

**8/14/79**

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**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brown to The President (2 pp.) re: Activities of the Sec. of Defense/enclosed in Hutcheson to Mondale 8/14/79	8/10/79	A
<del>memo</del>	<del>From Young to The President (one page) re: Activities of Us Mission to the UN</del> OPENED 8/24/93	<del>8/10/79</del>	<del>A</del>
memo w/att.	From Brzezinski to the President (3 pp.) re: Arms Control Process/enclosed in Hutcheson to Brzezinski 8/14/79	8/13/79	A

**FILE LOCATION**

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File 8/14/79 BOX 142

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C

MEMORANDUM

August 10, 1979

TO: President Carter

THROUGH: Rick Hutcheson

FROM: Andrew Young

LEBANON: POSSIBLE DISPATCH OF SPECIAL SYG REP

During luncheon discussion August 8, the Lebanese, French, Syrian Ambassadors and ex-UKUN Perm Rep Richard indicated broad agreement on the latter's possible visit to Lebanon in September as the Secretary General's Special Representative. Arabs urged strong U.S. and French public support to maximize positive reception in Lebanon, and strong U.S. support in Israel. The Richard mission could be basis for cooperation between West and Arab moderates in addressing problems of Lebanon at time when other M.E. issues are in dispute.

MEETING WITH MRS. JESSE JACKSON

I was visited by Mrs. Jesse Jackson and a delegation who recently returned from Lebanon with the intention of organizing Black support for a unified Lebanon/Palestinian cause.

SPEAKING ENGAGEMENTS

During the last week I will have spoken to five nation-wide groups.

National Bar Association (1,000 Black Lawyers) - Responded very favorably to an interpretation of the significance of Black appointments to judiciary and regulatory agencies.

Alpha Phi Alpha Fraternity - (2,000 delegates present, representing 556 chapters nationwide) Very positive response to interpretation of accomplishments of two/half years of Carter Administration.

Progressive National Baptist Convention - Memphis, Tenn., Benefit for Congressman Harold Ford (August 10).

Delta Sigma Theta - (5,000 Black Women) Pat Harris former National Chairperson in New Orleans (August 12).

National Convention of Gospel Choirs, (1500 in attendance); August 8.

DECLASSIFIED

E.O. 12356, Sec. 3A

~~CONFIDENTIAL/EXDIS~~  
GDS 8/10/85 (Young, Andrew)

PER 12563 9/11/85 RE MR-101-92-144  
BY [Signature] NARS. DATE 7/26/93

THE WHITE HOUSE  
WASHINGTON

Ros  
J

8-14-79

Zbig -

Do me a favor & <sup>personally</sup> call  
Peter White. He & Dean  
Rusk have done a good  
job in the S.E.

What Peter needs is  
a contact on your staff  
who might channel imp-  
ortant foreign visitors, etc.  
to Atlanta for a visit  
or lecture.

J.C.

Done - 8-14 - Called, and spoke to R.U.

Christine Deane of my staff will AUG 18 1979  
keep in touch with him.

ZB

THE WHITE HOUSE  
WASHINGTON

*Ros-  
3619 will  
call Peter  
J*

~~Susan~~

I'm attaching material and correspondence from The Southern Center for International Studies in Atlanta.

Mrs. Carter discussed this with the President at one of their luncheons...he told her to send the material to him and he would get Peter (White) "plugged in" with the right people.

It's not mentioned in the attached, but Mrs. Carter did meet personally with Peter and Julia in Atlanta when we went down for the fundraiser.

Thanks.

mfm  
8/13/79

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THE WHITE HOUSE  
WASHINGTON  
15 Aug79

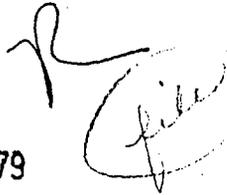
The First Lady

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

Rick Hutcheson

006 10 11

AUG 18 1979



THE WHITE HOUSE  
WASHINGTON

TO: ~~LES DENARD~~ *ZB*

FROM: MADELINE MACBEAN *mfm*

The President told Mrs. Carter today that he had asked Dr. Brzezinski to call Peter White at The Southern Center for International Studies. Mrs. Carter had the attached information about the Center and thought it may be of interest to Dr. Brzezinski.

Thanks.

mfm  
8/14/79

*8/16/79*

*Already spoke to him*

*ZB.*

AUG 17 1979

THE WHITE HOUSE  
WASHINGTON

R,

FYI only. This is the information Peter had said he was sending.

He called me, also, to give me the man's phone numbers, at which time I told him you had checked and learned that the administration was already in touch with Mr. Bridges.

Peter said he had also found out that Charlie Kirbo was in touch with him.

M

7/5/79

Peter evidently feels that in spite of all this, you and the President should personally talk with him.

*R*  
*file*

AUG 18 1979

GEORGE D. BUSBEE

RALPH N. JONES  
LONNIE C. KING

MICHAEL L. LOMAX  
JEAN PICKER  
DEAN RUSK

DONALD M. STEWART  
CYRUS R. VANCE\*  
JOHN C. WEST\*  
C. BETTE WIMBISH

\*On Leave for Government Service

June 20, 1979

Mrs. Rosalynn Carter  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear Rosalynn:

Jack Bridges is the most knowledgeable man that Peter and I have ever known on the subject of Saudi Arabia and petroleum. He has acted as personal advisor to King Khalid and his predecessor, and knows intimately all of the leading members of the royal family. I have enclosed his biographical data sheet for your further information.

Above all else, however, Jack is a very patriotic American and is deeply concerned about future United States/Saudi relations. He has told Peter and me that our President is the only person who can re-establish a close relationship between our country and the Kingdom.

As I mentioned to you at our meeting on Saturday, June 2nd, this man does not have long to live; therefore, we urge that you and the President see him as soon as possible. He will be extremely valuable to you.

Yours sincerely,

*Julia*  
Julia White  
JW:as  
Enclosure

*Office: 703-522-1160*

*Home: 301-657-9142*



SUITE 1239 LENOX TOWERS  
3400 PEACHTREE ROAD, N.E.  
ATLANTA, GEORGIA 30326  
TELEPHONE (404) 261-5763

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C. BETTE WIMBISH

\*On Leave for Government Service

AUG 18 1979

THE WHITE HOUSE  
WASHINGTON

TO: BOB PASTOR, NSC

Bob,

The attached is for your  
information....also to ask  
your advice on others who  
should see it.

Peter White is a good friend  
of the Carters.

madeline  
4/19/79

THE WHITE HOUSE

WASHINGTON

R,

A reminder that we need to follow-up with someone about Peter White and The Southern Center for International Studies.

Also <sup>the</sup> man he and Julia told you about, the Saudi expert, is:

Jack Bridges (ex Naval Academy)  
Acting Executive Director  
Al Dir'iyah Institute  
1925 North Lynn Street  
Suite 1140  
Arlington, Virginia 22209

mfm

*Kircho in touch with  
him often  
# zig*

JUN 12 1979

10

May 18, 1979

Ms. Madelyn MacBean  
Secretary to Rosalyn Carter  
The White House  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear Madelyn:

Dr. Georgiy Arbatov, who is the Soviet Union's leading expert on the United States, will be our guest next week. I thought you'd like to see the itinerary we have put together for him to follow while he is in the South.

Yours sincerely,



Peter C. White  
President

PCW/ja

Enclosures

*This needs no acknowledgment - C.*



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JOHN C. WEST\*  
C. BETTE WIMBISH

\*On Leave for Government Service

AUG 18 1979

NATIONAL SECURITY COUNCIL

April 24, 1979

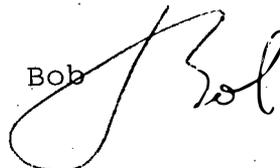
TO: MADELINE MC BEAN  
FROM: BOB PASTOR

Madeline,

I have reviewed the materials you sent me. Initially, I thought it might be useful for you to suggest to Peter White that he get in touch with the President's Commission on Foreign Language and International Studies, 1832 M. Street, N.W., Washington, D.C. 20036 (Director, Barbara Burn, telephone 653-5817), or Abe Lowenthal, at the Woodrow Wilson Center, but after reading through the material, it became clear to me that he and his organization are extremely well plugged in, and probably need little help. However, what I sense he is looking for is a letter from the President or Mrs. Carter which essentially says what a wonderful job he has been doing and how useful his organization's work has been.

If I can be of any further help, please do not hesitate to call.

Bob



THE WHITE HOUSE  
WASHINGTON

Mrs. Carter,

fyi

M - Do we need to be  
more <sup>rita</sup> personal & see Peter. maybe  
call him & see how he's  
getting along — or something?

RECEIVED  
THE WHITE HOUSE  
JAN 11 10 11 AM '79

TO NEW 381108014

THE WHITE HOUSE  
WASHINGTON

Peter will send package of information about what the Center is doing.....would like the appropriate people in the administration to be aware of their work....

the last thing he wants is federal monies.....apologized for handling of his letter....

told him I knew RSC would be interested, but it might be easier to read information for her to read at a convenient time, rather than trying to find a time to schedule a meeting

m  
1/11/79

CF

THE WHITE HOUSE  
WASHINGTON

8/14/79

Eli Ginzberg --

President Carter asked me  
to send you the attached  
copy of your letter which  
includes his comments, with  
his best regards.

-- Susan Clough



AUG 21 1979  
CENTRAL FILES

THE WHITE HOUSE  
WASHINGTON

8/14/79

stripping desk/central files--

all copies have been sent  
separately.

--SSC

CONSERVATION OF HUMAN RESOURCES  
COLUMBIA UNIVERSITY  
NEW YORK, N.Y. 10027

cc: Jody  
Jerry

I agree  
J

cc Eli -  
Thanks!

J

ELI GINZBERG, DIRECTOR

August 10, 1979

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

My dear Mr. President:

I greatly appreciated your invitation to luncheon at The White House on July 30th. I will not only keep spreading the word at Martha's Vineyard, but am setting out below a suggestion that you may find helpful.

I find in talking to a great many people of different backgrounds that they have not yet been able to recognize how the several pieces fit together--energy, inflation, the dollar, balance of payments, the recession, unemployment and the plight of the poor. You alone are in a strategic position to simplify what otherwise is too complex.

---The central theme should be the security and welfare of the nation.

That is why we must act now and strongly to get moving on energy.

That is why we can't spend ourselves out of the recession. A large deficit will weaken the dollar to a point where our international position would be undermined.

//

---We are rich enough to see to it however that the poor will have their basic needs met, both food and fuel; that there will be a net under the increased number of the unemployed; and that minority youngsters growing up in the inner city have opportunities to get jobs. On the last, government needs the active involvement of the private sector.

//

The two themes of protecting our national security and advancing the general welfare may provide the simplification that the public badly needs to see how the pieces fit together. On both grounds I would urge you to remind the American people repeatedly that this is a time of belt tightening. No group can expect to improve its position. If one or more groups tries to get an advantage we will all be worse off because inflation will worsen. If we hold the line for a short time a rising standard of living will soon again be possible.

Thank you again for the opportunity to help in whatever small way I can. The National Commission for Employment Policy will have an outline of its findings and recommendations on youth ready to review with you by the middle of September.

In high esteem,

Sincerely,

Eli Ginzberg

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THE PRESIDENT'S SCHEDULE

Tuesday - August 14, 1979

NOT ISSUED

---

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

9:30 Mr. Hamilton Jordan and Mr. Frank Moore.  
The Oval Office.

# 11:00 Secretary Cecil Andrus - The Oval Office.  
(10 min.)

11:30 Vice President Walter F. Mondale,  
(30 min.) Admiral Stansfield Turner, Dr. Zbigniew  
Brzezinski and Mr. Hamilton Jordan.  
The Oval Office.

# 1:45 Mr. Tom Murphy. (Ms. Anne Wexler).  
The Oval Office.

2:30 Drop-By Texas State Constituency Briefing.  
(15 min.) (Mr. Tim Kraft) - The East Room.

THE WHITE HOUSE  
WASHINGTON

8/14/79

Mr. President:

NINE SIGNATURES REQUESTED on letters  
and messages transmitting annual  
reports.

DPS has cleared all of the reports,  
and Stu recommends that you not read  
them.

In the future, would you prefer to  
have routine transmittal messages  
for annual reports cleared by DPS  
autopenned?

\_\_\_\_\_ autopen

✓ I'll continue to sign, if to  
*Congress*

Rick

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THE WHITE HOUSE  
WASHINGTON

Rick --

President said he would  
like to sign the  
Ambassadors' and  
Flag Rank Officers'  
documents.

--SSC

THE WHITE HOUSE  
WASHINGTON

8/14/79

Mr. President:

SIX SIGNATURES REQUESTED on routine  
military and foreign service  
promotion matters.

In the future, would you prefer to  
have routine promotions of this  
sort autopenned?

autopenned

*Be sure they're  
routine*

I'll continue to sign

Rick

*also 9) Consul  
and below &  
b) below flag  
rank*

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*J*

---

THE WHITE HOUSE  
WASHINGTON

BCC AG  
F Moore

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THE WHITE HOUSE  
WASHINGTON

8/14/79

Frank Moore

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

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

AUGUST 13, 1979

5:10 P.M.

MR. PRESIDENT

SENATOR EAGLETON  
CALLED, PROBABLY TO URGE YOU  
TO SEE SOME OF HIS POLITICAL  
FRIENDS WHILE YOU ARE IN  
MISSOURI, OR TO DISCUSS THE  
ATTACHED LETTER WHICH HAS JUST  
ARRIVED AT THE WHITE HOUSE.

BOB THOMSON RECOM-  
MENDS YOU RETURN HIS CALL.

PHIL

THE WHITE HOUSE

WASHINGTON

8-14-79

To Senator Tom Eagleton

The ABA Committee has reassessed Professor Krauskopf as a nominee for judge in the Eighth Circuit, and has unanimously recommended that she not be appointed. She has, I am told, never tried a case and her field of work is substantially confined to domestic relations. The Attorney General recommends that we choose someone else to fill this position.

THE WHITE HOUSE

WASHINGTON

Tom, I appreciate your bringing this matter to my attention and I regret that your judgment is different from ours in this case.

In my opinion, the ABA has tried to be cooperative. This is the first time their Committee has failed to approve a woman or a representative of a minority group, to my knowledge.

Sincerely,  
Jimmy Carter

United States Senate

WASHINGTON, D.C. 20510

*answered  
J*

August 13, 1979

The President  
The White House  
Washington, DC 20500

Dear Mr. President:

I have been advised by Attorney General Bell that the Justice Department will recommend against the nomination of Professor Joan Krauskopf of Columbia, Missouri, to the new seat on the Eighth Circuit Court of Appeals. I understand that this recommendation stems from a negative report on Professor Krauskopf by the American Bar Association's judicial screening committee.

As you know, I am a strong supporter of Professor Krauskopf. She is admirably qualified to serve on the Court of Appeals. I believe that the negative recommendation by the ABA is the result not of lack of qualifications, but of the traditional bias at work within the ABA evaluation process. The ABA reserves its greatest fondness for white, male attorneys engaged in corporate or business practice. The ABA does not smile as broadly on academicians and women.

I am writing to personally appeal to you to not be bound by what I consider to be a short-sighted, narrow-minded position of the ABA, and to nominate Professor Krauskopf to the Eighth Circuit on the basis of her outstanding legal record and strong qualifications for the job.

The ABA has rejected Professor Krauskopf on the grounds that she lacks trial experience. While this assertion is true, it conveniently overlooks the fact that she is not under consideration for a trial court judgeship. Since no one sitting on the Eighth Circuit Court of Appeals comes from an academic background, I believe that the addition of Professor Krauskopf would bring a much needed, fresh, new and valuable insight to the court.

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The President  
August 13, 1979

Page Two

The list of distinguished appellate judges who have come to the bench from academia and without any jury trial experience includes such names as Felix Frankfurter, Wiley Rutledge, William O. Douglas, Henry Edgerton, Calvert Magruder and Charles Clark. Among the judges currently sitting on the federal Circuit Courts are at least four men who came to the bench with no jury trial experience as attorneys. These are Chief Judge James R. Browning of the 9th Circuit, Judge James K. Logan of the 10th Circuit, Judge Joe Sneed of the 9th Circuit and Judge Paul Hayes of the 2nd Circuit. All of these men have proven themselves to be excellent appellate judges, their lack of previous trial experience notwithstanding.

Jury trial experience is by no means an indispensable prerequisite to service on the appellate bench. This is the opinion of seven of the eight currently sitting judges on the Eighth Circuit Court of Appeals, who advised Attorney General Bell in a resolution of the court en banc that:

"...no lawyer who is otherwise well qualified should be considered to be disqualified solely because of that person's lack of trial experience."

This opinion also was shared by the Eighth Judicial Circuit Nominating Commission (appointed by you, Mr. President), which unanimously found Professor Krauskopf to be fully qualified for a seat on the bench. It is worth noting that seven of the eleven Commission members are attorneys, and six of the seven are trial lawyers.

The question of Professor Krauskopf's nomination should not turn on her experience as a trial lawyer, but rather on her overall qualifications. I will not at this point set down a laundry list of Professor Krauskopf's achievements and qualifications; that information is readily available to you, and it is very impressive. I will, however, offer to forward to you the names of dozens of attorneys, law deans, professors, judges and lay persons who are familiar with Professor

The President  
August 13, 1979

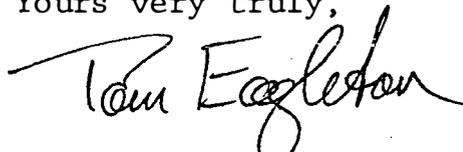
Page Three

Krauskopf's work. They will tell you that she is an outstanding legal scholar, with the potential to become an outstanding appeals court judge.

Undoubtedly, the American Bar Association could find a candidate more in tune with its priorities and philosophies than Professor Krauskopf. However, I do not believe that pleasing the legal establishment should be an overriding consideration in the selection of judges. We would not give the American Medical Association veto power over the selection of an HEW Secretary or a Surgeon General; we would not give the American Pharmaceutical Association veto power over the selection of a Food and Drug Administration Commissioner; we would not give the National Association of Broadcasters veto power over the selection of the Chairman of the Federal Communications Commission; neither should we give the ABA veto power over the nomination of judges.

The ABA's objection notwithstanding, I continue to support Professor Joan Krauskopf as a fully qualified and generally excellent candidate for the Eighth Circuit Court of Appeals. I strongly urge her nomination.

Yours very truly,



THOMAS F. EAGLETON  
United States Senator

TFE/ac

THE WHITE HOUSE  
WASHINGTON

14 Aug 79

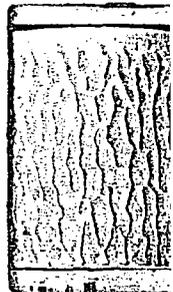
Frank Moore  
Jody Powell

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

Rick Hutcheson

Anne Wexler  
Jerry Rafshoon  
Eliot Cutler

3444



		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
	/	<i>Eliot Cutler</i>

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

THE WHITE HOUSE  
WASHINGTON

8-14-79

cc:

To a) Frank

b) Jody

Distribute to

a) Interested members of  
Congress

b) Interested press



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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

August 10, 1979

THE ADMINISTRATOR

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

1. As a follow-up to your Louisville trip, I thought you might be able to use the following as examples of what your Administration (EPA) has already done to facilitate coal use consistent with environmental standards:

--We've granted 74 of 76 permit applications for new coal-fired power plants. These plants represent 114 million tons of new utility coal demand (a 23 percent increase over 1978).

--We've approved a majority of DOE oil-to-coal switching requests for power plants (100 of about 140; DOE is not pushing the other 40). One plant in Massachusetts alone, Brayton Point, will displace 17 percent of New England's residual oil with coal. (They are also adding \$50 million in pollution control equipment.)

--We've adopted New Source Performance Standards for new coal-fired power plants which will enable the clean burning of all coals and will allow almost a tripling of coal use by 1995.

--We're signing an agreement with DOE to establish environmental requirements for new energy technologies so that prototype facilities won't face a "moving target" problem with standards.

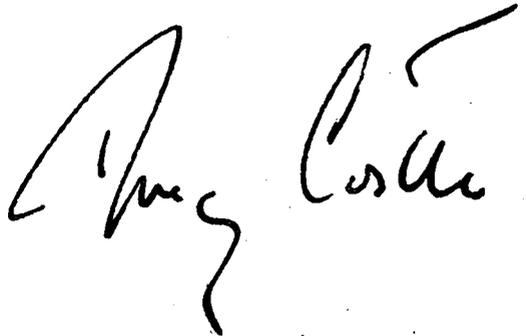
--To encourage the use of synfuels in power plants, we established, as part of our recent New Source Performance Standards, less stringent standards for the initial full-scale synfuel demonstration units. This will provide an opportunity to work out any initial design problems.

--We're speeding up EPA permitting through a one-stop process which consolidates our permit requirements.

--Surface mines will no longer need two sets of Federal water permits--the Interior Department will issue one permit covering all of EPA's and Interior's requirements.

2. On a related subject, we have already begun to implement the Regulatory Council's coal project which you approved and released in Bardstown. As you will recall, the Regulatory Council will serve as "trouble-shooter" and "facilitator" to examine and resolve day-to-day practical problems of overlapping, duplicative, and uncoordinated regulation.

We have already begun a vigorous effort to reach out to the producers and consumers of coal, as well as to the Congress and to State and local agencies to ask for specific examples of duplication and inconsistency in regulatory requirements. I will be working closely with Jay Rockefeller and Secretaries Marshall, Andrus and Duncan on this project.

A handwritten signature in cursive script, appearing to read "Jay Costello". The signature is written in dark ink on a white background.

THE WHITE HOUSE  
WASHINGTON

8/14/79

The Vice President

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

Rick Hutcheson

cc: Eliot Cutler

3443



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

Fritz  
action  
J

August 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Eliot R. Cutler *EC*  
SUBJECT: Coordination of Energy Program

Stu has asked me to bring you up to date on our progress in establishing a coordinated effort aimed at enactment of the Administration's recent energy initiatives.

Working closely with the Senior Staff and Secretary Duncan, we have begun implementation of the basic strategy and approach outlined in the attached July 30 memorandum from me to Hamilton. A unit leader has been designated for each of the initiatives, and work plans are now being developed and reviewed. In addition, we have commenced a public and Congressional support-building effort which will be our critical activity over the next four to five weeks.

I am also attaching for your information a copy of our first weekly status report. As the overall fall legislative effort progresses, these status reports will serve to keep key White House and DOE personnel fully informed on where we stand.

cc: Hamilton Jordan  
Jim McIntyre  
Stu Eizenstat

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THE WHITE HOUSE  
WASHINGTON

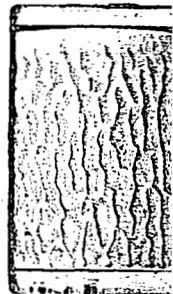
14 Aug 79

Stu Eizenstat

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

Rick Hutcheson

2441



THE WHITE HOUSE  
WASHINGTON

8-14-79

Stu-

What is status of  
nuclear waste proposal?

J

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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 -

ACTION  
FYI

		ADMIN CONFID
		CONFIDENTIAL
		SECRET
		EYES ONLY

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

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

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

THE WHITE HOUSE  
WASHINGTON  
8/14/79

Frank Moore

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

Rick Hutcheson

3439

CAMP DAVID

August 13, 1979

Mr. President -

Stuart called to let you know that  
Congressman Al Ullmann has fractured his  
knee cap --- it's apparently quite serious;  
Stu thought you might like to give him a  
call.

fran

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THE WHITE HOUSE  
WASHINGTON

Phil has  
seen

THE WHITE HOUSE  
WASHINGTON

August 14, 1979

MR. PRESIDENT:

DO YOU WANT TO  
GET A HAIRCUT BEFORE  
LEAVING ON VACATION?

YES \_\_\_\_\_

WAIT UNTIL RETURN  \_\_\_\_\_

PHIL

THE WHITE HOUSE  
WASHINGTON

Mr. President:

Bob Lipshutz needs  
to see you for 5 minutes  
about 2-3 matters today.  
I suggest 1:40 pm.

approve  disapprove

Phil

THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

FYI

August 10, 1979

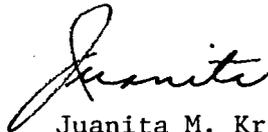
REPORT TO THE PRESIDENT

Chinese Minister of Foreign Trade Li Qiang has accepted my invitation to visit the United States this fall. He will be in Washington October 23-25 for meetings with Federal Government officials and then will travel in the U.S. for about one week. We shall use this occasion to follow up on those issues raised or not resolved during the Vice President's visit and to provide the Minister with a first-hand view of American industry, our economic capabilities, and potential trade opportunities.

From August 13 to 17 Commerce will lead a small mission to Panama which you requested after your May meeting with President Royo. State and OPIC will participate with us in evaluating the current investment climate in Panama, assisting the Panamanian Government in identifying industry sectors for U.S. investment, and examining the prospects for a full-scale U.S. investment mission to Panama in the future.

Additional major loan guarantees in EDA's steel program are anticipated before this fiscal year ends on September 30. Loan guarantees totaling \$153.5 million have been approved already. One of these, Wisconsin Steel, was announced yesterday in Chicago by Jack Watson and Bob Hall and involves almost 4,000 jobs, about 40 percent of which are held by minorities. Another, Phoenix Steel, is now tied up in the courts. Two additional loan applications, involving over \$200 million, are under active consideration: Wheeling-Pittsburgh Steel (\$100 million) and Jones and Laughlin (\$111 million).

We are all pleased with the nomination of Reuben Askew to be your Special Trade Representative. We are trying to schedule a meeting at the earliest possible date to coordinate our plans for trade reorganization.



Juanita M. Kreps

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THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

August 10, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM: W. Graham Claytor, Jr.  
Acting Secretary

*Linda L. Smith  
for*

SUBJECT: Significant Issues for the Week of August 6

Transition - Secretary-Designate Goldschmidt arrived in Washington late on Wednesday and current plans call for him to be here through Tuesday, August 14. A small transition team is in place and working on confirmation hearings, issues papers and personnel decisions. Arrangements are being made for Jack Watson to return with Mr. Goldschmidt on Tuesday to Portland to be present for the ceremony on Wednesday, August 15, when Goldschmidt is sworn in as Secretary under a recess appointment. I look forward to returning to my duties at the Defense Department at that time.

Milwaukee Railroad Bankruptcy - Next week DOT will file in support of the Milwaukee Railroad Trustee's petition to the Bankruptcy court requesting that the Court order an embargo of major portions of the railroad. Service will continue on the rest of the system. We are working to assure that essential rail services continue to be made available in the areas to be embargoed while lines generating significant amounts of traffic are transferred to other operators. The decision to enter the proceeding in support of the trustee was coordinated through John White and the White House staff. We have communicated with Congressman Henry Reuss and Senator Gaylord Nelson and both are supportive of the action. We will work with all interested parties to assure that any employee of the railroad disadvantaged by this action receives equitable treatment, but at the lowest possible cost to the government.

Texas Deepwater Port - We have reached effective agreement with the Texas Deepwater Port Authority (TDPA) on the terms of a license for an \$800 million privately-financed deepwater port to be constructed 26 miles off the coast of Texas. The license will be officially offered on August 15. While TDPA is not pleased with all the conditions of the license, many of which were added to meet the concerns of the Department of Justice and the FTC, they have indicated that acceptance is likely. The Port of Galveston, which submitted a competing application for deepening of its channel, is likely to be concerned.

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Bay of Campeche Oil Spill - On June 3 an exploratory well in the lower Gulf of Mexico blew and since that time has been discharging between 10,000 and 30,000 barrels of oil a day into the sea. Control and collection efforts at the well site have been unsuccessful and current estimates are the discharge will continue until October. The Coast Guard is in charge of a multi-agency Federal response effort utilizing funds from the Federal Pollution Revolving Fund. Federal personnel are now deployed between Corpus Christi and Brownsville, Texas, to initiate clean up activities in U. S. waters. The Mexican government has also requested Coast Guard assistance and oil recovery equipment at the well site, which Mexico is financing.

FAA Satellite Airport Plan - With Secretary-Designate Goldschmidt's concurrence, the Federal Aviation Administration announced this week a major new program to upgrade air safety by improving satellite airports in 56 metropolitan areas. This will be a \$100 million 4-year program to relieve congestion and reduce the mix of commercial/non commercial aircraft at major airports. This is one of several safety efforts which have been implemented since the San Diego crash last September.



Office of the Attorney General  
Washington, D. C.

August 10, 1979

Principal Activities of the Department of Justice  
for the Week of August 6 through August 10, 1979

1. Meetings and Events

The Attorney General spoke at the investiture of R. Lanier Anderson, III, as a judge of the Fifth Circuit Court of Appeals in Atlanta on Monday, August 6. On Tuesday, he presided at a private ceremony to award the Attorney General's Medal to former Deputy Assistant Attorney General Myron Baum, who has just retired after 22 years in the Tax Division. On Thursday, he presided over the farewell party for Associate Attorney General Michael J. Egan, who will be resigning effective August 18. On Friday night, he will be attending a dinner meeting with the American Bar Association's Standing Committee on Federal Judiciary in Dallas, Texas, as part of the ABA's annual meeting.

2. Swearing-in Ceremony for Attorney General-Designate Civiletti

The Attorney General will address the employees of the Justice Department for the last time at 11:00 a.m. in the Great Hall on Wednesday, August 15. The next day, Thursday, also at 11:00 a.m., the Chief Justice of the United States will administer the oath to Attorney General-Designate Civiletti in the Great Hall. The ceremony is on the President's own calendar.

3. Judicial Section

There are currently 145 federal judgeship vacancies (112 under the new law and 33 regular vacancies). The President has signed off on 118 candidates for these vacancies who are now in various stages of the selection and nomination process. This leaves 27 vacancies (14 under the new law and 13 under regular vacancies) not yet presented to the President. Of the 118 candidates, 53 are pending at the Senate (48 under the new law and 5 under regular vacancies), 3 are pending at the White House (2 under the new law and 1 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).

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

C  
—

August 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth  
Jane Yarn



SUBJECT: Weekly Report

Protection of Whales. A Rose Garden signing ceremony of the Fishery Conservation and Management Act would be a fine opportunity for you to take credit for your long held commitment to saving whales, which you recently reaffirmed in your Environmental Message. The Act penalizes foreign nations which continue to violate the whale conservation agreements of the International Whaling Commission, by rescinding their fishing allocations in the U.S. 200-mile fisheries conservation zone. Members of the conservation community should be invited.

Tellico Dam. In the first few days after the recess, the Senate is scheduled to vote on the Energy and Water Resources Appropriation bill which has passed the House. The bill would direct TVA to construct the Tellico Dam and exempt the dam from the Endangered Species Act and all other provisions of law. Construction of Tellico Dam will result in annual economic losses. The Tellico amendment overturns the process designed by Congress last year to deal with conflicts between endangered species and development projects. The amendment creates the serious precedent of summarily overturning all statutory requirements for construction of a water project.

If the bill passes with the Tellico amendment still in it, we would urge you to veto it. If your decision is to veto, that would encourage the Senate to remove it from the bill.

Nuclear Waste Management. At the Environmental Message press conference a reporter asked when the Administration policy on nuclear waste management would be completed. The question mirrors the public's expectation that a comprehensive policy will be announced soon. A number of Governors have testified before Congress about their problems with the current nuclear waste management situation and their interest in having a comprehensive policy. A firm policy is needed for FY 1981 budget planning. The policy would also significantly aid our efforts in opposing several counterproductive waste bills now before Congress. An OMB decision memorandum has been completed, which we understand needs only to be updated to reflect a few recent changes. We recommend a decision be made as soon as other considerations permit.

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

21

August 9, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson  
Staff Secretary

SUBJECT: Weekly Report

FOREST SERVICE. About 140,000 acres of forest and brushland in the west are burning out of control at the present time in 18 major fires being fought by approximately 4,500 firefighters. The two largest, over 50,000 acres each, are in Idaho.

The Heritage, Conservation and Recreation Service reports that in 1978 the Forest Service provided 924,835 total recreation days. The Forest Service provided more than 42 percent of total visitation to federal recreation units in 1978.

We now have 112 recreation trails, 108 of which have been established since January 1977. Our goal is to have 244 national forest recreation trails by January 1980 and it appears we will reach that goal.

Had lunch with Reubin Askew Tuesday and I am delighted as I know you are to have him here.

  
JIM WILLIAMS  
Acting Secretary

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

C

August 10, 1979

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

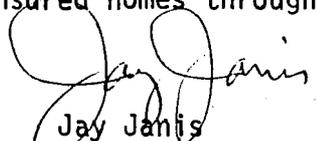
SUBJECT : Weekly Report of Major Departmental Activities

Small Cities Get Action Grants. HUD has announced targeting of \$22.4 million in Urban Development Action Grants to 24 small, distressed cities. This money will attract more than \$131 million in private investments to create jobs, housing and stronger tax bases. Over 500 existing jobs will be saved by the public/private development projects initiated with the aid of the Action Grants. When construction begins some 2,398 jobs will be created, and by completion some 4,581 new permanent positions will be added to the economy.

HUD Bids Farewell to Presidential Appointee. On August 10, the resignation of William J. White, General Manager of the New Communities Development Corporation, becomes effective. Mr. White is leaving to become President and Chief Executive Officer of a mortgage banking firm in Boston. We are grateful to Bill for the excellent service he has given to New Communities at a very difficult time in the program's history.

Transition Process Continues. Secretary-Designate Moon Landrieu is beginning to meet with HUD staff and is being briefed on critical issues where he will need to make decisions in the near future. On Friday, Mr. Landrieu will participate in a panel discussion at the White House before leaders of the Hispanic community.

Homeowners Offered Second Chance. On August 8, announcement was made of two separate actions that will benefit an estimated 87,000 low and moderate income families who are now or were at one time FHA-insured homeowners. Under the first initiative HUD will reevaluate rejected claims of certain homeowners for repairs or reimbursement for repairs made to correct structural defects which are claimed to have existed when the FHA-insured homes were purchased. The second initiative involves reconsideration of requests by certain former homeowners who lost their FHA-insured homes through foreclosure.

  
Jay Janis  
Acting Secretary

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for Preservation Purposes



Department of Energy  
Washington, D.C. 20585

August 10, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: JIM SCHLESINGER  
SUBJECT: Weekly Activity Report  
August 4 - 10, 1979

1. Heating Oil Stock Build on Track. As of August 3, 1979, the level of distillate oil (heating oil and diesel) stocks was 170.0 million barrels, well on track to the Administration's target of 240 million barrels by the end of October. This was an increase of 5.1 million barrels over the level on the previous Friday. During the period from June 15 to August 3 distillate stocks have increased at a rate of 0.820 million barrels per day. In order to reach the 240 million barrel target by the end of October, distillate stocks would have to increase by only 0.787 million barrels per day. At the current rate of build, distillate stocks would exceed the target level by about 2.9 million barrels at the end of October. High levels of both distillate imports and distillate production continued last week. On August 3, primary stocks of home heating oil in New England were 13.9 million barrels which is 300,000 barrels above the home heating oil stock level for this region last year.

2. Implementation of the New Retail Gasoline Dealer Margin Rule. The Department's Office of Hearings and Appeals has granted relief to retail gasoline dealers in small communities in Alaska. They may charge margins in excess of the general rule of 15.4 cents above product costs to the dealer. Governor Atiyeh of Oregon has exercised the states' discretionary relief authority provided in the rule through an Executive Order that would authorize independent retail stations in Oregon to raise their prices to a maximum ceiling of up to 17.9 cents. The notice of the governor's decision was received by ERA yesterday. Under the applicable DOE rule ERA has 10 days within which it may disapprove such a decision. The governor of Arizona has requested relief for gasoline retail dealers in that state without any upper limit. ERA has informally advised Governor Babbitt's office that it could not grant the relief as proposed. Arizona has been advised that a modified proposal would be considered.

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THE WHITE HOUSE  
WASHINGTON

8/14/79

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

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

3437

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

ACTION  
FYI

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<input checked="" type="checkbox"/>	VICE PRESIDENT
<input checked="" type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	KRAFT
<input checked="" type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input checked="" type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	WATSON
<input checked="" type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
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<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
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<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
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<input type="checkbox"/>	PRESS
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<input type="checkbox"/>	WARREN
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<input type="checkbox"/>	BROWN
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<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE



THE SECRETARY OF THE TREASURY  
WASHINGTON

August 10, 1979

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MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR

The dollar depreciated slightly against most major currencies in fairly quiet and balanced trading this week. Some market nervousness developed following release of the July wholesale price figures Thursday morning showing a rise of 1.1%, although no U.S. intervention was necessary. Sterling, which had declined by over 5% during a two-week period, steadied late in the week.

2. EPG ACTIVITIES

We have decided that EPG meetings should regularly include Secretaries Marshall and Kreps, and Under Secretary Cooper of State, in addition to Charlie, Jim, Stu, Fred and the Vice President. This larger group will be meeting twice a week, Monday and Thursday, with extra sessions as necessary. I am still considering how best to relate my economic coordinating responsibilities to the normal DPS, NSC and OMB staff procedures.

Concerning EPG work on the wage-price program:

- . CWPS has now published a discussion paper on next year's standards.
- . We continue private consultations with labor and business representatives, trying for some measure of consensus on anti-inflation policy.
- . We are finishing up staff work on policy recommendations made by labor in the consultations, touching on a number of areas (e.g., federal pay, OSHA standards for federal employment, Jones Act coverage of the Virgin Islands, trade adjustment assistance, compliance with Humphrey-Hawkins Act procedures).

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- . We are all presently disinclined to propose any legislation for further "sanctions" to induce compliance with the wage-price standards.

I have asked the EPG Deputies to develop a statement of our long-term economic strategy. I hope this will serve us as a useful internal guide in policy debates; it may also provide the substance for a major address by you this autumn or early winter.

3. CHRYSLER CORPORATION .

I met separately yesterday with the Company's management, its outside directors, its banks and with the press to convey the Administration's position. The Directors subsequently formed a Special Board Committee, hired a financial adviser and management consultant, and will present a revised business and financial plan to Treasury in two weeks. We will then assess it and report to you as to whether it is a satisfactory basis for moving forward with loan guarantee or similar legislation.

  
G. William Miller

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



1

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson, Staff Secretary

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

SUBJECT: Weekly Report of Significant Agency Activities  
(August 6 - August 10, 1979)

Energy Crisis Assistance Program

Planning is proceeding on schedule for a \$400 million low-income assistance program aimed primarily at making emergency payments to home heating vendors. CSA is working with HEW, SBA, DOE and state and local representatives in the design of a program for the next heating season. It is expected that draft regulations will be circulated to Domestic Policy Staff and OMB by August 17, 1979 with a planned publication date for emergency regulations on or about September 4, 1979.

Family Farm Cooperative Program

CSA has just signed an interagency agreement with the Farmers Home Administration (FmHA), the Economic Development Administration (EDA), and the Department of Labor to develop a community-based cooperative system structured to deal with the perennial problems of rural poverty, unemployment and out-migration. The approach, patterned on the "moshav" concept used successfully in Israel, involves a "corporate to cooperative" model in which farmers will be trained and, upon certification, will be given title to (or exclusive rights to use) individual parcels of land to be farmed as part of a local cooperative.

Family Violence Projects

CSA has just signed an interagency agreement with the Law Enforcement Assistance Administration (LEAA) to work together in developing a community-wide approach to family violence. Under the agreement, LEAA's nine Family Violence Projects will work with Community Action Agencies to provide services to low-income families who suffer family violence problems.

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UNITED STATES REGULATORY COUNCIL

401 M Street, S.W.  
Washington, D.C. 20460

August 10, 1979

  
CHAIRMAN  
Douglas M. Costle

MEMORANDUM FOR THE PRESIDENT

FROM: Douglas M. Costle

SUBJECT: Weekly Report

- o The five agencies which regulate chemical carcinogens have reached agreement on a proposed national cancer regulatory policy. Next week, we will brief your staff on that proposal and develop an appropriate announcement strategy pending your review of the policy.
- o At the request of Treasury, the Regulatory Council Committee on Automobiles has been coordinating the participation of the regulatory agencies in the Chrysler situation. Stu and Bob Carswell met with the Committee this week prior to Bill Miller's Thursday Chrysler announcement.
- o Final guidelines requesting explicit statements of the cost-effectiveness of upcoming major regulations for the next edition (November 15) of the Calendar of Federal Regulations were circulated for comment and issued.

A large, stylized handwritten signature, likely of Douglas M. Costle, written in dark ink.

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COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

August 11, 1979

CHARLES L. SCHULTZE, CHAIRMAN  
GEORGE C. EADS  
LYLE E. GRAMLEY

MEMORANDUM FOR THE PRESIDENT

From: Lyle E. Gramley *LEG*  
Subject: CEA Weekly Report

Charlie Schultze was discharged from the hospital last Saturday. He is now on vacation at the beach with his family. As you saw on Monday, he looks well -- although quite thin. We have talked with him this week, and he sounds good and says he feels good. We still expect him back about Labor Day.

Chrysler

We were involved in the deliberations over the Administration's response to Chrysler's request for aid. The outcome seems to us the appropriate one. Along with Treasury and others, we will continue to watch and study, Chrysler's response.

Energy

We are doing some work on just how the mechanics of the oil import quota might best be handled. In addition, George Eads is heading a group trying to assess the economic impact of the import reduction program.

Mexican Winter Vegetables

One of our senior economists will serve as economic advisor to the negotiating team and will accompany the team to Mexico this week.

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U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY  
WASHINGTON, D.C.  
20210

C  
/

August 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities  
August 6-10

The AFL-CIO Executive Council has just concluded its Chicago meeting. Contrary to some press reports, it is my understanding that they were relatively positive and constructive in both private and public pronouncements. This attitude of cooperation is a result of our ongoing consultation and underscores the importance of this process.

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1:45 PM

THE WHITE HOUSE

WASHINGTON

August 13, 1979

MEETING WITH TOM MURPHY

Tuesday, August 14, 1979

1:45 p.m. (15 minutes)

The Oval Office

From: Anne Wexler *[Signature]*

I. PURPOSE

An off the record meeting to discuss new product plans of General Motors for the next several years.

II. BACKGROUND, PARTICIPANTS & PRESS PLANS

A. Background: General Motors has decided to proceed with production of more fuel efficient cars in the most accelerated time frame possible. They have made this decision absent any action on our part on fuel economy standards. Mr. Murphy would like to describe this program to you.

B. Participants: Tom Murphy and Anne Wexler.

C. Press Plan: This is a completely off the record meeting. It will not appear on the public calendar and will not be known to the press. Mr. Murphy understands this.

III. TALKING POINTS

I understand that, although we have not made our decision on fuel economy, you will move ahead with product plans with a large financial investment. This action reinforces our goals for energy security and I am eager to hear what you are doing.

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THE WHITE HOUSE  
WASHINGTON

Mr. President:

Tom Murphy will be at  
the White House tomorrow  
and this would be a good  
time for the attached  
recommended meeting.

approve brief meeting

disapprove

 Phil

1:45 pm  
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MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

August 8, 1979

TO: PHIL WISE  
FRAN VOORDE

FROM: ANNE WEXLER *AW*

General Motors Chairman of the Board, Tom Murphy, has called me to request a meeting with the President to discuss the new product plans for General Motors for the next several years.

Because of the recent discussions on timing for compliance with the fuel economy standards, and the lack of a decision as yet, GM has found it necessary to make their product planning decisions without a government decision on fuel economy.

The bottom line is that GM has gone ahead and adopted a new product program which will achieve more fuel efficiency for their cars in the years ahead. In other words, they have bitten the bullet on fuel economy, have decided to spend a great deal of money on retooling, and made the decision to proceed with the greatest possible speed toward production of more fuel efficient cars in the most accelerated time frame possible. It is this program that Mr. Murphy would like to outline to the President.

This is a private meeting. Murphy has not indicated that he has any interest in having any press coverage at this meeting whatsoever. He feels strongly that he has moved his company, at some risk, to a leadership position in complying with the President's energy goals. He would simply like to tell the President how far and how fast they have come in a private meeting.

Given Mr. Murphy's consistent support of key programs of this Administration, I recommend the President see him for approximately fifteen minutes.

5739

Treaty

Goldberg-Helsinki

Exchange

Emigration 50,000

Anti-boycott

Holocaust Comm.

Introspection

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Texas Mtg

Staff Δ's

Cabinet = Goldschmidt -  
Landrieu - Harris - Askew -  
Miller - Volcker - Duncan

Inflation, econ. = HCC  
Steady Course

SALT

Energy

texas state  
constituency  
briefing

8/14/79

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2:30 PM

THE WHITE HOUSE

WASHINGTON

August 13, 1979

MEETING WITH OPINION LEADERS AND ACTIVISTS FROM  
TEXAS

---

Tuesday, August 14, 1979  
2:30 P.M. (20 minutes)  
The East Room

From: Tim Kraft TK

I. PURPOSE

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

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

- A. Background: This is the tenth in a series of meeting for civic and political leaders from the states. Your first was in August of 1978.
- B. Participants: A cross section of civic, community, and political leaders (guest list attached).
- C. Press Plan: No Press.

III. TALKING POINTS

Energy, the anti-inflation program, and SALT II are are key items of discussion on the agenda. You should emphasize the priority you place on each and your need for their support, in the nation's interest.

attachments:

agenda  
guest list

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WHITE HOUSE MEETING  
TUESDAY, AUGUST 14, 1979

9:00 A.M.	Foreign Policy & SALT II	DR. ZBIGNIEW BRZEZINSKI Assistant to the President for National Security Affairs
9:45 A.M.	Anti-Inflation Program	SECRETARY WILLIAM MILLER Secretary of the Treasury
10:30 A.M.	Domestic Policy & Energy	STU EIZENSTAT Assistant to the President for Domestic Affairs
11:15 A.M.	Depart for State Department, Ben Franklin Room for lunch	
1:15 P.M.	Depart State Department for White House, East Room	
2:00 P.M.		HAMILTON JORDAN Chief of Staff White House
2:30 P.M.		PRESIDENT CARTER

After the President's remarks, the meeting will close, followed by refreshments in the Foyer.

GUEST LIST FOR WHITE HOUSE MEETING -- TUESDAY, AUGUST 14, 1979

Dr. Jimmy Allen, San Antonio

Daniel Anchondo, Treasurer, State Democratic Exec. Comm., El Paso

Juan Aranda, Steelworkers, El Paso

Hon. Bob Armstrong, Texas Land Commissioner, Austin

Morris Atlas, Hidalgo County Democratic Chair, McAllen

W. O. Bankston, Dallas

Frank Barron, CWA

Sam Beard, Jr., Vice President, Goldman Sachs, Dallas

Lan Bentsen, Houston

Joe Bishop, Dallas

Jane Blumberg, Democratic National Committeewoman, Seguin

Hon. Bennie Bock, State Representative, New Braunfels

Tony Bonilla, Executive Director, LULAC

James Boyle, President, Texas Consumers Association, Austin

Searcy Bracewell, Attorney, Houston

Bill Brice, Brice and Barron, Dallas

Hon. Chet Brooks, State Senator, Pasadena

Hon Reagan Brown, Commissioner of Agriculture, Austin

Susan Buck, Dallas

Hon. Bob Bullock, State Comptroller, Austin

Jim Calaway, Houston

Esther Campos, Houston

Hon. Bill Caraway, State Representative, Houston

Ms. Clintine Cashion, Houston

Willie Chapman, Secretary Treasurer, Dallas AFL-CIO

John Chase, Houston

Joe Christie, Austin

Dr. Henry Cisneros, San Antonio

Hon. Ron Clower, State Senator, Dallas

Hon. Lila Cockrell, Mayor, San Antonio

John Cope

Hon. William Courtney, Mayor, Temple

Lynn Darden, Wichita Falls

Deralyn Davis, Vice-Chmn, State Democratic Exec. Comm., Fort Worth

Sandra Davis, Levelland

Sam Dawson, President, Steelworkers

Frances Dirks, Dallas

Hon. Jerry Donaldson, State Representative, Gatesville

Sal Esparza, Houston

Gene Evans, Waco

Hon. Ray Farabee, State Senator, Wichita Falls

Joe Foy, President, Houston Natural Gas

Dr. Hector Garcia, Corpus Christi

Don Gladden, Lawyer, Fort Worth

Hon. Billy Goldberg, Chairman, State Democratic Executive Comm.

Gene Goodson, Operating Engineers

Hubert Green, Attorney, San Antonio

Anne Greene, Houston

Jim Guidrey, Aide to Mayor McConn, Houston

Joe Gunn, Secretary-Treasurer, Texas State AFL-CIO

Anthony Hall, Houston

Harold Hammett, Fort Worth

Bob Hardesty, Austin

Bob Hauge, Rice University, Houston

Jess Hay, Chairman & CEO, Lomas & Nettleton, Dallas

Ernie Haywood, Pres., Black Chamber of Commerce, Dallas

Hon. John Hill, Austin

Hon. William Hobby, Lieutenant Governor

Harry Hubbard, President, Texas AFL-CIO

Tanner Hunt, Beaumont

David Jaderlund, Aide to Mr. Lowell Lebermann

Sarita Jiminez, Florenceville

Dr. Jesse Jones, Progressive Voters League, Dallas

O. D. Kenemore, Lake Jackson

Allen King, Houston

Carl King, Dimmitt

Charles Kirkham, Merrill, Lynch, Pierce, Fenner & Smith, Dallas

Hon. Glenn Kothmann, State Senator, San Antonio

Lowell Lebermann, Austin

Bernard Lifshutz, Texas Home Improvement, Inc., San Antonio

Susan Longley, Austin

Ann Marek, Fort Worth

Hon. Oscar Mauzy, State Senator, Austin

Hon. Carole McClellan, Mayor, Austin

Hon. Jim McConn, Mayor, Houston

Ernest McGowen, HISD School Board, Houston

Hon. Peyton McKnight, State Senator, Tyler

Dr. B. H. McVicker, Lufkin

Bill Mead, Chairman of the Board & CEO, Campbell-Taggart, Dallas

Charles Miles, Austin

Josephine Miller, Sinton

Don Montgomery, Jr., Dallas

Dr. Prentis Moore, Houston

Harvey Morton, Lawyer, Lubbock  
Hon. Lynn Nabers, State Representative, Brownwood

Jay Naman, President, National Farmers' Union, Waco  
John Nash, Jr., Austin  
Ray Nasher, Ray Nasher Company, Dallas

Billy Lee Nelson, B. L. Nelson Associates, Inc., Dallas

Don Newquist, Vice President, Lovaca Gathering Company, San Antonio

Hon. Jim Nugent, Texas Railroad Commission

Steve Oaks, Butler, Binion, Attys., Houston

John Odam, Fullbright & Jaworski, Attys., Houston

Hon. Roy Orr, County Commissioner, 1st Vice Pres., NACO, Dallas

Hon. Carl Parker, State Senator, Port Arthur

Hon. Hugh Parmer, Fort Worth

Hon. Bill Patman, State Representative, Ganado  
Carrin Patman, Democratic National Committeewoman, Austin  
Dr. Stanley Pearle, Pearle Vision Center, Dallas

Judge John Peavy, Jr., Family Law Center, Houston

Nancy Perkins, Abilene  
Richard Perkins, Secretary, State Democratic Exec. Comm., Dallas  
Martin Perlman, Houston

Joyce Peters, Bexar County Democratic Chair, San Antonio

Hon. John Poerner, Texas Railroad Commission  
Sam Polk, Postal Workers  
Hon. Al Price, State Representative, Beaumont

Tony Proffitt, Deputy Coordinator, C/M Campaign, '76, Liberty Hill

Hon. Paul Ragsdale, State Representative, Dallas

Ray Ramon, Brownsville

Hon. Irma Rangel, State Representative, Kingsville

Bernard Rappaport, American Income Life Insurance Company, Waco  
Leonard Rauch, Houston

Dr. Sydney Reagan, School of Business, Southern Methodist Univ., Dallas

Harry Reasoner, Attorney, Vinson & Elkins, Houston

Hon. Ben Reyes, State Representative, Houston

Leo Riedel, Democratic National Committeeman, La Marque

Ms. Pic Rivers, President, Texas Fed. of Democratic Women, Houston

Ms. Pat Robards, San Antonio

George Rodriguez, Jr., El Paso

Sylvia Rodriguez, Democratic National Committeewoman, San Antonio

Jim Sale, Weber Hall Cobb & Caudle, Inc., Dallas

Marion Sanford, Houston

Julian Scheer

Joyce Schiff, Dallas

John Schlensker, Schlensker Drilling Corporation, Richardson

Linda Shoemaker, San Angelo

Henry Simon, Jr., Fort Worth

Bill Smyrl, Architectural Development Corporation, Dallas

Ralph Spence, Tyler

Ronald Steinhart, President & CEO, Valley View Bank, Dallas

Rick Strauss, Realty Development Corporation, Dallas

Hon. Bill Sullivant, State Representative, Gainesville

A. C. Sutton, NAACP, San Antonio

Hon. Buddy Temple, State Representative, Austin

Frank Thompson, Houston

Hon. Carlos Truan, State Senator, Corpus Christi

James Turnage, El Paso National Bank, El Paso

Barbara Vackar, Austin

Estil Vance, Tarrant County Democratic Chair, Fort Worth

Ms. Billie Veach, Burnett

Hon. Mack Wallace, Texas Railroad Commission

Hon. Kathy Whitmire, City Comptroller, Houston

Bill Whittle, Corpus Christi

Hon. Ron Wilson, State Representative

Nelson Wolff, San Antonio

Ray Wooster, Retail Clerks

Bill Wright, Houston

Larry York, Baker and Botts, Houston

Art Zeitler, Corpus Christi

Vester T. Hughes, Jr. - attorney  
Buck Florence - attorney  
Sue Cox - Dallas  
Judge Ed Miller  
Joe Medina - President, Ramtex, Inc.  
George Phenix - Director, National Economic Research Institute  
Dr. Judith Zaffirini - Member, State Democratic Executive Committee;  
Director of Communications, Laredo Junior College  
Dorothy Barker - State Democratic Executive Committee  
Nancy Williams - State Democratic Executive Committee  
(Ms.) Billie Carr - DNC Executive Committee  
Raul Reza Vasquez - LULAC Texas State Director  
Cecile Russell - President, Texas State Teachers Association  
Sue Pate - teacher  
Arlington McRae - Certified Public Accountant  
Paul C. Moreno - State Representative  
Alfredo Moreno - aide to Representative Moreno  
Karen Simon - Executive Assistant to the Regional Administrator of HUD  
Joe Pate - President, Pate Grain Company  
Dr. James Dunn - Reverend

Glen Hunt - Congressman Hance's staff  
James Turman - Congressman Mattox's staff  
Thomas Whatley - Congressman Eckhardt's staff  
John Michael Keeling - Congressman Pickle's staff  
Ivan Sinclair - Congressman Hightower's staff  
Karen Dorsey - Congressman White's staff  
James Morgan - Congressman Stenholm's staff  
Judge Al Green - guest of Congressman Leland  
Timothy Baldwin - Congressman Frost's staff  
Kenneth Black - Congressman Hall's staff  
Charles Holmes - Congressman Leath's staff  
Robert Fleming - Congressman Kazen's staff  
Robert Johnson - Congressman Roberts' staff  
Craig Raupe - Congressman Wright's staff  
Sharon Matts - Congressman Brooks' staff  
Charles Simpson - Congressman Wilson's staff

Donald Glover - Jefferson County Democratic Chair  
Warren G. Harding - Austin

3:00 pm

THE WHITE HOUSE

WASHINGTON

August 14, 1979

Q  
/

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Interview with Trude Feldman

Jody suggested that I provide you with some brief talking points for your interview with Trude Feldman, which I understand will be used in connection with a Rosh Hashanah piece she is doing. I recommend that you make the following points:

1. The new Jewish year will be 5739. That any religion could be so enduring, particularly in light of the enormous burden its members have borne in countless persecutions over the centuries, is a testament not only to the perseverance of the Jewish people but also to the moral and ethical foundation of the religion.
2. Many of the moral and ethical principles upon which Judaism is based are the same principles which have guided so many of my actions as President -- fervent commitment to peace, a love of freedom, a concern for humanity and human rights, a dedication to equality and against discrimination.
3. A brief look at my record shows clearly how those principles, so dear to Judaism and the Jewish people, have guided my actions:
  - Helped achieve the Peace Treaty between Egypt and Israel -- a Treaty almost no one thought possible three years ago, or even one year ago -- a Treaty that achieved peace between those two peoples for the first time in 4000 years -- a Treaty that will serve as the framework for a comprehensive Middle East peace settlement.

- . Pursued a human rights policy that has reversed the course of our foreign policy and made clear to the world that the U.S. will not tolerate breaches of fundamental human rights:
  - Appointed Arthur Goldberg as Ambassador to the Helsinki Commission review of human rights violations -- and pointed out the Soviet and Eastern bloc violations.
  - Met with Soviet dissidents to let the world know of their plight and our own firm opposition to the Soviet handling of their cases.
  - Personally involved in negotiating prisoner exchange with Soviets in order to free Jewish and other dissidents suffering from religious persecution -- first such exchange Soviets have ever made (others have involved American spies, not Soviet citizens).
  - Spoke against the treatment of Scharansky and raised his situation and that of others with Brezhnev and Gromyko..
- . Worked to remove constraints imposed upon Soviet Jews by seeking to ease their ability to emigrate. Have done this out of a concern for their human rights and religious freedom. Soviet emigration is now at its highest level in history, because we have been firm in our resolve. This had led to a substantial increase in emigration of Soviet Jews from an annual rate of 14,000 when I came into office to an annual rate of 50,000.
- . Fought for, and signed into law, the first anti-boycott legislation. That legislation has restricted the ability of American companies -- and their foreign subsidiaries -- to participate in the illegal Arab boycott of Israel. That law is now being stringently enforced. Jewish and business groups agree to its fairness and effectiveness.
- . Appointed a Holocaust Commission, chaired by Holocaust survivor and author Eli Wiesel, to design the first national memorial to the Holocaust victims. The members of that Commission have just returned from a trip to Poland, Russia and Israel and will soon be making final recommendations to me.

- . Initiated and participated in first official U.S. Government commemoration of the Holocaust.
4. In this new year, I will pursue policies based on the same principles that have proven so enduring to Judaism and have provided such a strong moral compass to my own Administration.
- . Will continue to pursue peace in the Middle East, with Bob Strauss serving as my personal representative to the parties involved in the negotiations now going forward.
  - . Will continue to seek expanded emigration of Soviet Jews, and will not permit trade benefits to be granted until appropriate assurances have been received that emigration will be continued at current rates. Will continue to provide needed funding to help resettle Soviet Jews who choose to emigrate to U.S.
  - . Will continue to pursue human rights policy in all our relationships with foreign nations.
5. The High Holy Days are a time for introspection and personal review to better one's life and improve one's actions in the year ahead. This personal review Jews all over the world will be going through mirrors the personal review I made recently at Camp David. I hope that my period of thought as well as the period Jewish people will be going through shortly will lead to a better world for mankind.

cc: Jody Powell

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THE WHITE HOUSE  
WASHINGTON

8/14/79

ARTURO B. BAUTISTA

MSCS USN (Senior Mess Management  
Specialist)

(Senior Chief Petty  
Officer)

586-60-5942

To Hugh Carter

I have discovered (not from him) that Arturo scored quite well on competitive exam, but was excluded from further promotion because of lack of recent sea duty. Presidential aides should not be rewarded, but neither should they be punished for WH service. Assess the case for me. No favoritism J.C.

THE WHITE HOUSE  
WASHINGTON

14 Aug 79

FOR THE RECORD:

HAMILTON JORDAN AND  
ARNIE MILLER RECEIVED  
A COPY OF THE ATTACHED.

3453

Mr. President:

from your  
friend  
W. J. Goddard

Memo from  
J. GARCIA

THE WHITE HOUSE  
WASHINGTON

Hand-  
written  
from  
Hector  
Garcia  
J

RECOMMEND

① ASST. Secy OF NAVY

Edward Hidalgo

to

VACANCY Secy OF NAVY

② ABOLARDO VALDEZ

to now

Asst. Secy American

Affairs

to

AMEMBASSADOR to MEXICO

on

Mr. Suarez's Resignation



THE WHITE HOUSE  
WASHINGTON

14 Aug 79

FOR THE RECORD:

ORIGINAL TO CARL KING, CC  
TO BOB BERGLAND.

3455-

THE WHITE HOUSE  
WASHINGTON

8/14/79

rick --

usually when the boss has indicated a cc to someone of their own letter, i send it with a note like attached....

unless you prefer some other way, would you mind attaching the note with king's copy, when making your logging/distribution for bergland.

thanks--susan

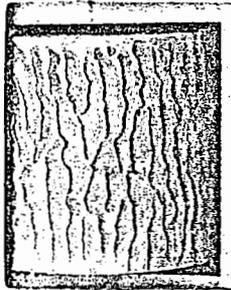
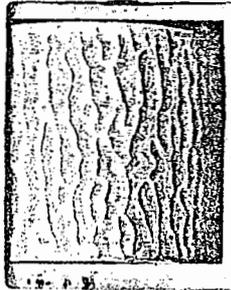
THE WHITE HOUSE  
WASHINGTON

8/14/79

Carl King --

President Carter asked  
me to send the attached  
copy of your letter which  
includes his comments,  
with his best wishes.

-- Susan Clough



STATE DEMOCRATIC EXECUTIVE COMMITTEE

Carl King

Committeeman, 31st Senatorial District

Fran Finney

Committeewoman, 31st Senatorial District

August 13, 1979

Hon. Jimmy Carter  
President  
United States of America  
Washington, D. C.

Mr. President:

I have been active in Democratic Party politics for more than twenty-five years and have been engaged in farming most of my life.

I would like to recommend to you to listen more to the farmers themselves, so that you might get the true picture as to the needs of agriculture and agri-business. As you know, farm prices can stay low to the farmer, but grocery prices continue to climb.

May I suggest that you beef up the Justice Department if you feel the need and pursue more vigorously anti-trust violations and bring them to justice, if this is what it takes to stop some of the large food chain conglomerates and small ones alike from creating more inflation. For example, sugar prices have been down drastically the past two years, yet the soft drink industry keeps raising their prices to the consuming public.

Your discretionary powers are such that if they were used to help the farmer, it would not necessarily create inflation, but create more jobs, in agri-business, reducing unemployment and help the country as a whole.

We farmers feel this administration is dedicated to a cheap food policy at the farmers expense. I honestly believe, Mr. President, that the farmer wouldn't mind sacrificing if this were true. But this is not a reality. Food prices still escalate, regardless of what the farmer gets for his product.

*cc Carl King letter.  
Thanks for your letter.  
We disagree completely  
re our farm program  
and its effect on  
farmers. Sec. of Ag.  
Bob Bergland will  
send you some specific  
information.*

*Jimmy  
cc Bergland*

Hon. Jimmy Carter  
August 13, 1979  
Page 2

We in West Texas supported you in 1976. The Farmers for Carter movement was a big success. Now unless you help agriculture achieve its rightful priority (fuel included), the Republicans are going to have a field day, not only in Texas but across the nation in the rural areas.

Respectfully yours,



CARL L. KING  
Committeeman  
31st Senatorial District  
State of Texas

CLK/bh

President  
Texas Corn Growers Association  
Member  
Texas Energy Advisory Council

THE WHITE HOUSE  
WASHINGTON

SUSAN

THIS CAME IN ADDRESSED  
TO PHIL.

NELL



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

①  
—

August 14, 1979

THE ADMINISTRATOR

MEMORANDUM TO THE PRESIDENT

FROM: Douglas M. Costle

A large, handwritten signature in black ink, appearing to read "Douglas M. Costle".

SUBJECT: Moody and Shetley Turbo-Diesel Cars

After your call the other day, I personally reviewed EPA's dealings with both Michael Shetley and Ralph Moody.

EPA first became aware of the vehicles developed by Moody and Shetley in March, 1979, and in April, EPA, DOE, and DOT staff went to Florida for a demonstration of the car arranged by Milton Stewart of the Small Business Administration. Although we were not given details of the modifications made to the car, we offered to test the car at no cost to the developers. Later, the developers announced that, rather than undergoing informal testing, they had decided to build a formal certification car and submit that for official EPA emissions and fuel economy testing.

During the first week of June, before the car could be delivered to EPA, Moody and Shetley dissolved their partnership. Mr. Moody has not contacted us since then, despite the fact that we have attempted repeatedly to reach him by telephone and by letter. Mr. Moody has a great deal of automotive experience. He was associated with the Ford Racing Team for years.

Mr. Shetley approached EPA in July to certify a new car, for which he was claiming 110 mpg. The car was different from the car that Shetley and Moody brought to Washington for Senator Metzenbaum's hearings in May. The Moody car's engine is somewhat smaller than the one Shetley used and the cars may differ in other respects.

We waived a number of the requirements of our regulations for Shetley so that red tape would not get in the way of what could prove to be a significant innovation. When Shetley arrived at our laboratory with his car, we found that he had knowingly violated even our relaxed procedures in ways that normally would have made the car unacceptable for official testing. Nevertheless, we decided to test the car and testing was completed on July 26. As would be expected of a diesel,

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it passed the carbon monoxide standard easily. However, it failed the hydrocarbon standard by 68% and the oxides of nitrogen standard by 15%.

Let me make it clear that, in spite of the difficulties the Shetley car has encountered, it is definitely possible to meet our emission standards and get the high mileage that the Shetley car got. For example, here are some cars that will be in production in the 1980 model year that meet the 1980 emission standards with very good fuel economy:

	<u>City</u>	<u>Highway</u>
Volkswagen Diesel Rabbit, 4-speed	40 mpg	52 mpg *
Dodge Colt	37	47
Honda Civic	36	49**

\* These data are confidential, trade secret until September.

\*\* Unofficial results.

The fuel economy results for the Shetley car were quite good for a subcompact class car -- 52 mpg on the highway test and 34 mpg on the city test. (The city number is roughly what an average driver can expect to get.) However, these fuel economy results were not so high as the previously claimed 110 mpg or the 84 mpg claimed for the original Moody car.

Nevertheless, this car, produced without the resources of a major manufacturer, exceeded the fuel economy of any domestically built production car. (Only Volkswagen's 5-speed diesel Rabbit had higher highway fuel economy in the 1979 model year, and only a small number of foreign models had higher city ratings.) Our public statements applauded this achievement. We understand that Shetley plans to come back with another car and try again. We also understand that in the relatively near future, Moody plans to bring his car to EPA for testing.

Regarding Phil Wise's call inquiring about the advisability of a meeting between you and Shetley, there is some question about Shetley's tactics in promoting his car. His public reaction to failure in the test leads me to advise against such a meeting at this time. For example, Shetley made statements to the effect that EPA had rigged the tests on his car and entered into a conspiracy with the major auto manufacturers. (I wonder how John Riccardo of Chrysler could react to a claim that EPA and his company were in bed together!) Apart from lending credence to such charges, your meeting with him might associate you with someone of questionable repute, as indicated by some of the clippings I have enclosed.

I instructed my staff at the Ann Arbor testing laboratory several months ago to assure, as we did in this instance, that red tape does not interfere with the offering of such advanced cars to the public. I also instructed them "to be positive" about such innovations. At one time we were in the position to offer technical assistance or financial aid to developers of advanced systems. However, that program was transferred from EPA several years ago and is now in the Department of Energy. Nevertheless, we are committed to giving these innovators encouragement.

I have attached some press clips regarding the Shetley car, a chronology of EPA's major contacts with Mr. Shetley, and a copy of the transcript from the July 27 Cronkite show, which is the only TV tape we have been able to find of EPA staff commenting on the testing of the Shetley car.

Attachments.

SHETLEY AND MOODY TURBO-DIESEL CHRONOLOGY

- March 1979 Michael Shetley first inquired of EPA about certification of the Moody Turbo-Diesel.
- April 1979 Articles began to appear in a number of newspapers regarding the 84 mpg claimed for the Moody car.
- April 28, 1979 Ralph Stahman of EPA's Technology Assessment and Evaluation Branch in the Office of Air, Noise, and Radiation went to Florida with representatives from DOT and DOE for a demonstration ride in the car arranged by the Small Business Administration. As instructed by Michael P. Walsh, DAA, OMSAPC, he offered informal EPA technology assessment testing and Mr. Shetley accepted the offer.
- May 3, 1979 Michael Shetley and Ralph Moody brought their car to Washington. Senator Metzenbaum held a hearing at which Moody and Shetley, Congressman Chappell, William Gordon, Director of the Automotive Department of the Daytona Beach Community College, and representatives of Perkins Diesel Co. of Ohio, EPA, DOT and DOE testified. Mr. Shetley testified that the car would be delivered to EPA's Motor Vehicle Emission Laboratory no more than two weeks later for certification testing rather than the informal testing previously agreed to.
- May 21, 1979 EPA received an incomplete application for certification of the Moody car. In particular, the description of the vehicle was incomplete. This is critical since the description in the application defines what the certificate covers.
- May 30, 1979 After numerous attempts to call, EPA sent a telegram asking for additional data.
- June 4, 1979 Additional data received from Mr. Shetley. Mileage accumulation on the test car was scheduled to begin June 11.
- June 8, 1979 EPA learned that Shetley and Moody dissolved their association. Moody left Florida with the car and could not be reached.

- July 19, 1979 EPA received an application from Shetley for a new car and was informed that the car would be delivered to EPA on July 23, 1979.
- July 23, 1979 Shetley delivered his car to EPA. EPA agreed to proceed with testing even though the car did not technically qualify because the mileage accumulation on the car was uncontrolled and the car had been driven about 10,000 miles, while the regulations specify a maximum of 4,250 miles.
- July 26, 1979 Testing was completed.
- July 27, 1979 Test results announced by EPA. No further contacts with Shetley or Moody except for a number of charges attributed to Shetley in the press and a few interviews with Ernest Rosenberg, Chief of Regulatory Management, OMSAPC Washington and Richard Harrington, Director, Certification Division, Ann Arbor.

August 10, 1979



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

August 10, 1979

SHETLEY TURBO-DIESEL TEST RESULTS

Testing done July 23-26, 1979

	<u>Hydrocarbons</u>	<u>Carbon Monoxide</u>	<u>Oxides of Nitrogen</u>	<u>Fuel Economy</u>
<u>First Test</u>				
<u>Sequence:</u>				
City*	0.693 g/mi	1.93 g/mi	2.34 g/mi	34.0 mpg
[1980 MY Standards	0.41	7.0	2.00	20.0**]
Highway	0.137	0.39	1.97	51.6
Highway	0.134	0.38	2.00	52.7
<u>Second Test</u>				
<u>Sequence:</u>				
City	0.693	1.88	2.34	34.6
Highway	0.134	0.40	2.02	51.9
Highway	0.126	0.40	2.01	51.6

An unofficial particulate test was also done. The results were 0.29 g/mi on the city test and 0.11 on the highway. Note, however, that reducing NOx emissions as would be required to meet the standards might have the effect of increasing particulate.

\*Official emissions test (FTP). Highway test results are not used for emissions compliance. The hydrocarbon standard was exceeded by 68% and the oxides of nitrogen standard by 15%.

\*\*Corporate average fuel economy standard. Applies to a manufacturer's overall fleet average, not to a particular model.

# RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, WASHINGTON, D.C. 20015 656-4068

FOR ENVIRONMENTAL PROTECTION AGENCY

PROGRAM CBS Evening News STATION WDVM TV  
CBS Network

DATE July 27, 1979 7:00 PM CITY Washington, DC

SUBJECT EPA Testing of Redesigned Engine

ROGER MUDD: About three months ago, two Florida men drove into Washington in a car with a redesigned engine. They said they had made the 900-mile trip from Orlando on 12 gallons of gas. The government and Detroit immediately expressed interest, so one of the men developed a second model.

Betty Ann Bowser has more on the story.

BETTY ANN BOWSER: Detroit built the car, but a private inventor put a turbocharged four-cylinder diesel engine in it and said it could go 100 miles on a gallon of gas. Inventor Mike Shetley promoted his idea, even told a congressional committee of its potential to save gasoline. Shetley was so confident he had invented something important that he asked the Environmental Protection Agency to put his car through pollution and fuel-economy tests, like these, at the EPA's Ann Arbor laboratory.

But the results were disappointing. The car averaged 35 miles per gallon in EPA city driving tests, 52 miles per gallon in highway tests, and it flunked two pollution tests. So the EPA would not certify the car for sale.

~~Washington EPA~~ MAN: It exceeded by 68 percent the hydrocarbon standard. It exceeded by 15 percent the nitrogen oxide standard.

BOWSER: The EPA said with modifications the car could be certified, and reported the car tied for fifth place in fuel economy among all 1979 cars. The top four were all imports. And the EPA believes Shetley's car could be the first American vehicle to compete with high-mileage imports.

~~Shetley EPA~~  
MAN: The Shetley vehicle could well be a challenge to our American manufacturers to strive for such -- such fuel economy.

BOWSER: Detroit automakers said today they are mildly interested in Shetley's idea and want more information. Shetley did not show up for the news conference. And when questioned today in Daytona Beach, Florida, Shetley said the EPA tests were rigged.

MIKE SHETLEY: Absolutely there's a conspiracy. We know that for a fact. We'll prove that next week.

BOWSER: The EPA says the tests were accurate, and spokesmen deny they were involved in any conspiracy to make the car fail.

# Shetley car test:

## 'Only' 52 mpg

The Detroit News 7-28-79

By **TED KADE**  
News Staff Writer

While the "Shetleymobile" came nowhere near its developer's 110-mile-per-gallon claims and flunked federal pollution tests, the car still received praise from a federal official who took part in the evaluation.

The car's builder, meanwhile, questions the findings and promises to be back with two more high-fuel-mileage cars.

The controversial vehicle, which was developed by Florida promoter Michael C. Shetley, is a 1979 Mercury Capri with a turbocharged four-cylinder Perkins diesel engine. In turbocharging, exhaust gases are used to boost power.

"I'M BASICALLY impressed with the fuel economy the vehicle has gotten," said Dick Harrington, director of the Environmental Protection Agency Certification Division in Ann Arbor.

"He (Shetley) has shown that Detroit could build a car that gets considerably better fuel economy than what's now being produced. And the car didn't seem to be adversely underpowered.

"He didn't get the kind of mileage he was claiming, but he tied with the fifth and sixth-highest mileage cars we've tested."

The car was rated by the EPA at 34 miles per gallon in simulated city driving and at 52 in the highway testing cycle, Harrington announced yesterday.

It failed to achieve the 1980 federal emissions standards for hydrocarbons and oxides of nitrogen emissions. The hydrocarbon standard is 0.41 grams per mile and Shetley's car emitted 0.69 grams, the EPA said. The oxides of nitrogen standard is two grams per mile and the car emitted 2.3 grams.

**THE CAR DID MEET** the carbon monoxide standard. The standards allow seven grams per mile and Shetley's car released 1.9 grams. Cars must meet all three federal emissions standards,

however, before they can be certified and sold in this country.

"I'm not ashamed of the mileage results, they're the best of any car built in America," said Shetley, who was reached at an energy fair in Daytona, Fla. (The cars sold in the U.S. which have topped Shetley's mileage are imports).

Shetley said he doesn't dispute EPA mileage findings, which came as a result of running at varying engine speeds, the method used by the EPA in all its tests. He said, however, that he

believes cars also should be tested at a constant speed.

"If you ran that car at a constant velocity, you'd get at least 90 miles per gallon, even at 60 miles an hour," he said.

The "Shetleymobile" is the successor to the "Moodymobile," a diesel car developed by Shetley and former race-car builder Ralph Moody. The Moodymobile got national attention when the two men drove the car to Washington and told a Congressional committee that the car could get 80 miles per gallon.

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NEWS PHOTO/ALAN D. LAWRENCE

**MPG CAR** The 'Shetleymobile' gets its engine checked out: The car failed to garner its touted 110 miles to the gallon with its turbocharged diesel engine but it did pull down 34 miles in city driving and 52 for highway.

end

# Shetley won't give up despite EPA rejection

DETROIT FREE PRESS, JULY 28, 1977

By PAUL LIENERT  
Free Press Automotive Writer

The developer of several widely publicized diesel cars vowed Friday he'll return within four weeks with yet another car that will prove his repeated high-mileage claims.

Florida promoter Michael Shetley, the man behind the Moodymobile and its successor, the Shetleymobile, made the statement Friday after his latest creation flunked government pollution tests.

In a phone interview from Daytona Beach, Shetley said he wasn't surprised by test results released Friday by the Environmental Protection Agency.

The EPA, which tested Shetley's diesel-powered Mercury Capri at its Ann Arbor facility, said the car won't be certified for sale because it failed to achieve required levels for emissions of hydrocarbons and nitrogen oxides.

The car also failed to live up to Shetley's claims for it of up to 110 miles per gallon. EPA tests showed the car delivered 34 m.p.g. in simulated city driving and 52 m.p.g. on the highway.

**SHETLEY FAILED** to appear at the EPA press conference Friday. He flew from Detroit to Florida Thursday night after the agency informed him of its test results.

Shetley claimed he didn't attend the press conference because he learned the Free Press would reveal the EPA test results on his car in Friday's editions.

"I left because the EPA went back on its word and leaked the numbers, so there was no reason to hold a press conference," Shetley said.

(The EPA refused to disclose its results to the Free Press Thursday. The information contained in the Free Press story Friday was obtained from sources outside the EPA.)

Shetley also was critical of EPA test procedures, charging the agency used "low-grade" diesel fuel in mileage and emissions tests on the car.

He said additional tests will be run on the car at private facilities next week.

"I was able to get certain documentation out the back door at EPA that will prove they were wrong," Shetley said.

He said the vehicle tested this week by the EPA will be used for promotional purposes only, but that he would be back to the agency

with two new cars, each with a different diesel engine.

"We've already tested one of the new cars, and we got 96 miles per gallon," he said. "We'll have the other one ready in a week or so, and we intend to certify them both at the same time — in four weeks at the latest."

Shetley said investors

have put up "several million dollars" in personal loans to him and his company, Old Car Reproductions, of Oak Hill, Fla., but "the money's just about all gone." He said most of the funds have been used for engineering and salaries, plus development of fiberglass cars he intends to market with the same diesel engine used in the EPA test car.

**REGARDING EPA test results** on his car, Shetley said "I knew this would happen after the article Tuesday."

He was referring to a Free Press story which disclosed Shetley has had several brushes with the law in Florida and North Carolina; that he is on probation in connection with an insurance-fraud scheme in Dade County, Fla., and that he was sued by former employer John Holman after a greenhouse owned by Holman was destroyed in a fire and Shetley allegedly left town after collecting the insurance money.

"That part about Holman is totally false," Shetley said. "Holman never owned a greenhouse, and I never collected money from any insurance company in my life."

Shetley, after threatening a lawsuit against the Free Press, said he owed Holman "several thousand dollars," but the matter was "taken care of" before Holman died in 1975.

Shetley also said he has repaid \$10,000 in restitution to a Florida insurance firm in connection with his arrest two years ago on charges of grand larceny, forgery and conspiracy.



Shetley Michael Shetley

# New Shetley car to get EPA tests

By PAUL LIENERT  
Free Press Automotive Writer

Michael Shetley, promoter of the highly publicized but ill-fated Moodymobile, arrived at a federal testing facility in Ann Arbor Monday with his latest creation, the Shetleymobile, as information was surfacing that Shetley's background includes some recent brushes with the law.

The Shetleymobile, a 1979 Mercury Capri equipped with a small turbocharged diesel engine and a five-speed transmission, will undergo mileage and emissions testing at the Ann Arbor Environmental Protection Agency facility.

EPA said it hopes to complete testing of the vehicle and make test results public early next week.

**IT WAS LEARNED**, meanwhile, that Shetley is on probation in Florida, where he was charged two years ago with grand larceny, conspiracy, forgery and false application for a motor-vehicle title in connection with an insurance-fraud racket in Dade County.

Shetley said several Florida businessmen were involved in a scheme in which they acquired vintage and classic cars, dumped them in the Florida Everglades and collected insurance money.

Shetley told the Free Press he cooperated with Florida law-enforcement officials investigating the case because "I wanted to prove my innocence."

Court records were sealed in Shetley's case and adjudication of guilt was withheld, according to Shetley, because of his cooperation with authorities.

Shetley also told the Free Press he was arrested and fined about 10 years ago in North Carolina for possession of a stolen car. He said he also left behind several hundred dollars' worth of unpaid bills when he folded a small florist business in North Carolina several years ago and moved to Florida.

Court records in North Carolina revealed Shetley also was sued by his former employer, John Holman, after a greenhouse owned by Holman was destroyed in a fire and Shetley allegedly left town after collecting the insurance money.

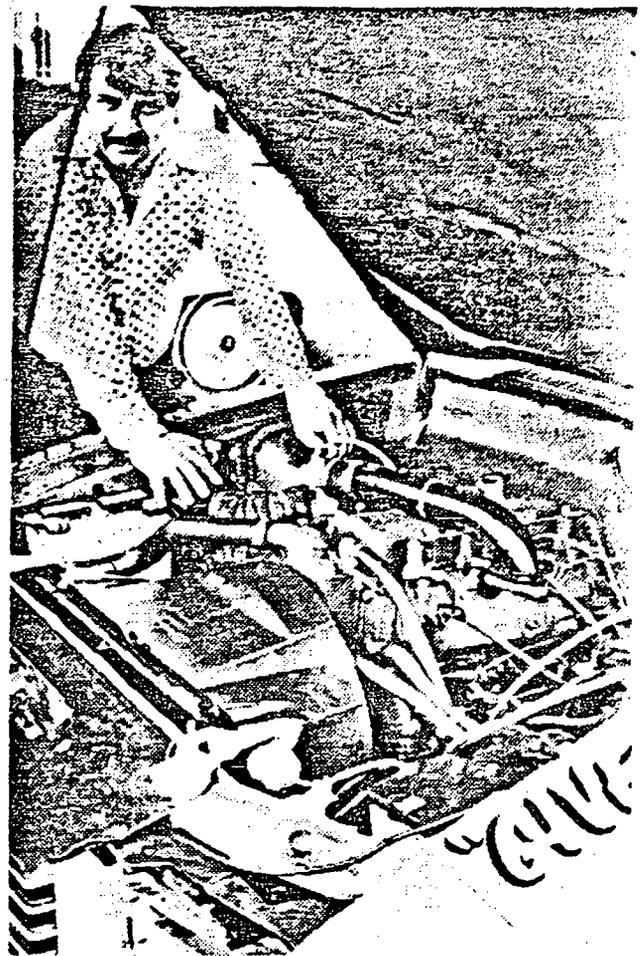
**HOLMAN WAS** a partner with race-car mechanic Ralph Moody in Holman-Moody Inc., of Charlotte, N.C. The firm handled Ford's racing program in the '60s, but the partners split up in the early '70s.

Moody was a partner of Shetley until a few months ago. The two men dissolved their alliance in early June after a bitter dispute over plans to build or sell the original Moodymobile, which the partners claimed would deliver more than 80 miles per gallon.

The car since has disappeared and Moody has been unavailable for comment.

Shetley meanwhile has put together the Shetleymobile and has been promoting it on a cross-country tour sponsored by ABC News and Ramada Inns.

He has drummed up immense publicity for his diesel cars during the latest round of gasoline shortages and price hikes,



Promoter Mike Shetley with his engine: EPA hopes to have test results early next week.

but high-mileage claims for both the Moodymobile and the Shetleymobile so far have been unsubstantiated.

**SHETLEY EARLIER** this month admitted his claim of 110 miles per gallon for his new car can't be achieved in actual driving.

"We'll probably get 60 or 70 miles a gallon on the road," he said.

EPA is expected to test the car's mileage in the laboratory and its official figures probably will be higher than actual on-the-road mileage.

After promising since April to make his car available to EPA, Shetley finally delivered it Monday after the agency waived a 4,000-mile break-in requirement and a 50,000-mile durability test which most other manufacturers must undergo.

An EPA official in Washington said Monday:

"It was a tough decision to waive the requirements, but we just can't put up with this any longer. Shetley's got us playing right into his hands. He's set it up so we can't refuse to test the car.

"Everybody wants to believe him. How can we explain to Congress and the American public that this guy, who is God's answer to the energy crisis, can't build his car because EPA wouldn't give him approval?"

# Promoter Shetley has a new entry

By Roger Rowand  
Engineering Editor

If Michael C. Shetley is anything, he's a hot-shot, all-out promoter and the Son of Moodymobile car he's promoting is a hot red, easily promotable vehicle. He says it gets over 100 miles to the gallon.

Shetley, you may recall, was associated with Ralph Moody in developing a diesel car which attracted voluminous attention in the press with reports of fuel economy in the 80-MPG range.

That Shetley-Moody alliance dissolved with heat, and ownership of the Moodymobile is in the courts. Comes now Shetley with a new car. It's a red 1979 Capri fitted with a Perkins diesel power plant and a Borg-Warner five-speed transmission.

Mileage claims have ballooned, and Shetley says the new job squeezes up to 110.6 miles out of a gallon of fuel.

The Capri was converted in Florida and is being driven across the country by way of Washington, New York and Detroit. Once in the Los Angeles area, it will be used in a congressional subcommittee hearing looking into fuel-efficient engines, Shetley said.

• Shetley is stimulating the publicity you'd expect with such grandiose economy claims. He has the ability to fire folks up. Ask him what he expects to gain personally from his cross-country run and he says he expects royalties when vehicles using his concepts go into production.

He quickly says a Georgia recreational vehicle maker has promised to convert 10,000 Ford vans, that Perkins has promised him a virtually unlimited supply of engines—40,000 of them—from its base in England and that the Mexican government wants to order 50,000 converted Capris.

Everything hinges on winning certification from the EPA. Shetley insists. He said Mike Shetley Enterprises, Inc., is building a car in Titusville, Fla., that will be used as a certification vehicle—the EPA-mandated 4,000-mile car.

The North Carolinian has a past that is something less than impeccable. Right now, he is on probation under supervision in Florida and has been since June, 1977.

However, he was not convicted of anything then. Adjudication of guilt was withheld by the Circuit Court in Dade County, Fla., in a case involving conspiracy to commit grand lar-

ceny, forgery and the filing of a false application for title.

"I'm not selling Mike Shetley. I'm selling high-mileage cars—the concept. All I'm asking for is a chance to develop this kind of car," he told AUTOMOTIVE NEWS when asked about any brushes with law enforcement.

He had the Shetley Turbo Diesel in Dearborn to show to Ford Motor Co., Shetley said. He also took care to see that members of the press were notified as to where the car would be and held a three-newsman press conference at a motel near Ford headquarters.

He drove the car to Ford's Research and Engineering Center, Experimental Vehicle Building.

Ford said it had a long-standing invitation to Shetley to show the vehicle. J. L. Jonas, executive engineer, engine and powertrain development, said, "Until we can conduct a full-scale engineering evaluation, how-

ever, we cannot make a judgment on the car."

Gordon Payne, a product development engineer in Ford product development engineering, drove the car over a short route on a public road.

"It performed very adequately," Payne said. "Acceleration was totally acceptable. The noise level was about what you would expect with a diesel."

He credited the reported high mileage to several factors: Aerodynamic drag of the Capri is quite low, the gear ratio is conducive to high MPG and the fact the engine is a diesel.

Shetley said his trip is financed chiefly by the Ramada Inns motel chain and by ABC TV. He refused to discuss specific finances.

Some longer-term financing is coming from Griswold Machine & Engineering, Inc., Union City, Mich., a firm he expects will produce the Shetley cars. Again, he declined to talk about specifics.



Roger Rowand

## Shetley's pet in Detroit

Claiming 110.6 miles per gallon for his new Perkins-powered Capri, Michael C. Shetley came to Detroit. Ford Motor Co. engineers got to examine and drive the car, but were guarded in their comments.

# 84 m.p.g. Moodymobile may be a ghost car

## Confusion, delay mar project

MOODY, from Page 1A

some tricks to the car. And we'll probably never tell people just what we've done."

A team of engineers from Chrysler Corp., headed by Robert S. Rarey, chief powerplant research engineer, visited Shetley and Moody two weeks ago in Oak Hill and saw what they believed to be the latest version of the Moody-mobile. After they returned to Detroit, Rarey said:

"I'm not sure of just what we saw and what we were told. There seems to be intentional confusion between the two partners. We heard conflicting stories, depending on whom we talked to.

"These guys are super tricksters mechanically. We saw no evidence of dirty tricks, but Moody indicated there were all sorts of different tricks used on the car. Hopefully, an EPA test will answer some of our questions."

**THE PARTNERSHIP** between Moody and Shetley appears to be deteriorating as pressure mounts on the two men to back up their high-mileage claims.

Responding to recent public statements by Shetley, Moody said:

"Mike doesn't have any idea what I've done with the car...Shetley's not the spokesman for me. What he says has got nothing to do with me."

Shetley told reporters he has been offered more than \$100 million for the rights to produce the car from an unnamed Japanese manufacturer and that Moody had been in New York to negotiate a similar deal with a group of Saudi Arabians.

But Moody said, "I wasn't negotiating with any Arabs in New York. I haven't had anything to do with the Arabs...I doubt if we'll sell the rights to the Japanese or the Arabs."

**SHETLEY ALSO** told reporters he has worked out an agreement to purchase en-

gineless cars from Ford Motor Co. and its Lincoln-Mercury Division. Shetley said he and Moody would install the Moody diesel engine in the cars and then sell them through Lincoln-Mercury dealers.

But Robert Rewey, general marketing manager of Lincoln-Mercury, said last week:

"We want to take a good look at the car only after it clears the EPA. Before we sign any agreement with their firm, the vehicle is to be brought to Ford engineering for an evaluation. Our engineers have to go through the car first before we sell him (Shetley) anything."

If the deal with Lincoln-Mercury falls through, Shetley said he'll put the engine in a fiberglass replica of the Shelby Cobra, a two-seat roadster popular with racers in the '60s.

**MOODY APPARENTLY** has different ideas. When asked who will produce the Moody-Shetley car, Moody said, "It sure as hell won't be me."

Shetley has asked Perkins Engines Inc., Canton, Ohio, to supply him with modified diesels. Like Lincoln-Mercury, Perkins is taking a wait-and-see approach pending EPA testing and certification.

Perkins' John Egan said, "We want to see their engine and hardware and do some performance testing before we proceed. EPA certification, however, is their next major hurdle."

Shetley has been dodging questions from the EPA about modifications on the car and the engine, saying he fears such information could leak out and be used by competitors.

He said last week that EPA testing is finally scheduled to begin in about two weeks on the new car. After the vehicle is certified by the EPA, he said, production models will go on sale "in 45 days."

But Moody said, "It'll be awhile before we take the car to the EPA. There's a brand-new engine in the car, and we'll probably make some more changes on it. It won't be ready at least till the end of summer."

**SHETLEY CHARGED** that

bureaucratic red tape has held up his plans to send the car to the EPA.

But an EPA spokesman in Washington last week said:

"When Moody and Shetley appeared at the Senate hearing in early May, they announced they would bring the car to our facility in Ann Arbor the following week for a full-scale engineering evaluation."

"Immediately after the hearing, however, they informed the EPA that they wouldn't bring the original car after all, but would send a new car with changes in the axle ratio, gear ratios and suspension. We've never seen either car."

Moody now says, "We might never make the engine available to the EPA."

The EPA spokesman responded, "We cannot and will not certify the car without complete specifications on the engine and the drive train. The EPA also will have to run tests on the car, or there will be no certificate issued."

**AUTO COMPANY** officials say that until the Moody-Shetley car is subjected to a detailed inspection, it is impossible to determine exactly how the vehicle works or to verify the changes that reportedly have been made to the car and the engine.

As Shetley and Moody have described it, their car is equipped with small diesel engine fitted with a turbocharger, a device typically used to boost engine power by converting energy from exhaust gas to force more air into the cylinders.

The partners say they modified the engine and the turbocharger and changed gear ratios in the transmission and rear axle. Those changes, according to Moody and Shetley, enabled the original car to deliver more than 80 miles per gallon.

Further improvements on the latest engine in the new car, they say, will boost fuel economy up to 100 miles per gallon, and Shetley claims 150 miles per gallon is possible if the same engine is installed in a smaller, lighter car than the Capri.

In comparison, the most economical car on the road today is the five-speed Volkswagen Rabbit diesel, which is



Ralph Moody: "Mike doesn't have any idea what I've done with the car."

rated by the government at 55 miles per gallon on the highway. A prototype of a turbocharged Rabbit diesel, however, has achieved more than 80 miles per gallon in official government tests.

**THE HIGH-MILEAGE** claims on the Moody-Shetley car have been challenged by two brothers, Larry and Vic Johnson, who contend they first proposed the turbo-diesel concept last summer to Shetley and Moody. The brothers have been identified in Florida news stories as "co-developers of the Moody diesel."

The Johnsons, interviewed last week in St. Petersburg, said they developed the engine for the original Moody-mobile last fall at their shop in Pinellas Park, Fla., and that they continued to make modifications on it until this spring.

Their engine, according to the Johnsons, is the one that was installed in the car Moody and Shetley drove from Florida to Washington in early May and displayed at the Capitol.

Moody angrily responded, "The idea for the turbo-diesel was my son's and mine. We built the engine and made it work; they didn't. They didn't have a damn thing to do with the engine modifications or the car getting 80 miles a gallon. I'm the one who did it."

Moody later said he and Shetley first met the Johnsons last summer, that the two brothers supplied parts for the Moody-Shetley engine and that the Johnsons were paid for their work.

**BUT EVEN** Moody and Shetley don't agree on what mileage the original vehicle delivered.

Shetley said, "The worst mileage we ever got with the first car was 57 miles a gallon."

But Moody insisted, "The best mileage we got with the original engine was 42 miles a gallon."

The Johnsons related a different story:

"We delivered the first engine to Moody and Shetley in November. When they finally got the car on the road in December, the four of us drove it from New Smyrna Beach (Fla.) to Tampa and got 53 miles per gallon. They were quite happy to get 53."

"We redid the turbocharger for them several times, and the best mileage we got was 58 or 59 miles per gallon. We thought it could get up to 64 miles per gallon with better tires."

"We put together a new turbocharger for them in February and shipped the parts to them in Oak Hill. They called up later and said the diesel was now getting 16 miles per gallon more with the new turbo. That's when the balloon started. We never got a chance to verify the mileage after that."

**LARRY JOHNSON** recalled: "They were still having problems with the car. Moody called in mid-March and said he couldn't get any boost out of the turbocharger. We worked on the engine until April 12."

"Shetley called about two weeks ago and said there was a problem with the car and that he was only getting 60 miles per gallon and what should he do. This was after Ralph had called back and said he modified the turbocharger and increased the efficiency 30 percent."

"We saw this claim in the paper of 150 miles per gallon, and I asked Mike about it. He told me, 'You're the engineers; it's up to you to make it work.'"

**SHETLEY WAS ASKED** last week about the car's current mileage figures.

"Right now, we're getting over 85 miles a gallon on the highway and 70 miles a gallon in the city," he said. "We've

had it up to 95 miles a gallon so far."

He added, "I'm not interested in building a 50-mile-per-gallon car. If our car doesn't get 100 miles a gallon at 50 miles an hour and 70 miles a gallon in the city, I won't build it."

But Moody said, "We haven't touched the car in three weeks. It was getting 35 to 40 miles a gallon the last time I drove it. It doesn't work because I don't want it to work."

**ONLY A HANDFUL** of engineers have been allowed to examine the car, and none has performed a thorough analysis of the vehicle's engine.

The Chrysler engineers apparently were shown the second version of the Moody-Shetley car. After their visit, Rarey said:

"We didn't drive the 80-mile-per-gallon car. The one we drove was supposed to get only 40 to 50 miles per gallon, they said."

"I don't think we learned anything about the car. There was no way of measuring fuel economy so we did no mileage tests."

"The tachometer in the car didn't work, so we didn't know how fast the engine was turning, and there was no boost gauge to measure the performance of the turbocharger."

"We didn't take any test equipment with us, and maybe that was a mistake. I wish now we would have been better prepared."

Rarey said he was told by Moody and Shetley that they modified the engine's cylinder head and turbocharger, "but we didn't see any modifications."

"The operation of the turbocharger, as they described it, poses some questions in my mind. They claim the turbocharger is putting out virtually no boost in high gear and that they're using it as an emission-control device only. They also said they took the cylinder head and the turbocharger off the original car."

"They claim they are attempting to get a patent on the car, but I'm not sure they can do anything we can't. I've got a lot of respect for those guys, but they've done nothing that Volkswagen didn't do already with the turbo-diesel Rabbit."

# Detroit Free Press

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Thursday, June 7, 1979

metro

Chance of rain  
High 82, low 67  
Details on Page 19D

20c

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## Moodymobile: An 84 m.p.g. ghost car?

### Confusion, delays plague project

By PAUL LEBERT  
Free Press Automotive Writer

Last month, famed auto racing mechanic Ralph Moody and promoter Mike Shetley drove into Washington in the Moodymobile, a diesel-powered car they claimed got 84 miles per gallon.

They were hailed by congressmen and the press as conquering heroes of the energy age.

But a Free Press inquiry into the Moody-Shetley venture casts doubt on mileage claims for the original car and an updated version of it. There are also serious questions about whether the Moodymobile will actually be produced and sold.

"I don't think we'll ever build it," Moody said last week in a phone interview from his home in Charlotte, N.C.

A front-page story May 4 in the Free Press following Moody's and Shetley's drive to Washington and their appearance at a Senate Energy Committee hearing described the Moodymobile — a modified 1979 Mercury Capri with a turbocharged Perkins diesel engine — as "a classic example of American ingenuity." The story talked about the possibility of it brightening "the country's grim energy picture."

TODAY, the original 84-miles-per-gallon

car no longer exists. Shetley said its diesel engine has been replaced by a gas engine, and Moody said the car now gets only 35 to 40 miles per gallon — less than half the mileage it reportedly delivered in unofficial tests two months ago at Daytona Beach Community College.

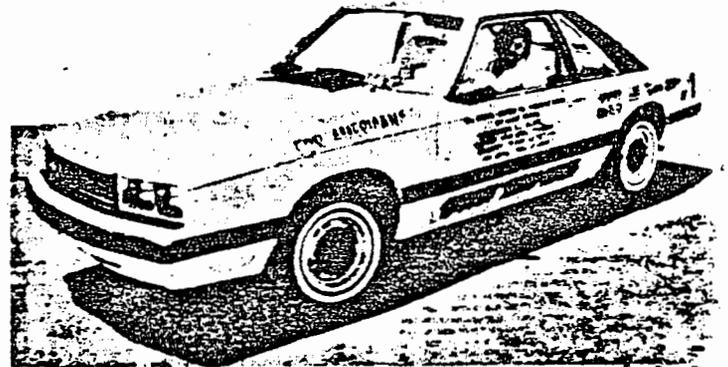
But Moody and Shetley claim a second version of the car with an improved diesel will deliver up to 100 miles per gallon.

It's impossible to judge if the latest Moody-Shetley car will ever achieve that kind of mileage. Moody and Shetley won't allow a detailed inspection of the vehicle by outside engineers, and they still haven't delivered the car to the Environmental Protection Agency for official emissions and fuel-economy tests.

FOR MANY auto company officials, the presence of Moody is virtually the only element of the project that has lent it credibility.

Moody headed Ford Motor Co.'s racing program in the 1960s, and he is an acknowledged expert in automotive aerodynamics, suspension and handling.

Shetley's background is not so clear. Indications are that he has been involved in a string of failed businesses in Florida and North Carolina in the past eight years. According to records in those states, small



Free Press Photo  
Mike Shetley at the wheel of the latest version of the Moodymobile. He and Ralph Moody claim it will deliver up to 100 miles a gallon.

claims and federal tax breaks are still unresolved.

In an interview last week at his firm, Old Car Reproductions, in Oak Hill, Fla., Shetley said Moody's reputation as an accomplished racing mechanic is the cornerstone of the venture. He said, "I'm selling Ralph's name because he's known worldwide."

Moody added, "He (Shetley) probably wouldn't have gotten this far without me."

BUT SHETLEY admitted a credibility problem:

"Racers think you have to cheat to win, and Ford thinks we're cheating because of our background in racing. They told us our reputation is well-known down here."

Moody said, "All kinds of people have accused us of cheating. Sure, we've done

See MOODY, Page 18A