senator Goldwater has written you a letter (Tab B), indicating that he is "opposed to SALT II," even though he does indicate support for "multi-lateral disarmament" if it is accompanied by "complete inspection." For your information, he was invited to another SALT evening and refused again. Attached at Tab A is a response to Senator Goldwater asking him to take a hard look at the SALT II Treaty and arguing that from a military standpoint, it is far better than the situation that would prevail in the absence of SALT.

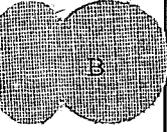
RECOMMENDATION

That you sign the letter to Senator Goldwater at Tab A.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_





JOHN C. STENNIS, MISS., CHAIRMAN  
HENRY M. JACKSON, WASH.  
HOWARD W. CANNON, NEV.  
HARRY F. BYRD, JR., VA.  
SAM NUNN, GA.  
JOHN C. CULVER, IOWA  
GARY HART, COLO.  
ROBERT MORGAN, N.C.  
J. JAMES EXON, NEBR.  
CARL LEVIN, MICH.

JOHN TOWER, TEX.  
STROM THURMOND, S.C.  
BARRY GOLDWATER, ARIZ.  
JOHN W. WARNER, VA.  
GORDON J. HUMPHREY N.H.  
WILLIAM S. COHEN, MAINE  
ROGER W. JEPSEN, IOWA

## United States Senate

COMMITTEE ON ARMED SERVICES

WASHINGTON, D.C. 20510

FRANCIS J. SULLIVAN, STAFF DIRECTOR

May 9, 1979

(No FM Ack.)

NSC  
CONGRESSIONAL  
LIAISON

MAY 16 1979

cc: Beckel, State

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

My apologies for not being able to accept your two kind invitations to visit with you relative to SALT II today, but pressing business on the Senate Floor kept me here and it was just impossible.

I might as well tell you I am opposed to SALT II but let me go a step further. I am not opposed to multi-lateral disarmament if it can be accomplished with complete, and I repeat, complete inspection. I have spent most of my life in the communications business and I know we are not going to be able to verify completely Russian activities in the missile field. We cannot replace our losses from the Iranian sites for several years and I am fearful that we are about to lose not just the Turkish sites, but the country as well.

The passage of SALT II, and it will probably pass, is not going to mean one iota in your search for peace. The Russian ambition, something that is often overlooked by many of us who will be voting on this, concerns the role the Soviet Union wants to play on the world stage. The ironic part is that we have always come to the defense of Russia and she has come to our defense, and therefore, I don't see a basic war between us. I only see her continued growth in the domination of the world which eventually will mean our defeat.

With respect,

  
Barry Goldwater

SJ01  
NA01



THE WHITE HOUSE  
WASHINGTON

To Senator Barry Goldwater

Thank you for your letter of May 9 on SALT. I am sorry you could not make any of the SALT discussions, but I am fully aware of the current press of business in the Senate.

I respect your current view of being opposed in principle to SALT II because of the absence of complete inspection. However, I hope that you will not make up your mind on how you will vote on the SALT II agreement until we have had an opportunity to make the case for the agreement to the Senate. In particular, I believe that there is no question that from a military standpoint, in terms of constraining the Soviet threat and making it more predictable, we will be far better off with the SALT II agreement than we would be in the absence of an agreement. I appreciate and value your perspective on these important national security issues and would be pleased to discuss SALT with you personally at any time during the coming months.

Sincerely,

The Honorable Barry Goldwater  
United States Senate  
Washington, D.C. 20510

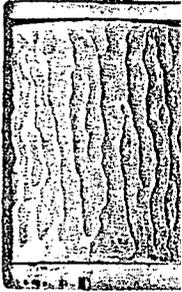
THE WHITE HOUSE  
WASHINGTON  
01 Jun 79

Jerry Rafshoon  
Jody Powell

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

Rick Hutcheson

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

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

ACTION

May 31, 1979

MEMORANDUM FOR: THE PRESIDENT  
THROUGH: JODY POWELL *JPP*  
JERRY RAFSHOON *JR*  
FROM: JERRY SCHECTER *JS.*  
SUBJECT: Korean Press Interview

There is concentrated Korean interest in a Presidential interview to set the stage for your visit to Seoul. The Koreans have never had an opportunity to hear your views directly. They are curious and, in view of the Japanese interviews you will be giving, we need to balance the scales with a similar gesture.

To minimize your time involvement, we propose to have the NSC and State prepare written answers to questions that will be submitted by the Orient Press, one of South Korea's two major news agencies which serves over 51 local and national papers. You would then meet briefly (five minutes) with their Washington correspondent for an informal chat and picture. We have utilized this format successfully before with the Egyptian correspondent from the Middle East News Agency.

We recommend that you approve this plan for a Korean interview.

APPROVE  DISAPPROVE

*J*

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THE WHITE HOUSE  
WASHINGTON

01 Jun 79

FOR THE RECORD:

TO: STRIPPING FOR MAILING  
CC: LANDON BUTLER.

2396

THE WHITE HOUSE  
WASHINGTON

SUSAN:

LANDON BUTLER RECOMMENDS;  
SPEECHWRITERS HAVE CLEARED.

RICK

A handwritten signature in dark ink, appearing to be "Rick Warren". The signature is written in a cursive style with a large, looped initial "R" and a distinct "W" at the end.A handwritten signature in dark ink, consisting of a large, stylized initial "R" followed by a few more strokes, possibly forming a name like "Rick".



THE WHITE HOUSE  
WASHINGTON

May 31, 1979

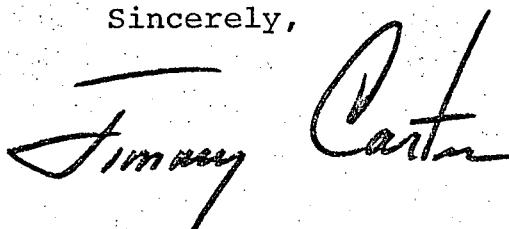
To Tom Watson

This is to acknowledge your recent letter and to express my warmest thanks for the indispensable support which I have received from you and from the other members of the General Advisory Committee.

As you know, I view SALT as the major component of a broader effort at arms control encompassing the Comprehensive Test Ban and Anti-Satellite treaties. I have set no higher priority for my Presidency than the successful conclusion of these treaties. With regard to SALT, in particular, I will do everything possible to communicate to the Senate and the American people the fundamental importance of ratification to the security of our nation and our hopes for peace. I am counting on your help in that effort.

Please accept my thanks for the Committee's endorsement of our SALT II efforts and for your continued and highly-valued contribution as chairman.

Sincerely,



Mr. Tom Watson, Jr., Chairman  
General Advisory Committee on  
Arms Control and Disarmament  
Washington, D.C. 20451



GENERAL ADVISORY COMMITTEE  
On Arms Control and Disarmament  
WASHINGTON, D.C. 20451

May 10, 1979

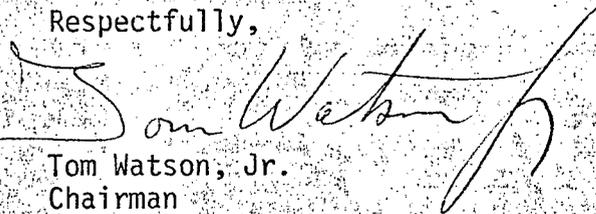
Dear Mr. President:

Your General Advisory Committee has been following the negotiations on SALT II for the last fifteen months. We have had briefings on all aspects of the treaty and repeated opportunities to discuss its principal issues with senior members of your Administration as well as leading outside critics.

The Committee as a whole warmly congratulates you on the successful conclusion of Round II of the SALT talks. This long and difficult negotiation stretching over three administrations is a significant step in the search for a safer world. We endorse your efforts.

Furthermore, both your commitment to a strong defense posture for the United States and your continued quest for more effective arms control are reassuring.

Respectfully,



Tom Watson, Jr.  
Chairman

The President  
The White House

C

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

May 31, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

From: Lyle E. Gramley *LSG*

Subject: Employment and Unemployment in May

Tomorrow (Friday, June 1) at 9:00 A.M., the Bureau of Labor Statistics will release the May statistics on employment and unemployment. Employment rose in May, but more moderately than we expected. The unemployment rate was unchanged at 5.8 percent.

In April, both the labor force and total employment in the household sample survey had declined sharply -- by roughly 600,000. We thought this was an aberration, and that a strong rebound would occur in May. A recovery did occur, but of moderate dimensions. The civilian labor force rose by 136,000, and employment increased by 144,000. The unemployment rate rose slightly for whites (from 4.9 to 5.0 percent), and declined slightly for blacks (from 11.8 to 11.6 percent). Unemployment rates for major labor force groups -- by age, sex, and race -- have shown little change since last September.

The number of employees on payrolls of nonfarm businesses (these data are derived independently of the household sample) rose 171,000 in May; revised data show no increase in April. Aggregate hours worked in May increased 1.0 percent for all nonfarm business and 2.4 percent for manufacturing. Hours worked had been depressed in April by the Teamsters strike and other factors. The May increase did not recover all of the ground lost in April.

These May figures imply a substantial slowdown in the growth of labor demand in the second quarter (see table). Total payroll employment, which rose by over 300,000 a month in the first three months of 1979, increased by less than 100,000 a month in April and May. And since the length of the work week declined, aggregate hours worked in all nonfarm businesses fell somewhat in the past two months.

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THE WHITE HOUSE  
WASHINGTON

6/1/79

Mr. President:

Jerry would like to set the interview at 11:30 am in the Oval Office. If you approve you need to move to your study at 10:45 am.

approve     disapprove

Phil

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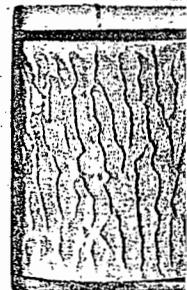
THE WHITE HOUSE  
WASHINGTON  
01 Jun 79

Tim Kraft  
Arnie Miller

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

Rick Hutcheson

2 memos attached.



FOR ACTION  
FYI

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<input type="checkbox"/>	LAST DAY FOR ACTION

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<input type="checkbox"/>	EYES ONLY

THE WHITE HOUSE  
WASHINGTON

C

May 31, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT *TK*  
ARNIE MILLER *AM*

SUBJECT:

Advisory Commission on Intergovernmental  
Relations

There is a vacancy for a Democratic State Legislator on the Advisory Commission on Intergovernmental Relations. As required by law, the National Conference of State Legislatures has submitted a list of names. After consultation with Jack Watson, we recommend that you appoint Leo McCarthy, Assemblyman from California.

RECOMMENDATION:

Appoint Leo McCarthy as a member of the Advisory Commission on Intergovernmental Relations.

approve

disapprove

*J*

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National  
Conference  
of State  
Legislatures

Office of  
State  
Federal  
Relations

444  
North Capitol  
Street, N.W.  
2nd Floor  
Washington, D.C.  
20001  
202/624-5400

President  
Jason Boe  
President of  
The Oregon Senate

Executive Director  
Earl S. Mackey

July 19, 1978

Ms. Peggy Rainwater  
Associate Director  
Office of Presidential Personnel  
The White House  
Washington, D.C. 20500

Dear Ms. Rainwater:

As you may know, Speaker Sabo and Speaker Briscoe will be leaving the Commission at the end of this year as a result of their retiring from their legislatures. In order to insure continuity of State legislative representation on the ACIR, I would like to recommend the following legislators for membership on the ACIR:

1. Senator Jason Boe, Oregon
2. Representative Richard Hodes, Florida
3. Assemblyman Leo McCarthy, California
4. Speaker Stanley Steingut, New York
5. Representative John Bragg, Tennessee
6. Senator Gordon Walgren, Washington

In light of their past and present service with NCSL, I would like to recommend that Senator Jason Boe, President of NCSL, and Representative Richard Hodes, Vice President of NCSL be nominated as the two new State legislative appointees to ACIR.

Sincerely,

Earl S. Mackey  
Executive Director

ESM:bj

1955, formerly set out as a note under this section, prescribed the compensation of the Director of the Office, and authorized the Director to appoint such personnel as he deems necessary and to obtain the services of experts and consultants.

Legislative History. For legislative history and purpose of Pub.L. 89-330, see 1966 U.S.Code Cong. and Adm.News, p. 2834.

### § 4272. Declaration of purpose

Because the complexity of modern life intensifies the need in a federal form of government for the fullest cooperation and coordination of activities between the levels of government, and because population growth and scientific developments portend an increasingly complex society in future years, it is essential that an appropriate agency be established to give continuing attention to intergovernmental problems.

It is intended that the Commission, in the performance of its duties, will—

- (1) bring together representatives of the Federal, State, and local governments for the consideration of common problems;
- (2) provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation;
- (3) give critical attention to the conditions and controls involved in the administration of Federal grant programs;
- (4) make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system;
- (5) encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation;
- (6) recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government; and
- (7) recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

Pub.L. 89-330, § 2, Sept. 24, 1959, 73 Stat. 703.

#### Historical Note

Legislative History. For legislative history and purpose of Pub.L. 89-330, see 1966 U.S.Code Cong. and Adm.News, p. 2834.

CHAPTER 53.—ADVISORY COMMISSION ON INTER-  
GOVERNMENTAL RELATIONS

- Sec.
- 4271. Establishment.
  - 4272. Declaration of purpose.
  - 4273. Membership of the Commission; appointment of members; term.
  - 4274. Organization of the Commission.
    - (a) Initial meeting.
    - (b) Chairman and Vice Chairman.
    - (c) Vacancies in membership.
    - (d) Termination of service in official position from which originally appointed.
    - (e) Quorum.
  - 4275. Duties of the Commission.
  - 4276. Powers and administrative provisions.
    - (a) Hearings; oaths and affirmations.
    - (b) Cooperation by Federal agencies.
    - (c) Executive director.
    - (d) Appointment and compensation of other personnel; temporary and intermittent services.
    - (e) Applicability of other laws to employees.
    - (f) Maximum compensation of employees.
  - 4277. Compensation of members.
  - 4278. Authorization of appropriations.
  - 4279. Receipt of funds; consideration by Congress.

§ 4271. Establishment

There is established a permanent bipartisan commission to be known as the Advisory Commission on Intergovernmental Relations, hereinafter referred to as the "Commission".

Pub.L. 86-350, § 1, Sept. 24, 1959, 73 Stat. 703.

Historical Note

Termination of Office of Intergovernmental Relations. Ex.Ord.No.11455, Feb. 11, 1949, 34 F.R. 2209, formerly set out as a note under this section, which established the Office of Intergovernmental Relations and prescribed its functions, was revoked by section 4 of Ex.Ord.No.11859, Dec. 14, 1972, 37 F.R. 23815, set out as a note under section 201 of Title 3. The President. Section 5 of Ex.Ord.No.11859 transferred the records, property, personnel and funds of the Office of Inter-

governmental Relations to the Domestic Council.

Office of Intergovernmental Relations; Authorization of Appropriations; Compensation of Director; Appointment of Personnel; Experts and Consultants. Pub.L. 91-156, Dec. 30, 1969, 83 Stat. 849, authorized the appropriation of such sums as may be necessary for the expenses of the Office of Intergovernmental Relations, established by Ex.Ord.No.

§ 4273. Membership of the Commission; appointment of members; term

(a) The Commission shall be composed of twenty-six members, as follows:

(1) Six appointed by the President of the United States, three of whom shall be officers of the executive branch of the Government, and three private citizens, all of whom shall have had experience or familiarity with relations between the levels of government;

(2) Three appointed by the President of the Senate, who shall be Members of the Senate;

(3) Three appointed by the Speaker of the House of Representatives, who shall be Members of the House;

(4) Four appointed by the President from a panel of at least eight Governors submitted by the Governors' Conference;

(5) Three appointed by the President from a panel of at least six members of State legislative bodies submitted by the board of managers of the Council of State Governments;

(6) Four appointed by the President from a panel of at least eight mayors submitted jointly by the National League of Cities and the United States Conference of Mayors; and

(7) Three appointed by the President from a panel of at least six elected county officers submitted by the National Association of Counties.

(b) The members appointed from private life under paragraph (1) of subsection (a) of this section shall be appointed without regard to political affiliation; of each class of members enumerated in paragraphs (2) and (3) of subsection (a) of this section, two shall be from the majority party of the respective houses; of each class of members enumerated in paragraphs (4), (5), (6), and (7) of subsection (a) of this section, not more than two shall be from any one political party; of each class of members enumerated in paragraphs (5), (6) and (7) of subsection (a) of this section, not more than one shall be from any one State; at least two of the appointees under paragraph (6) of subsection (a) of this section shall be from cities under five hundred thousand population.

(c) The term of office of each member of the Commission shall be two years; members shall be eligible for reappointment; and, except as provided in section 4274(d) of this title, members shall serve until their successors are appointed.

Pub.L. 86-280, § 3, Sept. 24, 1959, 73 Stat. 704; Pub.L. 89-733, §§ 1, 2, Nov. 2, 1966, 80 Stat. 1162.

*Handwritten notes:*  
 - A large 'X' is drawn over the right side of the text.  
 - The name "Walt" is written in the margin.  
 - The number "570" is written in the margin.  
 - The number "600" is written in the margin.  
 - The number "730" is written in the margin.  
 - The number "741" is written in the margin.

Historical Note

1955 Amendment. Subsec. (a)(6). Pub.L. 89-733, § 1, substituted "National League of Cities" for "American Municipal Association."

Subsec. (a)(7). Pub.L. 89-733, § 1, substituted "National Association of Counties" for "National Association of County Officials."

Subsec. (c). Pub.L. 89-733, § 2 inserted provision that members shall serve

until their successors are appointed, except as provided in section 4273(d) of this title.

Legislative History. For legislative history and purpose of Pub.L. 89-733, see 1959 U.S. Code Cong. and Adm. News, p. 2803. See also, Pub.L. 89-733, 1959 U.S. Code Cong. and Adm. News, p. 2802.

§ 4274. Organization of the Commission—Initial meeting

(a) The President shall convene the Commission within ninety days following September 24, 1959 at such time and place as he may designate for the Commission's initial meeting.

Chairman and Vice Chairman

(b) The President shall designate a Chairman and a Vice Chairman from among members of the Commission.

Vacancies in membership

(c) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made; except that where the number of vacancies is fewer than the number of members specified in paragraphs (4), (5), (6), and (7) of section 4273(a) of this title, each panel of names submitted in accordance with the aforementioned paragraphs shall contain at least two names for each vacancy.

Termination of service in official position from which originally appointed

(d) Where any member ceases to serve in the official position from which originally appointed under section 4273(a) of this title, his place on the Commission shall be deemed to be vacant.

Quorum

(e) Thirteen members of the Commission shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings.

Pub.L. 86-380, § 4, Sept. 24, 1959, 73 Stat. 705.

Historical Note

Legislative History. For legislative history and purpose of Pub.L. 86-380, see 1959 U.S. Code Cong. and Adm. News, p. 2803.

§ 4273

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4275. Duties of the Commission

It shall be the duty of the Commission—

- (1) to engage in such activities and to make such studies and investigations as are necessary or desirable in the accomplishment of the purposes set forth in section 4272 of this title;
- (2) to consider, on its own initiative, ways and means for fostering better relations between the levels of government;
- (3) to submit an annual report to the President and the Congress on or before January 31 of each year. The Commission may also submit such additional reports to the President to the Congress or any committee of the Congress, and to any unit of government or organization as the Commission may deem appropriate.

Pub.L. 86-330, § 5, Sept. 24, 1959, 73 Stat. 705.

Historical Note

Legislative History. For legislative history - 1959 U.S. Code Cong. and Adm. News, p. 2893 and purpose of Pub.L. 86-330, see 2893.

4276. Powers and administrative provisions—Hearings; oaths and affirmations

(a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this chapter, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

Cooperation by Federal agencies

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this chapter.

Executive director

(c) The Commission shall have power to appoint, fix the compensation of, and remove an executive director without regard to the civil service laws and chapter 51 and subchapter III of chapter 53 of Title 5. Such appointment shall be made solely on the basis of fitness to perform the duties of the position and without regard to political affiliation.

Appointment and compensation of other personnel: temporary  
and intermittent services

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman, without regard to the civil service laws and chapter 51 and subchapter III of chapter 53 of Title 5, and without reference to political affiliation, shall have the power—

- (1) to appoint, fix the compensation of, and remove such other personnel as he deems necessary,
- (2) to procure temporary and intermittent services to the same extent as is authorized by section 15 of the Administrative Expenses Act of 1946 but at rates not to exceed \$50 a day for individuals.

Applicability of other laws to employees

(e) Except as otherwise provided in this chapter, persons in the employ of the Commission under subsections (c) and (d)(1) of this section shall be considered to be Federal employees for all purposes, including—

- (1) the Civil Service Retirement Act, as amended,
- (2) the Federal Employees' Group Life Insurance Act of 1954, as amended,
- (3) annual and sick leave, and
- (4) the Travel Expense Act of 1949, as amended.

Maximum compensation of employees

(f) No individual employed in the service of the Commission shall be paid compensation for such employment at a rate in excess of the rate provided for grade 18 under the General Schedule, except that the executive director of the Commission may be paid compensation at any rate not exceeding the rate prescribed for level V in the Federal Executive Salary Schedule of the Federal Executive Salary Act of 1964.

Pub.L. 85-580, § 6, Sept. 24, 1959, 73 Stat. 705; Pub.L. 83-426, Title III, § 305(a), Aug. 14, 1964, 78 Stat. 429; Pub.L. 89-733, §§ 3, 4, Nov. 2, 1966, 80 Stat. 1162.

Historical Note

**References in Text.** The civil service laws, referred to in subsec. (c) and (d), are classified generally to Title 5, Government Organization and Employees.

Section 15 of the Administrative Expenses Act of 1946, referred to in subsec. (d), was repealed in the general revision of Title 5, and the provisions are now covered by section 310 of Title 5.

The Civil Service Retirement Act, as amended, referred to in subsec. (e), was repealed in the general revision of Title 5, and the provisions are now covered by sections 8301, 8302 and 8303 et seq. of Title 5.

The Federal Employees' Group Life Insurance Act of 1954, as amended, referred to in subsec. (e), was repealed in

THE WHITE HOUSE

WASHINGTON

May 30, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT <sup>TK</sup>  
ARNIE MILLER ~~AM~~

SUBJECT: Presidential Appointment

We join Secretary Brown in recommending John Howard Moxley III, of California, to be an Assistant Secretary of Defense, vice Robert N. Smith, resigned.

Mr. Moxley is currently the Vice Chancellor for Health Sciences and Dean of the School of Medicine of the University of California.

Mr. Moxley's area of responsibility will be Health Affairs.

All necessary checks have been completed.

RECOMMENDATION:

We recommend that you nominate Mr. Moxley to be an Assistant Secretary of Defense.

approve  disapprove

J

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for Preservation Purposes



THE SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

March 7, 1979

MEMORANDUM FOR HONORABLE TIM KRAFT

FROM: Harold Brown, Secretary of Defense

SUBJECT: Proposed Presidential Appointment

1. Full name: John Howard Moxley III
2. Social security number: 506-36-8456
3. Level of appointment: Executive Level IV
4. Department: Department of Defense
5. City and State: Washington, D.C.
6. Exact position title: Assistant Secretary of Defense for Health Affairs
7. Political affiliation: Registered Democrat
8. Voting address: 2611 Crown Crest Lane  
La Jolla, California 92037
9. Mailing address: 2611 Crown Crest Lane  
La Jolla, California 92037
10. Ethnic background: WASP
11. Sex: Male
12. Date and place of birth: January 10, 1935  
Elizabeth, New Jersey
13. Name of person being replaced: Vacancy. Last previous incumbent  
Robert N. Smith
14. Reason for replacement: Resignation
15. Recommended by: Harold Brown
16. Date: March 7, 1979

17. Dr. Moxley was selected for this important and technically demanding position after an extensive search including physicians with experience in and understanding of military health matters. His qualifications, which are outstanding, include both medical science training and highest-level executive experience. He is currently serving as the Vice Chancellor for Health Sciences and Dean of the School of Medicine of the University of California, San Diego. Dr. Moxley has extensive experience as a physician and in health care organization and management. He has served as a member of the President's National Advisory Commission on Health Manpower and as a clinical associate and consultant at Veterans Hospitals. Dr. Moxley is a Democrat who fully supports President Carter's policies.

*Harold Brown*

Attachments

JOHN HOWARD MOXLEY III

born: January 10, 1935  
Elizabeth, New Jersey - USA

Married: Priscilla Lichty

Children: John IV  
Brook  
Mark

Office Address: University of California, San Diego  
School of Medicine - M-002  
La Jolla, California 92093 714-452-3711

Home Address: 2611 Crown Crest Lane  
La Jolla, California 92037 714-452-0609

Degrees

1957 A.B. Williams College (Williamstown, Massachusetts)  
1961 M.D. University of Colorado School of Medicine

Experience

1961-62 Medical House Officer - Peter Bent Brigham Hospital (Boston, Mass.)  
1962-63 Assistant Resident Physician - Peter Bent Brigham Hospital  
1963-65 Clinical Associate - National Cancer Institute, Solid Tumor Branch,  
National Institutes of Health (Bethesda, Maryland)  
1965-66 Senior Resident Physician - Peter Bent Brigham Hospital  
1965-77 Member, Lymphoma Task Force - National Cancer Institute (Bethesda, Md.)  
1966-67 Staff Member, President's National Advisory Commission on Health  
Manpower  
1966-69 Instructor in Medicine and Assistant to the Dean - Harvard Medical  
School (Boston, Massachusetts)  
Junior Associate in Medicine - Peter Bent Brigham Hospital  
Courtesy Staff, Department of Medicine - Cambridge City Hospital  
(Cambridge, Massachusetts)  
Clinical Associate - Veterans Administration Hospital (West Roxbury,  
Massachusetts)  
1969-73 Dean, University of Maryland School of Medicine and Associate  
Professor of Medicine - University of Maryland (Baltimore, Maryland)  
1970-73 Consultant - Loch Ravel Veterans Administration Hospital (Baltimore, Md.)  
1973-- Vice Chancellor for Health Sciences and Dean of the School of Medicine,  
University of California, San Diego. Also Associate Professor of  
Medicine.

Memberships

Alpha Omega Alpha (1961)  
Massachusetts Medical Society (November 1966)  
American Public Health Association (1968)  
American Federation for Clinical Research (Fellow, 1968)  
Diplomate, American Board of Internal Medicine (November 1968)  
Member and Chairman, Board of Trustees, Community College of Baltimore (1969-1973)  
Member, Board of Trustees, Mercy Hospital (Baltimore) - (September 1969-1973)  
Medical & Chirurgical Faculty of the State of Maryland, and Baltimore City  
Medical Society (1970-1973)  
Member, Construction of Schools of Medicine Review Committee, Bureau of Health  
Professions Education, National Institutes of Health, Bethesda, Maryland  
(1970-1973)  
Member, Committee on Graduate Medical Education, Council on Medical Education,  
American Medical Association (1970-1976)  
Member, Overseers Committee to Visit the Harvard Medical School and School of Dental  
Medicine (1970-1976)  
Consultant, Food and Drug Administration, Department of Health, Education and Welfare  
(1972-1976)  
AMA Representative, National Board of Medical Examiners (1972-1976)  
Fellow, American College of Physicians (1972)  
Trustee, University of California San Diego Foundation (1973--)  
Member, San Diego County Medical Society (1974--)  
Consultant, Bureau of Health Resources Development, USPHS, San Francisco Regional  
Office (1974-1977)  
Consultant, National Advisory Council on Health Professions Education, USPHS,  
(1975-1977)  
Trustee, Children's Hospital and Health Center, San Diego, California (1974--)  
Member, Rotary Club (1974--)  
Member, San Diego Chamber of Commerce (1974--)  
Member, Board of Directors, Comprehensive Health Planning Association, San Diego  
(1975-1976)  
Member, Committee on Continuing Medical Education, and Accreditation of Continuing  
Medical Education, California Medical Association (1976--)  
Member, Executive Committee of Scientific Board, California Medical Association  
(1976--) - Chairman, 1978--  
Member, Governing Body, Health Systems Agency for San Diego and Imperial Counties  
(1976--)  
Member, Society of Medical Administrators (since 1970)  
Consultant, Institutional Strategy Associates, Cambridge, Mass. (since 1974)

Awards and Honors

May 1974 - Silver and Gold Award, University of Colorado School of Medicine,  
Alumni Association (awarded to outstanding alumnus yearly).  
May 1977 - Commissioner's Special Citation - Food and Drug Administration (for  
outstanding service to the over-the-counter drug study, carried out  
between 1972 and 1977).  
March 1978 - "Headliner of the Year - Medicine" - San Diego Press Club.

JOHN HOWARD MOXLEY III, M.D.

Medical Licensure:

- Colorado (1962)
- Massachusetts (1966)
- Maryland (1969)
- California (1974)

Publications

1. Devita, Vincent T., Moxley, John H. III, Brace, Kirkland, and Frei, Emil III: Combination chemotherapy and x-irradiation in the treatment of Hodgkins' Disease. Proc. Am. Assoc. Cancer Res., 6:15, 1965 (abstract).
2. Perry, Seymour, Moxley, John H. III, Weiss, George H., and Zelen, Marvin: A new concept of the kinetics of granulocytes in chronic myelocytic leukaemia. Presented to the American Society of Hematology Annual Meeting, Philadelphia, Pennsylvania, December 1965.
3. Moxley, John H. III, Perry, Seymour, Weiss, George H., and Zelen, Marvin: Return of leukocytes to the bone marrow in chronic myelocytic leukaemia. Nature, 208:1281, 1965.
4. Perry, Seymour and Moxley, John H. III: Investigations of leukocyte kinetics in normal and leukaemic individuals by means of scintillation counting. Nature, 209:882, 1966.
5. Frei, Emil III, DeVita, Vincent T. II, Moxley, John H. III and Carbone, Paul C.: Approaches to improving the chemotherapy of Hodgkins' Disease. Cancer Res., 25:1284, 1966.
6. Moxley, John H. III, DeVita, Vincent T. II, Brace, Kirkland and Frei, Emil III: Intensive combination chemotherapy and x-irradiation in Hodgkins' Disease. Cancer Res., 27:1258-1263, July 1967.
7. Perry, Seymour, Moxley, John H. III, Weiss, George H., and Zelen, Marvin: Studies of leukocyte kinetics by liquid scintillation counting in normal individuals and in patients with chronic myelocytic leukemia. J. Clin. Investi., 45:1388, 1965.
8. Moxley, John H. III: The predicament in health manpower. Am. Jour. of Nursing, 68:1486-1490, No. 7, July 1968.
9. Moxley, John H. III: Legislation and social pressures for continuing education. Journal of the American College of Dentists. Vol. 36, pp. 153-205, July 1969.
10. Moxley, John H. III: The academic medical center - present and future. University of Maryland Bulletin, Vol. 56, No. 4, October 1971.
11. DeVita, Vincent T., Cannellos, George P., and Moxley, John H. III: A decade of combination chemotherapy of advanced Hodgkins' Disease. Cancer Research, 30:1495-1504, December 1972.

JOHN HOWARD MOXLEY III

12. Moxley, John H. III: Health care crisis -- role of academic medical center. Md. State Med. Jour., October 1972, pp. 50-53.
13. Moxley, John H. III, Yingling, Gary L. and Edwards, Charles C.: The Food & Drug Administration's over-the-counter drug review: why review OTC drugs? Federation Proceedings, Vol. 32, No. 4, April 1973.
14. Moxley, John H. III: Epidemiology in medical education. International Journal of Epidemiology 2:367-370, 1973.
15. Moxley, John H. III: A challenge to examination systems in medicine: From the perspective of the medical educator. Proceedings of the NBME Annual Conference, Philadelphia, March 23, 1978.

THE WHITE HOUSE  
WASHINGTON  
01 Jun 79

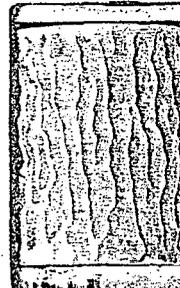
Bob Lipshutz

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

Rick Hutcheson

Tim Kraft  
Frank Moore

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FOR ACTION  
FYI

	FOR STAFFING
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	LOG IN/TO PRESIDENT TODAY
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VICE PRESIDENT

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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

Mr. President:

C. W. A. would like you to appoint  
Judge George W. White as U. S.  
District Judge at Cleveland, Ohio.

(George White is our largest vote  
getter and a respected member of  
the Black community.)

THANKS, *Marty Hughes*

MARTIN J. HUGHES, International Vice President

20525 Center Ridge Road  
Cleveland, Ohio 44116  
(216) 333-6363



communications workers of america

AFL-CIO



THE WHITE HOUSE  
WASHINGTON

5-31-79

To Lipschutz

Have we acted  
on this?

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for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON  
01 Jun 79

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teh President's outbox today  
and is forwarded to you  
for appropriate handling.

Rick Hutcheson

The Vice President

FOR ACTION  
FYI

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

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	JORDAN
✓	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
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	WATSON <i>of top page</i>
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	ANDRUS
	BELL
	BERGLAND
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	CALIFANO
	HARRIS
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	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE  
WASHINGTON  
May 30, 1979

Let Fritz  
do this  
J

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Telephone Call to Alton Whitehouse,  
Sohio

Attached are suggested talking points which all agencies in the Inter-Agency Energy group feel that you should make to the Chairman of the Board of Sohio.

We have been working for some time with Congressman Dingell and Senator Jackson on legislation which would have avoided further litigation and accelerated the permitting process, because of statements by Sohio that these actions were necessary to make the pipeline financially viable.

This legislation has been introduced and is being seriously pushed on the Hill. There is considerable consternation that Sohio will nevertheless refuse to build the pipeline.

It remains uncertain whether this is their final position. The inter-agency group feels it is important for you to call the Chairman of the Board of Sohio to find out whether all of the efforts that had been made to date are for naught. If this is true, you should indicate to him that you are greatly disappointed by his company's attitude and that the country needs the pipeline. If he is more open than the company's last public statement would indicate, you should indicate that you would like him to immediately consult with Secretary Schlesinger and define precisely the circumstances under which they will be willing to proceed without equivocation.

It is felt that even if he turns you down, that it would be a positive press story to have you make one last effort on behalf of the country, having pushed the Chairman of the Board of a major oil company.

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- o Shortly after the Schlesinger meeting, hearings on the project were held in both the House and the Senate on the project. At those hearings Mr. Whitehouse said he doubted that a solution could be worked out in the necessary timeframe, but he rejected his commitment given at the Schlesinger meeting. He suggested the following solution:

"... what it will take, if you wish to do it, is a fairly dispositive piece of legislation much like the Trans Alaska Pipeline Authorization Act you passed in 1973. ... (A) workable answer probably comes down to that kind of legislation."

- o DOE drafted legislation that would go even beyond the Trans Alaska Pipeline Act. It would prohibit all litigation on the project at both the Federal and state levels. This legislation was discussed with California officials and congressional leaders, all of whom indicated a willingness to support it. It has been cleared by OMB and is ready to be transmitted to the Congress. In the meantime, on May 22, Senator Jackson introduced legislation that was much like the DOE bill. The State of California has fully completed the permitting process (except for a few very minor procedural steps that will be completed in the next few weeks).
- o On May 21, Mr. Whitehouse told a reporter for the New York Times that Sohio intended to wait only for another 30 days, rather than the full six months, before making a final decision on the project.
- o On May 24, again without any prior consultation with Federal or state officials and with full knowledge that the Administration was about to offer a legislative solution that has widespread support. Sohio announced that it is abandoning the project (see attached release).

#### Suggested Points to Make to Sohio

- o There is a national interest in this pipeline project that extends well beyond Sohio's private interests. While we do not expect Sohio to spend money on a project that is plainly uneconomical to it, Sohio's own statements indicate that is not yet the case.
- o We are disappointed that it has decided once again to abandon the project without prior consultation and without waiting out the completion of the Administration's

efforts at a legislative solution, as Sohio had agreed to do. We feel there has been a breach of faith.

- o We want Sohio to again reconsider its decision and give the Congress a reasonable period of time to act on the Administration's bill.

Talking Points for Conversation With  
Alton Whitehouse, Chairman of the  
Board of Sohio, Regarding the Sohio Pipeline Project

Background -- History of Recent Discussions with Sohio

- o In January 1979, Sohio told DOE and California officials that its analysis showed that the pipeline would no longer be economically advantageous unless the permitting process is completed and all litigation is terminated by the fall of 1979.
- o DOE and California officials immediately agreed to a schedule that would complete the permitting process by the summer of 1979.
- o Sohio lobbied the California legislature in January and February for legislation that would cut off all state court litigation on the project. The legislature was unwilling to adopt such legislation because of concern about the precedent it would establish for less worthy projects. But the legislature did enact legislation that requires the state courts to expedite any litigation on the project. This legislation was signed by Governor Brown on May 24, 1979.
- o Even though substantial progress was being made at the state level to comply with Sohio's requests for expedition of the permitting and litigation process, in March 1979 Sohio -- without prior consultation with Federal or state officials -- suddenly announced it was abandoning the project. The reason given was that it did not expect the permitting process to have been completed and all litigation to have been terminated within the next six months, as would be necessary if the project was to be financially feasible.
- o Within a week after this announcement, Secretary Schlesinger called a meeting of Sohio and California officials, Congressman Udall and Dingell, Senators Jackson and Cranston, and others to determine whether it was not still possible to salvage the project. At that meeting, the Federal and state officials agreed to try to find a way to complete the issuance of permits and have all litigation terminated within six months. While Sohio (Mr. Whitehouse) did not commit itself to go forward with the project, it did agree to give government officials approximately four to six months to deal with the problem and reassess its decision at the end of that time.

12 Midland Building  
Cleveland, Ohio 44115

Washington Contact: William C. Rountree  
The Standard Oil Co. (Ohio)  
1050 17th St., N.W.  
Washington, D.C. 20036  
(202) 785-4888

FOR RELEASE AT 9:00 a.m.

FRIDAY, MAY 25, 1979

CLEVELAND, Ohio, May 25--The board of directors of The Standard Oil Co. (Ohio) unanimously reaffirmed yesterday the company's March 13 decision to abandon its long standing project to build a crude oil pipeline from Long Beach, California to Midland, Texas.

Board Chairman Alton W. Whitehouse noted that Sohio's March abandonment announcement had caused a flurry of last minute permitting decisions in California which is still in process, and had led to some responsible and serious legislative consideration by Congress and the California Legislature of how the project might be saved at this late date.

"Senator Jackson, Congressmen Dingell and Udall, Secretaries Schlesinger and Andrus, and the California Legislature have tried to search out ways that would help, and I appreciate their thoughtful consideration," Whitehouse said.

"The fact of the matter is that neither these government leaders nor Sohio can turn around the results of five years of delay which have substantially eroded the economic attractiveness of this project," he said.

Whitehouse noted that "Sohio has restudied the economics of the project and analyzed the impacts of the events of the last few months on U.S. crude oil supplies particularly on the West Coast. Today the project's economics are marginal at best and do not support the inherent risks in the project. Indeed, the probability of further erosion in the economics has led us to reaffirm our abandonment decision.

"I am still hopeful that an economic means of bringing crude oil to the Midwest from the West Coast can be found. I am instructing Sohio representatives to explore again the possibility of a northern pipeline including Canadian alternatives and, for that matter, any other reasonable alternatives that may develop," Whitehouse said.

"If there is a substantial increase of oil available on the West Coast in the future, Sohio and others would no doubt examine again the possibility of a west-to-east crude oil pipeline system," he said.

Whitehouse added that "Sohio is willing to make available on a reasonable basis to any interested company Sohio's preparatory work on the abandoned project.

"The abandonment of this project will not impair the ability of Sohio to move its share of Alaskan oil production to markets in the U.S. nor will it have any impact on crude oil or product prices," Whitehouse said.

"Finally, I'd like to thank all the people who tried to help our project during the last five years . . . people in Washington, Texas, New Mexico, Arizona and California, particularly the people in Long Beach, people in Alaska and many hard working, frustrated Sohioans."

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## THE WHITE HOUSE

WASHINGTON

INFORMATION

May 31, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI   
SUBJECT: Marvin Warner's Letter

The memo from Warren Christopher at Tab A responds to your request for State/OMB/NSC reactions to the comments and recommendations which accompanied Marvin Warner's letter of resignation (Tab B).

Christopher worked closely with us in preparing this response; it reflects the views and concurrence of both Jim McIntyre and Henry Owen.

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DEPARTMENT OF STATE  
WASHINGTON

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May 30, 1979



MEMORANDUM FOR: THE PRESIDENT

From: Warren Christopher, Acting Secretary *WC*

Subject: Marvin Warner's Letter

You asked for comments on the major points raised in Marvin Warner's resignation letter (attached).

I. Financial. Marvin suggests eliminating withholding tax on interest and dividend income from US securities purchased by foreigners. Treasury is currently considering a proposal to eliminate withholding taxes on interest paid to foreigners to attract new investment in the US securities market. The revenue cost would be relatively modest (about \$25 million annually).

II. Economic (Exports). Marvin calls for appointment of a Presidential Assistant on exports. As you know, OMB is now reviewing how best to organize trade and export policy in the executive branch; this possibility can be considered in that regard.

Marvin refers to a proposed export program which he submitted to State in April 1978. This was in response to a request to all overseas missions for comments on ways to improve US export performance. Marvin offered nine recommendations, several of which appeared in modified form in Juanita Kreps's memorandum to you last July concerning a national export policy. These included

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proposals for increased export tax incentives (disapproved), a resolution of method of taxation on Americans living abroad (disapproved), increased EXIM funding and flexibility (approved), and a Commerce program to aid associations and small companies in meeting initial export marketing costs (approved). Marvin also recommended establishment of industry/government hospitality centers in major US cities to help foreign buyers. We already have such operations in place at several international trade exhibits in the US.

The "people-to-people" approach to export promotion has been highly effective in Switzerland, due in large part to the small, tightly-knit nature of that market and Marvin's own efforts. We are disseminating information about these and other new export promotion techniques to our posts abroad.

Exchange rate changes make the US attractive to Swiss tourists. Our Embassy in Bern has capitalized on these developments and helped promote additional travel to the US through the personalized letters that Marvin mentioned.

III. Taxation of Americans Working Abroad. Foreign nationals working abroad in third countries have lower tax liabilities than their American counterparts. You recall the active debate on this issue within the Administration throughout 1977-78. The Foreign Earned Income Act (FEIA), enacted in November 1978, retains the principle that American citizens have US income tax obligations regardless of location. But, the law does reduce the tax base of overseas Americans by permitting deductions for the added costs of housing, education, travel, and other foreign living expenses. American firms claim that the FEIA provides a disincentive to hire Americans as opposed to other foreign nationals to man foreign operations, and that this results in the writing of specifications in contracts which lead to purchases from other countries rather than the US.

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IV. Embassy Personnel. Marvin asserts that our Embassies are overstaffed and that substantial savings are possible through staff reductions. We talked with him and learned that he has in mind only marginal cuts and that these are primarily in non-State personnel. We are continuing our efforts to reduce governmental personnel overseas through the MODE (Monitoring of Overseas Direct Employment) system. While some agencies are still overstaffed abroad, many Ambassadors complain that a shortage of State personnel limits their capacity to carry out essential political and economic reporting and other critical functions. In any case, as you know, joint State/OMB teams are leaving later this week pursuant to your directive to visit a number of posts to review staffing and management problems and to make specific recommendations to you in time for the 1981 budget submission.

Marvin's strictures about efficiency reports are well deserved. Regarding incentives and reform, State has been working for some time on a major overhaul of the Foreign Service. Together with OMB and the Office of Personnel Management, we have drafted proposed legislation which we hope to introduce in June. The bill is modeled in many respects on the Civil Service Reform Act, but goes further in establishing performance as the main criterion for retention of senior-level officers. It also takes account of the requirements of the Foreign Service for periodic rotation between posts.

V. Embassy Additional Authority and Function. We fully agree with Marvin that Embassy personnel can perform many of the functions undertaken by Washington visitors. For that reason, State and other agencies are reducing unnecessary travel abroad, although there is obviously still room

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for improvement. Traveling Congressmen and their staffs pose the heaviest visitor burden on our Embassies. We consider these trips important in acquainting Members of Congress with our overseas activities, and in contributing to closer cooperation between the executive and legislative branches. The State/OMB teams will review the "meet and greet" function at each Embassy they visit and suggest a reduction of such services where justified.

VI. USG Departments and Our Embassies. As Marvin points out, the authority of a Chief of Mission, at least on paper, is clear, but few Ambassadors are satisfied with the degree of control they exercise over USG activities in their country of assignment. Most complain that inadequate personnel resources limit their ability to control and coordinate US activities abroad. It is doubtful, however, that a supplemental instruction to other governmental agencies about the Chief of Mission's authority, as Marvin has proposed, would lead to any significant improvement in the situation.

We try to use our Embassies abroad as the primary channel of contact with foreign governments. But, it would not be practical or cost-efficient to use them exclusively in this capacity. Where contacts take place between foreign embassies in Washington and the Department or other governmental agencies, we make every effort to inform our Embassies of such discussions.

Jim McIntyre, Henry Owen, and the NSC staff concur in this memo.

Attachment:

As stated.

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EMBASSY OF THE  
UNITED STATES OF AMERICA  
BERN MAY 15, 1979

cc Cy. H. Owen,  
J Mc Intyre.  
Marvin is a competent  
businessman, especially int-  
erested in trade and  
management. Please comment  
to me on his major points  
J

The President  
The White House

Dear Mr. President:

Please consider this letter as my notice of resignation as United States Ambassador to Switzerland effective on or about July 15, 1979.

Compelling personal considerations have prompted this decision.

My especial appreciation to Secretary Vance and the State Department for the full cooperation accorded me in the discharge of my duties.

As a result of my experiences in Switzerland, attached are observations and opinions which I feel it my responsibility to express.

Thank you sincerely for the signal honor to which you appointed me, and for the opportunity you provided me to serve our beloved country. I hope I have served well our republic and you, Mr. President.

Respectfully,

*Marvin L. Warner*

Marvin L. Warner  
Ambassador

Attachment  
As stated (3 pages)

cc: Secretary Vance

My observations and opinions are respectfully submitted on the following:

I. Financial

I believe our financial reporting has been discerning and timely. My letter to you February 3, 1978 underscored the dollar crisis and urged at that early date issuance of U.S. foreign denomination bonds.

I respectfully make another suggestion which also may be unpopular for the moment but will increase substantially capital flows (both debt and equity) to the U.S., i.e., legislation eliminating withholding tax on interest and dividend income from U.S. securities purchased by foreigners. This tax particularly adversely affects treasury bonds and diverts investment to the Eurodollar bond market where there is no withholding.

I. Economic (Exports)

The action you took November 1, 1978 in support of the dollar has been successful. The continuance of that success, in my humble opinion, Mr. President, is dependent on a balanced budget, on which you are diligently working and elimination of our trade deficit.

My prime recommendation is the appointment of a Presidential Assistant to be your coordinator, expeditor, and alter ego on exports; this appointment and positive action are badly needed because of the urgency of the export deficit problem, and the present divisive responsibilities involved. Such an assistant, reflecting your prestige and involvement, could work closely and effectively with the various Government Departments, Congress and the business community to encourage exports.

*check on this* L An aggressive, imaginative export program was submitted to State via Bern cable 1926 dated April 25, 1978. I respectfully urge its implementation. It concurs with State 051862 dated March 3, 1979 emphasizing the critical position of the Ambassador as the prime mover in the host country for American exports.

During my tour, in addition to normal embassy activities, especial emphasis was given U.S. exports and to U.S. tourist promotion with encouraging results.

In 1978 U.S. exports of manufactured goods to Switzerland increased by over 40%.

On exports, our approach in Bern is essentially a people-to-people program, wherein we invite U.S. exporting firms to meet with Swiss importers in the same room at the same time -- all under the auspices of the Embassy. It works. The program is simple, inexpensive and should be done on a worldwide basis.

Tourism to the U.S. increased from 90,000 in 1977 to over 120,000 in 1978 or 33%. Especially effective in this promotion were personalized letters from the embassy inviting the Swiss to visit the U.S.A.

### III. American Industry Representatives Abroad

The loss of Americans abroad representing American business is serious to our exports and the loss is getting worse. Seventy-five percent of U.S. firms in Switzerland are headed by foreigners and many U.S. firms here do not have a single American employee. It is the same all over Europe. Our priority being to increase exports, we should not treat our working Americans abroad differently than our export competitors treat their nationals abroad. Japan, West Germany, France, Britain, and Switzerland do not tax their nationals on income received away from their shores. They view their industry representatives as frontiersmen for their national products and exports.

### IV. Embassy Personnel

Embassies can be reduced in size effectuating substantial savings without effecting operations. They are overstaffed, if my small embassy is typical. Accordingly, larger embassies could be much more overstaffed. I recommended (Bern cable 6343 dated December 27, 1978) substantial reductions even though activity at the embassy is up in all sections, particularly Commercial and Consular. Action on that recommendation is pending.

Incentive and reform as in Civil Service is recommended.

Efficiency reports are written generally very favorably, with omissions being used for criticism instead of the written word. The cumbersome appeal procedure discourages realistic appraisal of performance.

### V. Embassy Additional Authority and Function

Embassies can perform more functions than they are called upon to perform. Special USG individuals and groups travelling out of Washington for various matters in the host countries could be reduced if the embassies were given the authority and the information to handle such activities on an in-house basis. This would reduce travel expenses, enhance the importance and the prestige of the embassy and would provide good results. No one knows the host country and its leadership better than permanently stationed U.S. diplomats.

### VI. USG Departments and our Embassies

Department of State cable 051862, outlining the authority of Chiefs of Mission, is clear. A supplement is respectfully suggested directing U.S. Government Departments with business in host countries to deal through our embassies.

Embassies should be the exclusive channel of contact to the host country and its various divisions. Frequently contact is made direct by our Washington agencies with the embassy of the host country in Washington or with the host country itself without the knowledge of our host country mission. This is counterproductive and reduces embassy credibility and effectiveness.

11:30 AM

THE WHITE HOUSE

WASHINGTON

May 31, 1979

INTERVIEW WITH JOHN DANCEY, NBC

Friday, June 1, 1979  
11:30 a.m. (15 minutes)  
The Oval Office

From: Jerry Rafshoon *JR*

Your 10-minute taped interview will be part of a one-hour special to be broadcast on Sunday evening. The program will focus on the energy shortage and the fact that most people don't believe it is real. John Dancey, the NBC White House correspondent, told me that he believes that you have been dealing with these things and saying it well and forcefully. However, it isn't getting through. We know this. This is your opportunity to be tough and forceful on this issue, not getting bogged down in the details, but speaking to the American people honestly -- the way you did at the DNC spring meeting. Attached are Stu's talking points. Some of them are good; I have noted my favorites. You shouldn't spout a lot of history of the energy problem or a lot of details; instead be thematic. I have included your DNC transcript.

On the program, NBC will release an energy poll. Here are some of the findings. You can use them as part of your theme, but don't refer to numbers. You have been out front on this issue long before this poll was taken.

(1.) The most important problem facing the country today is:

Inflation - 32%

Energy - 29%

(This volunteered answer had energy going up 10 points in one month. It will soon overtake inflation.)

(2.) Is the gasoline shortage real?

65% say "NO"

(3.) Who is to blame?

47% say oil companies

**Electrostatic Copy Made  
for Preservation Purposes**

4. Why are they to blame?

71% say "to create profits"

5. Carter's energy rating:

Good - 5%      Fair - 34%      Poor - 55%

6. Congress' energy rating

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I will try to get you some more figures before the interview.

\* \* \* \* \*

I also urge you to try to incorporate this hopeful, positive, uplifting message from our basic themes:

"We can solve our problems. We can get control of our energy problems. We can make our economy work. We can't do it with slogans, or gimmicks, or magic. There is no magic in Washington. I know. America can solve her problems, but we'll do it the same way each one of us individually solves his or her problems -- with hard work, persistence, and occasionally, some pain and sacrifice. This is what made America great. This is what will keep America great."

Office of the White House Press Secretary

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THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT THE  
SPRING MEETING OF THE DEMOCRATIC NATIONAL COMMITTEE

The Sheraton Park Hotel

11:53 A.M. EDT

THE PRESIDENT: Coleman said that was a good poll.

I would have been here a little earlier, but my car pool was late. (Laughter)

When I arrived, I noticed my free parking place had been taken away. (Laughter)

We have some problems in our country. One of them is energy. I told the Congress today, they are going home on recess, leaving Washington, that I could guarantee them enough gasoline to get home. (Laughter) Now, the trip back -- (Laughter) -- we will have to look into that. Maybe John White, our great chairman, can assist the advisability of a nationwide application of the killer bee program. (Laughter)

I didn't come here to announce, and I didn't come here to outline past achievements. I want to speak to you this morning in kind of a rare way for a politician, for a President speaking to his own Party leaders and his own personal friends.

I intend to answer questions in a few minutes, but first, I want to talk to you about the responsibility that we share as leaders of the Democratic Party. We won a great victory together in 1976, but the words which Adlai Stevenson used at the Democratic Convention still preys on my mind. He said, "Even more important than winning an election is governing the Nation. When the tumult and the shouting die... there is the stark reality of responsibility in an hour of history."

The responsibility for governing this Nation belongs to us Democrats. We fought for it and we won this privilege and the American people now are looking closely to see how we discharge this responsibility. Some of that responsibility is very pleasant, very enjoyable, but some of it is very difficult. You can inventory what we have already done -- the cities, jobs, world peace. But at times like these it is not adequate, even when Democratic leaders assemble,

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just to inventory what we have done.

The challenge is to look at now and the challenge is to look to the future and not to sit here and congratulate one another when our Nation still faces troubled times.

In times like these, we must make decisions to deal with those problems, to answer those questions in a way that is not always easy and it is not always popular.

The Founders of our Nation wondered whether a government of free people could rise above sectional interests in times of crisis and work for the good of the whole country. That is exactly the challenge that we face today.

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The American people are disturbed, the American people are doubtful, the American people are uncertain about the future, the American people do not have automatic trust in you or me or other Democratic officials.

Too many Americans today are watching the spectacle of politicians grappling with the complex problems, for instance, of energy and inflation. They see the demagoguery and they see political timidity and they wonder if we who are in office are equal to the challenge.

The American people are looking to us for honest answers, not false claims, not evasiveness, not politics as usual. But they look to us for clear leadership; for they often see here in Washington and elsewhere around the country a system of government which we love and which we are sworn to protect which seems incapable of action; they see a Congress twisted and pulled in every direction by hundreds of well-financed and powerful special interests. They see every extreme position imaginable, defended to the last breath, almost, to the last vote, by one unyielding powerful group or another.

They often see the balanced and fair approach that demands sacrifice, a little sacrifice from everyone, abandoned like an orphan without support and without friends. Often they see paralysis, stagnation and drift. The American people don't like it and neither do I.

This country was not founded by people who said, "Me first, me last and always." We have not prevailed as a free people in the face of a challenge and crisis for more than two centuries by practicing the politics of selfishness. We have not continually enlarged individual liberty, freedom, responsibility, opportunity, human dignity for all the people by listening to the voices of those who say, "We must have 100 percent now or nothing, and I will not listen to other voices who are seeking a common goal for our country."

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The times we live in call for plain talk, call for political courage. Slogans will not do the job. Press conferences will not solve serious problems that we face in inflation, in energy, in maintaining peace in a troubled world.

We have already wasted years, as you know, under Republican leadership, looking for quick fixes, often just before a national election. This is a time to tell the American people the truth. The days of the quick fix and the painless solution, if they ever existed, are gone.

We can argue, we can debate, we can evade, we can duck, but one fact remains clear: So long as we spend our time searching for scapegoats, or weeping or wringing our hands and just hoping for some kind of miraculous deliverance, our problems will get worse, the decisions will get more difficult, the choices will diminish, our people will get more cynical and the future for our great Nation will be less bright.

I am not asking you to support verbatim every recommendation I make. The question today is not whether government reaches solutions which any of us support 100 percent. The question is whether government, on these extremely difficult questions, can reach any acceptable solution at all.

The issue is not one of political philosophies, but a failure of will and a failure of the political process itself. The bottom line is clear. We need positive political solutions in America, not just a sustained record of negative votes to appease some special powerful political group back home. Whatever solutions we offer, there should be no illusion in the Democratic Party. No one in public office, in Detroit or in Washington, can escape having to make difficult decisions.

Every public official lives in Harry Truman's kitchen and there is no way of avoiding the heat if we are going to meet the responsibilities of leadership which the American people have given to us.

As President, I have made mistakes, but I have made and I will continue to make decisions without fear which call for you and for your States to make some sacrifice. These decisions will not always be popular. But I didn't seek the Presidency for two or three or four years with my utmost capability because I wanted to live in some self-imposed comfort in the White House.

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I sought this office to lead our country, and I will never duck any decision which is vital to the welfare of this Nation just because the popularity polls might go down. You, the leaders of our Party -- I need your help and support. And those of us -- among those of us who are in positions of responsibility today, if we are unwilling to take the heat to make unpopular decisions, stick together in a semblance of unity to fight difficult battles without fear, to set our goals high, to be inspired, to recognize the potential greatness of our country, to stand up and fight when it is necessary, to offer answers to complicated and complex questions when we know there is no easy way. If we don't do these things, then we will have failed in our own hour of history.

The Democratic Party has a great history. The Democrats have never been elected to office just because we wanted to avoid problems, to offer a timid course or a simple solution in difficult times. We are the party of the people, not just because we most often win a majority of the votes, but because we believe in an America that is united by a common purpose and not united by a conglomeration of special interests.

Ours is a Nation, ours is an America that lives on hope, hope based on a real expectation of fulfillment, not based on fear or cynicism or hatred or divisiveness or selfishness or despair, but based on justice, equality, optimism and faith. If we are true to these principles, to these values, if we are true to that faith, then we will meet the challenge of leadership in the Democratic party today. Together, we will succeed in our present task and under those circumstances, I have absolutely no doubt that we will win again in 1980.

Thank you very much. (Applause)

I would like to answer a few questions. I think there are some microphones. You will have to go to the microphone, if you don't mind.

Yes, sir.

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QUESTION: Mr. President, we are today a Party in power, the dominant Party. You are our public and Party leader and yet, Mr. President, it often appears that you may be reticent to fully exercise the entire prestige and power of those positions to bring about all these solutions which you espouse. Could you comment on that, please?

THE PRESIDENT: Yes, I will try.

I didn't take this opportunity today to list the things we have done. The consummation of a Panama Canal Treaty after 14 years of fruitless effort to bring it together; or Israel and Egypt in a successful peace treaty, after 30 years of warfare, of hatred, death, destruction, divisiveness; a conclusion of the SALT agreement after seven years when they had been unsuccessful; or the presentation to the Congress of the difficult issues which they have so far successfully resolved, and I didn't talk about civil service reform, and the reduction in the unemployment rate by 25 percent and the rejuvenation of our cities, like Detroit; I haven't talked about those things. But there are many areas of life that still prey on my mind and I feel on my shoulders the responsibility that we have not successfully addressed and I need your help with them, and I would like to respond to this question without blaming other people. There is enough blame to go around if we don't succeed. And I know the President has that responsibility as the pre-eminent person, and I get my share of the blame, and I am not too weak to take it.

Now, energy is becoming the burning issue in our country. In 1980, I predict to you that how we handle the energy question is going to decide who wins and who loses because the American people are interested in seeing can we work together.

Before I ever took oath of office, for the first time in the history of our Nation, in spite of devastating potential consequences because of an absence of an energy policy, we put one together in 90 days. And I have put more time on energy than I have SALT, the Mideast, the Panama Canal Treaty, or any other policy question all put together.

In April of 1977, I presented to the Congress a comprehensive, reasonable energy proposal. And I have been scorned and ridiculed by the press because I said this was a moral equivalent of war and we actually have a very serious question. In many ways, I have been a lonely voice, up until this moment. We have got a serious energy question, not only in the United States, but around the world.

The Congress passed about 60, 65 percent of our energy proposals after almost two years of begging and pleading and threatening and hard work. They did not pass one sentence about oil. I recognize it is a difficult proposition because our Nation is not only one of the largest users and wasters of oil, but we are also one of the largest producers of oil and the producers of oil have a powerful lobby, perhaps the most powerful lobby on earth. And the Congress has not acted yet on a single issue that relates to oil.

MORE

Nobody here has forgotten about 1973-1974 when we had gas lines. The situation has not improved. We are running now two or three million barrels a day less oil being produced than we are consuming on a worldwide basis and American production of oil has been going down about six percent per year for the last ten years.

It is obvious to anyone who looks at it that we have got a problem that is serious now, it is going to get more serious in the future, we are going to have less oil, we are going to have to pay more for it. Those are facts. They are unpleasant facts. And so far, the American people, whom I do not want to condemn, and the Congress of the United States, who I do not want to condemn, have refused to accept that simple fact.

We are now using, for instance, in California, seven percent more gasoline than we used a year ago. And we have less gasoline to go around. We are trying to plant crops in Iowa, Nebraska, Illinois, Ohio, madly trying to move enough diesel fuel so the tractors won't stop, trying to build up reserve supplies of fuel in New England to heat homes this fall, and the Congress has still not given me the authority that I have asked for.

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They rejected, including the Democrats, the proposals that I have made on rationing, not even willing to give me the authority to hold down waste of illumination on buildings and billboards; not giving me the authority, if the Governors fail and request it, to reduce the sale of gasoline one day a week; not even willing to give me the authority to develop a standby rationing plan, just to develop one that could not go into effect unless a crisis existed and the President and the Congress agreed to put it into effect.

I am not blaming the Congress because the American people have not yet demanded this. They think that somehow or another a miracle is going to occur and a lot of oil is going to be released from secret hiding places, and if the Federal Government and oil companies would just quit cheating everybody, the energy problem is going to blow over. That's not going to happen. (Applause)

The Congress has got two proposals this year on inflation -- real wage insurance to tell the working people, whom you and I care about, if you will agree to hold down your wage demands and the inflation rate goes up, we will give you a tax reduction so you won't lose by trying to be patriotic. I have not been able to get legislation out of committee. And the other bill that we have proposed to the Congress is on hospital cost containment, and I said a few minutes ago that the oil companies had the biggest and more powerful lobbies. It is almost matched by hospital owners and doctors, many of whom are the same people, and you think, where is the competitive nature of health care? Who keeps the hospitals from putting people in those beds unnecessarily, performing operations that are not necessary? If somebody is going to be operated on Tuesday morning, put them in the bed on Friday so the hospitals can derive more profit, perform procedures that are not necessary, that is what we are trying to stamp out.

I am having a terrible time getting that bill out of the Ways and Means Committee. I can't get it out of the Commerce Committee in the House, and I admit this failure that I just described to you is, to a major degree, my fault. Maybe if I was a better politician, I would have gotten these bills through the Congress.

I have done the best I could. I have never backed down. I am going to continue to fight. But I guarantee you, almost, this: That if everyone in this room would put 10 percent as much time trying to get hospital cost containment passed and to deal with our energy problem, I believe we could succeed.

What Member of the Congress, as a Democrat, could stand up against you? Very few.

We are coming up now on SALT. I have one life to live on this earth. I have one political career. And I will never face an issue -- unless our country goes to war, God knows I hope it doesn't happen--but absent that, I will never face an issue so important as getting SALT ratified by the Senate. I won't tell you all the reasons now. (Applause)

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But I need you to help me with it, not in a quiet way saying, "I think that is a great idea, I hope it passes," but in there fighting for it. And I haven't made my announcement of what I am going to do in 1980, but I have never backed down from a fight, I have never been afraid of public opinion polls and if and when I decide to run, it will be in every precinct in this country, no matter who else ran, and I have no doubt that it will be successful. (Applause)

Because we have a good record and if we can prevail on these three issues -- energy, inflation, and SALT -- we will have an even better record.

I think with the courage that you asked me to exhibit -- and I will do the best I can to alleviate your concern -- if you will help me, we will win because we deserve to win, not because we are Democrats, but because we deserve to win. (Applause)

QUESTION: Mr. President, first of all, I am delighted to see that you have the sign behind you that you used in Virginia when you addressed us at the Jackson-Jefferson dinner. You addressed that group with the same courage and conviction that you have addressed us. I happen to be a Democrat. I have supported Democrats always from the courthouse to the White House. I started with Franklin Delano Roosevelt and moved right up to Jimmy Carter, and I have never regretted supporting the Democratic nominee and feel that we have offered the best the entire time.

I waited a while before I supported Jimmy Carter because simply I felt I was supporting one of the greatest men that I ever had the privilege of supporting, and that was Hubert Humphrey. (Applause) But I was assured Hubert Humphrey was not going to be a Presidential candidate again. I have had the pleasure of supporting the man that I place in the same category that I placed Hubert Humphrey; a man of conviction and courage and vision, who has really led the Democratic Party, and one in which we can be proud.

I want you to know I feel I speak for the majority of the group of people here, as well as the majority of the group of people in America that we want Jimmy Carter as our President again in 1980. (Applause)

Mr. President, in World War II, I never saw controls bring about more of anything that we needed, and I simply support your theory of decontrol today, but we need some help in explaining that to the American people. Please give us that answer.

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THE PRESIDENT: Thank you.

That is one of the best questions I ever had, by the way. (Laughter) And I have sweated over this energy thing, in the face of repetitive disappointment, we put forth a COET tax last year, you remember, a crude oil equalization tax would have brought in to the government a substantial amount of money. And we couldn't get it out of the Senate committee.

Now we have a good package. Decontrol will be phased in over 28 months, slow, steady, and controllable. We can watch what goes on. We will tax the oil companies heavily, and I don't care if Congress makes it a little bit heavier, as the price of oil goes up either because of OPEC or because of decontrol here with a windfall profits tax. That profits tax is not a sure thing. It seems like a sure thing now. The day after I made my announcement, everybody said it didn't have a chance in the world to pass. Now, everybody says it is going to pass whether we work or not. It's not. Out of that windfall profits tax, which will grow year by year, we will create an Energy Security Fund. That Energy Security Fund will be a very important element of dealing with the energy question. It will go, first of all, to help the very poor families who cannot afford the rapidly increasing, inevitable prices of energy.

Secondly, it will go to help us with mass transit because a lot of people either don't have automobiles or as is the case right in California, for instance, people are beginning to see that it is better for them to go to and from a fixed destination, like a work place, on public transportation. That will be a great boost.

And the third thing is to have a substantial amount of money growing every year for research and development, to let us have new sources of energy, like solar power, liquefaction and gasification of coal, like geothermal power, the very things that all of you want, and it will leave the oil companies about 29 cents out of each dollar to put back into the exploration in the United States for increased supplies of oil and gas. To me it is a balanced program.

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The Congress is wasting its time now passing regulations about, "Are we or are we not going to decontrol?" That serves to cloud the issue so much on windfall profits tax that it puts it in danger. And I hope that the Democrats and Republicans, the President and the Congress, all of you and American citizens will join in together and say, "Let's pass this package once and for all."

I would hate to see it fail. But it is going to require a concerted effort by all those who are interested in the future of our country. There is not a single vote, I guarantee you, on the energy question.

I have made some mistakes in my life. One of the mistakes I made was an evening in April of 1977 when I told the American public we have never had a comprehensive energy policy. When I propose this energy policy and fight for it, I said, to about 40 million people, my public opinion poll is going to go down 15 points. The mistake I made was, it has gone down much more than that -- (Laughter) -- and I think energy is one reason. But we can't back down. And I am willing to fight this fight and to win it and we will win it with your help. (Applause)

QUESTION: Mr. President, my name is George Schwartz from Philadelphia, the birthplace of our Nation and all I want is a little equal time with the Mayor of Detroit. (Laughter)

I am presently the chairman of the host committee for the Site Selection Committee when they come to Philadelphia June 7th and 8th. I was also chairman of the delegation who came down here a few weeks ago to make our presentation. I merely want to bring your attention to the fact--and you mentioned Harry S. Truman and the heat in the kitchen; I agree with you.

In 1948, President Truman was under attack, was under criticism, very much like yourself, and what do you think he did? He came to Philadelphia. (Laughter) And it was a very successful convention for Mr. Truman and he was re-elected. Thank you very much, Mr. President. (Laughter, applause)

THE PRESIDENT: I have got to go now, but let me say this in closing to you.

We talk about problems and we talk about fears and doubts, we talk about divisiveness, we talk about concerns among the American people about government. I was facing a thousand or so people in Portsmouth, New Hampshire, not too long ago. I hadn't planned to say it, but watching those people and their dreams and their hopes and their genuine concerns--I am sure there were a lot of Republicans and Democrats in the audience; I felt that every one of them wanted their President to do a good job.

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I think a lot of them there, most of them, were willing to give me help, and I closed my remarks by pointing out to them that in the news media, what we always see is the argument, the debate, the contention, the difference, the adverse vote, the criticism, the statistic that's not going well. But what we fail to remember, and I don't think the news media ought to have to publicize this, I am not saying that, but what we fail to remember is our country is so strong economically, politically, militarily, morally, philosophically. We live in the strongest country on earth, and we have a degree of freedom and a sense of individuality that lets us debate issues and lets us resolve those issues in a political context.

I can't dominate a single person in this nation. I don't want to. That is not the role of a President, but the strength that we have can tide us over if we are threatened from overseas, or as we deal with a tiny nation looking to us for fairness, or as we reap the consequences of worldwide inflation, or as we acknowledge amongst ourselves eventually that we do waste too much energy. These kinds of things can be resolved, and that's why I am so sure that the future for our Nation is going to be much greater than the past has been, and I am very proud to be part of you and the leader of a Party that has always espoused not fear, but hope, not divisiveness, although we are so different, one from another, but cohesion and unity when it is critical for our Nation.

We have never failed our country, we Democrats, and I don't believe we will fail in the future. So in spite of our problems, I look forward to the future, including 1980.

Thank you very much. (Applause)

END

(AT 12:31 P.M. EDT)

THE WHITE HOUSE

WASHINGTON

May 31, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON 

SUBJECT: SALT briefing

As you know, we are video-taping and filming several of your SALT briefings for community leaders.

Copies of the videotape will be made available to people who have attended the briefings for use at their universities, businesses, and organizations. We have already had a number of requests from those at Wednesday's briefing.

Also, Americans for SALT is planning to produce a short film which could be shown to groups and organizations and as part of SALT briefings around the country. Excerpts from the community leaders briefings will be used extensively in the film.

In reviewing transcripts of several of your briefings, including last Wednesday's, I think your May 24 opening statement and Q's & A's were by far the most thematic, organized and succinct, so you might want to review the attached transcript before we film on Friday.

I'd also like to have you wear a dark suit and we'll arrange for makeup on Friday.

MAY 24, 1979

REMARKS OF THE PRESIDENT  
AT A BRIEFING ON SALT  
FOR COMMUNITY AND CIVIC LEADERS

The State Dining Room

2:45 P.M. EDT

THE PRESIDENT: Thank you very much. Harold wanted to answer that question, but I think I can say that the Joint Chiefs of Staff are able to speak for themselves. We have consulted constantly with the Joint Chiefs, with the Secretary of Defense, the Secretary of State, White House Staff, National Security Adviser, I think in an unprecedented way. We have not taken forward any substantive negotiating point to the bargaining table without that very close consultation.

Let me outline as briefly as I can the major premises of the SALT II treaty to be considered by all of you and the Senate and the American people, and then spend what time I have here answering questions.

There is no doubt in my mind that the treaty enhances the prospects for sustained world peace. There is no doubt in my mind that the treaty will enhance United States security. There is no doubt in my mind that the treaty, when ratified, will contribute to continued detente and a chance for us to compete peacefully with the Soviet Union and to reduce greatly the possibility of nuclear warfare.

There is no doubt in my mind that the treaty will contribute to an increased control in the future over the development and deployment of nuclear weapons, and there is no doubt in my mind that we will also be much more successful in restraining the proliferation of nuclear explosive capability among other nations if we and the Soviets are successful in demonstrating again that we can constrain ourselves.

There is no doubt in my mind that approval of the SALT II treaty will contribute to a continued negotiation to control nuclear weaponry that has been underway ever since Eisenhower lived in this house. And an interruption in that process might be

Page 2

very difficult to resurrect if, after seven years, almost, of negotiation under three Presidents, a carefully balanced agreement in our country's interests is rejected.

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And there is also no doubt in my mind that absent any degree of dependence on trust of the Soviet Union, we can verify the terms of the treaty in such a way that our own national security is not endangered.

I am sure about those points. And as you become more intimately familiar with the treaty, you will see that it is a well-balanced treaty, it has been carefully negotiated.

I believe compared to previous documents, SALT I, the Vladivostok Agreement, Limited Test Ban, ABM Treaty, that it is much more specific. Compared to this treaty, the others are expressed in generalities, and both we and the Soviet Union have taken six or seven years simply because we did not want to leave anything to chance. We did not want, on either side, to leave a loophole available, and we did not want to leave any unwarranted possibility in the future for a misunderstanding.

We have never avoided the responsibility for sustained negotiations. We have negotiated in good faith; so have the Soviet Union officials. We have been tough bargainers, and so have they.

There have been many questions raised about SALT, but the essence of the question is what I have just expressed to you in as succinct terms as I can devise in an ad lib way. I have achieved, as you know, the highest elective office in our country. I have just got one life to live in public service. I will never face a more important issue than this one, unless we are faced with a direct threat of war that could endanger our own Nation's existence. This transcends all the other issues that I will face in importance.

I need your help. You have been asked to come here because you are leaders. You have superb achievement in all different realms of American life. Your peer group and others

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look to you for advice and counsel and objective analysis. And the Members of the Senate also will listen very carefully when your voice, or voices, are raised. And I hope that you will leave here reassured about any concerns, committed to assessing the treaty on its own merits, and then not just to be a quiescent supporter, but an active, dynamic, almost driven American leader dedicated to doing something of benefit to your country.

I can't think of anything that you could do that would be more helpful than this.

It would be a pleasure for me to answer any questions that you might have.

Yes, Congressman?

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QUESTION: You said that this will enhance our U.S. security.

THE PRESIDENT: Yes.

QUESTION: (Inaudible) that the Soviets do not have superiority in (inaudible) and that neither side can any longer intimidate the other.

THE PRESIDENT: Yes.

QUESTION: Do I understand correctly that if we signed this treaty and confirm it, it will free up resources, American forces, to improve our conventional capability for defense of our country? (Inaudible) now say that because of the balance, if a future conflict is to occur, it is going to be in conventional weaponry and we are reducing the (inaudible) in that field because they, the Soviets, are now (inaudible) appears to be some superiority.

Will this treaty open the door for bringing our conventional defenses up to par with the Soviets?

THE PRESIDENT: There is no doubt in my mind that over a period of time the answer to your question is yes. In my opinion--I think Harold would corroborate this--we are indeed superior to the Soviet Union at this point, not only in economics, politics, morality, dedication, free enterprise system, human freedom, attractiveness of our system of government, but also in strategic nuclear weaponry. We had an absolutely monopoly for a while. We have been vastly superior to the Soviets for a long period of time. They have been mounting an aggressive effort to overcome this deficiency as point, and they are being successful.

They have now reached the limit, as we specified, as you know, at Vladivostok in some categories of weaponry. This agreement will lower the limit substantially and set sublimits which I need not describe to you since I am sure you have already heard those.

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The Soviets will have to level off their very rapid increase in spending and acquisition and deployment of nuclear weapons. They will have to reduce their present deployment in the total number of nuclear launchers by 250. This is about 10 percent of their total. These are not obsolete weapons. They are equivalent in quality to our Polaris submarine missiles. They are equivalent in quality to our Minuteman II missiles which are presently deployed as part of our own strategic force.

Our American forces, nuclear forces, have not reached the limit -- this was a decision made by my predecessors and continued by me. We will not have to disassemble any of our forces. Part of the consultation with the Joint Chiefs of Staff and other military advisers, Members of the Congress, have indicated to me the options that we would like to retain for the time frame of the treaty. We have retained those options. I think we have been very successful bargainers in that degree.

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Secretary Brown has projected, not knowing what the Soviets might do, that without SALT II, they might very well reach a level of roughly 3,000 launchers by 1985, not by accelerating their present trend, but just by continuing their present trend of development and deployment.

In order to match that unwarranted increase that will come about because of an absence of a treaty, it would cost us roughly \$30 billion above and beyond the requirement to match the Soviet level with the SALT II Treaty intact.

I think our Nation has both the capability, certainly, and I believe the will, as well, to match any Soviet buildup with or without the treaty. We cannot afford for either the Soviets or our allies, or the rest of the world, or the American people to believe or to know that we are indeed inferior to the Soviet Union, and therefore might be politically blackmailed in the future. And to restrain the Soviet buildup and to maintain that rough equivalency at a much lower level than we presently contemplate is a great saving.

At a given level of expenditure for defense, obviously that releases a substantial amount of money for maintaining equivalency, adequate equivalency in conventional forces -- Navy, Air Force tanks, anti-tank weapons, and so forth.

I would like to point out one other thing, and this is important. I have right by my desk in the Oval Office a large, very good quality globe which I use frequently. Every now and then in a moment of quiet contemplation, which is all too rare, I try to put myself in the position of President Brezhnev. If I were he, what would I be thinking about? I have tried to do the same thing in the past with Prime Minister Begin and President Sadat, just to say, what would I do? What are the challenges they have to meet?

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And if you look at the world from the perspective of Moscow, you have a completely different outlook. Our neighbors are friendly. Mexico, Canada are our friends. We are protected on both sides by oceans. We have access to them. Our ships can operate in almost an unlimited fashion. Our allies are staunch. They are not dominated by us. Our philosophy is attractive to people all over the world. I don't know of a single nation on earth that would like to emulate the Soviet political system, not a single one, even the communist or socialist nations.

We don't face any potential nuclear threat except perhaps from the Soviets if things should degenerate. The Soviets face not only us as a potential enemy, looked at from their perspective, but also the Chinese, who hate the Soviets and fear them; they face the British and French, who are our allies, who have substantial nuclear capability.

So in balance, I think we have a good deal for ourselves. I am convinced that Brezhnev, above all other things, wants to avoid a nuclear war. And I think that Harold or Cy Vance could tell you, in perhaps more confidence than we can enjoy in this room with a large crowd, the detailed negotiations which have been pursued and how the Soviets have yielded in the negotiations in substantial ways that have been beneficial to us, because they sincerely want a SALT agreement, as do we.

And that doesn't mean that we have out-traded them. It means that we have recognized mutual benefits. Both nations can substantially reduce the portion of our gross national product, or national budget, that would go for overall defense. But if we can just attenuate the Soviets' buildup, that would be helpful.

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This is a long answer, but let me add one other point. SALT II not only lets us have a means of communication with the Soviet Union, it maintains a spirit of detente. It reassures our allies that we can be leaders of the Western world and not open up the prospect of a nuclear confrontation, which they would suffer perhaps first. But SALT II also gives us a guaranteed means of monitoring what the Soviets do. If we did not have that means, if the Soviets could legitimately conceal their development, their tests of nuclear weapons, then we would have to expect the worst. Every rumor would be magnified in its significance. And, of course, the Soviets would expect the worst about us and that would mean additional unwarranted escalation because both sides would be so fearful that we would have to take the maximum possible assessment concerning the other's strength militarily. And I believe that restraint is exceedingly important.

For instance, there is now no prohibition against the encryption of telemetry data coming down from Soviet missiles being tested under SALT II. After long negotiations -- this delayed it almost a year -- we now have a guarantee from the Soviets and we have an equivalent guarantee to the Soviets that telemetry cannot be encrypted if it would impede verification, for instance. That is a new development. There is no prohibition now against the development of superior weapons, the enhancement of the capability of existing weapons. This is a new part of SALT II. So for all those reasons, I think the answer to your question is definitely yes, and I have expanded on my answer to cover some points that I wanted to make.

QUESTION: My name is (inaudible). Mr. President, one part of the growing debate puzzles me. As Secretary Brown said before you came in, reasonable men can differ whether this is good or even (inaudible) but it is somewhat puzzling, it seems to me, is the position that I understand the Administration is taking that no substantive amendment (inaudible) will be acceptable. Is it really the question, Mr. President, of whether the Soviets would accept that and would we ever know that until we tried?

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Once the process breaks down, say, if the Senate should, for instance, come back with an amendment and say that all the Soviet backfire bombers must count in the overall limit; otherwise the Senate rejects the treaty -- that would be nice if I were writing a unilateral treaty --- it would kill it. And I think that the Soviets, knowing their character -- and I might say that perhaps we, knowing our character on the other side -- would throw up their hands and say "why should we negotiate with President Carter or President Carter's successor for six more years or five more years? We have wasted our time. Why don't we just consider negotiating with the Senate instead," which would be, I think, an even worse prospect for them. (Laughter)

But I am afraid the consequences of that kind of amendment might not only kill SALT II, but even be a contributory factor to terminating the SALT process itself. So I would say that the answer to your question is any substantive amendment that would give our Nation an advantage would not be acceptable.

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QUESTION: Mr. President, my name is Paul Weidlitz from the World Ministries. One of the most salutary developments, achievements of your Administration is the ability to link the guarantees of fundamental human rights with our foreign policy. Of course, the SALT Agreement addresses itself to one of the most fundamental rights, the right to life itself. I think this is why at least our Lutheran Churches this past week approved the SALT process. We will be anxious to look at the text itself.

I wonder if you could elaborate on the extent to which the question of human rights is part of your concern in the SALT agreement and if you think that this will now perhaps open up new doors to building up mutual understanding, breaking down prejudice and, in brief, taking a stand for those dissidents and others, in both countries, who are looking for a fuller realization of their own rights.

THE PRESIDENT: The human rights issue won't be part of the SALT Treaty negotiations themselves, but when I meet with President Brezhnev in Vienna at the middle of next month, that would obviously be on the agenda. The fact is that the Soviets equate to a substantial degree the SALT II Treaty negotiation with detente. I think they see to a substantial degree that a rejection of the SALT II Treaty might very well lead us back toward a cold war or confrontation.

With that kind of environment, it would be very difficult for us to negotiate with the Soviet Union on the release of dissidents. It would be very difficult for us to negotiate with the Soviet Union to enhance trade relationships. It would be very difficult for us to negotiate with the Soviet Union on a comprehensive test ban or prohibition against an attack on one another's satellites, or other ongoing efforts that we are pursuing to have a more peaceful relationship with the Soviet Union.

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The other part of this answer is that we are going to continue to compete with the Soviets. I think we are competing successfully. You either compete with massive bloodshed and war and destruction or you compete on a political plain, an economic plain, a philosophical plain, and an ethical plain, a moral plain, sometimes even a religious plain for the hearts and minds of other people in the world.

Militarily, the Soviets have a very strong reputation. It is the unique, only possible advantage in the minds of the people of Mozambique or Angola or the monitor committed Nations in Southeast Asia, Africa, the Mideast, Latin America, and so forth.

One of our advantages is that we have the reputation, deservedly, of a strong Nation committed to peace. We have been in the forefront of a search for peace, not only in the Mideast and Cyprus, but in places like Rhodesia and places like Namibia. We have tried to preserve international borders and not violate them. We have never endorsed a dissident group that was trying to destroy the status quo through bloodshed. The Soviets on the other hand have. So that is a major tangible, I will use the word propoganda advantage that we have.

If, on the other hand, we should complete the SALT process, the Soviets pro forma, without delay, will ratify, ratified as it goes along to the Poliburo and then we should reject it, I think, inaccurately the Soviets would grasp this as the most substantive propoganda victory they have ever won because they would be characterized in the minds and hearts of people all over the world outside of our country as a powerful nation searching for peace, searching for the control of nuclear weaponry, which is a very attractive package.

We would be characterized, accurately or not--I think inaccurately -- as a powerful nation who had rejected the proposition of having a peaceful world with nuclear weapons constrained. And how could I possibly go to the President of Brazil, which I have done in the past, or the Prime Minister of India, as I have done in the past; how could I possibly communicate with the President of Pakistan, which I have done in the past, and say, "Please do not go into the development of nuclear explosives." Desai would tell me, "You are crazy. You have thousands and thousands of nuclear weapons, you have negotiated in good faith with the Soviet Union on a treaty, and now you come here telling

me not to develop one nuclear explosion?"

It would make the non-proliferation effort fruitless, and I have just named two or three countries. There are many, many others -- Iraq, South Africa, Argentina, South Korea, Taiwan, a dozen or 15 nations in three or four months could have nuclear explosives. They have held back because they genuinely think that we and the Soviet Union, the two super-powers, are trying to constrain ourselves and if we reject this process with a treaty patently fair, although some details might not please everyone, I think it would be a very great blow to us in not only negotiating with the Soviet Union toward peace, but also in using our influence in a peacefully competitive way among the 120 or 150 other nations of the world.

Did you have a question?

QUESTION: My question is a follow-on of Mr. Silverman's question. It has to do with the vulnerability of our Minuteman force, which, of course, is critical to our defense. It is our understanding that Secretary Brown has interpreted the treaty to mean that we can, for example, employ a shell game, or some other means of protecting our Minuteman force. Whereas, others say the immediate, present danger, for example, that the Soviets interpret the treaty to prohibit such a shell game, would you have any objection to a clarifying amendment in the Senate on that score to satisfy ourselves?

THE PRESIDENT: The objection to this so-called shell game has been consistently from me. I cannot and never have been able to an arrangement where we could have 20 silos for every missile and the Soviets have 20 silos for every missile. How I could go to a public forum in Des Moines, Iowa, and claim that under the cover of night or the cover of a cloud formation, the Soviets don't have 20 missiles in all, 20 silos, escapes me.

I cannot figure out how I could guarantee that to the American people, and if we could have the unilateral right to have 20 silos per missile and the Soviets could only have one silo per missile, that would suit me fine, because we wouldn't cheat. Ours is too much an open society to cheat. Even if I trusted the Soviets, I couldn't tell the American people that our security should be based on that fact. There is no prohibition, as you know, under any SALT agreement on the number of

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missiles that are actually built. The prohibition is on the deployment of them. I have never been able to escape that. So in order to finesse this question, which has never been a major issue in the negotiation so far as I know, we have simply agreed to an exchange of letters that any "mobile-type or multiple aim point-type" arrangement, would have to be verifiable and the verifiability would have to be mutually agreed through future negotiations. That is the essence of it. But if the Senate should say, make that kind of an amendment, they would have to continue with me and the American people because I just do not believe that we can do it.

Now, there are some other ways, as you know, that are being considered whereby our Minuteman force or the successor to the Minuteman, something like the MX, can be deployed in such a way that they are not constantly in a fixed site.

These are still being explored, so that option is open to us. We have not specifically excluded the so-called MAP system. In my mind, it has insurmountable problems which I have never been able to penetrate.

Maybe one more question and then I have another meeting.

Yes.

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QUESTION: Mr. President, my name is Bob Allbright. I work for the Environmental Policy Institute.

My question deals primarily with Federal credibility in the protection of public health and consequences of the arms race. I believe that the consequences of the arms race are not limited to nuclear confrontation but also to the problem of the widespread exposure in the past 30 years of several hundred thousand people to ionizing radiation as a result of a routine operation from the nuclear weapons program. I commend your Administration for making this known to the public -- (inaudible) a lid of suppression on this information, but what it has done, of course, is that it has reduced the public's feeling of credibility in federal agencies to not only protect them from the consequences of a nuclear war, but also from the consequences of protecting the national defense.

My question to you is, will your Administration continue to permit agencies such as the Department of Energy and the Department of Defense, whose primary mandate is logically to develop nuclear weaponry, to also determine the hazards and protect public health.

THE PRESIDENT: Yes, and I would add in HEW, which also has a responsibility. One of the things that we are trying to do correlated to SALT, for instance, is to eliminate any testing of nuclear weaponry for the next two or three years. The problem so far has been to have an adequate assurance of ferifiability. I think the elimination of testing would be a major step in the right direction.

My own belief, enhanced recently by the Three Mile Island incident and others is the people are becoming increasingly concerned about the threat to health. One thing that I would like for the American people to consider, though, is the potential danger from, say, the meltdown of a nuclear reactor or the change in the overall environment, including the superstratosphere, from testing, compared to the explosion of a one megaton bomb over New York or Washington

or Philadelphia. I see a few demonstrators alongside the road. I was in Pennsylvania this past Sunday making a speech at Cheyney State College, and the demonstrators there were saying, "Forget about SALT, don't build nuclear power plants." This is a travesty of logic, and I think the people need to be rereinded of the absolutely devastating consequence of a nuclear confrontation. I think it all goes together -- prohibition against proliferation, other nations that might not be as cautious as we.

Secondly, the restraint on testing and, third, a more peaceful environment for the whole world to prevent local wars from evolving into world wars and, of course, the keystone to this, I think, is a SALT agreement, which is a process that must continue even beyond SALT II.

I have got to go now, but I wanted to express my thanks to you for coming this afternoon and hope that if you have any specific substantive concerns, that you will contact me directly, or Secretary Vance, Dr. Brzezinski, Harold Brown, or their subordinates, and that if you are convinced it is in the best interests of our country, that you will enthusiastically and aggressively support the ratification of SALT II.

We have done the best we can to represent our Nation and, in my judgment, we have an excellent treaty which will help to alleviate the concerns of our Nation and the world.

END

THE WHITE HOUSE  
WASHINGTON

May 31, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER 

Mr. President:

At the SALT briefing tomorrow, I hope you will take questions and answers after your remarks. You handle questions and answers so well that it substantially enhances your presentation.

Thanks.

1:45 PM

THE WHITE HOUSE

WASHINGTON

May 31, 1979

BRIEFING ON SALT FOR COMMUNITY LEADERS

Friday, June 1, 1979  
1:45 p.m. - 2:00 p.m.

EAST ROOM

From: Anne Wexler *Aw*  
Hamilton Jordan *H.J.*

I. PURPOSE

To educate a group of prominent opinion-makers on SALT in the overall context of U.S.-Soviet relations and global implications.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background

1. This will be the fifth group of national leaders to be briefed exclusively on SALT since the announcement of the summit.

2. After lunch in the State Dining Room, the group will move into the East Room for the briefing. Anne Wexler will open the briefing and Harold Brown will be principal briefer. In addition, senior officials from the White House, State Department, Defense Department and National Security Council will be present throughout the luncheon and briefing. When you arrive, a question and answer session will be in progress. (SEE ATTACHED AGENDA)

B. Participants

(SEE ATTACHED LIST)

C. Press Plan

White House photo and press pool will be present for the first five minutes of your remarks. The rest of the briefing is closed to press.

III. TALKING POINTS

(SEE ATTACHED)

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

AGENDA

SALT Briefing for National Leaders  
Friday, June 1, 1979  
11:45 a.m.  
The Mansion

I.	11:45	Luncheon served	State Dining Room	
II.	12:35	Move to East Room		
III.	12:45	Opening Remarks	Anne Wexler	5 mins.
IV.	12:50	Briefing	Harold Brown	25 mins.
V.	1:15	Questions & Answers		30 mins.
VI.	1:45	Remarks	The President	

NOTE: White House Press pool will  
cover first 5 minutes.

Benjamin Epstein  
Anti-Defamation League

Woody Etherly, Jr.  
President  
National Black Caucus of Local Elected Officials

Abraham Feinberg

Dr. Bernard Feld  
MIT

Maurice A. Ferre  
Mayor of the City of Miami

James Flaherty  
Commissioner  
Allegheny County

Lewis Foy  
Chairman & CEO  
Bethlehem Steel Corp.

Ira Frank, Jr.  
President  
Amalgamated Bank

Herman Gallegos  
Chairman  
Human Resources Corporation

Edward V. Gant  
Acting President  
University of Connecticut

Clifton Garvin  
Chairman of the Board  
Exxon

James Giffen  
President  
ARMCO International, Inc.

George Glatis  
United Hellenic American Congress

Marvin L. Goldberger  
President  
California Institute of Technology

A. J. Gray

Georgia Neese Gray

Admiral Hannefin

Edward G. Harness  
Chairman & CEO  
Proctor & Gamble

Admiral James Holloway, III

Col. Phelps Jones  
VFW

Maido Kari  
Vice President  
Joint Baltic Committee

LTG Glenn A. Kent

Father Alexander Karloutsos  
Director for Church and Society  
Greek Orthodox Archdiocese

Professor Bela Kiraly

Mr. J. Koledo

Jackie Malone

Dr. Edward May  
Director, Office of World Community  
Lutheran World Ministries

Admiral David L. McDonald

Pat McLeroy

Dr. Steven Muller

Kenneth D. Naden  
National Council of Farmers

Thomas P. O'Neill, III  
Lt Governor of Massachusetts

Walter H. Page  
Chairman of the Board  
J.P. Morgan and Company

Anne Palamoutain  
Skidmore College

Joseph C. Palamountain  
President  
Skidmore College

Katherine Papas  
Greek Orthodox Association

EXPECTED ATTENDEES: SALT BRIEFING, JUNE 1, 1979, STATE DINING ROOM

Willis Alexander  
Executive Vice President  
American Bankers Association

A. Leo Anderson  
Chairman  
Past National Commanders Organization

Roger Anderson  
Continental Illinois Bank

Andrew Anspach  
Owner  
Algonquin Hotel

William D. Baker  
President  
Bell Telephone Lab., Inc.

Robert Beck  
Chairman & CEO  
Prudential Insurance Company

Imre Bertalan

John Bowden  
AFL-CIO (Florida)

Brendan T. Byrne  
Governor of New Jersey

General Jack J. Catton

Abram Chayes

Mrs. Vincent Chrypinski  
President  
American Council of Polish Cultural Clubs

William T. Coleman, Esq.  
O'Melveny & Myers

Vernon Cooke  
Ohio House of Delegates

General Robert Cushman, Jr.

S. Harrison Dogole  
Chairman  
Globe Securities Systems, Co.

Harold L. Enarson  
Ohio State University  
President

CONFIDENTIAL

Mr. Robert D. Partridge  
Executive Vice President  
National Rural Electric Coop. Association

Olgerds R. Pawlowskis  
Vice President  
World Latvian Association

Dr. Courtland Perkins  
President  
National Academy of Engineering

Russell W. Peterson  
President  
National Audobon Society

Donald C. Platten  
Chairman  
Chemical Bank

Norman Podhoretz  
Editor  
Commentary Magazine

Eugene T. Rossides  
Special Counsel  
American Hellenic Institute

John W. Ryan  
President  
Indiana University

Robert Sarnoff  
RCA

Dr. Paul Samuelson  
Economics Department  
Massachusetts Institute of Technology

John Sarlo  
Commander  
Italian-American War Veterans

John C. Sawhill  
President  
New York University

Richard Shinn  
President  
Metropolitan Life

Oscar Soliz  
Commissioner  
Corpus Christi, Texas

Jack Spitzer  
President  
B'nai B'rith

Berton E. Spivy, Jr.

George Stinson  
Chairman and CEO  
National Steel

Jerome Wiesner  
President  
MIT

General Sam Wilson

W. Willard Wirtz  
Wirtz & Lapoint (Private Consulting Firm)

Theodore White

Dedon Woodland  
President  
National Farmers Organization

Professor Janos Zawadzyn

## TALKING POINTS

Briefing on SALT for Community Leaders  
Friday, June 1, 1979  
The East Room

We believe you should talk along the lines of your remarks to the retailers. Here are some suggested points to cover, which we've worked up with Rick Hertzberg of Jerry Rafshoon's office:

1. The SALT II treaty was hammered out by the sustained work of three Administrations: President Nixon's, President Ford's, and yours. It builds on the work of every American President since the end of World War II.

2. SALT must be examined realistically. It is not a panacea. It will not end the arms race. It is a supplement -- not a substitute -- for a strong national defense. But it is a major step in the long, historic process of bringing nuclear weapons under rational control.

3. SALT II is based on self-interest, ours and the Soviet Union's. Although the competition between us will continue as far into the future as anyone can see, we share a mutual interest in survival and in steering our competition away from its most dangerous element, an uncontrolled strategic nuclear arms race.

4. SALT II is not based on trust. The treaty will be adequately verifiable by our own national technical means of verification. In addition, it is in the interest of the Soviet Union to abide by this treaty. Despite predictions to the contrary, the Soviets have observed the terms of the SALT I treaty.

5. Whether or not the treaty is ratified, we must be able to make accurate assessments of Soviet capabilities. But SALT II will make this task much easier -- not only because the treaty forbids concealment measures and interference with means of verification, but also because the treaty gives us basic standards with which we can compare the information we derive independently from our satellites and other methods.

6. The details of ICBMs and SLBMs, throwweight and yield and all the rest are important. It was largely because of these details that the treaty took seven years to negotiate. But these details should not blind us to the real significance of the treaty as a contribution to stability, security and peace.

7. The treaty must be judged on its merits, but we must consider the consequences of rejection:

--radical departure from the process of arms control that began with the atmospheric test ban and SALT I and will continue with SALT III and a comprehensive test ban;

--heightened possibility of confrontation in each local crisis;

--triggering an expensive, dangerous race for a nuclear superiority that each side has the means and will to prevent the other from attaining, with a loss of security for both;

--calling into question our ability to manage a stable East-West relationship, thus undermining our leadership of the Western alliance;

--implications for nuclear proliferation;

--gravely compromising our Nation's position as a leader in the search for peace.

8. Importance of the coming debate; solicitation of support.

## THE WHITE HOUSE

WASHINGTON

May 31, 1979

MEETING WITH CIVIC, CONSUMER AND ENVIRONMENTAL  
ORGANIZATION REPRESENTATIVES

Friday, June 1, 1979

2:30 p.m. (30 minutes)

The Cabinet Room

From: Anne Wexler *Ann*  
Stu Eizenstat *Stu*I. PURPOSE

To discuss informally with representatives of various organizations the problems of energy conservation and to hear their recommendations on how to increase public conservation activities and awareness.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: You requested this meeting in order to meet with non-industry representatives to discuss the energy problem, particularly the need for voluntary energy conservation efforts. The participants have been advised that this meeting will focus on energy conservation. However, several of the participants strongly oppose our decisions on decontrol and will probably want to express their concerns to you. There are others in the room who strongly support your position on decontrol. Other possible energy actions will be raised as well.

We have been emphasizing that whatever energy pricing policies are adopted, there is a need for serious energy conservation efforts and that we need the support and ideas of this group of knowledgeable persons. Your talking points have been written to guide this discussion away from pricing policy issues.

- B. Participants: See attached list.
- C. Press Plan: White House photographer only.  
(Note: Jody announced the existence and purpose of this meeting on Wednesday night.)

III. TALKING POINTS

Talking points and a page of discussion points are attached.

Attachments

EXPECTED ATTENDEES

Meeting on Energy  
Friday, June 1, 1979  
2:30 p.m. -- The Cabinet Room

Ellen Berman, Director, Consumer Energy Council  
Interested in developing grassroots participation  
in building performance standards.

James Creal, President, AAA  
Launching major national gasoline conservation  
program.

Steve Ferrey, National Consumers Law Center

Betty Furness, NBC Consumer reporter, but is attending  
as a consumer expert and knows that the meeting  
is off the record.

Linda Gallagher, Executive Director, Alliance to Save  
Energy

Dorothy Powers, National Energy Chairman, League of Women Voters

Rhoda Karpatkin, Consumers Union

Jack Moskowitz, Executive Vice President, The United Way  
Considering a national program on home energy  
conservation, particularly aimed at lower-income  
people.

Porter Parris, President, Hotel and Motel Association  
Working on conservation within the industry  
and gasoline conservation with the public.

Alex Radin, American Public Power Association

Dr. Tim Ryles, National Association of Consumer Agency  
Administrators

Robert Smucker, Executive Vice President, Council on  
National Voluntary Organizations

William Spratley, National Association of State  
Utility Advocates, Consumers Counsel of Ohio

Sandra Willet, National Consumers League

Brian Harron, Executive Vice President, National  
Restaurant Association,  
Working on conservation with the industry  
and gasoline conservation with the public.

Elizabeth Field, Housing Assistance Foundation

Audrey Gates, Director, Consumer Affairs, Mayor's  
Office, New Orleans, Louisiana

Brock Evans, Sierra Club

Carl Holman, National Urban League

ADDITIONAL EXPECTED ATTENDEES

Kathleen O'Reilly, Consumer Federation of America

Mark Green, Congress Watch

Jonathan Lash, Director, Washington Office, Natural  
Resources Defense Council

Robert M. Brandon, Washington Director, Citizens/  
Labor Energy Coalition

Adam Levin, Director, New Jersey Division of Consumer  
Protection

Louise C. Dunlap, Executive Vice President, Environ-  
mental Policy Center

## DISCUSSION POINTS

1. How to deal with credibility and help the public understand our energy problem.
2. How do we begin to get Americans to make conservation part of their decision process.
3. How to educate the public and to lead by example, demonstrating that other Americans are conserving and doing so without disrupting their lifestyles.
4. How we can assist people with lower incomes in using conservation to reduce their energy costs.
5. How we can use existing Federal programs better to support voluntary conservation.

## TALKING POINTS:

1. I appreciate your participation in this discussion, which I hope to be an informal and candid working session. Dealing with the energy problem, both over the coming months and in the longer run, will require the best brains and expertise we can muster. I particularly wanted to meet with you because of your knowledge and experience with consumers and public education, and with energy conservation.
2. Yesterday, I met with representatives of the industry to hear their point of view on the nature of oil shortages, the kinds of problems that they are experiencing and what they are planning to do about it. We will take into consideration what they had to say although we will continue our own independent analysis of the situation. I am considering establishing an independent mechanism to analyze our oil situation and define the nature of the problem. This would not be an attempt to prescribe solutions, but I would be interested in your assessment as to whether this would help with the credibility problem and would help define our energy problem.
3. I do not need to convince you that we have a serious energy situation. Whatever the public might believe about shortages, the fact remains that we are depending on sources in the most unstable region of the world for too large a percentage of our oil supply. Conservation is the cheapest and cleanest way to produce a barrel of oil.
4. There are a lot of people already successfully practicing conservation efforts. The problem is how you translate these individual activities into a greater national sense of the need to conserve.
5. Let me make one other point. I have taken certain actions on oil supply which I believe are in the best interest of our nation. The phasing in of decontrol was not a decision which has been politically popular for me as the current debate of extending controls has

demonstrated. I am sure that there is disagreement among you about decontrol. I am firmly committed that decontrol will increase exploration and production activities. To the extent that any increased revenues are excessive, I have proposed a windfall profits tax so that these increased revenues can be used in the national interest which otherwise would not be the case.

6. Also, in order to ensure that there is no illegal behavior on the part of the oil industry in withholding supplies from the market to force prices up, I have directed the Antitrust Division of the Justice Department and the Department of Energy to undertake a thorough investigation of refinery and other industry activities. This investigation will begin with a focus on the west coast, but will include other parts of the country as needed. A preliminary report is to be sent to me within the next two weeks (note 30 days after announcement), with such further reports and information to follow as appropriate. I intend to ensure that the oil industry is not taking illegal advantage of our current shortage.

7. Whatever your position might be on decontrol and the windfall profits tax, the fact remains that it is still necessary for this country to greatly increase its efforts at energy conservation. Thus, the purpose of our meeting is to look at how we together can get at the problem of voluntary conservation. I have several other points which I would like you to consider during our discussion: First, how do we begin to get Americans to make conservation part of their decision process?

Second, I do not intend to preach to the American people. Rather, I see my role as an educator and leading by example. I can demonstrate that other Americans are conserving and how they are doing so without disrupting their lifestyles. And I can help with your programs.

Third, I am very concerned about how we can assist people with lower incomes in using conservation to reduce their energy costs.

Fourth, I would like to hear from you about how we can use existing Federal programs better to support voluntary conservation.

2:30 PM

C

THE WHITE HOUSE

WASHINGTON

June 1, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *AW*  
ESTHER PETERSON *EP*

SUBJECT: Meeting with Various Organizations  
on Energy, Friday, June 1, 1979

Based on the comments made yesterday by participants at the low-income consumers meeting at Howard University, we would like to raise two additional points which are relevant to this afternoon's energy meeting:

1. In regard to assisting lower-income people with conservation, many of their representatives feel that they are already practicing conservation to the greatest extent possible because inflationary prices have forced them to choose between heating and eating.
2. In regard to disrupting lifestyles, many lower-income people already have had to adjust and believe that there should be some adjustment by other sectors of society.

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THE WHITE HOUSE

WASHINGTON

June 1, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
KITTY SCHIRMER

SUBJECT: CLARIFICATION OF REFINERY USE OF CRUDE STOCKS

At the Thursday meeting with the oil company leaders, Cliff Garvin, Chairman of Exxon presented certain facts and figures about use of crude stocks and refinery runs which are, for the immediate term, more optimistic than current DOE and API data actually show.

Mr. Garvin stated that normal crude stock levels average about 320 million barrels, with seasonal variations in either direction of 20-30 million barrels. This means that stocks can vary from the norm by 10% in either direction. We raise this point because in your summary of the meeting you stated that this was a 1% variation. This error went uncorrected at the time. Further, the actual swing in crude stock levels from the low to high points is about 20%.

Garvin also stated that during the Iranian crisis, stocks fell to 300 million barrels, and that since February, stocks have gone back up to 320 million barrels and should stay there. He used these figures to counter claims that the industry may be acting conservatively in its use of stocks.

After the meeting, Jim Schlesinger and Les Goldman spoke with Garvin and Charlie DiBona about DOE's most recent surveys of stock levels. DOE's most recent figures show stock levels of 327 million barrels -- a level higher than would be expected at this time. As the attached chart shows, normal seasonal variations would show stocks beginning to decline in May. At the moment, however, these stocks are building, moving toward the lower end of the projected normal range and well above the estimated minimum acceptable level. For this reason, Jim Schlesinger continues to be concerned that some refiners, although not necessarily Exxon, are being somewhat more conservative than necessary.

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When asked about this anomaly, both Garvin and DiBona acknowledged that the data were accurate and had no explanation for its cause. Both indicated that although crude imports are up to close to the 6.2 million barrels per day level DOE had hoped for and projected, refinery runs have not yet increased to reflect these import levels. According to DOE's projections, refineries should now be operating at 87% of capacity, rather than the actual 83% we are now seeing. Garvin and DiBona stated that they expect this trend to turn around soon, and agreed that it is in both our best interests and theirs for this to occur. They reiterated the caution that we should avoid placing excessive reliance on week-to-week data.

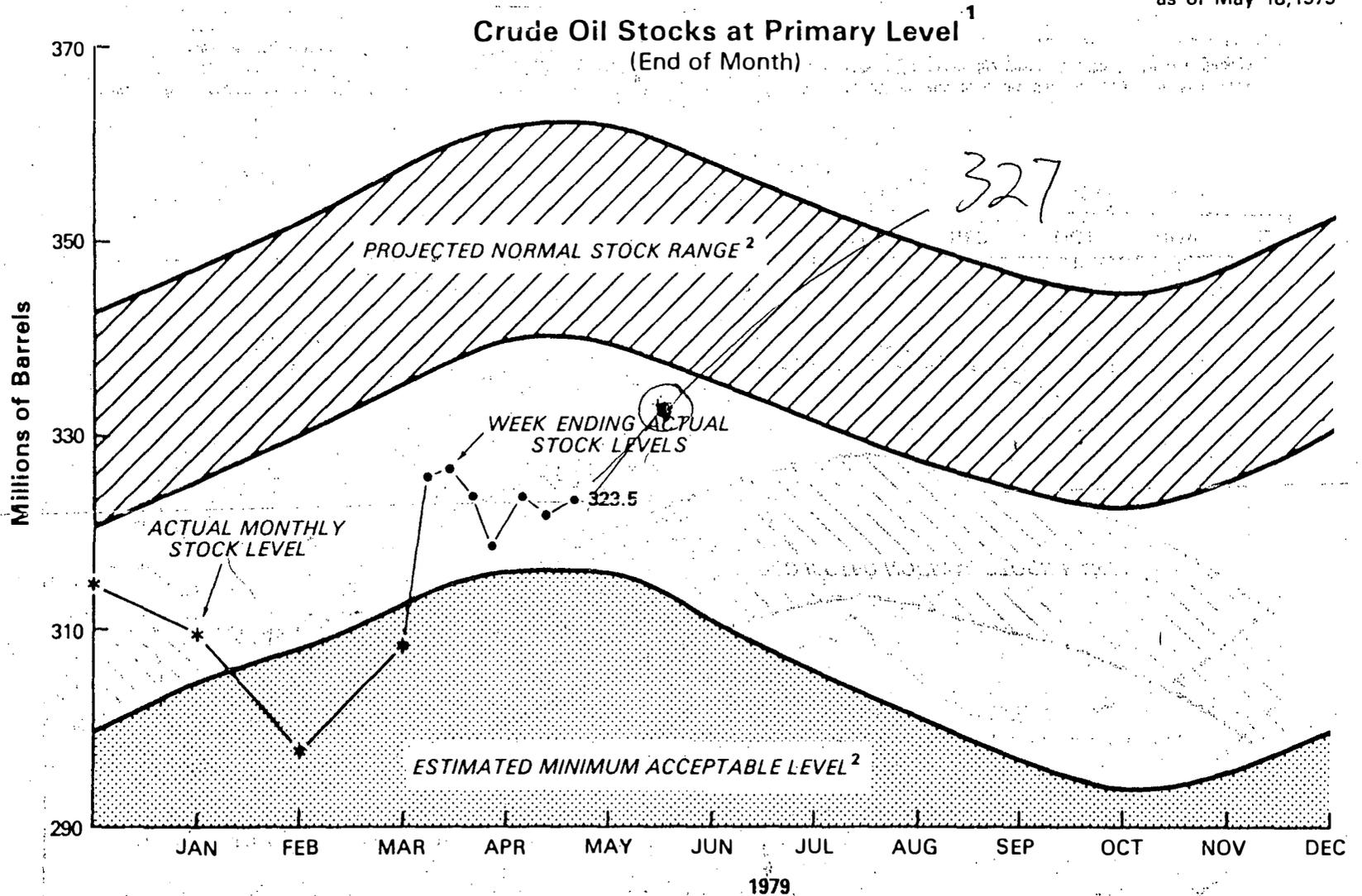
Based upon this information, we would caution you against giving any public assurance now that conservative behavior is not occurring. We continue to hope that, if the refineries perform as they normally would given the levels of crude availability, that the situation will improve and gasoline availability will increase to 95-96% of June 1978 levels (as opposed to the May levels of 92-93%).

Accordingly, we recommend that any statement you make be phrased as follows:

"In the last two weeks, crude imports have risen moderately, and, based upon those increases, the industry ought to be able to increase its use of crude stocks such that gasoline availability will come closer to the June 1978 levels. At my meeting with leaders of the oil industry, I urged them to avoid overly conservative practices in the use of crude oil stocks, which normally would be declining at this time of year. If the refineries perform as expected, my predictions that the gasoline situation should ease up somewhat in June should be accurate. DOE will continue to monitor carefully oil companies' use of crude supplies."

If the industry performs as we expect, your statements during the California shortage will be proved correct. If the situation does not improve, and the stocks continue to build, the monkey will be appropriately placed on the companies' backs. If current trends toward stock building are not reversed, DOE will be prepared to consider recommending to you that mandatory action be taken, assuming a continued level of imports in the range of 6.2 million barrels/day.

as of May 18, 1979



<sup>1</sup> Crude Stocks at Primary Levels include those held at refineries, in pipelines, and in lease tanks and do not include those held in the Strategic Petroleum Reserve.

<sup>2</sup> See notes 2 and 3 of U.S. Petroleum Stocks at Primary Level.

Source: Week ending average data: American Petroleum Institute (API), "Weekly Statistical Bulletin"; projections and estimates through 1979: DOE Emergency Policy Committee, Iranian Response Plan. Actual Monthly Data: December 1978: EIA Energy Data Reports, "Petroleum Statement, Monthly", January through March 1979: EIA "Monthly Petroleum Statistics Report."

2:25 PM

THE WHITE HOUSE

WASHINGTON

May 31, 1979

MEETING WITH JAMES B. CREAL, PRESIDENT  
THE AMERICAN AUTOMOBILE ASSOCIATION

Friday June 1, 1979  
2:25 p.m. (5 min.)

OVAL OFFICE

FROM: Anne Wexler *AW*

I. PURPOSE

To meet with James Creal, President of AAA, as the Association starts its National Voluntary Gasoline Conservation Campaign.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN

A. BACKGROUND

The American Automobile Association, founded in 1902, is a federation of 226 local motor clubs throughout the United States and Canada with a membership of 16.5 million adults. Its scope of operation ranges from specialized services such as travel assistance and information to public service activities. It claims in its membership 10% of the U.S. adult population and 21% of private car owners.

During the 1973-4 gasoline shortage, AAA initiated a gasoline conservation program--"Gas Watchers". Successful at first, it was de-emphasized because of a lack of government support for conservation and a public perception that the shortage was temporary. The Association has continued to feel that a significant gasoline conservation effort is necessary.

AAA supports the Administration's positions on decontrol and the windfall profits tax, and testified and lobbied in support of the rationing plan.

Your meeting with Mr. Creal marks the start of an expanded and highly visible national gasoline conservation campaign. The program will be based on "Gas Watchers" but will include extensive media, new conservation tips and expanded local programs. (See the attached program description). The program motto is, "Make 5 gallons do the work of 6".

B. PARTICIPANTS

James B. Creal, President, AAA

Jerry Connors, Managing Director, AAA Government Affairs

Anne Wexler

Mike Chanin

C. PRESS PLAN

White House press and photo pool.

III. TALKING POINTS

- I appreciate your support of our National energy policies. I and my staff will continue to work closely with you on energy conservation.
- AAA is to be commended for its leadership in gasoline conservation and for initiating this new effort.
- This program gives drivers practical advice on how to use less gasoline without hardship.
- If all drivers will obey the 55 mile per hour speed limit, avoid tank-topping and follow the practical tips in "Gas Watchers", they will meet our national objectives to reduce unnecessary driving and reduce the waste of gasoline.
- This will allow us to use more of our oil resources for other critical national needs such as farming, public transportation, emergency services and home heating.
- The need for voluntary gasoline conservation is urgent, and I encourage all drivers to make use of the "Gas Watchers" program-- to make 5 gallons do the work of 6.



# AMERICAN AUTOMOBILE ASSOCIATION

8111 GATEHOUSE ROAD, FALLS CHURCH, VIRGINIA 22042 • 703 AAA-6000 • CABLE: AMERAUTO • TELEX 89-9485

## A NATIONAL VOLUNTARY GASOLINE CONSERVATION CAMPAIGN

### OBJECTIVE:

To encourage American motorists to reduce their gasoline consumption through a program of voluntary conservation.

### STRATEGY:

Develop a comprehensive and broad-based public awareness campaign to reach the 141 million licensed drivers in the U.S. through the leadership of AAA and with the participation and involvement of key organizations in the automotive, transportation, travel, hotel/motel, restaurant industries, federal and state government agencies, organized labor, the education profession, professional sports and the communications media. The thrust of the campaign will be to:

1. Convince the motoring public of the need to conserve gasoline.
2. Explain the personal and national benefits to be gained from voluntary conservation.
3. Show drivers how to reduce their personal mileage and how to practice other forms of gasoline conservation.

### TECHNIQUES:

To demonstrate the need for and benefits of conservation, a continuous program of public information and education will be required to maintain driver interest and support. To help achieve this, the following techniques will be employed:

1. AAA's existing Gas Watchers program will be revitalized. Materials, particularly the Gas Watchers Guide, the backbone of the program will be updated and offered to the public. Various conservation tips contained in the guide will also be featured in a range of other communications aids, such as newspaper ads, broadcast public service messages and other media.
2. The conservation message will be dispersed nationally by means of programming aids and editorial matter published in AAA publications and other media.

3. AAA's highly-respected Fuel Gauge program, which reports on gasoline availability and prices, is currently and will continue to be done weekly. Conservation messages can be worked into the reports, which are given prominent national news coverage each week.
4. The message will also be spread by AAA interaction with other groups either through their use of AAA materials or our assistance to them in development of their own programs.
5. AAA has worked and will continue to work with state governors in an attempt to create and assist with local conservation programs and emergency contingency plans. AAA will work with governors and other state officials to put together state energy conferences similar to the one recently held in Virginia.
6. AAA's National Travel department is currently surveying many of our nation's theme parks and other recreational attractions to determine if mass transportation techniques might be employed to transport people from nearby hotels, campgrounds and neighborhoods and thereby reduce gasoline consumption.

regular foreign affairs breakfast 6/1/79

THE WHITE HOUSE  
WASHINGTON

For affairs breakfast 6-1-79

N/S Korea

UNEF - SU

Ind - Pak

Rhodesia/Nigeria

Iran, Mex, S.A., N/S oil/politics

Iran - political integrity  
Gen Oveisi & others

Ramsey Clark - Iran/Sov.

French vs MideE treaty

MFN re Vienna summit

"associated measures" re MBFR

Summit agenda ok'd

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