

6/13/79 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	<p>From Young to The President (one page) re: Weekly Activities of US Mission to the UN/enclosed in Hutcheson to Cabinet Members</p> <p><i>Douglas RAC NHC-126-17-23-1-7</i></p> <p><i>10/24/13</i></p>	6/7/79	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Offices of the Staff Sec.- Pres. Hand-writing File 6/18/79 [2] BOX 136

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9:25 AM

THE WHITE HOUSE

WASHINGTON

Photograph with Congressman
Billy Lee Evans, Cecil Passmore,
Dr. James Smalley et al

Wednesday - June 13, 1979
9:25 a.m. (5 minutes)
The Oval Office

From: Phil Wise

**Electrostatic Copy Made
for Preservation Purposes**

I. PURPOSE

To greet Congressman Billy Lee Evans, Cecil Passmore, Dr. James Smalley, and a group from Georgia who are in Washington to put on an evening dinner/backyard Southern picnic honoring Congressman Evans.

II. BACKGROUND, PARTICIPANTS, & PRESS PLAN

A. Background: Cecil Passmore has asked for this opportunity to bring in a group of Georgians who are in Washington to honor Congressman Billy Lee Evans.

B. Participants:

Congressman Billy Lee Evans
Cecil Passmore, Jr.
James Benny Mullis
Dr. James LUtHer Smalley
Roger Braswell
G.W. Darsey
E.C. Morris
Don Hobbs
Mason Whittle
Ed Martin
Taylor Rowland

David Wallace
Roy H. Holland
Roger Lord
Judson Leon Green
Wallace Wright
John Wolfenbarger
Charles Johns
D.G. Smalley

C. Press Plan: White House Photographer

THE WHITE HOUSE
WASHINGTON

Mr. President:

I'm having breakfast with John Leban this morning. He was chairman of the Broward County Demo Party during the primary and is now vice-chair but still runs the show. Eddie Kay is chairman. You stayed at his house one night and met his son, Howard. Do you mind if I run him in for a picture this morning?

yes no picture

J

Phil

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

6/13/79

Mr. President:

Bob Srauss called and asked if he could see you for 10 minutes today to discuss MTN and the middle east.

approve disapprove

Phil

now
J

**Electrostatic Copy Made
for Preservation Purposes**



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

JUN 5 1979

MEMORANDUM FOR THE PRESIDENT

From: James T. McIntyre, Jr. *J. McIntyre*
Subject: Need for veto signal on H.R. 3892/S. 1039,
related medical care bills

This memorandum seeks your permission to provide a veto signal to the Congress with respect to H.R. 3892 and S. 1039, related bills affecting the VA medical care program.

Both of these bills contain provisions which would extend two VA medical grant programs which the Administration has generally supported. In addition, S. 1039 as reported out of committee includes three of the medical care cost savings legislative proposals included in your 1980 budget.

However, H.R. 3892, which passed the House on May 21 by voice vote under suspension of the rules, also includes a number of provisions which we are on record as opposing, and which could add an estimated \$145 million in outlays over the budget in fiscal year 1980. Specifically, it includes proposals to:

- liberalize the scope of medical treatment to be provided at VA expense for nonservice-connected conditions.
- make World War I veterans eligible for outpatient care for any disability whether or not service-connected, while veterans of World War II, Korea, and Vietnam can receive such care only for service-connected disabilities.
- make permanent the annual \$50 million appropriation authorization for VA's program of grants to expand medical school and physician training, which your budget proposed be allowed to expire.

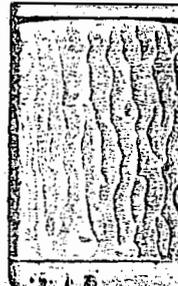
THE WHITE HOUSE
WASHINGTON
13 Jun 79

Jim McIntyre

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

Rick Hutcheson

STu Eizenstat
Frank Moore



FOR ACTION
FYI

<input type="checkbox"/>	FOR STAFFING
<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

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
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<input type="checkbox"/>	RAFSHOON
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<input type="checkbox"/>	BRZEZINSKI
<input checked="" type="checkbox"/>	MCINTYRE
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<input type="checkbox"/>	BLUMENTHAL
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<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

<input type="checkbox"/>	ARONSON
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HERNANDEZ
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<input type="checkbox"/>	KAHN
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<input type="checkbox"/>	PETERSON
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<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SANDERS
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WEDDINGTON
<input type="checkbox"/>	WISE
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<input type="checkbox"/>	
<input type="checkbox"/>	ADMIN. CONFIDEN.
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

THE WHITE HOUSE
WASHINGTON

6/13/79

Mr. President:

VA, CEA and CL concur
with OMB.

DPS comment has not yet
been received.

Rick

More importantly, the House bill mandates a specific number of full-time equivalent employees during 1980 for VA's Department of Medicine and Surgery, subject to the availability of appropriations. This provision would result in an employment increase of some 2,000 to 3,000 staff members above the Administration request, if fully funded, and could add some \$50 million to VA's 1980 outlays (included in the add-on estimate above). S. 1039, as reported, contains a similar provision. In addition, it further requires that I, as the Director of OMB, provide quarterly certification to the Congress that the mandated employment minimums are being met. Upon my failure to so certify, our savings legislation included in the bill would be revoked.

It is our view that the proposed 1980 VA staffing increase is unwarranted. More importantly, any employment minimum in law removes your discretion to adjust staffing levels to reflect actual workload requirements and conflicts directly with your announced commitment to reduce employment government-wide. I further believe that the extremely objectionable Senate provision requiring quarterly certification of employment would disrupt sound program management and represents an unwarranted attempt by the Congress to usurp some of the constitutional responsibilities of the President to faithfully execute the laws.

For these reasons, and because of the precedent that would be set by your acceptance of the quarterly certification provision and the mandated employment levels for VA, it is my judgment that we should signal the Congress that you will not approve these bills in their present form.



Approve veto signal



Disapprove veto signal



**Electrostatic Copy Made
for Preservation Purposes**

Date: June 5, 1979

MEMORANDUM

FOR ACTION: Admininstrator Cleland <i>concur/attached</i> Stu Eizenstat <i>at 11:30 AM 6/5/79</i> Frank Moore (Les Francis) <i>attached</i> Charlie Schultze <i>concur</i>	FOR INFORMATION: The Vice President Jack Watson Anne Wexler Alfred Kahn
---	--

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: McIntyre memo re Need for Veto Signal on H.R. 3892/
S. 1039 Related Medical Care Bills

**YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:**

TIME: 12:00

DAY: Thursday

DATE: June 7, 1979

ACTION REQUESTED:
 Your comments
Other:

STAFF RESPONSE:
 I concur. No comment.
Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

FOR ACTION
FYI

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input 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

<input checked="" type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	KRAFT
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<input type="checkbox"/>	VANCE

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<input type="checkbox"/>	VOORDE
<input checked="" type="checkbox"/>	<i>Cleland</i>
<input type="checkbox"/>	
<input type="checkbox"/>	ADMIN. CONFIDEN.
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

Date: June 5, 1979

MEMORANDUM

FOR ACTION:

Admininstrator Cleland
Stu Eizenstat
~~Frank Moore (Les Francis)~~
Charlie Schultze

FOR INFORMATION:

The Vice Presiden
Jack Watson
Anne Wexler
Alfred Kahn

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: McIntyre memo re Need for Veto Signal on H.R. 3892/
S. 1039 Related Medical Care Bills

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:
TIME: 12:00
DAY: Thursday
DATE: June 7, 1979

Xc: FM ✓
SL ✓
HL ✓
Ronnie ✓

ACTION REQUESTED:

Other: Your comments

STAFF RESPONSE:

I concur. No comment.
Please note other comments below:

Cable: I concur

COMMENTS ON McINTYRE MEMO RE NEED FOR VETO SIGNAL ON
H.R. 3892/S.1039

This bill will not reach the Senate floor until after June 18. Consequently, we do have some time to negotiate on the Hill.

Our analysis is that a veto threat at this time is not likely to impede our chances of getting an acceptable bill by such negotiations. Therefore, we support Jim's request for authority to send a veto signal.

The Senate Committee claims that without the mandated employment levels, the cost savings included in their bill could not survive on the floor. Senators Humphrey, Stone, Durkin and others will seek to strike the savings, whether or not the mandated employment levels survive.

The Committee has held out some hope that a way could be found to strike mandated employment levels in return for a Presidential guarantee that 2000 employees would be added to the VA Department of Medicine and Surgery. OMB would probably oppose this offer - justifiably.

If you veto this bill, the veto is likely to be overridden in the Senate. Both the right wing and moderate Senators would support the veterans' groups who are lobbying this bill heavily. We could count on the support of only a few budget committee members.

(Bob Thomson)



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420
June 7, 1979

MEMORANDUM FOR:

Mr. Richard G. Hutcheson III
Staff Secretary
The White House

This is in response to your request for our comments concerning the proposed veto signal to the Congress with respect to H.R. 3892 and S. 1039, related bills in the 96th Congress which affect the Veterans Administration medical care program.

We support a communication to the Congress of the President's intent to disapprove the aforementioned bills in their present form. We agree that both bills contain certain troublesome provisions mandating specific, minimum personnel levels within the Veterans Administration's Department of Medicine and Surgery. In this connection, we agree that a continuing statutory requirement to meet specified staffing levels in Fiscal Year 1980 and beyond is untenable.

We attribute the current undesirable situation (regarding mandated personnel floors for Fiscal Year 1980 and beyond) to past Administration actions in which appropriated funds were utilized for purposes divergent from those intended by the Congress. Such Administration action may be illustrated by the recent requirement that funds appropriated by the Congress for additional medical care personnel and for research for Fiscal Year 1979 be utilized to defray costs of the October 1979 pay raise for certain Veterans Administration employees and to cover postal rate increases.

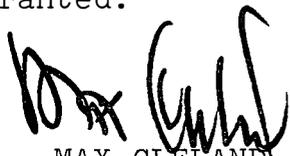
While it is our view that such action is legally permissible, we believe that it violates the spirit and intent of certain appropriations authorized by the Congress and the Impoundment Control Act of 1974 (title X, Public Law 93-344). Accordingly, in the event a veto signal is provided the Congress with regard to H.R. 3892 and S. 1039, it should also be clearly

Mr. Richard G. Hutcheson III

communicated to Congress that if additional personnel are provided for in the Fiscal Year 1980 appropriation act, that such personnel will, in fact, be hired in accordance with the intent of Congress. Recent indications by the Office of Management and Budget to Congress that the Administration will not comply with committee directives accompanying appropriation acts as to the hiring of additional personnel challenge Congress to enact the very statutory provisions to which we object in H.R. 3892 and S. 1039. We believe a veto threat is defensible only if the Administration is prepared to abide by the spirit and intent of appropriation measures enacted into law.

We are unable to agree with the Office of Management and Budget that staffing increases of 1 percent are "unwarranted." We understand the importance of balancing our staffing needs with budgeting constraints, and will make such adjustments as are prudent and necessary. It should be noted that staffing for new activations is being required to be absorbed from current staffing levels. It is obviously clear to the Congress, however, that there is a real need for an increase in our health care staffing for 1980.

Accordingly, we are unable to conclude that modest staff increases for 1980 are unwarranted.



MAX CLELAND
Administrator

COMMENTS ON McINTYRE MEMO RE NEED FOR VETO SIGNAL ON
H.R. 3892/S.1039

This bill will not reach the Senate floor until after June 18. Consequently, we do have some time to negotiate on the Hill.

Our analysis is that a veto threat at this time is not likely to impede our chances of getting an acceptable bill by such negotiations. Therefore, we support Jim's request for authority to send a veto signal.

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The Committee has held out some hope that a way could be found to strike mandated employment levels in return for a Presidential guarantee that 2000 employees would be added to the VA Department of Medicine and Surgery. OMB would probably oppose this offer - justifiably.

If you veto this bill, the veto is likely to be overridden in the Senate. Both the right wing and moderate Senators would support the veterans' groups who are lobbying this bill heavily. We could count on the support of only a few budget committee members.

(Thomson)

THE WHITE HOUSE

WASHINGTON

June 13, 1979

*marked
for
late*

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
ELLEN GOLDSTEIN
SUBJECT: Veto Signal on H.R. 3892/S. 1039

We concur in the recommendation for a veto signal on H.R. 3892 and S. 1039, related VA medical bills.

However you should know that the controversy over mandated personnel levels in this authorization bill arises because last year, when Congress appropriated VA funds clearly intended for personnel above our requests, we applied the funds instead toward pay increases for current staff--rather than either vetoing the appropriation or accepting the intent.

Realistically, a threat to veto this bill, to be successful, may at some point require a commitment to work within the appropriations process to resolve personnel disputes.

THE WHITE HOUSE
WASHINGTON
6/13/79

Bernie Aronson

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

Rick Hutcheson

2603

Last Day for Action
Saturday, June 16, 1979

THE WHITE HOUSE

WASHINGTON

June 13, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT
ELLEN GOLDSTEIN

SUBJECT:

Enrolled Bill S.7, Veterans Health
Care Amendments
Sponsored by Senator Cranston

*cc Bernie -
Do not split
infinities. It is
better to move
Stu fully and
adequately avoid
this.*

J.C.

THE BILL

S.7 contains the long-awaited psychological readjustment counseling for Vietnam era veterans and their families. This legislation took ten years to pass both Houses of Congress, largely because of House Committee opposition. S.7 will also provide the VA with contract authority in a five-year pilot program for halfway house treatment of drug and alcohol abuse problems. A five-year preventive health care program for service-connected veterans is provided, capped at a total cost of \$64 million. New limitations and priorities for dental care are also included. The Administration, and Senator Proxmire, strenuously opposed a provision that would expand the role of both Veterans Affairs Committees in the determination of VA medical facility construction costing over \$2 million. While this may be viewed as pork-barrel, the real effect of adding two more Committees to the approval process, may be to confuse and delay VA capital constructions.

There are several technical changes in S.7 in both expanding and limiting some benefits for specific groups. It also requires that future nominations for Deputy Administrator of the VA be confirmed by the Senate.

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for Preservation Purposes**

STATEMENT BY THE PRESIDENT

Out of a deep sense of commitment, Congress by Resolution, and I by Proclamation, called upon the Nation this year to honor the sacrifice and contributions of the 9.9 million Vietnam-era veterans during Vietnam Veterans Week, from May 28 through June 3, 1979. The veterans of Vietnam had to demonstrate an extra measure of heroism because of the divisiveness of the war. We as a Nation are finally ready to recognize and appreciate their valor and patriotism.

The statistics that show that the overwhelming majority of returned Vietnam veterans have readjusted successfully are a tribute to their courage, but no comfort to those who have not been able to overcome the psychic or physical damages of the war. In declaring Vietnam Veterans Week, I spoke of our Nation's moral debt to these veterans. In signing S. 7, we begin today to repay that debt.

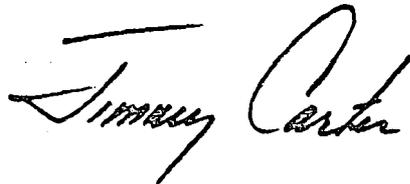
S. 7 will enable the VA to provide special readjustment counseling for Vietnam-era veterans and their families. This is an extremely important feature. The burden and pain of the war and its recurring trauma are shared fully by the veterans' families. Their well-being is essential for successful rehabilitation. The counseling provision includes important mental health follow-up services as well. The VA will make every attempt to provide services for eligible veterans and, when necessary, avail itself of the services of community mental health centers and other facilities where VA readjustment counseling centers are inaccessible or unable to provide necessary services.

S. 7 will also permit the VA to establish a five-year pilot program for the treatment and rehabilitation of veterans with alcohol or drug dependence or abuse problems. While drug problems are on the decline among Vietnam veterans, alcohol problems are rising. This important pilot program will enable veterans to receive appropriate treatment and counseling for these special problems in their own communities

I am concerned about the hospital construction provision of S. 7 which may delay or impair important hospital construction projects undertaken by the VA system. Our commitment to the health needs of our veteran population must come first; I believe that VA recommendations on future construction sites have been based on that commitment. I hope that this new authority in S. 7 will not politicize nor unnecessarily delay future VA constructions.

The special provisions of S. 7 which are the key initiatives of my legislative program, will permit the VA to more fully and flexibly respond to special needs, particularly those of Vietnam-era veterans which have not until now been fully and adequately addressed. Max Cleland, my VA Administrator, testified ten years ago on behalf of psychological readjustment counseling. I congratulate Senator Alan Cranston who has been a tireless champion for psychological readjustment counseling legislation for many years and deserves great credit for final passage of this legislation.

The Nation has shown its appreciation to veterans over the years. With this act we demonstrate again our recognition of those contributions. We also give special tribute to Vietnam-era veterans and demonstrate forcefully that this country has opened its eyes and its heart to their unique experience and sacrifice.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

THE WHITE HOUSE
WASHINGTON

6/13/79

Henry Owen

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

Rick Hutcheson

cc: Fran Voorde

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

*Henry
J*

ACTION

June 12, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY OWEN *VO*
SUBJECT: Addition of Jim Schlesinger and
Charlie Schultze to the Economic Summit

1. Schlesinger. My Japanese counterpart has inquired of each of the other Summit representatives as to whether energy ministers should be added to the Tokyo Economic Summit delegations. I have been reluctant to endorse this idea because it could snowball, converting the Summits into technical debates with many specialized ministers present. On the other hand, the presence of Jim Schlesinger in Tokyo would prove helpful in dealing with some energy issues; Germany's Lambsdorff, who comes to Summits regularly, is Minister of Economics and in charge of energy.

*a
flail
last
year*

Jim wants to go. One course would be just to show up with him as you showed up with Bob Strauss at London. In the meantime, I would give a Delphic reply to the Japanese query so as not to encourage every country to send its energy minister.

2. Schultze. Charlie asked me yesterday whether he could come to the Summit. I pointed out that if he came, as well as Jim, it would mean that Cy Vance would be largely superseded during the first day of the Summit since that day would be largely devoted to energy and macro-economic policy. On the other hand, Charlie would be very useful since he headed the pre-Summit working group on macro-economic policy. I said that I would raise the issue with you.

YOUR DECISION

- 1. Add Schlesinger to delegation. _____
- 2. Add Schultze to delegation. _____
- 3. Defer decision until I can report to you, when I return from Paris early next week, what the other Summit countries propose to do about attendance. _____ *v*

inclined no

~~CONFIDENTIAL~~

C

TO: President Carter
THROUGH: Rick Hutcheson
FROM: Ambassador Young
SUBJECT: U.S. Mission to the U.N. Weekly Summary
June 1 through June 7

SECURITY COUNCIL TO HOLD INFORMAL CONSULTATIONS ON LEBANON

Beginning June 12, the Security Council will convene to discuss south Lebanon and renewal of the UNIFIL mandate. The Lebanese initially asked for Security Council consideration of south Lebanon on June 8, which the Western members discouraged since premature debate might trigger a sharp Israeli reaction to the PLO announcement on the pull back from Tyre and villages in the south. The Security Council supports in principle the continuation of UNIFIL but there continues to be a desire to maintain pressure on the Israelis.

MEETING WITH CYPRIOT ARCHBISHOP CHRYSOSTOMOS

In our general discussion on the current situation in Cyprus, the Archbishop pointedly expressed his disappointment over a U.S. position "which seemed to favor the Turkish aggressors". I told him the 10 points laid out during the Secretary General's visit to Cyprus constitute a good point of departure for negotiations. I also mentioned that if my presence in Cyprus would be useful, I would consider a trip to the island this summer.

MINNEAPOLIS AND DETROIT

In Minneapolis, I spoke to the Democrat Farmer Labor Party and to the DFL Feminist Caucus on women's rights. I also met with the editors of The Minneapolis Star and The Tribune.

In Detroit, I had off-the-record talks with General Motor executives on Administration policy, and met with Mayor Coleman Young. Later in Flint, Michigan, I spoke to the city's Urban League.

OTHER MEETINGS

Gave Commencement address at Old Westbury College in Long Island. Met with Dr. Dele Cole, publisher of The Daily Times of Nigeria. Attended luncheon in honor of Romanian Religious Leaders and a luncheon hosted by the African-American Institute and Bankers Trust Company honoring the Board of Directors of United Bank of Africa. Also met with Dr. Philip Potter, Secretary General of World Council of Churches.

DECLASSIFIED

Per. Rec. Project

ESDN 12-17-23-6-7

BY 165 DATE 10/23/12

~~CONFIDENTIAL~~



THE WHITE HOUSE

WASHINGTON

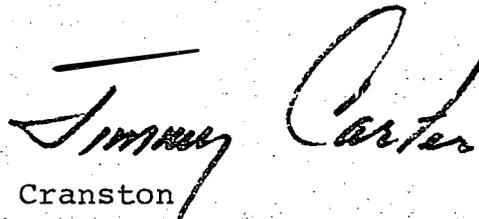
June 13, 1979

To Senator Alan Cranston

I have today signed S. 7 into law and I want you to know how deeply I appreciate your efforts on behalf of this legislation, particularly your tireless support for psychological readjustment counseling over the last several years. I am convinced that had it not been for your endeavors, I would not have S. 7 to sign today.

Your concern and efforts for all our Nation's veterans are widely known and deeply respected. You deserve congratulations as this bill today becomes law.

Sincerely,



The Honorable Alan Cranston
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

6/13/79

Stu Eizenstat

The attached was returned in
the President's outbox today
and is forwarded to you for
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Rick Hutcheson

FOR ACTION
FYI

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

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

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

THE WHITE HOUSE

WASHINGTON

June 13, 1979

*Shu
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MEMORANDUM FOR THE PRESIDENT
FROM STU EIZENSTAT *Shu*
SUBJECT: Solar Message

In our decision memorandum to you last week, we indicated that we would come back to you for any further decisions on specific issues within options I and II which had not been resolved, including possible budget questions. Also, in your action on that memorandum, you asked us to explore taking the basic GNMA proposal for home improvement loans for solar and expanding it to include new mortgages. This memorandum reports on that analysis, as well as answering several marginal questions which you raised.

1. A PROPOSED SOLAR BANK

We met with DOE, HUD, OMB, CEQ, and GNMA to explore how mortgages for new homes with solar systems might be included within the more limited GNMA program outlined in our memorandum to you last week. As we explored the various options, we developed a revised approach to the Solar Bank issue which all agencies involved and I now unanimously recommend that you approve.

The essential elements of the proposal are as follows:

- o A government corporation called a Solar Bank would be created by statute within HUD.
- o The Bank would be authorized to make direct payments to banks and other lending institutions to subsidize long-term loans at reduced interest rates for owners or builders to purchase and install approved solar energy systems in residential or commercial buildings.
- o Solar energy systems would be defined to mean any equipment which uses either active or passive solar

technologies, for example solar hot water heating, solar heating and cooling, passive solar design, or some combination of these. The Secretary of Housing and Urban Development in consultation with the Secretary of Energy would define the specifications for these systems.

- o The interest subsidy would be provided only for that part of the home improvement loan or mortgage which directly finances the solar investment.
- o The Bank would assist increased use of solar equipment in retrofitting existing homes or commercial structures, and in encouraging use of both active and passive solar systems, in new construction.
- o The interest subsidy would be set by the Board of Directors of the Bank (composed of the Secretaries of HUD, DOE, and Treasury), at a level they determine is best suited to accomplish the overall purposes of the Bank. The subsidy could be changed as needed to reflect improvements in the economic competitiveness of various solar technologies.
- o To prevent abuse, ceilings would be set on the size of the loan or portion of the loan which would be subsidized.
- o The Bank would be funded at \$100 million in BA and slightly less in outlays, at least in the first year. It would be financed through the Energy Security Trust Fund.

We all believe that this proposal has numerous advantages, and overcomes a number of specific difficulties which we discovered in attempting to expand upon the limited GNMA proposal. Of particular concern in trying to include mortgages for solar homes within the GNMA approach is the very large level of budget authority which would be required to finance it. Since GNMA would buy entire mortgages (it would not be able to buy just the solar portion of a mortgage), it would require very large amounts of BA, even though it would be subsidizing only portions of the loans (10-15%). By contrast, this direct payment approach provides the appropriate level of

assistance without requiring the government to buy the entire mortgage. It also eliminates the GNMA middleman, and deals with only that portion of a loan or mortgage which directly finances solar investments. With these changes, the difficulties which OMB, HUD, and GNMA had with the previous Bank proposal have been overcome. These agencies now recommend approval of the Bank.

The Bank also has other advantages:

- o It is similar in thrust -- though differs in detail -- to Congressman Neal's bill (S. 605) which has 88 co-sponsors and has been endorsed by the Solar Lobby and the solar energy industry.
- o While the Bank's financing requires new monies, funds for its operation would be contingent on and provided through the Energy Security Trust Fund. This would not breach the budget ceilings set in spring review last week.
- o It would take advantage of existing expertise within HUD.
- o It would be relatively simple to operate once established.
- o It applies to new construction as well as improvements to existing structures.
- o It avoids the need for a new federal program to purchase loans -- either for home improvement or an entire new house. Federally sponsored secondary market institutions could buy these mortgages under their normal authority.

I continue to believe, as I said last week, that a strong Solar Bank proposal is essential to a successful Solar Message which establishes your leadership on this issue. This proposal is targetted to those areas -- residential and commercial -- where we believe an additional subsidy can significantly increase use of solar. (It does not include funding for agricultural or industrial systems. Agricultural applications of solar may be eligible for assistance through Farmer's Home and Rural Co-ops. Small industries have similar loan programs available through the Small Business Administration, and large industry is not basically credit constrained in making solar investments. In addition, the agricultural and industrial tax credit which you proposed in the April 5 Message, to be funded for the Energy Security Trust Fund, will provide

needed assistance in these areas.)

By tying the financing of the Bank to the Trust Fund, we avoid additional pressures on the budget. This alternative to the GNMA approach keeps BA requirements within reasonable limits. I believe that this approach will be workable -- and well received by the public and those in private industry who are interested in making these technologies succeed.

DECISION

_____ Approve Solar Bank (Recommended by DOE, CEQ, OMB, HUD, TVA, and DPS)

_____ Do not approve Solar Bank (Treasury, which has opposed all Bank proposals.)

2. RESOLUTION OF OTHER ISSUES

We have met with all of the involved agencies to review the specific program elements within three broad options developed by the DPR. We have agreed on all non-budget issues, adopting the DPR suggestions in some cases without change, in other instances modifying them as appropriate.

With respect to those programs which have some budget impact (each of these relatively small), we, OMB, DOE and CEQ have agreed on the following proposal:

- o \$100 million will be added to the Department of Energy's FY 1981 planning base as it was shown in the FY 1980 budget. This level was \$460 million. This addition is within the ceilings for FY 1981 which you approved during the spring budget review last week.
- o Precise determinations of the individual programs on which those funds will be spent will be determined during the course of the FY 1981 regular budget process. DOE will, however, be instructed to give careful consideration to the DPR program recommendations in requesting new initiatives which will be funded from that \$100 million. No commitments to fund those programs will be made outside the budget process.

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for Preservation Purposes**

We believe that this addition, along with the Bank, will provide you with a very strong solar program and one which responds effectively to the recommendations which the DPR developed. When the Bank and the FY 1981 base addition are taken together with the existing programs for solar (both direct outlays and tax credits), the FY 1981 government wide program for solar and renewable resources will total just over \$1 billion. This gives us, in our judgment, a strong, credible program which contributes the proper federal share toward the 20% solar goal.

3. RESPONSES TO YOUR QUESTIONS

- o You commented that we should work with architects in developing passive solar systems. In DOE's base program are several efforts to work with architects and their professional association, the AIA. Among the key activities are: development of passive design workbooks and handbooks, initiation of passive design workshops, sponsorship of a passive design competition, and development of passive solar curricula for architectural schools. Further activities along these lines are planned for 1980, and expansion of these activities is one of the eligible expenditures from the additional \$100 million in the DOE base program.

- o Activity at the Berlin, New Hampshire low head hydro site. The Department of Energy has already signed the contract for development of the Sawmill Hydroelectric project in Berlin, N.H. The sponsor of the project will co-sign shortly and we estimate that construction will start on July 15. The FERC application will be completed by the project sponsor and submitted within a week, and the required Corps of Engineers permit application has been filed. The Corps should act within 30 days. According to DOE, the project is proceeding well on schedule.

THE WHITE HOUSE
WASHINGTON

6/13/79

Stu Eizenstat

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON
June 11, 1979

Sta-
Received 6/13 - a.m.
J

MEMORANDUM FOR: THE PRESIDENT **Electrostatic Copy Made**
FROM: STU EIZENSTAT **For Preservation Purposes**
SUBJECT: Domestic Policy Staff
Status Report

ENERGY

Solar Message: Message, fact sheet, and directives to agencies implementing your decision are in preparation for delivery on June 20. Final scheduling arrangements for inauguration of the West Wing solar collector are being worked out with Phil. A final decision memo on the Solar PRM dealing with the critical issue of the Solar Bank and responding to your comments will be sent to you on June 12.

Preparation for the Summit: You are tentatively scheduled to meet with your principal energy advisors June 12. It is important to have this meeting prior to your departure for Vienna in order to give Henry Owen instructions for the final Preparatory Group meeting which begins on June 15. Owen is preparing a paper for that meeting, working with us and the other involved agencies.

CRBR: The vote is likely to occur in the House after the Fourth of July recess. (The vehicle is the DOE authorization bill which will not be brought up until after action on the windfall profits tax has been completed.) We are working with Congressional Liaison to provide such further briefings or information as is needed. Four large briefing sessions for House Staff were completed in late May. A similar series of briefings is being organized for the Senate staffs for the week of June 18. Senate action will occur sometime in July, but no date for floor action has yet been set.

Synthetic Fuels: As we indicated at last week's leadership breakfast, there is considerable interest in the Moorehead amendment to the Defense Production Act which would establish a program of federal buys for synthetic fuels. We are analyzing the Moorehead amendment on an expedited basis through the Energy Task Force. We will also work with Congressional Liaison to determine the political situation on this proposal. We expect to be able to recommend an Administration position to you on this before you leave for Vienna.

HUMAN RESOURCES

*Watch
the
budget*

Workers' Compensation: Secretary Marshall has sent you a memo requesting permission to negotiate a workers' compensation bill with Senators Williams and Javits. The EOP staff is recommending interagency review before you make final substantive decisions. A memo with a recommended decision process is on its way to you.

National Health Plan: Announcement is scheduled for June 12.

Welfare Reform: The cash bill was introduced on both sides, sponsored by Ullman, Corman, Moynihan, Bradley, Williams, Ribicoff, Kennedy, Baker, Hatfield, Bellmon and Danforth. The latter two were particularly helpful in lining up bipartisan support. The jobs bill will be introduced this coming week. Press reaction since the May 23rd announcement has been very encouraging, as has been the willingness of liberal and public interest groups to be generally supportive of our legislative vehicle, and work to "perfect" it. Our general design seems to have broad support.

*Tell Joe I
said to
help*

Social Security: Under EPG auspices, we are trying to establish an interagency working group on social security, focusing on the tax cut options and associated financing and benefit issues. HEW is a very recalcitrant participant. We expect Congressional hearings this Fall and substantial pressure to postpone or avoid the major tax increase scheduled for January 1981.

Higher Education Act: HEW's work is lagging -- in part due to intensive efforts on NHI and Welfare Reform. We will work with OMB and the Department.

Department of Education: We are working closely with Congressional Liaison and OMB on the House floor situation and Conference. Assuming enactment, rapid appointment of a highly qualified Secretary is critical. I strongly believe that if passed, the appointment should also increase minority representation in the Cabinet.

*Talk to Tim -
He's already at
work. Need broad
search.*

*-- or female
no dominance by
NEA or anyone else*

NATURAL RESOURCES

Timber Policy: The announcement of the even-flow departure is scheduled for Monday, June 11.

Environmental Message: With CEQ and OMB we are completing work on the proposed new initiatives for an Environmental Message. You will receive a decision package in about a week which we anticipate will carry consensus recommendations on most issues. If the initiatives meet with your approval, we would anticipate issuing the Message before the July 4 recess.

Water Policy: Although they have not adopted full funding, the level of water project construction funded in the House Appropriations Subcommittee is only slightly higher than our Budget. However, we face very difficult problems with the omnibus water project authorization bill, the cost-sharing legislation and the Water Resources Council authorization. We are working closely with Frank Moore's staff, Interior, Army and the other agencies.

Alaska Lands: There is no action yet in the Senate.

Hazardous Waste Legislation (Superfund): A memorandum responding to the discussion during the budget session will be sent to you Monday. We are aiming for submission of legislation next week so that our position will be clear before major hearings begin.

Coal Slurry Legislation: Congressmen Eckhardt, Udall, and Wright introduced their coal slurry legislation on Thursday, June 7. They held a press conference announcing Administration support of their bill.

CIVIL RIGHTS AND JUSTICE

Cease and Desist Authority for HUD: A White House Task Force has been created to coordinate our lobbying efforts. Subcommittee markups are scheduled for late June or early July. Prospects are good in both committees but it is still a long shot.

LEAA. A bill which retains the major elements of our reorganization passed the Senate on May 21. The House Committee has also reported a bill, but it is not expected to reach the floor until the last week in June. Although the Senate bill authorizes up to \$825 million, the First Concurrent Budget Resolution provides only \$450 million for LEAA -- approximately \$100 less than we requested.

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Good
FBI Charter: The Charter is in the final phase of the clearance process. We plan to send a message with the bill. The Vice President will hold a press conference to announce the transmittal. Senator Kennedy and Chairman Rodino and other members of the Judiciary Committees would be invited.

Illinois Brick: The bill cleared the Senate Judiciary Committee by 9-8 along largely partisan lines. It is likely to face a filibuster on the floor. There has been no movement so far in the House Judiciary Subcommittee.

Federal Court Reform Package: Prospects for passage of bills to extend federal magistrates' jurisdiction and to provide funding for local dispute resolution mechanisms are excellent. The proposal eliminating federal diversity jurisdiction is running into strong opposition. We are meeting with Justice and Kennedy staff on new Federal Appeals Court proposal to try for acceptable compromise.

Undocumented Aliens: A memo recommending that our legislation be put aside until the Select Commission's report is available is on your desk.

Privacy: Three of the bills announced in your Message have been submitted, and hearings are underway. The fourth -- on financial records -- is being completed, but some difficult law enforcement issues remain to be resolved.

HOUSING AND URBAN DEVELOPMENT

New York City Financing: Secretary Blumenthal has indicated his concern to Mayor Koch that the City's budget does not make adequate cuts, but Treasury has not yet decided whether it will require such cuts if the Mayor does not concur. The greatest probability is that Treasury will not require these cuts without the Mayor's agreement.

Targeted Fiscal Assistance: We succeeded in getting Congress to include funding for our program in the Congressional Budget Resolution. We now are working with the Senate Finance Committee to obtain quick approval in the Senate. The prospects are good. Rapid Senate action is important to our chances in the House, which will be much more difficult.

Public Works and Economic Development Act: Legislation reauthorizing the Economic Development Administration and enacting our new development financing program (formerly the National Development Bank) is progressing through Congress. We expect to obtain most, if not all, of the new funding, but face a tough battle to enact our more targeted eligibility criteria. The \$275 million expansion of funding for the UDAG program also is likely to be approved.

*I do not
favor
State
GRS*

General Revenue Sharing: We are working with Treasury to develop an open consultation process as we develop our proposals for reauthorization of General Revenue Sharing. We expect to meet regularly with Governors, Mayors, County officials, etc. as we develop our proposals.

*Help the
Committee*

Tax-Exempt Housing Bonds: Ways and Means began marking up the Ullman-Conable bill this week. As expected, the Committee approved a relaxation of the provisions for the Ullman-Conable bill affecting tax-exempt financing of multi-family housing. The Committee also is expected to approve a very limited program for tax-exempt financing of single-family housing. Treasury is working with the Committee to hold down the budget impact of the single-family provisions.

Community-oriented Urban Initiatives: Neighborhood Self-Help, Livable Cities, Community Development Credit Unions, and National Consumer Cooperative Bank are all going through appropriations process now. Livable Cities is having greatest difficulty, even though Mrs. Mondale has been very helpful. Congressman Stokes and Congresswoman Chisholm have been strong supporters, as well as Senators Weicker and Mathias.

Neighborhood Commission Report: Interagency Task Force, chaired by HUD, is reviewing recommendations. Report to you by mid-summer.

GENERAL GOVERNMENT

Small Business: The conference on the Small Business authorization bill is scheduled to begin on Monday at 2:00 p.m. We expect the compromise worked out on farm disaster lending to remain in place. A Mineta amendment to authorize inclusion of Asian-Americans in the Section 8(a) program is supported by the Administration and will be approved. The authorization levels will be compromised at acceptable levels. All in all, we anticipate a bill you can sign.

Sunset: House and Senate hearings are underway and going well. No dates set yet for markup.

Regulatory Reform: We are developing a proposed Message to Congress on communications regulation and will get you an options paper shortly. That will be the last element in a far-reaching package before the Congress this year: deregulation in trucking, rail, banking and communications, plus the bill to reform the regulatory process. Hearings are underway or scheduled in all these; markup on the process bill will begin in June.

Federal Pay Reform: We are working with Scotty Campbell and OMB on legislative and policy strategies.

Regulation Q Banking Reform: All editorial reaction to your message has been favorable. We will submit detailed legislation recommendations June 21.

Public Financing of Congressional Campaigns: House Administration Committee voted against reporting the bill. Although an effort will be made through the Rules Committee to allow floor action, prospects for House passage are very bleak. Senate hearings are scheduled for this month, but Senate prospects are not good.

Davis-Bacon: A floor vote is expected shortly on the Senate Armed Services subcommittee recommendation to repeal Davis-Bacon for military construction. We will vigorously oppose.

Postal Electronics PRM: Interagency work has been completed. EOP analysis and review is well underway.

Lobby Law Reform: House subcommittee has reported bill to full committee. All of our amendments to minimize paperwork and protect First Amendment interests have been adopted so far. Senate bill will be introduced soon. We continue to work with Justice, OMB, Treasury and Frank's staff on policy and legislative strategies.

TRANSPORTATION

Amtrak: Authorization and appropriations bills will be on both House and Senate floors soon. We and DOT expect a number of floor fights, with different members probably wanting to add back all trains. We may have to give in some. If so, we will credit it to increased ridership and energy efficiency concerns.

Rail Deregulation: House and Senate hearings have indicated that there is no consensus behind our bill. It will probably take all summer to develop an acceptable bill in the committees. Passage is not likely before next year.

Maritime Policy: A decision memo on national maritime policy and regulation of the industry is on its way to you.

Trucking Deregulation: Announcement scheduled for June 21.

MISCELANEOUS

Cultural Policy: Final decision memo will be to you by July.

Industrial Innovation PRM: Final decision memo will be to you by Mid-July.

Territories: The interagency study of territories policy will be completed by late July or August. The area of greatest difficulty is economic development. The most discussed issue is political status.

NASA: Development of the Space Shuttle, NASA's major program, is behind schedule and substantial cost overruns are projected.

Draft: The Senate Armed Services subcommittee, following the House committee's lead, has voted out a bill that would require registration of all draft age (18-26) males on January 1, 1980. Regardless of the merits, the political problems with the timing is clear. We are working to develop an Administration plan to forestall registration. Votes in both House and Senate are expected within two weeks.

Stein - I do not favor international bribery.

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THE WHITE HOUSE

WASHINGTON

June 12, 1979

TO GREET JERRY PARR AND SAY FAREWELL TO JOHN SIMPSON

Wednesday, June 13, 1979
12:00 p.m. (3 minutes)
The Oval Office

From: Hugh Carter *HC*

I. PURPOSE

To meet Jerry Parr and have farewell photograph taken with John Simpson

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Jerry Parr will be taking John Simpson's place as Special Agent In Charge of the Presidential Protective Division, and John will become the Assistant Director for Protective Operations.

Jerry was born in Montgomery, Alabama, is married and has three children. He joined the Secret Service in 1962, and except for three years with the Foreign Dignitary Protective Division and three years in the Office of Inspection, has been with the Vice Presidential Protective Division since 1964. The V.P. thinks very highly of Jerry.

B. Participants: John Simpson
Jerry Parr
Stu Knight
Hugh Carter

C. Press Plan: White House Photographer

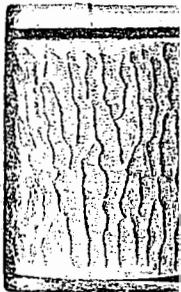
THE WHITE HOUSE
WASHINGTON

13 Jun 79

Jerry Rafshoon

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

Rick Hutcheson



FOR ACTION
FYI

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

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

✓ RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARONSON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FIRST LADY

HARDEN

HERNANDEZ

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY

THE WHITE HOUSE

WASHINGTON

June 13, 1979

*As with telephone
Call-ins, etc --
another opportunity
forfeited --
J*

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON *JR*

The consensus of the networks is that they would all like to interview you AFTER the Summit or during the Summit AFTER you have met Brezhnev. Cronkite would do something on Friday, but says he, too, would prefer an after-Summit interview.

Frankly, I think it would be ill advised for you to do any big interview before the two summits are over. We have you live on TV giving a departure statement, an arrival statement, a signing statement and a prime time address to the Congress -- all on SALT and foreign policy. Another appearance would constitute overkill in a short period of time.

*not
between
Summits*

In the month of July, we should thoughtfully conduct an "operation repair". During this month I propose that we have a three-network interview (or Cronkite alone) that encompasses domestic as well as foreign issues. It would be a report of your activities after having met and sized up Brezhnev, have gone to the Economic Summit, and having reflected on the domestic issues and institutions, such as Congress, the media, etc. We would work up some themes that you can stress and give it to you in time for study and rest.

Attachment

cc: Hamilton Jordan
Jody Powell

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Other Voices

America Isn't Listening

(The following editorial appeared recently in the Manchester (England) Guardian Weekly.)

The heat, then, is on Jimmy Carter. He seeks cautious pursual of existing Anglo-American policy in Southern Africa. He seeks energy controls at home. He needs SALT II. There can be little Western European argument with the aims the president has set himself. Western Europe is not alarmed about the White House; it is alarmed about Congress and American public opinion. Who runs the United States these days?

The question is a forbidding one because impossible to answer purely in terms of personalities. One may say, simply, that Jimmy Carter is an uninspiring fellow and that Teddy, Jerry or Ronnie would soon restore decisive leadership; but that is an illusion. For two decades now, American presidents have been grappling with the increasingly intractable problems of a dissident and unpredictable Congress. As the thin lines of party loyalty have crumbled, quirks of history have ground them into the dust. Jimmy Carter, an honest, inexperienced, careful man from the South, is president because of those virtues; he was not a crooked, hardened, reckless man from Washington; he was not Richard Nixon.

The crisis, in sum, may be chronic and systemic. The spread of power in the United States may be so thin and various that, in effect, it can be no more than a balance of impotence. Who, with 18 months to go to the polls, is attracting all the attention on the Republican side? Mr. John Connally, a remnant of the Nixon era, a buddy of Big Oil. Those are formidable handicaps and yet — because he says something plain and incisive, tossing his silver locks on the box — his bandwagon is rolling. Meanwhile, amongst the Democrats, it is Teddy Kennedy who attracts all the adulation; an apostle of more taxation, more health services, more liberalism in Southern Africa, an apostle well to the left of Carter as the nation moves right. That makes no sense either.

It forms a pattern though. The interminable American electoral process, baffling though it may seem, is throwing up as major challengers exactly the politicians who, it may be clinically calculated, will experience more rather than less difficulty with Congress. Their strength — the mindless fid-fad of politics — is that they both have physical presence, whilst Carter seems such a dull dog.

Some of this, of course, is his own fault. American foreign policy, eddying between White House and State Department, need not have appeared quite as confused as Vance, Young and Brezinski have contrived to make it. Relations with the Hill need not have started quite so ineptly. Economic policy need not have been such a muddle. Nevertheless, a solid core of achievement remains. Panama was an achievement. The Middle East peace (whether its miscalculations betray it or not) was at least a negotiating tour de force, something done as opposed to something ducked. SALT is an achievement. All these steps, and more, have been accompanied by an open eagerness to learn, a predilection for education above rhetoric, a painstaking attachment to the complexity of decision-making in the real world.

This has been, and is, heavy gruel. Even a week or two ago, one might have thought its virtues strong enough to survive the hazards of re-election campaign. Now there is real peril, on the primary trail, that any one-shot wonder will be able to defeat Carter and plunge him into retirement. He needs a theme, his image merchants say. They were banking on Carter the Peacemaker. Today that seems a shrinking prospect.

Will the real Jimmy Carter stand up and be counted? Leader writers may relish the prospect, but in all probability the real Jimmy Carter has been on his feet, fully countable, for two-and-a-half years; and America has not listened too closely. The president may look forward to some kindly retrospective verdicts from historians, but that is all he will be able to look forward to unless America begins to hear, ponder and understand.

Memorandum to the President

June 1st 1979

From: Peter Bourne *P.B.*

Subject: Background on Water (as you requested for the Economic Summit)

The United Nations World Water Conference meeting in Mar del Plata, Argentina, in March 1977, recommended the establishment of a "U.N. International Water Decade" (1981-1990) 'to improve the management, conservation, and utilization of global water resources.' Subsequently, the U.N. General Assembly created the 'Decade' and set as its primary goal, "Providing clean drinking water and sanitation for all by 1990." If the water of the world could be cleaned up overnight it would result in the saving of an estimated 50 million lives, and the reduction in infant mortality of 50 per cent.

To achieve the goals of the Decade an estimated fourfold increase in the worldwide spending on rural water supply and sanitation is needed- \$60-100 billion at an annual rate of \$6-10 billion. Current external expenditures (1977) for this purpose amount to \$1.5 billion divided:

World Bank	400 million
Regional Banks	300 million
OPEC	300 million
Bilateral Aid	400 million
U.N. System, UNDP, WHO, UNICEF	100 million

Most donor countries have expressed a willingness to increase bilateral contributions for the Decade (A.I.D. has pledged \$2.5 billion over ten years, and the Swedes and Germans have contributed planning money now being used in 37 countries.) Other steps must be taken:

(1) Donor countries must be prepared once planning phase is over and the Decade formally begins next year to increase their financial commitment dramatically.

(2) Pressure must be kept on the developing countries to do their share. We are asking them to make a commitment to give water a new priority, to establish a high level ministerial committee to coordinate the development and implementation of a national plan. Developing a competent and realistic plan, which the U.N. will help them with, will be crucial in getting the heavy donor support that is needed. Lack of skilled manpower is the major problem, and 500,000 to 1,000,000 water technicians at different levels must be trained. In addition the difficult political step must be taken to shift priorities away from the cities and into the rural areas.

The Decade is concerned with all aspects of water, although top emphasis is on drinking water. Water can be seen as the central theme and most effective investment for improving all basic human needs. Health, food, and the role of women are all dramatically influenced by the availability of water. For instance, a major investment by the developed nations to harness the largely untouched waters from the Himalayas would change the life of every person in Asia. The Trilateral Commission's report on World Hunger suggested that massive investment in irrigation programs (\$56 billion) offered the single best strategy for feeding the world's hungry. We could live without oil but water is truly central to our survival.

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DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

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RJ

June 1 1979

MEMORANDUM

TO: THE PRESIDENT

**Electrostatic Copy Made
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SUBJECT: Update on Departmental Savings

In January, the Administrator of Veterans Affairs told you of steps taken to help fight inflation by Government cost savings. While we are heavily involved with the Council on Wage and Price Stability in activities directed toward holding down inflation in the food and agriculture sector of the economy, we also have achieved significant administrative cost savings. Recent actions include:

Action - Improved cash management by enhancing procedures for advancing, disbursing, and collecting funds.

Result - Reduced Fiscal Year 1978 interests costs by \$16.8 million.

Action - A survey of installed telephone equipment resulted in removal of excessive equipment.

Result - Reduced costs of over \$90,000.

Action - Installation of a text editing system for photocomposition providing greater capability for text editing from the initial inception of a publication to the camera-ready copy.

Result: Annual savings of \$240,000.

Action - Development and operation of a centralized administrative payment system has allowed us to employ the latest statistical sampling methods.

Result: Annual Savings of approximately \$357,000.

Action - Encouragement of vendors, particularly the major oil companies, to provide automated invoices in lieu of hardcopy invoices.

Result: Annual savings of about \$107,000 are achieved through reduction in handling, previewing, and data transcribing.

Action - Use of computer output microfilm/microfiche (COM) has replaced 27.8 million printout pages per month.

Result: Annual savings of approximately \$1.2 million with projected annual savings of \$3.7 million by 1984.

Action - Prior to your request for reduction of administrative travel, I instituted an across the board reduction in travel for all Agencies in the Department.

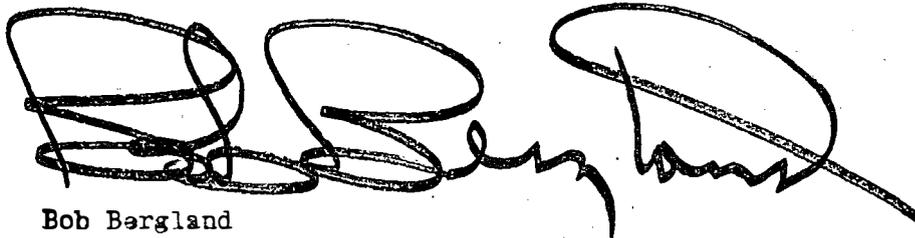
Result: Estimated savings in travel costs of \$13,000,000 for FY 1979.

Action - Departmentwide consumption of energy has been maintained at a level of 7.3% below that of the 1975 base year.

Result: Savings equivalent to 162,000 barrels of oil and a cost avoidance of more than \$2 million. In 1979, expanded efforts and resources will be devoted to further reducing consumption of nonrenewable source energy.

Action - During FY 1978, completed competitive procurements of two new computer systems at prices substantially below the GSA schedule price.

Result: When fully operational the systems will represent savings of more than \$11.5 million in reduced computer costs over a six year period.

A large, stylized handwritten signature in black ink, appearing to read 'Bob Bergland'. The signature is written in a cursive, somewhat looped style.

Bob Bergland
Secretary

THE WHITE HOUSE
WASHINGTON

6/13/79

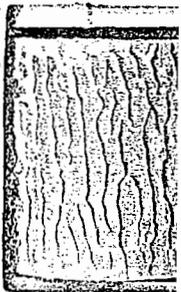
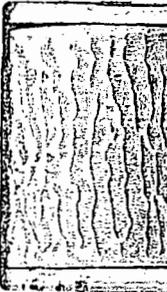
Hamilton Jordan

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

Rick Hutcheson

cc: Anne Wexler

2650



THE WHITE HOUSE
WASHINGTON

*Ham
J*

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ*
DATE: JUNE 12, 1979
SUBJECT: REQUEST TO CALL GLENN WATTS, PRESIDENT
COMMUNICATION WORKERS OF AMERICA

Glenn Watts, President of CWA and as you know your strongest and most loyal supporter in the labor movement, would like to speak with you very briefly by phone before you leave for Vienna. Glenn would like to let you know that CWA has formally endorsed the SALT II treaty. The Board recently approved the attached endorsement.

I recommend you give him a call.

*Glenn: "CWA (+) SALT II = will work"
JC: "Work w. the Senators
Speak up around U.S.
Anne Wesley will help"*

STRATEGIC ARMS LIMITATION TREATY

STATEMENT
BY
EXECUTIVE BOARD

COMMUNICATIONS WORKERS OF AMERICA

WASHINGTON, D.C.
JUNE 11, 1979

THE STRATEGIC ARMS LIMITATION TREATY

After more than six years of bargaining, the United States and the Soviet Union are prepared to sign the Strategic Arms Limitation Treaty, known as SALT II, in Vienna when President Carter meets Premier Brezhnev for their first summit conference.

The time that it has taken to negotiate the arms control accord reflects the sensitivity and complexity of the agreement. Indeed, the prolonged Strategic Arms Limitation meetings between the two superpowers, a process that began with SALT I more than a dozen years ago, has been called "the most important negotiations of the post-World War II era."

But whether the agreement is to become law and whether the strategic arms limitation process will continue depends upon approval of the accord by the United States Senate, where under the Constitutional requirement of a two-thirds majority to ratify the treaty, each "no" vote has the effect of counting twice.

Because of the nature of the treaty, the impending legislative debate could be the most difficult foreign policy debate in Congress since the Senate rejected the Treaty of Versailles in 1920, a legislative action which resulted in the paralysis of President Woodrow Wilson's Administration during its remaining days in office.

SALT II does not put an end to the arms race, but the treaty does provide for stability, predictability and equality through 1985 in the strategic relationship between the United States and the Soviet Union.

The SALT treaty is a carefully crafted document which establishes a framework for reductions in strategic arsenals and also for qualitative restraints on existing and contemplated weapon systems. As such, it is not only a platform for stability but

also can serve as a pathway to progress. While we do not embrace the philosophy of linkage with regard to other U.S.-U.S.S.R. problems, the treaty does have the potential to create a psychological climate for better relations between Washington and Moscow, heightening the opportunity to achieve freedom of emigration for Soviet Jews as well as other persecuted minorities and for increasing cultural and commercial ties between America and Russia.

From a military standpoint, a principal virtue of SALT is that it provides a base line for judging what the Soviets are up to. It establishes rules for what they can build and also for what they can't.

If the treaty is ratified, the Soviets and we will be bound to limit our total number of strategic launch vehicles (missiles and bombers) to 2,400 at first and then to 2,250 by the end of 1981. The treaty contains separate limits for missiles equipped with multiple warheads and specific detailed prohibitions against building new heavy missiles, increasing the number of warheads each missile can carry and developing more than one new kind of missile between now and 1985.

SALT II, however, does not deny the United States the right to proceed with developing and deploying the new (MX) land missile nor does the treaty prevent the United States from making this new superweapon mobile in order to decrease its vulnerability to Soviet attack. President Carter has, indeed, decided to advance to the full-scale development stage this 190,000 pound missile which is capable of carrying 10 warheads of 335 kilotons each. The MX missile would supplement the 1,000 Minuteman and 54 Titan ICBMs reposing in underground silos. About 200 MX missiles which could be deliberately hidden from Soviet spy satellites, could be built and deployed by 1986.

Moreover, the treaty forbids interference with our ability to verify Soviet missile developments by satellite surveillance as well as by electronic ground station monitoring.

Despite the loss of monitoring stations in Iran, the United States retains the capacity to verify Soviet compliance with SALT II. We can continue to monitor Soviet compliance with the terms of SALT II through an assortment of national technical means including photo-reconnaissance satellites, ground-based radar which observe missile tests, high-powered antennas which collect for analysis the signals sent by Soviet missiles and aircraft-based systems which include optical systems and other sensors. In essence, the United States possesses the means to verify the Soviets' activities independent of having to depend on trusting the "good intentions" of our potential adversaries.

By ratifying the SALT treaty, the United States Senate would by no means be ignoring the fact that there remain fundamental differences between the economic, social and political structure of the United States and that of the Soviet Union. Nor would approval of the pact sweep away the compelling reality of a basic adversary relationship between the United States and the Soviet Union.

The Communications Workers of America will continue to view the Soviet Union as an imperialist totalitarian state which violates the human rights of its citizens and is a threat not only to the multi-party democracies of the West, but also to the nations of the "third-world."

Instead of building a "worker's paradise," the rulers of the Soviet Union, now more than sixty years after the Russian Revolution, offer a landscape of secret trials, gulags, brutal prison camps and psychiatric torture chambers for dissidents. The ruthless Russian repression of the democratic experiments in Czechoslovakia and Hungary provided us with a glimpse of what the world would be like if the Soviet system prevailed.

Nevertheless, despite this realistic view of what the U.S.S.R. is like, failure to ratify the SALT Treaty would reverse the current process of lessening of tension between the superpowers and would reduce the prospects for cooperation in other areas of international conflict.

Failure to ratify the SALT treaty would precipitate "worst case" assumptions about Soviet intentions and capabilities by American military experts, stimulate expensive defense programs and result in a venomous political environment at home and in the conduct of American diplomacy throughout the world.

In essence, without a treaty there will be no standards, no limits, no rules against concealing weapons.

Rejection of the treaty will bring about a surge in military budget outlays in the United States, resulting in less money available for human needs spending for workers and their families. The Senate Budget Committee has estimated that "the failure to achieve an arms agreement could drive costs up by as much as \$70 billion (in constant fiscal year 1979 dollars) over the next fifteen years under an option that includes 300 MX ICBMs, 32 Tridents, 75 cruise missile carriers and other systems."

Another consideration which should be taken into account during the upcoming debate in the Senate is that some nations which have so far held back from building their own nuclear weapons will be strongly influenced on this option by whether the United States and the U.S.S.R. will restrain their weapons buildup.

As a final point, an awareness is growing that America has lived too long with nuclear weapons as our constant companions -- a shadowy presence ominously overseeing our lives. The nuclear mishap at Three Mile Island may have awakened us from our national slumber and enhanced our awareness of the ultimate horror of nuclear power unleashed.

Nuclear war would instantly strike dead millions of Americans and others, followed by the slow, agonizing death of millions more. The ultimate victim of a nuclear holocaust would, however, be nothing less than the civilization we have inherited, the cultural legacy of the human species of which each generation is destined to serve as custodian.

The SALT agreement to be placed before the Senate is a unique testament in which the world's top powers, despite mutual distrust, have tried to put their common self-interest in survival before the threat of destruction of the planet on which both reside. Indeed, as President Carter has said:

"...the issue is whether we will move ahead with strategic arms control or resume a relentless arms competition. This is the choice we face -- between an imperfect world with SALT II and an imperfect and more dangerous world without it."

In summary, we believe the SALT treaty reflects a pragmatic diplomatic instrument which, if approved and put into force, would be in the best interests of the United States. It is not a panacea for the International arms race or for the ongoing conflict between the political theories of Thomas Jefferson and V. I. Lenin. Within its stated limits, however, it is a rational document, which deserves support.

Therefore, speaking on behalf of over one-half million communications workers, the Executive Board of the Communications Workers of America endorses the SALT agreement and urges the United States Senate to ratify it when it is presented for advice and consent by President Carter.

THE WHITE HOUSE
WASHINGTON
13 Jun 79

Jim McInyre

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

Rick Hutcheson

Arnie Miller



FOR ACTION
FYI

	FOR STAFFING
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	LOG IN/TO PRESIDENT TODAY
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	VICE PRESIDENT
	JORDAN
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	KRAFT
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/	MILLER
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	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
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	CONFIDENTIAL
	SECRET
	EYES ONLY



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

JUN 13 1979

*ok -
They should be
Competent &
Independent*

J

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM McINTYRE *Jim*
SUBJECT: Shuttle Program Advisory Group

Bob Frosch, Frank Press, Eliot Cutler and I have all discussed the request that you made during the budget review session on Tuesday that we provide a list of names to you for an advisory group to work with Bob Frosch on the shuttle program. We all agree that such an initiative would be productive and, if handled carefully, would assist Bob in keeping the program up to speed.

We all have one concern, however, and that is that this be handled in a way which does not undercut Bob's real or apparent authority over the agency and the program, and does not imply that you have lost confidence in Bob. Therefore, we want to work closely with Bob in suggesting to you the three people who would be members of this group, and we want to discuss them as well with Harold Brown. Both Bob and his Deputy, Al Lovelace, will be out of town between now and the time that you leave for Vienna. With your permission, we will have a proposal to you either upon your return from Vienna or from Tokyo--whichever you prefer. (In any event, the names will be ready for you when you return from Vienna.)

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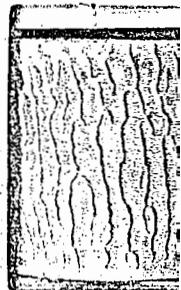
THE WHITE HOUSE
WASHINGTON
13 June 79

Stu Eizenstat
Anne Wexler
Alfred Kahn

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the President's outbox today
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your information.

Rick Hutcheson

2647



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	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
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	CONFIDENTIAL
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	EYES ONLY



C

NATIONAL SCHOOL BOARDS ASSOCIATION

1055 Thomas Jefferson Street, N.W., Suite 600, Washington, D.C. 20007 / (202) 337-7666

June 8, 1979

The President
The White House
Washington, D.C. 20501

**Electrostatic Copy Made
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Dear Mr. President:

On behalf of the nearly 16,000 school boards and 44 million public school children of the United States, we the elected leaders of the school board movement in the United States are pleased and honored to meet with you today.

We are particularly pleased to express our appreciation for your leadership in these vital areas:

- Your strong and continuing commitment for a separate Department of Education. NSBA has had the separate Department as one of our goals for over a decade.
- Your opposition to tuition tax credits.

We are hopeful that you will look with favor at these critical areas:

- The continued explosion of paperwork generated by the Department of H.E.W. Entirely too much data is collected in the guise of necessary information. We pledge that any reduction of paperwork will not adversely affect civil rights compliance.
- The adequate funding of federal education programs particularly where school systems are mandated by the federal government to perform services. If federal mandates continue and the federal assistance is not forthcoming, in all likelihood the local property tax payer will have to bear the financial burden.

In conclusion, we wish to express our continued cooperation with your Council on Wage and Price Stability. What is often forgotten is that over 90% of the school systems in America are fiscally independent of cities and counties. Taken as a whole, the nation's school systems make expenditures exceeding \$80 billion and they employ 3.8 million personnel of whom 56% are teachers. We believe, therefore, that as independent policy makers, school boards have a responsibility to be directly involved in the national effort to advance the economy.

Very truly yours,

Hiroshi Yamashita
Hiroshi Yamashita
President

Tom Shannon
Thomas A. Shannon
Executive Director

THE WHITE HOUSE
WASHINGTON

13 June 79

Zbig Brzezinski

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

Rick Hutcheson

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FOR ACTION
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	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
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	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE

WASHINGTON
June 11, 1979

3619
J

MEMORANDUM FOR THE PRESIDENT

FROM: EDWARD SANDERS *Ed*
SUBJECT: VIENNA SUMMIT - Jackson-Vanik Amendment

I have been in touch with most of the major American Jewish organizations. Out of all of these contacts I can report that if you are able, upon your return, to report that you have received oral commitments and assurances of the character set forth below, the consensus appears to support a one-year waiver. These commitments and assurances include:

PRISONERS OF CONSCIENCE - Commitments should be obtained that the prisoners of conscience will be released, and that Anatoly Scharansky will be included.

REFUSEDNIKS - There are several hundred families who have been held for up to ten years. These are people like Alexander Lerner, whose efforts have helped to produce the present emigration rate. They have been the heart and soul of the emigration movement. Commitment should be obtained for their release in the near future.

ASSURANCES - These can be oral, first on a policy level between you and President Brezhnev and then details can be worked out orally between Secretary Vance and Minister of Foreign Affairs Gromyko. You can then orally transmit the assurances to leaders of Congress. These assurances would include:

- That the number of Jews leaving the Soviet Union would remain at least at the current level of 4,000 per month, and that it could be expected to climb to 5,000 per month.
- There will be rules set forth by the Soviets which would outline the procedures for those who wish to leave so that there will be some certainty when a person applies. These rules should indicate a maximum waiting period.
- Persons applying to leave will not be subject to harassment or penalty.

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-- There will be no new rules imposed which would curtail the flow of emigration. The rumor that males of military age (16-22) will not be allowed to emigrate until after completion of military service and the rumor of a pay-back of the cost of higher education should be negated.

Without the commitments and assurances of the type set forth above, it would seem to me that the votes will not be there in the House of Representatives. Without such assurances, both the Administration and the Congress will face a difficult domestic political situation.

Finally, contrary to those who might believe that commitments and assurances as outlined above cannot be obtained from the Soviets, it is my view that the Soviet leadership is well aware of the Congressional and political realities and will respond in a satisfactory fashion. In addition, as can be pointed out to President Brezhnev by you, the one-year waiver will expire in the middle of 1980 and you must have assurances beyond that date.

WASHINGTON

DATE: 12 JUN 79

FOR ~~ACTION:~~ ^{info} THE VICE PRESIDENT

HAMILTON JORDAN

ZBIG BRZEZINSKI

INFO ONLY:

SUBJECT: SANDERS MEMO RE VIENNA SUMMIT - JACKSON-VANIK AMENDMENT

+++++

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

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

1

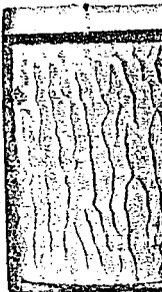
THE WHITE HOUSE
WASHINGTON
6/13/79

Zbig Brzezinski

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the President's outbox today
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Rick Hutcheson

2644



FOR ACTION
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VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

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BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

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HARDEN

HERNANDEZ

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LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY

36.9
info
J

Memorandum to the President

From: Peter Bourne ^{FB.}

Subject: Cuba

May 31st 1979

I wanted you to know that I recently spent a week in Cuba during which I had a two hour meeting with Fidel Castro. We talked mostly about health and food problems in Cuba and the developing world. He spoke warmly about you and expressed his appreciation for the positive steps you took to improve relations with Cuba and your willingness to fight the battle over the Panama Canal Treaty. He expressed his strong desire to see you reelected, and I suggested to him that he could help by not having Cuba involved in activities that the Republicans could exploit against you. Specifically I suggested he use restraint in precipitating a major military confrontation over Rhodesia that would be in nobody's interests, and that he work to avoid letting the non-aligned summit in Havana in September become a podium for a major attack on the United States. I have given a full report of my discussions with him to Bob Pastor.

HEW, following a visit to Cuba by Assistant Secretary Richmond, is sending through routine channels a request that the embargo be lifted on humanitarian grounds for certain drugs, and to allow them to subscribe to U.S. medical journals. As you may remember the NSC had problems with it the last time this issue was raised a year ago. However, I think it is hard to square this prohibition with your human rights policy and I hope that you will reconsider, at least allowing them to subscribe to our medical journals if not also be able to buy the drugs.

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THE WHITE HOUSE
WASHINGTON

13 Jun 79

Tim Kraft
Arnie Miller

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

2643

FOR ACTION
FYI

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<input type="checkbox"/>	EYES ONLY

THE WHITE HOUSE
WASHINGTON

done
J

May 31, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *T/K*
ARNIE MILLER *AM*

SUBJECT: White House Role in Presidential
Appointments

We have been talking to Charles Duncan for the past several weeks about an appropriate procedure for White House review of Department of Defense candidates for Presidential positions. We have been unable to reach an agreement.

Duncan insists that interviews with White House staff be conducted after candidates have been approved by you. We disagree.

When Arnie came in to direct the Personnel Office you agreed with us that before you approve recommendations for Presidential appointments, it would be a good idea for the departments to send over the people along with the paperwork. This process worked well with the recruitment of IG's and we think it should continue. We do not want to supplant any Secretary's prerogative to pick his/her own people. However, we want to provide you with solid staff advice, and build a sense of teamwork among members of your Administration. We also want to provide some needed coordination to the Administration's hiring process.

For example, last week Secretary Brown informed us that you approved his recommendation for Antonia Chayes and Hans Mark to be Secretary and Under Secretary of the Air Force. We were separately talking to John Macy about making Chayes the Deputy Director of FEMA, but had not yet raised the issue with Ms. Chayes or with you. If Secretary Brown had talked with Tim he would have learned of our plan and we would have been able to reach an early agreement about how and where Chayes might best serve the Administration.

**Electrostatic Copy Made
for Preservation Purposes**

Page 2

We recommend that you discuss this with Secretary Brown and other members of the Cabinet as appropriate. We suggest that before they approach you with their recommendations for appointments that they be sure to first discuss them with Tim.

Tim will insure that the Personnel Office rapidly consults with the appropriate White House staff people about the appointments and if any interviews or reference checks are needed they will be rapidly conducted.

The Vice President, Hamilton, Frank, Jim McIntyre, Zbig, and Stu concur in this recommendation. Stu says that it's incredible to see that after two and one half years that the White House still doesn't control the appointments in this Administration!

THE WHITE HOUSE

WASHINGTON

6-13-79

To Cabinet Officers and Heads
of Agencies

Before recommending appointees
to me, first discuss the
proposed appointment with
Tom Kraft in the W. H.
Personnel Office.

Jimmy Carter

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

rick --

please treat attached as
highly confidential

thanks--ssc

6/13/79 Turner, et al

THE WHITE HOUSE
WASHINGTON

Sten

SU grain shortage = 20-28
from U.S.

SU econ poor

SU sales → LDC's → wealthy
ones → Western suppliers
Libya, Iraq, India, Syria

Telemetry encryption need bet-
ter summit record

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THE WHITE HOUSE
WASHINGTON

Low Allen

Mil int (+)
Assess Δ'ing SU threat

PN0 Tom

=
Aggregate limits of
MCBA (?)
Reductions in adequate
Mil int (modest +)
Prob more manageable
C3 capability
Control breakout

Low Wilson

=
Egentry, verifiability (-)
MX, programs (+)
Mil. interest (-)
National interest (+)

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meeting with joint chiefs of staff 6/13/79

THE WHITE HOUSE
WASHINGTON

JCS

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David

SALT memo

CM definition

MX & other programs

> Protocol

> Tel. encryption imp
now, more for SALT

> Further reductions

Bernie
inequity

Bfrc - MLGM - stability in crisis

Strategic interests (+)

Framework for program (+)

National commitment (?)

Balance - a wish

National interest + sublanguage ?

= NBH - remember Allies

THE WHITE HOUSE
WASHINGTON

6/13/79

Stu Eizenstat
Jack Watson

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

Rick Hutcheson

2657





THE WHITE HOUSE
WASHINGTON

6/13/79

Mr. President:

Also attached is a
Califano memo on this
subject which came in
this morning.

Rick

THE WHITE HOUSE
WASHINGTON

done
J

June 13, 1979

MEMORANDUM FOR THE PRESIDENT

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

SUBJECT: Telephone call from Governor James Hunt

Governor Hunt placed a call to you yesterday and asked that you return the call before 8:30 this morning. He indicated to Jack's staff that he wanted to talk with you about the University of North Carolina.

Attached is our May 12 memorandum to you and an article which appeared last Saturday in The Washington Post which indicates that the federal judge authorized a trial but that there could be no deferral of funds to the University.

" N.C. going fine "
Good news - unc deal moving now
Atty's on Bd. of Gov. drafted language
which is good - Friday, Chmn Johnson,
1) Commit to other efforts to elim
2) For life of duplication plan. will continue
to avoid



~~CONFIDENTIAL~~

cc: Watson
to Hunt: Will need full
to Friday & report
back to Watson
J

THE WHITE HOUSE
WASHINGTON
May 12, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
JACK WATSON *Jack*
SUBJECT: University of North Carolina

We both asked Secretary Califano to give us a brief memorandum on the North Carolina situation.

In order to break the log jam we both suggest you call Governor Hunt, express your understanding that HEW and the State have come very close to a settlement, and state that you would like to see the Governor and President Friday make another effort with HEW to resolve the last remaining issue -- which is how to state what might happen at the end of a 4-year period if the agreed-upon enhancement program does not work as expected.

*Jim
thought this
is a good
settlement -
hard/flexible
not accept-
ing are
retired found
litigation*

*Had all
defined*

We both feel it is senseless for this controversy to continue over that relatively minor issue now that there is agreement on what initial steps should be taken to enhance black institutions.

"controversy"

You might also indicate that you are concerned now that the lawyers representing the State have taken over, that the attorneys may have more of an interest in a continued and prolonged litigation than in a settlement of this dispute.

You could also state that you will instruct Secretary Califano to continue to bend every effort to reach a reasonable settlement.

The longer this dispute drags out the more unlikely it is that it can be settled as both sides will dig in their heels.

This would be a particularly propitious time to call Governor Hunt and attempt to resume negotiations since the federal court in North Carolina has recently extended

the deadline for HEW's withholding of funds to UNC.

We think it would be ill-advised to quote any of the figures that the Secretary mentions on Page 2 of his memorandum since the State would point to the recent progress that has been made and would contest them. For example, the Secretary points out the disparity in new degree programs between the white institutions and black institutions, but there are twice as many white schools as black schools.

Court Approves HEW Trial On North Carolina U. Bias

A federal judge in Raleigh, N.C., yesterday authorized a Department of Health, Education and Welfare trial on whether to cut off \$90 million a year to the University of North Carolina for failure to abolish segregation completely.

But Judge Franklin T. Dupree ruled that until the trial ends, which could take years, HEW Secretary Joseph A. Califano Jr. may not defer \$10 million to \$20 million a year of the HEW money for the university system.

Politically, the judge's ruling could end up to be a boon to Califano and President Carter by delaying any cut-off of funds well past the 1980 election. Califano's antismoking campaign has angered many in tobacco-growing North Carolina, and cutting off funds for the university could further inflame this feeling.

Dupree rejected contentions by the 16-unit University of North Carolina system that HEW demands constitute unwarranted and unconstitutional intrusion into state educational rights.

The department wants the school to devote more of its budget, and make other changes, to help draw white students into the six traditionally black colleges in the system.

Dupree's ruling is the latest step in a dispute spanning the decade. As a result of a lawsuit brought by the NAACP Legal Defense Fund, HEW was ordered to cut off funds to several southern states until they drafted acceptable plans to end segregation fully. Plans have been negotiated with all systems except UNC.

The university went to court to block the HEW trial and hold up funds. Dupree ruled the trial could go ahead but there could be no deferrals pending its outcome.

In a statement Califano said "the decision . . . is a significant victory for the Department of HEW and the cause of equal opportunity for all students in the University of North Carolina system. . . ."

"The court today refused to enjoin the administrative proceeding [trial] brought by the department against the university. The department will move promptly in this proceeding.

"I still believe it is preferable to settle civil rights cases without protracted litigation. . . And I am prepared at any time to resume discussions with Gov. [James] Hunt and [UNC] President [William] Friday."



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

JUN 12 1979

MEMORANDUM FOR THE PRESIDENT

Re: University of North Carolina

Last Friday we won a significant victory in our desegregation effort in North Carolina. As you are aware, the University terminated discussions with us last month and, with Charles Morgan as their attorney, filed suit against HEW in a federal district court in North Carolina to enjoin (a) our administrative proceeding, (b) the enforcement of the Department's revised criteria for desegregation of higher education systems and (c) deferral of federal funds pending the outcome of the administrative proceeding.

In a ruling on Friday, the court refused to enjoin the administrative proceeding or enforcement of our revised criteria. The court did enjoin deferral of funds pending the administrative proceeding. Unless the state appeals this ruling, it will now have to proceed with the administrative hearing.

The opinion, by Judge F. T. Dupree, concluded with a reference to the political overtones and publicity concerning the case, which I think is worth quoting:

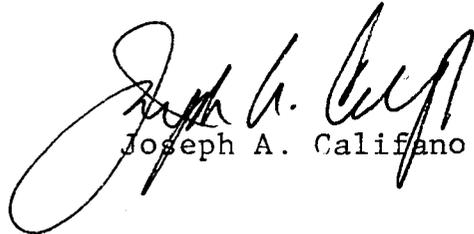
"These emotional bombasts are not only unseemly but irrelevant. The relevant aspect of this litigation is people. Not only those to whom the University of North Carolina means so much as an institution and opportunity for economic and social betterment, but the dedicated public servants who work at HEW and strive to eradicate our nation's regrettable legacy of racial segregation.

The protagonists in this drama do not wear black and white hats; instead they are men of

The President
Page 2

conscience struggling to preserve, alter, modernize and improve a great educational institution. In the balance rests our children's future. The court genuinely hopes these grave historical and political questions can be resolved amicably by leaders of good faith and purpose."

In my statement last Friday concerning the court's decision, I made it clear once again that we stand ready to negotiate a settlement of this case with Governor Hunt and President Bill Friday.


Joseph A. Califano, Jr.

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THE WHITE HOUSE
WASHINGTON

6/13/79

The Vice President
Hamilton Jordan
Zbig Brzezinski

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

Rick Hutcheson

SECRET ATTACHMENT

2649



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



~~SECRET~~ Electrostatic Copy Made
for Preservation Purposes

THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

June 8, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary
of Defense (June 2-8, 1979)

Meeting with Helmut Schmidt: On June 6th, I met with Chancellor Schmidt and discussed long-range tactical nuclear force considerations, host-nation support progress, and MBFR inspection procedures. I was surprised to find that he did not know that extended range Pershing II could not reach Moscow from its bases in the FRG (though it could reach the Western Military Districts of the USSR). He considers the difference an important one. I urged on him the necessity for European host nation support in order to make more rapid U.S. reinforcement effective. Schmidt agreed to work on this problem. On MBFR, Schmidt opposed permanent inspection teams as part of the verification procedures, but said challenge inspections would be all right. I noted that associated measures might prove to be the most important result of MBFR.

FY 1979 Supplemental Defense Appropriations Bill: Last Wednesday, the House passed our FY 1979 Supplemental Appropriations Bill without amendment. An attempt was made to amend the Bill to prohibit any funds to be paid to Iran for the Iranian destroyers, and to impose a general five percent reduction, but both were easily defeated. The Senate Appropriations Committee has yet to take action on the Bill, but we expect their markup sometime late next week. Because the House Bill is far below your request, the question of four versus two Iranian destroyers will be a tough issue to resolve in Conference. The FY 1980 Defense Authorization Bill is scheduled for Senate floor action on Monday afternoon.

FY 1980 Military Construction Authorization Bill: Also on Wednesday the Senate Armed Services Committee completed markup of the FY 1980 Military Construction Authorization Bill. The Committee combined our FY 1979 Supplemental Military Construction request with the FY 1980 request, and approved a total Bill of \$3.7 billion, with a reduction of \$145 million mainly in Reserve and European Construction projects. We can work many of the reductions out with the House during Conference, but I am most concerned with a provision included in the Senate Bill, which prohibits the obligation or expenditure of any funds for the purpose of realignment of Loring Air Force Base. This ties our hands in accomplishing the planned closure of Loring, and we intend to make every effort to counter it on the floor or the Conference.

Classified by _____
Declassify on 7Jun85

~~SECRET~~

SEC DEF CONTR No. 02837

Jay 2/4/91

~~SECRET~~

Fort Dix/Fort Jackson Base Realignment: This issue continues to boil, with an all-out effort by Bill Bradley and the New Jersey delegation to reverse the decision to phase out basic training at Fort Dix. Gary Hart's Subcommittee on Military Construction on Wednesday will hold a hearing to air all aspects of the decision process. Charles and Cliff Alexander will testify.

Turkey: I am told by our embassy in Ankara that the Industrial Cooperation Team visit to Turkey, which ended last week, was highly successful. The Team gave the Turks a status report of our examination of possible cooperative ventures identified last November; participated in a joint examination of Turkish equipment requirements; and promised to inform the Turks which items of equipment the U.S. is prepared to provide. Discussions focused on: M-48 tank rehabilitation and spare parts reclamation and production, high explosive anti-tank (HEAT) ammunition production, and 2.75 and 5 inch rocket production. Three technical teams are in Turkey now conducting specific discussions on other cooperative possibilities. On a related subject, my sense of the mood of the House on the \$50 million Turkey grant aid indicates stiff resistance: John Brademas is dead set against it, and plans to fight to the bitter end.

SARATOGA SLEP: The 60-day period for review by Congress of the SARATOGA SLEP Least Cost Comparison, as required by section 811 of the FY 79 Defense Authorization Bill, has now expired, as has the delay imposed by the Fourth Circuit Court of Appeals. The Navy is conducting detailed advance planning to support the scheduled October 1, 1980 SLEP start date at the Philadelphia Naval Shipyard. The Department is providing the necessary additional civilian ceiling spaces to build up the Philadelphia Naval Shipyard labor force. Advance planning for SLEP of the second ship of the class, USS FORRESTAL, is in progress to permit a FY 83 start.

Panamanian Involvement in Nicaragua - Sandinista Rebellion: LTG McAuliffe had a lengthy session before Carroll Hubbard's House Merchant Marine Panama Canal Subcommittee Thursday on Panamanian involvement in the Nicaragua - Sandinista rebellion. We think he was able to field the questions reasonably well considering the hostile intent. His basic approach was that General Torrijos and President Somoza have made no secret of their open hostility, but that does not indicate that Panama is an unreliable and trouble-making partner or cannot be trusted with gradually assuming control of the Panama Canal. The Committee requested a special classified hearing today for Members only. At best this series of hearings offers us no advantages; it will surely be used to attack the Panama Canal implementing legislation during House floor action next week.

Harold Brown

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