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EYES ONLY

MEMORANDUM FOR THE PRESIDENT
From: Charlie Schultze

Subject: Merchandise Trade Balance for August
(to be released at 2:30 p.m., Thursday)

After substantial improvements in June and July the trade balance worsened sharply in August. The August deficit was $2.4 billion, compared to a deficit of $1.1 billion in July.

(billions of dollars, monthly average)

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Exports -- which had jumped sharply in July -- held the gain in August. But imports increased by a large $1.4 billion -- the largest monthly gain in the last 2 years. Petroleum accounted for $400 million of the jump. But imports in virtually all major categories also rose. Passenger cars and iron and steel imports increased by particularly large amounts. There was no particular reason to have expected such a large import increase last month.

The trade deficit in July was clearly at an unsustainably low level. But the size of the August increase is surprising.

There is no reason, at this point, to change our forecast of an improvement in our trade balance next year. The foreign exchange market -- which has been, to some extent, ignoring the recent good news on the trend in our balance -- may seize on the new figures as a reason to sell dollars. (There were substantial downward pressures on the dollar today.)
MEMORANDUM FOR THE PRESIDENT

From: G. William Miller
Chairman, Economic Policy Group

Subject: Labor Consultations and Wage Price Program

On September 15, publication of the second year wage price program was deferred for 15 days, and you instructed us to use the time to complete consultations on expanded participation by labor, business, and public representatives in the program. We have reached tentative agreement with major elements of the private sector on the design of the wage price program. We have also agreed with American labor leadership on an overall national accord.

Wage Price Program

The significant features of the wage price program for the second year are the following:

-- On September 28, extend the first year pay standard and publish a price standard which holds price increases of a company to an amount no greater than the historical rate of price increase during 1976-1977.

-- On September 28, announce the establishment of a Pay Advisory Committee and a Price Advisory Committee.

-- The Pay Advisory Committee will be composed of 15 members, five each from labor, business, and the public; each member and its chairman will be named by you.

-- The Pay Advisory Committee will be charged with making recommendations to the Council on Wage and Price Stability (Council) on:
  
  Modifications to the pay standard, including four specific problem areas identified during the public comment period;

  Changes, if any, to pay exception and noncompliance decisions of the Council;
New or revised interpretations of the pay standard; and

Such other matters that assure fairness and equity in individual cases and that are consistent with the overall objective of the anti-inflation program.

We have agreed with Labor that the Council will adopt all recommendations of the Pay Advisory Committee that are consistent with the overall objective of the anti-inflation program. Our agreement with Labor, however, does not include an agreement on a specific numerical standard or target for wage settlements.

---

The Price Advisory Committee will be composed of nine members of the public named by you; one of those members will also be designated by you as Chairman.

---

The Price Advisory Committee will be charged with making recommendations to the Council on:

· Changes, if any, to price exception and price noncompliance decisions of the Council;

· New or revised interpretations of the price standard; and

· Such other matters that assure fairness and equity in individual cases and that are consistent with the overall objective of the anti-inflation program.

Overall Natural Accord

Attached is a statement embodying the principles of a National Accord between the Administration and American Labor Leadership. The terms of the National Accord have been discussed with Lane Kirkland of the AFL-CIO and Doug Fraser of the UAW. I will be meeting with Frank Fitzsimmons of the Teamsters on Thursday. The statement sets forth principles which will guide the Administration's economic policy on inflation, countercyclical programs, pay-price policies, international matters, and energy. Although a number of specific programs and initiatives were raised in
the consultations and remain unresolved, the essence of the National Accord is an ongoing process of involvement and cooperation by the Administration with American labor leadership.

RECOMMENDATION: That you approve the second year wage price program, the organization of the pay and price committees, and the terms of the National Accord.

PRO:

. Provides for a broad base of support for the Administration's anti-inflation program and economic policy generally.

CON:

. Price and Pay Committees may erode the restraint provided by numerical standards.

Approve Disapprove
A NATIONAL ACCORD

The Administration -- American Labor Leadership

September 1979

• To provide for American labor's involvement and cooperation with the Administration on important national issues.

• To deal effectively with inflation in an equitable manner, consistent with the historic values of our nation.

• To assure that the austerity arising from battling inflation is fairly shared, while protecting those members of society who are least able to bear the burden.

• To pursue our established national goals of full employment, price stability and balanced growth.

• To maintain and enhance the preeminence of America at home and abroad.

All Americans share a common commitment to achieve our Nation's economic goals of full employment, price stability and balanced growth as set forth in the Full Employment and Balanced Growth Act of 1978.

Recently, progress has been impaired by high and persistent rates of inflation. Inflation has built up over the past fifteen years, and in the last six has been aggravated by extraordinary increases in world petroleum and other energy prices.

The causes of inflation are many. But it is now deeply embedded in our economic structure. Inflation is a clear and present danger. It threatens our ability to achieve full employment; it reduces real incomes and values; it dries up job creating investments; it impedes productivity; it breeds recession;
and it falls most heavily on those least able to bear the burden.

The war against inflation must be the top priority of government and of private individuals and institutions. There is no quick or simple solution. The war must be waged through a comprehensive strategy on all fronts on a continuing basis. But it should not mean acceptance of higher than otherwise levels of unemployment.

To accept such levels of unemployment in the name of fighting inflation is inconsistent with the equitable sharing of sacrifice. The pursuit of full employment and balanced growth as set forth in the 1978 Act is essential to the ultimate elimination of budget deficits, the achievement of economic stability and the realization of social and economic justice.

It is imperative that we overcome inflation in order to provide adequately for the general welfare and for the national security. It is also essential in order to assure our continued technological, industrial and humanitarian leadership.

To deal effectively with inflation requires discipline and restraint. This will mean a period of
austerity for Americans -- individual and collective sacrifices for a time so that we may then enjoy the greater bounty of our land in the years to come. Such austerity must be fairly shared. The burdens need to be distributed equitably. And in the process we must protect those least advantaged in our society, who are not able to bear the costs.

Full involvement and cooperation of the private sector is necessary in order to wring out inflation and to attain our goals of full employment and price stability.

Therefore, this National Accord has been undertaken to evidence and provide for the continued involvement and cooperation of American labor leadership with the Administration for this purpose.

1. General Economic Policies. It is recognized that a disciplined fiscal policy is needed to counter inflation. Close control should be exercised over Federal expenditures; and budget deficits should be minimized, giving due regard to the state of the business cycle and the social and economic needs of our society. The revenues required for targeted programs and pressing national needs should not be dissipated by general tax cuts in
conflict with the principle of shared austerity. Spending and taxing decisions within this framework must be and can be made consistent with the long-term goals of full employment, price stability and balanced growth.

2. Countercyclical Economic Policies. The current recessionary conditions developed following the large increase in world oil prices in the second quarter. Policies should be directed toward moderating and reversing the resulting down-turn. Established countercyclical programs will automatically come into play to help in this regard. Further counter actions need to be approached with care, so as to avoid new inflationary pressures. Nevertheless, if the recession deepens, well balanced responses of appropriate scale should be prepared and ready for action giving due regard to any required Congressional approvals, to emphasize on actions that have anti-inflation as well as anti-unemployment characteristics, and to practical operational limitations. These include:

- Programs to shelter the poor and needy from the twin ravages of inflation and recession.
- Additional skills training to help remedy structural unemployment.
- Public works that provide jobs while at the same time contributing to anti-inflation objectives, such as public transit projects funded by the proposed oil windfall profits tax.
- Improved implementation and expansion of jobs programs.
- Policies to assure access to capital for the housing industry, with emphasis upon availability of financing, at reasonable cost, to low and moderate income families.
- Appropriate tax relief targeted to offset inflation on the one hand while on the other contributing to anti-inflation through job creation, productivity improvement and cost reduction -- particularly in areas most severely affected by high unemployment and economic adversity.

3. **Pay-Price Policies.** An important aspect of the anti-inflation effort is responsible behavior with respect to pay and prices. For the past year, a voluntary program of pay and price restraint has been used.

In the present circumstances, continued constraint is required on the overall levels
of price and compensation increases consistent with achieving a reduction in the rate of inflation. After extensive public consultations, the program for the second year has been established with provision for greater public participation, while maintaining the clear objectives of containment and deceleration of inflation.

Direct participation by labor, business and other public representatives will make a major contribution toward a fair and workable program which will achieve the overall goals.

The Federal Government must continue to show leadership in moderation. Federal pay action for fiscal 1980 has therefore been taken in the context of both fairness and continued restraint.

4. International. International developments in the post war era have led to greater economic interdependence among nations. In this environment, a demonstrated commitment to an effective anti-inflation program and to bringing our current account into balance is necessary in order to avoid adding to domestic
inflation and to prevent disturbances in international trade and finance.

We must therefore seek both a reduction in dependence upon imported oil and an expansion of exports. An increase in exports will create additional American jobs. At the same time, all international trade must be fair so that American jobs are not threatened by unfair restrictions on American goods and services of other countries.

Where American jobs are impacted by unfair international trade developments, adjustment assistance for American workers needs to be prompt and adequate.

The United States also should pursue maritime policies which will promote a strong merchant marine and assure that expanding American flag shipping services will make a growing contribution to the reduction of our balance of payments deficit.

5. **Energy.** In view of the availability, location and cost of oil and gas, our nation
must reduce its dependence on petroleum as an energy source and particularly its dependence on imported petroleum.

Toward that end, the President has proposed a comprehensive energy program, which includes conservation measures, limitations on oil imports and a windfall profits tax to capture some of the increased revenues from higher oil prices for public purposes. Proceeds from the windfall profits tax will be used to help finance the development of unconventional energy sources, such as synthetic fuels; to carry out projects which conserve overall energy requirements, such as expanded public transit facilities; to provide incentives for greater conservation; and to extend financial relief from higher energy costs for the poor and needy.

These vital features of the President's energy program are of critical importance and should be carried out by Congressional and other actions as rapidly as possible.

6. Human Environment. It is also important to continue pursuit of the goal of improving the quality of the human environment.
This includes cooperation on programs to assure safe living and working places and to improve health services available to Americans.

7. **Other Matters.** The specific areas set forth in this Accord are not intended to be exhaustive. There are other matters which currently deserve mutual consideration and others will arise in the future. Those will be part of an on-going agenda.

8. **Continuing Consultations.** The essence of this National Accord is involvement and cooperation. The process is by its nature dynamic and evolutionary. It is our purpose to establish procedures for continuing consultations between American labor leadership and the Administration on these and other issues of vital concern to working people, as workers and as citizens.
Stephen G. Wenzel  
District 12B  
Morrison-Mille Lacs Counties  
Committees:  
Agriculture  
Financial Institutions and  
Insurance, Vice-Chairman  
Governmental Operations

The Honorable Jimmy Carter, President  
United States of America  
The White House  
Washington, D. C.

Dear Mr. President:

The people of Minnesota are very grateful for your proposals for federal help in the present fuel oil crisis.

Minnesota is faced with an extremely difficult situation. Our state is one of the northernmost areas in the country and very dependent on imported Canadian oil. This supply will be sharply reduced in the near future, if not entirely eliminated. In addition, our citizens are faced with the certain fact that their fuel costs will double this winter. This will be disastrous for our senior citizens on fixed incomes as well as low income families. Even middle-income residents will be hard put to meet this extra burden.

Our present Governor is reluctant to make a firm commitment. His hesitation seems to be based on the fact that in a recent special election the Minnesota House, previously tied 67-67, the DFL Party turned the Republican tide and now holds a slim majority. He is so concerned about the possibility of reorganization in the House of Representatives that he refuses to accept the responsibility of calling a special session to ensure adequate state funding and favors supplementing federal aid for the citizens of Minnesota. That, in short, is our present situation in our State of Minnesota.

We appreciate your efforts to-date to bring greater federal assistance to meet this very critical need, not only in Minnesota, but also throughout the nation.

Respectfully yours,

Steve Wenzel  
State Representative

cc: The Honorable Walter F. Mondale  

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RESOLUTION

WHEREAS, President Jimmy Carter and Vice President Walter Mondale have served this country with the utmost loyalty and dedication; and,

WHEREAS, President Carter's hard work, intelligence and wise leadership have resulted in the Middle East Peace Treaty between Israel and Egypt and Strategic Arms Limitation Treaty (SALT II) in order to reduce and control the perilous nuclear arms race—a goal and treaties that eluded three former presidents, Lyndon Johnson, Richard Nixon and Gerald Ford; and,

WHEREAS, President Carter is demonstrating leadership in dealing with two difficult and complex problems he has inherited as President—the problems of energy and inflation and is working to reduce the federal deficit and balance the budget in order to reduce inflation and has put together an ambitious energy program, including a standby rationing program which Congress, thus far, has failed to adopt; and,

WHEREAS, President Carter and his Agriculture Secretary, Bob Bergland, from Minnesota have made forward steps to preserve the family farmer and have increased price supports for farmers, with Secretary Bergland raising dairy price supports from $6.60 per hundredweight to $9.00 per hundredweight on January 21, 1977, on the first day he was Secretary of Agriculture, with dairy price supports now at a level of $11.25; and,

WHEREAS, President Carter has made effective use of his Vice President, Walter Mondale who, as Vice President has demonstrated energy and intelligence in helping President Carter to govern our nation and with his recent trip to China to enhance our relationship with Asia and the most populous nation on earth; and,

WHEREAS, President Carter and his administration are committed to helping the elderly, the poor and small businessman and a good education for our young people; and,

WHEREAS, President Carter and Mrs. Roslynn Carter set a good example in upholding the moral values of our nation; now, therefore,

BE IT RESOLVED, that the Mille Lacs County Democratic Farmer Labor Party go on record endorsing President Carter and Vice President Mondale for renomination and reelection in 1980.
THE WHITE HOUSE
WASHINGTON

September 26, 1979

MEETING WITH REP. HENRY B. GONZALEZ

Thursday, September 27, 1979
9:15 a.m. (15 minutes)
The Oval Office

From: Frank Moore

I. PURPOSE:

Congressman Jack Brooks assures us he can deliver all the Texas delegation to your re-election effort but Gonzalez; this meeting has been set for the purpose of discussing Gonzalez's concerns and hopefully securing his support.

II. PERSONAL BACKGROUND:

Gonzalez is 63 years old and has been a Member of Congress since 1961. He is extremely popular in this overwhelmingly Democratic district. He is ranked fifth on the House Banking Committee and eighth on the Committee on Small Business. He was the original Chairman of the House Assassinations Committee.

III. BACKGROUND, PARTICIPANTS, AND PRESS PLAN:

Background: He feels he has been neglected by the Administration and has gotten the run-around on several appointments. He has generally been a good supporter of the Administration (with a rating of 84.6%) and would like to continue that support; this meeting will shore up relations.

Gonzalez is a leader of the six-man Congressional Hispanic caucus and is a national Hispanic leader; his district is the most heavily Hispanic in the nation. His support is the key to their support.

Press Plan: White House Photographer only.

Participants: The President, Congressman Gonzalez
Ed Torres

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

Rick Hutcheson

Frank Moore

To Ed Torres: Terry Straub in Congressional Liaison suggests that you have lunch with Congressman Gonzalez.
Gonzalez Shuns Kennedy Draft


"I think people jumping on these draft-Kennedy bandwagons are making some false assumptions. They think President Carter is down the tube and they think Teddy Kennedy is his brother Jack. Both are wrong," Gonzalez said.

Although Gonzalez said he plans to stay out of the Democratic Party primary fights, he is in effect supporting President Carter by not joining the Kennedy camp.

"I will help the president but I'm not going to get into these primary battles," the San Antonio congressman said.

He said there is a formal Kennedy organization in place on Capitol Hill which is planning a 1980 race. The organization includes a nucleus of freshman congressmen and long-time Kennedy staff workers.

"I think Ted Kennedy has always felt that he'd make a run for it if Carter looks weak and faltering because he wouldn't let Jerry Brown walk away with the nomination. I think he's reached that conclusion and I think he's running," Gonzalez said.

He added: "Carter is not dead yet. People should never underestimate an incumbent president."

Many of Gonzalez' colleagues who are Hispanic members of Congress are aboard the Kennedy wagon, such as U.S. Rep. Bob Garcia, D-N.Y.

"I had Bob Garcia tell me that he goes into Puerto Rican homes in New York and sees pictures of Jesus Christ and Kennedy over the fireplace. The picture he sees is Jack's, not Ted's."

"I still think of John Kennedy as a hero and I still am pained by his loss but I'm not dummy enough to believe I can return to Camelot by electing his younger brother as president. I don't believe other people do, either, and I think it's condescending to assume that they can't tell the difference," Gonzalez said.

Gonzalez has supported Carter more than 60 percent of the time on the president's legislative proposals. He voted for Carter's rationing plan, the Department of Education and the Panama Canal treaties. He voted against Carter's windfall profits tax.

"I believe these young guys in the Congress are scared for their own skin. They've made the judgment Carter will hurt their own re-election efforts but they're wrong to rush to Kennedy," Gonzalez said.
ID 733995

THE WHITE HOUSE
WASHINGTON

DATE: 21 SEP 79

FOR ACTION: FRANK MOORE ZBIG BRZEZINSKI

INFO ONLY: THE VICE PRESIDENT BOB LIPSHUTZ
AL MCDONALD

SUBJECT: EIZENSTAT MEMO RE MEXICAN NARCOTICS PROGRAM

.ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:
THE WHITE HOUSE
WASHINGTON

Rick - we can't get a
straight story out of NSC.
They will not give us a copy
of what the President
said on the report. To
find out if the issue
is going to want to see
what happened. Also,
apparently the P asked
him to call Percy
but she must
go her the word.
MEMORANDUM FOR: FRANK MOORE
STU EIZENSTAT

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: Paraquat (C)

Secretary Vance has informed the President that, after consultation with the Department of State, Senator Percy and Congressman Wolf worked with the Senate-House conference on the Security Assistance Authorization to change the Percy Amendment in a way that would avoid a reduction in assistance to Mexico if it is designated for eradication of poppies. Cy expressed the hope that the new language will be approved and a legislative history established that will enable the U. S. to make available to the Mexicans the full amount of assistance planned for FY 1980. (C)

The President responded to this, "Get Beckel and others to go all out on this -- I'll help if necessary." (C)

cc: Rick Hutcheson

Review on September 28, 1985
5. Paraquat: After several weeks of interagency discussion on the paraquat issue, Stu Eizenstat has recommended that you authorize him to talk with Senator Percy on behalf of the Administration about amending the Percy Amendment. We are deeply concerned not only about the adverse impact of the Percy Amendment on our cooperative narcotics control program with Mexico, but also more importantly, in light of next Friday's talks with President López-Portillo, about its effect on our bilateral relationship with Mexico. Lester Wolff who was involved in the Percy amendment through the conference committee may be a problem on this. We should work with him in advance to see if he can be brought around.

Let's find a simple way under present law to continue working with Mexico. Get a direct ruling from the AG if necessary.
To Al McDonald

The attached is forwarded to you for your information. Please call Warren Christopher on this per our conversation.

Rick Hutcheson
MEMORANDUM FOR THE PRESIDENT

FROM STU EIZENSTAT
LEE DOGOLOFF

SUBJECT MEXICAN NARCOTICS PROGRAM

Our joint U.S./Mexican narcotics eradication program has reduced the amount of Mexican brown heroin entering the United States by over 30% in the past two years. The Mexican Government is pleased with the program and is continuing to use the same helicopters to spray opium poppies and their priority drug, marihuana.

Last year, Senator Percy was concerned over the potential health consequences of smoking marihuana contaminated with the herbicide Paraquat. He sponsored an amendment to the Foreign Assistance Act which prohibits our assistance to a program if "the use of that herbicide is likely to cause serious harm to the health of the persons who may use or consume the sprayed marihuana." The law calls for the Secretary of HEW to make the determination if the herbicide would cause serious harm.

The day before he left, Joe Califano informed the Secretary of State that Paraquat was likely to cause serious harm to 50-100 marihuana users in the Southwestern U.S. where most of the Mexican marihuana is found. The self-executing nature of the Percy Amendment requires State to reduce our assistance to the Mexican program. Regardless of our intention, the Government of Mexico has stated that it will continue to spray marihuana with Paraquat because of their own priorities.

Ambassador Lucey and the State Department believe strongly that elimination or even reduction in narcotics assistance to Mexico would have an adverse effect on our narcotics program, on overall GOM/U.S. relations, and on your September 28 meeting with President Lopez-Portillo.

At our request, and with the concurrence of the State Department and the NSC, Judge Bell called Attorney General Flores to let him know of our concern and to assure him that we were trying to work out a quick means of resolving the problem. Flores said that he had "much confidence in us," and hoped that Secretary Harris could again review the decision and come out with a different determination.
We have met with State and HEW to try to resolve the problem. Several potential solutions have failed: Pat Harris has reviewed all of the available data and concluded that she would not change the Califano decision. Nor did she want to ask for a Justice Department interpretation of the statute. We circulated a proposed change to the Percy Amendment in late August. Justice and State concurred. HEW disagreed. Pat Harris felt that we should not actively promote either repeal or revision at this time because it links you and the Administration directly to a proposal which she believes will be highly controversial. Further, she strongly disagrees with the language of the proposed amendment in that it requires the test of relative harm to marihuana users against the potential benefits to the public health which would ensue from limited availability of marihuana and heroin.

We believe that it is important to have a positive response when the subject comes up at your September 28 meeting with President Lopez-Portillo and that we must protect the highly successful opium eradication effort.

Three options are available in the short time before your September 28 meeting:

Option 1: Do nothing. Probable negative impact on your meeting and on overall relations with Mexico. Could result in increase in availability of heroin in the U.S. if poppy destruction is terminated. HEW supports this option and prefers working within existing legislation.

Option 2: Propose an Administration change to the Percy Amendment. Provides a visible demonstration of concern to Mexico. HEW objects to the Administration introducing such legislation, but does not object to Congressionally sponsored repeal. Justice and State support the proposed amendment.

Option 3: Informally talk with Senator Percy and others to see if they are interested in introducing a change. Report back to you. Could provide appropriate amendment; allow you to tell President Lopez-Portillo that you have approached the Congress to correct the problem; responds to Pat Harris' concern over Administration sponsorship. Percy's staff has indicated that the Senator is likely to be receptive. Congressman Wolff has expressed a strong interest and is a likely sponsor.

We strongly recommend Option 3 and, if you agree, Stu will talk to Senator Percy and report back to you.
THE WHITE HOUSE
WASHINGTON

9-22-29

To Jack Watson

See Harwood about
a visit with him
in N.Y. Some time

J

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THE WHITE HOUSE
WASHINGTON

9-27-79

36:5 -

Ask Father Cypar

Women to keep Mickey

Leland re a

possible visit to

Cuba. (I don't

think it's a good

idea.)

JC

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FOR THE RECORD:

FRANK MOORE RECEIVED A COPY OF THE ATTACHED.
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THE WHITE HOUSE
WASHINGTON

September 27, 1979

CONGRESSIONAL TELEPHONE REQUEST

TO: Senator Sparky Matsunaga
         Senator Herman Talmadge

DATE: Thursday morning; preferably before 11:30 a.m.

RECOMMENDED BY: Frank Moore/Eliot Cutler

BACKGROUND: The Finance Committee will vote today, in all likelihood, on both the so-called small, independent producers' exemption and the stripper well exemption to the windfall profits tax. We have a good chance of prevailing on both, but we need votes from Senators Matsunaga and Talmadge.

Yesterday, by a 12-8 vote, the Committee voted to raise the tax rate on old oil to 75% and to lower the decline rate to 1-1/2%. Matsunaga, though absent, eventually voted in favor -- after we got to him late in the day. Talmadge voted against.

The House-passed bill contains no exemption for small producers, while the amendment to be considered by Finance would exempt producers having less than 3,000 barrels per day production on the grounds that they lack access to capital.

Under the House-passed bill, stripped oil is taxed at 60% of the excess over a base of $16, adjusted for inflation, less state severance taxes.

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Matsunaga: He will be absent, but you should ask him to give his proxy to Senator Bradley. You should emphasize to Sparky that there is no significant production impact from these exemptions, and that we need the $45 billion at stake to pay for the development of alternative energy sources.

Talmadge: He is most concerned about production, and we understand that. The Committee already has voted to exempt new oil, and likely will approve the exemption for tertiary recovery; you should emphasize that no production case can be made for these exemptions.

TALKING POINTS:

- Neither of these amendments will significantly increase production, if newly-discovered and incremental tertiary oil are exempt. You would only get about another 30,000 b/d by 1985 (from these additional exemptions) by 1985, at a total cost of $46.3 billion in net revenues between 1980-1990.

- There is no evidence that "small producers" will have difficulty raising capital. The cash-flow effects of decontrol have given them all the help they need.

- Stripped oil already gets preferential treatment under the tax. Because they are fully decontrolled and receive the world price, its base is higher ($16) than for old oil ($6) or upper tier oil ($13).

- The stripped exemption could actually lower production from existing wells by creating an incentive to lower production for a 12-month period in order to qualify for stripper status.
THE WHITE HOUSE  
WASHINGTON

Mr. President:

Would you like to meet your new Chief of Protocol today before Lopez Portillo arrives?

☐ yes  ☐ no

Phil

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THE WHITE HOUSE
WASHINGTON
September 26, 1979

MEMORANDUM FOR THE PRESIDENT
FROM: JACK WATSON
SUBJECT: Your Meeting with Governor Ed King, Massachusetts, Oval Office, 2:30 p.m., September 27, 1979

Governor King asked for this brief meeting to discuss three items. They are:

-- The status of his vigorous efforts to convert residual oil burning power plants in Massachusetts to coal;

-- The status of the Quincy, Massachusetts shipyard which recently lost a Navy project to a San Diego yard despite the Quincy yard's bid being $10 million below the San Diego bid;

-- His continuing strong support for you politically.

Coal Conversions

EPA and the affected utility company (New England Power) have reached agreement on the major outstanding issues which will permit the burning of coal at the Brayton Point plant. This plant accounts for thirty per cent of New England's residual fuel oil consumption. The decision-making process (including public hearings) will be concluded by mid-November. There is every reason to believe that the conversion will be effected and the utility actually burning coal by the third week of November. Neither you nor the Governor should indicate publically how favorable the outlook is. Any evidence of agreement between the state and federal governments before the public comment period is closed could lead to law suits that will delay the approval process.

The Governor is interested in pursuing several other conversions. They include the Salem Harbor plant, the Mount Tom Plant and several Boston Edison plants. They are all considerably smaller than Brayton Point and in earlier stages of negotiation with EPA.
Gene is working with the Governor and EPA on all these efforts and will attend the meeting.

Quincy Shipyard

General Dynamics Company lost a recent Navy shipbuilding contract at its Quincy yard. The Quincy yard employs 5,000 people and is the fifth largest employer in the State. The Company is in the process of completing several jobs, at the end of which (August 1980) the yard will have to close. General Dynamics' bid was $10 million below the California company that got the job. General Dynamics is appealing the bid result and is in a formal process within DoD. Therefore, there is nothing of substance you can say to the Governor on this issue. You can, and should, express your concern over the employment consequences of the yard's closing. Recently the Navy did award a $23 million non-competitive repair job to Quincy, but, as you would imagine, there is continuing concern about the future of the yard and its workers.

In an absurd report that appeared in the Boston Globe, the White House was accused of directing the competitive contract away from Quincy as an act of political retribution aimed at Senator Kennedy.

Gene has been working on this issue with the Governor and the Navy.

Political Support

Governor King remains firm in his support for your renomination and election. He specifically asked for this opportunity to reaffirm his political support and to thank you for your success in meeting New England's home heating oil supply requirements this winter.

He is prepared to express his support for you to the press following the meeting. You should make a point to say how important the Governor's political support in Massachusetts is to you and to thank him for all his efforts on your behalf.
THE WHITE HOUSE
WASHINGTON

September 26, 1979

FILMING OF UNITED WAY MESSAGE

Thursday, September 27, 1979
11:30 am (10 minutes)
The Map Room

FROM: Jody Powell

I. PURPOSE

To film presidential message for United Way's annual campaign.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN

A. Background

This message officially kicks off United Way's annual campaign. It will be aired on all three networks in prime time during the week of October 8.

Before the message is aired, film will be added concerning United Way activities to illustrate your words. You do not need to make any reference to that during the filming.

Lillian Brown will arrive for make-up in the Oval Office shortly before you go to the Map Room for the filming.

You should remain in the Map Room at the conclusion of the filming in order to tape the Hispanic Radio message. The United Way film crew will leave as soon as they finish the filming.

B. Participants

The President
Anne Edwards
United Way film crew

C. Press Plan

White House photographer only.
III. TALKING POINTS

A copy of the script of the message is attached to this briefing paper. It will also be on the teleprompter. It is approximately 5 minutes long.
Remarks for film message, annual United Way of America Campaign -- 9/27/79

A few weeks ago I spoke to you about a crisis of confidence in our country. Tonight I want to tell you what some Americans are doing to regenerate that confidence and why their efforts are so important to the strength of our country.

We are the greatest Nation on earth. Yet, our generation has been through a time of unparalleled social and technological change. During the past three or four decades, we have altered the way we live, think, act and work. Our institutions and ideals have changed.

Our lives have become more isolated. Too many of us feel we have no one to whom we can turn in a moment of
crisis or a moment of need.

What is the answer? What can we do to rekindle our sense of unity and our confidence in the future? Many Americans are returning to the principles and values of our parents and grandparents -- the fundamental values of caring, volunteering, and helping our neighbors.

I saw this recently, when I personally inspected the hurricane damage in Florida, Alabama and Mississippi. People there suffered the most destructive hurricane in ten years, and I assured them that the Government would do everything possible to help rebuild homes, re-open businesses and restore vital services. The Government acted. But there were also thousands of individuals who voluntarily came forward to help.
As a people, we have never believed the Government could or should do everything for us. Government can do just a limited amount. The vast contribution of repair and care must come from volunteers. That is why so many of the innovative programs in our Nation are provided by voluntary organizations, such as those supported by The United Way.

Let me show you an example of what The United Way has meant to one community.

[Film]

When we help our neighbors we strengthen our basic human values, because it gives us a chance to believe in and belong to something bigger than just ourselves. We belong to a community. And throughout America this community spirit is building a more secure future for
our children.

In each town the needs are different. But because people have been so generous, The United Way has been able to say "yes" to many different agencies and programs.

Someone close to you may need The United Way at some time in their life. Think about the mother who learns that her child has juvenile arthritis. Imagine the cost. Imagine the couple agonizing about how to care for an aging parent, or how to cope with the lonely pain of the mentally ill. Imagine the heartbreak of mental retardation or alcoholism, the family coming home to a house just destroyed by flood or fire, the wife learning that her husband has had a stroke. I know those people and you do, too. They live in your town. They are the people who need the support of volunteers and voluntary organizations.
If you care, I urge you to get involved. Visit one of The United Way agencies and volunteer to help. I know you'll be welcomed. And remember, the time or the dollars you give will mean so much to someone who has nowhere else to turn.

You are the source of America's strength. Your concerns, your sacrifices, and your participation are what make this Nation great.

Thank you very much.
THE WHITE HOUSE
WASHINGTON

September 26, 1979

TAPING OF HISPANIC RADIO MESSAGE

Thursday, September 27, 1979
11:40 am (20 minutes)
The Map Room

FROM: Jody Powell

I. PURPOSE

To tape presidential message for Hispanic Radio.

II. BACKGROUND, PARTICIPANTS, PRESS PLAN

A. Background

This message will be taped in the Map Room immediately following the filming of the United Way message. It will be distributed to approximately 200 radio stations in cities with Hispanic populations during the week of October 8.

Included in your presentation will be a message from Bill Medina, Assistant Secretary of Housing and Urban Development. His portion of the message will be taped at a later time.

B. Participants

The President
White House Communications Agency personnel
Anne Edwards
Tony Hervas, an interpreter who has accompanied you on several trips; he'll be on hand if you wish assistance with the Spanish-language script

C. Press Plan

White House photographer only

III. TALKING POINTS

A copy of the script of the message is attached to this briefing paper.
PRESIDENTE CARTER

Les habla Jimmy Carter. Estados Unidos es una nación de emigrantes de numerosos países, unidos por su fe común en la justicia, la libertad y la igualdad.

Y a pesar de eso, hoy día, a los hispanos y a los miembros de otros grupos minoritarios se les niega a veces la igualdad en el trabajo, la educación y la vivienda. Como Presidente, estoy dándoles más oportunidades a los hispanos y a otros grupos minoritarios en nuestro país.

Quiero asegurar que los hispanos participen plenamente en todos los aspectos de la vida norteamericana -- incluso en el Gobierno Federal. Por eso he nombrado a más de ciento ochenta hispanos para ocupar altos cargos en varios organismos Federales. Estoy convencido de que estas personas, además de ser sumamente competentes, están conscientes de los problemas de la comunidad hispana.

Hoy se encuentra aquí conmigo el Secretario Adjunto del Departamento de la Vivienda y el Desarrollo Urbano, Bill Medina, quien les hablará de algunos de los nuevos programas que su departamento ha creado para prestar asistencia a la comunidad hispana.

(Habla el Sr. Bill Medina.)
PRESIDENTE CARTER

Gracias Bill. Las ciudades agradables mejoran la calidad de nuestras vidas. He fijado como objetivo del Gobierno Federal la construcción de viviendas sólidas, limpias y a precios al alcance de todos, y la creación de ambientes urbanos más agradables. Mi gobierno continuará trabajando para alcanzar estos objetivos y lograr que estos programas cubran realmente las necesidades de las familias hispanas.
SR. BILL MEDINA

Cuando empecé a trabajar en el Departamento de la Vivienda y el Desarrollo Urbano lo encontré desmoralizado, inactivo y carente de todo sentido de misión después de ocho años de negligencia por parte de sus dirigentes. Hoy en día, el Departamento ha renacido. La construcción de viviendas subvencionadas ha aumentado de manera espectacular y estamos velando por que los fondos para el desarrollo de la comunidad se usen en beneficio del pobre. Una proporción considerable de las familias que están recibiendo ayuda a través de estos esfuerzos son hispanas. Sabemos que las familias hispanas tienen necesidades especiales en lo que respecta a la vivienda y que los barrios en que residen necesitan importantes trabajos de rehabilitación. El Departamento de la Vivienda y el Desarrollo Urbano está adoptando las medidas necesarias para solucionar estos problemas.

Por ejemplo, se han asignado fondos a varias organizaciones hispanas para asesorar a familias y grupos de autoayuda hispanos en cuestiones relacionadas con la revitalización de sus comunidades. Estas organizaciones están colaborando activamente con el Departamento en la tarea de asesorar a las familias hispanas sobre la compra de casas, ayudarles a obtener viviendas de alquiler y revitalizar sus barrios. Se le ha concedido a la Coalición Nacional Hispahna para el Mejoramiento de la Vivienda una importante subvención
destinada a ayudar a los grupos de comunidades hispanas locales a obtener acceso a fondos del gobierno para la vivienda y para otros proyectos que lleven a cabo el desarrollo de la comunidad y su economía. Este es el primer proyecto de este carácter financiado por el Departamento de la Vivienda y el Desarrollo Urbano. Las subvenciones del Departamento se están usando para el desarrollo urbano para revitalizar las zonas céntricas y otros barrios de ciudades que se encuentran en situación precaria. Tal vez la más importante innovación en este campo sea la política urbana nacional del Presidente Carter, formulada bajo la dirección del Departamento de la Vivienda y el Desarrollo Urbano, según la cual, en el futuro la ayuda Federal se utilizará para reconstruir y no para derribar nuestras grandes zonas urbanas.

Dado que cerca de un ochenta y cinco por ciento de los hispanos americanos residen en dichas zonas, los mismos se beneficiarán de esta nueva actitud pro-urbana.

También sabemos que las políticas urbanas de México y de los Estados Unidos tienen amplias repercusiones sociales y económicas en las ciudades fronterizas. Así pues, en virtud de un acuerdo internacional firmado entre México y los Estados Unidos, funcionarios del Departamento de la Vivienda y el Desarrollo Urbano, y del Ministerio de la Vivienda de México
compartirán ideas e información en torno a cuestiones relacionadas con la vivienda y el desarrollo urbano que afectan a las comunidades fronterizas en ciudades tales como El Paso y Juárez.

(Habla el Presidente)
MEMORANDUM FOR THE PRESIDENT

FROM: STUART EIZENSTAT
       EDWARD SANDERS

SUBJECT: Presentation of Report of the President's Commission on the Holocaust, Rose Garden, Thursday, September 27, 1979 - 2:00 p.m.

I. PURPOSE

The President's Commission on the Holocaust will present its final report and recommendations for a Memorial at a short ceremony in the Rose Garden (or Cabinet Room in the event of rain) on Thursday, September 27, 1979 at 2:00 p.m.

II. BACKGROUND

(A) Created by Executive Order 12093 on November 1, 1978, the Commission's primary mandate is to make recommendations to you with respect to the establishment and maintenance of an appropriate Memorial to those who perished in the Holocaust. The Commission is also mandated to examine the feasibility of obtaining funds for the creation and maintenance of the Memorial by voluntary contributions.

In accordance with its mandate, the Commission proposes a three-part "living" Memorial consisting of:

(i) A museum to honor the Holocaust victims with appropriate displays that are not only reportorial and historical, but also analytical, and as such, encourage reflection and meditation.

(ii) An educational foundation to serve as a national educational center for teacher-training and student programs on Holocaust-related subjects, as well as research facilities and archives for scholars of the Holocaust period.
(iii) A Committee on Conscience to serve as an early warning system to America and the international community on actual or potential acts of genocide anywhere in the world. The Committee would not duplicate the work of existing human rights agencies, official or private, would avoid individual cases and concentrate on major genocide events.

In addition to these Memorial recommendations, the Commission recommends Senate ratification of the Genocide Convention, vigorous prosecution of alleged Nazi war criminals in the United States, State Department assistance in persuading Eastern European governments to maintain Jewish cemeteries in those countries in a suitably respectful manner, and an annual commemoration of "Days of Remembrance of Victims of the Holocaust".

While it is premature for you to publicly endorse the Commission recommendations on this occasion, we feel that the recommendations are sound and worthy of your favorable consideration. We also believe that the members of the Commission and Advisory Board deserve a commendation from you for a job well done with a minimum expenditure of public funds. It is of interest to note that members of the Commission visited the Holocaust memorials in Eastern Europe and Israel this summer at their own expense.

Subject to your approval of the Commission recommendations, it is contemplated that when the Commission expires at the end of October, a new group -- National Holocaust Memorial Council -- will be constituted to carry out these recommendations. This Council and its membership will be the subject of a separate communication from us to you after you have had time to review the Commission's report. We feel it would be premature to make any commitments regarding the structure of the Council or its membership at this stage.

We have been advised that the Congressional members of the Commission, in addition to signing and concurring in the Commission recommendations, intend to send you a separate letter expressing their support for the Memorial recommendations.

(B) Portions of Report Which May Arouse Media and Public Interest:

(i) While the Report emphasizes the Jewishness of the Holocaust and its six million Jewish victims, it also contains numerous reference to the other five million victims of the Nazis, including Poles,
Gypsies, and other exterminated groups. You should know that certain American ethnic groups, particularly Polish Americans, may very well indicate feelings that the Report does not give sufficient recognition to Poles and others who perished at the hands of the Nazis.

(ii) Historical sections of the Report include passages which criticize the failure of the American and Allied Governments and peoples to believe that the Holocaust was occurring or to translate such information into effective action to save the lives of those who were exterminated in the Holocaust. In particular, the State Department is severely criticized for its alleged failure during the early Forties to lift or relax rigid immigration statutes and regulations that would have permitted larger numbers of refugees from the Nazis to enter the United States.

III. PARTICIPANTS

Commission Chairman Wiesel will begin the ceremony with a short statement. He will then present a bound copy of the Report to you to be followed by your remarks. Talking points for your public comments will be provided by the speech writers (Bernie Aronson and Hendrik Hertzberg). There is no need for you to call on anyone else to make remarks. Also present will be Undersecretary of Interior James A. Joseph, members of the Holocaust Commission and Advisory Group, close relatives and consultants. Ed Sanders will be present, but Stu Eizenstat is out of town and unable to attend.

An alphabetical list of Commission members is attached. Members of Congress are marked with an asterisk. Most of them have indicated that they plan to attend the ceremony.

IV. PRESS

Press coordination with White House Press Office (Pat Bario, Dale Leibach). The White House Press Corps will be invited to photograph and cover the event.
Mr. Elie Wiesel, Chairman

* Congressman James J. Blanchard
  Mr. Hyman Bookbinder
* Senator Rudy Boschwitz
Professor Robert McAfee Brown
Professor Gerson D. Cohen
* Senator John C. Danforth
Professor Lucy S. Dawidowicz
Mrs. Kitty Dukakis
Mr. Benjamin R. Epstein
Rabbi Juda Glasner
Justice Arthur J. Goldberg
Professor Alfred Gottschalk
* Congressman S. William Green
  Father Theodore Hesburgh
  Professor Raul Hilberg
* Senator Henry M. Jackson
  Professor Norman Lamm
Mr. Frank R. Lautenberg
* Congressman William Lehman
* Senator Claiborne Pell
  Mr. Arnold Picker
Rabbi Bernard Raskas
Mrs. Hadassah Rosensaft
Mr. Bayard Rustin
Ms. Marilyn Shubin
Mr. Isaac Bashevis Singer
* Congressman Stephen J. Solarz
* Senator Richard B. Stone
Mr. Sigmund Strochlitz
Mr. Mark Talisman
Professor Telford Taylor
Mr. Glenn E. Watts
* Congressman Sidney R. Yates
FOR THE RECORD:

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THE WHITE HOUSE
WASHINGTON

September 26, 1979

CONGRESSIONAL TELEPHONE REQUEST

To: Senator Edward Kennedy

Time: Thursday, September 27, 1979

Purpose: To inquire about his mother. Rose Kennedy underwent surgery on Wednesday. I believe she will be ok but I recommend that you make the call.

Date of Submission: September 26, 1979
THE WHITE HOUSE
WASHINGTON
27 Sep 79

FOR THE RECORD:

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THE WHITE HOUSE  
WASHINGTON  
September 27, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Call to Dan O'Neal

The Vice President's announcement yesterday that the ICC had finally approved an order which would allow the Rock Island Railroad to be taken over by another railroad was the administration of several days of work with ICC, DOT, USDA and Justice.

During that time, Dan O'Neal was extraordinarily cooperative with us, doing everything possible to ensure that the ICC would take the necessary action. He did so despite some legal uncertainties, opposition of some of the key ICC staff, and the resistance of a number of his Commissioners. Without Dan's help, I am certain the ICC would still be in the preliminary stages of formulating an order. I recommend strongly that you call Dan to thank him for his efforts.

Talking Points

- I appreciate your efforts in leading the ICC to issue a directed service order for the Rock Island Railroad. Stu has told me that you were tireless in your work over the past several days to get the order.

- I know that there were some difficult legal problems, that had to be resolved and that you had to do a good deal of lobbying of your colleagues. The country, and particularly the Midwest, is in your debt for pursuing the orders to a successful conclusion.

- Although the order has now been issued, we still need to make certain that the Rock Island's successor company, Kansas City Terminal, is moving quickly to get the trains moving again. I hope you will continue to work closely with Stu and Neil Goldschmidt as this effort goes forward.
THE WHITE HOUSE
WASHINGTON

September 26, 1979

MEMORANDUM FOR THE PRESIDENT

From: Bernie Aronson

SUBJECT: Talking Points for Ceremony Accepting Report
from the President's Commission on the Holocaust — 9/27/79

(Chairman Elie Wiesel will speak briefly and present the
Commission's final recommendations to you. You will
speak briefly after that. Both Ed Sanders and Michael
Berenbaum of the Commission's staff contributed suggestions
for these remarks.)

Mr. Chairman, Members of the Holocaust Commission and the
Advisory Board, friends:

- Eight months ago, I asked Elie Wiesel and a
distinguished group of Americans to take on an awesome
responsibility. I asked them to recommend a fitting
memorial in the United States to the victims of the most
unspeakable crime in all of human history — the Holocaust.

- Rarely has a Presidential Commission faced a more
sobering, difficult, yet fundamentally important challenge.
This event of the Holocaust — this crime against humanity
— has no parallel on earth. A philosopher wrote that
"language itself" breaks down when confronted by the
monstrous evil of this event.

- So I want to pay special tribute on behalf of our
nation to Elie Wiesel and all those who contributed to
this effort for the tremendous service that you have performed.

- The sensitivity and creativity you brought to this
effort I am certain is reflected in your final recommendations.
In addition, your very work as a Commission is also a living
memorial to the victims of the Holocaust.

- The hours and days you spent grappling with the
meaning of this event has helped bring new understanding
and moral vision to all who confront this question.
Your historic trip to the concentration camps in Eastern
Europe and to Babi Yar in the Soviet Union helped arouse
the conscience of the world and remind us once again:
we must never forget.

(Travel at own expense)
We must remember and we must understand the meaning of the Holocaust. Out of that memory and understanding, we must forge an unshakeable oath with all civilized people that never again will the world stand silent; never again will the world look the other way; never again will the world fail to lift its voice in outrage or to act in time to prevent the terrible crime of genocide.

In addition to the Jewish people who were engulfed by the Holocaust, millions of other human beings were destroyed.

Elie Wiesel has summed up the fundamental lesson of the Holocaust when he said:

"When war and genocide unleash hatred against any one people or peoples, all ultimately are engulfed in the fire."

To truly memorialize the victims of the Holocaust we must harness the outrage of our memories to stamp out oppression wherever it exists. We must understand that human rights and human dignity are indivisible. Wherever our fellow human beings are stripped of their humanity, defiled or tortured, or victimized by repression, terrorism, racism, or prejudice all of us are victims. As Americans, we must and we always will, speak out in defense of human rights at home and everywhere in the world.

When our Nation and the world faced the crisis of the Boat People, Elie Wiesel and this Commission spoke out and offered me every possible assistance and support for bold American and International Action to avert a moral disaster.

In view of the 6,000,000 Jewish victims of the Holocaust, it is particularly appropriate that we receive this report during the High Holy Days just prior to Yom Kippur (YOME KIH POOR), the Day of Atonement.

Yom Kippur is a time for looking back, a time for reflection and remembrance. But it is also a time for the reaffirmation of life, for looking ahead.

So I will consider this report most carefully and will respond promptly with my personal prayer that the memory of the Holocaust shall be transformed into a reaffirmation of life.
Mr. President:
Did you want to see Adm. Rickover this week?

∨ yes ___ no

Phil
Mr. President:

Griffin Bell is in town and asked to see you for 5 minutes to pass some information. He will be in town thru Saturday. Shall I set up an appointment?

\[/\] yes \[/\] no

Phil
Mr. Chairman, Members of the Holocaust Commission, and the Advisory Board, friends:

Eight months ago, I asked Elie Wiesel and a distinguished group of Americans to take on an awesome responsibility. I asked them to recommend a fitting memorial in the United States to the victims of the most unspeakable crime in all of human history -- the Holocaust.

Rarely has a Presidential Commission faced a more sobering, difficult, yet fundamentally important challenge. This event of the Holocaust -- this crime against humanity -- has no parallel on earth. A philosopher wrote that "language itself" breaks down when confronted by the monstrous evil of this event.

(=over=) (So I want to pay......)
So I want to pay special tribute on behalf of our nation to all those who contributed to this effort for the tremendous service that you have performed.

Your very work as a Commission is also a living memorial to the victims of the Holocaust.

Your grappling with the meaning of this event has helped bring new understanding and moral vision to all who confront this question. Your historic trip to the concentration camps in Eastern Europe and to Babi Yar in the Soviet Union helped arouse the conscience of the world and remind us once again: we must never forget.

(Travel at Own Expense)

(Out of our memory...)

Electrostatic Copy Made for Preservation Purposes
Out of our memory and understanding of the Holocaust, we must forge an unshakeable oath with all civilized people that never again will the world stand silent;...never again will the world look the other way, or fail to act in time to prevent the terrible crime of genocide. In addition to the Jewish people who were engulfed by the Holocaust, 5 million other human beings were destroyed. Poles, gypsies, others remembered.

To memorialize the victims of the Holocaust, we must harness the outrage of our memories to stamp out oppression wherever it exists.

We must understand that human rights and human dignity are indivisible. Wherever our fellow human beings are stripped of their humanity,...defiled or tortured,...or victimized by repression, terrorism, racism, or prejudice -- all of us are victims.

(=over=) (As Americans,...)
As Americans, we must and we always will speak out in defense of human rights at home and everywhere in the world.

In view of the 6 million Jewish victims of the Holocaust, it is particularly appropriate that we receive this report during the High Holy Days just prior to Yom Kippur -- the Day of Atonement.

Yom Kippur is a time for looking back, a time for reflection and remembrance. But it is also a time for the reaffirmation of life, for looking ahead.

So I will consider this report most carefully, and will respond promptly with my personal prayer that the memory of the Holocaust shall be transformed into a reaffirmation of life.
Dear Mr. President:

I was appalled to discover this morning that the memorandum you received from me suggesting several telephone calls (revised from a rough draft I had earlier prepared) was so slovenly -- grammatically, rhetorically, typographically.

Please accept my apologies, and my assurances that nothing will go to you in the future from me that I have not seen last. That way you will know whom to think ill of if it is as bad as this one!

Fred Kahn
FOR THE RECORD:

FRANK MOORE RECEIVED A COPY OF THE ATTACHED.
THE WHITE HOUSE  
WASHINGTON  
September 26, 1979  

CONGRESSIONAL TELEPHONE REQUEST  

TO:  
Congressmen Ray Roberts (Texas-D), Jamie Whitten (Miss.-D), Charles Rangel (N.Y.-D), Lud Ashley (Ohio-D), Peter Rodino (N.J.-D), and Ike Skelton (Mo.-D)  

DATE:  
Wednesday, September 26 or Thursday, September 27 before 10:00 am  

RECOMMENDED BY:  
Frank Moore and Terry Straub  

PURPOSE:  
To persuade Members to vote for the Department of Education Conference Report  

BACKGROUND:  
The following Members are listed by their votes on the House bill and our reading of their position on the Conference Report:  

Voted yes on the bill:  
Rep. Jamie Whitten (Miss.D-1st)  

Voted no on the bill:  
Rep. Charles Rangel (N.Y.D-19th)  
Rep. Lud Ashley (Ohio D-9th)  
Rep. Bennett Stewart  
Absent  
Rep. Peter Rodino (N.J. D-10th)  
Rep. Ike Skelton (Mo. D-4th)  

Date of Submission:  
September 26, 1979  

Note: Sometime ago Chairman Rodino indicated to Frank that Mrs. (Ann) Rodino would be most appreciative of a phone call from you. Chairman Rodino is not home today. We suggest that you call her asking about her health and indicating your concern. You might then ask to speak with the Chairman. He has been most concerned about provisions in the bill affecting Catholic schools. Terry Straub is working with Rodino's staff today to try to alleviate these concerns. Your appeal to him should be very strong.
THE WHITE HOUSE
WASHINGTON

RECOMMENDED TELEPHONE CALLS

TO: Congressman Doug Applegate (D-OH/18)
    Congressman Bill Chappell (D-FL/4)
    Congressman David Satterfield (D-VA/3)
    Congressman Dick Gephardt (D-MO/3)
    Congressman Matt McHugh (D-NY/27)

Date: Thursday, September 27 (not later than 12 noon)

Recommended By: Frank Moore and Terry Straub

Purpose: To Persuade Members to Vote for the Department of Education Conference Report.

Background: The DOE Conference Report will be voted on today immediately after consideration of the Budget Resolution. The vote should occur sometime between 1 and 3 pm. Our head count this morning shows:

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Vote on Present Name
Final Position
Passage

N will try opposed ?

Rep. Doug Applegate (D-OH/18)
You were in Applegate's District on Sept. 12th.

N undecided

Rep. Bill Chappell (D-FL/4)
You met with Chappell yesterday morning and Jim McIntyre has talked to him since. Chappell has been supportive in the Florida straw vote effort. Chappell's principal concern is that the inclusion of DOD schools will encourage creeping federal control of education after you leave office.

N leaning no

Rep. David Satterfield (D-VA/3)
Satterfield was also present yesterday morning. He seemed impressed by some of your arguments and he said that he would rethink his position.

N leaning no

Rep. Dick Gephardt (D-MO/3)
Gephardt opposition has softened in recent days as the result of strong lobbying back home.

N leaning no

Rep. Matt McHugh (D-NY/27)
McHugh is from upstate New York. He has been very helpful on foreign aid issues recently. He nearly voted for the Department last time around.

Will local parents set curriculum (school board)?

(+) Carroll Hubbard for military

(+)
PERSONAL AND CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Your Meeting with Admiral Rickover

I have earlier sent you a memo (attached) and talked with you about Admiral Rickover's extension. As you know, I believe you should grant a two year extension for the following reasons:

- He is a national symbol of the nuclear navy;
- He is vital to running the Navy's nuclear program;
- He is a widely-recognized leader in the effort against waste in the Pentagon;
- He would very much like an extension;
- He is still in excellent health and remains a tireless worker (13 hours a day, seven days a week);
- The granting of an extension will upset only Navy contractors and perhaps some career DOD officials; the public and the Congress will certainly be supportive. Not granting an extension will cause a political stir, given Rickover's general popularity and the fact that he has already received seven two year extensions.

I recommend, along with Al McDonald, that you grant a two year extension by simply telling Harold Brown that you want him to have the Secretary of the Navy issue the two year extension at the beginning of next week. The extension should be in the same form as the previous extension.

Admiral Rickover obviously wants the extension, but he does not want to be in a position of having to ask you for the extension. He has never before had to formally ask for an extension. When you ask him if he wants an extension, he will answer affirmatively; but the difference between his asking for an extension and your asking him if he wants one is very important to him.
I have talked with DOD and understand the Secretary's position is that a one year extension is all that should be granted. Part of the reasoning for a one year extension would be to signal that no further extensions would be granted.

I disagree with Harold's recommendation to you, and believe that you should grant the full two year extension. My own discussions with the Admiral's staff indicate that he is unlikely to accept a one year extension. You may, however, be able to persuade him to accept it; but I would nonetheless recommend that you grant the full two year extension.
THE WHITE HOUSE
WASHINGTON
September 19, 1979

PERSONAL AND CONFIDENTIAL

MEMORANDUM

TO: The President
FROM: Stu Eizenstat
SUBJECT: Admiral Rickover

As you know, Admiral Rickover's extension expires in January. He has contacted me, through his staff, to indicate his interest in another extension and concern that a delay in granting the extension would be harmful to his program.

In the Admiral's view, the contractors would love nothing better than to prevent another extension. They are apparently spreading the word that an extension might be prevented this time if enough pressure is placed on the Pentagon, and that is now occurring. The Admiral's staff is confused about whether an extension will be granted, and they are beginning quietly to seek other jobs. This is having a demoralizing effect on the entire program.

Traditionally, the Admiral's extensions have come in the spring of the year before the previous extension expires. The fact that the extension has not been granted yet is only fueling the talk that none will be granted and, in the Admiral's opinion, encouraging the contractors to lobby against him.

The Pentagon has stated that an extension can technically only be granted by the Secretary of the Navy. Because that position has been vacant until just recently, there was no one who could approve the extension, for Secretary Brown has not wanted to become involved.

This problem has been exacerbated, again in the Admiral's view as communicated by his staff, because of the Hildago appointment. Hildago and Rickover have clashed repeatedly in the past on contract issues, and Hildago may be unwilling to grant an extension unless he is told to do so.
I raise this issue with you because of my understanding that the Admiral wanted me to do so.

My recommendation would be that you orally ask Secretary Brown for his views, and tell him to direct Hildago to grant the extension (unless he has some violent objections).

Admiral Rickover is an extraordinarily capable and popular figure and a symbol of technical expertise and distaste for government waste. We should not allow that sort of person to leave the government.
Zbig Brzezinski

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

Rick Hutcheson

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Mr. President:

Brzezinski and Schultze concur in the recommendation that you make this call.

Rick/Bill
September 26, 1979

CONFIDENTIAL-NODIS

Talking Points for Telephone Conversation with Chancellor Schmidt

1. Miller, Volcker and Solomon will be meeting with Schmidt and their Finance Ministry and Bundesbank counterparts in Hamburg on Saturday.

2. You have been briefed fully on current exchange market developments and are very concerned that the situation appears to be deteriorating rapidly.

3. You are glad that Schmidt is going to be able to meet personally with the U.S. side. You believe a very serious problem is developing and will require forceful cooperation between the U.S. and Germany. You hope Schmidt will consider what the U.S. side has to say very carefully.

CONFIDENTIAL-NODIS

Classified by Anthony M. Solomon
☑ Declassify ☐ Review for
Declassification on 9/26/85

CONFIDENTIAL-NODIS

Jan 8/15/90
MEMORANDUM

TO THE PRESIDENT

FROM G. WILLIAM MILLER

September 26, 1979

The dollar came under very great pressure today and we had to spend almost half a billion dollars. In my view, only much more effective cooperation from the German monetary authorities will enable us to stabilize the market.

I would like to have my discussions in Hamburg with the Germans this Saturday reinforced by a telephone call from you to Chancellor Schmidt along the lines of the attached talking points.

I'll do my best to gain agreement at the Hamburg session.

Bill

enc.