

**10/22/79 [1]**

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memo	<p><del>From Press to The President (3 pp.) re: Visit to Latin America/enclosed in Hutcheson to Press 10/22/79</del></p> <p><i>opened per RAC NLC - 126-18-30-1-8 11/18/13</i></p>	10/19/79	A

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Carter Presidential Papers- Staff Offices, office of the Staff Sec.- Pres. Hand-writing File 10/22/79 [1] BOX 152

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MAILING LIST 10/33/30 [1] BOX 125  
GENERAL PRESIDENTIAL PAPERS - STATE OFFICES

OFFICE OF THE STATE SEC. - PRES. HANG-

10/33/30

to GATTI AMERICAS/enclosed in HUPCHESON to PRESS

MEMO

FROM PRESS to THE PRESIDENT (3 pp.) re: STATE to 10/10/30

W

Revised:  
10/22/79  
8:30 a.m.

THE PRESIDENT'S SCHEDULE

NOT ISSUED

Monday - October 22, 1979

---

9:45 Mr. Hamilton Jordan and Mr. Frank Moore.  
The Oval Office.

12:25 Greet Mrs. Louise "Bill" Morton and  
(3 min.) Mrs. Margaret Mellon. (Ms. Nancy Jordan).  
The Oval Office.

12:30 Private Luncheon - Second Floor Private  
(60 min.) Dining Room.

3:00 Drop-by Briefing on Windfall Profits Tax.  
(15 min.) (Ms. Anne Wexler) - The East Room.

# 5:00 Meeting with Senate Group. (Mr. Frank Moore).  
The Cabinet Room.

THE WHITE HOUSE

WASHINGTON

10/22/79

Ev Small/Frank Moore

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

Rick Hutcheson

cc: The Vice President  
Hamilton Jordan  
Lloyd Cutler  
Zbig Brzezinski

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*To him  
today - Monday  
J*

October 22, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI *ZB.*  
SUBJECT: Letter to Senator Byrd

Attached please find draft of letter to Senator Byrd;  
Lloyd Cutler concurs.

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON  
October 22, 1979

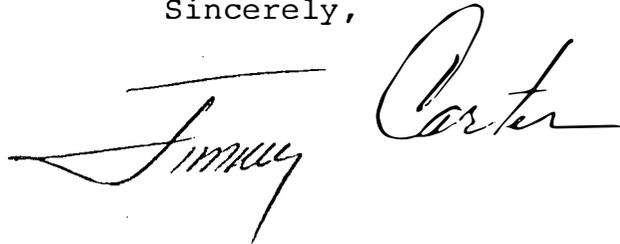
Dear Senator Byrd:

Thank you for your letter of October 19. I agree with you that "a strong defense and a willingness to negotiate meaningful arms reductions are complementary components of a sound national security policy."

During my Administration, I have energetically sought to enhance our overall defense capabilities and also to promote arms control negotiations with the Soviet Union. I have done so because it is my firm view that our defense programs and arms control are the twin pillars of our national security. Accordingly, I am prepared to assure you that none of our cruise missile programs (air, ground, or sea-launched) nor the MX program will be delayed or inhibited by the SALT II Protocol which will expire at the end of 1981.

It is my firm intention to proceed with the testing, development, and deployment of the recently approved sheltered ground mobile MX basing system, and with the currently programmed cruise missile deployments. Both are needed for our defense, and I cannot envisage any circumstances under which there would be any de facto extension of the Protocol which could interfere with our firm intention to deploy these systems.

Sincerely,

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

The Honorable Robert C. Byrd  
Majority Leader  
United States Senate  
Washington, D. C. 20510

United States Senate  
Office of the Majority Leader  
Washington, D.C. 20510

October 19, 1979

The President  
The White House  
Washington, D.C.

Dear Mr. President:

I am concerned about the implications of SALT II for future United States security in relation to the possible extension of the Protocol beyond its scheduled termination date of December 31, 1980.

I believe that the Senate should and will specify in the resolution of ratification, if SALT II is approved, that the limitations contained in the Protocol cannot be extended beyond that date without the explicit consent of the Senate. I consider this a matter of major importance.

However, while the Senate can act to assure that the Protocol is not formally extended without Senate concurrence, I am concerned about the possibility of a de facto extension. Certainly there may be some pressure for the United States to continue abiding by the terms of the Protocol beyond 1981, even if we have received no comparable concessions from the Soviet Union. There could be an effort to make it appear that we are somehow reneging on the Treaty if we do not continue the provisions of the Protocol.

We have every reason to believe that the Soviet Union will seek to extend the limits contained in the Protocol. Administration officials have repeatedly affirmed that we have no prior commitment to respond to these Soviet efforts. You have repeatedly stressed that you intend to go forward with the deployment of cruise missiles and the mobile MX after the Protocol expires.

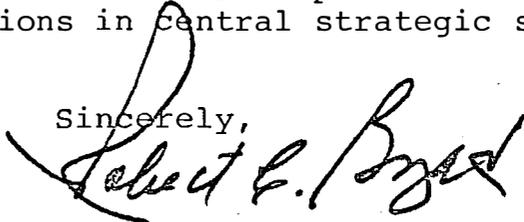
The President  
October 19, 1979  
Page 2

Because the provisions of the Protocol have a direct bearing on weapons systems that may be vital to our defense capability -- cruise missiles and the MX -- I believe it is imperative that we not be inhibited from proceeding with deployment of those systems.

I believe we agree that a strong defense and a willingness to negotiate meaningful arms reductions are complementary components of a sound national security policy. I am convinced that there will be no prospect of meaningful arms reductions in the future unless the U.S. and its allies proceed with the modernization of strategic nuclear systems, the modernization of theater nuclear forces, and an upgrading of our conventional military capabilities. Unless we are committed to these kinds of improvements in our national defense, the promise that SALT II can lead to future meaningful reductions will be hollow.

It is my hope that you will find an appropriate means to make unequivocally clear the Administration's commitment to proceed with these programs, helping to dissipate the lingering concerns about any de facto protocol extension. This will not only improve the prospects for the SALT II Treaty but will, I am convinced, also create the proper climate for the continuation of the SALT process and progress towards meaningful reductions in central strategic systems and theater forces.

Sincerely,



Robert C. Byrd

THE WHITE HOUSE  
WASHINGTON

10/22/79

Jack Watson  
Arnie Miller

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

Rick Hutcheson

PLEASE EXPEDITE HIS PAPERS

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

*Please expedite  
get 9 papers  
to hco*

ACTION  
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
✓	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
✓	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE

WASHINGTON

October 18, 1979

①

MEMORANDUM TO THE PRESIDENT

FROM : JACK WATSON *Jack*  
ARNIE MILLER *AM*

SUBJECT: Overseas Private Investment Corporation  
(OPIC)

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Last month you submitted to the Congress your Reorganization Plan -- Number 3 of 1979. One provision of that plan allows for the appointment by you of an additional member to the Board of Directors of OPIC.

E. G. "Leo" Koury (Dem. - Ohio) has been a practicing attorney for twenty-five years. Of Lebanese descent, Koury's business affairs have frequently taken him to the Middle-East. He has a thorough understanding of that area and many useful personal contacts. Additionally, he is very active in his local community and has served as a fundraiser for many civic and religious organizations.

The proposed effective date of the reorganization plan is October 1, 1980. Should the Congress act favorably, you can issue an Executive Order advancing the effective date.

Bob Strauss, Bruce Llewelyn, and Rick Hutcheson concur with the following recommendation.

RECOMMENDATION

Nominate E. G. Koury as a member of the Board of Directors of OPIC, as soon as Congress approves the plan.

approve  disapprove

If you approve this recommendation, we will notify Mr. Koury of your intention to nominate him when Congress approves the plan.

E. G. (Leo) Koury

Lorain, Ohio

EXPERIENCE

1955 - Present

Private Practice

1970 - Present

Special Counsel, Attorney

1960 - 1964

General's Office,  
State of Ohio

EDUCATION

1953

University of Cincinnati  
College of Law, LL.B.

1950

Ohio University, B.S.

CIVIC AND POLITICAL ACTIVITIES

Past President, Lorain International, an organization of more than 2,000 people from 55 different nationalities who sponsor civic events, bazaars, etc.

Chairman, Cancer Crusade, Lorain County, 1976

Chairman, Carter-Mondale Campaign, 13th Congressional District, 1976

Delegate, Democratic National Convention, 1976

Past President, ALSAC, Aiding Leukemia Stricken American Children

PERSONAL

White Male

Age 51

Democrat

THE WHITE HOUSE

WASHINGTON

10/22/79

Lloyd Cutler

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

Rick Hutcheson

cc: Frank Moore

10/22  
Called on  
More  
J

From Lloyd Cutler

10/20/79

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for Preservation Purposes

GLENN UNDERSTANDING REQUIRING AND IMPROVEMENT IN U.S.  
INTELLIGENCE COLLECTION AND ANALYSIS CAPABILITY.

In section 1 of the resolution of ratification include the following reservation: "that before the date of exchange of the instruments of ratification the President agrees--

(1) to establish a "Blue Ribbon" commission charged with preparing and submitting to Congress, within six months after ratification of this Treaty, a long-term comprehensive plan to improve the overall performance of the Intelligence Community; and

(2) prior to commencing formal negotiations for a SALT III Treaty submit to Congress a list of specific steps necessary to insure that a new treaty is verifiable.

Mr. President:

John Glenn has presented five verification understandings, three of which we have to defeat or water way down. It might be tactically wise to accept this one above, if you agree. The proposed Commission may be a good way to move forward on your own concerns about the intelligence community.

We have already gone along with Glenn on four ~~other~~ earlier understandings, as you will see from the attached summary of where we are.

We need to meet with Glenn by Monday afternoon on these new proposals.

If you need to talk to me, Signal and the W.H. Switchboard have my number in Washington. Lloyd

KEY

- CAT. III - Requires official notice to S.U. and S.U. approval
- CAT. II - Requires official notice to S.U. but not approval
- CAT. I - Requires neither notice to S.U. nor approval

A. Legal Standing of Documents

1. Category III Reservation to Exec. Y, 96-1 (Senators Church and Javits) considered Monday, October 15

Recommended 14-0. Ayes: Senators Church, Pell, McGovern, Biden, Glenn, Stone, Sarbanes, Muskie, Zorinsky, Javits, Percy, Helms, Hayakawa, and Lugar.

This reservation states that the common understandings and agreed statements are of the same force and effect as the provisions of the Treaty.

2. Category II Understanding to Exec. Y, 96-1 (Senator McGovern) considered Monday, October 15

Recommended 11-2. Ayes: Senators Church, Pell, McGovern, Biden, Glenn, Stone, Sarbanes, Zorinsky, Javits, Percy, Helms. Nays: Hayakawa and Lugar.

This understanding provides that the agreements in the Joint Statement of Principles will be the basis for subsequent negotiations.

3. Category III Reservation to Exec. Y, 96-1 (Senators Church and Javits) considered Tuesday, October 16

Recommended 11-3. Ayes: Senators Church, Pell, McGovern, Glenn, Stone, Sarbanes, Zorinsky, Javits, Percy, Baker and Hayakawa. Nays: Senators Biden, Helms and Lugar.

This understanding provides that the written and oral statements by President Brezhnev on the Backfire bomber are legally binding on the USSR.

B. Articles of the Treaty and Protocol

1. Amendment to Exec. Y, 96-1 (Senator Baker) considered Wednesday, October 17

Rejected 6-9. Ayes: Senators Stone, Zorinsky, Baker, Helms, Hayakawa, and Lugar. Nays: Senators Church, Pell, McGovern, Biden, Glenn, Sarbanes, Muskie, Javits, and Percy.

This amendment would have counted the Backfire bomber within SALT II as 3/4 strategic nuclear delivery vehicle (SNDV) and the FB-111 bomber as 1/2 SNDV.

2. Category II Understanding to Exec. Y, 96-1 (Senator Glenn) considered Wednesday, October 17

Recommended 14-0. Ayes: Senators Church, Pell, McGovern, Biden, Glenn, Stone, Sarbanes, Zorinsky, Javits, Percy, Baker, Helms, Hayakawa, and Lugar.

This understanding reinforces the Treaty provision that the SS-19 is the heaviest light ICBM and that a violation of this provision would justify US withdrawal from SALT II.

3. Category III Reservation to Exec. Y, 96-1 (Senator Stone) considered Thursday, October 18

Rejected 5-10. Ayes: Senators Stone, Baker, Helms, Hayakawa, and Lugar. Nays: Senators Church, Pell, McGovern, Biden, Glenn, Sarbanes, Muskie, Zorinsky, Javits and Percy.

This reservation would have included Soviet Golf I and Golf II submarines within the SALT II provisions.

4. Category II Understanding to Exec. Y, 96-1 (Senator Glenn) considered Thursday, October 18.

Recommended 13-1. Ayes: Senators Church, Pell, McGovern, Glenn, Stone, Sarbanes, Zorinsky, Javits, Percy, Baker, Helms, Hayakawa and Lugar. Nay: Senator Biden.

This understanding provides that the US will calculate cruise missile range by assuming that all unused fuel is consumed by flying at the same altitude and speed as in the last segment of the cruise missile's flight, and if apparent violations are not satisfactorily resolved, the violation would justify withdrawal from the Treaty.

5. Category I Understanding to Exec. Y, 96-1 (Senator Glenn) Considered Thursday, October 18

Recommended 14-0. Ayes: Senators Church, Pell, McGovern, Biden, Glenn, Stone, Sarbanes, Zorinsky, Javits, Percy, Baker, Helms, Hayakawa and Lugar.

This understanding states that maneuvers of ballistic missile post boost vehicles shall be defined as including changes in position, velocity and orientation.

6. Category II Understanding to Exec. Y, 96-1 (Senator Glenn) considered Thursday, October 18

Recommended 14-0. Ayes: Senators Church, Pell, McGovern, Biden, Glenn, Stone, Sarbanes, Zorinsky, Javits, Percy, Baker, Helms, Hayakawa and Lugar.

This understanding provides that the aggregate weight of 10 reentry vehicles on any new type ICBM must be at least 40 percent of the total throw-weight of the missile, and that a violation of this provision would justify withdrawal from SALT II.

THE WHITE HOUSE  
WASHINGTON

10/22/79

Frank Press

The attached was returned in  
the President's outbox today  
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your information.

Rick Hutcheson

~~SECRET~~ ATTACHMENT

DECLASSIFIED

Per, Rac Project

ESDN: NLC-120-18-30-1-5

BY KS DATE 11/15/15

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<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	FOR APPROPRIATE HANDLING
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DECLASSIFIED

Per: Rac Project

ESDN; NLC-126-18-30-1-8

BY KS NARA DATE 11/18/13

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input checked="" type="checkbox"/>	<del>SECRET</del>
<input type="checkbox"/>	EYES ONLY

ACTION  
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
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	PETERSON
<input checked="" type="checkbox"/>	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

~~SECRET~~

~~SECRET~~

THE WHITE HOUSE

WASHINGTON

October 19, 1979

Good  
J

MEMORANDUM TO THE PRESIDENT

FROM: Frank Press *FP*

SUBJECT: Visit to Latin America

Over the past ten days I led a delegation to Latin America of the government's leading S&T administrators. This visit, which was proposed on your behalf by the Vice President during his Latin American trip earlier this year, was highly successful. We reached agreement on programs for cooperation in S&T with the governments of Venezuela, Brazil and Peru, as well as with the Andean Pact organization and Caribbean regional organizations. These programs of cooperation were received enthusiastically. They promise to yield direct political benefits to us as well as the indirect benefit of strengthening the countries and regions through improvement of their S&T capabilities.

The group that I took with me was undoubtedly the highest level S&T delegation we have ever seen abroad. It included the Administrator of NASA, the Director of the National Science Foundation, the Director of the US Geological Survey, and various Under Secretaries and Assistant Secretaries from DOE, Agriculture, State, and HEW dealing with S&T. The proposed projects which we presented had been developed with OMB within the interagency mechanism. We will have to review proposals made to us to see which we are able to fund and participate in.

In Caracas I had a substantive and cordial 45-minute discussion with President Herrera. He emphasized to me the key role he expects S&T to play in Venezuelan development and his strong desire for cooperation with the US to help fulfill that role. He noted that the domestic political atmosphere following your announcement of security measures in the Caribbean made signature of formal agreements inopportune from the Venezuelan standpoint. He emphasized, however, that these would be signed in a few weeks when his domestic situation became more tranquil. Of particular importance in our visit to Venezuela was the working out of a memo of understanding between DOE and the Venezuelan Ministry of Energy and Mines for cooperation in R&D on heavy oil. This will give us important access as the Venezuelans proceed to develop the vast resources of the Orinoco Tar Belt.

~~SECRET~~

Review on October 19, 1985

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Per, Rac Project

ESDN: NLC-12C-18-30-1-8

BY *JCS* NARA DATE *11/18/83*

~~SECRET~~

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~~SECRET~~~~SECRET~~

The Brazilian visit was highly successful despite efforts by the Foreign Ministry to play the visit in a very low key, apparently for human rights and other politically motivated reasons. The Brazilian S&T counterparts, however, were prepared in depth, presented a large number of specific proposals for cooperation, agreed to all of our proposals, named individual contacts and set detailed schedules. As a result, I am convinced that this process can contribute to our rapprochement with Brazil. While there are many prospective programs of mutual interest with Brazil (e.g. coal liquefaction), we should be able to profit particularly from the considerable Brazilian initiative in the development of gasohol technology.

On the question of Brazilian cooperation with France to obtain space launcher technology, Bob Frosch was told by the Director of the Brazilian Space Agency that this cooperation was unlikely to get anywhere, primarily for reasons of cost. In light of this we did not explore further US alternatives to the French proposals for launch vehicle technology. As you instructed, we will press ahead with cooperation in non-sensitive satellite technology and access to the Shuttle, in which the Brazilians showed great interest. We will, of course, keep our eyes on the French-Brazilian discussions and come back to you if there is a need for further guidance.

In Peru I was received very warmly by Prime Minister and Army Commander Richter Prada. He described Peru's extreme need for help in increasing wheat production, as well as interest in our help in enlarging hydro-electric capacity and in combating malaria, TB, and hepatitis. We will be arranging for the Peruvians to tap into our existing programs in each of these areas. In Lima our delegation also met with the Governing Junta of the Andean Pact. The Junta received enthusiastically our proposals for cooperative science programs, which will be finally agreed in further discussions to be held shortly. The Pact is especially interested in cooperation in food, agriculture, and industrial technology.

In Barbados the delegation met with over 100 representatives of national and regional S&T agencies from the Caribbean. Only Grenada refused to send a representative; Cuba was not invited. The Caribbean participants were unanimous in voicing the hope that this unprecedented meeting signaled the start of expanded S&T collaboration that would have significant impact on Caribbean economic development. There was also the clearly expressed skepticism by more than a few attendees that the US would follow through on these discussions.

~~SECRET~~~~SECRET~~

~~SECRET~~~~SECRET~~

I am convinced that with a modest increase in funds--some \$10 million over the next 3 years--we can mount a program of S&T cooperation with the Caribbean community in their priority areas of agriculture, health, and energy that would contribute significantly to fulfilling the goals you have recently set forth for our policy towards this strategic region. I will be working with Zbig, Henry Owen and Jim McIntyre to present for your decision a proposal on special funding. In the absence of such additional funding we will proceed with our current modest plans for cooperation.

~~SECRET~~~~SECRET~~

ID 794600

THE WHITE HOUSE  
WASHINGTON

DATE: 19 OCT 79

FOR ACTION:

INFO ONLY: ZBIG BRZEZINSKI

~~Secret~~

SUBJECT: ~~SECRET~~ PRESS MEMO RE VISIT TO LATIN AMERICA

+++++  
+ RESPONSE DUE TO BERT CARP +  
+ BY: +  
+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

DECLASSIFIED  
Per: Ras Project  
ESDN: NLC-126-18-30-18  
BY: RS NARA, DATE 11/18/13

THE WHITE HOUSE  
WASHINGTON

Phil has  
seen

Done  
10/22/79

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	LOG IN/TO PRESIDENT TODAY
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	NO DEADLINE
	FOR APPROPRIATE HANDLING
	LAST DAY FOR ACTION

cc TIC  
 VIA  
 Alicia

ACTION  
 FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
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	DUNCAN
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	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
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	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

CARTER/MONDALE PRESIDENTIAL COMMITTEE, INC.  
1413 K STREET, N.W., WASHINGTON, D.C. 20005

10/18/79

*Done  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*

RE: JERRY VENTO

-----

The key to our success in Florida was the winning of Dade County (Miami) which was said to be the draft Kennedy stronghold. We won Dade County and its 188 delegates, the largest block of delegates in the state. This was largely due to the excellent and dedicated efforts of South Florida Coordinator, Jerry Vento. Jerry ~~came~~ to the campaign from your advance staff. I recommend that you call Jerry and thank him for his fine efforts.  
*was on leave*

305-672-7571 (o)  
305-893-6200 x 528 (h)

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for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON  
10/22/79

Anne Wexler

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

Rick Hutcheson

cc: Jody Powell

THE WHITE HOUSE  
WASHINGTON

October 20, 1979

cc Anne  
Q

ADMINISTRATIVELY CONFIDENTIAL

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MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *AW*

SUBJECT: Activities Report -- Week ending October 19, 1979

1. Energy. Governor Byrne's Windfall Profits Tax Coalition continues to add members. They are raising money for ads in major newspapers in 5 to 10 key states. Following their breakfast with you next Thursday, the Coalition members will spend the day visiting key Senators.

Business and labor support for the Energy Mobilization Board and the Energy Security Corporation continues strong. This week the National Association of Subcontractors endorsed both; they represent a cross-section of medium and smaller-sized businesses across the country. We are preparing to deploy our forces for the Energy Security Corporation on the Senate floor and the Energy Mobilization Board on the House floor.

2. Hospital Cost Containment. Fred Kahn (because of his inflation credibility) and Charlie Schultz (because he can out argue anybody on this issue) have been asked to individually brief key House members, to send a letter to the Hill, to conduct a briefing for House staff (which should draw the hospital lobby into a debate which Charlie will win) and to stress Hospital Cost Containment with the press (Charlie is on Meet The Press this weekend). We are working with each supporting group on a daily basis to coordinate their efforts with key members. Some members say that they have heard only from the hospital lobby, so we are making sure that other voices are heard. Four major themes are being emphasized: anti-inflation/anti-deficit; a strong, heavily financed special interest opposition; no free market in health care; little additional regulation, paperwork or bureaucracy. This is a tough one.

*Greatly  
escalate  
our  
rhetoric -  
check it  
Jody*

3. Ethnic Affairs. After you left Kansas City, Vicki Mongiardo, Gino Baroni and Ed D'Alessio spent a day and a half meeting with the attendees at the Catholic Charities Conference. The establishment of the Office of Families at HEW was very positively received; many at the Conference had been working on it for over ten years. There was also a positive reaction to your bringing Administration and White House people who identify with their concerns. I hope we can do this on more trips.

We continue to receive calls and letters praising you for the White House events with the Pope and Archbishop Iakovos.

4. Youth. I received your message about meeting with 125 student leaders and will get back to you with some ideas. For your information, we are constantly meeting with youth groups.

5. SALT. In implementing the outreach plan, about 200 ministers in key states have agreed to emphasize arms control and SALT II in their sermons, speeches and other public activities over the next four to six weeks. In about two weeks, we should be able to demonstrate strong business support for SALT. We have begun to analyze the quality of support needed Senator by Senator and then to implement those decisions.

THE WHITE HOUSE  
WASHINGTON

10/22/79

Frank Moore  
Sarah Weddington

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

Rick Hutcheson

cc: Susan Clough

*in future  
send cc. to  
summary of all  
pol calls*

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

*TK via  
Alicia*

ACTION  
FYI

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	CUTLER
<input type="checkbox"/>	DONOVAN
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	MCDONALD
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<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input checked="" type="checkbox"/>	WEDDINGTON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
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<input type="checkbox"/>	ANDRUS
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<input type="checkbox"/>	DUNCAN
<input type="checkbox"/>	GOLDSCHMIDT
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<input type="checkbox"/>	MILLER
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<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CAMPBELL
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<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	FRANCIS
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HERTZBERG
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	KAHN
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MARTIN
<input type="checkbox"/>	MILLER
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SANDERS
<input type="checkbox"/>	SPETH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	TORRES
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WISE

October 16, 1979

Electrostatic Copy Made  
for Preservation Purposes

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*  
SUBJECT: Telephone Call Request

Senator Eastland  
601/756-4616 (Farm Office)  
756-4355 (House)  
756-4766 (Law Office)

*TK 10/22/79*

On December 6th the First Lady will be in Mississippi for a fund-raising dinner. This event could raise the state goal. We have purposefully withheld any political activity from the state until after the Gubernatorial election on November 6th.

We would like to have Senator Eastland chair this event. His acceptance would assure a successful event. There has been some splintering of factions during the Governor's race. Eastland is the only individual who can bind these groups together.

You should make the call to Eastland. He has already stated his support for your policies and re-election and also has a strong personal regard for you.

Talking Points: Ask Senator Eastland to serve as the Honorary Chairman of the December 6th event.

NOTES: *Glad to do so. Frank Moore*  
*follow up & exact date,*  
*time, place, etc.*

THE WHITE HOUSE  
WASHINGTON

10/22/79

Stu Eizenstat  
Jim McIntyre

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

Rick Hutcheson

cc: Frank Moore  
Phil Wise  
Fran Voorde

THE WHITE HOUSE

WASHINGTON

October 19, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
JIM MCINTYRE *Jim*  
SUBJECT: Paperwork Reduction

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While the burden of filling out Federal forms has been cut 15% during your Administration, continued progress is threatened by massive, new reporting requirements in energy, toxic substances control, and other programs. A stepped-up management program is needed to continue cutting the paperwork burden, and we have worked with Congress to develop legislation and an Executive Order. The main elements of this program are:

Paperwork budget. Each agency will submit, at the beginning of each fiscal year, an estimate of the man-hours of reporting it will impose on the private sector. For executive agencies, OMB may order this total reduced and will hold the agencies to the budgeted limit. For all agencies, the budget will ensure that they are aware of the total burden they are imposing and will force them to set priorities and trade off paperwork requirements. In the past, agencies often imposed paperwork for their own convenience without considering its burdens; the budget will help ensure they do consider cost.

Unified oversight. At present, the Federal Reports Act gives OMB the power to clear or reject reporting requirements by most executive agencies. Five years ago, Congress, in anger at the Nixon Administration, exempted the independent regulatory commissions and a few other programs from that process. The bill will bring those agencies back under OMB, so there is one central clearinghouse. In addition, it will close loopholes in the original Reports Act for bank supervisory agencies and the IRS.

Information Locator. The SBA small business advocacy office is creating an index of Federal forms, and OMB is establishing a computerized list of the kinds of information collected. Before an agency collects data, it will check to see if another agency already has it.

Special Treatment for Small Organizations. Paperwork, like most regulatory requirements, inevitably places heavier burdens on small organizations rather than big ones. Data gathering that may be easy for a corporation with computerized records may be very

hard for a small businessman who keeps his records by hand. The bill will require agencies to consider smaller or less frequent reports or exemptions for small entities.

Sunset. Paperwork requirements will be reviewed every five years and terminated unless reapproved.

Statistical Confidentiality and Oversight. One reason for duplicative data gathering is that much statistical information is collected under pledges of confidentiality that prevents agency from sharing it. The paperwork bill includes a provision allowing some sharing of business lists to reduce duplication. In addition, we have developed a separate, broader bill to reduce duplication and strengthen the collection and use of statistics. A memo on that proposal will go to you shortly.

Reports Elimination. At your direction, OMB has completed its review of executive branch reports to Congress and has developed legislation to eliminate or modify 224 of them. (This would be a separate bill but would be submitted with the rest of the package.) An additional 54 will be eliminated through administrative action. Annual savings are estimated at \$5.5 million or more.

We think we will be able to reach final agreement on the broad paperwork reduction bill with the key Congressional leaders (Sens. Ribicoff and Chiles, Reps. Brooks and Horton) late this month. If so, we recommend a Presidential Message on paperwork reduction and a brief ceremony with those Congressmen to announce the bills and sign the Executive Order. This will be a way for you to take credit for the progress already made and to demonstrate your continuing commitment to cutting red tape.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_



**Electrostatic Copy Made  
for Preservation Purposes**

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

10/22/79

Frank Moore

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

cc: The Vice President  
Rick Hutcheson  
Hamilton Jordan  
Al McDonald  
Stu Eizenstat  
Jack Watson

cc Frank  
J

THE WHITE HOUSE  
WASHINGTON

October 20, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made  
for Preservation Purposes**

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Energy

Windfall Profits Tax

The Senate Finance Committee has tentatively approved a windfall profits tax bill. However, the Committee will come back into session on Wednesday to officially wrap up its work. At that time a number of other amendments will be considered, some of which can be expected to be substantive.

Significant actions last week included:

- o The Roth amendment to freeze social security taxes for a year was defeated on a 10-10 tie. Roth has indicated he may seek reconsideration on Wednesday.
- o A Bentsen amendment to exempt all oil owners who are charitable organizations lost by a 10-7 margin.
- o A Gravel amendment to move Cook Inlet oil to tier two lost 7-6.
- o Senator Bradley moved the establishment of a \$15 billion account for mass transit in the Fund. Instead, the Committee accepted by voice vote a recommendation that the trust fund will set aside up to 1/4 of the Fund (not to exceed \$15 billion) for mass transit, 1/2 the fund (with no dollar limit) for low income assistance and the rest for energy measures of other committees, including synfuels.
- o The Committee also agreed that the cost of credits would not come out of the trust fund.

o Most significantly the Committee moved unanimously to change its oil price assumptions from \$22 per barrel and 1% real price increase (which raised \$77 billion) to \$30 and 2% (which raises \$145.4 billion). Under these new assumptions the Committee can easily accommodate more spending and more exemptions.

Next week, it will be necessary to fight off more Roth social security amendments, changes in the tax treatment of the tiers, and additional credits.

Once the Committee truly finishes on Wednesday it will take the Committee staff at least a week to put together the bill and report.

#### Low Income Energy Assistance

The proposal advanced in both the Senate and the House, although serious problems still remain.

#### Senate

Senate floor action began on Monday when a Javits amendment to the Interior appropriations supplemental for \$1.35 billion for the Community Services Administration, to be taken from the Strategic Petroleum Reserve account, was defeated 43 to 47. On Tuesday, a modified Javits amendment for \$1.2 billion -- and not associated with the SPRO account -- was adopted by a voice vote. While no mechanism for distribution of the funds was specified, Senator Javits expressed his preference for a plan being prepared by the Human Resources Committee.

On Friday the Human Resources Committee reported a three year low income assistance program: \$1.6 billion for FY '80; \$3 billion for '81; and, \$4 billion for '82. For FY '80, all funds would be allocated to the States for expenditures; a governor could opt to have HEW send checks to SSI recipients, the remainder would be distributed through State mechanisms. For the out years, governors would be required to submit a plan for distribution of funds to HEW for approval.

The Senate Appropriations Committee staff has begun to focus on the issue of low income assistance, since it is sure to be involved whether this matter is resolved in the conference on the Interior Supplemental or in a separate supplemental, as we have requested. They are clearly moving in the direction of our proposal.

The Senate Finance Committee tentatively approved a plan for both this winter's program and future years; a meeting is set next week to reconsider it after looking at the products of different distribution formulas, and after seeing how the Appropriations Committee deals with the issue.

## House

The focus of House activity this week was in the Natcher Appropriations Subcommittee. On Thursday, they held hearings on the low income initiative. On Friday, the Subcommittee reported a supplemental appropriation of \$1.35 billion to CSA: \$150 million for the crisis program, \$1.2 billion to be transferred to HEW. Using a structure that very closely follows the Administration's proposal, the Subcommittee would have \$400 million of the \$1.2 billion distributed to SSI recipients. The remaining \$800 million would be distributed to AFDC recipients, or if a State so opted, in a block grant to be distributed according to a plan approved by HEW. The full Appropriations Committee has tentatively scheduled a hearing on the issue for Wednesday.

We continue to insist that most of the FY '80 funds be taken from WPT revenues, but we no longer insist on prior passage of the tax. )

## Energy Mobilization Board

The rule on EMB legislation will be taken up on Thursday; floor action is likely the following week.

Congressmen Udall and Dingell have agreed to meet -- in person, and not simply through staff -- to continue work toward a compromise bill.

At the same time, Udall and Congressman Wirth were reported to have made substantial progress toward completion of a compromise bill of their own.

Bo Cutter was questioned by Congressman Wirth about the Administration's position on House EMB legislation during his testimony on ESC before the Energy and Power Subcommittee. Wirth stated that he and Congressman Udall would seek to amend the Dingell bill on the floor to delete substantive override authority. In response, Cutter stated that the Administration has always opposed substantive override, except in the case of the grandfather clause.

In the meantime, Bert Carp and John Deutsch met with John Dingell on Thursday. Dingell, for the first time, indicated he may be willing to move somewhat towards our position.

## Energy Security Corporation

## Senate

The Senate passed the Interior Appropriations Bill 85-9. The measure includes \$20 billion for alternative fuels.

Conservation was the main mark up topic Thursday at the Senate Energy Committee. Also touched upon was a possible need for a waiver from the Senate Budget Committee before floor action if the Budget Conference on the Second Concurrent Resolution remains deadlocked. The first Budget Resolution includes no funding for synfuels or an energy security corporation.

We now have a preliminary Senate vote count on the ESC/synfuels. There are still 25 offices left to contact, but the ones contacted are distributed as follows:

+	L+	?	L-	-
17	21	18	6	13

The vote on the Byrd proposal to appropriate \$20 billion for synfuels is also an indication of our strength. Byrd won 59-38.

### House

Both Cutler and John Deutsch testified on ESC Thursday before Congressman Dingell's Energy and Power Subcommittee. The members present, Ottinger, Gore and Wirth, were generally not supportive of an energy security corporation.

### 2. Second Budget Resolution

Although a flurry of offers has helped to narrow the gaps between the conferees, serious questions of priorities and philosophy still separate the conferees.

Reconciliation -- This is probably the most important sticking point. The House conferees seem completely unwilling to attempt a reconciliation measure of any kind even though they claim that substantial legislative savings have already been adopted by the House. The Senate conferees continue to demand reconciliation language. This dispute is hindering action on the human resources functions, particularly income security and veterans.

Defense -- The House has accepted the higher Senate budget authority level, but has added only \$0.9 billion to outlays, leaving the House \$1.1 billion below the Senate level in outlays.

Energy -- The conferees have agreed to a compromise amount of \$1.2 billion in BA and outlays for the low-income heating assistance program. This provides room for our permanent low-income assistance programs and the CSA temporary program.

The transportation initiative is considered generally acceptable, but the conferees have not agreed on how to classify it. They are very close on a total outlay figure for the entire energy function but are still far apart on the question of BA for the Energy Security Corporation. The House has also confused its ESC target by including with it many other programs.

Human Resources -- Throughout the conference Chairman Giaimo has repeatedly stated that House passage of the budget resolution is dependent on Democratic votes. He has appealed to Chairman Muskie for increases in education and training and income security in consideration for House movement on Defense. Little movement has been forthcoming.

Receipts -- A \$2 billion gap still divides the two bodies. Chairmen Muskie and Giaimo will meet Monday morning, with the conference convening shortly thereafter. House staff are optimistic that the conferees will be able to reach agreement on many of the pending items. However, they predict the House will continue to refuse to accept a reconciliation directive.

If agreement is not forthcoming on Monday the House conferees could be discharged for having exceeded the period of time allowed by the Budget Act for them to come to agreement. If this happens there probably would be some effort to place responsibility for the failure with the Administration.

### 3. Endangered Species

After several discussions with Congressman Breaux we've reached a compromise on the one significant amendment over which we were at odds. We will not oppose the transfer of the Endangered Species Scientific Authority (ESSA) to the Bureau of Fish and Wildlife, in return for which Breaux will have it transferred intact without tampering with its charter or structure. The environmental groups with whom we've consulted regularly seem mollified over these developments, feeling we've done the best we could. Outlook for final passage seems good. The bill should be on the floor late this week.

We will likely reopen several issues once the bill gets to conference in hopes of improving our posture on the above-mentioned amendment, as well as on other strengthening amendments.

### 4. Alaska National Interest Lands

The Senate Energy and Natural Resources Committee continued consideration of S. 9 last week, and will resume mark up on Tuesday. The Committee is likely to report the bill this week, but the possibility of floor action during the remainder of this Session is uncertain.

Last week an amendment offered by Senator Henry Bellmon was adopted which would strike the provisions relating to National Petroleum Reserves in Alaska (NPRA) and which would provide for private exploration of the Arctic Wildlife Range, rather than the Government exploration currently in the bill.

Thursday the Committee discussed an amendment offered by Senator Ted Stevens which would cut an additional 130,000 acres from the proposed Misty Fjords area to accommodate the molybdenum mine claim of U. S. BORAX. The Committee came to no resolution on the amendment, and the vote is anticipated first thing Tuesday morning. We read the vote as a 9-9 tie, which would defeat the amendment.

5. Hospital Cost Containment

The House Rules Committee has tentatively indicated it will consider a rule for Hospital Cost Containment legislation the week of the 29th. The legislation is expected to come before the House sometime that same week.

WHCL is working on a floor strategy and is assigning Members to the Senior Staff and outside groups to be called.

## II. FOREIGN POLICY ISSUES

### 1. SALT II

After a week, the mark up of the SALT Treaty in the Senate Foreign Relations Committee has proceeded in deliberate fashion. The Republican side delayed the process by objecting to afternoon sessions and prolonging debate on individual amendments. Nevertheless, the pattern that is emerging is not an unfavorable one: We seem to have nine votes against "killer" amendments and even the worst case -- which would have us losing Glenn as well as Stone, Zorinsky and the four Republicans -- gives us an 8 to 7 margin. Two "killer" amendments have been introduced to date, one which would count the Backfire in the aggregates and another which would count Soviet Golf-class submarines. These were defeated by 9 to 6 and 10 to 5 respectively. We are working with Senator Glenn on a series of "clarifying" understandings for which Soviet accession would not appear to be necessary.

Senator Baker is expected to introduce early next week a series of amendments originally proposed by Jake Garn. The most appealing of these is a proposal that the United States be given the right to convert up to 308 lighter missiles to the heavier version the Soviets are permitted. Along with the Backfire proposal mentioned above, this "parity" amendment is expected to provide the major substantive thrust against the treaty when it reaches the floor of the Senate. We expect to defeat the proposal in Committee by a 9 to 6 vote.

Secretary Vance testified before the Senate Armed Services Committee on Thursday in a final wrap-up session. Senator Jackson and other Senators spent most of the time discussing Backfire-related issues. Jackson did not press on matters relating to the documentation the Administration has provided to the Senate. In a letter to John Stennis earlier in the week, Jackson asked for the original transcripts of the negotiations, the annotated Joint Draft Texts, and memoranda reflecting JCS views. We expect him to raise these procedural issues at some point and to charge the Administration with denying the Senate information which is vital to its consideration of SALT II. In fact, we have provided more information on SALT II than was provided on the Panama Canal Treaties and, within the bounds established by Executive Branch precedents, we have provided all information that could conceivably be of use to the Senate.

Meanwhile, Senator Robert Byrd continues to prepare the Senate for the floor debate. He has set up ad hoc subcommittees to study the defense spending and SALT II reductions issues and has met with a group of 15 Senators to discuss the mechanics for the floor debate. At this stage, we would expect the mark up to go on for another two weeks which, considering Byrd's plan to consider all energy legislation first, should fit in quite well with his schedule.

## 2. Foreign Aid Appropriations Conference

The Conference on the Foreign Aid Appropriations Bill is scheduled to convene on Tuesday (assuming Inouye returns in time from his Far East trip). We have been meeting with key members and staff to advise them of our priorities. The Senate bill is more favorable than the House bill in most respects. It does not contain "indirect" restrictions on the banks and has funded most programs at a higher level. This is not going to be an easy conference -- if the House gives in on the "indirect" question (not a foregone conclusion) it will undoubtedly hold out for its position on funding levels and other items. We have gained some relief in the budget conference in that the ceiling on outlays was raised \$100 million from the Senate level. Nevertheless, the Senate bill is still \$90 million over the ceiling in outlays and \$457 million over in budget authority. With the budget committees opposed to new supplementals which could break the function ceilings, we will be pressured to lower the overall level of the bill. Supplementals for Central America and possibly Kampuchea will also have to be accommodated under the Foreign Affairs function.

## 3. Kampuchean Food Relief

The Administration is coming under increasing criticism for failing to react quickly and dramatically to the human tragedy in Kampuchea.

Meanwhile, the Congress seems to be taking the initiative. The Republicans in the Senate want to send John Danforth off to study the tragedy first-hand. Senator Robert Byrd has asked Senators Baucus and Sasser to accompany Danforth. Next Wednesday, the House Foreign Affairs Committee expects to mark up authorization for \$35 million for Kampuchea recommended unanimously this week by the Wolff Subcommittee. An amendment covering Kampuchea has already cleared the Senate Foreign Relations Committee, but this amendment merely authorizes the transfer of \$30 million of the international disaster assistance program from other foreign aid accounts.

Our soundings on the Hill point to the conclusion that the House could accept the reprogramming of AID funds only if the Administration commits itself to seeking a supplemental appropriation to replenish the depleted AID accounts. However, the Committees with jurisdiction all agree that refugee funds should not be reprogrammed for disaster relief.

## 4. DOD FY 80 Authorization Bill

The conference report has been filed. We expect Senate floor action on Monday and the House will follow the first of next week. The Bill includes favorable Rhodesian language and a reasonable

agreement on overseas dependents and junior enlisted travel. It also includes the CVN. There was the usual shifting of some hardware programs, however our overall program requests fared well. The total authorized is \$41.39 billion, which is \$1.27 billion above your request (appropriation actions to date are below your request).

### III. MISCELLANEOUS

#### House and Senate Schedules

##### House

Energy legislation and the remaining appropriations bills are the top priority items for the House. The House is likely to remain in full session through November 16 when it will begin pro forma sessions. These will continue through December 10th. At that time the House will resume its normal business hours to finish consideration of various conference reports. The House will not be in session on November 5th and 6th (elections); November 12 (Veteran's Day) and the week of November 18-24 (Thanksgiving). They will likely adjourn December 21 not to return until January 22, 1980.

##### Senate

Senator Robert Byrd has few high priority issues of his own that he feels must be covered before adjournment. Aside from expiring authorizing and appropriating bills which have yet to be acted upon the Leader will want to deal with Hospital Cost Containment, the Energy Security Corporation, and Windfall Profits Tax. He will want to get all of these out of the way to devote full time to the SALT Treaty. Obviously this makes for a very cramped schedule.

The Finance Committee is not likely to get the WPT bill to the Senate floor until the week of October 29. The ESC bill will not be ready before that time. Both of these issues will be hotly contested and could require that the SALT debate be pushed further into November. We would be very surprised if debate on SALT began before mid-November if Senator Byrd keeps to his announced intentions of "clearing the legislative decks" before turning to SALT.

##### Senator Don Stewart

We continue to have serious problems with Senator Don Stewart. He has gone literally berserk in conversations with several agencies and Administration officials in the last two weeks. His charge is that we walked away from the helicopter training consolidation at Fort Rucker because of the Florida caucus -- a charge that is totally false. We are planning a high level meeting with him and your staff shortly, but there is little chance of a long term solution. Kennedy spent 45 minutes with him recently.

*Let  
Fritz  
talk to  
him*

House Schedule for Week of October 22

Monday

8 Suspensions

Endangered Species Act Authorization  
Supplemental Refugee Assistance Authorization

Tuesday

NY-NJ Port Authority Compact  
DOE Authorization FY '80  
International Sugar and Stabilization Act of '79  
Military Construction Authorizations

Conference Reports

Intelligence Authorization FY '80  
DOD Authorizations  
Emergency Energy Conservation Act '79

Wednesday, Thursday, Friday

Consolidated Farm and Rural Development Act  
Endangered Species Act Authorization  
Supplemental Refugee Assistance Act Authorization  
Agricultural Adjustment Act of 1979  
Panama Canal Authorizations FY '80  
Milwaukee RR Service Continuation  
FTC Authorization  
Milk Price Support Act  
Retirement Preference for Certain BIA Employees

THE WHITE HOUSE  
WASHINGTON

10/22/79

Hugh Carter

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

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON  
October 18, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER 

SUBJECT:

Combined Federal Campaign

Last year you signed a letter to the White House Staff asking for their support of the Combined Federal Campaign.

I have attached a proposed letter to the staff for us to use in this year's campaign.

If this letter is acceptable, I plan to have it distributed on Monday, October 22.

Thank you.

THE WHITE HOUSE

WASHINGTON

October 22, 1979

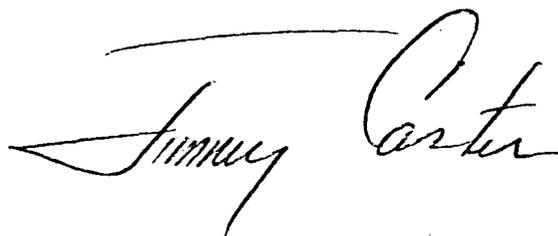
MEMORANDUM FOR THE WHITE HOUSE STAFF

The 1980 Combined Federal Campaign began at the White House on October 15, 1979. I am asking you to volunteer with me in a commitment to the Combined Federal Campaign of the National Capital Area. It represents our only official solicitation for a financial donation conducted in the White House to keep faith with those who need our help.

This campaign means a great deal in the personal lives of millions of people who are touched by the services of the 192 voluntary agencies supported by the CFC.

When we give, we are reaching out in a very personal sense, since it's our decision, to affect and to better the life of everyone served by the CFC agencies.

Please join with me this year in giving your fullest possible support to the Combined Federal Campaign, hopefully by a payroll deduction gift which will help people all year long.

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

THE WHITE HOUSE  
WASHINGTON

Phil had  
seen

THE WHITE HOUSE  
WASHINGTON

October 18, 1979  
5 p.m.

MR. PRESIDENT:

Lloyd Cutler plans to attend the  
foreign policy breakfasts as long  
as SALT is being discussed.

Approve  Disapprove

PHIL

**Electrostatic Copy Made  
for Preservation Purposes**

CAMP DAVID

October 20, 1979

Mr. President -

Jack Watson called with some good news ---

He talked with Jane Byrne and her husband  
today. With some difficulty schedule-wise --  
i.e. necessity to charter a plane -- she will be  
at the supporters dinner Wednesday evening.

fran



**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

Phil has  
seen

THE WHITE HOUSE  
WASHINGTON

P

Phil-

Tell Lukash-

probably 4:30

J

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

12.15

Mr. President:

Zbig has 5 minutes  
of info from the daily  
briefing he needs to  
share with you verbally.  
Shall I schedule just  
before lunch?

yes  no

Phil

**Electrostatic Copy Made  
for Preservation Purposes**

Phil has

seen

THE WHITE HOUSE  
WASHINGTON

10/22/79

Jack Watson  
Arnie Miller

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

Rick Hutcheson

TOGO WEST  
CHARLES RENFREW

THE WHITE HOUSE

WASHINGTON

October 18, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON

ARNIE MILLER

*Jack*  
*AM*

SUBJECT:

Presidential Appointment

We join Attorney General Civiletti in recommending Charles B. Renfrew, of California, to be the Deputy Attorney General.

Judge Renfrew is currently the United States District Judge for the Northern District of California and was appointed to this position in 1971.

RECOMMENDATION:

We recommend that you nominate Charles Renfrew, of California, to be the Deputy Attorney General.

✓ approve                      \_\_\_\_\_ disapprove

**Electrostatic Copy Made  
for Preservation Purposes**

CHARLES RENFREW

EXPERIENCE

1952-Present

U.S. District Judge of Northern  
California

1952-53

U.S. Army (1st Lt.)

1946-48

U.S. Navy

EDUCATION

J.D. Michigan State

A.B. Princeton University

PERSONAL

White male  
age 51

Place of Birth: Detroit, Michigan

Married, 3 sons, 1 daughter

Democrat

THE WHITE HOUSE  
WASHINGTON

10/22/79

Jack Watson  
Arnie Miller

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

Rick Hutcheson

TOGO WEST  
CHARLES RENFREW

THE WHITE HOUSE

WASHINGTON

October 18, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

ARNIE MILLER *AM*

SUBJECT:

Presidential Appointment

We concur with Secretary Brown in recommending Togo D. West, Jr., to be the General Counsel of the Department of Defense. Secretary Brown's memorandum is attached.

RECOMMENDATION:

We recommend that you nominate Togo D. West, Jr., to be the General Counsel for the Department of Defense.

approve

disapprove

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

October 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ALONZO L. MCDONALD 

You asked me last week to follow through on the progress of nominations for the Assistant Secretaries of Energy. There are currently no process delays. Any hold ups currently result from individual problems that must be worked out with the nominees themselves.

The situation on the nine stands as follows:

- o Three nominations have been submitted to Congress;
- o One recent DOE recommendation will come across your desk early next week for your approval;
- o Five are still in the clearance process. Of these, one has an IRS problem that is being worked out with the nominee; two require further FBI checks, and two are still working out potential conflict of interest problems with DOE and the White House Counsel's office. These will go forward as soon as their individual files are ready for Congressional review.

**Electrostatic Copy Made  
for Preservation Purposes**

12:30 PM

October 22, 1979

MEMORANDUM FOR THE PRESIDENT AND FIRST LADY

FROM: HAMILTON JORDAN *HJ*

SUBJECT: LUNCHEON GUESTS TODAY, MONDAY, OCTOBER 22, 1979  
FAMILY DINING ROOM  
RESIDENCE  
12:30 P.M.

DAN MILLER AND WIFE BETTE  
State President, AFL-CIO  
Florida

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Dan is a member of the International Brotherhood of Electrical Workers.

He organized the so-called "Freedom of Choice" slate. His efforts succeeded far better than anticipated, and now the bulk of remaining uncommitted delegates are labor.

Neutral, but leaning toward Carter/Mondale. Would probably be helpful for you to discuss the enthusiastic response you received at the Building Trades Convention in San Diego.

CLARENCE MITCHELL AND WIFE JUANITA  
Lawyer, retired Washington Representative  
of NAACP  
Baltimore, Maryland

During the Congressional Black Caucus dinner period, he was very helpful to and outspokenly defensive of you.

Both Clarence and Juanita are now practicing law.

JERRY WURF AND WIFE MILDRED  
President, AFSCME

He is remaining publicly neutral, occasionally taking public shots at the Administration. However, he privately encouraged the AFSCME Florida President to work on your behalf on October 13th.

He has no significant ties to Senator Kennedy. His

closest friend in labor for years has been Paul Hall, our steadiest supporter in labor.

Jerry should not be pushed -- he will eventually join the Carter/Mondale Labor Committee.

ROBERT HEON AND WIFE BERTHA

State Liquor Store  
Somersworth, New Hampshire

A long-time Democrat, highly respected in his community. More a community leader than a political leader.

Mayor George Bald, a supporter of yours, recommended that Heon be invited in.

SENATOR JASON BOE AND WIFE KATHRYN

President, State Senate  
Oregon

He was one of the national leaders of the Constitutional Convention movement, although that involvement was not because of any allegiance to Governor Brown.

He is working for us on SALT; was recently appointed by you to the Advisory Commission on Intergovernmental Relations. Fairly conservative.

He has told Gene Eidenburg that he is committed to you, but he is not yet publicly supportive.

EMIL PAVICH

State Representative  
Council Bluffs, Iowa

Single; blue collar worker in a cereal factory. Life-long resident of Council Bluffs where he is something of a folk hero.

A straight-forward, no-nonsense person; interested in transportation, particularly railroads.

He will probably be very uncomfortable in the setting. He at first turned down your invitation, but called back later to accept, saying his campaign manager suggested it would be good for his campaign.

BILL WRIGHT AND WIFE KATHLEEN  
Director, Public Affairs  
Goldruss Drilling Company  
Houston, Texas

Bill is an assistant to Jack Warren; both are helping prepare for the First Lady's dinner in Houston on October 29th.

He was an assistant to President Johnson during the transition from Washington to private life. He was active in the campaigns of Briscoe and Krueger. Was appointed to Board of Regents of University System by Governor Briscoe. He is also close to Senator Bentsen.

DR. HARVEY SLOANE AND WIFE KATHY  
Louisville, Kentucky

Defeated in gubernatorial primary earlier this year. Harvey felt that we worked behind the scenes against him, or at least for one of his opponents.

He is an old friend of the Kennedy's and was one of the hosts for Senator Kennedy during the Louisville visit last week.

He is also scheduled to meet with Jack Watson today on a rural health project.

HAM. a) IT'S A  
VERY POOR LETTER.  
b) MY SIGNING IT  
WOULD PREVENT AN  
EFFECTIVE LETTER  
OF OUR OWN THIS  
YEAR.  
c) SEE ME - J

22 October 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

HAMILTON JORDAN *HJ*

SUBJECT:

DNC Fundraising Letter

The DNC requests that you permit them to send out the attached fundraising appeal. The DNC and the Campaign have agreed that this will be the last fundraising appeal sent out in your name by the DNC between now and the Convention, to avoid interfering with the Campaign's fundraising plans.

The proposed letter has been cleared by the DNC, the Campaign and the speechwriters. I recommend that you approve its use.

\_\_\_\_\_ approve letter

\_\_\_\_\_ approve as amended

\_\_\_\_\_ disapprove

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JIMMY CARTER  
WASHINGTON, D.C.

Dear Friend:

In the hard months of work that led to my gaining the Democratic Presidential nomination in 1976, I spent countless hours in the homes of many, many Americans. I listened to your comments about our country and the ideas you had about the role a President should play to revive the American spirit and ensure the American way of life.

I listened and I learned. By adopting many of your ideas in the past three years, much has been accomplished. We have had some setbacks, but I am confident of our ability -- the Administration, the Congress, our party's Governors and Mayors -- to coalesce and make good the pledges and the commitments we Democrats have made to the people.

I have been listening and learning in the past few months as well. From coast to coast, I have made speeches about the greatness of our country and the need for a new energy program. The people tell me, and they are telling the Congress, that this is a crucial time in our nation's history. We are in a period of transition, of fundamental change.

It is also a crucial time for the Democratic Party. In every time of change, it has been the Democratic Party that has been called upon to lead the American people. It has been we Democrats who have been free of crippling fear, of trepidation, or doubt.

America turned to us in 1976, and now we must meet the challenge of the 1980's as a united, vigorous, and spirited Democratic Party. The eight years of Republican rule that preceded 1976 could not erase what we had begun to build in this country.

But eight years of Republican rule could and did damage the faith of the American people in our own Government and in the very institutions of democracy. It is difficult for some of us to recall clearly how devastated our nation was four and five years ago. We inherited illegalities and embarrassments, confusion, deprivation, and deep unemployment.

We have tackled the tough issues, no matter what the political consequences might be. Energy, inflation, unemployment, housing, mass transit and agriculture have occupied the highest places on our priority list.

With the assistance of a Democratic-led Congress, we have created eight million new jobs.

We have increased job programs for the poor and minorities ten times greater than that of the Ford Administration budget while cutting the unemployment rate by 25 per cent.

We have cut the unwarranted intrusion in the private enterprise system by government while eliminating many wasteful and irritating regulations.

And we have boosted business and agricultural profits.

We have done all these things while cutting the Federal deficit by more than 50 per cent.

We have much more to do. We have to cut inflation and protect the dollar. But we are not going to do it with any politically expedient "quick fixes" that will sacrifice jobs and employment opportunities. The Democratic party never has and never will turn its back on the working men and women of America.

This Administration's concern with human rights, here and abroad, takes its roots from the policies of the Democratic Party. We have chipped away at decades of neglect and insensitivity. SALT II, the Panama Canal treaties, normalization of relations with China and peace in the Middle East are direct products of this Democratic philosophy.

I am personally proud of our accomplishments both abroad and at home and I think every American should share in that pride.

While I would never expect you to agree with every recommendation I make, I don't think the issue here is whether government has solutions we support 100 per cent -- but whether it offers any solutions at all.

This country was not founded by men and women who said, "Me first, last and always." And it will not be preserved by those who say, "I must have everything that I want and I must have it now."

If impatience prevails, if frustration prevails, if selfishness prevails-- then the special interest groups we have been fighting together will prevail. These weaknesses are what the special interests are counting on. And I am counting on you.

To win these fights, I need allies, the Democratic Party is such an ally and it needs and must have your financial support to carry on its valuable work. Your contribution of \$20, \$50, \$100 or whatever you can afford will help the Democratic Party succeed in pulling together the leadership this nation needs.

Please help me and every Democratic elected official by offering your generous support to the Democratic National Committee today.

Sincerely,

Jimmy Carter

THE WHITE HOUSE

WASHINGTON

10/22/79

Frank Moore  
Bob Maher

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

Rick Hutcheson

JIM WRIGHT

JACK BROOKS

*Frank J*

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THE WHITE HOUSE

WASHINGTON

October 17, 1979

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CONGRESSIONAL TELEPHONE REQUEST

TO: Rep. Jim Wright and Rep. Jack Brooks  
DATE: As soon as possible, by 5:30 p.m., October 17  
RECOMMENDED BY: Frank Moore *F.M./BR*  
Bob Maher *MAHER*

BACKGROUND:

Lobbyists for the hospitals have done an excellent job in contacting members during the past several recesses and continue to do so.

Some of the information passed on is not correct, but this is hurting us. Many members are committed or leaning against us, for instance, because they have been told that their state is doing well under the voluntary effort. In most cases this is not true. Were it true, their state would be exempt.

We need to get some heavy duty horses backing our legislation. We need help in Texas.

The Texas hospital association is very active and very strong. The members we have touched so far indicate a great deal of pressure here. The biggest argument is that Texas is doing well. They are not meeting the voluntary goal which the American Hospital Association set (11.6%) but are doing better than many states.

The attached chart shows the Texas story. The top line is the important one and should be used only to rebut the "we are doing fine" argument. These statistics are the most recent HEW has.

TALKING POINTS:

Jim Wright, I am sure, knows the Speaker is supporting the bill. But you should tell him that you need his help in Texas and with the

*Jim will check status & will help in Texas delegation. WH mty re Texas hospitals -*

*Jack is doubtful. Says he understands Texas hospitals are much better than U.S. average. Will reexamine when he returns to U.S. from Canada*

*Ps. Data are confusing to me*

moderate and conservative members. Ask specifically if he will work the Texas delegation and other Southern members.

Tell him that this is a high priority. That it is the only anti-inflation legislation we have going. We are trying to balance the budget and this will help.

Stress your record on de-regulating and point out that conservatives on Ways and Means backed it because it has a sunset provision and a one-house veto.

Tell Wright that he is your key on this because we need to hold the conservatives and moderates and he is the only fellow who can deliver on this.

Jack Brooks is very proud of the work he did with you on the Department of Education. He likes the idea of beating the odds and the idea of being the lead horse.

If Wright says he will work the Texas delegation, then tell Brooks that Jim need his help in the state and with the other members.

You should make the same points about why conservatives went with it in Ways and Means and that this is the highest domestic issue beyond energy.

I. RATE OF INCREASE IN HOSPITAL COST

INCREASE IN TOTAL EXPENSES, 1978 OVER 1977	12.6%	15.3%
INCREASE IN TOTAL EXPENSES PER ADMISSION, 1978 OVER 1977	11.4%	10.3%
INCREASE IN TOTAL EXPENSES PER DAY OF PATIENT CARE, 1978 OVER 1977	11.7%	11.5%
INCREASE IN TOTAL EXPENSES IN SMALL, NONMETROPOLITAN HOSPITALS, 1978 OVER 1977	11.4%	13.6%
INCREASE IN TOTAL EXPENSES IN OTHER THAN SMALL, NONMETROPOLITAN HOSPITALS, 1978 OVER 1977	12.7%	15.5%

II. LEVEL OF HOSPITAL COSTS

COMMUNITY HOSPITAL EXPENSES PER CAPITA, 1978	\$ 267.	\$ 229.
COMMUNITY HOSPITAL EXPENSES PER ADMISSION, 1978	\$ 1473.	\$ 1161.
COMMUNITY HOSPITAL EXPENSES PER DAY OF HOSPITAL CARE, 1978	\$ 194.	\$ 177.
COMMUNITY HOSPITAL EXPENSES ADJUSTED FOR AREA WAGES, PER CAPITA, 1978	\$ 269.	\$ 245.
COMMUNITY HOSPITAL EXPENSES ADJUSTED FOR AREA WAGES, PER HOSPITAL ADMISSION, 1978	\$ 1484.	\$ 1245.
COMMUNITY HOSPITAL EXPENSES ADJUSTED FOR AREA WAGES, PER DAY OF HOSPITAL CARE, 1978	\$ 196.	\$ 189.

III. HOSPITALS

TOTAL COMMUNITY HOSPITALS, 1978	5846.	504.
ESTIMATED NUMBER OF TOTAL COMMUNITY HOSPITALS EXEMPTED ON BASIS OF 1978 DATA	3865.	320.
NUMBER OF HOSPITALS AVERAGING UNDER MARKET BASKET +1.8 PERCENT IN TOTAL EXPENSES IN 1978	2304.	185.
NUMBER OF SMALL, NONMETROPOLITAN HOSPITALS, 1978	2195.	214.

IV. HOSPITAL UTILIZATION AND POPULATION

AVERAGE LENGTH OF STAY, 1978	7.6	6.6
ADMISSIONS PER 100 PERSONS, 1978	15.8	17.6
PATIENT DAYS PER 100 PERSONS, 1978	120.2	115.9
INCREASE IN POPULATION, ESTIMATED, 1980 OVER 1979	0.8%	1.2%
INCREASE IN ADMISSIONS, 1978 OVER 1977	0.7%	3.9%
INCREASE IN PATIENT DAYS, 1978 OVER 1977	0.4%	2.9%

V. HOSPITAL BEDS AND CAPACITY

BEDS PER 1,000 POPULATION, 1978	4.5	4.7
HOSPITAL OCCUPANCY RATES, 1978	73.6	67.8

VI. WAGES AND EMPLOYMENT

AVERAGE PAYROLL EXPENSE PER FTE EMPLOYEE, 1978	\$10926.	\$ 9192.
PAYROLL EXPENSES AS A PERCENT OF TOTAL EXPENSES, 1978	51.1%	47.9%

THE WHITE HOUSE

WASHINGTON

October 22, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M.*

SUBJECT: Kreuger Nomination

This is to alert you that the vote on the Kreuger nomination this afternoon at 5:00 will be very close. We believe Tower has virtually all the Republicans against us. Zorinsky and Glenn are also against us. Tate and Beckel are working the vote, along with State.

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THE WHITE HOUSE  
WASHINGTON

Phil has  
seen

2:30 pm

THE WHITE HOUSE  
WASHINGTON

Mr. President:

Jim McIntyre called to ask for time today to explain the budget deficit situation. He has a scheduled meeting with you wednesday but felt you should be briefed earlier than wed.

approve 15 minute meeting  
 disapprove

Phil

*no longer*

*J* Electrostatic Copy Made  
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3:00 PM

THE WHITE HOUSE  
WASHINGTON

October 19, 1979

BRIEFING ON WINDFALL PROFITS TAX FOR COMMUNITY LEADERS  
FROM ARKANSAS, COLORADO, ILLINOIS, IOWA, LOUISIANA, MINNESOTA,  
MISSISSIPPI, MONTANA, NEBRASKA, OHIO, AND MICHIGAN

Monday, October 22, 1979  
3:00 p.m.  
The East Room

FROM: Anne Wexler 

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I. PURPOSE

To educate a group of prominent community leaders from Arkansas, Colorado, Illinois, Iowa, Louisiana, Minnesota, Mississippi, Montana, Nebraska, Ohio and Michigan on the Windfall Profits tax, with the expectation that these leaders will carry our message back to their home states.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background

This is the second in a series of Windfall Profits tax briefings for community leaders from key states. The persons in attendance were generally selected because of their ability to influence public opinion in the states of Arkansas, Colorado, Illinois, Iowa, Louisiana, Minnesota, Mississippi, Montana, Nebraska, Ohio and Michigan.

B. Participants

Approximately 250 people are expected to attend. In general the audience will consist of political leaders, labor leaders, state and local elected officials, and representatives of the elderly, low income, public transit constituencies. Many of the participants are especially interested in the utilization of the money for transit and low income assistance.

C. Press Plan

White House Photo and Press Pool for the first five minutes of your remarks. In addition, several members of the press will be in the audience for the entire briefing, including all of your remarks. They represent media outlets in the home states of the participants.

### III. AGENDA

When you arrive, Stu Eizenstat will be answering questions from the audience at the completion of a one-hour briefing.

After you make your remarks and (if you choose) take questions, there will be a reception in the State Dining Room. (See attached agenda.)

### IV. TALKING POINTS

Talking points are attached.

ENERGY AND THE WINDFALL PROFITS TAX  
BRIEFING FOR COMMUNITY LEADERS

October 22, 1979

The East Room

2:00 p.m.	Opening Remarks	Anne Wexler Assistant to the President
2:05 p.m.	Energy and the Windfall Profits Tax	Stuart Eizenstat Assistant to the President
2:30 p.m.	Questions and Answers	Stuart Eizenstat
3:00 p.m.	Remarks	The President
	Reception -- The State Dining Room	



THE WHITE HOUSE

WASHINGTON

October 19, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
KITTY SCHIRMER

SUBJECT: TALKING POINTS FOR CITIZENS ENERGY BRIEFING

Attached are suggested talking points for the citizens briefing on the windfall profits tax and the Administration's energy program for your use Wednesday afternoon. The talking points are deliberately restrained in their characterization of the Senate Finance Committee's action on exemptions from the tax, even though the Finance Committee has basically completed its work. As you know, Secretaries Duncan and Miller, Anne, Frank and I strongly recommend that you avoid an attack on or strong criticism of the Committee's actions beyond the statement issued today. Copy attached.

I recommend that you use the same talking points which you used at the October 10 citizens energy briefing. They are attached.

Office of the White House Press Secretary

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am pleased that the Senate Finance Committee has approved the windfall profits tax. The Committee has adopted the basic framework I proposed, dedicating the proceeds of the tax to important energy-related purposes, such as low-income assistance and public transportation, as I urged.

While I am pleased that the Committee has rejected a number of major exemptions from the tax, I am also disappointed with some of the exemptions that were adopted. I do not believe they are cost-effective. They would insure little additional crude oil production, while losing billions of dollars of revenue for the public. I will work for the elimination of these exemptions.

The Committee has produced a constructive bill that we can continue to strengthen on the Senate floor and in conference.

# # #

## TALKING POINTS

1. Since the day I took office, development of an energy program to see our nation through a transitional period of tight and even scarce oil supplies has been a top priority of my Administration. The reason that I have attached such importance to the energy issue is straightforward: adequate and reliable supplies of energy, especially from our own domestic resources are essential if this country is to remain both free and prosperous. The strength of America's voice around the world, the strength of our currency, the health of our economy and our ability to lick inflation depend in large part on whether we are able to overcome our dangerous dependence on imported foreign oil.
2. The gasoline lines and diesel fuel shortages we saw last spring and early summer have abated. Our heating oil supplies, seriously depleted earlier this year, have been rebuilt to levels adequate to meet this winter's needs. We have made some progress toward the resolution of very difficult issues such as natural gas pricing and reform of utility rate structures. We have put in place tax credits for installation of solar and energy saving devices in our homes and businesses, and we have revamped our ability to convert utility and major industry oil and gas consuming facilities to coal. I have begun the process of gradual decontrol of crude oil prices to put an end to a system which encouraged rather than discouraged additional crude oil imports, and which dampened rather than accelerated domestic production. These are all important steps toward returning the future direction of American energy policy to American control. But we have not yet completed Congressional action on a program which will permit us to make urgently needed investments in America's energy future. It is this remaining agenda which I want to talk to you about today.
3. First, it is important to understand the nature of the problem which we face. Almost half of the crude oil we need to make heating oil, gasoline, and other petroleum products comes from overseas. More than two-thirds of those imports come from the OPEC countries -- countries whose pricing and production policies we do not control. If one or another of those countries decides to cut back production, or, as occurred last winter in Iran, is torn by internal turmoil which stops production of crude oil, we and the other oil consuming nations of the world feel that impact in supply shortages. When the OPEC nations decide, as they did last June, to raise dramatically their crude oil prices, our economy feels that shock, and each one of us feels it at the gas pump or in heating oil bills.

4. The program which I outlined last July 16 in Kansas City is a program designed to cut that cord of dependence on foreign supplies of oil. It is designed to ensure that we never again import as much oil as we did in 1977 and that all new demands for energy in the U.S. is met from American conservation or American sources. We have enormous natural and human resources. The United States has the largest coal reserves in the free world. We have the equivalent of another Alaskan north slope if we act to retrofit our homes and buildings. We have a workforce whose skill and dedication is unmatched anywhere else in the world. And we have that enormous technical genius and inventive capacity which has led all other nations in the modern era. Harnessing these forces, and pulling together to cut our foreign oil dependence will require major new investments in America's energy future -- investments which are unparalleled in peacetime.
5. At the heart of this program is the windfall profits tax to recapture for all Americans some of the profits which would otherwise accrue to the oil industry as a result of phased decontrol and the rapid increases in world oil prices dictated by the OPEC cartel. The decontrol program I have proposed will provide important new incentives to find new oil supplies and to better and more fully develop known reserves. The windfall profits tax I have proposed is carefully tailored to make sure that incentives are provided where they are truly needed to increase domestic production. But where a windfall would occur -- for example in an existing well which does not require substantial new investment to maintain current levels of production -- a portion of the price increase that decontrol will bring can and should be captured for investment on behalf of our entire nation.
6. I'd like to talk to you specifically about some of those needs. First is how we assist the least fortunate in our society in coping with the rising costs of energy. I have recommended to the Congress a program which, when fully effective, will provide \$2.4 billion per year to assist low income families and those living on fixed incomes such as many of the elderly, meet their energy bills. This assistance will reach over 7 million needy households in this country who otherwise may have been forced to choose between food and fuel. The need for assistance will begin this winter, and I have already asked the Congress for \$400 million out of general revenues for the crisis assistance program to help pay heating bills when otherwise services would be shut off. I have also sent a request to Congress for an additional \$1.2 billion to help low income households meet their heating needs this winter. It is now up to the Congress to act on these supplemental requests and on the windfall profits tax which will provide us with the revenues to pay for the grant program.

7. The second need is additional incentives for conservation. While tax credits are now available to help homeowners and businesses make conservation investments, additional assistance is needed to help those homeowners who cannot take full advantage of tax credits. The Department of Energy and my own staff are now working with Congressional leaders to put in place a program which will provide \$6 billion in assistance in the form of loan subsidies to moderate and low income families across the nation. It is still cheaper to save a barrel of oil than to produce one, and investments in conservation will continue to pay dividends year after year in keeping basic energy requirements to a minimum.
8. Over half of the oil used in the U.S. goes for transportation. Nowhere is the need for new investments clearer than in America's public transit facilities. We need new busses to expand or upgrade the services which our cities and communities provide. Where rail systems are under construction, those need to be accelerated. In the case of some of our older cities, rail transit need to be refurbished or expanded. I have proposed that we invest some \$13 billion over the decade of the 1980's in new transit facilities which will help us save more than 250,000 barrels of oil per day by 1990. We will also spend an additional \$3.5 billion to improve the efficiency of our automobiles and the way we use them.
9. We must also accelerate our efforts to find alternatives to the oil we must now import. I have proposed the establishment of a National Solar Energy Bank to be funded at \$200 million each year for the next ten years. This will let homeowners and commercial building owners make use of solar technologies which are available now to help cut use of oil, natural gas and electricity. In addition, we have proposed tax credits to stimulate investments in renewable resources such as the sun, wind energy, wood stoves, and gasahol.
10. Coal too has a critical role to play in reducing our national dependence on oil. We have proposed to accelerate utility use of coal as a substitute for the oil they now burn and will provide assistance to utilities in meeting those costs in order to mitigate the electric rate increases which would otherwise occur. And I have proposed the creation of an Energy Security Corporation to help the private sector invest in new technologies for making more useable liquids and gasses from coal and other organic matter and to develop our heretofore untapped supplies of unconventional natural gas.
11. I have confidence in America and our ability to make the right choices now for our future. But it will take courage to make those decisions, and the windfall profits tax to pay for them. We need a windfall tax that is balanced between legitimate production needs and the need to develop all the other sources of new supplies I have just mentioned. When we consider

exemptions from the windfall tax or new tax credits, we must look at whether those exemptions can meet our goals for reducing oil imports. I believe that the tax which I sent to the Congress last April meets the basic test of equity and fairness and we must all work through the legislative process to ensure that the final product of Congressional action also meets those criteria.

3:00 PM

THE WHITE HOUSE  
WASHINGTON

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October 19, 1979

BRIEFING ON WINDFALL PROFITS TAX FOR COMMUNITY LEADERS  
FROM ARKANSAS, COLORADO, ILLINOIS, IOWA, LOUISIANA, MINNESOTA,  
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The East Room

FROM: Anne Wexler *AW*

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( 3:00 p.m )

THE WHITE HOUSE  
WASHINGTON

October 22, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL *JP*

Kitty and Stu approve of the attached language, although they think the drug addict analogy may be a little harsh.

They wish to emphasize again that you should not directly attack the Finance Committee bill or the oil industry as a whole. They say the industry is now divided and an across-the-board attack on the "oil lobby" or special interests could force them together.

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Our country is in danger of becoming like a junkie on the city streets -- selling our economic life blood to feed our addiction to imported oil. We must kick the habit and a strong windfall profits tax is the only way to do it.

\* \* \*

The Finance Committee bill is a beginning -- but it must be strengthened -- and I need the help of every concerned American. We will fight on the Senate floor and we will fight in conference -- every step of the way -- to the last vote to strengthen that ~~bill~~<sup>tax</sup> and give this country a workable, adequately financed energy program.

\* \* \*

New oil company profit figures will be made public in the next few days. I predict to you that those profits will be enormous. When those figures come out, it will be clear to every American that this ~~bill~~<sup>tax</sup> should be -- must be strengthened.

But the only way we will get a stronger ~~bill~~<sup>tax</sup> is if  
the voice of the people is heard on Capitol Hill.

But I also predict to you that there will be attempts  
made to weaken that ~~bill~~<sup>tax</sup> and add to those already enormous  
profits -- we must defeat those efforts and with your support  
and the support of an aroused public, we will succeed.

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