

**8/6/79 [2]**

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THE WHITE HOUSE  
WASHINGTON

6 Aug 79

FOR THE RECORD:

ANNE WEXLER RECEIVED A COPY  
OF THE ATTACHED.

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FALLOWS
FIRST LADY
GAMMILL
HARDEN
HUTCHESON
JAGODA
LINDER
MITCHELL
MOE
PETERSON
PETTIGREW
PRESS
RAFSHOON
SCHNEIDERS
VOORDE
WARREN
WISE

ADAMS
ANDRUS
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BLUMENTHAL
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KREPS
MARSHALL
SCHLESINGER
STRAUSS
VANCE

THE WHITE HOUSE  
WASHINGTON

8/6/79

rick --

would you forward to  
anne wexler...ask her to  
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tomorrow....and the earlier  
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the better, so the president  
won't have to be waiting  
around the office to receive  
and then to work on remarks  
for tuesday.

thanks--susan

REMARKS AT STREET CORNER MEETING IN BALTIMORE, AUGUST 7, 1979

**Electrostatic Copy Made  
for Preservation Purposes**

*Susan - check in  
Anne re Bill Clinton's  
speech - give me list  
of specific actions a  
citizen can take to  
conserve energy.  
(This is basically ok)  
J*

Good morning, everybody.

I'm happy to be in Baltimore. And I'm especially happy to be right here at the corner of North Patterson Park Avenue and East Biddle Street in East Baltimore -- because it is in cities like this one and neighborhoods like this one that the American people are going to win the war for energy security.

The whole country can learn from what you are doing here in Baltimore. I went on television on July 15 and talked about the need for Americans to

pull together, because that is the only way we can solve our economic problems and our energy problems. Since then I have been taking that message all over the country -- and I intend to keep at it, week after week and month after month, until the message gets through. But here in Baltimore you are way ahead of me. You know all about pulling together, because you have been doing it for years. You are doing it right now.

Fifteen years ago people used to talk about Baltimore as a city in decline. But the people of Baltimore refused to give in to despair and divisiveness. Instead, you got together and went to work. The result is that today Baltimore is not only alive and well, it is a nationally recognized urban success story.

I don't know of a more dedicated, hard-driving, totally committed municipal leader in this country than Don Schaefer. When experts on urban affairs draw up

lists of the best mayors in America, Don Schaefer's name is always near the top -- sometimes right at the top. That man just loves Baltimore -- and Baltimore loves him.

I came here this morning because I want the whole country to know about what you are doing right here on this corner.

A few minutes ago I visited with Genitha Rhyne (pronounced Ryan) and her daughters Lashaun and Charice. Mrs. Rhyne's house was built a long time ago, but the City of Baltimore, in partnership with the Federal government, has turned it into a house of the future. Those strange-looking panels up on the roof use the power of the sun to heat water for washing and bathing, not just in the summertime but throughout the year. We've got some just like those on the roof of the White House.

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for Preservation Purposes**

Right now, solar panels on top of houses are still an unusual sight in our cities. In the years to come, that is going to change.

Nobody can embargo the sun. Nobody can raise prices on sunshine. We will never run out of sunshine, and sunshine does not pollute. So we are going to use the power of the sun every way we can in this country -- for hot water heating, for space heating and cooling, and ultimately for electricity.

Mrs. Rhyne's house is also fully weatherized. It has well-caulked windows. It has storm windows and storm doors. It has weather stripping. It has good insulation. Next winter, Mrs. Rhyne and her daughters will be warm inside. All the heat in their house will go to keep them warm -- none of it will escape to the outside and be wasted. She will save money -- and the nation will save energy.

Right across the street is something just as important for our country. Generations of children from this neighborhood learned to read and write and do arithmetic in that building. But when the new school was built, the city was wise enough not to tear the old one down. So now that old school is going to be reborn -- as a beautiful, high-ceilinged apartment house for nineteen families. Like Mrs. Rhyne's house, and like five other schools in Baltimore that are being converted to public housing, this building too will be completely weatherized and insulated.

What we are seeing here is just a tiny part of what is happening in Baltimore. This year, Baltimore's low-income weatherization program will weatherize some 3,000 homes. This program is a fine example of partnership between the city and the federal government. Three federal agencies are involved, and the work force is made

up entirely of CETA volunteers. The whole community is involved in this effort.

Energy conservation is a key part of our nation's strategy for achieving energy security. As your accomplishments show, energy conservation can make our lives better. It creates jobs. It means lower oil imports for our country and lower fuel bills for everybody.

Baltimore is doing its part. I believe that every city, every community and every citizen is ready to follow suit. Some 40 per cent of all our energy consumption goes for space and hot water heating, cooling and lighting in buildings. Up to half that consumption is waste. By cutting that waste, we can save many millions of gallons of fuel each day.

And we are going to do just that. We are going to weatherize the whole country before we're through, and in the process we will restore not only our energy security but our sense of national confidence and spirit as well.

THE WHITE HOUSE  
WASHINGTON

06 Aug 79

The Vice President  
Hamilton Jordan  
Stu Eizenstat  
Tim Kraft  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson  
Anne Wexler  
Jim McIntyre  
Hugh Carter  
Jerry Rafshoon

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

Rick Hutcheson

ADMINISTRATIVELY CONFIDENTIAL

EYES ONLY

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

*weekly reports  
except DOL & DOI*

ACTION  
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		BRZEZINSKI
		MCINTYRE
		SCHULTZE

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

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



Department of Energy  
Washington, D.C. 20585

August 3, 1979

9  
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MEMORANDUM FOR: THE PRESIDENT  
FROM: JIM SCHLESINGER  
SUBJECT: Weekly Activity Report  
July 28 - August 3, 1979

1. Build-up of Home Heating Oil Stocks. DOE issued a proposed rule to give the Department standby authority to promote the build-up of home heating oil stocks. If needed, the rule would require refiners to increase their production of middle distillates to ensure that stocks reach our goal of 240 million barrels by October without impairing the continued availability of middle distillate supplies for other services and activities. DOE also issued a report stating that the expected level of crude oil imports will be adequate to achieve the Administration's distillate stock targets. A copy of the report is attached.

2. Tertiary Enhanced Crude Oil Recovery Projects. DOE will issue early next week a final rule to provide "front end" money to finance environmental and certain other costs associated with tertiary enhanced crude oil recovery costs. This will fulfill a Presidential commitment stemming from the April 5, 1979, Energy Message.

3. Gas Centrifuge Contracts Awarded. DOE selected three firms for award of initial manufacture contracts for gas centrifuge machines to be used in uranium enrichment facilities located in Oak Ridge, Tennessee, and Portsmouth, Ohio. These contracts will total more than \$250 million, with a second phase follow-on of \$1 billion. The firms involved are Boeing, Garrett Corporation, and Goodyear.

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## Department of Energy

### Program to Assure Adequate Distillate Supplies For Next Winter

Heating oil stocks will be built to safe levels for this winter. Based on current projections of oil imports, safe stock levels can be built while still providing consumers with adequate supplies of diesel fuel, gasoline and other products during the remainder of this summer and fall, assuming continued efforts to restrain petroleum use.

There is no need for individuals or firms to engage in panic buying of heating oil or abnormal "tank topping" to assure adequate supplies for next winter. Supply problems can be minimized by maintaining an orderly market, and continued responsible actions to avoid unnecessary petroleum use.

#### The Need to Build Distillate Stocks

U.S. demand for distillate is high in winter because of heating needs and lower in summer. The U.S. refining industry cannot produce enough distillate during the heating season to meet peak winter demand. Consequently, industry must build stocks during the lower summer demand period which can be drawn down to augment production and imports during the heating season.

DOE has a target of achieving 240 million barrels (MMB) of distillate in primary stock by the end of October. These are stocks held by refiners, pipeline companies and bulk terminal operators. This target was selected in order to:

- provide protection against a colder than normal winter; and
- protect against potentially low stocks held by distributors and end users.

In setting the desired stock level, DOE considered a range of potential distillate demand during the heating months of October 1979 through March 1980. For planning purposes, it was assumed that distillate demand during the six months could average about 4.15 million barrels per day (MMB/D), compared with 4.11 in 1976-77, 4.00 in 1977-78 and 3.99

in 1978-79. The estimate of 4.15 MMB/D assumed that the winter might be as severe as in 1976-77, which was about 20% colder than normal in the regions relying heavily on heating oil. It also assumed that, if necessary, conservation efforts next winter and savings from switching to natural gas could largely offset the growth in distillate demand (primarily for diesel fuel) which has been occurring in recent years.

DOE also concluded that it was necessary to assure that distillate stocks at the primary level will be adequate even if stocks held by fuel oil distributors and end users are lower than normal. DOE is now developing information on the level of normal and current stocks held by distributors and users. Better information on these secondary and user stocks is to be available by mid-September, but the information can never be complete. It is therefore prudent to assume that they may be somewhat below normal.

With distillate stocks at 240 MMB this fall and assuming supplies for refiners continue at 15 MMB/D or higher next winter, adequate supplies (averaging 4.15 MMB/D) could be provided through the winter, even if distributor and end user stocks were 20 MMB lower than normal at the start of the heating season.

In the event there is another interruption of crude oil imports this winter similar to the Iranian interruption of last winter, refiners could increase distillate production enough to provide adequate heating oil supplies if primary distillate stocks are at 240 MMB this fall. This would require refiners to produce distillate at a yield of up to 25% for much of the winter. If the winter is less severe, a lower yield would suffice.

If the weather is normal or if crude runs are higher next winter, a 240 MMB stock level will permit refiners to build up gasoline stocks for next summer, and help avoid gasoline shortages in 1980. If the winter is very cold or if crude oil imports are reduced, refiners are not likely to be able to rebuild gasoline stocks this winter.

In addition to the need for adequate distillate stocks at the primary level, DOE will be acting to help assure that essential stocks are built at the secondary and end user levels. It is necessary to assure that heating oil stocks are moved into certain areas of the country before rivers

and lakes freeze, if those areas are dependent on movement of heating oil by water.

DOE also will try to assure that total heating oil stocks held by distributors, dealers and users are close to normal levels this fall (the 240 MMB in primary stocks can protect against at least a 20 MMB shortfall in secondary and user stocks). Because of the lack of verified data on the amount of stocks held by distributors and users, it will be necessary to rely heavily on informal estimates, partial surveys and identification of specific problems by State and local officials.

#### Outlook For Achieving The Stock Targets

It is expected that crude oil imports will be adequate to permit crude input to refineries of 15 MMB/D or higher through October. With crude oil runs at this level, refiners should be able to achieve the 240 MMB primary stock target, rebuild secondary and user stocks, and maintain distillate supplies for current consumption at the 1978 level, while still maintaining gasoline supplies at 96% to 98% of the 1978 level, as shown in Table 1. If imports are unexpectedly interrupted again, the desired distillate production still could be achieved by increasing the percentage yield of distillate from available crude oil. This would reduce gasoline supplies somewhat, as shown in Table 2. The primary uncertainty is whether refiners will shift refinery yields enough voluntarily to build stocks to acceptable levels, or whether it will be necessary to direct refiners to increase distillate production.

Table 1 assumes crude runs of 15 MMB/D (8.4 domestic and 6.6 of net crude oil imports, or 6.4 imports and .2 crude oil stock use). It assumes a combined gasoline and distillate yield of 66% during September and October. It assumes distillate imports of 200,000 B/D, and gasoline imports of 200,000 B/D. Based on current projections of crude oil imports, it is expected that crude oil runs to refineries will average 15 MMB/D or higher during this four-month period. If crude runs are higher than 15 MMB/D, the distillate stocks could be built faster than shown without reducing gasoline supplies. Alternatively, distillate stocks could be higher by the end of September by increasing the distillate yield in August and September.

Table 1

<u>15.0 MMB/D Crude Runs</u>	June <u>1/</u> <u>Est.</u>	July <u>2/</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
<u>Distillate</u>					
Refinery Yield (%)	21.4	21.3	22.0	24.0	23.0
Refinery Output and Imports (MB/D)	3328	3457	3500	3800	3650
Current Deliveries (MB/D)	2734	2650	2780	2655	3070
Daily stock build up (MB/D)	595	807	720	1145	580
End of month stock level (MMB)	142	167	189 <u>3/</u>	223 <u>3/</u>	240
<u>Gasoline</u>					
Refinery Yield (%)	43.6	43.3	43.0	42.0	43.0
Refinery output & imports (MB/D)	7214	7325	7250	7100	7250
Stock drawdown (MB/D)	-77	-180	300	200	100
Demand in 1978 (MB/D)	7917	7579	7872	7406	7461
Percent of 1978 demand	90.0%	94.3%	96.0%	98.5%	98.5%

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1/ Crude runs in June averaged 14.7 MMB/D.

2/ The estimates for July are based on preliminary data through July 27; actual data for July were not complete at the time of this analysis.

3/ Based on the stock build up plans of the major refiners, stocks may exceed these levels at the end of August and September.

Table 2 shows how the distillate stock and supply targets could be met in the event of another interruption of crude oil imports that reduces crude oil runs to 14.6 MMB/D (8.4 domestic and 6.2 of net crude oil imports, with no crude oil stock use). It assumes 150,000 B/D of distillate imports and 180,000 B/D of gasoline imports. It assumes a combined distillate and gasoline yield of 65% of crude runs in August through October, which is 2% lower than refiners averaged last fall.

Table 2

<u>14.6 MMB/D Crude Runs</u>	<u>June Est.</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
<u>Distillate</u>					
Refinery Yield (%)	21.4	21.3	22.0	24.8	24.8
Daily stock build up (MB/D)	595	807	583	1118	703
End of month stock level (MMB)	142	167	185	219	240
<u>Gasoline</u>					
Refinery yield (%)	43.6	43.3	43.0	40.2	40.2
Refinery output & imports (MB/D)	7214	7325	7058	6649	6649
Stock drawdown (MB/D)	-77	-180	350	200	50
Demand in 1978 (MB/D)	7917	7579	7872	7406	7461
Percent of 1978 demand	90.1%	94.3%	94.1%	92.5%	90.0%

Both cases assume gasoline stocks are drawn down by a total of 18 MMB in August-October, and that distillate demand is the same as in 1978 during the three months.

Table 1 can serve as a general guide in determining whether levels of distillate yields and stocks are acceptable, depending on the levels of crude oil runs, distillate imports and demand. With higher refinery runs, there is more flexibility to catch up in September and October if stocks are slightly lower in July and August.

### Actions to Assure Stocks are Built to Acceptable Levels

DOE is taking the following actions to assure that distillate stocks are built to acceptable levels.

1. DOE is taking steps to reduce distillate use. These actions include:
  - o Removing regulatory impediments to switching from distillate to natural gas, and encouraging and assisting major distillate users to switch. DOE has established a team to identify and assist firms to switch to natural gas. DOE estimates distillate savings of up to 100,000 B/D from this effort this summer and 65,000 B/D next winter.
  - o Encouraging electricity transfers, to use electricity generated from coal or hydroplants to substitute for oil fired plants. Distillate savings may be small, particularly in view of nuclear plant shutdowns.
  - o Implementing a national mandatory building temperature control plan for all public, industrial and commercial buildings. It is estimated that this plan could reduce distillate use by at least 130,000 B/D next winter.

It is expected that these actions can hold distillate demand to about the 1978 level this summer.

2. DOE has adopted a rule to encourage imports of distillate oil from Caribbean refineries. It provides a \$5 per barrel entitlement benefit for distillate imports to help attract Caribbean-produced distillate to the United States rather than Europe.
3. DOE has worked with the largest refiners to set targets to build up distillate stocks voluntarily. On the basis of the information provided by 32 of the largest refiners, it is estimated that this voluntary effort could result in stocks of about 230 MMB by early October.
4. DOE is preparing the necessary rules to require all or some refiners to increase distillate production. DOE will be prepared to order an increase in distillate production, if this becomes necessary.

DOE also will be monitoring distillate production and stocks of the largest refiners on a weekly basis and will be prepared to issue individual orders if some refiners have an inordinately low distillate production compared with prior practices.

It is recognized that orders to increase distillate production may aggravate the gasoline supply situation. Distillate production orders also could adversely impact the output of other essential products and reduce refinery efficiency. Refinery production orders should be issued only if clearly necessary.

5. DOE will be monitoring the sales of distillate this summer to distributors and end users, as well as conducting surveys of distillate stocks held by distributors, dealers and major industrial users. If it is found that stocks at the secondary and user levels are lower than can be offset by the primary stocks, or if there are not firm plans to move stocks into areas that rely on waterborne supplies before freeze up, DOE will request suppliers to resolve the problems expeditiously. If necessary, DOE would use its regulatory authority to require allocation of supplies for building home heating stocks to acceptable levels at distributors or end users. Problems of inadequate heating oil stocks at the secondary and end user levels can be resolved in September and October prior to the start of severe weather, at a time when much of these secondary and user stocks normally are put in place.

Additional regulatory authorities are available and could be used if necessary to increase distillate supplies and reduce nonessential uses, but DOE believes they will not be necessary.



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

August 3, 1979

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MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : W. Graham Claytor, Jr.  
Acting Secretary

*W. Graham Claytor, Jr.*

SUBJECT: Significant Issues for the Week of July 30

Transition - Secretary-Designate Neil Goldschmidt spent Monday and Tuesday of this week with me, former Secretary Adams, and departmental staff reviewing the Transportation Department's operations. On Monday and Tuesday he made a number of courtesy calls to key Senators and Congressmen and attended briefings with Messrs. Eizenstat and McIntyre. He plans to return to D.C. on August 9 and 10, and will be prepared for confirmation hearings the first week in September or as soon thereafter as they can be scheduled. I am working with Jack Watson on providing transition briefing materials for the new Secretary.

Milwaukee Railroad Bankruptcy - We are working with John White, Stu Eizenstat, and others on alternative approaches designed to assist in the reorganization of the Milwaukee Railroad so as to preserve a feasible core system at minimum cost to the Federal Government, and with reasonable provisions for labor protection. No action will be taken by this Department without full coordination with OMB and other Administration people having an interest in the various facets of this problem.

Amtrak Legislation - We worked hard to defeat bills in both the House and Senate that would have frozen the Amtrak system in place and with approval from OMB, we supported a compromise bill that would enable Amtrak to cut off those trains that were the most hopeless losers while keeping those that were being well utilized. We were successful in both houses, but because of some differences in the bills, conference will be necessary after Labor Day. We will urge the conferees to adopt the technical and other provisions we favor, including elimination of a House proposal to convert certain Amtrak debt to preferred stock.

Los Angeles: Century Freeway Settlement - We are about ready to announce that we have reached an agreement to settle the lawsuit which has halted work on the Century Freeway project in Los Angeles since 1972. Secretary-Designate Goldschmidt is being briefed on this matter. The project is an Interstate Highway (I-105) which will run for 17 miles east from Los Angeles airport across a densely populated part of the metropolitan area including the Watts community. Its estimated cost is about \$1 billion. It was well underway, with a substantial portion of the right-of-way cleared, when it was stopped

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seven years ago for lack of an environmental impact statement. Former Secretary Adams approved a revised project in October, 1978 following agreement among Governor Brown, Mayor Bradley, and other local officials that the project should proceed. The project has considerable local political prominence. The project has been redesigned to include special reserved lanes for buses and carpools and minorities from the area will be given preference in contracting and employment on the project. In addition, we will use highway funds to pay for the movement and renovation (or new construction, if cheaper) of 4,200 low income housing units still remaining in the right-of-way. We believe this will be a major contribution to the needs of Los Angeles area for decent low income housing to offset the negative impacts of the highway and will, thus, contribute substantially to your expressed urban policy objectives. We will, of course, not announce the settlement until it has been cleared by the Department of Justice, which is examining several issues.

Status of Transbus/Special Designed Bus for the Handicapped & Elderly - Last May no bids were received by the Department to build a controversial "accessible bus" (Transbus). As a result, former Secretary Adams established an independent review panel under the auspices of the National Academy of Sciences, to analyze the bus specifications, performance, standards, and costs to determine whether this new bus, designed to be readily accessible to handicapped persons, can be produced and built for a reasonable price. The final report of the panel is scheduled to be delivered to the Department on August 31. Because it will be impossible for DOT and potential manufacturers to act on the basis of the report by September 30, 1979 (the current date on which transit authorities are required by DOT regulations to begin purchasing Transbuses), this effective date for the Transbus date is being deferred until further notice. This deferral is likely to be controversial amongst vocal handicapped and elderly groups.

Fishing Rights in the Pacific Northwest - The United States' efforts to provide Indians the opportunity to catch the share of fish guaranteed them under certain 1850-vintage treaties continues to affect Coast Guard operations in the Northwest. A Federal judge in Oregon has recently ruled that the offshore catch must be reduced so that the number of fish which make it to the Columbia River and coastal sites (where the treaty Indians fish) would be sufficient to fulfill the Indians guaranteed allocation. This action has caused a volatile situation; the offshore trollers were already so displeased with the amount of fishing time available that they had blockaded harbors and staged a massive "fish-in" in violation of previous closings. The U.S. Department of Commerce, the court, and the fishermen are seeking a compromise which would minimize the new regulations' impact on the fishermen. The laws and rulings involved here are enforced by Coast Guard and National Fisheries Service personnel working from Coast Guard aircraft and vessels - resources that are already spread thin in that area. These agencies, along with the Departments of Justice and Interior, and various state enforcement agencies are updating contingency plans for handling the increased unlawful fishing (probable) and violence (possible) which may result from the reductions in the offshore fishery and the doubtful status of the court order in the Puget Sound area.



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410

August 3, 1979

MEMORANDUM FOR: The President  
Attention: Rick Hutcheson, Staff Secretary

SUBJECT : Weekly Report of Major Departmental Activities

Consolidation of Department's Housing Laws. We have forwarded to the White House and to the OMB the proposed "Housing Act of 1979," which would consolidate and simplify the Department's mortgage credit authorities and establish a procedure for the development and implementation of national housing policies. OMB officials have begun to review the proposal, and we are hopeful that the legislation can be submitted to the Congress in time for hearings in the fall.

Housing Discrimination Studies Released. Two studies which reveal significant levels of discrimination in housing against members of minority groups have been released within the past few days. The Housing Market Practices Survey, a nationwide study, shows that Blacks seeking rental housing have an 85 percent chance of encountering at least one instance of discrimination and that potential Black homeowners have a 48 percent chance of encountering discrimination from real estate agents. A survey of the Dallas, Texas, rental housing market shows dark-skinned Chicanos experience the highest level of discrimination in that metropolitan area. A dark-skinned Chicano has a 96 percent chance of experiencing at least one instance of discrimination in the typical search for rental housing in Dallas. From the information obtained in these surveys, HUD hopes to publish handbooks that will show other groups how to conduct housing discrimination studies using the audit technique.

HUD Supports Solar Program. In remarks before the House Subcommittee on Housing and Community Development, Under Secretary Jay Janis reported this week on a series of initiatives HUD will carry out in support of solar energy use and predicted that the proposed Solar Bank will do much to establish solar as a major energy resource.

National Housing Shortage Discussed. Donald I. Hovde, President of the National Association of Realtors, is making a nationwide tour to visit Realtor Boards. Reports from HUD Regional Offices indicate that Hovde is citing the increase in new household formations, the stampede of middle-class Americans to the homebuying market, and regulatory controls such as no-growth policies as contributors to the most severe housing shortage since post-World War II. Hovde says we need to separate real environmental concerns from stifling restrictions that benefit only a few.

Landrieu Designated as New HUD Secretary. Following the naming of Moon Landrieu as Secretary-designate, we began the transition process at HUD. Our efforts have gone well and I expect a smooth transition.

  
Patricia Roberts Harris

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EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

August 3, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth  
Jane Yarn

*Jim GALT*

SUBJECT: Weekly Report

Environmental Message. Both Jane and I and the CEQ staff are pleased to have been able to prepare your second Environmental Message to Congress. The early reviews are favorable. The press coverage of your Message has been good, with the national newspapers all carrying thoughtful articles. I have enclosed copies for your convenience.

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*World-Wide*

**CARTER ANNOUNCED** a new environmental program.

In his second environmental message to Congress, Carter called for tighter curbs to protect the nation's coastline and improve management of public lands. He endorsed measures to crack down on illegal trade in plants and wildlife and to add new national trails and federally protected scenic areas.

The President said his administration has already made "significant progress" in improving government management of 417 million acres of public lands, although he conceded more remains to be done.

*Environmentalists have expressed concern that Carter's energy program, which relies heavily on synthetic fuels, nuclear power and coal, could threaten the nation's air and water.*

\* \* \*

## Carter Unveils Plans to Protect Coastline, Lands

### New Environmental Message Endorses More National Trails and Scenic Areas

*By a WALL STREET JOURNAL Staff Reporter*

WASHINGTON — President Carter announced a new environmental program calling for tighter curbs to protect the nation's coastline and for "improving the management" of public lands.

In his second environmental message to Congress, Mr. Carter also endorsed measures to increase research on environmental dangers, crack down on illegal trade in plants and wildlife and add new national trails and federally protected scenic areas. "Our great natural heritage should be protected for the use and enjoyment of all citizens," the President said.

Also, Mr. Carter named Gus Speth, an environmental activist and member of the White House Council on Environmental Quality, to be chairman of the council. The Carter administration hopes that Mr. Speth's designation and the new program will placate environmental groups angered by the President's latest production-oriented energy policies.

As he is already a member of the council, Mr. Speth won't require Senate approval. He succeeds Charles Warren, who resigned to take another federal post in California.

In his message, Mr. Carter asked for a package of amendments to the Coastal Zone Management Act that he said "will establish a national coastal protection policy." Under the policy, he said, the federal government and the states will take new steps to protect coastal resources and control floods, erosion and pollution.

Also, he said, the policy seeks to "coordinate and simplify government decision-making," to increase public access to the coast and to "provide predictable siting processes" for recreation, energy, defense and transportation facilities.

Mr. Carter also ordered the Commerce Department to begin a "systematic review" of federal programs that affect the coast, with an eye toward improving federal coastal policies and developing any new legislative proposals that might be needed. He also endorsed the call by several environmental groups to designate 1980 as "The Year of the Coast."

The President said his administration has already "made significant progress" in improving management of the government's 417 million acres of public lands. But he said that "much more remains to be done." So, he said, he is ordering Interior Secretary Cecil Andrus to set long-range goals for the protection and use of the federal lands.

Mr. Carter said he directed Mr. Andrus and Agriculture Secretary Bob Bergland to develop a coordinated federal land-use policy. Earlier this year, Mr. Carter decided against a plan to propose a new Cabinet Department of Natural Resources, which would have combined the Interior Department's land-management programs with the U.S. Forest Service, a part of the Agriculture Department.

In other moves, the President:

—Set up a new, 10-year program to deal with the problem of "acid rain," which is caused by the mixture of rain with atmospheric pollutants generated by the burning of fossil fuels.

—Ordered the Justice Department and other agencies to crack down on illegal sales of certain plants and wildlife, including endangered species.

—Ordered new studies on the "increasingly serious problem" of the loss to erosion of agricultural top soil.

—Declared, without offering details, a "new transportation policy" to insure that federal transportation money is spent on environmentally sound projects.

—Promised to expand the number of national trails and federally designated "wild and scenic" rivers. He said the government would establish 220 new national trails by the end of 1980, and asked Congress to extend "wild and scenic" protection to four additional rivers: Gunnison River and Encampment River in Colorado, Priest River in Idaho and the Illinois River in Oregon.

August 3, 1979

# Carter Says Energy Program To 'Pose Environmental Risk'

By Bill Peterson

Washington Post Staff Writer

President Carter yesterday sent Congress a new message on the environment and acknowledged that his new energy program will "pose environmental risk" and require uncomfortable tradeoffs.

The president, in making the second major environmental message of his administration, didn't spell out any specific guidelines for the tradeoffs between energy and the environment.

But, he said, "I will work to ensure that environmental protections are built into the process of developing

new technologies, and that when tradeoffs must be made, they will be made fairly, equitably, and in the light of informed public scrutiny."

In the heart of the message, Carter strongly reaffirmed his commitment to existing environmental laws and proposed a series of new initiatives to protect coastal areas, expand the nation's wild river program, and deal with acid water problems.

Specifically, Carter:

- Declared 1980 the "Year of the Coast," a designation urged by conservationists, and proposed what he called a new coastal protection policy.

- Asked Congress to declare four new wild and scenic river systems in Oregon, Idaho and Colorado, and directed that federal agencies protect other river systems under consideration for such designation.

- Ordered the U.S. Forest Service to establish 145 new hiking trails by 1980.

- Directed the Department of Interior to develop long range plans for recreation, energy exploration, and agricultural use in the 417 million acres of federal land it manages.

- Declared a new transportation policy that stresses energy conservation.

- Established a 10-year program to study the threat of acid rain on the environment.

Carter also announced the appointment of Gus Speth as chairman of the Council on Environmental Quality. Speth, formerly a lawyer for environmental groups, has been a member of the council since March 1977. He succeeds Charles Warren who has resigned.

Much of Carter's long-awaited, 24-page special message appeared to be directed at reassuring environmentalists, who have expressed deep concern about the president's new energy programs, that Carter is still interested in protecting the environment.

Particularly disturbing to environmentalists have been Carter's proposals for a crash program to develop synthetic fuels and to create an Energy Mobilization Board to speed up government decision making on new energy plants.

"What Carter has seemed to be saying is, 'I'm an environmentalist. But only when it's convenient,'" said Louise Dunlap of the Environmental Policy Center, a lobbying group.

Carter, in his written message,

pledged that the board will be kept in check, and indicated that energy considerations would overrule environmental ones only in rare instances.

"We must not lose sight of the fact that, despite other pressures, the American people still care deeply about the quality of their environment," Speth said in a White House briefing. "They care about air pollution, trash and noise in their cities."

But the president's message left little doubt that energy is the administration's top priority. "There is no excuse for unnecessary red tape, which has plagued construction of some needed energy projects," Carter said at one point.

"Solving the nation's energy problem is essential to our economy and our security," he said at another. "We will not lose sight of our other goals, but we must not fail in ending the energy crisis."

# President Pledges Energy Crisis Won't Alter Environment Goals

By PHILIP SHABECOFF

Special to The New York Times

WASHINGTON, Aug. 2 — President Carter, in his long-awaited second environmental message to Congress, pledged today that efforts to end the energy crisis would not change his Administration's "basic commitment to clean air, clean water and the overall protection of the environment."

The written message seemed intended, in part, to reassure environmentalists and others who considered the President's new energy program a grave threat to antipollution efforts.

The President also announced today the appointment of Gus Speth to be chairman of the Council on Environmental Quality. Mr. Speth is a member of the environmental movement and is trusted and respected by environmental groups. Mr. Speth, who is currently on the three-member council, replaces Charles Warren, who resigned earlier this year.

## Protecting Natural Resources

In his message, Mr. Carter reaffirmed his dedication to environmental goals and announced a series of proposed new measures to conserve natural resources and protect public health.

In his first environmental message, made three months after he took office in 1977, Mr. Carter said he would give high priority to environmental protection. Until his recent energy speech, Mr. Carter was given high marks by the environmental community for keeping his word. But the President's program to reduce oil imports, particularly his proposal for the crash development of synthetic fuels and for creation of an Energy Mobilization Board to remove obstacles to developing energy sources, have seriously alarmed environmentalists and others.

In his message today, Mr. Carter made it clear that while he would be sensitive to environmental needs, there would necessarily be "tradeoffs" between the need for energy and the need to protect the environment.

He also seemed to reiterate his position that the highest priority would be given to energy production. "Solving the nation's energy problem is essential to our economy and our security," he said. "We will not lose sight of our other goals but we must not fail in ending the energy crisis."

Mr. Carter also said in his message that there would be checks on the energy mobilization board's authority to waive environmental procedures. But he said that when necessary for the "completion of a critical energy facility," the board would be empowered to override even the substance of antipollution rules, subject to Presidential veto and judicial review.

Mr. Speth, sounding a note somewhat different from the message, said at a White House news briefing: "We must not lose sight of the fact that, despite other pressures, the American people still feel deeply about the quality of the environment."

In his message, the President said "the highest environmental priority" of his Administration was providing safeguards for Alaskan lands. He urged the Senate to follow the House of Representatives in passing legislation to accomplish that goal.

## Hazardous Waste Problem

The message also gives high priority to dealing with hazardous wastes of the kind that created a disaster at Love Canal in New York State.

The message outlined a series of proposed "initiatives" involving land and resource management, agricultural conservation, urban quality and global environment. Among them were the following:

¶ New legislation to protect and improve the management of the nation's coastlines.

¶ Stepped-up enforcement of laws against "massive illegal trade" in wildlife, including hiring of more special agents.

¶ Congress will be asked to designate four new wild and scenic rivers for protection, including the Gunnison and the Encampment in Colorado, the Priest in Idaho and the Illinois in Oregon, and the establishment of 145 new National Trails.

¶ Development of a policy to deal with global deforestation and international incidents of "acid rain."

¶ Establishment of principles and long-range goals for use and management of the resources of public lands.

The reaction of environmentalists to the message was mixed. Rita Molyneaux of the Wilderness Society said: "We are generally pleased, but we have reservations about his energy and timber policies."

# Carter Admits 'Trade-Offs' In Environment Message

By Mary Thornton  
Washington Star Staff Writer

President Carter told Congress in a special message yesterday that his energy program would "pose environmental risks," but he promised to be fair when trade-offs are necessary between boosting energy supplies and protecting the environment.

The proposed trade-offs drew criticism from some environmentalists yesterday.

"I do not pretend that all new replacement sources of energy will be environmentally innocuous," Carter said yesterday. "Some of the new technologies we will need to develop pose environmental risks, not all of which are yet fully understood."

"I will work to ensure that environmental protections are built into the process of developing these technologies, and that when trade-offs must be made, they will be made fairly, equitably and in the light of informed public scrutiny," he said.

Earlier in the day, Carter had appointed Gustave Speth to head the Council on Environmental Quality, which advises the president on environmental policy. Speth had been a member of the council since 1977.

And while environmentalists praised some areas of Carter's policy statement, some charged that the timing of the message and the appointment of Speth may have been calculated to avoid widespread defections by environmentalists formerly loyal to Carter who are now turning to such potential Carter challengers as California Gov. Jerry Brown.

Carter's statement ranges from his personal support of the Save-the-Whale campaign to the establishment of 220 new recreational nature trails by December 1980. It includes some of the following major points:

- He plans a major expansion of the Coastal Zone Management Act to protect beaches, wetlands and estuaries from erosion and unwanted development, and said he will declare 1980 the "Year of the Coast."
- He will call for a crackdown on the

illegal trade in endangered wildlife and plants which is threatening the extinction of hundreds of species. Carter said he will ask the Justice Department, along with the departments of interior, treasury, agriculture and commerce, to join in an intensive investigation and prosecution effort.

- Carter is asking for a 10-year program, with funding of \$10 million in the first year, to study and fight the problem of "acid rain," which is formed when pollutants produced by several industries combine with water in the air to form acids, which then fall as rain, damaging plant life, human health and even buildings.

- He is also calling for major studies of soil erosion, which has destroyed 100 million acres of potential cropland since 1935 and taken away half the topsoil on another 100 million acres. He also is asking federal agencies to take a closer look at the agricultural use of pesticides.

But while environmentalists praised Carter for these programs, there was continuing criticism of his energy program, particularly a provision that would allow his proposed Energy Mobilization Board to speed up decisions on new energy production facilities by waiving environmental impact statements in "exceptional cases."

William Butler, general counsel of the Environmental Defense Fund, added that he was suspicious about the timing of the Carter message.

"Environmentalists have been enraged by his energy program, and they have been turning to Brown and (Sen. Edward M.) Kennedy," he said. "And if there was ever an opportune time for Carter to come out with an environmental message that's been on the drawing board for months, now was the time."

"Don't get me wrong. One is obviously thankful for the nice things in the president's message, but I still can't help but be appalled and outraged by the anti-environmental trends in his energy package."

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



C  
/

August 3, 1979

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson, Staff Secretary

FROM : Graciela (Grace) Olivarez, Director  
Community Services Administration

go/lowra

SUBJECT : Weekly Report of Significant Agency Activities  
(July 27 - August 2, 1979)

CSA APPROPRIATIONS

This week, House and Senate conferees completed action on H.R. 4389, the Labor-HEW Appropriations Bill for Fiscal 1980. The conference bill contains \$802.1 million for the Community Services Administration (CSA), an increase of \$35.1 million over the Administration's request of \$767 million. The increases include: \$20 million more for the Community Food and Nutrition Program; \$10 million more for the Summer Youth Recreation Program, and \$6 million increases for Community Action Agencies as well as the National Youth Sports Program. The \$12 million request for Community Development Credit Unions was decreased by \$6 million.

SMALL FARM ENERGY PROJECT

The attached report describes how small farmers involved in the Small Farm Energy Project in Walthill, Nebraska, have tried to reduce their vulnerability to energy price increases and what innovations they have been most willing to try.

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THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

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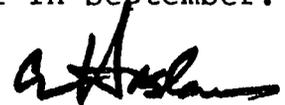
FYI

August 3, 1979

REPORT TO THE PRESIDENT

Support for your trade reorganization proposal by all affected departments is essential to assure its acceptance. The process of developing decision memoranda for you was marked by especially deep differences of opinion among the interested departments and agencies. There is concern that these various views will not translate readily into enthusiastic support for the proposal Bob Strauss presented last week on the Hill. To obtain Congressional passage, we will need the active support of all departments, both those that will lose functions as well as those that will gain. You may therefore wish to note at a Cabinet meeting the importance of all departments'--and their senior staffs'--fully supporting the Administration's plan.

We are pleased to report that Wednesday the Senate passed legislation reauthorizing the Economic Development Administration (EDA) by a vote of 83 to 17. The bill incorporates the key features of the legislation you proposed in April, including more targeted eligibility criteria and a substantially expanded private sector financing program. In addition to demonstrating the broad base of support for EDA's programs, the margin of the vote should serve us well when the House considers a similar bill in September.



C. L. Haslam  
Acting Secretary

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THE DEPUTY SECRETARY OF THE TREASURY  
WASHINGTON, D.C. 20220

August 3, 1979

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR

The foreign exchange markets stabilized notably this week, with the dollar firming against major foreign currencies. No U.S. or foreign intervention in support of the dollar was required. The improvement in sentiment toward the dollar appears to be based on the combined effects of the completion of Cabinet changes, somewhat better U.S. trade figures, further evidence of economic slow-down in the U.S., and the recent vigorous market intervention by the Treasury and Federal Reserve.

2. EPG ACTIVITIES

The Steering Group has been concentrating on next year's wage-price standards; meeting with AFL-CIO representatives and readying for publication next Tuesday a rather general discussion paper on the issues raised by the next program year. We are trying to make the program's design a genuinely open and cooperative process.

3. TARGETED AND ANTI-RECESSION FISCAL ASSISTANCE

The Senate today passed, by a 69 to 23 vote, and sent to the House the targeted and anti-recession fiscal assistance bill reported last week by the Senate Finance Committee. As you know, the bill was very similar to the Administration's bill. The bill was changed on the floor (on an amendment offered by Senator Bellmon) to eliminate the \$150 million payment scheduled for fiscal year 1979. Under our current economic forecast, the legislation, if passed by the House in this

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form, would result in targeted and anti-recession payments of \$540 million in fiscal year 1980 to State (two fiscal quarters only) and local governments with unemployment rates equal to or above 6 per centum. The legislation is still stalled in the House subcommittee, but pressures for passage are building with the economic downturn.

A handwritten signature in black ink that reads "Bob Carswell". The signature is written in a cursive, slightly slanted style.

Robert Carswell



Office of the Attorney General  
Washington, D. C. 20530

August 3, 1979

Principal Activities of the Department of Justice  
for the week of July 30 through August 3

1. FBI Charter

The Attorney General joined in a press conference this week to announce his general support for FBI charter legislation which was to be introduced in the Congress by Senators Kennedy and Thurmond and Representatives Rodino and McClory. Joining the Attorney General at the press conference were: Senators Kennedy, Thurmond, and Mathias as well as FBI Director Webster, Ben Civiletti, former Attorney General Levi, Stuart Eizenstat, and Chairman Rodino. Later in the week Attorney General Bell, Attorney General-Designate Civiletti and Director Webster testified in support of the charter legislation at the first hearings of the Senate Judiciary Committee.

2. Judicial Selection

There are currently 144 federal judgeship vacancies (112 under the new law and 32 regular vacancies). The President has signed off on 112 candidates for these vacancies and they are in various stages of the selection and nomination process. This leaves 32 vacancies (16 under the new law and 16 under regular vacancies) not yet presented to the President. Of the 112 candidates, 49 are pending at the Senate (46 under the new law and 3 under regular vacancies), 5 are pending at the White House (2 under the new law and 3 under regular vacancies), with the remainder still under evaluation. The Senate during this Congress has confirmed 48 judicial appointments (40 under the new law and 8 under regular vacancies).

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THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

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August 3, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley *LEG*

Subject: CEA Weekly Report

Charlie Schultze comes home from the hospital tomorrow. He is still weak from surgery and numerous tests, and he has lost a great deal of weight -- but he is improving. We expect him back around Labor Day.

Chrysler

CEA will be involved with other economic agencies in reviewing any plan that Chrysler is able to work out with its banks and the union. We strongly believe that any Federal role in assisting Chrysler should be a limited one.

Energy

CEA is taking the lead in developing some systematic analysis of the energy program and its long-run economic implications. Work on this is proceeding under George Eads in cooperation with Elliott Cutler.

Regulation

George Eads testified before the Joint Economic Committee on the concept of a Regulatory Budget. Senator Bentsen is supportive of the Administration's regulatory reform initiatives. He is very interested in the Regulatory Budget idea but recognizes that more study and discussion is needed. He may well wish to add a mandated study to the legislation.

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THE WHITE HOUSE  
WASHINGTON

06 Aug 79

Hamilton Jordan

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

Rick Hutcheson

3315

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

ACTION  
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

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

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

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

Ham  
J

possible things the President could do:

Meet with Schlesinger/Duncan on record - photos in office -  
re dept. of energy - how things are progressing, etc...

Meet with Claytor - how he is taking over at Transportation -  
on record in office...

met with Byrd and O'Neill for the specific purpose of  
talking whether a recess is necessary (no one pays  
attention to leadership breakfasts anymore for  
"publicity" purposes..they are seen as info. meetings.  
recognize Frank might not approve...BUT why not have  
the President seen as taking charge of this issue??

Camp David follow-up - already in process and in process  
and in process... but when will it happen? If you postpone a  
thing long enough, you forget why it was relevant in the first place..

Meeting with Clifford on record-that is picture..he's an  
outsider..it shows President is talking to someone  
outside the White House and outside the Georgian circle..  
add Linowitz, Harriman or not, as seems best..or make  
them separate meetings, but show the President doing something

Meet with Bill Miller - show them conferring on dollar -  
possibly conferring on new Fed. Chairman - make some  
positive moves (that can be understood) that things are  
happening on the FED..If possible give a deadline -time  
when it will be announced....

Bring Aurthur Burns in to see President for conferring on  
dollar, etc. (All right, I know President doesn't like him,  
and this is a practically sui cidal suggestion , but Burns  
does happen to want to help the country..and lots of people  
respect him - he's a solid figure..why not get a few Republicans  
into this mess too)

Does SALT need anything? Recognize need to show emphasis on  
domestic -economy and energy or energy and economy - but he still  
is Commander in Chief and has foreign concerns..? not sure myself,  
but "in for a penny, in for a pound"

why did the group of Bishops not get in? Could we get them back in?

JUST SHOW HIM CONSULTING, MEETING, BUSY ABOUT THE NATION'S BUSINESS  
NOT JUST THINKING BY HIMSELF OR WITH HIS OWN LITTLE GROUP..

8-6-79

Wm Miller Treasury  
Paul Volcker Fed Reserve

swearing-in/miller & volcker 8/6/79

2 MOST IMP ECON POSTS

TROUBLED WATERS

INFLATION > DECADE

AGGRAVATED BY ENERGY

COMPETENCE, EXPER, ABILITY

CONFIDENCE AROUND WORLD

STEADY COURSE - FISCAL,

MONETARY - BUDGET

MILLER - CORPORATE - TOUGH -

ELOQUENT - FIGHT INFL.

SEC of TREAS + CH ECON SPACES

VOLCKER - PROF CAREER

MON POL + INT FINANCE

INFL. # - STRONG ECON - EMPL

LEON HIGGENBOTHAM

THE WHITE HOUSE

WASHINGTON

August 5, 1979

MEMORANDUM TO THE PRESIDENT

FROM: RICK HERTZBERG *Rick*  
WALTER SHAPIRO

SUBJECT: Talking Points: Swearing-In of Paul Volcker  
and William Miller -- 8/6/79

1. The two positions that we are filling today -- the Secretary of the Treasury and the Chairman of the Federal Reserve Board -- are the two most important economic posts in our government. In searching for the best people to fill these positions, my first concern was to find individuals who could steer our economy through some of the most troubled waters in our history. Inflation has been eating away at the strength of our economy for more than a decade. The energy crisis has contributed to these inflationary pressures with the enormous increase in energy prices since the first of this year. Unemployment, particularly among minorities and teenagers, is still an extremely serious problem for our country. In filling these two posts, therefore, I first sought to find two individuals of unquestioned competence and ability to shape and guide the economic policies of our nation.

2. My second concern was to find candidates who would inspire confidence around the world in the leadership that this Administration is providing in the conduct of our economic affairs. When I spoke to the nation three weeks ago, I made clear that this Administration would follow a steady course in economic policy so that we could realize our hopes and expectations of controlling inflation. In selecting Bill Miller to be Secretary of the Treasury and Paul Volcker to serve as Chairman of the Federal Reserve Board, I have found two men who will inspire confidence both at home and abroad in the soundness of our economic policies.

3. There is little I need to say about the credentials of either of these two men, since both have been at the forefront of economic policy over the last decade. I have come to know Bill Miller well during his tenure as Chairman of the Federal Reserve Board. I have been enormously impressed with his mental toughness, with the forthright way in which he states his views, both publicly

and privately, with his capacity for leadership, and with his dedication to the fight against inflation. Economic policy in this Administration has not always been as well coordinated as I would have liked. In selecting Bill Miller to serve as the Administration's chief economic spokesman, I have placed my trust in a man who can ensure that our economic policies are coherent, consistent, carefully designed and properly implemented. Bill Miller will do a great job as Secretary of Treasury and I am proud to have him on my team.

4. Paul Volcker has spent his entire professional career dealing with the complexities of monetary policy and international finance. He is highly respected by his colleagues in the Federal Reserve System and recognized as a man of great competence by the financial leaders of our country and the entire world. I expect to work closely with Paul Volcker in the months ahead, just as I did with Bill Miller when he was Chairman of the Fed. I know, however, that Paul Volcker is dedicated to maintaining the independence of the Federal Reserve System in charting monetary policy and we both understand the logic for this separation of powers. Paul Volcker is deeply committed to fighting inflation and to maintaining the strength of the dollar in the international economy. He is equally resolute in his commitment to maintaining a strong economy and to solving our unemployment problems. We share the same goals. For these and so many other reasons, I am delighted that he has accepted the difficult task of serving as Chairman of the Federal Reserve Board.

meeting with bishops of the  
african methodist episcopal  
zion church

8/6/79

THE WHITE HOUSE  
WASHINGTON

AME Zion  
Bishop Speaks  
Dunstan

=  
KKK resurgence  
Zim-Rhod - Young  
Hum Rts

Baker - Weber

Prayers

Unemp

Energy

Housing

Hew - Harris

Inv to speak @ 415<sup>th</sup> Gen Conf  
5/80 Greensboro

Herbert Bell Shaw

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6:30 PM

THE WHITE HOUSE

WASHINGTON

August 6, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Cabinet/Senior Staff Dinner Meeting  
Monday, August 6, 1979  
6:30 p.m. The Residence

This is the first meeting of your Cabinet and Senior Staff since the domestic summit at Camp David and your televised speech to the nation. It is an important opportunity to "charge" your team for the next critical months.

In light of the significant events at, and since, Camp David, you may want to focus the meeting's agenda on three major topics:

1. Working relations between the White House Staff and the Cabinet;
2. A review of major domestic and foreign policy issues;
3. Role of Cabinet and White House Staff until the 1980 Presidential election.

Cabinet-Staff Relations

- You may want to present an overview of the internal White House staff structure, emphasizing the nature of Ham's new role as Chief of Staff. What it is and isn't.
- It would be helpful if you described the major domestic staff functions most likely to be interacting with Cabinet Secretaries:

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- Stu for policy development;
  - Me for policy execution and implementation, case work, etc;
  - Frank for Congressional liaison;
  - Anne for public outreach regarding Presidential priorities;
  - Tim and Arnie Miller for personnel. (You should note the importance of working with the White House Personnel Office in filling vacancies. You should also underscore the importance you personally attach to affirmative action in filling senior Administration positions);
- You might note that this Administration continues to do less well than it should in getting credit for federal assistance packaged to meet unique local needs.

Rather than go into the matter in great detail, I suggest that you indicate that Hamilton will work out a grants announcement process with Tim, Frank, and me which will then be discussed with the Executive Assistants to the Secretaries. Obviously, we are interested only in significant grants with which you and your Administration should be identified.

- It might be useful if you concluded with a statement summarizing your views on Staff-Cabinet relations, and a feeling that they can, and should, be better;
- Each Cabinet Member should find appropriate ways to demonstrate the he/she is in charge. Improved and effective White House Staff/Cabinet relations are not a substitute for each Secretary to be viewed as fully responsible for the affairs of his/her department.

### Issues Overview

While there is much of importance pending in Congress, there are no issues more important to you and the country than:

- Ratification of the SALT II treaty; and
- Passage of the Windfall Profits Tax.

You may want to spend a few moments discussing the importance of every Member of the Cabinet playing a role in securing favorable Congressional action for each.

- Cabinet Members should look for opportunities to make public statements callings for SALT ratification and Windfall Profits Tax passage.

You should note, for example, that Pat Harris referred to the passage of the Windfalls Profits Tax and its importance to the Energy Assistance program for home heating for the poor in remarks at her swearing-in ceremony.

It is also important for each Secretary to find ways of leveraging Congressional interest in Department activities into support for SALT and Windfall Profits. Working with Frank, each Secretary can, and should, target such leverage with key Members of Congress.

Following this discussion, you may want to ask Bill Miller and Lyle Gramley (who will be representing Charlie Schultze) to comment on current economic indicators.

You then may want Cy to present a review of key foreign policy issues.

### The Next Fifteen Months

There are fifteen months until the 1980 election. Each appropriate Member of the Cabinet should be prepared to make extraordinary commitments of time, e.g.:

- Time each month should be set aside for political trips and speaking engagements. Tim Kraft and Jack Watson will coordinate this effort with each Secretary and his/her staff, and develop a plan for the next 3-6 months for the proper utilization of the Secretaries' time;
- Specific Secretaries should be given a targeted list of states within which to make specific efforts (i.e., Bergland in farm-belt states). This effort will be worked out with Tim Kraft and Jack Watson;
- New Cabinet Secretaries will be provided a list of interest groups and constituency leaders to whom he/she should make a personal call. I will provide this;

- Each Cabinet Member has to be assertive and creative in helping us with the political community. You have asked the Cabinet Members to do several sepcific things, but there is much more that can, and should, be done by each Member of the Cabinet;
- I will provide copies of relevant White House Counsel memoranda providing guidance on accounting for political activities by Cabinet and White House Staff.

You may want to make a general statement about the Administration, your Presidency, and the course on which you are embarked reflected by the Camp David process. I think it is very important for the Cabinet and Staff to fully understand and share your insights into the country's morale and your response to it. This is your first team -- every member of it needs to be speaking from the same script. The Cabinet, especially, needs to feel it is part of your political, as well as governmental, future -- and to be let in on your private thinking and views as to how we will proceed in the coming months.

THE WHITE HOUSE

WASHINGTON

August 3, 1979

Informal Working Dinner with the Cabinet and  
Senior Staff, Monday, August 6, 1979, 6:30 p.m.  
State Dining Room, The White House

CABINET

Cyrus Vance  
Harold Brown  
Zbigniew Brzezinski  
Cecil Andrus  
Bob Bergland  
Pat Harris  
Charles Duncan  
Neil Goldschmidt  
Moon Landrieu  
Bill Miller  
Ben Civiletti  
Juanita Kreps  
Ray Marshall  
Jim McIntyre  
Andy Young  
Lyle Gramley (for Charles Schultze)  
Bob Strauss

SENIOR STAFF

Frank Moore  
Anne Wexler  
Bob Lipshutz  
Stu Eizenstat  
Jody Powell  
Dick Moe  
Jerry Rafshoon  
Tim Kraft  
Hamilton Jordan  
Fred Kahn  
Jack Watson

THE WHITE HOUSE  
WASHINGTON

August 6, 1979

MR. PRESIDENT

Do you want me to set up  
meetings with Governor Askew  
and Lloyd Cutler with you  
this week?

PHIL

*yes*  
*J*

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Synthesis of Notes on "...Presidential Legitimation"

Application for President Carter

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1. President Carter, by his words, has been caught in the tension between "governance" and "legitimation (i.e., the channel through which the governed grant the governor power to rule)."

Legitimation is inextricably linked with the "time consuming ceremonial role of the President as Chief of State." (More attention should be given to this ceremonial, symbol and myth-creating role.)

2. Biblical, Lincolnesque philosophy of history -- the present is only completed when the past is pressed between a past recalled and a future foretold. History is experimental, experienced and in terms of the community.

For Lincoln the future defines the meaning of the present as it emerges from the remembered past.

(Part of the current crisis arises from our loss of a sense of our past. We feel rootless and floating. The President can be our history teacher and in the process regenerate an authentic appreciation of our past.)

3. The total thrust of the July 15 speech, its antecedents and extensions are closely akin to a "Biblical covenant renewal ceremony" (not Moses on the mountain) such as Joshua at Shechem (Joshua 24.)

The aim of the renewal ceremony is to use words (and deeds) to rebuild a community's covenantal sense of unity in a time of crisis. Situation at Shechem: The people were outwardly successful. They had substantially conquered the Promised Land and distributed the area to the tribes. Inwardly, however, the people were losing their sense of identity and purpose.

Choice of the covenant for the people is "Choose or die!" The people must freely choose. But they do not choose by themselves. The choice must be called forth out of them.

(President Carter is ordained by history (by God) to call forth this choice out of this nation in our crisis.)

4. The task of the Hebraic leader (Joshua, David, Lincoln, Carter) is prophetic -- to declare the meaning of the moment.

The prophet's moral function must be done in the context of the "congregation." The leader must actively congregate his people.

How to do this? Charismatically. Hebraic leaders, ancient David or modern Lincoln, are often shown to be men who, in themselves, were not especially exceptional. Many times they are men of the humblest origins and in the tales and myths which in our memories surround their lives, they are portrayed as retaining throughout their careers characteristics and traits of their youthful circumstances. But somewhere along the way, a higher spirit descends upon them and they seem to acquire unique powers, often enough of plain physical strength, but more importantly of steadiness and foresight in battle, wit and wisdom in political matters, and above all of moral inspiration.

The leader needs words that "perform." Words may well be the essence of politics generally. They are certainly the essence of legitimation politics.

5. President Carter is uniquely equipped by background, mental acumen, element of personal mysticism, charisma, faith, courage (almost reckless) and commitment to be America's prophet and priest in our day.

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# Presidential Studies Quarterly

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CENTER FOR THE STUDY OF THE PRESIDENCY



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telligent, patriotic, and tenacious man—but also as one who was too individualistic to be a forceful leader of even a limited circle of like-minded men.”

Dr. Lawrence S. Kaplan, Professor of History, Kent State University, provides a brilliant review of Forrest McDonald's *The Presidency of Thomas Jefferson*. He concurs in McDonald's portrayal of Jefferson's shrewdness in manipulating Congress. It was only near the end of his second term, with his disastrous embargo policy that Jefferson lost control and retreated to Monticello. But his wrong turning had proceeded the embargo; his

rejection of the Hamiltonian system of manufacturers and strong defense had made the nation dependent on trade and subject to the humiliation of the two warring super-powers, Britain and France. Kaplan finds with McDonald, Jefferson's "greatest achievement was to shape the ideal presidency: a blend of monarchial with republican tradition."

R. Gordon Hoxie  
President  
Center for the Study of the Presidency  
New York City  
June 27th, 1978

## THE GETTYSBURG ADDRESS: AN EXERCISE IN PRESIDENTIAL LEGITIMATION<sup>1</sup>

by  
H. MARK ROELOFS\*

Professor, Department of Politics  
New York University

### ABSTRACT

Legitimation is the often veiled process creative of and prior to the formation and use of power. The study of legitimation in connection with the American presidency has been so neglected (in comparison to the study of that office's governance roles) that an internal analysis of the Gettysburg Address, a probably paradigmatic example of presidential legitimation role-playing, may yield concepts and patterns of wide utility. Lincoln's address is shown to have been a replication, in form and presupposition, however unconscious, of a Biblical covenant renewal ceremony, such as Joshua's at Shechem. The aim of both leaders was profoundly Hebraic: to use words to rebuild a community's "covenanted"—not "contractual"—sense of unity in a time of historic crisis and to renew in this unity its divinely assigned but freely accepted commitment to ancient ideals. The essay closes with a series of

questions for further research on the legitimation role of the American presidency.

\* \* \*

It is widely understood that the power of the modern presidency is predominantly "political" in origin, the constitutional base of it being surprisingly narrow. This is the truth that underlies Neustadt's famous and oft-quoted dictum:

When we inaugurate a President of the United States we give a man the powers of our highest public office. From the moment he is sworn the man confronts a personal problem: how to make those powers work for *him*.<sup>2</sup>

Presidents, using the advantages accruing to them through law and tradition, must labor without pause or stint to enlarge the breadth of their influence, to broaden the base of their personal support, and to enhance and sharpen their ability "to persuade."<sup>3</sup>

There are, of course, special features of the American presidency and of its insti-

\* I am grateful to Ms. Ann Cattell for assistance in the preparation of this essay.

tutional environment and history that made it more advisable than might otherwise have been the case for Neustadt to enunciate his dictum as he did, even down to italicizing the final "*him*." But it should also be stressed that the president's need to husband and enhance his powers by constant watchfulness and effort is not essentially different from that of any other power holder. Roman emperors were bedeviled by the problem. Likewise are military officers of the most ordinary kind to this day, especially if they are personally insecure by reason of youth or temperament. And what is clearly true of nonelected officials is even more abundantly true not only of outstanding elected officials like the American president but also of all minor ones as well. He who, having power, does not guard it well, will not have it long.

Machiavelli understood that; so did Hobbes, and in more precise conceptual terms. The problem originates in the very nature of political power. As opposed to the simple subject-object relationship of brute force (violence), political power is an interpersonal, dialogic relationship in which "I" more or less do as I am told by "you." The dialogue need not be always explicitly verbal, as when "you" indicate your message by threatening gestures or some other show of force. Even so, political power is rooted in the paradox that the greater its intensity and extent, the more it is, as Lasswell and Kaplan put it, "coercion by consent."<sup>4</sup> The "I" must be responsive to the "you." What this means is that for power to be possessed, it must have been granted (or recognized as having been granted) to those who exercise it by, exactly, those over whom it is exercised. To accept this truth, simply imagine a number of mutinous situations, some major, some minor, and wonder what accounts for their differences of degree of mutinousness. Is it anything other than the degree of willingness of the supposed subservient to bow down?

Once this truth has been accepted, it must raise in turn the question of how those who obey are induced, presumably by those wishing to hold sway over them but quite possibly by others, to make the

grants of power to those who then use it. This essay will come to focus, for reasons to be noticed below, on one historically famous effort at such inducement. The reader should set this specific instance in the context of the range of all possible instances in which obedience may be sought. Willingness to be governed peacefully may come, as many philosophers have imagined, from conditions of generalized social chaos and terror that send whole flocks clamoring for leadership from the first available source. Novels and plays often make use of crisis situations, modelled on actual experience we all presumably share, in which a recalcitrant person's willfulness is broken by the intimidating presence of several others already willing to be subdued. Finally, and most usual of all, are those quite peaceful situations in which people consent to be coerced through persuasion more or less cool about personal security and advantage. But fascination with the particulars and the diversity of the reasons for obedience should never be allowed to obscure the underlying fact that in all power situations dialogic between those who command, however how, and those who obey, however why, must take place on two levels.

The more obvious of these levels, because it is virtually always behaviorally overt, is the command channel of actual *governance* through which the performance of the governed is organized, directed, and controlled. However, this is, in analytic fact, a secondary, that is, a consequential channel of communication between governor and governed. The logically prior channel between them is that of *legitimation*, the channel through which the subservient grant their governors powers to rule. Dialogue on this channel, especially as initiated by the aspiring governors, may be overt and explicit. But it is so often masked or even silent, as when the commanded simply note the verifying symbols of authority and go on to do as they are told, that its existence, to say nothing of its essentiality, regularly goes unnoticed.

An example will make plain the conceptual balance we should maintain. A po-

liceman calls upon us to halt. His words are an act of governance, a specific direction of what we are to do. But the uniform he wears, with its badges of identification and honor, while as message-laden as his words, is concerned with a different meaning. It is an advisement, an unspoken but positive request, that we obey the words of his order out of respect for the communitywide legitimated authority under which both he and ourselves reside. And it is no quibble to add that it is always we, the very ones whom the officer would apprehend, who before we obey must in that spot there and then decide, however instantaneously and without real thought, that the uniform he wears is indeed a proper warrant for the issued command.<sup>5</sup>

The essay that follows arises from an interest in the theoretically comparable "requests" for legitimation that have issued from the office of the American presidency, whether the requests were for the legitimation of the powers of a particular occupant in the office or for the authority of the whole government in which that office is only the most conspicuous element. As with most offices, studies of the governance role of the American presidency are plentiful, but its legitimation role is much less noticed. What discussion there is, is usually tangential, mostly concerned with noting the time consuming "ceremonial" role of the president as "Chief of State," or with his manipulation, acknowledged as important for his political survival, of public opinion for electoral benefits. Direct attention to the exact character of such instances of "symbolic politics," the positive political functions they achieve, or their essential significance to American political life generally is notable for its absence.

In this essay, the effort will be to bring that kind of attention to an internal analysis of the most important single example of presidential legitimation politics, the Gettysburg Address. The Address has been chosen for analysis partly because it so well lends itself to an examination of this sort and, more importantly, because it has been an available paradigm for all subsequent presidential appeals of its

sort. But the reason for undertaking so narrowly an internal analysis of it lies in the highly preliminary state of the research on the legitimation side of presidential politics. There are indications, such as the repeated assertions by Mr. Carter during his campaign and first year in office about the need to "restore faith in government," that the legitimation role may be at times among the American president's most important functions; however little political scientists have studied it. But there can be no settlement of issues of that order, no real measurement of the factors involved in them, or any relative assessment of their significance, until the nature of the American president's legitimation role has been more precisely conceptualized than is presently the case. An internal examination of the Gettysburg Address, narrow and singular as it may be, could yield a broad illumination over what it is that presidents do—and are profoundly expected by their publics to do—in their legitimation role.

\* \* \*

In approaching the Address for our present purposes, we need recall no more of its historic circumstances than the obvious: that the nation had been rent by a terrible civil war, a stupendous mutiny against its authority, and that its avowed executive leader had been called to address a multitude assembled on a battlefield of that war where in fact unburied corpses still lay. Now let us read his speech as if we had never read it before.

Fourscore and seven years ago our fathers brought forth on this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field as a final resting place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

But, in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow—this ground. The brave men, living and dead, who struggled here, have consecrated it far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here. It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth.

The brevity of the Gettysburg Address has often been noted, three paragraphs and only 271 words. Its simplicity of style has also been many times noticed. It has a very high proportion of single syllable words, only a few of three, only two of four. And all its words are everyday, familiar ones. The result is an address so brief and simple that even inarticulate children are asked to memorize it word for word.

The meaning of the address is also brief and simple, although profound. Six times Lincoln used the word "dedicate," and near equivalents of that term six times more. The high point of the address is the sentence, "But, in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow—this ground," reiterating, deepening Lincoln's central point. The reiteration is appropriate, for dedication is a profound act not lightly undertaken. In its most extended sense, the sense Lincoln explicitly wished to employ, dedication signifies the absolute, unconditional commitment to a freely chosen cause. However, now that we have got it out, this idea can be seen to be complex, even self-contradictory. To take the central point, ded-

ication to be meaningful must be freely given and freely maintained; how then can it be absolute and unconditional without giving away precisely that freedom?

The clue to unlocking this central paradox in the concepts and thinking Lincoln employed in the Address is to recognize their Biblical origins.<sup>6</sup> Lincoln's phrasings resonate with King James-like cadences, but there is more to the matter than that. Taken as a whole and placed in context, the Gettysburg Address is an Old Testament-type covenant renewal ceremony pronounced by the American nation's most revered prophet. To understand this, we must examine three sets of presuppositions underpinning and giving meaning to the actual words of the Address: its understanding of history, its understanding of community, and its understanding of prophecy, the supreme political act within this vision. These presuppositions, taken together and as expressed through their encapsulating terms, comprise one of the most distinctive political vocabularies in the Western tradition, the language of morally regenerate nationalism.<sup>7</sup>

The importance of history as such for Lincoln is presumed in his opening words, "Fourscore and seven years ago. . . ." The contrast with the opening of America's one other comparably sacred document, the Declaration of Independence, is instructive. There too was a reference to historical time, but in the form, "When, in the course of human events, . . ." an indefinitely extended period, whereas Lincoln asked us to go back to a specific time virtually to the day. Even more significant is the fact that Lincoln wanted his hearers to engage in the specific mental act of remembering, of recalling the past. The challenge of the Declaration, in contrast, as its second paragraph makes clear, is to "see" certain propositions as self-evidently true; as different an intellectual operation from remembering as can be imagined.

Lincoln's reflex-like concern to begin thought about the scene at Gettysburg by recalling the past was no accident. It represented an instinctive reliance, born of the Bible-impregnated cultural milieu in which he had been raised, on the Biblical

habit of comprehending persons and events historically. But historical time Biblically understood follows a special pattern. For the modern historian, time is objective and linear. Century follows on century, and the present is the product of a past extending back indefinitely. For the Biblically shaped mind, however, subjective awareness of a present is where time starts—Lincoln standing before the assembly at Gettysburg; or the prophets confronting their people in ancient Israel. The mind is then swung back to a specific event from which the present is seen as stemming. For Lincoln it was the moment of the nation's founding; for the Old Testament writers, the sacred event was invariably the Exodus from Egypt and the great Mosaic covenant ceremonies in Sinai. In the light of the past thus recalled, the present is confronted: for Lincoln, it was "Now we are engaged in a great civil war; . . ." for the Old Testament writers, it was the particular crisis they individually faced: the wickedness of a King Ahab, his wife Jezebel, and their court, the siege of a major city like Samaria, or the fall of Jerusalem itself. But finally the mind is swung forward to an anticipated future: Lincoln saw a ". . . testing whether that nation, or any nation so conceived and so dedicated, can long endure; . . ." the Old Testament writers always made a reckoning of what Israel had done against the burden of being the "chosen people" of the Lord, whether it meant a day to come of doom or of salvation. In this perspective, in sum, awareness of the present is only completed when the present is pressed between a past recalled and a future foretold.

How important the future was in Lincoln's mind can be measured by looking back at the Address again, noting that its three paragraphs are devoted serially to past, present, and future, and observing that the third paragraph is much the longest. For Lincoln, as for the Hebrew writers of long ago, it is the future which finally defines the meaning of the present as it emerges from the remembered past; it is the future which demands most forcefully what business we must be about in the now of our lives.

This emphasis on life's future dimension is the differentiating feature of the Hebraic understanding of time, of history. But that feature is not put by stating simply that the Hebrews and the Biblical tradition generally, running down not only to Lincoln but to hosts of others including, for a most notable example, Karl Marx, took history as a past-present continuum with a future extension. The Hebraic special stress on the future in fact reveals that their concern is not really with "what will happen?" but with, "what will happen to *us*?" In a word, for the Hebrews, history is subjective history, history as experienced by the people in it.

The import of this for political theory is that when those who, with Biblically formed minds, express their understanding of community, what they provide is a vision not of the objective historical community as it might be observed by a detached, disinterested scholar but rather of the experiential, the experienced, community, as seen by those within it. What this finally means is that the core conception of the Hebraic nationalism which Lincoln instinctively employed in his rhetoric is of a community bonded by its historical consciousness of itself, a consciousness born of its shared memory, its shared experience, its shared enthusiasm and anticipation.

\* \* \*

In the Bible, the prime instrument of the experiential community is the covenant. Other communities can be built up around the patterns of their fundamental institutions, their constitutions; still others can survive on the basis of their founding agreements, their "social contracts"; the Hebraic covenant is something else again. In the Gettysburg Address, Lincoln did not use the word "covenant," possibly because to have done so would have been needlessly blatant. But a covenant is a record of dedication, and, as we noticed at the beginning of this discussion, Lincoln did use that word six times over and its equivalents as many times again.

Dedication is self-commitment, self-emburdenment. Lincoln's Address is a recollection of the commitments made by

the nation's patriarchs, an assessment of the costs which those commitments have entailed, and a summons for commitment renewal. That may all seem so straightforward that there is nothing left to add. What has been said is indeed important and worthy of further reflection. But this statement of the matter omits an essential element, that is, the person before whom and on behalf of whom the community's founding dedications were made, namely God.

The Gettysburg Address brims with an obvious religious fervor. More important, its structural meaning, the logic by which its words are held into a single frame, is built on an intrinsic historical theism. The divine assumption is implicit in every line. It becomes explicit once, in the phrase, ". . . this nation, under God. . . ." More significant, perhaps, is the use of the word "new" in the baptismal sense, in the first sentence of the Address and again in the last, implying being born again in renewed life. But what makes the divine presence essential to the Address is Lincoln's view that the nation's dedications are holy, are truly sacred dedications, binding in the eyes of God because arising from a covenant with him.

A contract, in contrast to a covenant, is a legally enforceable agreement between parties of presumed equal standing under a preexisting law. It is an exchange of narrowly defined promises—"You pay this price, I will sell you that service or object"—built on some modicum of distrust that prompts the parties to put their agreement in writing. Its single, direct purpose is to facilitate a particular relationship within an on-going pattern of life and community, a life of business and transaction. A covenant is also an agreement between parties, at least in a sense, but on every other count it differs widely from a contract.

For the Biblical tradition from within which Lincoln spoke, a covenant is the consummation of the relationship between a people and their god. The parties are radically unequal: a people frail, buffeted by enemies and misfortune, uncertain, and a god, mighty and terrible. The promises exchanged are broad and open-

ended, the god to protect and to provide, the people to love and obey, to trust wholly and without limit. Most important, the overarching purpose of the covenant is a broad and comprehensive one, to create the people as a social unit by giving meaning to their memories and justification to their anticipations. God, in the language of the Bible, is the giver and breather of life. Without him, without the faith and entrusted hope the people give him as the transcendent object of their existence, they must face the ultimate social catastrophe, chaos and dispersion before all their enemies. But with him, if they assume gladly the burden of obedience to him and his laws, they will go forward to the ultimate social triumph, unity in a justified history.

The contrast between a contract and a covenant can be deepened by examining the element of choice in each. In both cases, this element is crucial, and in both cases it must be, in an important sense, "free." A contract extracted under extreme duress will be declared void by most courts of law. Choices made in a contractual relationship must be honorably undertaken on the basis of considered judgments and calculations of personal advantage. A covenant in the Old Testament tradition, in contrast, is extracted at the extreme edge of social existence, a condition of absolute duress. The choice in the covenant for the people is "Choose or die!" The reason for this is that the covenant represents the "first" choice, the "demonic choice," up from mere existence, the choice of life that makes all other choices possible. It is "the leap of faith" which is the beginning of meaningful, rational existence and behind which is nothingness. It is therefore a "free" choice, but in the primeval sense of springing directly from the will to live.

Nevertheless, a people can fail to make that choice, or, having made it, may neglect it; the Bible is a record of the heavy penalties exacted for such failures. Then comes the time for covenant renewal, which is what Lincoln was about. The closest parallel to Lincoln's actions at Gettysburg in the Bible is not the original covenant ceremony at Sinai performed by

Moses, however vivid and otherwise important the account of that ceremony may be, but the later renewal ceremonies by which the unity of the people in memory and hope was re-formed.

Of these, the ceremony performed by Joshua at Shechem is the most directly instructive. Objectively, the situation of the Hebrews at that time appeared favorable. They had been led through the Exodus up to the Jordan River by Moses and into the promised land by Joshua. After much fierce fighting, they had triumphed over their enemies, the land had been taken and distributed among the tribes, and the people, after years of nomadic wanderings, were settling down to a more peaceful and agricultural way of life among the remnants of the populations they had overcome. But in terms of subjective, religious self-understanding, the situation was critical.

The problem was much more serious than simply the fact that Joshua was aged and without clear successor. The people were losing their sense of identity and purpose. The ancient god of their ancestors had led them all this way and had made them what they had become, a people secure in their own land. But with all the old promises fulfilled, the people, in pursuing their new ways of life, were turning to new gods, the Baals of the local inhabitants, who were reputed to command the cycles of nature and fertility. Syncretism, as it is technically known, was invading the faith of Israel and destroying the identity of the people.

There are two accounts of Joshua's response to this situation and the second is the more developed.<sup>9</sup> It begins:

Then Joshua gathered all the tribes of Israel to Shechem, and summoned the elders, the heads, the judges, and the officers of Israel; and they presented themselves before God.

Joshua recited to the people all that their god had done for them, from the earliest memories of Abraham down to that time, and concluded,

"Now therefore fear the LORD, and serve him in sincerity and in faithful-

ness; put away the gods which your fathers served beyond the River, and in Egypt, and serve the LORD. And if you be unwilling to serve the LORD, choose this day whom you will serve. . . ."

One must presume that the last words of this command were put in a voice of thunder. To them the people responded as in one voice:

"Far be it from us that we should forsake the LORD, to serve other gods; for it is the LORD our God who brought us and our fathers up from the land of Egypt, out of the house of bondage, and who did those great signs in our sight, and preserved us in all the way that we went, and among all the peoples through whom we passed; and the LORD drove out before us all the peoples, the Amorites who lived in the land; therefore we also will serve the LORD, for he is our God."

Joshua heard this reply with skepticism, and challenged the people a second time. When they persisted in their promises to obey their god of old, he said to them,

"You are witnesses against yourselves that you have chosen the LORD, to serve him." And they said, "We are witnesses." He said, "Then put away the foreign gods which are among you. . . ."

The account ends:

So Joshua made a covenant with the people that day, and made statutes and ordinances for them at Shechem. And Joshua wrote these words in the book of the law of God; and he took a great stone, and set it up there under the oak in the sanctuary of the LORD. And Joshua said to all the people, "Behold, this stone shall be a witness against us; for it has heard. . . ."

Not the least remarkable feature of this account is its implicitly democratic tone. Everyone—all the tribes, all the elders, heads, judges, and officers of Israel—all must choose, and all without distinction, having chosen, must be obedient to the

statutes and ordinances as set down in the book of the law of God. It is this same tone in Lincoln's address, far more than the explicit references at the end of it to government by, for, and of the people, that makes it so profoundly a call to democratic witness. Lincoln's charge is unmistakably that every American, from the highest to the lowest, must join in the re-dedication of the nation to its ancient ideals.

What must be even more emphasized here is the absolute social unity which can be forged by this type of covenant renewal ceremony's appeal for unconditional choice by every member of the group regardless of rank, riches, or other mark of social distinction. All are bound absolutely in the single shared promise and are therefore as bound to each other. In that total union lies the real meaning of the Hebraic morally regenerate nationalism which Lincoln employed: the unreserved commitment of the total community to identification with its god and the discharge of the divinely assigned historic mission.

The absolute quality of the unity that Hebraic nationalism seeks can be underlined by noting the presuppositions it makes about the nature of the individuals who join in it, who choose for themselves even as they choose with all the rest. In the Biblical tradition, persons are defined not by their qualities or talents or by any special functions they may perform for the community. They are defined rather by the simple fact of their existence in time and place and what they did there and then. The name by which an individual man or woman is known is crucial, for around that name the community clusters all that it knows about that person, all that it remembers, all that it sees and feels, all that it may hope and fear about what he or she may do. The level of understanding involved in this is elemental. A named person, if alive, is in immediate experience, an activity. Life is simple warmth, energy, doing. Death is the opposite. It is "like water spilt on the ground, which cannot be gathered up again. . . ."

To call upon individuals thus conceived

to serve in a common cause is to urge them name by name to commit their lives, their heat and breath, without restraint or differentiation, their love and work, to the single effort. It is to ask them to throw their strength into the flow of common life. And because what each commits at the elemental level, is mere life itself, mere energetic activeness, the cumulative joining of them all will create a truly single communal life. What had been many wills, blends wholly into one will, one soul, a covenanted community.

\* \* \*

But none of this happens automatically. The people must choose, freely, and everyone for himself. But they do not do this by themselves. Their choice must be called forth out of them. In the Biblical tradition, far more so than in any of other great political traditions of the West, a broad space is reserved for the activity of political leadership. Lincoln instinctively, as a creature of the Biblical tradition and as president of the United States, cast himself in the role of a Biblical, prophetic leader. He did so with utmost humility, and his sentence, "The world will little note nor long remember what we say here," was the accepted judgment of the time. Newspaper reports on the ceremonies at Gettysburg that day devoted most of their space to recounting other speeches. Tradition has it that one concluded, "The President also spoke." Since then, of course, the emphasis has shifted. America's historical memory has magnified Lincoln's role many times over, in textbooks, symbols, and monuments. But what is thus magnified hugely is precisely the space that, however humbly, Lincoln sought to occupy, Hebraic leader of a people in awful crisis, divided against themselves.

The task of the Hebraic leader is prophetic, to declare the meaning of the moment. This is what Joshua did at Shechem and Lincoln did at Gettysburg. Prophecy is not prediction, a mere foretelling of the future. It is a compression of the present between a past recalled and a future anticipated in which both past and future are summoned in an effort to reveal the de-

mands of the present. "This," the Hebraic leader says, "is what is demanded of us now by the burdens of our past and the hopes of our future."

This is the Hebraic leader's moral function. But to be done well, it must be done in the context of a larger task, the "congregation" of the people. Usually, the verb "congregate" is used intransitively. In the context of the tasks laid upon the Hebraic leader, it should be used transitively. The leader must actively congregate his people, bind them together in one choice, and compel them to go forward as one historic will under his demanding, thrusting leadership.

How in the Biblical, nationalist tradition of moral regeneration is this leadership role carried out? The shortest answer is, charismatically. Hebraic leaders, ancient David or modern Lincoln, are often shown to be men who, in themselves, were not especially exceptional. Many times they are men of the humblest origins and in the tales and myths which in our memories surround their lives, they are portrayed as retaining throughout their careers characteristics and traits of their youthful circumstances. But somewhere along the way, a higher spirit descends upon them and they seem to acquire unique powers, often enough of plain physical strength, but more importantly of steadiness and foresight in battle, wit and wisdom in political matters, and above all of moral inspiration.

In the Bible itself, these matters are usually treated literally. Of Saul, whose career as Israel's first king was aborted, it is said that at first, "the spirit of God came mightily upon" him, and he was able to muster the people so that "they came out as one man,"<sup>10</sup> and they were able to defeat their enemies. Later, after Saul had proven reluctant to carry out the clear instructions of the Lord to destroy utterly the inhabitants of the land in which the Israelites were fighting, it is recorded that, "the spirit of the Lord departed from Saul and an evil spirit from the Lord tormented him."<sup>11</sup> After that he suffered spells of madness, lost out in competition with David, became a haunted, pathetic figure, was wounded

grievously in battle, and, to avoid capture, died by his own hand.

More generally, in the Biblical tradition that extends from the book itself down to our own times, the language of morally regenerate nationalism reveals in subtle but unmistakable ways its presumption that leaders possess higher powers by which they bind their communities into total wholes. This is obviously true in the ways by which Americans of patriotic fervor revere their great presidents, none more so than Lincoln. But among the array of attributes of special power thereby attributed to them, one deserves special mention. The great leaders are thought to have had a unique way with words. Often enough there truly is art in their words, especially Lincoln's, not only in the Gettysburg Address but also in the Second Inaugural:

With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the nation's wounds; to care for him who shall have borne the battle, and for his widow, and his orphan—to do all which may achieve and cherish a just and a lasting peace, among ourselves, and with all nations.

Is there an American able to read those words, no matter how schoolroom familiar, and not be once again moved? And that is the point: there is a force like magnetism in the Hebraic leader that through his words moves his hearers, moves, bends, and binds their wills, sends their energies out into new channels. Words in the Biblical tradition represent not so much concepts and logical relations as particulars: things, persons, actions, loves, angers, needs, fears, hopes, and demands. Calling these things to mind changes the contours of the perceived world, changes both the way and the force with which a situation confronts the listener. By using words in this way, by pressing memories and anticipations into present consciousness, the Hebraic leader levers the souls of his hearers into new responses, new choices, new lives, into, in short, a renewed community, renewed in

life, renewed in strength, renewed in hope, renewed finally in a unified confidence about the meaning of its future.

\* \* \*

In analyzing the Gettysburg Address, we have examined a single artifact in the American tradition of what we have called legitimation. In the tradition of discourse of Western political philosophy, the content of this process is termed a nation's "civil religion."<sup>12</sup> The phrase is apt, for legitimation is truly, in the technical sense, a religious act, a placing of faith or trust in an object of authority. In this light, there can be little wonderment at Lincoln's free use in the Gettysburg Address of the readily available religious traditions of the community to whom he spoke or at the specific demand his speech makes for a return to ancient dedications and faith.

It is also the case, given that the Gettysburg Address is a veritable tradition unto itself in this country, that our analysis has tapped a significant range of socially expected presidential role patterns, and has illuminated in detail one important aspect of his general legitimation role, what might be called his prophetic function. Our description of that function can be reduced to the simple declaration that by the tradition going back to the Gettysburg Address, presidents are expected in times of doubt and crisis to utter great words.

That kind of reduction of the political, paradigmatic meaning of the Gettysburg Address, if properly understood, does not over oversimplify the president's prophetic role. Rather, it goes to the heart of that role and lays it bare. Words may well be the essence of politics generally; they are certainly the essence of legitimation politics. And in American presidential legitimation politics, the right words may be exceedingly hard to come by. Note once again what, in the Gettysburg tradition, a president's words are expected to do, the veritable functions they are expected to perform: they are expected to divine in immediately convincing ways the meaning of the times and the complexities of the crisis the nation faces; they are expected to summon the nation to a renewed un-

derstanding of its historic identity as revealed in the crisis; and they are expected to unify the nation's enthusiasms for its future as the crisis is confronted and transcended. When in the Gettysburg tradition, the American people look to the White House for leadership, they expect to hear words that will do all these things with style, precision, and force.

But the advancement of this interpretation of the political significance of the Gettysburg Address raises questions that go widely beyond the limits of its internal character. These questions may be grouped as follows:

1. The Address is one instance of presidential prophecy. The widespread reverence shown it may be strongly indicative of its paradigmatic possibilities but these need to be empirically explored. How many presidents subsequent to Lincoln (or before him) made speeches, inaugural addresses, or State of the Union messages, in the covenant renewal pattern, in what kinds of circumstances, and with what kinds of success?
2. The Gettysburg Address is also singular in that it illuminates but one task in the president's general legitimation role. What other tasks is he assigned in this role? And where and how do all these presidential legitimation activities place him in the totality of America's "civil religion"?
3. The Biblical tradition is useful in an analysis of the president's prophetic role as revealed in the Gettysburg Address. Would it be as useful in analyzing other aspects of the president's general legitimation role, or would other resources in America's cultural heritage have to be consulted? Moreover, has there been any falling off in the effectiveness of presidential legitimation roles when they are performed directly or indirectly in Biblical styles? Can any part of the alienation observable in certain groups of the American citizenry today be traced to the declining appeal among them of Biblical materials and forms?

4. Finally, there is the issue, raised at the outset of this paper but not open to settlement here, of the relationship between the president's legitimation role, however performed, and his much more widely discussed governance role. How, historically and theoretically, have and do these roles interact? Supportively, or in contradiction? And what relative significance do they have in the president's daily work schedule and in the minds and emotions, the expectations, of his various publics, his fellow politicians, his party supporters, and, above all, the populace generally?

#### NOTES

1. This essay was prompted by the following paragraph from N. C. Thomas', "Studying the Presidency: Where and How Do We Go From Here?" (*Presidential Studies Quarterly*, Fall 1977, p. 173): "A third domain that has scarcely been investigated is that of the president's relationships with public opinion, and how the latter informs and affects the former, and vice versa. . . . In studying the chief executive in a democratic society, the dynamics of the interaction between that individual and the public should be a subject of primary concern. . . . Michael Novak has made a halting beginning in this area, but without the benefit of the systematic understanding of the uses of symbolism in politics provided by scholars such as Edelman."
2. Richard E. Neustadt, *Presidential Power* (John Wiley & Sons, Inc., New York, 1976), p. xi.
3. *ibid.*, p. 78: "Presidential power is the power to persuade."
4. H. D. Lasswell and A. Kaplan, *Power and Society* (Yale University Press, New Haven, 1950), p. 99.
5. This example is simplicity itself. For a full rendering of the complexities of legitimation in modern capitalist societies, written in appropriately dense prose, see Jürgen Habermas, *Legitimation Crisis* (Beacon Press, Boston, 1975), esp. Parts I & III.
6. The general literature giving scholarly interpretation of Biblical materials of the sort used here is enormous. The best broad introduction is Bernhard W. Anderson, *Understanding the Old Testament* (Prentice-Hall, Inc., Englewood Cliffs, 1957). In support of the present essay, consult especially Chapter 3. The classic example of this kind of scholarship remains Johs. Pedersen, *Israel, Its Life and Culture* (Oxford University Press, London), Vols. I & II, 1926; Vols. III & IV, 1940. In support of the present essay, consult especially pp. 99-181.
7. The philosophical-historical importance of this language of nationalism can be gauged by noting that its morally regenerative elements are the key to comprehending the overall coherence of the works of both Machiavelli and Rousseau. In particular, it supplies the logic for relating at the level of essentiality the controversial Chapter 26 of *The Prince* to the total argument of that work, and, in the case of Rousseau, the abstract arguments of *The Social Contract* to the quasi anthropological and historical sections of the *Discourse on The Origin of Inequality*.
8. Joshua 24:1-28. The translation of the Revised Standard Version (Thomas Nelson & Sons, New York, 1953) is used here for two reasons: (1) The RSV is modelled closely on the King James Version, the historically relevant translation for Lincoln personally and for American political culture generally; (2) the RSV incorporates the recent advances in accuracy of translation, uses modern English forms, and is printed in an easily read style for both prose and poetic sections.
9. 2 Sam. 14:14
10. 1 Sam. 11:6,7
11. 1 Sam. 16:14
12. Cf. not only J. J. Rousseau, *The Social Contract*, tr. G. D. H. Cole (E. P. Dutton & Co., New York, 1950), Book IV, Chapter VIII, especially p. 139, last par.; but also T. Hobbes, *Leviathan* (Blackwell, Oxford, 1951), Chapter 18, especially the sixth right listed there of sovereigns, and Chapter 42, especially pp. 327 and 355-357.

THE WHITE HOUSE  
WASHINGTON

06 Aug 79

Jim McIntyre

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

Rick Hutcheson

The Vice President  
Hamilton Jordan

~~CONFIDENTIAL~~

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CANCELLED PER E.O. SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 13, 1983"

3318

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ACTION  
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<input type="checkbox"/>	VANCE



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

August 3, 1979

~~Confidential~~  
Jim  
Give me a list  
of budget requests  
from President vs  
final Congress action  
on DoD TOA for  
1970 → 1980  
years  
J

MEMORANDUM FOR THE PRESIDENT

FROM: JIM McINTYRE *Jim*

SUBJECT: SALT and the Defense Budget

Copies of the attached memorandum have been sent to Hamilton Jordan, Secretary Vance, Secretary Brown, Zbig Brzezinski, and Frank Moore (Eyes Only).

Attachment

**Electrostatic Copy Made  
for Preservation Purposes**

"DETERMINED TO BE AN ADMINISTRATIVE MARKING  
CANCELLED PER E.O. SEC. 1.6 AND  
ARCHIVIST'S MEMO OF MARCH 19, 1983"



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

August 3, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *Jim*  
SUBJECT: SALT and the Defense Budget

As the SALT debate accelerates, the question of defense budget adequacy is becoming an increasingly key issue. Given the complexities of real growth, inflation rates, congressional action, five year plans, etc., we need to think through our posture. In order to assist in that effort, this memo provides background material on the "real growth" question and some thoughts on potential strategies in the coming weeks.

Historical "Track Record"

In the last decade, real growth in the defense budget has been the exception rather than the rule. As is apparent from Table I (10 year table), the real level of the defense program continued to decline after the Vietnam War through FY 1975. Starting in FY 1976, and in each year thereafter, some real growth has been projected in the defense budget. In most years, the projected real growth has been diminished by a combination of congressional action and higher than anticipated inflation rates.

In considering what has happened to defense budget levels in recent years, it is critical to understand that there are significant differences in the various periods and individual years involved.

- Peak real program level occurred in 1968 due to the Vietnam War buildup. A real decline continued from that year through 1975.
- President Ford reversed that decline in his 1976 budget. The stated policy was to provide for about 4% real growth in purchases (which accounted for about one-half of the defense total) or the equivalent of about 2% real growth in the defense total.
- The 1978 Ford budget included 5.5% real growth but was amended by the new Administration to defer and slow down some programs and cancel the B-1. Our final request to Congress embodied no explicit real growth policy, but did provide about 2% real growth in TOA.

- Our 1979 budget request reflected a policy of 3% real growth in the overall total. The 3% real growth policy, unlike the real growth policy of the 1976 and 1977 budgets, was developed "in conjunction with the NATO allies" and was used to generate real increases in the military strength of the entire alliance.

### Carter Years

FY 1978. The impact of the Carter Administration, together with congressional actions, on the proposed 1978 Ford budget is summarized below:

	<u>TOA</u> (\$ billions)	
Jan. 1977 Ford Budget	122.1	(100%)
Carter Amendment	-2.8	
B-1 Amendment	-1.2	
 Amended Request	<u>118.1</u>	( -3%)
 Congressional Action	-2.3	( -2%)
Pay and Other Changes	<u>.7</u>	<u>( +1%)</u>
 Final Budget	116.5	( -5%)

In summary, the Carter amendments reduced the Ford budget by about \$4B (3%). Congressional reductions of over \$2B (2%) further reduced this level. The commitment to 3% real growth in the spring of 1977 did not apply to the amended FY 1978 budget which had been completed prior to enunciation of this policy. The amended Carter budget request of \$118.1B TOA included real growth of \$2B (about 2%) using February 1977 inflation estimates.

FY 1979. The Administration requested a 1979 defense budget of \$126.0B in TOA and \$115.2B in outlays. The 3% commitment was honored in two ways: the TOA level included 3% real growth on the NATO only portion of the budget and the total outlay level included 3% real growth. Only the outlay real growth was publicly discussed.

A summary of the actions on the FY 1979 budget follows:

	(\$ billions)	
	<u>TOA</u>	<u>Outlays</u>
Jan. 1978 request	<u>126.0</u>	<u>115.2</u>
Congressional action	-2.3	-.6
Jan. 1979 supplemental	+2.2	+5
Congressional action	-.8	-.5
Other adjustments	<u>-.2</u>	<u>-.1</u>
Projected	124.9	114.5

Enactment of the FY 1979 budget was highlighted by your veto of the Defense Authorization Bill over congressional action adding an unwanted \$2B nuclear carrier. The veto was sustained, but the Congress refused to add back program reductions imposed to accommodate the nuclear carrier within the overall defense level. We strongly objected to these reductions and proposed a \$2.2B supplemental in January to restore the defense program to a level close to \$126B. Congress reduced this request by about \$1B.

The final TOA program of about \$125B allows less than 1% real growth using July 1979 inflation estimates. On the outlay side, actual outlay rates are running ahead of our January forecast. Our currently projected \$114.5B in outlays results in 3% real growth over 1978, again using July inflation estimates.

FY 1980. The Administration requested a 1980 defense budget of \$135.5B in TOA and \$122.7B in outlays. Using January 1979 inflation estimates, the budget projected real growth of 1.7% in TOA and 3.1% in outlays.

	(\$ billions)	
	<u>TOA</u>	<u>Outlays</u>
Jan. 1979 Request	135.5	122.7
First Concurrent Resolution	-1.6	-.7 Est.
Outlay Reestimate	<u>          </u>	<u>+3.0</u>
Current Estimate	134.0	125.0

Projected congressional action will delete some \$1.6B (1.2%) from our request. This will delete almost all the planned TOA real growth included in the President's budget (using January 1979 inflation assumptions), and will reduce our explicit "3% real growth in outlays" to less than 2%. Further, inflation continues to erode the real value of the 1980 Defense program. Applying July inflation assumptions, up to \$3B in additional TOA would be required to restore the 1980 outlay real growth to 3%.

Beyond 1980. The January budget projected annual real growth for Defense of 2% in TOA and 3% in outlays from 1981-83. Two important developments have impacted these projections:

- Inflation has sharply eroded the real growth in the January projected funding levels. Using the July inflation assumptions (which are projected to get worse), 1981-83 real growth declines by almost two-thirds from the January projection to less than 1% in TOA and 1.5% in outlays. It would take an additional \$15B in 1981-83 TOA just to restore the January 3% real growth levels. Any commitment to higher real growth will add still billions more.
- The M-X program as currently proposed with initial deployment in 1986 and full operational capability in 1989 places a severe drain on the resources available for the rest of Defense. In 1980 constant dollars M-X grows from \$2B in 1981 to \$8B in 1983 and over \$10B in 1984. Using the latest approved Defense program projections for 1981-85 and July 1979 inflation estimates, all of the Defense program except M-X will have to decline in real terms starting in 1981. This, of course, means that other programs, including NATO-related general purpose force improvements, would suffer.

#### The SALT Connection

Two distinct messages have been passed during the SALT debate. The first is the argument that the Administration needs to insure that it holds to the letter of its January budget commitment of 3% real growth. The second is more demanding--the statement that 4 or 5% real growth is better than 3%.

"Holding to 3%" means compensating for an extremely rapid and unanticipated rise in inflation. Higher inflation has already "cost" us \$1.5B in 1980 outlays, and real growth in outlays would drop below 2%. Such an "outlay increase" would require our asking for a 1980 budget amendment/supplemental of up to \$3B. "4-5% real growth" would mean adding another \$1-3B on top of that increase.

#### Strategies

This line of thought takes us immediately into a discussion of possible strategies. There are two fundamental dimensions -- what to do and when to do it. The "what" spectrum ranges from "add nothing" to adding the more than \$4-6 billion required now to boost the 1980 defense budget to "4-5% real growth." The question of "when" has a number of facets. Any commitment now may help quiet certain treaty opponents. Conversely, unless we can arrange a fairly broad consensus, a commitment now may simply up the ante for later this fall and for future years. Additionally, the Congress is in the process of cutting our 1980 DOD request, so to move now would mean trying to add to a moving target -- it would seem appropriate to insist that the Hill reinstate its cuts before we seek add-ons.

Regardless of which approach we select, it seems important to determine quickly which subset of the Senate should be approached, and how we should seek to negotiate. As to how much we might need to do, it is premature to speculate. There is some possibility that we can avoid any new FY 80 budget commitment. There is also the chance -- and we should pursue this vigorously -- that we might be able to develop some "short list" of specific DOD programs which could be added now or (with a promise now) in a January supplemental. Alternatively, we may conclude that we have to add money to either "reinstate full 3%" or "increase to 4-5%" real growth. In any case, the following steps would seem necessary as part of our consultations with the Senate:

- . Ascertain whether the dominant Senate concern is really focused on level of effort (3% real growth) or on some list of specific programs. If people want a list of programs, the process is easier and less expensive. We should ask Senators for their individual "lists." It is hard to conceive of strategic force candidates, given the budget's strong support of MX, TRIDENT, cruise missiles, B-52 upgrade, etc. One large and very real possibility, though, would be R&D funding for design of a follow-on "Backfire-type" penetrating manned bomber.
- . If the concern is the "3%" effort, ascertain that 3% is acceptable, as opposed to the "4-5%" which Senator Nunn has mentioned.
- . If either the "3%" or "4-5%" approach is pursued, secure agreement as to "how much more inflation" we need to cover, i.e., do others accept our calculation that up to \$3 billion in TOA (\$1.5B in outlays) "restores our original 3% real growth."
- . Most importantly, if we were to state publicly that we would request additional funding in FY 80 (with inflation adjustments in our FY 81-84 guidance too), we should insist that the Budget and House Appropriation Committees restore some \$2 billion which they are in the process of cutting from our original request. Said more bluntly: We will provide the dollars needed to hit 3% at today's inflation rates, but the Congress has to commit itself to restoring the \$2 billion it seems to be cutting. )
- . Committing now to additions above our original request involves a further risk with the Budget Committees. Senator Muskie and Congressman Giaino have consistently and strongly supported our efforts over the past six months to oppose add-ons across the board to our request. They have been fairly successful, but not without alienating many of their colleagues. We can campaign to have the Budget Committees put back the \$1.6 billion they cut from DOD in the 1st Resolution when they act in mid-September. To ask them to add beyond that, however, will most likely anger them greatly, harm our ability to secure their help in fighting other add-ons, and encourage other major budget increases.

ADMINISTRATIVELY CONFIDENTIAL

Recommendations

Since the Congress is still acting on the 1980 budget, and because some of our inflation estimates are clearly preliminary, it would be far preferable to wait until later (January) to submit formally any increases. This of course does not preclude a commitment in principle now to add to the 1980 budget, if necessary or appropriate, and would help avoid a piecemeal approach or later claims for more. We also should focus on the September 15 Second Concurrent Budget Resolution as the point where the Congress ought to demonstrate its commitment by restoring the \$1.6 billion budget cut it has taken, and, if appropriate, provide room for any subsequent add-on for new programs or simply to cover higher inflation.

All of the above assumes that we can discern some consensus view from the Senate. Obviously, a "short list" of "needed programs" would be best, but perhaps not possible. There will be cries for "5%," so it is important to devise a strategy which could be acceptable to a reasonable number of those concerned. One large caution: We are still chasing a moving target on inflation estimates. This whole approach could cost us up to \$4-6 billion in FY 80 and over \$15 billion for 1981-83.

Any significant increase in the Defense budget--for 1980 and/or future years--involves multiple risks. Your entire fiscal approach, which has thus far had important success in restraining federal spending, will be challenged increasingly in the next year. Even a defense increase ostensibly limited to FY 1980 will spill over into the 1981 budget debate this fall, with significant upward pressures in both DOD and non-defense programs. The "guns vs. butter" debate will rage on in any case, but cries of "buying SALT" would make those arguments particularly difficult. This week's pressures for additional billions for Eximbank for China, trade adjustment, HEW programs, and inflation-related increases provide a sense of just how tough the fall process is likely to be.

The obvious conflict between such large amounts and your fiscal policy means that we must tread very carefully as we try to work with key Senators. Because of the seriousness and urgency of this issue, we must act quickly. With your approval, I will convene immediately a group of Defense, State, NSC, OMB, and White House representatives to coordinate discussions with the Senate and assess for you the various alternatives. When we do decide on the proper response to the calls for more defense spending, we must be sure of our course and our expectations, both with regard to SALT and our broader political and economic concerns. If you concur, I will report to you by next Friday on possible approaches.

*This group has a majority stacked for too high defense budgets - Be careful*

Approve

Disapprove

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*J*

Defense Budget  
Real Growth Year to Year  
Based on January 1979 Budget and Economic Assumptions  
(\$ Billions)

<u>Fiscal Year</u>	<u>TOA</u>			<u>Outlays</u>		
	<u>Current Dollars</u>	<u>1980 Constant Dollars</u>	<u>% Real Growth</u>	<u>Current Dollars</u>	<u>1980 Constant Dollars</u>	<u>% Real Growth</u>
1970	75.5	155.4		77.0	158.0	
1971	72.8	140.5	(-9.6)	74.5	143.4	(-9.2)
1972	76.5	136.2	(-3.1)	75.1	134.0	(-6.5)
1973	78.9	130.2	(-4.4)	73.2	122.4	(-8.6)
1974	81.7	123.7	(-5.0)	77.5	119.6	(-2.3)
1975	86.2	119.6	(-3.3)	84.9	118.4	(-1.1)
1976	95.9	124.8	( 4.3)	87.9	114.6	(-3.2)
1977	108.2	131.2	( 5.1)	95.6	116.5	( 1.7)
1978	116.5	131.8	( 0.5)	103.0	117.4	( 0.7)
1979	125.7	133.2	( 1.1)	111.9 (114.5)*	119.1 (121.9)*	( 1.4) (3.8)*
1980	135.5	135.5	( 1.7)	122.7	122.7	( 3.1)
1981	145.7	138.4	( 2.2)	133.7	126.4	( 3.0)
1982	155.7	141.5	( 2.2)	144.9	130.5	( 3.2)
1983	166.8	145.9	( 3.1)	155.5	134.4	( 3.0)

\* Actual 1979 Outlays are running considerably above the original estimate. Real growth over 1978 also will be considerably higher than anticipated.

August 6, 1979

REPORT ON SOUTH AFRICAN TRIP

SA W'gate  
Disinvestment  
WA/pt Conference  
Visit

TO: LOUIS MARTIN  
FROM: JESSE JACKSON, PRESIDENT, OPERATION PUSH

Our three member delegation has just returned from an extensive and intensive visit to South Africa. We made this trip in response to an invitation from the United Congregational Church of South Africa and the General Secretary of the South African Council of Churches, Bishop Desmond Tutu. During this two week trip, we've talked with people living in squatters' camps and executives of U.S. corporations. We met with factory workers in Port Elizabeth, scholars at the University of Cape Town, banned leaders like Mrs. Albertina Sisulu, whose husband is incarcerated in Robbens Isle and leaders of the natal Indian Congress in Durbin High School, students from Soweto, clergy attending the Annual Conference of South African Council, the churches in Johannesburg and many others, including many who have experienced arbitrary detention by the police for long periods of time. We came away from this trip with impressions both of hope and a sense of determination that is so alive in the hearts of the people, as well as with an overwhelming sense of tragedy of apartheid. Above all, as American citizens, we feel the urgency of the need of our country to have a coherent African policy, which is understood by the people

of that continent.

The apartheid system in South Africa that is brutally enforced by the police and upheld by racist laws, daily violates the humanity of the Black population in South Africa. We talked with a number of business leaders among White South Africans who fully agree with that estimate. The U.S. partnership with that regime is not only a violation of human rights but is clearly articulated by the Carter Administration. It is an insult to Black America and an affront to the United Nations as a crime to humanity, and more than 70 countries have to date ratified their international covenant, the American partnership with apartheid, in all its connected links, denies to the people of our country the opportunity to be seen as a source of hope and genuine friendship by the majority population of South Africa who are making great sacrifices in their effort to free themselves from the injustice and repressions they face everyday. I know the Carter Administration is concerned with this matter. It is our hope that our recent visit will help to qualitatively deepen that concern and sense of urgency by the Carter Administration, so that our country will be a moral force for good, rather than being, once again, caught on the wrong side of history. Pursuant to this end, we respectfully submit the following recommendations:

I. We urge that the Office of the President instruct the U.S. Commerce Department to closely monitor the activities of General

*Note to  
Kings*

Motors, Ford, Caldtex, Mobil Oil and IBM in South Africa. The purpose is to establish that these companies are in full compliance with both spirit, as well as, the letter of the law, regarding sales to the South African government. The Official Secrecies Act in South Africa Act operates as a cover to conceal information on the relations between the apartheid regime and U.S. corporations doing business there. U.S. Commerce Department regulations should be respected and enforced with strict penalties for violations and there is currently good reason to believe that this is not happening.

*Note to  
Civiletti*

II. Recent scandals have shaken the South African government and led to resignation of John Vorster. This is in connection with the Rhodie affair and the use of millions in South African government funds to buy up newspapers and other media in our country. We request that the Attorney General of the United States investigate the use of such funds by the South African government to influence election campaigns, such as the defeat of Senator Dick Clark in Iowa, who headed the Senate Subcommittee on Africa. The American public needs more information on this and such related matters as the possible use of South African government funds to finance the campaigns of Senators and Congress persons active in the effort to lift economic sanctions against Rhodesia. This is a dimension

of South Africa's "Watergate Scandal" that appears to have received too little attention to date.

III. We recommend that any further negotiations between the United States and South Africa on the SASOL project be based upon the condition that universal adult suffrage and full citizenship for the Black majority population in South Africa be recognized and established as a matter of law. It would be a violation of our nation's human rights policy to accept a trade-off between dollars and dignity at the expense of the majority who are now denied these elementary rights in South Africa.

IV. Finally, we urge that you convene a White House Conference on Southern Africa, if possible, sometime within the next six months. This is a level of national focus that the situation in that region of the world deserves. Such a conference would obviously serve to instruct and mobilize public opinion and would help to shape a coherent African policy for our country. We trust these recommendations will be given thoughtful consideration.

*Note  
to C. J.  
Warren*

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