

8/9/79

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THE PRESIDENT'S SCHEDULE

Thursday - August 9, 1979

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

9:15 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.

11:30 Meeting with His Excellency Hans-Dietrich
Genscher, Minister of Foreign Affairs of the
Federal Republic of Germany. (Dr. Zbigniew
Brzezinski) - The Oval Office.

1:30 Interview with Mr. Arthur Cooper, Editor
(30 min.) of Family Weekly. (Mr. Jody Powell).
The Oval Office.

2:00 Rev. Jesse Jackson et al. (Mr. Louis
Martin) - The Cabinet Room.

11:30 AM

THE WHITE HOUSE

WASHINGTON

August 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Patricia Barrio

SUBJECT: Meeting with non-Washington Editors and Broadcasters, 11:30 a.m., Friday, August 10, 1979

The group is back to a more normal size. We invited 61 and 33 accepted. About a third are broadcast and two represent black weeklies.

The large dailies included are: Boston Herald-American, Miami News, Grand Rapids Press, South Bend Tribune, Omaha World-Herald and Salt Lake City Tribune.

I will call time after 25 minutes so you can do the individual pictures.

**Electrostatic Copy Made
for Preservation Purposes**

Attachments

THE WHITE HOUSE

WASHINGTON

BRIEFING FOR EDITORS AND NEWS DIRECTORS

August 10, 1979

AGENDA

8:30 - 8:45 a.m.	Coffee
8:45 - 9:00 a.m.	PATRICIA Y. BARIO Deputy Press Secretary The White House
	PATRICIA F. BAUER Editor of the News Summary The White House
9:00 - 9:45 a.m.	R. ROBERT RUSSELL Acting Director Council on Wage and Price Stability
9:45 - 10:00 a.m.	Break
10:00 - 11:00 a.m.	KATHERINE P. SCHIRMER Associate Director, Domestic Policy Staff The White House
11:00 - 11:15 a.m.	En Route the Cabinet Room
11:15 - 11:30 a.m.	JODY POWELL Press Secretary to the President The White House
11:30 - 12:00 p.m.	Q & A WITH PRESIDENT CARTER
12:00 - 12:15 p.m.	En Route 160 Old Executive Office Building
12:15 - 1:00 p.m.	Buffet Lunch/Filing Time
1:00 - 1:45 p.m.	ROGER MOLANDER Staff Member National Security Council

1:45 - 2:00 p.m.

Break

2:00 - 2:45 p.m.

DR. ROBERT BERENSON
Assistant Director, Domestic Policy Staff
The White House

2:45 - 3:00 p.m.

Break

3:00 - 3:45 p.m.

AMBASSADOR DICK CLARK
Ambassador-at-Large and U.S.
Coordinator for Refugee Affairs
Department of State

ARIZONA: Dave Zorn, news and program director, KTAR-AM, Phoenix. All news.

ARKANSAS: Steven W. Barnes, managing editor, KATV, Little Rock. ABC affiliate, 55th largest TV market.

CALIFORNIA: David M. Bolling, editor, Santa Rosa News-Herald. Weekly in the grape growing, wine industry area of the state.

COLORADO: Ron Mitchell, assignment editor, KBTW, Denver. ABC affiliate, 21st largest TV market.

CONNECTICUT: R. J. Hartford, editor & publisher, daily Milford Citizen. The editorial policy of the Citizen is generally middle-of-the-road -- they have endorsed both Democratic and Republican candidates. Industries in Milford include Bic pens, Schick razors, and aircraft engines.

FLORIDA: Howard Kleinberg, editor, Miami News. The News generally has been friendly toward the administration.

INDIANA: Franklin D. Schurz, Jr., editor, daily South Bend Tribune. Schurz is the Chairman of the Indiana Council on the Arts. The Tribune is a family-owned newspaper, with Republican leanings. A special concern is the effects of the energy shortage on the recreational vehicle industry, which is centered in nearby Elkhart County.

IOWA: Jim Roberts, news director, KMNS-AM, Sioux City.

KENTUCKY: K. T. Stanley, editor & publisher, Louisville Defender. The largest black weekly in Louisville.

MARYLAND: Steven W. Kaiser, news director, WTRI-AM, Brunswick.

MASSACHUSETTS: Geoffrey O'Connell, editor, Valley Advocate, Amherst. Large weekly, part of a chain of liberal, Democratic papers in Massachusetts and Connecticut. The publisher, Edward Matys, is on the Steering Committee for the DNC's 1979 National Conference.

Charles P. O'Brien, political editor, daily Boston Herald-American (Hearst). Major concern is lack of federal contracts for General Dynamics Shipyard, the largest employer in Quincey. Senators Kennedy and Tsongas and Governor King met with Secretary Woolsey last week to discuss Navy contracts for cable ships. Other issues are home heating oil and Senator Kennedy's plans.

MICHIGAN: Michael Lloyd, editor, daily Grand Rapids Press (Newhouse-Booth group). Was the flagship paper for the Booth chain, which has papers in most major Michigan cities outside Detroit.

Raymond Linders, editor, daily Marquette Mining Journal (Panax). In Michigan's Upper Peninsula, Project ELF is the major concern of the area.

MINNESOTA: Paul Richardson, news director, WEBC-AM, Duluth.

MISSISSIPPI: Randy Bell, news director, WJDX-AM, Jackson.

NEBRASKA: Woody Howe, executive editor, daily Omaha World-Herald. A conservative, statewide paper, the World-Herald has been dissatisfied with recent appointments to federal judgeships. It was recently involved in a courtroom access suit, and has editorialized a great deal on freedom of the press issues. Howe has been personally involved with a health planning council, and has a special interest in health related matters.

NEW HAMPSHIRE: Guy R. MacMillin, editorial page editor, daily Keene Evening Sentinel. In the southern part of the state, the paper has generally been favorable, especially on foreign policy issues.

Gary Lee Horne, news director, WFEA-AM, Merrimack.

NEW JERSEY: John Buzetta, executive editor, daily Paterson News and Hudson County Dispatch. A major issue in the Paterson area has been the designation of Great Falls as a national historic landmark. The federal funds resulting have sparked community efforts to restore the city, once a major textile (silk) producer.

NEW YORK: Elting Wells, editor, daily Union Sun and Journal, Lockport (Park Newspaper group). An older, industrial town, Lockport has a special interest in housing and community development. The paper is conservative, but supportive of your energy proposals.

Joseph Kilcoyne, managing editor, Chatham Courier. Small weekly in southeastern part of state.

OHIO: Kirk Winkler, news director, WTOL-TV, Toledo. CBS affiliate, 57th largest TV market.

PENNSYLVANIA: J. Clarence Pennington, publisher, Spenley Publishing Company, Homestead. Spenley publishes a number of weekly newspapers, and owns one small daily, The Messenger, in Homestead. With a large senior citizen population in the area, papers are concerned with what they fear to be dwindling social security funds.

William Lawlor, news director, WCAU-TV, Philadelphia. CBS owned and operated, 4th largest TV market.

RHODE ISLAND: Constance Lee Baker, assistant news director, WEAN-AM, Providence. All news.

SOUTH CAROLINA: Martha Bee Anderson, editor, weekly Hampton County Guardian. Hampton County is a conservative, heavily Democratic, rural, agricultural (cotton) area. Anderson has a special interest in historic preservation, and is working now on the local courthouse. The Guardian celebrates its 100th anniversary this month.

TEXAS: Bill Vance, news director, KXAS-TV, Fort Worth. NBC affiliate, 10th largest TV market.

UTAH: Douglas Parker, political writer, Salt Lake City Tribune. A major paper in the inter-mountain region with the largest circulation in Utah. Since Utah has the nation's largest deposits of tar sands, oil shale and deeply buried natural gas, the Tribune has been concerned with the environmental implications of synfuel development, but has generally supported your proposals.

VIRGINIA: Kermit W. Salyer, publisher, bi-weekly Franklin News-Post, Rocky Mount. Generally concerned with local issues and rarely comments on national issues.

WASHINGTON: Connie Bennett-Cameron, managing editor, weekly Seattle Medium. One of two black papers in Seattle. Concerns include food stamps, minority youth unemployment, and the designation of Martin Luther King, Jr.'s birthday as a national holiday.

WISCONSIN: Dick Martin, editor, daily Kenosha News (United Communications group). Issues include the condition of American Motors which employs 7,000-10,000 people in the Kenosha area. The paper greatly dislikes CETA. Kenosha is a big labor town, and largely Democratic.

WYOMING: Ralph Graczak, Jr., news director, KRAE-AM, Cheyenne.

11:30 AM

THE WHITE HOUSE

WASHINGTON

August 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HERTZBERG *Rick*
GORDON STEWART *GS*

Subject: Out-of-Town Editors

Attached are the following:

¶ A draft opening statement on energy aid for the poor;

¶ Details on the program;

¶ A follow-up Q & A.

**Electrostatic Copy Made
for Preservation Purposes**

G. Stewart
Draft One
8/9/79

Opening statement for out-of-town editors, 8/10/79

You have heard a lot about the windfall profits tax in recent weeks -- and believe me, you will be hearing a lot more.

As I am sure you know, we need the windfall profits tax to develop alternative energy supplies. We need it to develop better systems of mass transit. We need it for reasons of simple fairness -- to prevent the decontrol of oil from resulting in a financial bonanza for the oil companies already awash with record profits.

And we need this tax to provide relief from energy costs for the nation's poor. The people of this nation do not have lobbyists in Washington -- they have Presidents, Senators and Representatives, and they expect their elected officials to protect their interests. I am determined that we will act to give the people a just windfall profits tax, a fair energy

program, and a secure energy future regardless of social class, wealth, power, or geography.

As I said last April and again in July, our energy policy must address the needs of poor households because they are least able to bear the burdens of higher energy prices. In particular, the cost of home heating this winter may lead to crises which will threaten the health and even lives of some needy individuals. That is why I will propose a program of Low Income Energy Assistance, totaling \$1.6 billion this coming fiscal year, and \$2.4 billion per year thereafter.

We have just begun a period of intensive consultations with interested members of Congress and the public. The proposal will be refined and perhaps modified on the basis of those consultations. A detailed final plan will be ready for the Congress the day it returns, if not before.

Finally, I emphasize that this proposal must be financed

with revenues from the windfall profits tax. However, I will ask Congress to appropriate a portion of these funds immediately, as an advance, so that an emergency program can be readied as soon as possible before the winter.

NOTE: You can stop here and take questions, or go on to describe details.

The Low Income Energy Assistance program has two components:

¶ First, an Energy Crisis Assistance Program to help households with health-threatening problems, such as an inability to pay for essential home heat. This will be a flexible \$400 million program operated by the states to handle unusual hardships.

¶ Second, Special Energy Allowances, or cash grants, directly to poor households to alleviate the impact as higher energy prices generally. Annual payments would average \$200 nationwide for households with two or more persons, and \$100 for singles. Benefits would vary from state to state based on climate, but all eligible households would receive some assistance. The component of the program would be limited in the first year, but grow next year to include all households under 125% of poverty, or roughly \$9000.

Heating Oil Rebates

Q: Can you confirm press reports that you are considering some program of heating oil rebates or tax credits for middle class families?

A: The Departments and my staff are studying several options and will present their analysis and recommendations to me soon.

I have made no decision on the size or structure of the program, or even on whether to propose a program at all.

THE WHITE HOUSE
WASHINGTON

8/9/79

Frank Moore

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

Rick Hutcheson

cc: Zbig Brzezinski

THE WHITE HOUSE
WASHINGTON

ACTION

August 8, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *ZS*
FRANK MOORE *F.M./DTate*
SUBJECT: Letters to Senators Church, Stennis
and Bayh

The Senate Foreign Relations Committee, Senate Armed Services Committee, and the Senate Select Committee on Intelligence completed important segments of their hearings before the recess.

We think it would be appropriate for you to send them letters (Tabs A, B, and C) commending them for the excellent jobs they have done.

Recommendation

That you sign the letters to Senators Church, Stennis, and Bayh.

The text has been cleared by the Speechwriters.

THREE SIGNATURES REQUESTED

THE WHITE HOUSE

WASHINGTON

August 8, 1979

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THE WHITE HOUSE

WASHINGTON

August 9, 1979

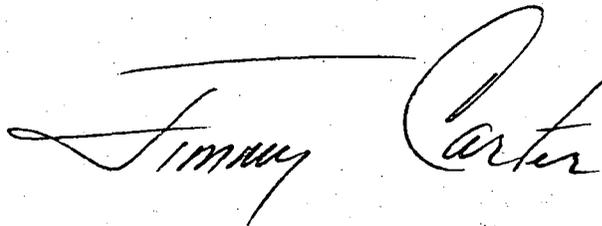
To Chairman John Stennis

The SALT debate in the Senate has gotten off to an excellent start, due in large part to the well-structured hearings you have chaired in the Senate Armed Services Committee.

You have provided a forum for a fair exchange of views between those who support the treaty and those who oppose it. Because we are convinced that the Treaty we have negotiated is a good one, we are sure it will stand up to the close scrutiny you and your colleagues are giving it.

I can assure you that all members of my Administration stand ready to help when you and your Committee resume your activities in September and during the Floor debate.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable John Stennis
Chairman
Committee on Armed Services
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

August 9, 1979

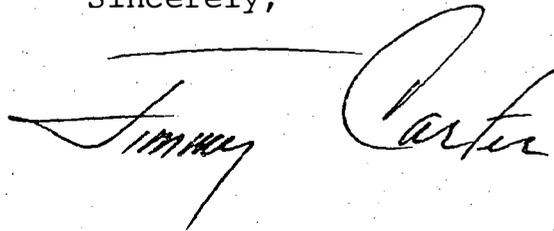
To Chairman Birch Bayh

The SALT debate in the Senate has gotten off to an excellent start. Although the work of the Senate Select Committee on Intelligence takes place away from the cameras, I am well aware of the painstaking work the Committee has been doing under your fine Chairmanship.

Because we are convinced that the treaty we have negotiated is a good one, we are sure it will stand up under the close scrutiny you and your colleagues are giving it.

I can assure you that all members of my Administration stand ready to help when you and your Committee resume your activities in September.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Birch Bayh
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

August 9, 1979

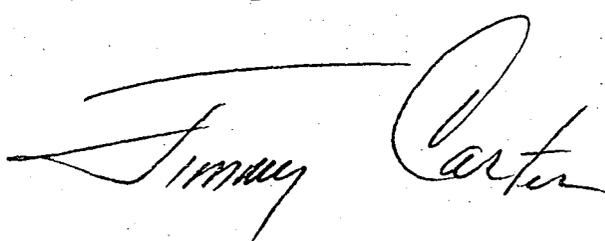
To Chairman Frank Church

The SALT debate in the Senate has gotten off to an excellent start thanks to the outstanding hearings you have conducted in the Senate Foreign Relations Committee.

The structure of your hearings and the sharpness of the Senators' questions have made it possible for the American people to see, hear, and read the arguments for and against this important agreement. Because we are convinced that we have a good treaty, it can stand the close scrutiny you and your colleagues are giving it.

I can assure you that all members of my Administration are prepared to be as helpful as possible to you and your Committee when you resume your hearings in September and during the Senate Floor debate.

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The Honorable Frank Church
Chairman
Committee on Foreign Relations
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

8/9/79

Zbig Brzezinski

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

Please forward a copy of the
attached to Secretary Brown.

Rick Hutcheson

cc: Secretary Brown
Frank Moore

3910

THE WHITE HOUSE
WASHINGTON

Patti--

This is an original with hand-writing and I thought you might want to keep it in your files.

Ev

United States Senate

WASHINGTON, D.C. 20510

August 3, 1979

cc Brown
J

ACK. FM/NSC
CONGRESSIONAL
LIAISON

AUG 6 1979

cc: Thomson, Beckel

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. President:

The Senate and the nation are now engaged in full debate on the merits of the SALT II Agreement.

In recent days, the debate has shifted, threatening to recast SALT as a vehicle for sharply increased military expenditures. Key witnesses before the Senate Foreign Relations Committee and the Senate Armed Services Committee have linked SALT II with higher defense spending for both strategic and conventional forces.

We believe that these arguments in favor of higher levels of defense spending must be carefully evaluated, but we are greatly disturbed at the prospect that SALT II may become hostage to this debate.

Both the Treaty and defense spending should be evaluated in terms of our national security, but each must be considered on its respective merits.

On July 27, you stated that you would not escalate defense requests substantially above what is needed, as a means to gain Senate votes for ratification. We support that commitment.

SU02
NA01

Page 2
2 August 1979
The President

We are gravely concerned over these attempts to tie arms procurement to arms control. Bargaining with SALT II imperils both a sound national defense and meaningful arms control. We regard such linkage as an unacceptable price to pay for a treaty of strategic arms limitation.

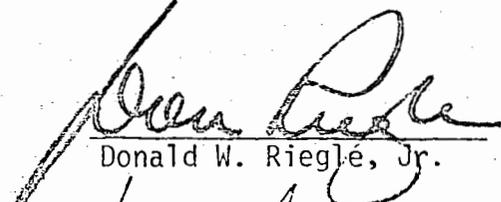
We urge you to remain firm in your determination to enhance our national security through meaningful arms control and a sound, fully debated program of national defense.

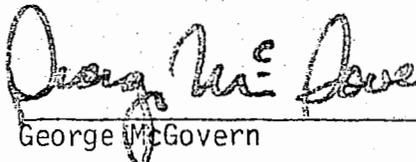
Sincerely,

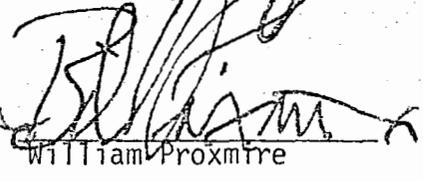

Alan Cranston


Howard M. Metzenbaum

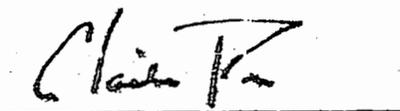

Paul E. Tsongas

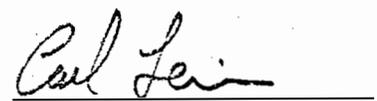

Donald W. Riegle, Jr.

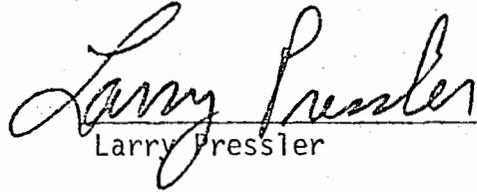

George McGovern

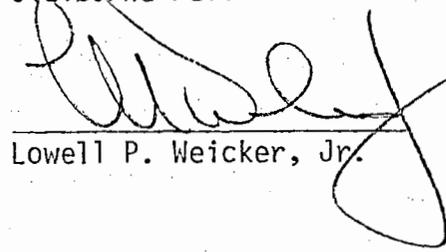

William Proxmire

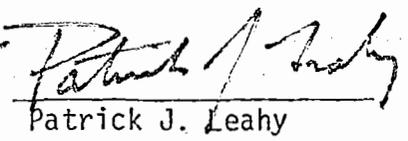

Adlai E. Stevenson


Claiborne Pell


Carl Levin


Larry Pressler


Lowell P. Weicker, Jr.


Patrick J. Leahy

United States Senate

WASHINGTON, D.C. 20510

August 3, 1979

cc Brown
J

Ack. FM/NSC
CONGRESSIONAL
LIAISON

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Washington, D.C.

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SU02
NA01

Page 2
2 August 1979
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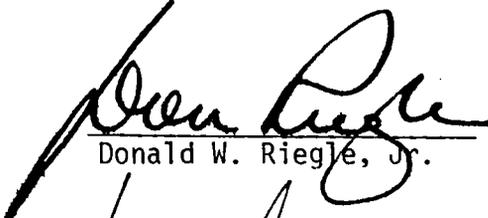
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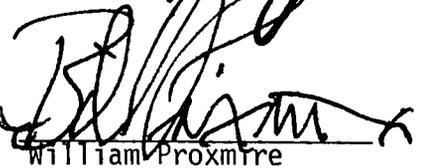

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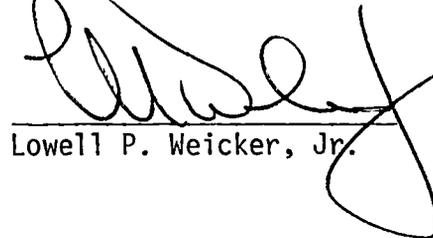

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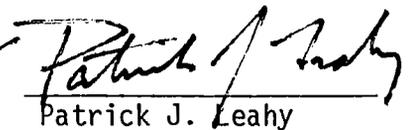

Adlai E. Stevenson


Claiborne Pell


Carl Levin


Larry Pressler


Lowell P. Weicker, Jr.


Patrick J. Leahy

THE WHITE HOUSE
WASHINGTON

8/9/79

Hamilton Jordan

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

Rick Hutcheson

cc: Tim Kraft

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

ACTION
FYI

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		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

Send

*Ham -
Thank them
J*

ENERGY PROGRAM
OF
TEXAS DEMOCRATIC PARTY

On Sunday night, July 15th, President Carter appeared before us and asked for the help of all Americans. He challenged us to a moral commitment to be built around three major cornerstones:

1. To loosen the noose around our neck imposed by the massive importation of foreign oil;
2. To expand greatly the production of alternate sources of energy;
3. To conserve energy.

President Carter is not only our President. To Democrats, he is the leader of our party and for both reasons, he deserves our full support in this crisis.

In Texas we have a large oil and gas production industry. It is of major importance to us and to the economy of our state. We support fully the rights of this industry given to it by our Constitution and our free enterprise system. It is well represented by able, articulate, full-time paid spokesmen in Washington. As consumers, we too have rights - but we are without these skilled spokesmen. It is time that Democrats - the party of the people - start filling this void.

As Chairman of this State Party, I ask your assistance in implementing a two-pronged program to begin at once:

FIRST -

We will organize a Committee in each Congressional District where we have a Democratic Congressman. The Committee will be led by our S.D.E.C. members and County Chairmen as well as other influential Democrats. The first assignment of the Committee will be to meet with their Congressman during the August Congressional Recess. We will also have a Committee to meet with Senator Bentsen. We will urge support of the objectives of the President's program and that the specifics be worked out and enacted without delay. We will keep a stream of correspondence going from the District to the Congress in Washington after Congress resumes in session and we will work with the White House to lend support in those particular cases when and where needed. It is

evident already that Democratic voices in Congress will be needed to lead the fight if the program is to be enacted. We shall lend our full strength to encourage our Texas Delegation to provide this leadership and support. This type of political activity is in the best tradition of our American representative form of government.

SECOND -

All of us have spent a lot of time thinking about what everyone else can do to conserve energy. In this crisis that kind of thinking is not good enough. Conservation starts at home - with each of us. I call on Democrats in all parts of Texas to write to the President, at the White House in Washington, D. C. Tell him what you and your family will do before the end of this year to conserve energy - whether it involves leaving your car home one day a week - carpooling - insulation - use of less energy in your home - canceling a trip which is not a must - or whatever else you will do to show your individual support for the conservation program. I repeat - conservation must start with each of us - ourselves - and let's let our President know what we will do and that we will give him the help he asked us for in this energy crisis.

Conservation is not a Democratic problem, but an American problem. I call on all Texans, Republican and Independents as well, to join us in this conservation and letter writing program. When it was decided to send a man to the moon, it was in Texas where the work was done that succeeded in even beating the target date. Perhaps Texas can again set an example for all Americans in this energy conservation goal as well.

In conclusion, a Democratic President, John Kennedy, eighteen years ago, asked us to think what we could do for our country. In essence, this is what another Democratic President has now done. Together - we the people - are a mighty force. How shall we respond? I call on each of you to respond - I will. I commend to you the reply found in the Old Testament in Hebrew:

Hineni - Here am I.

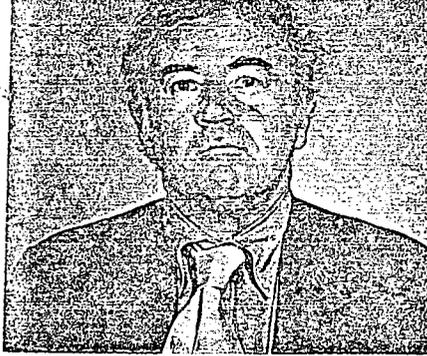
THE WHITE HOUSE
WASHINGTON

8/9/79

Jody Powell

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Rick Hutcheson



Jody
J

HARRY KELLY

52 years old. Born and grew up in Chicago, where his father was a musician -- waxes nostalgic about certain bars in Chicago where his father played (don't know instrument), growing up in Chicago, politicians, the Daley machine, etc.

Lives in suburban Virginia, very attractive wife (Dawn) and two sons -- Christopher, 22, and John, 18. Very proud of family. Tennis buff. Can be tough, but is basically a kindly, friendly man.

Didn't make the Japan-Korea trip because he was on vacation in Ireland, with his wife -- had a wonderful time. Usually goes camping in Maine during the month of August -- can't decide whether to plan on it this year because we won't tell him your vacation plans.

You last exchanged a social word with him in Wyoming at the cocktail party you gave. His wife and son John were with him, and were very pleased to have met you.

Got his start in journalism in Chicago working for the "city wire" -- much like a wire service, but only within the city -- a very competitive, good training ground kind of journalism. Came to Washington with the Associated Press. Has worked for Hearst newspapers, and presently works for the Chicago Tribune. Will go to the Star as national editor with rank of assistant managing editor.

Has said from time to time that one of this White House's failings is that we were not in Washington during Vietnam and Watergate, do not know the historical references when we utter the code words or take actions similar to those ~~exas,~~ ~~exas,~~ and therefore cannot accurately foresee the impact of those words or actions.

Likes Representative Danny Rostenkowski very much -- thinks he is one of the classiest, most intelligence, honest politicians in America.



BILL KOVACH

Will be 47 next month. Born and raised in Tennessee, and is of Albanian extraction. Had been deputy national editor since November 1976. Joined The Times as a general assignment reporter in New York in 1968 and became chief of the Albany bureau in 1969, chief of the New England bureau in Boston in 1970 and an urban affairs reporter in the Washington bureau in 1971.

Kovach served four years in the Navy, graduated from East Tennessee State University and studied at the University of North Carolina, the University of Miami and Stanford. Before he joined the Times, he worked for The Johnson City (Tenn.) Press Chronicle, and the Nashville Tennessean.

The Times made the announcement June 2 that Kovach would become the paper's "Washington editor," and said he would be responsible for news coverage, administration, planning and the Washington staff.

This is the first time The Times has not had a "Washington bureau chief." Rick Smith held that title, there was a fair amount of dissension in the ranks here, the continued historical disputes between the Washington and New York offices, and The Times now has made Smith its "chief correspondent of The Times in Washington". The announcement said Smith would be involved in management decisions and planning but would "devote most of his time to reporting and writing in Washington and around the nation."

THE WHITE HOUSE
WASHINGTON

8/9/79

The Vice President

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

Rick Hutcheson



THE VICE PRESIDENT
WASHINGTON

August 8, 1979

*Fritz -
Excellent
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

THE VICE PRESIDENT

WFM/pm

I thought you would like to see Senator Culver's opening statement of his exchange with Kissinger.

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Senator John C. Culver
Senate Armed Services Committee
August 2, 1979

Mr. Chairman, earlier today I spoke on the Senate floor and took issue with those who have called for an even greater expansion in our defense programs than is now planned and underway in current budget proposals and the five-year plan. I do not have time to repeat my remarks, but since this issue has come up this afternoon, let me summarize my comments before questioning Dr. Kissinger.

I said: I support SALT because it enhances our security by putting important restraints on the Soviet strategic threat.

I support the necessary increase in the budget to responsibly modernize our strategic forces so that there will be no doubt that we are maintaining nuclear parity with the Soviet Union.

But I reject prospective obligatory commitments to arbitrary levels of even greater military spending for programs which have not been, or cannot be, or may not be, adequately justified.

Our greatest vulnerability in international power today is not military, but economic. And in my judgment, a reckless expansion in military spending, far beyond our genuine needs, would put at immediate risk the economic health of our nation and the morale and well-being of our people.

The idea that we can spend our way into invulnerability in the nuclear age simply doesn't hold up in the light of day. It has properly been said of the serious social problems of the

country that you can't solve these simply by throwing money at them. The same applies to a strong, combat-ready defense.

The additional defense spending that would be necessary to guarantee four to five percent real growth in the defense budget in the next fiscal year would add \$5 to \$7 billion to the deficit. Such growth assumes a need, not just to modernize, but to increase and change our long-standing defense structure -- more divisions, air wings, etc.

I ask those who want even greater defense programs to compensate for SALT approval: with inflation and unemployment problems, what program do they offer to offset the increases in order to maintain the health of our economy? More taxes? Greater deficits? Greater inflation?

I think that the greatest threat to our security, and our economy, would come from rejecting SALT, or indeed approving it with excessive defense expenditures. Then the defense budget would have to soar unnecessarily and with it the deficits and inflationary pressures. Other needed military modernization programs would necessarily be delayed.

Dr. Kissinger, I have studied your testimony last Tuesday and listened to you here today. In doing so, I have heard some echoes from the past -- both in your conceptual framework and in some of the studied ambiguities surrounding your position on SALT II. I welcome the arguments you have made on the value of the SALT agreement and the dangerous consequences of rejection.

However, at the same time it seems to me that you have added some surprising dissonances to the cadences which normally characterize your arguments that I have personally listened to before Congressional committees in former times.

First, as I understand it, you emphasize an obligatory long-term defense commitment to be imposed on both the Executive and Congress before proceeding to ratify SALT II. I frankly fail to understand by what constitutional alchemy this can in fact be achieved. And who will be the judge of pass/failure on this obligatory test?

Second, you have apparently had a recent vision regarding Congressional and Senate oversight which I seem to recall you did all in your power to thwart in your previous incarnation. On SALT I, on arms sales, on intelligence oversight, on credit policy with the Soviet Union, I cannot ever recall your wishing to invest the Congress with the Solomon-like powers of judgment and oversight which you now wish to give it under SALT II.

Third, you appear to be asking us to place in our inoperative memory your oft-repeated theories of linkage. Throughout SALT I, on the trade and export acts of the Nixon and Ford years, on Soviet immigration policy, in the earlier phases of SALT II, I distinctly recall your scorn for linkages which Congress attempted to insert. Yet now you come forward with behavior tests and linkages as an absolute precondition for action on SALT II -- even though it appears to you to be sound on its own merits. I realize that you have had a deep concern about various aspects

of Soviet adventurism, and they have disappointed your high, and I might add perhaps naively unrealistic, expectations as to how well they might behave. But it is hard to detect why, on this treaty at this time, you are suddenly raising a battered cliché to the stature of a moral imperative.

With all due respect, in my judgment, the current public cynicism and disenchantment with our foreign policy, both in general and with regard to detente in particular, stems not from anything done by the Carter Administration, but rather from the euphoria and false expectations you helped generate at the time of SALT I.

It was those unilateral understandings, absent from SALT II, which misled us as to what the Russians might do and which contributed to claims, whose fall-out still clouds this issue, that the agreement had been violated.

It was Mr. Brezhnev who put everyone on notice at the time SALT I was signed that the revolutionary struggle would continue despite SALT. And it was you, then, who opposed linkage.

The Carter Administration has proposed balanced and acceptable budgets and has reversed the decline in defense spending, and has accomplished the actual first increases in a decade.

I believe that this Administration has a realistic view of the Russians and a balanced view of our national security needs.

Now, let me ask you some questions.

After leaving office, President Ford said that his greatest regret was that he had been unable to conclude a SALT agreement. He blamed opposition in the Pentagon and the political challenge by

Ronald Reagan for this. Would you agree with President Ford's assessment?

DOONESBURY

To Ros
J

Dear President and Mrs. Carter:

I hope you will forgive our hasty departure after dinner the other night. Happily, our flight to New York was delayed, so Jane and I were spared the drive home.

I am very grateful for the great honor you did us by receiving us so graciously at your home. My editor has been forced to reassess his opinion of a profession whose chief virtue, he thought, was that it kept me off the streets.

With appreciation and all best wishes,

Gary Trudeau

August 3, 1979

President and Mrs. Jimmy Carter
The White House
Washington, D.C.

19 E 88th St

Manhattan

Blanche

THE WHITE HOUSE
WASHINGTON

8/9/79

Mr. President:

Atty. Gen. Bell called
to say he is ready to talk
with you by phone about an
eastern district of Va.
atty. appointment.

Acting US Atty.
Justin Williams Phil

ok
J

THE WHITE HOUSE
WASHINGTON

8-9-79

Sta-

Should the tilt
rule be abolished?

J

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1:30 PM

THE WHITE HOUSE
WASHINGTON

August 7, 1979

The President

MEMORANDUM FOR:

~~RICK HUTCHESON~~

FROM:

ESTHER PETERSON



Attached are two of our publications that may be helpful to the President during his August 8 interview with Family Weekly. The Consumer Buying Alert has been used by Mrs. Carter in similar interviews. It attempts to translate current economic and marketplace trends in food, energy, housing and health care into simple, useful consumer information. The tabloid offers over 140 potential suggestions on how to stretch your dollars in these areas. Both are available free to consumers through the Consumer Information Center in Pueblo and over 500,000 copies have already been distributed through Consumer Information Center and by hundreds of local supermarkets who receive it each month from the Food Marketing Institute (FMI).

We will be happy to provide further information.

Enclosures

1. The National Consumer Buying Alert
2. A Consumer's Shopping List of Inflation Fighting Ideas

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1:30 PM

THE WHITE HOUSE
WASHINGTON
August 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HERTZBERG *Rick*
SUBJECT: Family Weekly Interview

During the interview, the question of what families and individuals can do about the energy crisis will probably come up. You might make these points:

There are two main areas where people can help on energy.

First, as citizens, people can get in touch with their representatives in Congress. They can let their Senators and Congress-people know that they support the windfall profits tax on the oil companies and the broad program for American energy security that the windfall profits tax will make possible.

Second, as consumers, people can take specific actions in their own lives. For example:

- Observing the 55 mph limit really does save fuel. You get 20 percent better mileage at 55 than at 70. It doesn't cost a cent to obey the law and it saves money and fuel. It's also safer.
- Just by spending a Sunday afternoon puttering around the house looking for heat leaks, you can save a lot of fuel this winter. Plugging up holes where pipes enter the heated part of the house from the attic or basement ... insulating the attic door ... making sure the fireplace damper is closed ... these are among the dozens of specific things people can do.
- For more ideas on saving energy, people can write to the Department of Energy, P.O. Box 62, Oak Ridge, Tennessee 37830, or their own state energy office. For information on energy tax incentives for householders -- and there are a lot of them available -- folks can talk to their local IRS office.

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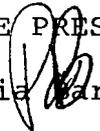
1:30 PM

THE WHITE HOUSE

WASHINGTON

August 8, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Patricia  Mario

SUBJECT: Family Weekly Interview
1:30 p.m. Thursday, August 9, 1979
The Oval Office

Spending 30 minutes with you will be Morton Frank, publisher, and Arthur Cooper, executive editor, of Family Weekly. Family Weekly is the fourth largest magazine in the United States, appearing in 348 newspapers with a combined circulation of 12 million and a weekly readership of 25 million adults. It circulates in Sunday newspapers in medium and small cities. This interview will appear in a late-September issue, with a cover picture of you.

They have a special interest in discussing the family--in general, the impact on yours of the Presidency and the upcoming Conference on the Family. They also say they are interested in dealing with the malaise in the nation and some questions on politics.

Jody suggests this would be a good opportunity to develop and hit hard the crisis of the spirit idea. Also, he suggests you may choose to define a bit better the exact role Mrs. Carter plays in your Presidency--correcting the growing impression that she is the assistant President.

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2:00 PM

THE WHITE HOUSE

WASHINGTON

August 2, 1979

C

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MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN



SUBJECT: Meeting with Reverend Jesse Jackson, President
of People United to Save Humanity (PUSH),
Oval Office, ~~Friday~~ ^{Thursday} August 2, 1979, 2:15 PM

I. PURPOSE

To meet with Reverend Jesse Jackson who will report on his tour of South Africa.

II. BACKGROUND, PARTICIPANTS, AND PRESS

A. Background: Jesse Jackson, President of People United to Save Humanity (PUSH), was born in Greenville, South Carolina on October 8, 1941.

Jesse was graduated from North Carolina A & T College and studied at Chicago Theological Seminary. In college he was a member of the Young Democrats Club and active in the civil rights movement. He joined the Southern Christian Leadership Conference (SCLC) in 1963. In 1966, Jesse helped unite SCLC and the Chicago Coordinating Council of Community Organizations. He was appointed National Director of Operation Breadbasket the economic arm of SCLC, in 1967.

Jesse was with Dr. King in Memphis when he was assassinated at the Lorraine Motel, April 4, 1968. Jackson split with the Reverend Ralph Abernathy of SCLC in 1971 and organized PUSH.

In recent months, Jesse Jackson has won national acclaim for his efforts to motivate young Blacks in school with his message of Black Excellence. Jesse preaches that every Black youth should seek to hold a high school diploma in one hand and a voter registration certificate in the other.

B. PARTICIPANTS: Reverend Jesse Jackson

White House Staff: Louis Martin

C. Press: White House Press Opportunity

THE WHITE HOUSE

WASHINGTON

August 3, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
LEE DOGOLOFF *h*

SUBJECT: APPOINTMENT OF REVEREND JESSE JACKSON TO
THE STRATEGY COUNCIL ON DRUG ABUSE

In view of Reverend Jackson's long-time dedication and commitment to drug abuse prevention, I believe that your appointment of him as a Public Member to the Strategy Council on Drug Abuse would highlight his contributions to the Country and enhance our efforts to reduce drug abuse.

The Strategy Council, created by Public Law 92-255 and revitalized by you in March of 1977, is comprised of seven Cabinet Members (Secretaries of State, Treasury, Justice, Defense, HEW, and the Director of OMB, and the Administrator of Veterans Affairs) and six Presidentially appointed Public Members (Dr. Milton Bryant, Mr. Vernon Jordan, Dr. Joyce Lowinson, Dr. David Musto, Commissioner Donald Pomerleau, Dr. Harvey Sloane) who formulate the policy for our Nation's drug abuse prevention effort. During your meeting with Reverend Jackson today, you could offer Jesse an appointment to the Council.

Reverend Jackson testified in June on drug abuse prevention before the House Select Committee on Narcotics Abuse and Control and offered to serve the Government in an advisory capacity in this area. Perhaps as much as anyone in America today, Reverend Jackson and his PUSH program represent what we would hope to achieve across the country. His efforts remind us that we can create change in the individual, in the home, in the school, and in the community, and, in effect, strive for excellence.

If you concur and he accepts, we will begin the necessary appointment papers as an additional member to the Council.

You've already read briefing material for Jesse Jackson 2:00 which was submitted last night.

Attached arrived this morning....contains written report from Jackson on South African Trip, which you may want to review.

THE WHITE HOUSE

INFORMATION

WASHINGTON

August 2, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB*

SUBJECT: Background Information for Your Meeting with Rev. Jesse Jackson

Jesse Jackson's twelve-day stay in South Africa generated more excitement and controversy than any other visiting American since the trip of Bobby Kennedy in 1966. Jackson's public statements and private meetings have been hailed by Black leaders for their catalytic effect on Blacks, and have created a White backlash against the South African Government for having permitted Jackson to remain after his denunciations of the Government's racial policies.

Jackson's main message to the Blacks was that they must be more proud, more self-assertive, and more united to promote their own welfare. In addition to providing inspiration to his large public audiences, Jackson brought together to discuss unity of action the three leading Black political leaders - Bishop Desmond Tutu (head of the South African Council of Churches), Dr. Nathan Motlana (unofficial mayor of Soweto, South Africa's largest Black township), and Gatsha Buthelezi (Zulu chief). This was the first time these three men had even met together, let alone discuss a joint action program.

Whites also reacted strongly to Jackson's visit. Many Whites reacted sharply to the epithets - such as "terroristic dictatorship" - used by Jackson to describe the White power structure. He compared apartheid to "the ungodly acts of Hitler". The Prime Minister had us officially informed that he might act to curtail Jackson's stay unless his rhetoric and the resulting White backlash subsided. Minister Koornhof, a more progressive member of the Cabinet, met with Jackson, who later praised Koornhof for his courage and moderation. On balance, South African Whites have been dismayed that a voice as powerful as Jesse Jackson's has spoken out against their system of government in such harsh terms.

To the irritation of the SAG, the Reverend Jackson stated publicly his intention to speak with you upon his return to the United States. He has identified two policies that he intends to urge upon you: -- to ban any United States cooperation regarding synthetic fuels with South Africa's Government-owned coal liquefaction plant, SASOL, until Blacks enjoy their full rights in that country; and -- to urge U.S. firms to terminate investments in South Africa.

THE WHITE HOUSE
WASHINGTON

August 3, 1979

2:00

Susan
hold for Thurs
J

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL *JJP*
SUBJECT: Jesse Jackson Appointment

I met with Rev. Jackson today prior to the Harris swearing in. He discussed some of the points he wishes to raise with you.

First, he feels that investigations of the South African influence buying should be pursued, that there is a great deal more to it than has come to light thus far.

Second, he may well ask for a White House Conference on Southern Africa for the purpose of "arousing public interest" in that region and "ensuring that the U.S. is on the right side of history."

Rev. Jackson expressed concern about something called a SASOL Project, a South African synthetic fuel project which he fears the U.S. is about to buy into.

He has talked to Ambassador Young on these points. A chat with Ambassador Young before the meeting with Rev. Jackson* might be useful.

We also discussed the idea of combining his voter registration effort in the high schools with a nationwide conservation effort focused on the schools. His idea is to invite state school superintendents and about a dozen high school students from each state to the White House to kick off both efforts. I think the idea has considerable merit.

*rescheduled for Thursday, August 9

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2:00 PM

THE WHITE HOUSE

WASHINGTON

August 8, 1979

MEMORANDUM FOR PRESIDENT CARTER

FROM: LOUIS MARTIN

SUBJECT: Meeting with Reverend Jesse Jackson, Jack O'Dell, Randall Robinson, and Reverend Kelly Miller Smith, Sr., Thursday, August 9, 1979, 2:00 PM

I. PURPOSE

Jesse Jackson wishes to report on his tour of the Republic of South Africa and make recommendations (see attached memorandum) concerning U.S. relations in South Africa.

II. PARTICIPANTS AND PRESS

A. Participants: Jack O'Dell, Director of International Affairs, Operation PUSH, accompanied Jesse on the tour. Randall Robinson is Executive Director of TransAfrica, the most active lobby against apartheid and human rights abuses in Africa, and is based in Washington. Reverend Kelly Miller Smith, Sr., is a nationally known Baptist preacher in Nashville, Tennessee, who is interested in the programs of PUSH and is a strong supporter of Reverend Jackson.

White House Staff: Louis Martin

B. PRESS: White House Photographer

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THE WHITE HOUSE
WASHINGTON

8/9/79

Jim McIntyre

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

8/9/79

Mr. President:

Hugh Carter concurs.

No comment from Eizenstat,
Richard Harden, or Watson.

Rick



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

AUG 2 1979

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. *J. McIntyre*
Director

SUBJECT: National Supply System

This memorandum informs you of the results of executive branch logistic policy studies and requests your approval to proceed in the development of a uniform integrated system of policies and procedures to improve the efficiency of the supply operations of the Federal Government -- to be known as the National Supply System (NSS).

1. The Problem

Within the Federal establishment there is a large and diverse array of supply procedures and processes of varying complexity and application. These procedures have evolved, generally, from the independent actions of numerous Federal agencies in response to specific needs and requirements. Many of these procedures are limited in scope to a single agency while others are, or are intended to be, Government-wide in application. This lack of central direction has resulted in duplication, overlap and waste.

2. Proposed Solution

After lengthy consideration, representatives of principal supply and customer agencies constituting a National Supply System Advisory Board have agreed upon two study products: a preliminary definition and description of the proposed NSS (Tab A), and a plan and schedule for the detailed development of that system (Tab B). These two documents have been coordinated with, and concurred in, by all agencies and departments of the executive branch which have supply support responsibilities as well as by a representative sampling of customer agencies. Specifically, they have been approved by the Departments of Defense; Energy; Health, Education, and Welfare; Interior; and Transportation, along with the General Services Administration and the Veterans Administration.

As proposed, the NSS would consist of uniform policies and procedures applied on a Government-wide basis to all aspects of the supply process: acquisition, cataloging, storage, distribution and so forth. It would encompass all executive branch departments and agencies. It would be characterized by a single, top-level coordinating officer, the Administrator for Federal Procurement Policy, who would be limited to policy making and would issue and monitor policies and procedures based on recommendations made by the National Supply System Advisory Board. The Director of the Office of Management and Budget will act as the arbiter of unresolved issues between the Advisory Board and the Administrator for Federal Procurement Policy. Although the National Supply System will consist of an

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integrated system of broad policies and procedures, each department and agency will manage its own supply system. Sixteen months of intensive effort by an interagency task force will be required to complete the final definition and description of the National Supply System.

3. Benefits, Costs and Other Considerations

The benefits of establishing a National Supply System are, principally, those of standardizing policies and procedures within all executive branch departments and agencies. We expect to achieve savings of personnel and resources through the use of common catalogs, standard requisitioning and other such uniform procedures. Beyond that, however, this effort offers an opportunity for additional savings by increased reliance on commercial off-the-shelf products and through more contracting out for supply support services.

Implementation will require small one-time transition costs in future years which will be offset by recurring savings resulting from improved supply operations. Although the proposed implementation plan has been designed to emphasize full coordination by the affected agencies there will be disagreements. And there may be complaints and opposition from agency constituents and supporters in the Congress as well as the general public. The amount of opposition will be lessened and the full participation of agencies will be assured with a clear indication of your support for this endeavor.

4. Proposed Action

If you concur in our proposal to go forward in the development and establishment of a National Supply System, action will begin immediately to meet the target dates cited in the project schedule. Specifically:

- o The Administrator for Federal Procurement Policy will establish, in concert with the National Supply System Advisory Board, the numbers of personnel required as well as the interagency task groups necessary to meet milestones.
- o I will take action to assure that the executive agencies are made fully aware of the high priority assigned to this effort and that full cooperation and assistance is given to the Administrator for Federal Procurement Policy in the development, implementation, and direction of the NSS.

5. Recommendation

I recommend that you approve (1) the preliminary definition and description of the National Supply System (Tab A); and (2) the continuation of the effort to develop and implement a National Supply System in accordance with the proposed plan and schedule (Tab B). (If your decision is one of approval, a proposed memorandum has been prepared for your signature and is ~~attached at Tab C~~ and a proposed statement and fact sheet for public release are attached at ~~Tab D~~.)

Approve
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Disapprove 

THE WHITE HOUSE

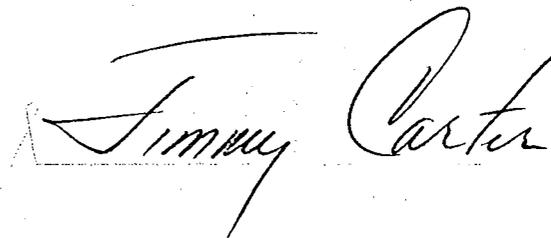
WASHINGTON

MEMORANDUM FOR: THE HONORABLE JAMES T. MC INTYRE, JR.
DIRECTOR
OFFICE OF MANAGEMENT AND BUDGET

SUBJECT: National Supply System

I have approved your recommendation for the establishment of a National Supply System, as described in the attached documents.

Steps planned to fully describe and implement the system should be taken promptly under the leadership of the Administrator for Federal Procurement Policy, acting in concert with the National Supply System Advisory Board. To support this action, I am requesting that you advise the heads of executive departments and agencies of the priority which I assign to this project. Their full cooperation and assistance will be vital in the development, implementation and direction of the National Supply System.

Jimmy Carter

NATIONAL SUPPLY SYSTEM

PHASE I — PRELIMINARY DEFINITION AND DESCRIPTION

I. PREAMBLE

The purpose of this document is to provide a definition of a National Supply System (NSS), along with a brief description of the principal features and characteristics of that System.

II. DEFINITION

The National Supply System (NSS) is a uniform, integrated Federal-wide system for the acquisition, supply, and distribution of personal property and related services, with authority to establish, enforce, and monitor policies and procedures, world-wide in scope and application.

III. OBJECTIVES

The System will be one which is designed to accommodate both normal peacetime, as well as emergency and defense-wartime requirements. The System will seek to:

- A. Eliminate overlap and duplication, improve cost-effectiveness and provide for more effective utilization of existing Executive Branch personnel in the management of acquisition and supply programs.
- B. Establish a coherent, predictable, and responsive process for use by Executive Branch agencies in acquiring supplies and related services necessary for mission performance with flexibility essential to accommodate the diverse needs and capabilities of the participants.
- C. Provide for a greater degree of reliance on the private sector in meeting supply and logistics needs so that:
 1. Government duplication of private sector capabilities can be minimized; and
 2. The Government's potential for benefiting from competition within the private sector can be enhanced.
- D. Establish a Government-wide comprehensive approach to the resolution of acquisition and supply problems in the Executive Branch.
- E. Create a body of complementary procedures for use by manufacturers and suppliers in responding to the supply and service needs of Executive Branch agencies.
- F. Facilitate the implementation, in a more rapid fashion, of technical and systems improvements on a Government-wide basis.
- G. Assure that policies associated with acquisition and supply reflect and respond to the national security and other national interests, as directed by the President.

IV. FUNCTIONS

The System would encompass the following:

- A. A unified body of supply policies, program directives, and related central management activity.
- B. A cataloging system for the identification, specification, and standardization of items.
- C. A standard system for the acquisition of material.
- D. An item management system for designating managers for individual items and/or classes of items which will optimize the one item/one manager concept.
- E. A standardized requisitioning and issue procedure with automated and manual capabilities, and an order status tracking capability.
- F. A standardized logistics communications system.
- G. A system of contract administration to include quality assurance.
- H. An integrated distribution system to accommodate the receipt, inspection, storage, issue, and movement of material in which the depot facilities will be used on a common-use basis.
- I. An integrated system for the reutilization and disposal of excess and surplus property.
- J. A system for collecting, developing, communicating, and disseminating acquisition and property management data which takes into account the needs of the Congress, the Executive Branch, and the private sector.
- K. A supply management system to include requirements computation, initial provisioning, and inventory management.
- L. Continuous close cooperation with central personnel management authority to promote programs for improved qualification and position classification standards and similar activities towards improving the recruitment, training, career development, motivation and performance evaluation of acquisition and supply personnel.

V. STRUCTURE

- A. The System will be applicable to each department, agency, committee, commission, and board of the Federal Government. Each entity will participate in the system as a manager, operator, or user, or in a combination of these roles. Executive Branch entities will participate under a mandatory charter; the Legislative and Judicial Branches may participate on a voluntary basis; however, if they choose to participate, they will do so within the same parameters and restrictions as the Executive Branch. NATO and other friendly foreign countries may also participate in selected aspects of the System. Contractors and quasi-governmental agencies may become users of the System when sponsored by participants.

B. The System will include:

1. A single, top level, central executive policy authority, designated by and reporting to the President;
2. Full and continuing representation in major policy and program formulation and key decision making by system participants, at the level of department/agency head, and in relation to the size and significance of such participants' contributions to, and reliance on the System;
3. Consultative mechanisms to assure continuing advisory and supportive inputs from recognized, knowledgeable private sector expertise to assure that full consideration is given to commercial, industrial, and socio-economic aspects and impacts of Federal supply activities; and
4. A policy and management structure to assure fulfillment of statutory and Executive Branch requirements by developing standardized policies, procedures and management standards governing the operation of the System, and to provide for evaluation and compliance. Operational mechanisms will assure that implementation of National Supply System policies and programs associated with the acquisition and control of principal end—and related depot-level repairable—items of personal property which are mission-unique to a single department or agency will be the responsibility of that department or agency unless specifically excepted by law or Presidential direction. Implementation of operational mechanisms associated with the acquisition and control of items of personal property, other than those indicated above, will be the responsibility of an agency or agencies designated by the central executive policy authority described in V.B.I. above.

Tab B

NATIONAL SUPPLY SYSTEM

PHASE II — PLAN AND SCHEDULE FOR COMPLETING PRELIMINARY DEFINITION AND DESCRIPTION

I. INTRODUCTION

The purpose of this document is to provide a recommended plan and schedule for completing the Preliminary Definition and Description of the National Supply System.

II. SCOPE OF PLAN AND SCHEDULE

Completion of the definition and description of the National Supply System (NSS) will include:

- A. The further definition and delineation of the NSS, description of its functions and their components, and, upon approval by the NSSAB, development of the respective roles and responsibilities of the participants, proposed policy setting authority, and organizational structures;
- B. The development of the implementing charter, policy statements, orders and similar directives for bringing the National Supply System into existence;
- C. The clearance and coordination of such implementing documents with all participants and other interested parties, including publication in the Federal Register;
- D. Revisions to such implementing documents, as required, on the basis of comments received; and
- E. The development and coordination of all transition plans, schedules and other arrangements for phasing into the new National Supply System.

For each of the functions described in Part IV of this report, there has been included a listing of examples of a number of significant components. Also noted, are known projects or studies toward the enhancement of the National Supply System objectives. In addition, specific reference is made to some activities uniquely required to further define, describe and implement that function with respect to the National Supply System. These should all become part of, and integrated into, the plan and schedule of work for the development of the National Supply System, and should be coordinated by the National Supply System Implementation Task Force.

Unified policies, programs, directives, procedures and standard forms are required for all of the functions, as referenced in IV, A below, so these will not be repeated as a required item under each function.

III. NATIONAL SUPPLY SYSTEM IMPLEMENTATION TASK FORCE (NSSITF)

The organization through and by which the work of completing the definition and description of the National Supply System will be accomplished, will be known as the National Supply System Implementation Task Force (NSSITF). This Task Force should be staffed by personnel from Executive departments and agencies. Details of personnel would be based on the cooperation and concurrence of the agencies affected, and with regard to the relative degree of participation of each department or agency in the National Supply System, as well as on the need for top level, functional expertise and analytical ability. The Task Force will consist of a senior level Director, a Functional Coordinator for each major function identified in the National Supply System Definition, and Work Groups for each function and/or major sub-function.

The Task Force Director and the Functional Coordinators, to the extent practicable, should be collocated to assure close coordination in development of unified National Supply System plans and policies.

In addition to the staffing requirements referenced above, a budget allocation should be provided for the operation of the National Supply System Implementation Task Force, for adequate support staff, and for all logistical and travel requirements.

IV. FUNCTIONS

The specific functions, components, related ongoing and scheduled projects, and activities uniquely required for each function, are indicated below:

A. *A Unified Body of Supply Policies, Program Directives, and Other Central Management Activity.*

Components:

- Policies
- Program Directives
- Plans and Schedules
- System-Subsystem Designs
- Standard Forms
- Participant Role Definitions
- Management Concepts
- Organizational Structures
- Budget and Accounting System Design
- Evaluation Plan
- Public Information Program
- Transition/Phasing Arrangements

1. Currently Underway:

See listings of specific projects associated with Functions B through L, below.

2. Scheduled:

See listings associated with Functions B through L below.

3. Required:

In addition to those National Supply System projects currently underway, or scheduled, as identified for Functions B through L below, it is necessary to develop:

- (a) Unified, Federal-wide policies, programs, systems, directives, procedures, and standard forms for each of the functions, in consonance with Section III, Objectives, of the Preliminary Definition and Description of the National Supply System;

- (b) Specific plans and policy and program directives to assure a fully integrated and consistent, phased implementation of each system, program and procedure, as described in Functions B through L
- (c) Unified Government-wide budget, finance and accounting policies and procedures to assure orderly funds transfers, property accountability, and other requirements associated with common service acquisition and supply;
- (d) Programs to improve understanding of Federal acquisition and supply policies, both within the Service, and by organizations and individuals doing business with the Government;
- (e) Programs for identifying, evaluating and correcting, on a continuing basis, overlappings, duplications, inadequacies, inconsistencies, inefficiencies, and other errors or omissions in Government supply policies, procedures, regulations and directives, and in other policies, regulations, and laws affecting supply;
- (f) A detailed transition plan for the orderly phasing of sub-systems into the National Supply System, and for reviewing such sub-systems to identify excess system resources (facilities, equipment, personnel, software).

B. A Cataloging System for the Identification, Specification and Standardization of Items.

Components:

- Identification of items
- Assignment of National Stock Numbers
- Registration of all National Supply System participants in the Federal Catalog System
- An integrated data base of cataloging data for common use by National Supply System participants
- Item Management data
- Control of the entry and exit of items
- Standardization of items
- Cataloging publications to satisfy user needs
- NATO and other friendly foreign government participation

1. Currently Underway:

Office of Federal Procurement Policy/DoD/GSA joint project for development of specification management improvement program.

2. Scheduled:

National Supply System Task Group #3 is to develop programs and procedures to assure systematic entry and control of items into the NSS, and NSS Task Group #4 is to develop means to maximize Civil Agency participation in the Federal Catalog System.

3. Required:

Development of a program to require registration of items in the Federal Catalog System.

C. A Standard System for the Acquisition of Material.**Components:**

- Includes all functions associated with acquisition of material, other than those listed elsewhere, ie:
 - Requirements Forecasting
 - Source Determination
 - Centralized/Decentralized Procurement
 - Schedules
 - Local Purchase
 - Advertising
 - Solicitation
 - Negotiation
 - Evaluation
 - Award

1. Currently Underway:

- (a) A single, unified acquisition regulation (Federal Acquisition Regulation). Also, see Function J.
- (b) Unified policy guidelines for implementation of the Commercial Products Acquisition/Distribution Program.
- (c) Improved Multiple Award Schedule Contract Program.
- (d) Market Research and Analysis Programs.
- (e) Implementation of Major System Acquisitions policy (OMB Circular No. A-109).

2. Required:

Specific procurement assignment criteria as required for Functions C and D.

D. An Item Management System for Designating Managers for Individual Items or Classes Which Will Optimize the One Item/One Manager Concept.**Components:**

- Standard Inventory management systems
- Inventory Management Assignments
- Supply Support Assignments

1. Currently Underway:

An effort by OFPP/DoD/VA/GSA/DHEW to establish a single government-wide system to procure and assure quality of medical and nonperishable subsistence items.

2. Required:

Specific item and procurement assignment criteria as required for Functions C and D.

E. Standardized Requisitioning and Issue Procedures with Automated and Manual Capabilities and An Order Status Tracking Capability.**Components:**

- Requisitioning and Issue System
- Uniform Priority System

- Reporting System
- Transportation System
- Intransit Item Visibility System

F. A Standardized Logistics Communications System.

Components:

- System-wide automated digital network
- System-wide automated addressing capability
- Standard Input/Output Codes and formats
- Communications systems dedicated to logistics traffic transmission
- Manual and mechanical Interface with the Digital Network

G. A System of Contract Administration to Include Quality Assurance.

Components:

- Standard quality assurance procedures
- Adherence to specifications, contract delivery dates, and production schedules
- Pre-award and post-award audit of contractors
- Contractor compliance with affirmative action and socio-economic program requirements

1. Currently Underway:

- (a) Consolidation of contractor affirmative action compliance within the Department of Labor
- (b) Development of the Federal Procurement Data System (See Function J).

H. An Integrated Distribution System to Accommodate the Receipt, Inspection, Storage, Issue and Movement of Material in which the Depot Facilities will be Used on a Common-use Basis.

Components:

- | | |
|---|--------------------------------|
| • Depot Operating Systems | • Depot Transportation Systems |
| • Receiving | • Expediting and monitoring |
| • Issuing | • Material marking |
| • Packing/Crating/Handling | • Consolidation/Staging |
| • Stock Control | • Material Movement |
| • Storage (Physical Inventory, Warehousing, and Preservation) | • Traffic Management |
| • Retail Stores Operations | • Positioning/Repositioning |

1. Currently Underway:

- (a) National Supply System Task Group #2: development of criteria and data base for consolidating wholesale government supply distribution facilities.
- (b) The preliminary efforts of DoD in reviewing their thirty-four general purpose depots for potential consolidation.

(c) The preliminary effort and plans of GSA/FSS to reduce their depots.

I. *An Integrated System for the Reutilization and Disposal of Excess and Surplus Property.*

Components:

- Utilization Screening
- Reporting
- Repair, Rehabilitation and Reclamation
- Reutilization and Reassignment
- Donation
- Sales

J. *A System for Collecting, Developing, Communicating, and Disseminating Acquisition and Property Management Data Which Takes Into Account the Needs of the Congress, the Executive Branch, and the Private Sector.*

Components:

- National Supply Data System
- Ability to provide required and recurring reports
- Additional related systems to program plans, budgets, costs, personnel data and other information as required

1. Currently Underway:

A Federal Procurement Data System, including a Federal Data Procurement Center, for assembling, organizing and presenting contract placement data for the Federal Government, is to commence operation October 1, 1978.

2. Required:

- (a) An advisory group to recommend additions, deletions and changes to the National Supply Data System.
- (b) An interagency committee to determine required programs and data elements, and to test, implement and oversee the development of programs for the National Supply Data System.

K. *A Supply Management System to Include Requirements Computation, Initial Provisioning and Inventory Management.*

Components:

- Demand history/program data
- Economic order quantities
- Requirements Determination (peacetime, wartime, emergency)
- Source selection of repairs parts
- Registration of items in Federal Cataloging System
- Establishment of method of supply
- Item accounting—National inventory records

- Establishment of stock levels
- Inventory, shelf life: surveys, adjustments and reconciliation
- Credit returns/excess/disposition

L. *Continuous Close Cooperation with Central Personnel Management Authority to Promote Programs for Improved Qualification and Position Classification Standards and Similar Activities Towards Improving the Recruitment, Training, Career Development, Motivation, and Performance Evaluation Of Acquisition and Supply Personnel.*

Components:

- Classification standards
- Qualification and performance standards and appraisal methods
- Analysis and development of recruitment sources for qualified personnel
- Training and career development programs
- Recognition and awards programs
- Certification and Licensing programs

1. Currently Underway:

Federal Acquisition Institute is developing career programs for acquisition and contracting personnel. These should be expanded, in cooperation with GSA and CSC, to include all supply personnel.

2. Required:

A task group to develop a code of ethics, examination, licensing and certification programs, and to develop an awards and recognition program, for special achievements of supply, and acquisition personnel.

V. SCHEDULE

Note: Actions are to be taken with full input and consultation with agencies affected, and approval by National Supply System Advisory Board. The schedule also envisions continuing coordination with other related projects, studies and cost-benefit analyses, underway elsewhere in the Federal Service, in the development of the products needed to complete the definition and description of the NSS. The dates listed are initial targets and are subject to adjustment, when necessary, to assure quality products.

A. August 1, 1979

- Approval of the National Supply System Project Summary by the President
- Charter for Task Force and appointment of Task Force Director
- Appointment of Functional Coordinators
- Organization of Work Groups including necessary administrative support

B. December 1, 1979

- Development of completed, formal National Supply System definition, and of *initial* drafts of major policy and program directives

- Coordination of the above with NSS participants and other interested parties
- Negotiation and resolution of comments by the National Supply System Advisory Board

C. March 1, 1980

- Development of *initial drafts* of comprehensive descriptions and of policy and program directives for each of the *functional areas*
- Coordination of the above with NSS participants and other interested parties
- Approval by the National Supply System Advisory Board of completed, formal National Supply System definition, and final drafts of major policy and program directives

D. June 1, 1980

Approval by the National Supply System Advisory Board, of *final drafts* of comprehensive descriptions, and of policy and program directives for each of the *functional areas*.

E. August 1, 1980

Subsequent to completion and approval by NSSAB, of comprehensive functional descriptions, policy and programs directives, as per D above, delineation of roles and responsibilities of NSS participants, and of management authorities and organizational structures. Coordination with all interested parties, negotiation and resolution of comments and approval by the National Supply System Advisory Board.

F. December 1, 1980

Issuance of all policy, program and management directives, establishing the National Supply System, with *phased implementation* to *begin March 1, 1981*—this gives a seven month lead in, transition period for actions to be effected at the beginning of FY 82, ie October 1, 1981.

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

PRESIDENTIAL STATEMENT
ON THE
NATIONAL SUPPLY SYSTEM

To support the numerous missions assigned to Federal agencies, the Government is spending approximately \$100 billion annually for supplies, services and equipment -- from rubber bands and tongue depressors to truck tires and weapons systems. Annual administrative costs to purchase, warehouse, and deliver these products and services to ultimate users consume many more billions of dollars. These costs can and must be reduced.

Although significant accomplishments have been made by the Department of Defense, the General Services Administration and other agencies in developing effective and standardized supply policies and procedures, overlap and duplication of processes and parallel management structures continue to present obstacles to effective and efficient management of the Government's massive supply operations.

The Administrative Services Reorganization Project's task force addressed this problem and has recommended the establishment of a National Supply System that recognizes the capabilities and mission responsibilities of all Federal agencies. I approve and strongly endorse this recommendation.

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

NATIONAL SUPPLY SYSTEM

Fact Sheet

The President announced today his decision to establish a National Supply System. This system of uniform policies and procedures will be applicable to all executive branch departments and agencies and will be applied on a Government-wide basis.

This decision is the first direct outgrowth of the President's Administrative Services Reorganization Project, under the chairmanship of Mr. Jay Solomon, former Administrator of General Services. The President's Reorganization Project joined with representatives of key Federal supply and customer agencies in achieving agreement on a preliminary definition and development plan for a National Supply System.

For several decades, the need for a uniform, integrated Government-wide system for acquisition and supply support of personal property used by the Government has been discussed within the executive and legislative branches. Despite efforts to control growth and duplication, there has been a substantial increase in the size and complexity of Government supply systems. In fiscal year 1978, the Federal Government expended \$95.6 billion for acquisition of everything from weapons systems to office furnishings to data processing services. Unnecessary duplication and overlap present major obstacles to the most efficient and effective management of the Government's massive supply operations.

In developing the National Supply System its "National" character must be emphasized by embracing the Nation's industrial capacity and capability within the System. Such emphasis should result in tasking the private sector with supplying directly the needs of Government users for appropriate standard commercial items — thus permitting the Federal sector to concentrate on effective management of the System and on the physical custody and delivery of military and other items which are specifically designed to meet the Government's unique requirements.

Plans underway call for immediate steps to fully describe and implement the National Supply System. These actions must go forward with all deliberate speed under the leadership of the Administrator for Federal Procurement Policy in the Office of Management and Budget and the National Supply System Advisory Board. I am requesting the Director of the Office of Management and Budget to take such action as may be indicated to assure that the executive agencies primarily affected by creation of the National Supply System are made fully aware of the high priority which I assign to this effort.

Heads of agencies are directed to assure that full cooperation and assistance of their respective staffs are given to the Administrator for Federal Procurement Policy and the National Supply System Advisory Board in the development, implementation and direction of the National Supply System. The Administrator shall report to me on February 15, 1980 and on August 15, 1980 on the progress and effectiveness of the National Supply System.

In arriving at the decision to develop a National Supply System, the President's Reorganization Project was guided by the following system principles:

- o elimination of unnecessary duplication;
- o cost effectiveness in operation;
- o improved responsiveness to Federal users;
- o maximum feasible integration with commercial supply and distribution systems;
- o uniform policies and procedures on a Government-wide basis;
- o a top-level official and advisory board to develop, issue, and monitor acquisition and supply policies;
- o utilization of existing expertise in various agencies.

Under the direction of the Administrator for Federal Procurement Policy and the National Supply System Advisory Board, steps will be taken immediately to move forward with an interagency task force.